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PROCEEDINGS AND DEBATES OF THE 99th CONGRESS, FIRST SESSION

SENATE—*Tuesday, July 23, 1985*

(Legislative day of Tuesday, July 16, 1985)

The Senate met at 2 p.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

"Dear God, give me the guidance to know when to hold on and when to let go and the grace to make the right decision with dignity."

Father in Heaven, that simple, anonymous prayer is profound in its implications and relevance to the tug and pull, hold-on and hold-out aspects of the present budget conflict. Lord, you know the hearts, minds, motivation and reasons of each on every side of this complicated, multifaceted issue. As the Senate, the House of Representatives, and the White House contend for their positions, dissolve attitudes and arguments which are intransigent and indifferent to the merits of the issue. Forbid it, Lord, that the Nation and its future should be hostage to debate that has no resolution. May truth and justice prevail. Guide to decision which will guarantee the welfare of the people and the prosperity of the Republic. In His name who is virtue incarnate. Amen.

RECOGNITION OF MAJORITY LEADER

The PRESIDENT pro tempore. The distinguished majority leader is recognized.

SCHEDULE

Mr. DOLE. Mr. President, under the standing order, the leaders have 10 minutes each, to be followed by special orders, not to exceed 15 minutes each, for the following Senators: Senators PROXMIRE, HART, HATFIELD, MATTINGLY, and EVANS.

If time permits, there will be routine morning business, not to extend beyond 3 p.m.

At 3 p.m., a live quorum will begin, under the provisions of rule XXII of the Standing Rules of the Senate, to be followed by a vote on the cloture motion to proceed to S. 43, the line item veto.

Rollcall votes are expected today. We could have more than one rollcall vote today.

Shortly after the vote on cloture or at a later time this afternoon or evening, it will be the majority leader's intention to proceed to the consideration of S. 876, veterans' health care bill, if cleared by unanimous consent.

I also indicate that there are a number of other bills we hope to dispose of this week, including, but not limited to, the following: Senate Joint Resolution 77, compact of free association; S. 1404, Japanese trade practices; S. 367, veterans' judicial review; S. 876, veterans' health care; S. 410, Conservation Service Reform Act. I also understand that airport security legislation is in the process of being worked out.

It is still my hope that the farm bill, S. 616, will be available, at least for debate and opening statements on Friday.

There are some other measures. Perhaps not this week but next week we will have at least two appropriations bills—the legislative appropriations bill and the energy and water appropriations bill—and maybe the supplemental appropriations conference report.

I have discussed the FTC authorization bill with the distinguished chairman of that subcommittee, the Senator from Wisconsin [Mr. KASTEN], and the consumer products safety authorization. He would like to dispose of both those bills. I understand that the Senator from Iowa [Mr. GRASSLEY] has an amendment to the FTC authorization. I urge him to try to work out any problem he may have with the Senator who will manage those bills, Senator KASTEN.

I indicate that these are not, for the most part, major items of legislation; but we will have a very busy schedule in September and October, and some of these matters could slip and fall by the wayside. We have time in the next 10 days to deal with almost every one of the legislative items, and I hope that every Senator on both sides of the aisle will cooperate with us so that we might dispose of as many measures as possible.

(Mr. EVANS assumed the Chair.)

ORDER OF BUSINESS

Mr. DOLE. Mr. President, I reserve all but 5 minutes of my time, and I yield 5 minutes to the distinguished Senator from South Carolina [Mr. THURMOND].

RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER. The distinguished Democratic leader is recognized.

Mr. BYRD. I ask unanimous consent that I may reserve the remainder of my time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. I yield the floor.

The PRESIDING OFFICER. The Senator from South Carolina.

CRISIS IN THE TEXTILE INDUSTRY

Mr. THURMOND. Mr. President, almost daily, textile mills are closing or curtailing production. I hold in my hand a news article entitled "Springs Industries to Lay Off 100 at Kershaw Plant." The article reads as follows:

Springs Industries will lay off about 100 employees in two weeks when the company begins phasing out one-third of its weaving operation at its Kershaw plant.

Robert E. Slough, director of public relations for the Fort Mill-based textile firm, said the employees—mostly weavers, loom maintenance personnel and cloth inspectors—were notified of the layoff Tuesday.

He said about 550 employees will remain at the plant when the phaseout of 357 of the plant's 944 weaving looms is complete.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Slough said the layoffs and decrease in production are caused by import competition.

"The apparel fiber industry has been under great pressure from imports," he said.

Mr. President, that is the word we are getting almost every day from the textile mills and the apparel industry. The apparel industry is in every State in this Nation. These people are losing their jobs.

I want to see trade with other countries, but fair trade, not the kind of trade that closes down industries in our own country and puts people out of jobs by the thousands. In my State alone, we have lost more than 20,000 jobs in the last year or two. Nationwide, we have lost hundreds of thousands of jobs.

Mr. President, the textile industry—textile and apparel—employs over 1 million people.

As I say, it is in every State in the Nation and we are going to find they are going to begin to lay off in all the States. In fact, they are doing it now. Employment is way down. I hope the administration will wake up before it is too late because if it does not do so, these people have to go on relief unless they can get some other work.

Mr. President, it is inexcusable to follow a policy that allows thousands and thousands of Americans to lose their jobs simply because we allow excessive imports to come into this country.

We felt that the commitment the President made, which his people have not carried out, to allow import growth in proportion to the domestic growth was a fair arrangement. That is all we are asking. We are not asking to keep out all imports. We simply want the domestic growth to be in the same proportion as the import growth. We feel that is fair, we feel it is just, and we feel it should be done.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER. Under the previous order, the Senator from Wisconsin is recognized for not to exceed 15 minutes.

THE GREAT SOVIET COMPUTER FLOP AND ARMS CONTROL

Mr. PROXMIRE. Mr. President, the Soviet Union is in big economic and military trouble. That intelligence does not come from counting troops or nuclear missiles or subs or tanks. It comes from the most significant recent improvement in economic and military capability in the past 25 years. The efficiency of economic production today depends much more on rapid fire gathering, organizing, directing and communicating information than ever before. Why? Because we are now in the computer age. Forty years ago we did not have this computer efficiency. Since 1976 literally 100 percent of industrial plants employing 500 or more in the United States had main frame computers. That is nearly a full decade of U.S. industrial total computerization. Today less than one-third of Soviet plants of similar size have main frames. In the July 8, 1985 issue of Fortune magazine, Daniel Seligman tells the story in an article he titles: "The Great Soviet Computer Screw Up." Seligman writes:

Soviet industry is in big trouble with computers. Its hardware isn't modern. Breakdowns occur endlessly. The telecommunications are terrible. And Soviet managers have lots of sneaky reasons for not wanting effective information systems.

Seligman goes on to observe:

At the enterprise level, the Russians have generally failed to exploit the fantastic efficiencies made possible by the new electronic technology, and this failure is a major reason for expecting the gap between the Soviet and Western economies to keep widening.

This is bad news for the Russians, Mr. President. From a military standpoint it is great news for the United States. First, our main adversary lacks now and will continue to lack for years to come the ability to pull their centralized totalitarian economy into the modern efficient system that characterizes American industry. Military strength depends on economic as well as technological and military training capability. So on the economic front our major adversary not only must do with an economy whose economic strength measured by its gross national product is only about 55 percent of the American economy. It also must stagger along with an economy that lacks the ability to run that much smaller economy with the modern efficiency that only a strong computer base can provide.

Of course, computers are vital today for industrial efficiency. They are also critical for efficient military operations. Obviously, this is true in command and control. It is also vital in the operation of military units as diverse as large capital ships, aircraft, organizing and directing troop deployment, and in virtually every aspect of nuclear missile guidance, tracking and control.

We have become familiar with other failings of the Russian military force. Alexander Cockburn's book "The Threat" spelled out in detail the crucial moral and training failures of a Russian military with a far lower level of education, technical skill, and even sobriety than the American military.

We have watched the 5 year fiasco suffered by the Russian military force in wandering around primitive and weak Afghanistan with so little success. The Defense Department itself reported to Congress just last March that the Soviets trail this country in 15 out of the 20 prime military technologies and are superior to the United States in literally none.

Mr. President, the last great superpower war was fought 40 years ago. Since then there has been a series of technological revolutions in military power and efficiency. How do the superpowers and their respective alliances stack up in this new technological age? The answer is easy. It is obvious. The United States and the NATO alliance have surely achieved a solid technological and military as well as economic advantage over the Soviet Union and the Warsaw Pact.

Again and again we hear leading administration figures telling Congress that we must build up the military before we negotiate an end to the nuclear arms race with the Soviet juggernaut. We have been fed the myth that the Russians somehow have a military advantage that might be frozen in place if we stopped nuclear weapons testing, production, and deployment.

The article in Fortune magazine on "The Great Soviet Computer Screw Up" provides additional evidence that the Russians are not 10 feet tall, that we can stop the arms race, stop it now and in the process both save hundreds of billions of dollars of military spending and provide greater military stability and security.

Mr. President, I ask unanimous consent that that article to which I have referred in the July 8, 1985, issue of Fortune magazine by Daniel Seligman be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Fortune, July 8, 1985]

THE GREAT SOVIET COMPUTER SCREW-UP

(By Daniel Seligman)

With some kicking and screaming along the way, the business managers of the Western world have long since adapted to computers. No sizable capitalist enterprise could be competitive nowadays without computer-driven management information systems—what the data-processing department calls MIS. A problem that Mikhail Gorbachev must find maddening these days, as he looks around for ways to cure the sick Soviet economy, is his country's broad failure in MIS. With every year that goes by, it is increasingly apparent that Soviet industry has fundamental problems with computers. Russian managers aren't exactly kicking and screaming, but they also aren't adapting very well.

Computers present several challenges to the Soviet leadership. Presumably it worries about the military implications of the U.S.S.R.'s inferiority in computer hardware. Gorbachev must also be concerned about the computer's implicit threat to the official Communist monopoly on ideas: a few Apple II computers hooked up to printers could make instant best-sellers out of dissident literature. So just about all computers in the Soviet Union are closely guarded in state-run institutions. Americans worry about hackers electronically breaking into institutions and gaining access to various business and military secrets. In the Soviet Union,

things are reversed: the state's problem is to prevent any computer users from breaking out of the institutions.

Thus far, at least, the regime seems to have dealt effectively with these widely publicized problems. It has been reasonably successful in stealing and otherwise acquiring Western technologies with military applications. And the KGB seems to have had little difficulty in preventing dissidents from getting their hands on printers and other duplicating devices. But the problem posed by computers for Soviet enterprises—the state-owned counterparts of Western corporations—is another matter. At the enterprise level, the Russians have generally failed to exploit the fantastic efficiencies made possible by the new electronic technology, and this failure is a major reason for expecting the gap between the Soviet and Western economies to keep widening.

Among those who have been most closely tracking the record at the enterprise level is a team at the University of Arizona's College of Business and Public Administration, under the direction of Seymour E. Goodman. The team's members have worked hard at interviewing the occasional Soviet émigré who is knowledgeable about information systems; most of their data, however, are based on exhaustive analysis of Soviet technical journals. Professor Goodman, who was recently in Brussels briefing NATO officials on Soviet computers, believes the Russians are deeply distressed by their shortcomings. "They sit there and watch this competition between Japan and the West over development of a fifth generation of computers," he observed recently. "They know they can't just sit out the contest. They know they have to at least look as though they're doing the same kinds of things, but that's not easy."

Their problems begin with the fact that the U.S.S.R. has trouble producing modern computers: its leading entries are copies of mainframes that IBM stopped making six to ten years ago. And even these copies are inferior to those produced in East Germany. The best computer a Soviet manager could ordinarily hope to get his hands on would be an East German ES-1055 model, roughly similar to a third-generation IBM System 370.

Most Soviet enterprises still lack mainframes of any kind. William K. McHenry, a colleague of Goodman's and author of a recent prodigious Ph.D. dissertation on management information systems in the Soviet Union, estimates that only 7.5% of the country's industrial enterprises—3,300 out of 44,000—had mainframes in 1984. To be sure, this minority includes a disproportionate number of large, high-priority enterprises. Even so, the evidence suggests that most sizable plants in the Soviet Union are still getting by without mainframes. McHenry, who will be an assistant professor at Georgetown's School of Business Administration beginning this fall, has assembled data showing that only one-third of large plants ("large" meaning at least 500 employees) had mainframes in 1984. With or maybe even without rounding, the comparable figure for the U.S. would be 100%.

The systems in use in the U.S. typically enable managers to instantly call up an infinity of data about payrolls, inventories, production, sales, and anything else useful. American managers take it for granted that they can function more effectively if these data are accurate and timely. But Soviet managers are frequently under pressures to falsify data, and so they are understandably nervous about computerized systems for keeping track of what's happening.

A Soviet manager who had a mainframe and was seriously trying to develop a management information system would confront some discouragements almost unimaginable in most Western countries. One is the quality of Soviet telecommunications. The basic telephone system in many areas can barely support 200- or 300-baud links (the baud being a measure of transmission speed), and even at that low level disconnections occur endlessly. To attain the 1,200-baud standard taken for granted by an ordinary personal-computer user in the U.S., the Soviet manager would probably need a dedicated phone line. Getting one would require him to have clout in the Ministry of Communications.

Another large discouragement would be the level of service, training, and repair offered by the computer's provider—that is, by the state. The level is dauntingly low. Furthermore, the manager acquiring a mainframe would have to deal with a dizzying variety of state organizations, some concerned with design work and software, some with telecommunications, some with peripherals, some with preparation of computer rooms. The computer rooms have been a particularly annoying problem. McHenry reports that nobody in the Soviet Union makes complete computer rooms, and managers are frequently encouraged to follow the designs specified by an organization ponderously labeled the Central Scientific Research and Experimental Design Institute of Industrial Buildings and Structures. For many years the institute recommended a false floor made of aluminum, said to be produced at a plant in Lativa. "Actually," McHenry notes in the dissertation, "this plant would only deliver raw sheets, which then had to be assembled by the customer himself; the customer was obligated to provide the raw aluminum in the first place, and the wait was five years."

Nowhere in the picture is there any equivalent of a vendor willing to take total responsibility for getting the equipment up and running. So a lot of expensive hardware in the Soviet Union is in the "arrived but not yet working" mode: McHenry's dissertion cites "cases . . . where the computer has been left 'under the stars,' gnawed by animals, or even left in boxes in the snow for longer than a year."

Even after they're up and running, the computers in use tend to break down more than would be acceptable in the West. Published data on mainframes used by the Ministry of Power and Electrification—presumably a preferred customer—show that in 1983 most had a "mean time to failure" of only 130 or 140 hours. In other words, they were breaking down once a week or so. Among the more interesting black markets in the Soviet Union these days are various covert enterprise-level deals to get around these problems. For example, the desperate manager can opt for off-the-books repair and servicing of computers by freelance technicians. He can also go out and buy stolen computer components.

Most managers who do have information systems run them with their own teams of specialists operating out of the enterprises' in-house computer centers. One alternative is to turn to a local service center—an institution somewhat similar to the time-sharing centers that flourished in the U.S. some 15 years ago. The service centers are strenuously encouraged by the state, and McHenry notes that the Soviet Communist party is a prominent customer. Some party officials originally viewed them as the ideal way for enterprises to use computers and also as a convenient way to ensure that information systems would be standardized throughout the Soviet Union. But years of squabbling over which ministry would control the service centers undermined this goal. The squabbling left the enterprises free to set up their own arrangements and left the state looking glumly at thousands of different and incompatible information systems.

The service centers have grown relatively rapidly in the past few years, but they have some large built-in disadvantages. One, which was also a problem for their predecessors in the U.S., is that it's much more prestigious to have your own computer. A second problem, one that Soviet managers presumably think deeply about, is that you can never really be sure what will happen when people outside your own organization get their hands on your fishy data. Finally, the service centers are badly handicapped by the phone-line problem, which makes it hard for them to rent computer time to remote-access users. Many Soviet managers using the service centers are reduced to sending their tapes or punch cards across town by messenger.

Soviet managers have many perverse incentives to misuse computers. One that nullifies productivity gains in many sectors of the economy is the regime's guarantee of employment to all workers. This means that the manager who acquires a mainframe can't easily use it to replace all the workers with abacuses who are now on his payroll—and his plant might literally have hundreds of them. Soviet enterprises typically consist of numerous small fiefdoms, each with its own statistical department, and the evidence thus far suggests that management information systems have not really dented these fiefdoms. Their survival is additionally ensured by the organizational rigidity of Soviet enterprises: an enterprise of a given size in a given industry is ordinarily required to have certain well-defined line and staff relationships. These requirements are intended to make it easier for the ministries to supervise the many enterprises under their jurisdiction, but, of course, the effect is to prevent managers from devising new organizational arrangements suitable to the computer age.

Another obstacle to productivity gains is the tidal wave of bureaucratic forms that flows over Soviet managers. "What we see over and over again," McHenry remarked recently, "is the enterprise getting the data out of the computer and then turning it over to clerks who laboriously hand-copy it onto all these forms."

As you might assume, the overriding obstacle to rational use of computers in the enterprises is the managers' recurring need to falsify much of their data. The garbage-in, garbage-out phenomenon is pervasive, and there is little the ministries can do about it. Soviet managers frequently have to make purchases in various black markets to get needed supplies. Knowing that such illegal purchases are often necessary, they may set up a slush fund by diverting money from, say, the payroll account; to make this possible they might overstate the number of workers at the enterprise, which would enable them to get extra wages from the ministry in charge. Meanwhile, their computers would inevitably be spitting out garbage.

In attempting to gauge the benefits of management information systems, the state

has a series of formulas that concentrate on measuring output and unit production costs before and after installation of the systems. Soviet data published several years ago proudly state that in 1965–70 some 680 million rubles were saved by these new computer systems; the savings are said to have risen to 2 billion rubles in 1971–75 and were expected to be 3.8 billion rubles in 1976–80.

Goodman and McHenry regard the formulas as something of a joke and the savings as largely fictitious, and they have a fair number of details to indicate that the Soviet authorities repeatedly measure the wrong things. They note, for example, that computer executives' bonuses in many sectors depend on the number of "tasks" being performed by their systems and also on the number of "subsystems" put in place. So instead of developing a comprehensive accounting system, say, the managers affected opt for lots of subsystems, which may be unrelated and cumulatively inefficient.

The pressures that drive managers to cook the books are clear enough. The economic system in which they operate features unrealistic planning targets, causing chronic shortages of resources—so they hoard resources, doing their best to conceal from the ministries the true state of inventories and the true number of production workers. The system provides bonuses for fulfillment of the plan but also tends to raise required norms for anyone who overfulfills it—so the managers suppress any data that might suggest they were capable of increased output. On the other hand, they tend to overstate performance when norms are not being met.

With all these fishy data swimming around, the managers tend to shy away from highly integrated information systems, which pull together many different kinds of data and would enable an overseer to examine a lot of different relationships in an enterprise. The more integrated the system, the more likely it is that falsified data will entangle the managers in obvious contradictions. In an integrated system, the manager who overstates production in order to meet his goals will find himself also obliged to overstate sales, leaving him ultimately responsible for revenues that he doesn't actually have. Soviet managers are especially leery of database management systems—software that combines information from many different company operations. Some such software, including the American program called Total, has been copied with minor modifications. (McHenry notes evidence that some Western programs are copied illegally in Bulgaria, where the accompanying manuals are also translated into Russian.) Total is a product of Cincom Systems, a privately owned company based in Cincinnati, and is probably the most popular database management program ever offered for mainframes. However, the prospects of the Soviet copy are plainly limited.

What's ironic about the wide-ranging Soviet problems with computers is that they were once widely viewed as a natural and perhaps even indispensable ally of central planning. In 1971 the Communist party essentially endorsed this proposition: the Ninth Five-Year Plan established the goal of creating a vast computer network that would link organizations at every level of the economy. Timely data would flow up from the enterprises to the ministries, which could incorporate the data into the planning goals flowing back down to the enterprises. Subsequent party congresses have re-endorsed this concept, while not specifying the date at which it should be implemented; the Twelfth Five-Year Plan, to be adopted next year, will undoubtedly repeat this exercise; It is still official doctrine that socialism is the ideal system for introducing computers. Yet it is hard to believe that any rational Soviet official still expects to see the day when computers make central planning work.

The Soviet economy's failure to assimilate computers is not only an economic disaster. The failure also has a symbolic dimension. Communism is, after all, an idea claiming to stand for progress, and computers are the quintessential symbol of progress. The performance of Soviet managers in the face of the new technology can be taken as another threat to the legitimacy of the regime.

MYTH OF THE DAY: THAT MOST OF THE UNEMPLOYED RECEIVE UNEMPLOYMENT COMPENSATION

Mr. PROXMIRE. Mr. President, today's myth of the day is that the Nation's prime safety net—unemployment compensation—is doing its job. Is that true? No, Mr. President, it is not true. It is a myth. The fact is that unemployment compensation today is failing dismally. Last month unemployment continued at the recession rate of 7.3 percent for the fifth consecutive month. There have been only 2 years since 1941 and until 1981 when unemployment was at that high a rate.

Most Americans believe that painful and discouraging as unemployment may be, at least those who lose their jobs have a modest unemployment compensation income to fall back on. Unfortunately, Mr. President, today that belief is wrong. It is a myth. In June there were more than 8,400,000 Americans out of work. How many of those unemployed received unemployment compensation? Ninety percent? No. Three-quarters? No. One-half? No. Only about one-fourth—26.9 percent to be exact received any unemployment compensation. Some safety net. That means that more than 6 million unemployed Americans received no unemployment compensation at all.

A thoughtful editorial in the Thursday, July 18, Washington Post contends that Congress cannot wisely solve the problem simply by grafting a supercomprehensive unemployment compensation addition on the present program. The regressive payroll tax that supports unemployment compensation could not support it. As the editorial concludes: "It may be time for society to rethink its approach to the problem. It is too easy to forget the unemployed."

I hope Members of Congress will dwell on this serious and tragic failure of our system. At a time of record Federal deficits, a time for determined reductions in programs that deepen the deficit or increase such regressive taxes as the payroll tax that finances unemployment compensation, we cannot realistically expect Congress to spring for tens of billions of dollars more for unemployment compensation.

But consider: It has been about 50 years, almost a half century, since Congress last revised the Nation's wage-hour laws to reduce unemployment by providing more job opportunities. Congress did that gradually through mandating a 40-hour week, 8-hour day, with time and a half for overtime. That reform culminated some 30 years of steady progress. The country moved from the 12-hour day and the 6-day week first to a 10-hour day, then to an 8-hour day, then to a 5-day week. But since the mid-1930's the 40-hour week has remained static and untouched for 50 years.

Meanwhile, labor-saving equipment has revolutionized industrial production throughout the world and especially in this country. And the labor supply has exploded. The entry of women into the work force has immensely increased the number of Americans seeking and holding jobs. In fact, today in spite of ge dm1:a23jy6.223 the high unemployment, the largest percentage of the working age U.S. population in history is working or seeking work. This expansion of the work force continues apace.

Meanwhile, with computers and robotics we are on the brink of a major breakthrough in productivity. Is the time coming for a serious consideration of a gradual reduction in the 40-hour week to 35 hours? Should Congress also consider modifying the present time and a half for overtime provision to double time? This latter change would according to some calculations increase employment almost immediately by 1 million. The change in the workweek would add an additional 5 million jobs. These changes would also increase leisure time for working people. But let us not kid ourselves. These changes would be resisted and would cost both present employees and employers. With a shorter workweek and less overtime present employees would earn less. For that reason they would press for compensating higher pay. In many cases they would receive that higher pay at least in part. That would increase wage costs. It would also put upward pressure on prices.

Since unemployment is now even worse in Europe and elsewhere in the world, this country should work for international progress toward the 35-hour week. Here's a reform Mr. President, that will take time. We should start working on it now. The reform starts with a recognition of the myth that unemployment is not a serious problem right now. It is. Three quarters of our unemployed have literally nothing, no job, no unemployment

compensation. They deserve a chance to work.

Mr. President, I ask unanimous consent that the editorial to which I referred in the July 19 Washington Post be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

UNEMPLOYED, UNINSURED

The continuing high unemployment rate—7.3 percent last month for the fifth month in a row—has overwhelmed the nation's unemployment insurance system. The Center on Budget and Policy Priorities, an advocacy group, reported earlier this month that only about a fourth of the unemployed—26.9 percent—are receiving unemployment benefits. That national rate is one of the lowest on record, and the rates in some states are lower still. Only 15 percent of the unemployed in Texas are receiving payments, 15.1 percent in Florida, 19.9 percent in Michigan. The recent figure for Virginia was 21.7 percent (compared with 40.2 percent in the District of Columbia and 36.7 percent in Maryland).

The support figures would be higher were it not for various budget cuts in the last five years. The center put emphasis on these, in particular the decision by the administration and Congress earlier this year to phase out a program of supplemental compensation to extend benefits for some workers for as much as a year. But the problem is not so much budget cuts as it is a fundamental mismatch between the insurance system and recent trends in the economy.

The insurance system was set up as a countercyclical device. It assumes a simple world in which people lose their jobs temporarily when the business cycle turns down, but easily regain them when the economy turns up again. Thus it provides up to 26 weeks—half a year of basic benefits. These basic benefits are paid for by state taxes, and each state has the right to set its own benefit levels and eligibility rules (one result of which is that many workers are excluded from the system entirely). In addition, there has come to be an extended benefit program financed half by state and half by federal funds, for up to 13 more weeks of benefits. The federally funded supplemental program phased out last spring was on top of that.

The supplemental program was put in place to combat the depth of the last recession. Unemployment touched 10.7 percent, the highest since the 1930s. That is one reason it remains so high. But a second reason is a shift in the nature of unemployment, from cyclical to structural. There are groups in the work force whose unemployment rates are chronically above average. Black teen-agers are the prime example. Workers displaced by sectoral shifts—from manufacturing to service industries, from North and East to South and West—may be another. The current mix of economic policy may also be extending unemployment, particularly in industries highly sensitive to interest rates or the value of the dollar.

It would be wrong to graft these problems onto the unemployment insurance system. It has neither the finances—it relies on a small, regressive payroll tax—nor the benefit structure to deal with them. Unemployment seems to have reached a new level of intractability; a 7 percent rate is where recessions used to end, but where the next one may start. It may be time for society to rethink its approach to the problem. It is too easy to forget the unemployed.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. PROXMIRE. I am happy to yield to my friend from Louisiana.

Mr. LONG. Mr. President, will the Senator give me a figure of the number of people who are unemployed and the number who are drawing unemployment compensation? I would like to get the ratio, one to the other.

Mr. PROXMIRE. The number who are unemployed is about 8,413,000. The number not drawing unemployment compensation is about 6,300,000.

Mr. LONG. How many does the Senator say are not drawing unemployment compensation?

Mr. PROXMIRE. About 73 percent, almost three-quarters.

Mr. LONG. About three-quarters are not drawing any unemployment?

Mr. PROXMIRE. No unemployment compensation; the Senator is correct.

Mr. LONG. I think this is very unfortunate. I agree with the Senator about that.

Mr. PROXMIRE. I appreciate the Senator's view very much. There is no one in the Senate whose interest in this is more important than the distinguished ranking member of the Finance Committee, who has done so much in this area for so many years.

TORTURE IN UGANDA

Mr. PROXMIRE. Mr. President, Amnesty International recently released a report documenting countless incidents of torture and mysterious disappearances of detainees in Uganda.

However, the Ugandan Government continues to refute charges that civilians are ever taken into military custody or tortured.

Evidence clearly contradicts the Government's claims.

According to this report, detainees are routinely burned and beaten—often burned and beaten to death.

Many detainees simply disappear—never to be heard from again.

This document contains 16 detailed medical accounts of atrocities committed against Ugandan civilians.

The evidence of repeated torture is hideous and beyond any conception of human decency.

For example, one 56-year-old woman had burning rubber dripped over her, and then had corrosive liquid thrown on her.

She managed to escape to a hospital—only to soon be attacked by a group of soldiers.

Now she is left with scars all over her body—scars so severe that they should remind us that some people do not survive torture.

Scars that remind us of the genocide being committed in Uganda today.

But Amnesty International has been persistent in its pursuit of the criminals and their victims, to try and stop the carnage.

Their reports have brought these heinous crimes to our attention.

But our attention is not enough.

The Senate must take action to help prevent these atrocities.

We must ratify the Genocide Treaty.

Now, Mr. President, we must cease to be passive listeners.

We must stop being quiet onlookers.

We must join with the 96 other nations that have made a firm commitment to stop genocide.

These nations have ratified the Genocide Convention—and now we must also.

It is too late for us to help the people who have died and been tortured in Uganda, and we cannot give them back what has been so horribly taken away from them.

But, Mr. President, we can give their friends and families the hope that these crimes will not be allowed to continue.

We can—and we must—ratify the Genocide Treaty.

Mr. President, I ask unanimous consent that the remainder of my time be yielded to the distinguished Senator from Georgia, Senator MATTINGLY.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF SENATOR HART

The PRESIDING OFFICER. Under the previous order, the Senator from Colorado is recognized for not to exceed 15 minutes.

MR. REGAN'S ATTACK ON CONGRESS

Mr. HART. Mr. President, last week, the Congress and the American people were treated to, if we wish to call it that, something between chastisement and a tirade by the present Chief of Staff of the White House, former Secretary of the Treasury, Mr. Donald Regan. We are familiar through published reports with Mr. Regan's remarks in which he, it was widely noted, pounded the table in presumed anger and frustration at the U.S. Congress for its inability to devise a budget which presumably Mr. Regan would like.

Mr. President, not by any way in defense of Congress—we have our problems and we are apparently a long way from solving them—but rather by way of setting some appropriate background for Mr. Regan's intemperate attacks on the Congress, I think it is helpful for the record to reflect the facts as they have mounted over the past 5 years.

First, let me say I am aware today of the symbolic and perhaps real peacepipes being passed around within the President's party. Whether that also extends to the Democratic Party and its leadership remains to be seen.

Nevertheless, in spite of those peacepipes, I want to endorse the remarks of the majority leader, the Senator from Kansas [Mr. DOLE], and the chairman of the Senate Budget Committee, the Senator from New Mexico [Mr. DOMENICI], that Mr. Regan would do well to cool his rhetoric on this issue. And the reason he would do well to cool his rhetoric when he says, "Why hasn't the Reagan budget been passed?" is because it could not attract more than four votes in our Republican-controlled Budget Committee in the Senate. That is fact No. 1, Mr. President, that the President of the United States and his Chief of Staff were not able to muster more than four votes from their own party in the Senate Budget Committee for the Reagan fiscal 1986 budget.

Now, in his attack on the Congress, Mr. Regan reverted to form; that is to say, he sought to shift the blame. He blamed the Congress. Previously, he has blamed the Federal Reserve Board. He has blamed Wall Street. He has blamed Mr. Murray Weidenbaum, he has blamed Mr. Martin Feldstein, and he, of course, along with others in the administration, continues to blame Jimmy Carter, even when it clearly is totally inappropriate.

Now, Mr. President, it is this former Treasury Secretary, Mr. Regan, who gave us the supply side miracle of a massive 1981-82 recession and who denies any link between huge present and projected deficits and unacceptably high real interest rates. And that same former Treasury Secretary is hardly in any position to lecture the Congress about fiscal responsibility.

Mr. Regan has asked, "Who is racking up deficits? Not us," presumably meaning the administration. Well, Mr. President, that is just flat wrong.

Leaving aside the staggering record of Reagan deficits since 1981, let us look at the deficits which Mr. Donald Reagan asked for over that period—deficits which he asked for. The fiscal 1982 to 1986 Reagan budget requests, Mr. President, propose a total of $686 billion in additional deficits. The total of five Reagan budgets asked for an additional $686 billion in deficits with $180 billion plus annual deficits for each of the last three proposed budgets.

Now, why has not this champion of a balanced budget amendment, Mr. Donald Regan, submitted a balanced budget to the Congress in the last 5 years? We might well thump on our desks about that one.

And why does not this true believer in the line-item veto advise the President to exercise the veto power he already has? Not one regular appropriation bill has been vetoed since this administration took office. If this administration is so anxious to veto something, why do they not do it?

Mr. Regan charges Congress with not being able to come to grips with spending. To the degree we have given the administration virtually everything it has asked for in defense spending, that charge may be true. It has only been in the last 24 months that Congress has returned to any kind of sanity, not to say integrity in its own views where the defense portion of our budget is concerned.

I think it is time—clearly the Congress is well ahead of the administration—to quit making this distinction between Government spending and defense spending. Defense spending is as much Government spending as food stamps. And until this President and his Chief of Staff acknowledge that fact, we are never going to get a balanced budget.

He is right: Congress has not been able to come to grips with spending, but it has been in the defense area. We have given the administration everything it asked for up until the last 2 years. But Congress has voted $176 billion in spending cuts since Mr. Donald Regan became Treasury Secretary and he ought to acknowledge that.

But these cuts, Mr. President, were swamped by massive revenue giveaways to the total of $326 billion and defense increases almost $100 billion over that same period. We cut the budget alright, but what we have done is merely shift those dollars that we have cut over to one agency which is often the most wasteful bureaucracy in Washington, and that is called the Pentagon.

Mr. President, the current budget impasse is largely a result of White House failure to consult with the Senate and House leadership before taking all items of substance off the table, so to speak, in budget negotiations.

And, Mr. President, that failure can be traced directly to the White House Chief of Staff, Mr. Donald Regan.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I ask unanimous consent that I may yield such time as I might use.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

SUPPORT FOR LINE-ITEM VETO

Mr. KENNEDY. Mr. President, I support the line-item veto in the form proposed in S. 43, and I hope that the Senate will invoke cloture this afternoon to permit the issue to come before the Senate.

Over the past week we have heard the eloquent views of those who feel strongly that the Senate should not approve S. 43. Respectfully, I disagree. A Federal line-item veto is an idea whose time has come, and S. 43 offers the opportunity for a carefully crafted 2-year trial.

Growing support for the line-item veto in the Senate and the House of Representatives is a reflection of the inability of Congress to extricate itself from the massive Federal budget deficit. The budget process is in shambles, the deficit is out of control, and Congress is part of the problem. Our system of checks and balances, which functions adequately, even brilliantly in most areas, is out of kilter in the area of the budget. Congress has too much power over the purse, and the President has too little. The line-item veto, while neither the miracle cure that proponents promise nor the disaster that opponents fear, is one of the few available tools to redress the balance.

Some say that President Reagan cannot be trusted to use the item veto wisely, that it will enable the current Republican administration to wield the power unfairly to abolish programs that Democrats have been fighting to save and strengthen over the past 4 years. But if the President does not use the item veto fairly, the 2-year sunset provision in S. 43 will ensure that the power is discontinued.

On the other hand, if the item veto is used reasonably, Congress will almost certainly extend it beyond the 2-year period. In this sense, President Reagan will be holding this new power in trust for future administrations. And if the item veto is used effectively, Congress might well consider extending the power to other areas—such as tax legislation which, with its proliferation of special interest loopholes and subsidies, would be a prime candidate for extension of the line-item veto.

The fundamental issue before us today, however, is fiscal responsibility, and it has little to do with the partisan politics of the moment or the passing budget wars which pit a Republican President against a Democratic House—and even against his own Republican Senate. A larger principle and a longer perspective are at stake.

When 100 Senators and 435 Representatives have primary responsibility for the budget, no one is adequately responsible. The traditional veto power of the President, which worked well until the 1970's, is still sufficient

to keep most other legislation in check. But it is too unwieldy to impose significant discipline on the appropriations process. In 1983 and 1984, the 98th Congress produced 623 bills which were sent to the White House and signed into law. Only 27 were appropriations bills; but they made up in size and scope for what they lacked in number, dispensing hundreds of billions of dollars across the entire range of myriad Federal programs.

The 1985 continuing resolution, for example, passed at the end of our session last year, contained almost $400 billion of Federal spending in one fell swoop, and consolidated 8 of the customary 13 appropriations acts. It also contained hundreds of pages of unrelated major substantive legislation. In effect, as Congress was adjourning, it gave the President a "take it or leave it" ultimatum—sign the continuing resolution or shutdown the Government.

Occasionally, Presidents have been bold enough to veto one or another of these behemoth appropriations bills because they objected to particular provisions. More often, the massive nature of the modern appropriations process overwhelms the primitive veto power, and the President acquiesces in countless individual items that by any standard are wasteful or badly flawed.

By giving the President a stronger role, the line-item veto will instill a new and needed measure of Presidential accountability in Federal spending, and reduce the excesses of a congressional budget process which too readily focuses on individual districts and special interests, not the national interest.

The line-item veto is hardly an untested idea. Forty-three States already give a similar power to their Governors, who universally regard it as an indispensable tool of budget control at the State level.

Presidents since Grant have sought the line-item veto, but until now Congress has refused to cede the power—and with considerable justification, because earlier Congresses seldom brought in budgets that were unbalanced. Today, Congress has only itself to blame for the irresistible pressure to yield the item veto power to the President. Deficits have ballooned in earlier decades, during wartime or recessions, but Congress always managed to bring them back to balance. We began to lose control of the budget in the 1970's; we gave away the Treasury in the 1980's with massive tax cuts and huge increases in military spending; and the country will continue to sink into an irreversible morass of deficits until strong corrective action is taken.

Mr. President, I ask unanimous consent that a table of Federal deficits from 1941 to the present may be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Federal deficit

Year:	*Billions*
1941	−$4.9
1942	−20.5
1943	−54.5
1944	−47.5
1945	−47.5
1946	−15.9
1947	4.0
1948	11.7
1949	.5
1950	−3.1
1951	−6.1
1952	−1.5
1953	−6.4
1954	−1.1
1955	−2.9
1956	3.9
1957	3.4
1958	−2.7
1959	−12.8
1960	.2
1961	−3.3
1962	−7.1
1963	−4.7
1964	−5.9
1965	−1.4
1966	−3.6
1967	−8.6
1968	−25.1
1969	3.2
1970	−2.8
1971	−23.0
1972	−23.3
1973	−14.9
1974	−6.1
1975	−53.2
1976	−73.7
1977	−53.6
1978	−58.9
1979	−40.1
1980	−73.8
1981	−78.9
1982	−127.9
1983	−207.7
1984	−185.3
1985 (estimate)	−222.22

Mr. KENNEDY. Mr. President, S. 43 meets the present need with an innovative and sensible approach that creates broad item veto authority, while still preserving the constitutional role of Congress in the legislative process. Under the proposed legislation, spending measures passed by the Senate and the House will be divided by sections into separate satellite bills, each of which will be presented to the President as an independent minibill for his approval or rejection.

In this sense, S. 43 is not a true line-item veto, since the President can reach only part way into appropriations bills—to sections of the parent bill, not to individual line items themselves. This is one of the key compromises that permits this measure to go forward as a statute, since a true line-item veto could only be enacted by the arduous route of amending the Constitution.

Even after the enactment of S. 43, Congress will still retain substantial control over the appropriations process, because the Senate and the House of Representatives will continue to determine how individual appropriations items will be packaged into the sections that will later be submitted satellite bills to the President. And, of course, any of these minibills vetoed by the President will be subject to a vote by Congress to override the mini-veto.

As recent history has demonstrated, Congress is not reluctant to use its power to override vetoes of spending measures. Since the Truman administration, 23 appropriations bills have been vetoed, and Congress has successfully overridden a third of these vetoes—triple the rate for all bills. And I have no doubt that Congress will not hesitate to use its override power to challenge unwarranted item vetoes by the President.

I will continue to resist insensitive cuts proposed by the administration in proven and effective programs. If the item veto is abused, I will urge the Senate to override the veto, and if necessary, to take it away. But the current crisis over the budget demands a strong and timely response by both Congress and the President; enactment of the item veto is an important procedural device to help reduce the current record deficits, and restore rationality to the budget process.

The possibility that clever drafting may be used to thwart the line-item veto is not a valid reason for opposing S. 43. It would be the height of irresponsibility for Congress to grant the power, and then undercut it by devious tactics that could not stand the light of day. If S. 43 is enacted, it deserves the fair trial period that the legislation envisions, and I am confident that Congress will see the wisdom of facilitating, not obstructing such a trial. With deficits projected near $200 billion for the foreseeable future, we face an unprecedented challenge to the ability of Congress and the executive branch to work together in the national interest. So far, we have failed to meet that challenge, and the stronger medicine of S. 43 is now appropriate.

It is also difficult to accept the position of critics that the item veto will only reach a relatively small portion of the trillion dollar Federal budget. Even if the new power has only a modest impact on the deficit, it is hardly an argument against the proposal that it does not do more. Even with the modest reach I anticipate, it can still be a worthwhile tool to help stem the tide of red ink that threatens to engulf the national economy.

I also doubt the prevailing assumption of the critics that President Reagan will confine the item veto power to domestic social programs. Obviously, he is unlikely to use the item veto against MX missiles or other weapons systems he has proposed. But he may find this new veto power a useful tool for eliminating wasteful

military spending. Certainly, it will be of interest to all of us to see the results of the 2-year trial period of S. 43—and the specific areas where the President chooses to use the power.

Finally, I doubt the fears of some that the item veto will encourage Congress to become even more irresponsible on Federal spending—on the theory that the President will be able to use the item veto to save us from ourselves. The current budget situation is so precarious that Congress is hardly likely to embark on any new binge of runaway spending. Just the opposite—to paraphrase Samuel Johnson, the prospect of the item veto may wonderfully concentrate the mind of Congress in enacting future spending bills.

In sum, everybody talks about balancing the budget, but nobody is presently doing much about it. Congress claims it is the President's fault for failing to use the veto—"stop us before we spend again." The President pleads in turn that he fervently detests the deficits, but does not have the power to fight them fully. So let us give it to him. Let us help him live up to his own rhetoric—and let us also see to it that Congress will be looking over its shoulder as it packages and passes future appropriations bills.

RECOGNITION OF SENATOR MATTINGLY

The PRESIDING OFFICER. Under the previous order, the Senator from Georgia [Mr. MATTINGLY] is recognized for not to exceed 15 minutes.

LINE-ITEM VETO

Mr. MATTINGLY. Mr. President, I would like to thank the distinguished senior Senator from Massachusetts for his endorsement of the line-item veto. His expression of support is an indication of the broad range of attraction that the legislation has; it encompasses all ideologies and philosophies.

In an article printed today in the Los Angeles Times, Senator KENNEDY writes about the reasons for his support of the line-item veto proposal. I ask unanimous consent that the article be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LINE-ITEM VETO: OUT OF THE SHAMBLES—PRESIDENT MUST HAVE MORE BUDGET POWER TO ADJUST BALANCE

(By Edward M. Kennedy)

Growing support for the line-item veto in the Senate and the House is a reflection of the Pogo Principle in contemporary politics—"We have met the enemy, and they is us."

The budget process is in shambles, the deficit is out of control, and Congress is the problem. Our system of checks and balances, which functions adequately, even brilliantly in most areas, is out of kilter in the area of the budget. Congress has too much power over the purse, and the President has too little. The line-item veto, while neither the miracle cure that proponents promise nor the disaster that opponents fear, is one of the few available tools to redress the balance.

The fundamental issue is fiscal responsibility, and it has little to do with partisan politics or the current budget wars that pit a Republican President against a Democratic House—and even against his own Republican Senate. A larger principle and a longer perspective are at stake.

When 100 senators and 435 representatives have primary responsibility for the budget, no one is adequately responsible. The traditional veto power of the President, which worked well until the 1970s, is still sufficient to keep most other legislation in check. But it is too unwieldly to impose significant discipline on the appropriations process. In 1983 and 1984 the 98th Congress produced 623 bills that were sent to the White House and signed into law. Only 27 were appropriation bills, but they made up in size and scope for what they lacked in number—dispensing hundreds of billions of dollars across the entire range of myriad federal programs.

Very occasionally Presidents have been bold enough to veto one or another of these behemoth appropriations bills because they objected to particular provisions. More often the massive nature of the modern appropriations process overwhelms the primitive veto power, and the President acquiesces in bills that by any standard are badly flawed. By giving the President a stronger role, the line-item veto would instill a new and needed measure of presidential accountability in federal spending and reduce the excesses of a congressional process that too readily focuses on individual districts and separate interests, not the national interest.

In any event the line-item veto is hardly a riverboat gamble. Forty-three states already give a similar power to their governors, who universally regard it as an indispensable tool of budget control—at least until they become U.S. senators.

Presidents since Grant have sought the line-item veto, but until now Congress has refused to cede the power—and with considerable justification, because earlier Congresses seldom brought in budgets that were unbalanced. Today Congress has only itself to blame for the irresistible pressure to yield some of its power to the President. We gave away the Treasury with the massive tax cuts and huge increases in military spending of the past four years, and the country will continue to sink into an irreversible morass of deficits unless corrective action is taken.

Everybody talks about balancing the budget, but nobody is currently doing much about it. Congress claims that it's the President's fault for failing to use the veto—"stop us before we spend again." The President pleads in turn that he fervently detests the deficits but does not have the power to fight them fully. So let's give it to him. Let's help him live up to his own rhetoric—and let's also see to it that Congress will be looking over its shoulder as it packages and passes future appropriations bills.

Mr. MATTINGLY. Mr. President, I have listened carefully to the statements in opposition to the line-item veto proposal. The speakers have been articulate, indeed, at times even eloquent in their arguments against the bill. But Mr. President, I must say that the debate has been characterized by more heat than light.

At a time when the problems that we face demand new solutions, we find our way hindered by a mentality that is more tunnel vision than it is visionary.

The arguments in opposition to the proposal appear to have as their common link a slavish devotion to the status quo; an inability to recognize that we must change the way we do things; a seeming fear of taking any action with real substance to it as opposed to the many legislative proposals that are considered and passed by this body that have little real impact but allow us to feel better for "having done something."

The debate has been characterized by the almost plaintive cry from the opponents for reassurance that the Senate will make no action whatsoever that deviates in the slightest way from the current procedures and processes that have brought us to our current budget and fiscal problems.

Well, let there be no mistake about it Mr. President, the item-veto proposal is not a sugar pill—it is a very real attempt to begin the effort of reversing the process that has led to an ever greater level of Federal expenditures at a time when congressional control and direction has diminished.

My distinguished colleague and friend, Senator EVANS, who has played such an instrumental role in developing this legislation and without whom it would not have been possible to gather such wide support for the idea, made a compelling case in his remarks last week about the inconsistencies contained in the arguments advanced by the opponents of the item veto. In their zeal to cite every alleged reason for voting against the legislation, they offer nothing more than a series of contradictory statements that, after careful analysis, make the case for the legislation not against it. We have heard arguments based on everything from unconstitutionality to fear of writers cramp.

Let me take a close look at just a few of them.

The argument is made that the proposal would not be an effective budget tool because it could not be applied against entitlement programs or interest on the national debt. Well, it is true that it would not touch those elements of the budget but the opponents continue to insist that it would never be used against items contained in the defense spending bill, I really don't believe that that has any basis in fact. Any President, no matter what his ideology, would no doubt be willing to excise those items in defense that are part of the problems that have

been so thoroughly identified and documented over the past year or so.

Opponents say item vote would not be an effective budget tool but the distinguished minority leader last week inserted into the RECORD a list of the names of 41 organizations that had contacted his office to express opposition to S. 43. What do my colleagues think is the glue that binds this common interest together? Are these organizations opposed to the bill because they fear it would be an ineffective budget tool? Are they opposed to it because they are concerned about a perceived increased workload of the House enrolling clerk? I do not think so. I think my colleagues know what the primary concern of these organizations is—it is a concern, Mr. President, a real fear that enactment of this proposal presents the very real possibility that the level of Federal spending will decrease.

What we have is an acute demonstration of the institutional forces that rally together in an effort to thwart any real effort at reform and progress. The special interests, in league with their friends in Congress and supported by the entrenched bureaucracy, zero in and portrary any effort that could lead to a reduction in Federal funding as a threat not only to their particular program and agenda but to mom, applie pie, and the flag as well.

It is that mentality, Mr. President, that makes reform so difficult. And this latest example is proof of why the national perspective that only the cheif executive has, is so important to the process.

I might add that that National perspective, held by every President as a result of his election by a majority of those who vote in the Presidential election is as valid under a Democrat Administration as it would be under one that is republican. In fact, I point out to my colleagues that I and many of the Senators who support the item veto trial, did everything we could to have the legislation enacted last year well before the Presidential election was decided.

Not an effective budget tool? To the contrary, Mr. President, to the contrary.

Item veto opponents say the proposal is structurally deficient because it would give too much authority to the enrolling clerks or that it would create thousands of smaller bills out of such legislation as last years continuing resolution and thus create an unmanageable paper flow.

We who favor the item veto trial are accused of granting vast new power to the Senate and House enrolling clerks when in fact the legislation does no such thing—it increases the authority of these clerks not one bit. In fact, contrary to what one might think after listening to such arguments, the enrolling clerks and other officers of the Senate and House already have been given a significant amount of discretionary authority by the Congress.

Most of my colleagues have used the legislative shortcut where we send an amendment to the desk that contains the direction: "At the appropriate place in the bill * * * etc." Well, who decides where the appropriate place is, Mr. President? Who now makes that judgment? That decision, Mr. President, is made initially by the legislative clerk or his staff and is subsequently agreed to or amended, in the case of an appropriation bill, by the very capable members of the Appropriations Committee staff.

In addition, at the beginning of each Congress, we grant unanimous consent to a request to bestow upon the Secretary of the Senate the authority to make technical and clerical corrections in legislation that has been passed by the Senate and which is to be transmitted to the House of Representatives. S. 43 states that no substantive revisions are to be made by the clerks; those instructions are plain; the intent clear. The distinguished chairman of the Committee on Appropriations last week asked who would determine what was substantive and what was not and the answer to him is the same judgment, the same authority, the same attention to duty and detail that guide the staffs of the Appropriations and other committees as they decide what are technical and what are not technical changes in legislation approved by this body. The language in our legislation is similar in wording and intent to that contained in the Budget Act. In my view, one must really strain to find its directive confusing or misleading.

My distinguished colleagues worry about the effect that the item veto proposal would have on legislation such as last years continuing resolution, stating that if the item veto had been in effect, the paperwork created within the CR under its provisions would have been unmanageable.

Have we actually reached the point, Mr. President, where change such as that suggested in this legislation is opposed on the grounds that it would make it difficult to continue to legislate in the manner that we did in October of last year?

The purpose of my reform proposal, Mr. President, is to attempt to begin to construct a system that will do away with such legislative hybrids, not perpetuate them, reform is undertaken in an effort to improve the system. It is not undertaken nor structured in a fashion that insures that it will conform to the current unwieldy, unworkable process.

We would find ourselves in an interesting position indeed, Mr. President, if we were to agree to adopt no new proposal, no reform, no suggestion if it were to intrude in any way or in any fashion on the way things are now done.

Confusion and contradiction abound in the arguments of the opponents, Mr. President. The fact that the chief executives of 43 States have successfully used the item veto is dismissed as having no bearing on use of such authority at the Federal level, but in the next breath we are advised of the judicial pitfalls that await us if we enact the item veto, based on the experience of the States.

My distinguished opponents assert that passage of the item veto would bring back the smoke-filled rooms and the deal making that at one time characterized politics and politicians and yet before we have a chance to absorb that argument, we are advised that the item veto is not needed because the President and his emissaries are carefully tracking legislation as it proceeds through Congress, pointing out to legislators what the President favors and what he does not and perhaps even—making some deals, Mr. President.

Arguments against the legislation based on its constitutionality deserve more serious consideration, but an honest, objective assessment of the question, seems to leave little doubt that, in fact, the proposal meets the constitutional test.

Most of my colleagues have had a chance to read the opinion of Mr. Johnny Killian as it appears in the additional views in the committee report accompanying the bill. I hope all Senators will read his opinion. I will read only the last paragraph.

Mr. Killian writes:

> Two questions are raised about S. 43 in terms of the constitution. First, would the bill in operation violate the lawmaking procedure set out in article I because the separated bills would not be passed again by both Houses. * * *

We have heard a lot of talk about the oath of office that all Senators take and I must say that I resent the implication that those of us who support this legislation are somehow in violation of that solemn oath. As if any one of us who has had the privilege of serving in this body would heed that vow more than some or all of the colleagues with which he or she serves.

None of us can bring anything less or anything more to the question than the qualities outlined so eloquently by Edmund Burke more than 200 years ago: "Our unbiased opinion, our mature judgment, our enlightened conscience."

And it is on that basis that this elemental, this critical question should be decided; not on the basis that the question of constitutionality represents an easy and a convenient way out of a difficult position or because it seems to represent a convenient way

to avoid a vote directly on the merits of the proposal that we seek to consider.

It appears to me that opponents of the line-item veto legislation, by obstructing consideration of the bill, are indicating a preference to consider the proposal as an amendment offered to another piece of legislation. Frankly, my preferred position was to have the legislation considered as a free standing bill but, believe me, I am always pleased to accommodate the wishes of my colleagues whenever possible.

By my count, Mr. President, 13 Senators have spoken against the legislation over the past week consuming the better part of 17 hours of the Senate's time. I have not spoken at length on the considerable merits of the bill because we must remember that we have not even reached the bill! Opponents of the legislation are debating and delaying the motion of the majority leader of the Senate to proceed to the consideration of the line-item veto proposal. In my mind, there can really be no serious debate about such a motion and I will not be drawn into lengthy discussion of the legislation until we, in fact, have the proposal before us.

Not only does the item veto proposal represent a first real step toward solving our budget problems, S. 43 has generated much thought and discussion on the whole range of budget and fiscal issues and it could serve as the vehicle for consideration of several of the innovative ideas and suggestions that have been mentioned during the past several weeks.

I was going to conclude with a comment about the obstructionism of the bill's opponents but it strikes me that a better description, somewhat related, is obscurantism.

My learned, distinguished colleagues will recall that the term was applied to those who opposed the enlightenment in the 18th century and is used more generally today to describe opposition to the diffusion of enlightenment.

I can only say that I remain willing to work with my friends to educate them, to do whatever I can to lead them to the proper path and hope that those efforts will be successful.

After all, those who were active 200 years ago during the "Age of Reason" were doing nothing more than what we propose—merely taking a close, critical look at previously accepted doctrines and institutions and deciding if they were still valid.

Mr. President, I urge my colleagues today to support the cloture motion.

I suggest the absence of a quorum, Mr. President.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. EVANS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MATTINGLY). Without objection, it is so ordered.

Mr. EVANS. Mr. President, I listened with interest to my distinguished colleague from Georgia [Mr. MATTINGLY], who has shown enormous leadership, consistent strong leadership, in bringing this issue of an item veto before the Senate of the United States—or at least, he has attempted to bring it before the Senate of the United States. We have watched, over the past week, strong measures by opponents to even keep us from getting at the heart of this issue and attempting to perfect it. They have used a filibuster to prevent the majority leader from conducting the affairs of the Senate, as I believe he should have the right to do, the privilege of procedurally setting priorities.

If this willingness to engage in a filibuster on the question of proceeding to a bill or resolution continues, we will soon degenerate into a squabbling series of filibusters, with all 100 Members of the Senate doing their share to attempt to set priorities and set the direction.

What will we have done to the order of the Senate? What will we have done to the tradition of the Senate?

I hope my colleagues will join with me shortly, as we have another opportunity to proceed to the bill itself, and allow us to engage in extended debate if that is necessary, and consider amendments if they appear to be appropriate. But if we are not allowed to perfect the bill, if we are not allowed to discuss the issue in front of us, then I think we have taken a long step backward in the traditions of this body.

We have so far proven ourselves incapable this year of effective budgetary action. We have missed every budget deadline so far this year by large margins, in spite of the best efforts of those who work daily in that field. No appropriations bills have come to the Senate for action as of yet, and October 1 looms closer and closer on the horizon.

Will we finally reach that ultimate state on October 1 of this year when no appropriations acts will have passed and we will be forced to wrap 100 percent of all appropriated spending into a continuing resolution? Will we quickly attach to it the barnacles and the encrustations of every special little item people would seek to get passed? And we would then face the President with the ultimate in a total veto.

Would he bring the Government of the United States to a halt? Would he veto the entire budget of the country? He would be faced with that unhappy prospect of a veto which is virtually useless because it is so draconian.

Many have suggested that there really is not a comparison between the 43 Governors who have item vetoes and the President. And of course, there are differences. But the major difference is that every State in this Nation has a unified budget which is presented to a Governor. A unified budget of all of a State's spending then ought to be subject to some distinguishing—to an item veto. Forty-three of our 50 States have given our Governors that privilege.

We are getting very close to a unified budget in this Congress. Eighty percent of all appropriated spending last year was in the continuing resolution. We may well reach 100 percent this year in the continuing resolution. And then, indeed, we will have backed into a unified budget with one major difference: we will present it all to the President, give him no item veto, and tell him, "Take it or leave it."

Mr. President, I do not call that an, appropriate balancing of power between the executive and the legislative branches of this Government. I think we have titled and continue to tilt drastically in one direction. And it is time we brought ourselves back to what is familiarly called a level playing field.

Mr. President, this morning's Washington Post had an exceptionally fine article written by the Senator from Georgia [Mr. MATTINGLY]. I ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LINE-ITEM VETO: AT LEAST DEBATE IT

The Senate is in the midst of a filibuster concerning the line-item veto even though the bill is not yet even before it. The opponents are not filibustering the bill itself but an attempt by Majority Leader Robert Dole to call the bill up for consideration.

Historically, opponents of legislation, no matter how ardent, would wait until legislation was before the Senate before beginning their filibuster. No matter what party controlled the Senate, the majority leader was allowed to set the agenda.

The line-item veto is an important proposal, and no one quarrels with the right of the opponents to attempt to talk it to death. But to filibuster the right of the majority leader to merely call it up for consideration is symbolic of a greater problem.

Congress is in the midst of an institutional crisis. The budget and spending procedures currently in place are a miserable failure. The Budget Act of 1974 never worked well, is not working now at all, and without some alterations will never work in the future.

There is a three-tier process that has to be completed before the federal fiscal year ends on Sept. 30. The budget resolution, the authorizing legislation and the appropriations bills all have to make it through House and Senate committees, floor action, conference committee and floor action for the second time before final congressional action is taken on spending.

There are not enough hours in the day or in the months to accomplish that by the end of the fiscal year, when the federal government runs out of money and the new budget begins on Oct. 1. We now have government by continuing resolution, a huge package containing hundreds of billions of dollars of funding. Last year's continuing resolution was for more than $400 billion. This year's version will probably be much the same or more.

We are now less than 2½ months from the end of the fiscal year, and there is no budget resolution nor are there immediate prospects for one. This logjam has backed up the entire system. Although some action has gone forward on some authorizing and appropriations bills without benefit of the money targets, few expect that many of the 13 appropriations bills will have been enacted by Sept. 30.

Congress may very well face one bill containing the funding for the vast majority of our trillion-dollar government. We will have round-the-clock sessions to pass a continuing resolution in order to keep the government from shutting down. The conferees will have to make late-night decisions on billions of dollars in spending. The final package will go to the president, and he'll have at best a few hours to decide whether to accept everything—the good, the bad and the ugly—or to veto it and tell hundreds of thousands of federal employees to close up shop and go home until something can be worked out.

This is the way to run the government? This is the way to make careful decisions on how to battle the deficit crisis?

The system is simply collapsing around us. The current process is successful in one area—self-protection. Not only is it not in danger from reform efforts, the majority leader of the Senate faces a filibuster when he attempts to call up a bill that would alter in a small way the current system.

The line-item veto in question is not even a permanent change. For two years it would allow the president to veto small sections of the larger appropriations bills, with Congress, of course, retaining the authority to override his veto. If this does not work well at the federal level—as it does in the 43 states that have the item veto—or if the president abuses his authority, the line-item veto will not be renewed by Congress and it will automatically die at the end of two years.

No claim is made that the line-item veto would immediately resolve the deficit problem. It is just a first step toward reforming the current system. Other answers must be found. But the current system is so politically comfortable in the narrow sense of personal power that a small step toward reform can't even be debated on its merits on the floor of the Senate.

To the defenders of the status quo, I say: Oppose the line-item veto if you will—but let's debate it. Come up with your own ideas for improving the budget and spending process. Let's get them out in the open, on the floor for debate. But don't be so afraid of change that you filibuster even the discussion of ideas.

Mr. EVANS. Mr. President, let me serve notice that we will vote on this issue. We ought to be allowed to vote on the issue. We must vote on this issue. If it is necessary. If it requires proposing an amendment to every Appropriations Act that comes before the Senate; to propose an amendment to the continuing resolution itself; to propose an amendment to the debt limit—someday, somehow, somewhere, we will get a vote on this issue.

I suggest that the cleanest, the best, and the most appropriate way is to allow this issue to be debated separately. The debate should be now, when we have the time and the opportunity to do so.

At this time, I would not support a constitutional amendment for a line-item veto. I suspect that I join virtually every other Member of this body in not quite knowing, not being absolutely sure, as to how it would work or how it would be used. But this proposal makes eminent good sense. It gives us a 2-year trial period. It has a sunset clause. It will allow us, without very much danger, to give it a try, and I suggest that that is what we should do.

Mr. QUAYLE. Mr. President, I am pleased to join with 46 of my Senate colleagues in sponsoring S. 43, a measure to provide the President with the authority to exercise a veto of line items in spending bills for a 2-year period. I believe that the President should be granted the line-item veto, a prerogative now accorded the Governors of 43 of our States.

History shows that the Framers of our Constitution were so chastened by their colonial experiences under British rule that delegates to the Constitutional Convention in Philadelphia in 1787 never even considered the question of giving the executive the power to veto only portions of a bill. Yet dissatisfaction with the extent of the President's veto powers under article 1, section 7, soon emerged. President Ulysses Grant supported the line-item veto because it "would protect the public against the many abuses and waste of public moneys." Over the years, some 150 proposals to institute the line-item veto have been introduced in Congress.

In his 1984 State of the Union Address, President Reagan called the line-item veto "a powerful tool against wasteful and extravagant spending," and he should know; he used the line-item veto as Governor of California. In his 1985 State of the Union Address in early February, the President repeated his request "for the authority used responsibly by 43 Governors to veto individual items in spending bills," and he specifically endorsed S. 43, Senator MATTINGLY's initiative permitting "a 2-year trial run of the line-item veto."

For some item, I, too, have supported giving the President the line-item veto, rather than requiring him to veto an entire measure because it includes one or a number of offensive expenditures. As the outgoing Director of the Office of Management and Budget, David Stockman, has noted, this proposal would "create an important tool by which the President could eliminate ill-advised and wasteful appropriations," and furthermore it "could play a measureable role in efforts to reduce unnecessary Federal spending."

In these times of megadeficits, I firmly believe the line-item veto is a tool that the President should have at his disposal.

Those who have reservations about granting the President this authority should bear in mind that S. 43 includes two provisions designed to protect the constitutional balance of power between the legislative and executive branches. The bill retains the constitutionally mandated requirement that Congress may override a President's veto if two-thirds of both Houses vote to do so. In addition, the line-item veto authority that would be granted the President under S. 43 would expire 2 years after enactment and could be extended only by an act of Congress. Given the likely benefits of providing the President with line-item veto authority and the bill's stipulation that he would be granted that authority for only 2 years, S. 43 would authorize a useful and reasonable experiment which could be curtailed or continued as its results may warrant.

To be sure, the line-item veto is not a panacea. It will not eliminate the deficit singlehandedly. However, in times when fiscal responsibility on the part of government is of paramount importance, we in Congress can advance the economic future of our Nation by implementing all available weapons to combat wasteful and irresponsible Government spending. National polls have shown there is strong support for allowing the President to exercise this authority to counter extravagant spending items.

The true advantage of this measure lies in what Alexander Hamilton described in the Federalist Papers as "anticipated" benefits. The threat of a potential veto can serve as a powerful disincentive to legislators tempted to attach extravagant, wasteful riders on to appropriations bills. In this sense, I expect S. 43 will contribute substantially to vital efforts to bring government spending under control, and I urge my colleagues to adopt this legislation.

CLOTURE MOTION

The PRESIDING OFFICER. One hour having passed since the Senate convened, the clerk will report the motion to invoke cloture.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the motion to proceed to the consideration of S. 43, to provide that each item of any general or special appropriation bill and any bill or

joint resolution making supplemental, deficiency, or continuing appropriations that is agreed to by both Houses of the Congress in the same form shall be enrolled as a separate bill or joint resolution for presentation to the President.

Bob Dole, Mitch McConnell, Al Simpson, Chuck Grassley, Jeremiah Denton, Orrin G. Hatch, Paul Laxalt, Mack Mattingly, Bob Kasten, William Proxmire, Daniel J. Evans, John Warner, Strom Thurmond, Paul Trible, Chic Hecht, John East, John H. Chafee.

CALL OF THE ROLL

The PRESIDING OFFICER. Pursuant to rule XXII, the Chair now directs the clerk to call the roll to ascertain the presence of a quorum.

The legislative clerk called the roll, and the following Senators answered to their names:

[Quorum No. 13 Leg.]

Byrd	Matsunaga	Sasser
Evans	Mattingly	Weicker
Harkin	Metzenbaum	
Hatfield	Murkowski	

The PRESIDING OFFICER (Mr. MURKOWSKI). A quorum is not present. The clerk will now call the names of the absent Senators.

The legislative clerk resumed the call of the roll, and the following Senators answered to their names:

Abdnor	Glenn	Mitchell
Andrews	Goldwater	Moynihan
Armstrong	Gore	Nickles
Baucus	Gorton	Nunn
Bentsen	Gramm	Packwood
Bingaman	Grassley	Pell
Boren	Hart	Pressler
Boschwitz	Hatch	Proxmire
Bradley	Hecht	Pryor
Bumpers	Heflin	Quayle
Burdick	Heinz	Riegle
Chafee	Helms	Rockefeller
Chiles	Hollings	Roth
Cochran	Humphrey	Rudman
Cohen	Inouye	Sarbanes
Cranston	Johnston	Simon
D'Amato	Kassebaum	Simpson
Danforth	Kasten	Specter
DeConcini	Kennedy	Stafford
Denton	Kerry	Stennis
Dixon	Lautenberg	Stevens
Dodd	Laxalt	Symms
Dole	Leahy	Thurmond
Domenici	Levin	Trible
Durenberger	Long	Wallop
Eagleton	Lugar	Warner
East	Mathias	Wilson
Exon	McClure	Zorinsky
Ford	McConnell	
Garn	Melcher	

The PRESIDING OFFICER. A quorum is present.

VOTE

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate on the motion to proceed to the consideration of S. 43, a bill providing for a line-item veto, shall be brought to a close. The yeas and nays are mandatory under the rule. The clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Florida [Mrs. HAWKINS] is necessarily absent.

Mr. CRANSTON. I announce that the Senator from Delaware [Mr. BIDEN] is necessarily absent.

The PRESIDING OFFICER (Mr. CHAFEE). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 57, nays 41, as follows:

[Rollcall Vote No. 157 Leg.]

YEAS—57

Abdnor	Gorton	Murkowski
Armstrong	Gramm	Nickles
Boren	Grassley	Nunn
Boschwitz	Hatch	Pell
Chafee	Hecht	Pressler
Cochran	Heflin	Proxmire
Cohen	Heinz	Quayle
D'Amato	Helms	Roth
Danforth	Hollings	Rudman
DeConcini	Humphrey	Simpson
Denton	Kassebaum	Specter
Dixon	Kasten	Stevens
Dole	Kennedy	Symms
Domenici	Laxalt	Thurmond
East	Leahy	Trible
Evans	Lugar	Wallop
Exon	Mattingly	Warner
Garn	McClure	Wilson
Goldwater	McConnell	Zorinsky

NAYS—41

Andrews	Glenn	Metzenbaum
Baucus	Gore	Mitchell
Bentsen	Harkin	Moynihan
Bingaman	Hart	Packwood
Bradley	Hatfield	Pryor
Bumpers	Inouye	Riegle
Burdick	Johnston	Rockefeller
Byrd	Kerry	Sarbanes
Chiles	Lautenberg	Sasser
Cranston	Levin	Simon
Dodd	Long	Stafford
Durenberger	Mathias	Stennis
Eagleton	Matsunaga	Weicker
Ford	Melcher	

NOT VOTING—2

Biden	Hawkins

The PRESIDING OFFICER. On this vote, the yeas are 57, the nays are 41. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is not agreed to.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

(At this point, Mr. BYRD addressed the Senate on the line-item veto, and his complete remarks appear later in today's RECORD. During Mr. BYRD's remarks the following occurred:)

Mr. BYRD. Mr. President, I ask unanimous consent that I may yield to the distinguished majority leader without the RECORD showing an interruption in my reading.

The PRESIDING OFFICER. Without objection, it is so ordered.

LINE-ITEM VETO

Mr. DOLE. Mr. President, I want to indicate to my colleagues that there will be another cloture vote on the motion to proceed tomorrow. I would also like to note that the distinguished Senator from Florida was on her way to the floor from a memorial service but was denied the right to vote on the cloture motion. That is another reason we will have another cloture vote tomorrow.

But I think I know what the outcome will be. I think it is fairly certain that we will never quite reach 60 votes on the motion to proceed. But I checked with the legislative affairs people at the White House and I indicated I thought at least we should have one additional vote. There were two absentees today who I think, had they both been here—I know one would have voted for cloture, and I think Senator BIDEN of Delaware would have voted for cloture. That would have been 59 to 41—one vote shy of letting us get on to the bill. Since there is not anything else that is pressing right at this time we are trying to find bills to bring before the Senate. I want to indicate that I have had a number of inquiries as to whether this is the last cloture vote, and whether there will be additional votes. But, as I have indicated, there will be a cloture vote tomorrow. There will be another cloture petition filed today. I am not certain whether we will have a vote on cloture on Thursday.

But, if the distinguished minority leader will permit me, I urge my colleagues to help us wrap up some of these legislative matters. There are a number of items that I understand can be cleared with the cooperation of maybe one Member on either side, or whatever. We would like to dispose of a number of those bills, and maybe some yet this evening. But we will not be in late this evening. I doubt—and I think I can say—that there will be more rollcall votes today.

Mr. BYRD. Mr. President, I yield to the distinguished Senator from Georgia under the same understanding: that there will be no interruption of the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MATTINGLY. Mr. President, hopefully we can reach 60 votes on S. 43 and at least be allowed to bring up the bill.

I would like to say to the majority leader and to the minority leader also that I do not want to take the course of offering this as an amendment to the appropriation bill later on. But if that is the only course left, I intend to do that sometime this year.

Thank you.

Mr. BYRD. Mr. President, I yield again to the distinguished majority leader under the same conditions.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE FARM BILL

Mr. DOLE. Mr. President, if I can make one other plea to my colleagues, we had hoped this afternoon to report out a farm bill. But there has been an objection to the committee meeting. I am not certain from which side. It does not really make any difference. It is a rather critical measure for many in this body, particularly those of us who come from wheat States. I see one Senator leaving the chamber from a wheat State. It is important to cotton, soybeans, rice, wheat, and feed grains.

But I hope, if there is some objection, whoever objected, will identify themselves, and if there is a problem we can work it out. We would certainly be happy to resolve that.

Mr. BYRD. Mr. President, I say to the distinguished majority leader that the request was cleared on this side for the Committee on Agriculture to meet.

Mr. THURMOND. Mr. President, will the minority leader yield?

Mr. BYRD. Mr. President, I yield to the distinguished Senator from South Carolina under the same conditions.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I yield the floor, if I can get consent that when I resume these good editorials, it not constitute a second speech, and if I can avoid having my reading of the editorials interrupted in the RECORD.

The PRESIDING OFFICER. That was the purpose of the unanimous-consent request. It was granted.

The Senator from South Carolina is recognized.

Mr. DOLE. Mr. President, will the Senator from South Carolina yield to the Senator from Nebraska? I think he was asking for recognition.

Mr. THURMOND. I am very pleased to yield to the distinguished Senator from Nebraska. Can I make a statement of about 1 minute?

Mr. EXON. I will take 30 seconds. Go ahead. I wanted to comment while the majority leader was on the floor.

Mr. THURMOND. Mr. President, I want to echo the request of the majority leader.

I do not know of any segment of our population in this country that is having a more difficult time today than the farmers. They are not getting as much for their produce as it costs to produce it. We certainly need this farm bill. There are foreclosures taking place all of the time now. Our farmers deserve this consideration. I certainly hope there is no objection. If they will identify themselves, so some of us can talk to them, maybe we can get together, negotiate, and get the farm bill out. The farmers are crying for help. They need help. I hope the Senate will not deny them.

Thank you very much, Senator.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. EXON. Mr. President, while the distinguished majority leader and my colleague from Georgia are on the floor discussing the line-item veto, I think it is only fair that I explain to them the position of the Senator from Nebraska.

I am a cosponsor of the line-item veto, have been and will continue to be. However, I feel that my patience gets worn thin somewhat on this issue, and I suspect 60 votes are not going to be mustered to proceed to consider the bill. And even if that were successful, I would anticipate that a filibuster would ensue on the bill itself. So I simply say that when you have an issue like this on which the Senate is closely divided, I do not know how long I will continue to support tying up the Senate. I would certainly agree with my friend from South Carolina that we have a very pressing matter with regard to agriculture. I hope we can get an agriculture bill out.

Having said that, I say, though, if we bring out a bill as originally envisaged by the administration, if we bring out a bill that would be bound by the budget restraints that took part in the famed close vote on the budget while this Senator was in Bethesda Hospital, I say maybe it would be better that we bring out no bill at all because, if we do bring out a bill like that, I think there are very likely to be further filibusters on that issue. So I agree with the distinguished Senator from South Carolina that agriculture is a tremendously troubled industry today. They are deserving of a thoughtful farm bill. So far as I know, no thoughtful bill is about to be passed out of the Senate Agriculture Committee.

I would certainly like to know, if possible, what is in the wind with regard to busting the budget that the U.S. Senate passed with regard to agriculture because bust that budget we must if we are going to write any kind of an acceptable farm bill under the conditions that exist today.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. DOLE. Mr. President, I do not disagree with the distinguished Senator from Nebraska, that there are other urgent things pending. I certainly agree that perhaps we should not have an additional cloture vote. Very honestly, the calendar is not that full. The farm bill has not yet been reported. There was an unusual circumstance today when one Member was denied the vote. We would like to have the final record reflect that vote. But I would guess we have about reached the point where if we cannot get 60 votes, there are other ways to try to get a line-item veto approved.

I know that many in this body would like to change the rules so that you could proceed to legislation, and not be denied the right to take up matters. But those rules have not been changed. We have every right to play by the rules as they are. I think after tomorrow's vote we will take a hard look at the situation. I would guess the numbers will be pretty much the same.

I share the Senator's view about the so-called farm bill. There has never been a perfect one, but we have been working in our committee for a long time. We had hoped to report a bill today. We understand there was an earlier objection to our meeting, but it was lifted late in the afternoon. The distinguished chairman of the committee had to have some medical care. He has something in his right eye. That explains why after the objection was lifted we did not meet.

I assure the Senator from Nebraska we hope to report out a good bill, perhaps tomorrow instead of today.

Mr. EXON. Will the Senator yield for a question?

Mr. DOLE. Yes.

Mr. EXON. It has been a little confusing to me to understand what is going on with the numbers. I am sure the majority leader will recall the budget that passed the Senate called for roughly a $15 billion cut to the baseline for a 3-year period. The House of Representatives backed a bill for a $10 billion cut. Earlier, the administration had proposed an $18 billion cut.

Is it not true that all of the bills that supposedly are being considered by the Agriculture Committee would require far above, authorizationwise, the $15 billion cut as envisioned and passed in the U.S. Senate by our budget action?

Mr. DOLE. That is correct. I do not believe we will achieve those savings. In fact, I doubt that we will achieve the House savings. There will be some reasonable savings on agriculture, but I must say since we made all those decisions, as the Senator knows, being on the Budget Committee, the baselines have increased, reflecting an increase in the cost of all these programs. The difficulty right now, very honestly, is, in addition to some detail, trying to determine how we can reduce the cost of each of the programs on a fair basis and still not report our a budget-buster.

That is being addressed. The distinguished Senator from Arkansas, who is a member of the committee, is here now. We all have different commodities we have an interest in. I would hope we could come close to what we should do on the budget side and still have a good farm bill.

Mr. EXON. I thank the majority leader.

Mr. MATTINGLY. Mr. President, I would like to make reference to the

statements of Senator EXON about filibuster and delay. I think we have to look and see who the people are, really, who are conducting a filibuster. It is not we who are the proponents of the bill, not the Senator from Georgia nor the Senator from Nebraska, but, rather, the opposition, who do not want the bill brought up. Those of us who support the legislation are prepared to vote and yield to the judgment of the Senate.

I have been here 4½ years and have watched filibusters come and go. Sometimes tempers flare up a little bit. I hope we are not at that point yet.

As I said, I hope we will be able to get to the bill and have the majority will of the Senate prevail.

What we see now are the opponents trying to use the rules of the Senate to keep from even considering the bill. Hopefully, this will be worked out. The delay has not created a legislative backlog. Of course, sometimes maybe a backlog is not a bad idea. I suppose that depends on the legislation. Hopefully, that is not the case as pertains to the line-item veto.

When we go back home, we hear that people want something done with the deficit and the budget process. Item veto is a tool that will change the antiquated process which we now have. I think the Senator from Nebraska, myself, and many others want some changes made. This is just a starting point, the item veto, in making those changes. I appreciate the support of the Senator from Nebraska.

Mr. EXON. I thank my friend from Georgia.

This is an important issue, of course. But the point I was trying to make is that I am sure the Senator from Georgia, being a son of the great South, knows the filibuster can be used effectively when people feel as strong as they do about issues.

I know this issue is very strongly felt in Nebraska because I had experience with it while I was Governor. We were able to change the constitution in midterm, with my help, to give the Governor line-item veto. That is one of the reasons why I am in support of giving this to the President now.

I recognize there is not a direct parallel between the Presidency and a Governorship, however.

I think my colleague from Georgia might like to know that that issue evidently is not as burning an issue in Nebraska as I thought it was.

Being home this past weekend and reading the papers, I went to the Sunday section of the paper that lists the important key votes in both the House and the Senate. I was certain, because of the feeling of support generally for the line-item veto in Nebraska, that that first vote on cloture would be headlined.

I was quite surprised to see that the headline was not with regard to the line-item veto. The headline, rather, was, "House votes to eliminate funds for braille for Playboy," which I thought was an indication that Nebraskans probably had their priorities mixed up a little bit.

We are not capturing the headlines in Nebraska with regard to the line-item veto, but, rather, Playboy seems to be capturing the headlines of at least some of our press.

Mr. MATTINGLY. Let me just say that what we are trying to do may not make the headlines but it will sure make a big difference in the taxpayer's wallet if we can begin to control the Federal budget. I am certain that most people do not understand the 1974 Budget Impoundment and Control Act. This is probably a good starting point for people to focus on. It is severely, if not fatally, flawed and the process that it set up should not be immune from change and revision.

Mr. PRYOR. Mr. President, I wonder if the Senator from Nebraska or the Senator from Georgia would yield? I am not sure which one has the floor.

Mr. MATTINGLY. It is yours.

The PRESIDING OFFICER. The Senator from Arkansas has the floor.

Mr. PRYOR. Mr. President, I have enjoyed this little colloquy. I had no prior knowledge or thought of entering into this discussion, but I find it a very interesting discussion between my two friends. Both of them, I believe, share the same feeling about the need for a line-item veto. One is my friend who is the present Senator from and former Governor of Nebraska, who mentioned the need that people in his State felt to give the line-item veto to the Governor at that time. I also say to the Senator from Nebraska, when he talks about changing the Constitution, I think that is a lot different from suspending the Constitution. I think we are suspending the Constitution with the provision now proposed by the very distinguished Senator from Georgia, my friend from Georgia.

Mr. MATTINGLY. If the Senator will yield, if he would vote to allow the bill to come up before the U.S. Senate, then we would debate those constitutional questions. But the question before the Senate now is a motion to proceed to the bill, not whether the bill is constitutional or any other aspect of it. The real question is, will we allow the U.S. Senate to proceed to the bill? I would be happy to debate those other issues with the Senator and try to answer his question at the time that we have a chance to debate the legislation.

Mr. PRYOR. I know yesterday, I asked my friend from Georgia to give me maybe 10 ideas or examples of what the President might decide to line-item veto. I do not know if the Senator from Georgia responded to that. It was an informal surrounding; I did not expect him to. But I think these are elements of curiosity that this body would have about areas that the President might decide to line-item veto in any proposal that we had before us.

Mr. MATTINGLY. The Senator's curiosity would be satisfied if we could bring the bill to the floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection? The Chair hears none. Without objection, it is so ordered.

Mr. BYRD. I thank the Chair.

Now, Mr. President, I ask unanimous consent that I may yield the floor at this time and that the resumption of my statement not count as a second speech.

The PRESIDING OFFICER. Is there objection? Hearing none, it is so ordered.

The PRESIDING OFFICER. The Senator from Tennessee.

LINE-ITEM VETO

Mr. GORE. Mr. President, I rise today in opposition to S. 43, which would, in effect, create a line-item veto. I am strongly committed to cutting the Federal budget deficit. But I believe this legislation would cause more harm than good and may actually contribute to fiscal irresponsibility.

I realize that there is considerable popular support for giving the President the power of a line-item veto. That support reflects a sincere, widespread feeling that something dramatic must be done to reduce these intolerably high deficits. But a measure such as this is relatively easy to support because it does not in and of itself require people to lose their benefits or pet projects. The fact is, cutting the deficit will require making some very hard decisions.

I am going to discuss today some of the reasons that I oppose S. 43, which would break the 13 appropriations bills into thousands of separate bills and operate in the words of the Washington Post, as a legislative "Veg-o-matic."

Let me start by quoting a few current or former Members of Congress:

Representative MICKEY EDWARDS said:

> I can't conceive of why a conservative would support a line-item veto. Conservatives think government ought to be limited and that power should not be concentrated.

If you want to make the point that Congress is at fault for excessive spending, this is the worst way to do it.

Representative WILLIS GRADISON said:

The majority of the money he could veto would be defense. Is it wise to create a system where future presidents could so easily cut defense spending?

Senator CHARLES MCC. MATHIAS said:

I suggest that clever proposals to solve straightforward problems in indirect fashion usually cause more mischief than good . . . The president has asserted that he wants this "line-item veto" power in order to reduce the deficit and balance the budget. Why, then, doesn't the president simply send to the Congress a balanced budget?

Former Representative Barbar Conable said:

I don't think Congress is going to give a significant legislative power to the president. Most of the people advocating the line-item veto would not be advocating it if Walter Mondale were president and if the defense appropriations bill were at issue.

Senator DALE BUMPERS put it most simply when he said:

The line-item veto is "a terrible idea."

Senator MARK HATFIELD who has spoken so eloquently in the last several days on this subject, said:

It baffles me that we are considering a proposal that seeks to control the only portion of the budget we have been able to control—not only control, but reduce—in recent years. This is not the path to meaningful deficit reduction.

Here are nine reasons why I oppose S. 43:

First, it is based on the false assumption that Congress is largely to blame for the deficit. In the last 4 years, the President has requested a total of $2.067 trillion for all appropriations, excluding entitlements and interest on the national debt. Congress has appropriated a total of $300 million more than President Reagan has asked for. That's a scant 0.00015 percent more than the President's request.

Historically, the national debt prior to the 1960's was built largely on the expenses of wars. Presidents have been no better than Congress in controlling spending. Recent boosts in Government spending have been mostly defense-oriented—and they've been engineered by the President.

Is Congress to blame for the deficit? Here's what Norman J. Ornstein of the American Enterprise Institute said in a recent essay:

The history I have recounted suggests that Congress, though a key participant in budget decisions, is not inherently inclined, for political reasons, to spend federal dollars at will or to pile up injudicious deficits. Still, a substantial literature in political science casts doubt on Congress's institutional abilities, given the demands and incentives of its individual members.

Although both lines of argument are credible, a wholesale acceptance of them would lead us to expect congressmen to have increased the share of pork-barrel type programs in the past few years and to have at least protected these beneficial programs for the future. The opposite is true. By indexing first social security and then other entitlement programs, congressmen consciously reduced their ability to use federal budget dollars in the interests of their reelection. In the future, as entitlements grow automatically, defense skyrockets, and the interest on the national debt accumulates, the share of the budget devoted to the rest of government—which includes most of the items we think of as special interest or parochial pork—will decline markedly.

Consider the component parts of the federal budget from 1966 to 1986. Grants to state and local governments together with other federal operations—the category that includes the programs congressmen can boast about when they run for reelection—constituted 25.3 percent of the budget at the height of the Great Society. Entitlement indexing began in 1973; by 1976 other domestic spending was only 19.7 percent of the budget; in the first Reagan year, it was down to 17 percent; by 1986 it will be less than 14 percent. The number, in other words, has regularly and significantly declined. In short, Congress has directly and greatly reduced the areas where congressmen could use spending to their individual advantage. As political scientist Douglas Arnold has noted, Congress has moved dramatically in the past two decades toward formula grant programs that remove the discretion from individual congressmen to affect or claim credit for particular benefits.[11]Economist Gardner Ackley offers additional, macroeconomic evidence that raises doubts about the thesis that our government structures inevitably swell federal programs and national debt.

The Congress of the United States is not, of course, a selfless and noble institution. Members of Congress have other ways to secure their enormous electoral advantages. Defense has become a major focal point for particularized benefit giving, a direction encouraged by actions taken by major military manufacturers in the private sector. Rockwell International, for example, explicitly ensured that subcontracts for the B-1 bomber were spread to nearly every congressional district, so that Congress would view funding for the bomber favorably and would see electoral debits in cancellation or slowdown. Moreover, many members of Congress have found that the tax code, through tax expenditures, is an efficient and little noticed way to spread benefits to important groups and to keep economic perquisites flowing to constituencies.

Nevertheless, a look at the components of the federal budget shows a decline in constant dollars through the 1980s in domestic spending other than social security and Medicare, great increases in formula programs, and reductions in growth of the so-called pork-barrel programs. These facts must give pause to those who would place all blame for federal spending increases and expanding deficits on the venal political habits of individual congressmen.

A closer look at our political institutions and relations casts doubt on the efficacy of some of the major proposals that have been advanced to clean up our deficit problems once and for all. Institutional devices can matter, and, as we have seen, Congress has repeatedly responded to budget stress through internal reform, usually to centralize its own budget processes. When public attitudes and larger events—like a demand for spending or a change in priorities or a large war effort—do not intervene, these institutional devices can be meaningful and important. But some work better than others.

For many decades the main institutional device Congress relied on to limit deficits was the requirement of periodic votes to increase the national debt limit. This device had been expected to restrain spending and force Congress to pay serious attention to growing deficits. But, driven by the demands of presidents and limited by the constraints of public and interest group pressure, Congress has viewed the votes on the debt limit largely as nuisances. When for any reason Congress has been unable to agree to increase the debt limit, a game ensues in which the government comes perilously close to being brought to a halt, until common sense prevails and the limit is finally raised. Indeed, this device has proved to be a wonderful way for many members of Congress to eat their cake and have it too: voting consistently both against increases in the debt limit, to demonstrate to their constituents their concern for fiscal responsibility, and for programs and appropriations that increase federal spending and the debt, thus requiring the votes to increase the debt limit.

Some limited reforms would help. But the history of budgeting in America suggests that constitutional change would be both unnecessary and ineffective, and perhaps even detrimental.

Second, less than 15 percent of the Federal budget would even be vulnerable to a line-item veto. It could not be used on revenue measures. It could not be used on permanently funded entitlements and other mandatory costs like interest on the Federal debt. These items amount to half of the budget and are not handled in appropriations bills.

Of the remaining half of the budget subject to appropriation, more than half goes to defense, foreign aid, and annually funded entitlements. That leaves less than 15 percent of the budget—the nondefense domestic discretionary items. And that's been the only declining portion of the Federal budget recently—from $97.3 billion in fiscal 1980 to $65 billion in fiscal 1985, stated in 1972 constant dollars.

Our colleague, the distinguished Senator from Oregon, Mr. HATFIELD, addressed this issue before the Rules and Administration Committee, on which I serve, last May 14. I quote what he said on this occasion:

At the outset, it should be made clear in any discussion of the line-item veto that it is not a mechanism to achieve meaningful reductions in the federal deficit. A look at the composition of federal spending indicates otherwise. As proposed, line-item veto authority would apply only to individual items in appropriation bills. It would not be used on revenue measures. It also would not be applied against the largest and fastest growing portions of the budget, such as permanently-funded entitlement spending and other mandatory costs such as interest on the federal debt. These items account for half the budget and are not funded in appropriation bills.

Of the remaining half of the budget subject to appropriation, more than half goes

for defense. I doubt very much that the current Administration, even though committed to spending restraint, would exercise this grant of power much on defense or foreign aid items. Nor could this veto be used to reduce entitlements funded in annual appropriation Acts—items which cannot be reduced or eliminated without changes in substantive law.

What it boils down to is less than 15 percent of the budget, the non-defense domestic discretionary appropriation items. These activities include education assistance, community and regional development, law enforcement, environmental protection, health research, energy development, Agriculture Aid, and a host of other vital Federal responsibilities.

This small fraction of the Federal budget—the target of the line-item veto—has actually been the only declining portion of the federal budget in recent years, falling from $97.3 billion in fiscal year 1980 to $65.0 billion in fiscal year 1985 in 1972 constant dollars, a 33 percent reduction.

It baffles me that we are considering a proposal that seeks to control the only portion of the budget we have been able to control—not only control, but reduce—in recent years. This is not the path to meaningful deficit reduction. Indeed, we could eliminate all nondefense domestic discretionary appropriation items and the deficit would still exceed $100 billion in fiscal year 1986.

So, Mr. President, anyone who tells you that the proposal before us would eliminate the deficit is simply not laying out the facts as they really exist.

At that same hearing before the Rules Committee, we heard testimony from Allen Schick of the American Enterprise Institute, a very thoughtful analyst, well known to those Members of the Senate who have gone to the seminars put on over the years by the Congressional Research Service. He has since moved on to the American Enterprise Institute. He testified that the bill would only apply to a small fraction of the budget and he speaks as an expert, in my opinion. He said:

Current practices offer meager support for the proposition that the item veto would enable the President to pluck high spending items from appropriation bills. The lumping together of appropriation items into a single paragraph or account has been going on for more than half a century (often at the initiative of the executive branch which welcomes the flexibility provided by broader appropriations). As a result, the bulk of federal spending is now concentrated in a small number of accounts. Although the federal budget is divided into more than 1,100 accounts, data prepared by the Senate Computer Center reveal that the 50 largest accounts add up to more than 80 percent of total outlays. These huge accounts are of two types: permanent appropriations (such as for social security and interest on the public debt) which become available without any action by Congress, and omnibus appropriations (such as for health and education programs) which combine numerous activities in a single account.

The permanent appropriations, as well as other expenditures outside the annual appropriations process, would be beyond the reach of the item veto. Significantly, therefore, many of the programs which have had the highest growth rates in recent years would not be controlled by the S. 43 mechanism. Moreover, as Norman Ornstein and others have noted, defense appropriations would be the main category of expenditure covered by the item veto. According to some computations, if defense and mandatory spending were removed, the item veto would apply to the less than 10 percent of outlays allocated to discretionary domestic programs.

An examination of nondefense discretionary programs shows that the big, controversial dollars are in omnibus accounts, each of which is comprised of multiple activities. Omnibus accounts are like appropriation bills: just as the President often is impelled to sign a sprawling appropriation bill into law even though he opposes some of its provisions, so, too, a President armed with an S. 43 veto might find it expedient to sign an entire account into law even if he disapproved of the spending levels set for some of the items in it.

The logic of the item veto is that the more discrete an appropriation, the more vulnerable it is to presidential veto. But itemized appropriations offer little opportunity to cutting federal expenditures. If the smallest 1000 accounts (out of the 1150 mentioned above) were terminated by presidential veto, the spending reduction would be less than that targetted by the Senate in the deficit reduction package recently approved by it. The plain fact is that the item veto is ill-suited to control spending in an era of lump-sum appropriations.

Mr. President, the third reason I oppose S. 43 is that it would tip the balance of power to the President in a very big way.

The Supreme Court has been reluctant to permit the expansion of one branch of government beyond that expressly provided, as evidenced in the Chadha legislative veto decision.

Let me refer to a statement given to the Rules and Administration Committee by Louis Fisher of the Congressional Research Service of the Library of Congress on this point:

What effect would the Mattingly bill have on the separation of powers? It is true that the bill contains a sunset clause limiting the item-veto authority to a two-year test period. Moreover, the form of appropriations bills and their subdivision by enrolling clerks remain within the exclusive control of Congress. Yet the shift of item-veto authority to the President would augment presidential power, at least in the short run. By how much we cannot say, but the balance will change.

Also altered will be the concept of a national budget. When Congress passed the Budget and Accounting Act of 1921, it placed upon the President the responsibility for submitting a budget. At the same time, it retained complete freedom to alter the President's budget, whether through increases or decreases. The final size and shape of the budget, then, was a legislative prerogative that Congress consciously and deliberately reserved to itself, subject to the President's general veto power. Congress rejected proposals that would have prohibited it from increasing the President's budget unless it had the approval of a department head or could secure a two-thirds majority.

The Mattingly bill changes the policy adopted by Congress in 1921. The President can be expected to exercise his item veto against congressional add-ons and congressional priorities that he opposes. The final size and shape of the budget will resemble to a much greater degree what the President submitted. As with the general veto, Congress will find it difficult to muster a two-thirds vote in each House to override a President's item veto.

The Economic Report issued in February 1985 is quite candid in explaining the use to be made of the item veto. As noted on page 96 of the report, adoption of the line-item veto "may not have a substantial effect on total Federal expenditures . . . less than one-half of the Federal budget would be subject to a line-item veto, and most of that would be for defense."

(Mr. PRESSLER assumed the chair.)

Mr. GORE. Mr. President, let me go back and read that again because I think it is very significant. This is a quote from the economic report issued in February of this year to the Congress. Here is the description on page 96 of the anticipated effect of the line-item veto so earnestly sought by the executive branch. The line-item veto:

May not have a substantial effect on total Federal expenditures. Less than one-half of the Federal budget would be subject to a line item veto and most of that would be for defense.

Continuing with the quotation from Mr. Fisher's statement:

But the item veto is available not merely to restrain spending but "to change the composition of Federal expenditures—from activities preferred by the Congress to activities preferred by the President."

What is at stake, then, is not simply the prospect of fiscal savings but a significant shift in the balance of power between Congress and the President. Whether we do this by constitutional amendment or by short-term grants of statutory power, the implications for our constitutional system must be carefully considered.

Mr. Fisher also addressed the constitutional question this legislation raises:

A question might be raised about the constitutionality of the procedures adopted in S. 43. It states that the "item" to be enrolled as a bill or joint resolution "shall conform in style and form to the applicable provisions of chapter 2 of title 1, United States Code. * * *" It shall also "bear the designation of the measure of which it was an item prior to such enrollment, together with such other designation as may be necessary to distinguish such bill or joint resolution from other bills or joint resolutions enrolled pursuant to paragraph (1) with respect to the same measure."

In other words, the enrolling clerk would take a numbered section or unnumbered paragraph and add to it an enacting or resolving clause, provide the appropriate title, and presumably affix a new Senate or House bill number (1 U.S.C. 101-105). This procedure must satisfy the constitutional procedure established in Article I, Section 7: "Every Bill which shall have passed the House of Representatives and the Senate, shall, before it becomes a Law, be presented to the President of the United States. * * *" Such a bill, in the form as fashioned by the enrolling clerk and submitted to the President, would not appear to have passed the House of Representatives and the Senate.

Mr. President, the fourth of these nine reasons I am citing today for my opposition to S. 43 is that S. 43 would encourage both Congress and the President to be more fiscally irresponsible as they trade support for pet projects. Congress might be more prone to adopting expensive programs, hoping the President would veto them. Here is what Mr. Schick had to say about this particular point in the testimony to which I referred earlier:

In assessing the prospective budgetary impact of the item veto, it is necessary to conjecture how the President and Congress would behave if they had disparate spending positions. The usual interpretation—upon which S. 43 appears to be predicated—is that the President would item veto congressional add-ons and that, therefore, overall spending would be below the level sought by Congress. This hypothesis assumes that Congress always wants to spend more and the President always wants to spend less. Suppose, however, that the roles were reversed, and it was the White House that sought additional funds. Lest this be seen as a far-fetched possibility it is exactly the situation that has recently prevailed with respect to the procurement of MX missiles, the financing of Contra activity in Nicaragua, and overall defense spending. When the President wants to spend more, the item veto will not lead to less spending; indeed, it might lead to more: Here's why:

In a typical year, the President and Congress disagree more over the mix of expenditures than over the total amount. In recent years, for example, the President has favored more defense spending while Congress has sought more for social programs. This conflict over priorities invites a situation in which each branch satisfies its spending preferences by conceding the items wanted by the other branch. The President gets more guns and Congress gets more butter, with the result that total spending is higher than the level preferred by either branch.

This scenario was recently played out in a budgetary dispute between the Governor of Maryland and the State Legislature. The conflict has a particular relevance for S. 43 because the Maryland Constitution gives the government an advance item veto. The Legislature is barred from increasing any item in the Governor's budget; under the Constitution, its only options are to provide the funds requested by the Governor or to appropriate a lesser amount. No other state is as restrictive of legislative appropriations power. But things don't quite work out in the fashion intended by the Maryland Constitution. In exchange for getting the funds he requested, the Governor files a supplemental bill containing (among other matters) items favored by the Legislature. As a case in point, several months ago, in its zeal to cut spending, the Legislature came up with the idea of an across-the-board percentage reduction in appropriation. The Governor reportedly threatened to withhold the supplemental appropriation unless his agencies were provided with full funding.

There is no end to conjectural analysis of the potential effect of an S. 43 item veto on government spending. A balanced view is that in most years total spending might be slightly—but not significantly—lower, and that in some years it would be a bit higher.

Louis Fisher also doubted that S. 43 would inject more fiscal responsibility into the process. He said:

It is unclear what line-itemization would do for fiscal responsibility. In addition to making programs more inflexible for agency managers, it might lead to legislative irresponsibility. The political dynamics are difficult to predict. It is possible that "savings" achieved by the item veto might merely neutralize spending that was added because the President possessed item-veto authority. The net effects would be hard to determine. A study in Pennsylvania concluded: "When a legislator, even though opposed in principle to an appropriation, is reasonably certain that the governor will slice it down to more moderate size, he is tempted to bolster himself politically by voting large sums of money to a popular cause." Another writer said that the experience of Michigan supported the comment of one author who claimed that the item veto "has encouraged legislators to please their constituents by voting for appropriations far in excess of anticipated revenues thus forcing the governor to make the inevitable reductions and incur the wrath of the interests adversely affected." During hearings last year, Senator Hatfield noted: "We also know that the legislatures in States which have the line-item veto routinely 'pad' their budgets, and that was my experience, with projects which they expect, or even want their Governors to veto."

The availability of the item veto would give the White House an additional tool to influence members of Congress. Whether this tactic would restrain or encourage spending is difficult to say. One can imagine scenarios in either direction. The threat of an item veto could force legislators to scale back the size of a program. On the other hand, White House lobbyists could advise a member of Congress that certain projects in their district or state are being considered for an item veto. The member could then be asked how he or she plans to vote on the administration's bill scheduled for the following week. Perhaps a minor project would survive in return for the legislator's willingness to support a costly administration program.

Let me add parenthetically that if any Member of the Senate doubts that this would occur, please think again.

Returning to this quotation:

This is all speculative, of course, but it is fairly certain that the availability of the item veto would introduce a powerful dynamic to executive-legislative relations. Because of the informal and private communications between the branches, it would be difficult to maintain much accountability for fiscal results. Members would vote with new incentives, subjected to pressures and calculations that did not exist before.

The fifth reason I am opposing S. 43 is that I am not persuaded by the argument that Congress should adopt the line item because it has been effective in the States. The comparison is irrelevant in this case. Unlike Congress, State legislatures meet for a relatively short time and most States operate under a balanced budget requirement. In addition, the Federal Government dwarfs the State governments in size and power.

This is what Senator HATFIELD has had to say on that subject:

Much has been made of the fact that 43 States currently grant their Governors some form of line-item veto authority. The argument here is that what works for States ought to work for the Federal Government.

We should be careful to consider the differences between State governments and the Federal Government. Notable differences include the structure of State budgets, the fact that State legislatures meet only for a limited portion of the year, and that most States operate under a balanced budget requirement. The most obvious difference, however, is simply the size and power of the Federal Government. The greater the scope and reach of the power, the more critical it is that such power be held in check, balanced between the three, coequal, branches of government.

Philosophical considerations aside, the practical matter is that the line-item veto may not work in the States, either. The February 1985 Annual Report of the President's Council of Economic Advisers states: "Approval of a line-item veto may not have a substantial effect on total Federal expenditure. The experience of the States indicates that per capita spending is somewhat higher in States where the governor has the authority for line-item veto, even when corrected for the major conditions that affect the distribution of spending among States."

Let me quote Louis Fisher, who has studied this matter carefully, and has also considered the applicability of the use of the line-item veto in the States and how it operates in the States. Here is what he has written on this subject.

I begin by discussing the scope of item-veto authority because this has been a recurrent and troublesome issue at the state level. Some Governors vetoed items in the judiciary's budget. Others invoked the item veto against the legislature. At times the item veto has been used against revolving funds or special funding techniques. But the most vexing issue is the question of attaching conditions, provisos, and qualifications to an appropriation. May the Executive strike conditions, provisos, and qualifications while retaining the appropriation?

This dispute may not present a major problem under the Mattingly bill, depending upon the direction given to the enrolling clerks by the Secretary of the Senate and the Clerk of the House of Representatives. Presumably an unnumbered paragraph of an appropriation bill would include both the appropriation and the condition. The President could not keep the former and sever the latter. However, the President could retain an unnumbered paragraph and strike a numbered section that contains a condition, proviso, or qualification that applies to all appropriations in the bill.

I dwell on this point because State courts have tried to maintain a balance between two competing values: the right of the Governor to veto items, and the right of the legislature to condition an appropriation. State judges have had an extremely difficult time in devising a formula or test that can discriminate between proper and improper deletions of conditions. To protect its prerogatives, Congress might decide to rewrite appropriations bills by placing important conditions in each unnumbered paragraph rather than leaving them at the end in numbered sections.

A major difference between State governments and the Federal Government is the degree of specificity in State appropriations bills and the lump-sum nature of congressional appropriations bills. Specificity in

State bills complement the Governor's item-veto authority. The Governor is able to delete individual projects and programs. At the Federal level, however, "items" rarely appear in appropriations bills. They are placed in committee reports or supporting agency documents. Most Governors are able to reach "pork" and "logrolling" projects. Under the Mattingly bill, however, the President would be limited to a single lump sum of, say, $951 million for the general construction account of the Corps of Engineers. The individual projects contemplated by that aggregate amount are placed in non-statutory sources.

To pattern itself after the States, the Federal Government would have to do more than simply adopt the item veto. It would have to restructure appropriations bills by resorting to line-itemization. That approach, as you know, has been resisted not merely by Congress but by the executive branch. Agency officials want the latitude and flexibility associated with lump-sum funding.

The sixth reason I oppose S. 43 is that it would be extremely difficult to track the thousands of appropriations bills it would create. It would also make it harder to create the sort of compromise packages forged this year in both Houses of Congress.

Senator HATFIELD shares this concern. He says:

What would result is regular appropriation bills being enrolled as perhaps as many as a hundred or so separate bills. General appropriation measures might be converted into literally hundreds of separate bills. The President would be swamped with paper and we would have difficulty keeping track of things. In addition, it remains unclear to me what the application of this proposal would be if a bill or conference report is incorporated by reference into a general appropriation measure. We should be equally be concerned that legislative intent may be completely overridden when items intentionally linked and sequenced together are separately enrolled.

The seventh reason I oppose S. 43 is that contrary to what some of its supporters say, it would give the President very limited power to eliminate specific, localized "pork-barrel projects." He would not be able to veto a particular Army construction project in a particular State, for example. He would have to veto all Army construction projects.

Louis Fisher has written:

It is important to understand the reach of S. 43, because there appears to be some uncertainty about the scope of item-veto authority.

An editorial in the Wall Street Journal on March 8, 1985, suggested that the Mattingly bill would have made it unnecessary for President Reagan to veto the entire Farm Credit and African Famine Relief Bill (H.R. 1096). The editorial believed that the President, armed with the Mattingly bill, could have item-vetoed the farm credit provision while leaving intact African aid. But H.R. 1096 was not an appropriations bill. To reach such matters, the Mattingly bill would have to cover loan programs and other indirect forms of financial assistance, including entitlement programs usually found in authorization or tax bills.

I also noticed that OMB Director David Stockman, in his testimony before the House Government Operations Committee on March 7, 1985, pointed out that the availability of item-veto authority would have allowed President Reagan to delete GAO's bid-protest powers added to the Deficit Reduction Act. Under the Mattingly bill, however, the bid-protest provision would not have been subject to an item veto because the Deficit Reduction Act was not an appropriation bill.

Senator HATFIELD has said that:

There is a misconception that this grant of power will allow the President to veto spending for a certain project or activity in one area of the country or another; that it will allow the President to remove funding for so-called "pork-barrel" projects. This could occur only on a very limited basis. If, for example, the President opposed funding for an Army construction project located in a particular State, he could line-item vote the total appropriation for the "military Construction, Army" account. That would deny funding for all Army construction projects, but it would not simply delete the objectionable project. The same is true for a single water construction project, a particular Park Service land acquisition, and a host of other individual projects and activities. It would be necessary to veto the entire appropriation for the account to turn down one minute detail of it. And, that is only if the account fits the definition of an "item."

Allen Schick has also addressed the limitations of the line-item veto in this regard. He said:

The incapacity of the item veto might be increased if S. 43 were to spur Congress to alter it budget practices so as to deliberately shelter favored items from presidential attack. S. 43 would give Congress a strong incentive to package items favored by the President with matters that he opposes, in much the same manner as it now inserts funds not wanted by the President into "veto proof" continuing or supplemental appropriations. Moreover, Congress could protect controversial items in appropriation reports, beyond the reach of the President's veto power. While the legal status of report language mandating particular activities or expenditures is questionable, the skill with which Congress uses reports to get its way is not. Agencies generally abide by the dictates of appropriation reports. The Defense Department does not close production lines for weapons systems singled out for continued funding in appropriation reports.

The eighth reason I oppose S. 43 is that it would enable the President to exert extraordinarily greater influence than he can now wield to eliminate certain programs. The incumbent President, for instance, would have a better chance at getting rid of the Legal Services Corp. or funding for the Tennessee Valley Authority—two extremely worthwhile programs that Congress has retained over his objections.

Mr. HATFIELD has expressed this concern succinctly. He said:

To be blunt, this proposal has little to do with spending reduction. It has everything to do with the balance of power in our government. This proposal represents a significant grant of power and passing or responsibility to the Chief Executive at the expense of the Legislative Branch, and there are no sound reasons why this shift in power should occur.

Louis Fisher has also addressed this issue. He said:

A different question concerns the amount of money that might by saved by the Mattingly bill. Although most projects and programs would be outside the President's reach, some programs would be vulnerable. President Reagan, for example, could delete funding for such unnumbered paragraphs as the Legal Services Corporation, Amtrak, the Small Business Administration, and other programs that the administration would like to terminate. The aggregate total for these cuts could be substantial, assuming that Congress did not combine in a single unnumbered paragraph a threatened program with one that the President favored. State legislatures have learned how to do that.

I should point out that the Mattingly bill presents an either/or choice. Agencies or programs funded by a single unnumbered paragraph either would be terminated or, in the event of a congressional override, allowed to continue. There would be no opportunity for a choice in-between, unless the administration were given item-reduction authority. It is possible that the threat of an item veto might lead to middle-ground negotiations. Members of Congress might agree to cut back on a program in return for the President's promise not to invoke his item-veto authority.

This either/or confrontation could be avoided by adding greater detail to an appropriations bill. Instead of providing a lump-sum amount, many of the details from committee reports and agency documents could be incorporated in the public law. This would allow the President to trim programs rather than abolish them.

The ninth and final reason I oppose S. 43 is that a better alternative would be to make institutional reforms in the budget process. We could, for instance, strengthen the appropriations committees and improve the rescission and deferral process.

Allen Schick discussed such reforms in a letter to Senator MATHIAS. He said:

During the Committee's hearing on the item veto held on May 14, some interest was expressed in the rescission process as a means of controlling expenditures. One advantage of the rescission process is that it can reach below the full account and withhold funds from particular projects or activities, in contrast to an item veto which applies only to the entire account.

Another possible advantage is that unlike an item veto which would enable the President to prevail if supported by one third of the House and Senate, a rescission would require a majority vote to support the President's position.

At the hearing, I noted that under the present rescission rules, funds proposed for rescission must be released (and spent) even in the absence of a majority vote upon expiration of 45 days of "continuous session." I further noted that this problem has recently arisen with respect to noncontroversial rescissions, with the result that funds have sometimes been either unnecessarily spent or the rescission rules have been violated.

In view of my inability to attend the resumed session of the hearings, it might be

useful to provide some concrete data on this problem for the record.

The inadequacy of the current rescission process has recently been evidenced by congressional response to presidential rescissions proposed pursuant to the Deficit Reduction Act of 1984. That Act established expenditure savings targets in 6 management categories. On February 6, 1985, the President submitted 226 rescission proposals totaling $372 million to Congress. However, Congress did not act on any of these proposals—despite the fact that they were made in response to its directive in the Deficit Reduction Act—by the time the 45 day period expired.

At least two steps have been taken thus far to compensate for the failure of the rescission process to produce the intended repeal of budget authority. First, the Senate Appropriations Committee reported S. 469, the rescission bill, with an amendment that would extend the impoundment of the funds withheld pursuant to the Deficit Reduction Act until July 1, 1985. According to the Appropriations Committee Report (S. Rept. 99-7), this delay "will enable the Committee to fully review the administration's rescission proposal and to identify further reductions necessary to approach the goals . . . of the Deficit Reduction Act."

The Senate has not yet acted on S. 469, as reported. Technically, therefore, the funds withheld to accomplish the objectives of the Deficit Reduction Act should be released.

The second step, also in response to the expiration of the 45-day period, has been to notify affected agencies of the intention of the Appropriations Committees to rescind the funds later this year. Thus, in a letter to the head of an executive agency dated March 7, 1985, Senator Paul Laxalt, Chairman and Senator Ernest F. Hollings, Ranking Minority Member of the Commerce, Justice, State, and Judiciary Appropriations Subcommittee, wrote as follows:

As you are aware, last year Congress mandated OMB to recommend proposed savings from vehicle, public affairs, consultants, travel, and public relations and printing costs from a number of agencies in Section 2901 of the Reconciliation Act. Pursuant to that law, OMB has forwarded a list of proposed rescissions to Congress.

We are writing to notify you that we propose to enact all the 2901 rescissions identified for agencies under the jurisdiction of the Commerce, Justice, State Subcommittee on a general Supplemental bill later this year. We intend to enact these savings even if the time limits for rescissions or deferrals have expired. We are notifying you of our intent so you can properly budget for your activities.

If you believe that you can achieve the same level of savings in another area of your budget and you want to waive the specific reductions suggested by OMB, the Subcommittee would be willing to entertain a request to that effect. Unless notified, we will assume you will take the reductions in the functions proposed by OMB. Please contact the Subcommittee staff to work out any details of such a request. The staff is also willing to answer any other questions you may have.

This policy does not include any program rescissions, which the Committee will review on a case-by-case basis.

The deficiency that has necessitated this action occurs frequently, both because rescission is a complicated legislative process (each proposed rescission is referred, under a unanimous consent agreement entered into in 1975, to at least three Senate committees), and because the Appropriations Committee which has the lead jurisdiction often is so fully involved in the annual appropriations process that it cannot divert attention to proposed rescissions.

I would suggest that if your Committee has an interest in strengthening the rescission process as a more effective and better balanced means of curtailing expenditures and the deficit than the item veto, it might examine the rescission process or direct the proposed Select Committee on the Two-Year Budget to undertake this task.

Allen Schick, whom I quoted earlier, has considered the political implications of a line-item veto. He wrote:

If the item veto would not make much of a dent in federal spending, why has it been so avidly sought by President Reagan and many of his predecessors? The straightforward answer is that the item veto has the potential of strengthening the position of the President vis a vis Congress. For one thing, when Congress and the President disagree as to spending priorities, the President would have a better chance of imposing his preferences. The President could either wield the item veto to remove spending added by Congress or he could threaten to exercise the veto unless Congress provided the funds he wanted.

In the present circumstance, where deficits are very high and difficult to eradicate, the campaign for an item veto is one means of pointing the blame for high spending at congressional profligacy. The President can argue that if only he had the item veto, things would be much better. Of course, if he had an item veto, the President would have to more realistically face the budgetary consequences of his policies.

In my view, the item veto is a political obstacle to effective budget control. Concentrating on discrete items might have been appropriate a century ago when spending was modest and most funds were allocated for the continuing operations of government. In the present situation, however, budget control depends on reaching agreement as to total spending and on a package of program and expenditure policies consistent with that total. That recent Senate package was passed only because many Members were willing to subordinate their preferences with respect to individual items to an overall budget policy.

S. 43 is defective because it can't see the budgetary forest for the trees.

Mr. President, it is for all of these reasons and others that I am compelled to vote against S. 43. I look forward to more substantive proposals that will help us reduce the deficit.

To put the line-item discussion in further historical perspective, this is what Norman J. Ornstein had to say about institutional change and the deficit:

I have tried to debunk the conventional wisdom that lays the blame for outrageous deficits and uncontrollable spending entirely at the feet of an irresponsible Congress. A serious movement, however, is afoot to deal with this problem through institutional change that would curtail the power and the role of Congress.

One major proposal that was a dominant theme of the 1984 presidential campaign is a constitutional amendment to give the president line-item veto authority. President Reagan first framed the issue in his 1984 State of the Union message:

Some 43 of our 50 states grant their governors the right to veto individual items and appropriations bills without having to veto the entire bill . . . It works in 43 states. Let us put it to work in Washington for all the people.

Throughout the campaign President Reagan and Republican senators and congressmen made the line-item veto a major theme, they suggested that the president could deal with the deficit if only he had the tools—that the most effective, most efficient, and least onerous way of dealing with federal spending is through a constitutional amendment to give the president line-item veto authority.

As a political theme this is an understandable one. But its main drawback, as the preceding pages demonstrate, is that it starts with the basic premise that the president is better than the Congress at controlling government spending. A line-item veto would give the president more authority and take away some of the basic powers that have resided in Congress since its beginning.

There is a fundamental flaw in this premise. Over time any executive-centered political system will almost certainly spend more and enlarge the scope of government more than one with substantial legislative power; witness the fate of nearly all our European allies that rely on parliamentary systems with strong executives and weak legislatures. Compared with nearly all of them, the United States, in size of government and taxation as a proportion of GNP, is small indeed. Political scientist Michael Malbin, after a recent visit to France, made the point especially well:

The French budget system clearly favors the executive. Party discipline rules our logrolling, and voting on the budget by department cuts down on localism. But one thing the system does not do, according to figures compiled by the Organization for Economic Cooperation and Development, is to produce a lower rate of government budgetary growth in France than in the United States. For 14 of the 20 years from 1961 to 1981, under Presidents Charles deGaulle (1958-1969), Georges Pompidou (1969-1974), Valery Giscard d'Estaing (1974-1981) and Mitterand, government spending went up at a faster rate, as a percentage of gross national product, than it did in the United States in the same period.[13]

The line-item veto, of course, is more a political ploy than a comprehensive proposal for reducing or eliminating deficits. For one thing, the veto as proposed aims exclusively at appropriations bills, while most spending, as the Office of Management and Budget has pointed out, is not directly in the hands of the Appropriations Committee or funneled through individual appropriations bills. Consider, for example, the $926 billion in the 1985 fiscal budget. Some $188 billion goes for social security, handled separately through social security legislation. Another $116 billion is for net interest payments, which the president could not item-veto. Medicare and Medicaid get $90 billion, also handled through formulas; the formulas can be changed by law, but the items in the existing law are virtually immune from veto. Another $123 billion is for other mandatory programs handled through existing legislation. Commitments made in prior years for which contractual obligations exist total $97 billion for defense and $74 billion for domestic programs. We are left with $237 billion—but $175 billion of that is for defense. That

leaves, in other words, $62 billion in nondefense, discretionary spending as the main potential for line-item vetos. That includes the general operating expenses of the federal government—Central Intelligence Agency—

Will he veto that?

Federal Bureau of Investigation—

Will he veto that?

the mint, the national parks, and so on. A very small proportion of those expenses could be effectively vetoed if the president had the desire.

Most presidents, however, including Reagan, do not really have that desire. Driven by the same political considerations as members of Congress, presidents generally support, even when they have an opportunity to veto, the kinds of programs that clearly stand out as wasteful federal spending.

Mr. President, in summary, the history of freedom in human civilization has been largely the history of power flowing from a centralized executive to the hands of elected representatives of the people. By reversing that historic trend, this proposed measure would send us backward toward centralized power in the hands of one individual, power of the kind our Constitution warns us against in every line and every word. The whole logic of the American system is of checks and balances, of power dispersed, of trust placed in the hands and judgment of the American people and their elected representatives. Let us not be fooled by the arguments advanced in favor of the proposal which has been submitted to us. Let this Senate stand fast at this historic hour and prevent the enactment of S. 43 which, in my judgment, would be unwise and harmful to our Republic.

Mr. President, I am strongly committed to cutting the Federal budget deficit. But I believe this legislation would cause more harm than good and may actually contribute to fiscal irresponsibility.

I realize that there is considerable popular support for giving the President the power of a line-item veto. That support reflects a sincere, widespread feeling that something dramatic must be done to reduce these intolerably high deficits. But a measure such as this is relatively easy to support because it does not in and of itself require people to lose their benefits or pet projects. The fact is, cutting the deficit will require making some very hard decisions.

Let me note a few reasons why I am opposed to S. 43, which would break the 13 appropriations bills into more than 100 separate bills.

First, it is based on the false assumption that Congress is largely to blame for the deficit. In fact, President Reagan has requested $2 trillion for all appropriations in the last 4 years, excluding entitlements and interest on the national debt. Congress has appropriated $300 million more than he's asked for—that's a scant 0.00015 percent more.

Second, less than 15 percent of the Federal budget would even be vulnerable to a line-item veto. It could not be used on revenue measures. It could not be used on permanently funded entitlements and other mandatory costs like interest on the Federal debt. These items amount to half of the budget and are not handled in appropriations bills.

Of the remaining half of the budget subject to appropriation, more than half goes to defense, foreign aid and annually funded entitlements. That leaves less than 15 percent of the budget—the nondefense domestic discretionary items. And that's been the only declining portion of the Federal budget recently.

Third, it would tip the balance of power to the President. And the Supreme Court has been reluctant to permit the expansion of one branch of government beyond that expressly provided, as evidenced in the recent Chadha legislative veto decision.

Fourth, it would encourage both Congress and the President to be more fiscally irresponsible as they traded support for pet projects. Congress might be more prone to adopting expensive programs, hoping the President would veto them.

Fifth, comparisons with the use of the line-item veto in 43 States are irrelevant. State legislatures meet for a relatively short time, most States operate under a balanced budget requirement and the Federal Government dwarfs the State governments in size and power.

Sixth, it would be extremely difficult to track thousands of appropriations bills instead of 13. It would also make it harder to create the sort of compromise packages forged this year in both Houses of Congress.

Seventh, it would give the President very limited power to eliminate specific, localized "pork-barrel projects." He would not be able to veto a particular Army construction project in a particular State, for example. He'd have to veto all Army construction projects.

Eighth, it would enable the President to exert extraordinarily greater influence than he can now wield to eliminate certain programs. The incumbent President, for instance, would have a better chance at getting rid of the Legal Services Corp. or funding for the Tennessee Valley Authority—two extremely worthwhile programs that Congress has retained over his objections.

Ninth, a better alternative to make institutional reforms in the budget process might be to strengthen the appropriations committees and to improve the rescission and deferral process.

It is for these reasons that I feel compelled to vote against S. 43. I look forward to more substantive proposals that will help us reduce the deficit.

Mr. STENNIS. Mr. President, will the Senator yield to me briefly?

Mr. GORE. I will yield.

(Mr. GORTON assumed the chair.)

Mr. STENNIS. Mr. President, I highly commend the Senator from Tennessee for a very illuminating and, I have to say, wise presentation he made on this very important subject. I do not know of a tenderer spot in the entire Constitution of the United States than article 1, section 1. I think it and another section that I have in mind should be quoted now as a proper picture frame to put around the splendid speech of the Senator from Tennessee. I think his concluding remarks are really classic and I believe in one way or another the warning that he gave will be heard.

Everyone has good faith, I am sure, as a motive in dealing with this matter, but the framers of our Constitution summed it up in one sentence. Article 1, section 1:

> All legislative powers herein granted shall be vested in the Congress of the United States, which shall consist of a Senate and House of Representatives.

Now, that was a deliberate delegation of power. How much power? Well, it is hard to describe how much there is, but they said all legislative power. They knew what they were doing. They knew where they wanted to put the responsibility. They put it on the shoulders of the people who were the closest to the people, by and large, of the body, Members of the House, a body chosen directly by the people, and the Members of the Senate, then chosen not directly but by the people's representatives but now the Senate, too, chosen directly by the people, someone who then can meet on the street any day, anywhere, or personally call him up and discuss matters with him.

And then over here on the next page, Mr. President, set forth in firm, positive, definite, concluding language about what should be done with a bill that both Houses might pass. They were not going to leave the President out. After the power had been exercised, they gave him solely the question of a veto right on the bill, not a fragment. It says, "They shall take it"—i-t—"to the President," transmit it to him and he shall pass on it and then shall send it back, either sign it or send it back to the sending body. There is no question what those words mean. I-t, one of the shortest words in the English language, is used in connection with the bill. There is no doubt whatsoever about what these framers and givers of this power were talking about or what they meant. And now to come along after 200 years of success—and I think we can call it a success—operating under this section—

I say successful because of many reasons, but we have come a long way in time, become a powerful Nation. I am not boasting about it, but perhaps the most powerful in history—we come in in a devious way, not intending to be devious, but in an old, freakish way of spelling out what it means and say, "Well, after all, we are going to interpret this Constitution as not meaning all legislative power and not meaning just a veto, take it or leave it, and that can be then overcome by another vote."

But we are going to turn it around and interpret it to suit our wishes. I speak with all deference to anyone who may vote that way, but what we are after is the real meaning of these words in the Constitution. It is about all the average fellow has to call his own and share in this country, this great document. I just cannot go along with the idea of these words directing the Clerk of the House of Representatives and Secretary of the Senate to take this action. I just cannot believe it. At first I thought it was just a regulation. I find it is written out in the bill. It tells those two officials to take this bill and tear it up in all kinds of pieces, subject matter, and so forth, that you can construe into it or about it and send those as a separate body and each one is named it, i-t. Send it back to the President of the United States, whoever he may be, and he will act on that not as one bill as passed by the House of Representatives and the Senate but a bill to be split up, then, physically by these officers and sent to him in many fragments and say, "Well the President, after all, can take his choice."

It is just unbelievable to me that this procedure should be so seriously taken that we are willing to throw away, cast aside, disband the document as it has been used and interpreted for these 200 years, and send up here what is almost a monstrosity system, something altogether different physically. It is totally different physically. It has the same words but put into a different form and context so that they could be subject to a veto.

Mr. President, I have no reference whatsoever to anyone who might vote for the measure under a mistaken view, but I urge my colleagues to take another look.

This powerful country is carrying its load around the world, burdened with matters around the world, and we pray for time and patience and strength to meet those burdens and to carry them out. We must not abandon what we know is sound and workable and true.

So I hope we will have a reconsideration of this matter, that it be voted to be laid aside, and that we continue the search to carry out this one document that is our total guide and our authority here, and through those ways try to find a way to meet our problems. We will be increasing our problems manyfold if we try to change the Constitution in this manner.

I commend the Senator. He has analyzed the main sections. I have made notes of what he has said, and I commend him very highly. I am proud of the contribution he is making here, with his analysis and facts about the case. He pointed out that only 15 percent of the amounts would be subject to special line item veto, anyway, and then he gave a fine explanation of the separation of powers.

Mr. GORE. Mr. President, no Member of this body is held in greater esteem than is the Senator from Mississippi, and no one else's words of approval are more pleasing to me than his.

More important is the logic and incisive analytical capability he brings to this question. As the senior Member, having served longer than any other Member of the Senate, his words should be listened to very carefully, and of course they are, by every Senator.

I want to react to two things that were brought up by the distinguished Senator from Mississippi.

First, in his reference to the section in article 1 which specifies that all legislative power shall be in Congress, I note that this proposal would give the President not only the executive power but also an amount of legislative power equal to that wielded by two-thirds of both the House and the Senate. What an awesome transfer of power that would be.

Second, the Senator from Mississippi refers to the language in our Constitution specifying that when Congress passes a bill and refers to it as "it" and sends "it" to the President, the President may veto "it."

How many times have we considered appropriations bills in Congress where a majority of the Members of either body proved to be unwilling to appropriate funds unless a specified condition was attached to that appropriation and, in expressing the will of the American people, put in the bill those conditions considered appropriate before the money could be spent?

Under this proposal, that bill, as considered by Congress, would be dismembered; and the condition, if it fell in a separate item, as it often does—the condition which led a majority of Congress to support the overall measure—could be eliminated by the President's use of an item veto, and the entire meaning of the bill would be changed. Congress would not have a chance to vote on the particular "bill" sent by the enrolling clerk to the President. Instead, the President would have an opportunity to consider it, as intended in that sense.

So not only would this measure give the President an amount of legislative power equal to two-thirds of that presently wielded by two-thirds of both Houses of Congress; it would also give the President some legislative power not presently exercised by either House of Congress, insofar as it would enable the President to consider for veto so-called bills that had not been considered in their separateness, in their new meaning, as it comes within the conditions excised by the President.

So, in my opinion, it is really a dangerous provision insofar as its effect on the Constitution is concerned.

Like the Senator from Mississippi, I know that those Senators who presently support this provision do so in all sincerity and for reasons they believe are correct and good for the country.

But I join the Senator from Mississippi in asking those Senators who support this provision to consider again.

Mr. BYRD. Mr. President, the people won again today.

I have in my hands editorials from the Washington Post of Saturday, September 29, 1984; the Philadelphia Inquirer, July 23, 1985; the Cleveland Plain Dealer, July 23, 1985; the Washington Post, July 19, 1985; and the New York Times, July 17, 1985.

Mr. President, while speakers are coming to the floor, I shall read into the RECORD the editorials to which I have just referred, beginning with the Washington Post editorial of September 29, 1984, Mr. President:

"POWER PLAY

"If 51 Senators have their way, the Nation's capital would have two new centers of power. They would reside in the offices of the enrolling clerks of the House and Senate. There, final decisions would be made as to what programs, projects and legislative restrictions would be offered up for individual veto by the President.

"Enrolling clerks are not people accustomed to such discretion. Their usual concerns are with the form—punctuation, format and style—rather than the content of what becomes the law of the land. But a majority of Senators have come up with the idea that, by investing new powers in the clerks, they can give the President a line-item veto—something he says he needs so that he can finally start balancing the budget.

"The line-item veto would let a President veto individual items in an appropriation measure without having to reject the whole thing. Legislation giving the President this power outright could be immediately blocked by a Member pointing out that this power shift violated both the Constitution and the Budget Act. But, reasoned the 51 Senators, there is nothing to keep Congress from changing its own procedures. Why not pass a little measure telling the enrolling clerk to

take each appropriation measure passed by Congress and write up the individual 'items' as separate bills? Then the President could sign those he liked and veto the rest.

"You will immediately see that a great deal would ride on what the enrolling clerk decided an 'item' was. The bill instructs him that 'any numbered section and any unnumbered paragraph' should be an item. But we've seen some mighty long—and mighty short—paragraphs and numbered sections in our time. If the clerk's preferences ran to short items in all or part of an appropriation, the president would acquire formidable new powers.

"He could, for example, punish (or intimidate) recalcitrant Congressmen by eliminating (or threatening to eliminate) public works or military projects targeted for their districts. He could cut benefits for weak constituencies, such as poor families, without having to reject other parts of an appropriation earmarked for powerful lobbies such as doctors or real estate brokers. Or he could strike inconvenient prohibitations such as language preventing use of funds to upend other country's governments or undermine Federal laws.

"Of course, the line-item veto wouldn't actually do much to cut the deficit. The biggest sources of current deficits are defense, tax giveaways and entitlements—things which the President either wouldn't or couldn't restrain with a line-item veto. And you might also wonder whether the President would really want to have such fine control over discretionary spending—Mr. Reagan would now be having a much harder time courting farmers, old people, city dwellers and so on if Congress hadn't been able to do him the favor of rejecting many ill-advised program cuts he earlier proposed.

"No, the line-item/enrolling clerk law has really nothing to do with balancing the budget. It is simply a cheap election-year gimmick put forward by a group of Senators who are willing to risk upsetting the constitutional balance of powers in order to look much more serious about fiscal responsibility than they have the courage to be."

Now, Mr. President, I will continue with an editorial from the Philadelphia Inquirer of July 23, 1985. The title of this editorial is "Reject Bid For Line-Item Veto."

"The Senate is tied in more knots than usual over whether to give Presidents the power to veto 'line items' in spending bills. President Reagan wants this power, maintaining that it would better enable him to control spending and reduce budgets deficits."

Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senator's point is well taken. Will those Senators desiring to converse please take their discussions to the cloakroom?

Will the Senator please proceed?

Mr. BYRD. Mr. President, if any Senator on either side wishes to have the floor to speak, I will be happy to yield the floor. But, until such time as there is some such indication, I will proceed to read these editorials into the RECORD. They are excellently written editorials, and I think they succinctly and cogently make the case against the line-item veto.

The PRESIDING OFFICER. Will the Senator withhold?

Mr. BYRD. Yes; I thank the Chair.

The PRESIDING OFFICER. If we could have the complete attention of the Senate.

Will the Senator proceed, please?

Mr. BYRD. I thank the Chair.

Continuing with the reading of the Philadelphia Inquirer editorial of July 23, 1985:

"REJECT BID FOR LINE-ITEM VETO

"President Reagan wants this power, maintaining that it would better enable him to control spending and reduce budget deficits. So would the abolition of Congress. He might as well ask that, for that would be the effective result. Recognition that the stakes are that high has prompted a bipartisan filibuster. An attempt to shut it off is expected today.

"Currently the President must veto an entire spending bill, which typically provides funds for a vast collection of projects and programs. If he objects to only one, he must decide whether killing it is worth sinking all the others with it. A line-item veto would permit him to pick off specific programs.

"Obviously that would be a useful tool, yet most Federal spending still would be beyond its reach. Some 45 percent of spending goes to entitlement programs. Anyone meeting the programs' criteria is entitled to the money. Only changes in fundamental laws can reduce such spending. Another 15 percent covers interest on the Nation's debt, which must be paid. Then 27 percent of spending goes to the Pentagon, and Mr. Reagan is unlikely to veto many items there. That leaves only 13 percent of all spending realistically within reach. This veto would be little more than an ax with which Mr. Reagan finally could fell all the programs such as Amtrak upon which he has chopped so relentlessly since 1981.

"The power of the purse is Congress' primary authority, awarded by the Constitution. By bargaining among interests from all over this diverse Nation, Congress apportions spending so that everyone gets a share. Sure, some projects are little more than 'pork barrel' giveaways, there is some waste. Yet in the final analysis, this continuous process of bargaining and trading enables coalitions to be knitted, which ties the regions into the national system, enabling governance itself.

"Give the President the power to veto specific items and Congress would lose leverage forcing him to bargain. Such a surrender of authority would knock asunder the careful balance of institutional powers wrought so finely by the framers of the Constitution. It would permit a Ronald Reagan to dismantle social programs unimpeded. The same authority would permit a liberal President to run roughshod over programs conservatives treasure.

"This proposal is a distraction, a nonanswer to deficits and a serious threat to the system's checks and balances. No Senator should approve this emasculation of congressional authority. Until a solid Senate majority is persuaded of that, let the tongues of those Senators who understand this issue's importance wag on."

Now, Mr. President, the Cleveland Plain Dealer of July 23, 1985, carries the following editorial, entitled "Budget-Wise, Tom-Foolish." It reads as follows:

"Even less attractive than the shortsighted arguments in favor of a line-item veto are the idea's long-term perils. Imagine a Congress so bereft of power that it effectively is unable to challenge a president's policies. Imagine a national budget—billions and trillions of dollars—resting in the hands of one elected official and hundreds of non-elected aides.

"A presidential line-item veto is the power to make such nightmares real. With it, a president could put a heavy kibosh on any particular expenditure he doesn't like without, as he now does, having to throw out the entire bill. He could go through an appropriations bill line by line, throwing out the programs he doesn't like. More than 40 state governors exercise such veto power to help control recalcitrant legislatures. The relationship between a governor and his legislature, however, is substantially different than that between a president and Congress. So, obviously, are the responsibilities.

"More to the point, though, is that the 'power of the purse' is Congress' most potent leverage against the executive branch. It ensures the system of checks and balances. It helps maintain equality of power between the wisdom of 535 elected officers and the wisdom of just one.

"Line-item supporters argue that the idea is budget-wise. They say it will let the president slash away at wasteful, deficit-contributing pork-barrelism. They say that the threat of the line-item veto, which could be overridden by Congress, would spotlight parochial, no-value expenditures and than have a chilling effect on their inclusion.

"True, senators and representatives, of both parties, load major appropria-

tion bills with pet projects. But the president can veto the whole bill. If he has the time to go through a bill with a line-item veto, then he has the time to go through a bill without it. He could then veto the whole bill, citing the unacceptable riders. Simply because past presidents haven't often bothered to use their 'bundle' veto against legislative lampreys doesn't mean that power needs to be enhanced.

"The argument that a line-item veto would help the president achieve cuts and therefore lower the deficits is not budget-wise, it is tom-foolish. Congress is no more responsible for the deficit than is the president. President Reagan has been unable even to produce a deficit reduction plan, much less implement one. Why does he need a tool to do a job he has no intention of completing?

"And why should a senator be forced to compromise on other issues to save legitimate expenditures? A president, with his line-veto, could easily exert such pressure.

"It is difficult to figure out why Congress would put its own authority on the line for such a false deficit-remedy. It is not difficult, though, to figure out what the U.S. Senate should do. There is a vote in the Senate today on whether to begin debate. The idea should never have gotten that far. It should get no further."

"LEGISLATIVE VEG-O-MATIC

"Before Congress now is a proposal that is the legislative equivalent of the Veg-o-matic—you know, the gizmos advertised on late-night TV that chop onions and grate carrots and core apples, almost without your having to lift a finger. The legislative equivalent is being peddled now as the easy cure for the deficit, the national debt and ever-burgeoning spending. It is the line-item veto.

"Imagine, proponents say: it could enable the president to cut wasteful spending with a stroke of the pen. And if you're not sure it'll work, they add, just give it a 365-day trial. But at this point you may have a few questions.

"How is a president going to cut spending much through line-item vetoes when no recent president has proposed anything close to a balanced budget? President Reagan might like you to think Congress has been spending wildly. But Congress has authorized and appropriated only marginal increases over his own budget. If a president as economy-minded as Mr. Reagan dares not propose further cuts in his budget, why would he impose them through a line-item veto?

"Another question: How would you stop Congress from doing what it does now—putting the spending the president doesn't like in the same line with items he dare not veto? The bill introduced by Sen. Mack Mattingly would try to stop this congressional practice by commanding Senate and House clerks to enroll each individual 'item' as a separate bill. But it won't take a very skilled parliamentarian to get around this requirement. Certainly Congress has a powerful institutional reason to try. Otherwise, the line-item veto would shift vast power from Congress to the White House and the Office of Management and Budget.

"In the long run, there is no simple, fail-safe automatic device to force a president and Congress to do what this president and Congress and their predecessors have refused to do: balance the budget. The line-item veto, like the constitutional amendment purporting to require a balanced budget, is a political gimmick, certain in the short run to be mischievous and in the long run to be ineffective. The president and Congress already have the constitutional power to balance the budget. What they need is not a line-item Veg-o-matic, but political will.

"THE LINE-ITEM DIVERSION

"For more than a century, every President has wanted a veto power over individual items in appropriation bills. Congress, concerned more for its own power than for the Federal exchequer, has scotched the idea every time. The issue is once again before the Senate. It deserves the same fate.

"Line-item appropriation vetoes would relieve the President of the duty to weigh the pros and cons of bundled expenditures. Every President since Ulysses Grant has vowed to wield the veto against 'waste'—none more insistently than President Reagan. But alarming extravagance can always be resisted by vetoing an entire package, too. The bundling annoys Presidents because it has been an important element in their annual negotiations with Congress. Presidents want to tip the power balance in their favor, but make no strong case for needing extra power.

"Mr. Reagan recalls his line-item veto power as California Governor, and notes that 42 other governors enjoy it too. So why not the President?

"Because a governor is not the President, Commander in Chief, Diplomat in Chief, Economist in Chief and Communicator in Chief. Governors may need the added authority to influence their legislatures. But Presidents, especially Mr. Reagan, have made no persuasive showing that they now need to destroy Congress's last significant power, the power of the purse.

"Much as it might alter the political power balance, the line-item veto would not directly affect most appropriations. It could not reach three-fourths of the Federal budget. Social Security costs could not be vetoed without first rewriting the underlying law. The same goes for other entitlement programs, like Medicare or farm subsidies. Interest on the national debt is veto-proof, and so, by and large, is the defense budget.

"Ignoring these limitations, Presidents like to portray the item veto as a scalpel for removing the pet projects of special interests that Congress won't resist. As if the White House served no special interests.

"A further reason for opposing the item veto is that it might give Presidents excessive influence over individual members of Congress. The White House could, for example, threaten to veto perfectly legitimate expenditures of importance to individual legislators because they dare to oppose the President on other issues. Presidents loom large enough in the political careers of legislators.

"At best, this proposal would alter spending patterns at the margin. At worst it's a power grab, upsetting Federal checks and balances that have worked pretty well. This debate is a poor substitute for doing something substantial about the alarming budget deficits."

Mr. PELL. Mr. President, I have voted again today to limit debate on the question of whether the Senate should proceed to consideration of legislation to give to the President of the United States authority to veto individual line items in appropriations bills.

I wish to make it clear, however, that I do not support the line-item veto legislation. As a member of the Committee on Rules and Administration, I voted to report that legislation to the Senate with an unfavorable recommendation—a recommendation that the Senate do not pass the bill. I believe it is unwise and unconstitutional legislation that will do nothing to reduce the Federal budget deficit, but will do great deal of harm to the constitutional balance of powers between the executive and legislative branches of our Government.

However, in my 24 years of service in the Senate I have never voted in support of a filibuster, even when I have opposed the substance of the legislation involved. It is in keeping with my general view that the Senate should be permitted to work its will on legislation that I have voted to limit debate on the question of proceeding to consideration of this measure.

ROUTINE MORNING BUSINESS

Mr. SIMPSON. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business not to extend beyond the hour of 6:50 p.m. tonight.

The PRESIDING OFFICER. Without objection, it is so ordered.

LAMBERT MIMS, THE MAYOR OF MOBILE, TO RETIRE

Mr. HEFLIN. Mr. President, today I wish to share with my colleagues a story of an unselfish public servant. After 20 years of dedicated service to Mobile, AL, Lambert Mims did not run for office in this year's mayoral election. This ends his long career as a public servant of Mobile, a career that has seen many improvements and changes.

Mr. Mims, currently finishing in his fifth term as mayor is ending a career long in service to the city of Mobile. Mims was first elected to the Mobile City Commission in 1965, becoming the city's youngest commissioner ever. He was responsible for all public works activities, and was reelected four times, making him only the second person in Mobile's history to serve five terms.

It has been said that his tenure in office coincided with "the greatest Public Improvements Program in our history—during these years when our city was expanding westwardly and the central city had to be revitalized." As commissioner and mayor, he initiated and directed the largest and most progressive Public Works Improvement Program in the city's history, and he enjoys an unmatched record of accomplishments in public works services.

Along with his demanding schedule of duties as mayor, Lambert Mims also is very active in the Alabama Baptist State Convention. He served as president of the 900,000-member convention, one of the few layment to be elected to this to office. He also served two terms as first vice president of the convention, deacon and chairman of the board of Riverside Baptist Church, president of the Alabama Baptist Brotherhood, and director of the Mobile Baptist Brotherhood.

Throughout his career, Mayor Mims has received many honors for his work in community and religious service. He was named Mobile's most outstanding young man of 1965. He was the principal speaker at Hon. George C. Wallace's 1971 inaugural breakfast and attended the Presidential prayer breakfasts of Presidents Johnson, Nixon, Ford, Carter, and Reagan. His writings have appeared in national and international magazines, such as Baptist Men's Journal, Contact, Moody Monthly, Grit, and Solid Waste Management.

Following his retirement from public office, Mims says he plans "multifaceted" activities, and anticipates "that the future will be bright for me personally." He intends to write, speak, and lecture in public works and governmental workshops, sharing his vast knowledge and experience with others.

Lambert Mims has truly been an asset to the city of Mobile and the State of Alabama. Under his leadership, Mobile has grown and prospered. He fought to promote the Tennessee Tombigbee Waterway, and vows to help the city as it changes from a commissioner form of government to a mayor-council form. Mims has promised to remain an ambassador for Mobile wherever he goes.

Mr. President, I ask unanimous consent that an article from the Mobile Press Register concerning Lambert Mims be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MIMS SAYS HE WON'T SEEK OFFICE JULY 9

(By Arthur Drago, Jr.)

Not "up to the battle," Mayor Lambert C. Mims will not be a candidate in the July 9 municipal election, he announced Monday.

In a seven-page, handwritten statement, Mims said, "After much prayer and consideration, I am announcing that I will not be a candidate for mayor in the upcoming election."

Mims, 55, has served on the Mobile City Commission since 1965, overseeing the public works department throughout his career. He was re-elected in 1969, 1973 and 1981.

Mims had been considered the chief challenger to Finance Commissioner Arthur R. Outlaw this summer in the city's first mayoral election since the early 1900s. Outlaw won the lead role in the play for mayor of Mobile with a landslide victory in the special election March 12 to fill the remainder of ousted Finance Commissioner Gary A. Greenough's term and the subsequent endorsement of the mayor-council government in a referendum three weeks ago.

Thus far only Outlaw and Democratic Party official Pat Edington have announced for the mayor's race.

Saying he was "always the underdog," Mims, however, added, "I just don't feel up to the battle."

The reportedly substantial contributions to Outlaw's commission campaign did not color Mims' thinking, he said.

"I'm not intimidated by all the money that's said to be in the other camp," said Mims.

Mims said he had "agonized over it * * * sincerely prayed about it," and only reached the difficult decision after neither alternative felt comfortable as the deadline drew near.

"Every other time, I knew without a shadow of a doubt that I should be in," said Mims. "But this time, I've not been able to get any peace by stepping aside; I've not been able to get peace by staying in the race."

Noting that he has devoted much of his time this year to traveling about the country to promote the Tennessee-Tombigbee Waterway and to the city's campaign to land the U.S. Navy's Surface Action Battle Group, Mims indicated he was unwilling to take on the rigors of a political campaign.

"I think I could win the race if I could put forth the effort," said Mims.

The mayor offered his "help in any way possible during this transition period" from the commission government to a mayor-council form.

Mims' statement, in which he thanked the citizens of Mobile for the "privilege and honor of serving here for 20 years," noted that only one other person in the city's history has served as long.

Mims said his tenure in office coincided with "the greatest public improvements program in our history * * * during these years when our city was expanding westwardly and the central city had to be revitalized."

The city has enjoyed social progress as well since 1965 with "minorities taking a more prominent part in community affairs," said Mims.

"From an economic standpoint we have had change," Mims' statement read. "In spite of losing 14,000 jobs with the closing of Brookley; in spite of new technology reducing the number of jobs and closing plants; and in spite of natural disasters like Hurricane Frederic and several floods, we have made progress with the opening of the Tenn-Tom, the discovery of gas and oil in the area, with the prospects of new and expanding industries and the possibilities of the Navy Surface Action Group coming to our port, Mobile has a bright future."

Mims said he planned "multi-faceted" activities, anticipating "that the future will be bright for me personally."

The mayor said his experience in administration, management and promotion "will be made available to business, industry and government."

He also intends to write, speak and lecture in public works and governmental workshops and seminars in "connection with the American Public Works Association and other such groups."

Mims said his withdrawal from political office will permit him to pursue "that which I like to do most," speaking to church groups, revivals, retreats, conferences, seminars, civic clubs and banquets.

"I plan to have press conferences wherever I speak and encourage more Christian people to become involved in governmental affairs," said Mims. "I have served the people of Mobile faithfully and have tried to represent them in a way to cause them to be proud. I shall continue to be an ambassador for Mobile wherever I go."

THE RETIREMENT OF URALEE HAYNES

Mr. HEFLIN. Mr. President, as we all know, the future of our Nation relies on the education of our children. For this reason, I am saddened to learn of the retirement of a dedicated, quality educator, Uralee Haynes, the superintendent of Lowndes County Schools of Alabama.

All of Lowndes County's children have benefited from her leadership. A gym has been built at the former Lowndes County Training School—now Central High. A special education building housing both elementary and secondary students at Central has been built. Also, a completely new facility has been built to replace the building destroyed by fire at Haynesville High School. An area vocational school offering courses in clothing production, trowel trades, business and office education, plumbing, electronics, and health occupations was established. A day care center for preschoolers was organized.

Mrs. Haynes began her training at Tuskegee Institute, where she received a B.S. degree in home economics, and later a masters degree in social studies.

She completed postgraduate courses in special education at Troy State University, and in administration and supervision at Alabama State University.

She began her career in 1939 as a home economics teacher at Summerville High School in Aliceville, AL. She later moved to Haynesville, where she taught home arts, and later Social Security, remedial reading, the learning disabled, and special education. From 1946, she served as assistant principal of Lowndes County Training School, a position she held until 1975, when she was named superintendent of Lowndes County Schools. As superintentent, she worked for 10 years to improve the Lowndes County System.

Despite the great task of maintaining a school system, Mrs. Haynes also stays involved in various community activities. She is a member of the Alabama State Chapter of Phi Delta Kappa, a teaching honorary. She is also active in the National Education Association, the Alabama Education Association, and the Lowndes County Education Association. She is also a member of the Lowndes County Political Committee and the Lowndes County Democratic Executive Committee.

As she leaves the teaching profession, we can only hope that she will be replaced by others as dedicated to teaching our children as she. With more educators like Mrs. Uralee Haynes, we can assure ourselves of a brighter future as our children reach adulthood.

MARTIN JOHNSON: 50 YEARS OF SERVICE TO SOCIAL SECURITY

Mr. HEFLIN. Mr. President, throughout this country's history, we have stressed the need to have pride in our work. The strength of our great Nation's social programs relies on the dedication and service of those who work within their framework. It is for this reason that I want to share with my colleagues the story of the remarkable contributions Martin Johnson has made to the Social Security Administration during his 50 years of dedicated service.

On Friday, May 31, 1985, Mr. Johnson celebrated his 50th anniversary as an employee of the Social Security Administration. During his tenure there, he has risen from a Civil Service Commission position to become the Nation's senior district manager. Along with his leadership within the Social Security Administration, he is also recognized as a leader throughout the Mobile community.

A native of Mobile, AL, Johnson is a graduate of St. Bernard College in Cullman and Loyola University in New Orleans. After a short time with the accounting department of the United States Steel Corp., he began his career with Social Security during the heart of the Great Depression. When asked what changes he has seen in Social Security during the last 50 years, he states: "About anything you can think of."

When Johnson began with Social Security, he says it was "purely a retirement program." In 1936, he started with the old Social Security Board. By 1947, he had been named manager of the Mobile District Office, a position he still holds. Today, due to his outstanding record of service and dedication, he serves as the Nation's most senior district manager.

The community of Mobile also is fortunate to benefit from Johnson's civic leadership. He has served as president of the Mobile Advertising Club, district governor of the Advertising Federation of America, chairman of the Muscular Dystrophy Association and president of the Mobile Arthritis Association. He currently serves as a member of the executive board of the Mobile Area Chamber of Commerce and chairman of the Member Relations Committee. Johnson also remains active in many community service projects and organizations, by serving on the advisory board for the Boy Scouts, as chairman of the executive board of the Senior Citizens Services and the Mayor's Commission on Progress. He also has a weekly television show to advise the elderly about Social Security.

Johnson has received many honors for his contributions through his work with civic organizations and the Social Security Administration. He received a citation from President Eisenhower for his work. In 1954, he was named "Mobilian of the Year." He was knighted by Pope Pius XII in the order of St. Gregory the Great, and named Knight Commander by Pope John XXIII. He has also been knighted in the Equestrian order of the Holy Sepulcher of Jerusalem by Pope Paul VI, and named a Knight of Malta. He is the only American who is a member of Queen Elizabeth's Legion of the Frontiersman. He also holds the Australian Medal of Merit.

Martin J. Johnson is a great asset to his community, his State, and the Nation. We can only hope to find many more people as loyal and dedicated as he. In fact, when asked if he will retire, due to his many years of service, he replies, "I'm going to stay as long as they don't chase me off!"

Mr. President, I ask unanimous consent that an article from the Mobile Press Register concerning Martin Johnson be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

JOHNSON CELEBRATES 50 YEARS OF SERVICE

Martin J. Johnson has grown from the youngest to the senior district manager of the Social Security Administration.

On Friday Johnson celebrated his 50th anniversary of working as a federal service employee. Local dignitaries, as well as officials from the Social Security Administration in Baltimore, Md., attended a ceremony honoring Johnson's 50 years with the administration, held at the First National Bank building downtown.

"I feel great. I wouldn't swap it for anything," said Johnson, who added that he doesn't plan to retire anytime soon. "I'm going to stay as long as they don't chase me off," added Johnson.

When asked what changes he's seen in Social Security in the last 50 years, he replied, "About anything you can think of."

He said Social Security originated as "purely a retirement program."

In 1934, according to Johnson, Congress passed a law phasing in the program, based on a recommendation from the President's Committee on Economic Security. He said the committee recommended a program be established for retirement, death and disability income.

Social Security went into effect in 1937 and was intended to be "only a lump sum when a person reached the age of 65," noted Johnson. However, he added, "the 1 percent tax (levied for Social Security) built up so rapidly in the treasury that Congress said it would include a death benefit."

The death benefits and monthly retirements were included in the program in 1940, Johnson said.

In July 1955, disability benefits were included and then in 1966 Medicaid was also place under the Social Security program.

Johnson began working with Social Security in 1936. One year prior to that he worked with the old Civil Service Commission.

A native of Mobile, he has been the manager of the local Social Security office since 1947.

WILLIAM H. TRIMM

Mr. HEFLIN. Mr. President, it is with sadness and a deep sense of loss that I note the passing of William H. (Hershel) Trimm of Hoover, AL, a suburb of Birmingham. Everyone who had the good fortune of knowing Hershel will sorely miss his unfailing dedication to this profession and his fellow man.

Hershel's career typifies the opportunities available in this country to those who are willing to give of themselves. He was the smalltown boy who went out into the world and made good.

In the face of good times and bad times, Hershel continued to base his life on hard work, integrity, and professionalism. He was always willing to learn and, at the same time, never hesitated to share his knowledge and experience with others, particularly newcomers in the business.

Hershel was a doer and a giver. He was a prime mover in the development and growth of the city of Hoover; he served as chairman of the Hoover Planning and Zoning Board for more than a decade; and he was instrumental in drawing up Hoover's zoning ordinances.

In 1965, he started his own homebuilding business concentrating his efforts in south Jefferson County and north Shelby County. He helped design and build the Tall Timbers, Birchtree, and Piney Woods subdivisions which were subsequently annexed by the city of Hoover. At the time of his passing, he headed the Trimm Building Corp., Trim Construction Co., and Trimm Realty Co.

Hershel was deeply involved in local, State, and national homebuilders associations. He served as scholarship house chairman of the Greater Birmingham Association of Home Builders in 1968 and on the education trust board of trustees from 1969 to 1971. Having served in the various elected offices, he was chosen as president of the Birmingham association in 1973. He also held the position of national director for the association representing them on the National Association of Home Builders board of directors.

In 1976, he became secretary of the Home Builders Association of Alabama and in 1978 was elected president of the 3,000-plus member association. He subsequently served as national director for the State association representing the organization on the National Association of Home Builders executive committee.

Hershel was recognized by his peers for his dedication and service to the homebuilding industry when he was chosen builder of the year by the Greater Birmingham Association of Home Builders in 1971; 9 years later, he was honored as the Home Builders Association of Alabama builder of the year.

Hershel's efforts on behalf of the building industry did not end on the conclusion of his term as State president. It was his leadership and expertise which helped produce, in conjunction with the Alabama Department of Health, new and more workable guidelines for wastewater treatment as well as the approval for the use of alternative wastewater treatment systems. In addition, he served with distinction on numerous special State and national committees.

Hershel was a man of impeccable moral standards who had the greatest of love and respect for his fellowman and his church. As an active member of the Green Valley Baptist Church, where he served on the board of deacons and many committees, Hershel demonstrated the same zeal and hard work which characterized his business life.

Hershel Trimm will live on in our memories. He touched the lives of many and accomplished much in his short time on this Earth. A truly outstanding citizen who gave unselfishly of himself to his family, profession, and community, his life serves as an example for all who were fortunate enough to have come in contact with him. He will be remembered; he will be missed.

TO RECOGNIZE GINNY S. ABRAMS, PRESIDENTIAL MANAGEMENT INTERN

Mr. WARNER. Mr. President, over the past 7 months, I have been extremely fortunate to have had the services of Ms. Ginny S. Abrams who, as a Presidential Management Intern, served as a member of my staff.

Ms. Abrams' performance during the critical and highly demanding legislative process was so outstanding that I wish to take a few moments to commend her and express my appreciation for her exceptional service and dedicated efforts.

The ability she possesses to express her reliable advice and recommendations in a clear and concise manner, orally and in writing, was invaluable to me in the consideration of the many complex foreign relations issues which demanded by attention.

As an assistant in matters concerning national security policy and foreign affairs, Ginny did an outstanding job of representing me to Government agencies and constituents.

At the same time, she still handled a large share of the daily responsibility of the daily visitors, appointments, and telephone calls.

Ms. Abrams thoroughly researched and examined a number of amendments which I presented on the floor of the Senate.

I know that her advice regarding issues was always based on solid research and sound, thoroughly considered judgments.

She became an invaluable member of my staff, and her performance over seven critical and highly demanding months was truly outstanding.

Her achievements are indicative of her outstanding talents and selfless devotion to accomplish assigned tasks in a highly professional manner.

I am extremely appreciative of her efforts and accomplishments.

As she goes forward in her career as the newly appointed Special Assistant to the Assistant Under Secretary of Defense for Policy Planning, the Honorable Fred C. Ikle, I would like to once again express my sincere appreciation to her for her outstanding service and wish her the very best in all her future endeavors.

EXTENDING MEDICAID COVERAGE FOR LOW-INCOME PREGNANT WOMEN: COST-EFFECTIVE AND NEEDED

Mr. CRANSTON. Mr. President, several months ago I introduced S. 7, legislation to extend Medicaid coverage to one of the remaining groups of low-income pregnant women currently excluded from coverage in a number of States. This group consists of women who are married and living with a spouse who is employed, but whose family income and assets fall below the State's AFDC income eligibility threshold. Ironically, pregnant women with the same income and resources who are single or whose husbands are unemployed are provided Medicaid coverage in all States. Yet, in a significant number of States—almost 20 in a recent survey—if such a woman is living with her husband and he is employed, albeit at a job that provides an income that is below the State's welfare eligibility standard, she is not eligible to receive Medicaid assistance during her pregnancy. This is certainly an antiwork and antifamily policy. According to a recent CBO estimate that I will discuss in a moment, it is estimated that over 26,000 pregnant women would be extended Medicaid coverage during their pregnancy if S. 7 is enacted.

Moreover, as a result of legislation—derived in part from a bill, also denominated S. 7, I introduced last Congress—enacted in the last Congress, as soon as these children are born, they become eligible for Medicaid. Thus, Medicaid will pay for the incredibly expensive neonatal intensive care that such a newborn might need, but not for the prenatal medical assistance that could reduce the likelihood of a high-risk birth and possible lifelong need for medical care.

S. 7 in this Congress would help to ensure that all low-income pregnant women have access to the medical care which can improve the chances for the birth of a healthy child. This legislation represents a further step in efforts I have promoted in the past several Congresses to close the gap in the Medicaid Program which resulted in a number of low-income women being denied Medicaid assistance during pregnancy. We were successful in the last Congress in closing some of these gaps. The task, however, is still not completed.

My statement explaining the history behind this legislation and the progress we made during the last Congress in extending prenatal Medicaid coverage appears in the CONGRESSIONAL RECORD of January 24, at S621 (daily ed.).

NEW COST ESTIMATE FROM CBO

Mr. President, when S. 7 was introduced, I indicated that I was requesting the Congressional Budget Office to reexamine the cost estimates for extending coverage to this remaining group of pregnant women. One of the principal reasons that the 1984 legislation which extended prenatal coverage did not include low-income, married women with employed husbands was because of the high price tag—$175 million in the first full fiscal year—that had been placed on this coverage.

Several months ago, I formally requested CBO to conduct a re-examination of those previous estimates and suggested several factors that lead me to believe that the 1984 cost estimate was unreasonably high.

I am delighted to report that CBO has now provided a new cost estimate for implementation of S. 7—an estimate that is dramatically lower than the previous estimate. The current estimate indicates that this provision would entail additional federal expenditures of $20 million for fiscal year 1986, $40 million each for fiscal year 1987 and 1988, and $45 million each for fiscal year 1989 and 1990.

It is estimated that there would be 26,184 low-income pregnant women who would be covered by Medicaid as a result of enactment of this bill.

Mr. President, I ask unanimous consent that the new CBO cost estimate be printed in the RECORD at the conclusion of my remarks, following my letter to CBO.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibits 1 and 2.)

COST-SAVINGS OFF-SET NOT INCLUDED

Mr. CRANSTON. Mr. President, the new CBO cost estimate does not include any contemplated savings to the Medicaid Program as a result of providing adequate prenatal coverage to these women. CBO declined to include such an offset in its official estimate, in part, because of what it termed was "the uncertainty in the magnitude of savings resulting from better prenatal care."

Despite CBO's reluctance to include such an offset in its official budget estimate, there is little doubt that providing better prenatal care does result in cost savings in terms of subsequent Medicaid expenditures.

EFFECTIVENESS OF PROVIDING ADEQUATE PRENATAL CARE

On January 24, I cited many of the projects around the country which have demonstrated over and over that providing adequate prenatal care works in reducing the number of high-risk births. Early prenatal care helps identify potential problems in the mother as early as possible so that steps can be taken to reduce the risk of having a low birth weight and/or premature birth.

That is why the General Accounting Office in 1980 testified at a hearing I chaired that the single most important step we could take to improve pregnancy outcome and reduce infant mortality in this country would be to ensure that every pregnant woman receives proper prenatal, delivery, and postnatal care.

That is why an identical recommendation was made in 1981 by the Select Panel for the Promotion of Child Health—the panel established by Congress to assess the status of maternal and child health and to develop a comprehensive plan to promote the health of children and pregnant women in the United States. One of the central recommendations made by that panel was to mandate Medicaid eligibility for all pregnant women whose family incomes are at or below the federally established poverty level.

NEW REPORT FROM THE NATIONAL INSTITUTE OF MEDICINE

Mr. President, since my January 24 introductory statement citing the numerous studies documenting both the need for better access to prenatal care for all low-income pregnant women and the cost-effectiveness of providing such care, an important new report has been released. This report, entitled "Preventing Low Birthweight," prepared by the Committee to Study the Prevention of Low Birthweight of the Institute of Medicine of the National Academy of Science, is a very comprehensive and thorough review of the issues.

Low birthweight is a major factor in infant mortality. There is also a well established association between low birthweight and neurodevelopmental handicaps, congenital anomalies, and a wide range of other disabling conditions. Experts uniformly agree that reducing the incidence of low birthweight is a key to reducing infant mortality and morbidity. They also agree that the availability of adequate prenatal care during a pregnancy can reduce the risk of low birthweight. The National Institute of Medicine's report concluded that "[e]fforts to reduce the Nation's incidence of low birthweight must include a commitment to enrolling all pregnant women in prenatal care and specifically recommended that Medicaid should be expanded and strengthened to reach more recipients. The report stated:

Medicaid increases participation in prenatal care by lowering financial barriers to such services. And because participation in prenatal care is associated with improved birthweight, efforts to expand and strengthen the Medicaid program should be part of a comprehensive program to reduce the nation's incidence of low birthweight. Decreasing the participation of pregnant women in the Medicaid program by such means as changing welfare or Medicaid eligibility criteria serves only to undermine the purpose of the program and, among other things, threatens appropriate use of prenatal care and increases costs for low birthweight infant care. Changes in the program should be dedicated to enrolling more, not fewer, indigent, eligible women in the program and to providing them with early and regular prenatal care of high quality.

The report specifically recommended that:

Eligibility standards should provide Medicaid coverage for pregnant, indigent women, regardless of their family composition or the employment status of the chief breadwinner in the family unit.

That is precisely what S. 7 is intended to do.

With respect to the budgetary questions, the NIM study examined the cost of providing adequate prenatal services to low-income women. According to the NIM calculations, the provision of prenatal care to this population would resulting in a reduction in total expenditures for direct medical care of low birthweight infants by $3.38 for each additional $1 spent on prenatal care. These savings are calculated on the expected direct medical costs of caring for a low-birthweight infant only in its first year. They do not include long-term costs of caring for those infants with disabling conditions—costs which can be staggering.

The savings calculated by the NIM study parallel similar estimates from other studies on the impact of providing adequate prenatal health care. I am thus absolutely convinced that the true cost of enactment of S. 7 is even less than the new CBO estimate. Indeed, there is ample reason to conclude that enactment of this measure would lead to a reduction in overall Medicaid expenditures—both State and Federal.

CONTINUED BROAD SUPPORT FOR S. 7

Mr. President, this legislation continues to enjoy support from a broad range of organizations, including child advocacy groups and health care groups, as well as organizations with sharply differing positions on the issue of abortion. Those organizations which have endorsed S. 7 include the National Right to Life Committee, Planned Parenthood Federation of America, National Conference of Catholic Charities, Children's Defense Fund, Association for Retarded Citizens, Family Service Association of America, Child Welfare League, National Association of Children's Hospitals and Related Institutions, California Association of Children's Hospitals, National Perinatal Association, and American Academy of Pediatrics.

Support for S. 7, represents support for an initiative that is pro-choice, pro-life, and pro-family in a very meaningful sense. For those who support freedom of choice, nothing could be more central to that freedom of choice than the right of a low-income woman to choose to carry a pregnancy to term free from the economic pressures arising from the inability to pay for the costs of the medical care needed. For those who believe that abortion should never be permissible, making available the medical care necessary for a low-income woman to carry a pregnancy to term is essential to alleviating economic pressures which might otherwise influence a decision to terminate a pregnancy.

Mr. President, regardless of differing views on the issue of abortion, there ought to be unanimous agreement that every pregnant woman should have access to the medical care neces-

sary during a pregnancy to enhance the likelihood of a healthy child.

As a Senator who was deeply involved in the last Congress in our successful efforts to develop the framework for a responsible and sensitive approach to dealing with the so-called Baby Doe cases, I am also acutely aware of how relevant in terms of that issue is the provision of adequate prenatal care. Although it may not be medically possible to eliminate entirely the incidence of high-risk births, there is absolutely no question that the availability of adequate care during pregnancy can be critical to reducing the likelihood that a child will be born with a serious disabling and life-threatening condition. Every Member of this body who is concerned about the treatment of Baby Doe infants ought to be equally concerned about making sure that the medical assistance which would reduce the likelihood of a child being born with these disabling and life-threatening conditions is provided during pregnancy. Just as we developed a consensus last Congress to deal with these very difficult decisions at and after birth, we should coalesce to provide the same consensus to help reduce the incidence of these tragic cases.

CONCLUSION

Mr. President, it is well past time for the Federal Government to close the gaps in the Medicaid Program which allow certain needy pregnant women to be excluded from coverage. It is foolhardy to continue this omission, particularly when Medicaid coverage is provided to the new-born infant to pay for the often extraordinarily high costs of neonatal intensive care—costs that can be averted through the provision of early prenatal services. It is my intention to push hard in this Congress to see this inequity corrected.

In the past decade, we have made great strides in increasing the number of women who received medical care during that critical first trimester of pregnancy. However, almost one-fourth of the pregnant women in this country do not and they are often those with the greatest need for early care. Repeatedly, studies of women who have not obtained adequate prenatal care have found that the major reason for the lack of such care is that the woman could not afford it. We can and must do a better job of reaching those women and increasing their chances of having a healthy child.

S. 7 has already been cosponsored by a number of my colleagues, including Senators MOYNIHAN, MATSUNAGA, INOUYE, RIEGLE, METZENBAUM, DODD, LEVIN, KENNEDY, ANDREWS, SIMON, and LEAHY. With the new, significantly lower CBO cost-estimates, I hope that others who are concerned about health care for low-income pregnant women will join in supporting this legislation.

EXHIBIT 1

U.S. SENATE,
Washington, DC, March 4, 1985.

Dr. RUDOLPH G. PENNER,
Director, Congressional Budget Office, House Annex No. 2, Washington, DC.

DEAR RUDY: I recently introduced legislation, S. 7, which would require that Medicaid coverage be extended to all pregnant women who meet the AFDC income and assets eligibility standards for the State in which they reside. During the last session of Congress, provisions were enacted in Public Law 98-369 which extended Medicaid coverage to women in this category whose husbands are unemployed. The effect of S. 7, if enacted, would be to extend Medicaid coverage to similarly-situated women whose husbands are employed. Essentially this coverage was included in the House-passed version of H.R. 4170 but was deleted during the conference.

Although CBO has not prepared a formal budget estimate for S. 7, my staff has been informally advised that the cost of enactment of this legislation would be assumed to be that of the provision which was dropped during last year's conference on H.R. 4170. That provision had been costed by CBO as producing a federal share of approximately $175 million in the first year (FY 1988 under the House-passed bill).

I have been advised that CBO's estimates have been based upon an assumption of a 100-percent participation rate of the estimated 100,000 pregnant women who would be made eligible for coverage by this provision. I am writing to request a new CBO cost-estimate and to raise with you several concerns I have about the basis for last year's cost estimates.

First, I question strongly the reliability of assuming a 100-percent participation rate for this category since the employed status of the spouse would suggest that some portion of the eligible women would have employer-sponsored health insurance coverage, thereby reducing the extent of new Medicaid costs.

Second, although there may be some justification in assuming that the eligible individuals without other sources of care would seek reimbursement for the hospital costs of delivery, it is doubtful that 100 percent of those eligible will seek prenatal medical assistance before the time of delivery. Accordingly, the assumption that each eligible woman would seek reimbursement for full prenatal as well as delivery health care seems to me to overstate the per individual cost of expanding coverage.

Third, I am concerned about the assumption of 100-percent participation in the first effective year. In the past, CBO has assumed a much more gradual participation for this type of Medicaid expansion, and I am advised that the Administration assumes a much slower expansion under the 1984 amendments than CBO estimated.

Fourth, rarely do all eligible persons participate in any program. What is estimated to be the general Medicaid participation rate among eligibles?

Fifth, and most importantly, I am deeply concerned that CBO's cost estimates do not include any off-setting savings to the Medicaid program as a result of providing prenatal services to high-risk pregnant women. Numerous studies, including a detailed one done in the State of California, have shown an immediate reduction in Medicaid expenditures for neonatal intensive care for each Medicaid dollar spent on prenatal services. A report from the National Academy of Sciences released on February 25, also documents savings. Since Public Law 98-369 mandated Medicaid eligibility for the infants whose mothers would be covered under S. 7 during their pregnancy, it is clear that additional Medicaid expenditures for the care of high-risk infants could be reduced by providing Medicaid services during the pregnancy rather than only after birth itself.

I would appreciate your response to these concerns and a new cost estimate for S. 7 at the earliest possible time since I wish to press ahead with this legislation as soon as we receive a new cost estimate from CBO. Please have your staff contact Susanne Martinez (224-3553) for any additional information or data relating to cost-savings.

Cordially,

ALAN CRANSTON.

EXHIBIT 2

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, May 13, 1985.

Hon. ALAN CRANSTON,
U.S. Senate,
Washington, DC.

DEAR SENATOR: As requested in your letter of March 4, 1985 we have reviewed your proposed legislation (S. 7) to amend Title XIX of the Social Security Act to provide Medicaid coverage during pregnancy for certain low-income women in intact families who would otherwise be ineligible. Based on our analysis, we estimate the following costs:

Fiscal year:	*Millions*
1986	$20
1987	40
1988	40
1989	45
1990	45

Our estimate is based on the following information on low-income women in intact families from the Current Population Survey (CPS):

Family work status	Women	Not currently covered
Full-time, full-year	108,040	108,040
Part-time, full-year	12,916	7,285
Part-year	116,078	86,826
Total	237,034	202,151

Of these eligible women, 13.0 percent are expected to be pregnant in any given year for a total of 26,184 pregnancies. Each pregnancy is expected to result in a total state and federal cost of $2,650 in 1986. Since the match rate for those states that do not currently cover the pregnancies is 60 percent, the federal share of each pregnancy would be $1,600. Costs were adjusted in the out years to reflect medical cost inflation.

This estimate differs from the CBO estimate mentioned in your letter for several reasons. First, the data are based on the March 1984 CPS. The previous CBO estimate used data from the March 1982 CPS. Second, during the past year, states with roughly 40 percent of this uncovered population have extended Medicaid coverage. Finally, we have refined our definition of Medicaid eligibles.

This estimate includes a 50 percent reduction during the first year to account for lags in implementation, a 6 percent reduction each year to account for private insurance coverage and a 10 percent reduction to account for other nonparticipation. Although roughly 22 percent of eligibles appear to

have some private health insurance, much of it will require extensive copayments by Medicaid. Furthermore, GAO recently reported (GAO/HRD-85-10) that states collect only a small proportion of third party liability. Our 90 percent participation rate for those without private coverage reflects the fact that a majority of the costs are incurred in the hospital where incentives to locate possible sources of payment are very strong. Even in the event that a woman does not seek prenatal medical assistance before the time of delivery, the costs to the government are reduced by less than a third.

The costs reflected in this estimate are not offset by savings resulting from better prenatal care. This reflects the uncertainty in the magnitude of savings from better prenatal care as well as the fact that many women will not seek medical advice early in their pregnancy. Under S. 7, states would be required to cover services for pregnant women but not to institute an aggressive program to educate women in the need for early medical attention during pregnancy.

The proposed legislation would result in additional state costs to state Medicaid programs as shown below:

Fiscal year:	*Millions*
1986	$15
1987	30
1988	35
1989	35
1990	40

We would be pleased to respond to any questions you might have on this estimate. Your staff may contact Jack Rodgers (226-2820) with detailed questions.

With best wishes,

Sincerely,

JAMES BLUM,
(For Rudolph G. Penner,
Director).

ADDRESS BY ADM. JAMES D. WATKINS AT THE RESERVE OFFICERS ASSOCIATION CONVENTION

Mr. THURMOND. Mr. President, it is a pleasure to commend the Chief of Naval Operations, Adm. James D. Watkins, for the fine speech he delivered last month at the National Convention of the Reserve Officers Association of the United States in Portland, OR. Admiral Watkins' remarks eloquently address the current challenge to America and the readiness of our Armed Forces to deter aggression and to maintain peace through strength.

Mr. President, nearly 5 years ago, President Reagan called upon the Congress and the American people to support a program to restore our military readiness and increase our defense capabilities. We have made great progress in this effort; however, as Admiral Watkins succinctly points out, we have not yet reached our goal and we must never allow our capabilities to deteriorate again.

The Chief of Naval Operations is to be commended for his timely and stimulating address on our national security. I strongly recommend that my distinguished colleagues read Admiral Watkins' speech entitled, "America, Steady as She Goes."

Mr. President, I ask unanimous consent that Admiral Watkins' address on June 29, 1985 at the Reserve Officers Association convention be printed in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

"AMERICA, STEADY AS SHE GOES!"

(By Adm. James D. Watkins)

Thank you for that kind introduction Colonel Eileen Bonner.

I am most honored to be inducted into ROA's Minuteman Hall of Fame. Yet the real winners are the many Regular and Reserve members of our armed forces, serving around the world . . . they are the minutemen of the 1980's, ever ready to respond to our Nation's call. But, because of the exposure too often given to wailing and gnashing of teeth by tiresome national negativists, one could be left with the impression that the military is weathering particularly stormy seas right now as defense budget debates reach an uncommon crescendo. In my opinion, the sea state is normal for this time of year. As a matter of fact, I thought it might be amusing to take a quick look back in Americana to see if the current situation were unique, or simply par for the course . . . I was not surprised to find that latter to be the case. In this regard, a look at the last century is revealing.

In 1846, there was a great military industrial complex debate about weapons that didn't work. General U.S. Grant remarked about short-ranged muskets used in the Mexican-American War that "a man might fire at you all day without your finding out."

Then, there was a problem of retention of sailors in both Navy and merchant marine. In San Francisco in July of 1850, 500 ships were left deserted by sailors going to seek their fortunes during the gold rush.

You ask, "what about military critics of those days?" Well, during the early 1800's, Congressman Davy Crockett made repeated attempts to abolish West Point because he said it was producing aristocrats.

How about pay and benefits in those days? While we went with little or no pay increases, in 1873 Congress gave itself a salary raise of 50 percent, and made it retroactive for two years.

"OK, but what about reasonable congressional debate and discussion," you ask. Well, recall it was during the early 1800's that Senator Henry Clay blocked other discussions on the floor in Congress with an extensive speech about his dead bull, Orozimbo . . . nothing changes . . . par for the course.

So, as in those days, we will survive despite the doomsday nature of so much of the rhetoric. The Chicken Little-ists who always believe we are teetering on an abyss of national failure will be proven wrong again. I agree with Ernest Hemingway who wrote in A Farewell to Arms, "The world breaks everyone, and afterwards many are strong at the broken places." America has been welded back together many times—we know how to do it.

Sure, the problems which face us today are complex. This is an incredibly difficult time when differences between war or peace and friend or foe can blur to an almost indistinguishable point . . . like Clausewitz's description of the "fog of war." and, nations as well as shadowy groups who fly no national colors continue to strike out at us, just because we are Americans. Examples of this are freshly etched on our national memory.

Like the hostage situation aboard the TWA airliner. And, the young sailor, Petty Officer Robert Stethem, who was brutally murdered just because, as Vice President George Bush said, he was an American serviceman.

Like the murder of four young marines in a restaurant in El Salvador, killed just because they were Americans.

Or the criminal act of murdering Major Arthur Nicholson, shot by a Soviet sniper just because he was an American.

So, what is the truth which rises out of the muddle of current turbulent world affairs? One truth, certainly, is that we should never allow our national conscience, psyche and will to be slashed and cut by the shards of world events flying dangerously close aboard . . . No, it is not an impossible time filled with despair. We have faced and met tough challenges before. We'll do it again, and be stronger for it.

Let's remember it was only five years ago when we reached a similar point on our voyage to preserve cherished, but threatened, freedoms. At that time, we were at the nadir of spirit and strength and the zenith of despair and guilt. Vietnam was a haunting ghost, with its attendant self-flagellation and pity. There was a marrow-deep national crisis of faith, exemplified by drug abuse, economic paralysis and spiritual and moral degradation. We were drifting toward the rocks and shoals of self-destruction.

But, as in Hemingway's observation, we mended where broken, found new hope, and restored self esteem. The renaissance in military strength today, improvements in our overall economic climate and renewed interest in world leadership, all resulted from positive actions taken earlier this decade.

But, now for the tough questions we need to ask ourselves—"America, are we going to do what we must ahead of time to stave off crises which continue to threaten basic and cherished freedoms? or will we find it too convenient to test fate and wait to be jolted once again by outside stimulus? Are we willing to hear and see what is going on around us? Or are we going to turn a deaf ear and a blind eye toward the challenge of today?"

I pray we will continue on track, steering a course of spirit and strength befitting our role as free world leader. I know we can do this if we hold our course, well-plotted earlier this decade; if we can see the world as it is and remember that the title of peacemaker is not meritoriously bestowed—but is an honor earned in the hard-knocks world of dangerous reality. As Thomas Paine said at a particularly difficult moment of the American Revolution, "those who expect to reap the blessings of freedom must undergo the fatigue of supporting it."

Typical of the challenges we face is what is happening in Central America today. To see clearly, let's look at analogous events which happened in Eastern and central Europe between the end of World War II and the early 1950's.

When we do, clearly a pattern is evident, and the hand of Soviet-inspired actions apparent. As Jeane Kirkpatrick recently pointed out to me, if there were one thing she learned in four years at the United Nations, it was that she could accurately predict Soviet behavior because it so rigidly adheres to a standard Soviet check-off list.

This check-off list starts when Marxist-Leninists come into a nation and claim humanistic ideals and sweeping moralistic en-

deavors. While they say they want to raise the plight of the common man, behind the smoke they start to wrap tentacles around all instruments of power . . . the army, the police, the media, and reformers and revolutionaries of all stripes.

As the embracing grip tightens, universities, labor unions and even churches are brought under calculated control. Soon, the curtain is raised, and, voila—Marxist-Leninist control is complete. We saw this in Poland, in Czechoslovakia, in Cuba and almost in Grenada. The curtain is half-raised and going up today in Nicaragua.

But, maybe we have finally recognized this pattern and will accept the tough task of doing something about it. Passage earlier this month of a bill in the House and Senate clearing the way for humanitarian funds for Contra democratic revolutionaries in Nicaragua was an historic, watershed event. Unfortunately it took Mr. Ortega's trip to Moscow to provide the external stimulus necessary to shock prior non-believers into a sensible turn-around.

So, this is the pattern we should always follow—place our bet on liberty. After all, if those supporting democratic revolutionaries are wrong, the people of the affected nation can freely reject them as an alternative. But, if those who support Marxist-Leninist revolutionaries are wrong, return to liberty is tenuous at best and will always be costly and paid for in lives lost . . . witness Grenada.

Today, to support such worthy global endeavors, we must keep our military muscle strong and our intellect keen. This is what worries me about a potentially dangerous situation I see developing, that we may be getting side-tracked by discussions about the price of toilet seats and ashtrays, when we should be talking about how to steer a steady course of defense for the free world.

This is not to say we shouldn't be rooting out management inefficiencies at the same time . . . in fact, we are the ones who continue to root them out. But, the danger that we will be blown off course by the sensationalists and perhaps revert back to last decade's tragedy—that is, see-saw defense budgets and resultant toothless rhetoric caused by neglected and inadequate military strength—is always lurking over the horizon.

In the early 1900's, after listening to a Senate debate about budgetary and fiscal needs of the country, then Vice President Thomas Marshall coined the memorable expression: "What this country needs is a really good five-cent cigar."

Well, today there are people who, after listening to much of the great defense debate, are mistakenly asking and wishing for a good five-cent defense.

But, a proper defense cannot come "on the cheap." Our service people are too precious to put out to sea, or in the air, or on the ground with bargain-basement ersatz tools of national defense.

And, we don't buy expensive trinkets to fulfill a demanding ego of a brass hat. We need what we ask for. We know the Soviets respect a show of credible strength to offset their raw power to intimidate. Don't ever kid yourself about that diplomatic smile and pseudo-westernized approach. It was a show of new strength that brought the Soviets back to the table in Geneva, and it is credible strength which will keep the peace. It is also not too much, in my opinion, to ask this country to pay, at a fair but steady rate, a fixed, albeit small, fraction of our Gross National Product each year to do this.

Luckily, at this, another potentially critical juncture in American history, our greatest hope is still shining through proudly—and that is our fantastic soldiers, sailors, airmen and marines, regular and reserve. They are the best—the finest I've seen in 36 years of commissioned service, and their performance is proof positive of this high rating.

One mechanism I find useful in assessing validity of such an upbeat diagnosis of our military is to sample the readiness or our Reserves. Because Reserve forces are an integral element of our national defense strength, their pulse taken at critical times can reveal military readiness of the Nation.

Since the beginning of this decade, we have witnessed a remarkable rejuvenation in the capabilities and readiness of our Reserves. All here tonight are well aware of the Navy's positive revolution in this connection in only a few years.

And, as Winston Churchill pointed out so eloquently, Reservists are twice the citizen—because of their military as well as civilian contributions. While I cannot speak highly enough of your commitment to this country, unfortunately, being twice the citizen today is no longer good enough!

Now, you must serve as three times the citizen: through your service in the military, your civilian community, and through effective voice-of-freedom associations like the ROA. Through ROA, for example, you gain needed support in Congress, and you help raise the consciousness of the American people on the importance of assuring the national security so as to avoid the predictably distasteful world events which will otherwise occur. These contributions are more necessary than ever before.

ROA was chartered by the Congress to work on behalf of adequate national security—I congratulate you for doing this so effectively for more than 60 years. But, your biggest test now comes with helping us continue forward. You must not let others snatch defeat from the jaws of victory, a victory just coming within national grasp.

We are one team of national defense—with our Reserve forces being bellwether ingredients for measuring team capability and readiness. When called upon by our Nation, we must all be ready—Regular and Reserve—to move on the very first day of challenge.

All Americans know these challenges today have never been greater, and uncommon sacrifice is still called for—and routinely provided—by our people in uniform. For while we are technically at peace, it is a violent peace, a sign of tense and turbulent times. Recent events have shown once again that our proud young people in uniform are frequently the target of those who want to strike out at this Nation.

While we will always sorrow when American blood is shed for peace and freedom, we will ever be proud of courage and patriotism in the hearts and souls of young Americans. I suppose this is why the torrential downpour of criticism about the military retirement system is so unsettling. I have a hard time listening to the shrill resonant frequency of criticism that calls this pay-back, for service well-rendered, just another case of military excess and largess.

So, I say to these critics: if you think the retirement system is so excessive, come on in and get some of it! Join up! Volunteer to give up some of your civil rights and the middle twenty-plus years of your life, replace them with frequent family moves, and even more frequent family separation and 18-hour days at sea without overtime. On the other hand, if you want to share in the so-called retirement largess of these young people, you'll have to earn it the same way they do, the hard way!

There is an old seafarers saying—"It is not the going out of port, but the coming in, that determines the success of a voyage." Well, at the start of this decade we all left port together. We knew the voyage would be long and arduous. We knew we would encounter uncharted reefs and shoal water, tremendous storms and a sky that would sometimes be so inky black we would have difficulty navigating by the stars.

Now, we are almost to the shore, our voyage almost over. We have well laid the foundations of renewed military strength over the past five years. Yet, a difficult passage into port during the next five years still worries and challenges us. What a tragedy it would be to let down now. For, to maintain peace, we simply cannot allow the recently-restored strength and spirit to wane, as we did during the last decade.

So, on this crucial leg of our journey, in order to make landfall together safely, what this country needs, like the famous 5-cent cigar, is a good steady hand on the tiller. And this Nation happens to be blessed with a commander-in-chief who has such a steady hand. We have come too far to go aground now . . . therefore, my plea to all ROA members tonight is to sound the cry, "America, steady as she goes!"

Thank you and God bless all who serve in uniform.

THE TEXTILE INDUSTRY'S GOLD SEAL PROGRAM

Mr. THURMOND. Mr. President, I would like to call to the attention of my colleagues two editorials, one printed in the June 5, 1985, issue of the Pickens Sentinel, and the other printed in the June 10, 1985, issue of the Union Daily Times entitled "Save Jobs—Buy American." These editorials represent an affirmative response to the Textile and Apparel Trade Enforcement Act of 1985 (S-680).

Mr. President, the textile industry is not waiting for a Government "bail-out." Both of these editorials discuss the South Carolina Textile Manufacturers Association Certified Gold Seal "Crafted with Pride in USA" Merchant Program. The program calls for merchants to stock at least 75 percent American-made merchandise. If a merchant agrees, the store receives the Gold Seal designation. SCTMA provides merchandising aids for in-store promotion as well as advertising and other promotional activities. The textile industry is directing its approach to the retailer, who in effect controls import orders into the market. In this time when consumers are looking more for items labeled "Made in USA," the textile industry has offered a timely campaign to attract both merchants and consumers.

Mr. President, this innovative program designed by the textile manufacturers is a very positive step in promoting American-made goods on the

market. It is a pointed reminder that the purchase of American-made goods keeps American businesses in operation. Employed textile workers contribute income and support to their communities.

Mr. President, I urge that all my colleagues read these two editorials, and I ask unanimous consent that copies be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From Pickens Sentinel, June 5, 1985]

EDITORIAL

The South Carolina Textile Manufacturers Association (SCTMA), an industry group of 75 major corporations, has taken the problem of textile imports directly to the marketplace—to the people who can do the most about it—the state's retailers who sell apparel and home furnishings. What these retailers buy to stock their stores determines how much imports will grow or not grow during the coming months.

Although the textile industry has legislation pending in Congress that would provide orderly import growth and prevent the disruptive surges like we've had during the past two years, the nation's retailers, by means of their orders to manufacturers, are the ones who control the amount of clothing and home furnishings imported into the United States. It is far more preferable for imports to be regulated by the normal market forces of supply and demand than by complicated and difficult to enforce government laws and regulations.

Retailers in Greenville and Pickens counties recently learned about SCTMA's Certified Gold-Seal "Crafted With Pride in USA" Merchant Program.

It calls for merchants to stock at least 75 percent American-made merchandise. If a merchant agrees, the store receives the Gold-Seal designation. SCTMA agrees to provide merchandising aids for in-store promotion as well as advertising and other promotional activities.

There are approximately 170,000 South Carolinians who are directly employed in the manufacture of cloth and apparel and whose jobs and incomes depend on the sale of American-made products. Since our region has so many families whose incomes depend indirectly on textiles, it is just plain commonsense for the retailers to support the textile people. Textile people are consumers, too. They, along with others, patronize the retailers, and it is no secret that when textile people go shopping these days, they are more "country-of-origin" conscious than ever before. They are looking for clothes labeled "Made in USA" because their jobs depend on it.

Let's also not forget that employed textile people pay income taxes and social security taxes, as well as property taxes, and school taxes plus provide funds to United Ways, hospitals, colleges, civic club projects and an almost endless list of worthwhile human service organizations. And healthy South Carolina textile companies also pay taxes and make substantial contributions to educational, charitable, cultural and recreational organizations that make life better for all of us.

We hope this new merchandising program with both groups working together for stronger retail sales as well as healthy textile industry will stabilize the growing decline of well-paying textile jobs in South Carolina.

[From the Union Daily Times, June 10, 1985]

SAVE JOBS—BUY AMERICAN

The latest news from Washington concerning the textile industry is gloomy—nearly 2 million American jobs will be lost in the next five years unless textile and apparel imports are curbed.

A study released by the Fiber, Fabric and Apparel Coalition for Trade projects that 947,000 in the textile and apparel industry and another 943,000 in related industries.

Congress is attempting to solve the import crisis with the Textile and Apparel Trade Enforcement Act of 1985. The bill would limit major exporting countries such as Taiwan, Hong Kong, China and Japan, while allowing smaller exporting countries to increase their share of the U.S. market.

On the local level, we can help fight imports by purchasing textile products made in the United States. American-made products are easily-distinguished by the "Made in USA" or "Crafted with Pride in USA" labels.

The South Carolina Textile Manufacturers' Association, through its Gold-Seal "Crafted with Pride in USA" program, has joined the battle to help curb imports and save jobs. It calls for merchants to stock at least 75 percent American-made merchandise. If the merchant agrees, he receives a Gold-Seal designation. In addition, SCTMA agrees to provide merchandising aids for in-store production as well as advertising and other promotional activities.

The reasoning behind this program is the nation's retailers, by means of their orders to manufacturers, are the ones who control the amount of imported clothing and home furnishings. Textile manufacturers believe it's far more preferable for imports to be regulated by the normal market forces of supply and demand than by complicated and difficult to enforce government laws and regulations.

Textile unemployment creates a domino effect; the loss of one textile job results in the loss of another job. According to the textile industry, if 1,000 jobs are lost, another 1,000 people can expect to be out of work.

On the other side of the coin, when 1,000 textile and apparel jobs are created, an additional 3,000 jobs spring up.

That's why supporting American textiles and apparel is vital to everyone.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

PRESIDENTIAL APPROVAL

A message from the President of the United States announced that on July 22, 1985, he had approved and signed the following joint resolution:

S. 1455. An act to extend the authority to establish and administer flexible and compressed work schedules for Federal Government employees.

MESSAGES FROM THE HOUSE

ENROLLED JOINT RESOLUTION SIGNED

At 2:09 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the Speaker has signed the following enrolled joint resolution:

H.J. Res. 106. Joint resolution designating August 1985 as "Polish American Heritage Month."

The enrolled joint resolution was subsequently signed by the President pro tempore [Mr. THURMOND].

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-1522. A communication from the Deputy Associate Director for Royalty Management, Department of the Interior, transmitting, pursuant to law, a report on 41 refunds of offshore oil and gas lease revenue refunds; to the Committee on Energy and Natural Resources.

EC-1523. A communication from the Deputy Associate Director for Royalty Management, Department of the Interior, transmitting, pursuant to law, a report on 9 refunds of excess oil and gas offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-1524. A communication from the Associate Director for Royalty Management, Department of the Interior, transmitting, pursuant to law, a report on a refund of excess royalty payment of offshore oil and gas lease revenues; to the Committee on Energy and Natural Resources.

EC-1525. A communication from the Secretary of Commerce, transmitting, pursuant to law, a study of the issue of foreign trade targeting practices; to the Committee on Finance.

EC-1526. A communication from the Director for Legislative Affairs, AID, transmitting, pursuant to law, a report on the necessity for an increase in funding for Swaziland; to the Committee on Foreign Relations.

EC-1527. A communication from the Director of Legislative Affairs, AID, transmitting, pursuant to law, a report on the need for increased funding for Senegal; to the Committee on Foreign Relations.

EC-1528. A communication from the Administrator of the Veterans' Administration, transmitting, pursuant to law, a report on a computer matching program on VA professional licensure and registration records; to the Committee on Governmental Affairs.

EC-1529. A communication from the Retirement Flan Administrator, Department

of the Air Force transmitting, pursuant to law, the annual report on the non-appropriated retirement plan for civilian employees of the Air Force; to the Committee on Governmental Affairs.

EC-1530. A communication from the Secretary of Agriculture transmitting, pursuant to law, a report on a revision of a Privacy Act system of records; to the Committee on Governmental Affairs.

EC-1531. A communication from the Secretary of Labor transmitting, pursuant to law, notice of intention to extend a current contract without full and open competition; to the Committee on Governmental Affairs.

EC-1532. A communication from the Acting Assistant Attorney General transmitting a draft of proposed legislation to provide for payment to the clerk of court of fines imposed by a U.S. Magistrate; to the Committee on the Judiciary.

EC-1533. A communication from the Secretary of Education transmitting, pursuant to law, a report on final regulations for the Adult Education State-administered Program and the National Adult Discretionary Program; to the Committee on Labor and Human Resources.

EC-1534. A communication from the Secretary of Education transmitting, pursuant to law, a report on final regulations for removal of architectural barriers to the handicapped; to the Committee on Labor and Human Resources.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. STEVENS (by request):

S. 1481. A bill to amend the Merchant Marine Act, 1936; to authorize the foreign acquisition of subsidized United States-flag vessels; to the Committee on Commerce, Science, and Transportation.

S. 1482. A bill to amend section 901(b) of the Merchant Marine Act, 1936, to the Committee on Commerce, Science, and Transportation.

By Mr. BURDICK:

S. 1483. A bill to authorize additional study and purchase of flood control storage in two Canadian dams; to the Committee on Environment and Public Works.

S. 1484. A bill to authorize the establishment of the Fort Totten National Historic Site; to the Committee on Energy and Natural Resources.

By Mr. BENTSEN:

S. 1485. A bill for the relief of River Publishers, Inc. of Wharton, Texas; to the Committee on Governmental Affairs.

By Mr. DOLE (for himself, Mr. BYRD, Mr. DURENBERGER, Mr. HART, Mr. HATFIELD, Mr. CRANSTON, Mr. PACKWOOD, Mr. KENNEDY, Mr. EVANS, Mr. MOYNIHAN, Mr. GORTON, Mr. RIEGLE, Mr. SPECTER, Mr. BURDICK, Mr. D'AMATO, Mr. MATSUNAGA, Mr. BOSCHWITZ, Mr. MELCHER, Mr. KERRY, and Mr. HEINZ):

S. 1486. A bill to amend the Equal Credit Opportunity Act; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. TRIBLE (for himself, Mr. DENTON, Mr. DOLE, Mr. THURMOND, Mr. LAXALT, Mr. BIDEN, Mr. CHILES, Mr. HUMPHREY, Mr. STEVENS, Mr. CHAFEE, Mr. EXON, Mr. PRYOR, Mr. MCCLURE, Mr. HOLLINGS, Mr. STENNIS, Mr. ABDNOR, Mr. SYMMS, Mr. D'AMATO, Mr. ZORINSKY, Mr. NUNN, Mr. SPECTER, Mr. QUAYLE, Mr. MATTINGLY, Mr. BOREN, Mr. DURENBERGER, Mr. LAUTENBERG, Mr. JOHNSTON, Mr. BENTSEN, Mr. BURDICK, Mr. MATSUNAGA, Mrs. KASSEBAUM, Mr. WARNER, and Mr. HEINZ):

S.J. Res. 168. Joint resolution designating August 13, 1985, as "National Neighborhood Crime Watch Day"; to the Committee on the Judiciary.

By Mr. MATHIAS (for himself, Mr. THURMOND, Mr. DOLE, Mr. LAXALT, Mr. DENTON, Mr. SPECTER, Mr. DECONCINI, Mr. GOLDWATER, Mr. CHAFEE, Mr. STAFFORD, Mr. ZORINSKY, and Mr. LEAHY):

S.J. Res. 169. Joint resolution to commemorate the bicentennial anniversary of the first patent and the first copyright laws; to the Committee on the Judiciary.

By Mr. SIMON:

S.J. Res. 170. Joint resolution to designate the month of March 1986 as "Music In Our Schools Month"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. STEVENS (by request):

S. 1481. A bill to amend the Merchant Marine Act, 1936, to authorize the foreign acquisition of subsidized U.S.-flag vessels; to the Committee on Commerce, Science, and Transportation.

S. 1482. A bill to amend section 901(b) of the Merchant Marine Act, 1936; to the Committee on Commerce, Science, and Transportation.

MARITIME LEGISLATION

● Mr. STEVENS. Mr. President, today I am introducing two maritime bills by request of the administration. The first bill would provide authority for subsidized U.S.-flag ship operators to construct or acquire vessels outside the United States and still be eligible to receive operating differential subsidy [ODS]. The second bill would eliminate the requirement that foreign-built or rebuilt vessels must be documented under U.S. law for 3 years before they are eligible to carry cargoes reserved under the Cargo Preference Act of 1954. These bills are similar to legislation which was introduced in the 98th Congress but was not enacted.

It is incumbent that we move forward and attempt to resolve the difficult issues confronting Congress in its efforts to revitalize the U.S. merchant marine. The administration believes these bills should provide a starting point in those efforts. Undoubtedly, there will be those in the industry who will support these bills and those who will favor a modified or different approach. I am hopeful that we can initiate a dialog from which a consensus approach will emerge.

With that goal in mind, I am inviting and encouraging the maritime industry to submit comments on these bills prior to scheduling hearings on them. These comments should be received by the Commerce Committee no later than September 9, 1985.

Mr. President, I ask unanimous consent that the administration's statement of purpose and need explaining these bills and the text of the bills be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1481

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 615 of the Merchant Marine Act, 1936, as amended (46 App. U.S.C. 1185), is amended to read as follows:

"SEC. 615. The Secretary of Transportation may authorize an operator receiving or applying for operating-differential subsidy under this title to construct or reconstruct its vessels in a foreign shipyard, or acquire such vessels outside the United States. No such authorization shall be given unless the Secretary determines that (1) the vessel is over five thousand deadweight tons; and (2) the vessel is suitable for use by the United States for national defense or otherwise useful purposes in time of war or national emergency. Vessels constructed, reconstructed, or acquired pursuant to this section or section 1610 of Public Law 97-35 and documented under the laws of the United States shall be deemed to have been United States built for the purposes of this title, section 901(b) of this Act, and section 3704 of title 46, United States Code: *Provided,* That the provisions of section 607 of this Act shall not apply to vessels constructed, reconstructed, modified, or acquired pursuant to this section.".

STATEMENT OF PURPOSE AND NEED

The draft bill would amend the Merchant Marine Act, 1936, to provide authority for subsidized U.S.-flag ship operators to construct or acquire vessels outside the United States and still receive operating-differential subsidies [ODS]. Since the enactment of the Merchant Marine Act in 1936, ODS vessels have been required to be constructed in the United States. Such vessels were generally built with the aid of construction-differential subsidy [CDS]. In order to assist subsidized operators in meeting their contractual obligations to replace overaged ships, section 1610 of Public Law 97-35 (approved August 13, 1981) added a section 615 to the Merchant Marine Act that generally authorized the acquisition of foreign-built vessels for subsidized U.S.-flag service in the absence of available CDS until the end of fiscal year 1983. However, restrictions placed on this authority for fiscal year 1983 mean that, for all practical purposes, the authority provided by section 615 was available only in fiscal year 1982. Thereafter, section 134 of Public Law 98-151 (approved November 14, 1983) authorized the Secretary to permit two subsidized U.S.-flag operators to acquire a total of six existing foreign-built vessels.

Rather than continue such an *ad hoc* approach, the draft bill would amend section 615 to continue to authorize U.S.-flag operators to construct or acquire vessels outside the United States and still receive ODS. It would also clarify current authority under section 615 to acquire existing vessels outside the United States to be reflagged and

made eligible to receive ODS. However, funds from the capital construction fund provided by section 607 of the Merchant Marine Act, 1936, could not be used for this purpose.

Section 615 authority would be effective upon a determination by the Secretary that the foreign-built vessel is over 5,000 DWT and would be suitable for use by the Federal Government for national defense or military purposes in time of war or national emergency. This provision would allow replacement of overaged vessels to continue on schedule and thus avert a decline in the size of the U.S.-flag liner fleet, which is the primary U.S. source of military sealift capability.

When documented under U.S. registry, subsidized vessels constructed or acquired under proposed section 615, or previous build-foreign legislation enacted as section 610 of Public Law 97-35, would be eligible to transport reserved cargoes subject to the Cargo Preference Act of 1954. This is one element of the administration's proposal to amend the current 3 year waiting period of the Cargo Preference Act of 1954, for foreign-built vessels, whether subsidized or not, so that modern, foreign-built vessels with national security utility would be immediately eligible to transport such cargoes.

Finally, section 3704 of title 46 generally requires U.S. construction of certain specified antipollution fixtures on a vessel for coastwise operation. The draft bill would continue to waive this requirement for previously U.S.-built vessels installing such features in a foreign yard under proposed section 615 or Public Law 97-35.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 901(b)(1) of the Merchant Marine Act, 1936, as amended (46 App. U.S.C. 1241(b)(1)), is amended by substituting the following for the last sentence: "For purposes of this section, the term 'privately owned United States-flag commercial vessels' shall not be deemed to include any vessel constructed outside the United States that is registered under the United States flag subsequent to the date of enactment of this Act, (1) unless the Secretary of Transportation finds such vessel to be not more than five years of age on the date of registry under the United States flag, or (2) unless the Secretary of Transportation finds such vessel to be more than five years of age but less than ten years of age on the date of registry under the United States flag, and upon consultation with the Secretary of Defense, determines that the particular vessel is suitable for national defense or security purposes, or (3) if otherwise more than five years of age on the date of registry under the United States flag, until such vessel shall have been documented under the laws of the United States for a period of three years.".

STATEMENT OF PURPOSE AND NEED

The draft bill would amend the Merchant Marine Act, 1936, to provide immediate eligibility of reflagged vessels for the carriage of Government-impelled cargoes under section 901(b)(1) of that Act, commonly referred to as the Cargo Preference Act of 1954. Cargoes covered by the Cargo Preference Act of 1954 are a major source of revenue for virtually all U.S. liner operators and many U.S. bulk operators. However, the Cargo Preference Act of 1954 now requires that foreign-built or rebuilt vessels must be documented under U.S. laws for three years before they can carry such cargoes. This requirement is at variance with the Administration's proposal to eliminate barriers to the acquisition of modern vessels constructed outside the United States. Therefore, the draft bill would amend the Cargo Preference Act of 1954 to provide immediate eligibility for certain reflagged vessels for the carriage of Government-impelled cargoes. In order to promote a strong, modern and efficient merchant marine, the Secretary of Transportation would have to find any such vessel to be not older than five years on the date of registry under the U.S.-flag. If more than five, but less than ten years old, the Secretary would be required to find that the particular vessel is suitable for national defense or security purposes. Vessels currently authorized to carry Government-impelled cargoes would not be required to meet this proposed eligibility criteria.●

By Mr. BURDICK:

S. 1483. A bill to authorize additional study and purchase of flood control storage in two Canadian dams; to the Committee on Environment and Public Works.

STUDY AND PURCHASE OF FLOOD CONTROL STORAGE IN TWO CANADIAN DAMS

● Mr. BURDICK. Mr. President, the U.S. Government and the State of North Dakota have been working since 1957 to provide flood protection planning for the Souris River Valley. The potential for flooding is alarming. Since 1969, the Federal Government has spent more than $25 million for emergency flood response in Minot and the surrounding area.

In 1970, Congress authorized the Burlington Dam Project to protect the Souris River basin. However, the selected plan was not acceptable to all valley residents and was modified in 1981 to meet those concerns. The modified project is located on the Souris River in northwestern North Dakota. It consists of raising the Lake Darling design pool; levee improvements at Velva, Sawyer, and at six subdivisions between Burlington and Minot; flood proofing of rural residences; modifications to refuge areas and dams; road and railroad relocations; mitigation measures; compensation to Canada; and flood protection measures for flooding from Gassman Coulee.

The project was authorized in the 1982 Energy and Water Development Appropriations Act—Public Law 97-88.

The U.S. Army Corps of Engineers did not fully support the compromise plan. The corps felt even greater protection should be afforded to the city of Minot, where more than 11,000 people live and work in the flood plain. However, all parties agreed to move ahead with the alternative project, with the understanding that ultimately additional flood protection could be required.

The Senate Environment and Public Works Committee adopted a resolution on August 2, 1984, authorizing a Souris River basin study. The corps was requested to review reports and investigations and surveys, in consultation with Canada, to determine the feasibility of providing improvements in the Souris River basin for flood control and other water resource needs. Initial findings indicate that the U.S. interest in purchasing flood control storage in two proposed Canadian dams would be $14 million. The Rafferty Dam would provide the Souris basin with flood protection over a 63-year circle; the second dam, Alameda, over a 100-year cycle. This will improve upon the 35-year protection provided by Lake Darling.

Today the Senate Energy and Water Development Appropriations Subcommittee approved $300,000 in the corps' budget for continued study of the Souris basin. The bill I introduce today will direct the Federal Government to continue necessary studies, negotiate an agreement with Canada, and authorize the purchase of flood control storage. After so many years, I am optimistic that a final solution to Souris River basin flooding can be worked out in the overall best interest of the United States and Canada. I urge my colleagues to support this bill. It is my hope that both Lake Darling and Rafferty Dam can be completed by 1991, resulting in a successful international flood control project.●

By Mr. BURDICK:

S. 1484. A bill to authorize the establishment of the Fort Totten National Historic Site; to the Committee on Energy and National Resources.

FORT TOTTEN NATIONAL HISTORIC SITE

● Mr. BURDICK. Mr. President, today I am introducing legislation which merits the attention of the U.S. Congress. The Fort Totten National Historic Site Act will transfer Fort Totten from the State Historic Society of North Dakota to the National Park System, and authorizes the Park System to provide for the restoration and preservation of the site.

Fort Totten, established on the southern shore of Devils Lake, Dakota Territory, in 1867, has been a focal point of Indian-white interaction during its 118 year history. Originally established to defend against hostile Sioux, the fort soon became a defender and protector of these same people. When its military function was no longer required, the post became a Federal industrial boarding school (1890) and housed in excess of 250 Indian students. In 1935, it became a tuberculosis sanitarium for afflicted Indians; while its function had again changed, its underlying purpose had not. When no longer needed as a sanitarium, the fort became a public school that served the reservation community until 1960. With the transfer of Fort Totten to the State Historical Society of North Dakota in that year, its function changed once

again—from protector and defender of the Indian to that of a tangible history lesson about cultural interaction during a 100-year period.

The fort's history is not one of war and siege, but one of westward expansion and cultural and social integration. The site chronicles the development of the frontier through the military and settlement periods and into the 1960's. From original isolation as a frontier post to the social integration of Indians with another culture the fort saw the spectrum of western development. In its current role, Fort Totten continues to symbolize western history and to pass that heritage to present and succeeding generations. I believe the site is representative of an important phase in the history of the United States and is indeed of national significance.●

By Mr. DOLE (for himself, Mr. BYRD, Mr. DURENBERGER, Mr. HART, Mr. HATFIELD, Mr. CRANSTON, Mr. PACKWOOD, Mr. KENNEDY, Mr. EVANS, Mr. MOYNIHAN, Mr. GORTON, Mr. RIEGLE, Mr. SPECTER, Mr. BURDICK, Mr. D'AMATO, Mr. MATSUNAGA, Mr. BOSCHWITZ, Mr. MELCHER, Mr. KERRY, and Mr. HEINZ):

S. 1486. A bill to amend the Equal Credit Opportunity Act; to the Committee on Banking, Housing, and Urban Affairs.

PROHIBITIONS AGAINST DISCRIMINATION IN BUSINESS CREDIT

Mr. DOLE. Mr. President, I rise to introduce legislation strengthening current Federal prohibitions against discrimination in business credit.

The Equal Credit Opportunity Act prohibits discrimination in credit transactions on the basis of race, sex, marital status and age. It also authorizes the Federal Reserve Board to exempt nonconsumer transactions where application of the law to those transactions would not contribute substantially to carrying out the purposes of the act. Based on this authority, the FRB issued regulations exempting all commercial credit transactions from certain key requirements of ECOA, including the ban on inquiries about a credit applicant's marital status, the requirement of a written explanation where adverse action is taken on a credit application, as well as certain recordkeeping requirements.

These exemptions for commercial credit transactions have remained a point of contention since the regulations were promulgated in 1977. Women and minority business groups have pointed to ECOA's legislative history in arguing that Congress never intended such carte blanche exemptions for business credit transactions. They have also cited surveys and significant anecdotal evidence indicating that discrimination continues to be a substantial barrier to women and minority entrepreneurs obtaining the capital they need to start and operate a business.

The bill I am introducing today would amend ECOA to require that any exemption from that act's requirements be narrowly defined and promulgated only after public hearings have been held and express findings made that application of ECOA to the particular transaction in question would not further the goals and purposes of the act. Exemptions would be limited to 5 years unless it was shown, again through public hearings, that continuation of the exemption was justified. In other words, this bill does not eliminate all ECOA exemptions but, it does require that they be more narrowly drawn and carefully documented.

Mr. President, I have heard of situations where highly talented women entrepreneurs have been denied commercial credit solely on account of their marital status. I have heard of still other situations where established businesswomen have been forced to have their husband cosign a note before a creditor will give them a loan. I have also heard that many women and minority entrepreneurs have felt powerless to combat suspected discriminatory credit application denials because of loopholes in documentation and recordkeeping requirements. Clearly, this is fundamentally unfair and deserves to be closely examined and addressed by the Congress.

The principle that all who seek to start their own business should have an equal opportunity to go as far as their individual talents and hard work will take them lies at the very foundation of our system of free enterprise. Guaranteeing that all people have this opportunity makes plain, good economic sense, as well, insofar as young, thriving companies are an important source of jobs and can contribute significantly to the development and revitalization of depressed areas. Nothing in this bill is intended to give anyone a special preference, or require any creditor to grant loans to women and minorities in a particular ratio or proportion. This bill is targeted solely at ensuring that all Americans have equal access to the commercial credit market.

In concluding, Mr. President, I would like to pay credit to Senator DURENBERGER for first introducing this proposal as part of the Economic Equity Act. Mention should also be made of Representatives PARREN MITCHELL and LINDY BOGGS for introducing the legislation in the House. I also want to thank the distinguished minority leader for joining me in introducing this bill today. Such strong bipartisan support for the bill will, I hope, provide the impetus for prompt congressional consideration of this important issue.

Mr. President, I ask unanimous consent that the bill be printed in the CONGRESSIONAL RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1486

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (a) of section 703 of Public Law 93-495 is amended to read as follows:

"(a)(1) Subject to the provisions of paragraph (2) the Board shall prescribe regulations to carry out the purposes of this title. These regulations may contain but are not limited to such classifications, differentiation, or other provision, and may provide for such adjustments and exceptions for any class of transactions, as in the judgment of the Board are necessary or proper to effectuate the purposes of this title, to prevent circumstances or evasion thereof, or to facilitate or substantive compliance therewith.

"(2) In no event shall any regulation promulgated pursuant to paragraph (1) of this subsection exempt from the provisions of this title any class of transactions that are primarily for—

"(A) personal, family, or household purposes; or

"(B) business or commercial purposes except that a particular type of class of business or commercial transaction may be exempted if the Board determines, after a hearing conducted on the record pursuant to chapter 5 of title 5, United States Code, that the application of this title or of any provision of this title to such transaction would not contribute substantially to effecting the purposes of this title.

"(3) An exemption granted pursuant to paragraph (2)(B) shall be for no longer than five years and shall be extended only if the Board makes a subsequent determination, in the manner prescribed by such paragraph, that such exemption remains appropriate.".

By Mr. TRIBLE (for himself, Mr. DENTON, Mr. DOLE, Mr. THURMOND, Mr. LAXALT, Mr. BIDEN, Mr. CHILES, Mr. HUMPHREY, Mr. STEVENS, Mr. CHAFEE, Mr. EXON, Mr. PRYOR, Mr. MCCLURE, Mr. HOLLINGS, Mr. STENNIS, Mr. ABDNOR, Mr. SYMMS, Mr. D'AMATO, Mr. ZORINSKY, Mr. NUNN, Mr. SPECTER, Mr. QUAYLE, Mr. MATTINGLY, Mr. BOREN, Mr. DURENBERGER, Mr. LAUTENBERG, Mr. JOHNSTON, Mr. BENTSEN, Mr. BURDICK, Mr. MATSUNAGA, Mrs. KASSEBAUM, and Mr. WARNER):

S.J. Res. 168. Joint resolution designating August 13, 1985, as "National Neighborhood Crime Watch Day"; to the Committee on the Judiciary.

NATIONAL NEIGHBORHOOD CRIME WATCH DAY

Mr. TRIBLE. Mr. President, I am introducing a joint resolution today, together with 31 of my colleagues, which commends the efforts of the Nation's neighborhood crime watch groups and declares August 13, 1985, as "National Neighborhood Crime Watch Day."

During the last several years, the ranks of neighborhood crime watch organizations have grown tremendously. Citizens throughout America, who have been justifiably concerned about the Nation's crime rate, have joined together in voluntary efforts to prevent and deter criminal activity.

One grassroots organization alone, the National Association of Town Watch, has 1,500 chapters from 32 different States. The National Sheriffs Association is actively involved in neighborhood watch efforts. And in my own State of Virginia, roughly 200,000 households participate in some form of Neighborhood Crime Watch Program, all of which are operated in close cooperation with local police and sheriffs.

On August 13 of this year, many of these organizations will participate in a National Night Out being sponsored, in part, by the National Association of Town Watch. In large cities and small towns across America, participating neighborhood watch members will spend the hour between 8 p.m. and 9 p.m. local time patrolling their neighborhoods or watching from the lawns of their homes. At least a dozen jurisdictions in Virginia are expected to take part.

This annual event is designed to increase cooperation between community-based watch programs and their local law enforcement authorities. It is also aimed at generating local support for the crime watch groups and increasing their membership.

Last year, an estimated 2 million people in 23 different States took part in the National Night Out. A number of law enforcement organizations in Virginia have endorsed this activity, and have told me how highly they value the contribution of neighborhood watch groups. I fully agree, and I am hopeful that an even larger turnout will occur in Virginia and across the Nation on August 13 of this year.

The joint resolution I am introducing today commends the efforts of America's neighborhood crime watch organizations. It also declares August 13, 1985, as National Neighborhood Crime Watch Day, to coincide with the National Night Out being held on that same day.

Mr. President, I am greatly encouraged by the widespread participation in neighborhood crime watch groups. I believe it refelcts a growing unwillingness on the part of law-abiding Americans to simply buckle under to the threat of crime. It is also a valuable example of the voluntary, community-based efforts that contribute so much to society in general.

I urge my colleagues to join me in supporting this joint resolution, and I ask unanimous consent that a copy be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 168

Whereas neighborhood crime is of continuing concern to the American people;

Whereas the fight against neighborhood crime requires people to work together in cooperation with law enforcement officials;

Whereas neighborhood crime watch organizations are effective at promoting awareness about, and the participation of volunteers in, crime prevention activities at the local level; and

Whereas citizens across America will soon take part in a "National Night Out", a unique crime prevention event which will demonstrate the importance and effectiveness of community participation in crime prevention efforts by having people spend the period from 8 to 9 o'clock postmeridian on August 13, 1985, with their neighbors in front of their homes: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assemebled, That August 13, 1985, is designated as "National Neighborhood Crime Watch Day", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such day with appropriate programs, ceremonies, and activities.

By Mr. MATHIAS (for himself, Mr. THURMOND, Mr. DOLE, Mr. LAXALT, Mr. DENTON, Mr. SPECTER, Mr. DECONCINI, Mr. GOLDWATER, Mr. CHAFEE, Mr. STAFFORD, Mr. ZORINSKY, and Mr. LEAHY):

S.J. Res. 169. Joint resolution to commemorate the bicentennial anniversary of the first patent and the first copyright laws; to the Committee on the Judiciary.

BICENTENNIAL ANNIVERSARY OF THE FIRST PATENT AND COPYRIGHT LAWS

● Mr. MATHIAS. Mr. President, today I introduce a joint resolution to provide for the commemoration in 1990 of the bicentennial anniversary of the first Patent Act and the first Copyright Act, which were enacted on April 10 and May 31, 1790, respectively.

Such a celebration will help remind us that the guarantee of rights to intellectual property for limited times contributes to economic progress and cultural vitality.

The Founding Fathers recognized that such a protection would help to develop a new nation. Aware of this principle, they included a provision in the Constitution that empowers Congress "* * * to promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries."

The commemoration that the resolution contemplates will follow a tradition set in 1890, when we marked the centennial of the patent and copyright laws with lectures and galas, winding up with a parade down Pennsylvania Avenue. A host of famous authors and inventors, including Thomas Alva Edison, Alexander Graham Bell and Mark Twain, marched in that parade.

During the 98th Congress, I introduced a similar proposal to commemorate the constitutional foundation of the patent and copyright laws. It received broad support among the scientific, business, academic and creative communities. Although 29 Senators joined me as cosponsors and the Senate passed the joint resolution without amendment, the House failed to act before we adjourned sine die in October.

During the present session, I hope that we will act quickly. As Mark Twain wrote in "A Connecticut Yankee in King Arthur's Court," "A country without a patent office and good patent laws is just a crab and can't travel any way but sideways and backways." Celebrating the bicentennial of the first patent and the first copyright laws will emphasize the importance of these laws to our economic health and our cultural diversity.

I ask unanimous consent that a copy of the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 169

Whereas the Constitution empowers Congress "To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries";

Whereas the enforcement of this constitutional principle through specific patent and copyright laws merits special recognition;

Whereas the first patent bill was signed to law on April 10, 1790, and the first copyright bill was signed into law on May 31, 1790, and we will recognize the bicentennial anniversary of these laws in 1990: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That special recognition be given during 1990, the bicentennial year of the first patent and the first copyright laws, and the President is authorized and requested to isssue a proclamation upon the enactment of this joint resolution calling upon the people of the United States to foster such recognition through appropriate educational and cultural programs and activities.●

By Mr. SIMON:

S.J. Res. 170. Joint resolution to designate the month of March 1986 as "Music in Our Schools Month"; to the Committee on the Judiciary.

MUSIC IN OUR SCHOOLS MONTH

● Mr. SIMON. Mr. President, music in our schools is not a luxury; it is our shared heritage, our cultural vibrancy, and the fertile grounds from which both performers and audiences grow. I'm pleased to introduce a resolution designating March 1986 as "Music in Our Schools Month" to recognize the importance of music education and

those who teach music and music appreciation to our children.

This spring under the sponsorship of the Music Educators National Conference, the world's largest concert was performed, with over 1,000 schools and 342,000 participants playing the same 30-minute program across the United States. Participants from elementary and secondary schools gave their concerts in various locations including hospitals, nursing homes, and their school auditoriums. Local radio and television stations covered the event, drawing the community into the school program. The 342,000 participants included talented orchestra musicians, a chorus of hearing impaired students, and individuals like sixth-grader Sherie Wynn who said, "Every class practiced hard to be good. * * * I think it was a smashing success." I don't doubt that Sherie spoke for hundreds of thousands of her fellow students who were part of this musical experience.

According to a 1984 survey, more students participate in band and chorus programs than in honorary clubs, the school newspaper, or student government. All of these activities are important to a full educational experience. The following resolution honors just one, but one which can add to our understanding and pleasure throughout our lives—music.

Along with my introduction of this resolution today in the Senate, my colleague in the House of Representatives, DAN AKAKA, is introducing a companion resolution. I ask unanimous consent that the resolution be included at the end of my remarks.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 170

Whereas music is a basic influence in the lives of millions of Americans who participate in performing, listening, and creative activities as a result of the music programs in the Nation's schools;

Whereas music is a powerful aesthetic force on the human spirit, transforming the human experience, and enhancing the quality of life;

Whereas music represents a key to our cultural heritage, and should be transmitted to succeeding generations;

Whereas music embodies one of the major symbolic systems that make mankind uniquely human;

Whereas music provides a source of enjoyment and an outlet for creativity and self-expression for all Americans;

Whereas music is an essential element in the learning process and affects directly the innermost feelings and responses of every child;

Whereas the study of music contributes uniquely to young people's intellectual, emotional, and physical development;

Whereas music provides a useful means for learning about other cultures, both within the United States and abroad;

Whereas the study of music and the other arts significantly enhances education;

Whereas national recognition and support will assist music educators in enriching the lives of all Americans, regardless of background, age, or musical talent; and

Whereas Music In Our Schools Month provides a special opportunity for citizens to learn about and to support the music programs in the Nation's schools: Now, thereof, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the month of March 1986 is designated as "Music In Our Schools Month" and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such month with appropriate programs, ceremonies, and activities.●

ADDITIONAL COSPONSORS

S. 274

At the request of Mr. DENTON, the names of the Senator from Pennsylvania [Mr. SPECTER], the Senator from Arizona [Mr. GOLDWATER], the Senator from Vermont [Mr. LEAHY], the Senator from Arizona [Mr. DECONCINI]. the Senator from Georgia [Mr. NUNN], and the Senator from South Carolina [Mr. HOLLINGS] were added as cosponsors of S. 274, a bill to provide for the national security by allowing access to certain Federal criminal history records.

S. 450

At the request of Mr. BINGAMAN, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of S. 450, a bill to establish a commission to study and make recommendations concerning the international trade and export policies and practices of the United States.

S. 750

At the request of Mr. D'AMATO, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of S. 750, a bill to redesignate the National Institute on Aging as the National Institute on Aging and Alzheimer's Disease, to require the Secretary of Health and Human Services to coordinate and support research concerning Alzheimer's disease and related disorders, and for other purposes.

S. 751

At the request of Mr. D'AMATO, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of S. 751, a bill to provide for medicare demonstration projects for alternative medicare benefits for individuals with Alzheimer's disease or a related memory disorder.

S. 869

At the request of Mr. MITCHELL, the name of the Senator from Pennsylvania [Mr. SPECTER] was added as a cosponsor of S. 869, a bill to provide that the pensions received by retired judges who are assigned to active duty shall not be treated as wages for purposes of the Social Security Act.

S. 881

At the request of Mr. KENNEDY, the name of the Senator from West Virginia [Mr. ROCKEFELLER]. and the Senator from Missouri [Mr. EAGLETON] were added as cosponsors of S. 881, a bill to extend title X of the Public Health Service Act for 3 years.

S. 987

At the request of Mr. EXON, the name of the Senator from Virginia [Mr. TRIBLE] was withdrawn as a cosponsor of S. 987, a bill to recognize the organization known as the Daughters of Union Veterans of the Civil War 1861–1865.

S. 1133

At the request of Mr. RIEGLE, the name of the Senator from Florida [Mr. CHILES] was added as a cosponsor of S. 1133, a bill to amend section 119(d) of the Housing and Community Development Act of 1974.

S. 1153

At the request of Mr. D'AMATO, the name of the Senator from Missouri [Mr. EAGLETON] was added as a cosponsor of S. 1153, a bill to provide for the distribution within the United States of the U.S. Information Agency film entitled "Hal David: Expressing a Feeling".

S. 1154

At the request of Mr. MATSUNAGA, the name of the Senator from Arkansas [Mr. BUMPERS] was added as a cosponsor of S. 1154, a bill to amend title XVIII of the Social Security Act to provide direct Medicare reimbursement for services performed by registered nurse anesthetists.

S. 1325

At the request of Mr. GLENN, the name of the Senator from Tennessee [Mr. GORE] was added as a cosponsor of S. 1325, a bill to amend titles XVIII and XIX of the Social Security Act to require second opinions with respect to certain surgical procedures as a condition of payment under the Medicare and Medicaid Programs.

S. 1373

At the request of Mr. SPECTER, the name of the Senator from North Dakota [Mr. ANDREWS] was added as a cosponsor of S. 1373, a bill to amend title 18, United States Code, to authorize prosecution of terrorists and others who attack U.S. Government employees abroad, and for other purposes.

S. 1414

At the request of Mr. BENTSEN, the name of the Senator from Pennsylvania [Mr. SPECTER] was added as a cosponsor of S. 1414, a bill to provide additional funding and authority for the Federal Bureau of Investigation in order to improve the counterterrorist capabilities of the Bureau.

S. 1434

At the request of Mr. WILSON, the names of the Senator from New Mexico [Mr. DOMENICI], and the Senator from South Dakota [Mr. ABDNOR] were added as cosponsors of S. 1434, a bill to amend the Fair Labor Stand-

ards Act of 1938 to exclude the employees of States and political subdivisions of States from the provisions of that act relating to maximum hours.

S. 1436

At the request of Mrs. KASSEBAUM, the name of the Senator from Alabama [Mr. HEFLIN] was added as a cosponsor of S. 1436, a bill to improve safety and security of persons who travel in foreign air transportation, and for other purposes.

S. 1451

At the request of Mr. CHAFEE, the names of the Senator from Vermont [Mr. STAFFORD], and the Senator from Maine [Mr. COHEN] were added as cosponsors of S. 1451, a bill to allocate funds appropriated to carry out section 103 of the Foreign Assistance Act of 1961 for nutrition programs which reduce vitamin A deficiency.

SENATE JOINT RESOLUTION 73

At the request of Mr. GRASSLEY, the names of the Senator from Michigan [Mr. LEVIN], the Senator from South Dakota [Mr. PRESSLER], and the Senator from Delaware [Mr. ROTH] were added as cosponsors of Senate Joint Resolution 73, a joint resolution to designate the week of September 15, 1985, through September 21, 1985, as "National Independent Free Papers Week".

SENATE JOINT RESOLUTION 114

At the request of Mr. HEINZ, the names of the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Kansas [Mr. DOLE], the Senator from Nebraska [Mr. EXON], the Senator from Florida [Mrs. HAWKINS], the Senator from West Virginia [Mr. ROCKEFELLER], the Senator from Indiana [Mr. LUGAR], the Senator from New York [Mr. MOYNIHAN], the Senator from Arkansas [Mr. PRYOR], and the Senator from Ohio [Mr. METZENBAUM] were added as cosponsors of Senate Joint Resolution 114, a joint resolution designating August 29 as "Railroad Retirement Day".

SENATE CONCURRENT RESOLUTION 41

At the request of Mr. RIEGLE, his name was added as a cosponsor of Senate Concurrent Resolution 41, a concurrent resolution expressing the sense of the Congress that corporate income tax rates should remain graduated.

AMENDMENTS SUBMITTED

IMPROVEMENT OF CERTAIN VETERANS' HEALTH PROGARMS

PROXMIRE AMENDMENT NO. 537

(Ordered to lie on the table.)

Mr. PROXMIRE submitted an amendment intended to be proposed by him to the bill (S. 876) to amend title 38, United States Code, to establish, extend, and improve certain Veterans' Administration health-care programs; as follows:

On page 66, after line 24, insert the following new section:

SERVICEMEN'S GROUP LIFE INSURANCE AND VETERANS' GROUP LIFE INSURANCE

SEC. 505. (a)(1) Subsection (a) of section 767 of title 38, United States Code, is amended—

(A) by striking out "35,000" and inserting in lieu thereof "$50,000"; and

(B) by striking out "the amount of $30,000, $25,000, $20,000, $15,000, $10,000 or $5,000" and inserting in lieu therof "an amount less than $50,000 that is evenly divisible by $10,000".

(2) Subsection (c) of such section is amended by striking out "the amount of" the first place it appears and all that follows through "as the case may be," and inserting in lieu thereof "any amount less than $50,000, he may thereafter be insured under this subchapter in the amount of $50,000 or any lesser amount evenly divisible by $10,000".

(3) Subsection (d) of such section is amended—

(A) by striking out "the effective date of this subsection" each place it appears and inserting in lieu thereof "January 1, 1986"; and

(B) by striking out "up to a maximum of $35,000 (in any amount divisible by $5,000)" and inserting in lieu thereof "in the amount of $50,000 or any lesser amount evenly divisible by $10,000".

(b)(1) Subsetion (a) of section 777 of title 38, United States Code, is amended—

(A) by striking out the first sentence and inserting in lieu thereof the following: "Veterans' Group Life Insurance shall be issued in the amounts specified in section 767(a) of this title. In the case of any individual, the amount of Veterans' Group Life Insurance may not exceed the amount of Servicemen's Group Life Insurance coverage continued in force after the expiration of the period of duty or travel under section 767(b) or 768(a) of the title."; and

(B) by striking out "$35,000" in the second sentence and both places it appears in the last sentence and inserting in lieu thereof "$50,000".

(2) Such section is further amended by adding at the end the following new subsection:

"(h)(1) Notwithstanding any other provision of the law, members of the Individual Ready Reserve and the Inactive National Guard are eligible to be insured under Veterans' Group Life Insurance. Any such member shall be so insured upon submission of an application in the manner prescribed by the Administrator and the payment of premiums as required under this section.

"(2) Notwithstanding subsection (b)(2) of the section, Veterans' Group Life Insurance coverage under this subsection shall be issued on a renewable five-year term basis, but the person insured must remain a member of the Individual Ready Reserve of the Inactive National Guard through the period of the insurance in order for the insurance of such person to be renewed.

"(3) For the purposes of this subsection, the terms 'Individual Ready Reserve' and 'Inactive National Guard' have the meaning presribed by the Administrator in consultation with the Secretary of Defense.".

(c) The amendments made by subsections (a) and (b) shall take effect on January 1, 1986.

HOMELESS HOUSING ASSISTANCE ACT

GORTON AMENDMENT NO. 538

(Ordered to be referred to the Committee on Banking, Housing, and Urban Affairs.)

Mr. GORTON submitted an amendment intended to be proposed by him to the bill (S. 394) to amend the Housing and Community Development Act of 1974 to provide housing assistance to the homeless through renovation and conversion of facilities for use as temporary housing, provision of emergency housing and food, and provisions of residential housing assistance in the transition to independent living; as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

TITLE I—GENERAL PROVISIONS

SHORT TITLE

SEC. 101. This Act may be cited as the "Homeless Housing Assistance Act of 1985".

DEFINITIONS

SEC. 102. For the purpose of this Act—

(1) the term "emergency shelter", as used in section 208(b) of this Act, means an entire facility, or that part of a facility, which is used or designed to be used to provide temporary housing to not fewer than twenty individuals;

(2) the term "homeless" means individuals who are poor and who have no access to either traditional or permanent housing;

(3) the term "local government" means a unit of general purpose local government;

(4) the term "locality" means the geographical area within the jurisdiction of a local government;

(5) the term "operating costs" means expenses incurred by State, local governments, and private nonprofit organizations operating transitional housing for the homeless under title III of this Act with respect to—

(A) the administration, maintenance, minor repairs, and security of such housing;

(B) utilities, fuel, furnishings, and equipment for such housing;

(C) the conducting of the assessment required in section 305(a)(1) of this Act; and

(D) the provision of supportive services to the residents of such housing;

(6) the term "private nonprofit organization" means a secular or religious organization described in section 501(c) of the Internal Revenue Code of 1954 which is exempt from taxation under subtitle A of such Code, and which has an accounting system and a voluntary board, and practices nondiscrimination in the provision of assistance;

(7) the term "Secretary" means the Secretary of Housing and Urban Development;

(8) the term "shelter", as used in title II of this Act, means broadly the provision of protection from the elements for homeless individuals;

(9) the term "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, or any territory or possession of the United States;

(10) the term "supportive services" means assistance to the residents of transitional housing in obtaining permanent housing, medical and psychological counseling and

supervision, employment counseling, referral to job training, nutritional counseling, and such other services essential for establishing independent living as the Secretary determines to be appropriate. Such term includes the provision of assistance to the residents of transitional housing in obtaining other Federal, State, and local government assistance available for such persons, including mental health benefits, employment counseling, referral to job training programs, and medical assistance; and

(11) the term "transitional housing" means a single- or multi-family structure suitable for the provision of housing and supportive services for not more than 15 homeless persons, who cannot presently live independently without supportive services in a supervised residential setting but who are believed capable of transition to independent living with 6 months of assistance in a stable environment.

TITLE II—EMERGENCY FOOD AND SHELTER PROGRAM

EMERGENCY FOOD AND SHELTER PROGRAM NATIONAL BOARD

SEC. 201. (a) The Director of the Federal Emergency Management Agency shall, as soon as practicable after September 30, 1985, constitute a national board for the purpose of carrying out an emergency food and shelter program.

(b) The national board shall consist of seven members. The United Way of America, the Salvation Army, the National Council of Churches of Christ in the United States of America, the National Conference of Catholic Charities, the Council of Jewish Federations, Inc., the American Red Cross, and the Federal Emergency Management Agency shall each designate a representative to sit on the national board.

(c) The representative of the Federal Emergency Management Agency shall chair the national board.

NATIONAL BOARD TRANSITION

SEC. 202. (a) The national board constituted by the Director of the Federal Emergency Management Agency, pursuant to section 201, shall continue to be authorized until March 30, 1986, and on such date, the personnel, property, records, and undistributed program funds of such national board shall be transferred to the national board constituted under subsection (b).

(b) On or before March 30, 1986, the Secretary of Housing and Urban Development shall constitute a national board for the purpose of carrying out an emergency food and shelter program. This national board shall consist of the same representatives, or their successors, of the same organizations as the national board constituted pursuant to section 201(b), except that the Secretary of Housing and Urban Development shall designate a representative to replace the Federal Emergency Management Agency representative. Such national board shall assume authority on March 30, 1986.

(c) The representative designated by the Secretary of Housing and Urban Development shall chair the national board constituted pursuant to subsection (b).

DISTRIBUTION OF PROGRAM FUNDS

SEC. 203. The national boards constituted pursuant to sections 201 and 202(b) shall determine how program funds are to be distributed to individual localities. The national boards shall identify localities having the highest need for emergency food and shelter assistance, based on unemployment and poverty rates and such other need-related data as the national boards deem appropriate, determine the amount and distribution of funds to these localities, and ensure that funds are properly accounted for.

AGENCY RESPONSIBILITIES

SEC. 204. (a) The Director of the Federal Emergency Management Agency shall award a grant for such amount as Congress appropriates for this program to the national board constituted pursuant to section 201 within 30 days after the beginning of fiscal year 1986, for the purpose of providing emergency food and shelter to needy individuals through private nonprofit organizations and through units of local government.

(b) The Director of the Federal Emergency Management Agency, or his representative, shall have the following responsibilities: provision of guidance, coordination, and staff assistance to the national board in carrying out the program; and cooperation and coordination with the Secretary of Housing and Urban Development in the conducting of an audit of program funds awarded to the national board constituted pursuant to section 201 or transferred to the national board constituted pursuant to section 202(b). The responsibilities of the Director of the Federal Emergency Management Agency with respect to this program shall end with the completion of the audit for program funds distributed during fiscal year 1986.

(c) The Secretary of Housing and Urban Development shall award a grant for such amount as Congress appropriates for this program to the national board constituted pursuant to section 202(b) within 30 days after the beginning of fiscal years 1987 and 1988, for the purpose of providing emergency food and shelter to needy individuals through private nonprofit organizations and through units of local government.

(d) The Secretary of Housing and Urban Development shall have the following responsibilities: provision of guidance, coordination, and staff assistance to the national board in carrying out the program; and the conducting of an audit of program funds awarded to and transferred to the national boards constituted pursuant to sections 201 and 202(b).

(e)(1) In carrying out the responsibilities under subsection (d), the Secretary shall coordinate activities with the Federal Interagency Task Force on Food and Shelter, chaired by the Secretary of Health and Human Services, to identify vacant and surplus Federal facilities which could be renovated or converted for use as emergency shelter facilities for the homeless.

(2) Not later than 3 months after the end of fiscal year 1986, the Secretary shall submit to the Congress a report on obstacles, if any, including agency rules or procedures, to the availability of vacant and surplus Federal facilities for renovation or conversion to use as emergency shelter facilities for the homeless, with recommendations for legislative or administrative changes to overcome such obstacles.

LOCAL BOARDS

SEC. 205. (a) Each locality designated by the national boards constituted pursuant to sections 201 and 202(b) shall constitute a local board for the purpose of determing how program funds allotted to the locality will be distributed. The local board shall consist, to the extent practicable, of representatives of the same organizations as the national boards, except that the mayor or other appropriate heads of government will replace the Federal Emergency Management Agency or Department of Housing and Urban Development member. The chair of the local board shall be elected by a majority of the members of the local board. Local boards are encouraged to expand participation of other private nonprofit organizations on the local board.

(b) Local boards shall have the following responsibilities: determining which private nonprofit organizations or public organizations of the local government in the individual locality shall receive grants to act as service providers; monitoring recipient service providers for program compliance; reallocation of funds among service providers; ensuring proper reporting; and coordinating with other Federal, State, and local government assistance programs available in the locality.

(c) Prior to March 30, 1986, local boards constituted pursuant to subsection (a) shall be accountable to the national board constituted pursuant to section 201. On and after March 30, 1986, local boards constituted pursuant to subsection (a) shall be accountable to the national board constituted pursuant to section 202(b).

LOCAL HOMELESS ASSISTANCE PLAN

SEC. 206. (a) At the end of each fiscal year, each local board shall submit to the national board constituted pursuant to section 202(b), a plan describing programs, goals, and objectives for providing assistance to the homeless in that locality. The plan shall be developed in cooperation with the local government head represented on the local board.

(b) The local plan shall address the following subjects: description of existing shelter, mass feeding, and food bank activities in that locality, including activities not receiving assistance under this title;

use and availability of all public and private resources in the locality to assist the homeless; coordination of all public and private services and resources in that locality to assist the homeless; coordination among all shelter providers in the locality to use all available shelter space for the homeless; and preservation of low-income housing in the locality.

(c) The local plan shall be placed on file in the office of the local government head represented on the local board and shall be made available to the public. The local plan shall be forwarded to that individual locality's representatives in Congress. The national board shall maintain files of local plans and make them available upon request to other localities.

(d) The preparation and submission of the local plan shall be regarded as the legal duty of the local board, but failure to do so shall not be grounds for the withholding of funds appropriated under this title from that locality. Any citizen residing in the locality in which such local board is constituted shall have standing in the Federal district court of jurisdiction to seek an order compelling the preparation and submission of the local plan as required by this section. The substance and contents of the local plan shall be within the sole discretion of the local board and shall not be subject to administrative or judicial review.

SERVICE PROVIDERS

SEC. 207. Designation by the local board of a service provider to receive program funds should be based upon a private nonprofit organization's or unit of local government's ability to deliver emergency food and shelter to needy individuals and such other fac-

tors as are deemed appropriate to program objectives by the local board.

USE OF FUNDS

SEC. 208. (a) The national boards constituted by sections 201 and 202(b) may authorize the following use of funds to address the emergency food and shelter needs of needy individuals:

(1) Expenditures necessary to purchase emergency food and shelter for needy individuals, to supplement and extend currently available resources and not to substitute or reimburse ongoing programs and services; and

(2) Expenditures necessary to conduct minimum rehabilitation of existing mass shelter or mass feeding facilities to make facilities safe, sanitary, and bring them into compliance with local building codes.

(b)(1) Local boards are authorized to expend up to 25 percent of the funds allotted to that locality for substantial renovation or conversion, but not acquisition or new construction, of buildings for use as emergency shelter facilities to provide additional shelter space. Such expenditures shall be made in the form of noninterest bearing advances, repayment of which shall be waived if—

(A) the applicant utilizes the building as an emergency shelter facility for not less than the 10-year period following the completion of such renovation or conversion, or

(B) the Secretary determines that such facility is no longer needed to provide shelter to the homeless and approves use of the building for another charitable purpose for the remainder of such 10-year period. If the recipient of such advance fails to comply with the conditions for such a waiver, the recipient shall repay to the Secretary in cash the full amount of the advance received on such terms as the Secretary shall require. It shall be the responsibility of the local board to obtain documentation, signed by the responsible official, showing that the recipient of such advance is aware of and agrees to the conditions of its receipt.

(2) Local boards are encouraged to provide, to the neighborhood in which a new emergency shelter facility is to be located, adequate notice and an opportunity to comment. Local boards are also encouraged to achieve the widest possible distribution of emergency shelters throughout the locality to avoid a disproportionate burden on any one section or neighborhood of the locality.

LIMITATION ON CERTAIN COSTS

SEC. 209. Not more than 3 percent of the total appropriation for this program each year may be expended for the costs of administration.

PROGRAM GUIDELINES

SEC. 210. (a) The national boards constituted pursuant to sections 201 and 202(b) shall establish written guidelines for carrying out this program, including methods for identifying localities with the highest need for emergency food and shelter assistance; methods for determining amount and distribution to these localities; eligible program costs, with the aim of providing emergency essential services based on currently existing needs; and responsibilities and reporting requirements of the national boards, local boards, and service providers.

(b) These guidelines shall be published annually, and whenever modified, in the Federal Register. The national boards shall not be subject to the procedural rulemaking requirements of subchapter II of chapter 5 of title 5, United States Code.

(c) Guidelines established by the national board constituted pursuant to section 201 shall continue in effect until modified or revoked by that board or by the national board constituted pursuant to section 202(b).

PROGRAM AUTHORIZED

SEC. 211. (a) To carry out this title, there are authorized to be appropriated $85,000,000 in fiscal year 1986, $88,000,000 in fiscal year 1987, and $91,000,000 in fiscal year 1988.

(b) Any appropriated funds not obligated in a fiscal year shall remain available for obligation during the following fiscal year.

SURPLUS FOOD DISTRIBUTION

SEC. 212. The Commodity Credit Corporation shall process and distribute surplus commodities acquired by the Corporation for the purpose of carrying out the food distribution and emergency shelter program in cooperation with the national boards constituted pursuant to sections 201 and 202(b).

TITLE III—TRANSITION TO INDEPENDENCE DEMONSTRATION PROJECT

AUTHORITY TO MAKE GRANTS

SEC. 301. (a) The Secretary of Housing and Urban Development shall make grants to States, local governments, or private nonprofit organizations for the operation of demonstration projects to develop and apply innovative approaches in providing transitional housing and supportive services to the homeless to assist them in the transition to independent living.

(b) Grants under subsection (a) may be made in the form of:

(1) annual payments for operating expenses of transitional housing, not to exceed 75 percent of the annual operating expenses of such housing;

(2) technical assistance in establishing and operating transitional housing and providing supportive services to the residents of such housing to assist them in the transition to independent living; and

(3) a one-time only non-interest bearing advance, not to exceed $100,000, for the purposes of acquiring, rehabilitating, or acquiring and rehabilitating an existing structure for use in providing transitional housing, if the applicant agrees to utilize such structure as transitional housing for not less than 5 years. Repayment of such advance shall be waived if the applicant utilizes the structure as transitional housing for not less than the 10-year period following the initiation of operation of such transitional housing facility, or if the Secretary determines that such structure is no longer needed for use as transitional housing and approves the use of such structure for another charitable purpose for the remainder of such 10-year period. If the applicant fails to comply with the conditions for waiver of repayment, the applicant shall repay to the Secretary in cash the full amount of the advance received on such terms as the Secretary shall require.

(c) Grants made under this section are to be used to supplement and extend currently available resources and not to substitute or reimburse ongoing programs and services.

APPLICATIONS FOR GRANTS

SEC. 302. Each application for a grant submitted by a State, local government, or private nonprofit organization shall contain—

(1) documentary material demonstrating that such applicant has the ability and resources necessary to operate transitional housing;

(2) documentary material describing the program and supportive services intended to be provided in such transitional housing, including the innovative quality of the proposed program;

(3) documentary material demonstrating that the State, local government, or private nonprofit organization involved has provided the emergency food and shelter program local board, constituted pursuant to section 205 of this Act, if such local board has been constituted in the locality where the proposed transitional housing will be located, an opportunity to comment with respect to this application, and a statement as to whether the local board approves or disapproves of such application and its reasons for any disapproval; and

(4) such other information or material as the Secretary shall establish.

ALLOCATION OF GRANTS

SEC. 303. In selecting States, local governments, or private nonprofit organizations for assistance in providing transitional housing under this title, the Secretary shall consider—

(1) the innovative quality of the proposal to provide transitional housing and supportive services to the homeless to assist them in the transition to independent living;

(2) the ability of the State, local government, or private nonprofit organization to develop and operate transitional housing for homeless persons and to provide supportive services to the residents of such housing;

(3) the need for such transitional housing and supportive services in the locality to be served; and

(4) such other factors as the Secretary determines to be appropriate for purposes of carrying out the demonstration project established in this Act in an effective and efficient manner.

DISTRIBUTION OF GRANTS

SEC. 304. (a)(1) Not later than 120 days after the beginning of each fiscal year for which Congress makes appropriation to carry out this title, the Secretary shall make grants under section 301.

(2) If the aggregate amount of funds requested in applications submitted and approved, during the 120-day period referred to in paragraph (1), is less than the amount of such appropriation available to make such grants, then the Secretary shall publish in the Federal Register a notice that additional funds are available for distribution under this title.

(b) The aggregate amount of all appropriations made to carry out this title shall be used to make grants under section 301 unless the sum of the administrative costs incurred by the Secretary to carry out this title and the aggregate amount of funds requested in applications approved under this title is less than the aggregate amount of such appropriation.

PROGRAM REQUIREMENTS

SEC. 305. (a) Each State, local government, or private nonprofit organization receiving assistance under this title shall agree—

(1) to operate transitional housing assisting residents in the transition to independent living and limiting the stay of individual residents to not more than 6 months;

(2) to conduct an assessment of the supportive services required by the residents of such transitional housing to assist them in the transition to independent living;

(3) to employ a full-time residential supervisor with sufficient expertise to provide, or supervise the provision of, supportive services to the residents of such housing;

(4) to keep and make available to the Secretary such records of the expenditure of

funds as the Secretary may require by rule; and

(5) to comply with such other terms and conditions as the Secretary may establish for purposes of carrying out the demonstation project established by this title in an effective and efficient manner.

(b) Each homeless individual residing in transitional housing assisted under this title shall pay as rent an amount determined in accordance with the provisions of section 3(a) of the United States Housing Act of 1937.

REGULATIONS

SEC. 306. Not later than 120 days following the date of enactment of this Act, the Secretary shall issue such regulations as may be necessary to carry out the provisions of this title.

REPORTS TO CONGRESS

SEC. 307. (a) The Secretary shall submit to Congress—

(1) not later than 3 months after the end of each of the fiscal years 1986 and 1987, an interim report summarizing the activities carried out under this title during such fiscal year and setting forth any preliminary findings, conclusions, or recommendations of the Secretary as a result of such activities; and

(2) not later than 6 months after the end of fiscal year 1988, a final report summarizing all activities carried out under this title and setting forth any findings, conclusions, or recommendations of the Secretary as a result of such activities.

(b) Such interim and final reports shall address—

(1) the cost of operating transitional housing and providing supportive services to the homeless to assist them in the transition to independent living;

(2) the various types of transitional housing assisted under this title, including innovative approaches to assisting the homeless in the transition to independent living;

(3) the social, financial, and other advantages and disadvantages of transitional housing and supportive services as a means of assisting the homeless;

(4) the success of transitional housing programs assisted under this title, as measured in terms of placement of homeless individuals in permanent housing, placement in employment, and reductions in welfare dependency; and

(5) such other findings, conclusions, and recommendations as the Secretary deems appropriate with regard to assisting the homeless in the transition to independent living.

PROGRAM AUTHORIZED

SEC. 308. To carry out this title, there are authorized to be appropriated $15,000,000 in each of the fiscal years 1986, 1987, and 1988.

Amend the title so as to read "A bill to provide housing assistance to the homeless through emergency food and shelter, renovation and conversion of facilities for use as shelters, and provision of housing and services in the transition to independent living.".

● Mr. GORTON. Mr. President, today I am submitting a substitute amendment to S. 394. I ask that the amendment be referred to the Committee on Banking, Housing and Urban Affairs, and that the amendment be printed in the RECORD.●

NOTICES OF HEARINGS

SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. ANDREWS. Mr. President, I would like to announce for the information of the public that the Select Committee on Indian Affairs will be holding a hearing on July 31, 1985, in Senate Russell 485, beginning at 10 a.m., on S. 1396, to settle unresolved claims relating to certain allotted Indian lands on the White Earth Indian Reservation, to remove clouds from the titles to certain lands, and for other purposes.

Those wishing additional information should contact Peter Taylor of the committee at 224-2251.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. DOLE. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Tuesday, July 23, to hold an oversight hearing on fundamental problems facing our Nation's electric utility industry.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENT AFFAIRS

Mr. DOLE. Mr. President, I ask unanimous consent that the Committee on Government Affairs be authorized to meet during the session of the Senate on Tuesday, July 23, 1985, in order to conduct a hearing on the nomination of Curtis E. von Kann, to be associate judge of the Superior Court of the District of Columbia.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GARN. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate on Tuesday, July 23, 1985, in order to conduct a meeting on the Magnuson Fisheries Conservation and Management Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

VETERANS ATTORNEY'S FEE LIMITATION MUST BE RAISED

● Mr. SASSER. Mr. President, during the past several Congresses, the Senate has passed legislation that would have allowed for the judicial review of the final decisions of the Administrator of the Veterans Administration on claims filed by veterans. In the 98th Congress, the Senate passed S. 636, which I cosponsored, only to see the House fail to act on it. In the 99th Congress, the Senate again has an opportunity to act on legislation, S. 367, to allow for judicial review.

As an original cosponsor of this measure introduced by my colleague from Colorado [Mr. HART] I am pleased that this matter has been placed on the Senate Calendar. Besides allowing for judicial review, this legislation would also revise the century-old limitation on lawyers fees that may be paid by veterans. The current fee is $10. The recent Supreme Court decision that upheld the $10 fee demonstrates how important it is that the Congress act on S. 367. The injustice of this fee limitation is clearly summed up in an editorial that appeared in the July 22 Chattanooga Times, which is entitled, "the court to veterans: drop dead." As this editorial states, the current fee has caused many veterans to lose their rights as citizens.

Mr. President, I urge my colleagues to support S. 367 and again let the veterans of this Nation know that we support their rights with regard to judicial review on their benefit claims.

Mr. President, I ask that the editorial on this subject from the Chattanooga Times be printed in the RECORD.

The editorial follows:

[From the Chattanooga Times, July 22, 1985]

THE COURT TO VETERANS: DROP DEAD

In 1862, Congress passed a law prohibiting lawyers from charging veterans more than $10 in fees for helping them receive death and disability benefits. The intent was good, Congress didn't want veterans to be victimized by paying fees that would be disproportionate to the amount of benefits they received. During its recently ended term, however, the Supreme Court turned equity on its head by upholding the 1862 law, even though the limitation is ridiculously low in terms of today's economy.

Whereas the $10 limitation was probably fair in 1862—it was roughly equal to $600 in 1985 dollars—the likely result of the court's ruling is that many veterans won't be able to retain lawyers to obtain benefits rightfully theirs.

This is especially unfortunate when you consider that claims made by veterans today are inherently complex. Many involve problems unknown in 1862, such as disability claims involving radiation or Agent Orange poisoning, and others that weren't fully understood then, such as war-related psychic trauma.

Justice William Rehnquist argued for the 6-3 majority that the $10 fee limitation was intended to "help" veterans by making it unnecessary to share with a lawyer any claims awarded them. Eliminating the ceiling, he said, would "complicate a proceeding which Congress wished to keep as simple as possible." But as any veteran can testify, the benefits claims procedure is extremely complicated. Given the government's natural tendency to resist such claims, and to impose on veterans exhaustive rules aimed at forcing them to justify their claims, it's obvious a lawyer's services would be invaluable.

In opposing efforts to lift the limitation, the Reagan administration argued that it is far better to settle such claims in non-adver-

sarial bargaining sessions. In other words, veterans should accept whatever the government offers and if they don't like it, tough.

The claims process for veterans is bogged down with more than 30,000 disputes each year, an indication that veterans are unhappy with it. In fairness, Congress either should put more money into the claims, or raise the fee limitation, either in absolute dollars or as a percentage of benefits awarded.●

TWENTY YEARS OF THE ELEMENTARY AND SECONDARY EDUCATION ACT

● Mr. MOYNIHAN. Mr. President, this year marks the 20th anniversary of a landmark piece of education legislation in our history—the Elementary and Secondary Education Act of 1965. Since its enactment, ESEA has helped millions of disadvantaged children receive better educations and greater opportunities, and it has come to symbolize the national commitment to excellence in education.

I would like to share with my colleagues some comments by Mr. Samuel Halperin, offered at a banquet celebrating ESEA's 20th anniversary. Mr. Halperin was Assistant U.S. Commissioner of Education at the time ESEA was enacted, and eloquently describes the history of this legislation and its great achievements. We celebrate what Mr. Halperin hailed as "the enduring nature of ESEA." ESEA endures because it continues to symbolize our commitment to excellence and full opportunity in education. Let us maintain that commitment to ESEA for another 20 years, and beyond.

I ask that the text of Mr. Halperin's remarks be printed in the RECORD.

The text follows:

THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965—20 YEARS LATER: A POLITICAL RETROSPECTIVE

Everyone who works in the field of legislation soon learns the profound truth of the old adage: "Victory has a thousand parents. Defeat is an orphan."

My assignment this evening is to recall the historical and political context in which the ESEA was created in what surely seems a long time ago. In carrying out this assignment, I shall be mentioning only some of the many parents of ESEA and, no doubt, overlooking the contributions of still worthy others.

In my perspective, ESEA was first and foremost a political event, signifying the end of over 100 years of frustrated efforts to establish a clear-cut federal responsibility for the improvement of elementary and secondary education. The exact dimensions of that responsibility and the degree of educational effectiveness of that mandate are, of course, questions which have been continuously debated and explored in numerous ways during the past 20 years.

Everyone who worked for or against the passage of ESEA in 1965 was keenly aware that this was not just another bill, but a measure truly deserving the description "historic." Ever since the Civil War, Congress had periodically debated the extent of its financial responsibility for the nation's schools. School aid bills had been actively considered during World War I, again during the New Deal, and virtually every year since 1943. The House Committee on Education and Labor, for example, held hearings on aid to elementary and secondary schools seven times from 1943-55 but never could produce a majority to report a bill. This despite the fact that as early as 1948 both major political parties were pledged to support federal aid to education. From 1955-1961, bills were finally reported but just as regularly were buried in the graveyard of the House Rules Committee. In 1960, school aid bills for the first time passed both the House and Senate but were prevented by the Rules Committee from going to conference committee. Despite advocacy by Presidents Truman and Eisenhower and vigorous lobbying by President Kennedy early in his first year in office, school aid bills were going nowhere.

The obstacles to passage of an elementary and secondary school bill were known collectively at that time as "The Three R's"—Race, Religion, and (at least in the House of Representatives) Republicans. Let us recall each briefly.

Race.—Southerners had been among the earliest and most consistent proponents of federal aid, largely to elevate their economically impoverished schools to the level of their more affluent northern neighbors. After 1954 and the landmark Supreme Court decision in *Brown* v. *Board of Education* of Topeka, however, most Southerners became opponents of any legislation which might be used to force school integration. Northern liberals and civil rights activists notably Representative Adam Clayton Powell, insisting that public funds must not be used to subsidize segregation, only succeeded in destroying whatever consensus there might have been among Democrats. Without the Southerners, even a solid front of northern Democrats would be insufficient to pass a school aid bill.

Religion.—The long-smoldering church-state controversy erupted in full force after World War II as non-public school enrollments, particularly in Catholic schools, mushroomed. Private school parents and their Congressional representatives became increasingly militant against proposals in the Congress which raised money from all taxpayers but which would deny benefits to 15 percent of the nation's students. The controversy became most explosive in 1950 when Eleanor Roosevelt used her popular syndicated newspaper column, My Day, to oppose federal funds for private schools and when Cardinal Spellman responded by publicly accusing her of anti-Catholicism. A decade later, presidential candidate John Fitzgerald Kennedy felt constrained to pledge his unalterable opposition to federal assistance to any church or church school. Subsequently, his two school aid bills were killed in 1961 and 1963. As in the case of Race, so Religion seemed an impassable barrier to the passage of major aid bills in the early Sixties.

Republicans.—In the Senate, Robert A. Taft had declared as far back as 1946:

"Education is primarily a state function, but in the field of education . . . eg. the federal government has a secondary obligation to see that there is a basic floor under these essential services for all adults and children in the United States."

A majority of Senate Republicans were supportive of federal aid, notably Jacob Javits of New York and Winston Prouty of Vermont. On the House side, however, most Republicans were united in opposing all but selected categorical aids for the schools. Fearing federal control of education and excessive government spending, House Republicans—plus their functional allies on issues of Race and Religion—formed an effective obstacle to any broad-scale or general aid bill.

Such was the overall picture in 1963 when President Kennedy was assassinated and it seemed as if his ambitious agenda of domestic social legislation was still-born. However, important social, economic and political changes were already becoming evident which would blossom in less than a year and a half into ESEA and a myriad of other Great Society programs.

First, interfaith relations had greatly improved since the 1940s and 50s. The election of our first Catholic president and particularly the ecumenical spirit fostered by the Vatican Council of 1960 and the brief reign of Pope John the XXIII (Roncali) lowered political temperatures all around, permitting a heightened level of interfaith dialogue. There was, for example, renewed interest in tapping all of the nation's human resources through concepts we heard much about at that time—"shoulder-rubbing"—through shared time, released time, dual enrollment and similar public-private educational ventures.

Second, educators pushing for federal aid were not discouraged but instead redoubled their efforts to master the political process. Once despised for being politically ineffective, educators learned how to become so consequential that their substantial manpower and political action funds were thereafter wooed by most officeholders and candidates.

Organized labor, and particularly the AFL-CIO, were especially powerful and consistent supporters of virtually every major education proposal. Many an education group, not merely the rising AFT, learned their political crafts with the help of Big Labor's able lobbyists.

Third, America's prosperity seemed boundless. Tax levels were reduced twice in JFK's brief term and then massively once again in 1964. Consequently, economists began to worry about the concept of "fiscal drag": the U.S. Treasury was simply collecting too much money for the long-range health of the economy. In no small part, the War on Poverty, ESEA and other Great Society spending programs were formulated with the active participation of the Council of Economic Advisers as a beneficial way to eliminate that "fiscal drag."

I recall vividly one meeting in December 1964 when we at HEW were defending our draft proposal for ESEA before the normally frugal examiners of the old Bureau of the Budget. We explained the proposed initial distribution formula for Title I only to discover that BOB was worried that our poverty-based formula and other formula components would dispense only an annual $8 billion by FY 1969. Not enough, BOB told HEW, and we were instructed to think about formula revisions in later years which would be capable of vastly greater disbursements than a mere $8 billion a year!

All of this seems, of course, unless we recall that oil was then selling at one-tenth of its later price levels and that there were then fewer than 25,000 U.S. soldiers of Viet Nam, rather than the 538,000 troops of 1968.

Parenthetically, I would add, ESEA's cornucopia of riches really lasted less than a year. Already by 1966, people like myself

were sent up to Capitol Hill to tell the Congress that it was authorizing too much money!

Fourth, was the rise to the presidency of Lyndon Baines Johnson with his driving passion for enacting far-reaching domestic social legislation. Of LBJ's remarkable legislative skills no elaboration is needed here. Yet, we should remember our own surprise as President Johnson proceeded to make education not merely part of the Great Society but, indeed, its very cornerstone. Education, he repeatedly told the nation, is "the first work of our times." A man whose entire Congressional career was marked by introduction of only one education measure (to establish a guaranteed student loan program), a man who was never particularly identified with education legislative causes, soon earned and delighted in his popular designation as "The Education President."

President Johnson demonstrated his legislative genius in a most dramatic fashion when he spearheaded passage in 1964 of the Economic Opportunity Act—the War on Poverty—and the even more far-reaching Civil Rights Act. With two mighty blows he and the Congress established major principles that, less than a year later, were to result in ESEA: First, the clearly enunciated canon that federal funds must not be used for the institution or perpetuation of segregation and discrimination. No longer would a Powell anti-discrimination amendment need to be fought over on each and every education bill. Henceforth, a generic civil rights law of the land (Title VI) made it possible for long-time southern supporters of federal aid to education to return to the fold. Racism, of course, was far from dead in our national life, but no longer would it pose such an overwhelming stumbling block to passage of school aid legislation.

Likewise, the War on Poverty signaled a renewed determination to develop more of our nation's neglected human resources and, in particular, to give the children of the poor a chance to enter schooling on the same level of readiness as their more affluent neighbors. Headstart, which we now take so very much for granted, was a truly revolutionary concept in 1964 for it meant that thereafter all children would not be treated the same; additional investments would be made in the children of the poor. Moreover, various kinds of institutions, not just public schools, would be mobilized to sponsor Headstart and related educational and child development services. A role had been found for the nation's private schools and institutions. Could this kind of private participation signal a way over the shoals of the church-state controversy long bedeviling the school-aid issue?

Time does not permit discussion of other educationally significant aspects of the War on Poverty, but we may remind ourselves that college work-study, adult basic education and migrant education all were first authorized in the Economic Opportunity Act.

A fifth, and perhaps the most decisive, change that made it possible for ESEA to become law in 1965 emerged from the congressional elections of 1964. Even more far-reaching than President Johnson's stunning electoral victory over Barry Goldwater was the dramatic political shift in the House of Representatives. Sixty-nine freshman Democrats swept (or squeaked) into office, 60 on LBJ's "coat tails" with electoral margins smaller than the President's. Thirty-eight incumbent Republicans were defeated. Instead of a bare working majority in the House, President Johnson now had a 68 percent nominal majority—295 Democrats to 140 Republicans. The new House was clearly the most urban, the most northern, and the most liberal in American history.[1] More important for our purposes here, a large majority of the new Representatives had campaigned for and were committed to large-scale federal aid for education.

The stage had now been set for the long-awaited breakthrough on federal aid to education. LBJ and the Democrats probably had the necessary votes to push through a traditional public-schools-only bill, but that was neither JBJ's desire nor his operating style. A deal-maker, pacifier, unifier, and consensus-builder, the President instructed HEW to prepare a bill that would not reopen "the holy wars over religion", nor pit North against South, black against white. A new type of legislative vehicle was needed, a bill which would restore the old New Deal alliance of urban and rural Americans, which capitalized on the nation's rediscovery of poverty in our midst, which did not totally exclude Catholics or other private school interests, which eased the pains of racial integration in the South, and which held out the promise of school reform and innovation generally. Overall, equality of opportunity at the starting gate (not, as its critics later charged, "guaranteed equality of results") was the hallmark of the Administration's new proposal.

And LBJ also made sure that the ESEA bill was large enough to be taken seriously. At his Texas ranch during Christmas 1964, he asked HEW Secretary Anthony Celebrezze, Assistant Secretary for Legislation Wilbur Cohen and Commissioner of Education Francis Keppel, how much money would be authorized by the largest school aid bill then pending in the Congress. Informed that the NEA's proposed general aid bill called for $666 million annually, the President refused to be out-done and directed his budget chief to find an unprecedented $1 billion for Title I, with much larger sums in subsequent years. And to HEW and his chief White House lobbyist, Larry O'Brien,[2] he commanded that ESEA become the very first priority bill of the new 89th Congress convening in January.

To be sure, HEW and the Office of Education had been working on the bill for well over a year. Indeed, Commissioner Keppel and White House Special Assistant Douglass Cater had been trying to fashion a broad consensus and general understandings on legislation that would be at least minimally acceptable to all major interests, particularly on the church-state question. While their private meetings with public and private school leaders did not deal with legislative draftsmanship or details, they did produce a degree of harmony remarkable by contrast with the political climate of the 1950s. Without having the vocabulary or terminology to express themselves precisely, Commissioner Keppel and his colleagues forged a consensus behind what have come to be called the "child benefit" or "public trustee" theories. ESEA would not be general aid, yet it would provide the broadest type of categorical assistance imaginable. (See especially the House and Senate Committee reports on the vast range of permissible uses of federal funds.) While all of its funds would flow only to public authorities, they, in turn, would have to behave as accountable trustees on behalf of all the eligible children in the community. Not only in Title I but in the other four titles as well, services would be provided to children regardless of the type of school they attended; nonpublic school students would be afforded, as of right, the opportunity to share in the benefits, if not the control, of public funding. ESEA would become what Arthur Flemming of the National Council of Churches (and former HEW Secretary under President Eisenhower) called "an instrument of reconciliation," instead of division.

Portions of ESEA had their origins in various quarters beyond HEW and the private meetings convened by Commissioner Keppel. The anti-poverty orientation of Title I, but not the distribution formula, was perhaps first suggested by HEW Secretary (later Senator) Abraham Ribicoff and by Senator Wayne Morse. They had learned from the painful defeat of President's Kennedy's general aid bills in 1961 and 1963. They had learned that, politically, private school leaders could not easily oppose humanitarian anti-poverty measures that were compensatory, supplementary or special in nature, while they would vigorously resist any blanket efforts to improve the public schools that did not simultaneously aid their own. It was Senator Morse who first introduced legislation amending P.L. 874, the once politically invulnerable impacted areas program, to establish poverty and educational deprivation as conditions calling for federal financial assistance. (Indeed, it is often forgotten that Title I was originally passed as an amendment to P.L. 874, largely in the hope that the potent impact aid lobby would rally to support of the new poverty formula and that Members of Congress would prefer to amend a familiar and popular law like P.L. 874 rather than to enact a radically different and novel measure.)

Title II also had Congressional roots. Championed first by Representative (later New York Governor) Hugh Carey, the library and textbook title provided a classic illustration of the "public trustee" theory in which public libraries and schools (e.g. as in Louisiana's textbook lending law) could provide services to the entire community.

Title III and its provisions for supplementary centers and services reflected the input of educational reformers and others who wished to transfer the achievements of the nation's "lighthouse" school districts to the country at large. These notions were powerfully endorsed by a 1964 task force headed by John W. Gardner, the prestigious head of the even more prestigious Carnegie Corporation of New York, soon to replace Secretary Celebrezze at the helm of HEW.

Title IV built upon the Cooperative Research Act recommended by President Eisenhower in 1955 and promised a golden future for educational research and development.

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[1] Only three of the freshman Democrats (out of 69) subsequently voted against ESEA. Overall, 98 percent of the northern and 43 percent of the southern Democrats voted for ESEA.

The House Democratic Study Group, committed to enactment of liberal social programs, now enrolled 180 Representatives. In the 89th Congress, DSG members supported Great Society measures 96 percent of the time contrasted with 48 percent for non-DSG Democrats and a Republican opposition rate of 85 percent. In 1965, LBJ's Congressional support level was 93 percent compared with 65 percent during President Eisenhower's last year in office, 1960.

[2] O'Brien viewed ESEA as "the cornerstone to the entire Administration legislative program for the Eighty-ninth Congress. It contains so many different fundamental issues . . . that it could easily fall apart. If we can hold the troops together on this one it will surely make things that much easier during the remainder of the session."

Title V, to strengthen state departments of education, was as much as anyone's a contribution of Commissioner Francis Keppel who recognized that only effective state educational authorities could shoulder the heavy burdens of ESEA. In the light of so much later criticism of an alleged "federal takeover" of education, it is instructive to recall that not only Title V but numerous provisions of other ESEA titles were intended to build up state administrative capacity as never before and to charge them with primary responsibility for decision-making under the new act. (Would it have made any difference, we may ponder, if Title V had been placed symbolically at the head of ESEA, as Commissioner Keppel recommended, instead of at the rear? Would media and public focus have been shifted in any way to state leadership and state responsibility and away from the billion dollar federal price tag of Title I?)

As the formulation of ESEA proceeded around the clock at HEW, the Hill was continuously briefed, HEW and the White House taking considerable pains to inform the Congressional leadership of the nature and magnitude of the emerging school aid breakthrough. On December 16, 1964, the National Education Association announced its support of the principle of "special types" of assistance to students in private and parochial schools, as distinct from aid to the schools themselves. The dawn of a new era in church-state relations was obviously at hand. For the first time in American history, major public and private educational groups—neither totally satisfied with the compromise—were arrayed on the same side of the federal aid to education controversy.

Delighted by word that the decades-old public-private school impasse had apparently been bridged, Congress went into high gear in a most unaccustomed manner. On January 12, President Johnson sent the Congress his education message accompanied by HEW's draft bills which were immediately introduced by Senator Morse and Representative Carl Perkins. Ten days later, indefatigable subcommittee chairman Perkins opened hearings which lasted late into most evenings. Subcommittee markups were completed only two weeks later, the Republicans having boycotted the markups. And so it went to the final passage in the Senate on April 9 and to President Johnson's signature on the bill a remarkable one day less than three months after its submission. No wonder that some Republicans called ESEA "The Railroad Act of 1965!"

Along its hasty path to law, a number of noteworthy things happened to ESEA. Public and private school educators held together despite skilled efforts to split them asunder. The House subcommittee fine-tuned the church-state compromise with additional provisions strengthening the "public control of public services" features of the Act. A whole new cadre of Representatives (e.g. Brademas, Thompson, Hawkins, Ford, O'Hara, Meeds, Mink, etc.) rose to prominence in the House by championing an education bill, formerly considered a legislative field fit only for pariahs. The White House, the Democratic leadership and such legislative champions as Morse, Powell and Perkins honed their legislative skills so as to make of the ensuing 89th Congress the greatest outpouring of domestic legislation in the nation's history. And the Senate, which prides itself on the title "the greatest deliberative body in the world," took the almost unheard-of step of accepting the House-passed bill, H.R. 2362, lock, stock and barrel. The House Rules Committee, a conference committee, votes on recommital and other potential hazards to final enactment of ESEA were thus bypassed by the Senate's unusual magnanimity.[3]

To end where we began, everyone associated with ESEA knew this was not just another bill but a "window of opportunity" which, once passed, might never reappear. ESEA was far from a perfect act. LBJ himself likened it before its passage to a Model-T Ford destined for amendment many times over the years—as it was, in fact, in 1966, 1967, 1970, 1974, 1978, 1981, 1983. "Opportunity doesn't knock twice," believed the Act's sponsors. Did they foresee that less than two years later LBJ's popularity would decline sharply and that in the elections of 1967 House Republicans would increase their strength by 47 seats, from 140 to 187? In any case, ESEA's backers were taking no chances; 1965 was the year to establish, once and for all, a major measure of federal financial responsibility for improving elementary and secondary education, particularly for the children of the poor.

Now, 20 years later, we can still encounter the occasional minority view that "The proper role of the federal government in education is no role. It was never intended that the federal government become involved in this domain." (Eileen Marie Gardner, Heritage Foundation). However, tonight's convocation—bicameral, bipartisan, Executive and Legislative, federal, state and local in charter—is an impressive testimonial to the enduring nature of ESEA. May we not, therefore, congratulate ourselves on having been privileged to reach this evening of celebration of great times past and even better days to come in the service of America's children.●

BUDGET STATUS REPORT

● Mr. DOMENICI. Mr. President, I hereby submit to the Senate a status report on the budget for fiscal year 1985 pursuant to section 311 of the Congressional Budget Act.

Since my last report, the Congress has cleared the Statue of Liberty-Ellis Island Commemorative Coin Act, H.R. 47, and the Department of Agriculture urgent supplemental appropriation, House Joint Resolution 342, for the President's signature.

The report follows:

REPORT TO THE PRESIDENT OF THE U.S. SENATE FROM THE COMMITTEE ON THE BUDGET, STATUS OF THE FISCAL YEAR 1985 CONGRESSIONAL BUDGET ADOPTED IN HOUSE CONCURRENT RESOLUTION 280—REFLECTING COMPLETED ACTION AS OF JULY 19, 1985

[In millions of dollars]

	Budget authority	Outlays	Revenues
Budget resolution level	1,021,350	932,050	750,900
Current level	1,016,991	933,380	750,589

[3] The final votes on the bill, when passage appeared all but certain, masked the degree of opposition to the measure at the outset and, especially, when the coalition supporting ESEA threatened to become unraveled on the floor of the House: House of Representatives 263-153; Senate 73-18 (a majority of Republicans, 18, voted for the bill, while 14 voted against, along with only 4 Democrats).

REPORT TO THE PRESIDENT OF THE U.S. SENATE FROM THE COMMITTEE ON THE BUDGET, STATUS OF THE FISCAL YEAR 1985 CONGRESSIONAL BUDGET ADOPTED IN HOUSE CONCURRENT RESOLUTION 280—REFLECTING COMPLETED ACTION AS OF JULY 19, 1985—Continued

[In millions of dollars]

	Budget authority	Outlays	Revenues
Amount remaining	4,359	0	0

BUDGET AUTHORITY

Any measure providing budget or entitlement authority which is not included in the current level estimate and which exceeds $4,359 million for fiscal year 1985, if adopted and enacted, would cause the appropriate level of budget authority for that year as set forth in H. Con. Res. 280 to be exceeded.

OUTLAYS

Any measure providing budget or entitlement authority which is not included in the current level estimate and which would result in outlays exceeding $0 million for fiscal year 1985, if adopted and enacted, would cause the appropriate level of outlays for that year as set forth in H. Con. Res. 280 to be exceeded.

REVENUES

Any measure that would result in revenue loss exceeding $0 million for fiscal year 1985, if adopted and enacted, would cause revenues to be less than the appropriate level for that year as set forth in H. Con. Res. 280.●

PUBLIC ASSERTIVE ON HEALTH

● Mr. STEVENS. Mr. President, it is not news to announce that this Nation is undergoing a revolution in our awareness of the importance of fitness and health. This new consciousness is not limited to those who have decided to make lifestyle changes like taking up jogging and giving up cigarettes. According to an article which appeared last spring in the New York Times concerning the results of a survey conducted by the American Board of Family Practice, a random sample of American adults reveals that most hold strong opinions on questions relating to health care issues.

Of particular interest to me, having just introduced a bill to protect the rights of nonsmokers in Federal buildings, is the finding that almost 70 percent of those interviewed believe that smoking areas should be segregated in all public places to protect nonsmokers. As stated by the doctor conducting this survey, the depth of feeling expressed on this issue was most unexpected. I ask that this article from the May 2, 1985, New York Times be printed in the RECORD in its entirety.

The article follows:

[From the New York Times, May 2, 1985]

POLL FINDS PUBLIC ASSERTIVE ON HEALTH

(By Marion Burros)

Americans are assuming more responsibility for decisions regarding their life, health

and even death, according to a survey released yesterday by the American Board of Family Practice, the certifying organization for family doctors.

"Americans are asserting their rights in health care issues," said Dr. Kathy Bloomgarden, president of the opinion research company that conducted the survey. "They are beginning to understand the responsibilities that accompany those rights."

The national survey of health care opinions, conducted by Research and Forecast, a subsidiary of the public relations firm Ruder Finn & Rotman, asked the same questions of two groups: the general public and family physicians. On matters relating to the terminally ill, sex education and the rights of nonsmokers, both groups were substantially in agreement.

Despite widespread controversy surrounding the right of the terminally ill to die, the survey found that well over half the general public respondents felt that they unquestionably had such a right and that it was the responsibility of the family and patient to carry it out. Approximately the same number believed that a person has the right to receive an animal organ to extend life.

"These are major changes," said Dr. Bloomgarden, a sociologist. "People are no longer turning to the medical profession or the clergy to guide them in making these important medical decisions."

About 90 percent of the physicians and the general public surveyed agreed that the government—Federal or local—should help care for aged parents when no one else can. At the same time well over half of both groups felt that children should be financially responsible for their parents if the parents can no longer take care of themselves. Dr. Nicholas J. Pisacano, executive director of the American Board of Family Practice, said, "The sensitivity to care of the elderly is exciting."

Yet Americans over 65 are least likely to think children should be responsible for aged parents, the survey showed. "We tend to think of older people as helpless," said Dr. Bloomgarden, "but they like to think of themselves as independent and healthy."

Though the spiraling cost of health care has received a lot of press coverage, it does not rank high as a major health concern, the survey found. Asked to choose three of the most important health issues, those surveyed ranked costs seventh out of eight; drug abuse, the homeless and hungry and pollution topped the list. Physicians ranked alcohol, smoking, pollution and drug abuse as top concerns.

But the public does blame hospital charges and doctors' office fees for the high cost of health care and believes such costs could be reduced by: teaching people how to stay healthy; setting limits on doctors' fees and hospital and drug charges; setting up more health-maintenance organizations; having employers pay more of the insurance costs and establishing national health care insurance.

Physicians blamed hospital costs and diagnostic tests for medical costs, but a majority of them agreed only with the first suggestion on ways to reduce such costs.

A majority of both groups of respondents said they thought Americans should educate themselves about health maintenance and disease prevention by asking their doctors more questions, through articles and broadcasts on health issues and by taking courses.

Sex information was an important component of such education according to most of the public (85 percent) and the physicians (88 percent). An equally impressive number believed sex education should be taught by parents, while two-thirds thought it should be taught in school.

Both the public and doctors were generally in agreement that sex education would help to reduce sexually transmitted disease and result in better family planning, but they parted company on the role sex education plays in improving sexual relations. Only 43 percent of the general public thought that sex education was valid for that reason, while three quarters of the doctors did.

Both groups believed that education would also be an effective tool to discourage smoking. Over 75 percent believed that nonsmokers were harmed by the fumes of smokers in the same room. And only slightly fewer—68 percent—thought that smoking areas should be segregated in all public places to protect nonsmokers. Dr. Bloomgarden said the depth of feeling expressed on this issue was "most unexpected."

The study, a natonwide telephone survey of 1,007 men and women over the age of 18 and 303 family physicians, was conducted between Dec. 20, 1984 and Jan. 31, 1985. The margin of sampling error was plus or minus 3 percent for the public and plus or minus 6 percent for the physicians.●

FOSTER CARE

● Mr. MOYNIHAN. Mr. President, two articles published last week in the New York Times, written by Sara Rimer, have helped to expose a serious failing in our foster care program. We have failed to provide older foster care children, those age 16–18 who are about to age-out of the system, with any special assistance to them to make the difficult transition from foster care to independent living.

The first article describe a July 17 ruling by State Supreme Court Justice Elliott J. Wilk. Justice Wilk found that 18-year-olds discharged from foster care often are forced into public shelters, vacant buildings, public terminals, or city streets. Under his ruling, therefore, no young person may be discharged from New York's foster care system, unless he or she has received adequate preparation and a place to live.

The second article provides case histories of three foster care children. These case histories illustrate graphically where our foster care system is breaking down. Reggie Brown, a victim of child abuse—beaten often and once thrown out of a second-story window—was brought into the foster care system at age 13. Reggie was shunted from one group home to another, and finally discharged—at age 19—to a men's shelter in downtown Manhattan. Reggie, a diabetic, eventually became one of the thousands of homeless persons in the city. In May, Reggie was arrested for burglary; he pleaded guilty and now lives in the city jail on Riker's Island. He is a tragic failure of our foster care.

In a 1984 study of runaway and homeless youth in New York City, funded by the Ittleson Foundation, found that as many as 50 percent of the youth seeking shelter in the city had been in the foster care system. A 1983 report on homeless youth in New York City found that 29 percent of all these seeking crisis services reported a foster care history.

A 1981 research note, "Foster Care and Welfare Dependency," published by the Human Resources Administration of New York City, revealed that the rate of welfare dependency among those recently discharged from foster care was twice that of the city's general population of similar age and ethnic composition.

In 1984, the Citizens' Committee for Children of New York, Inc. studied older children, age 14–21, who were in the New York City foster care system being prepared for discharge. The study, "The Foster Care Exit—Ready or Not," found that:

That 10 percent of these children were reported to have been involved in major acts of vandalism, theft, or assaults; 7 percent were involved in hard drugs; 5 percent had alcohol or soft drug-related problems; and 7 percent were females who had given birth or were pregnant at the time of the study.

We can and must do better for our foster children. On June 19, 1985, I introduced legislation—S. 1329—that would reform the foster care and adoption assistance programs. One important provision of my legislation would authorize Federal support for States to establish individual independent living plans for foster children age 16 and older. By fiscal year 1988, States would be required to provide transitional independent living programs for these older adolescents. These programs would include training in daily living skills, such as budgeting and how to locate housing, as well as vocational and career counseling. I urge my colleagues to support this legislation, which I believe would begin to fill some of the gaps in our foster care program, described so vividly by Ms. Rimer. I ask that the two articles by Ms. Rimer be printed in the RECORD.

The articles follow:

NEW YORK JUDGE CURBS DISCHARGE OF FOSTER YOUTHS WITH NO HOMES

(By Sara Rimer)

A State Supreme Court justice in Manhattan ruled yesterday that young people may no longer be discharged from New York City's foster-care system until they have been given supervision and a place to live.

The justice, Elliott J. Wilk, wrote that young people between the ages of 18 and 21 who were discharged from foster care and subsequently became homeless must be allowed to return to such care.

Under state law, New York City and other municipalities are obligated to provide supervision under the foster-care program for young people through age 21. In the case before him yesterday, the judge found that

the city had violated the law by discharging children from the program before they were 21 and able to care for themselves.

Justice Wilk found that 18-year-olds discharged from foster care were often forced either into the city's public shelters or into vacant buildings, public terminals and the city's streets.

"It is well documented and recognized even within the city agency itself that the men's shelter and its satellites are overcrowded, often dangerous and 'an inappropriate setting' for young adults," he wrote.

There are 10,000 such youths statewide, three-quarters of them in New York City, according to the Coalition for the Homeless, which along with Sullivan & Cromwell and Douglas H. Lasdon, the director of the Legal Action Center for the Homeless, filed the class-action lawsuit last January on behalf of a group of present and former foster-care children.

Robert M. Hayes, the attorney for the Coalition for the Homeless, said: "It's a tremendous victory for the children who have been dependent on government for their upbringing. Now the foster-care system will be required to start acting like real mothers and fathers for these kids."

Mr. Hayes estimated that it would cost the state and city at least $70 million to begin putting the judge's order into effect. Foster care in New York City costs $335 million a year in city, state and Federal funds.

A spokesman for Mayor Koch, Leland T. Jones, said yesterday, "Until we've had an opportunity to review and analyze the decision, we won't have any comment on it."

Brian Jackson, a spokesman for Governor Cuomo, said: "We have not had an opportunity to review in full the court's decision and to assess its impact upon the state. The Department of Social Services and the Governor's program staff will be looking at it in the next few days to determine what the actual impact of the ruling is and what action might be necessary."

The justice noted that the city did not deny the need for improvement in the provision of foster-care services. "They claim," he wrote, "that H.R.A. has recently taken steps to rectify the system's current deficiencies, including the institution of a progress review mechanism within the agency and a pilot program designed to ease the transition from foster care to independent living." The H.R.A. is the Human Resources Administration, which is the city's social services agency.

The defendants also argued that providing additional services to children who have been discharged from foster care would "burden the agency financially, jeopardizing its ability to properly care for the children presently in foster care."

The State argued that the city should assume primary responsibility for foster-care children.

Justice Wilk found that by law local agencies charged with foster care "must prepare the child for independent living by providing training in skills such as apartment finding, budgeting, shopping and cooking; finally, the child must receive career counseling and training in a marketable skill or trade."

The city's synopsis of agency records, according to the judge, "does not reveal that foster children are training in apartment finding or housing skills, as required by the regulations."

Each year, the city's foster-care system includes 17,000 children, 87 percent of whom are members of minority groups, according to city reports. They spend an average of four years in foster care, having entered the system as the result of abuse or neglect at home or because their parents—most of whom live in poverty—became overwhelmed and could no longer care for them. Foster care includes placements in families or in group homes.

About 9,500 of them are discharged each year. Of those, 2,000 are discharged to what is known as "independent living," according to Mr. Hayes. But the lawsuit charged—and the judge yesterday supported—the contention that independent living often means the city's shelters or the streets.

"I hope a system is set up to assess the impact of this victory on the kids," one child-welfare expert, David Tobis, said yesterday. "There is precious little evidence that any of the foster care reforms over the past five years have improved their lives."

Mr. Tobis is the former staff director of the Foster Care Monitoring Committee, which issued a 1984 report on the implementation of recommendations of the Mayor's Task Force on Foster Care.

NUMEROUS REPORTS

Mr. Hayes said that the failings of New York's foster-care system—which have been documented in numerous reports, conducted by city agencies as well as private organizations—are repeated throughout the country. "This is an example of backing into the causes of homelessness," Mr. Hayes said. "The foster-care system, by failing the children, creates a whole new category of homeless people. Fix the foster-care system, and you have fewer homeless people."

Mr. Hayes filed the lawsuit in 1979 that resulted in the State Supreme Court order requiring providing shelter for homeless men. A subsequent lawsuit filed in 1982 extended the order to include homeless women. The preliminary injunction handed down yesterday says that homeless youth who have been discharged from foster care are entitled, not just to shelter, but to housing and care.

In 1984 a Foster Care Monitoring Committee—with the cooperation of Human Resources Administration and Special Services for Children—undertook a study of the implementation of the recommendations of the Mayor's 1980 Task Force on Foster Care Services.

NEED FOR IMPROVEMENT

While acknowledging progress in many areas, the report concluded that vast improvement was still needed. The report found that 45,000 children were discharged from foster care between 1979 and 1984.

"Many of these children are not provided with the assistance they need to live with their biological families or the training they need to live independently," according to the report. "Fewer than two thirds of foster-care programs were rated satisfactory in meeting even the modest standards or postdischarge services."

A city report found last year that 27 percent of the homeless youth appearing in city shelters were once in foster care.

FROM FOSTER HOMES TO LIFE ON NEW YORK STREETS: 3 CASE STUDIES IN FAILURE

(By Sara Rimer)

After a childhood he remembers as a series of beatings by a mother who drank a lot, Reggie Brown entered the foster-care system at age 13. Within a week of his 18th birthday, he was discharged from the last of a series of group homes. All he was given, he said, was cab fare and directions to the men's shelter.

Harold Fredericks entered the foster-care system at age 12, when his mother—alone and trying to raise four children on public assistance—could no longer cope with his stealing, fighting and setting fires. Six years later, he was discharged from a group home to a Job Corps training program. It was not long before he, too, ended up at the men's shelter.

Joseph Morgan, who was put up for adoption when he was 3 weeks old but never adopted, was raised by foster-care parents until age 15, when he was sent to a group home. Three years later, he was given $500 and discharged to "independent living," which meant, in his case, the men's shelter.

After they were discharged from the foster-care system, Reggie Brown, Joseph Morgan and Harold Fredericks all ended up in the same unofficial neighborhood for wayward youths—Times Square. They described their weeks there as days spent in the video arcades and as nights trying to sleep on the subways or in all-night pornographic movie theaters or in the Port Authority Bus Terminal. They became experts in survival, sucking tokens out of turnstiles, charming strangers for free meals, panhandling and occasionally earning money as messengers. For emergency shelter, they joined hundreds of other homeless youths at Father Bruce Ritter's Covenant House.

Mr. Morgan and Mr. Fredericks, who met in the Job Corps and became friends, negotiated the streets together. On one of many aimless nights, Mr. Fredericks says he was hungry and needed money and tried to snatch a young woman's purse on West 57th Street. He says be got caught but the woman declined to press charges.

Reggie Brown, Joseph Morgan and Harold Fredericks are three of thousands of failures of New York City's foster-care system, according to a class-action lawsuit filed last January by the Coalition for the Homeless, the Sullivan & Cromwell law firm and Douglas H. Lasdon, the director of the Legal Action Center for the Homeless.

These young men are among the six plaintiffs who, the lawsuit asserts, were discharged from foster care at age 18—all of them before they were ready, four of them against their will—and ended up living on the streets, six more members of a growing homeless population.

They ended up homeless because they were given little or no training or supervision in how to live on their own, according to the lawsuit. The court earlier this week held that the city had violated state regulations by failing to provide supervision to foster-care children discharged to so-called independent living.

"These three young men are no different from thousands of children abandoned by the state's foster-care system," the attorney for the Coalition for the Homeless, Robert M. Hayes, said yesterday. "The government, as substitute parents for these kids, failed to teach them how to live as productive adults in this city."

REGGIE BROWN

"I ain't had nothing in my life," Reggie Brown, a 19-year-old with a winning smile, said recently. "Ain't nothing in my life ever gone right."

He was born in Brooklyn and raised in the Corona section of Queens, one of four children. "I didn't see my father for years," he said. "I can't even remember what he looked like." His father, he said, died four years ago in Florida.

He said his mother punished him for a variety of offenses—both real and imagined—by beating him with the heel of her shoe or with her belt. The scar on his forehead, he says, is from one of those beatings. When he was 13, he says, his mother's boyfriend became enraged and threw him out the second-story window of their apartment. Reggie ended up in the hospital with spinal injuries and a broken wrist. While in the hospital, he was judged to be a neglected child and placed in the foster-care system. He remembers that two social workers visited him in the hospital.

"They explained about being child abused," he said. "They said they could take me to a place on Bleecker Street. I was sad but happy I wasn't going to go home and get beat again."

He began his odyssey through the foster-care system in a group home in Brooklyn, one of many run by the 60 different private and religious agencies which provide care for 95 percent of the city's 17,000 foster-care children. Poor, black and in the system as a result of abuse at home, Reggie's background was that of a typical foster/care child.

Although foster care is intended as a temporary placement until his family gets the necessary counseling, financial aid and other social services so that the child can return homc, the average length of stay is now four years. Part of the problem, advocates for foster-care children say, is that families are not receiving the necessary assistance from social-service agencies. Reggie never returned to his mother's home.

While he describes one or two of the group homes as "nice," Reggie was unhappy at others and seemed to have problems following the rules. When he was 14, he got lucky—for the one and only time in his 19 years, he says. He was sent to live with a foster-care mother named Carrie Moultrie, who shared her apartment in a Bronx housing project with several foster-care children. "Miss Carrie," Reggie said, smiling for the first time during his recitation. "Now, there's a mother!"

He stayed with Miss Moultrie—"sweet, adorable and loving, like a mother should be," in Reggie's worshipful words—for three years. He began attending school regularly and completed from the ninth grade—all the education he has. But then Miss Moultrie left on an extended vacation in the South, and Reggie was sent to another foster-care home and then to several more group homes. At the last home, he got into trouble for violating the curfew. One night he was discharged.

"They gave the cab driver a piece of paper with the address of the shelter on it," he said. When he got to the city's men's shelter in downtown Manhattan, he said, he was told he was too young to stay there. He was referred to Covenant House in Times Square, a crisis intervention center for about 250 boys and girls, where the average stay is six days. Reggie, however, was allowed to spend seven months at Covenant House. He found a $100-a-week construction job.

Last fall, with no place else to go, Reggie started living on the streets. In the parking garage at the Port Authority Bus Terminal, he found a dry, reasonably secure spot on which to lay down his coat and sleep.

On many nights, he slept on the subways. He preferred the A train, or the No. 2. What makes Reggie's story of survival on the city's streets even more compelling than most—and what amazed Mr. Lasdon, the director for the Legal Action Center for the Homeless, when he first met him—is that he is a diabetic who has been injecting himself with insulin daily for five years. Insulin has to be refrigerated. Reggie made do.

"I walked into hospitals and asked for cups of ice," he said.

Fortunately for Reggie, his guardian angel—Miss Moultrie—returned to the Bronx. While there was no room in her apartment last fall for Reggie to stay, he says she did make him welcome during the days. "I'd ask her, 'Can I come in?' " he said. "I'd take my insulin there. Then I'd just be sitting in the chair, dozing off or look at my cartoons on the T.V."

When he wasn't eating at Miss Moultrie's he said, he lived on hot dogs, slices of pizza, Spam and baloney sandwiches. Several months ago, Mr. Lasdon arranged for Reggie to stay at Emmaus House, a privately run shelter for the homeless in a Harlem brownstone. Even at Emmaus House, a refuge for those men and women who have been turned away by other places, Reggie had difficulty getting along. "All my life I been with too many people," he said at the time. "I just want to know how it feels to live in a house by myself."

Reggie eventually moved out of Emmaus House and with assistance from the Coalition for the Homeless began renting a room in Harlem. On May 17, he was arrested on burglary charges. He pleaded guilty and is now in the city jail on Riker's Island.

Emmaus House is run by the Rev. David Kirk, an Eastern Rite Catholic priest who has reflected long and hard on the troubled life of Reggie Brown. He expresses no surprise at the events of recent months.

"What did you expect?" he said recently shrugging. "He is what he's been through."

HAROLD FREDERICKS

From the time he entered elementary school, Harold Fredericks was labeled a problem child. "He was always moving," his mother, Janice Fredericks, said recently. "The teachers couldn't deal with him. He kept walking out of the classroom."

She began taking him to a series of psychiatrists and fought to have a special-education class set up in her neighborhood school so that Harold could be enrolled. Over the years, as Harold's behavior worsened, he became the painful focus of his mother's life. "I sat in the hospital with him sometimes every day of the week," she said. "He would set fires in the house. I was always downstairs looking for him, crying. He didn't get along with the other children. They wouldn't play with him. He just wouldn't listen to me. I was getting worn down."

Mrs. Fredericks had three other small children to worry about and no help, she says, from her former husband. "Finally, I went to the psychiatrist and said, 'I'm just too tired, I can't deal with Harold anymore.' "

She took him to Bellevue Psychiatric Center, where he was immediately admitted. Mrs. Fredericks asked that her son, at age 12, be placed in the foster-care system "I cried for days," she said.

His first placement was at Green Chimneys Residential Treatment Center in Brewster, N.Y. "It was beautiful," Harold said. "We had our own pool, our own gym."

When he was 14, Harold broke into a car near the center and stole jewelry, Mrs. Fredericks said. "He was a terrific swimmer," she said. "He's a great auto mechanic. But then there's this other side—Someone will say, 'Let's go rob a bank,' and he'll do it. He's a follower."

He was 17 last July when he was discharged from the foster-care system and sent to a Job Corps training program in upstate New York. "He got in with the Muslims," Mrs. Fredericks said. "He wouldn't go to classes. They sent me a letter. They put him out. They sent him to men's shelter."

He stayed briefly at Covenant House lived on the streets for several weeks with Joseph Morgan and then entered a different Job Corps program in Buffalo. He has intermittently returned home to his mother's apartment in the Bronx. "It's still scary," she said. "He'll take something if I don't have the money to give him. Harold is my son, and I love him. But I feel like there's nothing I can do for him. He's killing me."

Mrs. Fredericks has a steady job now, as a housekeeper. For the first time in her life, she says, she is close to coming off public assistance. But Harold's prospects seem to grow dimmer all the time.

"They (social workers) told me they were going to help," she said. "All those institutions and he has no high school diploma. Harold was going to see a psychiatrist. He was committed to Bellevue. He went from Green Chimneys to Lakeside to Job Corps. What in all that time have they done? What's he going to do? How is he going to take care of himself?"

JOSEPH MORGAN

Joseph Morgan was more fortunate than many foster-care children. From infancy until age 15, he had a stable home in a housing project in the East Bronx with Edward and Grace Davis and their two children.

"I treated him just like my own son," said Mr. Davis, who is 69 and a retired nursing assistant.

Mr. Davis said he and his wife planned several times to adopt Joe. But because of his wife's poor health and Joe's increasing problems, he said, their plans always fell through.

He says that when Joe turned 15 he began causing problems at home. "He was stealing from me," he said. "He wouldn't listen to me. I had to put him out."

His foster son was sent to a private institution on Long Island, where, according to both Joe and his Mr. Davis, he earned money selling marijuana and had an affair with one of his counselors. A year later he was transferred to an institution in Rockaway, where he stayed until he was 18 years old and discharged to so-called independent living.

He entered a Job Corps training program for several months and then returned to the city, where he spent several months on the street with his friend Harold Fredericks. When they had money, they spent it. With his earnings as a messenger, Harold had bought a 10-speed bicycle for $100.

They slept where they could, in Times Square movie theaters, on subways, in the Port Authority Bus Terminal, in the stairwell of the Davis family's housing project. "You can't get much sleep because you have to be constantly alert," Joe said. "Street life isn't no joke. It's day-to-day survival."

Last winter, Mr. Lasdon arranged for Harold and Joe to move into a private group home run by the Community Service Council of Greater Harlem. Joe found a job as a security guard and began talking about going to college and becoming a social worker.

"I've been helped all my life," he said. "I want to help people."

But he and Harold both left the group home, Weston House, after three months. Joe returned home for awhile and then enrolled in a Job Corps program in the Bronx. He received his high school equivalency certificate. Mr. Lasdon said Joe shows signs of becoming a success story.

He said Joe will be attending Marist College in Poughkeepsie in the fall. Joe does not tell many people that he has a 2-year-old son named Kevin, who lives with his teen-age welfare mother on the Upper West Side.

He said he tries to visit his son as often as possible and is all too aware of what might become of him. "He could be like me," he said.●

ELEVENTH ANNIVERSARY OF THE INVASION OF CYPRUS

● Mr. PELL. Mr. President, for the last 10 years, we in Congress have marked July 20 and August 8 as sad days for the cause of world freedom. Eleven years ago, the world witnessed a tragedy as Turkish Armed Forces invaded the sovereign Republic of Cyprus. When the dust had settled after two military actions, Turkish troops occupied 40 percent of that island country, and a full one-third of the Cypriot population—200,000 people—had become refugees.

Today, more than a decade later, we have seen little progress toward bringing justice to that young nation. While Turkish leaders in Ankara and their Turkish Cypriot protege, Mr. Denktash, purport to desire peace, their actions tell a story quite different. Since January, when summit talks between Mr. Denktash and Cypriot President Kyprianou broke down, Mr. Denktash has held both Parliamentary and Presidential elections in his illegal and universally-condemned Turkish Cypriot political entity. Meanwhile, leaders in Ankara have indicated that, even if a settlement is reached, they intend to maintain Turkish forces on Cyprus. Not only counterproductive to the peace process, these actions are clearly designed to promote a permanent bifurcation of Cyprus.

On the Greek Cypriot side, one positive development should be noted. On June 11, Secretary-General Perez de Cuellar reported to the U.N. Security Council that he had received an affirmative reply from the Government of Cyprus concerning a "consolidated draft agreement" which he believes could result in a formula for a lasting solution on Cyprus. Greek Cypriots have apparently accepted this document in good faith notwithstanding that it lacks certain requirements for what they conceive as an equitable settlement.

Unfortunately, Turkey and Mr. Denktash have yet to exhibit a similar spirit of conciliation. Mr. Denktash has shown no willingness to accept the Secretary-General's invitation to resume the summit process, and instead—in a move that directly contravenes the spirit of the peace talks—acted last month to allocate for Turkish settlement thousands of acres of occupied land belonging to displaced Greek Cypriots.

In the report accompanying the International Security and Development Cooperation Act of 1985 (S. 960), the Foreign Relations Committee pledged to monitor the Cyprus situation closely and stated that, in the absence of good-faith discussions and a return to the summit, the committee would be prepared to take appropriate actions to signal its concern. I believe that recent actions by Mr. Denktash and the Government in Ankara raise serious doubts as to whether our hopeful expectations have been trampled by Turkish intransigence. I urge my colleagues and the administration to do everything possible to ensure that there will be no 12th year of tragic division on Cyprus.●

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

ORDERS FOR WEDNESDAY

ORDER FOR RECESS UNTIL 11 A.M. TOMORROW

Mr. SIMPSON. Mr. President, after conferring with the Democratic leader, I ask unanimous consent that once the Senate completes its business today, it stand in recess until the hour of 11 a.m. on Wednesday, July 24, 1985.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF CERTAIN SENATORS TOMORROW

Mr. SIMPSON. I further ask unanimous consent that following the recognition of the two leaders, under the standing order, there be special orders in favor of the following Senators for not to exceed 15 minutes each: Senators PROXMIRE, DIXON, HATFIELD, MATTINGLY, and EVANS.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. SIMPSON. Then I ask unanimous consent that, following the special orders just identified, there be a period for the transaction of routine morning business, if time permits, not to extend beyond the hour of 12 noon with statements limited therein to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. SIMPSON. Mr. President, at 12 noon there will be a live quorum to begin under the provisions of rule XXII of the Standing Rules of the Senate, to be followed by a cloture vote on the motion to proceed to S. 43, with regard to the line-item veto.

Also, the Senate could turn to any other legislative or executive calendar items which have been cleared for action. Therefore, rollcall votes can be expected throughout the day.

Mr. President, we await final word on any other possible business. I, therefore, suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SIMPSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 11 A.M. TOMORROW

Mr. SIMPSON. Mr. President, I move, in accordance with the order previously entered, that the Senate stand in recess until 11 a.m. tomorrow.

Thereupon, at 6:46 p.m., the Senate recessed until tommorrow, Wednesday, July 24, 1985, at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate July 23, 1985:

DEPARTMENT OF STATE

Winston Lord, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the People's Republic of China.

THE JUDICIARY

Ralph B. Guy, Jr., of Michigan, to be U.S. circuit judge for the sixth circuit vice a new position created by Public Law 98-353, approved July 10, 1984.

Stephen H. Anderson, of Utah, to be U.S. circuit judge for the tenth circuit vice a new position created by Public Law 98-353, approved July 10, 1984.

Glen H. Davidson, of Mississippi, to be U.S. district judge for the northern district of Mississippi vice a new position created by Public Law 98-353, approved July 10, 1984.

Robert B. Maloney, of Texas, to be U.S. district judge for the northern district of Texas vice a new position created by Public Law 98-353, approved July 10, 1984.

FEDERAL ELECTION COMMISSION

Thomas John Josefiak, of Virginia, to be a member of the Federal Election Commission for a term expiring April 30, 1991, vice Frank P. Reiche, term expired.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Bill D. Colvin, of Virginia, to be Inspector General, National Aeronautics and Space Administration, vice June Gibbs Brown, resigned.

IN THE AIR FORCE

The following-named officer for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 1370.

To be lieutenant general

Lt. Gen. Bruce K. Brown, [redacted]FR, U.S. Air Force.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Harley A. Hughes, [redacted]FR, U.S. Air Force.

The following-named officer under the provisions of title 10, United States Code, section 601, to be reassigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Lt. Gen. David L. Nichols, [redacted]FR, U.S. Air Force.

HOUSE OF REPRESENTATIVES—*Tuesday, July 23, 1985*

The House met at 12 o'clock noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We recognize, gracious God, the diversity of our religious expression, and we celebrate the traditions of faith that have given such strength to our national life. Help each of us to live our faith with commitment and enable us to see another tradition with respect. Give us the vision to see the glory of Your Kingdom and may that vision of love and justice bring us together in closer bonds among those with whom we live. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 2410. An act to amend the Public Health Service Act to revise and extend the programs under title VII of that Act.

The message also announced that the Senate had passed bills and joint resolutions of the following titles, in which the concurrence of the House is requested:

S. 1282. An act to revise and extend provisions of the Public Health Service Act relating to primary care;

S. 1285. An act to amend provisions of the Public Health Service Act relating to the National Health Service Corps;

S.J. Res. 51. Joint resolution to designate the week beginning November 24, 1985, as "National Adoption Week";

S.J. Res. 145. Joint resolution designating November 1985 as "National Diabetes Month";

S.J. Res. 147. Joint resolution to designate a calendar week in 1985 as "National Infection Control Week"; and

S.J. Res. 160. Joint resolution designating the week beginning November 10, 1985, as "National Disabled Veterans Week."

DEATH OF FORMER CONGRESSMAN ED HUTCHINSON

(Mr. BROOMFIELD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROOMFIELD. Mr. Speaker, it is my sad duty to inform the House of the death of my good friend and our former colleague, Congressman Ed Hutchinson of Michigan, who passed away last night in Florida. He was 70.

Funeral arrangements will be handled by the Chapel Funeral Home in his hometown of Fennville, MI. The funeral will be at 2 p.m., Saturday.

I first met Ed when we served together in the Michigan Legislature in the late 1940's where he earned the reputation as an expert in constitutional law. He served as a delegate and vice president of the Michigan Constitutional Convention in 1961 and 1962 and helped draft the State's present constitution.

His reputation as a constitutional scholar followed him to Congress when he was elected to his first term in 1964. He rose to be the ranking member of the Judiciary Committee at the time of his retirement in 1976.

Ed was a quiet and unassuming Member who took great pride in knowing the people of the Fourth District of Michigan and representing them in Congress. Although he moved to Florida following his retirement, he continued to maintain a home in Michigan and visited there frequently.

I know Ed's many friends in this body and in the Washington area will join me and my wife, Jane, in mourning his passing and in sending our sincere condolences to his wife, Janice.

PUT ME IN, COACH, I'M READY TO PLAY

(Mr. RUSSO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RUSSO. Mr. Speaker, I heard a song when I was home this weekend—it's the kind of stuff my kids listen to—and the lyrics reminded me of our game tonight—the annual struggle between the Republicans and Democrats on the diamond. This is considered to be the most accurate assessment of athletic supremacy between the two parties. Anyway, the song goes "Put me in coach, I'm ready to play," and it reminded me of our worthy opponents, especially since it referred to the team as the Mudville Nine.

I know that the Republicans are ready to play, Coach CHAPPIE, because my scouts have watched them practice from our reconnaissance post near Four Mile Run. They report that DAN SCHAEFER has added a new pitch to his repertoire of slow, slower, and slowest. It is called in defiance of gravity and it moves at approximately the same speed as CARL PURSELL going around the bases. You remember CARL, I'm sure. He plays first base, which works out well for him since he can lobby our troops to support his next budget as they are passing through. JOHN KASICH is back again—living proof that you can construct a complete ball player out of splints, tape, and ace bandages. He is the Republicans' bionic man. In addition, we've heard that they have brought up some new pitching talent from their farm system in the New Jersey Legislature in the person of DEAN GALLO. We aren't sure what kind of moves he has, since the coach keeps him under wraps like the Australians' winged keel.

Little reconnaissance is needed to figure out many of the familiar Republican moves, however. Take MIKE OXLEY—please. They don't call him the Ox for nothing. Watch his moves in the field and on the bases. Hulk Hogan would be proud. JACK FIELDS plays like his name—he fields alright, but shoots offline, or is it throws off target? His best move, though, is bending over the belly to pick up a grounder.

Now some of our distinguished opponents are doubly talented, and this works greatly to our advantage. If DAN COATS plays baseball like he plays golf, the fans in the right field stands may be in serious jeopardy from a sliced ball, and the Democrats are considering a protective screen for them. BILL SCHUETTE, on the other hand, will give his teammates a break. If he plays baseball like he does basketball, the rest of the team can stay at the Capitol while he covers all the positions.

The good news is that, back by popular demand from all sorts of fans, JOCK MCKERNAN is returning to center field. We're delighted JOCK is ready to play. Not only is JOCK good for their game, he helps at the box office as well since he bears a remarkable resemblance to another southpaw they called the natural. Frankly, I wouldn't have noticed but my secretary pointed it out to me. All I know is that our draw at the turnstiles has increased considerably since the Maine man came to town.

So, "Put me in coach, I'm ready to play" could be the rallying cry for these rare baseballers to sing to their coach—none other than the Republican answer to P.T. Barnum. This coach possesses the tact of Billy Martin, the savior faire of Earl Weaver, the modesty of Ted Turner, and the judgment of George Steinbrenner. The only porker around who

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

gets fan letters from Miss Piggy, the ancient manager himself, SIL CONTE. Like the Earl of Baltimore, he has already been brought back from retirement once because the game just ain't the same without him. Both sides hope he'll be around for many years to come.

And both sides know it will be another record-setting athletic encounter tonight. We're looking forward to the game, coach. We're ready to play.

The SPEAKER. The Chair appreciates the fact that the gentleman had a long 1 minute and we will give to the "Ancient Mariner," the gentleman from Massachusetts [Mr. CONTE], the same courtesy.

FARM CREDIT SYSTEM

(Mrs. SMITH of Nebraska asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SMITH of Nebraska. Mr. Speaker, it is very tough to follow an act like that.

Mr. Speaker, wild fires are sweeping across the parched prairies. Hordes of hungry grasshoppers are devouring crops and rangeland. Depressed commodity prices continue to fall. Farm liquidations abound, and the 1985 farm bill crawls through Congress. Yet the No. 1 topic across much of rural America is the financial plight of the Farm Credit System.

The Farm Credit System is the largest source of agricultural credit in the United States. Hundreds of thousands of farmers and ranchers from all areas of the country are borrower-owners of this nearly $80 billion system.

The Farm Credit System was created by Congress with the objective of farmer- and rancher-borrower participation in the management, control, and ownership of a permanent system of credit for agriculture. Any restriction of such local control, by means of eliminating local borrower associations, requires the explicit approval of the associations' owners—the farmers and ranchers themselves.

As you may know, the current plight of some credit institutions within the Farm Credit System has prompted loss-sharing arrangements among farm credit districts. Unfortunately, this serious situation has been exploited by those who wish to remove local control from farmers and ranchers and create a huge multibillion dollar central entity or national farm credit bank. As a condition to receiving assistance, troubled districts are being told they must engage in large-scale mergers and consolidations of local farm credit associations.

I believe such action is both coercive and an unnecessary requirement, as well as being inconsistent with the intent of Congress. I hope you will join me in voicing your support for maintaining local farmer and rancher control of the Farm Credit System by becoming a cosponsor of my House Concurrent Resolution 177.

□ 1210

INTRODUCTION OF A BILL COMMEMORATING THE 75TH ANNIVERSARY OF NAVAL AVIATION

(Mr. HUTTO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUTTO. Mr. Speaker, I am introducing today a bill which would direct the Postmaster General to issue a commemorative stamp honoring the 75th anniversary of naval aviation. Naval aviation has played a critical role in the history of our Nation. Its contribution to the military might of America has been great, with Navy airmen participating in World Wars I and II, the Korean conflict, and the Vietnam war. In times of peace, the naval aviation program has added considerably to our knowledge of aviation technology and, in recent years, space exploration. Just weeks ago we saw again how crucial these forces are to our country in the Beirut hostage crisis: One of the immediate actions of the United States was to direct the U.S.S. *Nimitz* aircraft carrier toward the troubled area.

The highest standards of conduct and performance have continually been demanded and demonstrated by the officers and enlisted personnel involved in naval aviation. Since the founding of the aviation program by the U.S. Navy in 1911, over 136,000 pilots have completed flight training programs—many of them, I am proud to note, at the Naval Air Station in Pensacola, FL, home of naval aviation. I believe that it is fitting and proper to honor these persons on this significant event, the 75th anniversary of their chosen vocation, a vocation which enriches the defense, technological, and human resources of our country. By issuing a U.S. postage stamp, we can share their achievement with aviation enthusiasts and patriots nationwide.

I am sure that my 54 colleagues in the House and the 20 Members of the Senate who at one time served in the U.S. Navy will join me in attesting to the central role these men play in our Armed Forces. I cannot think of a more deserving tribute for this outstanding program and its skilled and diligent men than the issuance of a stamp proclaiming the excellent and colorful history of naval aviation. I urge you to join me in my efforts to pass this important legislation on the eve of this meaningful occasion.

STATE DEPARTMENT POLICIES OF APPEASEMENT

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RUDD. Mr. Speaker, in a recent interview former Deputy Ambassador to the United Nations, the Honorable Charles M. Lichenstein, hit the nail on the head in describing the State Department bureaucracy as the source of "flaccid and ineffectual policies" developed in the face of growing Soviet support of international terrorism.

The Ambassador pointed out how many in the career Foreign Service will compromise and negotiate at every turn simply to reach an agreement regardless of the effect on U.S. interests; that there is no ongoing focus at the State Department to anticipate foreign policy problems and put effective measures in place to head them off before they develop; and that the failure of the Department to take any substantive action in response to incidents like the downing of Korean Air Lines flight 007, the shooting of Maj. Arthur Nicholson, and the TWA hijacking have diminished the effectiveness of the United States in foreign affairs.

We need a major overhaul at the State Department to correct for these flaccid and ineffective policies of appeasement, and put those who would harm Americans and their interests on notice that such deeds will be dealt with swiftly, surely and effectively.

MUSIC IN OUR SCHOOLS MONTH

(Mr. AKAKA asked and was given permission to address the House for 1 minute and revise and extend his remarks.)

Mr. AKAKA. Mr. Speaker, I would like to call my colleagues attention to a resolution that I hope many of my colleagues will cosponsor, a resolution that will designate March 1986 as "Music in Our Schools Month."

Music is a powerful esthetic force that exalts the human spirit, transforms human experience, and improves the quality of life. It is one of the most glorious manifestations of our cultural heritage that must be transmitted to succeeding generations.

As a former music educator, I have worked with numerous students and have seen firsthand that the study of music directly contributes to the intellectual, emotional, physical and spiritual development of our young people. Music directly affects the innermost feelings and responses of every child and plays an essential role in the education of this Nation's children. It enhances student morale and improves the quality of school environment. I ask my colleagues to join me in observing "Music in Our Schools Month" as

a special opportunity for Americans to learn, appreciate and support the music programs in our Nation's schools.

GREETINGS TO 12TH WORLD FESTIVAL OF YOUTH AND STUDENTS

(Mr. CROCKETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CROCKETT. Mr. Speaker, I rise to invite my colleagues to join me in sending a cable of greetings to the 12th World Festival of Youth and Students, which begins this Friday in Moscow. This festival will highlight the United Nations' designation of 1985 as International Youth Year.

More than 300 U.S. delegates and 150 additional "special participants" from our country will join with their counterparts to meet and exchange ideas in a free and open manner. This event will be a unique opportunity for the young Americans and thousands of others from around the world to meet future leaders, and to establish lines of communication free from the barriers of political and geographical distance.

It is our hope that, through the World Festival of Youth and Students and similar gatherings, delegates will come away with renewed understanding of the world's problems, and a new commitment to peace and justice throughout the world.

I urge my colleagues to join me in sending greetings to the festival.

CONGRATULATIONS CHRISTA McAULIFFE, FIRST TEACHER IN SPACE

(Mr. GREGG asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GREGG. Mr. Speaker, last Friday, Vice President GEORGE BUSH announced the selection of New Hampshire's Christa McAuliffe as the first teacher in space.

Christa was one of thousands of teachers across the Nation who responded to the President's request for applicants to NASA's Teacher in Space Program.

As the Member who represents Concord, NH, where Christa teaches social studies at Concord High School, I know that both the Granite State, and the Nation as well, stands behind her.

In the coming months, as Christa prepares for the most exciting field trip of all time, she will have our prayers and support for a successful flight.

Having met Christa, I have no doubt that her enthusiasm for learning and her ability to communicate will motivate our Nations youth. She serves as a model for our young by demonstrating once again that in America one's possibilities are only limited by one's imagination.

New Hampshire is proud of you Christa. Just as New Hampshire's Alan Shepherd made history by becoming the first American astronaut, you will make your mark by becoming America's first teacher in space.

LEGISLATION TO OUTLAW EMPLOYMENT-BASED DISCRIMINATION AGAINST PERSONS WITH A CANCER HISTORY

(Mr. BIAGGI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BIAGGI. Mr. Speaker, a nation is gratified and relieved. Our President is back at work at the White House. He has made a remarkable recovery from his cancer surgery conducted only 11 days ago.

President Reagan has become one of the estimated 800,000 Americans who are diagnosed as having cancer each year. Based on medical prognoses, the President has also joined the estimated 5 million Americans with a cancer history.

Yet, President Reagan has not had to endure a problem which faces an estimated 1 million Americans who are cancer survivors—employment discrimination. The Nation's Chief Executive has been genuinely welcomed back to his job without reservation by his employers—the American people.

Earlier this year, I authored legislation, H.R. 1294, to amend title VII of the Civil Rights Act to outlaw employment-based discrimination against persons with a cancer history. I believe its enactment is warranted and should be considerably aided by President Reagan's success in removing the stigma that is too ofter associated with those who have a cancer history. Those who conquer cancer should not be forced to succumb to the evils of discrimination in the workplace. Join me in making this victory complete for the millions of Americans who have survived cancer by joining as a cosponsor of H.R. 1294.

□ 1220

"COMPARABLE WORTH" LEGISLATION BASED UPON FICTION

(Mr. BLILEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BLILEY. Mr. Speaker, the House will soon consider one of the greatest misnomers in the history of legislation, the so-called comparable worth bill, H.R. 3008. Its supporters have consistently portrayed this as merely an extension of equal pay for equal work. Nothing could be further from the truth. This legislation is based upon fiction, not fact. It ignores the incredible success of the free enterprise system in setting wages. It stretched the bounds of reason by finding that any differences in pay between jobs held by men and women amount to discrimination. It undermines the values of equal opportunity we all hold so dear. Comparable worth supplants prevailing market forces with bureaucratically determined wage scales.

Supporters of H.R. 3008 tell you that it is only a study, and that appears true. But they do not tell us how many States have already rejected their concept. Nor do they tell us how comparable worth would undermine equal opportunity. Nor do they tell us of the immense economic costs we would all have to bear for their experiment in bureaucratic control of the economy.

Mr. Speaker, this idea is based on the flimsiest of assumptions: That differences in pay scales amount to sexual and racial discrimination. If the House needs more information as to how discredited an idea comparable worth is, we need only look to Arizona, Arkansas, Colorado, Delaware, Illinois, Indiana, New Mexico, North Carolina, North Dakota, South Dakota, and Texas, which have come to this conclusion already. The House has more pressing issues to work on, like reducing the Federal budget deficits which threaten our economy and all our citizens. Let's help our people that way.

"CONSTRUCTIVE ENGAGEMENT"—PLAYING FOOTSY WITH THE MOST EVIL AND DASTARD GOVERNMENT KNOWN TO MANKIND

(Mr. STOKES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STOKES. Mr. Speaker, this morning's Washington Post advises us that the reaction of the Reagan administration to the deteriorating situation in South Africa is that it is "very disturbing." We are also told that the administration regards South Africa's system of apartheid as being "repugnant and largely responsible for the current violence." In spite of this, we are told that in its latest admonition to Pretoria that our Government has not chosen to repudiate its policy of "constructive engagement" with the repugnant and reprehensible Government of South Africa.

A State Department spokesman is quoted as saying:

> We are not reviewing the policy and there is no intention of reviewing the policy.

Mr. Speaker, as long as we maintain this policy of "constructive engagement," meaning playing footsy with the most evil and dastard government

known to mankind, we will have no moral force anywhere in the world. We are dealing with a government in South Africa that is totally devoid of any respect for law or human rights. Our policy of "constructive engagement" is not only inconsistent and incongruous with human decency but it also gives a hollow ring to our pious condemnation of the repugnancy of apartheid.

UNFAIR PROCEDURE FOR COMPARABLE WORTH LEGISLATION

(Mrs. VUCANOVICH asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. VUCANOVICH. Mr. Speaker, before the House adjourns for the August recess, we will be asked to vote on legislation that will grant congressional approval of the comparable worth theory without the benefit of changing the existing bill. The comparable worth bill will be brought to the floor under suspension of the rules which allows no opportunity to amend or offer a substitute to this legislation.

I have spoken on the House floor recently about my personal views on this issue, but today I would like to address the procedural problems of bringing this bill to the floor under suspension. It is my understanding that my colleague from Ohio. Congresswoman OAKAR, author of the current bill, has drafted a substitute to H.R. 27, and my Republican colleagues have also drafted an alternative to the comparable worth bill. But no hearings have been held on either of these substitutes and the Post Office and Civil Service Committee plans to mark up H.R. 27 next week. A hearing is scheduled on Ms. OAKAR's substitute the day before the subcommittee and full committee markup the bill. And if H.R. 27 comes to the floor under suspension no one will have the opportunity to change this legislation. This is not how legislation should be pushed through this body.

Once again on this House floor, we are denied the opportunity to an open debate on a very controversial issue. I believe the Members of this House should have the opportunity to fully discuss alternatives to this bill through the hearing process and then bring this bill to the floor under an open rule.

PAY EQUITY: A REALITY, NOT A MYTH

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, my colleagues who have spoken out so passionately against pay equity obviously have not been reading the newspaper lately. There have been numerous accounts of not only State and local successes in implementing pay equity, but also recent action taken at the international level.

I applaud the U.S. delegation to the United Nation's Decade for Women Conference in Nairobi, Kenya, for its support of "equal pay for work of equal value." Representative OLYMPIA SNOWE, my cochair at the Congressional Caucus for Women's Issues, and I have sent a telegram to each of the delegates praising their stand on this issue.

Here in Washington, we must make certain our own Government workers are free from job bias. One way in which to do this is through Representative MARY ROSE OAKAR's legislation to study the Federal wage and classification systems for evidence of sex-based, race, and ethnic discrimination.

As legislators, we have a responsibility to correct discrimination in employment, but we have not carried through. While precious time has been spent on arguing about pay equity myths here in Washington, 45 States have actually implemented some type of pay equity action, through job evaluations, legislation, or collective bargaining. Activity has begun in the private sector, as well, to close the wage gap through pay equity initiatives.

This issue is no longer a theoretical topic of discussion, it is a reality. Look at what has taken place in Colorado Springs, San Jose, Los Angeles, Minnesota, and New York. These cities and States have gone ahead and taken the lead in implementing pay equity policies.

These States and local governments have set the stage for us. It is now Congress' turn to pass legislation that ensures fair employment practices for Federal employees.

THE DEMOCRATIC TEAM IS SO LOUSY—IT IS UNFAIR

(Mr. CONTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONTE. Mr. Speaker, today, I want to address a major concern that we Republicans have with you Democrats: The unfairness issue. It is unfair that the Republicans—who have an outstanding baseball team—have to play tonight with the lousy Democratic team at Four Mile Run Park in Alexandria.

It is unfair, Mr. Speaker, that Mr. CHAPPELL has to be helped, with a winch, into his crouch behind home plate.

It is unfair, Mr. Speaker, that MARTY RUSSO is playing third base—since he can't throw the ball further than the pitcher, and any play to first base involves more than two players.

It is unfair, Mr. Speaker, that DAVE MCCURDY is in the outfield; my 14-year-old, arthritic dog, PRIMO, can fetch better than Mr. MCCURDY.

It is unfair, Mr. Speaker, that MIKE SNYAR is in center field. When you see MIKE play, you'll know why they're not shouting "Baseball in 1987" out in Oklahoma.

Look at their lineup, Mr. Speaker. WALTER FAUNTROY at first base. While it is true that WALTER is the fastest member of the Democratic team, it is also true that being the fastest runner on that team is a little like being the tallest of the seven dwarfs.

We Republicans want to play ball, Mr. Speaker—not run around with these gaggling goof-offs.

Mr. Speaker, It's unfair.

I hope you will be out there, Mr. Speaker, to throw out the first ball; I have developed a new slingshot you can use.

□ 1230

WILL SILVIO WATCH THE GAME IN SILENCE?

(Mr. CHAPPELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CHAPPELL. Mr. Speaker, I rise today to encourage my colleagues, both Republican and Democrat, to join us at Four Mile Park for the 24th annual congressional baseball game played for the benefit of Washington's Children's Hospital.

As the Democratic coach, I encourage all Members to witness this year's game which is the fifth in the most recent best of five series. Glen Brenner, channel 9 TV's sportscaster will be doing the play by play which should prove to be interesting.

On a more serious note, I should mention that the distinguished Republican coach, and I use the term loosely, SILVIO CONTE has made several statements on the House floor about the game. Rather than rebutting his very rebuttable remarks, I would like to dedicate this poem:

We all know our friend from Massachusetts.
He doesn't smoke a cigar he just "chews it."
When it comes to baseball, he's no Weaver.
His organization and strategy remind one of Bitburg and Deaver.
But thats OK, the Republicans need some guidance.
I just wish SILVIO would watch the game in silence.
Or better yet, my wish for the day,
Is that the Republicans will let CONTE play!

DON'T FORGET THE SEVEN AMERICANS STILL HELD HOSTAGE IN LEBANON

(Mr. O'BRIEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. O'BRIEN. Mr. Speaker, the seven Americans still held hostage in Lebanon seem to be slipping from public view again.

The U.S. TV networks haven't mentioned the seven Americans for almost a week. The national newspapers have barely mentioned the seven Americans for a week. The Christian Science Monitor has been a notable exception.

With respect to some of the presumed preconditions for the release of the seven Americans, we seem to be making progress. Israel is set to release 100 more of the Shiite prisoners they have been holding. The Syrian-sponsored pacification of West Beirut seems to be lowering the level of violence in the Lebanese capital.

Mr. Speaker, today is the 494th day of captivity in Lebanon for William Buckley of Medford, MA.

Rev. Benjamin Weir has been held hostage for 441 days.

Today is the 196th day of captivity for my personal friend, Father Lawrence Martin Jenco of Joliet, IL.

Today is the 129th day of captivity for Terry Anderson of Batavia, NY.

Today is the 56th day of captivity for David Jacobsen of Huntington Beach, CA.

Today is the 43d day of captivity for Thomas Sutherland.

Today marks the 231st day since the disappearance of Peter Kilburn of San Francisco, CA.

Mr. Speaker, America must not forget its citizens held hostage in Lebanon. The hostage crisis is not over.

COMPARABLE WORTH—THE CLOSER YOU LOOK, THE WORSE IT GETS

(Mr. BURTON of Indiana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BURTON of Indiana. Mr. Speaker, we may be on the verge of a multibillion-dollar mistake.

Several years ago, the State of Washington sponsored a study of comparable worth. The results were used against them in a $1 billion lawsuit. Now we are on the edge of a similar study. The Federal Government has 30 times as many employees as the State of Washington.

Equal pay for equal work is now the law of the land, and should be.

No one supports equal rights for women more than I do.

This new idea of comparable worth is a misguided attempt to take wage decisions out of the free market. Wages should be set by employers and employees, not judges. The OAKAR comparable worth bill is one more step away from free enterprise.

Let's not go from the fairness of equal pay for equal work, to a standard of equal pay for unequal work. This could radically change our economic system. I ask the Members to look closely at comparable worth. The closer you look—the worse it gets.

END THE CONSTRUCTIVE ENGAGEMENT POLICY NOW

(Mr. LELAND asked and was given permission to address the House for 1 minute and to revise and extend his remarks.

Mr. LELAND. Mr. Speaker, I find it totally unconscionable that while the White House can publicly state that apartheid is repugnant and largely responsible for the violence in South Africa, it refuses to admit that its own policy of constructive engagement is nearly as repugnant. Constructive engagement merely prolongs the system the administration claims to abhor. We have a moral obligation to work toward the dismantling of apartheid and we will never be able to do so under the administration's morally bankrupt policy of constructive engagement.

Our passive policy has proven time and time again to be ineffective in persuading South Africa to end apartheid. The state of emergency imposed this past weekend conclusively demonstrates that the South African Government is simply not interested in recognizing blacks as human beings. According to South African authorities—the press is now censored—at least eight blacks have been killed and 441 activists have been arrested since Sunday's state of emergency. One of those arrested, Molly Blackburn, the leading white antiapartheid activist and member of the Cape Province Council, was arrested 1 hour before she was to meet with former U.S. Cabinet members.

If the South African Government is sincerely interested in ending the violence in South Africa, it can do so with talks and negotiation, not with guns and repression.

We, the United States, cannot morally afford to continue our silent approval of this violent and blatant oppression of a people. We must end constructive engagement now if apartheid if ever to be dismantled.

OPPOSE THE COMPARABLE WORTH STUDY

(Mr. ARMEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ARMEY. Mr. Speaker, comparable worth legislation proposed by Congresswoman OAKAR, now numbered H.R. 3008, is being billed as only a study to determine discriminatory wagesetting policies. In fact, H.R. 3008 would be much more than that. It would put in place a vehicle for enacting comparable worth doctrines judicially rather than legislatively.

That is where the danger lies. The comparable worth study, whose conclusions would be foregone due to the biased makeup of the board, could set legal precedents for implementing this disastrous system of wagesetting within the Federal Government; and eventually extending this practice to private businesses.

That is exactly what happened in Washington State. U.S. District Judge Jack Tanner ruled that the State of Washington, by commissioning and accepting a study showing that the female-dominated jobs paid less than the male dominated jobs, actually accepted both the concept of comparable worth and the method by which it should be implemented.

That decision forced on the State of Washington by the district judge, in response to their ill-advised willingness to pass legislation that authorized only a study, will cost that State billions of dollars, and threatens to cost them billions more.

We cannot afford to make such an ugly mistake in this House.

□ 1240

TALK TOUGH, AND CARRY A LITTLE TWIG

(Mr. ALEXANDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ALEXANDER. Mr. Speaker, yesterday the White House announced that it will apply the Reagan doctrine of American foreign policy to yet another country; that is, the White House issued a statement carefully denouncing the racial violence of South Africa without criticizing the state of emergency which has been imposed, which suspends basic constitutional rights and permits the arrest of over 200 churchmen and hundreds of other freedom fighters.

The President now, Mr. Speaker, has the opportunity to put action with his words. Both Houses of Congress have passed legislation imposing sanctions against the white minority government in South Africa. This House has appointed conferees. The other body has not. If the President is serious about his actions, about his words, he should call the Members of the other body and ask that conferees be appointed. But, Mr. Speaker, the administration does not take the Reagan doctrine very seriously, for if it does it would put action with its words. And if it does not, it deserves to be described as the "Twiggy doctrine"; that is, talk tough and carry a little twig.

THE FEDERAL DEFICIT

(Mr. PURSELL asked and was given permission to address the House for 1

minute and to revise and extend his remarks.)

Mr. PURSELL. Mr. Speaker, the people of Michigan's Second District continue to demand that something be done about the Federal deficit.

It's such a high priority for Howard and Phyllis Eddy of Adrian, MI—as it should be for all of us—that they sent me a telegram, in which they say: "Deficit reduction is urgent. Everyone should sacrifice including those of us over 65." John and Virginia Dawson of Adrian write: "Balancing our national budget transcends party lines. It must be balanced if any of us has a future. Please don't play politics. Our time is running out. Balance that budget. As senior citizens, we'll take our share of cuts."

They're willing to do what they have to; it's time that the conferees do the same.

And to the budget conferees: You need sharing of sacrifice and you need real savings. The 92 Group budget proposal gives you both. Take a look at it. Use it as the basis for a budget resolution and real deficit reduction.

PERMISSION TO INSERT LETTERS IN THE RECORD PERTAINING TO COMMITTEE ON SCIENCE AND TECHNOLOGY DURING CONSIDERATION OF H.R. 8, WATER QUALITY RENEWAL ACT OF 1985

Mr. FUQUA. Mr. Speaker, I ask unanimous consent that during consideration of H.R. 8 in the Committee of the Whole House, I be permitted to insert two letters pertaining to the Committee on Science and Technology.

The SPEAKER (Mr. MURTHA). Is there objection to the request of the gentleman from Florida?

There was no objection.

THE LATE J. EDWARD HUTCHINSON

(Mr. SILJANDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SILJANDER. Mr. Speaker, all of us in the Michigan delegation and many, many others in Congress stand in deep sorrow at the loss of a good friend and my former Congressman, Ed Hutchinson.

Congressman Hutchinson, who was born October 12, 1914, died last night in Florida. He was 70 years old. He had been living in the Naples, FL, area.

Mr. Hutchinson graduated from Fennville High School in 1932, the University of Michigan in 1936, University of Michigan Law School in 1938. He practiced law in Allegan, MI.

Mr. Hutchinson was elected to the Michigan State House in 1946, the Michigan State Senate in 1951, and he served in the U.S. Congress, from the 88th Congress through most of the 94th Congress.

As the Members might remember, he was the ranking Republican on the Judiciary Committee.

I remember Ed Hutchinson very well because as a young 17- and 18-year-old Republican, I would stand on street corners in Three Rivers, MI, handing leaflets out for Ed Hutchinson during many of his reelection campaigns. He was a very close personal friend of mine and a personal friend of so many thousands and thousands of people all throughout the State of Michigan and, frankly, Mr. Speaker, throughout the country.

It is with deep sense of loss that I make the announcement of the passing of a great, great American, J. Edward Hutchinson, former Congressman of the Fourth District of Michigan.

THE TRAGEDY IN ETHIOPIA

(Mr. ROTH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.

Mr. ROTH. Mr. Speaker, last night, Bill Moyers and ABC brought to the attention of the American people the horrendous logistical problems that are hampering the famine relief effort in Ethiopia. In Ethiopia, Kurt Jansson, the special representative of the United Nations, has ordered the suspension of all food-aid shipments because the Megistu regime has failed to clear the backlog in its three ports.

As this week's "Economist" points out, rotting food is bad enough, but it is only part of a wider failure. Those who give food aid and who organize its distribution are not paying enough attention to how it is being used.

Today, I will be raising my concerns with Bob Geldof, the organizer of the Live Aid Concert, and this afternoon, I am sponsoring a special order on the tragedy in Ethiopia. This is not a tragedy brought on only by natural disaster, but a tragedy born of political failures.

THE ANTI-APARTHEID ACT

(Mr. DYMALLY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DYMALLY. Mr. Speaker, I rise to express my total disgust of the deplorable situation which exists in South Africa today. The political, social, and economic conditions of black people of South Africa have deteriorated to a point where we must again express our opposition. This situation has become more critical since the Reagan administration has declared and engaged in their policy of "constructive engagement".

The oppression and repression which black people of South Africa are experiencing are repugnant to freedom-loving people of this great Nation of ours.

I urge the President of these United States to call on the other House to assign conferees to the conference and sign the Anti-Apartheid Act. The President must take strong and courageous executive measures to let the South African Government know that Americans are opposed to the emergency actions which are now being imposed in South Africa.

The time has come for justice and freedom to prevail over oppression and the denial of human rights.

SHARON CHRISTA McAULIFFE, THE FIRST TEACHER SELECTED TO GO INTO SPACE

(Mr. SMITH of New Hampshire asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of New Hampshire. Mr. Speaker, as a Representative from the State of New Hampshire, I would like to take this opportunity to honor our native daughter, Sharon Christa McAuliffe, the first teacher selected to go into space. When I met her last week, her enthusiasm for the teacher in space program convinced me that she would be a great choice.

Christa was chosen from a competitive field of more than 11,000 teachers nationwide. Her experience as a social studies teacher at Concord High School and as the first teacher in space will be instrumental in educating future generations for space activity. In her own words, "that's what this program is all about. We're going to have some really excited kids this fall." Christa begins 4 months of training in September for her mission.

This week, Congressman GREGG and I intend to introduce a resolution honoring and commending Christa McAuliffe. I welcome my colleagues' cosponsorship of this resolution.

NASA and America, you have made a great choice in Christa McAuliffe. What an outstanding ambassador for the space program. Congratulations and good luck, Christa.

□ 1250

DONALD REGAN SUFFERING FROM TIME WARP

(Mr. DORGAN of North Dakota asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORGAN of North Dakota. Mr. Speaker, in yesterday's paper there is an article that says that Mr. Donald Regan visited with some Members from the other body, and here is what he said:

The farmers' problems stem from Jimmy Carter's 1979 Soviet grain embargo and other farm programs fashioned by the Democrats. We are trying to rescue them from it.

This fellow must be suffering from time warp. This is not the first time, of course, those of us from rural America have been given advice from eastern financiers with silk suits telling us what is wrong with farmers. But the fact is, the commodity prices in this country have fallen a whole lot since this administration took office. Carter's grain embargo was wrong; no question about that. But there is a lot that has been happening around here in the last 4 years that have been wrong for farmers as well.

Deficits proposed by this Treasury Secretary and the administration have overpriced the dollar and dried up exports. The Secretary of Agriculture came to the House Agriculture Committee in 1981, sat 10 feet from me, and said, "I will tell you what we ought to do. Here is my program. You farmers raise all you want and we will sell it across the world."

So farmers raised as much as they could and, of course, we had a tremendous surplus. The fact is, this administration is in large part to blame for the current farm problems. So are the Democrats. I understand that. But those auction sale notices on the cafes in small towns across this country that describe the loss of a family farm by a young man and woman who have been trying to make a go of it and have failed, they are not marked "Democrat" or "Republican"; it is marked "Failure." Donald Regan does no service to suggest that the problems in agriculture today ought to be laid at the doorstep of the Democratic Party. That is absolute nonsense. In agriculture they would say, "This fellow does not plow a straight furrow." Let me be a little more polite and simply say that he would be better off, for this country and on behalf of family farmers, if he would seriously work with us to craft a good farm program for family farmers in this country who need it.

WE WILL NEVER FORGET OUR SEVEN AMERICAN HOSTAGES IN LEBANON

(Mr. DORNAN of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORNAN of California. Mr. Speaker, I honor one of our colleagues, the gentleman from Illinois [Mr. O'BRIEN] for remembering again and again in this Chamber our seven hostages in Lebanon. I would hope that each day from this day forward one of us, hopefully from both sides of the aisle, will rise at the beginning of the day to remind all Americans and the world that we are never going to forget these seven suffering fellow Americans or their loved ones.

Please also reflect that overall there are 14 hostages now held, 7 Americans, 1 from Saudi Arabia, 1 from Kuwait, 1 from England, and 4 hostages from France. The longest held of our seven was taken in March of last year. That means that for 1 year and 4 months Mr. William Buckley, a political officer assigned to our Beirut Embassy, has been locked up like an animal in a state of constant fear for his life, not knowing if he is ever going to see his loved ones again or how they are holding up under their psychological torture.

If we compare Mr. Buckley's hostage status to the taking of 52 U.S. Embassy personnel in Teheran as far as time held is concerned, then we must all recognize that President Reagan has on his watch a hostage crisis equal to the nightmare in Iran that destroyed Jimmy Carter's Presidency. If each single American life is as valuable as any other's life and 1 life is as valuable as 52, and we've been taught all our lives that's the way our country operates, then this hostage crisis is every bit as serious as the crisis that so severely hurt President Carter. Our priest Father Jenco, our minister Reverend Wier, the three who worked so hard at American University, and Terry Anderson, the AP journalist are all held prisoner in the name of Allah? What a blasphemy. I still don't comprehend why Tom Brokaw and the other members of American media, did not take a powerful stand and bring to a boiling point while in Syria July 1 and 2 the Terry Anderson kidnaping. Why didn't they cry out for their fellow journalist when they were in that ballroom at the Sheraton Hotel in Damascus interviewing the about-to-be-released 39 final hostages from TWA flight 847. Mr. Assad, the head of state in Syria, knows where those seven American kidnap victims are held, and where the other seven hostages are. Turn up the heat on him, world free press. It is about time we recognize that this is a top priority crisis for the United States and truly for the whole free world. Free Terry Anderson, Mr. Assad, or get burned.

POPULATION CONCERNS SHOULD BE RAISED BY PRESIDENT WITH VISITING CHINESE PRESIDENT

(Mr. LEVIN of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEVIN of Michigan. Mr. Speaker, this week this country is privileged to receive an important visitor, the President of the People's Republic of China.

Two weeks ago, during our consideration of the foreign aid bill, the House expressed its deep concern over elements of coercion in the Chinese population program. There are differences of opinion in the House over the degree to which the United States should provide population assistance, and whether debates over domestic abortion policies should prevent U.S. assistance to groups who do not provide abortion-related services themselves but may have relationships with organizations whose own revenues support abortion-related activities.

We voted to ask the President to raise critical human rights issues with representatives of the Chinese Government and to provide him discretion to withhold funds contingent upon a resolution of these questions. We took these measures because of our concern for human rights. Those of us in the House deeply concerned about the impact of population growth rates in developing countries also did so because unless human rights issues are resolved, critical population funds for developing countries will be terminated.

Hopefully, Mr. Speaker, when Mr. Li meets today with the Secretary of State and with the President, the President and the Secretary will raise with Mr. Li our concerns.

WATER QUALITY RENEWAL ACT OF 1985

The SPEAKER pro tempore (Mr. MURTHA). Pursuant to House Resolution 222 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 8.

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IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 8) to amend the Federal Water Pollution Control Act to provide for the renewal of the quality of the Nation's waters, and for other purposes, with Mr. REID in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Monday, July 22, 1985, all time for general debate had expired.

Pursuant to the rule, the substitute committee amendment recommended by the Committee on Public Works and Transportation now printed in the reported bill shall be considered as an original bill for the purpose of amendment under the 5-minute rule.

Pursuant to House Resolution 222 and the order of the House of July 22, 1985, immediately after the enacting clause is read, it shall be in order to consider the amendments to the committee substitute printed in the CON-

GRESSIONAL RECORD of July 16, 1985, and additional amendments by, and if offered by, Representative HOWARD which shall be considered en bloc and shall be in order although amending portions of the substitute not yet read for amendment.

The Clerk will read the enacting clause.

The Clerk read as follows: *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

AMENDMENTS OFFERED BY MR. HOWARD

Mr. HOWARD. Mr. Chairman, I offer a series of amendments en bloc in accordance with the unanimous-consent request granted yesterday.

The Clerk read as follows:

Amendment offered by Mr. HOWARD: Page 35, after line 4, insert the following:

(e) AVAILABILITY OF CERTAIN FUNDS FOR NON-FEDERAL SHARE.—Notwithstanding any other provision of law, Federal assistance made available by the Farmers Home Administration to any political subdivision of a State may be used to provide the non-federal share of the cost of any construction project carried out under section 201 of the Federal Water Pollution Control Act.

Page 44, strike out lines 6 through 17 and insert in lieu thereof the following:

"(3) On October 1 of each fiscal year beginning after September 30, 1985, the States of New York, New Jersey, and Connecticut shall pay to the Interstate Sanitation Commission established by such States by interstate compact, or shall enter into a legally binding agreement with such Commission to pay to such Commission, $900,000 (in the case of New York and New Jersey) and $200,000 (in the case of Connecticut) to carry out the functions of such Commission under this Act. If any such State does not make a payment, or enter into a legally binding agreement with respect to a payment, in the amount required under the preceding sentence for a fiscal year, the Administrator shall reserve, from the sums available to such State under this subsection for such fiscal year, an amount equal to the difference between the amount required to be paid or committed by such sentence for such fiscal year and the amount paid or committed by such State for such fiscal year. Sums so reserved shall be used by the Administrator to make a grant for such fiscal year to such Commission to carry out such functions.

Page 45, line 21, strike out "substantially" and insert in lieu thereof the following: "Significantly assist in encouraging participation by such organizations in the development of wastewater treatment programs and significantly".

Page 51, after line 13, insert the following:

"(8) CONSISTENCY WITH PLANNING REQUIREMENTS.—The State may provide financial assistance from such revolving fund only with respect to a project which is consistent with plans, if any, developed under sections 205(j), 208, and 303(e) of this Act.

Page 53, after line 11, insert the following:

"(3) RESERVATION OF FUNDS FOR PLANNING.—Each State shall reserve each fiscal year one percent of the sums allotted to such State under this section for such fiscal year, or $100,000, whichever amount is greater, to carry out planning under sections 205(j), 208, and 303(e) of this Act.

Page 53, line 12, strike out "(3)" and insert in lieu thereof "(4)".

Page 54, after line 7, insert the following new section:

SEC. 17. MODIFICATION FOR NONCONVENTIONAL POLLUTANTS.

(a) IN GENERAL.—Section 301(g) is amended by redesignating paragraph (2) (and any references thereto) as paragraph (3) and by striking out all that precedes subparagraph (A) of paragraph (1) and inserting in lieu thereof the following:

"(g)(1) The Administrator, with the concurrence of the State, may modify the requirements of subsection (b)(2)(A) of this section with respect to the discharge from any point source of ammonia, chlorine, color, iron, and total phenols (4AAP) (when determined by the Administrator to be a pollutant covered by subsection (b)(2)(F)). The Administrator may—

"(A) add any pollutant to the list of pollutants for which modification under this section is authorized (except for pollutants identified pursuant to section 304(a)(4) of this Act, toxic pollutants subject to section 307(a) of this Act, and the thermal component of discharges), if the Administrator determines that there are; or

"(B) remove any pollutant from such list if the Administrator determines that there are no longer;

satisfactory test methods and data available to make the determination required by paragraph (2).

"(2) A modification under this subsection shall be granted only upon a showing by the owner or operator of such point source satisfactory to the Administrator that—".

(b) APPLICATION; LIMITATION ON EFFECT.—The amendment made by subsection (a) shall apply to all requests for modifications under section 301(g) of the Federal Water Pollution Control Act pending on the date of the enactment of the Water Quality Renewal Act of 1985, and shall not have the effect of extending the deadline established in section 301(j)(1)(B) of such Act.

Page 54, after line 7, insert the following:

SEC. 18. DISCHARGES INTO MARINE WATERS.

(a) CONSIDERATION OF OTHER SOURCES OF POLLUTANTS.—Section 301(h)(2) is amended by striking out "such modified requirements will not interfere" and inserting in lieu thereof the following: "the discharge of pollutants in accordance with such modified requirements will not interfere, alone or in combination with pollutants from other sources,".

(b) LIMITATION ON SCOPE OF MONITORING.—Section 301(h)(3) is amended by inserting before the semicolon at the end thereof the following: "and the scope of such monitoring is limited to include ony those scientific investigations which are necessary to study the effects of the proposed discharge".

(c) URBAN AREA PRETREATMENT PROGRAM.—Section 301(h) is amended by redesignating paragraphs (6) and (7), and any references thereto, as paragraphs (7) and (8), respectively, and by inserting after paragraph (5) the following new paragraph:

"(6) in the case of any treatment works serving a population of 50,000 or more, with respect to any toxic pollutant introduced into such works by an industrial discharger for which pollutant there is not applicable pretreatment requirement in effect, the applicant has in effect a pretreatment program which, in combination with the treatment of discharges from such works, removes the same amount of such pollutant as would be removed if such works were to apply secondary treatment to discharges and if such works had no pretreatment program with respect to such pollutant;".

(d) PRIMARY TREATMENT FOR EFFLUENT.—Section 301(h) is amended by striking out the period at the end of paragraph (8) (as redesignated by subsection (c) of this section) and inserting in lieu thereof a semicolon and by inserting after such paragraph (8) the following new paragraph:

"(9) no effluent will be discharged from such works which does not receive primary treatment by screening, sedimentation, and skimming, and treatment for disinfection where necessary, and which does not meet the criteria established under section 304(a)(1) after initial mixing in the waters surrounding or adjacent to the point at which such effluent is discharged; and".

(e) URBAN AREA REMOVAL CREDITS.—Section 307(b)(1) is amended by adding at the end thereof the following: "In any case described in the preceding sentence in which the treatment works serves a population of 50,000 or more, such pretreatment standards shall be revised as provided in the preceding sentence if—

"(i) there exists an effluent limitation on such treatment works for the pollutant and the revised requirement will not result in the effluent violating such effluent limitations;

"(ii) the revised requirement will not result in interference with the method of disposal or reuse of sludge from the treatment works; and

"(iii) the revised requirement will not result in a pollutant interfering with the operation of such treatment works.".

(f) DISCHARGE OF POLLUTANT INTO MARINE WATERS DEFINED.—Section 301(h) is amended by striking out the second sentence and inserting in lieu thereof the following: "For the purposes of this subsection, the phrase 'the discharge of any pollutant into marine waters' refers to a discharge into deep waters of the territorial sea or the waters of the contiguous zone.".

(g) GRANDFATHER OF CERTAIN APPLICANTS.—The amendments made by subsections (a), (c), (d), and (f) of this section shall not apply to any person whose application for a permit under section 301(h) of the Federal Water Pollution Control Act has been tentatively or finally approved by the Administrator on or before the date of the enactment of this Act.

Page 54, after line 7, insert the following:

SEC. 19. FILING DEADLINE FOR TREATMENT WORKS MODIFICATION.

(a) ELIMINATION.—Section 301(i)(1) is amended by striking out the second sentence.

(b) APPLICABILITY.—The amendment made by subsection (a) shall not apply to those treatment works which are subject to a compliance schedule established before the date of the enactment of this Act by a court order or a final agency order.

Page 54, after line 7, insert the following:

SEC. 20. APPLICATION FOR OCEAN DISCHARGE MODIFICATIONS.

Section 301(j)(1)(A) is amended by inserting before the semicolon at the end thereof the following: ", except that a publicly owned treatment works which before December 31, 1982, had a contractual arrangement to use a portion of the capacity of an ocean outfall operated by another publicly owned treatment works which has applied for or received a modification under subsection (h) of this section, may apply for a modification of subsection (h) in its own right not later than 30 days after the date of the enactment of the Water Quality Renewal Act of 1985".

Page 54, line 10, insert "(a) EXTENSION OF DEADLINE.—" before "Section".

Page 54, after line 13, insert the following:

(b) EXTENSION TO CONVENTIONAL POLLUTANTS.—Section 301(k) is amended by inserting "or (b)(2)(E)" after "9b)(2)(A)" each place it appears.

Page 54, line 15, before the period insert "AND PRETREATMENT STANDARDS".

Page 54, line 24, before the comma insert the following: "or any national categorical pretreatment standard under section 307(b)".

Page 55, line 2, before "if" insert the following: "or such standard with respect to the introduction of any pollutant by such person".

Page 55, line 3, after "person" insert the following: "or, in the case of such standard, factors relating to the facilities, equipment, and processes of the treatment works".

Page 55, line 5, after the period insert the following: "An effluent limitation or pretreatment standard established under such variance may not be less stringent than is justified by the factors that are fundamentally different. A variance may not be granted under this subsection if it would produce a significantly adverse effect on the environment (other than on water quality).".

Page 55, line 8, after "limitation" insert "or pretreatment standard".

Page 55, line 10, after "limitation" insert "or standard".

Page 55, line 13, strike out ", to the maximum extent practicable,".

Page 55, lines 18 and 19, after "limitations" insert "and pretreatment standards".

Page 55, line 23, after "limitation" insert "or pretreatment standard".

Page 56, line 1, before "as established" insert "or standard".

Page 56, strike out line 3 and insert in lieu thereof the following:

(b) SAVINGS CLAUSE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendment made by sub-

Page 56, line 2, strike out the quotation marks and the final period.

Page 56, after line 2, insert the following:

"(6) APPLICATION FEE.—The Administrator shall establish and collect a fee from each applicant for a variance under this subsection. Such fee shall be in an amount not more than an amount that reflects the reasonable administrative costs directly incurred in reviewing and processing applications for such variance. All amounts collected by the Administrator under this paragraph shall be deposited in the general fund of the Treasury.

"(7) REPORTS.—Every six months after the date of the enactment of this subsection, the Administrator shall submit to the Committee on Environment and Public Works of the Senate and the Committee on Public Works and Transportation of the House of Representatives a report on the status of applications for variances from effluent limitations under section 301 or 304 of this Act or any national categorical pretreatment standard under section 307(b) of this Act filed before, on, or after such date of enactment.".

Page 56, line 7, before "established" insert "and pretreatment standards".

Page 56, after line 8, insert the following:

(2) EXCEPTIONS.—

(A) FACTOR TO BE CONSIDERED.—In deciding whether to deny or approve an application filed before the date of the enactment of this Act for a variance from an effluent limitation under section 301 or 304 of the Federal Water Pollution Control Act or any national categorical pretreatment standard under section 307(b) of such Act which has not been denied or approved on or before such date of enactment, the Administrator shall consider any requirements contained in effluent guidelines issued after the date of such filing.

(B) TIME LIMIT FOR DECISION.—The Administrator shall approve or deny any application referred to in subparagraph (A) within 180 days after such date of enactment; except that if the applicant amends such application to take into account any new effluent guidelines issued after the date of filing of such application, the Administrator shall deny or approve such amended application within 180 days after the date of such amendment.

Page 56, after line 8, insert the following:

SEC. 19. COAL REMINING OPERATIONS.

Section 301 is amended by adding at the end thereof the following:

"(n) "(o) MODIFIED PERMIT FOR COAL REMINING OPERATIONS.—

"(1) IN GENERAL.—Subject to paragraphs (2) through (4) of this subsection, the Administrator, or the State in any case which the State has an approved permit program under section 402(b), may issue a permit under section 402 which modifies the requirements of subsection (b)(2)(A) of this section with respect to the pH level of any pre-existing discharge, and with respect to pre-existing discharges of iron and manganese from the remined area of any coal remining operation or with respect to the pH level or level of iron or manganese in any pre-existing discharge affected by the remining operation. Such modified requirements shall apply the best available technology economically achieveable on a case-by-case basis, using best professional judgment, to set specific numerical effluent limitations in each permit.

"(2) LIMITATIONS.—The Administrator or the State may only issue a permit pursuant to paragraph (1) if the applicant demonstrates to the satisfaction of the Administrator or the State, as the case may be, that the coal remining operation will result in the potential for improved water quality from the remining operation but in no event shall such a permit allow the pH level of any discharge, and in no event shall such a permit allow the discharges of iron and manganese, to exceed the levels being discharged from the remined area before the coal remining operation begins. No discharge from, or affected by the remining operation shall exceed state water quality standards established under section 303 of this Act.

"(3) DEFINITIONS.—For purposes of this subsection—

"(A) the term 'coal remining operation' means a coal mining operation which begins after the date of enactment of this subsection at a site on which coal mining was conducted before the effective date of the Surface Mining Control and Reclamation Act of 1977;

"(B) the term 'remined area' means only that area of any coal remining operation on which coal mining was conducted before the effective date of the Surface Mining Control and Reclamation Act of 1977; and

"(C) the term 'pre-existing discharge' means any discharge at the time of permit application under this subsection.

"(4) APPLICABILITY OF STRIP MINING LAWS.—Nothing in this subsection shall affect the application of the Surface Mining Control and Reclamation Act of 1977 to any coal remining operation, including the application of such Act to suspended solids.".

Page 58, after line 17, insert the following:

SEC. 22. INSPECTION AND ENTRY.

(a) IN GENERAL.—Section 308(b) is amended by striking out all that follows "Code" and inserting in lieu thereof a period and the following: "Any authorized representative of the Administrator (including an authorized contractor acting as a representative of the Administrator) who knowingly or willfully publishes, divulges, discloses, or makes known in any manner or to any extent not authorized by law any information which is required to be considered confidential under this subsection shall be fined not more than $1,000 or imprisoned not more than one year, or both. Nothing in this subsection shall prohibit the Administrator or an authorized representative of the Administrator (including any authorized contractor acting as a representative of the Administrator) from disclosing records, reports, or information to other officers, employees, or authorized representatives of the United States concerned with carrying out this Act or when relevant in any proceeding under this Act.".

(b) CONFORMING AMENDMENT.—Section 308(a)(B) is amended by inserting "(including an authorized contractor acting as a representative of the Administrator)" after "or his authorized representative".

Page 58, line 19, insert "(a) IN GENERAL.—" before "Section".

Page 62, after line 24, insert the following:

(b) CONFORMING AMENDMENT.—Section 404(s)(4) is repealed. Paragraph (5) of section 404(s) (and any references thereto) is redesignated as paragraph (4).

Page 61, after line 2, insert the following:

"(3) KNOWING ENDANGERMENT.—(A) Any person who knowingly violates section 301, 302, 303, 306, 307, 308, 318, or 405 of this Act, or any permit condition or limitation implementing any of such sections in a permit issued under section 402 of this Act by the Administrator or by a State, or in a permit issued under section 404 of this Act by the Secretary of the Army or by a State, and who knows at that time that he thereby places another person in imminent danger of death or serious bodily injury, shall, upon conviction, be subject to a fine of not more than $250,000 or imprisonment of not more than fifteen years, or both. A defendant that is an organization shall, upon conviction of violating this subparagraph, be subject to a fine of not more than $1,000,000.

"(B) For the purpose of subparagraph (A) of this paragraph—

"(i) in determining whether a defendant who is an individual knew that his conduct placed another person in imminent danger of death or serious bodily injury—

"(I) the person is responsible only for actual awareness or actual belief that he possessed; and

"(II) knowledge possessed by a person other than the defendant but not by the defendant himself may not be attributed to the defendant;

except that in proving the defendant's possession of actual knowledge, circumstantial evidence may be used, including evidence that the defendant took affirmative steps to shield himself from relevant information;

"(ii) it is an affirmative defense to prosecution that the conduct charged was consented to by the person endangered and that the danger and conduct charged were reasonably foreseeable hazards of—

"(I) an occupation, a business, or a profession; or

"(II) medical treatment or medical or scientific experimentation conducted by professionally approved methods and such other person had been made aware of the risks involved prior to giving consent;

and such defense must be established by a preponderance of the evidence;

"(iii) the term 'organization' means a legal entity, other than a government, established or organized for any purpose, and such term includes a corporation, company, association, firm, partnership, joint stock company, foundation, institution, trust, society, union, or any other association of persons; and

"(iv) the term 'serious bodily injury' means bodily injury which involves a substantial risk of death, unconsciousness, extreme physical pain, protracted and obvious disfigurement, or protracted loss of impairment of the function of a bodily member, organ, or mental faculty.

Redesignate succeeding paragraphs on pages 61 and 62 accordingly.

Page 64, line 2, after "violation" insert the following: "of section 301 of this Act (as it relates to section 404 of this Act) or is in violation".

Page 64, line 10, insert after the period the following: "The Administrator or the Secretary may not assess a civil penalty under this subsection against any person with respect to a violation if the Administrator or Secretary, as the case may be, has assessed a civil penalty under this subsection against such person with respect to the same violation or a violation having substantially the same cause or arising out of substantially the same conditions."

Page 66, strike out line 19 and all that follows through line 2 on page 67.

Page 67, line 3, strike out "(F)" and insert in lieu thereof "(E)".

On page 68, line 14, after the period insert the following: Any person who fails to pay on a timely basis the amount of an assessment of a civil penalty as described in the first sentence of this paragraph shall be required to pay, in addition to such amount and interest, attorneys fees and costs for collection proceedings and a quarterly nonpayment penalty for each quarter during which such failure to pay persists. Such nonpayment penalty shall be in an amount equal to 20 percent of the aggregate amount of such person's penalties and nonpayment penalties which are unpaid as of the beginning of such quarter".

Page 69, line 4, strike out "is imposed"and insert in lieu thereof "has been paid".

Page 70, line 3, after "penalty" insert "for the alleged violation".

Page 70, line 4, after "Act" insert the following: "or under a comparable State law, as the case may be".

Page 70, after line 4, insert the following:

SEC. 25. RELATIONSHIP TO OTHER LAWS.

Section 311(r) is amended by adding at the end thereof the following: "Discharges from a deepwater port or from a vessel within a deepwater port safety zone which are subject to section 18 of the Deepwater Port Act of 1974 (33 U.S.C. 1517) shall not be subject to the liability and penalty provisions of this section.".

Page 70, after line 4, insert the following:

SEC. 25. MARINE SANITATION DEVICES.

Section 312(f)(1) of the Federal Water Pollution Control Act is amended by striking out "After" and inserting in lieu thereof "(A) Except as provided in subparagraph (B), after" and by adding at the end thereof the following:

"(B) A State may adopt or enforce a statute or regulation with respect to the design, manufacture, or installation or use of any marine sanitation device on a houseboat, if such statute or regulation is more stringent than the standards and regulations promulgated under this section. For purposes of this paragraph, the term 'houseboat' means a vessel which, for a period of time determined by the State in which the vessel is located, is used primarily as a residence and is not used primarily as a means of transportation.".

Page 78, line 19, strike out "guidelines" and insert in lieu thereof "regulations".

Page 78, line 23, after "(F)" insert the following: "(except for any pollutant for which a modification is authorized under section 301(g) of this Act)".

Page 79, line 9, strike out "(E)" and insert in lieu thereof "(F)".

Page 79, line 19, strike out all that follows the semicolon.

Page 79, after line 19, insert the following:

"(E) in the case of any permit issued for a fixed term exceeding 5 years, can be modified to ensure compliance with—

"(i) any new or revised effluent limitation under section 301, 302, or 304 of this Act,

"(ii) any new or revised pretreatment standard under section 307(b) of this Act,

"(iii) any new or revised guideline under section 403 of this Act, or

"(iv) any new or revised regulation governing the disposal of sewage sludge under section 405 of this Act,

which limitation, standard, guideline, or regulation is more stringent than the existing effluent limitation, pretreatment standard, guideline, or regulation in the permit or which controls a pollutant not controlled in the permit; and".

Page 79, strike out lines 20 through 23 and insert in lieu thereof the following:

(b) EXEMPTION FROM PERMIT OF CERTAIN STORMWATER RUNOFF.—

(1) IN GENERAL.—Section 402(l) is amended by inserting "(1)" after "(l)" and by adding at the end thereof the following:

Page 80, line 14, strike out the quotation marks and the final period.

Page 80, after line 14, insert the following:

"(3)(A) The Administrator shall not require a permit under this section, nor shall the Administrator directly or indirectly require any State to require such a permit, for discharges composed entirely of stormwater runoff unless the Administrator determines, in the case of a class or category of such discharges, that such class or category may be a significant contributor of pollutants to the navigable waters or, in the case of a particular discharge, that such discharge violates a water quality standard or is a significant contributor of pollutants to the navigable waters.

"(B) This paragraph shall not apply to discharges referred to in paragraph (2) of this subsection, agricultural stormwater discharges, or to discharges from municipal separate storm sewers.

"(C) Not later than one year after the date of the enactment of this paragraph, the Administrator shall promulgate interim final regulations identifying the classes and categories of industrial discharges for which permits are required in accordance with subparagraph (A). As soon as possible, but not later than six months, after completion of the study required by section 26(b)(2) of the Water Quality Renewal Act of 1985 (relating to NPDES permits), the Administrator shall issue such final regulations as necessary to take into account the results of such study.

"(D) Nothing is this paragraph shall affect any permit for a stormwater discharge in effect on the date of the enactment of this paragraph.

"(E) This paragraph shall apply during the period beginning on the date of the enactment of this paragraph and ending on December 31, 1989.".

(2) STUDY.—The Administrator shall study methods of regulating stormwater discharges. Such study shall include, but need not be limited to—

(A) an identification of the classes and categories of dischargers which have not been required to obtain permits under section 402(l)(3) of the Federal Water Pollution Control Act;

(B) a determination of the nature and extent of pollutants in the discharge of such dischargers; and

(C) a determination of procedures and methods to control such pollutants.

Not later than December 31, 1987, the Administrator shall submit to Congress a report on the results of such study along with recommendations on the most effective methods of regulating stormwater discharges.

Page 80, line 3, after "operations" insert the following: or transmission facilities.

Page 83, after line 25, insert the following:

(f) LOG TRANSFER FACILITIES.—Section 402 is amended by adding at the end thereof the following new subsection:

"(o) LOG TRANSFER FACILITIES.—

"(1) GENERAL RULE.—A log transfer facility which is required (but for this subsection) to have a permit under both this section and section 404 and with respect to which a permit under section 404 has been issued shall not be required to submit a new application for a permit under section 402.

"(2) DETERMINATION OF COMPLIANCE WITH 402 REQUIREMENTS.—The Administrator shall determine, after notice and an opportunity for a public hearing, whether a permit under section 404 with respect to a log transfer facility satisfies the applicable requirements of sections 301, 302, 306, 307, 308, and 403 of this Act. If the Administrator determines that the terms of such permit satisfy such requirements, a separate application for a permit under this section shall not be required. If the Administrator determines that such terms fail to satisfy such requirements, the Administrator may propose to the Secretary of the Army modifications to such permit to incorporate such requirements. If such permit is not modified or issued to incorporate such requirements, the Administrator shall require issuance of a permit under this section for such facility.

"(3) DEFINITION.—For purposes of this subsection, the term 'log transfer facility' means a facility which is constructed, in whole or part, in waters of the United States and which is utilized for the purpose of transferring commercially harvested logs to or from a vessel or log raft.".

Page 83, after line 25, insert the following:

(f) ANTI-BACKSLIDING.—

(1) IN GENERAL.—Section 402 is amended by adding at the end thereof the following new subsection:

"(p) ANTI-BACKSLIDING.—

"(1) GENERAL PROHIBITION FOR BPJ AND WATER QUALITY BASED PERMITS.—Except as provided in paragraph (2)—

"(A) a permit issued under subsection (a)(1)(B) of this section which contains an effluent limitation applicable to a pollutant, and

"(B) a permit issued under this section which contains an effluent limitation appli-

cable to a pollutant and established on the basis of section 301(b)(1)(C) or 303(d).

may not be renewed, reissued, or modified to contain a less stringent effluent limitation applicable to such pollutant.

"(2) EXCEPTION.—A permit described in paragraph (1) may be renewed, reissued, or modified to contain a less stringent effluent limitation applicable to a pollutant if—

"(A) material and substantial alterations or additions to the permitted facility or activity occurred after permit issuance which justify the application of a less stringent effluent limitation;

"(B) information is available which was not available at the time of permit issuance (other than revised regulations, guidance, or test methods) and which would have justified the application of a less stringent effluent application at the time of permit issuance;

"(C) good cause exists for a less stringent effluent limitation, such as an act of God, strike, flood, or materials shortage or other events over which the permittee has little or no control and for which there is no reasonably available remedy;

"(D) the permittee has filed a request for a variance under section 301(c), 301(g), 301(h), 301(i), 301(k), 301(n), or 316(a);

"(E) the permittee demonstrates that operation and maintenance costs of the permitted facility are totally disproportionate to the operation and maintenance costs considered in the development of effluent limitations promulgated after the issuance of the permit;

"(F) the Administrator determines that technical mistakes or mistaken interpretations of law were made in issuing the permit under subsection (a)(1)(B); or

"(G) the permittee has installed the equipment and facilities required to meet such effluent limitation and has properly operated and maintained such equipment and facilities and has not been able to achieve the effluent limitation.

"(3) LIMITATIONS.—In no event may a permit described in paragraph (1) be renewed, reissued, or modified to contain an effluent limitation which is less stringent than required by effluent guidelines in effect at the time the permit is renewed, reissued, or modified. In no event may a permit described in paragraph (1)(B) to discharge into waters be renewed, reissued, or modified to contain a less stringent effluent limitation if the implementation of such limitation would result in a violation of a water quality standard under section 303 applicable to such waters.

"(4) EFFECTIVE PERIOD.—This subsection shall be in effect during the period of two years and six months beginning on the date of the enactment of this subsection.".

(2) REPORT.—The Administrator shall study the extent to which States have reviewed, revised, and adopted water quality standards in accordance with section 24 of the Municipal Wastewater Treatment Construction Grant Amendments of 1981 and the extent to which modifications of permits issued under section 402(a)(1)(B) of the Federal Water Pollution Control Act to permit less stringent effluent limitations should be allowed. The Administrator shall submit a report of such study, together with recommendations to Congress not later than two years after the date of the enactment of this Act.

(3) CONFORMING AMENDMENT.—Section 402(a)(1) is amended by inserting "(A)" after "either" and by inserting "(B)" after "this Act, or".

Page 84, after line 22, insert the following:

SEC. 30. CITIZEN SUITS.

Section 505(c) is amended by adding at the end thereof the following new paragraph:

"(3) Whenever any action is brought under this section in a court of the United States, the plaintiff shall serve a copy of the complaint on the Attorney General and the Administrator. No consent judgment shall be entered in an action in which the United States is not a party prior to forty-five days following the receipt of a copy of the proposed consent judgment by the Attorney General and the Administrator. No judgment in any action to which the United States is not a party shall have any binding effect upon the United States.".

Page 86, after line 25, insert the following:

SEC. 31. INDIAN TRIBES.

Title V is amended by redesignating section 518, and any references thereto, as section 519 and by inserting after section 517 the following:

"SEC. 518. INDIAN TRIBES.

"(a) ASSESSMENT OF SEWAGE TREATMENT NEEDS; REPORT.—The Administrator, in cooperation with the Director of the Indian Health Service, shall assess the need for sewage treatment works to serve Indian tribes, the degree to which such needs will be met through funds allotted to States under section 205 of this Act and priority lists under section 216 of this Act, and any obstacles which prevent such needs from being met. Not later than one year after the date of the enactment of this section, the Administrator shall submit a report to Congress on the assessment under this subsection, along with recommendations specifying (1) how the Administrator intends to provide assistance to Indian tribes to develop waste treatment management plans and to construct treatment works under this Act, and (2) methods by which the participation in and administration of programs under this Act by Indian tribes can be maximized.

"(b) RESERVATION OF FUNDS.—The Administrator shall reserve each fiscal year beginning after September 30, 1986, before allotments to the States under section 205(e), such amount as the Administrator determines appropriate based on the determination of unmet needs reported under subsection (a), but not less than one-half of one percent of the sums appropriated under section 207. Sums reserved under this subsection shall be available only for grants for the development of waste treatment management plans and for the construction of sewage treatment works to serve Indian tribes.

"(c) COOPERATIVE AGREEMENTS.—In order to ensure the consistent implementation of the requirements of this Act, an Indian Tribe and the State or States in which the lands of such tribe are located may enter into a cooperative agreement, subject to the review and approval of the Administrator, to jointly plan and administer the requirements of this Act.

"(d) TREATMENT AS STATE.—The Administrator is authorized to treat an Indian tribe as a State for purposes of title II and sections 104, 106, 303, 305, 308, 309, 314, 319, 402, and 404 of this Act to the degree necessary to carry out the objectives of this section, but only if—

"(1) the Indian tribe has a governing body carrying out substantial governmental duties and powers;

"(2) the functions to be exercised by the Indian tribe pertain to the management and protection of water resources which are held by an Indian tribe, held by the United States in trust for Indians, held by a member of an Indian tribe if such property interest is subject to a trust restriction on alienation, or otherwise within the borders of an Indian reservation; and

"(3) the Indian tribe is reasonably expected to be capable, in the Administrator's judgment, of carrying out the functions to be exercised in a manner consistent with the terms and purposes of this Act and of all applicable regulations.

Such treatment as a State may include the direct provision of funds reserved under subsection (b) to the governing bodies of Indian tribes, and the determination of priorities by Indian tribes, where not determined by the Administrator in cooperation with the Director of the Indian Health Service. The Administrator, in cooperation with the Director of the Indian Health Service, is authorized to make grants under title II of this Act in an amount not to exceed 100 percent of the cost of a project. Not later than 18 months after the date of the enactment of this section, the Administrator shall, in consultation with Indian tribes, promulgate final regulations which specify how Indian tribes shall be treated as States for purposes of this Act.

The Administrator shall, in promulgating such regulations, provide a mechanism for the resolution of any unreasonable consequences that may arise as a result of differing water quality standards that may be set by States and Indian Tribes (located on common bodies of water). Such mechanism should provide for the avoidance of such unreasonable consequences in a manner consistent with the objective of the Act.

"(e) GRANTS FOR NONPOINT SOURCE PROGRAMS.—The Administrator shall make grants to an Indian tribe under section 319 of this Act as though such tribe were a State. Not more than one-third of one percent of the amount appropriated for any fiscal year under section 319 may be used to make grants under this subsection. In addition to the requirements of section 319, an Indian tribe shall be required to meet the requirements of paragraphs (1), (2), and (3) of subsection (d) of this section in order to receive such a grant.

"(f) DEFINITIONS.—For purposes of this section, the term—

"(1) 'Federal Indian reservation' means all land within the limits of any Indian reservation under the jurisdiction of the United States Government, notwithstanding the issuance of any patent, and including rights-of-way running through the reservation; and

"(2) 'Indian tribe' means any Indian tribe, band, group, or community recognized by the Secretary of the Interior and exercising governmental authority over a Federal Indian reservation.".

Page 86, after line 25, insert the following:

SEC. 32. DEFINITION OF POINT SOURCE.

For purposes of the Federal Water Pollution Control Act, the term "point source" includes a leachate collection system, other than a leachate collection system used for agricultural purposes.

Page 86 after line 25, insert the following:

SEC. 33. CHESAPEAKE AND NARRAGANSETT BAYS.

(a) CHESAPEAKE BAY PROGRAM.—

(1) OFFICE.—The Administrator shall continue the Chesapeake Bay program and shall establish and maintain in the Environmental Protection Agency an office, divi-

sion, or branch of Chesapeake Bay Programs to—

(A) collect and make available, through publications and other appropriate means, information pertaining to the environmental quality of the Chesapeake Bay (hereinafter in this subsection referred to as the "Bay");

(B) coordinate Federal and State efforts to improve the water quality of the Bay;

(C) determine the impact of sediment deposition in the Bay and identify the sources, rates, routes, and distribution patterns of such sediment deposition; and

(D) determine the impact of natural and man-induced environmental changes on the living resources of the Bay and the relationships among such changes, with particular emphasis placed on the impact of pollutant loadings of nutrients, chlorine, acid precipitation, dissolved oxygen, and toxic pollutants, including organic chemicals and heavy metals, and with special attention given to the impact of such changes on striped bass.

(2) INTERSTATE DEVELOPMENT PLAN GRANTS.—The Administrator shall, at the request of the Governor of a State affected by the interstate management plan developed pursuant to the Chesapeake Bay program (hereinafter in this subsection referred to as the "plan"), make a grant for the purpose of implementing the management mechanisms contained in the plan if such State has, within one year after the date of the enactment of this section, approved and committed to implement all or substantially all aspects of the plan. Such grants shall be made subject to such terms and conditions as the Administrator considers appropriate.

(3) SUBMISSION OF PROPOSAL.—A state or combination of States may elect to avail itself of the benefits of paragraph (2) by submitting to the Administrator a proposal including the estimated cost of the abatement actions proposed to be taken during the next fiscal year. If the Administrator finds that such proposal is consistent with the national policies set forth in section 101(a) of the Federal Water Pollution Control Act and will contribute to the achievement of the national goals set forth in such section, he shall approve such proposal and shall finance the costs of implementing segments of such proposal.

(4) FEDERAL SHARE.—Grants under paragraph (2) shall not exceed 50 percent of the costs of implementing the proposed plan in any fiscal year and shall be made on condition that non-federal sources provide the remainder of the cost of implementing the proposed during such fiscal year.

(5) ADMINISTRATIVE COSTS.—Administrative costs in the form of salaries, overhead, or indirect costs for services provided and charged against programs or projects supported by funds made available under paragraph (2) shall not exceed in any one fiscal year 10 percent of the annual grant made to a State under such paragraph.

(6) REPORTS.—Any State or combination of States that receives a grant under paragraph (2) shall, within 18 months after the date of receipt of such grant and biennially thereafter, report to the Administrator on the progress made in implementing the interstate management plan developed pursuant to the Chesapeake Bay program. The Administrator shall transmit each such report along with the comments of the Administrator on such report to Congress.

(b) NARRAGANSETT BAY PROGAM.—

(1) GRANTS.—The Administrator shall, at the request of the Governor of an affected State and after consultation with the Administrator of the National Oceanic and Atmospheric Administration and other appropriate Federal and State agencies and interested persons, make a grant for purposes of assessing the principal factors having an adverse effect on the environmental quality of the Narragansett Bay (hereinafter in this subsection referred to as the "Bay"), as perceived by both scientists and users, in conjunction with developing and implementing a management program to improve the Bay's water quality. Payments for such purposes may be made to the States as hereinafter provided, subject to such terms and conditions as the Administrator considers appropriate.

(2) FEDERAL SHARE.—Grants under this paragraph shall not exceed 50 percent of the costs of implementing the plan in any fiscal year and shall be made on condition that non-Federal sources provide the remainder of the cost of implementing the plan during such fiscal year.

(3) APPROVAL OF APPLICATIONS.—A State may elect to avail itself of the benefits of this subsection by submitting to the Administrator a full and complete description of the program it proposes to establish and administer under State law. The Administrator shall approve each such submitted program, within three months of receipt of such program, if the applicant demonstrates to the satisfaction of the Administrator that the applicant will—

(A) establish a committee of representatives from various units of Federal, State, and local governments, research and educational institutions, and groups and individuals concerned with problems of water quality in the Bay to provide advice on the design and implementation of a management program and to coordinate communication on issues affecting the Bay's water quality;

(B) review and coordinate Federal and State water pollution abatement efforts that will most efficiently address those principal factors having an adverse effect on the Bay's water quality;

(C) undertake, subsequent to an analysis of all environmental sampling data presently being collected on the Bay, methods for improving such data collection, particularly with respect to toxic pollutants;

(D) establish a continuing capacity for collecting, storing, analyzing, and disseminating such data;

(E) institute a sampling program where deficiencies are found to exist in present sampling programs; and

(F) develop and, as soon as practicable but not later than three years after the date of the enactment of this section, implement management practices and measures (including land use requirements) to reduce to the greatest extent feasible pollutant loadings in the Bay and to improve the Bay's water quality.

(4) STATE REPORTS.—Any State that avails itself of the benefits of this subsection shall, not later than two years after receipt of a Federal grant under this subsection and annually thereafter, report to the Administrator on progress made in implementing a management program to improve the water quality of the Bay.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are hereby authorized to be appropriated the following sums, to remain available until expended, to carry out the purposes of this section:

(1) $3,000,000 per fiscal year for each of the fiscal years ending September 30, 1986, September 30, 1987, September 30, 1988, and September 30, 1989 to carry out subsection (a)(1);

(2) $10,000,000 per fiscal year for each of the fiscal years ending September 30, 1986, September 30, 1987, September 30, 1988, and September 30, 1989, for grants to States under subsection (a)(2); and

(3) $1,500,000 per fiscal year for each of the fiscal years ending September 30, 1986, September 30, 1987, September 30, 1988, and September 30, 1989, to carry out subsection (b).

Page 86, after line 25, insert the following:

SEC. 34. NEW YORK AND NEW JERSEY HARBOR AREA.

(a) CLEARINGHOUSE, COORDINATION, AND STUDY FUNCTIONS.—The Administrator shall—

(1) collect and make available, through publications and other appropriate means, information pertaining to the environmental quality of the New York and New Jersey Harbor area (hereinafter in this subsection referred to as the "Harbor");

(2) coordinate Federal and State efforts to improve the water quality of the Harbor; and

(3) determine the impact of natural and man-induced environmental changes on the living resources of the Harbor and on adjacent coastal areas and the relationships among such changes, with particular emphasis placed on the impact of pollutant loadings of sewage, dissolved oxygen, and toxic pollutants, including organic chemicals and heavy metals.

(b) GRANTS FOR IMPLEMENTATION OF INTERSTATE MANAGEMENT PLAN.—The Administrator shall, at the request of the Governor of a State affected by any interstate management plan relating to the Harbor developed pursuant to section 33 of this Act (hereinafter in this subsection referred to as the "plan"), make a grant for the purpose of implementing the management mechanisms contained in the plan in accordance with such section.

(c) SUBMISSION OF PROPOSAL.—An affected State or combination of States may, in addition, submit to the Administrator a proposal including the estimated cost of the abatement actions proposed to be taken during the next fiscal year. If the Administrator finds that such proposal is consistent with the national policies set forth in section 101(a) of the Federal Water Pollution Control Act and will contribute to the achievement of the national goals set forth in such section, he shall approve such proposal and shall finance the costs of implementing segments of such proposal.

(d) FEDERAL SHARE OF GRANTS.—Grants under this section shall not exceed 50 percent of the costs of implementing the proposal in any fiscal year and shall be made on condition that non-Federal sources provide the remainder of the cost of implementing the proposal during such fiscal year.

(e) ADMINISTRATIVE COSTS.—Administrative costs in the form of salaries, overhead, or indirect costs for services provided and charged against programs or projects supported by funds made available under this section shall not exceed in any one fiscal year 10 percent of the annual grant made to a State under this section.

(f) REPORTS.—Any State or combination of States that receives a grant under section 36 (relating to maintenance of water quality in estuaries) or this section shall, within 18 months after the date of receipt of such grant and biennially thereafter, report to

the Administrator on the progress made in implementing the plan developed pursuant to such section 36 or this section. The Administrator shall transmit each such report along with the comments of the Administrator on such report to Congress.

(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $10,000,000 per fiscal year for each of the fiscal years ending September 30, 1986, September 30, 1987, September 30, 1988, and September 30, 1989, to carry out this section.

Page 86, after line 25, insert the following:

SEC. 35. SAN FRANCISCO BAY.

(a) INITIATION OF PROGRAM.—The Administrator shall initiate a San Francisco Bay program to—

(1) collect and make available, through publications and other appropriate means, information pertaining to the environmental quality of the San Francisco Bay (hereinafter in this section referred to as the "Bay");

(2) coordinate Federal, State and local efforts to improve the water quality of the Bay;

(3) establish a committee of representatives from various units of Federal, State, and local governments, research and education institutions, and groups and individuals concerned with problems of water quality in the Bay to provide advice on the development and implementation of such management program and to coordinate communication on issues affecting the Bay's water quality;

(4) determine the impact of natural and man-induced environmental changes on the living resources of the Bay and the relationships among such changes, with particular emphasis placed on the impact of pollutant loadings and toxic pollutants, including organic chemicals and heavy metals, and with special attention given to the impact of such changes on water quality and natural resources such as striped bass.

(5) develop a management plan that shall contain management practices and measures to reduce to the greatest extent feasible pollutant loadings in the Bay and to improve the Bay's water quality.

(b) GRANTS.—The Administrator shall, make a grant to the State of California for the purpose of implementing the management mechanisms contained in the management plan developed under subsection (a)(5), if such State has, within one year after the date of the enactment of this section, approved and committed to implement all or substantially all aspects of the plan. Such grants shall be made subject to such terms and conditions as the Administrator considers appropriate.

(c) SUBMISSION OF PROPOSAL.—The State of California may elect to avail itself of the benefits of this section by submitting to the Administrator a proposed plan including the estimated cost of the abatement actions proposed to be taken during the next fiscal year. If the Administrator finds that such proposal is consistent with the national policies set forth in section 101(a) of the Federal Water Pollution Control Act and will contribute to the achievement of the national goals set forth in such section, he shall approve such proposal and shall finance the costs of implementing segments of such proposal; except that Federal grants under this section shall not exceed 50 percent of the cost of implementing the proposed plan in any fiscal year and shall be made on condition that non-Federal sources provide the reminder of the cost of implementing the plan during such fiscal year.

(d) ADMINISTRATIVE COSTS.—Administrative costs in the form of salaries, overhead, or indirect costs for services provided and charged against programs or projects supported by funds made available under this section shall not exceed in any one fiscal year 10 percent of the annual Federal grant made under this section.

(e) REPORTS.—The State of California shall, within 18 months after the date of receipt of such grant and biennially thereafter, report to the Administrator on the progress made in implementing the interstate management plan developed pursuant to the San Francisco Bay program. The Administrator shall transmit each such report along with the comments of the Administrator on such report to Congress.

(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section, to remain available until expended, $3,000,000 per fiscal year for each of the fiscal years ending September 30, 1986, September 30, 1987, September 30, 1988, and September 30, 1989.

Page 86, after line 25, insert the following:

SEC. 36. MAINTENANCE OF WATER QUALITY IN ESTUARIES.

(a) MANAGEMENT CONFERENCE.—

(1) IN GENERAL.—In any case where the Administrator determines, on his own initiative or upon request of one or more States any portion of which is located within the estuarine zone of an estuary, that the attainment or maintenance of that water quality in such estuary which assures protection of public water supplies and the protection and propagation of a balanced, indigenous population of shellfish, fish, and wildlife, and allows recreational activities, in and on the water, requires the control of point and nonpoint sources of pollution in more than one State, the Administrator shall convene a management conference. The Administrator shall give priority consideration under this section to Long Island Sound; Buzzards Bay, Massachusetts; Delaware Bay, Delaware and New Jersey; and Albemarle Sound, North Carolina.

(2) BOUNDARY DISPUTE EXCEPTION.—In any case in which a boundary between two States passes through an estuary and such boundary is disputed and is the subject of an action in any court, the Administrator shall not convene a management conference with respect to such estuary before a final adjudication has been made of such dispute.

(3) EXISTING MANAGEMENT PROGRAM EXCEPTION.—Notwithstanding any other provision of this section, the Administrator shall not convene a management conference with respect to an estuary if he determines that there exists a management program for the estuarine zone of such estuary with sufficient authority to achieve the purposes of this section.

(b) MEMBERS OF CONFERENCE; LEAD AGENCY.—The members of a conference under this section shall include the Administrator, the Administrator of the National Oceanic and Atmospheric Administration, a representative of each of those States which are located, in whole or in part, within the estuarine zone of the estuary for which the conference is convened, a representative of each interested Federal agency as determined appropriate by the Administrator, a representative of any interstate agency having jurisdiction over all or a significant part of the estuary, and representatives of local governments within the estuarine zone as deemed appropriate by the Administrator. In any case in which an interstate agency has jurisdiction over all or a significant part of the estuary, such agency shall be the lead agency for purposes of carrying out this section.

(c) PURPOSES OF CONFERENCE.—The purposes of any management conference convened with respect to an estuary under this subsection shall be—

(1) to develop a comprehensive master plan for such estuary;

(2) to coordinate the implementation of the master plan by the States participating in the conference;

(3) to recommend priority corrective actions and compliance schedules to address point and nonpoint sources of pollution posing the most serious problems; and

(4) to monitor the estuary to determine the effectiveness of actions taken pursuant to the master plan.

(d) MASTER PLAN.—

(1) CONTENTS.—The master plan developed pursuant to paragraph (1) of subsection (c) may include, but need not be limited to any of the following standards and practices which are necessary for the attainment or maintenance of the water quality which assures protection of public water supplies and the protection and propagation of a balanced, indigenous population of shellfish, fish, and wildlife, and allows recreational activities, in and on the water:

(A) development of water quality standards for waters within the estuarine zone;

(B) development of toxicity-based standards for toxic pollutants;

(c) development of water quality based effluent standards for significant point sources of pollution; and

(D) development of best management practices to control nonpoint sources of pollution.

(2) UTILIZATION OF EXISTING DATA.—In developing a master plan under this section, the management conference shall survey and utilize existing reports, data, and studies relating to the estuary that have been developed by or made available to Federal, interstate, State, or local agencies.

(e) PERIOD OF CONFERENCE.—A management conference convened under this section shall be convened for at least five years. Such conference may be extended by the Administrator, and if terminated after the initial five-year period, may be reconvened by the Administrator at any time thereafter, as may be necessary to meet the requirements of this section.

(f) GRANTS FOR IMPLEMENTATION OF MASTER PLAN.—The Administrator is authorized to make grants to States and interstate agencies participating in a management conference which has adopted a comprehensive master plan pursuant to this section for the estuary which is the subject of such conference. The amount of the grants to any State or interstate agency for a fiscal year shall, subject to such amounts as are provided in appropriation Acts, be equal to 50 percent of that State's or agency's cost of implementing the master plan for such fiscal year.

(g) DEFINITIONS.—For purposes of this section, the terms "estuary" and "estuarine zone" have the meanings such terms have in section 104(n)(4) of the Federal Water Pollution Control Act, except that the term "estuarine zone" shall also include those portions of tributaries draining into the estuary up to the historic height of migration of anadromous fish or the historic head of tidal influence, whichever is higher. For purposes of this section, the term "State" has the meaning such term has in section 502(3) of such Act.

(h) AUTHORIZATION OF APPROPRIATIONS.—

(1) GRANTS.—There is authorized to be appropriated to carry out this section not to exceed $13,000,000 per fiscal year for each of the fiscal years ending September 30, 1986, September 30, 1987, September 30, 1988, September 30, 1989, and September 30, 1990. Amounts appropriated under this paragraph shall remain available until expended.

(2) OTHER EXPENSES.—There is authorized to be appropriated to the Administrator not to exceed $2,000,000 per fiscal year for each of the fiscal years ending September 30, 1986, September 30, 1987, September 30, 1988, September 30, 1989, and September 30, 1990, for—

(A) expenses related to the administration of management conferences under this section;

(B) grants to State water pollution control agencies, State coastal zone management agencies, interstate agencies, other public or nonprofit private agencies, institutions, organizations, and individuals for research, surveys, studies, and modeling and other technical work necessary for the development of a comprehensive master plan under this section; and

(C) monitoring the implementation of a comprehensive master plan by the management conference or by the Administrator in any case in which the conference has been terminated.

Page 86, after line 25, insert the following:

SEC. 37. RESEARCH ON EFFECTS OF POLLUTANTS.

(a) MATTERS INCLUDED.—In carrying out the provisions of section 104(a) of the Federal Water Pollution Control Act, the Administrator shall conduct research on the harmful effects on the health and welfare of persons caused by pollutants in water, in conjuction with the United States Fish and Wildlife Service, the National Oceanic and Atmospheric Administration, and other Federal, State, and interstate agencies carrying on such research. Such research shall include, and shall place special emphasis on, the effect that bioaccumulation of these pollutants in aquatic species has upon reducing the value of aquatic commercial and sport industries. Such research shall further study methods to reduce and remove these pollutants from the relevant affected aquatic species so as to restore and enhance these valuable resources.

(b) AUTHORIZATON OF APPROPRIATIONS.—There is authorized to be appropriated to carry out subsection (a) of this section not to exceed $2,500,000 per fiscal year for each of the fiscal years ending September 30, 1986, September 30, 1987, September 30, 1988, and September 30, 1989.

Page 86, after line 25, insert the folowing:

SEC. 38. SEWAGE SLUDGE.

(a) IDENTIFICATION OF TOXIC POLLUTANTS.—

(1) SIX MONTHS.—Not later than six months after the date of the enactment of this Act, the Aministrator shall identify those toxic pollutants which, on the basis of available information on their toxicity, persistence, concentraton, mobility, or potential for exposure, may be present in sewage sludge in concentrations which may adversely affect human health or the environment.

(2) EIGHTEEN MONTHS.—Not later than 18 months after the date of the enactment of this Act, the Administrator shall identify those toxic polutants not identified under paragraph (1) which may be present in sewage sludge in concentrations which may adversely affect public health or the environment.

(b) REGULATIONS.—

(1) FOR SIX-MONTH POLLUTANTS.—Not later than 18 months after the date of the enactment of this Act, the Administrator shall publish regulations specifying acceptable management practices for sewage sludge containing each toxic pollutant identified under subsection (a)(1) and establishing numerical limitations for each such pollutant for each use of or disposal technique for sludge identified by the Administrator. Such regulations shall require compliance no later than six months after their publication.

(2) FOR EIGHTEEN-MONTH POLLUTANTS.—Not later than 30 months after the date of the enactment of this Act, the Administrator shall publish regulations specifying acceptable management practices for sewage sludge containing each toxic pollutant identified under subsection (a)(2) and establishing numerical limitations for each such pollutant for each use of or disposal technique for sludge identified by the Administrator. Such management practices and numerical limitations shall be adequate to protect the public health and the environment from any reasonably anticipated adverse effects of such pollutant. Such regulations shall require compliance no later than six months after their publication.

(3) ALTERNATIVE STANDARDS.—For purposes of this subsection, if, in the judgment of the Administrator, it is not feasible to prescribe or enforce a numerical limitation for a pollutant identified under subsection (a), he may instead promulgate a design, equipment, management practice, or operational standard, or combination thereof, which in his judgment is adequate to protect public health and the environment from any reasonably anticipated adverse effects of such pollutant. In the event the Administrator promulgates a design or equipment standard under this subsection, he shall include as part of such standard such requirements as will assure the proper operation and maintenance of any such element of design or equipment.

(4) TREATMENT OF REGULATIONS.—Any regulation issued under this subsection shall be considered an "effluent standard or limitation" for purposes of section 308 or section 505 of the Federal Water Pollution Control Act.

(c) STUDIES AND PROJECTS.—The Administrator is authorized to conduct or initiate scientific studies, demonstration projects, and public information and education projects which are designed to promote the safe and beneficial use of sewage sludge for such purposes as aiding the restoration of abandoned mine sites, conditioning soil for parks and recreation areas, agricultural and horticultural uses, and other beneficial purposes. For the purposes of carrying out this subsection, the Administrator may make grants to State water pollution control agencies, other public or nonprofit agencies, institutions, organizations, and individuals. In cooperation with other Federal departments and agencies, other public and private agencies, institutions, and organizations, the Administrator is authorized to collect and disseminate information pertaining to the safe and beneficial use of sewage sludge.

(d) AUTHORIZATION OF APPROPRIATIONS.—For the purposes of carrying out the scientific studies, demonstration projects, and public information and education projects authorized in this section, there is authorized to be appropriated for fiscal years beginning after September 30, 1985, not to exceed $15,000,000.

Page 86, after line 25, insert the following:

SEC. 39. PUGET SOUND.

(a) MASTER PLAN; PRIORITY LIST; MONITORING PROGRAM.—The Administrator, in consultation with the Administrator of the National Oceanic and Atmospheric Administration, a representative of any other interested Federal agency as determined appropriate by the Administrator, representatives of the State of Washington, and representatives of interested local governments as determined appropriate by the Administrator, shall—

(1) develop a comprehensive master plan for Puget Sound, Washington;

(2) recommend priority corrective actions and compliance schedules to address point and nonpoint sources of pollution posing the most serious problems to the water quality of such Sound; and

(3) monitor such sound to determine the effectiveness of actions taken pursuant to the master plan.

(b) CONTENTS OF MASTER PLAN.—The master plan developed pursuant to paragraph (1) of subsection (a) may include, but need not be limited to, any of the following standards and practices which are necessary for the attainment or maintenance of that water quality which assures protection of public water supplies and the protection and propagation of a balanced, indigenous population of shellfish, fish, and wildlife and allows recreational activities in and on the water:

(1) development of water quality standards for waters within the estuarine zone of Puget Sound;

(2) development of toxicity-based standards for toxic pollutants;

(3) development of water quality based effluent standards for significant point sources of pollution; and

(4) development of best management practices to control nonpoint sources of pollution.

(c) USE OF EXISTING DATA.—In developing a master plan under this section, the Administrator shall survey and utilize existing reports, data, and studies relating to Puget Sound that have been developed by or made available to Federal, State, or local agencies.

(d) GRANTS.—The Administrator is authorized to make grants to the State of Washington if such State adopts a comprehensive master plan pursuant to this section for the Puget Sound. The amount of such grant for a fiscal year, shall, subject to such amounts as are provided in appropriation Acts, be equal to 50 percent of such State's cost of implementing the master plan for such fiscal year.

(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Administrator to carry out this section not to exceed $4,900,000 for the fiscal year ending September 30, 1986, $4,450,000 for the fiscal year ending September 30, 1987, and $2,400,000 for the fiscal year ending September 30, 1988. Amounts appropriated under this subsection shall remain available until expended.

Page 86, after line 25, insert the following section:

SEC. 41. OCEAN DISCHARGE RESEARCH PROJECTS.

(a) IN GENERAL.—Notwithstanding any other provision of law, the Administrator is authorized to issue a research permit to the Orange County, California, Sanitation District for the discharge of preconditioned municipal sewage sludge into the ocean for the purpose of enabling research to be conducted in assessing and analyzing the ef-

fects of disposing of sewage sludge by pipeline into ocean waters, if the Administrator is satisfied that such local governmental agency is actively pursuing long-term land-based options for the handling of its sludge with special emphasis on remote disposal alternatives set forth in the 1980 LA/OMA sludge management project and on reuse of sludge or use of recycled sludge and if the Administrator determines there is no likelihood of an unacceptable adverse effect on the environment as a result of issuance of such permit.

(b) PERMIT TERMS.—

(1) PERIOD.—Such permit for the discharge of sludge shall be for a period of five years.

(2) MONITORING.—Such permit shall provide for monitoring of permitted discharges and other discharges into the ocean in the same area and the effects of such discharges (including cumulative effects) in conformance with requirements established by the Administrator, after consultation with appropriate Federal and State agencies, and for the reporting of such monitoring to Congress and the Administrator every six months.

(3) VOLUME OF DISCHARGE.—Such permit shall provide that the volume of such local agency's sludge disposed of by such experimental pipeline shall be no more than one and one-half times that being disposed of by such remote disposal and alternatives for the reuse of sludge and the use of recycled sludge. In no event shall the agency dispose of more than 50 percent of its sludge by the pipeline.

(4) TERMINATION.—The permit shall provide for termination of the permit if the Administrator determines that the disposal of sewage sludge is resulting in an unacceptable adverse impact on fish, shellfish, and wildlife.

(c) REPORT.—Such districts shall report the results of the program and an analysis of such program to Congress under this section not later than four and one-half years after issuance of the permit.

Page 86, after line 25, insert the following:

SEC. 42. GRANTS FOR REPLACEMENT OF CONTAMINATED GROUNDWATER.

(a) GRANT RECIPIENTS.—The Administrator is authorized to make grants to—

(1) any person who owns or operates a public water system which, because of groundwater contamination, is unable to supply water which is fit for human consumption to some or all of the users of such system, and

(2) any unit of local government on behalf of individuals residing within the boundaries of such unit whose water is supplied from a source other than a public water system and is unfit for human consumption because of groundwater contamination.

(b) GRANT PURPOSE.—Grants under this section shall be for the purpose of providing alternative water supplies to such users and individuals on a temporary basis and providing permanent remedies for water supply problems resulting from groundwater contamination, including but not limited to the drilling of new wells and the installation of new pipes.

(c) APPLICATION.—An application for a grant under this section shall be in such form and shall contain such information as the Administrator may require. Each such application shall include—

(1) a description of the source and extent of groundwater contamination;

(2) information on the number of people who do not have water available to them because of such contamination; and

(3) a description of the measures the applicant proposes to undertake with the assistance to be provided under this section.

(d) FEDERAL SHARE.—The Federal share of the cost of measures undertaken with assistance under this section shall not exceed 50 percent.

(e) LIMITATIONS ON AMOUNT.—The maximum amount of a grant under this section to any applicant with respect to a particular source of groundwater contamination shall be $2,000,000 for each fiscal year. The maximum amount of grants under this section to applicants within one State shall be $10,000,000 for each fiscal year.

(f) ANNUAL REPORTS.—The Administrator shall report annually to Congress on grants made under this section. Each such report shall include—

(1) information on applicants for such grants, including the number of such applicants;

(2) information on the sources and extent of groundwater contamination with respect to which applications are made under this section, including the average number of people affected by each source of groundwater contamination; and

(3) the average amount of such grants and the types of measures undertaken with such grants.

(g) DEFINITIONS.—For purposes of this section—

(1) the term "person" includes a State, a political subdivision of a State, and an agency or instrumentality of a State or political subdivision of a State;

(2) the term "public water system" means a system for the provision to the public of piped water for human consumption, if such system has at least 15 service connections or regularly serves at least 25 individuals; and

(3) the term "State" means the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Island, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Commonwealth of the Northern Marianas.

(h) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section not to exceed $150,000,000 per fiscal year for each of the fiscal years 1986, 1987, and 1988.

Page 86, after line 25 insert the following:

SEC. 43. UNCONSOLIDATED QUATERNARY AQUIFER.

Notwithstanding any other provision of law, no person may—

(1) locate or authorize the location of a landfill, surface impoundment, waste pile, injection well, or land treatment facility over the Unconsolidated Quaternary Aquifer, or the recharge zone or streamflow source zone of such aquifer, in the Rockaway River Basin, New Jersey (as such aquifer and zones are described in the Federal Register, January 24, 1984, pages 2946-2948)/ or

(2) place or authorize the placement of solid waste in a landfill, surface impoundment, waste pile, injection well, or land treatment facility over such aquifer or zone.

This section may be enforced under sections 309(a) and (b) of the Federal Water Pollution Control Act. For purposes of section 309(c) of such Act, a violation of this section shall be considered a violation of section 301 of the Federal Water Pollution Control Act.

Page 86, after line 25, insert the following:

SEC. 44. GRANTS FOR PROTECTING GROUNDWATER QUALITY.

(a) ELIGIBLE APPLICANTS AND ACTIVITIES.—Upon application of a State for which a report submitted under subsection (a) of section 319 of the Federal Water Pollution Control Act, as added by section 7 of this Act, and a plan submitted under subsection (b) of such section is approved under such section, the Administrator shall make grants under this section to such State for the purpose of assisting such State in carrying out ground-water quality protection activities which the Administrator determines will advance the State toward implementation of a comprehensive nonpoint source pollution control program. Such activities shall include, but not be limited to, research, planning, ground-water assessments, demonstration programs, enforcement, technical assistance, education and training to protect the quality of ground water and to prevent contamination of ground water from nonpoint sources of pollution.

(b) APPLICATIONS.—An application for a grant under this section shall be in such form and shall contain such information as the Administrator may require.

(c) FEDERAL SHARE: MAXIMUM AMOUNT.—The Federal share of the cost of assisting a State in carrying out groundwater protection activities in any fiscal year under this section shall be 50 percent of the costs incurred by the State in carrying out such activities, except that the maximum amount of Federal assistance which any State may receive under this section in any fiscal year shall not exceed $150,000.

(d) REPORT.—The Administrator shall include in each report transmitted under subsection (j) of section 319 of the Federal Water Pollution Control Act, as added by section 7 of this Act, a report on the activities and programs implemented under this section during the preceding fiscal year.

(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section not to exceed $7,500,000 per fiscal year for the fiscal years ending September 30, 1986, September 30, 1987, September 30, 1988, September 30, 1989, and September 30, 1990.

Page 100, after line 16, insert the following:

SEC. 36. GREAT LAKES INTERNATIONAL COORDINATION OFFICE.

(a) FINDINGS AND PURPOSE.—

(1) FINDINGS.—The Congress finds that—

(A) the Great Lakes are a valuable national resource, continuously serving the people of the United States and other nations as an important source of food, fresh water, recreation, beauty, and enjoyment;

(B) the United States should seek to attain the goals embodied in the Great Lakes Water Quality Agreement of 1978 with particular emphasis on goals related to toxic pollutants; and

(C) the Environmental Protection Agency (hereinafter in this section referred to as the "Agency") should take the lead in the effort to meet those goals, working with other Federal agencies and State and local authorities.

(2) PURPOSE.—It is the purpose of this section to achieve the goals embodied in the Great Lakes Water Quality Agreement of 1978 through improved organization and definition of mission on the part of the Agency, funding of State grants for pollution control in the Great Lakes area, and improved accountability for implementation of such agreement.

(b) ESTABLISHMENT.—The Great Lakes National Program Office of the Agency is hereby designated as the Great Lakes International Coordination Office (hereinafter in this section referred to as the "Office").

The head of the Office shall also serve as principal liaison person on Great Lakes matters to the International Joint Commission, United States and Canada (hereinafter in this section referred to as the "Commission").

(c) FUNCTIONS.—The Office shall—

(1) develop and implement specific action plans to carry out the responsibility of the United States under the Great Lakes Water Quality Agreement of 1978;

(2) carry out toxic pollutant control demonstration projects at Saginaw Bay, Michigan; Sheboygan Harbor, Wisconsin; Grand Calumet River, Indiana; Ashtabula River, Ohio; and Buffalo River, New York; and at other sites in the Great Lakes at which the Commission determines that sediments are heavily contaminated with toxic materials;

(3) coordinate actions of the Agency (including actions by headquarters and regional offices thereof) aimed at improving Great Lakes water quality;

(4) coordinate actions of the Agency with the actions of other Federal agencies and State and local authorities, so as to ensure the input of those agencies and authorities in developing water quality strategies and obtain the support of those agencies and authorities in achieving the objective of such agreement;

(5) establish a Great Lakes system-wide surveillance network to monitor the water quality of the Great Lakes, with specific emphasis on the monitoring of toxic pollutants; and

(6) serve as the liaison with, and provide information to, the Canadian members of the Commission and the Canadian counterpart to the Agency.

(d) ADMINISTRATOR'S RESPONSIBILITY.—The Administrator shall ensure that the Office should enter into agreements with the various organizational elements of the Agency involved in Great Lakes activities and the appropriate State agencies specifically delineating—

(1) the duties and responsibilities of each such element and the Agency with respect to the Great Lakes;

(2) the time periods for carrying out such duties and responsibilities; and

(3) the resources to be committed to such duties and responsibilities.

(e) BUDGET ITEM.—The Administrator shall, in the Agency's annual budget submission to Congress, include a funding request for the Office as a separate budget line item.

(f) REPORTS.—

(1) COMPREHENSIVE ASSESSMENT.—Within 120 days after the date of the enactment of this Act, and at the beginning of each fiscal year thereafter, the Administrator shall submit to Congress a comprehensive assessment of the planned efforts to be pursued in the succeeding fiscal year for implementing the Great Lakes Water Quality Agreement of 1978. The assessment shall show by categories (including judicial enforcement, research, State cooperative efforts, and general administration) the amounts anticipated to be expended on Great Lakes water quality initiatives in the fiscal year to which the assessment relates. The assessment shall also include a report of current programs administered by other Federal agencies which make available resources to Great Lakes water quality efforts.

(2) COMPREHENSIVE REPORT.—Within 150 days after the end of each fiscal year, the Administrator shall submit to Congress a comprehensive report which—

(A) describes the achievements in the preceding fiscal year in implementing such agreement and shows by categories (including judicial enforcement, research, State cooperative efforts, and general administration) the amounts expended on Great Lakes water quality initiatives in such preceding fiscal year;

(B) describes the progress made in such preceding fiscal year in implementing the system of surveillance of the water quality of the Great Lakes, with particular reference to toxic pollutants; and

(C) describes the long-term prospects for improving the water quality of the Great Lakes.

(g) AUTHORIZATIONS OF APPROPRIATIONS.—

(1) FOR THE OFFICE.—There are authorized to be appropriated for the purposes of carrying out subsections (b), (c), and (d) and for the purpose of carrying out the functions, powers, and duties of the Office not to exceed—

(A) $8,000,000 for fiscal year 1986, of which $1,500,000 shall be available only to carry out subsection (c)(2);

(B) $9,000,000 for fiscal year 1987, of which $2,500,000 shall be available only to carry out subsection (c)(2);

(C) $10,000,000 for fiscal year 1988, of which $3,500,000 shall be available only to carry out subsection (c)(2);

(D) $12,000,000 for fiscal year 1989, of which $5,000,000 shall be available only to carry out subsection (c)(2); and

(E) $13,000,000 for fiscal year 1990, of which $5,000,000 shall be available only to carry out subsection (c)(2).

(2) FOR GREAT LAKES STUDIES.—For the purpose of carrying out section 104(f) of the Federal Water Pollution Control Act there is authorized to be appropriated $10,000,000 for fiscal year 1986. Such funds shall be in addition to and not in lieu of any funds authorized to be appropriated under section 104(u) of such Act.

Page 105, after line 12, insert the following:

(e) NEVADA COUNTY, CALIFORNIA.—The Administrator is authorized to make a grant from funds allotted to the State of California for fiscal years beginning after September 30, 1985, for the construction of a collection system serving the Glenshire/Devonshire area of Nevada County, California, to deliver waste to the Tahoe-Truckee Sanitary District's regional wastewater treatment facility.

Page 105, after line 12, insert the following:

(e) TREATMENT WORKS FOR WANAQUE, NEW JERSEY.—The Administrator shall make grants to the Wanaque Valley Regional Sewerage Authority, New Jersey, from funds allotted under section 205 of the Federal Water Pollution Control Act to the State of New Jersey, for fiscal years beginning after September 30, 1985, for the construction of treatment works with a total treatment capacity of 1,050,000 gallons per day (including a treatment module with a treatment capacity of 350,000 gallons per day), Notwithstanding section 202 of the Federal Water Pollution Control Act, the Federal share of the cost of construction of such treatment works shall be 75 percent.

Page 105, after line 12, insert the following:

(f) TREATMENT WORKS FOR LENA, ILLINOIS.—The Administrator shall make grants to the village of Lena, Illinois, from funds allotted under section 205 of the Federal Water Pollution Control Act to the State of Illinois, for fiscal years beginning after September 30, 1985, for the construction of a replacement moving bed filter press for the treatment works of such village. Not withstanding section 202 of the Federal Water Pollution Control Act, the Federal share of the cost of construction of such project shall be 75 percent.

Page 110, after line 2, insert the following:

SEC. 48. STUDIES OF WATER POLLUTION PROBLEMS IN AQUIFERS.

(a) STUDIES.—The Administrator, in conjunction with State and local agencies and after providing an opportunity for full public participation, shall conduct studies for the purpose of identifying existing and potential point and nonpoint sources of pollution, and of identifying measures and practices necessary to control such sources of pollution, in the following groundwater systems and aquifers:

(1) the groundwater system of the Upper Santa Cruz Basin and the Avra-Altar Basin of Pima, Pinal, and Santa Cruz Counties, Arizona;

(2) the Spokane-Rathdrum Valley Aquifer, Washington and Idaho;

(3) the Nassau and Suffolk Counties Aquifer, New York;

(4) the Whidbey Island Aquifer, Washington;

(5) the Unconsolidated Quaternary Aquifer, Rockaway River area, New Jersey; and

(6) the Sparta Aquifer, Arkansas.

(b) PROPOSED MANAGEMENT PLANS.—After completion of each study under subsection (a), the Administrator, in conjunction with State and local agencies and after providing an opportunity for full public participation, shall prepare a proposed management plan describing methods of implementing the measures and practices identified for each groundwater system and aquifer under subsection (a).

(c) REPORTS.—Not later than one year after the date of the enactment of this Act, the Administrator shall submit to Congress an interim report of the studies and proposed management plans under this section. Not later than two years after such date of enactment, the Administrator shall complete such studies and plans and submit to Congress a final report of such studies and plans.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $10,000,000 for fiscal years beginning after September 30, 1985, to carry out this section.

Page 110, after line 2, insert the following:

SEC. 49. GREAT LAKES CONSUMPTIVE USES STUDY.

(a) STUDY OF CONTROL MEASURES.—In recognition of the serious impacts that are expected to occur to the Great Lakes environment as a result of a projected fivefold increase in consumption of Great Lakes water, including loss of wetlands and reduction of fish spawning and habitat areas, as well as serious economic losses to vital Great Lakes industries, and in recognition of the national goal to provide environmental protection and preservation of our natural resources while allowing for continued economic growth, the Administrator, in cooperation with other interested departments, agencies, and instrumentalities of the United States and the eight Great Lakes States and their political subdivisions, is authorized to conduct a study of control measures which can be implemented to reduce the quantity of Great Lakes water consumed without adversely affecting projected economic growth of the Great Lakes region.

(b) MATTERS INCLUDED.—The study authorized by this section shall include an analysis of both existing and new technology which

is likely to be feasible in the foreseeable future and shall at a minimum include the following:

(1) a review of the methodologies used to forecast Great Lakes consumptive uses, including an analysis of the sensitivity of key variables affecting such uses;

(2) an analysis of the effect that enforcement of provisions of the Federal Water Pollution Control Act relating to thermal discharges has had on consumption of Great Lakes water;

(3) an analysis of the effect of laws, regulations, and national policy objectives on consumptive uses of Great Lakes water used in manufacturing;

(4) an analysis of the economic effects on a consuming industry and other Great Lakes interests associated with a particular consumptive use control strategy;

(5) an analysis of associated environmental impacts, both singularly and in combination with other consumptive use control strategies; and

(6) a summary discussion containing recommendations for methods of controlling consumptive uses which methods maximize benefits to the Great Lakes ecosystem and also provide for continued full economic growth for consuming industries as well as other industries which depend on the use of Great Lakes water.

(c) GREAT LAKES STATES DEFINED.—For purposes of this section, the term "Great Lakes States" means Minnesota, Wisconsin, Illinois, Ohio, Michigan, Indiana, Pennsylvania, and New York.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for fiscal years beginning after September 30, 1985, $4,500,000 to carry out this section. Sums appropriated under this section shall remain available until expended.

Page 111, line 17, after the period insert the following: "As part of such study, the Administrator shall study appropriate methods of regulating rainfall induced infiltration into the sewer system of the East Bay Municipal Utility District, California.".

Redesignate sections, cross references, and items in the table of contents to conform to the preceding amendments.

Mr. HOWARD (during the reading). Mr. Chairman, I ask unanimous-consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. HOWARD. Mr. Chairman, the rule on H.R. 8 provided that amendments printed in the July 16 CONGRESSIONAL RECORD could be offered en bloc and that the bill as so amended would be considered the original bill for purposes of floor action. The unanimous consent request provided that it is in order for me to offer further amendments as part of the amendments specifically made in order by the rule. The amendments I am offering include amendments printed in the July 16 CONGRESSIONAL RECORD, perfecting changes to some of those amendments based on information which developed subsequent to their publication, and five items not printed in the July 16 RECORD. Three of these five amendments are technical in nature, and the other two are minor in nature, providing for funding for treatment works in Nevada County, CA, and Wanaque, NJ.

Mr. STANGELAND. Mr. Chairman, will the gentleman yield?

Mr. HOWARD. I yield to the ranking member of our Subcommittee on Water Resources, the gentleman from Minnesota.

Mr. STANGELAND. I thank the gentleman for yielding.

Mr. Chairman, I rise in strong support of the package of en bloc amendments being offered by the gentleman from New Jersey, the chairman of the Committee on Public Works and Transportation, Mr. HOWARD.

By and large, these amendments merely update and provide minor modifications to the package of amendments that was printed in the CONGRESSIONAL RECORD of July 16, 1985. Among other things, the amendments address perfections to H.R. 8's provisions relating to fundamentally different factor variances, coal remining, administrative penalties, marine sanitation devices, 10-year permits, stormwater discharges, log transfer facilities, antibacksliding, citizen suits, and treatment of Indians under the Clean Water Act.

I believe, with respect to all of these provisions, a very careful balance has been struck that will walk the fine line between the positions of the various competing interests affected by the provisions and, at the same time, move our Clean Water Act and our National Clean Water Program in the direction that we all expect. The package of amendments is an improvement on the language that was previously printed in the CONGRESSIONAL RECORD and I urge my colleagues to join me in adding it here to the bill.

Mr. ROE. Mr. Chairman, will the gentleman yield?

Mr. HOWARD. I yield to the chairman of the Subcommittee on Water Resources, the gentleman from New Jersey.

Mr. ROE. I thank my chairman for yielding to me on this most important piece of legislation.

Mr. Chairman, I rise in strong support of the amendments offered by Chairman HOWARD and echo the sentiments and the splendid explanation that our good friend, the gentleman from Minnesota, has presented to the House. I strongly support the action that we are undertaking at this point, Mr. Chairman.

The first amendment provides that Federal assistance made available by the Farmers Home Administration to a political subdivision of a State may be used to provide the non-Federal share of a sewage treatment project.

The second amendment requires the States of New York and New Jersey to pay $900,000 and the State of Connecticut to pay $200,000 each year to the Interstate Sanitary Commission. If payments in these amounts are not made, the Administrator is to make grants to the Commission out of program administration funds in the amount of the difference between the amount required to be paid and the amount actually paid.

The third amendment modifies section 15(g) of the reported bill which requires that a State must allocate at least 50 percent of State planning grant funds to regional and interstate planning organizations unless the Administrator after consultation with the Governor determines that such an allocation will not substantially assist in achieving the goals of the act. The modification would require a determination that the allocation did not significantly assist in encouraging participation by the planning organizations as well as assist in achieving the goals of the act.

The fourth amendment modifies the grant program for State revolving funds to require that assistance provided by a State with the revolving fund may be made only for a project consistent with plans developed under sections 204(j) (water quality management plans), section 208 (areawide waste treatment management plans) and section 303(e) (continuing planning process). Also, each State must reserve 1 percent of the revolving fund grants each year for the purposes of carrying out these three sections.

The fifth amendment amends section 301(g) of the act which provides for variances from effluent limitations for conventional pollutants. The amendment provides that variances may be sought only for ammonia, chlorine, color, iron and phenols. The administrator may add pollutants to this list of those for which variances may be sought and may also remove pollutants from this list.

The sixth amendment amends section 301(h) of the act with respect to discharges into marine waters. The amendment provides that in order to obtain a permit for less than secondary treatment where the effluent will be discharged into the ocean the applicant must have in effect a pretreatment program and must provide at least primary treatment. Also, section 307(b)(1) relating to pretreatment removal credits is amended to provide that these credits must be given where effluent limitations will not be violated, and will be no interference with the method of disposal of the sludge and the revised pretreatment standards will not interfer with the operations of a treatment works. The other provisions of section 307(b)(1) relating to effluent limitation and determination of removal by the treatment works remain in effect.

This amendment also prohibits the discharge of sewage treatment effluent into estuaries.

The seventh amendment removes the filing deadline for applications for extensions of the date by which secondary treatment must be achieved and provides that the extension of a filing date does not apply to treatment works which are subject to an administrative or judicial compliance schedule.

The eighth amendment relating to applications for ocean discharge modifications provides that a publicly-owned treatment works which has a contractual arrangement to use a portion of the capacity of an ocean outfall operated by another treatment works which has applied for a modification may also apply for a modification in its own right.

Amendment 9 amends section 301(k) of the act, which permits an extension of the best available technology deadline for toxic pollutants where an innovative process is being developed which will result in the discharge of less pollutant and will have industry-wide application, to permit the same extension for conventional pollutants.

Amendment 10 amends section 16 of the reported bill which permits variances from effluent limitations where fundamentally different factors exist in the facilities and processes of the discharger. The amendment makes the same provision for pretreatment. The amendment also sets dates by which applications must be acted on and requires reports to Congress every 6 months.

Amendment 11 adds a provision to the reported bill which allows the issuance of a permit modifying effluent limitations with respect to the pH level of preexisting discharges and preexisting discharges of iron and manganese from the remined area of a coal remining operation.

Amendment 12 imposes a penalty on any authorized representative of the Administrator who discloses confidential information obtained in the inspection and monitoring of a discharger.

Amendment 13 consists of technical amendments to the penalty provisions of the bill.

Amendment 14 provides for a fine or imprisonment of any person who knowingly violates provisions of the act or permit conditions knowing that he thereby places another person in imminent danger of death or serious bodily injury.

Amendment 15 is a technical amendment to the administrative penalty provision of the bill.

Amendment 16 modifies the civil penalty provision of the bill and provides that a civil penalty may not be assessed with respect to a violation if a penalty has been assessed with respect to the same violation or a violation having substantially the same cause.

Amendment 17 deletes from the administrative penalty provision the authority to compromise, modify or remit a civil penalty.

Amendment 18 modifies the administrative penalty provision by assessing a penalty for late payment of a fine.

Amendment 19 provides that penalties under other provisions of the law shall not apply where a person has paid an administrative penalty for the same violation.

Amendment 20 is a clarifying amendment to the administrative penalties section and provides that where an administrative penalty is being pursued, a citizen suit may not be filed for the same violation.

Amendment 21 clarifies the administrative penalties section by providing that a citizen suit is barred not only by an EPA administrative action but also by a State proceeding under a comparable State law.

Amendment 22 provides that discharges from a deepwater port or a vessel within a deepwater port safety zone which are subject to the Deepwater Port Act are not also subject to the liability and penalty provisions of the Water Pollution Control Act.

Amendment 23 modifies the requirement for marine sanitation devices to provide that a State may impose a more stringent standard for vessels which are used primarily as residences.

Amendment 25 modifies section 26 of the reported bill to provide that a permit with a term not exceeding 10 years issued by a State must be done so in accordance with regulations established by the Administrator.

Amendment 26 modifies the provision in section 26 which provides that a permit with a term of not to exceed 10 years may not be granted if toxic and nonconventional pollutants are present in the effluent in more than trace amounts. The amendment removes this restriction with regard to the five nonconventional pollutants for which effluent limitation variances may be granted under section 301(g).

Amendment 27 modifies section 26 as it relates to permits with terms of not to exceed 10 years. Section 26 requires that a permit must be modified promptly to insure compliance with new, more stringent, effluent limitations for toxics or new water quality standards. The amendment clarifies that EPA may also modify permits to ensure compliance with other revised effluent limitations, pretreatment standard, or sewage sludge regulation.

Amendment 28 establishes procedures for the regulation of stormwater discharges. For the period ending December 31, 1989, EPA may not require a permit for discharges composed entirely of stormwater runoff unless the Administrator determines in the case of a class or category of discharges that the class or category may be a significant contribution of pollutants or, in the case of an individual discharge, that it violates a water quality standard or is a significant contributor of pollutants.

All discharges from municipal separate storm sewers must be regulated through the permit program.

With regard to discharges from industrial sites, within one year EPA must promulgate regulations identifying the classes and categories for which permits are required. Not later than 6 months after the study of regulation of stormwater runoff required to be undertaken by EPA, then regulations must be revised as necessary to take into account the results of the study. The study is to be submitted to Congress not later than December 31, 1987.

Amendment 29 adds oil and gas transmission facilities to the list of mining, oil or gas operations which do not require a permit for uncontaminated stormwater discharges.

Amendment 30 sets forth a regulatory procedure for log transfer facilities which are required to have a permit under both section 402 and section 404. Where a section 404 permit (discharge of dredged or fill material) has been obtained EPA is to determine, after opportunity for a public hearing, whether the section 404 permit satisfies other requirements of the act. If this is the case, a section 402 permit (discharges of pollutants) need not be applied for. If EPA determines that these other requirements are not satisfied, EPA proposes permit modifications to the Secretary of the Army. If the modifications are not made, then EPA requires that a section 402 permit be obtained.

Amendment 31, "antibacksliding," provides that for a period of 2½ years, a BPJ [best professional judgment] permit, or one based on water quality standards, may not be modified to contain a less stringent effluent limitation, except as provided in a few limited circumstances. Within 2 years of the date of enactment, EPA is to submit a report to Congress on the extent to which States have reviewed, revised and adopted water quality standards pursuant to the 1981 amendments to the Federal Water Pollution Control Act, and the extent to which modifications of permits should be allowed.

Amendment 32 modifies the citizen suits provision of the act to provide that EPA must be notified when such a suit is commenced. Also, no judgment in any action to which the United States is not a party may be binding on the United States.

Amendment 34 provides that "point source" includes a leachate collection system, other than a leachate collec-

tion system used for agricultural purposes.

Amendment 35 provides for the cleanup of the Chesapeake and Narragansett Bays, including studies, development of plans, and grant assistance for implementation of the plans.

Amendment 36 authorizes EPA to assist in the study of environmental problems in the New York and New Jersey harbor areas, and to make 50 percent grants for implementation of plans to improve the area.

Amendment 37 authorizes the Administrator to study and develop information on the quality of San Francisco Bay, develop a master plan to reduce pollution loadings in the bay, and to make grants for implementation of the plan.

Amendment 38 establishes a program to improve water quality in estuaries. EPA is authorized to convene management conferences on estuaries in order to develop master plans for the improvement of the environmental quality of estuaries. The participants in the conference include EPA, NOAA, and the States. Fifty percent grants are authorized for implementation of the master plans.

Amendment 39 directs EPA, when establishing national programs to reduce and eliminate pollution, to conduct research on the harmful effects on persons caused by pollutants in water. Special emphasis is to be placed on the effects of bioaccumulation of pollutants in aquatic species. The study will be carried out in conjunction with the Fish and Wildlife Service, the National Oceanic and Atmospheric Administration and other Federal and State agencies.

Amendment 40 requires the Administrator, within 6 months after enactment, to identify those toxic pollutants which may be present in sewage sludge in concentrations which may adversely affect human health or the environment.

The Administrator is also directed to publish regulations specifying acceptable management practices for sewage sludge containing toxic pollutants.

Amendment 41 provides for the development of a comprehensive master plan for Puget Sound, Washington. Fifty percent grants are authorized for implementation of the plan.

Amendment 43 authorizes EPA to issue a research permit to Orange County, CA, for the discharge of preconditioned sludge into the ocean for the purpose of enabling research to be conducted on the effects of disposing sewage sludge in ocean waters. The permit term is for a period of 5 years, and results of monitoring activities must be transmitted to Congress every 6 months. The permit is to be terminated at any time EPA determines that an unacceptable adverse impact on fish, shellfish and wildlife is occurring.

Amendment 44 authorizes EPA to make 50 percent grants to any public water supply system or local government for the provision of alternative water supplies where the water supply system is unable to supply water which is fit for human consumption because of ground water contamination.

Amendment 45 provides that no person may locate or authorize the location of a landfill, surface impoundment, waste pile injection well or land treatment facility over the unconsolidated quarternary aquifer in New Jersey.

Amendment 46 authorizes the Administrator to make 50 percent grants to States for the purpose of assisting the States in carrying out ground water quality protection activities.

Amendment 47 provides for the establishment within EPA of a Great Lakes national program office to develop and implement specific plans to carry out U.S. responsibility under the Great Lakes Water Quality Agreement of 1978, carry out toxic pollutant control demonstration projects and coordinate actions of the agency with other Federal, State and local agencies.

Amendment 48 authorizes the Administrator to make a grant from funds allotted to the State of California for construction of a collection system serving the Glenshire/Devonshire area of Nevada County, CA.

Amendment 49 directs the Administrator to make a grant from funds allotted to the State of New Jersey to the Wanaque Valley Regional Sewerage Authority for the construction of treatment works with a total capacity of 1,050,000 gallons per day.

Amendment 51 authorizes the Administrator in conjunction with State and local agencies to conduct studies of a number of acquifers for the purpose of identifying point and and nonpoint sources of pollution and identifying measures necessary to control such pollution.

Amendment 52 authorizes EPA to conduct a study of control measures which can be implemented to reduce the quantity of Great Lakes water consumption.

Amendment 53 modifies the study of rainfall induced infilitration into sewer systems contained in section 50 to provide that as part of the study EPA will study appropriate methods of regulating such infiltration into the sewage system of the East Bay Municipal Utility District, California.

Amendment 54 is a technical amendment to designate sections, cross references, and other conforming items.

Amendment 50 provides for a grant to the village of Lena, IL, from funds allotted to Illinois, for the construction of a replacement moving bed filter press for the city's treatment works.

Amendment 33 provides that for certain provisions of the Federal Water Pollution Control Act Indian tribes may be treated as States.

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Mr. HOWARD. Mr. Chairman, I yield to a member of our Committee on Public Works and Transportation, the gentleman from Georgia [Mr. ROWLAND].

Mr. ROWLAND of Georgia. Mr. Chairman, with the most able and informed leadership of the gentleman from New Jersey, the Committee on Public Works and Transportation has developed amendments to the Clean Water Act that are reasonable and implementable. I am pleased to have been a part of the process and wish to express my appreciation to our leadership for their effective work as well as for their assuring my participation.

Two important concepts have been very evident as we studied the issues and prepared this proposed legislation: A strong commitment to continue our progress toward the goals of the Clean Water Act and the recognition of the important need to accomplish these goals with a minimum of changes and paperwork requirements. The limited resources available at all levels of government must be addressed as we proceed with the Clean Water Program.

I wish to especially commend Chairman ROE, the former head of a State agency where he administered programs related to the many issues addressed in this bill, for his unique ability to identify priorities for reauthorization. The inclusion of topics such as requiring that waters being impacted by toxic pollutants be identified and individual control strategies be developed, as well as the clarification and implementation of further steps to abate nonpoint source poilutants, are examples of establishing our environmental priorities. Examples of the willingness to recognize the importance of efficiency in Government is reflected in the language changes to allow the thousands of small dischargers with nontoxic pollutants to receive 10-year, instead of 5-year permits to allow State and Federal personnel to more effectively address the major sources of pollution.

I am most appreciative of the committee's provision to authorize State revolving loan funds. Transitioning the existing Construction Grant Program to a State revolving loan fund and from a Federal to a State-local program assures a workable continuation of an essential environmental funding mechanism. The concept in this bill will assure a perpetual program without a long-term drain on the Federal budget occurring in an orderly manner with minimal disruption. Chairman ROE's willingness to involve the numerous parties concerned and

impacted by this proposed legislation was a key factor in finalizing the bill. I have worked diligently with Mr. ROE to incorporate the views of the administering agencies, environmental leaders as well as the business community. I wish to especially thank him for his acceptance of participation by our State administrators through their Association of State and Interstate Water Pollution Control Administrators.

The final issue I wish to bring to your attention is the stormwater runoff permit matter. Changes in the Clean Water Act are essential to allow continuation of priority issues to be addressed by Federal and State personnel. Without any compromise to the environment or reduction in the commitment to clean water we can prevent unnecessary diversion of personnel and other resources to an unproductive paper shuffling exercise by not requiring permits for rainwater runoff from parking lots, and so forth. To implement a workable process I have the assurance of Chairman ROE that he will address my concerns related to adequate future review time by the Congress of this matter, once the U.S. Environmental Protection Agency report is received by this body.

The CHAIRMAN. The time of the gentleman from New Jersey [Mr. HOWARD] has expired.

(By unanimous consent, Mr. HOWARD was allowed to proceed for 1 additional minute.)

Mr. HOWARD. Mr. Chairman, I understand that after the adoption of these en bloc amendments the entire bill will be open for amendment to all Members of the House.

Mr. Chairman, I yield back the balance of my time.

Mr. MOLINARI. Mr. Chairman, I move to strike the last word and I rise in support of the amendments offered en bloc.)

Mr. Chairman, the Interstate Sanitation Commission [ISC] was formed by an interstate compact between the States of New York, New Jersey, and Connecticut in 1936. It was established to coordinate the water quality management activities of the three party States in the western half of Long Island Sound, the waters of the New York-North Jersey Harbor area, and the lower Hudson River estuarine complex. The commission provides common services to all three States and administers a unified monitoring and regulatory program for the interstate sanitation district.

Aside from the U.S. Environmental Protection Agency, the commission is the only agency which has the jurisdiction to survey and analyze water quality management in the tidal waters of the region as a whole. This has been its mission for almost 50 years. None of the other Federal, State or local agencies operating in the Greater New York-New Jersey-Connecticut region has the experience or the program continuity to depict and assess water quality conditions, discharge factors and their interplay throughout these essentially interstate waterbodies. It is the ISC data base which is at the core of the knowledge about water quality trends, current overall conditions and movement of pollutants from place to place in the estuarine system of the Hudson-Raritan Estuary and Long Island Sound. Moreover, it is the only agency with the implemented mission of using the data base for coordinated regulatory and implementation purposes in order to improve and maintain water quality.

Although it was formed in 1936, historically the responsible States have failed to provide the funding levels necessary to permit the commission to fulfill its mandate.

Yet, even with the comparatively small budget that ISC has received in recent years it has still played a leading role in many of the important matters dealing with pollution of the waters in the region and an increasing role in air pollution as well.

Last year, in 1984, a great deal of controversy took place over the amendment offered by our esteemed chairman of the Public Works and Transportation Committee dealing with the raw sewage that was dumped by New York City into the New York Harbor area. It was the ISC that had the prime responsibility of monitoring the waste discharges from the lower Hudson and New York Harbor that flows into the New Jersey waters of the Raritan Bay and the coast. This has been critical to New Jersey as it has impacted the recreational and fishing uses of its waters.

In the mid-1970's, the ISC traversed most of its district by boat on regular routes and schedules approximately 16 to 18 times per year. On those trips water samples were taken and brought to the commission's lab and analysed for the conventional parameters. Operating on a shoestring budget, the commission was forced to neglect areas even then, such as central Long Island Sound and the northern most part of its district between Yonkers and the Bear Mountain Bridge.

The commission even had to secure older remote automatic monitoring stations by lease from the EPA. These were potentially valuable but in every poor condition. ISC serviced the monitors and kept the system running with the bare minimum of resources.

Despite its substantial needs in the mid-1970's, ISC performed its functions at a reasonable level, better at that time then since then. In the mid-1970's the commission inspected over 450 publicly owned treatment works [POTW's] and performed analyses each year. This number is now down to approximately 250 today. Perhaps even more significant is that private dischargers have never been adequately sampled and inspected and the underfunded levels of ISC prohibited all but very little from being done with the industrial facilities. No private facilities have been monitored this year due to lack of resources. Private dischargers should be kept under constant surveillance and POTW's need adequate coverage. Among other things, the amount of toxics that may be discharged into the waterways cannot be discovered at the present time. The minimum objective of the commission would be to inspect every private discharger and analyze its effluents at least once per year.

Lack of funds has also affected the boat runs. Recently these have been mostly replaced by helicopter flights. These are more expensive per hour, but they can make traversals so much more rapidly that they are worth it in terms of efficiency. Nevertheless, the traversals are now down to four per year. They would undoubtedly be even fewer, except that ISC was able to borrow a federally owned helicopter from EPA. However, scheduling is contingent upon EPA's needs and runs are sometimes in jeopardy because other claims take precedence over the ISC.

ISC provides the only integrated, regionwide data base for water quality in its area. If the deterioration in its program is allowed to continue, proper knowledge of current treatment plants and in-stream effluent and water quality conditions will be lost and the historic data base for planning and regulatory purposes will become progressively outdated. Enforcement will suffer badly.

ISC operations benefit all three States signficantly. For example, the ISC has ordered sewer plant operators in the tristate region to begin year round disinfecting of waste water startng July 1986. Disinfecting waste water is presently only done during warm weather months. This program will help clean up the region's fresh and salt waters and should lead to a reopening of coastal shell fishing beds. It should additionally expand the commercial fishing industry on Long Island and in southern Connecticut and coastal New Jersey. New jobs and economic growth will be generated.

Based upon data and recommendations from the ISC, EPA denied applications from five communities for waivers to permit them to continue dumping raw sewage into the waters of the New York-New Jersey metropolitan area. The ISC opposed all those municipalities and deemed those waters to be too environmentally sensitive to accept sewage effluent treated at less than the secondary level of treatment.

While addressing the problems of water pollution occupies about 75 to 80 percent of the commission's time and resources, ISC also performs monitoring of air pollution. It has been forced to close down a number of its monitoring stations and now has no inspectors in the field between midnight and 8 a.m. The abusers are well aware of the absence of monitoring during those hours and that is the time that they choose to release their deadly booty.

I fully recognize that there has been some opposition to the increased funding levels provided by this legislation before us today by the States involved and their environmental components. That is a sad fact because those are the very agencies which should be the strongest supporters of this funding provision.

I am personally familiar with the functioning of the ISC and I have the highest regard for the job which the agency is performing with very little funding. A $2 million budget may at first blush seem like a lot of money compared to the meager sums allocated each year in the past by the various States, but when we look at what the ISC is expected to perform, this is a very modest sum indeed.

For instance, in air pollution complaints in 1984, the ISC received 1,790 complaints. These citizen complaints are from people who are frightened by the overpowering odors which persist. In my area, citizens do not call the State health department or the department of environmental conservation, or any other health-related agency. The only agency which has been perceived as responsive has been the ISC. This places tremendous burden on a commission which is already overburdened.

We only have to look at the funding levels over the past years to realize how difficult it is to plan ahead in the face of such funding uncertainty. It is especially difficult to run an agency each year if financial resources are not guaranteed to be forthcoming.

The purpose of providing annual funding for the ISC is to: First, insulate the commission from the political pressures it must confront in order to do a good job; and second, increase the levels of funding to an amount which will permit the commission to conduct the round-the-clock monitoring so desperately needed and to continue its difficult mission of cleaning up the estuaries to fishable and swimmable levels.

Finally, I will point out that the funding provision will not require any additional Federal funding. The concept provides a passthrough so that dollars allocated will come out of State grants. This funding is long overdue and I can claim with confidence that its results benefit all three States—New York, New Jersey, and Connecticut. There will be no losers, only winners.

Mr. RAHALL. Mr. Chairman, as a member of the Committee on Public Works and Transportation, I am pleased to rise in support of the committee amendments to H.R. 8.

One of these amendments would add a new section 19 regarding coal reming operations to the bill as reported by the committee and is of great interest to those with a concern for the environment in the coal mining regions of this Nation.

As the author of this provision, I am pleased to say that it is aimed at providing the coal industry with an incentive to remine and reclaim abandoned coal mine lands.

Today, there is an excess of 1 million acres of abandoned coal mine lands with the vast majority located in the Appalachian region. While the Surface Mining Control and Reclamation Act of 1977 created an abandoned mine reclamation program to address the problems created by coal mines left in an orphaned state prior to enactment of the 1977 statute, it is expected that this program—funded by a tax assessed on the coal industry—will resolve only about 20 percent of the problem areas.

As such, from a water quality perspective, many of these abandoned mine lands are currently discharging pollutants and will continue to do so into eternity unless the coal industry can be enticed into remining, and as such, reclaim these lands.

Industry, in many instances, has not been prone to remine abandoned coal mine sites because it would then become liable for treating the preexisting discharges. Treating these discharges is often technically or economically infeasible, especially for the small coal operator.

The provision on remining being offered today is intended to provide the incentive the industry needs to remine and reclaim abandoned coal mine sites.

Under the amendment which I have authored and which is being offered by the committee to H.R. 8, the Administrator, or a State which has permitting authority under section 401(b), may issue an NPDES permit which modifies section 301(b)(2)(A) requirements for the coal mining industry for the level of pH in any preexisting discharge and for preexisting discharges of iron and manganese in situations where a coal operator intends to remine an abandoned coal mine site.

The coal operator would, however, have to apply best available technology economically achievable on a case-by-case basis to these preexisting discharges, using best professional judgment, as well as practices required by the Surface Mining Control and Reclamation Act of 1977. This requirement would replace the BAT and BCT requirements contained in the national guidelines for the specified discharges, but would still lead to the inclusion of specific, albeit modified, numerical effluent limitations in the applicant's permit. This process should retain enough flexibility so that the permit would address either mass loadings or concentration levels of the pollutants, of both. It must be noted that within this context, we are not applying the national standards as defined by section 301(b)(2)(A) of the Federal Water Pollution Control Act, but, rather, a case-by-case application of the best available control technology economically achievable through the use of best professional judgment. It is intended that through the use of best professional judgment, an incentive will be provided to the applicant to remine abandoned coal mine sites.

The permit applicant would have to affirmatively demonstrate to the Administrator or the State, as the case may be, that the coal remining operation will result in the potential for improved water quality. It is expected that the applicant would indicate how the reclamation of the site after completion of the remining activity and/or treatment of the discharge would improve water quality over that existing prior to the remining activity. In addition, the provision requires that the level of pH in any preexisting discharge and preexisting discharges of iron and manganese do not exceed the levels being discharged from the site before the coal remining operation began and that in no event may discharges from the site exceed State water quality standards. There criteria would have to be satisfied during consideration of the reclamation bond release as provided under the Surface Mining Control and Reclamation Act of 1977.

The guiding consideration behind this provision is that its implementation provide an incentive to the coal industry to remine abandoned coal mine lands. Obviously, for situations not addressed by this amendment, the applicable BAT and BCT standards would continue to apply. Finally, it should be noted that new discharges created as a result of remining would not become preexisting discharges when the mine is re-permitted.

Mr. Chairman, a similar version of this provision passed the House on June 26, 1984, during the last Congress, as part of H.R. 3282 [daily ed.]. At that time, the distinguished chairman of the Committee on Interior and Insular Affairs, the gentleman from Arizona MORRIS UDALL, and myself engaged in a colloquy to establish additional legislative history concerning the remining amendment. That colloquy, printed in the CONGRESSIONAL RECORD of June 26, 1984, on page H6910 [daily ed.], is applicable to the coal remining amendment being

considered today and shoud be considered as part of the legislative history behind this amendment to H.R. 8.

I would also at this time like to provide some background on another provision of the committee amendments which would create a program to address water quality which has deteriorated as a result of high acidity that may reasonably be due to acid deposition or acid mine drainage.

The formulation of this provision as it relates to acid deposition came about during the last Congress due to the concerns of the Subcommittee on Water Resources chairman, ROBERT ROE; the gentleman from Massachusetts, BRIAN DONNELLY; and myself, over those bodies of water containing high acidity harmful to aquatic life. This year, I proposed to expand the program to include acidity resulting from acid mine drainage which is a major environmental problem in the Appalachian region.

This amendment would authorize a State grant program of $25 million per year for 5 fiscal years with the funds distributed by the EPA Administrator in consultation with the Secretary of the Interior. The funds would be used by the States to mitigate the harmful effects of acid deposition or acid mine drainage to surface waters through, but not limited to, innovative methods of neutralizing and restoring the buffering capacity of those waters and methods of removing toxic substances mobilized by high acidity in those waters.

I would like to comment on the problem of acid mine drainage which is a matter of concern to me not only as a Representative of a coal-producing region, but as chairman of the Subcommittee on Mining and Natural Resources of the Committee on Interior and Insular Affairs.

It is my intention that grants made under this program to mitigate the effects of acid mine drainage on streams, rivers, and lakes be directed at those sites where the cause of the acidity is from abandoned coal mine sites. Abandoned coal mine lands exist throughout the Appalachian region especially, from which effluents of untreated mine drainage and seepage result in the degradation of surface water quality. In this regard, it is essential that in carrying out this aspect of the program, the Bureau of Mines, the U.S. Geological Survey, and the Office of Surface Mining are consulted.

The Bureau of Mines is developing expertise in researching solutions to mitigate acid mine drainage through technological solutions which the States may find useful in their efforts. The USGS cooperative Federal/State coal hydrology program has as its objective the assessment of hydrological conditions related to coal mining and reclamation. This information also would be helpful to the States in surveying waters to be addressed by this program.

It should be noted that the amendment seeks to mitigate the harmful effects of acidity on surface waters, and, in this regard, funding may be used to address the source of the acidic discharge at the abandoned mine site, or directed at the impacted stream or lake itself. With respect to the former, it is my intention as the author of the amendment as it applies specifically to acid mine drainage, that States use this funding to complement moneys received under their State reclamation program grants through the Abandoned Mine Reclamation Fund Program administered by the Office of Surface Mining. Often, these funds are used solely to reclaim an abandoned mine site with respect to recontouring the land and insuring revegetation without addressing any remaining water quality problems.

In this regard, the work of the Acid Mine Drainage Technical Advisory Committee may be of great assistance to the States. This committee, which has received funding from OSM, works under the auspices of the West Virginia Department of Natural Resources and is tackling the problem of acid mine drainage in a highly commendable manner. Indeed, West Virginia has been a leader in efforts to mitigate the problems created by acid mine drainage, and the work of West Virginia University should also be noted.

Further, any projects dealing with acid mine drainage initiated under OSM's new AML research and development program may also be of interest to States involved in the program envisioned by this amendment. The Bureau of Mines also is working on techniques which may be applied at AML sites.

Turning to mitigating the effects of acidity on the surface waters themselves, the West Virginia Department of Natural Resources has developed a limestone drum system powered by the stream flow which serves to reduce water acidity. Continued improvements to, and applications of, this technology should be considered by the States in their programs.

Mr. Chairman, I believe the inclusion of this amendment to H.R. 8 will greatly assist efforts to mitigate surface water acidity. I would like to extend my sincere appreciation to the distinguished chairman of the Subcommittee on Water Resources, BOB ROE, for his understanding of the situation I am seeking to address through this amendment, and the amendment dealing with coal remining.

● Mr. LENT. Mr. Chairman, section 312 of the Federal Water Pollution Control Act addresses marine sanitation devices [MSD's] for all vessels. This provision provides the exclusive authority for requiring these devices on board vessels to regulate vessel sewage. As a consequence, the States are completely preempted from acting in this area. It has been brought to my attention that because of the lack of resources and funding of the Coast Guard, enforcement of MSD requirements has been neglected due to the higher priority of their other responsibilities such as search and rescue and drug law enforcement.

The States, however, have identified specific problems associated with certain vessels and have been frustrated in their inability to act. For example, on Long Island, houseboats have become very popular as an alternative means of housing. However, many of these vessels are virtually stationary barges and cause serious sewage discharge problems in those waterways. The States have been prevented from regulating these houseboats because they technically fall within the definition of vessels and, accordingly, the States have been preempted by section 312.

The change already made by the committee amends the preemption provision in subsection (f) of section 312 by removing houseboats from the definition of vessels. Thus, the States will be able to take action when a vessel's discharge poses a threat to the local environment or public health if it is used as a houseboat. All other provisions of the Federal MSD Program would remain in effect. Only those vessels that are located within a State and used as a residence but not as a means of transportation would be affected by this amendment.

Further clarification contained in the Howard amendment would permit a State to act if a vessel is not "primarily" used as a means of transportation. Occasionally, these vessels are sailed from one place to another and, thus, technically used as a means of transportation. With this clarification, mere incidental use will not provide a loophole to circumvent regulation by a State. I should point out that the normal commercial or recreational vessel would continue to be covered under the auspices of the Federal regulation and be unaffected by this provision.

I want to thank Chairman ROE and HOWARD, and ranking members Mr. STANGELAND and Mr. SNYDER, as well as their staffs, for their assistance and cooperation in developing this change to section 312 which is so important to the States. I urge my colleagues to support this amendment and give the States the ability to solve their own local problems with regard to houseboat sewage discharges.●

● Mrs. BURTON of California. Mr. Chairman, I am pleased to rise in support of the committee amendment to H.R. 8, the Water Quality Renewal Act of 1985.

Chairman HOWARD, Subcommittee Chairman ROE, Mr. MINETA and the many others who contributed to perfecting this package are to be commended for their steady attention and effort to this cause.

I particularly want to praise the work of the Committee on Public Works and Transportation for developing a national program for the maintenance of water quality in estuaries. Estuaries, together with their surrounding saltwater marshes and life-carrying tributaries, are unique ecosystems of great value to man and nature. Yet, for too long, estuaries have been regarded as limitless reservoirs for municipal and industrial wastes. More than 1 million acres of estuarine habitat have been lost nationwide since 1960 and estuaries around the country are facing serious ecological crises.

One of those estuaries is of great concern to me—San Francisco Bay, the largest inland estuary on the west coast. The bay is in serious trouble. Striped bass populations have plummeted 80 percent in the past two decades. Salmon, trout, shad, and dungeness crab populations have also seriously declined. Shellfish have been found in the bay with levels of lead that are the highest ever recorded in scientific literature. The amounts of silver, copper, and mercury found in mussels in a South Bay tidal estuary are among the highest in the Nation.

Ninety-five percent of the bay's original wetlands have been converted to nonwetlands uses, depriving the bay of their vital pollution filtration and wildlife habitat functions.

A recent report produced by the San Francisco-based Citizens for a Better Environment found that municipal sewage treatment plants and industries discharge approximately 860,000 pounds of toxic pollutants, including benzene, toluene, heavy metals, PCB's and industrial solvents, as well as 12 million pounds of oil and grease into the bay every year. A study by the Association of Bay Area Governments identified storm sewers and their loadings of bacteria, fertilizers, metals, gasoline, and oil as a serious source of bay pollution. State and Federal water projects have already dammed and diverted roughly 50 percent of the bay's vital freshwater flows, which would otherwise carry nutrients into the bay system and flush its pollutants out to sea. According to one expert, no more than 30 percent of an estuarine system can be diverted without significantly affecting its fisheries and wildlife.

The proposed committee amendment will enable the Environmental Protection Agency to work closely with State and local officials to protect one of the country's greatest natural resources, the San Francisco Bay estuary. This coordinated program is needed to develop comprehensive solutions to the numerous threats within the estuarine zone that impact the environmental quality of San Francisco Bay.

The San Francisco Bay estuary is an immensely valuable and productive resource. Its estuarine habitat, formed by the confluence of fresh and saltwaters, supports a variety of fish, shellfish, waterfowl, shore birds, and marine mammals. Several fish species of commerical and recreational importance, includng salmon, herring, striped bass, and sturgeon use the bay as nursing grounds or as a migration route for upstream spawning. Dungeness crab, and some bay mussels and clams are also harvested.

Bay wetlands and mudflats provide critical habital for wildlife, including rare and endangered species. The bay also offers tremendous recreational benefits, such as sailing, swimming, and fishing; esthetic enjoyment and opportunities for scientific study.

The physicial dimensions of the bay system are staggering. Nearly 40 percent of the land area in California, or about 40 million acres, drains through the delta, San Francisco Bay, and out the Golden Gate. In comparison, the Chesapeake Bay drainage basin consists of about 41 million acres. Two major river systems, the Sacramento and the San Joaquin, contribute about 90 percent of the estuary's fresh water flow. They drain through California's Central Valley, perhaps the most productive agricultural region in entire country. The bay itself covers about 400 square miles, with depths ranging from just a few feet in the South Bay to more than 300 feet at the Golden Gate.

The San Francisco Bay amendment to H.R. 8 would create a new central role for the Environmental Protection Agency to coordinate and expand efforts to assess the bay's problems and develop timely solutions.

Today, a complex, fragmented jurisdictional morass hinders effective protection of the bay estuary. Given the tremendous size of the bay's estuarine zone with California, the number of government entities with responsibility for bay-related issues is not surprising. Drainage from about 40 separate counties passes through the bay. In addition to three separate agencies with overlapping bay water quality authority, numerous other local, regional, State, and Federal agencies deal with fish and wildlife issues, water resource development, bay fill, pesticide use, oil spill response, and other elements of bay protection. Beyond these fragmented control programs, there is no one central authority for coordination of San Francisco Bay research and monitoring programs or data management. Information crucial to bay policymakers is scattered among various government, academic, and private institutions.

As clearly recognized by the National Estuarine Program proposed to be established under H.R. 8, estuaries need special protection programs beyond the minimum requirements of the existing Clean Water Act. There's not a better candidate for Federal attention under this program than the San Francisco Bay estuary. Although H.R. 8 addresses the needs of Chesapeake Bay, Narragansett Bay, and other estuaries, I hope this same special consideration might be applied to the San Francisco Bay estuarine zone.

It is also my hope that whatever standards, practices, or limitations are recommended in the management plan be as stringent or more stringent than the controls that are currently in effect for the bay estuarine zone under other provisions of the Clean Water Act. In other words, that the corrective actions recommended in the management plan for the bay watershed are to supplement, not contradict or weaken existing controls.

The San Francisco Bay amendment to H.R. 8 is necessary to ensure that EPA participates in a comprehensive effort to protect the sensitive environment of the San Francisco Bay estuary and improve its water quality.

I urge my colleagues to support this measure.●

Mr. GILMAN. Mr. Chairman, I rise in strong support of the committee amendments to H.R. 8, the Water Quality Renewal Act of 1985, legislation reauthorizing the Clean Water Act for fiscal years 1986 through 1994. I would like to commend the gentleman from New Jersey, the distinguished chairman of the Committee on Public Works and Transportation, Mr. HOWARD, for offering these amendments making important improvements to the bill as it was reported out of his committee. I would also like to take this opportunity to thank the gentleman from New Jersey, the chairman of the Subcommittee on Water Resources, Mr. ROE, and the gentleman from Kentucky, the committee's distinguished ranking minority member, Mr. SNYDER, for their successful efforts to achieve bipartisan agreement on this amendment package and for their part in bringing this vitally important legislation affecting both the public health and the environment before us today.

In 1972, Congress adopted the Federal Water Pollution Control Act amendments and in so doing established as its major goal, the reduction and ultimate elimination of discharges of pollutants from municipal sewage systems and industrial plants. Indeed Congress' intent at that time was to make our Nation's waters "swimmable and fishable"; by 1983. While tremendous gains have been made, and while I think we can all attest to sharing a heightened awareness and respect for

the beauty of our Nation's waterways and the importance of maintaining that beauty, we have yet to achieve our initial goal. I believe that H.R. 8, if adopted with the committee amendments, will allow us to achieve that goal.

In reviewing the committee's amendment package I am pleased to note the inclusion of language permitting citizen suits against Clean Water Act violators in certain circumstances. The bill reported out of committee gave EPA new authority to assess administrative civil penalties without going to court. While this provision effectively prohibited any citizens suits against such violators once EPA or a State has begun civil administrative action, the committee amendment permits citizens to sue in civil court to abate a violation in the case of a second or ongoing infraction of the Clean Water Act. The addition of this provision is a fair and reasoned compromise and will make those individuals and entities who continue to violate the Clean Water Act answerable in court as well as at the administrative level.

I would also like to commend the committee for strengthening their language with regard to examptions for storm water discharge permits. Under existing law, the EPA must require National Pollution Discharge Elimination System [NPDES] permits for any entity which has storm water runoff on their property. While it was certainly not the intent of Congress to require every school, grocery, and home to require a permit regardless of the environmental hazard they may or may not pose, it is important that we identify and require permits from those sources that do pose a threat to public health and the environment. The amendment being offered by the committee requires EPA to conduct a study and submit their report to Congress in a timely manner on methods for regulatory storm water discharge. It is my understanding that this language enjoys the support of environmentalists and industrialists alike. I commend the committee for successfully addressing this issue.

The committee amendment will also strengthen the provisions in H.R. 8 to prohibit the relaxation of existing pollution control requirements when a permit is reissued, except in unusual circumstances. I strongly support this antibacksliding amendment. It makes good economical and environmental sense that those who have installed control technologies and developed treatment practices be required to continue to use those facilities and practices. I would however, like to take this opportunity to express my concern to the committee members regarding the sunset provision in this antibacksliding language and encourage those members who will be participating in the House-Senate conference to closely consider eliminating this sunset so that we can continue to go forward and not backward in our efforts to control the discharge of pollutants into our waters.

The committee's amendment package also creates an Acid Mitigation Program providing money to States to reduce acidity in lakes and other surface waters; specifies the conditions under which dischargers may obtain variances from national categorical pretreatment standards; and authorizes $10 million per year over a 3-year period for EPA to conduct a study of the New York and New Jersey harbor areas and to make grants for an Interstate Management Program.

While speaking in support of the committee's package, I would also like to take a moment to outline several other major provisions contained in H.R. 8 to improve our efforts to restore and maintain the quality of our waters.

This legislation authorizes $21 billion for the construction of wastewater treatment plants with the grant money falling into two categories. H.R. 8 authorizes $12 billion for the existing Construction Grants Program, and another $9 billion for a program enabling States to establish State revolving loan funds. The Sewer Grant Construction Program has been an integral component in our plan to achieve significant reductions in pollution discharge and I am pleased to note that the committee has extended this program at its current funding level. In my own State of New York the Sewer Grant Construction Program has assisted hundreds of local governments and municipalities to construct sorely needed wastewater treatment facilities, thereby enabling New York to do our part to control and eliminate pollution of our Nation's waters. Indeed, the continuation of this program will allow those municipalities who have not yet taken advantage of the Grant Program or who need additional assistance, to do so within the next 9 years. The revolving loan fund in turn, will provide moneys for the States to make loans, loan guarantees, payments to reduce interest on loans, bond interest subsidies, and bond guarantees to municipalities and agencies after the Federal Grant Program ends. The creation of a revolving loan fund will insure the continued viability of the Sewer Construction Program while replacing the Grant Program with a loan program; concomitant with our pledge to cut Government spending.

H.R. 8 also authorizes $30 million for the Clean Lakes Program. In that respect I am pleased to note that the committee has chosen Greenwood Lake, which I am privileged to represent, as a site for one of two demonstration projects under this program. H.R. 8 authorizes $10 million for the removal of silt, stumps, and other obstructions from these two projects and directs EPA to submit a report to the relevant House and Senate committees, along with further recommendations for measures to improve the water quality of Greenwood Lake. I earnestly thank my colleagues for selecting Greenwood Lake for participation in this project for both my constituents and all the residents of the tristate area who will once again be able to fully utilize this beautiful lake.

The Water Quality Renewal Act of 1985 also authorizes $150 million annually through 1990 for a new program to control nonpoint sources of pollution and directs each State Governor to prepare and submit to EPA a report that identifies areas within the State that: First, will not be able to meet clean water requirements in part due to nonpoint pollution; second, describes the pollutants within these areas; and third, identifies the best management practices and measures to control nonpoint sources of pollution. I am especially pleased with the establishment of this new program as nonpoint source pollution is believed to be responsbile for half of all water pollution. I am hopeful that this program will aid us significantly in our ongoing efforts to address and abate nonpoint source pollution.

Last year this House adopted similar legislation, H.R. 3232 by a sizable margin. Unfortunately the other body was unable to act on this legislation prior to adjournment and another year passed without Congress reauthorizing the Clean Water Act. H.R. 8 is, I believe, an even better bill and deserves our strong support. Accordingly, I urge my colleagues to support this measure inclusive of the committee amendments, so that we can continue our efforts to make our Nation's waters "swimmable and fishable" within the next 10 years.

The CHAIRMAN. The question is on the amendments offered by the gentleman from New Jersey [Mr. HOWARD].

The amendments were agreed to.

The CHAIRMAN. Pursuant to the rule, the substitute committee amendment recommended by the Committee on Public Works and Transportation now printed in the reported bill as modified by the amendments offered by the gentleman from New Jersey [Mr. HOWARD] shall be considered as an original bill for the purpose of amendment under the 5-minute rule by sections, and each section shall be considered as having been read. It shall also be in order to consider an amendment printed in the CONGRESSIONAL RECORD of July 16, 1985, by and if offered by Representative JONES of North Carolina, which shall be considered as having been read.

The Clerk will designate section 1.

The text of section 1 is as follows:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS; AMENDMENTS TO FEDERAL WATER POLLUTION CONTROL ACT; DEFINITION OF ADMINISTRATOR.

(a) SHORT TITLE.—This Act may be cited as the "Water Quality Renewal Act of 1985".

(b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents; amendments to Federal Water Pollution Control Act; definition of Administrator.
Sec. 2. Authorizations of appropriations.
Sec. 3. Authorizations for construction grants.
Sec. 4. Compliance deadlines.
Sec. 5. Individual control strategies for toxic pollutants.
Sec. 6. Policy for control of nonpoint sources of pollution.
Sec. 7. Control of nonpoint sources of pollution.
Sec. 8. Lake restoration guidance manual.
Sec. 9. Small flows clearinghouse.
Sec. 10. Eligible categories of projects.
Sec. 11. Time limit on resolving certain disputes.
Sec. 12. Federal share.
Sec. 13. Agreement on eligible costs; grantee certification of treatment process; turnkey contracts.
Sec. 14. Grant conditions; user charges on low-income residential users.
Sec. 15. Allotment of construction grant funds.
Sec. 16. Grants to States for establishment of water pollution control revolving funds.
Sec. 17. Innovative technology compliance deadlines for direct dischargers.
Sec. 18. Variances from the application of effluent limitations.
Sec. 19. Water quality criteria.
Sec. 20. Test procedures.
Sec. 21. Pretreatment standards.
Sec. 22. Criminal penalties.
Sec. 23. Civil penalties.
Sec. 24. Administrative penalties.
Sec. 25. Clean lakes.
Sec. 26. NPDES permits.
Sec. 27. Audits.
Sec. 28. Commonwealth of the Northern Mariana Islands.
Sec. 29. Agricultural stormwater discharges.
Sec. 30. Reports to Congress.
Sec. 31. Newtown Creek, New York.
Sec. 32. San Diego, California.
Sec. 33. Naco, Arizona.
Sec. 34. Limitation on discharge of raw sewage by New York City.
Sec. 35. Deer Island treatment plant, Massachusetts.
Sec. 36. Oakwood Beach and Red Hook projects, New York.
Sec. 37. Chippewa Township, Pennsylvania.
Sec. 38. Des Moines, Iowa.
Sec. 39. Wastewater reclamation demonstration.
Sec. 40. Boston Harbor and adjacent waters.
Sec. 41. Treatment works in Washington State.
Sec. 42. Improvement projects.
Sec. 43. Study of regulation of de minimis discharges.
Sec. 44. Study of effectiveness of innovative and alternative processes and techniques.
Sec. 45. Water quality improvement study.
Sec. 46. Study of testing procedures.
Sec. 47. Study of pretreatment of toxic pollutants.
Sec. 48. Sulfide corrosion study.
Sec. 49. Pulp mill study.
Sec. 50. Study of rainfall induced infiltration into sewer systems.
Sec. 51. Study of pH in discharges from mining operations.
Sec. 52. Study of pollution in Lake Pend Oreille, Idaho.
Sec. 53. Limitation on payments.

(c) AMENDMENT OF FEDERAL WATER POLLUTION CONTROL ACT.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Federal Water Pollution Control Act.

(d) DEFINITION.—For purposes of this Act, the term "Administrator" means the Administrator of the Environmental Protection Agency.

Mr. HOWARD. Mr. Chairman, I ask unanimous consent that the remainder of the committee amendment in the nature of a substitute be printed in the RECORD and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The text of the remainder of the bill, beginning with section 2, is as follows:

SEC. 2. AUTHORIZATIONS OF APPROPRIATIONS.

(a) RESEARCH AND INVESTIGATIONS.—Section 104(u) is amended—

(1) in clause (1) by inserting after "September 30, 1982," the following: "and not to exceed $22,770,000 per fiscal year for each of the fiscal years ending September 30, 1983, September 30, 1984, September 30, 1985, September 30, 1986, September 30, 1987, September 30, 1988, September 30, 1989, and September 30, 1990,";

(2) in clause (2) by striking out "and $3,000,000 for fiscal year 1982," and inserting in lieu thereof the following: "$3,000,000 for fiscal year 1982, and $3,000,000 per fiscal year for each of the fiscal years ending September 30, 1983, September 30, 1984, September 30, 1985, September 30, 1986, September 30, 1987, September 30, 1988, September 30, 1989, and September 30, 1990,"; and

(3) in clause (3) by striking out "and $1,500,000 for fiscal year 1982," and inserting in lieu thereof the following: "$1,500,000 for fiscal year 1982, and $1,500,000 per fiscal year for each of the fiscal years ending September 30, 1983, September 30, 1984, September 30, 1985, September 30, 1986, September 30, 1987, September 30, 1988, September 30, 1989, and September 30, 1990,".

(b) GRANTS FOR PROGRAM ADMINISTRATION.—Section 106(a)(2) is amended by inserting after "1982" a comma and the following: "and $75,000,000 per fiscal year for each of the fiscal years 1983, 1984, 1985, 1986, 1987, 1988, 1989, and 1990".

(c) TRAINING GRANTS AND SCHOLARSHIPS.—Section 112(c) is amended by striking out "and $7,000,000 for the fiscal year ending September 30, 1982," and inserting in lieu thereof the following: "$7,000,000 for the fiscal year ending September 30, 1982, and $7,000,000 per fiscal year for each of the fiscal years ending September 30, 1983, September 30, 1984, September 30, 1985, September 30, 1986, September 30, 1987, September 30, 1988, September 30, 1989, and September 30, 1990,".

(d) AREAWIDE PLANNING.—Section 208(f)(3) is amended by striking out "and" after "1974," and after "1980," and by inserting after "1982" the following: ", not to exceed $100,000,000 per fiscal year for each of the fiscal years ending September 30, 1983, September 30, 1984, and September 30, 1985, and not to exceed $50,000,000 per fiscal year for each of the fiscal years ending September 30, 1986, September 30, 1987, September 30, 1988, September 30, 1989, and September 30, 1990".

(e) RURAL CLEAN WATER.—Section 208(j)(9) is amended by striking out "and" after "1981," and by inserting after "1982," the following: "$100,000,000 per fiscal year for each of the fiscal years ending September 30, 1983, September 30, 1984, and September 30, 1985, and $50,000,000 per fiscal year for each of the fiscal years ending September 30, 1986, September 30, 1987, September 30, 1988, September 30, 1989, and September 30, 1990,".

(f) INTERAGENCY AGREEMENTS.—Section 304(k)(3) is amended by striking out "1983" and inserting in lieu thereof "1985 and $50,000,000 per fiscal year for the fiscal years 1986 through 1990".

(g) CLEAN LAKES.—Section 314(c)(2) is amended by striking out "and $30,000,000 for fiscal year 1982" and inserting in lieu thereof the following: "$30,000,000 for fiscal year 1982, and $30,000,000 per fiscal year for each of the fiscal years 1983, 1984, 1985, 1986, 1987, 1988, 1989, and 1990".

(h) GENERAL AUTHORIZATION.—Section 517 is amended by striking out "and $161,000,000 for the fiscal year ending September 30, 1982" and inserting in lieu thereof "$161,000,000 for the fiscal year ending September 30, 1982, $160,000,000 per fiscal year for each of the fiscal years ending September 30, 1983, September 30, 1984, and September 30, 1985, and $110,000,000 per fiscal year for each of the fiscal years ending September 30, 1986, September 30, 1987, September 30, 1988, September 30, 1989, and September 30, 1990".

SEC. 3. AUTHORIZATIONS FOR CONSTRUCTION GRANTS.

Section 207 is amended by striking out "and September 30, 1985," and inserting in lieu thereof "September 30, 1985, September 30, 1986, September 30, 1987, September 30, 1988, September 30, 1989, and September 30, 1990,".

SEC. 4. COMPLIANCE DEADLINES.

(a) PRIORITY TOXIC POLLUTANTS.—Section 301(b)(2)(C) is amended to read as follows:

"(C) for all toxic pollutants referred to in table 1 of Committee Print Numbered 95-30 of the Committee on Public Works and Transportation of the House of Representatives compliance with effluent limitations in accordance with subparagraph (A) of this paragraph as expeditiously as possible, but in no case later than three years and six months after the date such limitations are established;".

(b) OTHER TOXIC POLLUTANTS.—Section 301(b)(2)(D) is amended by striking out "not later than three years after the date such limitations are established" and inserting in lieu thereof "as expeditiously as possible, but in no case later than three years and six months after the date such limitations are established".

(c) CONVENTIONAL POLLUTANTS.—Section 301(b)(2)(E) is amended to read as follows:

"(E) for all pollutants identified pursuant to section 304(a)(4) of this Act compliance with effluent limitations for categories and classes of point sources, other than publicly owned treatment works, which shall require application of the best conventional pollut-

ant control technology, as determined in accordance with regulations issued by the Administrator pursuant to section 304(a)(4) of this Act, as expeditiously as possible, but in no case later than three years and six months after the date such limitations are established;".

(d) OTHER POLLUTANTS.—Section 301(b)(2)(F) is amended to read as follows:

"(F) for all pollutants (other than those subject to subparagraph (C), (D), or (E) of this paragraph) compliance with effluent limitations in accordance with subparagraph (A) of this paragraph as expeditiously as possible, but in no case later than three years and six months after the date such limitations are established.".

(e) DEADLINES FOR REGULATIONS FOR CERTAIN TOXIC POLLUTANTS.—The Administrator shall promulgate final regulations establishing effluent limitations in accordance with sections 301(b)(2)(A) and 307(b)(1) of the Federal Water Pollution Control Act for all toxic pollutants referred to in table 1 of Committee Print Numbered 95-30 of the Committee on Public Works and Transportation of the House of Representatives which are discharged from the categories of point sources in accordance with the following table:

Category	Date by which the final regulation shall be promulgated
Foundries	June 30, 1985.
Nonferrous metals forming.	June 30, 1985.
Organic chemicals and plastics and synthetic fibers.	March 31, 1986.
Pesticides	August 31, 1985.
Nonferrous metals (phase II).	July 31, 1985.

SEC. 5. INDIVIDUAL CONTROL STRATEGIES FOR TOXIC POLLUTANTS.

(a) IN GENERAL.—Section 304 is amended by adding at the end thereof the following new subsection:

"(l) INDIVIDUAL CONTROL STRATEGIES FOR TOXIC POLLUTANTS.—

"(1) STATE LIST OF NAVIGABLE WATERS.—Not later than one year after the date of the enactment of this subsection, each State shall submit to the Administrator for review, approval, and implementation under this subsection—

"(A) a list of all navigable waters in such State for which the State does not expect the applicable standard under section 303 of this Act will be achieved after the requirements of sections 301(b), 306, and 307(b) are met, due entirely or substantially to discharges from point sources of any toxic pollutants listed pursuant to section 307(a);

"(B) for each segment of the navigable waters included on such list, a determination of the specific point sources discharging any such toxic pollutant which is believed to be preventing or impairing such water quality and the amount of each such toxic pollutant discharged by each such source; and

"(C) for each such segment, an individual control strategy which the State determines will produce a reduction in the discharge of toxic pollutants from point sources identified by the State under this paragraph through the establishment of effluent limitations under section 302 of this Act and water quality standards under section 303(c)(4)(B) of this Act, which reduction is sufficient, in combination with existing controls on point and nonpoint sources of pollution, to achieve the applicable water quality standard as soon as possible, but not later than three years after the date of the establishment of such strategy.

"(2) APPROVAL OR DISAPPROVAL.—Not later than 120 days after the last day of the one-year period referred to in paragraph (1), the Administrator shall approve or disapprove the control strategies submitted under paragraph (1) by any State.

"(3) ADMINISTRATOR'S LIST OF NAVIGABLE WATERS.—If a State fails to submit control strategies in accordance with paragraph (1) or the Administrator does not approve the control strategies submitted by such State in accordance with paragraph (1), then, not later than one year after the last day of the period referred to in paragraph (2), the Administrator, in cooperation with such State and after notice and opportunity for public comment, shall publish in the Federal Register a list of all navigable waters in such State for which the Administrator does not expect the applicable standard under section 303 of this Act will be achieved after the requirements of sections 301(b), 306, and 307(b) are met, due entirely or substantially to discharges from point sources of any toxic pollutants listed pursuant to section 307(a). For each segment of the navigable waters included on such list, the Administrator shall determine the specific point sources discharging any such toxic pollutant which is believed to be preventing or impairing such water quality and the amount of each such toxic pollutant discharged by each such source. At a minimum, the Administrator shall consider for listing under this subsection any navigable waters for which any person submits a petition to the Administrator for listing not later than 120 days after such last day.

"(4) ADMINISTRATOR'S DEVELOPMENT AND PUBLICATION.—Not later than one year after the date of publication of the list required by paragraph (3) of this subsection, the Administrator, in cooperation with the States, shall issue proposed regulations setting forth, for each segment of the navigable waters listed under paragraph (3), an individual control strategy. Each individual control strategy shall produce a reduction in the discharge of toxic pollutants from point sources identified by the Administrator under paragraph (3) through the establishment of effluent limitations under section 302 of this Act and water quality standards under section 303(c)(4)(B) of this Act, which reduction is sufficient, in combination with existing controls on point and nonpoint sources of pollution, to achieve the applicable water quality standard as soon as possible, but not later than three years after the date of promulgation of the final strategy. Not later than 180 days after issuing the proposed regulations, the Administrator shall promulgate each individual control strategy as a final regulation.

"(5) IMPLEMENTATION.—The Administrator shall implement each individual control strategy established or promulgated under this subsection by modifying or requiring the modification of permits under section 402 of this Act.".

(b) JUDICIAL REVIEW.—Section 509(b)(1) is amended by striking out "and (F)" and inserting in lieu thereof "(F)" and by inserting after "any permit under section 402," the following: "and (G) in promulgating any individual control strategy under section 304(l),".

SEC. 6. POLICY FOR CONTROL OF NONPOINT SOURCES OF POLLUTION.

Section 101(a) is amended by striking out "and" at the end of paragraph (5), by striking out the period at the end of paragraph (6) and inserting in lieu thereof "; and", and by adding at the end thereof the following:

"(7) it is the national policy that plans for the control of nonpoint sources of pollution be developed and implemented in an expeditious manner so as to enable the goals of this Act to be met through the control of both point and nonpoint sources of pollution.".

SEC. 7. CONTROL OF NONPOINT SOURCES OF POLLUTION.

(a) IN GENERAL.—Title III is amended by adding at the end the following new section:

"SEC. 319. NONPOINT SOURCE CONTROL PROGRAMS.

"(a) STATE ASSESSMENT REPORTS.—

"(1) CONTENTS.—The Governor of each State shall prepare and submit to the Administrator for his approval, a report which—

"(A) identifies those portions of the navigable waters within the State which, as a result (in whole or in part) of pollution from nonpoint sources, are not meeting applicable water quality standards or the goals and requirements of this Act;

"(B) identifies those categories and subcategories of nonpoint sources which add significant pollution to each portion of the navigable waters identified under subparagraph (A) in amounts which contribute to such portion not meeting such water quality standards or such goals and requirements;

"(C) identifies and describes State and local programs for controlling pollution added from nonpoint sources to, and improving the quality of, each such portion of the navigable waters, including but not limited to those programs which are receiving Federal assistance under subsection (i); and

"(D) describes the process, including intergovernmental coordination and public participation, for identifying best management practices and measures to control each category and subcategory of nonpoint sources identified under subparagraph (B) and to reduce, to the maximum extent practicable, the level of pollution resulting from such category or subcategory.

"(2) INFORMATION USED IN PREPARATION.—Each report submitted under paragraph (1) shall be based on available information including, but not limited to, information available under sections 208, 303(e), 304(f), and 305(b) of this Act, and may include all or part of any water quality management program approved under section 208 or 303 of this Act.

"(b) STATE PLANS.—

"(1) IN GENERAL.—The Governor of each State shall prepare and submit to the Administrator for his approval—

"(A) a plan which such State proposes to implement in the first four fiscal years beginning after the date of submission of such plan for controlling pollution added from nonpoint sources to the navigable waters within the State and improving the quality of such waters; and

"(B) a report which (i) identifies each department, agency, or instrumentality of the United States and each department, agency, or instrumentality of the State which is likely to be engaging in, supporting, or providing financial assistance in each of such fiscal years for any activity or program in the State which, if carried out, would be inconsistent with implementation of such plan in such fiscal years, and (ii) recommends to the Administrator methods by which such Federal department, agency, or instrumentality could modify administration of such activity or program, and describes methods by which such State department, agency, or instrumentality intends to modify administration of such activity or

program, so that such activity or program is consistent with, and assists the State in implementation of, such plan.

"(2) SPECIFIC CONTENTS.—Each plan proposed for implementation under this subsection shall specify—

"(A) from among those portions of navigable waters significantly affected by pollution added from nonpoint sources, each portion and land area contributing such pollution with respect to which the State plans to assist, encourage, or require implementation of best management practices and measures in the first four fiscal years beginning after the date of submission of such plan;

"(B) the order in which, and the schedule under which, the State plans to assist, encourage, or require implementation of such practices and measures in such fiscal years;

"(C) from among those categories and subcategories of nonpoint sources of pollution which contribute to each portion specified under subparagraph (A) not meeting applicable water quality standards or the goals and requirements of this Act, the categories and subcategories with respect to which the State plans to assist, encourage, or require implementation of such practices and measures in such fiscal years and the relative contribution of such pollution by category and subcategory of such sources;

"(D) the best management practices and measures the implementation of which the State plans to assist, encourage, or require in each of such fiscal years to reduce pollution resulting from nonpoint sources and to improve water quality;

"(E) the methods (including, but not limited to, demonstration, enforcement, technical assistance, education, training, and cost-sharing programs), by category and subcategory of such sources of pollution, which the State plans to use to encourage, assist, or require implementation of such practices and measures in such fiscal years; and

"(F) sources of Federal and other assistance (other than assistance provided under subsection (i)) which will be available in each of such fiscal years for supporting implementation of such practices and measures and the purposes for which such assistance will be used in each of such fiscal years.

"(3) CERTIFICATION OF LEGAL AUTHORITY.—Each plan submitted by a State under this subsection shall be accompanied by a certification of the attorney general of the State or the chief attorney of any State water pollution control agency which has independent legal counsel that the laws of the State provide adequate authority to implement such plan or, if there is not such adequate authority, a list of such additional authority which will be necessary to implement such plan.

"(4) IMPLEMENTATION SCHEDULE.—The schedule required by paragraph (2)(B) shall establish for each category and subcategory of nonpoint sources of pollution specified under paragraph (2)(C) an expeditious time period for implementation of best management practices and measures specified under paragraph (2)(D) and shall indicate the estimated dates for implementation of such practices and measures.

"(5) UTILIZATION OF LOCAL AND PRIVATE EXPERTS.—In developing and implementing a plan under this subsection, a State shall, to the maximum extent practicable, utilize local public and private agencies and organizations which have expertise in control of nonpoint sources of pollution.

"(6) DEVELOPMENT ON WATERSHED BASIS.—A State shall, to the maximum extent practicable, develop and implement a plan under this subsection on a watershed-by-watershed basis.

"(c) ADMINISTRATIVE PROVISIONS.—

"(1) COOPERATION REQUIREMENT.—Any report required by subsection (a) and any plan and report required by subsection (b) shall be developed in cooperation with local, regional, and interstate entities which are actively planning for the implementation of non-point source pollution controls and have either been certified by the Administrator in accordance with section 208, have worked jointly with the State on water quality management planning under section 205(j), or have been designated by the State legislative body or Governor as water quality management planning agencies for their geographic areas.

"(2) TIME PERIOD FOR SUBMISSION OF REPORTS AND PLANS.—Each report and plan shall be submitted to the Administrator during the 270-day period beginning on the date of the enactment of this section; except that upon request of the Governor, the Administrator shall extend such period for not to exceed an additional 270 days.

"(3) FAILURE OF STATE TO SUBMIT REPORT.—If a Governor of a State does not submit the report required by subsection (a) during such period, the Administrator shall prepare a report for such State which makes the identifications required by paragraphs (1)(A) and (1)(B) of subsection (a).

"(d) CONSOLIDATION OF RECOMMENDATIONS FOR UNITED STATES AGENCIES.—The Administrator shall consolidate recommendations for modifications of activities and programs submitted by the States under subsection (b)(1)(B) and submit such consolidated recommendations to the appropriate departments, agencies, and instrumentalities of the United States. Each such department, agency, or instrumentality, to the maximum extent practicable and consistent with existing law, shall accommodate such recommendations and shall carry out its own activities and programs in a manner which is consistent with, and will assist implementation of, the plan submitted by the State under subsection (b) and approved by the Administrator under this section.

"(e) APPROVAL OR DISAPPROVAL OF REPORTS AND PLANS.—

"(1) DEADLINE.—Subject to paragraph (2), not later than 180 days after the date of submission to the Administrator of any report or plan under this section (other than subsections (i) and (j)), the Administrator shall either approve or disapprove such report or plan, as the case may be. The Administrator may approve a portion of a plan under this subsection. If the Administrator does not disapprove a report, plan, or portion of a plan in such 180-day period, such report, plan, or portion shall be deemed approved for purposes of this section.

"(2) PROCEDURE FOR DISAPPROVAL.—If, after notice and opportunity for public comment and consultation with appropriate Federal and State agencies and other interested persons, the Administrator determines that a plan submitted under subsection (b) or any portion thereof is not likely to satisfy, in whole or in part, the goals and requirements of this Act, that adequate authority does not exist, or adequate resources are not available, to implement such plan or portion, that the schedule for implementing such plan or portion is not sufficiently expeditious, or that the practices and measures proposed in such plan or portion are not adequate to improve the quality of navigable waters in the State and to reduce the level of pollution in navigable waters in the State resulting from nonpoint sources, the Administrator shall disapprove the plan or portion thereof with respect to which the Administrator makes such determination. The Administrator shall notify the State of such disapproval and request specific revisions of such plan or portion necessary to obtain approval of such plan or portion. Not later than 90 days after the date of such notification, the State shall submit to the Administrator for his approval under this subsection its revisions of such plan or portion.

"(f) LOCAL PLANS; TECHNICAL ASSISTANCE.—If a State fails to submit a plan under subsection (b) or the Administrator does not approve such a plan, a local public agency or organization which has expertise in, and authority to, control water pollution resulting from nonpoint sources in any area of such State which the Administrator determines is of sufficient geographic size may, with approval of such State, request the Administrator to provide, and the Administrator shall provide, technical assistance to such agency or organization in developing for such area a plan which is described in subsection (b) and meets the requirements of subsection (e). After development of such plan, such agency or organization shall submit such plan to the Administrator for his approval. If the Administrator approves such plan, such agency or organization shall be eligible to receive financial assistance under subsection (i) for implementation of such plan as if such agency or organization were a State for which a report submitted under subsection (a) and a plan submitted under subsection (b) were approved under this section. Such financial assistance shall be subject to the same terms and conditions as assistance provided to a State under subsection (i).

"(g) TECHNICAL ASSISTANCE FOR STATES.—Upon request of a State, the Administrator may provide technical assistance to such State in developing a plan under subsection (b) for those portions of the navigable waters requested by such State.

"(h) INTERSTATE MANAGEMENT CONFERENCE.—

"(1) CONVENING OF CONFERENCE; NOTIFICATION; PURPOSE.—If any portion of the navigable waters in any State which is implementing a plan approved under this section is not meeting applicable water quality standards or the goals and requirements of this Act as a result, in whole or part, of pollution from nonpoint sources in another State, such State may petition the Administrator to convene, and the Administrator shall convene, a management conference of all States which contribute pollution resulting from nonpoint sources to such portion. If, on the basis of information available to him, the Administrator determines that a State is not meeting applicable water quality standards or the goals and requirements of this Act as a result, in whole or part, of pollution from nonpoint sources in another State, the Administrator shall notify such States. The Administrator may convene a management conference under this paragraph not later than 180 days after giving such notification, whether or not the State which is not meeting such standards requests such conference. The purpose of such conference shall be to develop an agreement among such States to reduce the level of pollution in such portion resulting from nonpoint sources and to improve the water quality of such portion.

"(2) STATE PLAN REQUIREMENT.—Each State which contributes significant pollution from nonpoint sources to the portion of nav-

igable waters in amounts which contribute to such portion not meeting applicable water quality standards or the goals and requirements of this Act shall submit to the Administrator for his approval a plan referred to in subsection (b) to reduce the level of pollution in such portion resulting from nonpoint sources in such State and to improve the quality of such portion; except that if such State has an approved plan under subsection (b), such State shall revise such plan to reduce the level of pollution in such portion resulting from nonpoint sources in such State and to improve the water quality of such portion and submit such revised plan to the Administrator for his approval under this section. Such plan or revised plan shall be consistent with existing Federal and State law. After approval, the State shall implement such plan or revised plan.

"(i) GRANT PROGRAM.—

"(1) GRANTS FOR IMPLEMENTATION OF PLANS.—Upon application of a State for which a report submitted under subsection (a) and a plan submitted under subsection (b) is approved under this section, the Administrator shall make grants under this subsection to such State for the purpose of assisting the State in implementing such plan.

"(2) APPLICATIONS.—An application for a grant under this subsection in any fiscal year shall be in such form and shall contain such other information as the Administrator may require, including an identification and description of the best management practices and measures which the State proposes to assist, encourage, or require in such year with the Federal assistance to be provided under the grant.

"(3) FEDERAL SHARE.—

"(A) IN GENERAL.—The Federal share of the cost of each plan implemented with Federal assistance under this subsection in any fiscal year shall not exceed 50 percent of the cost incurred by the State in implementing such plan.

"(B) EXCEPTION.—The Federal share of those costs of any such plan which are attributable to a watershed area with respect to which the Administrator determines that a significant number of non-Federal, non-State interests of such area are willing and able to enter into agreements to participate in such year in nonpoint source pollution control measures under such plan shall be not less than 50 percent and not more than 60 percent of such cost.

"(C) LIMITATION ON ADMINISTRATIVE COSTS.—For purposes of this paragraph, administrative costs in the form of salaries, overhead, or indirect costs for services provided and charged against activities and programs carried out with a grant under this subsection shall not exceed in any fiscal year 10 percent of the amount of the grant in such year, except that costs of implementing enforcement and regulatory activities, education, training, technical assistance, demonstration projects, and technology transfer programs shall not be subject to this limitation.

"(4) MAINTENANCE OF EFFORT.—No grant may be made to a State under this subsection in any fiscal year unless such State enters into such agreements with the Administrator as the Administrator may require to ensure that such State will maintain its aggregate expenditures from all other sources for programs for controlling pollution added to the navigable waters in such State from nonpoint sources and improving the quality of such waters at or above the average level of such expenditures in its two fiscal years preceding the date of enactment of this subsection.

"(5) REPORTING AND OTHER REQUIREMENTS.—

"(A) REPORT.—Each State which receives a grant under this subsection in any fiscal year shall submit to the Administrator a written report which describes the activities and programs carried out in the State under such grant and the progress made by such State in meeting the schedule specified under subsection (b)(2)(B).

"(B) SATISFACTORY PROGRESS.—No grant may be made under this subsection in any fiscal year to a State which in the preceding fiscal year received a grant under this subsection unless the Administrator determines that such State made satisfactory progress in such preceding fiscal year in meeting the schedule specified by such State under subsection (b)(2)(B).

"(6) LIMITATION ON GRANT AMOUNTS.—Notwithstanding any other provision of this subsection, not more than 15 percent of the amount appropriated to carry out this subsection may be used to make grants to any one State, including any grants to any local public agency or organization with authority to control pollution from nonpoint sources in any area of such State.

"(7) PRIORITY FOR EFFECTIVE REGULATORY MECHANISMS.—For each fiscal year beginning after September 30, 1987, the Administrator may give priority in making grants under this subsection, and shall give consideration in determining the Federal share of any such grant, to any State which has included effective regulatory mechanisms in an approved State plan under this section and has implemented such mechanisms in the preceding fiscal year. Such mechanisms shall include, but are not limited to, deadlines for implementation of best management practices and enforcement procedures to ensure implementation of such plan.

"(8) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection not to exceed $150,000,000 per fiscal year for the fiscal years ending September 30, 1986, September 30, 1987, September 30, 1988, September 30, 1989, and September 30, 1990. Sums appropriated to carry out this subsection shall remain available until expended.

"(j) REPORTS OF ADMINISTRATOR.—

"(1) ANNUAL REPORTS.—Not later than January 1, 1986, and each January 1 thereafter the Administrator shall transmit to the Committee on Public Works and Transportation of the House of Representatives and the Committee on Environment and Public Works of the Senate, a report for the preceding fiscal year on the activities and programs implemented under this section and the progress made in reducing pollution in the navigable waters resulting from nonpoint sources and improving the quality of such waters.

"(2) FINAL REPORT.—Not later than January 1, 1989, the Administrator shall transmit to Congress a final report on the activities carried out under this section. Such report, at a minimum, shall include—

"(A) an analysis of the effectiveness of plans carried out under this section and of the best management practices and measures utilized under those plans in controlling nonpoint sources of pollution;

"(B) an analysis of the level of State participation in implementing such plans; and

"(C) recommendations of the Administrator concerning future programs (including enforcement programs) for controlling pollution from nonpoint sources.

"(k) SET ASIDE FOR ADMINISTRATIVE PERSONNEL.—Not less than 5 percent of the funds appropriated to carry out subsection (i) for any fiscal year shall be available to the Administrator to maintain personnel levels at the Environmental Protection Agency at levels which are adequate to carry out this section in such year.".

(b) CONFORMING AMENDMENT.—Section 304(k)(1) of the Federal Water Pollution Control Act is amended by inserting "and 319" after "208".

SEC. 8. LAKE RESTORATION GUIDANCE MANUAL.

Section 104(h) is amended by inserting "(1)" after "(h)" and by adding at the end thereof the following:

"(2) The Administrator shall submit to the Committee on Public Works and Transportation of the House of Representatives and the Committee on Environment and Public Works of the Senate not later than one year after the date of the enactment of this paragraph a lake restoration guidance manual establishing procedures to guide future State and local efforts to improve water quality in lakes.".

SEC. 9. SMALL FLOWS CLEARINGHOUSE.

Section 104(q) is amended by adding at the end thereof the following new paragraph:

"(4) Notwithstanding section 205(d) of this Act, from amounts that are set aside for a fiscal year under section 205(i) of this Act and are not obligated by the end of the 24-month period of availability for such amounts under section 205(d), the Administrator shall make available $1,000,000 or such unobligated amount, whichever is less, to support a national clearinghouse within the Environmental Protection Agency to collect and disseminate information on small flows of sewage and innovative or alternative wastewater treatment processes and techniques, consistent with paragraph (3). This paragraph shall apply with respect to amounts set aside under section 205(i) for which the 24-month period of availability referred to in the preceding sentence ends on or after September 30, 1985.".

SEC. 10. ELIGIBLE CATEGORIES OF PROJECTS.

(a) COLLECTOR SEWERS AND COMBINED SEWER OVERFLOWS.—The second sentence of section 201(g)(1) is amended by striking out "appurtenances, and" and inserting in lieu thereof "appurtenances," and by striking out the period at the end of such sentence and inserting in lieu thereof the following: ", and projects to address water quality problems due to impacts of discharges from combined stormwater and sanitary sewer overflows.".

(b) NONPOINT SOURCES.—The last sentence of section 201(g)(1) is amended by—

(1) striking out "sentence," the first place it appears and inserting in lieu thereof "sentences,";

(2) inserting "(A)" after "October 1, 1984, for"; and

(3) inserting before "except that" the following: "and (B) any purpose for which a grant may be made under section 319(i) of this Act (including any innovative and alternative approaches for the control of nonpoint sources of pollution),".

SEC. 11. TIME LIMIT ON RESOLVING CERTAIN DISPUTES.

Section 201 is amended by adding at the end thereof the following new subsection:

"(p) TIME LIMIT ON RESOLVING CERTAIN DISPUTES.—In any case in which a dispute arises with respect to the awarding of a contract for construction of treatment works by a grantee of funds under this title and a

party to such dispute files an appeal with the Administrator under this title for resolution of such dispute, the Administrator shall make a final decision on such appeal within 60 days of the filing of such appeal.".

SEC. 12. FEDERAL SHARE.

(a) COMBINED SEWER OVERFLOWS.—The last sentence of section 202(a)(1) is amended—

(1) by inserting after "correction" the first place it appears the following: "or a project to address water quality problems due to impacts of discharges from combined storm water and sanitary sewer overflows"; and

(2) by striking out "and" after "interceptors," and by inserting after "correction" the third place it appears the following: ", and project to address such problems".

(b) PROJECTS UNDER JUDICIAL INJUNCTION.—Section 202(a)(1) is amended by adding at the end thereof the following: "Notwithstanding the first sentence of this paragraph, in the case of a project for which an application for a grant under this title has been made to the Administrator before October 1, 1984, and which project is under judicial injunction on such date prohibiting its construction, such project shall be eligible for grants at 75 percent of the cost of construction thereof.".

(c) BIODISC EQUIPMENT.—Section 202(a)(3) is amended by inserting at the end thereof the following: "In addition, the Administrator is authorized to make a grant to fund all of the costs of the modification or replacement of biodisc equipment (rotating biological contractors) in any publicly owned treatment works if the Administrator finds that such equipment has failed to meet design performance specifications, unless such failure is attributable to negligence on the part of any person, and if such failure has significantly increased capital or operating and maintenance expenditures.".

(d) INNOVATIVE PROCESS.—The activated bio-filter feature of the project for treatment works of the city of Little Falls, Minnesota, shall be deemed to be an innovative wastewater process and technique for purposes of section 202(a)(2) of the Federal Water Pollution Control Act and the amount of any grant under such Act for such feature shall be 85 percent of the cost thereof.

SEC. 13. AGREEMENT ON ELIGIBLE COSTS; GRANTEE CERTIFICATION OF TREATMENT PROCESS; TURNKEY CONTRACTS.

(a) AGREEMENT ON ELIGIBLE COSTS; GRANTEE CERTIFICATION.—Section 203(a) is amended by inserting "(1)" after "(a)", by designating the last sentence as paragraph (4) and indenting such sentence as a paragraph, and by inserting before paragraph (4) as so designated the following:

"(2)(A) Before taking final action on any plans, specifications, and estimates submitted under this subsection, the Administrator shall enter into a written agreement with the applicant which establishes and specifies which items of the proposed project are eligible for Federal payments under this section. The Administrator may not later modify such eligibility determinations unless they are found to have been made in violation of applicable Federal statutes and regulations.

"(B) Eligibility determinations under this paragraph shall not preclude the Administrator from auditing a project pursuant to section 501 of this Act, or other authority, or from withholding or recovering Federal funds for costs which are found to be unreasonable, unsupported by adequate documentation, or otherwise unallowable under applicable Federal cost principles, or which are incurred on a project which fails to meet the design specifications or effluent limitations contained in the grant agreement and permit pursuant to section 402 of this Act for such project.

"(3) The approval of construction plans and specifications by the Administrator under this section shall not include a determination or approval of the treatment work's unit processes, or the configuration of the treatment work's unit processes, which constitute the treatment technology. The Administrator shall not approve plans, specifications, and estimates for a project under this section unless the applicant certifies that the proposed unit processes and treatment technology are capable of meeting the effluent limitations for which such process and technology are designed.".

(b) TURNKEY CONTRACTS.—Section 203 is amended by adding at the end thereof the following new subsection:

"(f) TURNKEY CONTRACTS.—

"(1) GENERAL AUTHORITY FOR LOW COST PROJECTS.—After completion of an approved facility plan for construction of a treatment works which has an estimated total cost of $8,000,000 or less (as determined by the Administrator), the applicant proposing to construct such treatment works may, in lieu of proceeding under the other provisions of this section, enter into an agreement with the Administrator under this subsection for the preparation of construction plans and specifications and the building and erection of such treatment works.

"(2) REQUIRED TERMS AND CONDITIONS.—An agreement entered into under this subsection shall—

"(A) set forth an amount agreed to by the Administrator and the applicant as the maximum Federal contribution to the project, based upon a determination of the federally eligible costs of the project at the applicable Federal share under section 202 of this Act;

"(B) set forth a date for completion of construction of the treatment works by the applicant and a schedule of payments by the Administrator of the Federal contribution to the project;

"(C) contain such assurances by the applicant as the Administrator may require that (i) the proposed treatment works will be an operable unit and will meet all the requirements of this title (except as otherwise provided in paragraph (3) of this subsection), and (ii) not later than one year after the date specified as the date for completion of construction of the treatment works, the treatment works will be operating so as to meet the requirements of any applicable permit for such treatment works under section 402 of this Act;

"(D) require the applicant and any agent or contractor of the applicant to provide a bond in an amount determined necessary by the Administrator to protect the Federal interest in the project; and

"(E) contain such other terms and conditions as the Administrator deems necessary to ensure compliance with this title (except as provided in paragraph (3) of this subsection).

"(3) NONAPPLICABILITY OF CERTAIN STATUTORY REQUIREMENTS.—Sections 201(g)(3), 203 (other than this subsection and except with respect to the development and approval of a facility plan), 204(a)(5), 204(a)(6), and 204(d)(1) shall not apply to grants made pursuant to this subsection.

"(4) INTEREST-BEARING ACCOUNTS.—

"(A) DEPOSIT OF FEDERAL CONTRIBUTION.—Upon entering into an agreement under this subsection, the Administrator shall deposit, from amounts allotted to the State for such fiscal year under section 205 of this Act, the amount of the Federal contribution to the project agreed upon by the Administrator and the applicant into an interest-bearing account. Such amount shall be available only for making payments to the grantee in accordance with the schedule contained in the agreement.

"(B) LIMITATION ON USE OF EARNED INTEREST.—Interest earned on amounts in the account under subparagraph (A) shall be available for payments to the grantee. Such payments shall be made solely for the purpose of reducing the net interest costs incurred by the grantee on obligations issued by the grantee for construction of such treatment works. The amount of such payments shall be in addition to the Federal share of the project otherwise allowable. The amount of any such interest earned which exceeds the amount of such interest costs incurred shall be deposited in the general fund of the Treasury after the final audit of the project.

"(5) ADMINISTRATIVE PROVISIONS.—

"(A) RESERVATION UNTIL FINAL AUDIT.—The Administrator shall reserve a portion of the amount in the account under paragraph (4)(A) until the final audit of the project.

"(B) REALLOTMENT OF ANY EXCESS.—If the amount deposited into the account by the Administrator under paragraph (4)(A) exceeds the cost of preparing construction plans and specifications and the building and erection of the treatment works, the Administrator shall reallot the amount of the excess to the State in which such treatment works is located for the fiscal year in which such audit is completed.

"(6) PER STATE LIMITATION.—The Administrator shall not obligate more than 20 percent of the amount allotted to a State for a fiscal year under section 205 of this Act for grants pursuant to this subsection.

"(7) LIMITATION ON FEDERAL CONTRIBUTION.—In no event shall the Federal contribution for the cost of preparing construction plans and specifications and the building and erection of treatment works pursuant to this subsection exceed the amount agreed upon under paragraph (2), plus interest paid to the grantee under paragraph (4)(B).

"(8) NONCOMPLIANCE WITH AGREEMENT.—In any case in which the recipient of a grant made pursuant to this subsection does not comply with the terms of the agreement entered into under paragraph (2), the Administrator is authorized to take such action as may be necessary to recover the amount of the Federal contribution to the project.

"(9) LIMITATION ON ELIGIBILITY OF RECIPIENTS OF TURNKEY GRANTS.—A recipient of a grant made pursuant to this subsection shall not be eligible for any other grants under this title.".

SEC. 14. GRANT CONDITIONS; USER CHARGES ON LOW-INCOME RESIDENTIAL USERS.

(a) INCLUSION OF PROJECT IN AREAWIDE PLAN.—Section 204(a)(1) is amended to read as follows:

"(1) that any required areawide waste treatment management plan under section 208 of this Act (A) is being implemented for such area and the proposed treatment works are included in such plan, or (B) is being developed for such area and reasonable progress is being made toward its implementation and the proposed treatment works will be included in such plan;".

(b) CONTINUING PLANNING PROCESS.—Section 204(a)(2) is amended to read as follows:

"(2) that (A) the State in which the project is to be located (i) is implementing any required plan under section 303(e) of this Act and the proposed treatment works are in conformity with such plan, or (ii) is developing such a plan and the proposed treatment works will be in conformity with such plan, and (B) such State is in compliance with section 305(b) of this Act;".

(c) USER CHARGES ON LOW-INCOME RESIDENTIAL USERS.—Section 204(b)(1) is amended by adding at the end thereof the following: "A system of user charges which imposes a lower charge for low-income residential users (as defined by the Administrator) shall be deemed to be a user charge system meeting the requirements of clause (A) of this paragraph if the Administrator determines that such system was adopted after public notice and hearing.".

(d) EFFECTIVE DATE.—This section shall take effect on the date of the enactment of this Act, except that the amendments made by subsections (a) and (b) shall take effect on the last day of the two-year period beginning on such date of enactment.

SEC. 15. ALLOTMENT OF CONSTRUCTION GRANT FUNDS.

(a) FORMULA.—

(1) DATE OF ALLOTMENT.—Section 205(c)(2) is amended by inserting after the first sentence the following: "Sums authorized to be appropriated pursuant to section 207 for the fiscal years 1986, 1987, 1988, 1989, and 1990 shall be allotted for each such year by the Administrator not later than the tenth day which begins after the date of the enactment of the Water Quality Renewal Act of 1985.".

(2) EXTENSION.—Section 205(c)(2) is further amended by striking out "and September 30, 1985," and inserting in lieu thereof "September 30, 1985, September 30, 1986, September 30, 1987, September 30, 1988, September 30, 1989, and September 30, 1990,".

(b) MINIMUM ALLOTMENT.—

(1) EXTENSION.—Section 205(e) is amended by striking out "and 1985" each place it appears and inserting in lieu thereof "1985, 1986, 1987, 1988, 1989, and 1990".

(2) TERRITORIES.—The first sentence of section 205(e) is amended—

(A) by inserting "the Commonwealth of the Northern Mariana Islands," after "Samoa,";

(B) by striking out "thirty-three one-hundredths of 1 per centum" and inserting in lieu thereof "two-thirds of one percent"; and

(C) by striking out "four" and inserting in lieu thereof "five".

(c) COSTS OF ADMINISTRATION.—Section 205(g)(1) is amended by striking out "1985" and inserting in lieu thereof "1990" and by striking out the period after "4 per centum" and inserting in lieu thereof a comma.

(d) INTERSTATE SANITARY COMMISSION.—Section 205(g) is amended by adding at the end thereof the following new paragraph:

"(3) The Administrator shall reserve each fiscal year beginning after September 30, 1985, $900,000 from the sums available to the State of New York under this subsecıion for such fiscal year, $900,000 from the sums available to the State of New Jersey under this subsection for such fiscal year, and $200,000 from the sums available to the State of Connecticut under this subsection for such fiscal year. Sums reserved under this paragraph shall be used by the Administrator to make a grant for each such fiscal year to the Interstate Sanitation Commission established by such States by interstate compact to carry out the functions of such Commission under this Act.".

(e) RURAL SET ASIDE.—

(1) INCREASE IN MANDATORY SET ASIDE FOR RURAL STATES.—The first sentence of section 205(h) is amended by striking out "four per centum" and inserting in lieu thereof "a total (as determined by the Governor of the State) of not less than four percent nor more than seven and one-half percent".

(2) INCREASE IN AUTHORIZED SET ASIDE FOR OTHER STATES.—The second sentence of section 205(h) is amended by striking out "four per centum" and inserting in lieu thereof "seven and one-half percent".

(f) SET ASIDE FOR INNOVATIVE AND ALTERNATIVE PROCESSES AND TECHNIQUES.—Section 205(i) is amended by striking out "and September 30, 1985," and inserting in lieu thereof "September 30, 1985, September 30, 1986, September 30, 1987, September 30, 1988, September 30, 1989, and September 30, 1990,".

(g) ALLOCATION OF PLANNING FUNDS TO REGIONAL ORGANIZATIONS.—Section 205(j)(3) is amended by adding at the end thereof the following: "In giving such priority, the State shall allocate at least 50 percent of the amount granted to such State for a fiscal year under this subsection to regional and interstate public comprehensive planning organizations in such State, except in any fiscal year for which the Administrator, after consultation with the Governor of such State and such organizations, determines that allocation of at least 50 percent to such organizations will not substantially assist in achieving the goals of this Act.".

(h) RESERVATION OF FUNDS FOR INVESTIGATIONS AND AUDITS.—Section 205 is amended by adding at the end thereof the following new subsection:

"(l) RESERVATION FOR INVESTIGATIONS AND AUDITS.—One-quarter of one percent of any amount appropriated under section 207 of this Act for any fiscal year beginning after September 30, 1985, shall be reserved by the Administrator for carrying out investigations and audits authorized by this Act of projects for which funds are made available under this title. Such sums shall be in addition to, and not in lieu of, any sums otherwise appropriated for or allocated to the Office of the Inspector General.".

SEC. 16. GRANTS TO STATES FOR ESTABLISHMENT OF WATER POLLUTION CONTROL REVOLVING FUNDS.

(a) IN GENERAL.—Title II is amended by adding at the end thereof the following new section:

"SEC. 220. GRANTS TO STATES FOR ESTABLISHMENT OF REVOLVING FUNDS.

"(a) GENERAL AUTHORITY; AMOUNT OF GRANT.—

"(1) GENERAL AUTHORITY; CONSTRUCTION ASSISTANCE.—Subject to the provisions of this section, the Administrator shall make grants to each State for the purpose of establishing a revolving fund for providing assistance to municipalities and intermunicipal and interstate agencies for construction of treatment works (as defined in section 212 of this Act) which are publicly owned.

"(2) AMOUNT OF GRANT.—The amount of a grant to a State under this section for any fiscal year shall equal the amount allotted to such State under this section for such fiscal year.

"(b) GENERAL GRANT REQUIREMENTS.—

"(1) DEPOSITS INTO REVOLVING FUNDS.—

"(A) MANDATORY DEPOSITS.—A grant shall not be made for a fiscal year to a State under this section unless the State has first deposited in the revolving fund established by the State under this section from non-Federal sources an amount equal to 20 percent of the amount allotted to the State under this section for such fiscal year.

"(B) DISCRETIONARY DEPOSITS.—In addition to any amounts deposited in such revolving fund under subparagraph (A), the Governor of the State may deposit not to exceed 20 percent of the amount allotted to the State under section 205 of this Act for any fiscal year beginning after September 30, 1985, if the State has first deposited in such fund from non-Federal sources an amount equal to 20 percent of the amount to be deposited from such allotment.

"(2) ANNUAL CERTIFICATION.—Each State shall submit to the Administrator annually a certification—

"(A) that upon completion of any project for treatments works for which financial assistance is made available from the revolving fund established by such State under this section, discharges from such treatment works will meet all applicable requirements necessary to achieve applicable State and Federal water quality standards; and

"(B) that such State will comply with all provisions of this section.

"(c) FORMS OF REVOLVING FUND ASSISTANCE.—Assistance described in subsection (a)(1) for construction of treatment works may only be provided from a revolving fund established under subsection (d)(1) in the form of a loan, loan guarantee, payment to reduce interest on a loan, bond interest subsidy, bond guarantee, or purchase of insurance for obligations. In addition, to the extent provided by State law, the State may issue revenue or general obligation bonds to finance projects for construction of treatment works described in subsection (a)(1) and on the State's priority list under section 216 using amounts in such fund as a source of revenue or security for the payment of interest and principal on such bonds, if the proceeds of the sale of such bonds are deposited in such fund.

"(d) STATE WATER POLLUTION CONTROL REVOLVING FUNDS.—

"(1) ESTABLISHMENT.—

"(A) PURPOSES.—Each State shall establish a Water Pollution Control Revolving Fund to provide assistance described in subsection (a)(1) for construction of treatment works.

"(B) STATE DEPOSITS.—The State shall deposit in such revolving fund any Federal funds allotted to the State under this section, any amounts received by the State for repayment of loans made by the State with amounts in such fund, any amounts required or authorized to be deposited in such fund under subsection (b)(1), and any additional funds (except for funds received under any other section of this title) which the State wishes to deposit in such fund.

"(2) ADMINISTRATIVE EXPENSES.—The State may use amounts in such revolving fund for the payment of expenses of administration of such fund; except that, in any fiscal year in which the State receives a grant under this section, the State may not use more than four percent of the amount of such grant for the payment of such expenses in such fiscal year.

"(3) INVESTMENTS.—The State may invest any portion of the funds in such revolving fund which is not currently needed for providing assistance described in subsection (a)(1) and for payment of administrative expenses under paragraph (2).

"(4) LIMITATION TO PREVENT DOUBLE BENEFITS.—If the State makes, from such revolving fund, a loan which will finance the cost of facility planning and the preparation of plans, specifications, and estimates for construction of publicly owned treatment works, the State shall ensure that if the re-

cipient of such loan receives a grant under section 201(g) of this Act for construction of such treatment works and an allowance under section 201(l)(1) for non-Federal funds expended for such planning and preparation, such recipient will promptly repay such loan to the extent of such allowance.

"(5) ELIGIBILITY OF NON-FEDERAL PORTION OF CONSTRUCTION GRANT PROJECTS.—The State may provide assistance from such revolving fund to a municipality or intermunicipal or interstate agency with respect to the non-Federal share of the costs of a project for which such municipality or agency is receiving assistance from the Administrator under any other section of this title.

"(6) DEDICATED SOURCE OF REVENUE FOR LOAN REPAYMENT.—The State may only make a loan from such revolving fund to a municipality or intermunicipal or interstate agency if such municipality or agency first establishes a dedicated source of revenue for the repayment of such loan.

"(7) PRIORITY LIST REQUIREMENT.—The State may provide financial assistance from such revolving fund only with respect to a project for construction of a treatment works described in subsection (a)(1) if such project is on the State's priority list under section 216 of this Act. Such assistance may be provided regardless of the rank of such project on such list.

"(e) ADMINISTRATIVE PROVISIONS.—

"(1) STATE REPORTS.—Each State shall annually make a full and complete report to the Administrator concerning the use of funds deposited in the revolving fund established by such State under this section in such manner as the Administrator shall prescribe.

"(2) ANNUAL AUDITS.—The Administrator shall, at least on an annual basis, conduct or require each State to have independently conducted reviews and audits as may be deemed necessary or appropriate by the Administrator to carry out the objectives of this section. Audits of the use of funds deposited in the revolving fund established by such State shall be conducted in accordance with the auditing procedures of the General Accounting Office.

"(f) APPLICABILITY OF OTHER PROVISIONS.—Except to the extent provided in this section, the other provisions of this title shall not apply to grants under this section.

"(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section not to exceed $600,000,000 per fiscal year for each of the fiscal years ending September 30, 1986, September 30, 1987, September 30, 1988, September 30, 1989, and September 30, 1990, not to exceed $2,400,000,000 for the fiscal year ending September 30, 1991, not to exceed $1,800,000,000 for the fiscal year ending September 30, 1992, not to exceed $1,200,000,000 for the fiscal year ending September 30, 1993, and not to exceed $600,000,000 for the fiscal year ending September 30, 1994.

"(h) ALLOTMENT OF FUNDS.—

"(1) SAME FORMULA AS CONSTRUCTION GRANT ALLOTMENT.—Sums authorized to be appropriated to carry out this section for any fiscal year shall be allotted by the Administrator in the same manner and in accordance with the same table as the funds which are authorized to be appropriated under section 207 of this Act are allotted for such fiscal year.

"(2) EXCEPTION.—For any fiscal year for which sums are authorized to be appropriated to carry out this section and for which sums are not authorized to be appropriated to carry out section 207, the sums authorized to be appropriated to carry out this section shall be allotted by the Administrator in the same manner and in accordance with the same table as the funds which were authorized to be appropriated under section 207 were allotted for the most recent fiscal year for which there was such an authorization under section 207.

"(3) REALLOTMENT.—

"(A) EXPIRATION OF PERIOD OF AVAILABILITY.—Sums allotted to a State under this subsection for a fiscal year shall remain available for a grant to such State for the fiscal year for which authorized and for the following two fiscal years. Any funds remaining after the last day of such third fiscal year shall be reallotted among the other States.

"(B) UNUTILIZED FUNDS.—Any funds granted to a State for a fiscal year under this section which are not utilized by such State for providing assistance described in subsection (a)(1) for construction of treatment works during such fiscal year and the following two fiscal years shall be repaid to the Administrator for reallotment among the other States.".

(b) CONFORMING AMENDMENT.—Section 207 is amended by striking out "and 209," and inserting in lieu thereof the following: "209, and 220 (except as provided in section 220(b)(1)(B)),".

SEC. 17. INNOVATIVE TECHNOLOGY COMPLIANCE DEADLINES FOR DIRECT DISCHARGERS.

Section 301(k) is amended by striking out "July 1, 1987," and inserting in lieu thereof "two years after the date for compliance with such effluent limitation which would otherwise be applicable under such subsection,".

SEC. 18. VARIANCES FROM THE APPLICATION OF EFFLUENT LIMITATIONS.

(a) IN GENERAL.—Section 301 is amended by adding at the end thereof the following new subsection:

"(n) VARIANCES.—

"(1) FUNDAMENTALLY DIFFERENT FACTORS.—Upon application of any person who provides (or does not have a reasonable opportunity to provide) information to the Administrator in the rulemaking to establish or revise any effluent limitation under this section or section 304 of this Act, the Administrator may grant a variance from the application of such limitation with respect to the discharge of any pollutant by such person if the Administrator determines that factors relating to the facilities, equipment, and processes of such person are fundamentally different than the factors considered in such rulemaking.

"(2) TIME LIMIT FOR APPLICATIONS.—An application for a variance from the application of an effluent limitation under this subsection must be filed with the Administrator within 180 days after the date on which such limitation is established or revised, as the case may be.

"(3) TIME LIMIT FOR DECISION.—The Administrator, to the maximum extent practicable, shall approve or deny any application filed under this subsection within 180 days after the date such application is filed with the Administrator.

"(4) LIMITATION ON APPLICABILITY.—This subsection shall only apply with respect to effluent limitations established or revised after the date of the enactment of this subsection.

"(5) EFFECT OF DENIAL OF APPLICATION.—If an application for a variance from the application of an effluent limitation under this subsection is denied by the Administrator, the applicant must comply with such limitation as established or revised, as the case may be.".

(b) SAVINGS CLAUSE.—The amendment made by subsection (a) shall not affect any procedures or requirements in effect before the date of the enactment of this Act with respect to the granting of variances from the application of effluent limitations established or revised on or before such date of enactment.

SEC. 19. WATER QUALITY CRITERIA.

Section 304(a)(1) is amended by adding at the end thereof the following: "In developing, publishing, and revising criteria under this paragraph after the date of the enactment of this sentence, the Administrator shall consider, among other things, the effects on the ecosystem of (i) water hardness, (ii) pH, (iii) chemical and physical interactions, (iv) persistence of pollutants and the long-term effects of pollutants, (v) sedimentation from chemical reaction of pollutants, (vi) the absorptive properties of sediments, (vii) resuspension, and (viii) bio-uptake. New or revised criteria under this paragraph should be established so as to provide an ample margin of safety to protect human health and fish and wildlife resources. Whenever, in developing new or revised criteria under this paragraph with respect to a pollutant, the Administrator determines that a well-founded and significant difference of opinion exists as to the latest scientific and research knowledge on the matters referred to in the preceding sentence, the Administrator shall publish a description of such difference of opinion along with the publication of such criteria.".

SEC. 20. TEST PROCEDURES.

Section 304(h) is amended by striking out ", within one hundred and eighty days from the date of enactment of this title," and inserting in lieu thereof ", within ninety days from the date of the enactment of the Water Quality Renewal Act of 1985,".

SEC. 21. PRETREATMENT STANDARDS.

(a) EXTENSION OF STANDARDS BY POTW APPLYING INNOVATIVE SYSTEM.—Section 307 is amended by adding at the end the following:

"(e) COMPLIANCE DATE EXTENSION FOR INNOVATIVE PRETREATMENT SYSTEMS.—In the case of any new or existing facility that proposes to comply with the pretreatment standards of subsection (b) of this section by applying an innovative system that meets the requirements of section 301(k) of this Act, the owner or operator of the publicly owned treatment works receiving the treated effluent from such facility may extend the date for compliance with the applicable pretreatment standard established under this section for a period not to exceed two years—

"(1) if the Administrator determines that the innovative system has the potential for industrywide application, and

"(2) if the Administrator (or the State, in any case in which the State has a pretreatment program approved by the Administrator)—

"(A) determines that the proposed extension will not cause the publicly owned treatment works to be in violation of its permit under section 402, and

"(B) concurs with the proposed extension.".

(b) INCREASE IN EPA EMPLOYEES.—The Administrator shall take such actions as may be necessary to increase the number of employees of the Environmental Protection Agency in order to effectively implement pretreatment requirements under section

307 of the Federal Water Pollution Control Act.

SEC. 22. CRIMINAL PENALTIES.

Section 309(c) is amended to read as follows:

"(c) CRIMINAL PENALTIES.—

"(1) NEGLIGENT VIOLATIONS.—Any person who—

"(A) negligently violates section 301, 302, 306, 307, 308, 318, or 405 of this Act, or any permit condition or limitation implementing any of such sections in a permit issued under section 402 of this Act by the Administrator or by a State, or any requirement imposed in a pretreatment program approved under section 402(b)(8) of this Act or in a permit issued under section 404 of this Act by the Secretary of the Army, acting through the Chief of Engineers, or by a State; or

"(B) negligently introduces into a sewer system or into a publicly owned treatment works any pollutant or hazardous substance which causes or may reasonably be anticipated to cause personal injury or property damage or which causes such treatment works to violate any effluent limitation or condition in any permit issued to the treatment works under section 402 of this Act by the Administrator or a State;

shall be punished by a fine of not less than $2,500 nor more than $25,000 per day of violation, or by imprisonment for not more than one year, or by both. If a conviction of a person is for a violation committed after a first conviction of such person under this paragraph, punishment shall be by a fine of not more than $50,000 per day of violation, or by imprisonment of not more than two years, or by both.

"(2) KNOWING VIOLATIONS.—Any person who—

"(A) knowingly violates section 301, 302, 306, 307, 308, 318, or 405 of this Act, or any permit condition or limitation implementing any of such sections in a permit issued under section 402 of this Act by the Administrator or by a State, or any requirement imposed in a pretreatment program approved under section 402(b)(8) of this Act or in a permit issued under section 404 of this Act by the Secretary of the Army, acting through the Chief of Engineers, or by a State; or

"(B) knowingly introduces into a sewer system or into a publicly owned treatment works any pollutant or hazardous substance which causes or may reasonably be anticipated to cause personal injury or property damage or which causes such treatment works to violate any effluent limitation or condition in a permit issued to the treatment works under section 402 of this Act by the Administrator or a State;

shall be punished by a fine of not less than $5,000 nor more than $50,000 per day of violation, or by imprisonment for not more than two years, or by both. If a conviction of a person is for a violation committed after a first conviction of such person under this paragraph, punishment shall be by a fine of not more than $100,000 per day of violation, or by imprisonment of not more than four years, or by both.

"(3) COMPLIANCE AS AFFIRMATIVE DEFENSE.—It shall be an affirmative defense under paragraphs (1)(B) and (2)(B) of this subsection that the introduction of any pollutant or hazardous substance into a sewer system or a publicly owned treatment works was in compliance with all applicable Federal, State, and local requirements which govern the introduction of a pollutant or hazardous substance into a sewer or publicly owned treatment works.

"(4) FALSE STATEMENTS.—Any person who knowingly makes any false material statement, representation, or certification in any application, record, report, plan, or other document filed or required to be maintained under this Act or who knowingly falsifies, tampers with, or renders inaccurate any monitoring device or method required to be maintained under this Act, shall upon conviction, be punished by a fine of not more than $10,000, or by imprisonment for not more than two years, or by both. If a conviction of a person is for a violation committed after a first conviction of such person under this paragraph, punishment shall be by a fine of not more than $20,000 per day of violation, or by imprisonment of not more than four years, or by both.

"(5) RESPONSIBLE CORPORATE OFFICER AS 'PERSON'.—For the purpose of this subsection, the term 'person' means, in addition to the definition contained in section 502(5) of this Act, any responsible corporate officer.

"(6) HAZARDOUS SUBSTANCE DEFINED.—For the purpose of this subsection, the term 'hazardous substance' means (A) any substance designated pursuant to section 311(b)(2)(A) of this Act, (B) any element, compound, mixture, solution, or substance designated pursuant to section 102 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, (C) any hazardous waste having the characteristics identified under or listed pursuant to section 3001 of the Solid Waste Disposal Act (but not including any waste the regulation of which under the Solid Waste Disposal Act has been suspended by Act of Congress), (D) any toxic pollutant listed under section 307(a) of this Act, and (E) any imminently hazardous chemical substance or mixture with respect to which the Administrator has taken action pursuant to section 7 of the Toxic Substances Control Act.".

SEC. 23. CIVIL PENALTIES.

(a) INCREASE IN PENALTY.—Section 309(d) is amended by striking out "$10,000" and inserting in lieu thereof "$25,000".

(b) INCREASED PENALTIES NOT REQUIRED UNDER STATES PROGRAMS.—The Federal Water Pollution Control Act shall not be construed as requiring a State to have a civil penalty for violations described in such section 309(d) which has the same monetary amount as the civil penalty established by such section, as amended by subsection (a) of this section.

SEC. 24. ADMINISTRATIVE PENALTIES.

(a) IN GENERAL.—Section 309 is amended by adding at the end thereof the following:

"(g) ADMINISTRATIVE PENALTIES.—

"(1) IN GENERAL.—Whenever on the basis of any information available to him or her—

"(A) the Administrator finds that any person is in violation of section 301 (except as it relates to section 404 of this Act), 302, 306, 307, 318, or 405 of this Act, or is in violation of any permit condition or limitation implementing any of such sections in a permit issued under section 402 of this Act by the Administrator or by a State, or

"(B) the Secretary of the Army, acting through the Chief of Engineers (hereinafter in this subsection referred to as the 'Secretary') finds that any person is in violation of any permit condition or limitation implementing any of such sections in a permit issued under section 404 of this Act by the Secretary or by a State,

the Administrator or Secretary, as the case may be, may, after consultation with the State in which the violation occurs, assess a civil penalty of not more than $10,000 per day of violation, except that such penalty shall not exceed a total of $125,000.

"(2) ADMINISTRATIVE REQUIREMENTS.—

"(A) NOTICE AND OPPORTUNITY FOR HEARING.—A civil penalty shall be assessed under this subsection by the Administrator or Secretary, as the case may be, by an order made on the record after opportunity (provided in accordance with this subparagraph) for a hearing in accordance with section 554 of title 5, United States Code. Before issuing such an order, the Administrator or Secretary, as the case may be, shall—

"(i) give written notice to the person to be assessed a civil penalty under such order of the Administrator's or Secretary's proposal to issue such order and provide such person an opportunity to request, within 15 days of the date the notice is received by such person, such a hearing on the order; and

"(ii) provide public notice of and reasonable opportunity to comment on any proposed assessment.

"(B) NOTICE TO INTERESTED PERSONS.—Any person who comments on a proposed assessment shall be given notice of any hearing held under subparagraph (A) and any order assessing a penalty under this subsection. In any such hearing, such person shall have a reasonable opportunity to present evidence.

"(C) RIGHTS OF INTERESTED PERSONS TO A HEARING.—If no hearing is held before the issuance of an order assessing a penalty under this subsection, any person who commented on the proposed assessment may petition the Administrator or Secretary, as the case may be, to set aside such order and to provide a hearing on the penalty. The Administrator or Secretary shall set aside such order and provide such hearing in accordance with subparagraph (A) if the Administrator or Secretary determines that the evidence presented by the petitioner in support of the petition is material and was not considered in the issuance of the order. If the Administrator or Secretary denies a hearing under this subparagraph, the Administrator or Secretary shall provide to the petitioner, and publish in the Federal Register, notice of the reasons for such denial.

"(D) FACTORS TO CONSIDER IN DETERMINING AMOUNT OF PENALTY.—In determining the amount of a civil penalty, the Administrator or Secretary, as the case may be, shall take into account the nature, circumstances, extent, and gravity of the violation or violations and, with respect to the violator, ability to pay, effect on ability to continue to do business, any history of prior such violations, the degree of culpability, economic savings (if any) resulting from the violation, and such other matters as justice may require.

"(E) COMPROMISE OF AMOUNT.—The Administrator or Secretary, as the case may be, may compromise, modify, or remit, with or without conditions, any civil penalty which may be imposed under this subsection. The amount of such penalty, when finally determined, or the amount agreed upon in compromise, may be deducted from any sums owing by the United States to the person charged.

"(F) FINALITY OF ORDER.—An order issued under this subsection shall become final 30 days after its issuance unless a petition for judicial review is filed under paragraph (3) or a hearing is requested under subparagraph (C). If such a hearing is denied, such order shall become final 30 days after such denial.

"(3) RIGHT OF INTERESTED PERSON TO APPEAL.—Any person who requested in accordance with paragraph (2)(A) or (2)(C) a

hearing respecting the assessment of a civil penalty and who is aggrieved by an order assessing a civil penalty may file a petition for judicial review of such order with the United States Court of Appeals for the District of Columbia Circuit or for any other circuit in which such person resides or transacts business. Such a petition may only be filed within the 30-day period beginning on the date the order making such assessment was issued.

"(4) RECOVERY OF UNPAID PENALTIES BY ATTORNEY GENERAL.—If any person fails to pay an assessment of a civil penalty—

"(A) after the order making the assessment has become a final order and if such person does not file a petition for judicial review of the order in accordance with paragraph (3), or

"(B) after a court in an action brought under paragraph (3) has entered a final judgment in favor of the Administrator or Secretary, as the case may be,

the Attorney General shall recover the amount assessed (plus interest at currently prevailing rates from the date of the expiration of the 30-day period referred to in paragraph (3) or the date of such final judgment, as the case may be) in an action brought in any appropriate district court of the United States. In such an action, the validity, amount, and appropriateness of such penalty shall not be subject to review.

"(5) SUBPOENAS.—The Administrator or Secretary, as the case may be, shall have the authority to issue subpoenas in connection with hearings under paragraph (2) of this subsection and may request the Attorney General to bring an action to enforce any subpoena under this subsection. The district courts shall have jurisdiction to enforce such subpoenas and impose sanctions.

"(6) EFFECT ON AUTHORITY OF ADMINISTRATOR.—Action taken by the Administrator or Secretary, as the case may be, pursuant to this subsection shall not affect or limit the Administrator's or Secretary's authority to enforce any provision of this Act, except that any violation with respect to which a civil penalty is imposed under this subsection shall not be subject to a civil penalty under section 309(d) or section 311(b) of this Act.

"(7) EFFECT OF STATE ENFORCEMENT ACTION.—When a State has proceeded with an enforcement action relating to a violation with respect to which the Administrator or Secretary is authorized to assess a civil penalty under this subsection, the Administrator or Secretary, as the case may be, are not authorized to take any action under this subsection if the State demonstrates that the State imposed penalty is appropriate.

"(8) EFFECT OF ADMINISTRATOR'S ACTION ON COMPLIANCE.—No action by the Administrator under this subsection shall affect any person's obligation to comply with any section of this Act or with the terms and conditions of any permit issued pursuant to section 402 or 404 of this Act.".

(b) CITIZEN SUITS.—Section 505(b)(1) is amended by striking out the period at the end of subparagraph (B) and inserting ", or" and by adding at the end the following:

"(C) if the Administrator or State has commenced and is diligently pursuing the assessment of a civil penalty under section 309(g) of this Act.".

SEC. 25. CLEAN LAKES.

(a) APPLICATION OF PROGRAM TO SALINE LAKES.—Section 314(a)(1) is amended by striking out "fresh water".

(b) NONPOINT SOURCE GRANT PROGRAM; ANNUAL REPORT.—Section 314 is amended by adding at the end thereof the following new subsections:

"(d) PRIORITY PROJECTS FOR CONTROL OF NONPOINT SOURCES.—

"(1) GRANT PROGRAM.—The Administrator shall make grants to States for priority projects for control of nonpoint sources of pollution which are contributing to the degradation of water quality in lakes. The Administrator shall provide an equitable distribution of such sums to the States.

"(2) FEDERAL SHARE.—The amount granted to a State for a project under this subsection shall not exceed 70 per centum of the cost of such project.

"(3) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection not to exceed $50,000,000 per fiscal year for each of the fiscal years ending September 30, 1986, September 30, 1987, September 30, 1988, September 30, 1989, and September 30, 1990. Sums appropriated shall remain available until expended.

"(e) ANNUAL WATER QUALITY REPORT.—The Administrator shall submit annually to the Committee on Public Works and Transportation of the House of Representatives and the Committee on Environment and Public Works of the Senate a report on the status and trend of water quality in lakes in the United States, including but not limited to, the nature and extent of pollution loading from point and nonpoint sources and the extent to which the use of lakes is impaired as a result of such pollution, particularly with respect to toxic pollution.".

(c) CONFORMING AMENDMENTS.—Section 314 is amended—

(1) in subsection (b), by striking out "this section" the first place it appears and inserting in lieu thereof "subsection (a) of this section";

(2) in subsection (c)(1), by striking out "this section" the first place it appears and inserting in lieu thereof "subsection (b) of this section" and by striking out "this section" the second place it appears and inserting in lieu thereof "subsection (a) of this section"; and

(3) in subsection (c)(2), by striking out "this section" the first place it appears and inserting in lieu thereof "subsection (b) of this section" and by striking out "this section" the second place it appears and inserting in lieu thereof "subsection (a) of this section".

(d) CLEAN LAKES PROJECTS.—

(1) LAKE HOUSTON, TEXAS.—

(A) STUDY; CONTROL MEASURES.—The Administrator shall, in cooperation with the State of Texas, study water quality problems in Lake Houston, Houston, Texas, and undertake such control measures as the Administrator and State determine are necessary to improve water quality. Such study shall include, but not be limited to, the evaluation of the feasibility of regional or consolidated waste treatment facilities and the development of recommendations for the cost-effective control of pollutants entering the Lake Houston watershed.

(B) REPORT.—The Administrator shall submit a report on the results of such study and identify such structural or nonstructural controls which were undertaken or are proposed, along with recommendations for further measures, to improve the water quality of Lake Houston, to the Committee on Public Works and Transportation of the House of Representatives and the Committee on Environment and Public Works of the Senate not later than one year after the date of the enactment of this Act.

(C) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for fiscal years beginning after September 30, 1985, $10,000,000 to carry out this paragraph, to remain available until expended.

(2) BEAVER LAKE, ARKANSAS.—

(A) STUDY.—The Administrator, in cooperation with the Secretary of the Army, acting through the Chief of Engineers, and in consultation with appropriate State and local agencies, shall conduct a one-year comprehensive study of the Beaver Lake, Arkansas, to identify measures which will optimize achievement of the purposes for which Beaver Dam was constructed while preserving and enhancing the quality of the reservoir's water.

(B) DEMONSTRATION PROJECT.—Upon completion of the study, the Administrator shall undertake a demonstration project at Beaver Lake to determine the effectiveness of measures identified in such study for preserving and enhancing the quality of the reservoir's water for current and future users.

(C) REPORT.—Upon completion of the demonstration project, the Administrator shall submit a report of such study and project, along with recommendations for further measures to improve the water quality of Beaver Lake, to the Committee on Public Works and Transportation of the House of Representatives and the Committee on Environment and Public Works of the Senate.

(D) AVAILABILITY OF FUNDS.—Funds appropriated under subsections (c) and (d) of section 314 of the Federal Water Pollution Control Act shall be available to carry out this paragraph.

(3) GREENWOOD LAKE AND BELCHER CREEK, NEW JERSEY.—

(A) DEMONSTRATION PROJECT.—The Administrator shall undertake a demonstration project for the removal of silt, stumps, and other obstructions from Greenwood Lake and Belcher Creek, New Jersey.

(B) REPORT.—Upon completion of the demonstration project, the Administrator shall submit a report on such project, along with recommendations for further measures to improve the water quality of Greenwood Lake and Belcher Creek, to the Committee on Public Works and Transportation of the House of Representatives and the Committee on Environment and Public Works of the Senate.

(C) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $10,000,000 to carry out this paragraph.

(4) DEAL LAKE, NEW JERSEY.—

(A) DEMONSTRATION PROJECT.—The Administrator shall undertake a demonstration project for the removal of silt and stumps from, and the control of pollution from nonpoint sources in, Deal Lake, Monmouth County, New Jersey.

(B) REPORT.—Upon completion of the demonstration project, the Administrator shall submit a report on such project, along with recommendations for further measures to improve the water quality of Deal Lake, to the Committee on Public Works and Transportation of the House of Representatives and the Committee on Environment and Public Works of the Senate.

(C) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $8,000,000 to carry out this paragraph.

(5) ALCYON LAKE, NEW JERSEY.—

(A) DEMONSTRATION PROJECT.—The Administrator shall undertake a demonstration project for the restoration of Alcyon Lake, New Jersey, including removal and disposal of contaminated sediments in the lake.

(B) REPORT.—Upon completion of the demonstration project, the Administrator shall submit a report on such project, along with recommendations of further measures to improve the water quality of Alcyon Lake, to the Committee on Public Works and Transportation of the House of Representatives and the Committee on Environment and Public Works of the Senate.

(C) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $3,500,000 to carry out this paragraph.

(6) SAUK LAKE, MINNESOTA.—

(A) DEMONSTRATION PROJECT.—The Administrator shall undertake a demonstration project for the removal of silt and aquatic growth from Sauk Lake and its tributary streams in the vicinity of Sauk Centre, Stearns County, Minnesota.

(B) REPORT.—Upon completion of the demonstration project, the Administrator shall submit a report on such project, along with recommendations of further measures to improve the water quality of Sauk Lake, to the Committee on Public Works and Transportation of the House of Representatives and the Committee on Environment and Public Works of the Senate.

(C) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $2,000,000 to carry out this paragraph.

(7) LAKE WORTH, TEXAS.—

(A) DEMONSTRATION PROJECT.—The Administrator shall undertake a demonstration project to remove silt and aquatic growth from Lake Worth, Tarrant County, Texas, including constructing silt traps and providing other devices or equipment to prevent and abate the further deposit of sediment in Lake Worth. Such project shall also provide for the use of dredged material in the reclamation of despoiled land. The Administrator may take such other actions as may be necessary to carry out such project.

(B) REPORT.—Upon completion of the demonstration project, the Administrator shall submit a report on such project, along with recommendations of further measures to improve the water quality of Lake Worth, to the Committee on Public Works and Transportation of the House of Representatives and the Committee on Environment and Public Works of the Senate.

(C) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $1,750,000 to carry out this paragraph.

SEC. 26. NPDES PERMITS.

(a) PERMIT REQUIREMENTS.—

(1) TERMS.—Section 402(b)(1)(B) is amended to read as follows:

"(B) are for fixed terms not exceeding five years, or for a fixed term not exceeding ten years in any case in which the State determines (in accordance with guidelines established by the Administrator) that the applicant has consistently complied with any permit held by such applicant under this section and that—

"(i) pollutants described in subparagraphs (C), (D), and (F) of section 301(b)(2) are not detectable in the effluent to which the permit will apply; or

"(ii) such pollutants are present in such effluent only in trace amounts and are neither causing nor are likely to cause toxic effects, alone or in combination with pollutants from other sources;".

(2) COMPLIANCE WITH NEW TOXIC LIMITATIONS AND WATER QUALITY STANDARDS.—Section 402(b)(1) is amended by redesignating subparagraph (D) as subparagraph (E) and by inserting after subparagraph (C) the following:

"(D) in the case of any permit issued for a fixed term exceeding five years, must be modified promptly to ensure compliance with any new or revised effluent limitation under section 307(a) of this Act or any new or revised requirement pursuant to a standard under section 303 of this Act which limitation or requirement is more stringent than the existing effluent limitation or requirement in the permit or which controls a pollutant not controlled in the permit; and".

(b) EXEMPTION FROM PERMIT OF CERTAIN STORMWATER RUNOFF.—Section 402(l) is amended by inserting "(1)" after "(l)" and by adding at the end thereof the following new paragraph:

"(2) The Administrator shall not require a permit under this section, nor shall the Administrator directly or indirectly require any State to require such a permit, for discharges of stormwater runoff from mining operations or oil or gas exploration, production, processing, or treatment operations, composed entirely of flows which are from conveyances or systems of conveyances (including but not limited to pipes, conduits, ditches, and channels) used for collecting and conveying precipitation runoff and which are not contaminated with process wastes, overburden, raw materials, toxic pollutants above natural background levels, spilled product, hazardous substances, or oil or grease. Any person discharging stormwater runoff described in the preceding sentence shall monitor the quality of water in such flows and shall report not less often than annually to the Administrator on the results of such monitoring.".

(c) ADDITIONAL PRETREATMENT OF CONVENTIONAL POLLUTANTS NOT REQUIRED.—Section 402 is amended by adding at the end thereof the following new subsection:

"(m) ADDITIONAL PRETREATMENT OF CONVENTIONAL POLLUTANTS NOT REQUIRED.—To the extent a treatment works (as defined in section 212 of this Act) which is publicly owned is not meeting the requirements of a permit issued under this section for such treatment works as a result of inadequate design or operation of such treatment works, the Administrator, in issuing a permit under this section, shall not require pretreatment by a person introducing conventional pollutants identified pursuant to section 304(a)(4) of this Act into such treatment works other than pretreatment required to assure compliance with pretreatment standards under subsection (b)(8) of this section and section 307(b)(1) of this Act. Nothing in this subsection shall affect the Administrator's authority under sections 307 and 309 of this Act, affect State and local authority under sections 307(b)(4) and 510 of this Act, relieve such treatment works of its obligations to meet requirements established under this Act, or otherwise preclude such works from pursuing whatever feasible options are available to meet its responsibility to comply with its permit under this section.".

(d) PARTIAL PERMIT PROGRAM.—Section 402 is amended by adding at the end the following:

"(n) PARTIAL PERMIT PROGRAM.—

"(1) STATE SUBMISSION.—The Governor of a State may submit under subsection (b) of this section a permit program for a portion of the discharges into the navigable waters in such State.

"(2) MINIMUM COVERAGE.—A partial permit program under this subsection shall cover at a minimum administration of a major category of the discharges into the navigable waters of the State or a major component of the permit program required by subsection (b).

"(3) APPROVAL OF PARTIAL PERMIT PROGRAM.—The Administrator may approve a partial permit program covering administration of a major category of discharges under this subsection if—

"(A) such program represents a complete permit program and covers all of the discharges under the jurisdiction of a department or agency of the State; and

"(B) the Administrator determines that the partial program represents a significant and identifiable part of the State program required by subsection (b).

"(4) APPROVAL OF PARTIAL AND PHASED PERMIT PROGRAM.—The Administrator may approve under this subsection a partial and phased permit program covering administration of a major component (including discharge categories) of a State permit program required by subsection (b) if—

"(A) the Administrator determines that the partial program represents a significant and identifiable part of the State program required by subsection (b); and

"(B) the State submits, and the Administrator approves, a plan for the State to assume administration by phases of the remainder of the State program required by subsection (b) by a specified date not more than five years after submission of the partial program under this subsection and agrees to make all reasonable efforts to assume such administration by such date.".

(e) RETURN OF STATE PERMIT PROGRAM TO ADMINISTRATOR.—

(1) IN GENERAL.—Section 402(c) is amended by adding at the end thereof the following new paragraph:

"(4) A State may return administration of its permit program to the Administrator, and the Administrator may withdraw approval of a State permit program under paragraph (3) of this subsection—

"(A) in the case of any approval under subsection (n)(3), the entire permit program being administered by the State department or agency at the time of such return or withdrawal, as the case may be; or

"(B) in the case of any approval under subsection (n)(4), any phased component of the permit program approved at the time of such return or withdrawal, as the case may be.".

(2) TECHNICAL AMENDMENT.—Section 402(c)(1) is amended by striking out "as to those navigable waters" and inserting in lieu thereof "as to those discharges".

SEC. 27. AUDITS.

Section 501(d) is amended by inserting at the end thereof the following new sentences: "For the purpose of carrying out audits and examinations with respect to recipients of Federal assistance under this Act, the Administrator is authorized to enter into noncompetitive procurement contracts with State audit organizations. Such contracts may only be entered into to the extent and in such amounts as may be provided in advance in appropriation Acts.".

SEC. 28. COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS.

(a) DEFINED AS A STATE.—Section 502(3) is amended by inserting "the Commonwealth of the Northern Mariana Islands," after "Samoa,".

(b) DEFINED AS PART OF UNITED STATES.—Section 311(a)(5) is amended by striking out "the Canal Zone," and inserting in lieu thereof "the Commonwealth of the Northern Mariana Islands,".

SEC. 29. AGRICULTURAL STORMWATER DISCHARGES.

Section 502(14) (relating to the definition of point source) is amended by inserting after "does not include" the following: "agricultural stormwater discharges and".

SEC. 30. REPORTS TO CONGRESS.

Section 516 is amended by adding at the end thereof the following new subsections:

"(f) DAM DISCHARGE STUDY.—The Administrator, in cooperation with interested States and Federal agencies, shall study and monitor the effects on the quality of navigable waters attributable to the impoundment and discharge of water by dams. The results of such study, together with any recommendations for the control of such impoundment and discharge, shall be submitted to Congress not later than December 31, 1986.

"(g) STATE REVOLVING FUND REPORT.—

"(1) IN GENERAL.—Not later than February 10, 1990, the Administrator shall submit to Congress a report on the financial status and operations of Water Pollution Control Revolving Funds established by the States under section 220 of this Act. The Administrator shall prepare such report in cooperation with the States, including water pollution control agencies and other water pollution control planning and financing agencies.

"(2) CONTENTS.—The report under this subsection shall also include the following:

"(A) an inventory of the facilities that are in significant noncompliance with the enforceable requirements of this Act;

"(B) an estimate of the cost of construction necessary to bring such facilities into compliance with such requirements;

"(C) an assessment of the availability of sources of funds for financing such needed constructon, including an estimate of the amount of funds available for providing assistance for such construction through September 30, 1999, from the Water Pollution Control Revolving Funds established by the States under section 220 of this Act;

"(D) an assessment of the operations, loan portfolio, and loan conditions of such Funds;

"(E) an assessment of the effect on user charges of the assistance provided by such Funds compared to the assistance provided with funds appropriated pursuant to section 207 of this Act; and

"(F) an assessment of the efficiency of the operation and maintenance of treatment works constructed with assistance provided by such Funds compared to the efficiency of the operation and maintenance of treatment works constructed with assistance provided under section 201 of this Act.".

SEC. 31. NEWTOWN CREEK, NEW YORK.

(a) MODIFICATIONS TO TREATMENT PLANT.—The Administrator is authorized to make a grant to the city of New York to install such additional facilities in, and make such modifications to, the Newtown Creek sewage treatment plant as are necessary for the plant to provide secondary treatment. The Federal share of such project shall be 75 percent of the cost of installing such facilities and making such modifications.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated such sums as may be necessary to carry out this section for fiscal years beginning after September 30, 1985. Such sums shall be in addition to and not in lieu of any other amounts authorized to be appropriated under title II of the Federal Water Pollution Control Act.

SEC. 32. SAN DIEGO, CALIFORNIA.

(a) PURPOSE.—The purpose of this section is to protect the economy, public health, environment, surface water and public beaches, and water quality of the city of San Diego, California, and surrounding areas, which are endangered and are being polluted by raw sewage emanating from the city of Tijuana, Mexico.

(b) CONSTRUCTION GRANTS.—Upon approval of the necessary plans and specifications, the Administrator is authorized to make grants to the Secretary of the Army, acting through the Chief of Engineers (hereinafter in this section referred to as the Secretary), or any other Federal agency or any other appropriate commission or entity designated by the President. Such grants shall be for construction of a project consisting of—

(1) treatment works in the city of San Diego, California, to provide primary or more advanced treatment of municipal sewage and industrial waste from the city of Tijuana, Mexico; and

(2) a publicly owned treatment works in such city to provide primary or more advanced treatment of such amount of municipal sewage and industrial waste for such city of San Diego as may be necessary to meet the objectives of the Federal Water Pollution Control Act.

(c) INTERIM MEASURES.—As an interim measure, the Administrator shall make grants to the Secretary or such other agency, commission, or entity as may be designated under subsection (b) for the construction of defensive treatment works to protect residents of the city of San Diego and surrounding areas from pollution resulting from any inadequacies or breakdowns in wastewater treatment works and systems in Mexico. The Secretary or such agency, commission, or entity is authorized to construct, operate, and maintain such defensive treatment works in order to accomplish the purposes of this section.

(d) APPROVAL OF PLANS.—Any treatment works for which a grant is made under this section shall be constructed in accordance with plans developed by the Secretary or such agency, commission, or entity, in consultation with the city of San Diego, and approved by the Administrator to meet the construction standards which would be applicable if such treatment works were being constructed under section 201 of the Federal Water Pollution Control Act.

(e) CAPACITY OF PROJECT.—The project authorized by this section shall provide capacity to provide treatment of municipal sewage and industrial waste for the cities of Tijuana and San Diego.

(f) APPLICABILITY OF ACT.—All provisions of the Federal Water Pollution Control Act which are applicable to a grant made to a State, municipality, or intermunicipal or interstate agency under section 201(g) of such Act shall apply to a grant made to an agency, commission, or entity for construction of treatment works under subsection (b)(2) of this section, except that the non-Federal share of the costs of such construction shall be paid by the city of San Diego and other non-Federal interests.

(g) FEDERAL SHARE.—Construction of the treatment works under subsections (b)(1) and (c) of this section with respect to municipal sewage and industrial waste from the city of Tijuana shall be at full Federal expense less any costs paid by the Government of Mexico as a result of agreements negotiated with the United States.

(h) OCEAN OUTFALL PERMIT.—Upon application of the city of San Diego, the Administrator may issue a permit under section 402 of the Federal Water Pollution Control Act which modifies the requirements of section 301(b)(1)(B) of such Act to permit the discharge of pollutants for any ocean outfall constructed with Federal assistance under this Act if such pollutants have received primary or more advanced treatment. Any permit issued pursuant to this subsection shall not be effective after December 31, 1993.

(i) EXTRA CAPACITY.—If the treatment works constructed under this section to provide treatment for municipal sewage and industrial waste from the city of Tijuana has capacity which is no longer necessary to provide such treatment, such capacity may be used to provide treatment for municipal sewage and industrial waste for the city of San Diego.

(j) DEFINITIONS.—For purposes of this section, the terms "construction" and "treatment works" have the meanings such terms have under section 212 of the Federal Water Pollution Control Act.

(k) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for fiscal years beginning after September 30, 1985, such sums as may be necessary to the Administrator to make grants under this section and such sums as may be necessary to the Secretary, or such other agency, commission, or entity as the President may designate under subsection (b), to carry out this section.

SEC. 33. NACO, ARIZONA.

(a) PURPOSE.—The purpose of this section is to protect the economy, public health, environment, and surface water and groundwater of the community of Naco, Arizona, which are endangered and are being polluted by raw sewage emanating from the city of Naco, Sonora, Mexico.

(b) CONSTRUCTION GRANTS.—Upon application of the county of Cochise, Arizona, the Administrator shall make grants to such county for construction of a project consisting of—

(1) a publicly owned treatment works in such community of Naco, Arizona, to provide primary or more advanced treatment of not less than 150,000 gallons of untreated sewage emanating from the city of Naco, Sonora, Mexico; and

(2) a publicly owned treatment works in such community of Naco, Arizona, to provide primary or more advanced treatment of such amount of municipal sewage and industrial waste per day for such community of Naco, Arizona, as may be necessary to meet the objectives of the Federal Water Pollution Control Act.

(c) APPROVAL OF PLANS.—Any treatment works for which a grant is made under this section shall be constructed in accordance with plans developed by the county of Cochise, Arizona, and approved by the Administrator to meet the construction standards which would be applicable if such treatment works were being constructed under section 201 of the Federal Water Pollution Control Act.

(d) CAPACITY OF PROJECT.—The project authorized by this section shall provide capacity to provide treatment of municipal sewage and industrial waste for the city of Naco, Sonora, Mexico and the community of Naco, Arizona.

(e) APPLICABILITY OF ACT.—All provisions of the Federal Water Pollution Control Act which are applicable to grants made under section 201(g) of such Act shall apply to grants made under this section to provide treatment of municipal sewage and industrial waste for the community of Naco, Arizona.

(f) FEDERAL SHARE.—The Federal share of the cost of construction of the treatment works to provide treatment of municipal sewage and industrial waste for the city of Naco, Sonora, Mexico, shall be at full Federal expense less any costs paid by the Govern-

ment of Mexico as a result of agreements negotiated with the United States.

(g) EXTRA CAPACITY.—If the treatment works constructed under this section to provide treatment for municipal sewage and industrial waste for the city of Naco, Sonora, Mexico, has capacity which is no longer necessary to provide such treatment, such capacity may be used to provide treatment for municipal sewage and industrial waste for the community of Naco, Arizona.

(h) DEFINITIONS.—For purposes of this section, the terms "construction" and "treatment works" have the meanings such terms have under section 212 of the Federal Water Pollution Control Act.

(i) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Administrator $2,000,000 to make grants under this section for fiscal years beginning after September 30, 1985.

SEC. 34. LIMITATION ON DISCHARGE OF RAW SEWAGE BY NEW YORK CITY.

(a) IN GENERAL.—

(1) NORTH RIVER PLANT.—If the wastewater treatment plant identified in the consent decree as the North River plant has not achieved advanced preliminary treatment as required under the terms of the consent decree by August 1, 1986, the city of New York shall not discharge raw sewage from the drainage area of such plant (as defined in the consent decree) into navigable waters after such date in an amount which is greater for any 30-day period than an amount equal to 30 times the average daily amount of raw sewage discharged from such drainage area during the 12-month period ending on the earlier of the date on which such plant becomes operational or March 15, 1986 (as determined by the Administrator), except as provided in subsection (b).

(2) RED HOOK PLANT.—If the wastewater treatment plant identified in the consent decree as the Red Hook plant has not achieved advanced preliminary treatment as required under the terms of the consent decree by August 1, 1987, the city of New York shall not discharge raw sewage from the drainage area of such plant (as defined in the consent decree) into navigable waters after such date in an amount which is greater for any 30-day period than an amount equal to 30 times the average daily amount of raw sewage discharged from such drainage area during the 12-month period ending on the earlier of the date on which such plant becomes operational or March 15, 1987 (as determined by the Administrator), except as provided in subsection (b).

(b) WAIVERS.—

(1) INTERRUPTION OF PLANT OPERATION.—In the event of any significant interruption in the operation of the North River plant or the Red Hook plant caused by an event described in subparagraph (A), (B), or (C) of paragraph (5) occurring after the applicable deadline established under subsection (a), the Administrator shall waive the limitation of subsection (a) with respect to such plant, but only to such extent and for such limited period of time as may be reasonably necessary for the city of New York to resume operation of such plant.

(2) INCREASED PRECIPITATION.—In the event that the volume of precipitation occurring after the applicable deadline established under subsection (a) causes the discharge of raw sewage to exceed the limitation under subsection (a), the Administrator shall waive the limitation of subsection (a) with respect to either or both such plants, but only to such extent and for such limited period of time as the Administrator determines to be necessary to take into account the increased discharge caused by such volume of precipitation.

(3) VARIATIONS IN CERTAIN NORTH RIVER DRAINAGE AREA DISCHARGES.—In the event that an increase in discharges from the North River drainage area constituting a violation of subsection (a)(1) is due to a random or seasonal variation, and that any sewer hookup occurring, or permit for a sewer hookup granted, after July 31, 1986, is not responsible for such violation, the Administrator shall waive the limitation of subsection (a)(1), but only to such extent and for such limited period of time as the Administrator determines to be reasonably necessary to take into account such random or seasonal variation.

(4) VARIATIONS IN CERTAIN RED HOOK DRAINAGE AREA DISCHARGES.—In the event that an increase in discharges from the Red Hook drainage area constituting a violation of subsection (a)(2) is due to a random or seasonal variation, and that any sewer hookup occurring, or permit for a sewer hookup granted, after July 31, 1987, is not responsible for such violation, the Administrator shall waive the limitation of subsection (a)(2), but only to such extent and for such limited period of time as the Administrator determines to be reasonably necessary to take into account such random or seasonal variation.

(5) CIRCUMSTANCES BEYOND CITY'S CONTROL.—The Administrator shall extend either deadline under paragraph (1) or (2) of subsection (a) to such extent and for such limited period of time as may be reasonably required to take into account any—

(A) act of war,

(B) unanticipated grave natural disaster or other natural phenomenon of an exceptional, inevitable, and irresistible character, the effects of which could not have been prevented or avoided by the exercise of due care or foresight, or

(C) other circumstances beyond the control of the city of New York, except such circumstances shall not include (i) the unavailability of Federal funds under section 201 of the Federal Water Pollution Control Act, (ii) the unavailability of funds from the city of New York or the State of New York, or (iii) a policy decision made by the city of New York or the State of New York to delay the achievement of advanced preliminary treatment at the North River plant or Red Hook plant beyond the applicable deadline set forth in subsection (a).

(c) PENALTIES.—Except as otherwise provided in subsection (b), any violation of subsection (a) shall be considered to be a violation of section 301 of the Federal Water Pollution Control Act, and all provisions of such Act relating to violations of such section 301 shall apply.

(d) CONSENT DECREE DEFINED.—For purposes of this section, the term "consent decree" means the consent decree entered into by the Environmental Protection Agency, the city of New York, and the State of New York, on December 30, 1982, relating to construction and operation of the North River and Red Hook wastewater treatment plants.

(e) COOPERATION.—The Administrator shall work with the city of New York to eliminate the discharge of raw sewage by such city at the earliest practicable date.

(f) SAVINGS CLAUSE.—Nothing in this section shall be construed as modifying the terms of the consent decree.

(g) SENSE OF CONGRESS.—It is the sense of Congress that the Administrator should not agree to any further modification of the consent decree with respect to the schedule for achieving advanced preliminary treatment.

(h) TERMINATION DATES.—

(1) NORTH RIVER PLANT.—The provisions of this section shall remain in effect with respect to the North River drainage area until such time as the North River plant has achieved advanced preliminary treatment (as defined in the consent decree) for a period of six consecutive months.

(2) RED HOOK PLANT.—The provisions of this section shall remain in effect with respect to the Red Hook drainage area until such time as the Red Hook plant has achieved advanced preliminary treatment (as defined in the consent decree) for a period of six consecutive months.

(i) MONITORING ACTIVITIES.—The Administrator shall establish and carry out a program within available funds to implement the monitoring activities which may be required under subsection (a) by December 1, 1984.

(j) ESTABLISHMENT OF METHODOLOGIES.—The Administrator shall establish the methodologies, data base, and any other information required for making determinations under subsection (b)—

(1) for the North River drainage area (as defined in the consent decree) by July 31, 1986, unless the requirements of subsection (h)(1) have been satisfied, and

(2) for the Red Hook drainage area (as defined by the consent decree) by July 31, 1987, unless the requirements of subsection (h)(2) have been satisfied.

(k) VIOLATIONS.—In carrying out this section, if the Administrator finds that a violation of subsection (a) has occurred, the Administrator shall also determine, within 30 days after such finding, whether a provision of subsection (b) applies. If the Administrator requires information from the city of New York in order to determine whether a provision of subsection (b) applies, the Administrator shall request such information. If the city of New York does not supply the information requested by the Administrator, the Administrator shall determine that subsection (b) does not apply. The city of New York shall be responsible only for such expenses as are necessary to provide such requested information. Enforcement action pursuant to subsection (c) shall be commenced at the end of such 30 days unless a provision of subsection (b) applies.

SEC. 35. DEER ISLAND TREATMENT PLANT, MASSACHUSETTS.

(a) EMERGENCY IMPROVEMENTS.—The Administrator is authorized and directed to make grants to the Metropolitan District Commission, Massachusetts, for a project to undertake emergency improvements at the Deer Island Waste Water Treatment Plant in Boston, Massachusetts. The Federal share of such project shall not exceed 75 percent of the cost of carrying out such improvements.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $10,000,000 per fiscal year for each of the fiscal years 1986, 1987, and 1988.

SEC. 36. OAKWOOD BEACH AND RED HOOK PROJECTS, NEW YORK.

(a) RELOCATION OF NATURAL GAS FACILITIES.—Notwithstanding any provision of the Federal Water Pollution Control Act, the Administrator shall pay, to the extent provided in appropriation Acts, in the same proportion as the Federal share of other project costs, all expenses for the relocation of facilities for the distribution of natural gas

with respect to the entire wastewater treatment works known as the Oakwood Beach (EPA Grant Numbered 360392) and Red Hook (EPA Grant Numbered 360394) projects, New York.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for fiscal years beginning after September 30, 1985, not to exceed $9,000,000 to carry out this section.

SEC. 37. CHIPPEWA TOWNSHIP, PENNSYLVANIA.

In order to protect the public health, environment, and water quality endangered by the destruction of the Chippewa Township, Pennsylvania, sewage treatment facility and the resultant raw sewage discharge into Brady's Run and the Beaver River, Pennsylvania, the Administrator is directed to remove such raw sewage.

SEC. 38. DES MOINES, IOWA.

(a) AUTHORITY TO MAKE GRANTS.—The Administrator is authorized to make a grant to the city of Des Moines, Iowa, for construction of the Central Sewage Treatment Plant component of the Des Moines, Iowa, metropolitan area project. The Federal share of such project shall be 75 percent of the cost of construction.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section not to exceed $85,000,000 for fiscal years beginning after September 30, 1985. Such sums shall be in addition to and not in lieu of any other amounts authorized to be appropriated under title II of the Federal Water Pollution Control Act.

SEC. 39. WASTEWATER RECLAMATION DEMONSTRATION.

(a) AUTHORITY TO MAKE GRANTS.—The Administrator is authorized to make a grant to the San Diego Water Reclamation Agency, California, to demonstrate and field test for public use innovative processes which advance the technology of wastewater reclamation and which promote the use of reclaimed wastewater.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated not to exceed $3,000,000 to carry out this section for fiscal years beginning after September 30, 1985.

SEC. 40. BOSTON HARBOR AND ADJACENT WATERS.

(a) GRANTS.—The Administrator shall make grants to the Massachusetts Water Resource Authority for purposes of—

(1) assessing the principal factors having an adverse effect on the environmental quality of Boston Harbor and its adjacent waters;

(2) developing and implementing a management program to improve the water quality of such Harbor and waters; and

(3) constructing necessary waste water treatment works for providing secondary treatment for the areas served by such authority.

(b) FEDERAL SHARE.—The Federal share of projects described in subsection (a) shall not exceed 75 percent of the cost of construction thereof.

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $20,000,000 per fiscal year for each of the fiscal years ending September 30, 1986, September 30, 1987, September 30, 1988, September 30, 1989, and September 30, 1990. Such sums shall be in addition to and not in lieu of any other amounts authorized to be appropriated under title II of the Federal Water Pollution Control Act.

SEC. 41. TREATMENT WORKS IN WASHINGTON STATE.

(a) AUTHORITY TO MAKE GRANTS.—The Administrator is authorized to make grants to the sewage treatment authorities discharging into Puget Sound and adjacent marine waters, including the Strait of Juan de Fuca and Bellingham Bay, to construct necessary treatment works for providing secondary treatment for the areas served by such authorities. The Federal share of such projects shall not exceed 75 percent of the cost of construction thereof.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $250,000,000 to carry out this section for fiscal years beginning after September 30, 1985. Such sums shall be in addition to and not in lieu of any other amounts authorized to be appropriated under title II of the Federal Water Pollution Control Act.

SEC. 42. IMPROVEMENT PROJECTS.

(a) AVALON, CALIFORNIA.—The Administrator shall make a grant of $3,000,000 from funds allotted under section 205 of the Federal Water Pollution Control Act to the State of California for fiscal year 1986 to the city of Avalon, California, for improvements to the publicly owned treatment works of such city.

(b) WALKER AND SMITHFIELD TOWNSHIPS, PENNSYLVANIA.—The Administrator shall make grants from funds allotted under section 205 of the Federal Water Pollution Control Act to the State of Pennsylvania for fiscal year 1986—

(1) to Walker Township, Pennsylvania, for developing a collector system and connecting its wastewater treatment system into the Huntingdon Borough, Pennsylvania, sewage treatment plant, and

(2) to Smithfield Township, Pennsylvania, for rehabilitating and extending its collector system.

(c) TAYLOR MILL, KENTUCKY.—Notwithstanding section 201(g)(1) of the Federal Water Pollution Control Act or any other provision of law, the Administrator shall make a grant of $250,000 from funds allotted under section 205 of such Act to the State of Kentucky for fiscal year 1986 to the city of Taylor Mill, Kentucky, for the repair and reconstruction, as necessary, of the publicly owned treatment works of such city.

(d) WATSONVILLE, CALIFORNIA.—The Administrator shall make a grant of $27,000,000 from funds allotted under section 205 of the Federal Water Pollution Control Act to the State of California for fiscal years beginning after September 30, 1985, to the city of Watsonville, California, for improvements to the wastewater treatment and disposal facilities of such city.

SEC. 43. STUDY OF REGULATION OF DE MINIMIS DISCHARGES.

(a) STUDY.—The Administrator shall study the feasibility and desirability of eliminating the regulation of discharges of pollutants into the navigable waters in amounts which, in terms of volume, concentration, and type of pollutant, are not significant.

(b) REPORT.—Not later than one year after the date of the enactment of this Act, the Administrator shall submit a report on the results of such study along with recommendations to the Committee on Public Works and Transportation of the House of Representatives and the Committee on Environment and Public Works of the Senate.

SEC. 44. STUDY OF EFFECTIVENESS OF INNOVATIVE AND ALTERNATIVE PROCESSES AND TECHNIQUES.

(a) EFFECTIVENESS STUDY.—The Administrator shall study the effectiveness on waste treatment of innovative and alternative wastewater treatment processes and techniques referred to in section 201(g)(5) of the Federal Water Pollution Control Act which have been utilized in treatment works constructed under such Act. In conducting such study, the Administrator shall compile information, by State, on the types of such processes and techniques utilized, on the number of facilities constructed with such processes and techniques, and a description of such processes and techniques which have not performed to design standards. The Administrator shall also determine which States have not obligated the full amount set aside under section 205(i) of such Act for such processes and techniques and the reasons for each such State's failure to make such obligations.

(b) REPORT.—Not later than two years after the date of the enactment of this Act, the Administrator shall submit to the Committee on Public Works and Transportation of the House of Representatives and the Committee on Environment and Public Works of the Senate a report on the results of such study, along with recommendations for providing more effective incentives for innovative and alternative wastewater treatment processes and techniques.

SEC. 45. WATER QUALITY IMPROVEMENT STUDY.

(a) STUDY.—The Administrator shall study the water quality improvements which have been achieved by application of best available technology economically achievable pursuant to section 301(b)(2) of the Federal Water Pollution Control Act. Such study shall include, but not be limited to, an analysis of the effectiveness of, and the costs and benefits associated with, application of best available technology economically achievable pursuant to such section and an analysis of the effectiveness of the water quality program under such Act and methods of improving such program, including site specific levels of treatment which will achieve the water quality goals of such Act in a cost-effective manner.

(b) REPORT.—Not later than two years after the date of the enactment of this Act, the Administrator shall submit a report on the results of the study conducted under subsection (a) together with recommendations for improving the water quality program and its effectiveness to the Committee on Public Works and Transportation of the House of Representatives and the Committee on Environment and Public Works of the Senate.

SEC. 46. STUDY OF TESTING PROCEDURES.

(a) STUDY.—The Administrator shall study the testing procedures for analysis of pollutants established under section 304(h) of the Federal Water Pollution Control Act. Such study shall include, but not be limited to, an analysis of the adequacy and standardization of such procedures. In conducting the analysis of the standardization of such procedures, the Administrator shall consider the extent to which such procedures are consistent with comparable procedures established under other Federal laws.

(b) REPORT.—Not later than one year after the date of the enactment of this Act, the Administrator shall submit a report on the results of the study conducted under this subsection, together with recommendations for modifying the test procedures referred to in subsection (a) to improve their effectiveness, to the Committee on Public Works and Transportation of the House of Representatives and the Committee on Environment and Public Works of the Senate.

(c) BIENNIAL REVIEWS.—Biennially after the date of submission of the report under subsection (b), the Administrator shall conduct a state-of-the-art review of the test proce-

dures for the analysis of pollutants referred to in subsection (a) for the purpose of determining the adequacy and effectiveness of such procedures and shall, based on the results of such review, submit to the committees referred to in subsection (b) recommendations for modifying such procedures to improve their effectiveness.

SEC. 47. STUDY OF PRETREATMENT OF TOXIC POLLUTANTS.

(a) STUDY.—The Administrator shall study—

(1) the adequacy of data on environmental impacts of toxic industrial pollutants discharged from publicly owned treatment works;

(2) the extent to which secondary treatment at publicly owned treatment works removes toxic pollutants;

(3) the capability of publicly owned treatment works to revise pretreatment requirements under section 307(b)(1) of the Federal Water Pollution Control Act;

(4) possible alternative regulatory strategies for protecting the operations of publicly owned treatment works from industrial discharges, and shall evaluate the extent to which each such strategy identified may be expected to achieve the goals of this Act; and

(5) the adequacy of Federal, State, and local resources to establish, implement, and enforce multiple pretreatment limits for toxic pollutants for each such alternative strategy.

(b) REPORT.—Not later than two years after the date of the enactment of this Act, the Administrator shall submit a report on the results of such study along with recommendations for improving the effectiveness of pretreatment requirements to the Committee on Public Works and Transportation of the House of Representatives and the Committee on Environment and Public Works of the Senate.

SEC. 48. SULFIDE CORROSION STUDY.

(a) STUDY.—The Administrator shall conduct a study of the corrosive effects of sulfides in collection and treatment systems, the extent to which the uniform imposition of categorical pretreatment standards will exacerbate such effects, and the range of available options to deal with such effects.

(b) CONSULTATION.—The study required by this section shall be conducted in consultation with the Los Angeles City and County sanitation agencies.

(c) REPORT.—Not later than one year of the date of the enactment of this Act, the Administrator shall submit a report on the results of the study, together with recommendations for measures to reduce the corrosion of treatment works, to the Committee on Public Works and Transportation of the House of Representatives and the Committee on Environment and Public Works of the Senate.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $2,000,000 to carry out this section for fiscal years beginning after September 30, 1985.

SEC. 49. PULP MILL STUDY.

(a) FEASIBILITY STUDY.—The Administrator, in consultation with the State of Alaska, shall conduct a study to determine the feasibility of resolving the air pollution control, solid waste disposal, water quality standards compliance, and energy impacts associated with the achievement of best practicable technology under section 301 of the Federal Water Pollution Control Act with respect to the Alaska Lumber and Pulp Company, located at Sitka, Alaska (NPDES permit numbered AK000053-1).

(b) REPORT.—Not later than 180 days after the date of the enactment of this Act, the Administrator shall submit a report on the results of the study conducted under subsection (a) to the Committee on Public Works and Transportation of the House of Representatives and the Committee on Environment and Public Works of the Senate.

SEC. 50. STUDY OF RAINFALL INDUCED INFILTRATION INTO SEWER SYSTEMS.

(a) STUDY.—The Administrator shall study problems associated with rainfall induced infiltration into wastewater treatment sewer systems.

(b) REPORT.—Not later than one year after the date of the enactment of this Act, the Administrator shall submit to Congress a report on the results of such study, along with recommendations on reasonable methods to reduce such infiltration and on regulatory mechanisms to address special problems associated with increased flows from such systems resulting from such infiltration.

SEC. 51. STUDY OF pH IN DISCHARGES FROM MINING OPERATIONS.

(a) STUDY.—The Administrator shall study effluent limitations as they relate to pH in discharges from mining operations.

(b) REPORT.—Not later than one year after the date of the enactment of this Act, the Administrator shall submit to Congress a report on the results of such study along with the recommendations as to the feasibility of permitting modifications of such effluent limitations to permit lower pH in such discharges than is otherwise required.

SEC. 52. STUDY OF POLLUTION IN LAKE PEND OREILLE, IDAHO.

(a) COMPREHENSIVE STUDY.—The Administrator shall conduct a comprehensive study of the sources of pollution in Lake Pend Oreille, Idaho, and the Clark Fork River and its tributaries, Idaho, Montana, and Washington, for the purpose of identifying the sources of such pollution. In carrying out this subsection, the Administrator shall consider existing studies, surveys, and test results concerning such pollution.

(b) REPORT.—Not later than one year after the date of the enactment of this Act, the Administrator shall submit to Congress a report on the results of the study conducted under this section together with any recommendations of the Administrator.

(c) EDUCATION PROGRAM.—The Administrator shall make the report under subsection (b) available to the public and shall carry out such education programs as the Administrator deems appropriate for the purpose of making the public aware of the results of the study conducted under subsection (a) and the recommendations contained in such report.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section for fiscal years beginning after September 30, 1985, such sums as may be necessary.

SEC. 53. LIMITATION ON PAYMENTS.

No payments may be made under this Act except to the extent provided in advance in appropriation Acts.

Mr. ANDERSON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in strong support of H.R. 8, the Clean Water Reauthorization Act of 1985 as amended. At the outset, I want to commend JIM HOWARD, BOB ROE, GENE SNYDER and ARLEN STANGELAND on crafting another fine bill. Also, the majority and minority staffs of the Water Resources Subcommittee should be commended for their efforts.

As you know, this legislation reauthorizes the important Clean Water Act through 1994. As a coauthor of the landmark 1972 act, I have monitored its progress over the years and most agree that it has helped to improve our Nation's rivers, lakes and streams.

Yesterday, many of our colleagues addressed this Chamber to highlight the major points of H.R. 8. I take this opportunity to look at the bill in a more personal way. Specifically, how it will affect my area in southern California.

First, the EPA Administrator is directed to conduct a study, in consultation with the city and county of Los Angeles, on the problem of the corrosive effects of sulfides in collection and treatment systems.

Unlike much of the rest of the country, southern California has separate storm drains and sanitary sewers. While this eliminates the major environmental problems caused by combined sewer overflows which plagues many communities, it does result in a unique problem caused by the stronger sewage flowing through separate sewers, that is the generation of sulfides and subsequent deterioration of the sewers and treatment works that they cause. These works were constructed at enormous expense of Federal, State and local dollars and because they were properly constructed, they should last a long time. However, the strong sewage and warm temperature in southern California enhance sulfide generation.

The existence of sulfides in large concrete sewers throughout the Los Angeles basin results in the formation of sulfuric acid which corrodes the sewers and creates the potential for sewer collapse. If one of the large sewers, some of which are as large as 7 feet in diameter, were to collapse in Metropolitan Los Angeles, the resulting environmental and public health problems that would occur could be devastating. Further, sulfides are causing corrosion within the treatment works as the sewage enters the POTW.

One of the most effective controls of sulfide generation in sewers is the existence of heavy metals such as iron, zinc, or nickel in the sewage. These heavy metals combine with the sulfide as soon as they are generated, thus preventing the sulfides from corroding the sewers. With the advent of more stringent controls on the discharge of heavy metals into the sewers from industry, there is less metal in the sewer to inactivate the sulfide. The imminent implementation of categorical pretreatment standards on electroplaters and metal finishers will have an enormously profound negative effect on the sulfide problem as more metals are removed from the sewers.

As I have mentioned, this provision of the bill will provide for the EPA Administrator to work cooperatively with the Los Angeles sanitation agencies to develop methods to deal with the problem, including potential modification to the categorical problem.

Another important provision of the measure pertains to the city of Avalon. Avalon is located on Santa Catalina Island, 26 miles off the southern California coast. It is a resort community, whose population swells during the summer months. Prior to 1978, Avalon discharged its raw sewage into the ocean with little, if any, negative impact. Pursuant to the 1972 law, however, the city, in 1978, began operation of a secondary treatment plant.

The sewage treatment plant was designed for an average daily flow of 500,000 gallons, and a peak flow of 1 million gallons per day. The average daily flow during the peak of the summer season is 800,000 gallons per day—peak flows have been as high as 1,600,000 gallons.

To combat this problem, the bill directs the EPA Administrator to make a grant of $3 million to Avalon to upgrade and improve its treatment plant.

In conclusion, Mr. Chairman, I would like to express my strong support for this needed legislation and I hope that all of my colleagues will support it.

AMENDMENT OFFERED BY MR. JONES OF NORTH CAROLINA

Mr. JONES of North Carolina. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JONES of North Carolina: strike section 36 and insert in lieu thereof the following new section:

SEC. . (a). PURPOSES AND POLICIES.

(1) Congress finds and declares that:

(A) the nation's estuaries are of great importance for fish and wildlife resources; marine transportation; recreation and economic opportunity;

(B) maintaining the health and ecological integrity of these esturaries is in the paramount national interest;

(C) increasing coastal population, unwise development, and other direct and indirect uses of these estuaries threaten their health and ecological integrity;

(D) long-term planning and management will contribute to the continued productivity of these areas, and will maximize their utility to the nation;

(E) better coordination among federal and state programs affecting estuaries will increase the effectiveness and efficiency of the national effort to protect, preserve, and restore these areas, and

(F) existing programs relating to the Chesapeake Bay have demonstrated the strength of the federal-state partnership in comprehensive planning for estuaries.

(2) The purposes of this section are to:

(A) identify nationally significant estuaries that are threatened by pollution, unwise development or overuse;

(B) promote comprehensive planning for, and conservation and management of, nationally significant estuaries by utilizing the water pollution control authorities of the Federal Water Pollution Control Act and the intergovernmental planning and management processes of the Coastal Zone Management Act;

(C) encourage the preparation of special area management plans for estuaries of national significance; and

(D) enhance the coordination of estuarine research.

SEC. . (b). NOMINATION AND SELECTION.

(1) The governor of any state may nominate to the Administrator of the Environmental Protection Agency and the Secretary of Commerce (hereinafter referred to as "Administrator" and "Secretary", respectively) an estuary lying in whole or in part within the state as an estuary of national significance and request a management conference to develop a comprehensive management plan for the estuary. The nomination shall document the need for the conference, the likelihood of success, and information relating to the factors in paragraph (2).

(2) The Administrator and the Secretary, in consultation with other federal agencies, state and local governments and the public, shall review each nomination submitted pursuant to paragraph (1) and select those estuaries of national significance for which comprehensive management plans should be developed. The selection shall be based upon:

(A) the ecological significance of the estuary;

(B) the biological productivity of the estuary and its contribution to fish and wildlife resources of commercial and recreational significance;

(C) the degree to which commercial, residential, recreational, or industrial activities within the estuary and its watershed have impaired or may impair the health and ecological integrity of the estuary; and

(D) the degree to which comprehensive planning and management may contribute significantly to the wise use of the estuary and to its health and ecological integrity.

SEC. . (c). ESTUARINE MANAGEMENT.

(1) The Administrator and the Secretary, with the concurrence of the Governor of each state in which the estuary is located, may convene a management conference for each estuary selected under subsection (b)(2).

(2) The members of the conference shall include the Secretary, the Administrator and other federal, regional, state, and local representatives, and members of the academic-scientific community and the public, as may be necessary to formulate balanced recommendations on the requirements of a comprehensive management plan, as specified in paragraph (3)(B). In addition, the members of the conference shall:

(A) select the conference chairperson;

(B) establish appropriate operating procedures; and

(C) submit to the Administrator and the Secretary a consolidated application for annual funds to be awarded under this section.

(3) The purpose of the management conference shall be to:

(A) undertake and compile research relating to the estuary for purposes of supporting the development and implementation of a comprehensive management plan for the estuary;

(B) develop a comprehensive management plan for the estuary that will restore and maintain the health and ecological integrity of the estuary. Any comprehensive management plan developed pursuant to this subsection shall meet the requirements for a special area management plan under section 304(17) of the Coastal Zone Management Act (P.L. 92-583) and shall include:

(i) priority corrective actions and compliance schedules to address point and nonpoint sources of pollution posing the most serious problems to the estuary's physical, chemical, and biological integrity;

(ii) measures providing for the conservation and management of the living resources of the estuary, including shellfish, fisheries, wildlife and associated habitat;

(iii) policies and standards to implement the coastal management objectives for the estuary; and

(iv) a clear delineation of the geographic scope of the management plan including tributaries, watersheds and adjacent ocean areas.

(C) coordinate the implementation of the management plan by the federal, state and local governments participating in the conference.

(4) A management conference convened under this section may be conducted for up to four years. The conference may be extended for one year if, after the initial four-year period, the Administrator and the Secretary determine that substantial progress has been made and that the conference is likely to succeed in fulfilling its objectives.

(5) The Administrator is authorized to make grants and expenditures as are necessary to support the administration of a management conference under this section. Such grants and expenditures shall not exceed 75 per centum of these administrative costs and shall be made on condition that non-Federal sources provide at least 25 per centum of the costs.

SEC. . (d). RESEARCH.

(1) Upon convening a management conference under this section, the Secretary and the Administrator, in conjunction with state and local authorities, shall undertake to develop, compile and make available information and research relating to the estuary that would assist in developing and implementing the comprehensive management plan.

(2) The management conference may develop a research plan, which shall include research needs, priorities and guidelines, to promote the coordination and utility of research relating to the estuary, and shall develop such a research plan prior to the award of grants under subsection (d)(4).

(3) In developing a research plan under this subsection, the management conference shall establish advisory committees or other procedures to provide the interdisciplinary technical expertise necessary to address the range of issues requiring research.

(4) The Secretary shall conduct such research as may be necessary to determine the need to convene a management conference under this section or as may be requested by a management conference. Such research shall comply with any applicable research plan under paragraph (2).

(5) The Administrator, with the concurrence of the Secretary, is authorized to make grants to State water pollution control agencies, State coastal zone management agencies, interstate agencies, other public or nonprofit private agencies, institutions, organizations, and individuals to carry out any research plan developed under subsection (d)(2). Such grants shall not exceed 75 per centum of these costs and shall be made on condition that non-Federal sources provide at least 25 per centum of the costs.

SEC. . (e). PLAN APPROVAL.

At the conclusion of a management conference, the Administrator, the Secretary and each participating governor shall review the plan to determine if it meets the requirements of this section and, if so, shall approve the plan.

SEC. . (f). PLAN IMPLEMENTATION.

(1)(A) The Administrator and each participating governor shall undertake the necessary actions pursuant to title III of the Federal Water Pollution Control Act (P.L. 92-500, as amended) and other authorities to implement the measures established pursuant to subsection (c)(3)(B)(i);

(B) The Secretary and each participating governor from a state with an approved coastal zone management program shall ensure that the state has incorporated the plan into its management program pursuant to section 306(g) of the Coastal Zone Management Act (P.L. 92-583); and

(C) The Secretary and each participating governor from a state without an approved coastal zone management program shall ensure that adequate authorities and procedures exist within that state for implementing the coastal management objectives of the plan.

(2) The Administrator is authorized to make grants to States and interstate agencies participating in a management conference which have adopted a comprehensive management plan pursuant to this section. Such grants shall be for purposes of implementing the plan. The amount of the grants to any State or interstate agency for a fiscal year shall be equal to 50 per centum of that State's or agency's cost of implementing the management plan for such fiscal year.

(3) The Secretary is authorized to provide financial assistance to states under the Coastal Zone Management Act (P.L. 92-583, as amended) to implement the requirements of a plan which has met the requirements of paragraph (1)(B).

(4) The Secretary and the Administrator shall monitor the implementation of any plan developed and adopted pursuant to this section. In the event that a state is not making reasonable progress in fulfilling the requirements of subsection (f)(1), the Administrator and the Secretary shall suspend further federal grants under this section until the requirements of subsection (f)(1) are fulfilled.

SEC. . (g). RELATIONSHIP TO OTHER MANAGEMENT PROGRAMS.

(1) Notwithstanding any other provision of this section, no management conference shall be convened for an estuary if the Administrator and the Secretary determine that a management program exists for the estuary that will achieve the purposes of this section.

(2) Nothing in this section shall apply to the Chesapeake Bay Program conducted pursuant to Public Law 94-116.

SEC. . (h). REPORT TO CONGRESS.

The Administrator and the Secretary shall submit to Congress not later than January 1, 1987 and biennially thereafter a comprehensive report on the activities authorized under this section, which shall:

(1) list the priority monitoring and research needs for estuaries to meet the objectives of this section;

(2) assess the health of the nation's estuaries evaluated under this section;

(3) discuss the pollution problems and trends that affect directly or indirectly the water quality, ecosystem, and existing or potential uses of each estuary evaluated under this section; and

(4) evaluate the effectiveness of pollution abatement activities and other management measures undertaken pursuant to this section.

SEC. . (i) RULES AND REGULATIONS.

No later than 180 days after enactment of this section, the Administrator, with the concurrence of the Secretary, shall promulgate regulations to implement this section 553 of title 5, United States Code.

SEC. . (j). AUTHORIZATION OF APPROPRIATIONS.

(1) There is authorized to be appropriated to carry out subsections (c)(5) and (d)(5) amounts not to exceed $10,000,000 for each fiscal year within the period beginning on October 1, 1985 and ending on September 30, 1990, of which not to exceed $2,000,000 annually shall be made available to the Secretary for the purpose of fulfilling the responsibilities outlined in subsections (b), (d), and (e).

(2) There is authorized to be appropriated to carry out subsection (f)(2) amounts not to exceed:

(A) $10,000,000 for the fiscal year ending September 30, 1988;

(B) $30,000,000 for the fiscal year ending September 30, 1989; and

(C) $50,000,000 for the fiscal year ending September 30, 1990.

(3) Amounts appropriated under this subsection are to remain available until expended.

Mr. JONES of North Carolina (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. SNYDER. Mr. Chairman, reserving the right to object, we do not have a copy of the amendment, so let me ask, is this the amendment that was printed in the RECORD?

The CHAIRMAN. This is the amendment that was printed in the RECORD.

Mr. SNYDER. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. JONES of North Carolina. Mr. Chairman, the amendment which I am today offering to H.R. 8, as amended, is intended to add a new section to the bill to establish the National Estuarine Program.

Mr. Chairman, the Committee on Merchant Marine and Fisheries believes that the long-term health of our Nation's estuaries is vital to our commercial and recreational fisheries and to good coastal resource management.

In my district alone, for instance, virtually the entire shoreline area is a major estuary on which the economics of the coastal fishing and recreational industries depend. Its continued health is of fundamental long-term interest to our citizens. Other areas along our coasts have equally important estuaries and underscore the need for balanced Federal-State efforts as estuarine planning.

In offering my amendment, I must first call attention to the leadership of Chairman HOWARD, Chairman ROE, and the members of the Committee on Public Works and Transportation who deserve credit for developing the basic estuary planning approach in the amendment. That approach calls for the development of a comprehensive management plan for major estuaries through a cooperative Federal-State effort similar to the successful Chesapeake Bay Program. My amendment fully incorporates this basic approach and augments it in certain specific respects.

First, it authorizes State governments to nominate candidate estuaries for this planning effort. Second, it will require the planning conference to take account of commercial and recreational fisheries and coastal management considerations.

□ 1310

Third, it will ensure that no Federal implementation funds are spent unless Federal and State agencies make firm commitments to the plans.

Fourth, it provides for more careful research planning in order to ensure the usefulness of any research supported by Federal funds.

Mr. Chairman, I believe the amendment I am offering today represents a solid, carefully thought out proposal. We worked closely with the Committee on Public Works and Transportation and in particular with Chairman HOWARD and Chairman ROE with this proposal.

Mr. Chairman, I urge my colleagues to support this.

I would like to comment further on the cooperation we have had from the subcommittee chairman as well as the full committee chairman and I simply ask support for this amendment, which I was under the impression was acceptable to the Committee on Public Works.

Mr. Chairman, I yield back the balance of my time.

AMENDMENT OFFERED BY MR. ROE AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. JONES OF NORTH CAROLINA

Mr. ROE. Mr. Chairman. I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. ROE as a substitute for the amendment offered by Mr. JONES of North Carolina: Page 86, after line 25, in lieu of the matter to be inserted by the Jones, N.C., amendment, insert the following:

SEC. 36. MAINTENANCE OF WATER QUALITY IN ESTUARIES.

(a) PURPOSES AND POLICIES.—

(1) FINDINGS.—Congress finds and declares that:

(A) the Nation's estuaries are of great importance for fish and wildlife resources and recreation and economic opportunity;

(B) maintaining the health and ecological integrity of these estuaries is in the national interest;

(C) increasing coastal population, development, and other direct and indirect uses of these estuaries threaten their health and ecological integrity;

(D) long-term planning and management will contribute to the continued productivity of these areas, and will maximize their utility to the Nation; and

(E) better coordination among Federal and State programs affecting estuaries will increase the effectiveness and efficiency of the national effort to protect, preserve, and restore these areas.

(2) PURPOSES.—The purposes of this section are to—

(A) identify nationally significant estuaries that are threatened by pollution, development, or overuse;

(B) promote comprehensive planning for, and conservation and management of, nationally significant estuaries;

(C) encourage the preparation of management plans for estuaries of national significance; and

(D) enhance the coordination of estuarine research.

(b) MANAGEMENT CONFERENCE.—

(1) NOMINATION OF ESTUARIES.—The Governor of any State may nominate to the Administrator an estuary lying in whole or in part within the State as an estuary of national significance and request a management conference to develop a comprehensive management plan for the estuary. The nomination shall document the need for the conference, the likelihood of success, and information relating to the factors in paragraph (2).

(2) CONVENING OF CONFERENCE.—

(A) IN GENERAL.—In any case where the Administrator, in consultation with the Secretary of Commerce, determines, on his own initiative or upon nomination of a State under paragraph (1), that the attainment or maintenance of that water quality in an estuary which assures protection of public water supplies and the protection and propagation of a balanced, indigenous population of shellfish, fish, and wildlife, and allows recreational activities, in and on the water, requires the control of point and nonpoint sources of pollution in more than one State, the Administrator shall select such estuary and convene a management conference.

(B) BASIS FOR SELECTION.—The selection of an estuary under subparagraph (A) shall be based upon—

(i) the ecological significance of the estuary;

(ii) the biological productivity of the estuary and its contribution to fish and wildlife resources of commercial and recreational significance;

(iii) the degree to which commercial, residential, recreational, or industrial activities within the estuary and its watershed have impaired or may impair the health and ecological integrity of the estuary; and

(iv) the degree to which comprehensive planning and management may contribute significantly to the wise use of the estuary and to its health and ecological integrity.

(C) PRIORITY CONSIDERATION.—The Administrator shall give priority consideration under this section to Long Island Sound; Buzzards Bay, Massachusetts; Delaware Bay, Delaware and New Jersey; Albemarle Sound, North Carolina; and Sarasota Bay, Florida.

(3) BOUNDARY DISPUTE EXCEPTION.—In any case in which a boundary between two States passes through an estuary and such boundary is disputed and is the subject of an action in any court, the Administrator shall not convene a management conference with respect to such estuary before a final adjudication has been made of such dispute.

(4) EXISTING MANAGEMENT PROGRAM EXCEPTION.—Notwithstanding any other provision of this section, the Administrator shall not convene a management conference with respect to an estuary if he determines that there exists a management program for the estuarine zone of such estuary with sufficient authority to achieve the purposes of this section.

(c) MEMBERS OF CONFERENCE; LEAD AGENCY.—The members of a conference under this section shall include the Administrator, the Administrator of the National Oceanic and Atmospheric Administration, a representative of each of those States which are located, in whole or in part, within the estuarine zone of the estuary for which the conference is convened, a representative of each interested Federal agency as determined appropriate by the Administrator, a representative of any interstate agency having jurisdiction over all or a significant part of the estuary, and representatives of local governments within the estuarine zone as deemed appropriate by the Administrator. In any case in which an interstate agency has jurisdiction over all or a significant part of the estuary, such agency shall be the lead agency for purposes of carrrying out this section.

(d) PURPOSES OF CONFERENCE.—The purposes of any management conference convened with respect to an estuary under this subsection shall be—

(1) to develop a comprehensive master plan for such estuary in accordance with subsection (e) that will restore and maintain the help and ecological integrity of the estuary;

(2) to coordinate the implementation of the master plan by the States participating in the conference; and

(3) to monitor the estuary to determine the effectiveness of actions taken pursuant to the master plan.

(e) MASTER PLAN.—

(1) CONTENTS.—The master plan developed pursuant to paragraph (1) of subsection (d) shall be developed in coordination with any relevant special area management plan under the Coastal Zone Management Act. Such plan shall include priority corrective actions and compliance schedules to address point and nonpoint sources of pollution posing the most serious problems to the estuary's physical, chemical, and biological integrity. Such actions may include, but need not be limited to any of the following standards and practices which are necessary for the attainment or maintenance of that water quality which assures protection of public water supplies and the protection and propagation of a balanced, indigenous population of shellfish, fish, and wildlife, and allows recreational activities, in and on the water:

(A) development of water quality standards for waters within the estuarine zone;

(B) development of toxicity-based standards for toxic pollutants;

(C) development of water quality based effluent standards for significant point sources of pollution;

(D) development of best management practices to control nonpoint sources of pollution; and

(E) other measures providing for the conservation and management of the living resources of the estuary.

(2) UTILIZATION OF EXISTING DATA.—In developing a master plan under this section, the management conference shall survey and utilize existing reports, data, and studies relating to the estuary that have been developed by or made available to Federal, interstate, State, or local agencies.

(f) PERIOD OF CONFERENCE.—A management conference convened under this section shall be convened for at least four years. Such conference may be extended by the Administrator, and if terminated after the initial four-year period, may be reconvened by the Administrator at any time thereafter, as may be necessary to meet the requirements of this section.

(g) GRANTS FOR IMPLEMENTATION OF MASTER PLAN.—The Administrator is authorized to make grants to States and interstate agencies participating in a management conference which has adopted a comprehensive master plan pursuant to this section for the estuary which is the subject of such conference. The amount of the grants to any State or interstate agency for a fiscal year shall, subject to such amounts as are provided in appropriation Acts, be equal to 50 percent of that State's or agency's cost of implementing the master plan for such fiscal year.

(h) PLAN APPROVAL.—At the conclusion of a management conference, the Administrator, is consultation with the Secretary of Commerce, and each participating governor shall review the comprehensive management plan for the estuary to determine if it meets the requirements of this section and, if so, shall approve the plan.

(i) RESEARCH.—

(1) RESEARCH TO ASSIST IN DEVELOPMENT OF PLAN.—Upon convening a management conference under this section, the Secretary and the Administrator, in conjunction with State and local authorities, shall undertake to develop, compile, and make available information and research relating to the estuary that would assist in developing and implementing the comprehensive management plan.

(2) RESEARCH PLAN.—The management conference may develop a research plan, which shall include research needs, priorities, and guidelines, to promote the coordination and utility or research to the estuary.

(3) ADVISORY COMMITTEES.—In developing a research plan under this subsection, the management conference shall establish advisory committees or other procedures to provide the interdisciplinary technical expertise necessary to address the range of issues requiring research.

(4) RESEARCH TO DETERMINE NEED FOR CONFERENCE.—The Secretary shall conduct such research as may be necessary to determine the need to convene a management conference under this section or as may be requested by a management conference. Such research shall comply with any applicable research plan under paragraph (2).

(j) DEFINITIONS.—For purposes of this section, the terms "estuary" and "estuarine zone" have the meanings such terms have in section 104(n)(4) of the Federal Water Pollution Control Act, except that the term "estuarine zone" shall also include those portions of tributaries draining into the estuary up to the historic height of migration of anadromous fish or the historic head of tidal influence, whichever is higher. For purposes of this section, the term "State" has the meaning such term has in section 502(3) of such Act.

(k) REPORT TO CONGRESS.—The Administrator, in consultation with the Secretary of Commerce, shall submit to Congress not later than January 1, 1987, and biennially thereafter a comprehensive report on the activities authorized under this section, which shall—

(1) list the priority monitoring and research needs for estuaries to meet the objectives of this section;

(2) assess the health of the Nation's estuaries evaluated under this section;

(3) discuss the pollution problems and trends that affect directly or indirectly the water quality, ecosystem, and existing or potential uses of each estuary evaluated under this section; and

(4) evaluate the effectiveness of pollution abatement activities and other management measures undertaken pursuant to this section.

(l) AUTHORIZATION OF APPROPRIATIONS.—

(1) GRANTS.—There is authorized to be appropriated to carry out this section not to exceed $13,000,000 per fiscal year for each of the fiscal years ending September 30, 1986, September 30, 1987, September 30, 1988, September 30, 1989, and September 30, 1990. Amounts appropriated under this paragraph shall remain available until expended.

(2) OTHER EXPENSES.—There is authorized to be appropriated to the Administrator not to exceed $2,000,000 per fiscal year for each of the fiscal years ending September 30, 1986, September 30, 1987, September 30, 1988, September 30, 1989, and September 30, 1990, for—

(A) expenses related to the administration of management conferences under this section;

(B) grants to State water pollution control agencies, State coastal zone management agencies, interstate agencies, other public or nonprofit private agencies, interstate agencies, other public or nonprofit private agencies, institutions, organizations, and individuals for research, surveys, studies, and modeling and other technical work necessary for the development of a comprehensive master plan under this section; and

(C) monitoring the implementation of a comprehensive master plan by the management conference or by the Administrator in any case in which the conference has been terminated.

Mr. ROE (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. ROE. Mr. Chairman, the distinguished gentleman from North Carolina has made a presentation from his committee's point of view on a very important piece of legislation that has to do with estuarine areas. At this stage of the discussion and after review of the amendment the gentleman from North Carolina [Mr. JONES] has presented, we have not been able to resolve some differences that exist between the Public Works Committee and the committee of the gentleman from North Carolina [Mr. JONES].

We are offering this substitute, which in essence does follow probably 95 percent of what is in the Jones amendment; however, we have a legitimate problem that I would like to share with both my good friend, the gentleman from North Carolina [Mr. JONES] and with the rest of the members of the committee. Our major difference with the Jones amendment is that it gives equal jurisdiction with NOA and EPA to carry out the clean water bill.

Now, the primary responsibility of the clean water bill is under EPA, and it is our deep concern that if we mix that level of responsibility, then we have two separate Appropriations Committees that are involved. We have an integral relationship with the coastal zone management plan and we just feel that mixing the level of responsibility is not going to be workable.

Now, what we are trying to do in our amendment here, our substitute amendment, is to absorb a substantial portion of what the Merchant Marine Committee has done under the very distinguished chairman and we would ask him to look at our substitute on that basis.

I would also make this point to the distinguished gentleman that we understand what they are trying to achieve. I am sure that between the Committee on Merchant Marine and the Committee on Public Works that we can hammer out that point before we go to conference and we will reflect the views of both committees. That is what we are trying to do. We think it will meet the needs of the Committee on Merchant Marine and the Committee on Public Works, who are really, you might say, compadres in this whole venture.

We feel if we do not go in our direction that we are going to be doing violence to the jurisdiction of the EPA.

Mr. STANGELAND. Mr. Chairman, will the gentleman yield?

Mr. ROE. Yes, I will, of course.

Mr. STANGELAND. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the substitute amendment to the amendment by the gentleman from North Carolina.

Mr. Chairman, as you know, our committee has worked hard to develop a bill that can and should have the support of all of the Members of this body. Therefore, when the gentleman from North Carolina, the distinguished chairman of the Committee on Merchant Marine and Fisheries, expressed concerns with the provision the committee had drafted on the National Estuaries Program, our committee took another careful look at the provision and the provision offered by the gentleman from North Carolina. We have concluded that there is considerable merit in much of what the gentleman seeks to do. Therefore, we have developed a substitute amendment which is a composite of the ideas advanced by the distinguished chairman of the Merchant Marine Committee and those contained in the original committee version.

I believe ours is an approach that achieves the best of the two versions. Accordingly, I urge my colleagues to support our substitute amendment.

Mr. MCKINNEY. Mr. Chairman, will the gentleman yield?

Mr. ROE. Yes, of course.

Mr. MCKINNEY. Mr. Chairman, I appreciate the gentleman yielding.

Am I to understand that this substitute amendment would have in it the priority consideration that the gentleman spoke to yesterday on the floor?

Mr. ROE. The answer is yes.

Mr. MCKINNEY. I thank the gentleman very much. I appreciate the chairman's answer.

Mr. ROE. Well, I would hope, Mr. Chairman, that the committees could agree to this substitute, with the understanding that it is the intent of our committee to work as closely as we can. I know the gentleman from New Jersey [Mr. HOWARD], the chairman of the Committee on Public Works, and our distinguished colleague as chairman of the Committee on Merchant Marine need to work together to develop the proper language that we would be able to utilize in conference.

I really would ask the committee to go along in supporting this substitute.

Mr. THOMAS of Georgia. Mr. Chairman, will the gentleman yield?

Mr. ROE. Yes, of course.

Mr. THOMAS of Georgia. Mr. Chairman, I would like to ask the gentleman from New Jersey, I have a specific concern of my own, if in the substitute amendment that there is proper provision made for the case in which a boundary, a State boundary passing through an estuary, that we might not convene a conference on that particular estuary if there is a court case involved until such time as the case has been adjudicated.

Mr. ROE. Yes; the gentleman is correct.

Mr. THOMAS of Georgia. Mr. Chairman, I thank the gentleman.

The CHAIRMAN. The time of the gentleman from New Jersey [Mr. ROE] has expired.

(By unanimous consent, Mr. ROE was allowed to proceed for 3 additional minutes.)

Mr. FUQUA. Mr. Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from Florida.

Mr. FUQUA. Mr. Chairman, I rise in support of the substitute offered by the gentleman from New Jersey, which contains several sections that have been the subject of discussions and letters between the Public Works

and Transportation and Science and Technology Committees. I am pleased to report that the jurisdictional issues have been amicably resolved as reflected in the exchange of letters between Chairman HOWARD and myself.

COMMITTEE ON SCIENCE AND TECHNOLOGY,
Washington, DC, July 11, 1985.

Hon. JAMES J. HOWARD,
Chairman, House Committee on Public Works and Transportation, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: I am writing you concerning H.R. 8 which, as reported, does not contain any section over which our Committee claims jurisdiction. However, this year, as the Public Works Committee did last year on H.R. 3282, I am under the impression that you plan to offer these sections of the introduced bill that were purged from the reported bill as a floor amendment.

It is my hope that you will accept and agree to our claim of jurisdiction over several sections of the introduced bill.

I was disappointed last year that during the floor debate on the Roe amendment that our jurisdictional claim was not accepted, in fact, Mr. Stangeland said ". . . I must stress again that this action does not in any way admit that the jurisdictional claims were valid. To the contrary, the Committee believes they were not." H6894, June 26, 1984.

To better clarify our position vis-a-vis H.R. 8, I wrote the Speaker on June 27th seeking sequential referral of H.R. 8 as introduced. The request was denied by letter of July 9 since the reported bill was purged of sections over which we claim jurisdiction. The speaker also said: "I do not dispute that the sections of H.R. 8 introduced which you mention in your accompanying memorandum contain matter within the jurisdiction of the Committee on Science and Technology. Those sections have been removed from the Public Works and Transportation Committee's amendment in the nature of a substitute. While there obviously exists a jurisdictional overlap between your Committee and Public Works and Transportation with respect to the issue of pollution of navigable waters and its relation to environmental research and development questions, I would in this instance encourage your Committee, together with the Committee on Merchant Marine and Fisheries, which made a similar request, to cooperate in the development of possible floor amendments."

Today I have also prepared a bill for introduction which contains only the sections over which we claim jurisdiction. I am prepared to introduce it to further clarify the jurisdictional claim and to offer it as an amendment to H.R. 8. It contains the identical language as Sections 47, 48, 51, 52, and 53 of the introduced bill except Section 53 has been amended in two places, one, the amount has been reduced from $25 million to $2.5 million, and "the appropriate committees of the House and Senate" has been substituted for the Public Works Committees.

It is my hope that you can accept our jurisdictional claims, so that H.R. 8, which we support, can proceed expeditiously to the floor.

Sincerely,

DON FUQUA,
Chairman.

COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION,
Washington, DC, July 22, 1985.

Hon. DON FUQUA,
Chairman, Committee on Science and Technology, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: As you know, H.R. 8, the Water Quality Renewal Act of 1985, as reported by the Committee on Public Works and Transportation, will be considered for action on the House Floor this week and we expect it will enjoy overwhelming support.

Your letter of July 11 requests our support in recognizing that sections of the introduced bill, specifically sections 47, 48, 51, 52 and 53, are within the joint jurisdiction of your Committee and ours. You state also that you are prepared to offer an amendment to H.R. 8 covering the identical language in sections 47, 48, 51, and 52 with section 53 modified to reduce the amount of $25 million to $2.5 million and "the appropriate committees of the House and Senate" has been substituted for the Committee on Public Works and Transportation.

This is to advise you that the Committee on Public Works and Transportation does recognize our joint jurisdictional claims in these matters between our Committees.

We appreciate your support for H.R. 8.

Sincerely.

JAMES J. HOWARD,
Chairman.

Mr. JONES of North Carolina. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I am well aware that the substitute will prevail; however, it is a little disappointing, to be candid and frank, to work out what we thought was a compromise with this committee and with the Rule Committee that I would be able to offer this amendment. Only today at 10 minutes to 12 was I advised of this substitute; so with that, not being critical, I just am well aware of the prevailing sentiment of the House. I cannot attack the amendment, nor can I defend it, because I do not know what it does. I have not had a chance to analyze it at all.

Ms. MIKULSKI. Mr. Chairman, will the gentleman yield?

Mr. JONES of North Carolina. I yield to the gentlewoman from Maryland.

Ms. MIKULSKI. Mr. Chairman, I join Chairman JONES in support of the amendment to H.R. 8 establishing the National Estuarine Program. This program will allow State and local governments, along with EPA, NOAA, and other Federal agencies to manage important estuaries, to protect their living marine resources, and to preserve and restore water quality in them.

As chair of Oceanography Subcommittee, I share Chairman JONES' view that the National Estuarine Program should build upon the two major Federal laws affecting our Nation's coastal areas and estuaries—the Clean Water Act and the Coastal Zone Management Act.

This amendment establishes a management conference approach to estuarine cleanups. It has worked for the Chesapeake Bay, and I think that this model should be followed to clean up other major estuaries.

What I like about the National Estuarine Program, is that it operates with the active participation and support of State and local governments. Under this amendment to H.R. 8, estuary management plans will not be written in Washington by Federal agencies, but will be written by local and State people who live near these major estuaries.

Mr. Chairman, we must do something to prevent the degradation and destruction of our Nation's estuaries. We now know how enormously productive these areas are, and important they are to the economies of their regions.

I believe that this amendment to H.R. 8 will create an effective way to preserve, protect, and develop our major estuaries, and I urge my colleagues to support it.

Thank you.

Mr. JONES of North Carolina. Mr. Chairman, I can assure the gentlewoman that I have nothing but the most intense desire to work with this committee. In the past we have been able to work very well together.

Mr. EDGAR. Mr. Chairman, I move to strike the requisite number of words.

I yield to the Chairman, the gentleman from New Jersey [Mr. ROE].

Mr. ROE. Mr. Chairman, I really feel badly about there being apparently some misunderstanding of intent, or warmth, or respect. There is nobody, Mr. Chairman, that I would respect more than the distinguished chairman, the gentleman from North Carolina, the chairman of the Merchant Marine Committee.

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There may be a little slippage here in the dialog, but it is not the intent of the Public Works and Transportation Committee, or the Water Resources Subcommittee, or anybody here on our respective committees to either attempt to take away any jurisdiction or to harm anything the gentleman is trying to do. We are simply saying that there is a legitimate problem that we will both face, your committee and our committee, in split authority and jurisdiction in appropriations and in two or three other ways. We do not want the gentleman in any way to feel that we are not being respectful to the great work he has done in a very important committee as chairman of that committee in this House.

What we will promise the gentleman we will do as we unfold this language is that we will work with him and his committee directly to hammer out language that will be acceptable before we go to conference on it. So I can

guarantee the gentleman from North Carolina [Mr. JONES] that we will follow in that direction.

Mr. EDGAR. Let me just use a moment of my time to congratulate the gentleman from New Jersey, Chairman ROE, and the gentleman from Minnesota [Mr. STANGELAND] for a very good, clean water bill, and to say that I support the Roe compromise amendment. He has made some important changes in the provisions of H.R. 8 in the areas of citizen suits, stormwater discharges, backsliding, and variances for fundamentally different factors.

But more importantly, I support the essence of the Clean Water Act that our committee worked so hard to put together. I think as we move to the second phase of what I call the second environmental revolution where we deal with the tougher environmental issues like nonpoint source pollution, this bill does a good job, and I want to commend both of my colleagues for their leadership.

I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. ROE] as substitute for the amendment offered by the gentleman from North Carolina [Mr. JONES].

The amendment offered as a substitute for the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina [Mr. JONES], as amended.

The amendment, as amended, was agreed to.

Mr. ROE. Mr. Chairman, I ask unanimous consent for the correction of a misspelled word in the overall amendment on page 5, line 17. The word should read "health," rather than "help."

The word was mispelled.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

AMENDMENT OFFERED BY MR. PACKARD

Mr. PACKARD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PACKARD: Page 87, strike out line 16 and all that follows through line 4 on page 91, and insert in lieu thereof the following:

SEC. 32. SAN DIEGO, CALIFORNIA.

(a) PURPOSE.—The purpose of this section is to protect the economy, public health, environment, surface water and public beaches, and water quality of the city of San Diego, California, and surrounding areas, which are endangered and are being polluted by raw sewage emanating from the city of Tijuana, Mexico.

(b) CONSTRUCTION GRANTS.—Upon approval of the necessary plans and specifications, the Administrator is authorized to make grants to the Secretary of State, acting through the American Section of the International Boundary and Water Commission (hereinafter in this section referred to as the "Commission"), or any other Federal agency or any other appropriate commission or entity designated by the President. Such grants shall be for construction of a project consisting of—

(1) treatment works in the city of San Diego, California, to provide primary or more advanced treatment of municipal sewage and industrial waste from the city of Tijuana, Mexico; and

(2) a publicly owned treatment works in such city to provide primary or more advanced treatment of such amount of municipal sewage and industrial waste for such city of San Diego as may be necessary to meet the objectives of the Federal Water Pollution Control Act.

(c) FURTHER MEASURES.—As a further measure, the Administrator shall make grants to the Commission or such other agency, commission, or entity as may be designated under subsection (b) for the construction of defensive treatment works to protect residents of the city of San Diego and surrounding areas from pollution resulting from any inadequacies or breakdowns in wastewater treatment works and systems in Mexico. The Commission or such agency, commission, or entity is authorized to construct, operate, and maintain such defensive treatment works in order to accomplish the purposes of this section.

(d) APPROVAL OF PLANS.—Any treatment works for which a grant is made under this section shall be constructed in accordance with plans developed by the Commission or such agency, commission, or entity, in consultation with the city of San Diego, and approved by the Administrator to meet the construction standards which would be applicable if such treatment works were being constructed under section 201 of the Federal Water Pollution Control Act.

(e) CAPACITY OF PROJECT.—The project authorized by this section shall provide capacity to provide treatment of municipal sewage and industrial waste for the cities of Tijuana and San Diego.

(f) APPLICABILITY OF ACT.—All provisions of the Federal Water Pollution Control Act which are applicable to a grant made to a State, municipality, or intermunicipal or interstate agency under section 201(g) of such Act shall apply to a grant made to an agency, commission, or entity for construction of treatment works under subsection (b)(2) of this section, except that the non-Federal share of the costs of such construction shall be paid by the city of San Diego and other non-Federal interests.

(g) FEDERAL SHARE.—Construction of the treatment works under subsections (b)(1) and (c) of this section with respect to municipal sewage and industrial waste from the city of Tijuana shall be at full Federal expense less any costs paid by the State of California and less any costs paid by the Government of Mexico as a result of agreements negotiated with the United States.

(h) OCEAN OUTFALL PERMIT.—Upon application of the city of San Diego, the Administrator may issue a permit under section 402 of the Federal Water Pollution Control Act which modifies the requirements of section 301(b)(1)(B) of such Act to permit the discharge of pollutants for any ocean outfall constructed with Federal assistance under this Act if such pollutants have received primary or more advanced treatment. Any permit issued pursuant to this subsection shall not be effective after December 31, 1993.

(i) EXTRA CAPACITY.—If the treatment works constructed under this section to provide treatment for municipal sewage and industrial waste from the city of Tijuana has capacity which is no longer necessary to provide such treatment, such capacity may be used to provide treatment for municipal sewage and industrial waste for the city of San Diego.

(j) DEFINITIONS.—For purposes of this section, the terms "construction" and "treatment works" have the meanings such terms have under section 212 of the Federal Water Pollution Control Act.

(k) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for fiscal years beginning after September 30, 1985, such sums as may be necessary to the Administrator to make grants under this section and such sums as may be necessary to the Commission or such other agency, commission, or entity as the President may designate under subsection (b), to carry out this section.

Mr. PACKARD (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. PACKARD. Mr. Chairman, my amendment simply is to enact some minor and technical changes. It in essence changes the jurisdiction of the project from the Army Corps of Engineers to the International Boundary and Water Commission. It also allows California to participate in the cost sharing.

Mr. ROE. Mr. Chairman, will the gentleman yield?

Mr. PACKARD. I yield to the gentleman from New Jersey.

Mr. ROE. Mr. Chairman, this is a technical amendment definitely, and we have reviewed this amendment on this side. We have no objection to the gentleman's amendment.

Mr. STANGELAND. Mr. Chairman, will the gentleman yield?

Mr. PACKARD. I am happy to yield to the gentleman from Minnesota.

Mr. STANGELAND. Mr. Chairman, likewise, we have reviewed the amendment on this side. It is an improvement over the committee print and the way the committee has reported the bill to the House, and certainly I support the amendment.

Mr. PACKARD. Mr. Chairman, I thank my chairman and ranking member, and I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. PACKARD].

The amendment was agreed to.

Mr. ANDREWS. Mr. Chairman, I move to strike the last word and to engage the chairman of the subcommittee at colloquy.

Mr. Chairman, I have a question concerning the sewage construction grants allocation formula contained in H.R. 8.

It is my understanding that the allocation formula contained in this bill is composed of two parts—half uses EPA's 1976 survey of needs and the estimated 1976 population and the other half uses the EPA's 1980 survey of needs. It is also my understanding that EPA has completed a 1984 survey of State needs and we have available population estimates from the Bureau of the Census. In my opinion, this updated EPA data should be used to input the formula used to calculate the allocation to the States.

While the Senate's Clean Water Act amendments includes an allocation formula which has been updated to utilize the EPA's 1984 survey of needs, it totally changes the structure of the formula. When the conference on the Clean Water Act meets, Mr. Chairman, it is my hope that you will support, at the very least, updating the current formula by using the most current population estimates and needs survey information so as to take into consideration the water quality needs of the Nation as they exist today. I wonder, Mr. Chairman, if you could reassure me of intentions on this matter.

Mr. ROE. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS. I yield to the gentleman from New Jersey.

Mr. ROE. Mr. Chairman, I wish to assure the gentleman we intend to examine the allotment formula very carefully in conference as part of this effort. We by all means will review all relevant data in order to develop an equitable allotment formula which takes into consideration the need of all of the States, and I think the gentleman has made a contribution to the debate today.

Mr. ANDREWS. Mr. Chairman, since the passage of the 1972 Clean Water Act, great strides have been made to improve the water quality of the Houston ship channel. Through the combined effort of industrial and domestic dischargers, loadings of oxygen demanding materials have been reduced sevenfold, from over 400,000 pounds per day to approximately 60 pounds per day. As a result, dissolved oxygen levels in the Houston ship channel have been significantly increased.

However, due to the physical characteristics of the channel, a sluggish body of water influenced by tidal activity and a salt wedge, we have reached the point where measurable increases in dissolved oxygen levels cannot be attained through state-of-the-art treatment technologies on publicly owned treatment plants.

Computer modeling has shown that even with the installation of state-of-the-art technology controls on these municipal plants, it will be very difficult, if not impossible, to attain water quality standards. Whereas, Federal law requires that POTW's meet effluent limits of 30 milligrams per liter of biochemical oxygen demand [BOD] and 30 milligrams per liter of total suspended solids [TSS], discharges in the Houston ship channel watershed currently operate under limits of 10 milligrams per liter BOD and 15 milligrams per liter of TSS. The computer modeling studies show that state-of-the-art technology, that is, reductions to 5 milligrams per liter BOD, will have no appreciable impact on dissolved oxygen levels.

On the other hand, studies are ongoing which indicate the utilization of instream aeration in the Houston ship channel, in combination with the advanced wastewater technology currently utilized, will result in the attainment of water quality standards in the Houston ship channel. Instream aeration can be initiated at a fraction of the cost to install state-of-the-art technology on POTW's. It has been estimated that capital costs and operating expenses for state-of-the-art treatment would cost up to $300 million through 1992 for discharges in the channel watershed, with no appreciable impact. Instream aeration would require expenditures of a few million dollars with a significant beneficial impact in dissolved oxygen levels in the Houston ship channel.

Mr. Chairman, I want to emphasize that the use of this alternative technology in my area is in no way a retreat from the strict water standards that must remain in place to ensure the protection of Galveston Bay. But I do believe that instream aeration could present an excellent alternative for the few areas like my own which face water quality problems that cannot be addressed by strict adherence to traditional methods.

I wonder if the chairman would please comment.

The CHAIRMAN. The time of the gentleman from Texas [Mr. ANDREWS] has expired.

(By unanimous consent, the gentleman from Texas [Mr. ANDREWS] was allowed to proceed for 2 additional minutes.)

□ 1330

Mr. ROE. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS. I yield to the gentleman from New Jersey.

Mr. ROE. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I think the gentleman has done an admirable job in expressing and digesting for the benefit of the committee what the serious problems are which exist in the Houston ship channel. I think the gentleman is right on target. I would say to the gentleman that as far as the committee is concerned, and myself, of course, that his observation on the use of aeration as an added starter, if you like, an added technological use, should be encouraged by EPA. I think what is happening is that we have not given enough attention to the use of this mechanism that the gentleman has so well discussed. I thoroughly agree with what the gentleman is saying and will extend every effort to see that EPA does move in the direction of giving priority to aeration of these streams.

Mr. ANDREWS. I thank the gentleman.

Mr. Chairman, I yield back the balance of my time.

Mr. ANDERSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, will the gentleman from New Jersey [Mr. ROE] yield for a question and clarification of the intent of section 42(a) which requires the EPA Administrator to make a grant of $3 million to Avalon, CA, for improvements to the treatment facility in that community?

Mr. ROE. I yield to the gentleman from California.

Mr. ANDERSON. The city of Avalon received a clean water grant for phase I of a two-phase treatment plant construction project in 1973, and the present treatment plant was placed into operation in 1976. The grant was for $2.1 million and phase I was completed in early 1978. Phase II of the project, according to the California Water Quality Control Board: "is now needed to alleviate hydraulic and organic overloading of the phase I facilities * * *. This proposed phase II project is approximately 5 years overdue and the treatment facilities, although salvageable, are in a general state of disrepair." As this is phase II of the project which began in 1973, are we correct that the Federal share of this project is 75 percent?

Mr. ROE. If the gentleman will yield, the gentleman is absolutely correct.

Mr. ANDERSON. I thank the gentleman.

Mr. ROE. I think the gentleman has established the case very, very well, on the situation affecting Avalon, CA. Mr. Chairman, I welcome the opportunity to clarify with the gentleman what the intent of law is and what the community should be eligible to do.

Mr. ANDERSON. I thank the gentleman.

Mr. DYSON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, several years ago I went to meet with the Subcommittee on Water Resources of the full Committee on Public Works and Transportation about the Chesapeake Bay, an issue very dear to me. We just received an EPA report that basically said that those of us who live in Pennsylvania, Maryland, and Virginia have just spent 350 years using and abusing the

Chesapeake Bay, and that if we wanted to do something to reverse that course we were going to have to get together as a unit and work together.

Mr. Chairman, I proposed some legislation that had the endorsement and cosponsorship of all the Representatives in those three States. It was referred to BOB ROE's Subcommittee on Water Resources. His subcommittee had a series of four hearings in which the Governors of all three of those States and Members of Congress went and spoke on this issue.

He has included this as part of the Howard amendment to H.R. 8, the water quality bill.

Mr. Chairman, I want to take the time today to thank him. For someone who is not from this area, he probably knows more about the Chesapeake Bay than probably anybody else on this committee.

I think what we are doing today is a real beginning for the cleanup of the Chesapeake Bay. It is a monumental task; $52 million may seem like a large amount of money, but it is not nearly enough for what we really need to do. As I say, we need to reverse about 350 years of abuse on the Chesapeake Bay.

This is a good beginning. It leaves the road to cleanup essentially to the States with coordination by the EPA.

Mr. Chairman, again I want to thank BOB ROE. I have never seen a Member of Congress, outside of myself, maybe, who works harder. He has just been amazing. As I said, for a very small issue in this overall very large bill, he did hold four hearings in which we were able to bring a number of people into Washington to testify on its behalf. We were also able to take members of the full committee and the subcommittee out on the Chesapeake Bay to take a firsthand look at the pollution problems in this estuary.

Mr. Chairman, it is certainly my hope in the future to get the gentleman from New Jersey to come out on the bay along with the chairman, Chairman HOWARD, and the ranking minority member, Mr. SNYDER, and also ARLAN STANGELAND, the ranking minority member on the Subcommittee on Water Resources.

Again, I want to thank the gentleman from New Jersey for his help. Again, it is going to go a long, long way. I think generations that he and I will never see or know will benefit from a cleanup of the Chesapeake Bay.

Mr. Chairman, this is a very important beginning today.

Mr. ROE. Mr. Chairman, I thank the gentleman for those kind words.

AMENDMENT OFFERED BY MR. STANGELAND

Mr. STANGELAND. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STANGELAND: Page 58, after line 17, insert the following:

(c) EQUIVALENT LOCAL PRETREATMENT DEMONSTRATION PROGRAM.—Section 307 is amended by adding at the end the following new subsection:

"(f)(1) Any State may apply to the Administrator to operate an equivalent local pretreatment demonstration program under this subsection with respect to one or more qualifying treatment works located in such State.

"(2) For purposes of this subsection, the term 'qualifying treatment works' means a publicly owned treatment works which—

"(A) is in compliance with applicable effluent limitations pursuant to sections 301 and 302 of this Act and with all requirements of section 402(b)(8) of this Act;

"(B) has had approved by the Administrator before the date of enactment of this subsection the design for a pretreatment program meeting the standards established by the Administrator under subsection (b) of this section; and

"(C) is implementing an equivalent local pretreatment system—

"(i) with respect to which the owner or operator of such treatment works has sufficient funds, equipment, and personnel to effectively administer such equivalent system;

"(ii) with respect to which such owner or operator has adequate technical capability to effectively sample and monitor the quality of (I) the discharges regulated by such equivalent system and the discharge from the treatment works, (II) the sludge resulting from the operation of the treatment works, and (III) the water into which the discharges are made from the treatment works;

"(iii) with respect to which such owner or operator has adequate legal authority to enforce and ensure continued compliance with all requirements of such equivalent system; and

"(iv) which will not impair the ability of such owner or operator to safely use or dispose of sludge resulting from the operation of the treatment works.

"(3) For purposes of this subsection, the term 'equivalent local pretreatment system' means a system developed by the owner or operator of a publicly owned treatment works of regulating the introduction of pollutants into such works, which system is different from that required under section (b) of this section and section 402(b)(8) of this Act but which equally or more effectively prevents the discharge through such works of pollutants which interfere with, pass through, or otherwise are incompatible with such works or which impair current or planned sludge use or disposal.

"(4) The Administrator shall not approve demonstration programs with respect to more than four qualifying treatment works in each of the ten regions of the Environmental Protection Agency. If applications are received by the Administrator with respect to more than four qualifying treatment works for any such region, the Administrator shall select the treatment works for which the programs will be approved taking into account—

"(A) whether or not the State in which the treatment works is located has promulgated water quality standards for the pollutants covered by the equivalent local pretreatment system for such treatment works;

"(B) whether or not the State in which the treatment works is located has an approved permit program under section 402;

"(C) the number and type of indirect discharges that would be subject to the equivalent system;

"(D) the record of compliance achieved by the treatment works in meeting applicable effluent limitations;

"(E) the extent to which the treatment works is exceeding the requirements of secondary treatment under section 301(b)(1)(B); and

"(F) the effectiveness of the equivalent system in encouraging the recycling of pollutants compared to the effectiveness expected of the treatment works under the requirements of subsection (b) of this section in recycling pollutants.

"(5) The Administrator, or State in any case in which the State has an approved permit program under section 402(b), shall, after notice and opportunity for hearing, modify any permit issued under section 402 for a publicly owned treatment works with respect to which a demonstration program is approved under this subsection in order to permit such treatment works to operate an equivalent local pretreatment system. Any such modification shall not be effective after September 30, 1990.

"(6) If the Administrator or the State, as the case may be, determines that the owner or operator of a treatment works for which a permit has been modified under paragraph (5) is not meeting the requirements of this subsection, the Administrator or State may, after notice and opportunity for hearing, modify the permit of such treatment works under section 402 to—

"(A) rescind such permit modification, or

"(B) make such additional modifications in such permit as may be necessary to operate the equivalent local pretreatment system in accordance with the requirements of this subsection.

"(7) If a demonstration program application under this subsection is denied or, if a permit modification under this subsection is rescinded or ceases to be in effect, the affected source or sources shall, upon notification, be immediately subject to the applicable pretreatment standards under subsection (b) of this section and section 402(b)(8) of this Act. Each such source shall comply with such standards in the shortest possible time (as determined by the Administrator or State, as the case may be), which in the case of the denial of a demonstration program application shall not exceed the amount of time that the source had remaining for compliance when such application was filed.

"(8) Each State with an approved demonstration program under this subsection shall operate such program during the period beginning on the date of approval of such program and ending September 30, 1990. Each such State shall report annually to the Administrator on the status of such program.

"(9) Not later than September 30, 1989, the Administrator shall submit a report to Congress on the implementation and effectiveness of the demonstration program carried out by each State under this subsection, along with recommendations on whether the program should be continued after September 30, 1990.".

Mr. STANGELAND (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. STANGELAND. Mr. Chairman, I would like to have the record reflect that I fully support H.R. 8, the Water Quality Renewal Act of 1985, which I cosponsored. I have nothing but respect and admiration for my colleague, the gentleman from New Jersey [Mr. ROE] for his tireless effort on this bill and his leadership as chairman of the Subcommittee on Water Resources on which I serve as the ranking Republican member. I believe that through the hard work of the chairman and the other members of our committee we have an excellent bill, one that I was happy to support.

There is, however, one important area not covered by H.R. 8 that I believe should be. Mr. Chairman, as you know, I advocate greater flexibility with the provisions contained in section 307 of the act requiring the application of national categorical pretreatment standards for indirect dischargers. These standards require that industrial sources of pollution which discharge into publicly owned treatment works, or POTW's as they are called, implement measures to treat their effluent before it enters into the POTW's wastewater treatment facility.

Under the act, pretreatment must conform with mandatory Federal standards promulgated by EPA which are not yet fully operational. These new standards will replace many existing and effective pretreatment programs developed at the local level by local officials in response to local needs. Even though these local pretreatment programs may be equal or superior to the protection afforded by the application of Federal standards, they will have to be scrapped at considerable expense to the affected industries and municipalities because the local program may not be identical to the program called for by the application of Federal standards.

It's my view, and the view of many others, that as long as a municipality can adequately demonstrate to the State and to EPA that its locally developed system of pretreatment is at least as effective as the different national categorical pretreatment standards recommended by the Agency, such a municipality should be afforded the opportunity to implement its own program.

I believe that it's unwise to require compliance with Federal categorical standards when other less costly methods are available, methods which are just as effective in achieving the goals of the act. Furthermore, such a rigid approach inhibit the development of new initiatives that could greatly improve water quality.

Accordingly, I am offering an amendment to H.R. 8 authorizing EPA to select up to 40 municipal treatment programs nominated by the States for inclusion in a 5-year demonstration program. In order to be eligible to participate, the owner or operator of the treatment works would have to show that the treatment works is in compliance with applicable secondary treatment and water quality based effluent limitations under section 301 and 302 and with all the requirements of its section 402 NPDES permit, and that the locally developed pretreatment system is at least as effective in preventing the pass-through of harmful pollutants as required by the national categorical standards. In addition, he would have to show that the POTW can adequately demonstrate effective administration of an equivalent program, including requirements for sampling and monitoring, that the POTW has adequate enforcement authority to insure compliance with its equivalent system, and that the equivalent system will not impair safe use and disposal of resulting sludge.

The amendment would also call for annual reports to the Congress by the States on the effectiveness of the demonstration program and a final report by EPA prior to the conclusion of the program.

Mr. Chairman, I realize that there are many who feel that any program mandated by EPA is always going to be better than one developed locally. I frankly do not agree.

I have visited local pretreatment works, have talked to the people who run them, and I believe that there are very dedicated, imaginative and capable professionals out there that are equal to the challenge of showing to the Federal Government that locally developed programs can be every bit as effective as Washington's if not more so.

To deny them the opportunity to do so, is not only unfair to them, but it is also unfair to the goals of the Clean Water Act.

Therefore, Mr. Chairman, I would ask my colleagues to seriously consider the merits of my proposal and to support my amendment, which would do nothing more than allow States to propose and operate under equally effective approaches to Federal pretreatment standards.

□ 1340

Mr. Chairman, I yield back the balance of my time.

Mr. EDGAR. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I reluctantly oppose the gentleman's amendment to allow pretreatment opt-out. Mr. STANGELAND has been a leader in the efforts to create what I think is one of the best environmental pieces of legislation that we have had before us in some time, and it is a bill that I think will help us move aggressively toward achieving the goal of clean water, and I commend him for his leadership.

I oppose this amendment on several specific grounds, and let me begin by stating that while the gentleman has indicated a number of groups that support the legislation, there is an equally distinguished group of individuals and organizations that oppose this amendment.

Pretreatment opt-out was rejected by Administrator Ruckelshaus when he was the Administrator of EPA, and it was rejected by our House Public Works and Transportation Committee when it was offered in committee and subcommittee; rejected by the Senate Environment and Public Works Committee, and it is absent from the Senate's Clean Water bill.

Specifically, there are several points that should be made. First, this amendment, if allowed to become law, would allow cities to run their own pretreatment programs rather than following the national program and will reduce environmental protection, which is the major goal of the Clean Water Act.

We have just gotten to the point where the pretreatment program is starting, after years of delay, to take effect and be implemented, and this amendment would just further delay protection from toxic pollution at this late date.

The States and the EPA, which has to review each cities' programs, would face a new administrative burden with a separate pretreatment program. For this reason and because technology to compare the national and local programs is not very far advanced, former EPA Administrator William Ruckelshaus, as I indicated, opposed allowing the pretreatment opt-out.

The opt-out could also pit city against city in an effort to attract industries by promising less stringent environmental regulations. We have just seen a nationwide competition for the General Motors Saturn plant, where community after community offered to this large corporation the lowering-of-tax benefits, free land, free opportunities to come into the community and all of those deals were very important as they were structured by local communities; I could envision in the future a local community going to a large corporation and saying: "Come to us. We now take care of our own pretreatment programs and we can give you a place where you can pollute at a higher rate."

I think it is false wisdom, and I would urge my colleague to withdraw his amendment. The amendment will endanger the environment. It allows 40 cities that have industries which have not complied with the law to replace national standards and industrial toxics with local standards.

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EPA does not have that data to decide what is equal or more effective. It will delay environmental cleanup; it will reward industries which have not complied, and I believe more importantly, that it is unnecessary.

We have a strong environmental bill; I would urge my colleagues to support what the committee did in full committee, and that is reject the gentleman's amendment.

I yield to the gentleman from Minnesota.

Mr. STANGELAND. I thank the gentleman for yielding.

With all due respect to the gentleman, and I have a great deal of respect for him and for his environmental stand, he is absolutely and totally incorrect when he says that this amendment would allow for lesser standards.

Mr. Chairman, the amendment requires that a local pretreatment program meet national categorical standards. So it is not the lessening of the standards in terms of their effectiveness; it is allowing the local pretreatment to develop their own program so long as it meets the national categorical standards, the effective standards. If they cannot meet that, then they have to come under the national program.

It does not allow 40 cities to get into this program; it allows EPA to have up to 40 cities. It could be 5, 10, 15, or 20. It could be 40.

(By unanimous consent, Mr. EDGAR was allowed to proceed for 2 additional minutes.)

Mr. EDGAR. Mr. Chairman, that is the very point. The local communities, the States, the local cities, do not have the same kind of standards and guidelines that we would hope would be in the national program, and I see no reason for 5 cities, 10 cities, 30 cities, or up to 40 cities being allowed this special treatment.

If our goal is for a national standard of clean waters that are swimmable, fishable; if our goal is for a national clean water act, then I think we have in the legislation already the guidelines and the proposals to work closely with State government, to identify what standards have to be laid out.

I do not think we ought to go, as the gentleman suggests, to a lower standard in certain areas.

The gentleman shakes his head that it is a lower standard. William Ruckelshaus says it was not workable; and William Ruckelshaus was, I think, a very outstanding Director of the Environmental Protection Agency, and he rejected the idea.

Those of us in the committee who have looked at this issue rejected it, in our committee jurisdiction, and I do not think the gentleman has given adequate evidence that anything has changed since the rejection of this idea in the past.

The concern by myself and others is that it will in fact give an opportunity for lowered standards, and give an opportunity to shop around for the city or the community that has the pretreatment standards that can best match a particular industry that may in fact want to pollute.

I appreciate the gentleman's trying to tailor and shape this language so that it looks like an innocent amendment, but I have to say that it just is not an innocent amendment.

I yield to the gentleman.

Mr. STANGELAND. Let me say that whether it is an innocent amendment or not, it is an amendment to enhance the goals of the Clean Water Act.

(On request of Mr. STANGELAND and by unanimous consent, Mr. EDGAR was allowed to proceed for 2 additional minutes.)

Mr. EDGAR. I yield to the gentleman.

Mr. STANGELAND. The gentleman makes the point that what is different today than in the past, when this was rejected by committee.

First of all, the amendment in its present form is the most tightly drawn amendment that you have ever seen dealing with this issue. That is No. 1.

No. 2, the gentleman from Minnesota hopes that he can enlighten enough Members to allow for some local, equal equivalency. We are talking about the quality of the water out of the pipe, and if a local program can deliver the quality equal or better than the national categorical standards, they ought to be allowed to do so.

This can develop into new, different types of treatment that perhaps are most cost-effective than we have under the present national categorical standards program.

□ 1350

To say that this is contrary to clean water, I would just point out that the professionals in the field, all, I would expect, equal to, and some superior to, those who run EPA, say that this is workable, it is doable, and they can enhance the Act and enhance our goals of clean water with their local programs.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. EDGAR] has expired.

(By unanimous consent, Mr. EDGAR was allowed to proceed for 1 additional minute.)

Mr. EDGAR. I appreciate the author of the amendment trying to defend his position.

In summary, I believe the gentleman's amendment allows for up to 40 cities to replace the national standards for industrial toxics with less stringent local standards which purport to achieve equal or more effective results. But EPA does not have the data to decide what is equal or more effective. Neither EPA nor the States have set water quality or sludge standards for most industrial toxics. In all likelihood, less cleanup means worse results.

Further, I believe this amendment upsets the rules that took a decade to promulgate, just as enforcement of those rules starts.

And, finally, I believe this amendment gives those who violated past compliance deadlines a competitive advantage over those who installed the EPA-required controls.

We have a good bill here. I think it is a bill that has bipartisan support. We worked very hard and very long on this legislation. I would urge my colleagues to reject this amendment, go with the committee bill, which I think is one of the best pieces of legislation we have had before us in the recent past.

Mr. GROTBERG. Mr. Chairman, I move to strike the requisite number of words, and I would like to associate myself with the remarks of the gentleman from Minnesota.

Mr. Chairman, all the reasons that the gentleman from Pennsylvania suggests that this bill should not be passed are the very ones that it should be passed.

Until and unless we do something to help municipalities and local governments work in their own way toward the modification and better doing of national mandates, we will have failed.

I have two villages in my district. This amendment will come too late to be of any service to them. But the legal fees, everything that goes on because of the national standard, with no flexibility, even varying from their own theme, let alone the final results, of the outflow and the effluence of the water is something that has bothered me for so long. I have even tried to come up with some concept where we do not fine other units of Government with money fines. We need a nonmonetary sanction so that we are not having taxpayers pay fines to recycle our taxpayers' money. Within a lot of this are the EPA sanctions, and many of them are perceived and not real, and the model of 40 cities, up to 40 cities and municipalities being able to demonstrate a new and creative way to meet the standards or surpass the Federal standards, but do it in their own way, certainly is a commentary on what I think local government is all about, and the skills, believe it or not, of most local governments on their pollution control and their earnestness and conformity are equal to or surpass many of those that are involved at the district, region or national level with EPA.

I would urge my colleagues to support the Stangeland amendment.

Mr. OBERSTAR. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment. The idea of pretreatment opt-out was a bad idea when it was first proposed in the days of Ann Gorsuch, when she was head of the Environmental Protection Agency, and, consistently, it is a bad idea today.

The Public Works and Transportation Committee has consistently opposed the concept of pretreatment opt-out. The Senate has consistently opposed it. The EPA, under direction of Mr. Ruckelshaus, opposed the concept of pretreatment opt-out, and I do not see any support from the current Administrator of EPA for this concept either.

The amendment will allow many industries to get away with weaker locally imposed limits than the national technology-based pretreatment standards. It would virtually eliminate enforcement against industrial dischargers who violate alternative pretreatment requirements by putting an intermediary, the local community between EPA and the industry. EPA would not be able to take Federal enforcement action against industries who are violating local program requirements.

It could rescind approval only of the local program, and that would be a drastic action which would be contested in court when the sewage treatment facility violates the law and not when the industrial discharger violates the law.

While the rescission process is dragging on, the plant would continue to pour additional toxics into the Nation's waters and into drinking supplies. It has taken us 10 years to get national pretreatment standards established. And now that those standards are in place is the wrong time for us to back off from industrial pretreatment.

Over 1,100 cities in this country have already received approval from EPA for pretreatment in compliance with Federal law. The amendment just proposed would drastically slow down compliance while cities fight for the right to get out of the pretreatment program. This is unnecessary tampering with an disruption of the national program of pollution abatement.

Sewage treatment plants now can get relief through removal credits. There is a system established in existing law. It has been working. We ought not to undermine it and defeat it.

These credits allow industry to meet local limits instead of national standards, but only where cleanup actually is taking place. There is no need for an amendment that would simply reward cities and industries that up to this time have resisted complying with EPA's pretreatment regulations.

This amendment, make no mistake about it, is a reward for polluters and a disincentive for those who have worked hard and spent money to comply with the law. It is a bad idea. It was bad when it was first proposed some 5 years ago, it is bad today, it is bad national pollution abatement policy, it will set us back, not move us forward, and it would do so under the wrong premise, under the guise of economic relief. I think we would be making a terrible mistake if this amendment should be approved.

Our committee is strongly opposed to it and always has been. We have had extensive testimony in opposition to the amendment, and I urge my colleagues to defeat it.

Mr. MOLINARI. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Minnesota. I think that a careful reading of the amendment would demonstrate that a lot of the concerns that have been raised by those who are opposing the amendment have been overstated.

We are talking about a demonstration program, first of all, not a permanent change. We are talking about a pretreatment program that has to be approved by the Administrator. It must show compliance with sections 301 and 302. The safeguards in the amendment with respect to implementation are such that I think it satisfies all of the concerns that have been raised in the past. Then it specifies, on page 3, that the system, if it is different from that required under section 307(b) of the act but which equally or more effectively prevents the discharge through such works of pollutants which interfere with, pass through, or otherwise are incompatible with such works or which impair current or planned sludge use or disposal, it could only then be considered.

And then it goes on to set forth one further safeguard, in that the Administrator, or the respective State, whichever the case it might be, has the right at such time in the future, if they believe that the owner of that publicly owned treatment work is not complying, can rescind such permanent modification and make additional modifications, if that be the case; so that we have so many safeguards in the amendment to ensure that the intent of the Clean Water Act is met, I think the gentleman's amendment passes muster and should be supported.

Mr. WISE. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the pretreatment amendment. I have studied it for the last 2 years, and quite frankly I liked it better last year when it was more experimental and only dealt, I believe, with 20 cities at the time. A lot of the reasons have been enumerated why I would be opposed to it. I would like to list some of the ones that I think are important. It is called the pretreatement opt-out. I think it can also be equally called the pretreatment playoffs. If you have a chemical plant—in my case, I have 20—in your district, and there are some 6,000 to 11,000, depending upon whom you talk to across the country, then you are going to be subject to this playoff, because, as this amendment says, there are 40 cities that might initially qualify.

□ 1400

But what happens for instance when that plant comes to the city council and says, or to the State Economic Development Authority and says, "You know, we are a marginal operation; the imports are hurting us; times have been tough, and we are going to have to think about locating to another facility, perhaps shutting down this operation, some part of it or all of it, and move to another facility where indeed we are permitted to opt out of the pretreatment.

"City X will give us this kind of benefit; city Y, you are not giving us this, and we are going to have to move." So you see this kind of playoff logically occurring.

Some cities will benefit, but yet I think this amendment would also hold a gun at the heads of many cities; many municipal water systems to spend extra money and try to reduce the cost for those industries.

There is another concern I have. What happens, and I have heard some explanation of it, although I still think it is unresolved, what happens, for instance, city Y is not working with this pretreatment opt out, and yet the EPA comes in and says you are not meeting the standards you should; the water is polluted. Now, at that point, what happens? Does city Y undertake those repairs? Does the industry then say "well, we never engaged in this pretreatment before, it is too expensive, perhaps we will have to move elsewhere."

I urge people to consider the ramifications of this amendment to your area because I think it goes a long way toward changing the policy. The gentleman from Minnesota [Mr. OBERSTAR], said we have engaged in a national goal, a national objective for 10 years, and was to create a certain standard of pretreatment. That standard is finally being adhered to. Now, what this Congress would be saying by adopting this amendment is, that for some, you do not have to reach that standard, and so you send a signal to everyone that indeed, we were not serious and that you can weaken it.

As I said, it may be an opt out to some; it is a playoff to me. I would urge the Members to consider carefully the ramifications to your district

and urge you to oppose this amendment.

Mr. SNYDER. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, as you know, section 307 of the Clean Water Act requires industries to pretreat their wastes prior to being discharged into publicly owned treatment works. Under current law, this pretreatment must meet nationally mandated standards issued by the Environmental Protection Agency.

The Stangeland amendment would inject an element of flexibility into this process. Under the Stangeland amendment, the majority of communities in the United States would still be required to comply with the national categorical pretreatment standards.

However, communities that have developed their own pretreatment programs that are as good if not better than the Federal categorical plan would be allowed to implement their own plan rather than the Federal plan.

The basic issue involved in the Stangeland amendment is whether Congress and EPA know how to solve all the individual, site-specific problems for every sewage treatment plant in every city in the country.

I don't think that they do.

The current EPA Pretreatment Program, centered on national technology-based pretreatment standards, does not properly take into account whether all of the treatment required by the national standards is needed in every case. This can, and often does, result in costly, redundant and wasteful treatment by industry and publicly owned treatment works.

I believe that, as a general rule, local conditions are handled best by local entities developing locally responsive programs. Because many water quality problems are uniquely site specific and cannot readily be solved by uniform national standards, I believe that functioning equivalent, locally controlled pretreatment programs should be able to direct resources to particular site-specific problems rather than to treatment for treatment's sake.

Of course, some will argue that there shouldn't be any flexibility in the Federal law—that this is just a backdoor method to weaken the national standards. Well, I don't agree.

I believe that the Stangeland amendment has been carefully crafted and that it includes sufficient protections to insure that the environment will be adequately protected.

Let me enumerate some of the protections in the Stanglend amendment.

First, his amendment is not a blank check for local communities. Only 40 communities in the United States will be allowed to participate in this demonstration program.

Second, the pretreatment equivalency programs must be approved by the Environmental Protection Agency. Thus, in each and every case, EPA must make the determination that the local program will provide equal or better treatment than the national categorical program.

Third, before being approved for the equivalency program, the publicly owned treatment works will have to be achieving secondary treatment and will have to show it has adequate funding and resources—technical, legal, and administrative—to implement the equivalency program.

Fourth, a rigorous monitoring program would be required for every local system obtaining the authority provided. The monitoring is envisioned as going beyond current Federal law and would be specifically designed to advance the state of the art of biological monitoring and the development of toxicity data for receiving streams.

Fifth, the Stangeland amendment contains a sunset provision. The demonstration program will not continue beyond September 30, 1990, unless Congress specifically reauthorizes it.

Sixth, under the Stangeland amendment, EPA and the States are given ample authority to rescind or modify the approval for any local pretreatment equivalency program if it determines that the local program is not being carried out in accordance with the law.

And seventh, the proposal would not eliminate any existing enforcement authority. Both the local and State governments have undiminished enforcement authority over industrial users of a publicly owned treatment works through the existing provisions of the act. Federal and citizen enforcement is available through sections 309(f), 505(a) and (f), section 307(d) and EPA's general pretreatment regulations.

Mr. Chairman, I believe that these protections will insure that the flexibility provided by the Stangeland amendment will not be abused and that the environment will be adequately protected.

In closing, I would like to ask a simple question. Shouldn't locally developed programs that are creative, cost effective and improve water quality be allowed to move forward?

My answer is an emphatic "yes", and I hope the House feels likewise.

Mr. Chairman, I urge adoption of the Stangeland amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. STANGELAND].

The question was taken; and the Chairman announced that the "noes" appeared to have it.

RECORDED VOTE

Mr. STANGELAND. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 167, noes 257, not voting 9, as follows:

[Roll No. 248]

AYES—167

Archer	Hammerschmidt	Oxley
Armey	Hansen	Packard
Badham	Hartnett	Parris
Bartlett	Heftel	Pashayan
Barton	Hendon	Porter
Bateman	Hiler	Price
Bentley	Hillis	Quillen
Bereuter	Hopkins	Ray
Bilirakis	Hubbard	Ritter
Bliley	Hunter	Roberts
Bonior (MI)	Hutto	Rogers
Boulter	Hyde	Roth
Brown (CO)	Ireland	Rowland (CT)
Broyhill	Jacobs	Rudd
Burton (IN)	Johnson	Schaefer
Callahan	Kasich	Schuette
Campbell	Kemp	Schulze
Chappell	Kindness	Shelby
Chappie	Kramer	Shumway
Cheney	Lagomarsino	Shuster
Clinger	Latta	Siljander
Coats	Leath (TX)	Sisisky
Cobey	Lewis (CA)	Skeen
Coble	Lewis (FL)	Slaughter
Coleman (MO)	Lightfoot	Smith (NE)
Combest	Livingston	Smith (NH)
Courter	Lloyd	Smith, Denny
Craig	Loeffler	Smith, Robert
Daniel	Lott	Snyder
Dannemeyer	Lowery (CA)	Solomon
Daub	Lujan	Spence
de la Garza	Lungren	Stallings
DeLay	Mack	Stangeland
Dickinson	Madigan	Stenholm
DioGuardi	Marlenee	Strang
Dornan (CA)	Martin (IL)	Stratton
Dreier	Martin (NY)	Stump
Duncan	McCain	Sundquist
Eckert (NY)	McCandless	Sweeney
Edwards (OK)	McCollum	Swindall
Emerson	McEwen	Taylor
English	McMillan	Thomas (CA)
Evans (IA)	Meyers	Valentine
Fawell	Michel	Vander Jagt
Fiedler	Miller (OH)	Vucanovich
Fields	Molinari	Walker
Franklin	Mollohan	Whitehurst
Frenzel	Monson	Whittaker
Gallo	Montgomery	Williams
Gekas	Moore	Wolf
Gingrich	Moorhead	Wortley
Goodling	Morrison (WA)	Wylie
Gradison	Myers	Young (AK)
Grotberg	Nichols	Young (FL)
Gunderson	Nielson	Zschau
Hall, Ralph	O'Brien	

NOES—257

Ackerman	Breaux	Dingell
Addabbo	Brooks	Dixon
Akaka	Broomfield	Donnelly
Alexander	Brown (CA)	Dorgan (ND)
Anderson	Bruce	Dowdy
Andrews	Bryant	Durbin
Annunzio	Burton (CA)	Dwyer
Anthony	Bustamante	Dymally
Applegate	Byron	Dyson
Aspin	Carney	Early
Atkins	Carper	Eckart (OH)
AuCoin	Carr	Edgar
Barnard	Chandler	Edwards (CA)
Barnes	Clay	Erdreich
Bates	Coleman (TX)	Evans (IL)
Bedell	Collins	Fascell
Beilenson	Conte	Fazio
Bennett	Conyers	Feighan
Berman	Cooper	Fish
Bevill	Coughlin	Flippo
Biaggi	Coyne	Florio
Boehlert	Crane	Foglietta
Boggs	Crockett	Foley
Boland	Darden	Ford (MI)
Boner (TN)	Daschle	Ford (TN)
Bonker	Davis	Fowler
Borski	Dellums	Frank
Bosco	Derrick	Frost
Boucher	DeWine	Fuqua
Boxer	Dicks	Garcia

Gaydos	Mazzoli	Saxton
Gejdenson	McCloskey	Scheuer
Gephardt	McCurdy	Schroeder
Gibbons	McDade	Schumer
Gilman	McGrath	Seiberling
Glickman	McHugh	Sensenbrenner
Gonzalez	McKernan	Sharp
Gordon	McKinney	Shaw
Gray (PA)	Mikulski	Sikorski
Green	Miller (CA)	Skelton
Gregg	Miller (WA)	Slattery
Guarini	Mineta	Smith (FL)
Hall (OH)	Mitchell	Smith (IA)
Hamilton	Moakley	Smith (NJ)
Hawkins	Moody	Snowe
Hayes	Morrison (CT)	Solarz
Henry	Mrazek	Spratt
Hertel	Murphy	St Germain
Holt	Murtha	Staggers
Horton	Natcher	Stark
Howard	Neal	Stokes
Hoyer	Nelson	Studds
Hughes	Nowak	Swift
Jeffords	Oakar	Synar
Jenkins	Oberstar	Tallon
Jones (NC)	Obey	Tauke
Jones (OK)	Olin	Tauzin
Jones (TN)	Ortiz	Thomas (GA)
Kanjorski	Owens	Torres
Kaptur	Panetta	Torricelli
Kastenmeier	Pease	Towns
Kennelly	Penny	Traficant
Kildee	Pepper	Traxler
Kleczka	Perkins	Udall
Kolbe	Petri	Vento
Kolter	Pickle	Visclosky
Kostmayer	Pursell	Volkmer
LaFalce	Rahall	Walgren
Leach (IA)	Rangel	Watkins
Lehman (CA)	Regula	Waxman
Lehman (FL)	Reid	Weaver
Leland	Richardson	Weber
Lent	Ridge	Weiss
Levin (MI)	Rinaldo	Wheat
Levine (CA)	Robinson	Whitley
Lipinski	Rodino	Whitten
Long	Roe	Wilson
Lowry (WA)	Roemer	Wirth
Luken	Rose	Wise
Lundine	Rostenkowski	Wolpe
MacKay	Roukema	Wright
Manton	Rowland (GA)	Wyden
Markey	Roybal	Yates
Martinez	Russo	Yatron
Matsui	Sabo	Young (MO)
Mavroules	Savage	

NOT VOTING—9

Coelho	Hatcher	Lantos
Downey	Hefner	Mica
Gray (IL)	Huckaby	Schneider

□ 1420

Messrs. ROEMER, GARCIA, LENT, and BEDELL changed their votes from "aye" to "no."

Ms. FIEDLER changed her vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. DELAY

Mr. DELAY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DELAY: Page 83, after line 23, insert the following new section:

SEC. 27. NATIONWIDE GENERAL DREDGE AND FILL PERMITS FOR CERTAIN NAVIGABLE WATERS.

Section 404(e) is amended by adding at the end thereof the following new paragraph:

"(3) Subject to the provisions of this subsection, the Secretary may issue, on a State, regional, or nationwide basis, a general permit for the discharge of dredged and fill material into all navigable waters, except those waters which—

"(A) are used,

"(B) are susceptible to use in their natural condition or by reasonable improvements, or

"(C) have historically been used, as a means to transport interstate or foreign commerce shoreward to their ordinary high water mark, including all waters which are subject to the ebb and flow of the tide shoreward to their mean high water mark."

Redesignate the subsequent sections of the bill accordingly.

Page 2, after line 8 and after the item relating to section 26 insert the following and redesignate the subsequent items in the table of contents accordingly:

Sec. 27. Nationwide general dredge and fill permits for certain navigable waters.

Mr. DELAY (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. DELAY. Mr. Chairman, I had prepared an amendment which was intended to allow for general dredge and fill permits to be issued by the Corps of Engineers for discharge into navigable waters except those waters which are:

1. Used,

2. Are susceptible to use in their natural condition or by reasonable improvements, or

3. Have historically been used, as a means to transport interstate or foreign commerce shoreward to their ordinary high water mark, including all waters which are subject to the ebb and flow of the tide shoreward to their mean higher water mark.

This amendment would be subject to all other provisions of subsection E. That means that the Corps of Engineers must determine that issuing such a permit will only have minimal adverse effect on the environment and may determine that a particular application may be better served by an individual permit.

In essence, my amendment would have allowed general permits for all waters but "traditionally navigable waters."

I recognize that this is a very controversial amendment and, therefore, I will be prepared to withdraw my amendment after making a brief statement and colloquy on this issue.

Let me give you some of the background of how our present law came into being and why it may need to be changed.

In April 1974 the corps published regulations to implement the section 404 permit program. These regulations limited the program to the same waters that were being regulated under the River and Harbor Act of 1899, that is, navigable waters as traditionally defined.

On March 25, 1975, the District Court for the District of Columbia decided that "navigable waters" meant "all waters of the United States" and ordered the Corps of Engineers to publish revised regulations expanding the scope of its section 404 permit program to cover all the waters of the United States, and away we went. In response to the court's directive, the corps took the original 250 words of section 404 and puffed them into about 35,000 words of new regulations. These new regulations expanded the definition of "navigable waters" to include every lake and pond in the country with a surface area of 5 acres or more and every river, stream, and creek in the country up to its "headwaters," which is defined as the point "above which the flow is normally less than 5 cubic feet per second." The upshot was that a Federal section 404 permit would be required for discharge of dredged or fill material into virtually any stream, lake, or pond or "wet spot" in the country. This seemed far afield from the stated objective of Public Law 92-500 to "restore and maintain the chemical, physical and biological integrity of the Nation's waters." And it certainly did not promise much in the way of a "drastic minimization of paperwork * * * and the best use of available manpower and funds * * *."

Thus from the tiny acorn of section 404 a mighty oak of Federal bureaucratic intervention into State and local affairs has grown. The Corp of Engineers is placed in the position of being able to determine whether it is in the public interest to allow any physical activity of almost any size or kind on virtually any stream, lake, pond, or wetland for almost any reason, whether or not that reason has anything to do with water quality and without regard to private property rights or the rights of other levels of Government to provide for the needs of their citizens.

The paperwork, expense, and delay generated by the process I have described is enormous. The bottom line to all this is that over half of the 12,000 to 14,000 applications for 404 permits are "mom and pop" outfits, people who just want to build a boatdock or add on to their house. They usually only apply for one permit in their lifetime and they are total novices compared to some companies who have specialized counsel for these matters. We set these people adrift in a bureaucratic sea of confusion and that is my major concern.

I know that now the corps is under attack in the other body for the limited administrative and regulatory changes they have made to relieve the majority of small permit applicants. I would hate to see the necessity for legislation, and the only reason I offered this amendment was to have the opportunity to engage in a colloquy with the leadership of my Public Works Committee on this matter. I would be

happy to withdraw this amendment after that time.

□ 1430

Mr. SNYDER. Mr. Chairman, will the gentleman yield?

Mr. DELAY. I am glad to yield to the gentleman from Kentucky.

Mr. SNYDER. Mr. Chairman, I am very glad that the gentleman from Texas [Mr. DELAY] has taken this opportunity to raise this concern about overregulation of the regular "folks" in our country—and that he has done so in the spirit of cooperation and bipartisanship on this committee.

In recent years, we have seen a deterioration in the corps efficient handling of permitting because of the increasing amount of studies, restudies, evaluations, and reevaluations required by the increasingly complex guidelines and regulations under which it must work. Even more objectionable, and probably more serious in its long-term implications, than this self-paralysis of Federal water resources programs is the developing trend toward increased and unwarranted Federal interference with the efforts of State and local governments to carry out their own programs for meeting the needs of their citizens and in affairs of the citizens themselves.

On October, 18, 1972, Congress enacted the Federal Water Pollution Control Act Amendments of 1972 with the declared objective being "to restore and maintain the chemical, physical, and biological integrity of the Nation's waters." Section 101(f) states that: "It is the national policy that to the maximum extent possible the procedures utilized for implementing this act shall encourage the drastic minimization of paperwork and interagency decision procedures, and the best use of available manpower and funds, so as to prevent needless duplication and unnecessary delays at all levels of governments."

I agree with that statement and I support your efforts to insure we in Congress adhere to those guidelines.

Mr. DELAY. Mr. Chairman, I certainly thank the distinguished ranking minority leader of the Public Works and Transportation Committee.

Mr. SNYDER. Mr. Chairman, I thank the gentleman.

Mr. DELAY. Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

AMENDMENTS OFFERED BY MR. KANJORSKI

Mr. KANJORSKI. Mr. Chairman, I offer two amendments, and I ask unanimous consent that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The CHAIRMAN. The Clerk will report the amendments.

The Clerk read as follows:

Amendments offered by Mr. KANJORSKI: On page 34, line 12 insert a new subparagraph (c) as follows:

(c) PROJECTS UNDER JUDICIAL ORDER.—Section 202(a)(1) is amended by adding at the end thereof the following:

"Notwithstanding the first sentence of this paragraph, in the case of the Wyoming Valley Sanitary Authority project mandated by judicial order under a proceeding begun prior to October 1, 1984, such project shall be eligible for grants at 75 percent of the cost of construction thereof."

Redesignate subsequent sections accordingly.

On page 105, after line 12, insert:

(E) PRIORITY FOR COURT ORDERED PROJECTS.—The Commonwealth of Pennsylvania, from the sums allocated to it under this Act, shall give first priority to the Wyoming Valley Sanitary Authority Secondary Treatment project mandated under Federal court order, regardless of the date of start of construction made pursuant to the court order.

Mr. KANJORSKI (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. KANJORSKI. Mr. Chairman, the Wyoming Valley Sanitary Authority, located in my congressional district, is currently under a Federal court order to upgrade its primary sewage treatment system to a secondary system. This court order is the result of litigation going back as far as 1981, and project planning over the last 5 years. With the approval of the Federal district court in Scranton, the EPA and the authority entered into a consent agreement effective June 23, 1985.

Under this court order the sanitary authority is required to upgrade its primary sewage treatment system to a secondary system even though the authority has not yet moved up high enough on the State of Pennsylvania's priority list to obtain Federal matching funds. If the authority complies with the court order it may never receive Federal matching funds because current law prevents projects from receiving matching funds retroactively. If the authority waits for approval of matching Federal funds it will be in contempt of court.

These amendments allow the authority to comply with the Federal court order while at the same time receiving matching Federal funds.

Amendment No. 1 is modeled after the existing language in section 12(b) of the committee bill which provides a 75-percent Federal match for projects begun prior to October 1, 1984, on which construction has been halted due to a judicial injunction. Amendment No. 1 provides a similar 75-percent Federal match for the Wyoming Valley Sanitary Authority project mandated by a judicial order under proceedings begun prior to October 1, 1984.

Amendment No. 2 provides that from the funds allocated to the Commonwealth of Pennsylvania under the act, the State shall give first priority to the Wyoming Valley Sanitary Authority Secondary Treatment Project mandated under Federal court order, regardless of the date that construction on the project actually begins. Thus the full project will be eligible for Federal matching funds even if construction begins as mandated by the court order prior to the actual award of Federal matching funds.

Mr. Chairman, this amendment does not increase Federal funding, nor does it alter the allocation of funds to the States. It merely states that from the funds allocated to the Commonwealth of Pennsylvania under the act, first priority shall go to the Wyoming Valley Sanitary Authority's Secondary Treatment Project.

I also want to make it clear, Mr. Chairman, that these amendments cover the full $35 million cost of the project including the upgrading and improvement of all pumping stations which are integral parts of the overall project.

Mr. Chairman, I want to congratulate Chairmen ROE and HOWARD, and ranking members SNYDER and STANGELAND for producing an excellent clean water bill, and for their support of these amendments. I look forward to working with them to improve the quality of our Nation's water supply and I yield to the distinguished and hard working gentleman from New Jersey, the chairman of the subcommittee.

Mr. ROE. Mr. Chairman, will the gentleman yield?

Mr. KANJORSKI. Yes, I yield to the gentleman from New Jersey.

Mr. ROE. Mr. Chairman, we have reveiewed this very important amendment having to do with the Wyoming Valley, specifically in Pennsylvania. It does not affect any other substance of the bill, and I think the cause is just.

Mr. Chairman, the committee on this side has no objection to the gentleman's amendments en bloc.

Mr. SNYDER. Mr. Chairman, will the gentleman yield?

Mr. KANJORSKI. Yes, I certainly do.

Mr. SNYDER. Mr. Chairman, we are pleased to accept the amendment.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Pennsylvania [Mr. KANJORSKI].

The amendments were agreed to.

AMENDMENT OFFERED BY MR. MILLER OF CALIFORNIA

Mr. MILLER of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MILLER of California: Section 31 needs to be amended to read as follows:

SEC. 31. Definition of Point Source.

For purpose of the Federal Water Pollution Control Act, the term "point source" includes a landfill leachate collection system.

Mr. MILLER of California (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. MILLER of California. Mr. Chairman, this is a technical amendment that deals with the leachate collection systems, which was an overly broad definition by the committee.

I have discussed this amendment both with the majority and the minority to cure this problem.

Mr. ROE. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I yield to the gentleman from New Jersey.

Mr. ROE. Mr. Chairman, the amendment is a fine amendment. It is a technical amendment and one that is important to the bill.

Mr. Chairman, this side has no objection.

Mr. SNYDER. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. Yes, I yield to the gentleman from Kentucky.

Mr. SNYDER. Mr. Chairman, we have no objection on this side; however, the gentleman from New York does intend to speak to the issue.

Mr. MOLINARI. Mr. Chairman, will the genleman yield?

Mr. MILLER of California. I yield to the gentleman from New York.

Mr. MOLINARI. Mr. Chairman, I just want to say that it was my amendment that defined the leachate collection system. It was intended to deal with the landfill issue.

I have no objection whatsoever to amending that provision.

Mr. MILLER of California. Mr. Chairman, I appreciate that, and I ask for an "aye" vote on the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. MILLER].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. KLECZKA

Mr. KLECZKA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KLECZKA: In the matter inserted on page 100, after line 16, and designated as "SEC. 36. GREAT LAKES INTERNATIONAL COORDINATION OFFICE.", redesignate subsection (g) as subsection (i) and insert after subsection (f) the following new subsections:

(g) GREAT LAKES RESEARCH.—

(1) ESTABLISHMENT OF RESEARCH OFFICE.—There is established within the National Oceanic and Atmospheric Administration the Great Lakes Research Office (hereinafter in this section referred to as the "Research Office").

(2) IDENTIFICATION OF ISSUES.—The Research Office shall identify issues relating to the Great Lakes resources on which research is needed. The Research Office shall submit a report to Congress on such issues before the end of each fiscal year which shall identify any changes in the Great Lakes system with respect to such issues.

(3) INVENTORY.—The Research Office shall identify and inventory Federal, State, university, and tribal environmental research programs (and, to the extent feasible, those of private organizations and other nations) relating to the Great Lakes system, and shall update that inventory every four years.

(4) RESEARCH EXCHANGE.—The Research Office shall establish a Great Lakes research exchange for the purpose of facilitating the rapid identification, acquisition, retrieval, dissemination, and use of information concerning research projects which are on-going or completed and which affect the Great Lakes system.

(5) RESEARCH PROGRAM.—The Research Office shall develop, in cooperation with the Coordination Office, a comprehensive environmental research program and data base for the Great Lakes system. The data case shall include, but not be limited to, data relating to water quality, fisheries, and biota.

(6) MONITORING.—The Research Office shall conduct, through the Great Lakes Environmental Research Laboratory, the National Sea Grant College program, other Federal laboratories, and the private sector, appropriate research and monitoring activities which address priority issues and current needs relating to the Great Lakes.

(7) LOCATION.—The Research Office shall be located in a Great Lakes State.

(h) RESEARCH AND MANAGEMENT COORDINATION.—

(1) JOINT PLAN.—Before October 1 of each year, the Coordination Office and the Research Office shall prepare a joint research plan for the fiscal year which begins the following calendar year.

(2) CONTENTS OF PLAN.—Each plan prepared under paragraph (1) shall—

(A) identify all proposed research dedicated to activities conducted under the Great Lakes Water Quality Agreement of 1978;

(B) include the Agency's assessment of priorities for research needed to fulfill the terms of such Agreement; and

(C) identify all proposed research that may be used to develop a comprehensive environmental data base for the Great Lakes system and establish priorities for development of such data base.

In subsection (i) (as redesignated by preceding amendment) of such matter, add the following new paragraph:

(3) FOR GREAT LAKES RESEARCH.—There are authorized to be appropriated for purposes of carrying out subsections (g) and (h) not to exceed—

(A) $2,000,000 per fiscal year for fiscal years 1986 and 1987; and

(B) $3,000,000 per fiscal year for fiscal years 1988, 1989, and 1990.

Mr. KLECZKA (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin [Mr. KLECZKA]?

Mr. SNYDER. Mr. Chairman, until we get a copy, I will have to object.

The CHAIRMAN. Objection is heard.

The Clerk will read.

The Clerk continued the reading of the amendment.

Mr. SNYDER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD. We now have a copy.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. KLECZKA. Mr. Chairman, on behalf of the gentleman from Michigan [Mr. HERTEL], the gentleman from New York [Mr. NOWAK], the gentleman from Ohio [Mr. ECKART], and myself, I am offering a brief but important amendment to strengthen our understanding and protection of the Great Lakes.

The amendment calls for the establishment of a Great Lakes Research Office within NOAA, the National Oceanographic and Atmospheric Administration. Currently, considerable research on the Great Lakes is being performed by many bodies, including the EPA, NOAA, universities, tribal, and environmental groups. These efforts are frustrated, however, by a lack of coordination and communication.

The problem of coordinating Great Lakes research efforts was clearly pointed out in a 1982 study by the General Accounting Office, entitled "A More Comprehensive Approach Is Needed to Clean Up the Great Lakes." The report specifically recommended that Congress establish a Great Lakes Research Office within NOAA to play a coordinating role.

Also in 1982, legislation was approved by the House Science and Technology and Merchant Marine and Fisheries Committees which would have established a Great Lakes Research Office within NOAA. Unfortunately, this bill never became law.

My current proposal is similar to the 1982 bill, as well as to a component of the Great Lakes Management and Research Act of 1985, H.R. 2744, of which I was a cosponsor. According to my amendment, the new Great Lakes Research Office would:

Identify research needs on the lakes in an annual report to Congress;

Inventory existing research programs concerning the lakes;

Establish and facilitate a research exchange program among participating institutions; and

Develop a comprehensive environmental research program and database for the lakes.

All these activities would be conducted in cooperation with the appropriate authorities within EPA.

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I should add that my amendment stipulates that the Research Office be located in a Great Lakes State. While I assume that the final siting decison will be made by NOAA, I would like to point out that my own Wisconsin district is host to one of the finest of the Great Lakes research facilities, the Center for Great Lakes Studies at the University of Wisconsin, Milwaukee. This center is the only major lakes research facility located right on the water, and I believe it would make an excellent choice for the new research office.

I realize there may be some concern over cost, and I want to stress that the cost is modest. My amendment would authorize $2 million per year for fiscal 1986 and 1987, and $3 million per year for fiscal 1987–1990. According to the GAO Report, there is currently such a lack of coordination among Great Lakes researchers that I am sure this research office would pay for itself. In addition, the other body has already agreed to a similar program and similar funding for the research office. I am confident that, with the support of the chairman and ranking minority member of the Water Resources Subcommittee, we can make a fine start today in ensuring the coordinated management of the Great Lakes, our Nation's most precious water resource.

Mr. ROE. Mr. Chairman, will the gentleman yield?

Mr. KLECZKA. I yield to the gentleman from New Jersey.

Mr. ROE. Mr. Chairman, again we have reviewed this amendment. We have worked very closely with the distinguished member of our committee, the gentleman from New York [Mr. NOWAK], and yourself and others, and we have no objection on this side to the amendment.

Mr. SNYDER. Mr. Chairman, will the gentleman yield?

Mr. KLECZKA. I yield to the gentleman from Kentucky.

Mr. SNYDER. Mr. Chairman, we have no problem and are prepared to accept the amendment.

Mr. KLECZKA. I thank the chairman, the gentleman from New Jersey [Mr. ROE], and the ranking minority member, the gentleman from Kentucky [Mr. SNYDER], and the staff for their help with this amendment.

Mr. NOWAK. Mr. Chairman, will the gentleman yield?

Mr. KLECZKA. I yield to the gentleman from New York.

Mr. NOWAK. Mr. Chairman, I rise in support of the amendment offered by my colleague from Wisconsin, JERRY KLECZKA. This amendment establishes an important role for the National Oceanic and Atmospheric Administration in coordinating Great Lakes research activities with the Environmental Protection Agency.

Earlier today we adopted a package of amendments offered by the distinguished chairman of the Public Works Committee which included an amendment which I sponsored providing a comprehensive research and management framework for cleaning up the Great Lakes. As a representative from one of the Great Lakes States, I am deeply concerned about the continuing preservation and protection of the environmental quality and resources of the Great Lakes. Despite years of cleanup efforts the United States and Canada have failed to adequately protect this valuable resource. I recently had the pleasure of traveling to Michigan with several of our colleagues to meet with Canadian Members of Parliament to discuss the United States-Canada Water Quality Agreement. I am pleased to report that the Great Lakes initiative embodied in H.R. 8 met with uniformly favorable reviews. My amendment represents a serious effort to target spending within the EPA to provide support for the ambitious goals of the Water Quality Agreement. Briefly, my amendment does the following:

Provides explicit recognition of the Water Quality Agreement by the U.S. Congress for the first time.

Designates EPA's Great Lakes Program Office as the lead agency responsible for meeting the goals of the agreement and it provides $60 million during the next 5 years to upgrade this Office. That $12 million-per-year average is more than twice as much as this Office has received in any single year recently.

Directs the Great Lakes Program Office to work with Federal/State agencies to develop a management strategy to meet the goals of the Water Quality Agreement.

Requires the establishment of a Toxics Monitoring and Surveillance Network for the Great Lakes. Recommending that EPA begin studies on the feasibility of toxic sediment removal at five specific sites in the Great Lakes—Saginaw Bay, MI; Sheboygan Harbor, WI; Grand Calumet River, IN; Ashtabula River, OH; Buffalo River, NY.

Requires periodic reports to Congress regarding progress made in implementing the goals of the Water Quality Agreement.

The Great Lakes constituting the world's largest expanse of fresh water have long been recognized as a critical economic and environmental resource for the Nation. Thanks to the Clean Water Act and the wastewater treatment program, we have begun to see hopeful signs of improvement in the lakes' water quality. The control of municipal effluents has at least checked phosphorus pollution in the lakes; the algae growth that was choking off the life in Lake Erie has begun to subside, and fish have returned to parts of the shoreline. But the job is not done, we must continue our efforts to strengthen the environmental protection of the Great Lakes. I am pleased to have been a part of developing this important legislation and hope my colleagues will support its enactment and give careful consideration to this proposal.

Mr. HERTEL of Michigan. Mr. Chairman, will the gentleman yield?

Mr. KLECZKA. I yield to the gentleman from Michigan.

Mr. HERTEL of Michigan. Mr. Chairman, I want to thank the gentleman from Wisconsin, for offering this amendment today. As the gentleman has mentioned, similar language to this amendment has already been included by the other body in parallel authorization. That point is important. This body has passed virtually identical language in the last three Congresses. Until now, the other body has failed to act on this language.

I salute the foresight the House has consistently shown on Great Lakes issues. This is not an isolated instance of promoting regional interests. This amendment addresses the problem of extremely scarce resources for Great Lakes research by promoting cooperation and coordination of research by State and Federal agencies to utilize research dollars in a way that will produce the maximum usable data.

Equally important, it does not create another bureaucracy which can eat up research dollars in red tape. This amendment establishes a research office within NOAA at existing NOAA facilities on the Great Lakes. By doing this, coordination can be improved because researchers, their problems, and the decision makers can be in closer proximity and priorities can be swiftly evaluated. In the case of a serious environmental contamination, the time saved can be critical with respect to the amount of damage the fragile ecosystems of the Lakes might sustain. To the taxpayer, it means that tax dollars are spent more effectively and with greater and faster results.

The Great Lakes are America's fourth coast line, yet they are unique because they are entirely fresh water. The vast amount of fresh water contained in the Lakes makes them a more fragile ecosystem than their saline counterparts. In many ways, the Great Lakes have led the way in aquatic research which has had direct and immediate applications on oceanographic and saline ecological research. Problems first identified by Great Lakes researchers, like the problem

with PCB contamination, have sounded the warning for marine researchers. It is in that spirit today's amendment is offered. It is our hope that the coordinator of Great Lakes management and research will become a model for the Nation and the world to emulate. We can set the example of protecting our priceless resources and still prudently conserve our tax dollars. I ask that the House support this amendment offered by the gentleman from Wisconsin and myself.

Those of us who have worked on this issue for the past 5 years appreciate the thoughtful concern the House has always given to this vital issue.

STATE OF MICHIGAN,
OFFICE OF THE GOVERNOR,
Lansing, MI, June 18, 1985.

Hon. ROBERT ROE,
Chairman, Water Resources Subcommittee, Committee on Public Works and Transportation, House of Representatives, Washington, DC.

DEAR BOB: I am writing to express my support for amending the Clean Water Act to prohibit "backsliding" from existing wastewater discharge permit effluent limits. I am particularly concerned about the potential adverse impacts on Great Lakes water quality of relaxing permit limits and allowing increased pollutant discharges by existing dischargers.

The Great Lakes are the repository of many different persistent, bioaccumulative toxic pollutants. Once in the Lakes, these pollutants remain for generations, contaminating the water, the fish, and other aquatic organisms. Analyzing an individual discharger's effluent at the point of discharge to justify relaxing permit limits ignores the cumulative impact of all discharges of these pollutants. Therefore, as a mimimum control measure, dischargers should be required to continue to meet existing permit limits even if water quality in the immediate vicinity of the discharge meets or exceeds minimum standards. Otherwise, the Great Lakes states (and others) will face competitive pressures to retain industry by giving away water quality improvements to existing dischargers.

Since many toxic pollutants adhere to solids and other "conventional" pollutants found in wastewater, I believe that the prohibition against backsliding should extend to these pollutants as well. Relaxed permit limits for conventional pollutants should be allowed only after the individual toxic pollutants of concern for a particular discharger have been identified and specifically limited in the permit.

Therefore, I urge you to support amending H.R. 8 to prohibit backsliding from permit limits for persistent, bioaccumulative toxic pollutants, and to allow backsliding from conventional pollutant limits only where the relationship with toxic pollutants in the particular discharge is understood and the toxic pollutants of concern are specifically limited in the permit.

Thank you for your assistance. If you have any further questions concerning my position, please feel free to contact me or Tom Martin of my staff.

Sincerely,

JAMES J. BLANCHARD,
Governor.

Mr. KLECZKA. Mr. Chairman, I thank the gentleman from Massachusetts [Mr. CONTE] for allowing a junior member to precede him today, and I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. KLECZKA].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. CONTE

Mr. CONTE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CONTE: Page 113, after line 13, insert the following new title:

TITLE II—ACID DEPOSITION CONTROL

SECTION 1. SHORT TITLE.

This title may be cited as the "Water Quality Improvement and Acid Deposition Reduction Act of 1985".

SEC. 2. PURPOSE.

The purpose of this Act is to improve water quality, protect human health and preserve aquatic resources in the United States by reducing the threat of acid deposition.

Subtitle I—Acid Deposition Control and Assistance Program

SEC. 101. AMENDMENT OF CLEAN AIR ACT.

Title I of the Clean Air Act is amended by adding the following new part at the end thereof:

"PART E—ACID DEPOSITION CONTROL

"Subpart 1—General Provisions

"SEC. 181. PURPOSE OF PART.

"The purpose of this part is to decrease sulfur dioxide emissions in the 48 contiguous States by requiring certain electric utility plants and other sources to reduce their rates of sulfur dioxide emissions. The reduced rates shall be rates which (if achieved by those sources in the emissions baseline year) would have resulted in total emissions from such sources 12,000,000 tons below the actual total of sulfur dioxide which those sources emitted in the emissions baseline year. The reduction is to be achieved within 10 years after the date of the enactment of this part. Such reduction shall be achieved through—

"(1) a program under subpart 2 consisting of direct federally mandated emission limitations for 50 of the largest emitters of sulfur dioxide; and

"(2) a program under subpart 3 consisting of State plans to provide for such reductions in the emission rates of other existing sources as may be necessary to achieve the remaining portion of such 12,000,000 ton reduction.

90 percent of the capital costs of continuous emission control technology used for the purpose of the program under subpart 1 shall be funded through a fee on the generation of electric energy as provided in subpart 4. Such fee shall also be used to provide revenue to the States to carry out the program under subpart 2.

"SEC. 182. CERTAIN ACTIVITIES NOT AFFECTED.

"Nothing in this part shall be construed to—

"(1) prevent the construction or modification of any electric utility unit or any other new source of sulfur dioxide; or

"(2) prevent any oil or gas fired electric utility unit or other oil or gas fired source from changing the fuel which such unit or other source used during the baseline year;

"(3) prevent any existing electric utility plant or any other existing stationary source of sulfur dioxide from at any time increasing rates of production or operation above baseline year levels;

"(4) require any State to reduce emissions under subpart 2 of this part to take into account emissions increases attributable to the construction, modification, or increased utilization of the units or sources referred to in paragraphs (1), (2), and (3); or

"(5) require any State to reduce emissions under subpart 2 of this part to take account of emissions increases attributable to a change in fuel at any existing source of sulfur dioxide which converts from gas as a primary fuel to oil or coal or which converts from oil as a primary fuel to coal.

"SEC. 183. DEFINITIONS.

"As used in this part—

"(1) The terms 'new' and 'modified' when used with respect to an electric utility unit or other source means an electric utility unit or other source which commenced construction (or modification) after December 31, 1980, and which is subject to new source performance standards for sulfur dioxide under section 111.

"(2) The term 'commenced' when used with respect to construction or modification has the same meaning as when used in section 111.

"(3) The term 'fossil fuel fired electric utility generating plant' means all of the fossil fuel fired electric utility steam generating units owned or operated by an electric utility which are located on one or more contiguous or adjacent properties.

"(4) The terms 'steam generating unit', 'electric utility', and 'fossil fuel' have the same meanings as provided in regulations under section 111 applicable to electric utility steam generating units for which construction is commenced after September 18, 1978 (40 CFR 60.41a), except that the term 'steam generating unit' shall include only those steam generating units which are capable of combusting more than 50 million Btu/hour heat input of fossil fuel (either alone or in combination with any other fuel).

"(5) The term 'Btu' means a British thermal unit.

"(6) The term 'technological system of continuous emission reduction' has the meaning provided by section 111(a)(7).

"(7) The term 'sulfur dioxide' when used with respect to emissions means total sulfur emissions expressed as sulfur dioxide emissions.

"(8) The term 'baseline year' means the calendar year 1980, except that in the case of—

"(A) any fossil fuel fired steam generating unit which is not part of an electric utility generating plant; or

"(B) any stationary source of industrial process emissions,

the Administrator may designate a subsequent calendar year as the baseline year if he determines that reasonably reliable data is available for that year with respect to the actual sulfur dioxide emission rates of the unit or source involved.

"(9) The term 'stationary source of industrial process emissions' means any major stationary source in one of the following categories or in any other category of major stationary sources which the Administrator determines, by rule, to contribute significantly to concentrations of sulfur dioxide in any region of the 48 contiguous States: nonferrous smelters, petroleum refineries, Portland Cement plants, natural gas plants, iron and steel mills, sulfuric acid plants, kraft pulp mills.

"SEC. 184. RELATIONSHIP TO OTHER REQUIREMENTS.

"Nothing in this part shall be construed to affect or impair the requirements of section 110 (or of any applicable implementation plan) or of any other section of this Act. Any stationary source which is subject to any such requirements may also be subject to additional requirements under this part.

"Subpart 2—Retrofit Technology for 50 Facilities

"SEC. 185. FEDERALLY MANDATED EMISSION REDUCTIONS.

"(a) IDENTIFICATION OF HIGH EMISSION ELECTRIC UTILITY PLANTS.—The Administrator shall identify each fossil fuel fired electric utility generating plant which emitted sulfur dioxide during the calendar year 1980 at an annual average rate equal to or in excess of 3 pounds per million Btu.

"(b) LIST OF 50 PLANTS.—

"(1) INITIAL PUBLICATION.—Not later than 2 months after the date of the enactment of this part, the Administrator shall publish in the Federal Register a list of the 50 plants among those identified under subsection (a) which have the largest total emissions of sulfur dioxide during the calendar year 1980 and shall notify the owner or operator of each plant on such list.

"(2) FINAL PUBLICATION.—Not later than 4 months after the date of enactment of this part, and after notice and opportunity for comment, the Administrator shall promulgate, and publish in the Federal Register, a final list of the 50 plants among those identified under paragraph (1) which the Administrator determines had the largest total emissions of sulfur dioxide during the calendar year 1980.

"(c) SUBSTITUTION.—

"(1) APPLICATION.—The owner or operator of any plant included on the final list under paragraph (2) of subsection (b) and the owner or operator of any other fossil fuel fired electric utility generating plant located in the same State may submit an application to the Administrator for the substitution of one or more fossil fuel fired steam generating units of such other fossil fuel fired electric utility generating plant for a unit of the plant included on such list. If an owner or operator of a plant included on the final list under subsection (b)(2) owns one or more other fossil fuel fired electric utility plants in the same State, he may submit an application under this paragraph for such a substitution. An application for substitution under this paragraph shall be submitted not later than 18 months after the date of the enactment of this part.

"(2) APPROVAL.—A substitution of units may be approved by the Administrator under this subsection only if the Administrator determines that—

"(A) the total emissions of the substitute unit during the calendar year 1980 were equal to or greater than the total emissions of the original unit; and

"(B) the substitute unit emitted sulfur dioxide during the calendar year 1980 at an annual average rate equal to or greater than 3 pounds per million Btu.

"(3) COMPLIANCE BY EXEMPTED UNITS WITH CERTAIN NSPS.—

"(A) COMPLIANCE WITH NSPS IF OPERATION EXTENDS BEYOND NORMAL USEFUL LIFE.—In any case in which—

"(i) a substitute unit has been approved under this subsection for any unit of a plant, and

"(ii) the normal useful life of such unit of the plant will expire before the date 10 years after the date of approval of such substitution,

the Administrator shall require that during any operation of such unit after the expiration of such useful life, the unit shall comply with the standards of performance applicable under section 111 to electric utility steam generating units which commenced construction after September 18, 1978.

"(B) NORMAL USEFUL LIFE.—For purposes of this paragraph, the normal useful life of a unit for which a substitute has been approved shall be determined by the Administrator at the time of approval of the substitution.

"(C) ENFORCEMENT.—The requirement established under this paragraph shall be treated as a requirement of section 111 and enforced in the same manner and subject to the same penalties and procedures as are applicable to the enforcement of the requirements of section 111.

"(d) EMISSION LIMITATIONS.—

"(1) FOR ELECTRIC UTILITY GENERATING PLANTS.—Except as provided in paragraph (3), each compliance schedule under this section shall provide that—

"(A) a technological system of continuous emission reduction shall be used for each steam generating unit in the fossil fuel fired electric utility generating plant concerned (other than a unit for which a substitute has been approved under subsection (a)(4)), and

"(B) sulfur dioxide emissions from such plant (excluding each unit for which a substitute has been approved under subsection (a)(4)) for the calendar year 1995 and for each calendar year thereafter shall not exceed—

"(i) 1.2 pounds per million Btu heat input and 10 percent of the total annual sulfur dioxide emissions during the calendar 1980 (90-percent reduction), or

"(ii) 0.6 pounds per million Btu and 30 percent of the total annual sulfur dioxide emissions during the calendar 1980 (70-percent reduction).

"(2) DETERMINATION OF COMPLIANCE.—Compliance by the plant with such emission limitation shall be determined in the same manner as provided for determination of compliance with regulations under section 111 applicable to electric utility steam generating units for which construction is commenced after September 18, 1978, except that (A) such regulations shall be applied on a plantwide basis (including all fossil fuel fired electric utility units which comprise the plant other than those units for which a substitute has been approved under subsection (a)(4)) and (B) compliance with the 1.2 pounds per million Btu and 0.6 pound per million Btu rates set forth in clauses (i) and (ii) shall be determined on the basis of average annual emissions of the plant in lieu of the 30-day rolling average which is applicable to each steam generating unit under such regulations.

"(3) SUBSTITUTE UNITS.—In the case of a substitute unit approved under subsection (c), each compliance schedule under this section shall provide that—

"(A) a technological system of continuous emission reduction shall be used for the unit, and

"(B) sulfur dioxide emissions from such unit for the calendar year 1995 and for each calendar year thereafter shall not exceed—

"(i) 1.2 pounds per million Btu heat input and 10 percent of the total annual sulfur dioxide emissions during the calendar 1980 (90-percent reduction), or

"(ii) 0.6 pounds per million Btu and 30 percent of the total annual sulfur dioxide emissions during the calendar 1980 (70-percent reduction).

Compliance by the unit with such emission limitation shall be determined in the same manner as provided for determination of compliance with regulations under section 111 applicable to electric utility steam generating units for which construction is commenced after September 18, 1978, except that compliance with the 1.2 pounds per million Btu and 0.6 pound per million Btu rates set forth in clauses (i) and (ii) shall be determined on the basis of average annual emissions of the plant in lieu of the 30-day rolling average which is applicable to each steam generating unit under such regulations.

"(e) COMPLIANCE SCHEDULES.—

"(1) SUBMISSION BY OWNERS OR OPERATORS.—Not later than January 1, 1985, the owner or operator of each plant listed under subsection (b) and the owner or operator of each substitute unit approved under subsection (c) shall submit to the Administrator a compliance schedule under this section, including increments of progress. Within 1 year after the submission of a compliance schedule, and after notice and opportunity for hearing, the Administrator shall approve or disapprove the schedule.

"(2) PROMULGATION BY EPA.—If a compliance schedule is not submitted on or before the date required under paragraph (1) for any plant listed under subsection (b) or for any substitute unit approved under subsection (c), or if a schedule submitted under paragraph (1) for such plant or unit is not approved by the Administrator before January 1, 1986, the Administrator shall promulgate a compliance schedule, including increments of progress, for such plant or unit on January 1, 1986. If, after January 1, 1986, the Administrator determines that any previously approved compliance schedule, including the increments of progress in such schedule, is inadequate to meet the requirements of subsection (d), the Administrator shall require submission of, or promulgate, a modified compliance schedule, including increments of progress, for such plant.

"(3) PUBLICATION.—Each schedule which is approved or promulgated by the Administrator under this subsection shall be published in the Federal Register.

"(4) DEADLINES.—The compliance schedule under this subsection shall provide that—

"(A) contracts shall be entered into for the purchase and installation of the technological systems of continuous emission reduction not later than January 1, 1993;

"(B) such systems shall be installed and in operation not later than January 1, 1995; and

"(C) the emission limitation required under subsection (d) shall be achieved for each calendar year after 1994.

"(f) ENFORCEMENT.—For purposes of sections 113, 114, 116, 120, and 304 of this Act, a compliance schedule under this section (including any increment of progress set forth in such schedule) shall be treated as an emission limitation.

"SEC. 186. PAYMENT FOR CAPITAL COSTS OF CONTROL.

"(a) 90 PERCENT PAYMENT.—From the fund established under subpart 4 of this part, the Administrator shall make available to each owner or operator of a plant which contains a unit subject to a compliance schedule under section 185 such sums as the Administrator deems necessary to pay for 90 percent of the costs of the construction and installation of the technological system of continuous emission reduction necessary to comply

with the emission limitation applicable under section 185(d).

"(b) REGULATIONS.—The Administrator, after consultation with the Secretary of the Treasury, shall promulgate regulations under which—

"(1) no payment may be made under this section to a utility for any costs unless the Administrator determines that, under applicable rates schedules, the full amount of such payment will be used to reduce those electric rate increases (payable by customers of the utility) which otherwise would result from the construction and installation concerned; and

"(2) such payments shall be made at such times as will minimize any electric rate increases for customers of the utility.

"Subpart 3—State Plans for Additional Emission Reductions

"SEC. 191. CALCULATION OF STATE SHARES.

"(a) SHARE OF 12,000,000 TON REDUCTION.—

"(1) EPA COMPUTATION.—For each of the 48 contiguous States, the Administrator shall compute a State share of the 12,000,000 ton reduction in annual emissions of sulfur dioxide referred to in section 181(a). The Administrator shall compute the State share for each such State as provided in subsection (b) not later than 18 months after the date of the enactment of the National Acid Deposition Control Act of 1985.

"(2) DATA TO BE USED IN COMPUTATION.—In making computations under subsection (b), the Administrator shall use the best available data. To the extent that other better data regarding the emissions of sulfur dioxide from any category of sources is not available on or before the date 18 months after the date of the enactment of the national Acid Deposition Control Act of 1985, the Administrator shall utilize the inventory of emissions developed in fulfillment of the requirements of the memorandum of Intent on Transboundary Air Pollution signed by Canada and the United States on August 5, 1980.

"(b) STATE SHARE.—

"(1) GENERAL RULE.—The State share for each such State shall be the number of tons which is the sum of the amounts computed under subparagraphs (A), (B), and (C).

"(A) ELECTRIC UTILITY EXCESS EMISSIONS TONNAGE.—The tonnage computed under paragraph (2) for fossil fuel fired electric utility plants in the State.

"(B) NON-UTILITY BOILER EXCESS EMISSIONS TONNAGE.—The tonnage computed under paragraph (3) for other fossil fuel fired steam generating units in the State.

"(C) PROCESS EMITTERS EXCESS EMISSIONS TONNAGE.—The tonnage under paragraph (4) for industrial process emitters of sulfur dioxide in the State.

"(2) ELECTRIC UTILITY EXCESS EMISSIONS TONNAGE.—

"(A) FRACTION OF 10,000,000 TONS.—The Administrator shall compute an excess emissions tonnage amount under this paragraph for fossil fuel fired electric utility plants in the State. The amount shall be determined by multiplying 10,000,000 tons by a fraction the numerator of which is determined under subparagraph (B) and the denominator of which is determined under subparagraph (C).

"(B) NUMERATOR OF ELECTRIC UTILITY FRACTION.—The numerator of the electric utility fraction shall be the tonnage of emissions of sulfur dioxide which the Administrator estimates to have been emitted during the baseline year at a rate in excess of 1.2 pounds per million Btu from fossil fuel fired electric generating plants which are located in the State and which, during the baseline year, emitted sulfur dioxide at an annual average rate in excess of 1.2 pounds per million Btu.

"(C) DENOMINATOR OF ELECTRIC UTILITY FRACTION.—The denominator of the electric utility fraction shall be the tonnage of emissions of sulfur dioxide which the Administrator estimates to have been emitted during the baseline year at a rate in excess of 1.2 pounds per million Btu from all fossil fuel fired electric generating plants which are located in the 48 contiguous States and which, during the baseline year, emitted sulfur dioxide at an annual average rate in excess of 1.2 pounds per million Btu.

"(3) NON-UTILITY BOILER EXCESS EMISSIONS.—

"(A) FRACTION OF 1,000,000 TONS.—The Administrator shall compute an excess emissions tonnage amount under this paragraph for fossil fuel fired steam generating units other than those which are part of electric utility plants in the State. The amount shall be determined by multiplying 1,000,000 tons by a fraction the numerator of which is determined under subparagraph (B) and the denominator of which is determined under subparagraph (C).

"(B) NUMERATOR.—The numerator of the fraction under this subparagraph shall be the tonnage of emissions of sulfur dioxide which the Administrator estimates to have been emitted during the baseline year at a rate in excess of 1.2 pounds per million Btu from fossil fuel fired steam generating units which are located in the State (other than units which are part of a fossil fuel fired electric generating plant) and which, during the baseline year, emitted sulfur dioxide at an annual average rate in excess of 1.2 pounds per million Btu.

"(C) DENOMINATOR.—The denominator under this subparagraph shall be the tonnage of emissions of sulfur dioxide emitted during the baseline year at a rate in excess of 1.2 pounds per million Btu from all fossil fuel fired steam generating units which are located in the 48 contiguous States (other than units which are part of a fossil fuel fired electric generating plant) and which, during the baseline year, emitted sulfur dioxide at an annual average rate in excess of 1.2 pounds per million Btu.

"(4) PROCESS EMITTERS EXCESS EMISSIONS TONNAGE.—

"(A) FRACTION OF 1,000,000 TONS.—The Administrator shall compute an excess emissions amount under this paragraph for industrial process emitters of sulfur dioxide in the State. The amount shall be determined by multiplying 1,000,000 tons by a fraction the numerator of which shall be the amount computed under subparagraph (B) and the denominator shall be the amount computed under subparagraph (C).

"(B) NUMERATOR.—The numerator of the fraction under this subparagraph shall be the tonnage of emissions of sulfur dioxide emitted during the baseline year at an annual average rate in excess of the rate determined under subparagraph (D) from emissions units of industrial process emitters of sulfur dioxide which are located in the State and which, during the baseline year, emitted sulfur dioxide at an annual average rate in excess of the rate determined under subparagraph (D).

"(C) DENOMINATOR.—The denominator of the fraction under this subparagraph shall be the total tonnage of emissions of sulfur dioxide emitted during the baseline year at an annual average rate in excess of the applicable rate determined under subparagraph (D) from emissions units within industrial process emitters of sulfur dioxide which are located in the 48 contiguous States and which, during the baseline year, emitted sulfur dioxide at an annual average rate in excess of the rate determined under subparagraph (D). The amount computed under this clause shall be referred to as the 'national industrial process excess emissions amount'.

"(D) AVERAGE BACT EMISSIONS LIMIT.—

"(i) For purposes of this paragraph, the average annual rate determined under this subparagraph for any emissions unit within a stationary source of industrial process emissions shall be the rate which the Administrator determines to be the national average BACT emissions limit for sulfur dioxide for emissions units within the category of process emitters involved.

"(ii) Utilizing the BACT/LAER Clearinghouse data available at the Environmental Protection Agency, the Administrator shall review the emission limitations for industrial process emitters which were established as "best available control technology" (BACT) under this Act during the period August 1977 through December 12, 1984. On the basis of such data, and not later than 1 year after the date of the enactment of the National Acid Deposition Control Act of 1985, the Administrator shall establish a national average BACT emission limit for sulfur dioxide for emissions units within each category of process emitters of sulfur dioxide.

"(c) REALLOCATION AMONG STATES.—Under regulations promulgated by the Administrator, the Governors of any two or more contiguous States may (by agreement) reallot among agreeing States the State share of two or more agreeing States if, under such reallotment, the total reduction in annual emissions of sulfur dioxide from all stationary sources subject to emission limitations under section 193(a) is equal to or greater than, and contemporaneous with, the total reduction in annual emissions of sulfur dioxide from such sources which would be required under this part in the absence of such reallotment. The Administrator may promulgate such regulations under this subsection as may be necessary to carry out the purposes of this part.

"SEC. 192. SUBMISSION AND APPROVAL OF STATE PLANS.

"(a) BASIC REQUIREMENT.—Not later than one year after determination by the Administrator under section 191 of the State share for each State, each State for which a share is calculated shall submit a plan to the Administrator under this section.

"(b) APPROVAL BY EPA.—If a State plan is submitted under this section on or before the required date, the Administrator shall approve or disapprove such plan within 6 months from the date on which such plan is submitted. The Administrator shall approve the plan if he determines that the plan contains provisions, including enforceable increments of progress, adequate to assure that the emission limitations required under section 193 will be achieved as expeditiously as practicable but not later than January 1 of the first year which commences more than 10 years after the date of the enactment of this Act.

"(c) FAILURE TO SUBMIT STATE PLAN.—If no plan has been approved by the Administrator on or before the date two years after the enactment of the National Acid Deposition Control Act of 1985, effective on the date 10 years after such date of enactment all sta-

tionary sources of sulfur dioxide in the State which are referred to in subsection (d) and which are not subject to more stringent emission limitations under other provisions of this Act (or under State plans in effect under such other provisions) shall be subject to the emission limitations set forth in subsection (d).

"(d) FEDERAL BACK-UP EMISSIONS LIMITATIONS.—The emission limitations applicable under this subsection in the absence of an approved State plan under this part are as follows:

"(1) 0.8 pounds of sulfur dioxide per million Btu for each steam generating unit of a fossil fuel fired electric generating plant (other than an electric utility steam generating unit which is required to comply with emission limitations under part 1);

"(2) 0.8 pounds of sulfur dioxide per million Btu for each fossil fuel fired steam generating unit which is not part of an electric utility plant; and

"(3) the national average BACT emissions limit for sulfur dioxide for the category of process emitters involved (as developed under section 191) in the case of each industrial process emitter of sulfur dioxide in the State.

The emission limitations applicable under this subsection shall be treated, for purposes of sections 113, 114, 116, 120, and 304 as requirements of an applicable implementation plan.

"SEC. 193. EMISSION LIMITATIONS IN STATE PLANS.

"(a) EMISSION LIMITATIONS FOR COVERED SOURCES.—The plan for each State required to submit a plan under section 192 shall provide for emission limitations applicable to any covered stationary sources. The emission limitations for each stationary source subject to the State plan shall establish an allowable average annual sulfur dioxide emission rate for the source. The allowable average annual sulfur dioxide emission rates for such sources shall be established at such levels that if each source had emitted sulfur dioxide at the allowable rate during baseline year for that source, the sum of the total reductions in actual annual emissions of sulfur dioxide in the State during both baseline years would be equal to—

"(1) the State share determined under section 191(a), reduced by

"(2) the subpart 2 credit for that State.

"(b) STATE DISCRETION IN MEANS OF COMPLIANCE.—The State plans under this subsection may provide for compliance with the emission limitations applicable under such plans through the use of a technological system of continuous emission reduction or any other requirements which the State deems appropriate to reduce the sulfur dioxide emission rate.

"(c) ENFORCEMENT.—Each requirement of a State plan approved or promulgated by the Administrator under this section shall be treated, for purposes of sections 113, 114, 116, 120, and 304 as a requirement of an applicable implementation plan.

"(d) DEFINITIONS.—For purposes of this section—

"(1) COVERED STATIONARY SOURCE.—The term 'covered stationary source' means for any State a stationary source (other than a plant or unit which is required to comply with emission limitations under subpart 2 of this part) in the State for which—

"(A) the actual annual sulfur dioxide emission rates have been calculated by the Administrator for the baseline year, and

"(B) no new source standard of performance is applicable under section 111.

"(2) SUBPART 2 CREDIT.—The term 'subpart 2 credit' means, for any State, the total annual tonnage reduction in emissions of sulfur dioxide which would have been achieved in the State during the baseline year if all electric utility plants (and units thereof) in the State which are required to comply with emission limitations under subpart 2 were in compliance during that year with those limitations.

"SEC. 194. FINANCIAL ASSISTANCE FOR COMPLIANCE WITH STATE PLANS.

"(a) GRANTS TO STATES.—From the fund established under subpart 5, whenever funds are available under section 196(c)(2), the Administrator shall make available to each State—

"(1) which has in effect a State plan approved under this subpart, and

"(2) in which each plant subject to subpart 2 has achieved the emissions reduction required under subpart 2,

a portion of the total amount available for all States under section 196(c)(2) the fiscal year concerned.

"(b) DATE OF AVAILABILITY.—Sums shall be made available under this section to each State following the later of—

"(1) the date on which funds under section 196(c)(2) are first made available to States, or

"(2) the date on which the State plan for the State concerned is approved under this subpart.

"(c) PORTION ALLOCATION.—The portion allocated to any State under subsection (a) for any fiscal year shall be a percentage of the total amount available for all States during that fiscal year. Such percentage shall be determined by dividing—

"(1) the State emission reduction share calculated under section 191, and reduced by the State subpart 2 credit, as defined in section 193(d), by

"(2) 12,000,000 tons, reduced by the sum of the State subpart 2 credits for all States.

"(d) USE OF AVAILABLE FUNDS.—

"(1) IN GENERAL.—Sums made available to a State under this subpart shall be used by the State in such manner as the State deems appropriate for purposes of—

"(A) providing for the emission reductions required in that State pursuant to this subpart;

"(B) reducing, or providing refunds with respect to, the fee imposed under section 197; or

"(C) funding any other State program which the State deems appropriate to carry out the purposes of this Act.

In any case in which the State has conducted and planning or in which any reductions required under this subpart have been achieved prior to the availability of funds to the State concerned, the sums available to that State under this subpart shall be treated as reimbursement. Any fee reduction or refund provided pursuant to subparagraph (B) shall be provided on a ratable basis (per kilowatt hour) with respect to all electric utilities in the State which are subject to such fee.

"(2) ADMINISTRATIVE EXPENSES.—Not more than 5 percent of the amount made available to any State under this subpart in any fiscal year may be used by the State for purposes of administration of the State plan under this subpart.

"Subpart 4—Acid Deposition Control Fund

"SEC. 196. ESTABLISHMENT OF FUND.

"(a) ESTABLISHMENT.—There is established in the Treasury of the United States a trust fund to be known as the 'Acid Deposition Control Fund' (hereinafter in this subpart referred to as the 'Fund'), consisting of such amounts as may be transferred to such Fund as provided in this section.

"(b) CREDITS.—There are hereby credited, out of any money in the Treasury not otherwise appropriated, to the Fund amounts determined by the Secretary of the Treasury (hereinafter in this title referred to as the 'Secretary') to be equivalent to the amount received in the Treasury under section 196.

"(c) USE OF FUND.—

"(1) IN GENERAL.—Amounts in the Fund shall be available only for purposes of making expenditures which are described in this subsection.

"(2) PRIORITIES.—If amounts available in the fund are inadequate to make all expenditures which are required to be made by the Administrator under this part, the Administrator shall make such expenditures in accordance with the following priorities:

"(A) FIRST PRIORITY.—(i) The Administrator shall make payments to utilities under section 197(c) for utility rate reductions specified in section 197(c)(2).

"(ii) Not more than $10,000,000 may be made available from the fund for purposes of the l.i.m.b. demonstration project under section 198(a) of subpart 5.

"(iii) Not more than $10,000,000 may be made available from the fund in any fiscal year for purposes of accelerated research of other technologies under section 198(b) of subpart 5.

"(iv) Not more than $25,000,000 per fiscal year for each of the fiscal years ending September 30, 1986, September 30, 1987, September 30, 1988, September 30, 1989, and September 30, 1990 may be made available from the fund for purposes of the mitigation program under title III of the Acid Rain Deposition Control Act of 1985.

"(B) SECOND PRIORITY.—The Administrator shall next make expenditures under section 186 and, if amounts in the fund are inadequate to make all expenditures under such section 186, the available amounts shall be allocated first to the facilities which first applied for payment under such section 186.

"(C) THIRD PRIORITY.—If all expenditures which can currently be made under section 186 have been made, the Administrator shall provide funding to States under section 194.

"(d) ADMINISTRATIVE PROVISIONS.—

"(1) TRANSFER.—The amounts appropriated by subsection (b) shall be transferred at least monthly from the general fund of the Treasury to the Fund on the basis of estimates made by the Secretary of the amounts referred to in such subsection (b). Proper adjustments shall be made in the amount subsequently transferred to the extent prior estimates were in excess of or less than the amounts required to be transferred.

"(2) REPORTS.—The Secretary shall be the trustee of the Fund, and shall report to the Congress for each fiscal year ending on or after the date one year after the date of the enactment of this part, on the financial condition and the results of the operations of such Fund during such fiscal year and on its expected condition and operations during the next 5 fiscal years. Such report shall be printed as a House document of the session of the Congress to which the report is made.

"(3) INVESTMENT.—It shall be the duty of the Secretary to invest such portion of such Fund as is not, in his judgment, required to meet current withdrawals. Such investments shall be in public debt securities with maturities suitable for the needs of such Fund and bearing interest at rates deter-

mined by the Secretary, taking into consideration current market yields on outstanding marketable obligations of the United States of comparable maturities. The income on such investments shall be credited to, and form a part of, such Fund.

"SEC. 197. FEES.

"(a) IMPOSITION OF FEE.—Under regulations promulgated by the Administrator, there shall be imposed a fee for each kilowatt hour of electric energy generated in the contiguous 48 States by an electric utility and for each kilowatt hour of electric energy imported into the contiguous 48 States.

"(b) AMOUNT OF FEE.—The fee shall be applied during each calendar quarter at a rate per kilowatt hour which is equal to 1.5 mill multiplied by the inflation adjustment for the calendar quarter in which the electric energy is generated or imported. The inflation adjustment for a calendar quarter is the percentage by which—

"(1) the implicit price deflator for the gross national product for the second preceding calendar quarter, exceeds

"(2) such deflator for the calendar quarter ending on December 31 of the year in which this part is enacted.

For the purposes of this subsection, the first revision of the price deflator shall be used.

"(c) NUCLEAR AND HYDROELECTRIC POWER.—

"(1) EXEMPTION.—The fee imposed under this section shall not apply to any electric energy (including imported electric energy) which is generated by nuclear or hydroelectric power.

"(2) STATEMENT OF EXEMPT FRACTION.—Each electric utility which generates or imports electric energy and sells such electric energy to any other electric utility or to any other person shall determine the fraction of the total number of kilowatt hours of electric energy sold during each billing period which is exempt from the fee under this section by reason of paragraph (1). Where sales of electric energy are made by a utility to two or more other persons, such fraction shall be the same for all electric energy sold during the same period. The amount of the fee imposed with respect to electric energy sold by an electric utility to any person during any billing period, and the total number of kilowatt hours of electric energy sold to such person by any electric utility during such billing period on which such fee has been paid, shall be separately stated on each billing document rendered to the purchaser in connection with such sale.

"(d) LOW-INCOME AND ELDERLY CUSTOMERS.—

"(1) PAYMENTS TO UTILITIES.—Under regulations promulgated by the Administrator, the Administrator shall make payments from the fund established under section 196 to each electric utility which has sold electric energy to any individual customer who certifies that, at the time of such certification, he is—

"(A) receiving aid to families with dependent children under a State plan approved under part A of title IV of the Social Security Act;

"(B) receiving supplemental security income benefits under title XIV of such Act;

"(C) receiving low-income home energy assistance under the Low-Income Energy Assistance Act of 1981;

"(D) a member of a household (within the meaning of the Food Stamp Act of 1977) which is receiving food stamps under that Act; or

"(E) receiving payments under section 415, 521, 541, or 542 of title 38 of the United States Code or under section 306 of the Veterans and Survivors Pensions Improvement Act of 1978.

Such certification shall be submitted within 180 days after the date of the sale of the electric energy with respect to which such payment is made.

"(2) RATE REDUCTION REQUIRED FOR LOW-INCOME AND ELDERLY CUSTOMERS.—No payment may be made to a utility under this subsection with respect to electric energy sold to any customer certified under paragraph (1) unless the Administrator determines that—

"(A) under applicable rate schedules, the full amount of such payment will be used to reduce the electric rates of the certified customer; and

"(B) the utility has established adequate procedures to assure that each customer of the utility will be informed in the utility's periodic billings of the payment authorized under paragraph (1) and the rate reduction available under this paragraph.

"(3) AMOUNT OF PAYMENT.—The amount of the payment made under this subsection to an electric utility with respect to sales of electric energy in any period shall be equal to—

"(A) 1.5 mill (multiplied by the inflation adjustment for the preceding calendar quarter) for each kilowatt hour of electric energy sold during that period to customers certified under this paragraph, multiplied by

"(B) a fraction—

"(i) the numerator of which is the total number of kilowatt hours of electric energy sold by the electric utility in that period for which a fee was paid by the generator or importer under this section, and

"(ii) the denominator of which is the total number of kilowatt hours of electric energy sold by the electric utility in that period.

"(e) REGULATIONS.—The regulations of the Administrator under subsection (a) shall be promulgated not later than 6 months after the date of the enactment of this part and shall set forth the time and manner required for payment of the fee imposed under subsection (a), the information required to be reported in connection with the payment of such fee, and the requirements applicable to the exemption and rate reduction provided under this section.

"(f) ENFORCEMENT.—

"(1) CIVIL PENALTIES.—Any electric utility (or importer of electric energy) which fails or refuses to pay any amount of a fee imposed under subsection (a) or which fails or refuses to file any report or other document required by the Administrator in connection with the imposition of such fee shall, in addition to liability for any unpaid amount of such fee (and interest on any such unpaid amount), be liable for a civil penalty of $50,000 for each day during which such failure or refusal continues. Any person who makes any false or misleading statement in any such report or other document required by the Administrator in connection with the imposition of such fee shall be liable for a civil penalty of $50,000 ($500 in the case of any person who makes any false or misleading statement in a certificate under subsection (d)).

"(2) CIVIL ACTIONS.—The Administrator shall bring a civil action against any electric utility (or importer) which fails or refuses to pay any amount of a fee imposed under subsection (a), fails or refuses to file any report or other document required by the Administrator in connection with the imposition of such fee, or makes any false or misleading statement in any such report or other document required by the Administrator in connection with the imposition of such fee. The Administrator shall bring a civil action against any person who makes any false or misleading statement in any document used for purposes of obtaining an exemption under subsection (d). Civil actions under this subsection shall be brought in the same manner and in accordance with the same procedures as are applicable to civil actions brought under section 113(b) against any person who violates any requirement of an applicable implementation plan.

"(g) CRIMINAL PENALTY.—Any electric utility (or importer of electric energy) which knowingly fails or refuses to pay any amount of a fee imposed under subsection (a) or which knowingly fails or refuses to file any report or other document required by the Administrator in connection with the imposition of such fee shall, in addition to civil liability under subsection (f), be subject to a criminal penalty of $100,000. Any person who knowingly files any false certificate or other document for purposes of obtaining an exemption under subsection (d) shall, in addition to civil liability under subsection (f), be subject to a criminal penalty of $1,000.

"(h) EFFECTIVE DATE; TERMINATION.—The fees imposed under this section shall take effect with respect to electric energy generated or imported after December 31 of the year in which this part is enacted. The fee shall cease to apply on December 31 of the first year which ends more than 10 years after such enactment.

"Subpart 4—Accelerated Research on Cleaner Burning Industrial Processes

"RESEARCH FUNDS

"SEC. 198. (a) FULL-SCALE DEMONSTRATION PROJECT.—The Administrator is authorized and directed to carry out a full-scale demonstration project to demonstrate the feasibility of the limestone injected multistaged burner (LIMB) technology. Not more than $10,000,000 is authorized to be appropriated from the fund established under subpart 4 for purposes of such project.

"(b) ACCELERATED RESEARCH FOR OTHER PROCESSES.—The Administrator shall make such grants and enter into such contracts and other arrangements as may be necessary to accelerate the research necessary to develop advanced industrial processes (including atmospheric fluidized bed combustion and magnetohydrodynamics (MHD)) other than the limestone injection multistate burner technology which may result in lower levels of sulfur dioxide and oxides of nitrogen. In each of the five fiscal years commencing with the fiscal year 1986, not more than $10,000,000 is authorized to be appropriated from the fund established under subpart 4 for purposes of this subsection.".

CONFORMING AMENDMENTS

SEC. 102. (a) ENFORCEMENT.—Section 113(a)(3) of the Clean Air Act is amended by inserting "or is in violation of any requirement in effect pursuant to subpart 1 of part E," after "inspections, etc.)".

(b) CIVIL ACTIONS.—Section 113(b) of the Clean Air Act is amended by inserting the following immediately after paragraph (5): "Whenever any person violates any requirement in effect pursuant to subpart 1 of part E, the Administrator may commence a civil action for permanent or temporary injunction or to assess and recover a civil penalty

of not more than $25,000 per day of violation, or both.".

(c) CRIMINAL PENALTIES.—Section 113(c)(1)(C) of the Clean Air Act is amended by inserting "or violates any requirement in effect pursuant to subpart 1 of part E," before "or".

(d) JUDICIAL REVIEW.—Section 307(b)(1) of the Clean Air Act is amended by inserting ", any final action taken by the Administrator under part E of title I" after "120" in the first sentence thereof.

Subtitle II—Control of Nitrogen Oxide Emissions

REVISIONS OF NEW SOURCE PERFORMANCE STANDARD

SEC. 201. Section 111 of the Clean Air Act is amended by adding the following new subsection at the end thereof:

"(k) The Administrator shall revise the standards of performance for emissions of nitrogen oxides from electric utility steam generating units which burn bituminous or subbituminous coal. Such revised standards shall prohibit the emission of nitrogen oxides from such units at a rate which exceeds—

"(1) 0.30 pounds per million Btu's, in the case of subbituminous coal; and

"(2) 0.40 pounds per million Btu's, in the case of bituminous coal,

based on a 30-day rolling average. Such revised standard shall take effect with respect to units which commence construction after the date of the enactment of this subsection. As used in this subsection, the terms 'electric utility steam generating unit', 'bituminous coal', and 'subbituminous coal' have the same meanings as when used in 40 CFR part 60, subpart Da, as in effect on January 1, 1983.

"(l) NSPS FOR NO_x EMISSIONS FROM CERTAIN STEAM GENERATING UNITS.—The Administrator shall promulgate standards of performance under this section for emissions of oxides of nitrogen from all fossil-fuel-fired steam generating units which are new sources within the meaning of subsection (a)(2) and which are capable of combusting more than 50 million Btu's per hour heat input of fossil fuel (either alone or in combination with any other fuel). The standards under this section applicable to fossil-fuel-fired steam generating units which are capable of combusting more than 250 million Btu's per hour heat input may vary from the standards applicable to units which are not capable of combusting more than 250 million Btu's per hour heat input.".

EMISSIONS FROM MOBILE SOURCES

SEC. 202. (a) TRUCKS AND TRUCK ENGINES.—Section 202 of the Clean Air Act is amended by adding the following new subsection at the end thereof:

"(g) OXIDES OF NITROGEN EMISSIONS FROM LIGHT-DUTY TRUCKS AFTER 1987.—Effective with respect to vehicles and engines manufactured during and after the model year 1987, the regulations under subsection (a) applicable to emissions of oxides of nitrogen from trucks and truck engines the gross vehicle weight of which does not exceed 8,500 pounds shall contain standards which provide that such emissions may not exceed the number of grams per vehicle mile specified in the following table:

Gross vehicle weight:	Emission standard
Not in excess of 6,000 lbs	1.2
In excess of 6,000 lbs	1.7

Effective with respect to vehicles and engines manufactured during and after the model year 1987, the regulations under subsection (a) applicable to emissions of oxides of nitrogen from trucks and truck engines the gross vehicle weight of which exceeds 8,500 pounds shall contain standards which provide that such emissions may not exceed 4.0 grams per brake horsepower-hour. Nothing in subparagraph (B) or (E) of subsection (a)(3) shall apply to any standard established under this subsection.".

(b) CONFORMING AMENDMENT.—Section 202(a)(3) (A)(ii) is amended by inserting "and except as otherwise provided in subsection (g)," after "(E)".

Subtitle III—Acid Deposition Damage Mitigation Program

STATE PLANS; FEDERAL ASSISTANCE

SEC. 301. (a) RESTORATION PROGRAM.—Any State may prepare, and submit to the Administrator for his approval and to the Director of the United States Fish and Wildlife Service for his comment—

(1) a survey of water quality deterioration in such State which has resulted from acid deposition, and

(2) a proposal for research on mitigating the effects of acid deposition on terrestrial and aquatic ecosystems;

(3) proposed methods and procedures to restore the quality of water in such State which has deteriorated as a result of acid deposition.

(b) FINANCIAL ASSISTANCE.—

(1) IN GENERAL.—From the fund established under section 196 of the Clean Air Act, the Administrator, after consultation with the Director of the United States Fish and Wildlife Service, shall provide financial assistance to States in order to carry out research on mitigation, and to carry out methods and procedures for restoration, which have been approved by the Administrator under this section.

(2) 80 PERCENT LIMIT.—The amount granted under this section to any State for any fiscal year shall not exceed 80 percent of the funds expended by such State in such year for carrying out approved methods and procedures under this section.

(3) APPORTIONMENT AMONG STATES.—The Administrator shall provide for an equitable distribution of sums appropriated under this section among States with approved methods and procedures. Such distribution shall be based on the relative need of each such State for the restoration of water quality which has deteriorated as a result of acid deposition. The amount of any grant to a State under this section shall be in addition to, and not in lieu of, any other Federal financial assistance.

Mr. CONTE (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. SNYDER. Mr. Chairman, I reserve a point of order against the amendment.

Mr. CONTE. Mr. Chairman, I want to commend the efforts of the Public Works Committee in bringing this bill to the floor. With a goal to make our waters drinkable, fishable, and swimmable once again, the Clean Water Act is an important environmental safeguard. However, there is one pressing water quality issue that is not addressed in this legislation.

Acid rain poses a national and potentially disastrous threat to the quality of water in this country. Lakes, streams, and reservoirs are dead and dying. In some cases, entire ecosystems are threatened. And most tragically, our drinking water supplies are being contaminated by this "silent killer."

Mr. Chairman, acid rain is a clear and present danger to our environment and to our health. Every day, more than 166,000 tons of sulfur and nitrogen oxides—the equivalent by weight of 4,100 fully loaded freight cars—are shot into the skies of America. Let's face it. Acid rain is out of control.

To address this widespread threat to our water quality, my amendment directly attacks the source of this water pollution by controlling these acid rain causing emissions. This comprehensive Acid Rain Control Program is designed to reduce sulfur dioxide by 12 million tons and nitrogen oxide by 4 million tons within 10 years. In phase 1, the top 50 largest sulfur dioxide emitters are required to reduce a total of 6.5 million tons, and in phase 2, another 5.5 million tons are distributed among the States for further reductions. A generous cost-sharing provision is also included. Since the program is financed by a separate "Superfund" for acid rain control, there's no cost to the Federal Government.

Believe it or not, New Englanders are sensitive to the employment effects in the coal mining States. We are aware of the regional costs of reducing SO_2, and we are concerned about the impact of cost sharing the consumer. But we are equally serious about protecting our environment, our water quality and our health. The Congress has stalled on this issue for too long. It's time to face the facts and take a stand.

Just look at the facts. Acid rain has a devastating effect on water quality.

In the Eastern States, including the Midwest, OTA estimates that 17,000 lakes and 112,000 miles of stream are at risk from acid rain.

In Massachusetts, over 200 waterbodies are already dead—acidified with no signs of life. A recent study showed that 82 percent of the surface water in my State is vulnerable to long term acidification. And 20 percent of these water bodies, including the Quabbin Reservoir, are critically close to losing their capacity to neutralize acid.

Let me tell you about the Quabbin, a reservoir that supplies drinking water to the city of Boston. With 85 percent of the service pipes made of lead, the city must spend $1.3 million annually to treat the acidic water from the Quabbin. This deadly combination—

lead pipes and corrosive water—presents a significant human health risk.

As you might expect, acid rain has dramatically affected aquatic life in the Quabbin. Since 1980, there has been a sharp decline in fish population and reproduction. For example, the egg mortality rate for the rainbow trout has reached a staggering 90 percent in some tributaries. Even with State stocking efforts, the trout catch has dropped 46 percent in the past 2 years.

The damage caused by acid rain is not limited to the Northeast region. In Wisconsin, for example, the Department of Natural Resources reported that 302 lakes in that State are now dead—killed by acid rain—and that another 1,400 are extremely threatened and probably will be dead before long.

Recent studies have also documented acid rain damage in the Rocky Mountain region and in the South.

It's a fact. Acid rain is causing significant damage now, and the effects will be disastrous in the future if controls are not in place. The National Academy of Sciences predicts that "at current rates of emissions of sulfur and nitrogen oxides, the number of affected lakes can be expected to more than double by 1990 and to include larger and deeper lakes."

It's clear that in Massachusetts and across the country, the acid reign of terror has ravaged the environment. This threat to our water quality, our health, forests and natural resources must be addressed on a national level in a timely fashion.

We can't afford to wait any longer.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. CONTE] has expired.

(On request of Mr. JEFFORDS and by unanimous consent, Mr. CONTE was allowed to proceed for 5 additional minutes.)

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Minnesota.

Mr. VENTO. Mr. Chairman, I rise in strong support of the amendment offered by my colleague from Massachusetts. He is bringing before this body a workable solution to the growing problem of acid rain. Acid deposition is threatening our environment, health and economic well-being.

Mr. Chairman, for too long, the current administration, too many of our colleagues and others have stonewalled a national response to the problem of acid rain. We have all heard the litany of excuses from "acid rain is beneficial" to the current standard excuse "we don't have enough information on it." But while we fiddle, Rome burns.

The jury is in, Mr. Chairman, and the verdict on acid deposition is guilty. Acid rain exists; it is a problem and we must act. There is no disputing the information we have received and the increasing scientific documentation of the growing threat of acid rain.

This May, my Subcommittee on National Parks and Recreation conducted hearings on air quality in the national parks. These hearings revealed the threat to our national parklands from air pollution. Witness after witness testified about the degradation in the parks from the loss of vegetation and poorer water quality to deteriorating cultural resources and visibility. Unless we counteract this growing problem, our national treasures will be lost forever.

The subcommittee hearings also focused on the impact of acid rain on our environment.

While the major public focus of acid rain has been on the Northeast and Midwest, the hearings indicated that the problems associated with acid rain may not be limited to those regions. Several witnesses indicated that both the Southeast and West could fall victims to the savage impacts of acid rain. Among those Western National Parks which were identified as sensitive to acid rain are: Mount Rainier, Yosemite, Sequoia, Yellowstone, and Glacier.

Mr. Chairman, as one of the witnesses succinctly stated: We are sitting on a time bomb. We must act now to defuse this bomb before it is too late.

Mr. CONTE. I thank my good friend, the gentleman from Minnesota [Mr. VENTO], for his contribution and his interest.

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Mr. JEFFORDS. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to my good friend, the gentleman from Vermont.

Mr. JEFFORDS. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I certainly want to enthusiastically join in this amendment. I think it is critical that we do something at this time. My State, the State of Vermont, probably receives the worst part of the acid rain at least from the ramifications not only on our pure water in the streams and lakes, but also on our forest growth. It is time to do something.

I know the gentleman is disappointed as I was disappointed that the Environmental Protection Agency, which had a chance to take a move in this area, failed to do so. Yet the gentleman knows as well as I know that the water pollution is a critical element here. I think the gentleman's amendment is excellently drafted in order to make sure that we have an opportunity to raise this issue. For to me it makes no difference whether the pollution comes out of the top of the stack or out of the bottom of the stack and runs across the land, it ends up in the water. And when it ends up in the water it creates a problem and creates pollution which is a serious one.

When I think of the numerous reports and studies on the damaging effects of acid rain on our natural environment, it is amazing to realize that we are just now debating this issue on the floor of the House. We can no longer ignore this byproduct of our industrial society. Smokestack pollution dispersed downwind is wreaking havoc on high mountain lakes, ponds, and streams to the detriment of water quality, aquatic life, and recreational opportunities. Sulfur dioxide and nitrogen oxide emissions from towering smokestacks are as damaging to our surface waters as the land based, nonpoint source pollutants addressed in other sections of this legislation.

This amendment to attach acid rain controls to the Clean Water Act is not designed to disrupt today's proceedings nor is it offered to merely prove a point. Acid rain is killing the surface waters of the Northeast. The Clean Water Act has been a success story of our Nation's desire to have clean, drinkable, and swimmable waters. But, we have to look beyond cleaning up municipal and industrial wastes discharged directly into our waters. With the phenomena of acid rain, we must now look skyward to pollutants that may be discharged into the heavens but fall to Earth as poisonous acid precipitation. The impacts of which can be so devastating that a water body can be left sterile and devoid of all aquatic life.

An opportunity to control the effects of acid rain was lost on the Environmental Protection Agency recently with the announcement of their so-called tallstacks regulations. Much to the chagrin of New Englanders, these regulations continue to allow the use of tallstacks as a pollution control technique. It is this very device that sends utility and industrial emissions downwind to destroy the quality of our surface waters. In discussing a renewal of the Clean Water Act today, we are offered an excellent opportunity to address the control of this environmental dilemma.

Vermont, along with much of the New England region, is highly susceptible to the effects of acid rain. Not only are we downwind of the primary sources of smokestack emissions, our geologic formations are extremely sensitive to acidic precipitation. Bedrock with a low chemical buffering capacity cannot neutralize the acidic composition of acid rain. Geologic surveys show that well over 50 percent of Vermont is sensitive to acid rain with medium to no buffering capacity. This area includes most of the Green Mountain and Taconic Mountain ranges and all of the Green Mountain National Forest.

The latest data from the Vermont Agency of Environmental Conservation has found 10 high-altitude lakes

in these sensitive areas to be "dead." All of these lakes displayed high acidity. In addition, the agency has identified 108 lakes, representing 11,246 surface acres of water, as extremely sensitive to further acidic precipitation. The buffering capacity of these lakes has been so eroded over the years that their natural ability to rebound from an acidic rain event has been virtually destroyed.

The effects of acid rain are already evident in Vermont and given the sensitivity of a large portion of our State we can only expect the damages to increase. This situation concerns Vermonters and in the Yankee tradition this concern has not be kept quiet. This past March at our annual town meeting day, more than half of our towns felt it was their duty to send Washington a message on acid rain. A resolution urging the Environmental Protection Agency to do all in its power to institute controls over the sources of acid rain was considered at 154 town meetings. It was adopted at all but two and at most by unanimous consent.

This is not the first time that Vermonters have spoken out on this issue. In 1983 the Vermont Legislature adopted a resolution calling on President and Congress to enact legislation to reduce sulfur dioxide emissions by one-half by 1990. My own legislative survey of last year found 95 percent of the respondents in agreement that something had to be done to control acid rain. Out of this group, an impressive 81 percent were willing to bear a portion of the cost of a cleanup program as long as it meant something would get done.

Where our Government has not acted, the New England region has taken the initiative to control our own, albeit small, contribution to the acid rain problem. Recently, the New England Governors and the Eastern Canadian Premiers agreed to a program to reduce sulfur dioxide emissions from within our region. This international effort marks the first time that a concerted effort will be made to control this problem. And this is by a region that is the primary victim of acid rain in North America.

The acid rain amendment to the Water Quality Renewal Act presented here today supports each of the initiatives I have outlined. This is control legislation, calling for reduction goals of 12 million tons for sulfur dioxide emissions and 4 million tons for nitrogen oxides, it is a nationwide plan with each State contributing to the cleanup campaign based on their contribution and it includes a funding mechanism with contributions from all electricity users. Vermonters support this approach, we are willing to help with the solution even though we are not a source of the problem. I hope all States can display as much regard for our environment.

Mr. Chairman, I again want to commend Mr. CONTE for bringing this issue to the House floor. I hope each of my colleagues will give this initiative their full consideration. Our environment cannot wait.

I would be happy to yield back.

Mr. BOEHLERT. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from New York.

Mr. BOEHLERT. Mr. Chairman, I commend my colleague in the well for his leadership on this very sensitive issue. It is no longer a regional issue, it is not even a national issue, it is an international issue, involving both the United States and Canada. The problem of acid rain is an international issue and we had better address it. We are creating a magnificent sewer in the sky and we are sitting here guilty of inaction.

Mr. Chairman, I want to commend the gentleman in the well, Mr. CONTE. His leadership on this issue is well known to all of us.

Mr. Chairman, I would urge all of our colleagues to take a good look at this amendment. It is very deserving of our support.

Mr. CONTE. Mr. Chairman, I thank the gentleman from New York for his kind comments.

Mr. NIELSON of Utah. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to my good friend, the gentleman from Utah.

Mr. NIELSON of Utah. Mr. Chairman, as the gentleman in the well knows, we had a study on acid rain last year in which the Member in the well at this time was a member of that committee. I think the report did recommend an acid rain bill. However, I have to say that the Committee on Energy and Commerce has jurisdiction in this area and specifically the Committee on Health and Environment has jurisdiction. They defeated an amendment similar to this 10 to 9 last year. Such an amendment has not come forward.

I believe if you would look at the bill which is similar to the bill by Mr. UDALL and Mr. CHENEY of Wyoming, I think it is very similar to that. Is that correct?

I am generally supportive of that, but I do think it needs committee action. I do not think it is appropriate at this time. For that reason I would have to oppose it.

Mrs. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentlewoman from Connecticut.

Mrs. JOHNSON. Mr. Chairman, I thank the gentleman very much.

Mr. Chairman, I rise in strong support of the gentleman's amendment and wish to submit for the record a report that was published in 1983 by the Connecticut Agricultural Experiment Station in New Haven. This outstanding organization did carefully research on this subject from our perspective in Connecticut and concluded that there is little doubt that rain in Connecticut and elsewhere in the Northeast has been acidified by increased emission of sulfur dioxide and nitrogen oxide. It further notes that though the effects of acid rain are subtle, current levels of acid rain caused air pollution may cause genetic, biological, and ecosystem changes that have yet to be identified.

Mr. Chairman, during 1980 over 27 million tons of sulfur dioxide and 21 million tons of nitrogen oxide were emitted into the U.S. atmosphere. Our own Office of Technology and Assessment reported that.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. CONTE] has expired.

(By unanimous consent, Mr. CONTE was allowed to proceed for 2 additional minutes.)

Mrs. JOHNSON. Mr. Chairman, will the gentleman continue to yield?

Mr. CONTE. I yield further to the gentlewoman from Connecticut.

Mrs. JOHNSON. I thank the gentleman for yielding.

Mr. Chairman, our own Office of Technology Assessment reported that if energy use patterns and current laws do not change, both sulfur and nitrogen pollutants will remain high for at least the next 50 years which would be disastrous to America's natural ecosystems.

Mr. Chairman, I commend the gentleman for his leadership in this area.

ACID RAIN: SOURCES AND EFFECTS

CONCLUSIONS

Nature and sources of acid rain

There is little doubt that rain in Connecticut and elsewhere in the Northeast has been acidified by increased emissions of suffur dioxide and nitrogen oxides. The increased emissions of sulfur dioxide can be attributed largely to increased combustion of fossil fuels. Nitrogen oxides are produced during high temperature combustion regardless of the composition of the fuel and the observed increases can be attributed largely to automobiles as well as stationary combustion sources.

In addition to acidifying rain, the gaseous oxides of nitrogen and sulfur may react directly with materials they contact, or they may react with other substances to produce particulate aerosols. Thus, acid rain is a mixture of acids dissolved in water, reactive gaseous oxides, and fine particulate sulfate and nitrate aerosols. In addition, air contains other pollutants such as ozone, hydrocarbons and heavy metals that also may be harmful. Unfortunately, these various pollutants are often grouped together under the heading of "acid rain," which has become a subject of national and even international environmental concern.

The sources of acid rain and other air pollutants in Connecticut are not readily quantified. This is due in part to the varied components of acid rain: if damage is caused

largely by gaseous SO2, for example, its relatively short residence time in the atmosphere suggests that local sources are important. Fine particulate aerosols, on the other hand, can be transported over longer distances. The more distant the source, the more difficult it becomes to specify that source. Present models that attempt to estimate the trajectory of polluted parcels of air have errors of the order of 50% the distance involved. However, it is clear that regions and perhaps even states can be identified as source areas.

Rain in Connecticut has an average pH of about 4.3-4.4, which is highly acidic compared to unpolluted rain with pH 5.6. The area of most highly acidified rain (pH~4.2) lies to the west of Connecticut, covering the general area of western Pennsylvania, western New York, eastern Ohio, and southeastern Ontario. Measurements of sulfate and nitrate deposition confirm that this area is the center of acid deposition. Because large amounts of sulfur dioxide and nitrogen oxides are produced in the 28 states east of the Mississippi, it is reasonable to conclude that, once again, man has fouled his own nest.

Effects of acid rain

To date, the effects of acid rain on the environment of Connecticut can be summarized as subtle. The soils of Connecticut are generally well buffered and show no evidence of acidification by acid rain. Measurements of the alkalinity of 35 lakes in Connecticut show little or no change since earlier measurements in 1937-1939. Similarly, there is no evidence that fish in our lakes have been affected by acid rain, but there are 1,000 lakes in Connecticut large enough to have names and some changes may have gone undetected. There is no evidence of damage to agricultural crops, and little or no reason to believe that our forests have been adversely affected to date. However, concern has been expressed that current levels of air pollution may cause genetic, biological and ecosystem changes that have yet to be identified.

The effects of acid rain on structures in Connecticut are evident in the weathering of some statues and other building stone. The damage is caused largely by the sorption of gaseous oxides, particularly suflur dioxide, which then dissolves in dew or other moisture to produce sulfuric acid.

There is little evidence of any direct effect of acid rain—i.e. increased acidity of rainfall—on human health. The notion that acid rain will burn skin or dissolve one's clothing has no basis in fact. However, there is no question that some forms of air pollution are harmful to health. Specifically, fine particulate aerosols can lodge in the lung and cause respiratory problems. A portion of these aerosols are acidic due to the presence of sulfur oxides. The association between these are pollutants and human health is statistical, rather than clinical, with one published study indicating an increase in mortality in New England due to air pollution. The precise role of sulfate aerosols in this complex air pollution problem is not known.

Mr. CONTE. I thank the gentlewoman from Connecticut for a fine contribution.

Mr. SCHEUER. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from New York.

Mr. SCHEUER. I thank the gentleman for yielding.

Mr. Chairman, I want to congratulate the gentleman for this initiative. I assume he has the full backing of the EPA leadership and the administration. I congratulate the gentleman on this tremendous quantum jump, this leap ahead in their thinking.

I have chaired a Science Committee which has had several hearings on acid rain. We have jurisdiction over acid rain research. Up to now the administration has always been in favor of more research but less action.

Mr. CONTE. Well let me say to the gentleman if he can get it out of his committee, to heck with the administration and EPA. I do not see this Congress moving expeditiously on acid rain legislation. There are a lot of things that the administration, the EPA and other agencies do not like and we pass it over their objections. So do not be bashful, get the bill out here to the floor. This is the first time we ever had a chance to talk about it on the floor.

Mr. SCHEUER. Mr. Chairman, I congratulate the gentleman in the well, the gentleman from Massachusetts [Mr. CONTE].

Mr. MOAKLEY. Mr. Chairman, I rise in strong support of the amendment offered by the gentleman from Massachusetts [Mr. CONTE]. While many may believe that acid rain is a problem of the Northeast and does not affect their constituencies, nothing can be further from the truth.

Our own Office of Technology Assessment [OTA] estimates the number of acid-altered lakes as 2,983, or 17 percent of the lakes in the Eastern half of the United States, mostly in the northeast and north-central regions. Recent evidence indicates that many lakes in high alpine areas of the West must also be added. OTA similarly estimated that 22,765 stream miles, or 19 percent have been acid-altered. Nearly all areas in the Eastern United States, including parts of the Midwest, are impacted. In Massachusetts, 19 percent of the surface waters are potentially acid altered.

The sad fact is that the advertisements you see of the beautiful crystal blue lakes—the lakes that look as clear as your neighborhood swimming pool—the lakes with the solitary fisherman. The sad fact is that that solitary fisherman will be sitting there all day without so much of a nibble. The sad fact is that those crystal blue lakes are dead from acid rain. The sad fact is that we know about this problem, it is well documented, and we have not taken corrective action.

In urban districts like mine, however, we are also losing our built environment as well. What is ironic about the loss of our built environment, is that many of the building materials which were originally chosen for their durability, have been found to be highly susceptible to acid rain. The result is not only the loss of much of our heritage, but enormous financial costs as we attempt to save these structures. Unfortunately, very little is known about how to prevent deterioration to buildings and sculptures from acid rain.

Frankly, the loss of either our lakes or buildings is probably not our biggest problem. While both the loss of our lakes and buildings are extremely serious, the ultimate threat is the effect of acid rain on human health.

We have clear documentation of the seriousness of sulfuric acid and the oxides of sulfur and nitrogen inhaled by people with chronic bronchitis, asthma, and emphysema. We do not know, however, precisely at what levels these people are at risk or whether these acids acting together may pose an even higher risk.

According to Dr. Morton Lippmann, director of the Aerosol and Inhalation Research Laboratory and professor of the Department and Institute of Environmental Medicine at the New York University Medical Center, it has been "clearly demonstrated that asthmatics are an especially sensitive segment of the population with respect to the bronchoconstrictive effects of sulfuric acid and nitrogen oxide," and that "adolescent asthmatics may well be an especially sensitive subsegment of the asthmatic group."

The most serious threat, however, does not affect just those suffering from respiratory problems, but is affecting everyone who drinks water. By mobilizing toxic metal such as lead and mercury, acid rain is undoubtedly getting into our drinking water—either directly from our wells and reservoirs, or added as acidic water gradually corrodes our distribution system.

To prevent metal pollution, and to protect the pipes, millions of dollars are spent annually throughout the United States to raise the pH of "raw" water entering our distribution systems. Gus Foss, the Boston Metropolitan District Commission's principal sanitary engineer, adds sodium hydroxide to the MDC system to raise the water to a pH of 8.8—enough to reduce the solubility of lead prevalent in the pipes of the service lines. Even nonacidified water, such as the MDC's water supply, would have to be treated to acquire this pH-acidified water which will require even further additions of sodium hydroxide.

While those of us receiving town or city water can demand action, many of my constituents use well water and have little recourse.

The amendment offered by the gentleman from Massachusetts seeks to resolve this problem now rather than waiting—waiting until the problem is worse and the solutions are more difficult. I believe that the 12-million-ton reduction in sulfur emissions mandat-

ed from this act are necessary if we are going to adequately attack this problem. Those of us in the Northeast have already expressed our willingness to carry our fair share of the load. New York has already passed legislation to reduce acid rain in that State. Governor Dukakis has endorsed legislation in Massachusetts to cap sulfur emissions in our State and requiring additional reductions if Federal standards are not forthcoming.

Mr. Chairman, I support this amendment—my constituents demand this amendment. I urge my colleagues to support this amendment and demonstrate to the American people that this Congress is serious about protecting both the environment and public health.

● Mr. ST GERMAIN. Mr. Chairman, I rise in support of the amendment to H.R. 8 which my colleague Mr. CONTE is offering to institute a program to control the harmful effects of acid rain. We in New England are too well acquainted with the disastrous effects of acid precipitation on our lakes, rivers, and streams. Individually and as a group, members of the New England delegation have worked for years attempting to bring an effective control program into being. In spite of the crucial nature of the issue, we have yet to consider it on the floor of the House. My constituents regard acid precipitation as the most pressing of environmental problems, with the possible exception of hazardous waste disposal.

Acid rain is causing significant damage to our waters and thus can well be addressed under the Water Quality Renewal Act. We have repeatedly delayed considering remedies to the damage which have already been caused by acid precipitation and while we have delayed the effects have grown worse. The amendment which is being introduced would establish a fair and effective program to curb acid emissions and to share the cost of so doing nationally. We have authorized continued studies of acid rain essentially to buy time and avoid dealing with the real issue. There is simply no more time to buy; it is important that we act now.●

● Mr. SIKORSKI. Mr. Chairman, I would like to thank the gentleman from Massachusetts for raising the important issue of acid rain. He addressed a problem that deserves the immediate attention of this body and the American public. This is a problem that relates very clearly to the quality of our water, our food, and our life. This issue is germane to any consideration of the public health and continued welfare, regardless of the vehicle used to bring this hazard to the American peoples' attention.

Acid rain is probably the most serious environmental threat to the North American continent. But for too long the debate has construed the problem of acid rain as solely one facing the States in the Northeast and the solution an Eastern one. We are now beginning to see the impact of acid rain beyond the Northeast. The EPA has reported that the regions of the United States that are vulnerable stretch from Florida to the State of Washington, from California to Maine. Even the deserts of New Mexico and Arizona show extreme levels of acidic deposition. All across the country, thousands of lakes, millions of trees, and millions of acres of land are threatened by the poisons of acid rain.

While the threat of acid rain poses is environmental in nature, it endangers more than just our Nation's health. Its effects also strike at the heart of our Nation's economic vitality. Agriculture, which accounts for 40 percent of the economy of my home State of Minnesota, is directly threatened by acid rain. The forest industry, which contributes significantly to our Nation's economy, is also threatened by continued exposure to acid rain, as is the tourism and sportfishing industries. In short, acid rain touches all regions of our Nation and all sectors of our economy.

Moreover, acid rain poses a serious threat to human health. Scientific evidence indicates that acid rain may be linked to several forms of human brain degeneration, particularly Alzheimer's disease, a common but devastating form of senility. Other research has uncovered links between sulfur dioxide (the primary precursor of acid rain) and premature death in humans—up to 50,000 a year.

We don't need another commission, another study. We need to act.

I appreciate Mr. CONTE's desire to promote the resolution of the issue of acid rain. I share his sense of urgency and I thank the gentleman for his amendment.●

● Mr. ROTH. Mr. Chairman, I rise in support of this effort to protect and preserve the quality of our Nation's water. I would like to commend the gentleman from Massachusetts [Mr. CONTE] for offering this amendment and giving us at long last an opportunity to discuss the topic of acid rain. It is clear that acid rain is damaging one of our most valued natural resources, our lakes.

Acid rain is intimately related to the pending subject of water quality. Acid deposition does result in a deterioration in the water quality of our lakes, streams, and ponds. Countless scientific studies have documented the widespread damage and potential threats to our rivers and lakes. In my home State of Wisconsin, there is a clear potential for serious long-term damage from acid rain.

The Wisconsin Department of Natural Resources reports that 302 of Wisconsin's 11,000 lakes have shown the first signs of stress due to acid rain. Water chemistry measurements indicate that these lakes measures no alkalinity. Another 1,400 lakes in Wisconsin are extremely sensitive, with very low alkalinity levels measured.

Nationwide, water bodies are being threatened by acid rain. Lakes and streams are dying, in turn, threatening entire natural habitats.

By addressing the issue of acid rain now, we can prevent a crisis in States like Wisconsin, where the threat of dying lakes already exists. We can avert a disaster if we have the will to act.

Mr. Chairman, I again want to commend Mr. CONTE for giving us this overdue opportunity to debate acid rain on the House floor. I hope that my colleagues will join with me in supporting this effort to truly promote water quality. There is nothing more germane to the issue of water quality, particularly in the Northeast and Midwest, than acid rain. There is a time to study and a time to act. The time to act is here.●

● Mr. MARKEY. Mr. Chairman, I rise to join Mr. CONTE in his efforts to get acid rain included as a part of the debate on clean water.

This amendment, which includes much of the bill that my colleague from Massachusetts and I have introduced, is entirely germane to this bill and deserves to be heard.

For many years, we have tried to get the serious question of acid rain debated on the floor of this House. We have been unsuccessful because of a deliberate policy to block debate on this critical environmental issue. Consequently, I strongly support this amendment as a vital step toward controlling acid rain.

As a chairman of a subcommittee which has some jurisdiction over the acid rain issue, I support this amendment. Acid rain deserves the attention of this Congress, and should be debated and passed by this Congress.●

Mr. CONTE. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. Does the gentleman from Kentucky [Mr. SNYDER] insist on his point of order?

Mr. SNYDER. Mr. Chairman, I do insist on the point of order and I would like to be heard on it.

The CHAIRMAN. The gentleman will state his point of order.

POINT OF ORDER

Mr. SNYDER. Mr. Chairman, the amendment is subject to a point of order on two grounds. First it is in violation of House rule XVI which states that "No motion or proposition on a subject different from that under consideration shall be admitted under color of amendment."

The amendment which the gentleman offers is not germane. It is, with

minor changes, substantially that embodied in H.R. 1030, which the gentleman introduced on February 7, 1985. The purpose of that bill was to decrease sulphur dioxide emissions by requiring certain electric utilities plants and other sources to reduce their rates of emissions. Since the bill made extensive amendments to the Clean Air Act, it was referred solely to the Committee on Energy and Commerce, who have jurisdiction of this matter.

Today we have almost identical provisions before us embodied in Mr. CONTE's amendment which are far beyond the scope of the bill we are now considering, H.R. 8, and deal with the subject properly within the jurisdiction of another committee, that is, the Committee on Energy and Commerce.

The scope of H.R. 8 is limited to the Clean Water Act and does not include extensive amendments to the Clean Air Act as the gentleman has proposed.

The gentleman's amendment would set air emission standards for certain electric utilities and other sources and would set up a financing mechanism to fund the program. According to subpart 4 of the amendment, a fund would be established to pay for the owner operators' capital costs to install appropriate air emission equipment required under the amendment.

Mr. Chairman, therein lies the other problem making this subject to a point of order. It is in violation of section 303 of the Budget Act since it increases revenues before the first Budget Act has been enacted. As we know, we do not have the first Budget Act enacted at this time.

So for those two reasons, Mr. Chairman, I strongly suggest that it is subject to a point of order.

I might say, too, Mr. Chairman, as an aside that having looked at the New York Times, when the gentleman from Massachusetts says that the Public Works Committee—on last Sunday—never says "no" to anything, our leadership; today we are saying no to this.

The CHAIRMAN. Does the gentleman from Massachusetts [Mr. CONTE] want to be heard on the point of order?

Mr. CONTE. Yes, Mr. Chairman.

The CHAIRMAN. The gentleman from Massachusetts is recognized.

Mr. CONTE. Mr. Chairman, it is very difficult to refute that scholarly legal opinion offered by the jurist from Kentucky. But I will do my humble best.

Mr. Chairman, the amendment I feel is germane to the committee amendment. It deals with the same subject matter as contained in the bill.

For example, the committee amendment includes a program to address the acidification of this Nation's lakes. If implemented, this amendment would accomplish the same goal by controlling the source of this acidity. Also, the bill, as a whole, is concerned with the protection and improvement of water quality in this country. And this amendment directly addresses the protection of water quality by controlling acid rain.

For these reasons, the amendment is in order and germane to the bill.

Mr. Chairman, I rest my case.

Mr. JEFFORDS. Mr. Chairman, I ask to be heard on the point of order.

The CHAIRMAN. The gentleman from Vermont is recognized.

Mr. JEFFORDS. Mr. Chairman, I think it is important to analyze the situation we are talking about here and to examine it with respect to the jurisdiction of the committee. The committee has jurisdiction over both issues, whether it be air pollution or water pollution. I think there is no question about that.

The question here is the germaneness of the bill. In addition to the remarks made by the gentleman from Massachusetts [Mr. CONTE] this bill also has non-point water pollution provisions in it. What are we involved with here in acid rain? We are involved with non-point water pollution. How does that occur? If you have a plant that has emissions in its stack, if you have scrubbers in it and it scrubs the pollution out, that effluent should run across the land and go into the water, then it would be covered, no question about it, as water pollution.

What we have here is the effluent goes out of the stack, it goes up, it comes down in water on land and runs across the land into the water and pollutes it. There is no question in my mind that that is a very relevant aspect of the water pollution problem, whether it be manure or whether it be from serious contaminating elements from stacks.

□ 1500

So it would appear to me that this committee is not restricted in its ability to take care of water pollution merely because it may also be an air pollution problem.

Mr. FRANK. Mr. Chairman, I rise to speak on the point of order.

Mr. Chairman, I want to associate myself with the remarks of the gentleman from Vermont [Mr. JEFFORDS] on the point of order. The question of the relevance of this to legislation dealing with clean water seems to me overwhelming. From the standpoint of my own district and my own State, there is no greater threat that people are concerned about, and I would hope that we would be given the chance, given that clear relevance, to debate this and act on it in this context.

Mr. MARTIN of New York. Mr. Chairman, I rise to speak on the point of order.

Mr. Chairman, I would like to embrace the comments of the gentleman from Massachusetts, and my colleague and neighbor from Vermont. I can think of nothing that would be more relevant to pollution of our waters than the tragic problem we have with sulfur dioxide, nitrogen oxides polluting the lakes and streams and rivers of this country, particularly in the Great Northeast.

I can think of nothing more relevant, and I support the position of the gentleman from Massachusetts [Mr. CONTE].

Mr. NIELSON of Utah. Mr. Chairman, I rise to speak on the point of order.

Mr. Chairman, I concur with many of the things that have been said about the desirability of having acid rain before us, and I am cosponsor of a bill to do exactly that. However, the statement made by the gentleman from Vermont is incorrect. The Public Works and Transportation Committee does have water pollution, but they do not have air pollution; they do not have air quality in their committee.

As the gentleman from Kentucky appropriately stated, this is the exclusive province of the Committee on Energy and Commerce and the Health and Environment Subcommittee of that committee.

I believe also some aspects need to be looked at as to the employment effects on the Eastern coal, which I think is a very serious possibility; I think all these things need to be taken into account, and therefore, I would hope that the Chair would rule for the point of order.

Mr. VENTO. Mr. Chairman, I rise to speak on the point of order.

Mr. Chairman, I think that this amendment is clearly germane. The fact is, if we take the arguments of our distinguished colleagues and add them together, we find that one committee deals with the air and one committee deals with the water, and that never the two shall mix.

The fact of the matter is that that means that under any context we could never deal with the particular issue.

So I would submit that this airborne pollutant, and that in fact produced from fossil fuel very often, from various types of sources whether they are point or non-point sources, which this legislation deals with.

The fact is, it means that all these lakes that are experiencing this heightened pH would not be able to—we cannot deal with the problem, then in essence, is what the arguments of those that have been presented would dictate to us.

So I would suggest that it is in order; that this is a very important source of pollution in these environments, and certainly deals with water quality and we cannot change that water quality unless we can deal with the physical

environment and the activities of man in that environment that are affecting it, and this is certainly one of the most important, Mr. Chairman.

The CHAIRMAN (Mr. REID). It is the ruling of the Chair that the amendment changes a law not amended in the pending bill and outside the jurisdiction of the reporting committee, and deals with the regulation of emissions not within the scope of the bill.

For that reason, the amendment is not germane.

As to the point of order under section 303(a) of the Budget Act, the amendment does raise revenues through fees on electrical energy for fiscal year 1986, to be deposited in the Treasury, and since Congress has not adopted a first budget resolution for fiscal year 1986, the Chair also sustains the point of order on that basis.

AMENDMENT OFFERED BY MR. ROBINSON

Mr. ROBINSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROBINSON: In the matter designated as "SEC. 42. GRANTS FOR REPLACEMENT OF CONTAMINATED GROUNDWATER." and inserted on page 86, after line 25, by Mr. Howard's amendments, insert after subsection (h) the following new subsection:

(i) JACKSONVILLE, ARKANSAS.—The Administrator shall make a grant under this section of $2,000,000 in each of fiscal years 1986, 1987, and 1988 to the city of Jacksonville, Arkansas, for the purpose of providing alternative water supply on a temporary basis and providing permanent remedies for water supply problems resulting from groundwater contamination.

Mr. ROBINSON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. ROBINSON. Mr. Chairman, the measure we have before us, the Water Quality Renewal Act, is of great importance. And the amendment by the distinguished gentleman from New Jersey is a vital adjunct to H.R. 8. Its importance has been brought home to me in a most graphic way.

Jacksonville, AR, is my hometown. And it is in trouble. A couple of weeks ago, Jacksonville residents opened their newspapers to read headlines that revealed the possible contamination of Jacksonville's municipal water supply.

That contamination is due to trace elements of two isomers of dioxin being found in an initial water sample. Dioxin is a known carcinogen—and a safe exposure level, if there is such a thing, has not been set.

I am aware of the fact that it is unusual for dioxin to be found in water. In fact the Environmental Protection Agency has retested both the city's water supply as well as private wells to determine the extent of the problem we face in Jacksonville.

Included in the amendment of the gentleman from New Jersey is a provision providing $150 million for replacement of contaminated ground water. Up to $2 million a year per locality in the form of a grant with a $10 million cap per State is mandated.

My amendment would simply earmark funds to ensure pure drinking water for the citizens of Jacksonville. I urge my colleagues to support my amendment.

Mr. ROE. Mr. Chairman, will the gentleman yield?

Mr. ROBINSON. I yield to the gentleman from New Jersey.

Mr. ROE. Mr. Chairman, we have examined this very important amendment on our side. It relates to a specific, very serious problem in Jacksonville, AR, and we have no objection to the amendment.

Mr. HAMMERSCHMIDT. Mr. Chairman, I rise to support the gentleman's amendment.

First, I want to commend Mrs. NANCY JOHNSON for adding the section 42, "Grants for replacement of contaminated ground water." I do know that the gentleman from Arkansas [Mr. ROBINSON] has a valid cause, that the city of Jacksonville has potential real damage done to their ground water, and I think we ought to have the authorization, as he suggests in his amendment. Therefore, we support his amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arkansas [Mr. ROBINSON].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. PURSELL

Mr. PURSELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PURSELL: Page 113, after line 13, insert the following:

SEC. 54. LIMITATION ON TOTAL APPROPRIATIONS FOR FY 1986.

Notwithstanding any other provision of this Act and any amendment made by this Act—

(1) not more than $2,606,726,000 may be appropriated for the fiscal year ending September 30, 1986;

(2) not more than $2,661,467,246 may be appropriated for the fiscal year ending September 30, 1987;

(3) not more than $2,713,365,857 may be appropriated for the fiscal year ending September 30, 1988;

(4) not more than $2,762,206,442 may be appropriated for the fiscal year ending September 30, 1989; and

(5) not more than $2,793,971,816 may be appropriated for the fiscal year ending September 30, 1990;

to carry out this Act and the Federal Water Pollution Control Act.

Mr. PURSELL (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. PURSELL. Mr. Chairman, on behalf of myself and Congressman PENNY from Minnesota, we are offering today a freeze amendment to take the Water Quality Renewal Act to the 1985 appropriated level.

We have had several freeze amendments to authorization bills through the House this session: Seven in total, on six of which we have had recorded votes. I am not going to take the time today to detail that overwhelming bipartisan support, Democrats and Republicans, who have been consistent in the principle of trying to achieve, through the freeze amendment process, absent a Budget Conference Report, at least $32 billion in savings in the attack on the deficit.

This Nation is looking at us each day, looking at our recorded votes. I suggest that if we take a close look at H.R. 8, the water quality bill, this bill is not only over the 1985 level, it is $2 billion above the fiscal year 1985 appropriated level.

So I suggest, on behalf of my colleagues who are supporting this amendment, that we address this issue up front and squarely today, and we will certainly ask for a recorded vote at the end of the debate.

I would like to also announce that the administration and the author of the letter which I have in my hand, Mr. Lee Thomas, have indicated that they strongly oppose H.R. 8, the Water Quality Renewal Act of 1985, unless significant changes are made.

Mr. Thomas writes:

Our most serious fiscal concerns of H.R. 8 are the excessive authorization levels which would reverse 4 years of fiscal restraint, at a time when control of the deficit continues to be one of the Nation's gravest problems.

We all understand what a veto is, and I am suggesting that our amendment is better in keeping the committee at the 1985 appropriated level than the administration's early budget requests, which are below that.

□ 1510

Our amendment does exactly that, freeze at the level of the 1985 appropriated number of $2.6 billion, and will allow, I might add, half of projected inflation costs in the out years, 1987 through 1990. The House-passed budget resolution projects inflation at 4.3 percent in fiscal year 1986, 4.2 percent in fiscal year 1987, in 1988, based on the projections of the House-passed budget resolution, 3.9 percent; in 1989 a projected inflation rate of 3.6 percent, and in 1990, an inflation rate of 3.3 percent. In the outyears, our amendment allows for an increase

equal to half of these projected rates of inflation. In summary, we are asking for a freeze in 1986 at the current, fiscal year 1985 appropriated level. Then, our amendment provides for an inflation adjustment of half the projected rate.

The House has stated its will quite clearly in the past. You might have looked at and read David Broder's column of yesterday in many papers throughout the United States, and I have a great respect for the columnist, who wrote:

> If this were a rational world, the government would end its mindless procrastination in dealing with the problems of runaway Federal deficits. Those deficits are the cancer of our economic society, and the longer they are left untreated, the more certain and painful will be the end of our current prosperity. Every diagnostic effort to look at the economic cancers leads to the recommendation that the budget deficit must be cut with whatever short-term pain by dealing with defense, domestic spending, entitlements and taxes.

Like the good doctor, Mr. Broder has correctly diagnosed the illness of our body politic. Unlike President Reagan's doctors, he cannot perform the surgery. Only this Congress can implement the cure. We are deciding today whether we have the skill and the will to save the life of our patient, America's economic recovery.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. PURSELL] has expired.

(On request of Mr. PENNY and by unanimous consent, Mr. PURSELL was allowed to proceed for 5 additional minutes.)

Mr. PURSELL. I yield to the gentleman from Minnesota [Mr. PENNY].

Mr. PENNY. I thank the gentleman for yielding.

I join my colleague from Michigan [Mr. PURSELL] in offering this freeze amendment. At a time of huge budget deficits, it seems clear to all of us here in the House that we cannot afford to spend more on any programs, regardless of how high a priority we may place on those programs. In fact, given the size of the deficit, we all recognize that some of the lower priority items, in terms of Federal programs, in fact have to be reduced.

This program has been increased in the authorization bill by $2 billion. Our House budget resolution called for a continued funding level for this program at $2.6 billion.

Again, what we are asking for is to keep the funding level for this program at a constant level. Fund this program in fiscal year 1986 at the same level that we funded it in fiscal year 1985. If we want to make serious deficit reduction here in the House, we have to keep both authorization bills and spending bills, appropriation bills, within our budget, and we have to begin with an across-the-board freeze effort in those areas.

The budget resolution does call for a freeze in funding levels for this program at $2.6 billion in fiscal year 1986. It then allows half of the rate of inflation in the outyears for this program. All we are trying to achieve by the Pursell-Penny amendment is to abide by that budget resolution, keep the funding level frozen in fiscal year 1986 and abide by the budget resolution numbers in those outyears.

Again, I join the gentleman in offering this amendment and I urge its adoption.

Mr. PURSELL. I want to congratulate the gentleman from Minnesota. There has been a bipartisan effort consistently on the floor this year. I think that in looking at the numbers of Democrats, there are at least one-third of the number on the gentleman's side of the aisle who have consistently voted to put a freeze level to the authorized and appropriation level. And, might I add, 90 percent of House Republicans, 165, have voted consistently in support of freeze amendments. If we cannot do that, if we cannot achieve just a basic freeze level this year, and this obviously will be the first big test of the House as a budget buster, we are not even going to accomplish, let alone $50 billion, the opportunity to achieve only the $32 billion in cuts a freeze provides. The test today is going to be perceived publicly. If you vote against the amendment, you're providing an opportunity to bust the budget and forget the budget resolution and all the good efforts that have gone heretofore by the Budget Committee. No single bill should stand out, regardless of the merits of the program. I serve on the Labor-HHS Subcommittee of the Committee on Appropriations. I can think of a lot of great programs for nurses and education and student aid and all of the other programs. But we have to bite the bullet, and if we can stay within the 1985 levels, we have made a major contribution toward reducing the Federal deficit and the burden it places on this Nation's taxpayers. Let's be consistent in defense and discretionary programs, and vote to freeze this bill.

Mr. PENNY. If the gentleman will further yield, did the gentleman share with the membership a few moments ago the list of authorization bills that have already been frozen by a vote here in the House?

Mr. PURSELL. Yes.

Mr. PENNY. I think it might be helpful if the gentleman would repeat that list, just to remind the Members that we are all on record, or many of us are on record, in support of those budget freezes for other authorization bills as they came before the House earlier in this year. All we are asking for today is to continue that trend. We have made a commitment to at the very least freeze authorizations at fiscal year 1985 levels, and the amendment we are offering today continues that pattern. Again the gentleman might read the list of programs.

Mr. PURSELL. I will read those very carefully. The first budget freeze amendment was to the NASA authorization, the first major authorization bill this year, which was passed on April 3, 1985, by a vote of 369 to 36, with a 4.8-percent or $376 million savings, staying at the 1985 level.

Next was the National Science Foundation authorization bill, a 6.1 percent or $98.3 million saving. That vote was 407 to 4.

Third, the National Bureau of Standards authorization bill, an 11.2 percent or $16.1 million savings, 398 to 2.

I might point out at that time, after those 2 recorded votes, the chairmen of some of the respective jurisdictional authorization committees began to offer their own amendments to reprioritize their programs to come within fiscal year 1985 appropriated levels. I credit the authorizing committees who have done that.

The State Department authorization was next, on May 9 with a 0.7 percent or $27.6 million savings, 398-to-1 vote.

Then the refugee assistance amendment, which I offered, a 10.8 percent, or $56.2 million savings.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. PURSELL] has again expired.

(By unanimous consent, Mr. PURSELL was allowed to proceed for 5 additional minutes.)

Mr. PURSELL. The Refugee Assistance Act freeze amendment vote was 278 to 112.

The defense authorization bill freeze amendment was offered by Chairman LES ASPIN, as the Members will recall, which the majority supported in the freeze movement effort, and it was a 3.3 percent, or $10 billion savings, a 301-to-115 vote, a 3-to-1 ratio on the floor—bipartisan.

Then, the foreign assistance authorization freeze was done on a voice vote, a savings of 3.2 percent, or $412.6 million in which both the gentleman from Michigan [Mr. BROOMFIELD] and the gentleman from Florida [Mr. FASCELL] offered—a freeze level in their committee and authorization bill. That passed on a voice vote just recently.

So we have had seven out of seven, and a track record of consistency. I think the House must stay at that consistent level in order to accomplish at least a $32 billion level of savings in fiscal year 1986.

Mr. PENNY. I thank the gentleman.

Mr. TAUKE. Mr. Chairman, will the gentleman yield?

Mr. PURSELL. I yield to the gentleman from Iowa.

Mr. TAUKE. Mr. Chairman, I want to commend the gentleman for his

leadership on this issue. As he has just indicated, over the past several weeks a majority of us in the House of Representatives have been able to vote for and successfully pass freezes on all of the bills, authorization bills, that have come before this body. And once again, as the gentleman points out, we are facing a moment of truth. We do have before us a bill which has a very substantial increase over current spending levels. If I understood the gentleman correctly, it is about a 77-percent increase; is that correct?

Mr. PURSELL. That is correct.

Mr. TAUKE. And that kind of increase can no doubt be justified if we look only at the needs that are out there in the country. But the problem is if we look at the needs in any given area, they far outstrip our ability to pay for the solutions to all of those problems which confront us, which means that somewhere along the line we have to prioritize and make hard judgments.

I think the gentleman is asking us to make some very hard judgments here today, but it is something we have to do now in order to be able to have the resources later to maintain current levels of funding and also to be able to continue current efforts to deal with some of these ongoing problems. If we do not deal with this budget problem now, we are not going to be able to deal with any of the other problems that this bill and others would like to address in the future.

So I commend the gentleman for his effort and I hope that a majority of the Members of the House will continue with this tough, ongoing, plodding effort to try to hold down the deficit and reduce expenditures here at the Federal level.

Mr. PURSELL. I congratulate the chairman of the 92 Group, Mr. TAUKE of Iowa, for his outstanding leadership on the budget resolution. As you know, our particular group has drafted what we call a balanced, fair program, and I think the issue here is one of fairness to all the programs, whether it be clean water, student aid, the defense budget, foreign aid, we have tried to establish a consistent principle here, and consistency is an important issue.

I would like to call it discipline. It is a sense of discipline that the House for the first time this year has got a new historical track record that the Nation is watching.

□ 1520

I call that discipline. It is tough; I know these are popular programs. I have been here 9 years; I have been a former State senator. I know it is easy to have a nice project, go out there and make a press release and have a nice conference back home that you have got a great project to help improve the quality of your community.

But when you go back to the communities today, they are talking about the deficit. They are talking about getting the House in fiscal order for this Nation. I think Congress must look above those popular programs and say let us stay within the 1985 level. Let us keep it at 1985. Let us be fair; let us have a balanced program. Go across the board and ask every single agency and every appropriation committee and every authorization committee to be fair and to discipline themselves to that fiscal year 1985.

So I ask the House today to look beyond just the popularity of a specific project and try to discipline ourselves today for a freeze amendment which will continue the program, but will give us some sense of fiscal responsibility for this Nation.

Mr. ROE. Mr. Chairman, I rise in opposition to the amendment.

Mr. ROE. Mr. Chairman, I certainly want to thank our distinguished colleagues for a very splendid presentation. I know it is sincere and from the heart.

I want to use some of the words that some of my southern friends use: "My daddy taught me." My daddy taught me one thing. He said, "More mistakes are made from lack of facts than from poor judgment."

Now, I think the House ought to know a couple of points. The administration's bill that was submitted to the Congress for consideration was a 4-year bill. This bill that we have before us is not a 4-year bill, it is a 9-year bill. It is a 9-year bill. On the basis of that, we are dealing with twice the amount of time than the administration has spoken to and as was addressed in the letter that came to Mr. MICHEL and to Speaker O'NEILL from Mr. THOMAS.

In that very same letter from Mr. THOMAS, Mr. THOMAS complimented the Public Works Committee, and I quote. He said:

> The administration is committed to reauthorization of the Federal Water Pollution Control Act at funding levels which will continue to move us towards meeting the goals and objectives of the Act. Earlier this year the administration sent to the Congress legislation proposing a 4-year, $7 billion reauthorization Act. The Committee, on Public Works and Transportation responded to the administration's funding proposals by reducing the authorized level for the Construction Grants Program from $5 billion to $3 billion.

That is in that letter.

Therefore the Public Works Committee has been extraordinarily responsive, perhaps with even tears in our eyes. The committee is very responsible as far as budget costs are concerned. The operation was a success but the patient died.

We speak of the moment of truth. We say this is a freeze we are talking about, and it is a budget-buster. It is not a freeze. This is cutting the program in half. Literally and figurally cutting the program in half. EPA has told us that; they thanked us for our help. They want to cut it further.

For the benefit of the Members, so that you know the facts, and more mistakes are made from lack of facts than from poor judgment, the administration bill was a 4-year bill and would totally phase out the grant program in a 4-year period of time—in case you did not realize that.

There was a report that has just been issued and sent here to the Congress and dated July 6, 1985, from the Comptroller General, and he speaks of the problems in a review of the program. He makes the following comment, which I would like to get into the RECORD, so the Members know what they are going vote on.

It says and I quote from this Comptroller General report of the U.S. Government:

"The Environmental Protection Agency's EPA Construction Grant Program awards local communities grants to plan, design, and build wastewater treatment facilities," and it explains that. And it says, "Between the years of 1972 and 1985 we obligated $45 billion for Federal grants."

Now here is the point. For all of you that have amendments that you wanted to add today, and did add some of them, when they talked about phased and segmentalized programs and partially completed programs all over the country, EPA and the Comptroller General make the statement that the money needed for this bill to complete the obligations that Congress spoke to is an additional $109 billion to the year 2000.

One of my dear friends made the point of view about the illness of our public body, and they made the point of view of the cancer, the economic cancer on our society. Let me tell you about Americans in this country. Every child and every man and woman and mother and father, if they were to invest their capital money in this country, they would not be sending $11 billion in foreign aid which we just voted on to every country throughout the world. Not that it is all wrong; the aid helps to build their water supplies and to correct their pollution and their sewage. I am not against feeding Ethiopians, but we are sending money to do that, and we cannot do that here.

We talk of cancer on our society. Come and walk with me and walk in my town, I will take you in an area that I do not know the answer to. We have Thorium pollution. It was not the peoples' fault; there are about 70 families living in the area. They are desparate as to what to do because it is a problem that affects their kids in the future and mutations and everything, and nobody knows the answer. That material is leaking into the water

supply that is going into our drinking water. We do not know what to do with it; we have a special program trying to solve it.

There are love canals all over this country that we are faced with. The toxic waste issue. Is water pollution and the water supply of the Nation in the same category, in your minds, as military and as education? And as food stamps? Or are we coming back and saying that man and woman kind and the human race can survive without water?

The CHAIRMAN. The time of the gentleman from New Jersey [Mr. ROE] has expired.

(By unanimous consent, Mr. ROE was allowed to proceed for 5 additional minutes.)

Mr. ROE. The human race cannot survive without water. A few days and it is over. Now, I do not put the quality of the water and the sustenance of the very human lives of this country into the same category as MX missiles. It is not one and the same. We are not talking about equity and balance in budget financing. We are talking fundamentally about the absolute health of the people of this country. When we speak of the economic cancer, let us speak of the cancer of the people that they are getting from this polluted water supply.

I for one in this House am fed up to the teeth of listening to this point of boondoggles and that what we are doing that is logrolling. There is not one Member in this House, Democrat or Republican alike that has not come to the Public Works Committee if you had a dam problem, a water supply problem, a pollution problem, everything you have spoken to.

I resent the sanctimonious point of view where people come to this floor and they attempt to mix up the needs of the American people, the fundamental purpose of life, and compare it with anything else we have to vote on.

I think that if we cut this bill one more penny, you are destroying the pollution control program of this country, and you are destroying the water supply of this country in every State of the Nation; all the areas we are responsible for. I would humbly suggest that every person that is here and that is listening would remember that when you vote on this issue, and we are going to ask for a vote on this issue you look at this point of view. When you go home, do not speak to the budget issue; of course you have to tell them you want to cut the deficit; of course we do. But you answer the question, when they turn that tap on and they flush that toilet and they make their food, and they produce their goods, they cannot do it without a clean, safe water supply. There is nothing in this Nation, other than the water we drink and the food we consume, that makes this country as great as it is.

So I would respectfully suggest that my colleagues join with me in the defeat of this amendment.

Mr. MORRISON of Connecticut. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of the amendment. I think the gentleman from New Jersey has given a very eloquent statement about the importance of what is involved in this legislation. I do not think there are many Members of the House, if any, who would disagree with him about that importance.

□ 1410

In fact, when most authorizations come here to the floor, we can make those kinds of statements. Some of us agree more, some less, with particular bills. There are many important things to be done by this country to solve problems that we have.

We also have this budget problem, and it cannot be minimized. That $200 billion deficit is not a joke; it is also not an accident. It has been visited upon us by some very poor choices in the past. It will not be solved by continuing bad choices.

We have gone through a budget process. We have passed a budget through this House. Tomorrow we are going to consider making the budget resolution that we passed in this House the budget resolution we are going to live by for the rest of this fiscal year, if the Senate does not come forward with an agreement that we can vote on.

What does that budget say? That budget says that programs in this category are frozen for 1986; that in years 1987 and 1988 they will get a half of the cost-of-living increase.

What does it mean to ignore that? In the authorization process that we are in right now perhaps it does not mean anything. Perhaps it is just a symbol. Perhaps we can pass this bill without freezing it and somehow suggest that it is not a problem; it is a statement that we are making in favor of fighting water pollution, which we are all in favor of.

But the fact is that the money is not there in our budget to deal with this problem, unless, of course, we really do not mean what we said in the budget, unless we mean that this money that is needed to raise the expenditures $2 billion above current spending levels is somehow going to come from somewhere else, and yet each and every program, as we hear about it, is critically important.

The freeze is tough medicine. It is not perfect. The budget process sought to even out some of those bumps, to make concessions in certain areas of special need. This was not one of those areas. This area in our budget, which a large majority of this House voted for, froze the spending level for this program.

All we are doing in this amendment is putting further discipline into that process. It is every bit more important for the fact that we do not have a budget resolution, for the fact that we do not have other ways to discipline this spending. So when it comes to us on an authorization, we have a choice: The symbolism of high authorizations that we cannot fund, or the discipline of authorizations that match the budget. I think the discipline is the better route. I think it will cause us to focus on if we want more for these programs, the money will have to come from somewhere else. We have not done it in the budget for this year. Perhaps we will do it in future years if we think it is important, but let us not kid ourselves. Let us not authorize an amount of money that we have no willingness or ability to pay for, and tell the American people that there is more available to do a job. If they want more available to do this job, let them support the resources to do more, but in the budget we have today, $2 billion more than last year's level is just plain not available.

Let us speak the truth in this vote and pass the amendment.

Mr. SNYDER. Mr. Chairman, I rise in opposition to the amendment, although I must admit that it is somewhat in reluctant opposition because we all know the fiscal situation. However, I think that we have to look at this objectively.

H.R. 8 as reported by this committee and as it is before us today is quite similar to H.R. 3282, which passed the House in the last Congress by an overwhelming vote of 405 to 11. There is one major exception, and that is that our committee this year reduced the level of authorization by over $7 billion compared to the bill that passed last year 405 to 11. Four Members thus far have spoken in favor of the amendment. I must commend them on their new-found morality because they all voted for last year's bill which was $7 billion higher last year.

The gentlemen who offered the amendment are seeking to continue an effort wherein every bill that comes before the House is reduced or frozen at the level of last year's appropriation. I understand that objective but I must, frankly, say that this approach sometimes ill advisedly makes sacrosanct last year's appropriation decisions, most of which we all remember were made in the context of the continuing resolution adopted in the waning hours of the 98th Congress without much scrutiny of the policy decisions made in the appropriations initiatives.

Mr. Chairman, every time the American people are surveyed on the issues,

they rank as one of their highest priorities clean water. The gentleman from New Jersey addressed that very eloquently, the need for clean water. As Members know, the major sources of pollution of our water are threefold: One, industrial discharges; two, municipal or publicly owned treatment plants; and three, nonpoint sources.

In 1972 the Congress embarked this Nation on a program to clean up pollution from these sources. Industry has invested billions of dollars to achieve the stringent clean-up standards of the Clean Water Act. However, the progress made in clean-up of municipal pollution and nonpoint pollution has been woefully inadequate.

In the municipal area, one of the prime reasons we have not achieved the goals of the Clean Water Act has been the failure of the Federal Government to appropriate the funds necessary to meet the commitment of the Federal Government for their share of project costs. Appropriations have plummeted from a high of $7 billion to the level mentioned in the colloquy today of $2.4 billion.

Additionally, in the 1981 clean water amendments, the Federal share of the eligible projects was reduced from 75 percent to 55 percent, and in that conference we eliminated most Federal funding for other types of projects. In short, the Federal Government, primarily for fiscal reasons, has reduced its participation in the efforts to clean up our waterways and transferred that burden to the States and the localities.

What has been the result? Eight years after the compliance deadline mandated in the 1972 Act, we still have nearly one-half of our municipalities that are not in compliance.

Mr. Chairman, nonpoint sources of pollution may account for over one-half of the pollution loading of our waterways. Even though the 1972 act stated that by July 1, 1984, we would achieve the national goal of fishable and swimming waterways, we are a long way from any realistic expectation of that noble accomplishment.

So how does H.R. 8 respond to these problems? First, with a program and a plan for nonpoint source pollution cleanup; and second, with a 5-year continuation of a minimal municipal funding program and a proposal to get the Federal Government out of the program once and for all by establishing a State-managed revolving loan fund which would once and for all end Federal funding by 1994.

I would also call to the attention of my colleagues that the other body has passed S. 1128, which has very similar authorizations for the construction grant program and for the nonpoint source initiatives. I believe it extremely unwise for the House to gut the municipal and nonpoint source program.

In the last Congress, only 11 of our colleagues disagreed with that statement and the bill was $7 billion more over the 4-year period. If we are for clean water, as is the American public, I hope you will stand with the committee and oppose the anticlean water amendment offered by Messrs. PENNY and PURSELL.

While I would say to these gentlemen that I might have been inclined to support a more limited amendment to reduce authorizations in the bill, I believe this sweeping cut in these two vital programs guts the clean water program and is extremely ill-advised.

The CHAIRMAN. The time of the gentleman from Kentucky [Mr. SNYDER] has expired.

(By unanimous consent, Mr. SNYDER was allowed to proceed for 2 additional minutes.)

Mr. SNYDER. I say, too, to the gentlemen, if they feel so strongly about reducing the construction grant program, as I am sure they do, I would note for the next 4 years their States will receive $600 million under the program. Of course, this would eliminate the Federal share of clean water projects in their States if we pass this amendment. It would eliminate many of them all across the country. If any of the ladies and gentlemen who are going to be voting on this would like to see the list of projects from their States, we have that available.

Mr. PURSELL. Mr. Chairman, will the gentleman yield?

Mr. SNYDER. I have talked about the gentleman from Michigan, so I will yield to him.

Mr. PURSELL. I thank the gentleman for yielding.

Mr. Chairman, I come from the great State of Michigan, and I acknowledge that we have had a number of grants over the years in the water quality bill.

Mr. SNYDER. You have some currently, I might say, in this bill.

Mr. PURSELL. Right, and I suggest the taxpayers now are concerned about the fiscal effort. You must realize that we, as a Congress, and the Treasury, are borrowing 20 percent of our revenue.

□ 1540

So how can we give the States this excessive amount compared to fiscal year 1985 and still borrow money and not be able to bring our interest rate down and not stimulate our housing industry and our auto industry?

I am suggesting that we are not gutting the bill. We are trying to stay within the budget, for fiscal year 1986 with inflation increases for the out years. That is all we are asking to do.

Mr. SNYDER. Mr. Chairman, if I might respond, I agree totally with the gentleman that our deficit and our national debt are intolerable, but I want to say to the gentleman that those things will not amount to much if in fact we do not have clean water for our people to drink, if we do not clean up the illness around the country. We have a bigger cancer rate on the Ohio River than anyplace else, and it is attributable, most people think, to polluted water. If we just want to let the water that we drink get polluted and get contaminated, and our people get sick and die, we will not be collecting many taxes, either, because there will not be any people to pay or economic development to support those taxes.

The CHAIRMAN. The time of the gentleman from Kentucky [Mr. SNYDER] has expired.

(On request of Mr. LEVIN of Michigan, and by unanimous consent, Mr. SNYDER was allowed to proceed for 2 additional minutes.)

Mr. LEVIN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. SNYDER. I yield to the gentleman from Michigan.

Mr. LEVIN of Michigan. Mr. Chairman, I appreciate the distinguished gentleman's yielding.

I have been listening to most of this debate, and I do not really understand—and I sit on an authorizing committee—how the committee expects us to vote for an authorization level that is $2 billion above an appropriation level that will be set or that has already essentially been set by action of this House and that will be reasserted hopefully within 24 hours. I do not understand it when the gentleman makes his arguments about the urgency. And I agree with the urgency. You seem to be saying what to the Appropriations Committee? To go beyond the level that will be within the budget resolution or to ask for a waiver?

Mr. SNYDER. No, no.

Mr. LEVIN of Michigan. I do not understand it.

Mr. SNYDER. Well, of course, the Appropriations Committee will set the level of expenditures year by year. This is a 9-year bill, as Chairman ROE has pointed out, and this amendment just sets a cap on the whole thing.

I think perhaps what is confusing the gentleman from Michigan is that, when you talk about the $4 billion as opposed to the $2 billion, the assumption is made there by CBO that all of the money in the bill for individual project-specific authorizations would be spent in that first year, which just is not true. It is only an assumption, an artificiality of the CBO costing procedures with respect to the calculation. The Appropriations Committee will set the binding funding levels each year during the 9 years covered by this bill.

Mr. LEVIN of Michigan. It is the gentleman's assumption that the Appropriations Committee, acting under this authorization, would come out for next year within the $2.6 billion that is set in the budget resolution?

The CHAIRMAN. The time of the gentleman from Kentucky [Mr. SNYDER] has again expired.

(On request of Mr. LEVIN of Michigan, and by unanimous consent, Mr. SNYDER was allowed to proceed for 2 additional minutes.)

Mr. LEVIN of Michigan. if the gentleman will yield further, I am asking these questions because I think the Members who are here and, even more so, the Members who are watching away from here, want a clear-cut answer. We are talking about clean water. We want a clear-cut answer as to how an authorization bill fits within the budget resolution, and most of us are not going to be satisfied, I think, by the answer that it is only an authorization bill. So how do you fit them together?

Mr. SNYDER. Mr. Chairman, the gentleman has asked a multiple question there.

First, let me say that the budget resolution sets caps by budget functions rather than by specific programs. For instance, many of the issues we deal with in our committee relate to transportation. This is Budget Function 400. The total in that function covers programs in many areas affecting many committees. Within the total, it is up to the Appropriations Committee to split that money between perhaps the Coast Guard over at merchant marine and other programs that we have. So first we have that difference.

Second, it is the function of the authorizing committees to receive testimony and establish what they believe to be the proper identification of the needs of the country in a specific program. It is then the function of the Appropriations Committee to set the priorities as to how and when appropriated funds will be spent. And they will continue to do that under this bill. But what the amendment proposes is to restrict the ability of the Appropriations Committee to set those priorities.

Mr. LEVIN of Michigan. Mr. Chairman, if the gentleman will yield further, I understand that. I appreciate his answer, and maybe the subcommittee chairman can make it clear. But I think we have been saying that this year is a different year than previously and after the budget resolution is hopefully passed tomorrow, we are going to know the allocations within accounts, and we want to know before we vote on authorization bills how those fit into the budget resolution. So I say to the gentleman you need to come up with a clear answer right here and now.

Mr. ROE. Mr. Chairman, will the gentleman yield?

Mr. SNYDER. I yield to the subcommittee chairman and let the gentleman from New Jersey take a shot at answering the question.

Mr. ROE. Mr. Chairman, the gentleman is making a fundamental assumption that the budget is going to drive the will of the House. I have to call to the gentleman's attention the fact that the function and the operation of the House of Representatives and its respective committees must be taken into consideration, and I do not say this to the pedantic at all.

The CHAIRMAN. The time of the gentleman from Kentucky [Mr. SNYDER] has again expired.

(On request of Mr. LEVIN of Michigan, and by unanimous consent, Mr. SNYDER was allowed to proceed for 3 additional minutes.)

Mr. ROE. Mr. Chairman, if the gentleman will yield, the budget is not driving the authorizing committees at this time. Our job is to present to our Appropriations Committee, and they to our Budget Committee, what the overall balance is. We must remember that although the Appropriations Committee may make a determination, they still have to come back to the House to vote on the bill.

Now, what we are talking about here is the will of this committee and the will of the House. We are not quarreling at all with the Appropriations Committee. We are not quarreling with the budget process whatsoever. We are simply saying that in the judgment of the House, or at least this committee at the moment until we vote, we believe those standards and those levels of appropriations ought to be set higher. The Appropriations Committee goes through its evaluations, they hold hearings, and they either agree or disagree. They could come right to the top of that authorization.

We are caught here in a moment where we have an ersatz budget situation, a budget that is floating back and forth. No budget has been adopted. We are voting on a 9-year bill. We are not trying to abrogate appropriations. That is not our function. We are here to say to the House of Representatives that this is the need we see for our people and this is what it means for our respective States.

We are not going contrary to the budget; we are not going contrary whatsoever to appropriations, as I see the facts before us and in answer to what you are asking. Let us not forget that the Members of the House have the right to determine whether the Appropriations Committee is doing the right thing, too. They come in and vote on the appropriation bills.

Mr. LEVIN of Michigan. Mr. Chairman, if the gentleman will yield further during the rest of his time—and I hope perhaps there can be a fuller explanation after you have finished because this is a critical issue—I say to the distinguished subcommittee chairman that what we did when we voted for the budget resolution, in the judgment of the Members who voted for it, was indeed to set the parameters within which we were going to operate this year. That is No. 1. No. 2, in that sense the budget resolution is driving the rest of the process.

The CHAIRMAN. The time of the gentleman from Kentucky [Mr. SNYDER] has once again expired.

(On request of Mr. LEVIN of Michigan, and by unanimous consent, Mr. SNYDER was allowed to proceed for 1 additional minute.)

Mr. ROE. Mr. Chairman, I wonder if I could just interrupt the gentleman on that point, and I will ask the gentleman from Kentucky to yield.

Mr. SNYDER. Yes; I yield to the subcommittee chairman.

Mr. ROE. On the final budget resolution, if what you are saying is fact—and I know the gentleman has enormous prestige and is well-regarded—then there is no quarrel between our Speaker or between Mr. DOLE and the White House on Social Security and there is no quarrel on military. Those items are open yet. That is not what our function is here today at all.

Our function is, as the distinguished gentleman from Kentucky has said, to present to the House the needs of the Nation. We are willing to work with the Appropriations Committee and the Budget Committee, and the argument is, do we want the authorization levels to be artificially cut at this point? If they are, we cannot deal with what the will of the House is in appropriations then because we are reducing what the authorization system is about in the first place.

Mr. LEVIN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. SNYDER. I yield to the gentleman from Michigan.

Mr. LEVIN of Michigan. Mr. Chairman, tomorrow we are going to act on the budget resolution. I think we have different understandings of the budget process, and I think we need to air it out right here today.

The CHAIRMAN. The time of the gentleman from Kentucky [Mr. SNYDER] has expired.

(By unanimous consent, Mr. SNYDER was allowed to proceed for 30 additional seconds.)

Mr. SNYDER. Mr. Chairman, I just want to say to the gentleman that there is nothing in this legislation that violates the budget resolution, assuming that it were enacted as we passed it here in the House, including its energy and natural resources function level. Our bill might set a different priority than that based on the assumptions that the Budget Committee made as to what money was going where, but insofar as violation is concerned, there is plenty of money in category 300 to cover the funding authorization levels in H.R. 8. There is $13.1 billion in category 300 of the

House-passed budget resolution for fiscal year 1986, and our bill does not approach that level.

□ 1550

Mr. HOWARD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, we may possibly be losing our perspective here at this time. We are not talking solely about dollars, solely about deficits. We are talking here about clean water. We are talking here about the future of our country.

When I first came to this body over 20 years ago, in the Public Works Committee there was a gentleman, a Representative from the great State of Minnesota, who I feel was a great statesman. His name was John Blatnik. He was chairman of the Water Resources Subcommittee.

Back in 1965 he saw long before these great environmental movements that we were in deep trouble in this country as far as water is concerned, that we were ruining and polluting the waters of this Nation and that our future could be in jeopardy.

Water as we know is at the same time the cheapest and yet the most valuable commodity on this planet. Nothing can grow, nothing can live without it.

So that committee worked for several years and they came up with the first clean water bill in the Congress. We found that this was a problem that we could handle. Water pollution control may be one of the problems that you can solve by throwing money at it. We know where the pollution is. We know where the pollution comes from. We do not need great technical breakthroughs in many areas. All we need is the commitment and the will and if we put those funds into these projects, we will clean up the waters.

Down through those years, the late 1960's and the 1970's, we saw a slow gradual improvement in the quality of water in this country. To pollute water is very quick and very cheap. To clean it up takes a long time and is expensive, but we were working by the end of the 1970's at a rate of Federal spending of $5 billion a year to help the communities build adequate sewage treatment plants and clean up their waters; but come 1981, that was changed. We found that instead of a commitment of $5 billion a year, we could only save $2.4 billion. We cut it by more than half, cut it $2.6 billion 1 year, and the next, and the next.

People talk about the fact that we have to cut this program so that we can help the budget. Well, during all those past years when they took $2.6 billion away from this small part of the budget [bill], the deficits went up and up; so cutting water pollution control apparently is not going to solve the deficit problem. They took that money from cleaning of the water and put it into other areas of Government spending and then added more spending, because the deficits have gotten bigger, while the money for water pollution control has been cut.

And what has happened? Are we continuing to clean the waters? No. We have seen just in the last 4 or 5 years that we are starting to go downhill again.

One thing I particularly resent maybe as chairman of this committee is the idea that when people get up and talk about these programs and this legislation, they talk about Members going home and talking about their projects and we get the scent of pork barrel once again, as though everything that comes out of this committee is something that is not needed, just a waste of time.

Well, I will say it is a lot more serious than that across this country in the small towns and in the great cities. We have a situation today with New York City, maybe we are aware of it. It needs water pollution control. It needs an adequate system that is being built that will not be built in time if we pass this amendment. There are 220 million gallons of raw sewage a day being pumped out into the Hudson River going down and polluting the communities downstream.

Fixing that problem, building this plant, that sort of pork barrel, something that should not be done, a waste that is very, very important to the people in that area that it go forward.

It was mentioned by one of the sponsors of the bill that we have a debt that we owe to our citizens back home on this deficit. We have a debt to our people today, but we also in this Congress have a debt to our citizens of the future. Are we going to say that we are going to let this go downhill? We will let the pollution increase and tell our children and grandchildren that we are going to do that because we are a little selfish. We are going to save a couple of bucks and you will have the big problem after we are gone. I do not think we can do that.

The real vote here today is whether we are going to keep a commitment to help the States and local communities clean up this environment.

The CHAIRMAN. The time of the gentleman from New Jersey [Mr. HOWARD] has expired.

(By unanimous consent, Mr. HOWARD was allowed to proceed for an additional 2 minutes.)

Mr. HOWARD. Mr. Chairman, I have asked for 2 additional minutes because I want to yield to the gentleman from Massachusetts.

That is the vote right here. Even if we defeat this amendment, we are still way, way below where we were in the 1970's. We have taken our cuts. We have taken more than our share and it has not brought us a balanced budget. This amendment will not do it. All it will do is put us and the future into a deeper hole, so I hope we will defeat the amendment.

Mr. FRANK. Mr. Chairman, will the gentleman yield?

Mr. HOWARD. I yield to the gentleman from Massacusetts.

Mr. FRANK. Mr. Chairman, I thank the gentleman. I want to congratulate him on the great work he has been doing here.

I want to express my hope that the amendment will be defeated. This is an example of mindlessness. The freeze applies to the starved and to the bloated alike. You take areas of the budget that have been pampered and upon which billions of excess dollars have been lavished for years and you take areas such as this that have already been cut below what they should have been and then you say, now we are going to freeze you equally. We are going to freeze you at this level. We are going to freeze you at the low level.

It is an abdication of legislative judgment and when people congratulate themselves for the courageous action they are taking, we are told to vote for the courageous freeze, maybe it is courageous to check your brain at the door and treat everything alike and ignore past history about what has been overspent and what has been underspent. I do not think it is.

In addition, I would say the gentleman makes a good point about the municipalities. There are municipalities that are under legal obligation to clean up their waters. What you do here is you do not save taxpayers' money. You shift it. Some local taxpayers will get hurt. They will still be under that legal obligation. You will be in a situation of taking back with one hand while you insist with the other.

Federal mandates will say to go ahead and clean it up and spend the money, but we will take the money back.

Finally, we are told we are borrowing too much. There are areas where borrowing is inappropriate, but if we were a private business, all this would be borrowed because we are talking now about important capital projects. We do not use these up in 1 year. It is good fiscal planning to look at these kind of long-term projects that are going to make a continuing contribution to economic development, to health and to safety, and to deal with them on a somewhat streched-out basis.

We are not talking here about a group that is going to be consumed.

So I congratulate the good work the committee has done and I hope the amendment is defeated.

Mrs. BENTLEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, today I rise in opposition to the Pursell-Penny amendment. I wish to express my support of the passage of H.R. 8, the Water Quality Renewal Act of 1985, or better known as the Clean Water Act. With enactment of the Clean Water Act funding for various clean water programs and revision of regulatory requirements will be reauthorized.

In September 1985, the $2.4 billion a year Construction Grant Program to build municipal sewage treatment plants will expire. Maintenance and new construction of water treatment plants of our Nation directly affects every Member of this Congress, as has been pointed out by our distinguished chairman and subcommittee chairman today. Enactment of H.R. 8 will provide reauthorization of construction grants to maintain and construct our waste water treatment plants.

The Clean Water Act is needed to help achieve control of pollutants that invade our Nation's water supply. In my home State of Maryland, the Chesapeake Bay plays a vital role in our State's economy. Many of our industries are directly affected by the condition of the Chesapeake Bay, as are those in Virginia, Delaware, and Pennsylvania.

In H.R. 8, provisions are indicated to significantly assist controlling nonpoint source pollution. Fifty percent of the water pollution of the upper Chesapeake Bay results from land runoff pollutants. Enactment of H.R. 8 at the current funding levels will provide an increase in participation by local governments and regional organizations in controlling water pollution.

I might point out here, Mr. Chairman, that the State of Maryland has enacted legislation establishing a critical areas commission, so that it will do its role in keeping that water clean there and they will now control everything that is built within 1,000 feet of the shore; so Maryland is doing its share. The other States are joining in and I say now is the time for this Congress to act to ensure that our Nation's waters are made safe from pollutants. Support of the Clean Water Act at this time is cost effective and environmentally sound.

Mr. Chairman, I urge my colleagues to support the position of the Public Works Committee and vote "no" on this amendment.

□ 1600

Mr. OBERSTAR. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the issue here has been raised as one of budget deficit cutting and responsibility toward the large issue of budget deficits, and that, the proponents and offerers of this amendment argue, is the justification for making further reductions.

First point: The Public Works and Transportation Committee was directed by the budget resolution to make reductions of $600 million in its functional category, and that $600 million reduction in budget authority was made. We have complied with the budget resolution that passed this body, and that Members voted for.

But let us go back a few steps in time. Some of the speakers earlier did not have the institutional memory because some of them were not even here when the budget resolution of 1981 and the Reconciliation Act were adopted. In that year, the Public Works and Transportation Committee agreed to a better than 50 percent reduction in the commitment that the Congress and the country would make to the cleanup of the Nation's wastewater discharges. We reduced the authorization for construction grants that was included in the 1972 and 1977 act amendments from $5 billion to $2.4 billion. We further went back and adjusted even the estimates on need from $128 billion to clean up the Nation's wastewater discharges down to $24 billion that the Federal Government would commit to clean up the Nation's wastewater discharges.

This committee has made enormous reductions, to the bare bones of the kind of effort that is needed to keep pace with cleaning up our lakes and streams, an effort that has been tremendously successful.

When the cities of Minneapolis and St. Paul discharge raw sewage into the Mississippi River, it affects the city of Winona which is a downstream user of that water, as it does Dubuque. I see the gentleman from Iowa is interested. And if those cities have an interest in clean water, it is in seeing that this problem is actually funded so that other upstream users of waters and dischargers will clean up their wastes. As the gentleman from New Jersey [Mr. HOWARD] said a moment ago, New York discharging into the Hudson River raw sewage of 220 million gallons daily affects the shores of New Jersey and the people who live along those waters.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. OBERSTAR. I am glad to yield to the gentleman from Minnesota.

Mr. VENTO. I want to commend the gentleman for his statement. I think he is providing some help for Members in terms of the budget issue, and especially, of course, he mentions St. Paul and Minneapolis. We are in the midst of trying to address the problem of storm and sanitary overflows. In dealing with that effectively, I think we see material progress.

But if the aggregate amounts in this bill are not authorized and subsequently appropriated, it means the States will not be able to help with that particular program, and that burden will fall almost exclusively on the residents of our area without any help from the State; and I think we need it. I think there is a broad public benefit in this.

Furthermore, I would like to point out to the gentleman we have made this progress. The gentleman from the 8th District in Minnesota I know can point with pride to the work he has done in this particular bill, and I want to commend him because he carries on that heritage we spoke of a little earlier, and our chairman did of Mr. Blatnik, and, of course, that is the district that my colleague in the 8th District represents, and the work that has been done in the Great Lakes, and the improvements in Lake Erie. All of this has been done and demonstrates the feasibility of the types of dollars we are talking about here in terms of providing clean water in our environment.

I think what the problem with this budget issue is, is not that we do not have a budget resolution, but we have all of a sudden 12 experts with different criteria for what constitutes the budget of the House. One has a 13-inch ruler, one has an 11-inch ruler, and they all have different standards, and by the time we get done we do not have any program, because that is the problem with not having a budget resolution. Everyone has their own standards and everyone has their own criteria, and the process to throwing out of any type of coherent policymaking that this Public Works and Transportation Committee wants to do with regard to clean water.

The CHAIRMAN. The time of the gentleman from Missesota [Mr. OBERSTAR] has expired.

(On request of Mr. VENTO and by unanimous consent, the gentleman from Minnesota, Mr. OBERSTAR, was allowed to proceed for 2 additional mintues.)

Mr. VENTO. I thank the gentleman for yielding and I appreciate his comments.

Mr. OBERSTAR. I thank the gentleman for his contribution and for his kind words, and for pinpointing the key issue here, and that is that cleanup progress has been made in our interstate rivers and interstate bodies of water such as the Great Lakes. And that is the focus of this and the whole point of this program to begin with, is to clean up the environment, and we have succeeded.

But if you cut further than in the judgment of the committee is wise and responsible to cut, you will not make that progress and will reverse the success of the last several years.

Remember the Cuyahoga River no longer catches on fire because we have cleaned up the discharges into the Cuyahoga River through this program

of pollution abatement. There were no fish a few years ago in Lake Erie, and now fishing has returned as a major recreational, sport, and commercial activity.

In the St. Louis River in northern Minnesota, there were no fish until we had the cleanup program on the St. Louis River discharging into Lake Superior, and now people are catching very sensitive fish in clean water, and that is the walleyed pike. We have similar success stories all across the United States.

But if accepted the amendment that was offered by the gentleman from Minnesota and the gentleman from Michigan, you will eliminate, you will severely cut back on the construction grants and you will severely affect the Revolving Loan Fund Program established, and you will severely reduce the nonpoint source control program. You will severely affect the nonpoint areawide planning program that sets up means of dealing with pollution abatement, the ground water contamination water program and the very expensive operating of the Clean Water Act, and the support that we give to the State governments to administer this program in a cooperative fashion with the Federal Government.

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. OBERSTAR] has again expired.

(By unanimous consent, the gentleman from Minnesota, Mr. OBERSTAR, was allowed to proceed for 1 additional minute.)

Mr. OBERSTAR. In sum, this legislation is not an entitlement program. By providing the approval of the authorization in this legislation, we are not mandating and committing Congress irrevocably to a certain level of funding. The appropriations process can and will adjust to these numbers to suit the budget process.

But I want to make it very clear that this committee has done what it was directed to do in the budget process. It has made the cuts. We made them this year. We made them 5 years ago, and we have faithfully complied with this process.

The bill we present to you today is a responsible, cautious, conservative, I believe too conservative, approach to the funding needed to make progress and continued progress on the clean water program of the United States.

Mr. TAUKE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the members of the committee who have presented this bill have indeed done a wonderful job over the last several years in attempting to develop good policy in the water pollution control area. And certainly they have done an outstanding job today in making the case for expenditures of money in this area.

But I ask my colleagues to not lose sight of the fact that the recommendation from this committee is that we increase expenditures in fiscal year 1985 to fiscal year 1986 from $2.5 billion to $4.6 billion. Let me repeat that: We are currently spending $2.6 billion, and the figure authorized in this bill for the next fiscal year is $4.6 billion. That is a 77-percent increase.

Mr. ROE. Mr. Chairman, will the gentleman yield?

Mr. TAUKE. I will be happy to yield to the gentleman from New Jersey.

Mr. ROE. Mr. Chairman, that simply is factually not correct, sir. It just simply is factually not correct.

The budget level this year is $2.4 billion. We are asking for in an authorization, which is part of this 9-year bill, yet to be dealt with by the Appropriations Committee, and yes, we are asking for $3 billion this year. We know we are not going to get that full $3 billion.

But anybody who tells you this is a 77-percent increase is totally, absolutely, unequivocably wrong. It is not the fact, and that bulletin that is floating around here is not factual, sir. It is not factual. We wrote the bill and we know that it is not factual.

Mr. TAUKE. Let me accept the gentleman's figure then for the time being. We will not quibble about the figures. It still is a substantial increase over current levels of funding.

Mr. ROE. Mr. Chairman, will the gentleman yield?

Mr. TAUKE. Yes, I yield to the gentleman from New Jersey.

Mr. ROE. It is not substantial, we are not asking for that. The level of authorization and appropriation this year in fiscal year 1985 is $2.4 billion. We are simply holding that line. We are not quarreling with it. We reduced the committee's bill that the people voted on 405 to 11 in this House here last year, almost every Member.

Mr. TAUKE. Is the gentleman suggesting that this bill in essence maintains freeze and authorizes for fiscal year 1985 the same amount we spent in fiscal year 1985?

Mr. ROE. This bill does not do that. This bill comes back and says to the people of this House what to vote on. If the gentleman will yield further, in our judgment, we think this is the level it should be. We are an authorizing committee. Those are the needs of America in the authorization, and if the budget process decides differently, we have to, of course, be guided by that.

□ 1610

But anybody who says we are doubling the figures is absolutely, totally incorrect. We have cut the bill from last year, supported by 411 votes, we cut it down in half.

Mr. TAUKE. I thank the gentleman for his comments but I think what we are doing is comparing apples and oranges.

The gentleman wants to talk in relationship to the bill we approved last year rather than talk in relationship to the measure or to the current levels of spending.

Last year's bill was a 4-year authorization bill but we are not talking about comparing with last year's authorization bill. We are talking about comparing with current levels of spending. Now the gentleman and others have said that this program is more important than all of the others. I sit on the Committee on Education and Labor and on the Committees on Energy and Commerce and we have everybody coming before our committees telling us about how health care is more important and we would not want to shortchange the health of the American people, about how child care is more important, how education is more important, how food stamps are more important and ADC. When we come to the floor, we hear about a variety of other programs all of which are critical to the health, welfare, and well-being of the American people. The problem is if we continue as the gentleman from New Jersey wants us to do, to base our authorization bills on what we need, rather than on the basis of what we can afford, we are going to continue to overspend. And I suggest that the authorization committees have more responsibility than to just come to the floor with statements of what we need. The authorization committees have a responsbility to come to the floor with the best programs that can be fashioned within the limits of the budget resolution.

Putting it another way, they have a reponsibility to come to the floor with the best budgets or the best programs that can be fashioned within the limits of what we can afford.

The CHAIRMAN. The time of the gentleman from Iowa [Mr. TAUKE] has expired.

(By unanimous consent, Mr. TAUKE was allowed to proceed for 1 additional minute.)

Mr. TAUKE. Mr. Chairman, coming to the floor with statements of need is a contribution to the problem that we have in the Nation of huge economic difficulties. Coming to the floor with programs that deal with the need and the best way possible within the limits of our resources are really making a contribution to strong public policy.

The gentleman knows, as I do, that within a few hours we are going to be adopting formally some kind of limitation on the expenditures in this area which will be substantially below, without arguing about the figures, substantially below what is authorized in this bill. And while I think he had done a remarkable job defending the programs, the fact is we need to look

at this in the context of all other programs and in the context of what we can afford.

On that basis it seems to me that we are compelled if we are responsive legislators looking at all the needs of the Nation to hold the line on this program for 1 year as we hold the line on all other programs.

We are not asking for cuts in current levels of spending, we are saying do not increase levels of spending.

Mr. EDGAR. Mr. Chairman, I move to strike the requisite number of words.

Mr. ROE. Mr. Chairman, will the gentleman yield?

Mr. EDGAR. I yield to my chairman.

Mr. ROE. Mr. Chairman, I thank the gentleman from Pennsylvania most profoundly for yielding to me because I know I have had my chance. I think we have had an opportunity to express our views both strongly and emotionally. I want to make a point clear: I have been in this House 17 years, 17 years. I never expected to stay that long, 17 years.

I do not ever come to the floor of the House to defend anything; I come to the floor of the House with what I believe in, never to defend. I am not defending this program, not at all. But I would like to call your attention to something: This Congress is going to be spending $1⅓ trillion, $1⅓ trillion in the next 3 years. So do not talk to me about budget balances—$1⅓ trillion to bury the MX, to put them on shelves, to do whatever. We are not in confrontation with that situation as far as the budget is concerned. It is in a situation that can wait. Come to the rivers and the harbors.You listened to the distinguished minority leader of the Committee on Appropriations. He came to us and he brought a great program and we applauded it from both sides. We talked about acid rain. Everybody said it is a great idea but somebody is going to have to pay for it.

We are not comparing this with education, we are not comparing it with transportation. We are saying fundamentally and basically in this country "Don't you understand that you cannot supply your family with water, with anything that has water in it unless you have the water supply to deal with?" Do we have to have to say to everybody that the raw dung—and I can use that word because it is in the dictionary and not meant to be profanity—is floating down river after river. Go to the beaches along our coast, go to our lakes; they are so fouled that people cannot even enjoy them.

You would dare compare $2.4 billion a year for all of the pullution control in this country and one MX missile which costs $3 billion. Try to explain that to the people of this country when we are talking about priorities and what is needed for the sustenance of the human beings of this Nation.

Mr. EDGAR. I would like to associate myself with the remarks of the gentleman from New Jersey [Mr. ROE].

Mr. Chairman, I think the issue is the question of what is needed. The gentleman and others have suggested that we have got fiscal constraints and the gentleman from Pennsylvania works very hard to focus attention on those fiscal constraints as they relate to infrastructure improvements, to water policy, trying to target the limited dollars that we have to the specific needs that we have in a variety of areas. I think this bill meets the test where it sets out for the next several years authorization levels to clean up our water. The question has been raised: Can we afford it? I think the question has to be raised: Can we afford not to have a commitment to cleaning those waters up in a positive way?

What we have tried to do is stay within categories of the budget. We held the line on the nonpoint source pollution provisions, we held the line on some other programs such as the acid rain issue that this gentleman from Pennsylvania would like to have seen expanded. But in no way do we think this bill has come to the floor trying to break the budget.

In fact, what we tried to do is lay out what the need is to move into the second phase of cleaning up the waters and streams of our Nation is a very fiscally conservative environmental environment.

Now I would like to say one other thing before I yield to the gentleman and that is that emotions are flying high on numbers. As I see the process, the budgetary process, the appropriations process and the authorizing process, it is our responsibility as an authorizing committee to lay out what the need is, to meet the needs of the society. The gentleman has an important disagreement with our numbers, but I think that fight is more appropriately made with the Budget Committee, with the Committee on Appropriations. And if they ask us to fall within particular number levels, we will set those priorities. We will work on those priorities.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. EDGAR] has expired.

(By unanimous consent, Mr. EDGAR was allowed to proceed for 2 additional minutes.)

Mr. EDGAR. If that pressure comes to us, as it has, we are fully capable of moving toward reductions and perhaps those reductions will come in other categories of our budget jurisdiction as opposed to the category that is so important to us, and that is cleaning up our waterways.

Mr. TAUKE. Mr. Chairman, will the gentleman yield?

Mr. EDGAR. I yield to the gentleman from Iowa [Mr. TAUKE].

Mr. TAUKE. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I will not rehash our differences of viewpoint about philosophy and what authorization committees should do. But the question has arisen about the numbers and what authorization levels this bill provides for, for fiscal year 1986.

The gentleman from New Jersey indicated that it was substantially below $4.6 billion and suggested that it was, in fact, $3 billion.

Mr. Chairman, let me point out that in the committee report on page 55, the Congressional Budget Office cost estimate says that the estimated cost authorization level for this bill for fiscal year 1986 is $4.6 billion. That is the figure that I relied upon.

□ 1620

Mrs. JOHNSON. Will the gentleman yield?

Mr. EDGAR. I yield to the gentlewoman.

Mrs. JOHNSON. Mr. Chairman, I think this is a very important point, and I think this is where there is so much misunderstanding on the floor of the House now and in the preceding half an hour.

We do all have a responsibility to the deficit reduction effort that we must make; we are concerned with fiscal constraints within which we must operate, but it is important for the Members as they proceed toward this vote to understand exactly what spending this does commit us to.

There is a discrepancy between the CBO figure just quoted and the $3 billion amount that this commits us to in 1986. The source of the discrepancy is quite simple. It is that CBO includes in its 1986 budget estimate the cost of all special grants and projects as if they were being spent in 1986 when in reality all of those grants and projects will be spent over the 9-year life of the bill and we know from experience that some of those will not be spent at all.

(By unanimous consent, Mr. EDGAR was allowed to proceed for 1 additional minute.)

Mr. EDGAR. I yield to the gentlewoman.

Mrs. JOHNSON. What we are committed to spending in the next year, in 1986, is $3 billion. The committee arrived at that number by making cuts from last year's bill of $1 billion in the Sewer Construction Grants Program, reducing it from $3.4 billion to $2.4 billion, a level at which it has been now since 1981, and reducing the State revolving fund from $1.6 billion to $6 million, which brings us—because it is that fund that eventually is going to

get the Federal Government out of this business altogether.

So, had we progressed toward that goal more rationally, we would more quickly achieve our deficit reduction goal.

Mr. EDGAR. I thank the gentlewoman for her comments.

Mr. GALLO. Mr. Chairman, I move to strike the last two words.

I yield to the gentlewoman from Connecticut.

Mrs. JOHNSON. I thank the gentleman for yielding.

Mr. Chairman, so what we have here really is a history of spending in this function of the budget that if you look back to 1981, involved the Congress, led by the Public Works Committee, more than having the program to achieve the goals of the Clean Water Act in this Nation in 1981.

Cutting that program by more than half, then level-funding that program every year until this year and now proposing an increase of about 20 to 25 percent.

Now that is what the Members must determine when they support this bill; whether we can make a small increase due to the enormity of the problem and the changes in that problem that have surfaced in recent years, whether we will deal with ground water contamination which we see now contaminating major drinking water aquifers, whether we will begin to address nonpoint-source pollution, whether we will take some of the steps that indeed our future depends upon.

Do not mistake the lumping of the special grants funding, which will be spent out over 9 years for an 1986 expenditure even though CBO does make that misleading statement.

Mr. PURSELL. Will the gentleman yield?

Mr. GALLO. I yield to the gentleman.

Mr. PURSELL. I would like to comment with respect to the gentlewoman from Connecticut's analysis here. The House Budget Committee budget authority is $2.6 billion, period, in this program.

The House bill budget authority that is recommended by the committee is $4.6 billion. So it is obviously a $2 billion, pure and simple, increase in 1986 over 1985.

Now they have been using authorization figures, and they have been using budget outlay numbers, but we are trying to compare apples to apples. OMB and CBO agree on this issue; there is no disagreement between the Office of Management and Budget and the Congressional Budget Committee; and that in itself is unique.

So I suggest we had better be very careful here, but this bill is over the authorized level; it is over appropriation level for 1985, and that is where the amendment stands.

Mr. GALLO. Mr. Chairman, I understand where the gentleman is coming from as far as the amendment itself and the rationale in trying to react to the significant deficit we have, but I think there is more to this whole bill and this whole discussion that should take place.

I remember the commitments as a former local official. The commitments that were made by the Federal Government in dealing with our Clean Water Act as to the grant procedure and the amount of money that would be available to the municipalities.

That never came about. It started off very nicely, and then all of a sudden we lost a lot of that grant money, back to the point where it went to 50 percent.

So in a sense, in 1988 when this Clean Water Act becomes where municipalities have to come about and meet all the criteria, they are going to have a difficult time, and it is not going to be any better if in fact we do not recognize here in Congress the need for additional funds in an area not only to protect our water, but also the environment that surrounds the municipalities that we are so concerned about.

When we talk about the dollars, and I do not mean to minimize the significance of what the amendment says, but when we want to talk about the growth, the future growth of this country and what that means to us, means to the Federal Government in additional revenues, then I think you have to look beyond that investment that you are making today.

Frankly, I have 134 towns in the State of New Jersey right now that are on building ban, based on the fact that they have not been able to comply with the clean water standards because of lack of money—not because of lack of willingness; or the want to clean the environment—but because the dollars are not there.

I think it is short-sighted if in fact we go along with this amendment, because even with the amount of money we are talking about, as Chairman ROE has indicated and Chairman HOWARD, the amount that is needed is so tremendous for us to get moving, we have got to start someplace.

This is a 9-year commitment; one that is needed; it is needed by the States, it is needed by the municipalities, and I certainly support it and hope everyone else supports it.

Mr. CARPER. Mr. Chairman, I rise in support of the Penny-Pursell amendment this afternoon.

Mr. Chairman, this is a difficult step for me; it is difficult for several reasons. First of all, because of the great respect for which I hold the chairman of the subcommittee, Mr. ROE, my understanding of the deep feeling that he has for this issue.

It is also a difficult step for me because water pollution, in my State of Delaware, is a serious problem just as it is in the State of almost everyone who is represented here today.

We have sludge in the oceans off of the Atlantic shore; we have groundwater contamination, as many of you do in your districts; we have inland bays that have been polluted, and we have groundwater; we have lakes; we have streams that are polluted as well; not as badly as they used to be before we adopted the Clean Water Act, but they are still a serious concern.

I think the issue today is not whether or not we are committed to a clean environment; it is not whether or not we are committed to clean air and clean water and clean oceans.

As I have listened to this debate over the last hour, the people who have spoken for and against this amendment are people who for the most part I think have some of the best environmental records in the House. These are people who are concerned about the environment.

The issue here today is not whether or not we have passed a budget resolution and how that budget resolution provides funding for this particular area; the issue today is not whether or not we should spend more money for cleaner water; I think all of us can easily agree we could easily spend a great deal more.

I think the basic question that we have to face today is whether we can afford to spend more money for literally anything—whether it is clean water, whether it is MX missiles, or whether it is programs for education, or you name it.

In a few minutes, I will be walking off of the House floor. I will be going off to speak and to meet with postal workers from my State. Those postal workers are going to be saying to me that they would like not less money next year; they would like more money from the Federal Government.

Last week I met with educators from my State; they did not ask for less money for education programs from the Federal Government; they wanted more.

I have met with senior citizens in the last week; they sought not less money for their programs, but more.

I have talked in the past week with military officials who wanted not less pay, not the same pay; they wanted more, and they wanted new aircraft, they wanted new ships; they wanted new chemical weapons.

Finally, I have talked with local officials in my State, and they do not want a freeze or a cut in revenue sharing, they would like more.

Let me go back to one comment that was made by an earlier speaker who said that if we want clean water, we can throw money at the problem; and in this case we actually do end up with cleaner water.

□ 1630

I suspect in this case that is probably true. The unfortunate thing is, Mr. Chairman, we do not have any more money to throw at this problem or any other problem. We do not have more money. That is a hard truth.

Again I want to commend the chairman of the subcommittee, I want to commend the committee. I know you have worked hard, you have endeavored to bring us a good bill, and I think you have. I must reluctantly support this amendment.

I yield to the gentleman from Minnesota [Mr. PENNY] for any comments he might have.

Mr. PENNY. I thank the gentleman for yielding.

I simply want to stress that this amendment could be called the truth-in-budgeting amendment. The budget resolution that we are attempting to abide by here in the House provides for a $2.6 billion funding level for this program in the coming year. That is going to bind the Appropriations Committee to spend only $2.6 billion on this program in the coming year, and we ought to be honest at the outset, upfront, with this authorization bill, and put in this bill that same $2.6 billion funding level. Let us freeze this budget, let us be consistent on the freeze resolution.

Mr. CHANDLER. Mr. Chairman, will the gentleman yield?

Mr. CARPER. I yield to the gentleman from Washington.

Mr. CHANDLER. I thank the gentleman for yielding, and I want to compliment him for his articulate comments.

Mr. Chairman, I represent the State of Washington. The chairman of the committee has been a real gentleman to me and to Members of our delegation in trying to help us. It is a sad day when we have to choose between priorities that we as Members look at and try to feel in our hearts which are the most important. I had to come down on the side of fiscal responsibility in this case. I look at the trade imbalance that is crippling our State, at the interest rates, at the value of the dollar, at the likelihood of the return of inflation if we do not get this fiscal situation under control. As high a priority as this is for people who live in the most beautiful part of the world, I have to say that we have simply got to freeze spending entirely. You all remember the impassioned plea that the gentleman from Florida [Mr. NELSON] made.

The CHAIRMAN. The time of the gentleman from Delaware [Mr. CARPER] has expired.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. PURSELL].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. PURSELL. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 207, noes 219, not voting 7, as follows:

[Roll No. 249]

AYES—207

Andrews	Gordon	Nichols
Archer	Gradison	Nielson
Armey	Gregg	O'Brien
AuCoin	Grotberg	Olin
Badham	Gunderson	Oxley
Barnard	Hall (OH)	Parris
Bartlett	Hansen	Penny
Barton	Hartnett	Pickle
Bates	Hatcher	Porter
Bedell	Heftel	Pursell
Bereuter	Hendon	Ray
Biaggi	Henry	Regula
Bilirakis	Hertel	Ridge
Bliley	Hiler	Ritter
Boner (TN)	Hillis	Roberts
Boulter	Hopkins	Roemer
Broomfield	Huckaby	Roth
Brown (CO)	Hutto	Rowland (CT)
Broyhill	Hyde	Rudd
Bruce	Ireland	Schuette
Bryant	Jacobs	Schulze
Burton (IN)	Jeffords	Schumer
Byron	Jenkins	Sensenbrenner
Callahan	Jones (OK)	Sharp
Campbell	Kaptur	Shaw
Carper	Kasich	Shelby
Carr	Kemp	Shumway
Chandler	Kindness	Sikorski
Chappie	Kolbe	Siljander
Cheney	Kramer	Skeen
Coats	LaFalce	Slattery
Cobey	Lagomarsino	Slaughter
Coble	Latta	Smith (FL)
Coleman (MO)	Leach (IA)	Smith (NE)
Combest	Leath (TX)	Smith (NH)
Conte	Levin (MI)	Smith, Denny
Cooper	Lewis (FL)	Smith, Robert
Craig	Lightfoot	Snowe
Crane	Livingston	Spence
Dannemeyer	Loeffler	Spratt
Darden	Lott	Staggers
Daub	Lujan	Stallings
DeLay	Lungren	Stenholm
DeWine	Mack	Strang
Dickinson	MacKay	Stump
DioGuardi	Marlenee	Sweeney
Dorgan (ND)	Martin (IL)	Swindall
Dornan (CA)	Martin (NY)	Tallon
Dreier	Mazzoli	Tauke
Duncan	McCain	Tauzin
Durbin	McCandless	Thomas (CA)
Eckert (NY)	McCollum	Traxler
Edwards (OK)	McCurdy	Vander Jagt
Emerson	McDade	Volkmer
English	McKernan	Vucanovich
Erdreich	McKinney	Walgren
Evans (IA)	McMillan	Walker
Fawell	Meyers	Weaver
Feighan	Michel	Weber
Fiedler	Miller (OH)	Whitehurst
Fish	Miller (WA)	Whitley
Fowler	Monson	Whittaker
Franklin	Moore	Wolf
Frenzel	Moorhead	Wolpe
Frost	Morrison (CT)	Wortley
Gibbons	Morrison (WA)	Wyden
Gingrich	Mrazek	Wylie
Glickman	Myers	Young (FL)
Goodling	Neal	Zschau

NOES—219

Ackerman	Beilenson	Boucher
Addabbo	Bennett	Boxer
Akaka	Bentley	Breaux
Alexander	Berman	Brooks
Anderson	Bevill	Brown (CA)
Annunzio	Boehlert	Burton (CA)
Anthony	Boggs	Bustamante
Applegate	Boland	Carney
Aspin	Bonior (MI)	Chappell
Atkins	Bonker	Clay
Barnes	Borski	Clinger
Bateman	Bosco	Coelho
Coleman (TX)	Jones (NC)	Rangel
Collins	Jones (TN)	Reid
Conyers	Kanjorski	Richardson
Coughlin	Kastenmeier	Rinaldo
Courter	Kennelly	Robinson
Coyne	Kildee	Rodino
Crockett	Kleczka	Roe
Daniel	Kolter	Rogers
Daschle	Kostmayer	Rose
Davis	Lehman (CA)	Rostenkowski
de la Garza	Lehman (FL)	Roukema
Dellums	Leland	Rowland (GA)
Derrick	Lent	Roybal
Dicks	Levine (CA)	Russo
Dingell	Lewis (CA)	Sabo
Dixon	Lipinski	Savage
Donnelly	Lloyd	Saxton
Dowdy	Long	Schaefer
Dwyer	Lowery (CA)	Scheuer
Dymally	Lowry (WA)	Schroeder
Dyson	Luken	Seiberling
Early	Lundine	Shuster
Eckart (OH)	Madigan	Sisisky
Edgar	Manton	Skelton
Edwards (CA)	Markey	Smith (IA)
Evans (IL)	Matsui	Smith (NJ)
Fascell	Mavroules	Snyder
Fazio	McCloskey	Solarz
Fields	McEwen	Solomon
Flippo	McGrath	St Germain
Florio	McHugh	Stangeland
Foglietta	Mica	Stark
Foley	Mikulski	Stokes
Ford (MI)	Miller (CA)	Stratton
Ford (TN)	Mineta	Studds
Frank	Mitchell	Sundquist
Fuqua	Moakley	Swift
Gallo	Molinari	Synar
Garcia	Mollohan	Taylor
Gaydos	Montgomery	Thomas (GA)
Gejdenson	Moody	Torres
Gekas	Murphy	Torricelli
Gephardt	Murtha	Towns
Gilman	Natcher	Traficant
Gonzalez	Nelson	Udall
Gray (IL)	Nowak	Valentine
Gray (PA)	Oakar	Vento
Green	Oberstar	Visclosky
Guarini	Obey	Watkins
Hall, Ralph	Ortiz	Waxman
Hamilton	Owens	Weiss
Hammerschmidt	Packard	Wheat
Hawkins	Panetta	Whitten
Hayes	Pashayan	Williams
Holt	Pease	Wilson
Horton	Pepper	Wirth
Howard	Perkins	Wise
Hoyer	Petri	Yates
Hughes	Price	Yatron
Hunter	Quillen	Young (AK)
Johnson	Rahall	Young (MO)

NOT VOTING—7

Downey	Lantos	Wright
Hefner	Martinez	
Hubbard	Schneider	

□ 1650

The Clerk announced the following pair:

On this vote:

Mrs. Schneider for, with Mr. Lantos against.

Messrs. DAVIS, ROSE, SAXTON, GRAY of Pennsylvania, HORTON, GILMAN, and HUNTER changed their votes from "aye" to "no."

Messrs. WYDEN, BRYANT, and HERTEL of Michigan changed their votes from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. OBERSTAR

Mr. OBERSTAR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. OBERSTAR: Page 86, after line 25, insert the following:

SEC. 40. DEMONSTRATION PROGRAM ON ACIDIFIED LAKES.

(a) RESTORATION OF BIOLOGICAL INTEGRITY.—The Administrator, in conjunction with the United States Fish and Wildlife Service and the environmental agencies of the States, shall carry out a demonstration program to restore the biological integrity of acidified lakes and watersheds through liming. The Administrator, in coordination with the environmental agencies of the States, shall select sites to carry out such program which will enable the Administrator to demonstrate and determine the effectiveness of liming in reducing the acidity of lakes and watersheds and in restoring the biological integrity of acidified lakes and watersheds.

(b) REPORT.—Not later than 90 days after completion of the demonstration program and not later than three and six years after completion of the program, the Administrator shall submit to the appropriate Committees of Congress reports on the results of the demonstration program carried out under this section. Such reports shall include, but not be limited to, an analysis of the effectiveness of liming in reducing the acidity of lakes and watersheds and in restoring the biological integrity of acidified lakes and watersheds in the long-term and the short-term.

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section not to exceed $10,000,000 for fiscal years beginning after September 30, 1985, to remain available until expended.

Mr. OBERSTAR (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. OBERSTAR. Mr. Chairman, the amendment would establish a demonstration program to be administered by the Environmental Protection Agency on the feasibility of cleaning up lakes that have been damaged by acid rain.

Acidified lakes, particularly those in the northern tier area that are highly vulnerable to acid depositions, the so-called glaciated lakes, are among those that are the most sensitive in the Nation's inventory of lakes that have been very severely affected by acid deposition.

This program would allow the Environmental Protection Agency for a period of time to demonstrate techniques for the cleanup of such lakes and see whether it is possible to restore them to their prior state of cleanliness.

Mr. ROE. Mr. Chairman, will the gentleman yield?

Mr. OBERSTAR. I would be glad to yield to the gentleman from New Jersey.

Mr. ROE. I thank the gentleman for yielding.

Mr. Chairman, the committee on this side has reviewed the gentleman's very good amendment. We have no objection and we think it is an addition to the bill and we accept the amendment.

Mr. SNYDER. Mr. Chairman, will the gentleman yield?

Mr. OBERSTAR. I yield to the ranking minority member, the gentleman from Kentucky.

Mr. SNYDER. I thank the gentleman for yielding.

Mr. Chairman, we are prepared to accept the amendment on this side.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. OBERSTAR].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. OBERSTAR

Mr. OBERSTAR. Mr. Chairman, I offer another amendment.

The Clerk read as follows:

Amendment offered by Mr. OBERSTAR: Page 71, after line 3, insert the following:

"(e) ACIDITY MITIGATION PROGRAM.—

"(1) STATE SURVEYS AND PLANS.—Any State may prepare, and submit to the Administrator for his approval—

"(A) a survey of surface waters in such State in which water quality has deteriorated as a result of high acidity that may reasonably be due to acid deposition or acid mine drainage, and

"(B) methods and procedures that may be applied to mitigate the harmful effects of such acidity on such waters.

"(2) DESCRIPTION OF CERTAIN ELIGIBLE METHODS.—Methods which the Secretary may approve under this subsection may include, but are not limited to—

"(A) innovative methods of neutralizing and restoring buffering capacity of surface water, such as through the use of alkaline substances, that have become so acidic as to endanger game fish species, and

"(B) methods of removing from surface water toxic metals and other toxic substances mobilized by high acidity.

"(3) GRANTS.—The Administrator, in consultation with the Secretary of the Interior, shall make grants to States to carry out methods and procedures approved by the Administrator under this subsection.

"(4) FEDERAL SHARE.—The amount granted under this subsection to any State for any fiscal year shall not exceed 80 percent of the funds expended by such State in such year for carrying out approved methods and procedures under this subsection.

"(5) DISTRIBUTION OF FUNDS.—The Administrator shall provide for an equitable distribution of sums appropriated under this subsection among States with approved methods and procedures. Such distribution shall be based on the relative need of each such State for the mitigation of the harmful effects on surface waters of high acidity that may reasonably be due to acid deposition or acid mine drainage. The amount of any grant to a State under this subsection shall be in addition to, and not in lieu of, any other Federal financial assistance.

"(6) MONITORING AND ANNUAL REPORTS.—The Administrator and the Secretary of the Interior shall monitor and assess the effectiveness of the methods and procedures utilized by the States under this subsection and shall submit a report on such monitoring and assessment annually to the Committee on Public Works and Transportation of the House of Representatives and the Committee on Environment and Public Works of the Senate.

"(7) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $25,000,000 per fiscal year for each of the fiscal years ending September 30, 1986, September 30, 1987, September 30, 1988, September 30, 1989, and September 30, 1990. Amounts appropriated under this subsection shall remain available until expended.".

Page 71, line 4, strike out "(e)" and insert in lieu thereof "(f)".

Page 74, line 13, strike out "and (d)" and insert in lieu thereof ", (d), and (e)".

Page 74, line 14, after "Act" insert "and under section 36 of this Act, relating to maintenance of water quality in estuaries,".

Mr. OBERSTAR (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

Mr. CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. OBERSTAR. Mr. Chairman, this amendment is in concert with the previous amendment just adopted by the Committee. It would provide funding to States to establish surveys of their intrastate waters, surface waters, within their State to determine their condition of acidity, whether due to acid deposition of mine drainage to enable such States to set up programs for acid rain cleanup.

Mr. ROE. Mr. Chairman, will the gentleman yield?

Mr. OBERSTAR. I yield to the chairman of the subcommittee, the gentleman from New Jersey.

Mr. ROE. I thank the gentleman for yielding.

Mr. Chairman, this is a very fine amendment and it is really a technical amendment and we appreciate it. We accept the amendment.

Mr. SNYDER. Mr. Chairman, will the gentleman yield?

Mr. OBERSTAR. I yield to the gentleman from Kentucky.

Mr. SNYDER. I thank the gentleman for yielding.

Mr. Chairman, we accept the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. OBERSTAR].

The amendment was agreed to.

□ 1700

Mr. SOLOMON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, earlier this afternoon the Committee of the Whole passed a committee amendment establishing a badly needed grants program to provide for the first time aid to localities where ground water supplies have been polluted. The same amendment was added to the Clean Water Act amendments in the House bill last year, but it was never passed, as we all know.

One of the most seriously affected municipality in the country was, and

still is, the town of Moreau in a rural area of New York State. This was one of the top priorities of need communities, according to the debate last year. At this point, Mr. Chairman, I would like to ask the chairman of the subcommittee, the gentleman from New Jersey [Mr. ROE], if he would engage in a brief colloquy.

Mr. ROE. Yes, of course, if the gentleman will yield.

Mr. SOLOMON. Mr. Chairman, am I correct in my understanding that, as our discussion last year showed, a new water district for the town of Moreau is considered a top priority of the committee and would be eligible for full funding of up to $2 million under the terms of the Johnson legislation, as incorporated in your amendment this year?

Mr. ROE. Mr. Chairman, if the gentleman will yield, I think the gentleman has exactly articulated the entire issue involved. There is no question that under the Johnson language in the legislation the town of Moreau should receive top priority.

Mr. SOLOMON. Mr. Chairman, I thank the gentleman, and again I would like to commend the gentlewoman from Connecticut [Mrs. JOHNSON] and the other members of the committee for developing this workable approach to the problem of ground water contamination, and on behalf of all the people in this country I want to commend Chairman ROE for the outstanding job he has done on this subcommittee.

AMENDMENT OFFERED BY MR. MOODY

Mr. MOODY. Mr. Chairman, I offer an amendment, and I ask unamimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The text of the amendment is as follows:

Amendment offered by Mr. MOODY: In the matter inserted on page 80 after line 14 by Mr. Howard's amendment, insert at the end of subparagraph (B) the following:

A permit issued under this section may cover one or more than one municipal separate storm sewer.

Mr. MOODY. Mr. Chairman, this is a brief technical amendment to make clear the intent of a section of the Howard amendments to the committee amendment that were adopted earlier regarding the nonexemption of urban areas from requiring a permit for stormwater overflow.

Mr. ROE. Mr. Chairman, will the gentleman yield?

Mr. MOODY. I yield to the subcommittee chairman.

Mr. ROE. Mr. Chairman, we have reviewed this amendment. It is really a clarifying and an important amendment. We are prepared to accept the amendment on this side.

Mr. SNYDER. Mr. Chairman, will the gentleman yield?

Mr. MOODY. I yield to the gentleman from Kentucky.

Mr. SNYDER. Mr. Chairman, we are prepared to accept the amendment on this side.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. MOODY].

The amendment was agreed to.

Mr. YOUNG of Missouri. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I will ask the gentleman from New Jersey [Mr. ROE], the subcommittee chairman, if he will engage in a colloquy.

Mr. ROE. I will, of course, Mr. Chairman, if the gentleman will yield.

Mr. YOUNG of Missouri. Mr. Chairman, it has been brought to my attention that EPA is contemplating a policy that would deny Federal grant funds to local treatment projects that will not be completed by the July 1, 1988 secondary treatment deadline. Apparently, this unwritten interpretation is based on the national municipal policy adopted in 1984 by EPA. Mr. Chairman, what concerns me is that we have numerous local agencies that have been working diligently and against substantial financial and other limitations to comply with the 1988 secondary deadline. Mr. Chairman, as you know, there are numerous projects now under construction to comply with this deadline. We also know that while some of these projects may not meet the July 1, 1988 deadline, an EPA policy as I described will gurantee that these projects will not meet the deadline.

Mr. Chairman, does the intent of Congress on this legislation support such a policy by EPA.

Mr. ROE. No, it is absolutely converse to the policy.

Mr. YOUNG of Missouri. Mr. Chairman, furthermore, it seems the whole intent of this legislation before us today, as well as the Senate bill now pending before this Chamber, recognizes that despite the best efforts of many agencies, completion of some projects will occur after the deadline. I cannot believe that the intent of Congress could be interpreted to support a policy to fund only those projects that would be completed by the July 1, 1988 deadline and then deny funds to a project slated for completion for August 1, 1988. Such a policy, it seems, negates the efforts of the Congress in developing legislation to assist communities in coming into compliance with this Federal requirement before and after the July 1, 1988 deadline.

Mr. Chairman, do you feel that additional statutory direction is necessary to guarantee that this policy will not be implemented.

Mr. ROE. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Missouri. I yield to the subcommittee chairman.

Mr. ROE. No; I think, as the gentleman has pointed out, that the provisions of our bill provide that sufficient funding will be available to complete more projects than originally contemplated by the administration.

Mr. YOUNG of Missouri. Mr. Chairman, I thank the gentleman. I am pleased to know that our agencies can continue to expect Federal assistance in meeting these deadlines.

Mr. Chairman, I yield back the balance of my time.

Mrs. JOHNSON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in very strong support of the passage of H.R. 8, and I want to take this opportunity to commend the chairman of the subcommittee, the gentleman from New Jersey [Mr. ROE], the chairman of the committee, the gentleman from New Jersey [Mr. HOWARD], and the ranking members, the gentleman from Kentucky [Mr. SNYDER] and the gentleman from Minnesota [Mr. STANGELAND]. These gentlemen have together worked to craft for us a superior piece of legislation.

This is not merely a reauthorization of legislation that has gone far to clean the rivers and sources of water in America but is a refinement of that legislation. It represents the best in the legislative tradition of oversight, and it improves as well the ability of States to utilize their resources to implement more economically the requirements of this important legislation.

I also want to point out that it has in it three portions that are of particular importance to the Northeast area that I represent. I do want to call to the Members' attention that the combined sewer overflow program, which in the past was not eligible for ordinary sewer grant funds except on a limited basis, will, as a result of this thoughtful and thorough piece of legislation, be eligible for any amount of funding the State desires to make available to it. That is extremely important, especially to the older cities of America.

It also addresses the crying need for prevention of non-point-source pollution and for addressing the serious problem of ground water contamination.

Mr. Chairman, I merely want to commend the chairman of the committee and the chairman of the subcommittee for their thoughtful and able leadership, and I join them in supporting this reauthorization.

Mr. ROE. Mr. Chairman, will the gentlewoman yield?

Mrs. JOHNSON. I yield to the chairman of the subcommittee.

Mr. ROE. Mr. Chairman, we express to the gentlewoman our great appreciation for the superb job she has done and for having contributed to the

legislation. It would not have been possible without her.

Mrs. JOHNSON. Mr. Chairman, I thank the gentleman.

AMENDMENT OFFERED BY MR. BREAUX

Mr. BREAUX. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BREAUX: On page 80, strike out lines 7 through 14 and insert in lieu thereof the following:

"ing precipitation runoff and which do not come into contact with any overburden, raw material, intermediate product, finished product, by-product, or waste product located on the site of such operations. Any person discharging stormwater runoff not described in the preceding sentence from mining operations or oil or gas exploration, production, processing, or treatment operations or transmission facilities shall monitor the quality of water in such flows and shall report not less often than annually to the Administrator, or at such intervals as the Administrator or the State deems appropriate.".

Mr. BREAUX (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. BREAUX. Mr. Chairman, I would say to the members of the committee that the amendment I am offering goes to a section of the bill, section 26, which sets up a procedure for various exemptions from the permitting of certain storm-water runoff. What we are dealing with, for instance, is rain water that runs across a field.

Mr. ROE. Mr. Chairman, will the gentleman yield?

Mr. BREAUX. I am glad to yield to my subcommittee chairman.

Mr. ROE. Mr. Chairman, we have looked at this amendment. We feel the amendment is reasonable, and we have no objection to it on this side.

Mr. SNYDER. Mr. Chairman, will the gentleman yield?

Mr. BREAUX. I am glad to yield to the gentleman from Kentucky.

Mr. SNYDER. Mr. Chairman, I want to say that this is a good amendment, and we are pleased to accept it.

Mr. BREAUX. Mr. Chairman, I am prepared to provide a further explanation of the amendment, but now, with the assurance of the chairman of the subcommittee and the ranking minority member, I ask for an aye vote on my amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana [Mr. BREAUX].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. CRAIG

Mr. CRAIG. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CRAIG: Page 56, line 10, before "Section" insert: "(a) IN GENERAL.—".

Page 57, after line 4, insert the following:

(b) SENSE OF CONGRESS.—It is the sense of Congress that the Administration and the States, in developing, publishing, and revising water quality criteria under section 304(a)(1) of the Federal Water Pollution Control Act should—

(1) consider the economic effects of implementation of the proposed water quality criteria;

(2) consider cyclical changes in the climate and environment; and

(3) take into account the recommendations of the concerned States and the findings and results of site specific and areawide research, tests, experiments, and demonstration programs conducted by the concerned States.

Mr. CRAIG (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. CRAIG. Mr. Chairman, in 1981, in concurrence with the Idaho Health and Welfare Department, the State legislature acted to modify proposed State water quality standards below hydroelectric facilities to establish a dissolved oxygen standard of 5 milligrams/litre (m/l) average during a 4-hour period between the months of May and October and a 6 m/l average during the remaining months. EPA later disapproved these standards siting that they would not adequately protect salmonid spawning and the other life processes of these fish. Earlier this year, the EPA argued that the dissolved oxygen standard should be 6.5 m/l on a 30-day average, 5 m/l for a 7-day average, and a minimum of 4 m/l during nonspawning periods.

If the EPA's proposed standard was adopted, dams in Idaho would be forced to install monitoring devices and other expensive equipment to increase the level of oxygen in water below the dams. The issue to be addressed here is the legitimacy of EPA's claim that their standards are necessary. The EPA has testified before the Idaho Legislature that it cannot identify any areas of adverse impact to fisheries or aquatic life but all the same, they feel we should modify our standards in order to meet these arbitrary levels.

If the EPA and Idaho can't reach an agreement regarding the disputed standards, the EPA will promulgate its own and enforce them. If the State refuses to follow the EPA's standards, we would lose Federal funds for construction of city wastewater treatment plants.

In closing, Mr. Chairman, my amendment is a sense of the Congress that the Administrator and the States in developing, publishing, and revising water quality criteria under section 304(a)(1) of the Federal Water Pollution Control Act should consider the economic impact of their decisions on the impacted States.

Mr. ROE. Mr. Chairman, will the gentleman yield?

Mr. CRAIG. I yield to the subcommittee chairman.

Mr. ROE. Mr. Chairman, again this is a splendid amendment. This side has no objection to it. It is a fine contribution to our effort.

Mr. SYNDER. Mr. Chairman, will the gentleman yield?

Mr. CRAIG. I yield to the gentleman from Kentucky.

Mr. SYNDER. We are pleased to accept the amendment, Mr. Chairman.

Mr. CRAIG. Mr. Chairman, I appreciate the support of the chairman and the ranking minority member of the subcommittee, and I thank them for their acceptance of this amendment. I urge its passage.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Idaho [Mr. CRAIG].

The amendment was agreed to.

□ 1710

AMENDMENT OFFERED BY MR. STUDDS

Mr. STUDDS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STUDDS: The Committee substitute is amended by adding at the end thereof the following new section:

"SEC. . RIGHT AND LIABILITIES UNDER OTHER FEDERAL LAW.

Section 505 of the Federal Water Pollution Control Act is amended by inserting the following new subsection (f) and by designating the succeeding subsections accordingly:

'(f) Nothing in this Act shall affect or modify the rights or liabilities of any person under other Federal law with respect to damages caused by noncompliance with any requirement of this Act or any permit issued under this Act.' "

Mr. STUDDS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. STUDDS. Mr. Chairman, this amendment provides simply that nothing in the Federal Water Pollution Control Act shall affect or modify the rights or liabilities of any person under other Federal law with respect to damages caused by noncompliance with any requirement of this act or any permit issued under this act.

Since circulating the amendment for comment, I have been asked by several Members, why is this amendment necessary? Isn't it obvious that fishermen and beach-front property owners should have the right to sue for dam-

ages suffered as a result of illegally caused pollution? Has not this right always been available?

The answer to both of these questions is yes, but the fact is that this amendment is necessary because the right of persons to sue under Federal law for economic loss suffered as a result of maritime pollution damage does not now exist; it has been taken away by recent court decisions that concluded that Congress, through enactment of the Federal Water Pollution Act, preempted Federal common and maritime tort law in the field of pollution.

What do these court decisions mean?

They mean that if an oil tanker were to discharge its cargo off the coast of California, or Florida, or Long Island, or Cape Cod and in so doing, cause damage to private property, and loss of income to the operators of tourist hotels, those suffering economic loss as a result would have no means—I repeat no means—of seeking compensation for their loss under Federal law.

The court decisions mean that if an ocean incineration vessel, carrying huge quantities of toxic waste were to stop above a shellfish bed, and the operator of that vessel were to intentionally discharge the entire cargo of the vessel into the waters above that shellfish bed, the Government could sue for the costs of cleaning up that spill; the Government could seek to recover for the damage to natural resources; but the fishermen whose livelihoods may have depended for generations on the health of that shellfish bed would be out of luck; they would have no recourse under Federal law.

My amendment would merely restore a right that has existed, in one form or another, from the beginning of our country. It would not create any new rights; it would permit suits only in cases involving a violation of the law; and its scope is limited strictly to the question of damages. The amendment would not overturn the Supreme Court's decision in the so-called Milwaukee II case insofar as that decision relates to the authority of Federal courts to fashion abatement and control remedies that exceed the requirements of discharge permits issued under the FWPCA.

The case for the amendments is bolstered by a brief filed by the Department of Justice in one of the court cases that prompted me to offer this amendment. In that brief, which was filed last year, the Justice Department stated that:

> A ruling that maritime tort claims were precluded by the FWPCA would adversely affect the United States as a shoreside and marine property owner, and as a custodian of natural resources.
>
> The * * * conclusion that maritime tort remedies are preempted by the * * * FWPCA is plainly wrong. The language, legislative history, and overall statutory scheme * * * reveals no Congressional intention to displace traditionally available maritime tort remedies for pollution caused property damage. To the contrary, there is ample evidence in the language and legislative history of the FWPCA that such remedies are specifically preserved * * * the FWPCA was neither designed nor intended to provide relief for pollution-caused property damage. Thus, it does not preempt the remedies traditionally available for such damage under the maritime law.

That is what the Department of Justice argued last year. The arguments it made were logical; they were presented for the purpose of protecting the interests of the United States; and they reflected an informed judgement about the history and scope of the Federal Water Pollution Control Act. But the courts did not agree with the Department of Justice.

The courts argued that the Congress, and more particularly the House Committee on Public Works and Transportation, which has taken the lead in passing environmental legislation for the past 15 years in this Congress, intentionally sought to deprive private citizens of the right to sue under Federal law for economic loss suffered as the result of maritime pollution. The courts argued that Congress and the Public Works Committee did this despite the fact that there is no reference in the committee report that accompanied this law when it was first enacted to the effect that this was the intent of the committee; there was no indication during debate on the floor that this was the intent of the House when it approved this legislation; there was no reference in the conference report that it was the intent of Congress to deprive citizens of this right; there is, in fact, no reference anywhere in the legislative history of this statute to indicate that any Member of Congress who voted for this bill intended at any point to eliminate the right of persons who suffer damage from illegally caused pollution to seek recovery for that loss.

The issue raised by this amendment is simple.

The courts have said that this Congress intended to take away from private citizens a right that they have enjoyed for decades. It is a limited right—the right to seek compensation under admiralty law or, where appropriate, some other Federal law, for economic loss suffered as the result of pollution. The courts, in this instance, are wrong. Congress never intended to deprive citizens of this right. But saying that the courts were wrong will not change the effect of their decisions. We can only do that by adding to the law the one simple sentence proposed by this amendment; it will clarify the intent of the Congress; it will state that Congress does believe people who are hurt by those committing illegal acts should be accorded the right to their day in court.

This amendment would not, I repeat, create any new rights. It will not lead us into a position of legal uncertainty about what protection the law does or does not provide. The right it seeks to restore is a traditional right; a right that has existed since the founding of the Republic; and a right that the very simplest principles of justice demand we restore. I believe that this amendment will strengthen the legislation we are considering today by restoring a measure of lost integrity to the landmark legislation this bill seeks to amend; the Federal Water Pollution Control Act is one of the most important pieces of environmental legislation in the history of our country. It is a law that was developed and enacted to protect our people from the effects of unregulated pollution; the courts have argued the contrary, that this is a law that deprives citizens of their right to seek compensation when injured by pollution. My amendment says the courts are wrong, and that those who have, like myself, pointed with pride and respect to the FWPCA for years, are correct; this is a law that protects the rights of our people; not a law that takes those rights away.

Mr. Chairman, because of lingering concerns on the part of member of the committee, I am willing, in deference to the committee, to accept a change in the amendment changing the word "law" to "statutes."

In so doing, I stand by my statement; I think we can and should fully restore the rights of those who suffer damage as a result of illegal pollution.

With this change, we go part of the way, but it is an important step in that direction; and I hope that as consideration of this bill proceeds to conference, a consensus in support of more comprehensive language can be developed.

Mr. Chairman, I understand there are some concerns both by the majority and the minority sides of the Committee with respect to the amendment as originally drafted and printed in the RECORD and introduced.

In order to accommodate those concerns and in accordance with the agreement reached between both the minority and the majority sides, I ask unanimous consent, Mr. Chairman, that my amendment be modified by inserting the word "STATUTES" in lieu of the word "LAW."

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts [Mr. STUDDS]?

There was no objection.

The text of the amendment, as modified, is as follows:

> Amendment offered by Mr. STUDDS, as modified: The Committee substitute is amended by adding at the end thereof the following new section:

"SEC. . RIGHTS AND LIABILITIES UNDER OTHER FEDERAL STATUTES.

Section 505 of the Federal Water Pollution Control Act is amended by inserting the following new subsection (f) and by designating the succeeding subsections accordingly:

'(f) Nothing in this Act shall affect or modify the rights or liabilities of any person under other Federal law with respect to damages caused by noncompliance with any requirement of this Act or any permit issued under this Act.' "

Mr. ROE. Mr. Chairman, will the gentleman yield?

Mr. STUDDS. I yield to the gentleman from New Jersey.

Mr. ROE. Mr. Chairman, I thank the gentleman for yielding.

Both sides have really debated and discussed this amendment and with the revision that the gentleman from Massachusetts [Mr. STUDDS] is making in his text, we have no objection on this side.

Mr. SNYDER. Mr. Chairman, will the gentleman yield?

Mr. STUDDS. I yield to the gentleman from Kentucky.

Mr. SNYDER. Mr. Chairman, I thank the gentleman for yielding. I understand the gentleman has some concerns about both admiralty law and common law, and the gentleman has accommodated us by not putting that in there.

I think we might well want to take a look at that in the future.

Mr. Chairman, we are pleased to accept the amendment on this side.

Mr. STUDDS. Mr. Chairman, I thank both gentlemen for their cooperation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. STUDDS], as modified.

The amendment, as modified, was agreed to.

Mr. OBERSTAR. Mr. Chairman, I move to strike the last word.

Mr. Chairman, as the chairman of our subcommittee knows, one of my concerns throughout the process of consideration of this legislation has been the prospect that some States and some industries may be allowed to slide back in their commitment to clean water. We have discussed this extensively in the subcommittee and again in the full committee and privately and with many Members.

I really do want to express my deep appreciation to the chairman of the subcommittee, the gentleman from New Jersey [Mr. ROE], for the enormous amount of time and attention the gentleman has given to this issue.

With respect to the language that is now included in the bill, which is very carefully and skillfully crafted and does address the issue of my concern, the 2½-year period during which prohibition against backsliding would be in effect, how does the chairman intend that this matter should be handled by the regulatory agency after the 2½-year period?

Mr. ROE. Well, Mr. Chairman, if the gentleman will yield, we require a report from EPA 2 years after enactment. That is the final report with recommendations, which will give us 6 months in which to take action. With the decision of Congress on this issue, I would expect the EPA to continue the policy continued in our provision until legislative action needed is taken. In other words, we intend to see that this matter is dealt with directly.

Mr. OBERSTAR. Mr. Chairman, I thank the gentleman for that response. I concur in that approach and insist that it should be carried out that way by the Agency.

Second, with respect to section (F)(2)(b) of the bill, does the chairman understand that the language "information available which was not available at the time of permanent issuance" to include waste load reallocations which might occur, for example, when one plant on a stream segment would close?

I think the issue of reallocation is an extremely important matter that might prevent progress toward clean water if waste loads are reallocated only to existing industries. If that should occur, economic expansion could be choked off and then the worst situation is that waste load allocations would acquire an economic value in and of themselves.

Does the gentleman understand that waste load allocations could be treated among companies under the gentleman's language?

Mr. ROE. Well, if the gentleman will yield, our intent is that the water quality standards have to be met. Our intent is that any new industry that would locate on a stream would have to locate and put the equipment in whatever the level of treatment had been determined, BAT or higher, so we do not see the point of one competing with the other.

Mr. OBERSTAR. The language is not intended, not should it on its face ascribe any economic value to waste load allocations?

Mr. ROE. That is correct.

Mr. OBERSTAR. Finally, Mr. Chairman, I just want to say I rise in very strong support of H.R. 8, the Water Quality Renewal Act of 1985. I want to offer just enormous compliments and congratulations to the gentleman from New Jersey [Mr. ROE] who has spent hundreds of hours on this legislation, devoted weekends, exhausted the staff and other members and himself in the process and he still stands tall in this body with the enormous amount of work that has been done and contributed to one of the most complicated pieces of legislation in the clean water field that we have had, including in those remarks, I say, the Clean Water Act of 1972.

It is a very strong environmental bill. It provides program funding and, more important, it provides continuity for the construction grants program. Its clean lakes provisions, its attention to problems and programs unique to the Great Lakes, its antitoxics stance, and its estuaries and bays provisions are much needed and greatly appreciated.

I am particularly pleased with the antibacksliding language in the committee amendment, and am most grateful to the gentleman from New Jersey [Mr. ROE] for his personal attention to this issue, which has been my chief concern. I do have two questions, which I will raise with the gentleman, but overall I believe the amendment addresses my concerns, and will give it my full support. My philosophy is, if the water is clean, keep it clean. This amendment will help accomplish that goal.

I am also grateful to our committee leadership for including in this bill, as they did in last year's version, my Nonpoint Source Control Act to control runoff and improve water quality in urban and rural areas.

Section 7 of H.R. 8 adds a new section 319 which establishes a voluntary program to encourage States to develop and implement control programs for nonpoint sources of pollution. This is to be an implementation program, not a planning program, using existing data where applicable, and building on programs, best management practices [BMP's] and other measures where they are already being implemented. No new planning funds are provided.

The intent of this program is not only to reduce nonpoint sources of pollution, but to improve water quality.

While this first phase of the program is voluntary in nature, section 319 does not preclude regulatory programs at the State level. Many States already have such programs for certain categories of sources, and enforcement is included as an eligible implementation activity. However, I am convinced that, during these first 4 years, the decision to implement a regulatory program should be made at the State rather than at the Federal level.

Each State is required, first, to submit to EPA a report which identifies streams not meeting applicable water quality standards or the goals and requirements of the act because of nonpoint sources; which identifies categories, such as agricultural, silvicultural, urban, construction and mining, and their subcategories, of nonpoint sources; identifies existing State and local nonpoint source control programs; and describes the process for identifying best management practices and other control measures. This information is to be based on existing data where available and adequate, including that collected under other pro-

visions of the act, and approved under section 208 or 303 of the act.

Each State is also required to submit to EPA a plan which the State intends to implement over the next 4 years. This plan must specify those significantly affected streams which the State will address; the order and schedule for implementation; the categories and subcategories of sources to be included in the implementation plan; the best management practices and other measures to be used; other methods including but not limited to demonstration programs, enforcement, technical assistance, education, training, and cost sharing; sources of funding other than this program; and the estimated cost of the total implementation program.

The purpose of the plan is to inform the administrator precisely what the State intends to implement, when, and where. States need not address all their significantly impacted waters during these first 4 years. Rather, they should concentrate on those for which they have the resources to achieve real gains in pollution control and water quality improvement. However, initial implementation must concentrate on the most serious problem waters.

Section 319 does not set fixed implementation dates; the State is the proper entity to determine which dates it believes it can attain. However, the schedule must establish an expeditious time period for implementation of BMP's and other measures for each category and subcategory, and must indicate the estimated dates by which these practices and measures will be implemented. Expedition is the condition for initial approval of the plan, and the State's progress in attaining those goals is a condition of continued funding. The State must submit an annual report describing its activities and progress made in meeting its schedule during the preceding year. No grant for the coming fiscal year may be made unless the administrator determines the State's progress has been satisfactory during the past year.

To ensure that the State has addressed the major sources of nonpoint pollution, the plan should indicate to the administrator the relative contributions of each category and subcategory to the overall nonpoint source problem.

The State need not include in its plan all the methods listed in the bill, but implementation of BMP's is required.

Cost sharing is a necessary tool to encourage implementation of BMP's. However, the limited resources authorized in the bill preclude widespread use of cost sharing. This should thus be used very sparingly, and only when absolutely necessary to assure critically needed compliance where these costs would otherwise be beyond the individual farmer's means. Demonstration programs and other methods with wider application should be the predominant choices by the States.

To the maximum extent practicable, plans should be developed and implemented on a watershed-by-watershed basis.

In the development and implementation of their plans, States should, to the maximum extent practicable, utilize local agencies and organizations with expertise in nonpoint source controls, such as conservation districts, watershed districts, and public comprehensive planning organizations.

Because of the short timeframe between enactment of this bill and the final report to be issued by EPA in 1989 States are required to submit both the report and the plan within 270 days of enactment. However, we don't want to close the door on States which may not be able to complete the requirements within the first 9 months. Therefore, States may request, and EPA must grant, an extension of up to 9 additional months to permit as many States as possible to participate in the program.

EPA is to examine the State's plan against the data submitted under the report and against the goals and requirements of the act. EPA must make a final decision on the plan and report within 6 months, or the plan is automatically approved. EPA may disapprove the plan or portion of it if it is unlikely to satisfy the goals and requirements of the act; if the State's authority or resources are not adequate; if the implementation schedule is not sufficiently expeditious; or if the plan is not adequate to improve water quality or reduce nonpoint source pollution.

All States are required to participate. However, if a State does not choose to do so, or if its plan is not approved, the bill provides that EPA develop the information required in the report for waters not meeting water quality standards or the goals and requirements of the act, and categories and subcategories of sources in order to assure a nationally consistent data base. There is no implementation provision in the report.

In order to achieve the maximum implementation nationwide, section 319 provides that, if a State does not participate, or if its plan is not approved, a local public agency or organization may, with the approval of its State, develop and implement a plan for its area. Such a local organization must have expertise in, and authority to, control nonpoint source pollution in its area, and must be of sufficient geographic size to implement an effecitve program. It may request technical assistance from EPA in developing its plan, and if the plan is approved the local organization may receive funding and implement its plan in the same manner as if it were a State.

There is some concern that other Federal and State programs and activities may at times work at cross purposes with the State's efforts to control nonpoint source pollution. Accordingly, the States are to identify Federal and State programs which are inconsistent with their plans, and recommend changes which could be made to make them consistent, and assist with implementation. EPA is to consolidate the State's recommendations, and forward them to the appropriate agencies. Each agency must then consider these recommendations and, to the maximum extent practicable and consistent with existing law, accommodate those recommendations and carry out its own programs and activities in a way which will be consistent with, and assist implementation of, the plans.

Section 319 provides further incentives to consistency by referencing this section in section 304(k) of the act, which authorizes EPA to enter into agreements with other Federal agencies to provide for the maximum utilization of other Federal laws and programs in controlling nonpoint sources of pollution. I encourage EPA to reach agreements with all appropriate agencies, but especially the Department of Agriculture, and the Office of Surface Mining, Reclamation and Enforcement in the Department of Interior.

Section 319 establishes a mechanism for reconciling pollution of one State's waters by another State. At the request of a downstream State with an approved plan, or at the initiation of EPA, an interstate management conference of all States contributing nonpoint source pollution to the water body shall be convened, in a case where the water body is not meeting water quality standards or the goals and requirements of the act. Upstream States would be required either to implement or to revise their plans to address the interstate water body, but the choice of BMP's and other implementing measures is to be made by each individual State. There is no provision in the bill for another State or the conference to impose specific measures on any State. Each State must implement its revised plan.

Management conferences or compacts already exist for many interstate water bodies. Where appropriate, EPA should consider using these existing bodies for this purpose as well.

Section 319 authorizes $150 million per year through 1990 and provides for up to a 50 percent Federal match for costs incurred by the States. However, the Federal share could rise to 60 percent where the administrator determines that a significant number of non-Federal, non-State interests in a watershed area agree to participate.

The administrator is provided the flexibility to determine when a significant number of participants has joined the program.

The application should contain, in detail specific to each watershed, information similar to that required for the plan: that is, it should provide, at the project level, for the year for which the funds are requested, an identification of the stream segments to be addressed, the specific pollutants involved, and the sources of pollution. It should lay out the strategy for controlling these sources, including BMP's and other measures, together with a schedule of activities to be undertaken, and a discussion of other activities of Federal and State agencies cooperating in the effort.

Section 319 contains no formula for allocations to States; rather, each State is encouraged to apply for as much assistance as it is able to match, although a cap of 15 percent of the appropriation per State is established.

The section requires EPA to report annually to the House Committee on Public Works and Transportation, and to the Senate Committee on Environment and Public Works, on the preceding year's programs and activities, and the progress made in reducing nonpoint source pollution.

A final report is required on January 1, 1989, on the activities carried out under this program. While improved water quality is the ultimate goal of this program, such improvements may take longer than 4 years to be fully measured and documented. Therefore, the final report should give full attention to the effectiveness of the plans, BMP's, and other measures in controlling nonpoint sources of pollution, and provide an analysis of the effectiveness of a voluntary program. The recommendations should include a determination of whether this voluntary approach should be continued, or whether the Congress should consider a regulatory and enforceable approach in the next phase of the program.

Complementing this nonpoint source control program for surface waters is section 31 of the substitute, which provides $7.5 million per year, which assist States in moving toward a comprehensive surface and ground waters nonpoint source protection program. Some States may not have the necessary information on ground water for such a comprehensive program now. Therefore, section 31 provides additional funding, on request by States with approved programs under section 319, of up to $150,000 per State per year on a 50-50 matching basis, for research, planning, ground water assessments, demonstrations, enforcement, technical assistance, education, training and other activities aimed at protecting ground water quality from nonpoint sources of pollution.

Again, I commend our committee leadership for bringing this bill forward, and urge its support by the entire House.

Mr. ROE. Mr. Chairman, I thank the gentleman.

Mr. BOLAND. Mr. Chairman, I move to strike the last word.

Mr. Chairman, earlier today the Chair sustained a point of order against an acid rain amendment offered by my colleague from Massachusetts, Mr. CONTE. At the time the amendment was brought up, I was appearing before the Rules Committee in support of a rule for my subcommittee's appropriations bill. While I respect the ruling of the Chair on the point of order, I want the Members of the House to know that I understand and share the sense of concern and frustration that lead to the amendment's being offered.

I can think of few environmental problems which pose a greater threat to our Nation's air and water supplies than does the problem of acid rain. For years, those of us from New England have been especially senstive to the effects of acid rain because we have seen those effects all around us. The degradation of the streams, lakes, forests and soil of New England, and the Northeast, as a result of acid rain have been well documented. Our region continues to suffer from this environmental catastrophe, but now it has been joined in its suffering by other regions including the Southeast and the Pacific northwest. Acid rain is no longer a local problem, it is a national problem with which we must deal.

We have studied acid rain, and studied it, and studied it. We may not know all there is to know about its causes, but we certainly know enough to realize that the emissions of nitrogen oxide and sulfur dioxide are among its principle components. And we certainly should be aware that to control acid rain, and to begin to end its devastation of our bodies of fresh water, we must control those emissions.

The New England congressional caucus, which Mr. CONTE and I cochair, has worked for several years to draft a piece of legislation that would produce a consensus on a way in which to curb sulfur dioxide and nitrogen oxide emissions. We introduced that legislation last year, and it did not reach the floor. Along with 16 cosponsors, we introduced it again this year, but so far no action has been taken on it. That bill was embodied in Mr. CONTE's amendment. The approach our bill takes acknowledges that acid rain is a national problem that demands a national solution. Just as no region is totally immune from all of the causes or all of the effects of acid rain, no region can be expected to bear all of the control costs by itself.

Central to the caucus bill as it was carried in the Conte amendment are two concepts: Meaningful emissions reductions and a fair sharing of the costs of producing those reductions. We seek a 50-percent reduction in emissions—12 million tons in sulfur dioxide emissions over the next decade, and 4 million tons in nitrogen oxide emissions over the next 12 years. The first phrase of those reductions would be accomplished by requiring the 50 highest emitting power plants to install modern, effective emissions control devices. The choice of the means of achieving the remaining reductions would be left to the Eastern 31 States.

We realize an Emissions Control Program will be costly. We also realize that there is a tremendous cost in terms of water quality that results from doing nothing. That cost is growing. The caucus bill and the Conte amendment spread the emissions control costs equitably among all States, save Alaska and Hawaii, by the imposition of a modest fee on generated electricity. This cost-sharing arrangement should remove what has been one of the biggest stumbling blocks to a meaningful control program—the fear that such a program would economically devastate a particular region of the country. Under the caucus plan, all regions would in some way benefit, and the cost would be manageable for each.

Mr. Chairman, the time has long since passed for action on acid rain. H.R. 8 is intended to improve the quality of our water supplies. It cannot fully accomplish that goal unless it acknowledges the danger posed to water quality by acid rain. The amendment would have added a sound and fair Acid Rain Control Program to an already fine piece of legislation. In so doing, it would have made it better, and provided this House with an opportunity to pass a clean water bill that is truly comprehensive in scope.

I regret that we did not have a chance to vote for an Acid Rain Control Program within the context of the Clean Water Act extension. I want, however, to compliment Mr. CONTE for raising this important environmental issue, and giving those of us concerned with it an opportunity to bring our views to the attention of the House. I hope that this effort will hasten the day when we can thoroughly debate, and adopt, a national acid rain control measure.

● Mr. UDALL. Mr. Chairman, for some time, I have been very concerned about the issue of acid rain. Thousands of lakes and tens of thousands of streams in the Eastern United States and Canada are in peril due to acid rain. Crop yields have been lowered, our forests have been damaged and even man-made structures have suffered due to acidic precipitation.

While I recognize that the amendment offered by the gentleman from Massachusetts is not germane, and in all likelihood I would not support his amendment if it were, I commend the gentleman for his attempt to bring this issue before the full House for consideration. While there are a wide range of proposals for dealing with this problem, including my own, we have not had the benefit of debating this issue on the floor. I am hopeful that the committees of jurisdiction will allow the full House the opportunity to debate the various acid rain control proposals in the near future.●

● Mr. STARK. Mr. Chairman, I would like to congratulate the members of the Public Works Committee for their hard work on the Water Quality Renewal Act of 1985. They have done a good job with this legislation.

Chairman ROE deserves special thanks for his assistance in working with the East Bay Municipal Utility District of Oakland, CA with their stormwater infiltration problem. The regulatory resolution of the problem of stormwater infiltration into the sewer system is one of the most important issues facing the East Bay Municipal Utility District.

House Resolution 8 provides for a study by the Environmental Protection Agency Administrator to find the best method of regulating the rainfall induced overflow in the sewer system of the utility. This is important because if current regulations continue, East Bay Municipal Utility District will be required to make a minimum investment of $800 million for equipment to satisfy storm induced situations that occur only 10 days a year.

It should be noted that East Bay Municipal Utility District has been working hard on reducing the amount of rainwater infiltration into its sewer system. Approximately $300 million will be spent to reduce infiltration into the sewer system and provide treatment to the rainfall that does enter the sewer system. Additionally, East Bay Municipal Utility District will be investing over $100 million in new treatment facilities.

I look forward to continuing to work with Chairman ROE, the Public Works Committee, and the East Bay Municipal District to solve this problem while working to preserve water quality in San Francisco Bay.●

● Mr. ECKART of Ohio. Mr. Chairman, water pollution is not a problem that will ever go away. As long as we continue producing hazardous materials, the Congress needs to continually monitor and develop policy programs that will assure that wastes produced are properly disposed of. We do not want to return to the state of the 1960's when some of our Nation's waters were so polluted that people talked of our lakes and rivers dying. There is no doubt that the passage of the 1972 Clean Water Act, that our Nation has taken great strides in addressing the pollution hazards facing its oceans, lakes, and rivers. Yet our job is by no means over. Today, the Congress is showing its continued dedication to controlling water pollution, in considering H.R. 8, the Water Quality Renewal Act.

I wholeheartedly support the efforts of the Committee on Public Works and commend them for the excellent work of its members in developing this vital legislation. Today I would like to address a particular section of the bill, which is of longstanding interest to me; enhancing the water quality of the Great Lakes.

In June, I introduced legislation with several of my colleagues from New York, Michigan, and Wisconsin, that set specific guidelines to address the pollution problems facing these waters. I am pleased to report that all of my bill is within the other body's version of the Clean Water Act and a large portion of it is included in the committee amendment we are considering right now. Later on, we will offer an amendment, directing the NOAA to create a comprehensive data base on the Great Lakes, to include the remainder of our bill in the final House version of this legislation.

The importance of the Great Lakes water quality is by no means limited to the interest of the Midwestern States, but to all the United States and Canada. The Great Lakes provide 95 percent of our fresh surface water equivalant to 20 percent of the entire world's fresh water. The Great Lakes basin, which includes all the States bordering these waters plus Ontario, Canada, contains 20 percent of our total U.S. population and 50 percent of Canada's. It supports 25 percent of our country's total income and 60 percent of Canada's. The lakes also provide a vital shipping route to the Atlantic from the Central and Eastern States and is a major source of recreational boating and fishing for scores of Americans. In short, the importance of these waters to both the United States and Canada cannot be disputed and must not be ignored.

Fifteen years ago these waters were dying. The grave pollution hazards facing the Great Lakes sparked unprecedented cooperation between the United States and Canada in identifying the pollutants and developing the means to control their damage to the lakes. The two governments endorsed the Joint Water Quality Agreement which commenced the successful eradication of a large percentage of the contents of lead, phosphorous, and mercury in the lakes.

Yet today, even greater hazards face these lakes; toxic substances. The pollutants we sought to control in the early 1970's are being replaced with toxics that are posing dangers to the lakes that could far exceed those of earlier decades. In a May 1982 report, the GAO criticized U.S. efforts in maintaining the objectives of the Joint Water Quality Agreement. The report pointed out that despite spending millions of dollars on clean water programs, the U.S. Government has neither the knowledge, the strategies, nor the proper management to keep control of the hazards threatening these lakes.

Our legislation embraces the proposals put forth by the GAO. It coordinates U.S. efforts under the leadership of the EPA and NOAA, to establish a comprehensive Water Quality Monitoring and Cleanup Program for the Great Lakes. This legislation authorizes $8 million in the first year to: direct the Great Lakes National Program Office, under the EPA, to pursue the goals of the Water Quality Agreement; to establish a toxic monitoring and surveliance network; and create a comprehensive environmental data base on the lakes which will be administered by NOAA. Finally, both the EPA and NOAA will present joint annual reports to the Congress discussing their efforts in complying with the act.

We believe that the cost required for this program is very little compared with the benefits it will provide these lakes and our citizens who use them. We do not seek to create huge new programs, but instead reorganize existing Federal efforts. During its consideration of legislation to maintain adequate water quality throughout the Nation, the Congress cannot afford to overlook the importance of the Great Lakes. I hope that our efforts to create a successful program, which has already been extended to the Chesapeake Bay, will be wholeheartedly endorsed. I rise in support of the amendment offered by the gentleman from New Jersey and urge my colleagues to support it.●

● Mr. HAMMERSCHMIDT. Mr. Chairman, I rise in support of H.R. 8, the Water Quality Renewal Act of 1985. Mr. Chairman, this is an important, I might say essential, piece of legislation. It will insure continuation of the commitment made by this country to clean water in 1972 that we have reaffirmed on a number of occasions. It is a bill that has truly been drafted in a bipartisan manner under the able leadership of the gentleman from New Jersey [Mr. HOWARD], chairman of the Committee on Public Works and Transportation and the ranking Republican member, the gentleman from Kentucky [Mr. SNYDER]. I also want to especially thank the gentleman from New Jersey [Mr. ROE] who chairs the Subcommittee on Water Resources and the gentleman from Minnesota [Mr. STANGELAND] who serves as the

ranking Republican on the subcommittee.

I just want to take a moment to thank them on behalf of the people of Arkansas for the hard work and their legislative accomplishments. I would be remiss if I didn't mention two provisions in the bill which are of particular interest to my constituents. I speak of the provision contained in section 25 of the bill authorizing a 1-year study of the pollution problems at Beaver Lake, AR. I also want to commend the committee leadership for including a provision allowing for partial delegation of the National Pollutant Discharge Elimination System [NPDES] to States that are willing and able to take over a portion of this program. I believe that this will be of benefit in my State of Arkansas and in many others as well.

Again, I just want to take this opportunity to thank the committee leadership and the other members of the committee for their tireless work and dedication to the goals of clean water and I urge my colleagues to support passage of this important legislation.●

● Mr. FLORIO. Mr. Chairman, I rise to commend my colleagues from New Jersey [Mr. HOWARD and Mr. ROE], for their perseverance in bringing forth H.R. 8, the Water Quality Renewal Act of 1985. I am pleased that we are once again given the opportunity to debate the reauthorization of the Clean Water Act and to ensure that we have a policy that will restore our Nation's water resources.

I am especially pleased that the Committee on Public Works and Transportation has again included in this reauthorization a section authorizing funding for improving the water quality of our Nation's lakes. The clean lakes section authorizes the sum of $50 million annually through 1990 to fund grants to the State for controlling nonpoint sources of pollution which are contributing to the degradation of water quality in lakes.

One particular provision in this section has important implications for the residents of Pitman, NJ. Under the Clean Lakes Program, funding is granted for a demonstration project for the restoration of Alcyon Lake in Pitman. The project, which is authorized at $3.5 million, will include the removal and disposal of contaminated sediments from Alcyon Lake.

In January 1980, Alcyon Lake was closed to the public because BCEE (bis-2-dichlorethyl ether), a known carcinogen, was found in the water. Alcyon Lake is located 900 feet away from Lipari Landfill, which has been ranked No. 1 on the Superfund national priorities list. Analyses confirmed the fears of the community of Pitman. Toxic contaminants had indeed leached from Lipari and infiltrated Alcyon Lake.

The $3.5 million authorized in this bill will speed the recovery of Alcyon Lake by funding the removal and disposal of contaminated sediments in the Lake. Once this project is finished, a report must be submitted to both the House Public Works Committee and the Senate Environment and Public Works Committee recommending further cleanup measures.

Once again, the citizens of Pitman will be able to fish and swim safely in this body of water. Without question, this funding will help speed the recovery of Alcyon Lake. It is a strong effort to restore Alcyon Lake as an environmentally sound natural resource, and a source of recreation, pride and beauty to the residents of Pitman and Gloucester County.

The contamination of our resources by pollution is one of the most important and far-reaching concerns that face our society. Through H.R. 8, the States and the Environmental Protection Agency will be given strong direction and funding for improving and maintaining the quality of our Nation's water resources in an effective and environmentally sound manner.●

● Mr. GALLO. Mr. Chairman, H.R. 8, the Water Quality Renewal Act of 1985, is a good bill. I am proud, as a member of the Subcommittee on Water Resources, as a member of the Committee on Public Works and Transportation, and today as a Member of the House, to have had three opportunities to be a part of the team that has crafted this fine piece of legislation.

H.R. 8 provides tools to help us with a number of serious environmental problems. For example, for the first time, runoff from farmland and city streets is recognized as having a negative effect on our environment. Also, the bill establishes a State-Federal program for cleaning up toxic hot spots, and makes projects designed to deal with combined storm water and sanitary sewer overflows eligible for grant assistance.

As I have just said, I am proud of my role in fashioning these and the other measures designed to protect our health and environment. Today, however, I want to emphasize section 16, which adds a program of grants to States to establish water pollution control revolving funds.

Under this program, each State will set up its own revolving loan fund so that it can assist its municipalities in financing the construction of wastewater treatment works. Beginning with grants of $0.6 billion in fiscal year 1986, through 1994 a total of $9.0 billion will be provided to enable States to help themselves. By 1990 these funds will replace the outright Federal grants.

We finally have come to recognize that we can't keep running to the Federal till for more money.

Yet, the need continues to grow. In 1984, the assessment of needed publicly owned wastewater treatment facilities was submitted to Congress. The needs assessment estimates that $35.8 billion of Federal money and a total of $101.7 billion is required to meet all of our municipal water pollution control needs.

In New Jersey alone there are over 200 municipal sewer systems that need help in order to meet Federal clean water standards. Without a revolving fund such as we are creating today, those municipalities can rely only on money borrowed at market rates. Obviously, such costly money makes it impossible to get the job done.

To meet our pollution control needs, we must make our dollars do double duty. We have learned to do this in New Jersey.

As minority leader of the New Jersey Assembly, I was the original sponsor of the Nation's first infrastructure bank legislation. The transportation portion of New Jersey's legislation was enacted in 1984 and provided a loan pool for the repair of roads, bridges, and mass transit systems.

In the Congress, I am proud to take part in this first infrastructure measure. This fund is a major breakthrough for infrastructure development because it will increase the number of local sewer authorities receiving Federal assistance while reducing the drain on Federal revenues.●

● Mr. MINETA. Mr. Chairman, I rise in support of H.R. 8, and urge its adoption by this House. This bill, when enacted, will protect the hard fought gains we have made in cleaning up our rivers and streams; and provide the tools we need to continue those efforts.

This legislation has been guided to the floor by the two gentlemen from New Jersey [Mr. HOWARD and Mr. ROE] who chair the Committee on Public Works and Transportation and its Subcommittee on Water Resources, respectively. I wish to congratulate them on their leadership, and the courtesy with which they have responded to all of us who have been interested in this bill.

I am particularly pleased that this bill includes a section creating a special study of toxic pollutants in San Francisco Bay. This provision is a big boost in the fight for improved water quality in the bay. The study ensures that the efforts to clean up the bay are effectively coordinated among all of the interested parties—Federal, State, and local governments, as well as industry and environmental groups.

As my colleagues know, we have become all too familar with the problems of toxic pollutants in the last few years. To be sure, San Francisco Bay has been studied in the past, but this

will be the first time we have focused on the toxic problem. This study, and the management plan it will produce, will enable us to respond to this new environmental threat with a clear understanding of the problems we face and the best strategy for response.

Adoption of H.R. 8 will be a major step forward for the Nation. I urge my colleagues to join in approving this bill.

Thank you very much.●

● Mr. YOUNG of Alaska. Mr. Chairman, I rise in support of the amendment that will be offered by the gentleman from New Jersey [Mr. HOWARD].

In particular, I strongly support the provisions which will help to steamline regulatory decisions over log transfer facilities. Under current policies of the Environmental Protection Agency, log transfer facilities are subject to duplicative regulation by both the Army Corps of Engineers and EPA under two sections of the Clean Water Act. This duplicative regulation is being imposed on logging operators despite congressional intent to avoid subjecting business to more than one regulatory scheme under the act.

I believe that regulation under section 404 and State approvals required under the Clean Water Act are sufficient to meet environmental safeguards. Further regulation under section 402 is not necessary. Furthermore, I do not believe this body ever intended to treat log transfer facilities as industrial dischargers.

For some reason, EPA and the Corps of Engineers have been unable to reach an agreement on a single regulatory mechanism for the construction and operation of log transfer sites. The amendment provides clear congressional intent that the two agencies shall work out permitting in the context of a single permit wherever possible. In most cases, this permit should be a permit issued under section 404.

Mr. Chairman, I commend the chairman for this cooperation and insight into the problems faced by operators of by transfer facilities in meeting Federal environmental protection regulations.

The amendments will continue to safeguard the environment without imposing unnecessary regulation on a struggling industry. For this reason I support the amendment.●

The CHAIRMAN. The question is on the Committee amendment in the nature of a substitute, as amended.

The Committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. REID, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 8) to amend the Federal Water Pollution Control Act to provide for the renewal of the quality of the Nation's waters, and for other purposes, pursuant to House Resolution 222, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the Committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. DELAY

Mr. DELAY. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. DELAY. I am, Mr. Speaker, in its present form.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. DELAY moves to recommit the bill, H.R. 8, to the Committee on Public Works and Transportation.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

RECORDED VOTE

Mr. LUNGREN. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 340, noes 83, not voting 10, as follows:

[Roll No. 250]

AYES—340

Ackerman	Bedell	Breaux
Addabbo	Beilenson	Brooks
Akaka	Bennett	Brown (CA)
Alexander	Bentley	Bruce
Anderson	Berman	Bryant
Andrews	Bevill	Burton (CA)
Annunzio	Biaggi	Bustamante
Anthony	Bliley	Byron
Applegate	Boehlert	Callahan
Aspin	Boggs	Campbell
Atkins	Boland	Carney
AuCoin	Boner (TN)	Carper
Badham	Bonker	Carr
Barnard	Borski	Chappell
Barnes	Bosco	Chappie
Bateman	Boucher	Clay
Bates	Boxer	Clinger
Coelho	Jones (TN)	Richardson
Coleman (MO)	Kanjorski	Ridge
Coleman (TX)	Kaptur	Rinaldo
Collins	Kastenmeier	Robinson
Conte	Kemp	Rodino
Conyers	Kennelly	Roe
Cooper	Kildee	Rogers
Coughlin	Kleczka	Rose
Courter	Kolter	Rostenkowski
Coyne	Kostmayer	Roth
Crockett	LaFalce	Roukema
Daniel	Leath (TX)	Rowland (CT)
Darden	Lehman (CA)	Rowland (GA)
Daschle	Lehman (FL)	Roybal
Davis	Leland	Rudd
de la Garza	Lent	Russo
Dellums	Levin (MI)	Sabo
Derrick	Levine (CA)	Savage
Dickinson	Lewis (CA)	Saxton
Dicks	Lewis (FL)	Schaefer
Dingell	Lightfoot	Scheuer
DioGuardi	Lipinski	Schroeder
Dixon	Livingston	Schulze
Donnelly	Lloyd	Schumer
Dorgan (ND)	Long	Seiberling
Dowdy	Lowery (CA)	Sharp
Duncan	Lowry (WA)	Shaw
Durbin	Lujan	Shelby
Dwyer	Luken	Shuster
Dymally	Lundine	Sikorski
Dyson	MacKay	Sisisky
Early	Madigan	Skeen
Eckart (OH)	Manton	Skelton
Edgar	Markey	Slattery
Edwards (CA)	Martin (IL)	Slaughter
Emerson	Martin (NY)	Smith (FL)
English	Martinez	Smith (IA)
Erdreich	Matsui	Smith (NJ)
Evans (IA)	Mavroules	Snowe
Evans (IL)	Mazzoli	Snyder
Fascell	McCain	Solarz
Fazio	McCandless	Solomon
Feighan	McCloskey	Spence
Fiedler	McCollum	Spratt
Fields	McCurdy	St Germain
Fish	McDade	Staggers
Flippo	McEwen	Stallings
Florio	McGrath	Stangeland
Foglietta	McHugh	Stark
Foley	McKernan	Stokes
Ford (MI)	McKinney	Stratton
Ford (TN)	Mica	Studds
Fowler	Mikulski	Sundquist
Frank	Miller (CA)	Swift
Frost	Miller (OH)	Synar
Fuqua	Mineta	Tallon
Gallo	Mitchell	Tauzin
Garcia	Moakley	Taylor
Gaydos	Molinari	Thomas (CA)
Gejdenson	Mollohan	Thomas (GA)
Gekas	Montgomery	Torres
Gephardt	Moody	Torricelli
Gibbons	Moore	Towns
Gilman	Moorhead	Traficant
Gingrich	Morrison (CT)	Traxler
Gonzalez	Mrazek	Udall
Gordon	Murphy	Valentine
Gradison	Myers	Vander Jagt
Gray (IL)	Natcher	Vento
Gray (PA)	Neal	Visclosky
Green	Nelson	Volkmer
Guarini	Nichols	Vucanovich
Gunderson	Nowak	Walgren
Hall (OH)	O'Brien	Watkins
Hall, Ralph	Oakar	Waxman
Hamilton	Oberstar	Weaver
Hammerschmidt	Obey	Weiss
Hatcher	Ortiz	Wheat
Hawkins	Owens	Whitehurst
Hayes	Packard	Whitley
Heftel	Panetta	Whitten
Hertel	Parris	Williams
Hillis	Pashayan	Wilson
Holt	Pease	Wirth
Horton	Penny	Wise
Howard	Pepper	Wolf
Hoyer	Perkins	Wolpe
Huckaby	Petri	Wortley
Hughes	Pickle	Wright
Hutto	Porter	Wyden
Hyde	Price	Yates
Jacobs	Quillen	Yatron
Jeffords	Rahall	Young (AK)
Jenkins	Rangel	Young (FL)
Johnson	Ray	Young (MO)
Jones (NC)	Regula	
Jones (OK)	Reid	

NOES—83

Archer	Frenzel	Morrison (WA)
Armey	Goodling	Nielson
Bartlett	Gregg	Olin
Barton	Grotberg	Oxley
Bereuter	Hansen	Pursell
Bilirakis	Hartnett	Ritter
Boulter	Hendon	Roberts
Brown (CO)	Henry	Roemer
Broyhill	Hiler	Schuette
Burton (IN)	Hopkins	Sensenbrenner
Chandler	Hunter	Shumway
Cheney	Ireland	Siljander
Coats	Kasich	Smith (NE)
Cobey	Kindness	Smith (NH)
Coble	Kolbe	Smith, Denny
Combest	Kramer	Smith, Robert
Craig	Lagomarsino	Stenholm
Crane	Latta	Strang
Dannemeyer	Leach (IA)	Stump
Daub	Loeffler	Sweeney
DeLay	Lott	Swindall
DeWine	Lungren	Tauke
Dornan (CA)	Mack	Walker
Dreier	Marlenee	Weber
Eckert (NY)	McMillan	Whittaker
Edwards (OK)	Meyers	Wylie
Fawell	Michel	Zschau
Franklin	Miller (WA)	

NOT VOTING—10

Bonior (MI)	Hefner	Murtha
Broomfield	Hubbard	Schneider
Downey	Lantos	
Glickman	Monson	

□ 1730

Mr. HUNTER and Mr. ZSCHAU changed their votes from "aye" to "no."

Mr. LIVINGSTON changed his vote from "no" to "aye."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF H.R. 8, WATER QUALITY RENEWAL ACT OF 1985

Mr. HOWARD. Mr. Speaker, I ask unanimous consent that, in the engrossment of the bill H.R. 8 the Clerk be authorized to correct section numbers, cross references, and the table of contents and make such other technical and conforming amendments as may be necessary to reflect the actions of the House in amending the bill H.R. 8.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. HOWARD. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 1128) to amend the Clean Water Act, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1128

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Clean Water Act Amendments of 1985".

TITLE I—REGULATORY AMENDMENTS

AUTHORIZATION

SEC. 101. (a) Section 104(u)(1) of the Clean Water Act is amended by inserting immediately following "1982" the phrase ", and not to exceed $22,770,000 per fiscal year for the fiscal years ending September 30, 1986, September 30, 1987, September 30, 1988, and September 30, 1989".

(b) Section 104(u)(2) of the Clean Water Act is amended by inserting immediately following "1982" the phrase ", and not to exceed $3,000,000 per fiscal year for the fiscal years ending September 30, 1986, September 30, 1987, September 30, 1988, and September 30, 1989".

(c) Section 104(u)(3) of the Clean Water Act is amended by striking "and" after "1981," and by inserting immediately following "1982" the phrase ", and not to exceed $1,500,000 per fiscal year for the fiscal years ending September 30, 1986, September 30, 1987, September 30, 1988, and September 30, 1989".

(d) Section 106(a)(2) of the Clean Water Act is amended by striking "and" after "1981" and inserting in lieu thereof a comma and by inserting ", 1986, 1987, 1988, and 1989" immediately following "1982".

(e) Section 112(c) of the Clean Water Act is amended by striking "and" after "1981," and inserting immediately following "1982" the phrase ", and $7,000,000 per fiscal year for the fiscal years ending September 30, 1986, September 30, 1987, September 30, 1988, and September 30, 1989".

(f) Section 314(c)(2) of the Clean Water Act is amended by striking "and" after "1981," and inserting immediately following "1982" the phrase ", and $30,000,000 per fiscal year for fiscal years 1986, 1987, 1988, and 1989".

(g) Section 517 of the Clean Water Act is amended by striking "and" after "1981," and inserting immediately following "1982" the phrase ", and $160,000,000 per fiscal year for the fiscal years ending September 30, 1986, September 30, 1987, September 30, 1988, and September 30, 1989".

SMALL FLOWS CLEARINGHOUSE

SEC. 102. Section 104(q) of the Clean Water Act is amended by adding the following new paragraph:

"(4) Notwithstanding section 205(d) of this Act, from funds that are set aside by States under section 205(i) of this Act and not obligated by the end of the twenty-four month period provided under section 205(d), the Administrator shall award a grant under this section in the amount of $1,000,000 or such unobligated amount, whichever is less, in each year, to support a National Clearinghouse to collect and disseminate information on small flows and innovative or alternative technologies, consistent with paragraph (3).".

COMPLIANCE DATES

SEC. 103. (a) Section 301(b)(2)(C) of the Clean Water Act is amended by striking "not later than July 1, 1984," and inserting immediately after "of this paragraph" the following: "as expeditiously as practicable but in no case later than three years after the date such limitations are promulgated under section 304(b), and in no case later than July 1, 1988".

(b) Section 301(b)(2)(E) of the Clean Water Act is amended by striking "not later than July 1, 1984," and inserting in lieu thereof "as expeditiously as practicable but in no case later than three years after the date such limitations are promulgated under section 304(b), and in no case later than July 1, 1988, compliance with".

(c) Section 301(b)(2)(F) of the Clean Water Act is amended by striking "not" after "subparagraph (A) of this paragraph" and inserting in lieu thereof "as expeditiously as practicable but in no case", and by striking "or not later than July 1, 1984," through the end of the sentence and inserting in lieu thereof "and in no case later than July 1, 1988".

(d) Section 301(b) of the Clean Water Act is amended by adding the following new paragraph:

"(3)(A) for effluent limitations under paragraph (1)(A)(i) of this subsection promulgated after January 1, 1982, and requiring a level of control substantially greater or based on fundamentally different control technology than under permits for such industrial category issued before such date, compliance as expeditiously as practicable but in no case later than three years after the date such limitations are promulgated under section 304(b), and in no case later than July 1, 1988; and

"(B) for any effluent limitation in accordance with paragraph (1)(A)(i), (2)(A)(i), or (2)(E) of this subsection established only on the basis of section 402(a)(1) in a permit issued after enactment of the Clean Water Act Amendments of 1985, compliance as expeditiously as practicable but in no case later than three years after the date such limitations are established, and in no case later than July 1, 1988.".

OCEAN WAIVER

SEC. 104. (a) Section 301(h)(5) of the Clean Water Act is amended to read as follows:

"(5) sources introducing waste into such treatment works are in compliance with all applicable pretreatment requirements and the applicant has assured continued compliance with such requirements and, in the case of any treatment works serving a population of five thousand or more, the applicant has adopted and is enforcing a program to control the entrance of toxic pollutants from industrial sources into such treatment works, comparable to that required by section 402(b)(8);".

(b) Section 301(h) of the Clean Water Act is amended by—

(1) in paragraph (7), striking the period immediately after "the permit" and inserting in lieu thereof a semicolon.

(2) adding immediately after paragraph (7) the following new paragraph:

"(8) the applicant at the time such modification becomes effective will be discharging effluent which has received at least primary or equivalent treatment. For the purposes of this paragraph, "primary or equivalent treatment" means treatment by screening, sedimentation, and skimming adequate to remove at least 30 per centum of the biological oxygen demanding material and of the suspended solids in the treatment works influent, and disinfection, where appropriate.";

(3) in that portion of subsection (h) following new paragraph (8) as added by this Act,

(A) adding immediately after the first sentence thereof the following new sentence: "Such marine waters must exhibit characteristics assuring that water providing dilution does not contain significant amounts of previously discharged effluent from such treatment works."; and

(B) adding at the end thereof the following: "No permit issued under this subsection shall authorize the discharge of any pollutant into saline estuarine waters which at the time of application do not support a balanced indigenous population of shellfish, fish and wildlife, or allow recreation in and on the waters or which exhibit ambient water quality below applicable water quality standards adopted for the protection of public water supplies, shellfish, fish and wildlife or recreational activities or such other standards necessary to assure support and protection of such uses. The prohibition contained in the preceding sentence shall apply without regard to the presence or absence of a causal relationship between such characteristics and the applicant's current or proposed discharge.".

(c) Section 301(j)(1)(A) of the Clean Water Act is amended by inserting before the semicolon the following: ", except that a publicly owned treatment works which prior to December 31, 1982, had a contractural arrangement to use a portion of the capacity of an ocean outfall operated by another publicly owned treatment works which has applied for or received a modification under subsection (h) of this section, may apply for a modification under subsection (h) in its own right not later than thirty days after the enactment of the Clean Water Act Amendments of 1985".

MODIFICATION FOR NONCONVENTIONAL POLLUTANTS

SEC. 105. (a) Section 301(g)(1) of the Clean Water Act is amended by striking all preceding "upon a showing by the owner or operator" and inserting in lieu thereof "The Administrator, with the concurrence of the State, may modify the requirements of subsection (b)(2)(A) of this section with respect to the discharge from any point source of ammonia, chlorine, color, iron, or total phenols (4AAP) (when determined by the Administrator to be a nonconventional pollutant under this Act)".

(b) Section 301(g) of the Clean Water Act is amended by adding the following new paragraphs:

"(3) The Administrator may evaluate pollutants subject to this subsection prior to the enactment of the Clean Water Act Amendments of 1985, and if the Administrator determines that for one or more pollutants satisfactory test methods and data are available to make the determination required by paragraph (1), may recommend to the Congress the inclusion of such pollutants under this subsection.

"(4) Any request for a modification under this subsection shall be deemed to have been denied, if not approved by final agency action within one year after submission to the Administrator.

"(5) The amendment made to this subsection by the Clean Water Act Amendments of 1985 shall apply to all modification requests under this subsection pending on the date of enactment of the Clean Water Act Amendments of 1985. Such amendment to this subsection shall not have the effect of extending or reopening the deadline established in section 301(j)(1)(B).".

(c) Section 301(j)(2) of the Clean Water Act is amended by inserting after the first sentence thereof the following: "An application for a modification under subsection (g) shall not stay the applicant's obligation to comply with effluent limitations for all pollutants not the subject of an application for modification, and nothing in this section shall preclude the Administrator (or the State as appropriate) from issuing a permit containing effluent limitations for all pollutants not subject to a stay under this subsection pending a final decision on the request for a modification.".

(d) Section 301(g)(1) is amended by inserting "(1)" immediately after "subsection (b)(2)(A)".

FUNDAMENTALLY DIFFERENT FACTORS

SEC. 106. (a) Section 301 of the Clean Water Act is amended by adding the following new subsections:

"(n)(1) The Administrator, with the concurrence of the State, may establish an alternative requirement under subsection (b)(2) or section 307(b) for a facility that modifies the requirements of national effluent limitation guidelines or categorical pretreatment standards that would otherwise be applicable to such facility, if the owner or operator of such facility demonstrates to the satisfaction of the Administrator that—

"(A) the facility is fundamentally different with respect to the factors (other than cost) specified in section 304 (b) or (g) and considered by the Administrator in establishing such national effluent limitation guidelines or categorical pretreatment standards;

"(B) the application is based solely on information and supporting data submitted to the Administrator during the rulemaking for establishment of the applicable national effluent limitation guidelines or categorical pretreatment standard specifically raising the factors that are fundamentally different for such facility;

"(C) the alternative requirement is no less stringent than justified by the fundamental difference; and

"(D) the alternative requirement will not result in a non-water quality environmental impact which is markedly more adverse than the impact considered by the Administrator in establishing such national effluent limitation guideline or categorical pretreatment standard.

"(2)(A) an application for an alternative requirement under this subsection shall be submitted to the Administrator not later than one hundred twenty days after the publication of the final effluent limitation guideline or categorical pretreatment standard in the Federal Register. The Administrator shall deny any application that is not complete, without providing an opportunity for reapplication.

"(B) an application for an alternative requirement under this subsection shall be deemed to have been denied, if not approved by final agency action within two hundred forty days after submission to the Administrator.

"(C) for the purposes of this subsection, an application for an alternative requirement based on fundamentally different factors which is pending on the date of enactment of the Clean Water Act Amendments of 1985 shall be deemed to have been submitted to the Administrator thirty days after such date of enactment.

"(3) An application for an alternative requirement under this subsection shall not stay the applicant's obligation to comply with the effluent limitation guideline or categorical pretreatment standard which is the subject of the application.

"(4) The authority of this subsection shall apply only to those primary industrial categories identified in the permit regulations issued under section 402 as of the date of enactment of the Clean Water Act Amendments of 1985.

"(o) The Administrator shall prescribe and collect from each applicant fees reflecting the reasonable administrative costs incurred in reviewing and processing applications for modifications submitted to the Administrator pursuant to section 301 (c), (g), (h), (i), (m), and (n), section 304(d)(4), and section 316(a) of this Act. All amounts collected by the Administrator under this subsection shall be deposited into miscellaneous receipts of the Treasury.".

(b) Section 301(l) of the Clean Water Act is amended by striking "The" and inserting in lieu thereof "Other than as provided in subsection (n) of this section, the".

WATER QUALITY-BASED EFFLUENT LIMITATIONS AFTER BAT ATTAINMENT

SEC. 107. (a) Section 305 of the Clean Water Act is amended by adding the following new subsection:

"(c) Each State shall prepare and submit to the Administrator and the Congress within two years after the enactment of the Clean Water Act Amendments of 1985, and revise biennially thereafter, an identification of—

"(1) those waters within or adjacent to such State which after the application of effluent limitations required under section 301(b)(2) of this Act cannot reasonably be anticipated to attain or maintain (A) water quality standards for such waters reviewed, revised or adopted in accordance with section 303(c)(2)(B) of this Act, due to toxic pollutants, or (B) that water quality which shall assure protection of public health, public water supplies, agricultural and industrial uses, and the protection and propagation of a balanced population of shellfish, fish and wildlife, and allow recreational activities in and on the water; and

"(2) those waters within or adjacent to such State which are public water supplies or otherwise important to public health protection, or which have a high quality use designation, and which because of such use and current or potential pollution are of high priority to such State.

In the case of any State which fails to submit the identification required by paragraph (1), or which submits an incomplete identification, the Administrator shall promptly prepare an identification in accordance with paragraph (1).".

(b) Section 304(a) of the Clean Water Act is amended by adding the following new paragraphs:

"(7) The Administrator, after consultation with appropriate State agencies and on the basis of criteria and information published under paragraphs (1) and (2) of this subsection, shall develop and publish, within nine months after the date of enactment of the Clean Water Act Amendments of 1985, guidance to the States on performing the identification required by section 305(c)(1) of this Act.

"(8) The Administrator, after consultation with appropriate State agencies and within two years after the date of enactment of the Clean Water Act Amendments of 1985, shall develop and publish information on methods for establishing and measuring water quality criteria for toxic pollutants on other bases than pollutant-by-pollutant criteria, including biological monitoring and assessment methods.".

(c) Section 303(c)(2) of the Clean Water Act is amended by inserting "(A)" after "(2)" and by adding the following new subparagraph:

"(B) Whenever a State reviews water quality standards pursuant to paragraph (1) of this subsection, or revises or adopts new standards pursuant to this paragraph, such

State shall adopt criteria for all toxic pollutants listed pursuant to section 307(a)(1) of this Act, the discharge or presence of which in the affected waters could reasonably be expected to interfere with those designated uses adopted by the State, as necessary to support such designated uses. Such criteria shall be specific numerical criteria for such toxic pollutants and in addition may include criteria based on biological monitoring or assessment methods consistent with information published pursuant to section 304(a)(8). Particular attention shall be given to toxic pollutants which are highly persistent in the environment, bioaccumulative, or known or suspected carcinogens, mutagens, or teratogens. Nothing in this section shall be construed to limit or delay the use of effluent limitations or other permit conditions based on or involving biological monitoring or assessment methods or previously adopted numerical criteria.".

(d) Section 303(d) of the Clean Water Act is amended by adding the following new paragraph:

"(4) Not later than two years after the submittal of the identification required by section 305(c)(1) of this Act, each State shall establish effluent limitations for point sources discharging into each portion of the navigable waters identified under section 305(c)(1)(A) as necessary to attain applicable water quality standards, taking into account any substantial nonpoint source contributions of toxic pollutants and existing or planned controls on all sources. Such effluent limitations shall be incorporated into permits under section 402 of this Act, which shall provide for compliance as expeditiously as practicable, but in no event later than three years after the establishment of such effluent limitation.".

(e)(1) Section 302(a) of the Clean Water Act is amended by (1) inserting after "in the judgment of the Administrator" the phrase ", or as identified under section 305(c)"; and (2) inserting after "protection of" the phrase "public health,".

(2) Section 302(b) of the Clean Water Act is amended to read as follows:

"(b)(1) Prior to establishment of any effluent limitation pursuant to subsection (a) of this section, the Administrator shall publish such proposed limitation and within ninety days of such publication hold a public hearing.

"(2)(A) The Administrator, with the concurrence of the State, may issue a permit which modifies the effluent limitations required by subsection (a) of this section for pollutants other than toxic pollutants, if the applicant demonstrates at such hearing that (whether or not technology or other alternative control strategies are available) there is no reasonable relationship between the economic and social costs and the benefits to be obtained (including attainment of the objective of this Act) from achieving such limitation.

"(B) The Administrator, with the concurrence of the State, may issue a permit which modifies the effluent limitations required by subsection (a) of this section for toxic pollutants for a single period not to exceed five years, if the applicant demonstrates to the satisfaction of the Administrator that such modified requirements (1) will represent the maximum degree of control within the economic capability of the owner and operator of the source, and (2) will result in reasonable further progress beyond the requirements of section 301(b)(2) toward the requirements of subsection (a) of this section.".

(f) Section 304 of the Clean Water Act is amended by adding the following new subsection:

"(l) Within twelve months of the date of enactment of the Clean Water Act Amendments of 1985, and biennially thereafter, the Administrator shall publish in the Federal Register a plan which shall:

"(A) establish a schedule for the annual review and revision of promulgated effluent guidelines, in accordance with subsection (b) of this section;

"(B) identify categories of sources discharging toxic or nonconventional pollutants for which guidelines under subsection (b)(2) of this section and section 306 have not previously been published; and

"(C) establish a schedule for promulgation of effluent guidelines for categories identified in subparagraph (B), under which promulgation of such guidelines shall be no later than four years after the date of enactment for categories identified in the first published plan or three years after the publication of the plan for categories identified in later published plans.

"(2) The Administrator shall provide for public review and comment on the plan prior to final publication.".

INDIRECT DISCHARGE OF CONVENTIONAL POLLUTANTS

SEC. 108. Section 402 of the Clean Water Act is amended by adding at the end thereof the following new subsection:

"(m) In issuing a permit under this section, the Administrator shall not require pretreatment by dischargers of conventional pollutants identified pursuant to section 304(b)(4) of this Act as a substitute for municipal treatment adequate to meet the requirements of a permit issued under this section for a treatment works (as defined in section 212 of this Act) which is publicly owned if such discharger is in compliance with all applicable requirements of local pretreatment programs approved under subsection (b)(8) of this section. Nothing in this subsection shall affect the Administrator's authority under sections 307 and 309 of this Act, affect State and local authority under sections 307(b)(4) and 510 of this Act, relieve such treatment works of its obligations to meet requirements established under this Act, or preclude such works from pursuing whatever feasible options are available to meet its responsibility to comply with its permit under this section.".

CIVIL AND CRIMINAL PENALTIES

SEC. 109. (a) Section 309(d) is amended by—

(1) inserting ", or any requirement imposed in a pretreatment program approved under section 402(a)(3) and (b)(8) of this Act," immediately after "section 404 of this Act by a State";

(2) deleting "$10,000 per day of such violation" and substituting "$25,000 per day for each violation";

(3) adding the following at the end thereof: "In determining the amount of a civil penalty the court shall consider the seriousness of the violation or violations, the economic benefit (if any) resulting from the violation, any history of such violations, any good-faith efforts to comply with the applicable requirements, the economic impact of the penalty on the violator, and such other matters as justice may require.".

(b) No State shall be required to modify a permit program approved or submitted under section 402 of the Clean Water Act as a result of the amendment made by subsection (a) of this section before July 1, 1987.

(c) Section 404(s) of the Clean Water Act is amended by striking paragraph (4), by redesignating paragraph (5) as paragraph (4), and in redesignating paragraph (4), by—

(1) deleting "$10,000 per day of such violation" and substituting "$25,000 per day for each violation";

(2) adding the following at the end thereof: "In determining the amount of a civil penalty the court shall consider the seriousness of the violation or violations, the economic benefit (if any) resulting from the violation, any history of such violations, any good-faith efforts to comply with the applicable requirements, the economic impact of the penalty on the violator, and such other matters as justice may require.".

(d) Section 309 of the Clean Water Act is amended by adding a new subsection (g) as follows:

"(g)(1) ADMINISTRATIVE PENALTIES.—In addition to any other relief provided, whenever on the basis of any information available the Administrator finds that any person has violated section 301, 302, 303, 306, 307, 308, 318, or 405 of this Act, or has violated any permit condition or limitation implementing any of such sections in a permit issued under sections 402 of this Act by him or by a State, or in a permit issued under section 404 by a State, or any requirement imposed in a pretreatment program approved under section 402 (a)(3) and (b)(8) of this Act, the Administrator may, after notice to the State in which the violation occurs, issue an order assessing a civil penalty of not more than $10,000 per day for each violation, up to a maximum administrative penalty of $125,000. In addition to any other relief provided, whenever on the basis of any information available the Secretary of the Army finds that any person has violated any permit condition or limitation in a permit issued under section 404 of this Act by the Secretary of the Army, the Secretary may, after notice to the State in which the violation occurs, issue an order assessing a civil penalty of not more than $10,000 per day for each violation, up to a maximum administrative penalty of $125,000.

"(2) The authority provided in paragraph (1) of this subsection shall expire on September 30, 1990.

"(3) PROCEDURE.—(A) A civil penalty assessed by the Administrator or the Secretary of the Army under this subsection shall be by an order made after opportunity (provided in accordance with this subparagraph) for a hearing. Before issuing the order, the Administrator or the Secretary of the Army shall give to the person to be assessed a civil penalty written notice of the Administrator's or Secretary's proposal to issue such order and the opportunity to request, within thirty days of the date the notice is received by such person, a hearing on the proposed order. Such hearing shall not be subject to section 554 or 556 of title 5, United States Code, but shall provide a reasonable opportunity to be heard and to present evidence.

"(B) The Administrator or the Secretary of the Army shall provide public notice of and reasonable opportunity to comment on any proposed assessment.

"(C) Any citizen who comments on a proposed assessment under subparagraph (B) shall be given notice of any hearing held under this subsection and of any order assessing a penalty. In any hearing held under subparagraph (A), such citizen shall have a reasonable opportunity to be heard and to present evidence. If no hearing is held prior to issuance of the order assessing the penal-

ty, then upon presentation by such citizen, within thirty days of issuance of the order, of evidence that such order was inadequate or improper, the Administrator or the Secretary of the Army shall set aside such order immediately and provide a hearing in accordance with subparagraph (A) on the proposed order.

"(D) Any order issued under this subsection shall become final thirty days following its issuance unless an appeal is taken pursuant to paragraph (6) or the order is set aside pursuant to subparagraph (C).

"(4) CONTENT OF ORDER.—In determining the amount of a civil penalty, the Administrator or the Secretary of the Army shall take into account the seriousness of the violation or violations, the economic benefit (if any) resulting from the violation, any history of such violations, any good-faith efforts to comply with the applicable requirements, the economic impact of the penalty on the violator, and such other matters as justice may require.

"(5) EFFECT OF ORDER.—(A) Action taken by the Administrator or the Secretary of the Army pursuant to this subsection shall not affect or limit the Administrator's or Secretary's authority to enforce any provision of this Act: *Provided, however,* That any violation with respect to which the Administrator or the Secretary of the Army has commenced and is diligently prosecuting an action under this subsection, or for which the Administrator or the Secretary of the Army has issued a final order not subject to further judicial review and the violator paid a penalty assessed under this subsection, shall not be the subject of a civil penalty action under section 309(d), section 311(b), or section 505 of this Act: *Provided further,* That the foregoing limitation on civil penalty actions under section 505 of this Act shall not apply with respect to any violation for which (i) a civil action under section 505(a)(1) of this Act has been filed prior to commencement of an action under this subsection, or (ii) a notice of violation under section 505(b)(1) of this Act has been given prior to commencement of an action under this subsection and an action under section 505(a)(1) of this Act is filed prior to 120 days after such notice is given.

"(B) Nothing in this subsection shall change the procedures now existing under other subsections of section 309 of this Act for issuance and enforcement of orders by the Administrator.

"(C) No action by the Administrator or the Secretary of the Army pursuant to this subsection shall affect any person's obligation to comply with any section of this Act or with the terms and conditions of any permit issued pursuant to section 402 or 404 of this Act.

"(6) JUDICIAL REVIEW.—Any person against whom a civil penalty order is issued or who commented on a proposed assessment pursuant to paragraph (3) may file an appeal of such order in the United States district court for the District of Columbia or in the district in which the violation is alleged to have occurred. This appeal may only be filed within the thirty-day period beginning on the date the civil penalty order is issued. Appellant shall simultaneously send a copy of the appeal by certified mail to the Administrator or the Secretary of the Army and to the Attorney General. The Administrator or the Secretary of the Army shall promptly file in such court a certified copy of the record on which the order was issued. The district court shall not set aside or remand such order unless there is not substantial evidence in the record, taken as a whole, to support the finding of a violation or unless the Administrator's or Secretary's assessment of the penalty constitutes an abuse of discretion and shall not impose additional civil penalties for the same violation unless the Administrator's or Secretary's assessment of the penalty constitutes an abuse of discretion.

"(7) COLLECTION.—If any person fails to pay an assessment of a civil penalty—

"(A) after an order is final under paragraph (3), or

"(B) after a court in an action brought under paragraph (6) has entered a final judgment in favor of the Administrator or the Secretary of the Army,

the Administrator or the Secretary of the Army shall request the Attorney General to bring a civil action in an appropriate district court to recover the amount assessed (plus costs, attorneys' fees, and interest at currently prevailing rates from the date of the final order or the date of such final judgment, as the case may be). In such an action, the validity, amount, and appropriateness of such penalty shall not be subject to review.

"(8) SUBPOENA.—The Administrator or the Secretary of the Army may, in connection with administrative proceedings under this subsection, issue subpoenas compelling the attendance and testimony of witnesses and subpoenas duces tecum, and may request the Attorney General to bring an action to enforce any subpoena under this section. The district courts shall have jurisdiction to enforce such subpoenas and impose sanctions.".

(e) Section 309(c) of the Clean Water Act is amended to read as follows:

"(c)(1) Any person who (A) negligently violates section 301, 302, 303, 306, 307, 308, 318, or 405 of this Act, or any permit condition or limitation implementing any of such sections in a permit issued under section 402 of this Act by the Administrator or by a State, or any requirement imposed in a pretreatment program approved under section 402(a)(3) and (b)(8) of this Act or in a permit issued under section 404 of this Act by the Secretary of the Army or by a State, or who (B) negligently introduces into a sewer system or into a publicly owned treatment works any pollutant or hazardous substance which such person knew or reasonably should have known could cause personal injury or property damage, or, other than in compliance with all applicable Federal, State or local requirements or permits, causes such treatment works to violate any effluent limitation or condition in any permit issued to the treatment works under section 402 of this Act by the Administrator or a State, shall be punished by a fine of not less than $2,500 nor more than $25,000 per day of violation, or by imprisonment for not more than one year, or by both.

"(2) Any person who (A) knowingly violates section 301, 302, 303, 306, 307, 308, 318, or 405 of this Act, or any permit condition or limitation implementing any of such sections in a permit issued under section 402 of this Act by the Administrator or by a State, or any requirement imposed in a pretreatment program approved under section 402(a)(3) and (b)(8) of this Act or in a permit issued under section 404 of this Act by the Secretary of the Army or by a State, or who (B) knowingly introduces into a sewer system or into a publicly owned treatment works any pollutant or hazardous substance which such person knew or reasonably should have known could cause personal injury or property damage, or, other than in compliance with all applicable Federal, State or local requirements or permits, causes such treatment works to violate any effluent limitation or condition in any permit issued to the treatment works under section 402 of this Act by the Administrator or a State, shall be punished by a fine of not less than $5,000 nor more than $50,000 per day of violation, or by imprisonment for not more than three years, or by both.

"(3)(A) Any person who knowingly violates section 301, 302, 303, 306, 307, 308, 318, or 405 of this Act, or any permit condition or limitation implementing any of such sections in a permit issued under section 402 of this Act by the Administrator or by a State, or in a permit issued under section 404 of this Act by the Secretary of the Army or by a State, and who knows at that time that he thereby places another person in imminent danger of death or serious bodily injury, shall, upon conviction, be subject to a fine of not more than $250,000 or imprisonment of not more than fifteen years, or both. A defendant that is an organization shall, upon conviction of violating this subparagraph, be subject to a fine of not more than $1,000,000.

"(B) For the purpose of subparagraph (A) of this paragraph—

"(i) In determining whether a defendant who is a natural person knew that his conduct placed another person in imminent danger of death or serious bodily injury—

"(I) the person is responsible only for actual awareness or actual belief that he possessed; and

"(II) knowledge possessed by a person other than the defendant but not by the defendant himself may not be attributed to the defendant:

Provided, That in proving the defendant's possession of actual knowledge, circumstantial evidence may be used, including evidence that the defendant took affirmative steps to shield himself from relevant information.

"(ii) It is an affirmative defense to prosecution that the conduct charged was consented to by the person endangered and that the danger and conduct charged were reasonably foreseeable hazards of—

"(I) an occupation, a business, or a profession; or

"(II) medical treatment or medical or scientific experimentation conducted by professionally approved methods and such other person had been made aware of the risks involved prior to giving consent. The defendant may establish an affirmative defense under this subparagraph by a preponderance of the evidence.

"(iii) The term 'organization' means a legal entity, other than a government, established or organized for any purpose, and such term includes a corporation, company, association, firm, partnership, joint stock company, foundation, institution, trust, society, union, or any other association of persons.

"(iv) The term 'serious bodily injury' means bodily injury which involves a substantial risk of death, unconsciousness, extreme physical pain, protracted and obvious disfigurement, or protracted loss or impairment of the function of a bodily member, organ, or mental faculty.

"(4) Any person who knowingly makes any false material statement, representation, or certification in any application, record, report, plan, or other document filed or required to be maintained under this Act

or who knowingly falsifies, tampers with, or renders inaccurate any monitoring device or method required to be maintained under this Act, shall upon conviction, be punished by a fine of not more than $10,000, or by imprisonment for not more than two years, or by both.

"(5) If a conviction is for a violation of paragraph (1), (2), (3), or (4) of this subsection committed after a first conviction of such person under the same paragraph, the maximum punishment under the respective paragraph shall be doubled with respect to both fine and imprisonment.

"(6) For the purpose of paragraphs (1), (2), (3), and (4) the term 'person' shall mean, in addition to the definition contained in section 502(5) of this Act, any responsible corporate officer.

"(7) For the purpose of paragraphs (1) and (2), the term 'hazardous substance' shall mean (A) any substance designated pursuant to section 311(b)(2)(A) of this Act, (B) any element, compound, mixture, solution, or substance designated pursuant to section 102 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, (C) any hazardous waste having the characteristics identified under or listed pursuant to section 3001 of the Solid Waste Disposal Act (but not including any waste the regulation of which under the Solid Waste Disposal Act has been suspended by Act of Congress), (D) any toxic pollutant listed under section 307(a) of this Act, and (E) any imminently hazardous chemical substance or mixture with respect to which the Administrator has taken action pursuant to section 7 of the Toxic Substances Control Act.".

"(8) Whenever any action is brought under this section in a court of the United States, the plaintiff shall provide a copy of the complaint to the Attorney General of the United States and to the Administrator. No consent judgment shall be entered in an action brought under this section in which the United States is not a party prior to forty-five days following the receipt of a copy of the proposed consent judgment by the Attorney General and the Administrator.

"(9) The Secretary shall prepare and submit a report to the Congress, not later than December 1, 1987, which shall examine and analyze various enforcement mechanisms for use by the Secretary, including an administrative civil penalty mechanism. Such report shall also examine, in consultation with the Comptroller General, the efficacy of the Secretary's existing enforcement authorities, and shall make recommendations for improvements in their operation.".

PARTIAL NPDES PROGRAM APPROVAL

SEC. 110. (a) Section 402(b) of the Clean Water Act is amended by—

(1) inserting ", or part of a permit program in accordance with paragraph (10) of this subsection," immediately after "its own permit program" in the first full sentence; and

(2) adding at the end thereof the following new paragraph:

"(10) In the event a Governor submits a plan to administer part of a permit program, the Administrator may approve such plan upon a showing that—

"(A)(i) the plan provides for administration of permit program components which represent a significant and identifiable part of the State program authorized by this section; and

"(ii) the plan provides for and the State agrees to make all reasonable efforts to assume administration of the remainder of the program by a specified future date not to exceed five years from submission of the State's initial plan; or

"(B)(i) the plan provides for administration of a permit program for one or more discharge categories such as Federal facilities, municipal or industrial categories, or any other category of dischargers which represent a significant and identifiable part of the permit program in the State; and

"(ii) the plan covers all categories of discharges under the jurisdiction of the State agency or department responsible for administering the plan and represents a complete permit program for all categories of discharges contained in the plan. For purposes of the preceding sentence, 'a complete permit program,' means one for which adequate authority exists to carry out each of the activities listed in paragraphs (1) through (9) of this subsection.".

(b) Section 402(c)(1) of the Clean Water Act is amended by striking "as to those navigable waters" and inserting in lieu thereof "as to those activities and discharges".

(c) Section 402(c) of the Clean Water Act is amended by adding a new paragraph (4) as follows:

"(4) In the event a determination is made (A) by a State to return administration of the program to the Administrator or (B) by the Administrator to withdraw approval pursuant to paragraph (3) of this subsection, return of administration or withdrawal of approval may only be made of the entire program currently being administered by the State.".

JUDICIAL REVIEW AND AWARD OF FEES

SEC. 111. (a) Section 509(b)(1) of the Clean Water Act is amended by (1) striking the phrase "transacts such business" and inserting in lieu thereof, "transacts business which is directly affected by such action"; and (2) striking "ninety" and "ninetieth" and inserting in lieu thereof "one hundred and twenty" and "one hundred and twentieth", respectively.

(b) Section 509(b) of the Clean Water Act is amended by adding at the end thereof the following new paragraphs:

"(3)(A) If applications for review of the same agency action have been filed under paragraph (1) of this subsection in two or more Circuit Courts of Appeals of the United States and the Administrator has received written notice of the filing of one or more applications within thirty days or less after receiving written notice of the filing of the first application, then the Administrator shall promptly advise in writing the Administrative Office of the United States Courts that applications have been filed in two or more Circuit Courts of Appeals of the United States, and shall identify each court for which he has written notice that such applications have been filed within thirty days or less of receiving written notice of the filing of the first such application. Pursuant to a system of random selection devised for this purpose, the Administrative Office thereupon shall, within three business days of receiving such written notice from the Administrator, select the court in which the record shall be filed from among those identified by the Administrator. Upon notification of such selection, the Administrator shall promptly file the record in such court. For the purpose of review of agency action which has previously been remanded to the Administrator, the record shall be filed in the Circuit Court of Appeals of the United States which remanded such action.

"(B) Where applications have been filed under paragraph (1) of this subsection in two or more Circuit Courts of Appeals of the United States with respect to the same agency action and the record has been filed in one of such courts pursuant to paragraph (3)(A), the other courts in which such applications have been filed shall promptly transfer such applications to the Circuit Court of Appeals of the United States in which the record has been filed. Pending selection of a court pursuant to paragraph (3)(A), any court in which an application has been filed under paragraph (1) of this subsection may postpone the effective date of the agency action until fifteen days after the Administrative Office has selected the court in which the record shall be filed.

"(C) Any court in which an application with respect to any agency action has been filed under paragraph (1) of this subsection, including any court selected pursuant to paragraph (3)(A), may transfer such application to any other Circuit Court of Appeals of the United States for the convenience of the parties or otherwise in the interest of justice.

"(4) In any judicial proceeding under this subsection, the court may award costs of litigation (including reasonable attorney and expert witness fees) to any prevailing or substantially prevailing party whenever it determines that such award is appropriate.".

(c) Section 505(d) of the Clean Water Act is amended by inserting "prevailing or substantially prevailing" before "party" in the first sentence thereof.

NONPOINT SOURCE POLLUTION

SEC. 112. (a) Title III of the Clean Water Act is amended by adding the following new section:

"NONPOINT SOURCE POLLUTION MANAGEMENT PROGRAM

"SEC. 319. (a)(1) Each State, by itself or in combination with adjacent States, shall, after notice and opportunity for public comment, submit to the Administrator, within eighteen months after the date of enactment of the Clean Water Act Amendments of 1985, a proposed nonpoint source pollution management program which shall—

"(A) identify those waters within its boundaries which without additional action to control nonpoint sources of pollution cannot reasonably be expected to attain or maintain (i) applicable water quality standards, or (ii) the goals and requirements of the Act;

"(B) designate categories or subcategories of nonpoint sources of pollutants or, where appropriate, particular nonpoint sources, that contribute significant pollution loadings to the waters identified under subparagraph (A);

"(C) identify best management practices which will be undertaken to reduce pollutant loadings resulting from each category, subcategory or particular nonpoint source designated under subparagraph (B), taking into account the impact of the proposed practice on ground water quality;

"(D) identify programs (including, as appropriate, nonregulatory or regulatory programs for enforcement, technical assistance, financial assistance, education, training, technology transfer, and demonstration projects) to achieve implementation of the best management practices by the categories, subcategories, and particular nonpoint sources designated under subparagraph (B);

"(E) include a schedule containing annual milestones for (i) utilization of the program

implementation methods identified in subparagraph (D), and (ii) implementation of the best management practices identified in subparagraph (C) by the categories, subcategories, or particular nonpoint sources designated under subparagraph (B). Such schedule shall provide for utilization of the program implementation methods and implementation of best management practices at the earliest practicable date;

"(F)(i) include a statement from the attorney general of such State or States (for the attorney for those State water pollution control agencies which have independent legal counsel) that the laws of such State or States, as the case may be, provide adequate authority to carry out the described program, or what additional authorities would be necessary to do so, and (ii) if this statement identifies additional needed authorities, include a schedule and commitment by the State to seek such authorities as expeditiously as practicable; and

"(G) include an identification of Federal financial assistance programs and Federal development projects for which the State will review individual assistance applications or development projects for their effect on water quality pursuant to the procedures set forth in Executive Order 12372 as in effect on September 17, 1983, to determine whether such assistance applications or development projects would be consistent with and further the purposes and objectives of the program prepared under this subsection. For the purposes of this paragraph, identification shall not be limited to the assistance programs or development projects subject to the Executive Order 12372 but may include any programs listed in the most recent Catalog of Federal Domestic Assistance which may have an effect on the purposes and objectives of the State's nonpoint source pollution management program.

"(2) In developing the nonpoint source management program required by this section, the State (A) may rely upon information developed pursuant to sections 208, 303(e), 304(f), 305(b), and 314, and other information as appropriate, and (B) may utilize appropriate elements of the waste treatment management plans developed pursuant to section 208(b), to the extent such elements are consistent with and fulfill the requirements of this section.

"(3) In developing and implementing the management program described in this subsection, a State may make use of local agencies or organizations.

"(b)(1) Within six months of the date of receipt of a proposed nonpoint source management program, the Administrator shall, after notice and opportunity for public comment, make a determination whether the State's proposed management program meets the requirements of subsection (a)(1) of this section.

"(2) If the Administrator determines that the proposed management program does not meet the requirements of subsection (a)(1) of this section, he shall within six months of receipt of the proposed program notify the State of any revisions or modifications necessary to obtain approval. The State shall thereupon have an additional three months to submit its revised management program and the Administrator shall approve or disapprove such revised program within three months of receipt.

"(3) Pursuant to paragraph (1) or (2) of this subsection, the Administrator shall approve those State management programs that he determines meet the requirements of subsection (a)(1) of this section.

"(4) If the Administrator fails to approve the State management program pursuant to paragraph (1) of this subsection or fails to notify the State of necessary revisions pursuant to paragraph (2) of this subsection within six months of receipt of the State program, or if he fails to approve or disapprove the program pursuant to paragraph (2) of this subsection within three months of receipt of the revised program, the program shall be deemed to have been approved by the Administrator.

"(c) If a State fails to submit a nonpoint source pollution management program that the Administrator determines meets the requirements of subsection (a)(1) of this section, the Administrator shall notify such State, and within thirty months after the date of enactment of the Clean Water Act Amendments of 1985, after consultation with appropriate Federal and State agencies and other interested persons, carry out the requirements of subsections (a)(1) (A) and (B) of this section for such State. Upon completion of this requirement, the Administrator shall report to Congress on his actions pursuant to this section.

"(d)(1) The Administrator shall award grants, subject to such terms and conditions as the Administrator considers appropriate, to assist States in the implementation of management programs which have been approved pursuant to subsection (b) of this section. Such grants shall not exceed 75 per centum of the costs of implementing the program in any fiscal year and shall be made on condition that non-Federal sources provide at least 25 per centum of the costs that receive funding under this subsection.

"(2)(A) Two-thirds of the funds appropriated in any fiscal year for grants under this section shall be made available for allotment to the several States in accordance with the following table:

State	Percentage allotment
Alabama	1.56
Alaska	.50
Arizona	1.95
Arkansas	1.43
California	6.37
Colorado	2.19
Connecticut	.68
Delaware	.50
District of Columbia	.50
Florida	2.66
Georgia	2.04
Hawaii	.50
Idaho	1.20
Illinois	4.03
Indiana	2.07
Iowa	2.39
Kansas	2.78
Kentucky	1.32
Louisiana	1.56
Maine	.55
Maryland	1.03
Massachusetts	1.25
Michigan	2.67
Minnesota	2.43
Mississippi	1.40
Missouri	2.44
Montana	2.46
Nebraska	2.26
Nevada	1.78
New Hampshire	.50
New Jersey	1.62
New Mexico	1.93
New York	4.22
North Carolina	1.90
North Dakota	2.14
Ohio	3.14
Oklahoma	2.05
Oregon	1.75
Pennsylvania	2.97
Rhode Island	.50
South Carolina	1.09
South Dakota	1.94
Tennessee	1.50
Texas	8.08
Utah	1.36
Vermont	.50
Virginia	1.60
Washington	1.58
West Virginia	.60
Wisconsin	1.90
Wyoming	1.39
Guam	.10
Northern Marianas	.10
Pacific Trust Territories	.10
Puerto Rico	.72
Samoa	.10
Virgin Islands	.10
Total	100.00

"(B) One-third of the funds appropriated in any fiscal year for grants under this section shall be made available to the Administrator who shall make grants in response to applications from States if the Administrator determines such grants are necessary and appropriate to assist such States in—

"(i) controlling particularly difficult or serious nonpoint source pollution problems, including, but not limited to, problems resulting from mining activities;

"(ii) implementing innovative methods or practices for controlling nonpoint sources of pollution, including both regulatory or nonregulatory programs where the Administrator deems appropriate;

"(iii) controlling interstate nonpoint source pollution problems;

"(iv) assessing the relationship between nonpoint source pollution and ground water contamination; or

"(v) providing financial assistance for implementation by an Indian tribe, within the reservation, of an approved management program: *Provided*, That any such Indian tribe shall be subject to all terms and conditions of this section applying to a State. Financial assistance to any one reservation under this clause shall not exceed one-third of 1 per centum of the total amount appropriated for grants for each year.

"(3) The funds allotted to the States pursuant to paragraph (2)(A) of this subsection for a fiscal year shall remain available for obligation for the fiscal year for which appropriated. The amount of any such allotments not obligated by the end of such fiscal year and any unobligated funds remaining under paragraph (2)(B) of this subsection shall be reallotted by the Administrator for the next fiscal year on the basis of the table in paragraph (2)(A).

"(4) States may use funds from grants made pursuant to this section for financial assistance to persons only to the extent that such assistance is related to the costs of demonstration projects.

"(5) No grant shall be made to a State under this section unless the Administrator determines, on the basis of information provided by the State and from other relevant sources, that the State is implementing the program satisfactorily in terms of the requirements and objectives of this section.

"(6) No grant shall be made under this section to any State in any fiscal year in which the expenditure of non-Federal funds by such State for purposes comparable to the activities assisted by this section are less than the average level of such expenditures

in the two fiscal years of such State next preceding the date of enactment of the Clean Water Act Amendments of 1985.

"(7) The Administrator may request such information, data, and reports as he may deem necessary to make the determination of continuing eligibility for grants under this section.

"(8) For the purpose of this section, there are authorized to be appropriated, to remain available until expended, $70,000,000 for the fiscal year ending September 30, 1986, $100,000,000 for the fiscal year ending September 30, 1987, and $130,000,000 for the fiscal year ending September 30, 1988.

"(e) Each State shall report to the Administrator on an annual basis concerning (1) its progress in meeting the schedule of milestones submitted pursuant to subsection (a)(1)(E) of this section, and (2) to the extent that appropriate information is available, reductions in nonpoint source pollutant loading and improvements in water quality resulting from implementation of the management program.

"(f) The Administrator shall—

"(1) transmit to the Office of Management and Budget and the appropriate Federal departments and agencies a list of those assistance programs and development projects identified by each State under subsection (a)(1)(G) for which individual assistance applications and projects will be reviewed pursuant to the procedures set forth in Executive Order 12372 as in effect on September 17, 1983. Beginning not later than sixty days after receiving notification by the Administrator, each Federal department and agency shall modify existing regulations to allow States to review individual development projects and assistance applications under the identified Federal assistance programs and shall accommodate, according to the requirements and definitions of Executive Order 12372, as in effect on September 17, 1983, the concerns of the State regarding the consistency of such applications or projects with the State nonpoint source pollution management program;

"(2) collect and make available, through publications and other appropriate means, information pertaining to management practices and implementation methods, including, but not limited to, (A) information concerning the costs and relative efficiencies of best management practices for reducing nonpoint source pollution; and (B) available data concerning the relationship between water quality and implementation of various management practices to control nonpoint sources of pollution; and

"(3) submit to the Congress, within thirty-six months of enactment of the Clean Water Act Amendments of 1985, a report which on the basis of information submitted by the States pursuant to subsections (a) and (e) of this section, and other information as appropriate:

"(A) describes the management programs being implemented by the States by types and amount of affected waters, categories and subcategories of nonpoint sources, and types of best management practices being implemented;

"(B) describes the experiences of the States in adhering to schedules and implementing best management practices;

"(C) describes the amount and purpose of grants awarded pursuant to subsection (d) of this section;

"(D) identifies, to the extent that information is available, the progress made in reducing pollutant loads and improving water quality in the waters of the United States; and

"(E) indicates what further actions need to be taken to attain and maintain in those waters (i) applicable water quality standards and (ii) the goals and requirements of the Act.".

(b) Section 304(k)(1) of the Clean Water Act is amended by inserting after the word "Act" the following: "and nonpoint source pollution management programs approved under section 319 of this Act.".

(c) Section 205(j) of the Clean Water Act is amended by adding the following new paragraph:

"(5) In addition to the sums reserved under paragraph (1), the Administrator shall reserve each fiscal year for each State 1 per centum of the sums allotted and available for obligation to such State under this section for each fiscal year beginning on or after October 1, 1986, or $100,000, whichever is greater, for the purpose of carrying out section 319 of this Act. Sums so reserved in a State in any fiscal year for which such State does not request the use of such sums, to the extent such sums exceed $100,000, may be used by such State for other purposes under this title.".

NATIONAL ESTUARY PROGRAM

SEC. 113. Title III of the Clean Water Act is amended by adding at the end thereof the following new section:

"NATIONAL ESTUARY PROGRAM

"SEC. 320. (a)(1) Whenever the Administrator determines that the attainment and maintenance of the chemical, physical, and biological integrity of an estuary requires the interstate or international control of sources of pollution to supplement existing controls, the Administrator shall convene, for a period not to exceed five years, an estuarine management conference, to—

"(A) assess trends in water quality, natural resources, and uses of the estuary;

"(B) collect, characterize, and assess data on toxics, nutrients, and natural resources within the estuarine zone to identify the causes of environmental problems;

"(C) develop the relationship between the inplace loads and point and nonpoint loadings of pollutants to the estuarine zone and the potential uses of the zone, water quality, and natural resources;

"(D) develop a comprehensive conservation and management plan that recommends priority corrective actions and compliance schedules addressing point and nonpoint sources of pollution to restore and maintain the chemical, physical, and biological integrity of the estuary, including restoration and maintenance of water quality, a balanced indigenous population of shellfish, fish and wildlife, and recreational activities in the estuary, and assure that the designated uses of the estuary are protected;

"(E) develop plans for the coordinated implementation of the plan by the States as well as Federal and local agencies participating in the conference;

"(F) monitor the effectiveness of actions taken pursuant to the plan; and

"(G) review any Federal financial assistance program or federal development project subject to the requirements of Executive Order 12372, as in effect on September 17, 1983, to determine whether such assistance program or project would be consistent with and further the purposes and objectives of any plan prepared under this section. For purposes of this subparagraph, these programs and projects shall not be limited to the assistance programs or development projects subject to Executive Order 12372, but may include any programs listed in the most recent Catalog of Federal Domestic Assistance which may have an effect on the purposes and objectives of any plan developed pursuant to this section.

"(b) The members of a management conference convened under this section shall include, at a minimum, the Administrator and representatives of—

"(1) each State and foreign nation located in whole or in part in the estuarine zone of the estuary for which the conference is convened;

"(2) international, interstate, or regional agencies having jurisdiction over all or a significant part of the estuary;

"(3) each interested Federal agency, as determined appropriate by the Administrator;

"(4) local governments within the estuarine zone, as determined appropriate by the Administrator; and

"(5) affected industries, public and private educational institutions and the general public in the estuarine zone.

"(c) Prior to developing a comprehensive conservation and management plan under this section, the management conferees shall survey and use existing reports, data, and studies as well as local master or regional plans relating to the estuary that have been developed by or made available to Federal, interstate, international, State, or local agencies.

"(d)(1) Not later than ninety days after the completion of a conservation and management plan, the Administrator shall, if the plan satisfies the purposes of this section and the affected Governor or Governors concur, approve such plan.

"(2) Upon approval of a conservation and management plan under this section, funds authorized to be appropriated under titles II and VI and section 319 of this Act may be used in accordance with the applicable requirements of this Act, to assist States with the implementation of such plan.

"(e) There are authorized to be appropriated to the Administrator not to exceed $12,000,000 per fiscal year for each of the fiscal years 1986, 1987, 1988, and 1989, for:

"(1) expenses related to the administration of management conferences under this section, not to exceed 10 per centum of the amount appropriated under this paragraph;

"(2) grants to State, interstate or regional water pollution control agencies for research, surveys, studies, monitoring, modeling, and other technical work necessary for the development of a conservation and management plan under this section: *Provided*, That such grants shall not exceed 75 per centum of the costs of such technical work and shall be made on condition that non-Federal sources provide at least 25 per centum of the costs that receive funding under this paragraph; and

"(3) the costs of monitoring the implementation of a conservation and management plan. Such monitoring shall be done by the management conference or, in any case in which the conference has expired or been terminated, by the Administrator.

The Administrator shall provide up to $5,000,000 per fiscal year of the sums authorized to be appropriated under this subsection to the Administrator of the National Oceanic and Atmospheric Administration to carry out tasks assigned under subsection (g).

"(f) Any State, interstate, or regional agency that receives a grant under subsection (e) shall report to the Administrator

not later than eighteen months after receipt of such grant and biennially thereafter on the progress being made under this section.

"(g)(1) In order to determine the need to convene a management conference under this section or at the request of such a management conference, the Administrator shall coordinate and implement, through the National Marine Pollution Program Office and the National Marine Fisheries Service of the National Oceanic and Atmospheric Administration, as appropriate, for one or more estuarine zones—

"(A) a long-term program of trend assessment monitoring measuring variations in pollutant concentrations, marine ecology, and other physical or biological environmental parameter which may affect estuarine zones, to provide the Administrator the capacity to determine the potential and actual effects of alternative management strategies and measures;

"(B) a program of ecosystem assessment assisting in the development of (i) baseline studies which determine the state of estuarine zones and the effects of natural and anthropogenic changes, and (ii) predictive models capable of translating information on specific discharges or general pollutant loadings within estuarine zones into a set of probable effects on such zones;

"(C) a comprehensive water quality sampling program for the continuous monitoring of nutrients, chlorine, acid precipitation dissolved oxygen, and potentially toxic pollutants (including organic chemicals and metals) in estuarine zones, after consultation with interested State, local, interstate, or international agencies and review and analysis of all environmental sampling data presently collected from estuarine zones; and

"(D) a program of research to identify the movements of nutrients, sediments and pollutants through estuarine zones and the impact of nutrients, sediments, and pollutants on water quality, the ecosystem, and designated or potential uses of the estuarine zones.

"(2) The Administrator, in cooperation with the Administrator of the National Oceanic and Atmospheric Administration, shall submit to the Congress no less often than biennially a comprehensive report on the activities authorized under this subsection including—

"(A) a listing of priority monitoring and research needs;

"(B) an assessment of the state and health of the Nation's estuarine zones, to the extent evaluated under this subsection;

"(C) a discussion of pollution problems and trends in pollutant concentrations with a direct or indirect effect on water quality, the ecosystem, and designated or potential uses of each estuarine zone, to the extent evaluated under this subsection; and

"(D) an evaluation of pollution abatement activities and management measures so far implemented to determine the degree of improvement toward the objectives expressed in subsection (a)(1)(D) of this section.

"(h) For the purposes of this section, the terms 'estuary' and 'estuarine zone' shall have the same meanings such terms have in section 104(n)(4) of this Act, except that the term 'estuarine zone' shall include those portions of tributaries draining into the estuary up to the historic height of migration of anadromous fish or the historic head of tidal influence, whichever is higher.".

STORMWATER RUNOFF FROM OIL AND GAS OPERATIONS

SEC. 114. Section 402(l) of the Clean Water Act is amended by inserting "(1)" after "(l)" and by adding the following new paragraph:

"(2) The Administrator shall not require a permit under this section nor impose effluent limitations, nor shall the Administrator directly or indirectly require any State to require such a permit or impose such limitations, for discharges of stormwater runoff from oil or gas exploration, production, processing, or treatment operations (including transmission pumping stations), composed entirely of flows from conveyances or systems of conveyances (including pipes, conduits, ditches, and channels) used for collecting and conveying precipitation runoff and not contaminated with process wastes, toxic pollutants, hazardous substances in excess of reportable quantities, or oil or grease in excess of reportable quantities.".

ANTI-BACKSLIDING

SEC. 115. (a) Section 402 of the Clean Water Act is amended by adding the following new subsection:

"(n) In the case of effluent limitations established on the basis of subsection (a)(1)(B) of this section, a permit may not be renewed, reissued or modified solely on the basis of effluent guidelines promulgated under section 304(b) subsequent to the original issuance of such permit, to contain effluent limitations which are less stringent than the comparable effluent limitations in the previous permit. If the source has installed the treatment facilities required to meet the effluent limitations in the previous permit and has properly operated and maintained the facilities but has nevertheless been unable to achieve the previous effluent limitations, the limitations in the renewed, reissued or modified permit may reflect the level of pollutant control actually achieved (but shall not be less stringent than required by effluent guidelines in effect at the time of permit renewal, reissuance or modification). In the case of effluent limitations established on the basis of section 301(b)(1)(C) or section 303 (d) or (e), a permit may be renewed, reissued, or modified on the basis of subsequently revised waste load allocations under section 303(d) to contain effluent limitations which are less stringent than the comparable effluent limitations in the previous permit only in compliance with section 303(d)(5).".

(b) Section 402(a)(1) of the Clean Water Act is amended by inserting "(A)" after "either" and by inserting "(B)" after "this Act, or".

(c) Section 303(d) of the Clean Water Act is amended by adding the following new paragraph:

"(5)(A) For waters identified in paragraph (1)(A) where the applicable water quality standard has not yet been attained, any effluent limitation based on a total maximum daily load or other waste load allocation established under this section may be revised only if (i) the cumulative effect of all such revised effluent limitations based on such total maximum daily load or waste load allocation will assure the attainment of such water quality standard, or (ii) the designated use which is not being attained is removed in accordance with regulations established under this section.

"(B) For waters identified in paragraph (1)(A) where the quality of such waters equals or exceeds levels necessary to protect the designated use for such waters, any effluent limitation based on a total maximum daily load or other waste load allocation established under this section, or other permitting standard, may be revised only if such revision is subject to and consistent with the antidegradation policy established under this section.".

STORMWATER DISCHARGES

SEC. 116. (a) Section 402 of the Clean Water Act is amended by adding the following new subsection:

"(o)(1) Following the date of enactment of the Clean Water Act Amendments of 1985 and prior to October 1, 1992, the Administrator or the State (in the case of a State with a permit program approved under section 402 of this Act) shall not require a permit under this section for discharges composed entirely of stormwater, other than (A) those associated with industrial activity or a municipal separate storm sewer, or (B) those for which the Administrator or the State determines that the stormwater discharge violates a water quality standard or is a significant contributor of pollutants to waters of the United States.

(2) Prior to October 1, 1988, the Administrator, in consultation with States with a permit program approved under section 402 of this Act, shall submit to the Congress the report of a study (i) to identify stormwater discharges or classes of stormwater discharges for which permits were not required pursuant to paragraph (1) of this subsection, and (ii) to determine, to the maximum extent practicable, the nature and extent of pollutants in such discharges. Prior to October 1, 1989, the Administrator, in consultation with States with a permit program approved pursuant to section 402 of this Act, shall submit to the Congress the report of a study setting forth procedures and methods to control stormwater discharges to the extent necessary to attain and maintain water quality standards.

SEWAGE SLUDGE

SEC. 117. (a) Section 405(d) of the Clean Water Act is amended by inserting "(1)" after "(d)", by striking "(1)", "(2)" and "(3)" and inserting in lieu thereof "(A)", "(B)" and "(C)", and by adding the following new paragraphs:

"(2)(A)(i) Not later than April 1, 1986, the Administrator shall identify those toxic pollutants which, on the basis of available information on their toxicity, persistence, concentration, mobility, or potential for exposure, may be present in sewage sludge in concentrations which may adversely affect public health or the environment, and propose regulations specifying acceptable management practices for sewage sludge containing each such toxic pollutant and establishing numerical limitations for each such pollutant for each use identified under paragraph (1)(A).

"(ii) Not later than March 1, 1987, and after opportunity for public hearing, the Administrator shall promulgate the regulations required by subparagraph (A)(i).

"(B)(i) Not later than February 1, 1987, the Administrator shall identify those toxic pollutants not identified under subparagraph (A)(i) which may be present in sewage sludge in concentrations which may adversely affect public health or the environment, and propose regulations specifying acceptable management practices for sewage sludge containing each such toxic pollutant and establishing numerical limitations for each pollutant for each such use identified under paragraph (1)(A).

"(ii) Not later than December 15, 1987, the Administrator shall promulgate the regulations required by subparagraph (B)(i).

"(C) The management practices and numerical criteria established under subpara-

graphs (A) and (B) shall be adequate to protect public health and the environment from any reasonably anticipated adverse effects of each pollutant. Such regulations shall require compliance no later than twelve months after their publication, unless such regulations require the construction of new pollution control technology, in which case the regulations shall require compliance as expeditiously as practicable but in no case later than two years from the date of their publication.

"(D) For purposes of this subparagraph, if, in the judgment of the Administrator, it is not feasible to prescribe or enforce a numerical limitation for a pollutant identified under this paragraph, the Administrator may instead promulgate a design, equipment, management practice, or operational standard, or combination thereof, which in the judgment of the Administrator is adequate to protect public health and the environment from any reasonably anticipated adverse effects of such pollutant.

"(E) Prior to the promulgation of the regulations required by subparagraphs (A) and (B), the Administrator shall impose conditions in permits issued to publicly owned treatment works under section 402 of this Act or take such other measures as the Administrator deems appropriate to protect public health and the environment from any adverse effects which may occur from toxic pollutants in sewage sludge.

"(F) Nothing in this section authorizes the establishment of any requirement or time for compliance which is less stringent than required by any other law.".

(b) Section 405(e) of the Clean Water Act is amended to read as follows:

"(e) The determination of the manner of disposal or use of sludge is a local determination, except that it shall be unlawful for any person to dispose of sludge from a publicly owned treatment works or any other treatment works treating primarily domestic sewage (but not including privately owned treatment works operated in conjunction with industrial manufacturing and processing facilities) for any use for which regulations have been established pursuant to subsection (d) of this section, except in accordance with such regulations.".

(c) Section 405 of the Clean Water Act is further amended by adding at the end thereof the following:

"(f)(1) Any permit issued under section 402 of this Act to a publicly owned treatment works or any other treatment works treating primarily domestic sewage (but not including privately owned treatment works operated in conjunction with industrial manufacturing and processing facilities) shall include requirements for the use and disposal of sludge that implement the regulations established pursuant to subsection (d) of this section, unless such requirements have been included in a permit issued under the appropriate provisions of subtitle C of the Solid Waste Disposal Act, part C of the Safe Drinking Water Act, the Marine Protection, Research and Sanctuaries Act of 1972, or the Clean Air Act, or under State permit programs approved by the Administrator, where the Administrator determines that such programs assure compliance with any applicable requirements of this section. Not later than December 15, 1985, the Administrator shall promulgate procedures for approval of State programs pursuant to this paragraph.

"(2) In the case of a treatment works described in paragraph (1) that is not subject to section 402 of this Act and to which none of the other above listed permit programs nor approved State permit authority apply, the Administrator may issue a permit to such treatment works solely to impose requirements for the use and disposal of sludge that implement the regulations established pursuant to subsection (d) of this section. The Administrator shall include in the permit appropriate requirements to assure compliance with the regulations established pursuant to subsection (d) of this section. The Administrator shall establish procedures for issuing permits pursuant to this paragraph.".

(d)(1) Section 308(a)(4) of the Clean Water Act is amended by inserting "405," before the phrase "and 504".

(2) Section 505(f) of the Clean Water Act is amended by striking "or" where it appears before "(6)", and inserting before the period a semicolon and the following: "or (7) a regulation under section 405(d) of this Act,".

(3) Section 509(b)(1)(E) of the Clean Water Act is amended by striking "or 306" and inserting in lieu thereof "306, or 405".

INTERSTATE DISPUTE RESOLUTION

SEC. 118. (a) Section 402(d)(2) of the Clean Water Act is amended by inserting "(A)" after "(2)", by striking "(A)" and "(B)" and inserting in lieu thereof "(i)" and "(ii)" respectively, and by adding the following subparagraph:

"(B) In the case of the failure of any State to accept the recommendations of another State whose waters may be affected by the issuance of a permit, submitted in accordance with subsection (b)(5), the Administrator shall determine within 90 days following written objection to the Administrator by the State whose recommendations were not accepted, whether any substantial violation of a water quality requirement (including any standard) of the affected State or adverse effect on public health of the affected State will result from the issuance of such permit. If the Administrator so determines, the Administrator shall object to the issuance of such permit or provide specific modifications to such permit. Any such determination shall be provided in writing to the affected State and such determination or such objection shall be reviewable in the appropriate Circuit Court of Appeals under section 509(b) of this Act as the issuance or denial of a permit under section 402.".

(b) Section 402(b)(1) of the Clean Water Act is amended by adding the following:

"(E) shall be reconsidered for termination or modification at any time a State other than that in which the source is located provides notice that the permitted discharge is causing a substantial violation of a water quality requirement (including any standard) of such State or adversely affecting the public health of such State and seeks a modification of such permit;".

(c) Section 511 of the Clean Water Act is amended by adding a new subsection (e) as follows:

"(e) Any State or municipality the water quality of which is adversely affected by pollutants from another State may petition the Administrator who, upon determining on the record after opportunity for Agency hearing pursuant to 5 U.S.C. 554, 556, and 557 that such pollution is causing a substantial violation of a water quality requirement (including any standard) of such State or adversely affecting the public health of such State, shall issue an order within 90 days restraining any person causing or contributing to such pollution or providing such other relief as is appropriate, taking into account the goals and requirements of this Act and other equitable considerations. In no case shall such order or other relief based solely on this subsection supersede or abrogate rights to quantities of water which have been established by interstate water compacts, Supreme Court decrees, or State water laws. This subsection shall not apply in any case in which section 402(d)(2)(B) or section 402(b)(1)(F) is available, nor shall this subsection or section 402(d)(2)(B) or section 402(b)(1)(E) apply to any pollution which is subject to the Colorado River Basin Salinity Control Act, nor to any water pollution which results from emissions from mobile or stationary sources which are regulated under the Clean Air Act.".

PRESERVATION OF OTHER RIGHTS

SEC. 119. (a) Section 505(e) of the Clean Water Act is amended by inserting "(1)" after "(e)" and by adding the following new paragraphs:

"(2) Nothing in this Act shall affect or modify in any way the liabilities of any person under other Federal statutes for damages caused by noncompliance with any requirement of this Act or any permit issued under this Act.

"(3) In any case involving the application of State common or statutory law to an instance where a discharge of pollutants arising in another State is alleged to have an adverse effect on the public health or welfare or the attainment of any water quality requirement of such State or municipality, a State or municipality shall be considered a citizen of such State for the purpose of filing an action in, or seeking removal to, a Federal district court to section 1332 of title 28, United States Code.".

(b) The amendments made by this section shall not apply in any dispute involving claims of interstate water pollution, wherein a State or municipality is the defending party, which is pending as of the enactment of this Act (or has been finally adjudicated), and on which the Supreme Court of the United States has rendered a decision.

AD VALOREM TAX DEDICATION

SEC. 120. For the purposes of complying with section 204(b)(1) of the Clean Water Act, the ad valorem tax user charge system of the Town of Hampton, New Hampshire, shall be deemed to have been dedicated as of December 27, 1977. The Administrator of the Environmental Protection Agency shall review such ad valorem tax user charge system for compliance with the remaining requirements of section 204(b)(1) and related regulations of the Agency.

LIMITATION ON DISCHARGE OF RAW SEWAGE BY NEW YORK CITY

SEC. 121. (a)(1) If the wastewater treatment plant identified in the consent decree as the North River plant has not achieved advanced preliminary treatment as required under the terms of the consent decree by August 1, 1986, the city of New York shall not discharge raw sewage from the drainage area of such plant (as defined in the consent decree) into navigable waters after such date in an amount which is greater for any thirty-day period than an amount equal to thirty times the average daily amount of raw sewage discharged from such drainage area during the twelve-month period ending on the earlier of the date on which such plant becomes operational or March 15, 1986 (as determined by the Administrator of the Environmental Protection Agency), except as provided in subsection (b).

(2) If the wastewater treatment plant identified in the consent decree as the Red Hook plant has not achieved advanced preliminary treatment as required under the terms of the consent decree by August 1, 1987, the city of New York shall not discharge raw sewage from the drainage area of such plant (as defined in the consent decree) into navigable waters after such date in an amount which is greater for any thirty-day period than an amount equal to thirty times the average daily amount of raw sewage discharged from such drainage area during the twelve-month period ending on the earlier of the date on which such plant becomes operational or March 15, 1987 (as determined by the Administrator of the Environmental Protection Agency), except as provided in subsection (b).

(b)(1) In the event of any significant interruption in the operation of the North River plant or the Red Hook plant caused by an event described in subparagraph (A), (B), or (C) of paragraph (5) occurring after the applicable deadline established under subsection (a), the Administrator of the Environmental Protection Agency shall waive the limitation of subsection (a) with respect to such plant, but only to such extent and for such limited period of time as may be reasonably necessary for the city of New York to resume operation of such plant.

(2) In the event that the volume of precipitation occurring after the applicable deadline established under subsection (a) causes the discharge of raw sewage to exceed the limitation under subsection (a), the Administrator of the Environmental Protection Agency shall waive the limitation of subsection (a) with respect to either or both such plants, but only to such extent and for such limited period of time as the Administrator determines to be necessary to take into account the increased discharge caused by such volume of precipitation.

(3) In the event that an increase in discharges from the North River drainage area constituting a violation of subsection (a)(1) is due to a random or seasonal variation, and that any sewer hookup occurring, or permit for a sewer hookup granted, after July 31, 1986, is not responsible for such violation, the Administrator of the Environmental Protection Agency shall waive the limitation of subsection (a)(1), but only to such extent and for such limited period of time as the Administrator determines to be reasonably necessary to take into account such random or seasonal variation.

(4) In the event that an increase in discharges from the Red Hook drainage area constituting a violation of subsection (a)(2) is due to a random or seasonal variation, and that any sewer hookup occurring, or permit for a sewer hookup granted, after July 31, 1987, is not responsible for such violation, the Administrator of the Environmental Protection Agency shall waive the limitation of subsection (a)(2), but only to such extent and for such limited period of time as the Administrator determines to be reasonably necessary to take into account such random or seasonal variation.

(5) The Administrator of the Environmental Protection Agency shall extend either deadline under paragraph (1) or (2) of subsection (a) to such extent and for such limited period of time as may be reasonably required to take into account any—

(A) act of war,

(B) unanticipated grave natural disaster or other natural phenomenon of an exceptional, inevitable, and irresistible character, the effects of which could not have been prevented or avoided by the exercise of due care or foresight, or

(C) other circumstances beyond the control of the city of New York, such circumstances not to include (i) the unavailability of Federal funds under section 201 of the Federal Water Pollution Control Act, (ii) the unavailability of funds from the city of New York or the State of New York, or (iii) a policy decision made by the city of New York or the State of New York to delay the achievement of advanced preliminary treatment at the North River plant or Red Hook plant beyond the applicable deadline in subsection (a).

(c) Except as otherwise provided in subsection (b), any violation of subsection (a) shall be considered to be a violation of section 301 of the Federal Water Pollution Control Act, and all provisions of such Act relating to violations of such section 301 shall apply.

(d) For purposes of this section, the "consent decree" is the consent decree entered into by the Environmental Protection Agency, the city of New York, and the State of New York, on December 30, 1982, relating to construction and operation of the North River and Red Hook wastewater treatment plants.

(e) The Administrator of the Environmental Protection Agency shall work with the city of New York to eliminate the discharge of raw sewage by such city at the earliest practicable date.

(f) Nothing in this section shall be construed as modifying the terms of the consent decree.

(g) It is the sense of the Congress that the Administrator of the Environmental Protection Agency should not agree to any further modification of the consent decree with respect to the schedule for achieving advanced preliminary treatment.

(h)(1) The provisions of this section shall remain in effect with respect to the North River drainage area until such time as the North River plant has achieved advanced preliminary treatment (as defined in the consent decree) for a period of six consecutive months.

(2) The provisions of this section shall remain in effect with respect to the Red Hook drainage area until such time as the Red Hook plant has achieved advanced preliminary treatment (as defined in the consent decree) for a period of six consecutive months.

(i) The Administrator of the Environmental Protection Agency shall promptly establish and carry out a program for the monitoring activities which may be required under subsection (a). The Administrator of the Environmental Protection Agency shall establish the methodologies, data base, and any other information required for making determinations under subsection (b) for the North River drainage area (as defined in the consent decree) by July 31, 1986, unless the requirements of subsection (h)(1) have been satisfied, and for the Red Hook drainage area (as defined by the consent decree) by July 31, 1987, unless the requirements of subsection (h)(2) have been satisfied. In carrying out such program, if the Administrator finds that a violation of subsection (a) has occurred, the Administrator shall also determine, within thirty days after such finding, whether a provision of subsection (b) applies. If the Administrator requires information from the city of New York in order to determine whether a provision of subsection (b) applies, the Administrator shall request such information. If the city of New York does not supply the information requested by the Administrator, the Administrator shall determine that subsection (b) does not apply. The city of New York shall be responsible only for such expenses as are necessary to provide such requested information. Enforcement action pursuant to subsection (c) shall be commenced at the end of such thirty days unless a provision of subsection (b) applies.

CHESAPEAKE BAY

SEC. 122. Title I of the Clean Water Act is amended by adding at the end thereof the following new section:

"CHESAPEAKE BAY

"SEC. 117. (a) The Administrator shall continue the Chesapeake Bay Program and shall establish and maintain in the Environmental Protection Agency an Office, Division, or Branch of Chesapeake Bay Programs to—

"(1) collect and make available, through publications and other appropriate means, the results of and other information pertaining to research and other activities that address the environmental quality of the Chesapeake Bay (hereinafter 'the Bay');

"(2) coordinate all Federal research projects pertaining to the Bay;

"(3) conduct research to determine the impact of sediment deposition in the Bay and to identify the sources, rates, routes, and distribution patterns of such sediment deposition; and

"(4) conduct research on the impact of natural and man-induced environmental changes on the living resources of the Bay and the relationships between such changes. Particular emphasis shall be placed on researching the impact of pollutant loadings of nutrients, chlorine, acid precipitation, dissolved oxygen, and toxic pollutants, including organic chemicals and heavy metals. Special attention shall be given to the impact of such changes on the striped bass.

"(b)(1) The Administrator shall, at the request of the Governor of a State affected by the interstate management plan developed pursuant to the Chesapeake Bay Program (hereinafter 'the plan'), make a grant for the purpose of implementing the management mechanisms contained in the plan if such State has, within one year after the date of enactment of the Clean Water Act Amendments of 1985, approved and committed to implement all or substantially all aspects of the plan. Payments for such purpose may be made to the States as hereinafter provided, subject to such terms and conditions as the Administrator considers appropriate.

"(2) A State or combination of States may elect to avail itself of the benefits of this subsection by submitting to the Administrator a comprehensive proposal to implement management mechanisms contained in the plan which shall include (A) a description of proposed abatement actions which the State commits to take within a specified time period to reduce pollution in the Bay and to meet applicable water quality standards, and (B) the estimated cost of the abatement actions proposed to be taken during the next fiscal year. If the Administrator finds that such proposal is consistent with the national policies set forth in section 101(a) of this Act and will contribute to the achievement of the national goals set forth in section 101(a) of this Act he shall approve such proposal and shall finance the costs of implementing segments of such proposal; except that Federal grants under this subsection shall not exceed 55 per centum of

the costs of implementing the plan in any fiscal year and shall be made on condition that non-Federal sources provide the remainder of the cost of implementing the plan during such fiscal year.

"(3) Administrative costs in the form of salaries, overhead or indirect costs for services provided and charged against programs or projects supported by funds made available under this subsection shall not exceed in any one fiscal year 10 per centum of the annual Federal grant made to a State under this subsection.

"(c) Any State or combination of States that receives a grant under subsection (b) shall, within eighteen months after the date of receipt of a Federal grant under subsection (b) and biennially thereafter, report in conjunction with the Administrator to the Congress on progress made in implementing the interstate management plan developed pursuant to the Chesapeake Bay Program.

"(d) There are hereby authorized to be appropriated the following sums, to remain available until expended, to carry out the purposes of this section:

"(1) $3,000,000 per fiscal year for the fiscal years ending September 30, 1986, September 30, 1987, and September 30, 1988, to carry out subsection (a); and

"(2) $10,000,000 per fiscal year for the fiscal years ending September 30, 1986, September 30, 1987, and September 30, 1988, to carry out subsection (b).".

GREAT LAKES

SEC. 123(a). Title I of the Clean Water Act is further amended by adding the following new section:

"GREAT LAKES

"SEC. 118. (a) DEFINITIONS.—For the purposes of this section, the term—

"(1) 'Agency' means the Environmental Protection Agency;

"(2) 'Great Lakes' means Lake Ontario, Lake Erie, Lake Huron (including Lake St. Clair), Lake Michigan, and Lake Superior, and the connecting channels (Saint Mary's River, Saint Clair River, Detroit River, Niagara River, and Saint Lawrence River to the Canadian Border);

"(3) 'Great Lakes System' means all the streams, rivers, lakes, and other bodies of water within the drainage basin of the Great Lakes;

"(4) 'Program Office' means the Great Lakes National Progam Office established by this section; and

"(5) 'Research Office' means the Great Lakes Research Office established by subsection (d).

"(b) GREAT LAKES NATIONAL PROGRAM OFFICE.—The Great Lakes National Program Office (previously established by the Administrator) is hereby established within the Agency. The Program Office shall be headed by a Director who, by reason of management experience and technical expertise relating to the Great Lakes, is highly qualified to direct the development of programs and plans on a variety of Great Lakes issues. The Great Lakes National Program Office shall be located in a Great Lakes State.

"(c) GREAT LAKES MANAGEMENT.—(1) The Program Office shall—

"(A) in cooperation with appropriate Federal, State, tribal, and international agencies, and in accordance with section 101(e) of this Act, develop and implement specific action plans to carry out the responsibilities of the United States under the Great Lake Waters Quality Agreement of 1978;

"(B) establish a Great Lakes system-wide surveillance network to monitor the water quality of the Great Lakes, with specific emphasis on the monitoring of toxic pollutants; and

"(C) serve as the liaison with, and provide information to, the Canadian members of the International Joint Commission and the Canadian counterpart to the Agency.

"(2) The Program Office shall develop, in consultation with the states, a five-year plan and program for reducing the amount of nutrients introduced into the Great Lakes. Such program shall incorporate any management program for reducing nutrient runoff from nonpoint sources established under section 319 of this Act and shall include a program for monitoring nutrient runoff into, and ambient levels in, the Great Lakes.

"(3) The Program Office shall carry out a five year study and demonstration projects relating to the control and removal of toxic pollutants in the Great Lakes, with emphasis on the removal of toxic pollutants from bottom sediments.

"(4) To the extent practicable, the Agency's annual budget submission to Congress, shall include a funding request for the Program Office as a separate budget line item.

"(5) Within ninety days after the end of each fiscal year, the Administrator shall submit to the Congress a comprehensive report which—

"(A) describes the achievements in the preceding fiscal year in implementing the Great Lakes Water Quality Agreement of 1978 and shows by categories (including judicial enforcement, research, State cooperative efforts, and general administration) initiatives in such preceding fiscal year;

"(B) describes the progress made in such preceding fiscal year in implementing the system of surveillance of the water quality in the Great Lakes system, including the monitoring of groundwater and sediment, with particular reference to toxic pollutants;

"(C) describes the long-term prospects for improving the condition of the Great Lakes; and

"(D) provides a comprehensive assessment of the planned efforts to be pursued in the succeeding fiscal year for implementing the Great Lakes Water Quality Agreement of 1978. The assessment shall show by categories the amount anticipated to be expended on Great Lakes water quality initiatives in the fiscal year to which the assessment relates. The assessment shall also include a report of current programs administered by other Federal agencies which make available resources to the Great Lakes management efforts.

"(d) GREAT LAKES RESEARCH.—

"(1) There is established within the National Oceanic and Atmospheric Administration the Great Lakes Research Office.

"(2) the Research Office shall identify issues relating to the Great Lakes resources on which research is needed. The Research Office shall submit a report on such issues prior to the end of each fiscal year which shall identify any changes in the Great Lakes system with respect to such issues.

"(3) The Research Office shall identify and inventory Federal, State, university, and tribal environmental research programs, and to the extent feasible, those of private organization and other nations, relating to the Great Lakes system, and shall update that inventory every four years.

"(4) The Research Office shall establish a Great Lakes research exchange for the purpose of facilitating the rapid identification, acquisition, retrieval, dissemination, and use of information concerning research projects which are on-going or completed and which affect the Great Lakes System.

"(5) The Research Office shall develop, in cooperation with the Program Office, a comprehensive environmental research program and data base for the Great Lakes System. The data base shall include, but not be limited to, data relating to water quality, fisheries, and biota.

"(6) The Research Office shall conduct, through the Great Lakes Environmental Research Laboratory, the National Sea Grant College Program, and other Federal laborites, and the private sector, appropriate research and monitoring activities which address priority issues and current needs relating to the Great Lakes.

"(7) The Great Lakes Research Office shall be located in a Great Lakes State.

"(e) RESEARCH AND MANAGEMENT COORDINATION.—

"(1) Prior to October 1 of each year, the Program Office and the Research Office shall prepare a joint research plan for the fiscal year which begins the following calendar year.

"(2) Each plan prepared under paragraph (1) shall—

"(A) identify all proposed research dedicated to activities conducted under the Great Lakes Water quality Agreement of 1978;

"(B) include the Agency's assessment of priorities for research needed to fulfill the terms of such agreement; and

"(C) identify all proposed research that may be used to develop a comprehensive environmental data base for the Great Lakes System and establish priorities for development of such data base.

"(f) INTERAGENCY COOPERATION.—The head of each department, agency, or other instrumentality of the Federal Government which is engaged in, is concerned with, or has authority over programs relating to research, monitoring, and planning to maintain, enhance, preserve, or rehabilitate the environmental quality and natural resources of the Great Lakes, including the Chief of Engineers of the Army, the Chief of the Soil Conservation Service, the Commandant of the Coast Guard, the Director of the Fish and Wildlife Service, and the Administrator of the National Oceanic and Atmospheric Administration shall submit an annual report to the Administrator with respect to the activities of that agency or office affecting compliance with the Great Lakes Water Quality Agreement of 1978.

"(g) RELATIONSHIP TO EXISTING FEDERAL AND STATE LAWS AND INTERNATIONAL TREATIES.—Nothing contained in this section shall be construed to affect the jurisdiction, powers, or prerogatives of any department, agency, or officer of the Federal Government or of any State government, or of any tribe, nor any powers, jurisdiction, or prerogatives of international bodies created by treaty with authority relating to the Great Lakes.

"(h) AUTHORIZATIONS OF GREAT LAKES APPROPRIATIONS.—There are authorized to be appropriated to carry out this section not to exceed $10,000,000 per fiscal year for the fiscal years 1986, 1987, 1988, 1989 and 1990. Of such amounts as are appropriated each fiscal year—

"(1) 50 per centum shall be used for the Great Lakes National Program Office demonstration projects on the feasibility of controlling and removing toxic pollutants;

"(2) 7 per centum shall be used for the Great Lakes National Program Office's program of nutrient monitoring; and

"(3) 30 per centum shall be used for the Great Lakes Research Offices.".

(b) Section 517 of the Clean Water Act is amended by inserting "118," immediately after "115".

CLEAN LAKES

SEC. 124. Section 314(a) of the Clean Water Act is amended to read as follows:

"(a)(1) Each State shall prepare a report on a biennial basis which shall include—

"(A) an identification and classification according to eutrophic condition of all publicly owned lakes in such State;

"(B) a list and description of those publicly owned lakes for which uses are known to be impaired, including those lakes which are known to not meet applicable water quality standards, or which require implementation of protection programs to maintain compliance with applicable standards; and

"(C) a description of the State programs and methods to control sources of pollution of lakes and protect the quality of lakes.

"(2) The report provided for in paragraph (1) shall be included in the report required under section 305(b) of this Act.

"(3) A State must submit a report in accord with paragraph (1) in order to receive a grant under this section.".

LAKE PEND OREILLE STUDY

SEC. 125. The Administrator shall conduct a comprehensive study of the causes of increasing pollution in Lake Pend Oreille and its tributaries. In such study, the Administrator shall attempt to identify any upstream or local permitted or other discharges and the source of such discharges. In conducting this study, the Administrator should take into account any previous studies that will assist in carrying out the provisions of this subsection, and report to Congress the findings and recommendations of the study.

CONSTRUCTION AND OPERATION OF LOG TRANSFER FACILITIES

SEC. 126. (a) Not later than October 12, 1985, the Administrator and the Secretary of the Army shall enter into an agreement to designate a lead agency and to process permits required under section 402 and section 404 of the Clean Water Act, where both such sections apply, for discharges associated with the construction and operation of log transfer facilities.

(b) The requirements of sections 301(a) and 402(a) of the Clean Water Act shall be stayed until October 12, 1985, or until an agreement is entered into under subsection (a), whichever is earlier, for discharges associated with such facilities, except discharges of dredged or fill material.

(c) Such agreement shall be developed to assure that, to the maximum extent practicable, duplication, needless paperwork and delay in the issuance of permits, and inequitable enforcement between and among facilities in different States, shall be eliminated.

(d) Where both sections 402 and 404 of that Act apply, log transfer facilities that have received a permit under section 404 of that Act prior to the date of enactment of this section shall not be required to submit a new application for a permit under section 402 of this Act. If the Administrator determines that the terms of an existing permit under section 404 of that Act satisfies the applicable requirements of sections 301, 302, 306, 307, 308, and 403 of that Act, a separate application for a permit under section 402 shall not be required. In any case where the Administrator demonstrates, after an opportunity for a hearing, that the terms of an existing, permit under section 404 of that Act do not satisfy the applicable requirements of sections 301, 302, 306, 307, 308, and 403 of that Act, modifications to the existing permit under section 404 of that Act to incorporate such applicable requirements shall be issued by the Administrator as an alternative to issuance of a separate new permit under section 402 of that Act.

(e) For the purpose of this section, the term "log transfer facility" means a facility which is constructed in whole or in part in waters of the United States, and which is utilized for the purpose of transferring commercially harvested logs to or from a vessel or log raft, including the formation of a log raft.

TITLE II—CONSTRUCTION GRANT AMENDMENTS

CONSTRUCTION GRANT AUTHORIZATION

SEC. 201. (a) Section 207 of the Clean Water Act is amended by striking out the period at the end thereof and adding the following: "; and to carry out this title, other than sections 206(e), 208, and 209, subject to such amounts as are provided in appropriation Acts, for each of the fiscal years ending September 30, 1986, September 30, 1987, and September 30, 1988, not to exceed $2,400,000,000; and for each of the fiscal years ending September 30, 1989, and September 30, 1990, not to exceed $1,200,000,000.".

(b) Section 205(e) of the Clean Water Act is amended by striking, ", 1979, 1980, 1981, 1982, 1983, 1984, and 1985" in the first and second sentences and inserting in each place in lieu thereof "through 1994".

ALLOCATION

SEC. 202. Section 205(c) of the Clean Water Act is amended by adding the following new paragraphs:

"(3) Sums authorized to be appropriated pursuant to section 207 for the fiscal years 1986, 1987, and 1988 shall be allotted for each such year by the Administrator not later than the tenth day which begins after the date of enactment of the Clean Water Act Amendments of 1985. Sums authorized for such fiscal years shall be allotted in accordance with the following table:

States:

Alabama	.012442
Alaska	.007321
Arizona	.012442
Arkansas	.008002
California	.061966
Colorado	.009785
Connecticut	.012442
Delaware	.005801
District of Columbia	.005958
Florida	.044973
Georgia	.014649
Hawaii	.007440
Idaho	.005958
Illinois	.039186
Indiana	.020881
Iowa	.012614
Kansas	.011041
Kentucky	.014975
Louisiana	.014314
Maine	.009346
Maryland	.020955
Massachusetts	.036028
Michigan	.037255
Minnesota	.015925
Mississippi	.012442
Missouri	.025305
Montana	.005411
Nebraska	.006257
Nevada	.005958
New Hampshire	.012442
New Jersey	.048642
New Mexico	.005958
New York	.096132
North Carolina	.016094
North Dakota	.004658
Ohio	.048776
Oklahoma	.009882
Oregon	.011794
Pennsylvania	.034320
Rhode Island	.007428
South Carolina	.013337
South Dakota	.005958
Tennessee	.016597
Texas	.053634
Utah	.006445
Vermont	.005958
Virginia	.017732
Washington	.028533
West Virginia	.013507
Wisconsin	.023423
Wyoming	.005359
America Samoa	.000778
Guam	.000564
Northern Marianas	.000531
Puerto Rico	.012582
Pacific Trust Territories	.001403
Virgin Islands	.000462

"(4) Sums authorized to be appropriated pursuant to section 207 for the fiscal years 1989 and 1990 shall be allotted for each such year by the Administrator not later than the tenth day which begins after the date of enactment of the Clean Water Act Amendments of 1985. Sums authorized for such fiscal years shall be allotted in accordance with the following table:

States:

Alabama	.012500
Alaska	.007563
Arizona	.012500
Arkansas	.011714
California	.058321
Colorado	.010503
Connecticut	.012500
Delaware	.005801
District of Columbia	.009172
Florida	.045181
Georgia	.014570
Hawaii	.007440
Idaho	.007272
Illinois	.036881
Indiana	.019653
Iowa	.012672
Kansas	.012337
Kentucky	.015044
Louisiana	.014380
Maine	.009772
Maryland	.019722
Massachusetts	.036195
Michigan	.035063
Minnesota	.014988
Mississippi	.012500
Missouri	.025422
Montana	.005411
Nebraska	.007467
Nevada	.006805
New Hampshire	.012500
New Jersey	.048867
New Mexico	.006814
New York	.090478
North Carolina	.016168
North Dakota	.004658
Ohio	.045906
Oklahoma	.012223
Oregon	.011794
Pennsylvania	.032302
Rhode Island	.007428
South Carolina	.013399
South Dakota	.006400
Tennessee	.016674

Texas	.053882
Utah	.012486
Vermont	.006581
Virginia	.016689
Washington	.028665
West Virginia	.012712
Wisconsin	.022322
Wyoming	.005359
Samoa	.000732
Guam	.000567
Northern Marianas	.000533
Puerto Rico	.012640
Pacific Trust Territories	.001409
Virgin Islands	.000464".

CHICAGO TUNNEL AND RESERVOIR PROJECT

SEC. 203. Section 201(g)(1) of the Clean Water Act is amended by adding the following sentence: "The Chicago tunnel and reservoir project may receive grants under the previous sentence without regard to the limitation contained therein, if the Administrator determines that such project meets the cost-effectiveness requirements of sections 217 and 218 without any redesign or reconstruction, and the Governor of the affected State demonstrates to the satisfaction of the Administrator the water quality benefits of such project.".

ELIGIBILITIES AFTER 1990

SEC. 204. (a) Section 202(a)(1) of the Clean Water Act is amended by striking out the period at the end thereof and adding the following: ", for any such grants made before October 1, 1990.".

(b) Section 204(c) of the Clean Water Act is amended by inserting "awarded a grant before October 1, 1990," after the words "such facility and interceptors".

(c) Section 205(g)(1) of the Clean Water Act is amended by striking "October 1, 1985" and inserting in lieu thereof "October 1, 1994".

DESIGN/BUILD PROJECTS

SEC. 205. Section 203 of the Clean Water Act is amended by adding at the end thereof the following new subsection:

"(f)(1) An applicant from a State allowing use of this subsection who proposes to construct waste water treatment works may enter into an agreement with the Administrator under this subsection providing for the preparation of construction plans and specifications and the erection of such treatment works, in lieu of proceeding under the other provisions of this section.

"(2) Agreements under this subsection shall be limited to projects which are, under an approved facility plan:

"(A) treatment works that have an estimated total cost of $8,000,000 or less; and

"(B) any of the following types of waste water treatment systems: aerated lagoons, trickling filters, stabilization ponds, land application systems, sand filters, and subsurface disposal systems.

"(3) An agreement entered into under this subsection shall—

"(A) set forth an amount agreed to as the maximum Federal contribution to the project, based upon a competitively bid document of basic design data and applicable standard construction specifications and a determination of the federally eligible costs of the project at the applicable Federal share under section 202 of this Act;

"(B) set forth dates for the start and completion of construction of the treatment works by the applicant and a schedule of payments of the Federal contribution to the project;

"(C) contain assurances by the applicant that (i) engineering and management assistance will be provided to manage the project; (ii) the proposed treatment works will be an operable unit and will meet all the requirements of this title; and (iii) not later than one year after the date specified as the date of completion of construction of the treatment works, the treatment works will be operating so as to meet the requirements of any applicable permit for such treatment works under section 402 of this Act;

"(D) require the applicant to obtain a bond from the contractor in an amount determined necessary by the Administrator to protect the Federal interest in the project; and

"(E) contain such other terms and conditions as are necessary to assure compliance with this title (except as provided in paragraph (4) of this subsection).

"(4) Subsections (a), (b), and (c) of this section shall not apply to grants made pursuant to this subsection.

"(5) The Administrator shall reserve a portion of the grant to assure contract compliance until final project approval as defined by the Administrator. If the amount agreed to under paragraph (3)(A) exceeds the cost of designing and constructing the treatment works, the Administrator shall reallot the amount of the excess to the State in which such treatment works are located for the fiscal year in which such audit is completed.

"(6) Not more than 25 percent of the amount allotted to a State for any fiscal year under section 205 of this Act shall be obligated for grants pursuant to this subsection.

"(7) The Administrator will determine an allowance for facilities planning for projects constructed under this subsection in accordance with section 201(l).

"(8) In any case in which the recipient of a grant made pursuant to this subsection does not comply with the terms of the agreement entered into under paragraph (3), the Administrator is authorized to take such action as may be necessary to recover the appropriate amount of the Federal contribution to the project.

"(9) A recipient of a grant made pursuant to this subsection shall not be eligible for any other grants under this title.".

INNOVATIVE AND ALTERNATIVE PROJECTS

SEC. 206. Section 205(i) of the Clean Water Act is amended to read as follows:

"(i) Not less than one-half of 1 per centum of funds allotted to a State for each of the fiscal years ending September 30, 1979, through September 30, 1990, under subsection (c) of this section shall be expended only for increasing the Federal share of grants for construction of treatment works utilizing innovative processes and techniques pursuant to section 202(a)(2) of this Act. Including the expenditures authorized by the preceding sentence, a total of 2 per centum of the funds allotted to a State for each of the fiscal years ending September 30, 1979, and September 30, 1980, and 3 per centum of the funds allotted to a State for the fiscal year ending September 30, 1981, under subsection (c) of this section shall be expended only for increasing grants for construction of treatment works pursuant to section 202(a)(2) of this Act. Including the expenditures authorized by the first sentence of this subsection, a total (as determined by the Governor of the State) of not less than 4 per centum nor more than 7½ per centum of the funds allotted to such State under subsection (c) of this section for each of the fiscal years ending September 30, 1982, through September 30, 1990, shall be expended only for increasing the Federal share of grants for construction of treatment works pursuant to section 202(a)(2) of this Act.".

MARINE CSO'S AND ESTUARIES

SEC. 207. Section 205 of the Clean Water Act is amended by adding the following new subsection:

"(l) The Administrator shall reserve each fiscal year beginning after September 30, 1985, 1 per centum (during fiscal years 1986, 1987, and 1988) or 1½ per centum (during fiscal years 1989 and 1990) of the sums appropriated under section 207, prior to allotment among the States under subsection (c) of this section. Of the sums reserved under this subsection, two-thirds shall be available to address water quality problems of marine bays and estuaries subject to lower levels of water quality due to the impacts of discharges from combined storm water and sanitary sewer overflows from adjacent urban complexes, and one-third shall be available for the implementation of section 320 of this Act. Sums so reserved shall be subject to the period of availability for obligation established under subsection (d) of this section.".

INDIAN TRIBES

SEC. 208. (a) Title II of the Clean Water Act is amended by adding the following new section:

"INDIAN TRIBES

"SEC. 220. (a) The Administrator, in cooperation with the Director of the Indian Health Service, shall assess the need for sewage treatment works to serve Indian tribes, the degree to which such needs will be met through funds allotted to States under section 205 of this Act and priority lists in accordance with section 216 of this Act, and any obstacles which prevent such needs from being met. The Administrator shall submit a report to the Congress for such assessment no later than one year after the enactment of the Clean Water Act Amendments of 1985.

"(b) Beginning with fiscal year 1987, the Administrator is authorized to reserve each fiscal year up to one-half of one per centum of the sums appropriated under section 207, prior to allotment among the States under section 205(e), based on the determination of unmet needs reported under subsection (a). Sums reserved under this subsection shall be available for grants to provide sewage treatment works to serve Indian tribes.

"(c) The Administrator is authorized to make special provision for the treatment of Indian tribes under this title, including the treatment of Indian tribes as States to the degree necessary to carry out the purposes of this section. Such special provision may include the direct provision of funds reserved under subsection (b) to the governing bodies of Indian tribes, and the determination of priorities by Indian tribes, where not determined by the Administrator in cooperation with the Director of the Indian Health Service. The Administrator is authorized to reduce the non-Federal share otherwise required under section 202 with respect to Indian tribes, as determined by the Administrator in cooperation with the Director of the Indian Health Service.".

(b) Section 502 of the Clean Water Act is amended by adding the following new paragraph:

"(20) the term 'Indian tribe' means any Indian tribe, band, nation, or other organized group or community (including any Alaska Native village, as defined in section

113(g), but not including any Alaska Native regional or village corporation) which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.".

STATE WATER POLLUTION CONTROL REVOLVING FUNDS

SEC. 209. The Clean Water Act is amended by adding at the end thereof the following new title:

"TITLE VI—GRANTS FOR WATER POLLUTION CONTROL REVOLVING FUNDS

"AUTHORIZATION, ALLOTMENT, AWARD, AND PAYMENT

"SEC. 601. (a) There are hereby authorized to be appropriated the following sums to carry out the purposes of this title:

"(1) $1,200,000,000 per fiscal year for the fiscal years 1989 and 1990;

"(2) $2,400,000,000 for the fiscal year 1991;

"(3) $1,800,000,000 for the fiscal year 1992;

"(4) $1,200,000,000 for the fiscal year 1993; and

"(5) $600,000,000 for the fiscal year 1994.

"(b) For fiscal years 1989 and 1990, sums appropriated to carry out this title for each fiscal year shall be allotted by the Administrator in accordance with section 205(c) of this Act.

"(c) Sums allotted to the States for a fiscal year shall be available for a grant award under subsection (d) during the fiscal year for which authorized. The amount of any allotment not obligated by the end of such fiscal year shall be immediately reallotted by the Administrator on the basis of the same ratio as is applicable to sums allotted under title II of this Act for the next fiscal year, except that none of the funds reallotted by the Administrator will be allotted to any State which failed to obligate any of the funds being reallotted.

"(d) If a State has entered into a grant agreement with the Administrator as provided in section 602 of this title, the Administrator is authorized to make a capitalization grant to the State from funds available for obligation under this title.

"(e) From funds obligated for a given fiscal year pursuant to subsection (d) of this section, quarterly installment payments shall be made in accordance with the schedule of payments established under section 602(b)(2) of this title.

"(f) If the Administrator determines that a State has not complied with agreements under section 602, or requirements of this title, the Administrator shall notify the State of such noncompliance and the necessary corrective action. If the State does not take such corrective action by the sixtieth day after the date the State receives notice, the Administrator shall withhold additional payments to the State until the Administrator is satisfied that the State has taken the necessary corrective action.

"(g) If the Administrator is not satisfied that adequate corrective actions have been taken by the State within twelve months of the notice provided under subsection (f) of this section, the payments withheld by the Administrator shall be made available for reallotment under subsection (c) of this section.

"CAPITALIZATION GRANT AGREEMENTS WITH STATES

"SEC. 602. (a) To receive a capitalization grant under this title, a State shall enter into an agreement with the Administrator which shall include but not be limited to the specifications set forth in subsection (b) of this section.

"(b) The Administrator shall enter into an agreement with a State only after the State has established to the satisfaction of the Administrator that—

"(1) the State has established a Water Pollution Control Revolving Fund, as defined in section 603 of this title;

"(2) the State has agreed to accept grant payments under this title in accordance with a payment schedule established by the Administrator, and has agreed to deposit all such payments in the dedicated revolving fund;

"(3) the State has deposited in the fund or has agreed to deposit in the fund, from State moneys, an amount equal to at least 15 per centum of the total of all capitalization grants, so that such necessary matching deposits are made no later than the date of each grant payment under the provisions of paragraph (2) of this subsection;

"(4) the State has agreed to make binding loan commitments in an amount equal to 100 per centum of the amount of the grant payments within one year of the receipt of the quarterly payment of such funds;

"(5) the State has made adequate assurances through submission of an intended use report under section 604(c) of this title that (A) all funds available in the Water Pollution Control Revolving Fund will be committed in an expeditious and timely manner, (B) treatment works projects that are constructed in whole or in part prior to fiscal year 1995 with funds directly made available by capitalization grants under this title or section 205(m) to the State Water Pollution Control Revolving Fund will meet the same requirements applicable to grant projects funded under title II, and (C) such funds will first be used to assure maintenance of progress in the completion of all projects needed to meet the enforceable deadlines, goals, and requirements of this Act;

"(6) in addition to meeting the requirements of this title, the State has made assurances that it will commit or expend the payments so received in accordance with laws and procedures applicable to the commitment or expenditure of revenue of the State;

"(7) in carrying out the requirements of section 604 of this title, the State will use accounting, audit, and fiscal procedures conforming to generally accepted government accounting standards;

"(8) the State will require as a condition of making a loan that recipients will maintain project accounts in accordance with generally accepted government accounting standards; and

"(9) the State will make annual reports to the Administrator on the actual use of funds in accordance with section 604(d) of this title.

"STATE WATER POLLUTION CONTROL REVOLVING FUNDS

"SEC. 603. (a) To be eligible for an award of a grant under section 601 of this title, each State shall establish a Water Pollution Control Revolving Fund, administered by an instrumentality of the State with powers and limitations including those specified in subsections (b), (c), and (d) of this section.

"(b) The amounts of funds available to the Water Pollution Control Revolving Fund shall be dedicated solely to providing financial assistance (1) to any municipality, intermunicipal, interstate, or State agency for construction of publicly owned treatment works (as defined in section 212(2) of title II of this Act) and (2) for the implementation of management programs established under sections 319 and 320. The fund shall be established, maintained, and credited with repayments, and the fund balance shall be available in perpetuity for this purpose.

"(c) The instrumentality of the State administering the Water Pollution Control Revolving Fund shall be authorized to use the fund to make loans, on the condition that—

"(1) such loans are made at or below market interest rates, including interest free loans, at terms not to exceed twenty years;

"(2) annual principal payments shall commence not later than one year after completion of any project and all loans shall be fully amortized not later than twenty years after project completion;

"(3) the recipient of a loan shall establish a dedicated source of revenue for repayment of loans; and

"(4) the fund shall be credited with all repayment of principal and interest on all loans.

"(d) Except as otherwise limited by State law, a Water Pollution Control Revolving Fund may be used—

"(1) to buy or refinance the debt obligation of municipalities and intermunicipal and interstate agencies within the State at or below market rates, where such debt obligations were incurred after March 7, 1985;

"(2) to guarantee, or purchase insurance for, local obligations where such action would improve credit market access or reduce interest rates;

"(3) as a source of revenue or security for the payment of principal and interest on revenue or general obligation bonds issued by the State if the proceeds of the sale of such bonds are deposited in the Water Pollution Control Revolving Fund;

"(4) to provide loan guarantees for similar revolving funds established by municipalities or intermunicipal agencies;

"(5) to earn interest on fund accounts; and

"(6) for the reasonable costs of administering the fund and conducting activities under this title provided that such amounts shall not exceed 4 per centum of all grant awards to such fund under section 601(d).

"AUDITS, REPORTS, AND FISCAL CONTROLS

"SEC. 604. (a) Each State electing to establish a Water Pollution Control Revolving Fund under this title shall establish fiscal controls and accounting procedures sufficient to assure proper accounting during appropriate accounting periods for—

"(1) payments received by the fund;

"(2) disbursements made by the fund; and

"(3) fund balances at the beginning and end of the accounting period.

"(b) The Administrator shall conduct, or require each State to have conducted, not less than annually, an independent audit to review the operations of each Water Pollution Control Revolving Fund. Such audits shall be conducted by an entity independent of the State, and in accordance with the Comptroller General's standards for auditing government organizations, programs, activities, and functions. An audit under this subsection shall be completed in such time and manner as deemed necessary or appropriate by the Administrator to carry out the purposes of this title.

"(c)(1) Each State shall, on an annual basis, prepare a plan on the intended uses of the amounts available to the fund. The plan shall include—

"(A) a description of the short and long term goals and objectives of the State's Water Pollution Control Revolving Fund;

"(B) information on the activities to be supported, including a description of project categories, discharge requirements under titles III and IV, terms of financial assistance, and communities served;

"(C) assurances and specific proposals for meeting the requirements of section 602(b)(4) and (5) of this title; and

"(D) the criteria and method established for the distribution of funds.

"(2) To meet the requirements of this subsection and to facilitate comments from interested local governments and persons on the use of funds, a State may adapt or use priority systems and lists developed under section 216 of this Act.

"(d) Beginning the first fiscal year after the receipt of payments under section 601(e) of this title, the State shall provide an annual report to the Administrator describing how the State has met the goals and objectives for the previous fiscal year as identified in the plan prepared for the previous fiscal year pursuant to subsection (c) of this section, including identification of loan recipients, loan amounts, and loan terms.

"(e) The Administrator shall conduct an annual review of each State plan and report prepared under subsections (c) and (d) of this section, and other such materials as are considered necessary and appropriate in carrying out the purposes of this title. After reasonable notice by the Administrator to the State or the recipient of a loan from a Water Pollution Control Revolving Fund, the State or loan recipient shall make available to the Administrator records the Administrator reasonably requires to review and determine compliance with this title.".

STATE-OPTION TO USE TITLE II FUNDS

SEC. 210. Section 205 is amended by adding a new subsection as follows:

"(m)(1) The Administrator is authorized to award from funds available for obligation during each fiscal year ending September 30, 1986, September 30, 1987, September 30, 1988, September 30, 1989, September 30, 1990, September 30, 1991, September 30, 1992, September 30, 1993, and September 30, 1994, a capitalization grant to a State for the purpose of capitalizing a Water Pollution Control Revolving Fund established in compliance with title VI of this Act, where the Governor requests such action in accordance with paragraph (2) of this subsection.

"(2) No later than thirty days after the date of enactment of this Act with respect to funds available for obligation in the fiscal year beginning October 1, 1985, and not less than ninety days prior to the start of each of the fiscal years 1987, 1988, 1989, 1990, 1991, 1992, 1993, and 1994, a State shall provide notice of its intent to use all or a portion of the funds available for obligation in that fiscal year as a capitalization grant for a Water Pollution Control Revolving Fund under title VI of this Act.

"(3) Any sum made available to a State's Water Pollution Control Revolving Fund under this subsection shall be in addition to any funds otherwise allotted to that State under section 601(b) during any fiscal year.".

REPORT TO CONGRESS

SEC. 211. Section 516 of the Clean Water Act is amended by adding at the end thereof the following new subsection:

"(f) The Administrator shall submit to the Congress by February 10, 1990, a report on the financial status and operations of Water Pollution Control Revolving Funds established by the States in accordance with title VI of this Act. The Administrator, in cooperation with the States, including water pollution control agencies and other water pollution control planning and financing agencies, shall include in such report the following:

"(1) an inventory of the facilities that are in significant noncompliance with the enforceable requirements of this Act;

"(2) an estimate of the cost of construction for such facilities that require construction to meet such requirements;

"(3) an assessment of the availability of sources of funds for financing such needed construction, including an estimate of the amount of funds available for loans through September 30, 1999, from the Water Pollution Control Revolving Funds established by the States under title VI of this Act;

"(4) an assessment of the operations, loan portfolio and loan conditions of Water Pollution Control Revolving Funds established by the States under title VI of this Act;

"(5) an assessment of the effect on user charges of the assistance provided by Water Pollution Control Revolving Funds established by the States under title VI, compared to assistance under title II of this Act; and

"(6) an assessment of the efficiency of the operation and maintenance of treatment works constructed with financial assistance under titles II and VI of this Act.".

MOTION OFFERED BY MR. HOWARD

Mr. HOWARD. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. HOWARD moves to strike out all after the enacting clause of the Senate bill, S. 1128, and to insert in lieu thereof the text of H.R. 8, as passed, as follows:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS; AMENDMENTS TO FEDERAL WATER POLLUTION CONTROL ACT; DEFINITION OF ADMINISTRATOR.

(a) SHORT TITLE.—This Act may be cited as the "Water Quality Renewal Act of 1985".

(b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents; amendments to Federal Water Pollution Control Act; definition of Administrator.
Sec. 2. Authorizations of appropriations.
Sec. 3. Authorizations for construction grants.
Sec. 4. Compliance deadlines.
Sec. 5. Individual control strategies for toxic pollutants.
Sec. 6. Policy for control of nonpoint sources of pollution.
Sec. 7. Control of nonpoint sources of pollution.
Sec. 8. Lake restoration guidance manual.
Sec. 9. Small flows clearinghouse.
Sec. 10. Eligible categories of projects.
Sec. 11. Time limit on resolving certain disputes.
Sec. 12. Federal share.
Sec. 13. Agreement on eligible costs; grantee certification of treatment process; turnkey contracts.
Sec. 14. Grant conditions; user charges on low-income residential users.
Sec. 15. Allotment of construction grant funds.
Sec. 16. Grants to States for establishment of water pollution control revolving funds.
Sec. 17. Modification for nonconventional pollutants.
Sec. 18. Discharges into marine waters.
Sec. 19. Filing deadline for treatment works modification.
Sec. 20. Application for ocean discharge modifications.
Sec. 21. Innovative technology compliance deadlines for direct dischargers.
Sec. 22. Variances from the application of effluent limitations.
Sec. 23. Coal remining operations.
Sec. 24. Water quality criteria.
Sec. 25. Test procedures.
Sec. 26. Pretreatment standards.
Sec. 27. Inspection and entry.
Sec. 28. Criminal penalties.
Sec. 29. Civil penalties.
Sec. 30. Administrative penalties.
Sec. 31. Relationship to other laws.
Sec. 32. Marine sanitation devices.
Sec. 33. Clean lakes.
Sec. 34. NPDES permits.
Sec. 35. Audits.
Sec. 36. Commonwealth of the Northern Mariana Islands.
Sec. 37. Agricultural stormwater discharges.
Sec. 38. Citizen suits.
Sec. 39. Reports to Congress.
Sec. 40. Indian tribes.
Sec. 41. Definition of point source.
Sec. 42. Chesapeake and Narragansett Bays.
Sec. 43. New York and New Jersey harbor area.
Sec. 44. San Francisco Bay.
Sec. 45. Maintenance of water quality in estuaries.
Sec. 46. Research on effects of pollutants.
Sec. 47. Sewage sludge.
Sec. 48. Puget Sound.
Sec. 49. Ocean discharge research projects.
Sec. 50. Grants for replacement of contaminated groundwater.
Sec. 51. Unconsolidated quarternary aquifer.
Sec. 52. Grants for protecting groundwater quality.
Sec. 53. Demonstration program on acidified lakes.
Sec. 54. Newtown Creek, New York.
Sec. 55. San Diego, California.
Sec. 56. Naco, Arizona.
Sec. 57. Limitation on discharge of raw sewage by New York City.
Sec. 58. Deer Island treatment plant, Massachusetts.
Sec. 59. Great Lakes International Coordinating Office.
Sec. 60. Oakwood Beach and Red Hook projects, New York.
Sec. 61. Chippewa Township, Pennsylvania.
Sec. 62. Des Moines, Iowa.
Sec. 63. Wastewater reclamation demonstration.
Sec. 64. Boston Harbor and adjacent waters.
Sec. 65. Treatment works in Washington State.
Sec. 66. Improvement projects.
Sec. 67. Study of regulation of de minimis discharges.
Sec. 68. Study of effectiveness of innovative and alternative processes and techniques.
Sec. 69. Water quality improvement study.
Sec. 70. Study of testing procedures.
Sec. 71. Study of pretreatment of toxic pollutants.
Sec. 72. Studies of water pollution problems in aquifers.
Sec. 73. Great Lakes consumptive uses study.
Sec. 74. Sulfide corrosion study.
Sec. 75. Pulp mill study.
Sec. 76. Study of rainfall induced infiltra-

tion into sewer systems.
Sec. 77. Study of pH in discharges from mining operations.
Sec. 78. Study of pollution in Lake Pend Oreille, Idaho.
Sec. 79. Limitation on payments.
Sec. 80. Rights and liabilities under other Federal statutes.

(c) AMENDMENT OF FEDERAL WATER POLLUTION CONTROL ACT.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Federal Water Pollution Control Act.

(d) DEFINITION.—For purposes of this Act, the term "Administrator" means the Administrator of the Environmental Protection Agency.

SEC. 2. AUTHORIZATIONS OF APPROPRIATIONS.

(a) RESEARCH AND INVESTIGATIONS.—Section 104(u) is amended—

(1) in clause (1) by inserting after "September 30, 1982," the following: "and not to exceed $22,770,000 per fiscal year for each of the fiscal years ending September 30, 1983, September 30, 1984, September 30, 1985, September 30, 1986, September 30, 1987, September 30, 1988, September 30, 1989, and September 30, 1990,";

(2) in clause (2) by striking out "and $3,000,000 for fiscal year 1982," and inserting in lieu thereof the following: "$3,000,000 for fiscal year 1982, and $3,000,000 per fiscal year for each of the fiscal years ending September 30, 1983, September 30, 1984, September 30, 1985, September 30, 1986, September 30, 1987, September 30, 1988, September 30, 1989, and September 30, 1990,"; and

(3) in clause (3) by striking out "and $1,500,000 for fiscal year 1982," and inserting in lieu thereof the following: "$1,500,000 for fiscal year 1982, and $1,500,000 per fiscal year for each of the fiscal years ending September 30, 1983, September 30, 1984, September 30, 1985, September 30, 1986, September 30, 1987, September 30, 1988, September 30, 1989, and September 30, 1990,".

(b) GRANTS FOR PROGRAM ADMINISTRATION.—Section 106(a)(2) is amended by inserting after "1982" a comma and the following: "and $75,000,000 per fiscal year for each of the fiscal years 1983, 1984, 1985, 1986, 1987, 1988, 1989, and 1990".

(c) TRAINING GRANTS AND SCHOLARSHIPS.—Section 112(c) is amended by striking out "and $7,000,000 for the fiscal year ending September 30, 1982," and inserting in lieu thereof the following: "$7,000,000 for the fiscal year ending September 30, 1982, and $7,000,000 per fiscal year for each of the fiscal years ending September 30, 1983, September 30, 1984, September 30, 1985, September 30, 1986, September 30, 1987, September 30, 1988, September 30, 1989, and September 30, 1990,".

(d) AREAWIDE PLANNING.—Section 208(f)(3) is amended by striking out "and" after "1974," and after "1980," and by inserting after "1982" the following: ", not to exceed $100,000,000 per fiscal year for each of the fiscal years ending September 30, 1983, September 30, 1984, and September 30, 1985, and not to exceed $50,000,000 per fiscal year for each of the fiscal years ending September 30, 1986, September 30, 1987, September 30, 1988, September 30, 1989, and September 30, 1990".

(e) RURAL CLEAN WATER.—Section 208(j)(9) is amended by striking out "and" after "1981," and by inserting after "1982," the following: "$100,000,000 per fiscal year for each of the fiscal years ending September 30, 1983, September 30, 1984, and September 30, 1985, and $50,000,000 per fiscal year for each of the fiscal years ending September 30, 1986, September 30, 1987, September 30, 1988, September 30, 1989, and September 30, 1990,".

(f) INTERAGENCY AGREEMENTS.—Section 304(k)(3) is amended by striking out "1983" and inserting in lieu thereof "1985 and $50,000,000 per fiscal year for the fiscal years 1986 through 1990".

(g) CLEAN LAKES.—Section 314(c)(2) is amended by striking out "and $30,000,000 for fiscal year 1982" and inserting in lieu thereof the following: "$30,000,000 for fiscal year 1982, and $30,000,000 per fiscal year for each of the fiscal years 1983, 1984, 1985, 1986, 1987, 1988, 1989, and 1990".

(h) GENERAL AUTHORIZATION.—Section 517 is amended by striking out "and $161,000,000 for the fiscal year ending September 30, 1982" and inserting in lieu thereof "$161,000,000 for the fiscal year ending September 30, 1982, $160,000,000 per fiscal year for each of the fiscal years ending September 30, 1983, September 30, 1984, and September 30, 1985, and $110,000,000 per fiscal year for each of the fiscal years ending September 30, 1986, September 30, 1987, September 30, 1988, September 30, 1989, and September 30, 1990".

SEC. 3. AUTHORIZATIONS FOR CONSTRUCTION GRANTS.

Section 207 is amended by striking out "and September 30, 1985," and inserting in lieu thereof "September 30, 1985, September 30, 1986, September 30, 1987, September 30, 1988, September 30, 1989, and September 30, 1990,".

SEC. 4. COMPLIANCE DEADLINES.

(a) PRIORITY TOXIC POLLUTANTS.—Section 301(b)(2)(C) is amended to read as follows:

"(C) for all toxic pollutants referred to in table 1 of Committee Print Numbered 95-30 of the Committee on Public Works and Transportation of the House of Representatives compliance with effluent limitations in accordance with subparagraph (A) of this paragraph as expeditiously as possible, but in no case later than three years and six months after the date such limitations are established;".

(b) OTHER TOXIC POLLUTANTS.—Section 301(b)(2)(D) is amended by striking out "not later than three years after the date such limitations are established" and inserting in lieu thereof "as expeditiously as possible, but in no case later than three years and six months after the date such limitations are established".

(c) CONVENTIONAL POLLUTANTS.—Section 301(b)(2)(E) is amended to read as follows:

"(E) for all pollutants identified pursuant to section 304(a)(4) of this Act compliance with effluent limitations for categories and classes of point sources, other than publicly owned treatment works, which shall require application of the best conventional pollutant control technology, as determined in accordance with regulations issued by the Administrator pursuant to section 304(a)(4) of this Act, as expeditiously as possible, but in no case later than three years and six months after the date such limitations are established;".

(d) OTHER POLLUTANTS.—Section 301(b)(2)(F) is amended to read as follows:

"(F) for all pollutants (other than those subject to subparagraph (C), (D), or (E) of this paragraph) compliance with effluent limitations in accordance with subparagraph (A) of this paragraph as expeditiously as possible, but in no case later than three years and six months after the date such limitations are established.".

(e) DEADLINES FOR REGULATIONS FOR CERTAIN TOXIC POLLUTANTS.—The Administrator shall promulgate final regulations establishing effluent limitations in accordance with sections 301(b)(2)(A) and 307(b)(1) of the Federal Water Pollution Control Act for all toxic pollutants referred to in table 1 of Committee Print Numbered 95-30 of the Committee on Public Works and Transportation of the House of Representatives which are discharged from the categories of point sources in accordance with the following table:

Category	Date by which the final regulation shall be promulgated
Foundries	June 30, 1985.
Nonferrous metals forming.	June 30, 1985.
Organic chemicals and plastics and synthetic fibers.	March 31, 1986.
Pesticides	August 31, 1985.
Nonferrous metals (phase II).	July 31, 1985.

SEC. 5. INDIVIDUAL CONTROL STRATEGIES FOR TOXIC POLLUTANTS.

(a) IN GENERAL.—Section 304 is amended by adding at the end thereof the following new subsection:

"(l) INDIVIDUAL CONTROL STRATEGIES FOR TOXIC POLLUTANTS.—

"(1) STATE LIST OF NAVIGABLE WATERS.—Not later than one year after the date of the enactment of this subsection, each State shall submit to the Administrator for review, approval, and implementation under this subsection—

"(A) a list of all navigable waters in such State for which the State does not expect the applicable standard under section 303 of this Act will be achieved after the requirements of sections 301(b), 306, and 307(b) are met, due entirely or substantially to discharges from point sources of any toxic pollutants listed pursuant to section 307(a);

"(B) for each segment of the navigable waters included on such list, a determination of the specific point sources discharging any such toxic pollutant which is believed to be preventing or impairing such water quality and the amount of each such toxic pollutant discharged by each such source; and

"(C) for each such segment, an individual control strategy which the State determines will produce a reduction in the discharge of toxic pollutants from point sources identified by the State under this paragraph through the establishment of effluent limitations under section 302 of this Act and water quality standards under section 303(c)(4)(B) of this Act, which reduction is sufficient, in combination with existing controls on point and nonpoint sources of pollution, to achieve the applicable water quality standard as soon as possible, but not later than three years after the date of the establishment of such strategy.

"(2) APPROVAL OR DISAPPROVAL.—Not later than 120 days after the last day of the one-year period referred to in paragraph (1), the Administrator shall approve or disapprove

the control strategies submitted under paragraph (1) by any State.

"(3) ADMINISTRATOR'S LIST OF NAVIGABLE WATERS.—If a State fails to submit control strategies in accordance with paragraph (1) or the Administrator does not approve the control strategies submitted by such State in accordance with paragraph (1), then, not later than one year after the last day of the period referred to in paragraph (2), the Administrator, in cooperation with such State and after notice and opportunity for public comment, shall publish in the Federal Register a list of all navigable waters in such State for which the Administrator does not expect the applicable standard under section 303 of this Act will be achieved after the requirements of sections 301(b), 306, and 307(b) are met, due entirely or substantially to discharges from point sources of any toxic pollutants listed pursuant to section 307(a). For each segment of the navigable waters included on such list, the Administrator shall determine the specific point sources discharging any such toxic pollutant which is believed to be preventing or impairing such water quality and the amount of each such toxic pollutant discharged by each such source. At a minimum, the Administrator shall consider for listing under this subsection any navigable waters for which any person submits a petition to the Administrator for listing not later than 120 days after such last day.

"(4) ADMINISTRATOR'S DEVELOPMENT AND PUBLICATION.—Not later than one year after the date of publication of the list required by paragraph (3) of this subsection, the Administrator, in cooperation with the States, shall issue proposed regulations setting forth, for each segment of the navigable waters listed under paragraph (3), an individual control strategy. Each individual control strategy shall produce a reduction in the discharge of toxic pollutants from point sources identified by the Administrator under paragraph (3) through the establishment of effluent limitations under section 302 of this Act and water quality standards under section 303(c)(4)(B) of this Act, which reduction is sufficient, in combination with existing controls on point and nonpoint sources of pollution, to achieve the applicable water quality standard as soon as possible, but not later than three years after the date of promulgation of the final strategy. Not later than 180 days after issuing the proposed regulations, the Administrator shall promulgate each individual control strategy as a final regulation.

"(5) IMPLEMENTATION.—The Administrator shall implement each individual control strategy established or promulgated under this subsection by modifying or requiring the modification of permits under section 402 of this Act.".

(b) JUDICIAL REVIEW.—Section 509(b)(1) is amended by striking out "and (F)" and inserting in lieu thereof "(F)" and by inserting after "any permit under section 402," the following: "and (G) in promulgating any individual control strategy under section 304(l),".

SEC. 6. POLICY FOR CONTROL OF NONPOINT SOURCES OF POLLUTION.

Section 101(a) is amended by striking out "and" at the end of paragraph (5), by striking out the period at the end of paragraph (6) and inserting in lieu thereof "; and", and by adding at the end thereof the following:

"(7) it is the national policy that plans for the control of nonpoint sources of pollution be developed and implemented in an expeditious manner so as to enable the goals of this Act to be met through the control of both point and nonpoint sources of pollution.".

SEC. 7. CONTROL OF NONPOINT SOURCES OF POLLUTION.

(a) IN GENERAL.—Title III is amended by adding at the end the following new section:

"SEC. 319. NONPOINT SOURCE CONTROL PROGRAMS.

"(a) STATE ASSESSMENT REPORTS.—

"(1) CONTENTS.—The Governor of each State shall prepare and submit to the Administrator for his approval, a report which—

"(A) identifies those portions of the navigable waters within the State which, as a result (in whole or in part) of pollution from nonpoint sources, are not meeting applicable water quality standards or the goals and requirements of this Act;

"(B) identifies those categories and subcategories of nonpoint sources which add significant pollution to each portion of the navigable waters identified under subparagraph (A) in amounts which contribute to such portion not meeting such water quality standards or such goals and requirements;

"(C) identifies and describes State and local programs for controlling pollution added from nonpoint sources to, and improving the quality of, each such portion of the navigable waters, including but not limited to those programs which are receiving Federal assistance under subsection (i); and

"(D) describes the process, including intergovernmental coordination and public participation, for identifying best management practices and measures to control each category and subcategory of nonpoint sources identified under subparagraph (B) and to reduce, to the maximum extent practicable, the level of pollution resulting from such category or subcategory.

"(2) INFORMATION USED IN PREPARATION.—Each report submitted under paragraph (1) shall be based on available information including, but not limited to, information available under sections 208, 303(e), 304(f), and 305(b) of this Act, and may include all or part of any water quality management program approved under section 208 or 303 of this Act.

"(b) STATE PLANS.—

"(1) IN GENERAL.—The Governor of each State shall prepare and submit to the Administrator for his approval—

"(A) a plan which such State proposes to implement in the first four fiscal years beginning after the date of submission of such plan for controlling pollution added from nonpoint sources to the navigable waters within the State and improving the quality of such waters; and

"(B) a report which (i) identifies each department, agency, or instrumentality of the United States and each department, agency, or instrumentality of the State which is likely to be engaging in, supporting, or providing financial assistance in each of such fiscal years for any activity or program in the State which, if carried out, would be inconsistent with implementation of such plan in such fiscal years, and (ii) recommends to the Administrator methods by which such Federal department, agency, or instrumentality could modify administration of such activity or program, and describes methods by which such State department, agency, or instrumentality intends to modify administration of such activity or program, so that such activity or program is consistent with, and assists the State in implementation of, such plan.

"(2) SPECIFIC CONTENTS.—Each plan proposed for implementation under this subsection shall specify—

"(A) from among those portions of navigable waters significantly affected by pollution added from nonpoint sources, each portion and land area contributing such pollution with respect to which the State plans to assist, encourage, or require implementation of best management practices and measures in the first four fiscal years beginning after the date of submission of such plan;

"(B) the order in which, and the schedule under which, the State plans to assist, encourage, or require implementation of such practices and measures in such fiscal years;

"(C) from among those categories and subcategories of nonpoint sources of pollution which contribute to each portion specified under subparagraph (A) not meeting applicable water quality standards or the goals and requirements of this Act, the categories and subcategories with respect to which the State plans to assist, encourage, or require implementation of such practices and measures in such fiscal years and the relative contribution of such pollution by category and subcategory of such sources;

"(D) the best management practices and measures the implementation of which the State plans to assist, encourage, or require in each of such fiscal years to reduce pollution resulting from nonpoint sources and to improve water quality;

"(E) the methods (including, but not limited to, demonstration, enforcement, technical assistance, education, training, and cost-sharing programs), by category and subcategory of such sources of pollution, which the State plans to use to encourage, assist, or require implementation of such practices and measures in such fiscal years; and

"(F) sources of Federal and other assistance (other than assistance provided under subsection (i)) which will be available in each of such fiscal years for supporting implementation of such practices and measures and the purposes for which such assistance will be used in each of such fiscal years.

"(3) CERTIFICATION OF LEGAL AUTHORITY.—Each plan submitted by a State under this subsection shall be accompanied by a certification of the attorney general of the State or the chief attorney of any State water pollution control agency which has independent legal counsel that the laws of the State provide adequate authority to implement such plan or, if there is not such adequate authority, a list of such additional authority which will be necessary to implement such plan.

"(4) IMPLEMENTATION SCHEDULE.—The schedule required by paragraph (2)(B) shall establish for each category and subcategory of nonpoint sources of pollution specified under paragraph (2)(C) an expeditious time period for implementation of best management practices and measures specified under paragraph (2)(D) and shall indicate the estimated dates for implementation of such practices and measures.

"(5) UTILIZATION OF LOCAL AND PRIVATE EXPERTS.—In developing and implementing a plan under this subsection, a State shall, to the maximum extent practicable, utilize local public and private agencies and organizations which have expertise in control of nonpoint sources of pollution.

"(6) DEVELOPMENT ON WATERSHED BASIS.—A State shall, to the maximum extent practicable, develop and implement a plan under this subsection on a watershed-by-watershed basis.

"(c) ADMINISTRATIVE PROVISIONS.—

"(1) COOPERATION REQUIREMENT.—Any report required by subsection (a) and any plan and report required by subsection (b) shall be developed in cooperation with local, regional, and interstate entities which are actively planning for the implementation of non-point source pollution controls and have either been certified by the Administrator in accordance with section 208, have worked jointly with the State on water quality management planning under section 205(j), or have been designated by the State legislative body or Governor as water quality management planning agencies for their geographic areas.

"(2) TIME PERIOD FOR SUBMISSION OF REPORTS AND PLANS.—Each report and plan shall be submitted to the Administrator during the 270-day period beginning on the date of the enactment of this section; except that upon request of the Governor, the Administrator shall extend such period for not to exceed an additional 270 days.

"(3) FAILURE OF STATE TO SUBMIT REPORT.—If a Governor of a State does not submit the report required by subsection (a) during such period, the Administrator shall prepare a report for such State which makes the identifications required by paragraphs (1)(A) and (1)(B) of subsection (a).

"(d) CONSOLIDATION OF RECOMMENDATIONS FOR UNITED STATES AGENCIES.—The Administrator shall consolidate recommendations for modifications of activities and programs submitted by the States under subsection (b)(1)(B) and submit such consolidated recommendations to the appropriate departments, agencies, and instrumentalities of the United States. Each such department, agency, or instrumentality, to the maximum extent practicable and consistent with existing law, shall accommodate such recommendations and shall carry out its own activities and programs in a manner which is consistent with, and will assist implementation of, the plan submitted by the State under subsection (b) and approved by the Administrator under this section.

"(e) APPROVAL OR DISAPPROVAL OF REPORTS AND PLANS.—

"(1) DEADLINE.—Subject to paragraph (2), not later than 180 days after the date of submission to the Administrator of any report or plan under this section (other than subsections (i) and (j)), the Administrator shall either approve or disapprove such report or plan, as the case may be. The Administrator may approve a portion of a plan under this subsection. If the Administrator does not disapprove a report, plan, or portion of a plan in such 180-day period, such report, plan, or portion shall be deemed approved for purposes of this section.

"(2) PROCEDURE FOR DISAPPROVAL.—If, after notice and opportunity for public comment and consultation with appropriate Federal and State agencies and other interested persons, the Administrator determines that a plan submitted under subsection (b) or any portion thereof is not likely to satisfy, in whole or in part, the goals and requirements of this Act, that adequate authority does not exist, or adequate resources are not available, to implement such plan or portion, that the schedule for implementing such plan or portion is not sufficiently expeditious, or that the practices and measures proposed in such plan or portion are not adequate to improve the quality of navigable waters in the State and to reduce the level of pollution in navigable waters in the State resulting from nonpoint sources, the Administrator shall disapprove the plan or portion thereof with respect to which the Administrator makes such determination. The Administrator shall notify the State of such disapproval and request specific revisions of such plan or portion necessary to obtain approval of such plan or portion. Not later than 90 days after the date of such notification, the State shall submit to the Administrator for his approval under this subsection its revisions of such plan or portion.

"(f) LOCAL PLANS; TECHNICAL ASSISTANCE.—If a State fails to submit a plan under subsection (b) or the Administrator does not approve such a plan, a local public agency or organization which has expertise in, and authority to, control water pollution resulting from nonpoint sources in any area of such State which the Administrator determines is of sufficient geographic size may, with approval of such State, request the Administrator to provide, and the Administrator shall provide, technical assistance to such agency or organization in developing for such area a plan which is described in subsection (b) and meets the requirements of subsection (e). After development of such plan, such agency or organization shall submit such plan to the Administrator for his approval. If the Administrator approves such plan, such agency or organization shall be eligible to receive financial assistance under subsection (i) for implementation of such plan as if such agency or organization were a State for which a report submitted under subsection (a) and a plan submitted under subsection (b) were approved under this section. Such financial assistance shall be subject to the same terms and conditions as assistance provided to a State under subsection (i).

"(g) TECHNICAL ASSISTANCE FOR STATES.—Upon request of a State, the Administrator may provide technical assistance to such State in developing a plan under subsection (b) for those portions of the navigable waters requested by such State.

"(h) INTERSTATE MANAGEMENT CONFERENCE.—

"(1) CONVENING OF CONFERENCE; NOTIFICATION; PURPOSE.—If any portion of the navigable waters in any State which is implementing a plan approved under this section is not meeting applicable water quality standards or the goals and requirements of this Act as a result, in whole or part, of pollution from nonpoint sources in another State, such State may petition the Administrator to convene, and the Administrator shall convene, a management conference of all States which contribute pollution resulting from nonpoint sources to such portion. If, on the basis of information available to him, the Administrator determines that a State is not meeting applicable water quality standards or the goals and requirements of this Act as a result, in whole or part, of pollution from nonpoint sources in another State, the Administrator shall notify such States. The Administrator may convene a management conference under this paragraph not later than 180 days after giving such notification, whether or not the State which is not meeting such standards requests such conference. The purpose of such conference shall be to develop an agreement among such States to reduce the level of pollution in such portion resulting from nonpoint sources and to improve the water quality of such portion.

"(2) STATE PLAN REQUIREMENT.—Each State which contributes significant pollution from nonpoint sources to the portion of navigable waters in amounts which contribute to such portion not meeting applicable water quality standards or the goals and requirements of this Act shall submit to the Administrator for his approval a plan referred to in subsection (b) to reduce the level of pollution in such portion resulting from nonpoint sources in such State and to improve the quality of such portion; except that if such State has an approved plan under subsection (b), such State shall revise such plan to reduce the level of pollution in such portion resulting from nonpoint sources in such State and to improve the water quality of such portion and submit such revised plan to the Administrator for his approval under this section. Such plan or revised plan shall be consistent with existing Federal and State law. After approval, the State shall implement such plan or revised plan.

"(i) GRANT PROGRAM.—

"(1) GRANTS FOR IMPLEMENTATION OF PLANS.—Upon application of a State for which a report submitted under subsection (a) and a plan submitted under subsection (b) is approved under this section, the Administrator shall make grants under this subsection to such State for the purpose of assisting the State in implementing such plan.

"(2) APPLICATIONS.—An application for a grant under this subsection in any fiscal year shall be in such form and shall contain such other information as the Administrator may require, including an identification and description of the best management practices and measures which the State proposes to assist, encourage, or require in such year with the Federal assistance to be provided under the grant.

"(3) FEDERAL SHARE.—

"(A) IN GENERAL.—The Federal share of the cost of each plan implemented with Federal assistance under this subsection in any fiscal year shall not exceed 50 percent of the cost incurred by the State in implementing such plan.

"(B) EXCEPTION.—The Federal share of those costs of any such plan which are attributable to a watershed area with respect to which the Administrator determines that a significant number of non-Federal, non-State interests of such area are willing and able to enter into agreements to participate in such year in nonpoint source pollution control measures under such plan shall be not less than 50 percent and not more than 60 percent of such cost.

"(C) LIMITATION ON ADMINISTRATIVE COSTS.—For purposes of this paragraph, administrative costs in the form of salaries, overhead, or indirect costs for services provided and charged against activities and programs carried out with a grant under this subsection shall not exceed in any fiscal year 10 percent of the amount of the grant in such year, except that costs of implementing enforcement and regulatory activities, education, training, technical assistance, demonstration projects, and technology transfer programs shall not be subject to this limitation.

"(4) MAINTENANCE OF EFFORT.—No grant may be made to a State under this subsection in any fiscal year unless such State enters into such agreements with the Administrator as the Administrator may require to ensure that such State will maintain its aggregate expenditures from all other sources for programs for controlling pollution added to the navigable waters in such State from nonpoint sources and improving the quality of such waters at or above the average level of such expenditures in its two fiscal years preceding the date of enactment of this subsection.

"(5) REPORTING AND OTHER REQUIREMENTS.—

"(A) REPORT.—Each State which receives a grant under this subsection in any fiscal year shall submit to the Administrator a written report which describes the activities and programs carried out in the State under such grant and the progress made by such State in meeting the schedule specified under subsection (b)(2)(B).

"(B) SATISFACTORY PROGRESS.—No grant may be made under this subsection in any fiscal year to a State which in the preceding fiscal year received a grant under this subsection unless the Administrator determines that such State made satisfactory progress in such preceding fiscal year in meeting the schedule specified by such State under subsection (b)(2)(B).

"(6) LIMITATION ON GRANT AMOUNTS.—Notwithstanding any other provision of this subsection, not more than 15 percent of the amount appropriated to carry out this subsection may be used to make grants to any one State, including any grants to any local public agency or organization with authority to control pollution from nonpoint sources in any area of such State.

"(7) PRIORITY FOR EFFECTIVE REGULATORY MECHANISMS.—For each fiscal year beginning after September 30, 1987, the Administrator may give priority in making grants under this subsection, and shall give consideration in determining the Federal share of any such grant, to any State which has included effective regulatory mechanisms in an approved State plan under this section and has implemented such mechanisms in the preceding fiscal year. Such mechanisms shall include, but are not limited to, deadlines for implementation of best management practices and enforcement procedures to ensure implementation of such plan.

"(8) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection not to exceed $150,000,000 per fiscal year for the fiscal years ending September 30, 1986, September 30, 1987, September 30, 1988, September 30, 1989, and September 30, 1990. Sums appropriated to carry out this subsection shall remain available until expended.

"(j) REPORTS OF ADMINISTRATOR.—

"(1) ANNUAL REPORTS.—Not later than January 1, 1986, and each January 1 thereafter the Administrator shall transmit to the Committee on Public Works and Transportation of the House of Representatives and the Committee on Environment and Public Works of the Senate, a report for the preceding fiscal year on the activities and programs implemented under this section and the progress made in reducing pollution in the navigable waters resulting from nonpoint sources and improving the quality of such waters.

"(2) FINAL REPORT.—Not later than January 1, 1989, the Administrator shall transmit to Congress a final report on the activities carried out under this section. Such report, at a minimum, shall include—

"(A) an analysis of the effectiveness of plans carried out under this section and of the best management practices and measures utilized under those plans in controlling nonpoint sources of pollution;

"(B) an analysis of the level of State participation in implementing such plans; and

"(C) recommendations of the Administrator concerning future programs (including enforcement programs) for controlling pollution from nonpoint sources.

"(k) SET ASIDE FOR ADMINISTRATIVE PERSONNEL.—Not less than 5 percent of the funds appropriated to carry out subsection (i) for any fiscal year shall be available to the Administrator to maintain personnel levels at the Environmental Protection Agency at levels which are adequate to carry out this section in such year.".

(b) CONFORMING AMENDMENT.—Section 304(k)(1) of the Federal Water Pollution Control Act is amended by inserting "and 319" after "208".

SEC. 8. LAKE RESTORATION GUIDANCE MANUAL.

Section 104(h) is amended by inserting "(1)" after "(h)" and by adding at the end thereof the following:

"(2) The Administrator shall submit to the Committee on Public Works and Transportation of the House of Representatives and the Committee on Environment and Public Works of the Senate not later than one year after the date of the enactment of this paragraph a lake restoration guidance manual establishing procedures to guide future State and local efforts to improve water quality in lakes.".

SEC. 9. SMALL FLOWS CLEARINGHOUSE.

Section 104(q) is amended by adding at the end thereof the following new paragraph:

"(4) Notwithstanding section 205(d) of this Act, from amounts that are set aside for a fiscal year under section 205(i) of this Act and are not obligated by the end of the 24-month period of availability for such amounts under section 205(d), the Administrator shall make available $1,000,000 or such unobligated amount, whichever is less, to support a national clearinghouse within the Environmental Protection Agency to collect and disseminate information on small flows of sewage and innovative or alternative wastewater treatment processes and techniques, consistent with paragraph (3). This paragraph shall apply with respect to amounts set aside under section 205(i) for which the 24-month period of availability referred to in the preceding sentence ends on or after September 30, 1985.".

SEC. 10. ELIGIBLE CATEGORIES OF PROJECTS.

(a) COLLECTOR SEWERS AND COMBINED SEWER OVERFLOWS.—The second sentence of section 201(g)(1) is amended by striking out "appurtenances, and" and inserting in lieu thereof "appurtenances," and by striking out the period at the end of such sentence and inserting in lieu thereof the following: ", and projects to address water quality problems due to impacts of discharges from combined stormwater and sanitary sewer overflows.".

(b) NONPOINT SOURCES.—The last sentence of section 201(g)(1) is amended by—

(1) striking out "sentence," the first place it appears and inserting in lieu thereof "sentences,";

(2) inserting "(A)" after "October 1, 1984, for"; and

(3) inserting before "except that" the following: "and (B) any purpose for which a grant may be made under section 319(i) of this Act (including any innovative and alternative approaches for the control of nonpoint sources of pollution),".

SEC. 11. TIME LIMIT ON RESOLVING CERTAIN DISPUTES.

Section 201 is amended by adding at the end thereof the following new subsection:

"(p) TIME LIMIT ON RESOLVING CERTAIN DISPUTES.—In any case in which a dispute arises with respect to the awarding of a contract for construction of treatment works by a grantee of funds under this title and a party to such dispute files an appeal with the Administrator under this title for resolution of such dispute, the Administrator shall make a final decision on such appeal within 60 days of the filing of such appeal.".

SEC. 12. FEDERAL SHARE.

(a) COMBINED SEWER OVERFLOWS.—The last sentence of section 202(a)(1) is amended—

(1) by inserting after "correction" the first place it appears the following: "or a project to address water quality problems due to impacts of discharges from combined storm water and sanitary sewer overflows"; and

(2) by striking out "and" after "interceptors," and by inserting after "correction" the third place it appears the following: ", and project to address such problems".

(b) PROJECTS UNDER JUDICIAL INJUNCTION.—Section 202(a)(1) is amended by adding at the end thereof the following: "Notwithstanding the first sentence of this paragraph, in the case of a project for which an application for a grant under this title has been made to the Administrator before October 1, 1984, and which project is under judicial injunction on such date prohibiting its construction, such project shall be eligible for grants at 75 percent of the cost of construction thereof.".

(c) PROJECTS UNDER JUDICIAL ORDER.—Section 202(a)(1) is amended by adding at the end thereof the following: "Notwithstanding the first sentence of this paragraph, in the case of the Wyoming Valley Sanitary Authority project mandated by judicial order under a proceeding begun prior to October 1, 1984, such project shall be eligible for grants at 75 percent of the cost of construction thereof.".

(d) BIODISC EQUIPMENT.—Section 202(a)(3) is amended by inserting at the end thereof the following: "In addition, the Administrator is authorized to make a grant to fund all of the costs of the modification or replacement of biodisc equipment (rotating biological contractors) in any publicly owned treatment works if the Administrator finds that such equipment has failed to meet design performance specifications, unless such failure is attributable to negligence on the part of any person, and if such failure has significantly increased capital or operating and maintenance expenditures.".

(e) INNOVATIVE PROCESS.—The activated bio-filter feature of the project for treatment works of the city of Little Falls, Minnesota, shall be deemed to be an innovative wastewater process and technique for purposes of section 202(a)(2) of the Federal Water Pollution Control Act and the amount of any grant under such Act for such feature shall be 85 percent of the cost thereof.

(f) AVAILABILITY OF CERTAIN FUNDS FOR NON-FEDERAL SHARE.—Notwithstanding any other provision of law, Federal assistance made available by the Farmers Home Administration to any political subdivision of a State may be used to provide the non-Federal share of the cost of any construction project carried out under section 201 of the Federal Water Pollution Control Act.

SEC. 13. AGREEMENT ON ELIGIBLE COSTS; GRANTEE CERTIFICATION OF TREATMENT PROCESS; TURNKEY CONTRACTS.

(a) AGREEMENT ON ELIGIBLE COSTS; GRANTEE CERTIFICATION.—Section 203(a) is amended by inserting "(1)" after "(a)", by designating the last sentence as paragraph (4) and indenting such sentence as a paragraph, and by inserting before paragraph (4) as so designated the following:

"(2)(A) Before taking final action on any plans, specifications, and estimates submitted under this subsection, the Administrator shall enter into a written agreement with the applicant which establishes and specifies which items of the proposed project are eligible for Federal payments under this sec-

tion. The Administrator may not later modify such eligibility determinations unless they are found to have been made in violation of applicable Federal statutes and regulations.

"(B) Eligibility determinations under this paragraph shall not preclude the Administrator from auditing a project pursuant to section 501 of this Act, or other authority, or from withholding or recovering Federal funds for costs which are found to be unreasonable, unsupported by adequate documentation, or otherwise unallowable under applicable Federal cost principles, or which are incurred on a project which fails to meet the design specifications or effluent limitations contained in the grant agreement and permit pursuant to section 402 of this Act for such project.

"(3) The approval of construction plans and specifications by the Administrator under this section shall not include a determination or approval of the treatment work's unit processes, or the configuration of the treatment work's unit processes, which constitute the treatment technology. The Administrator shall not approve plans, specifications, and estimates for a project under this section unless the applicant certifies that the proposed unit processes and treatment technology are capable of meeting the effluent limitations for which such process and technology are designed.".

(b) TURNKEY CONTRACTS.—Section 203 is amended by adding at the end thereof the following new subsection:

"(f) TURNKEY CONTRACTS.—

"(1) GENERAL AUTHORITY FOR LOW COST PROJECTS.—After completion of an approved facility plan for construction of a treatment works which has an estimated total cost of $8,000,000 or less (as determined by the Administrator), the applicant proposing to construct such treatment works may, in lieu of proceeding under the other provisions of this section, enter into an agreement with the Administrator under this subsection for the preparation of construction plans and specifications and the building and erection of such treatment works.

"(2) REQUIRED TERMS AND CONDITIONS.—An agreement entered into under this subsection shall—

"(A) set forth an amount agreed to by the Administrator and the applicant as the maximum Federal contribution to the project, based upon a determination of the federally eligible costs of the project at the applicable Federal share under section 202 of this Act;

"(B) set forth a date for completion of construction of the treatment works by the applicant and a schedule of payments by the Administrator of the Federal contribution to the project;

"(C) contain such assurances by the applicant as the Administrator may require that (i) the proposed treatment works will be an operable unit and will meet all the requirements of this title (except as otherwise provided in paragraph (3) of this subsection), and (ii) not later than one year after the date specified as the date for completion of construction of the treatment works, the treatment works will be operating so as to meet the requirements of any applicable permit for such treatment works under section 402 of this Act;

"(D) require the applicant and any agent or contractor of the applicant to provide a bond in an amount determined necessary by the Administrator to protect the Federal interest in the project; and

"(E) contain such other terms and conditions as the Administrator deems necessary to ensure compliance with this title (except as provided in paragraph (3) of this subsection).

"(3) NONAPPLICABILITY OF CERTAIN STATUTORY REQUIREMENTS.—Sections 201(g)(3), 203 (other than this subsection and except with respect to the development and approval of a facility plan), 204(a)(5), 204(a)(6), and 204(d)(1) shall not apply to grants made pursuant to this subsection.

"(4) INTEREST-BEARING ACCOUNTS.—

"(A) DEPOSIT OF FEDERAL CONTRIBUTION.—Upon entering into an agreement under this subsection, the Administrator shall deposit, from amounts allotted to the State for such fiscal year under section 205 of this Act, the amount of the Federal contribution to the project agreed upon by the Administrator and the applicant into an interest-bearing account. Such amount shall be available only for making payments to the grantee in accordance with the schedule contained in the agreement.

"(B) LIMITATION ON USE OF EARNED INTEREST.—Interest earned on amounts in the account under subparagraph (A) shall be available for payments to the grantee. Such payments shall be made solely for the purpose of reducing the net interest costs incurred by the grantee on obligations issued by the grantee for construction of such treatment works. The amount of such payments shall be in addition to the Federal share of the project otherwise allowable. The amount of any such interest earned which exceeds the amount of such interest costs incurred shall be deposited in the general fund of the Treasury after the final audit of the project.

"(5) ADMINISTRATIVE PROVISIONS.—

"(A) RESERVATION UNTIL FINAL AUDIT.—The Administrator shall reserve a portion of the amount in the account under paragraph (4)(A) until the final audit of the project.

"(B) REALLOTMENT OF ANY EXCESS.—If the amount deposited into the account by the Administrator under paragraph (4)(A) exceeds the cost of preparing construction plans and specifications and the building and erection of the treatment works, the Administrator shall reallot the amount of the excess to the State in which such treatment works is located for the fiscal year in which such audit is completed.

"(6) PER STATE LIMITATION.—The Administrator shall not obligate more than 20 percent of the amount allotted to a State for a fiscal year under section 205 of this Act for grants pursuant to this subsection.

"(7) LIMITATION ON FEDERAL CONTRIBUTION.—In no event shall the Federal contribution for the cost of preparing construction plans and specifications and the building and erection of treatment works pursuant to this subsection exceed the amount agreed upon under paragraph (2), plus interest paid to the grantee under paragraph (4)(B).

"(8) NONCOMPLIANCE WITH AGREEMENT.—In any case in which the recipient of a grant made pursuant to this subsection does not comply with the terms of the agreement entered into under paragraph (2), the Administrator is authorized to take such action as may be necessary to recover the amount of the Federal contribution to the project.

"(9) LIMITATION ON ELIGIBILITY OF RECIPIENTS OF TURNKEY GRANTS.—A recipient of a grant made pursuant to this subsection shall not be eligible for any other grants under this title.".

SEC. 14. GRANT CONDITIONS; USER CHARGES ON LOW-INCOME RESIDENTIAL USERS.

(a) INCLUSION OF PROJECT IN AREAWIDE PLAN.—Section 204(a)(1) is amended to read as follows:

"(1) that any required areawide waste treatment management plan under section 208 of this Act (A) is being implemented for such area and the proposed treatment works are included in such plan, or (B) is being developed for such area and reasonable progress is being made toward its implementation and the proposed treatment works will be included in such plan;".

(b) CONTINUING PLANNING PROCESS.—Section 204(a)(2) is amended to read as follows:

"(2) that (A) the State in which the project is to be located (i) is implementing any required plan under section 303(e) of this Act and the proposed treatment works are in conformity with such plan, or (ii) is developing such a plan and the proposed treatment works will be in conformity with such plan, and (B) such State is in compliance with section 305(b) of this Act;".

(c) USER CHARGES ON LOW-INCOME RESIDENTIAL USERS.—Section 204(b)(1) is amended by adding at the end thereof the following: "A system of user charges which imposes a lower charge for low-income residential users (as defined by the Administrator) shall be deemed to be a user charge system meeting the requirements of clause (A) of this paragraph if the Administrator determines that such system was adopted after public notice and hearing.".

(d) EFFECTIVE DATE.—This section shall take effect on the date of the enactment of this Act, except that the amendments made by subsections (a) and (b) shall take effect on the last day of the two-year period beginning on such date of enactment.

SEC. 15. ALLOTMENT OF CONSTRUCTION GRANT FUNDS.

(a) FORMULA.—

(1) DATE OF ALLOTMENT.—Section 205(c)(2) is amended by inserting after the first sentence the following: "Sums authorized to be appropriated pursuant to section 207 for the fiscal years 1986, 1987, 1988, 1989, and 1990 shall be allotted for each such year by the Administrator not later than the tenth day which begins after the date of the enactment of the Water Quality Renewal Act of 1985.".

(2) EXTENSION.—Section 205(c)(2) is further amended by striking out "and September 30, 1985," and inserting in lieu thereof "September 30, 1985, September 30, 1986, September 30, 1987, September 30, 1988, September 30, 1989, and September 30, 1990,".

(b) MINIMUM ALLOTMENT.—

(1) EXTENSION.—Section 205(e) is amended by striking out "and 1985" each place it appears and inserting in lieu thereof "1985, 1986, 1987, 1988, 1989, and 1990".

(2) TERRITORIES.—The first sentence of section 205(e) is amended—

(A) by inserting "the Commonwealth of the Northern Mariana Islands," after "Samoa,";

(B) by striking out "thirty-three one-hundredths of 1 per centum" and inserting in lieu thereof "two-thirds of one percent"; and

(C) by striking out "four" and inserting in lieu thereof "five".

(c) COSTS OF ADMINISTRATION.—Section 205(g)(1) is amended by striking out "1985" and inserting in lieu thereof "1990" and by striking out the period after "4 per centum" and inserting in lieu thereof a comma.

(d) INTERSTATE SANITARY COMMISSION.—Section 205(g) is amended by adding at the end thereof the following new paragraph:

"(3) On October 1 of each fiscal year beginning after September 30, 1985, the States of New York, New Jersey, and Connecticut shall pay to the Interstate Sanitation Commission established by such States by inter-

state compact, or shall enter into a legally binding agreement with such Commission to pay to such Commission, $900,000 (in the case of New York and New Jersey) and $200,000 (in the case of Connecticut) to carry out the functions of such Commission under this Act. If any such State does not make a payment, or enter into a legally binding agreement with respect to a payment, in the amount required under the preceding sentence for a fiscal year, the Administrator shall reserve, from the sums available to such State under this subsection for such fiscal year, an amount equal to the difference between the amount required to be paid or committed by such sentence for such fiscal year and the amount paid or committed by such State for such fiscal year. Sums so reserved shall be used by the Administrator to make a grant for such fiscal year to such Commission to carry out such functions.".

(e) RURAL SET ASIDE.—

(1) INCREASE IN MANDATORY SET ASIDE FOR RURAL STATES.—The first sentence of section 205(h) is amended by striking out "four per centum" and inserting in lieu thereof "a total (as determined by the Governor of the State) of not less than four percent nor more than seven and one-half percent".

(2) INCREASE IN AUTHORIZED SET ASIDE FOR OTHER STATES.—The second sentence of section 205(h) is amended by striking out "four per centum" and inserting in lieu thereof "seven and one-half percent".

(f) SET ASIDE FOR INNOVATIVE AND ALTERNATIVE PROCESSES AND TECHNIQUES.—Section 205(i) is amended by striking out "and September 30, 1985," and inserting in lieu thereof "September 30, 1985, September 30, 1986, September 30, 1987, September 30, 1988, September 30, 1989, and September 30, 1990,".

(g) ALLOCATION OF PLANNING FUNDS TO REGIONAL ORGANIZATIONS.—Section 205(j)(3) is amended by adding at the end thereof the following: "In giving such priority, the State shall allocate at least 50 percent of the amount granted to such State for a fiscal year under this subsection to regional and interstate public comprehensive planning organizations in such State, except in any fiscal year for which the Administrator, after consultation with the Governor of such State and such organizations, determines that allocation of at least 50 percent to such organizations will not significantly assist in encouraging participation by such organizations in the development of wastewater treatment programs and significantly assist in achieving the goals of this Act.".

(h) RESERVATION OF FUNDS FOR INVESTIGATIONS AND AUDITS.—Section 205 is amended by adding at the end thereof the following new subsection:

"(l) RESERVATION FOR INVESTIGATIONS AND AUDITS.—One-quarter of one percent of any amount appropriated under section 207 of this Act for any fiscal year beginning after September 30, 1985, shall be reserved by the Administrator for carrying out investigations and audits authorized by this Act of projects for which funds are made available under this title. Such sums shall be in addition to, and not in lieu of, any sums otherwise appropriated for or allocated to the Office of the Inspector General.".

SEC. 16. GRANTS TO STATES FOR ESTABLISHMENT OF WATER POLLUTION CONTROL REVOLVING FUNDS.

(a) IN GENERAL.—Title II is amended by adding at the end thereof the following new section:

"SEC. 220. GRANTS TO STATES FOR ESTABLISHMENT OF REVOLVING FUNDS.

"(a) GENERAL AUTHORITY; AMOUNT OF GRANT.—

"(1) GENERAL AUTHORITY; CONSTRUCTION ASSISTANCE.—Subject to the provisions of this section, the Administrator shall make grants to each State for the purpose of establishing a revolving fund for providing assistance to municipalities and intermunicipal and interstate agencies for construction of treatment works (as defined in section 212 of this Act) which are publicly owned.

"(2) AMOUNT OF GRANT.—The amount of a grant to a State under this section for any fiscal year shall equal the amount allotted to such State under this section for such fiscal year.

"(b) GENERAL GRANT REQUIREMENTS.—

"(1) DEPOSITS INTO REVOLVING FUNDS.—

"(A) MANDATORY DEPOSITS.—A grant shall not be made for a fiscal year to a State under this section unless the State has first deposited in the revolving fund established by the State under this section from non-Federal sources an amount equal to 20 percent of the amount allotted to the State under this section for such fiscal year.

"(B) DISCRETIONARY DEPOSITS.—In addition to any amounts deposited in such revolving fund under subparagraph (A), the Governor of the State may deposit not to exceed 20 percent of the amount allotted to the State under section 205 of this Act for any fiscal year beginning after September 30, 1985, if the State has first deposited in such fund from non-Federal sources an amount equal to 20 percent of the amount to be deposited from such allotment.

"(2) ANNUAL CERTIFICATION.—Each State shall submit to the Administrator annually a certification—

"(A) that upon completion of any project for treatments works for which financial assistance is made available from the revolving fund established by such State under this section, discharges from such treatment works will meet all applicable requirements necessary to achieve applicable State and Federal water quality standards; and

"(B) that such State will comply with all provisions of this section.

"(c) FORMS OF REVOLVING FUND ASSISTANCE.—Assistance described in subsection (a)(1) for construction of treatment works may only be provided from a revolving fund established under subsection (d)(1) in the form of a loan, loan guarantee, payment to reduce interest on a loan, bond interest subsidy, bond guarantee, or purchase of insurance for obligations. In addition, to the extent provided by State law, the State may issue revenue or general obligation bonds to finance projects for construction of treatment works described in subsection (a)(1) and on the State's priority list under section 216 using amounts in such fund as a source of revenue or security for the payment of interest and principal on such bonds, if the proceeds of the sale of such bonds are deposited in such fund.

"(d) STATE WATER POLLUTION CONTROL REVOLVING FUNDS.—

"(1) ESTABLISHMENT.—

"(A) PURPOSES.—Each State shall establish a Water Pollution Control Revolving Fund to provide assistance described in subsection (a)(1) for construction of treatment works.

"(B) STATE DEPOSITS.—The State shall deposit in such revolving fund any Federal funds allotted to the State under this section, any amounts received by the State for repayment of loans made by the State with amounts in such fund, any amounts required or authorized to be deposited in such fund under subsection (b)(1), and any additional funds (except for funds received under any other section of this title) which the State wishes to deposit in such fund.

"(2) ADMINISTRATIVE EXPENSES.—The State may use amounts in such revolving fund for the payment of expenses of administration of such fund; except that, in any fiscal year in which the State receives a grant under this section, the State may not use more than four percent of the amount of such grant for the payment of such expenses in such fiscal year.

"(3) INVESTMENTS.—The State may invest any portion of the funds in such revolving fund which is not currently needed for providing assistance described in subsection (a)(1) and for payment of administrative expenses under paragraph (2).

"(4) LIMITATION TO PREVENT DOUBLE BENEFITS.—If the State makes, from such revolving fund, a loan which will finance the cost of facility planning and the preparation of plans, specifications, and estimates for construction of publicly owned treatment works, the State shall ensure that if the recipient of such loan receives a grant under section 201(g) of this Act for construction of such treatment works and an allowance under section 201(l)(1) for non-Federal funds expended for such planning and preparation, such recipient will promptly repay such loan to the extent of such allowance.

"(5) ELIGIBILITY OF NON-FEDERAL PORTION OF CONSTRUCTION GRANT PROJECTS.—The State may provide assistance from such revolving fund to a municipality or intermunicipal or interstate agency with respect to the non-Federal share of the costs of a project for which such municipality or agency is receiving assistance from the Administrator under any other section of this title.

"(6) DEDICATED SOURCE OF REVENUE FOR LOAN REPAYMENT.—The State may only make a loan from such revolving fund to a municipality or intermunicipal or interstate agency if such municipality or agency first establishes a dedicated source of revenue for the repayment of such loan.

"(7) PRIORITY LIST REQUIREMENT.—The State may provide financial assistance from such revolving fund only with respect to a project for construction of a treatment works described in subsection (a)(1) if such project is on the State's priority list under section 216 of this Act. Such assistance may be provided regardless of the rank of such project on such list.

"(8) CONSISTENCY WITH PLANNING REQUIREMENTS.—The State may provide financial assistance from such revolving fund only with respect to a project which is consistent with plans, if any, developed under sections 205(j), 208, and 303(e) of this Act.

"(e) ADMINISTRATIVE PROVISIONS.—

"(1) STATE REPORTS.—Each State shall annually make a full and complete report to the Administrator concerning the use of funds deposited in the revolving fund established by such State under this section in such manner as the Administrator shall prescribe.

"(2) ANNUAL AUDITS.—The Administrator shall, at least on an annual basis, conduct or require each State to have independently conducted reviews and audits as may be deemed necessary or appropriate by the Administrator to carry out the objectives of this section. Audits of the use of funds deposited in the revolving fund established by such State shall be conducted in accordance with the auditing procedures of the General Accounting Office.

"(f) APPLICABILITY OF OTHER PROVISIONS.—Except to the extent provided in this section, the other provisions of this title shall not apply to grants under this section.

"(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section not to exceed $600,000,000 per fiscal year for each of the fiscal years ending September 30, 1986, September 30, 1987, September 30, 1988, September 30, 1989, and September 30, 1990, not to exceed $2,400,000,000 for the fiscal year ending September 30, 1991, not to exceed $1,800,000,000 for the fiscal year ending September 30, 1992, not to exceed $1,200,000,000 for the fiscal year ending September 30, 1993, and not to exceed $600,000,000 for the fiscal year ending September 30, 1994.

"(h) ALLOTMENT OF FUNDS.—

"(1) SAME FORMULA AS CONSTRUCTION GRANT ALLOTMENT.—Sums authorized to be appropriated to carry out this section for any fiscal year shall be allotted by the Administrator in the same manner and in accordance with the same table as the funds which are authorized to be appropriated under section 207 of this Act are allotted for such fiscal year.

"(2) EXCEPTION.—For any fiscal year for which sums are authorized to be appropriated to carry out this section and for which sums are not authorized to be appropriated to carry out section 207, the sums authorized to be appropriated to carry out this section shall be allotted by the Administrator in the same manner and in accordance with the same table as the funds which were authorized to be appropriated under section 207 were allotted for the most recent fiscal year for which there was such an authorization under section 207.

"(3) RESERVATION OF FUNDS FOR PLANNING.—Each State shall reserve each fiscal year one percent of the sums allotted to such State under this section for such fiscal year, or $100,000, whichever amount is greater, to carry out planning under sections 205(j), 208, and 303(e) of this Act.

"(4) REALLOTMENT.—

"(A) EXPIRATION OF PERIOD OF AVAILABILITY.—Sums allotted to a State under this subsection for a fiscal year shall remain available for a grant to such State for the fiscal year for which authorized and for the following two fiscal years. Any funds remaining after the last day of such third fiscal year shall be reallotted among the other States.

"(B) UNUTILIZED FUNDS.—Any funds granted to a State for a fiscal year under this section which are not utilized by such State for providing assistance described in subsection (a)(1) for construction of treatment works during such fiscal year and the following two fiscal years shall be repaid to the Administrator for reallotment among the other States.".

(b) CONFORMING AMENDMENT.—Section 207 is amended by striking out "and 209," and inserting in lieu thereof the following: "209, and 220 (except as provided in section 220(b)(1)(B)),".

SEC. 17. MODIFICATION FOR NONCONVENTIONAL POLLUTANTS.

(a) IN GENERAL.—Section 301(g) is amended by redesignating paragraph (2) (and any references thereto) as paragraph (3) and by striking out all that precedes subparagraph (A) of paragraph (1) and inserting in lieu thereof the following:

"(g)(1) The Administrator, with the concurrence of the State, may modify the requirements of subsection (b)(2)(A) of this section with respect to the discharge from any point source of ammonia, chlorine, color, iron, and total phenols (4AAP) (when determined by the Administrator to be a pollutant covered by subsection (b)(2)(F)). The Administrator may—

"(A) add any pollutant to the list of pollutants for which modification under this section is authorized (except for pollutants identified pursuant to section 304(a)(4) of this Act, toxic pollutants subject to section 307(a) of this Act, and the thermal component of discharges), if the Administrator determines that there are; or

"(B) remove any pollutant from such list if the Administrator determines that there are no longer;

satisfactory test methods and data available to make the determination required by paragraph (2).

"(2) A modification under this subsection shall be granted only upon a showing by the owner or operator of such point source satisfactory to the Administrator that—".

(b) APPLICATION; LIMITATION ON EFFECT.—The amendment made by subsection (a) shall apply to all requests for modifications under section 301(g) of the Federal Water Pollution Control Act pending on the date of the enactment of the Water Quality Renewal Act of 1985, and shall not have the effect of extending the deadline established in section 301(j)(1)(B) of such Act.

SEC. 18. DISCHARGES INTO MARINE WATERS.

(a) CONSIDERATION OF OTHER SOURCES OF POLLUTANTS.—Section 301(h)(2) is amended by striking out "such modified requirements will not interfere" and inserting in lieu thereof the following: "the discharge of pollutants in accordance with such modified requirements will not interfere, alone or in combination with pollutants from other sources,".

(b) LIMITATION ON SCOPE OF MONITORING.—Section 301(h)(3) is amended by inserting before the semicolon at the end thereof the following: ", and the scope of such monitoring is limited to include only those scientific investigations which are necessary to study the effects of the proposed discharge".

(c) URBAN AREA PRETREATMENT PROGRAM.—Section 301(h) is amended by redesignating paragraphs (6) and (7), and any references thereto, as paragraphs (7) and (8), respectively, and by inserting after paragraph (5) the following new paragraph:

"(6) in the case of any treatment works serving a population of 50,000 or more, with respect to any toxic pollutant introduced into such works by an industrial discharger for which pollutant there is no applicable pretreatment requirement in effect, the applicant has in effect a pretreatment program which, in combination with the treatment of discharges from such works, removes the same amount of such pollutant as would be removed if such works were to apply secondary treatment to discharges and if such works had no pretreatment program with respect to such pollutant;".

(d) PRIMARY TREATMENT FOR EFFLUENT.—Section 301(h) is amended by striking out the period at the end of paragraph (8) (as redesignated by subsection (c) of this section) and inserting in lieu thereof a semicolon and by inserting after such paragraph (8) the following new paragraph:

"(9) no effluent will be discharged from such works which does not receive primary treatment by screening, sedimentation, and skimming, and treatment for disinfection where necessary, and which does not meet the criteria established under section 304(a)(1) after initial mixing in the waters surrounding or adjacent to the point at which such effluent is discharged and".

(e) URBAN AREA REMOVAL CREDITS.—Section 307(b)(1) is amended by adding at the end thereof the following: "In any case described in the preceding sentence in which the treatment works serves a population of 50,000 or more, such pretreatment standards shall be revised as provided in the preceding sentence if—

"(i) there exists an effluent limitation on such treatment works for the pollutant and the revised requirement will not result in the effluent violating such effluent limitations;

"(ii) the revised requirement will not result in interference with the method of disposal or reuse of sludge from the treatment works; and

"(iii) the revised requirement will not result in a pollutant interfering with the operation of such treatment works.".

(f) DISCHARGE OF POLLUTANT INTO MARINE WATERS DEFINED.—Section 301(h) is amended by striking out the second sentence and inserting in lieu thereof the following: "For the purposes of this subsection, the phrase 'the discharge of any pollutant into marine waters' refers to a discharge into deep waters of the territorial sea or the waters of the contiguous zone.".

(g) GRANDFATHER OF CERTAIN APPLICANTS.—The amendments made by subsections (a), (c), (d), and (f) of this section shall not apply to any person whose application for a permit under section 391(h) of the Federal Water Pollution Control Act has been tentatively or finally approved by the Administrator on or before the date of the enactment of this Act.

SEC. 19. FILING DEADLINE FOR TREATMENT WORKS MODIFICATION.

(a) ELIMINATION.—Section 301(i)(1) is amended by striking out the second sentence.

(b) APPLICABILITY.—The amendment made by subsection (a) shall not apply to those treatment works which are subject to a compliance schedule established before the date of the enactment of this Act by a court order or a final agency order.

SEC. 20. APPLICATION FOR OCEAN DISCHARGE MODIFICATIONS.

Section 301(j)(1)(A) is amended by inserting before the semicolon at the end thereof the following: ", except that a publicly owned treatment works which before December 31, 1982, had a contractual arrangement to use a portion of the capacity of an ocean outfall operated by another publicly owned treatment works which has applied for or received a modification under subsection (h) of this section, may apply for a modification of subsection (h) in its own right not later than 30 days after the date of the enactment of the Water Quality Renewal Act of 1985".

SEC. 21. INNOVATIVE TECHNOLOGY COMPLIANCE DEADLINES FOR DIRECT DISCHARGERS.

(a) EXTENSION OF DEADLINE.—Section 301(k) is amended by striking out "July 1, 1987," and inserting in lieu thereof "two years after the date for compliance with such effluent limitation which would otherwise be applicable under such subsection,".

(b) EXTENSION TO CONVENTIONAL POLLUTANTS.—Section 301(k) is amended by inserting "or (b)(2)(E)" after "(b)(2)(A)" each place it appears.

SEC. 22. VARIANCES FROM THE APPLICATION OF EFFLUENT LIMITATIONS AND PRETREATMENT STANDARDS.

(a) IN GENERAL.—Section 301 is amended by adding at the end thereof the following new subsection:

"(n) VARIANCES.—

"(1) FUNDAMENTALLY DIFFERENT FACTORS.—Upon application of any person who provides (or does not have a reasonable opportunity to provide) information to the Administrator in the rulemaking to establish or revise any effluent limitation under this section or section 304 of this Act or any national categorical pretreatment standard under section 307(b), the Administrator may grant a variance from the application of such limitation with respect to the discharge of any pollutant by such person or such standard with respect to the introduction of any pollutant by such person if the Administrator determines that factors relating to the facilities, equipment, and processes of such person or, in the case of such standard, factors relating to the facilities, equipment, and processes of the treatment works are fundamentally different than the factors considered in such rulemaking. An effluent limitation or pretreatment standard established under such variance may not be less stringent than is justified by the factors that are fundamentally different. A variance may not be granted under this subsection if it would produce a significantly adverse effect on the environment (other than on water quality).

"(2) TIME LIMIT FOR APPLICATIONS.—An application for a variance from the application of an effluent limitation or pretreatment standard under this subsection must be filed with the Administrator within 180 days after the date on which such limitation or standard is established or revised, as the case may be.

"(3) TIME LIMIT FOR DECISION.—The Administrator shall approve or deny any application filed under this subsection within 180 days after the date such application is filed with the Administrator.

"(4) LIMITATION ON APPLICABILITY.—This subsection shall only apply with respect to effluent limitations and pretreatment standards established or revised after the date of the enactment of this subsection.

"(5) EFFECT OF DENIAL OF APPLICATION.—If an application for a variance from the application of an effluent limitation or pretreatment standard under this subsection is denied by the Administrator, the applicant must comply with such limitation or standard as established or revised, as the case may be.

"(6) APPLICATION FEE.—The Administrator shall establish and collect a fee from each applicant for a variance under this subsection. Such fee shall be in an amount not more than an amount that reflects the reasonable administrative costs directly incurred in reviewing and processing applications for such variance. All amounts collected by the Administrator under this paragraph shall be deposited in the general fund of the Treasury.

"(7) REPORTS.—Every six months after the date of the enactment of this subsection, the Administrator shall submit to the Committee on Environment and Public Works of the Senate and the Committee on Public Works and Transportation of the House of Representatives a report on the status of applications for variances from effluent limitations under section 301 or 304 of this Act or any national categorical pretreatment standard under section 307(b) of this Act filed before, on, or after such date of enactment.".

(b) SAVINGS CLAUSE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendment made by subsection (a) shall not affect any procedures or requirements in effect before the date of the enactment of this Act with respect to the granting of variances from the application of effluent limitations and pretreatment standards established or revised on or before such date of enactment.

(2) EXCEPTIONS.—

(A) FACTOR TO BE CONSIDERED.—In deciding whether to deny or approve an application filed before the date of the enactment of this Act for a variance from an effluent limitation under section 301 or 304 of the Federal Water Pollution Control Act or any national categorical pretreatment standard under section 307(b) of such Act which has not been denied or approved on or before such date of enactment, the Administrator shall consider any requirements contained in effluent guidelines issued after the date of such filing.

(B) TIME LIMIT FOR DECISION.—The Administrator shall approve or deny any application referred to in subparagraph (A) within 180 days after such date of enactment; except that if the applicant amends such application to take into account any new effluent guidelines issued after the date of filing of such application, the Administrator shall deny or approve such amended application within 180 days after the date of such amendment.

SEC. 23. COAL REMINING OPERATIONS.

Section 301 is amended by adding at the end thereof the following:

"(o) MODIFIED PERMIT FOR COAL REMINING OPERATIONS.—

"(1) IN GENERAL.—Subject to paragraphs (2) through (4) of this subsection, the Administrator, or the State in any case which the State has an approved permit program under section 402(b), may issue a permit under section 402 which modifies the requirements of subsection (b)(2)(A) of this section with respect to the pH level of any pre-existing discharge, and with respect to pre-existing discharges of iron and manganese from the remined area of any coal remining operation or with respect to the pH level or level of iron or manganese in any pre-existing discharge affected by the remining operation. Such modified requirements shall apply the best available technology economically achieveable on a case-by-case basis, using best professional judgment, to set specific numerical effluent limitations in each permit.

"(2) LIMITATIONS.—The Administrator or the state may only issue a permit pursuant to paragraph (1) if the applicant demonstrates to the satisfaction of the Administrator or the State, as the case may be, that the coal remining operation will result in the potential for improved water quality from the remining operation but in no event shall such a permit allow the pH level of any discharge, and in no event shall such a permit allow the discharges of iron and manganese, to exceed the levels being discharged from the remined area before the coal remining operation begins. No discharge from, or affected by the remining operation shall exceed state water quality standards established under section 303 of this Act.

"(3) DEFINITIONS.—For purposes of this subsection—

"(A) the term 'coal remining operation' means a coal mining operation which begins after the date of enactment of this subsection at a site on which coal mining was conducted before the effective date of the Surface Mining Control and Reclamation Act of 1977;

"(B) the term 'remined area' means only that area of any coal remining operation on which coal mining was conducted before the effective date of the Surface Mining Control and Reclamation Act of 1977; and

"(C) the term 'pre-existing discharge' means any discharge at the time of permit application under this subsection.

"(4) APPLICABILITY OF STRIP MINING LAWS.—Nothing in this subsection shall affect the application of the Surface Mining Control and Reclamation Act of 1977 to any coal mining operation, including the application of such Act to suspended solids.".

SEC. 24. WATER QUALITY CRITERIA.

(a) IN GENERAL.—Section 304(a)(1) is amended by adding at the end thereof the following: "In developing, publishing, and revising criteria under this paragraph after the date of the enactment of this sentence, the Administrator shall consider, among other things, the effects on the ecosystem of (i) water hardness, (ii) pH, (iii) chemical and physical interactions, (iv) persistence of pollutants and the long-term effects of pollutants, (v) sedimentation from chemical reaction of pollutants, (vi) the absorptive properties of sediments, (vii) resuspension, and (viii) bio-uptake. New or revised criteria under this paragraph should be established so as to provide an ample margin of safety to protect human health and fish and wildlife resources. Whenever, in developing new or revised criteria under this paragraph with respect to a pollutant, the Administrator determines that a well-founded and significant difference of opinion exists as to the latest scientific and research knowledge on the matters referred to in the preceding sentence, the Administrator shall publish a description of such difference of opinion along with the publication of such criteria.".

(b) SENSE OF CONGRESS.—It is the sense of Congress that the Administrator and the States, in developing, publishing, and revising water quality criteria under section 304(a)(1) of the Federal Water Pollution Control Act should—

(1) consider the economic effects of implementation of the proposed water quality criteria;

(2) consider cyclical charges in the climate and environment; and

(3) take into account the recommendation of the concerned States and the findings and result of site specific and areawide research, tests, experiments, and demonstration programs conducted by the concerned States.

SEC. 25. TEST PROCEDURES.

Section 304(h) is amended by striking out ", within one hundred and eighty days from the date of enactment of this title," and inserting in lieu thereof ", within ninety days from the date of the enactment of the Water Quality Renewal Act of 1985,".

SEC. 26. PRETREATMENT STANDARDS.

(a) EXTENSION OF STANDARDS BY POTW APPLYING INNOVATIVE SYSTEM.—Section 307 is amended by adding at the end the following:

"(e) COMPLIANCE DATE EXTENSION FOR INNOVATIVE PRETREATMENT SYSTEMS.—In the case of any new or existing facility that proposes to comply with the pretreatment standards of subsection (b) of this section by applying an innovative system that meets the requirements of section 301(k) of this Act, the owner or operator of the publicly owned treatment works receiving the treated effluent from such facility may extend the date for compliance with the applicable pretreat-

ment standard established under this section for a period not to exceed two years—

"(1) if the Administrator determines that the innovative system has the potential for industrywide application, and

"(2) if the Administrator (or the State, in any case in which the State has a pretreatment program approved by the Administrator)—

"(A) determines that the proposed extension will not cause the publicly owned treatment works to be in violation of its permit under section 402, and

"(B) concurs with the proposed extension.".

(b) INCREASE IN EPA EMPLOYEES.—The Administrator shall take such actions as may be necessary to increase the number of employees of the Environmental Protection Agency in order to effectively implement pretreatment requirements under section 307 of the Federal Water Pollution Control Act.

SEC. 27. INSPECTION AND ENTRY.

(a) IN GENERAL.—Section 308(b) is amended by striking out all that follows "Code" and inserting in lieu thereof a period and the following: "Any authorized representative of the Administrator (including an authorized contractor acting as a representative of the Administrator) who knowingly or willfully publishes, divulges, discloses, or makes known in any manner or to any extent not authorized by law any information which is required to be considered confidential under this subsection shall be fined not more than $1,000 or imprisoned not more than one year, or both. Nothing in this subsection shall prohibit the Administrator or an authorized representative of the Administrator (including any authorized contractor acting as a representative of the Administrator) from disclosing records, reports, or information to other officers, employees, or authorized representatives of the United States concerned with carrying out this Act or when relevant in any proceeding under this Act.".

(b) CONFORMING AMENDMENT.—Section 308(a)(B) is amended by inserting "(including an authorized contractor acting as a representative of the Administrator)" after "or his authorized representative".

SEC. 28. CRIMINAL PENALTIES.

(a) IN GENERAL.—Section 309(c) is amended to read as follows:

"(c) CRIMINAL PENALTIES.—

"(1) NEGLIGENT VIOLATIONS.—Any person who—

"(A) negligently violates section 301, 302, 306, 307, 308, 318, or 405 of this Act, or any permit condition or limitation implementing any of such sections in a permit issued under section 402 of this Act by the Administrator or by a State, or any requirement imposed in a pretreatment program approved under section 402(b)(8) of this Act or in a permit issued under section 404 of this Act by the Secretary of the Army, acting through the Chief of Engineers, or by a State; or

"(B) negligently introduces into a sewer system or into a publicly owned treatment works any pollutant or hazardous substance which causes or may reasonably be anticipated to cause personal injury or property damage or which causes such treatment works to violate any effluent limitation or condition in any permit issued to the treatment works under section 402 of this Act by the Administrator or a State;

shall be punished by a fine of not less than $2,500 nor more than $25,000 per day of violation, or by imprisonment for not more than one year, or by both. If a conviction of a person is for a violation committed after a first conviction of such person under this paragraph, punishment shall be by a fine of not more than $50,000 per day of violation, or by imprisonment of not more than two years, or by both.

"(2) KNOWING VIOLATIONS.—Any person who—

"(A) knowingly violates section 301, 302, 306, 307, 308, 318, or 405 of this Act, or any permit condition or limitation implementing any of such sections in a permit issued under section 402 of this Act by the Administrator or by a State, or any requirement imposed in a pretreatment program approved under section 402(b)(8) of this Act or in a permit issued under section 404 of this Act by the Secretary of the Army, acting through the Chief of Engineers, or by a State; or

"(B) knowingly introduces into a sewer system or into a publicly owned treatment works any pollutant or hazardous substance which causes or may reasonably be anticipated to cause personal injury or property damage or which causes such treatment works to violate any effluent limitation or condition in a permit issued to the treatment works under section 402 of this Act by the Administrator or a State;

shall be punished by a fine of not less than $5,000 nor more than $50,000 per day of violation, or by imprisonment for not more than two years, or by both. If a conviction of a person is for a violation committed after a first conviction of such person under this paragraph, punishment shall be by a fine of not more than $100,000 per day of violation, or by imprisonment of not more than four years, or by both.

"(3) KNOWING ENDANGERMENT.—(A) Any person who knowingly violates section 301, 302, 303, 306, 307, 308, 318, or 405 of this Act, or any permit condition or limitation implementing any of such sections in a permit issued under section 402 of this Act by the Administrator or by a State, or in a permit issued under section 404 of this Act by the Secretary of the Army or by a State, and who knows at that time that he thereby places another person in imminent danger of death or serious bodily injury, shall, upon conviction, be subject to a fine of not more than $250,000 or imprisonment of not more than fifteen years, or both. A defendant that is an organization shall, upon conviction of violating this subparagraph, be subject to a fine of not more than $1,000,000.

"(B) For the purpose of subparagraph (A) of this paragraph—

"(i) in determining whether a defendant who is an individual knew that his conduct placed another person in imminent danger of death or serious bodily injury—

"(I) the person is responsible only for actual awareness or actual belief that he possessed; and

"(II) knowledge possessed by a person other than the defendant but not by the defendant himself may not be attributed to the defendant;

except that in proving the defendant's possession of actual knowledge, circumstantial evidence may be used, including evidence that the defendant took affirmative steps to shield himself from relevant information;

"(ii) it is an affirmative defense to prosecution that the conduct charged was consented to by the person endangered and that the danger and conduct charged were reasonably foreseeable hazards of—

"(I) an occupation, a business, or a profession; or

"(II) medical treatment or medical or scientific experimentation conducted by professionally approved methods and such other person had been made aware of the risks involved prior to giving consent;

and such defense must be established by a preponderance of the evidence;

"(iii) the term 'organization' means a legal entity, other than a government, established or organized for any purpose, and such term includes a corporation, company, association, firm, partnership, joint stock company, foundation, institution, trust, society, union, or any other association of persons; and

"(iv) the term 'serious bodily injury' means bodily injury which involves a substantial risk of death, unconsciousness, extreme physical pain, protracted and obvious disfigurement, or protracted loss of impairment of the function of a bodily member, organ, or mental faculty.

"(4) COMPLIANCE AS AFFIRMATIVE DEFENSE.—It shall be an affirmative defense under paragraphs (1)(B) and (2)(B) of this subsection that the introduction of any pollutant or hazardous substance into a sewer system or a publicly owned treatment works was in compliance with all applicable Federal, State, and local requirements which govern the introduction of a pollutant or hazardous substance into a sewer or publicly owned treatment works.

"(5) FALSE STATEMENTS.—Any person who knowingly makes any false material statement, representation, or certification in any application, record, report, plan, or other document filed or required to be maintained under this Act or who knowingly falsifies, tampers with, or renders inaccurate any monitoring device or method required to be maintained under this Act, shall upon conviction, be punished by a fine of not more than $10,000, or by imprisonment for not more than two years, or by both. If a conviction of a person is for a violation committed after a first conviction of such person under this paragraph, punishment shall be by a fine of not more than $20,000 per day of violation, or by imprisonment of not more than four years, or by both.

"(6) RESPONSIBLE CORPORATE OFFICER AS 'PERSON'.—For the purpose of this subsection, the term 'person' means, in addition to the definition contained in section 502(5) of this Act, any responsible corporate officer.

"(7) HAZARDOUS SUBSTANCE DEFINED.—For the purpose of this subsection, the term 'hazardous substance' means (A) any substance designated pursuant to section 311(b)(2)(A) of this Act, (B) any element, compound, mixture, solution, or substance designated pursuant to section 102 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, (C) any hazardous waste having the characteristics identified under or listed pursuant to section 3001 of the Solid Waste Disposal Act (but not including any waste the regulation of which under the Solid Waste Disposal Act has been suspended by Act of Congress), (D) any toxic pollutant listed under section 307(a) of this Act, and (E) any imminently hazardous chemical substance or mixture with respect to which the Administrator has taken action pursuant to section 7 of the Toxic Substances Control Act.".

(b) CONFORMING AMENDMENT.—Section 404(s)(4) is repealed. Paragraph (5) of section 404(s) (and any references thereto) is redesignated as paragraph (4).

SEC. 29. CIVIL PENALTIES.

(a) INCREASE IN PENALTY.—Section 309(d) is amended by striking out "$10,000" and inserting in lieu thereof "$25,000".

(b) INCREASED PENALTIES NOT REQUIRED UNDER STATES PROGRAMS.—The Federal Water Pollution Control Act shall not be construed as requiring a State to have a civil penalty for violations described in such section 309(d) which has the same monetary amount as the civil penalty established by such section, as amended by subsection (a) of this section.

SEC. 30. ADMINISTRATIVE PENALTIES.

(a) IN GENERAL.—Section 309 is amended by adding at the end thereof the following:

"(g) ADMINISTRATIVE PENALTIES.—

"(1) IN GENERAL.—Whenever on the basis of any information available to him or her—

"(A) the Administrator finds that any person is in violation of section 301 (except as it relates to section 404 of this Act), 302, 306, 307, 318, or 405 of this Act, or is in violation of any permit condition or limitation implementing any of such sections in a permit issued under section 402 of this Act by the Administrator or by a State, or

"(B) the Secretary of the Army, acting through the Chief of Engineers (hereinafter in this subsection referred to as the 'Secretary') finds that any person is in violation of section 301 of this Act (as it relates to section 404 of this Act) or is in violation of any permit condition or limitation implementing any of such sections in a permit issued under section 404 of this Act by the Secretary or by a State,

the Administrator or Secretary, as the case may be, may, after consultation with the State in which the violation occurs, assess a civil penalty of not more than $10,000 per day of violation, except that such penalty shall not exceed a total of $125,000. The Administrator or the Secretary may not assess a civil penalty under this subsection against any person with respect to a violation if the Administrator or Secretary, as the case may be, has assessed a civil penalty under this subsection against such person with respect to the same violation or a violation having substantially the same cause or arising out of substantially the same conditions.

"(2) ADMINISTRATIVE REQUIREMENTS.—

"(A) NOTICE AND OPPORTUNITY FOR HEARING.—A civil penalty shall be assessed under this subsection by the Administrator or Secretary, as the case may be, by an order made on the record after opportunity (provided in accordance with this subparagraph) for a hearing in accordance with section 554 of title 5, United States Code. Before issuing such an order, the Administrator or Secretary, as the case may be, shall—

"(i) give written notice to the person to be assessed a civil penalty under such order of the Administrator's or Secretary's proposal to issue such order and provide such person an opportunity to request, within 15 days of the date the notice is received by such person, such a hearing on the order; and

"(ii) provide public notice of and reasonable opportunity to comment on any proposed assessment.

"(B) NOTICE TO INTERESTED PERSONS.—Any person who comments on a proposed assessment shall be given notice of any hearing held under subparagraph (A) and any order assessing a penalty under this subsection. In any such hearing, such person shall have a reasonable opportunity to present evidence.

"(C) RIGHTS OF INTERESTED PERSONS TO A HEARING.—If no hearing is held before the issuance of an order assessing a penalty under this subsection, any person who commented on the proposed assessment may petition the Administrator or Secretary, as the case may be, to set aside such order and to provide a hearing on the penalty. The Administrator or Secretary shall set aside such order and provide such hearing in accordance with subparagraph (A) if the Administrator or Secretary determines that the evidence presented by the petitioner in support of the petition is material and was not considered in the issuance of the order. If the Administrator or Secretary denies a hearing under this subparagraph, the Administrator or Secretary shall provide to the petitioner, and publish in the Federal Register, notice of the reasons for such denial.

"(D) FACTORS TO CONSIDER IN DETERMINING AMOUNT OF PENALTY.—In determining the amount of a civil penalty, the Administrator or Secretary, as the case may be, shall take into account the nature, circumstances, extent, and gravity of the violation or violations and, with respect to the violator, ability to pay, effect on ability to continue to do business, any history of prior such violations, the degree of culpability, economic savings (if any) resulting from the violation, and such other matters as justice may require.

"(E) FINALITY OF ORDER.—An order issued under this subsection shall become final 30 days after its issuance unless a petition for judicial review is filed under paragraph (3) or a hearing is requested under subparagraph (C). If such a hearing is denied, such order shall become final 30 days after such denial.

"(3) RIGHT OF INTERESTED PERSON TO APPEAL.—Any person who requested in accordance with paragraph (2)(A) or (2)(C) a hearing respecting the assessment of a civil penalty and who is aggrieved by an order assessing a civil penalty may file a petition for judicial review of such order with the United States Court of Appeals for the District of Columbia Circuit or for any other circuit in which such person resides or transacts business. Such a petition may only be filed within the 30-day period beginning on the date the order making such assessment was issued.

"(4) RECOVERY OF UNPAID PENALTIES BY ATTORNEY GENERAL.—If any person fails to pay an assessment of a civil penalty—

"(A) after the order making the assessment has become a final order and if such person does not file a petition for judicial review of the order in accordance with paragraph (3), or

"(B) after a court in an action brought under paragraph (3) has entered a final judgment in favor of the Administrator or Secretary, as the case may be,

the Attorney General shall recover the amount assessed (plus interest at currently prevailing rates from the date of the expiration of the 30-day period referred to in paragraph (3) or the date of such final judgment, as the case may be) in an action brought in any appropriate district court of the United States. In such an action, the validity, amount, and appropriateness of such penalty shall not be subject to review. Any person who fails to pay on a timely basis the amount of an assessment of a civil penalty as described in the first sentence of this paragraph shall be required to pay, in addition to such amount and interest, attorneys fees and costs for collection proceedings and a quarterly nonpayment penalty for each quarter during which such failure to pay persists. Such nonpayment penalty shall be in an amount equal to 20 percent of the aggregate amount of such person's penalties and nonpayment penalties which are unpaid as of the beginning of such quarter.

"(5) SUBPOENAS.—The Administrator or Secretary, as the case may be, shall have the authority to issue subpoenas in connection with hearings under paragraph (2) of this subsection and may request the Attorney General to bring an action to enforce any subpoena under this subsection. The district courts shall have jurisdiction to enforce such subpoenas and impose sanctions.

"(6) EFFECT ON AUTHORITY OF ADMINISTRATOR.—Action taken by the Administrator or Secretary, as the case may be, pursuant to this subsection shall not affect or limit the Administrator's or Secretary's authority to enforce any provision of this Act, except that any violation with respect to which a civil penalty has been paid under this subsection shall not be subject to a civil penalty under section 309(d) or section 311(b) of this Act.

"(7) EFFECT OF STATE ENFORCEMENT ACTION.—When a State has proceeded with an enforcement action relating to a violation with respect to which the Administrator or Secretary is authorized to assess a civil penalty under this subsection, the Administrator or Secretary, as the case may be, are not authorized to take any action under this subsection if the State demonstrates that the State imposed penalty is appropriate.

"(8) EFFECT OF ADMINISTRATOR'S ACTION ON COMPLIANCE.—No action by the Administrator under this subsection shall affect any person's obligation to comply with any section of this Act or with the terms and conditions of any permit issued pursuant to section 402 or 404 of this Act.".

(b) CITIZEN SUITS.—Section 505(b)(1) is amended by striking out the period at the end of subparagraph (B) and inserting ", or" and by adding at the end the following:

"(C) if the Administrator or State has commenced and is diligently pursuing the assessment of a civil penalty for the alleged violation under section 309(g) of this Act or under a comparable State law, as the case may be.".

SEC. 31. RELATIONSHIP TO OTHER LAWS.

Section 311(r) is amended by adding at the end thereof the following: "Discharges from a deepwater port or from a vessel within a deepwater port safety zone which are subject to section 18 of the Deepwater Port Act of 1974 (33 U.S.C. 1517) shall not be subject to the liability and penalty provisions of this section.".

SEC. 32. MARINE SANITATION DEVICES.

Section 312(f)(1) of the Federal Water Pollution Control Act is amended by striking out "After" and inserting in lieu thereof "(A) Except as provided in subparagraph (B), after" and by adding at the end thereof the following:

"(B) A State may adopt or enforce a statute or regulation with respect to the design, manufacture, or installation or use of any marine sanitation device on a houseboat, if such statute or regulation is more stringent than the standards and regulations promulgated under this section. For purposes of this paragraph, the term 'houseboat' means a vessel which, for a period of time determined by the State in which the vessel is located, is used primarily as a residence and is not used primarily as a means of transportation.".

SEC. 33. CLEAN LAKES.

(a) APPLICATION OF PROGRAM TO SALINE LAKES.—Section 314(a)(1) is amended by striking out "fresh water".

(b) NONPOINT SOURCE GRANT PROGRAM; ANNUAL REPORT.—Section 314 is amended by adding at the end thereof the following new subsections:

"(d) PRIORITY PROJECTS FOR CONTROL OF NONPOINT SOURCES.—

"(1) GRANT PROGRAM.—The Administrator shall make grants to States for priority projects for control of nonpoint sources of pollution which are contributing to the degradation of water quality in lakes. The Administrator shall provide an equitable distribution of such sums to the States.

"(2) FEDERAL SHARE.—The amount granted to a State for a project under this subsection shall not exceed 70 per centum of the cost of such project.

"(3) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection not to exceed $50,000,000 per fiscal year for each of the fiscal years ending September 30, 1986, September 30, 1987, September 30, 1988, September 30, 1989, and September 30, 1990. Sums appropriated shall remain available until expended.

"(e) ACIDITY MITIGATION PROGRAM.—

"(1) STATE SURVEYS AND PLANS.—Any State may prepare, and submit to the Administrator for his approval—

"(A) a survey of surface waters in such State in which water quality has deteriorated as a result of high acidity that may reasonably be due to acid deposition or acid mine drainage, and

"(B) methods and procedures that may be applied to mitigate the harmful effects of such acidity on such waters.

"(2) DESCRIPTION OF CERTAIN ELIGIBLE METHODS.—Methods which the Secretary may approve under this subsection may include, but are not limited to—

"(A) innovative methods of neutralizing and restoring buffering capacity of surface water, such as through the use of alkaline substances, that have become so acidic as to endanger game fish species, and

"(B) methods of removing from surface water toxic metals and other toxic substances mobilized by high acidity.

"(3) GRANTS.—The Administrator, in consultation with the Secretary of the Interior, shall make grants to States to carry out methods and procedures approved by the Administrator under this subsection.

"(4) FEDERAL SHARE.—The amount granted under this subsection to any State for any fiscal year shall not exceed 80 percent of the funds expended by such State in such year for carrying out approved methods and procedures under this subsection.

"(5) DISTRIBUTION OF FUNDS.—The Administrator shall provide for an equitable distribution of sums appropriated under this subsection among States with approved methods and procedures. Such distribution shall be based on the relative need of each such State for the mitigation of the harmful effects on surface waters of high acidity that may reasonably be due to acid deposition or acid mine drainage. The amount of any grant to a State under this subsection shall be in addition to, and not in lieu of, any other Federal financial assistance.

"(6) MONITORING AND ANNUAL REPORTS.—The Administrator and the Secretary of the Interior shall monitor and assess the effectiveness of the methods and procedures utilized by the States under this subsection and shall submit a report on such monitoring and assessment annually to the Committee on Public Works and Transportation of the House of Representatives and the Committee on Environmental and Public Works of the Senate.

"(7) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $25,000,000 per fiscal year for each of the fiscal years ending September 30, 1986, September 30, 1987, September 30, 1988, September 30, 1989, and September 30, 1990. Amounts appropriated under this subsection shall remain available until expended.".

"(f) ANNUAL WATER QUALITY REPORT.—The Administrator shall submit annually to the Committee on Public Works and Transportation of the House of Representatives and the Committee on Environment and Public Works of the Senate a report on the status and trend of water quality in lakes in the United States, including but not limited to, the nature and extent of pollution loading from point and nonpoint sources and the extent to which the use of lakes is impaired as a result of such pollution, particularly with respect to toxic pollution.".

(c) CONFORMING AMENDMENTS.—Section 314 is amended—

(1) in subsection (b), by striking out "this section" the first place it appears and inserting in lieu thereof "subsection (a) of this section";

(2) in subsection (c)(1), by striking out "this section" the first place it appears and inserting in lieu thereof "subsection (b) of this section" and by striking out "this section" the second place it appears and inserting in lieu thereof "subsection (a) of this section"; and

(3) in subsection (c)(2), by striking out "this section" the first place it appears and inserting in lieu thereof "subsection (b) of this section" and by striking out "this section" the second place it appears and inserting in lieu thereof "subsection (a) of this section".

(d) CLEAN LAKES PROJECTS.—

(1) LAKE HOUSTON, TEXAS.—

(A) STUDY; CONTROL MEASURES.—The Administrator shall, in cooperation with the State of Texas, study water quality problems in Lake Houston, Houston, Texas, and undertake such control measures as the Administrator and State determine are necessary to improve water quality. Such study shall include, but not be limited to, the evaluation of the feasibility of regional or consolidated waste treatment facilities and the development of recommendations for the cost-effective control of pollutants entering the Lake Houston watershed.

(B) REPORT.—The Administrator shall submit a report on the results of such study and identify such structural or nonstructural controls which were undertaken or are proposed, along with recommendations for further measures, to improve the water quality of Lake Houston, to the Committee on Public Works and Transportation of the House of Representatives and the Committee on Environment and Public Works of the Senate not later than one year after the date of the enactment of this Act.

(C) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for fiscal years beginning after September 30, 1985, $10,000,000 to carry out this paragraph, to remain available until expended.

(2) BEAVER LAKE, ARKANSAS.—

(A) STUDY.—The Administrator, in cooperation with the Secretary of the Army, acting through the Chief of Engineers, and in consultation with appropriate State and local agencies, shall conduct a one-year comprehensive study of the Beaver Lake, Arkansas, to identify measures which will optimize achievement of the purposes for which Beaver Dam was constructed while preserving and enhancing the quality of the reservoir's water.

(B) DEMONSTRATION PROJECT.—Upon completion of the study, the Administrator shall undertake a demonstration project at Beaver Lake to determine the effectiveness of measures identified in such study for preserving and enhancing the quality of the reservoir's water for current and future users.

(C) REPORT.—Upon completion of the demonstration project, the Administrator shall submit a report of such study and project, along with recommendations for further measures to improve the water quality of Beaver Lake, to the Committee on Public Works and Transportation of the House of Representatives and the Committee on Environment and Public Works of the Senate.

(D) AVAILABILITY OF FUNDS.—Funds appropriated under subsections (c), (d), and (e) of section 314 of the Federal Water Pollution Control Act and under section 36 of this Act, relating to maintenance of water quality in estuaries, shall be available to carry out this paragraph.

(3) GREENWOOD LAKE AND BELCHER CREEK, NEW JERSEY.—

(A) DEMONSTRATION PROJECT.—The Administrator shall undertake a demonstration project for the removal of silt, stumps, and other obstructions from Greenwood Lake and Belcher Creek, New Jersey.

(B) REPORT.—Upon completion of the demonstration project, the Administrator shall submit a report on such project, along with recommendations for further measures to improve the water quality of Greenwood Lake and Belcher Creek, to the Committee on Public Works and Transportation of the House of Representatives and the Committee on Environment and Public Works of the Senate.

(C) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $10,000,000 to carry out this paragraph.

(4) DEAL LAKE, NEW JERSEY.—

(A) DEMONSTRATION PROJECT.—The Administrator shall undertake a demonstration project for the removal of silt and stumps from, and the control of pollution from nonpoint sources in, Deal Lake, Monmouth County, New Jersey.

(B) REPORT.—Upon completion of the demonstration project, the Administrator shall submit a report on such project, along with recommendations for further measures to improve the water quality of Deal Lake, to the Committee on Public Works and Transportation of the House of Representatives and the Committee on Environment and Public Works of the Senate.

(C) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $8,000,000 to carry out this paragraph.

(5) ALCYON LAKE, NEW JERSEY.—

(A) DEMONSTRATION PROJECT.—The Administrator shall undertake a demonstration project for the restoration of Alcyon Lake, New Jersey, including removal and disposal of contaminated sediments in the lake.

(B) REPORT.—Upon completion of the demonstration project, the Administrator shall submit a report on such project, along with recommendations of further measures to improve the water quality of Alcyon Lake, to the Committee on Public Works and Transportation of the House of Representatives and the Committee on Environment and Public Works of the Senate.

(C) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $3,500,000 to carry out this paragraph.

(6) SAUK LAKE, MINNESOTA.—

(A) DEMONSTRATION PROJECT.—The Administrator shall undertake a demonstration project for the removal of silt and aquatic growth from Sauk Lake and its tributary

streams in the vicinity of Sauk Centre, Stearns County, Minnesota.

(B) REPORT.—Upon completion of the demonstration project, the Administrator shall submit a report on such project, along with recommendations of further measures to improve the water quality of Sauk Lake, to the Committee on Public Works and Transportation of the House of Representatives and the Committee on Environment and Public Works of the Senate.

(C) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $2,000,000 to carry out this paragraph.

(7) LAKE WORTH, TEXAS.—

(A) DEMONSTRATION PROJECT.—The Administrator shall undertake a demonstration project to remove silt and aquatic growth from Lake Worth, Tarrant County, Texas, including constructing silt traps and providing other devices or equipment to prevent and abate the further deposit of sediment in Lake Worth. Such project shall also provide for the use of dredged material in the reclamation of despoiled land. The Administrator may take such other actions as may be necessary to carry out such project.

(B) REPORT.—Upon completion of the demonstration project, the Administrator shall submit a report on such project, along with recommendations of further measures to improve the water quality of Lake Worth, to the Committee on Public Works and Transportation of the House of Representatives and the Committee on Environment and Public Works of the Senate.

(C) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $1,750,000 to carry out this paragraph.

SEC. 34. NPDES PERMITS.

(a) PERMIT REQUIREMENTS.—

(1) TERMS.—Section 402(b)(1)(B) is amended to read as follows:

"(B) are for fixed terms not exceeding five years, or for a fixed term not exceeding ten years in any case in which the State determines (in accordance with regulations established by the Administrator) that the applicant has consistently complied with any permit held by such applicant under this section and that—

"(i) pollutants described in subparagraphs (C), (D), and (F) (except for any pollutant for which a modification is authorized under section 301(g) of this Act) of section 301(b)(2) are not detectable in the effluent to which the permit will apply; or

"(ii) such pollutants are present in such effluent only in trace amounts and are neither causing nor are likely to cause toxic effects, alone or in combination with pollutants from other sources;".

(2) COMPLIANCE WITH NEW TOXIC LIMITATIONS AND WATER QUALITY STANDARDS.—Section 402(b)(1) is amended by redesignating subparagraph (D) as subparagraph (F) and by inserting after subparagraph (C) the following:

"(D) in the case of any permit issued for a fixed term exceeding five years, must be modified promptly to ensure compliance with any new or revised effluent limitation under section 307(a) of this Act or any new or revised requirement pursuant to a standard under section 303 of this Act which limitation or requirement is more stringent than the existing effluent limitation or requirement in the permit or which controls a pollutant not controlled in the permit;

"(E) in the case of any permit issued for a fixed term exceeding 5 years, can be modified to ensure compliance with—

"(i) any new or revised effluent limitation under section 301, 302, or 304 of this Act,

"(ii) any new or revised pretreatment standard under section 307(b) of this Act,

"(iii) any new or revised guideline under section 403 of this Act, or

"(iv) any new or revised regulation governing the disposal of sewage sludge under section 405 of this Act,

which limitation, standard, guideline, or regulation is more stringent than the existing effluent limitation, pretreatment standard, guideline, or regulation in the permit or which controls a pollutant not controlled in the permit; and".

(b) EXEMPTION FROM PERMIT OF CERTAIN STORMWATER RUNOFF.—

(1) IN GENERAL.—Section 402(l) is amended by inserting "(1)" after "(l)" and by adding at the end thereof the following:

"(2) The Administrator shall not require a permit under this section, nor shall the Administrator directly or indirectly require any State to require such a permit, for discharges of stormwater runoff from mining operations or oil or gas exploration, production, processing, or treatment operations or transmission facilities, composed entirely of flows which are from conveyances or systems of conveyances (including but not limited to pipes, conduits, ditches, and channels) used for collecting and conveying precipitation runoff and which do not come into contact with any overburden, raw material, intermediate product, finished product, by-product, or waste product located on the site of such operations. Any person discharging stormwater runoff not described in the preceding sentence from mining operations or oil or gas exploration, production, processing, or treatment operations or transmission facilities shall monitor the quality of water in such flows and shall report not less often than annually to the Administrator, or at such intervals as the Administrator or the State deems appropriate.

"(3)(A) The Administrator shall not require a permit under this section, nor shall the Administrator directly or indirectly require any State to require such a permit for discharges composed entirely of stormwater runoff unless the Administrator determines, in the case of a class or category of such discharges, that such class or category may be a significant contributor of pollutants to the navigable waters or, in the case of a particular discharge, that such discharge violates a water quality standard or is a significant contributor of pollutants to the navigable waters.

"(B) This paragraph shall not apply to discharges referred to in paragraph (2) of this subsection, agricultural stormwater discharges, or to discharges from municipal separate storm sewers. A permit issued under this section may cover one or more than one municipal separate storm sewer.

"(C) Not later than one year after the date of the enactment of this paragraph, the Administrator shall promulgate interim final regulations identifying the classes and categories of industrial discharges for which permits are required in accordance with subparagraph (A), As soon as possible, but not later than six months, after completion of the study required by section 26(b)(2) of the Water Quality Renewal Act of 1985 (relating to NPDES permits), the Administrator shall issue such final regulations as necessary to take into account the results of such study.

"(D) Nothing in this paragraph shall effect any permit for a stormwater discharge in effect on the date of the enactment of this paragraph.

"(E) This paragraph shall apply during the period beginning on the date of the enactment of this paragraph and ending on December 31, 1989.".

(2) STUDY.—The Administrator shall study methods of regulating stormwater discharges. Such study shall include, but need not be limited to—

(A) an identification of the classes and categories of dischargers which have not been required to obtain permits under section 402(1)(3) of the Federal Water Pollution Control Act;

(B) a determination of the nature and extent of pollutants in the discharge of such dischargers; and

(C) a determination of procedures and methods to control such pollutants.

Not later than December 31, 1987, the Administrator shall submit to Congress a report on the results of such study along with recommendations on the most effective methods of regulating stormwater discharges.

(c) ADDITIONAL PRETREATMENT OF CONVENTIONAL POLLUTANTS NOT REQUIRED.—Section 402 is amended by adding at the end thereof the following new subsection:

"(m) ADDITIONAL PRETREATMENT OF CONVENTIONAL POLLUTANTS NOT REQUIRED.—To the extent a treatment works (as defined in section 212 of this Act) which is publicly owned is not meeting the requirements of a permit issued under this section for such treatment works as a result of inadequate design or operation of such treatment works, the Administrator, in issuing a permit under this section, shall not require pretreatment by a person introducing conventional pollutants identified pursuant to section 304(a)(4) of this Act into such treatment works other than pretreatment required to assure compliance with pretreatment standards under subsection (b)(8) of this section and section 307(b)(1) of this Act. Nothing in this subsection shall affect the Administrator's authority under sections 307 and 309 of this Act, affect State and local authority under sections 307(b)(4) and 510 of this Act, relieve such treatment works of its obligations to meet requirements established under this Act, or otherwise preclude such works from pursuing whatever feasible options are available to meet its responsibility to comply with its permit under this section.".

(d) PARTIAL PERMIT PROGRAM.—Section 402 is amended by adding at the end the following:

"(n) PARTIAL PERMIT PROGRAM.—

"(1) STATE SUBMISSION.—The Governor of a State may submit under subsection (b) of this section a permit program for a portion of the discharges into the navigable waters in such State.

"(2) MINIMUM COVERAGE.—A partial permit program under this subsection shall cover at a minimum administration of a major category of the discharges into the navigable waters of the State or a major component of the permit program required by subsection (b).

"(3) APPROVAL OF PARTIAL PERMIT PROGRAM.—The Administrator may approve a partial permit program covering administration of a major category of discharges under this subsection if—

"(A) such program represents a complete permit program and covers all of the discharges under the jurisdiction of a department or agency of the State; and

"(B) the Administrator determines that the partial program represents a significant and identifiable part of the State program required by subsection (b).

"(4) APPROVAL OF PARTIAL AND PHASED PERMIT PROGRAM.—The Administrator may approve under this subsection a partial and phased permit program covering administration of a major component (including discharge categories) of a State permit program required by subsection (b) if—

"(A) the Administrator determines that the partial program represents a significant and identifiable part of the State program required by subsection (b); and

"(B) the State submits, and the Administrator approves, a plan for the State to assume administration by phases of the remainder of the State program required by subsection (b) by a specified date not more than five years after submission of the partial program under this subsection and agrees to make all reasonable efforts to assume such administration by such date.".

(e) RETURN OF STATE PERMIT PROGRAM TO ADMINISTRATOR.—

(1) IN GENERAL.—Section 402(c) is amended by adding at the end thereof the following new paragraph:

"(4) A State may return administration of its permit program to the Administrator, and the Administrator may withdraw approval of a State permit program under paragraph (3) of this subsection—

"(A) in the case of any approval under subsection (n)(3), the entire permit program being administered by the State department or agency at the time of such return or withdrawal, as the case may be; or

"(B) in the case of any approval under subsection (n)(4), any phased component of the permit program approved at the time of such return or withdrawal, as the case may be.".

(2) TECHNICAL AMENDMENT.—Section 402(c)(1) is amended by striking out "as to those navigable waters" and inserting in lieu thereof "as to those discharges".

(f) LOG TRANSFER FACILITIES.—Section 402 is amended by adding at the end thereof the following new subsection:

(o) LOG TRANSFER FACILITIES.—

(1) GENERAL RULE.—A log transfer facility which is required (but for this subsection) to have a permit under both this section and section 404 and with respect to which a permit under section 404 has been issued shall not be required to submit a new application for a permit under section 402.

(2) DETERMINATION OF COMPLIANCE WITH 402 REQUIREMENTS.—The Administrator shall determine, after notice and an opportunity for a public hearing, whether a permit under section 404 with respect to a log transfer facility satisfies the applicable requirements of section 301, 302, 306, 307, 308, and 403 of this Act. If the Administrator determines that the terms of such permit satisfy such requirements, a separate application for a permit under this section shall not be required. If the Administrator determines that such terms fail to satisfy such requirements, the Administrator may propose to the Secretary of the Army modifications to such permit to incorporate such requirements. If such permit is not modified or issued to incorporate such requirements, the Administrator shall require issuance of a permit under this section for such facility.

"(3) DEFINITION.—For purposes of this subsection, the term 'log transfer facility' means a facility which is constructed, in whole or part, in waters of the United States and which is utilized for the purpose of transferring commercially harvested logs to or from a vessel or log raft.".

(g) ANTI-BACKSLIDING.—

(1) IN GENERAL.—Section 402 is amended by adding at the end thereof the following new subsection:

"(p) ANTI-BACKSLIDING.—

"(1) GENERAL PROHIBITION FOR BPJ AND WATER QUALITY BASED PERMITS.—Except as provided in paragraph (2)—

"(A) a permit issued under subsection (a)(1)(B) of this section which contains an effluent limitation applicable to a pollutant, and

"(B) a permit issued under this section which contains an effluent limitation applicable to a pollutant and established on the basis of section 301(b)(1)(C) or 303(d),

may not be renewed, reissued, or modified to contain a less stringent effluent limitation applicable to such pollutant.

"(2) EXCEPTION.—A permit described in paragraph (1) may be renewed, reissued, or modified to contain a less stringent effluent limitation applicable to a pollutant if—

"(A) material and substantial alterations or additions to the permitted facility or activity occurred after permit issuance which justify the application of a less stringent effluent limitation;

"(B) information is available which was not available at the time of permit issuance (other than revised regulations, guidance, or test methods) and which would have justified the applicaiton of a less stringent effluent application at the time of permit issuance;

"(C) good cause exists for a less stringent effluent limitation, such as an act of God, strike, flood, or materials shortage or other events over which the permittee has little or no control and for which there is no reasonably available remedy;

"(D) the permittee has filed a request for a variance under section 301(c), 301(g), 301(h), 301(i), 301(k), 301(n), or 316(a);

"(E) the permittee demonstrates that operation and maintenance costs of the permitted facility are totally disproportionate to the operation and maintenance costs considered in the development of effluent limitations promulgated after the issuance of the permit;

"(F) the Administrator determines that technical mistakes or mistaken interpretations of law were made in issuing the permit under subsection (a)(1)(B); or

"(G) the permittee has installed the equipment and facilities required to meet such effluent limitation and has properly operated and maintained such equipment and facilities and has not been able to achieve the effluent limitation.

"(3) LIMITATIONS.—In no event may a permit described in paragraph (1) be renewed, reissued, or modified to contain an effluent limitation which is less stringent than required by effluent guidelines in effect at the time the permit is renewed, reissued, or modified. In no event may a permit described in paragraph (1)(B) to discharge into waters be renewed, reissued, or modified to contain a less stringent effluent limitation if the implementation of such limitation would result in a violation of a water quality standard under section 303 applicable to such waters.

"(4) EFFECTIVE PERIOD.—This subsection shall be in effect during the period of two years and six months beginning on the date of the enactment of this subsection.".

(2) REPORT.—The Administrator shall study the extent to which States have reviewed, revised, and adopted water quality standards in accordance with section 24 of the Municipal Wastewater Treatment Construction Grant Amendments of 1981 and the extent to which modifications of permits issued under section 402(a)(1)(B) of the Federal Water Pollution Control Act to permit less stringent effluent limitations should be allowed. The Administrator shall submit a report of such study, together with recommendations to Congress not later than two years after the date of the enactment of this Act.

(3) CONFORMING AMENDMENT.—Section 402(a)(1) is amended by inserting "(A)" after "either " and by inserting "(B)" after "this act, or".

SEC. 35. AUDITS.

Section 501(d) is amended by inserting at the end thereof the following new sentences: "For the purpose of carrying out audits and examinations with respect to recipients of Federal assistance under this Act, the Administrator is authorized to enter into noncompetitive procurement contracts with State audit organizations. Such contracts may only be entered into to the extent and in such amounts as may be provided in advance in appropriation Acts.".

SEC. 36. COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS.

(a) DEFINED AS A STATE.—Section 502(3) is amended by inserting "the Commonwealth of the Northern Mariana Islands," after "Samoa,".

(b) DEFINED AS PART OF UNITED STATES.—Section 311(a)(5) is amended by striking out "the Canal Zone," and inserting in lieu thereof "the Commonwealth of the Northern Mariana Islands,".

SEC. 37. AGRICULTURAL STORMWATER DISCHARGES.

Section 502(14) (relating to the definition of point source) is amended by inserting after "does not include" the following: "agricultural stormwater discharges and".

SEC. 38. CITIZEN SUITS.

Section 505(c) is amended by adding at the end thereof the following new paragraph:

"(3) Whenever any action is brought under this section in a court of the United States, the plaintiff shall serve a copy of the complaint on the Attorney General and the Administrator. No consent judgment shall be entered in an action in which the United States is not a party prior to forty-five days following the receipt of a copy of the proposed consent judgment by the Attorney General and the Administrator. No judgment in any action to which the United States is not a party shall have any binding effect upon the United States.".

SEC. 39. REPORTS TO CONGRESS.

Section 516 is amended by adding at the end thereof the following new subsections:

"(f) DAM DISCHARGE STUDY.—The Administrator, in cooperation with interested States and Federal agencies, shall study and monitor the effects on the quality of navigable waters attributable to the impoundment and discharge of water by dams. The results of such study, together with any recommendations for the control of such impoundment and discharge, shall be submitted to Congress not later than December 31, 1986.

"(g) STATE REVOLVING FUND REPORT.—

"(1) IN GENERAL.—Not later than February 10, 1990, the Administrator shall submit to Congress a report on the financial status and operations of Water Pollution Control Revolving Funds established by the States under section 220 of this Act. The Administrator shall prepare such report in cooperation with the States, including water pollution control agencies and other water pollution control planning and financing agencies.

"(2) CONTENTS.—The report under this subsection shall also include the following:

"(A) an inventory of the facilities that are in significant noncompliance with the enforceable requirements of this Act;

"(B) an estimate of the cost of construction necessary to bring such facilities into compliance with such requirements;

"(C) an assessment of the availability of sources of funds for financing such needed construction, including an estimate of the amount of funds available for providing assistance for such construction through September 30, 1999, from the Water Pollution Control Revolving Funds established by the States under section 220 of this Act;

"(D) an assessment of the operations, loan portfolio, and loan conditions of such Funds;

"(E) an assessment of the effect on user charges of the assistance provided by such Funds compared to the assistance provided with funds appropriated pursuant to section 207 of this Act; and

"(F) an assessment of the efficiency of the operation and maintenance of treatment works constructed with assistance provided by such Funds compared to the efficiency of the operation and maintenance of treatment works constructed with assistance provided under section 201 of this Act.".

SEC. 40. INDIAN TRIBES.

Title V is amended by redesignating section 518, and any references thereto, as section 519 and by inserting after section 517 the following:

"SEC. 518. INDIAN TRIBES.

"(a) ASSESSMENT OF SEWAGE TREATMENT NEEDS; REPORT.—The Administrator, in cooperation with the Director of the Indian Health Service, shall assess the need for sewage treatment works to serve Indian tribes, the degree to which such needs will be met through funds allotted to States under section 205 of this Act and priority lists under section 216 of this Act, and any obstacles which prevent such needs from being met. Not later than one year after the date of the enactment of this section, the Administrator shall submit a report to Congress on the assessment under this subsection, along with recommendations specifying (1) how the Administrator intends to provide assistance to Indian tribes to develop waste treatment management plans and to construct treatment works under this Act, and (2) methods by which the participation in and administration of programs under this Act by Indian tribes can be maximized.

"(b) RESERVATION OF FUNDS.—The Administrator shall reserve each fiscal year beginning after September 30, 1986, before allotments to the States under section 205(e), such amount as the Administrator determines appropriate based on the determination of unmet needs reported under subsection (a), but not less than one-half of one percent of the sums appropriated under section 207. Sums reserved under this subsection shall be available only for grants for the development of waste treatment management plans and for the construction of sewage treatment works to serve Indian tribes.

"(c) COOPERATIVE AGREEMENTS.—In order to ensure the consistent implementation of the requirements of this Act, an Indian tribe and the State or States in which the lands of such tribe are located may enter into a cooperative agreement, subject to the review and approval of the Administrator, to jointly plan and administer the requirements of this Act.

"(d) TREATMENT AS STATES.—The Administrator is authorized to treat an Indian tribe as a State for purposes of title II and sections 104, 106, 303, 305, 308, 309, 314, 319, 402, and 404 of this Act to the degree necessary to carry out the objectives of this section, but only if—

"(1) the Indian tribe has a governing body carrying out substantial governmental duties and powers;

"(2) the functions to be exercised by the Indian tribe pertain to the management and protection of water resources which are held by an Indian tribe, held by the United States in trust for Indians, held by a member of an Indian tribe if such property interest is subject to a trust restriction on alienation, or otherwise within the borders of an Indian reservation; and

"(3) the Indian tribe is reasonably expected to be capable, in the Administrator's judgment, of carrying out the functions to be exercised in a manner consistent with the terms and purposes of this Act and of all applicable regulations. Such treatment as a State may include the direct provision of funds reserved under subsection (b) to the governing bodies of Indian tribes, and the determination of priorities by Indian tribes, where not determined by the Administrator in cooperation with the Director of the Indian Health Service. The Administrator, in cooperation with the Director of the Indian Health Service, is authorized to make grants under title II of this Act in an amount not to exceed 100 percent of the cost of a project. Not later than 18 months after the date of the enactment of this section, the Administrator shall, in consultation with Indian tribes, promulgate final regulations which specify how Indian tribes shall be treated as States for purposes of this Act. The Administrator shall, in promulgating such regulations, provide a mechansim for the resolution of any unreasonable consequences that may arise as a result of differing water quality standards that may be set by States and Indian Tribes located on common bodies of water. Such mechanism should provide for the avoidance of such unreasonable consequences in a manner consistent with the objective of the Act.

"(e) GRANTS FOR NONPOINT SOURCE PROGRAMS.—The Administrator shall make grants to an Indian tribe under section 319 of this Act as though such tribes were a State. Not more than one-third of one percent of the amount appropriated for any fiscal year under section 319 may be used to make grants under this subsection. In addition to the requirements of section 319, an Indian tribe shall be required to meet the requirements of paragraphs (1), (2), and (3) of subsection (d) of this section in order to receive such a grant.

"(f) DEFINITIONS.—For purposes of this section, the term—

"(1) 'Federal Indian reservation' means all land within the limits of any Indian reservation under the jurisdicition of the United States Government, notwithstanding the issuance of any patent, and including rights-of-way running through the reservation; and

"(2) 'Indian tribe' means any Indian tribe, band, group, or community recognized by the Secretary of the Interior and exercising governmental authority over a Federal Indian reservation.".

SEC. 41. DEFINITION OF POINT SOURCE.

For purposes of the Federal Water Pollution Control Act, the term "point source" includes a landfill leachate collection system.

SEC. 42. CHESAPEAKE AND NARRAGANSETT BAYS.

(a) CHESAPEAKE BAY PROGRAM.—

(1) OFFICE.—The Administrator shall continue the Chesapeake Bay program and shall establish and maintain in the Environmental Protection Agency an office, division, or branch of Chesapeake Bay Programs to—

(A) collect and make available, through publications and other appropriate means, information pertaining to the environmental quality of the Chesapeake Bay (hereinafter in this subsection referred to as the "Bay");

(B) coordinate Federal and State efforts to improve the water quality of the Bay;

(C) determine the impact of sediment deposition in the Bay and identify the sources, rates, routes, and distribution patterns of such sediment deposition; and

(D) determine the impact of natural and man-induced environmental changes on the living resources of the Bay and the relationships among such changes, with particular emphasis placed on the impact of pollutant loadings of nutrients, chlorine, acid precipitation, dissolved oxygen, and toxic pollutants, including organic chemicals and heavy metals, and with special attention given to the impact of such changes on striped bass.

(2) INTERSTATE DEVELOPMENT PLAN GRANTS.—The Administrator shall, at the request of the Governor of a State affected by the interstate management plan developed pursuant to the Chesapeake Bay program (hereinafter in this subsection referred to as the "plan"), make a grant for the purpose of implementing the management mechanisms contained in the plan if such State has, within one year after the date of the enactment of this section, approved and committed to implement all or substantially all aspects of the plan. Such grants shall be made subject to such terms and conditions as the Administrator considers appropriate.

(3) SUBMISSION OF PROPOSAL.—A State or combination of States may elect to avail itself of the benefits of paragraph (2) by submitting to the Administrator a proposal including the estimated cost of the abatement actions proposed to be taken during the next fiscal year. If the Administrator finds that such proposal is consistent with the national policies set forth in section 101(a) of the Federal Water Pollution Control Act and will contribute to the achievement of the national goals set forth in such section, he shall approve such proposal and shall finance the costs of implementing segments of such proposal.

(4) FEDERAL SHARE.—Grants under paragraph (2) shall not exceed 50 percent of the costs of implementing the proposed plan in any fiscal year and shall be made on condition that non-Federal sources provide the remainder of the cost of implementing the proposed plan during such fiscal year.

(5) ADMINISTRATIVE COSTS.—Administrative costs in the form of salaries, overhead, or indirect costs for services provided and charged against programs or projects supported by funds made available under paragraph (2) shall not exceed in any one fiscal year 10 percent of the annual grant made to a State under such paragraph.

(5) REPORTS.—Any State or combination of States that receives a grant under paragraph (2) shall, within 18 months after the date of receipt of such grant and biennially thereafter, report to the Administrator on the progress made in implementing the interstate management plan developed pursuant to the Chesapeake Bay program. The Administrator shall transmit each such report along with the comments of the Administrator on such report to Congress.

(b) NARRAGANSETT BAY PROGRAM.—

(1) GRANTS.—The Administrator shall, at the request of the Governor of an affected State and after consultation with the Administrator of the National Oceanic and Atmospheric Administration and other appropriate Federal and State agencies and interested persons, make a grant for purposes of assessing the principal factors having an adverse effect on the environmental quality of the Narragansett Bay (hereinafter in this subsection referred to as the "Bay"), a perceived by both scientists and users, in conjunction with developing and implementing a management program to improve the Bay's water quality. Payments for such purposes may be made to the States as hereinafter provided, subject to such terms and conditions as the Administrator considers appropriate.

(2) FEDERAL SHARE.—Grants under this paragraph shall not exceed 50 percent of the costs of implementing the plan in any fiscal year and shall be made on condition that non-Federal sources provide the remainder of the cost of implementing the plan during such fiscal year.

(3) APPROVAL OF APPLICATIONS.—A State may elect to avail itself of the benefits of this subsection by submitting to the Administrator a full and complete description of the program it proposes to establish and administer under State law. The Administrator shall approve each such submitted program, within three months of receipt of such program, if the applicant demonstrates to the satisfaction of the Administrator that the applicant will—

(A) establish a committee of representatives from various units of Federal, State, and local governments, research and educational institutions, and groups and individuals concerned with problems of water quality in the Bay to provide advice on the design and implementation of a management program and to coordinate communication on issues affecting the Bay's water quality;

(B) review and coordinate Federal and State water pollution abatement efforts that will most efficiently address those principal factors having an adverse effect on the Bay's water quality;

(C) undertake, subsequent to an analysis of all environmental sampling data presently being collected on the Bay, methods for improving such data collection, particularly with respect to toxic pollutants;

(D) establish a continuing capacity for collecting, storing, analyzing, and disseminating such data;

(E) institute a sampling program where deficiencies are found to exist in present sampling programs; and

(F) develop and, as soon as practicable but not later than three years after the date of the enactment of this section, implement management practices and measures (including land use requirements) to reduce to the greatest extent feasible pollutant loadings in the Bay and to improve the Bay's water quality.

(4) STATE REPORTS.—Any State that avails itself of the benfits of this subsection shall, not later than two years after receipt of a Federal grant under this subsection and annually thereafter, report to the Administrator on progress made in implementing a management program to improve the water quality of the Bay.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are hereby authorized to be appropriated the following sums, to remain available until expended, to carry out the purposes of this section:

(1) $3,000,000 per fiscal year for each of the fiscal years ending September 30, 1986, September 30, 1987, September 30, 1988, and September 30, 1989 to carry out subsection (a)(1);

(2) $10,000,000 per fiscal year for each of the fiscal years ending September 30, 1986, September 30, 1987, September 30, 1988, and September 30, 1989, for grants to States under subsection (a)(2); and

(3) $1,500,000 per fiscal year for each of the fiscal years ending September 30, 1986, September 30, 1987, September 30, 1988, and September 30, 1989, to carry out subsection (b).

SEC. 43. NEW YORK AND NEW JERSEY HARBOR AREA.

(a) CLEARINGHOUSE, COORDINATION, AND STUDY FUNCTIONS.—The Administrator shall—

(1) collect and make available, through publications and other appropriate means, information pertaining to the environmental quality of the New York and New Jersey Harbor area (hereinafter in this subsection referred to at the "Harbor");

(2) coordinate Federal and State efforts to improve the water quality of the Harbor; and

(3) determine the impact of natural and man-induced environmental changes on the living resources of the Harbor and on adjacent coastal areas and the relationships among such changes, with particular emphasis placed on the impact of pollutant loadings of sewage, dissolved oxygen, and toxic pollutants, including organic chemicals and heavy metals.

(b) GRANTS FOR IMPLEMENTATION OF INTERSTATE MANAGEMENT PLAN.—The Administrator shall, at the request of the Governor of a State affected by any interstate management plan relating to the Harbor developed pursuant to section 33 of this Act (hereinafter in this subsection referred to as the "plan"), make a grant for the purpose of implementing the management mechanisms contained in the plan in accordance with such section.

(c) SUBMISSION OF PROPOSAL.—An affected State or combination of States may, in addition, submit to the Administrator a proposal including the estimated cost of the abatement actions proposed to be taken during the next fiscal year. If the Administrator finds that such proposal is consistent with the national policies set forth in section 101(a) of the Federal Water Pollution Control Act and will contribute to the achievement of the national goals set forth in such section, he shall approve such proposal and shall finance the costs of implementing segments of such proposal.

(d) FEDERAL SHARE OF GRANTS.—Grants under this section shall not exceed 50 percent of the costs of implementing the proposal in any fiscal year and shall be made on condition that non-Federal sources provide the remainder of the cost of implementing the proposal during such fiscal year.

(e) ADMINISTRATIVE COSTS.—Administrative costs in the form of salaries, overhead, or indirect costs for services provided and charged against programs or project supported by funds made available under this section shall not exceed in any one fiscal year 10 percent of the annual grant made to a State under this section.

(f) REPORTS.—Any State or combination of States that receives a grant under section 36 (relating to maintenance of water quality in estuaries) or this section shall, within 18 months after the date of receipt of such grant and biennially thereafter, report to the Administrator on the progress made in implementing the plan developed pursuant to such section 36 or this section. The Administrator shall transmit each such report along with the comments of the Administrator on such report to Congress.

(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $10,000,000 per fiscal year for each of the fiscal years ending September 30, 1986, September 30, 1987, September 30, 1988, and September 30, 1989, to carry out this section.

SEC. 44. SAN FRANCISCO BAY.

(a) INITIATION OF PROGRAM.—The Administrator shall initiate a San Francisco Bay program to—

(1) collect and make available, through publications and other appropriate means, information pertaining to the environmental quality of the San Francisco Bay (hereinafter in this section referred to as the "Bay");

(2) coordinate Federal, State and local efforts to improve the water quality of the Bay;

(3) establish a committee of representatives from various units of Federal, State, and local governments, research and education institutions, and groups and individuals concerned with problems of water quality in the Bay to provide advice on the development and implementation of such management program and to coordinate communication on issues affecting the Bay's water quality;

(4) determine the impact of natural and man-induced environmental changes on the living resources of the Bay and the relationships among such changes, with particular emphasis placed on the impact of pollutant loadings and toxic pollutants, including organic chemicals and heavy metals, and with special attention given to the impact of such changes on water quality and natural resources such as striped bass.

(5) develop a management plan that shall contain management practices and measures to reduce to the greatest extent feasible pollutant loadings in the Bay and to improve the Bay's water quality.

(b) GRANTS.—The Administrator shall, make a grant to the State of California for the purpose of implementing the management mechanisms contained in the management plan developed under subsection (a)(5), if such State has, within one year after the date of the enactment of this section, approved and committed to implement all or substantially all aspects of the plan. Such grants shall be made subject to such terms and conditions as the Administrator considers appropriate.

(c) SUBMISSION OF PROPOSAL.—The State of California may elect to avail itself of the benefits of this section by submitting to the Administrator a proposed plan including the estimated cost of the abatement actions proposed to be taken during the next fiscal year. If the Administrator finds that such proposal is consistent with the national policies set forth in section 101(a) of the Federal Water Pollution Control Act and will contribute to the achievement of the national goals set forth in such section, he shall approve such proposal and shall finance the costs of implementing segments of such proposal; except that Federal grants under this section shall not exceed 50 percent of the cost of implementing the proposed plan in any fiscal year and shall be made on condition that non-Federal sources provide the remainder of the cost of implementing the plan during such fiscal year.

(d) ADMINISTRATIVE COSTS.—Administrative costs in the form of salaries, overhead, or indirect costs for services provided and charged against programs of projects supported by funds made available under this section shall not exceed in any one fiscal year 10 percent of the annual Federal grant made under this section.

(e) REPORTS.—The State of California shall, within 18 months after the date of receipt of such grant and biennially thereafter, report to the Administrator on the progress made in implementing the interstate management plan developed pursuant to the San Francisco Bay program. The Administrator shall transmit each such report along with the comments of the Administrator on such report to Congress.

(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section, to remain available until expended, $3,000,000 per fiscal year for each of the fiscal years ending September 30, 1986, September 30, 1987, September 30, 1988, and September 30, 1989.

SEC. 45. MAINTENANCE OF WATER QUALITY IN ESTUARIES.

(a) PURPOSES AND POLICIES.—

(1) FINDINGS.—Congress finds and declares that:

(A) the Nation's estuaries are of great importance for fish and wildlife resources and recreation and economic opportunity;

(B) maintaining the health and ecological integrity of these estuaries is in the national interest;

(C) increasing coastal population, development, and other direct and indirect uses of these estuaries threaten their health and ecological integrity;

(D) long-term planning and management will contribute to the continued productivity of these areas, and will maximize their utility to the Nation; and

(E) better coordination among Federal and State programs affecting estuaries will increase the effectiveness and efficiency of the national effort to protect, preserve, and restore these areas.

(2) PURPOSES.—The purposes of this section are to—

(A) identify nationally significant estuaries that are threatened by pollution, development, or overuse;

(B) promote comprehensive planning for, and conservation and management of, nationally significant estuaries;

(C) encourage the preparation of management plans for estuaries of national significance; and

(D) enhance the coordination of estuarine research.

(b) MANAGEMENT CONFERENCE.—

(1) NOMINATION OF ESTUARIES.—The Governor of any State may nominate to the Administrator an estuary lying in whole or in part within the State as an estuary of national significance and request a management conference to develop a comprehensive management plan for the estuary. The nomination shall document the need for the conference, the likelihood of success, and information relating to the factors in paragraph (2).

(2) CONVENING OF CONFERENCE.—

(A) IN GENERAL.—In any case where the Administrator, in consultation with the Secretary of Commerce, determines, on his own initiative or upon nomination of a State under paragraph (1), that the attainment or maintenance of that water quality in an estuary which assures protection of public water supplies and the protection and propagation of a balanced, indigenous population of shellfish, fish, and wildlife, and allows recreational activities, in and on the water, requires the control of point and nonpoint sources of pollution in more than one State, the Administrator shall select such estuary and convene a management conference.

(B) BASIS FOR SELECTION.—The selection of an estuary under subparagraph (A) shall be based upon—

(i) the ecological significance of the estuary;

(ii) the biological productivity of the estuary and its contribution to fish and wildlife resources of commercial and recreational significance;

(iii) the degree to which commercial, residential, recreational, or industrial activities within the estuary and its watershed have impaired or may impair the health and ecological integrity of the estuary; and

(iv) the degree to which comprehensive planning and management may contribute significantly to the wise use of the estuary and to its health and ecological integrity.

(C) PRIORITY CONSIDERATION.—The Administrator shall give priority consideration under this section to Long Island Sound; Buzzards Bay, Massachusetts; Delaware Bay, Delaware and New Jersey; Albemarle Sound, North Carolina; and Sarasota Bay, Florida.

(3) BOUNDARY DISPUTE EXCEPTION.—In any case in which a boundary between two States passes through an estuary and such boundary is disputed and is the subject of an action in any court, the Administrator shall not convene a management conference with respect to such estuary before a final adjudication has been made of such dispute.

(4) EXISTING MANAGEMENT PROGRAM EXCEPTION.—Notwithstanding any other provision of this section, the Administrator shall not convene a management conference with respect to an estuary if he determines that there exists a management program for the estuarine zone of such estuary with sufficient authority to achieve the purpose of this section.

(c) MEMBERS OF CONFERENCE; LEAD AGENCY.—The members of a conference under this section shall include the Administrator, the Administrator of the National Oceanic and Atmospheric Administration, a representative of each of those States which are located, in whole or in part, within the estuarine zone of the estuary for which the conference is convened, a representative of each interested Federal agency as determined appropriate by the Administrator, a representative of any interstate agency having jurisdiction over all or a significant part of the estuary, and representatives of local governments within the estuarine zone as deemed appropriate by the Administrator. In any case in which an interstate agency has jurisdiction over all or a significant part of the estuary, such agency shall be the lead agency for purposes of carrying out this section.

(d) PURPOSES OF CONFERENCE.—The purposes of any mangement conference convened with respect to an estuary under this subsection shall be—

(1) to develop a comprehensive master plan for such estuary in accordance with subsection (e) that will restore and maintain the health and ecological integrity of the estuary;

(2) to coordinate the implementation of the master plan by the States participating in the conference; and

(3) to monitor the estuary to determine the effectiveness of actions taken pursuant to the master plan.

(e) MASTER PLAN.—

(1) CONTENTS.—The master plan developed pursuant to paragraph (1) of subsection (d) shall be developed in coordination with any relevant special area management plan under the Coastal Zone Management Act. Such plan shall include priority corrective actions and compliance schedules to address point and nonpoint sources of pollution posing the most serious problems to the estuary's physical, chemical, and biological intergrity. Such actions may include, but need not be limited to any of the following standards and practices which are necessary for the attainment or maintenance of that water quality which assures protection of public water supplies and the protection and propagation of a balanced, indigenous population of shellfish, fish, and wildlife, and allows recreational activities, in and on the water:

(A) development of water quality standards for waters within the estuarine zone;

(B) development of toxicity-based standards for toxic pollutants;

(C) development of water quality based effluent standards for significant point sources of pollution;

(D) development of best management practices to control nonpoint sources of pollution; and

(E) other measures providing for the conservation and management of the living resources of the estuary.

(2) UTILIZATION OF EXISTING DATA.—In developing a master plan under this section, the management conference shall survey and utilize existing reports, data, and studies relating to the estuary that have been developed by or made available to Federal, interstate, State, or local agencies.

(f) PERIOD OF CONFERENCE.—A management conference convened under this section shall be convened for at least four years. Such conference may be extended by the Administrator, and if terminated after the initial four-year period, may be reconvened by the Administrator at any time thereafter, as may be necessary to meet the requirements of this section.

(g) GRANTS FOR IMPLEMENTATION OF MASTER PLAN.—The Administrator is authorized to make grants to States and interstate agencies participating in a management conference which has adopted a comprehensive master plan pursuant to this section for the estuary which is the subject of such conference. The amount of the grants to any State or interstate agency for a fiscal year shall, subject to such amounts as are provided in appropriation acts, be equal to 50 percent of that State's or agency's cost of implementing the master plan for such fiscal year.

(h) PLAN APPROVAL.—At the conclusion of a management conference, the Administrator, in consultation with the Secretary of Commerce, and each participating governor shall review the comprehensive management plan for the estuary to determine if it meets the requirements of this section and, if so, shall approve the plan.

(i) RESEARCH.—

(1) RESEARCH TO ASSIST IN DEVELOPMENT OF PLAN.—Upon convening a management conference under this section, the Secretary and the Administrator, in conjunction with State and local authorities, shall undertake to develop, compile, and make available information and research relating to the estuary that would assist in developing and implementing the comprehensive management plan.

(2) RESEARCH PLAN.—The management conference may develop a research plan, which

shall include research needs, priorities, and guidelines, to promote the coordination and utility of research relating to the estuary.

(3) ADVISORY COMMITTEES.—In developing a research plan under this subsection, the management conference shall establish advisory committees or other procedures to provide the interdiciplinary technical expertise necessary to address the range of issues requiring research.

(4) RESEARCH TO DETERMINE NEED FOR CONFERENCE.—The Secretary shall conduct such research as may be necessary to determine the need to convene a management conference under this section or as may be requested by a management conference. Such research shall comply with any applicable research plan under paragraph (2).

(j) DEFINITIONS.—For purposes of this section, the terms "estuary" and "estuarine zone" have the meanings such terms have in section 104(n)(4) of the Federal Water Pollution Control Act, except that the term "estuarine zone" shall also include those portions of tributaries draining into the estuary up to the historic height of migration of anadromous fish or the historic head of tidal influence, whichever is higher. For purposes of this section, the term "State" has the meaning such term has in section 502(3) of such Act.

(k) REPORT TO CONGRESS.—The Administrator, in consultation with the Secretary of Commerce, shall submit to Congress not later than January 1, 1987, and biennially thereafter a comprehensive report on the activities authorized under this section, which shall—

(1) list the priority monitoring and research needs for estuaries to meet the objectives of this section;

(2) assess the health of the Nation's estuaries evaluated under this section;

(3) discuss the pollution problems and trends that affect directly or indirectly the water quality, ecosystem, and existing or potential uses of each estuary evaluated under this section; and

(4) evaluate the effectiveness of pollution abatement activities and other management measures undertaken pursuant to this section.

(l) AUTHORIZATION OF APPROPRIATIONS.—

(1) GRANTS.—There is authorized to be appropriated to carry out this section not to exceed $13,060,000 per fiscal year for each of the fiscal years ending September 30, 1986, September 30, 1987, September 30, 1988, September 30, 1989, and September 30, 1990. Amounts appropriated under this paragraph shall remain available until expended.

(2) OTHER EXPENSES.—There is authorized to be appropriated to the Administrator not to exceed $2,000,000 per fiscal year for each of the fiscal years ending September 30, 1986, September 30, 1987, September 30, 1988, September 30, 1989, and September 30, 1990, for—

(A) expenses related to the administration of management conferences under this section;

(B) grants to State water pollution control agencies, State coastal zone management agencies, interstate agencies, other public or nonprofit private agencies, institutions, organizations, and individuals for research, surveys, studies, and modeling and other technical work necessary for the development of a comprehensive master plan under this section; and

(C) monitoring the implementation of a comprehensive master plan by the management conference or by the Administrator in any case in which the conference has been terminated.

SEC. 46. RESEARCH ON EFFECTS OF POLLUTANTS.

(a) MATTERS INCLUDED.—In carrying out the provisions of section 104(a) of the Federal Water Pollution Control Act, the Administrator shall conduct research on the harmful effects on the health and welfare of persons caused by pollutants in water, in conjunction with the United States Fish and Wildlife Service, the National Oceanic and Atmospheric Administration, and other Federal, State, and interstate agencies carrying on such research. Such research shall include, and shall place special emphasis on, the effect that bioaccumulation of these pollutants in aquatic species has upon reducing the value of aquatic commerical and sport industries. Such research shall further study methods to reduce and remove these pollutants from the relevant affected aquatic species so as to restore and enhance these valuable resources.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out subsection (a) of this section not to exceed $2,500,000 per fiscal year for each of the fiscal years ending September 30, 1986, September 30, 1987, September 30, 1988, and September 30, 1989.

SEC. 47. SEWAGE SLUDGE.

(a) IDENTIFICATION OF TOXIC POLLUTANTS.—

(1) SIX MONTHS.—Not later than six months after the date of the enactment of this Act, the Administrator shall identify those toxic pollutants which, on the basis of available information on their toxicity, persistence, concentration, mobility, or potential for exposure, may be present in sewage sludge in concentrations which may adversely affect human health or the environment.

(2) EIGHTEEN MONTHS.—Not later than 18 months after the date of the enactment of this Act, the Administrator shall identify those toxic pollutants not identified under paragraph (1) which may be present in sewage sludge in concentrations which may adversely affect public health or the environment.

(b) REGULATIONS.—

(1) FOR SIX-MONTH POLLUTANTS.—Not later than 18 months after the date of the enactment of this Act, the Administrator shall publish regulations specifying acceptable management practices for sewage sludge containing each toxic pollutant identified under subsection (a)(1) and establishing numerical limitations for each such pollutant for each use of or disposal technique for sludge identified by the Administrator. Such regulations shall require compliance no later than six months after their publication.

(2) FOR EIGHTEEN-MONTH POLLUTANTS.—Not later than 30 months after the date of the enactment of this Act, the Administrator shall publish regulations specifying acceptable management practices for sewage sludge containing each toxic pollutants identified under subsection (a)(2) and establishing numerical limitations for each such pollutant for each use of or disposal technique for sludge identified by the Administrator. Such management practices and numerical limitations shall be adequate to protect the public health and the environment from any reasonably anticipated adverse effects of such pollutants. Such regulations shall require compliance no later than six months after their publication.

(3) ALTERNATIVE STANDARDS.—For purposes of this subsection, if, in the judgment of the Administrator, it is not feasible to prescribe or enforce a numerical limitation for a pollutant identified under subsection (a), he may instead promulgate a design, equipment, management practice, or operational standard, or combination thereof, which in his judgment is adequate to protect public health and the environment from any reasonably anticipated adverse effects of such pollutant. In the event the Administrator promulgates a design or equipment standard under this subsection, he shall include as part of such standard such requirements as will assure the proper operation and maintenance of any such element of design or equipment.

(4) TREATMENT OF REGULATIONS.—Any regulation issued under this subsection shall be considered an "effluent standard or limitation" for purposes of section 308 or section 505 of the Federal Water Pollution Control Act.

(c) STUDIES AND PROJECTS.—The Administrator is authorized to conduct or initiate scientific studies, demonstration projects, and public information and education projects which are designed to promote the safe and beneficial use of sewage sludge for such purposes as aiding the restoration of abandoned mine sites, conditioning soil for parks and recreation areas, agricultural and horticultural uses, and other beneficial purposes. For the purposes of carrying out this subsection, the Administrator may make grants to State water pollution control agencies, other public or nonprofit agencies, institutions, organizations, and individuals. In cooperation with other Federal departments and agencies, other public and private agencies, institutions, and organizations, the Administrator is authorized to collect and disseminate information pertaining to the safe and beneficial use of sewage sludge.

(d) AUTHORIZATION OF APPROPRIATIONS.—For the purposes of carrying out the scientific studies, demonstration projects, and public information and education projects authorized in this section, there is authorized to be appropriated for fiscal years beginning after September 30, 1985, not to exceed $15,000,000.

SEC. 48. PUGET SOUND.

(a) MASTER PLAN; PRIORITY LIST; MONITORING PROGRAM.—The Administrator, in consultation with the Administrator of the National Oceanic and Atmospheric Administration, a representative of any other interested Federal agency as determined appropriate by the Administrator, representatives of the State of Washington, and representatives of interested local governments as determined appropriate by the Administrator, shall—

(1) develop a comprehensive master plan for Puget Sound, Washington;

(2) recommend priority corrective actions and compliance schedules to address point and nonpoint sources of pollution posing the most serious problems to the water quality of such Sound; and

(3) monitor such sound to determine the effectiveness of actions taken pursuant to the master plan.

(b) CONTENTS OF MASTER PLAN.—The master plan developed pursuant to paragraph (1) of subsection (a) may include, but need not be limited to, any of the following standards and practices which are necessary for the attainment or maintenance of that water quality which assures protection of public water supplies and the protection and propagation of a balanced, indigenous population of shellfish, fish, and wildlife and allows recreational activities in and on the water:

(1) development of water quality standards for waters within the estuarine zone of Puget Sound;

(2) development of toxicity-based standards for toxic pollutants;

(3) development of water quality based effluent standards for significant point sources of pollution; and

(4) development of best management practices to control nonpoint sources of pollution.

(c) USE OF EXISTING DATA.—In developing a master plan under this section, the Administrator shall survey and utilize existing reports, data, and studies relating to Puget Sound that have been developed by or made available to Federal, State, or local agencies.

(d) GRANTS.—The Administrator is authorized to make grants to the State of Washington if such State adopts a comprehensive master plan pursuant to this section for the Puget Sound. The amount of such grant for a fiscal year, shall, subject to such amounts as are provided in appropriation Acts, be equal to 50 percent of such State's cost of implementing the master plan for such fiscal year.

(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Administrator to carry out this section not to exceed $4,900,000 for the fiscal year ending September 30, 1986, $4,450,000 for the fiscal year ending September 30, 1987, and $2,400,000 for the fiscal year ending September 30, 1988. Amounts appropriated under this subsection shall remain available until expended.

SEC. 49. OCEAN DISCHARGE RESEARCH PROJECTS.

(a) IN GENERAL.—Notwithstanding any other provision of law, the Administrator is authorized to issue a research permit to the Orange County, California, Sanitation Districts for the discharge of preconditioned municipal sewage sludge into the ocean for the purpose of enabling research to be conducted in assessing and analyzing the effects of disposing of sewage sludge by pipeline into ocean waters, if the Administrator is satisfied that such local govenmental agency is actively pursuing long-term land-based options for the handling of its sludge with special emphasis on remote disposal alternatives set forth in the 1980 LA/OMA sludge management project and on reuse of sludge or use of recycled sludge and if the Administrator determines there is no likelihood of an unacceptable adverse effect on the environment as a result of issuance of such permit.

(b) PERMIT TERMS.—

(1) PERIOD.—Such permit for the discharge of sludge shall be for a period of five years.

(2) MONITORING.—Such permit shall provide for monitoring of permitted discharges and other discharges into the ocean in the same area and the effects of such discharge (including cumulative effects) in conformance with requirements established by the Administrator, after consultation with appropriate Federal and State agencies, and for the reporting of such monitoring to Congress and the Administrator every six months.

(3) VOLUME OF DISCHARGE.—Such permit shall provide that the volume of such local agency's sludge disposed of by such experimental pipeline shall be no more than one and one-half times that being disposed of by such remote disposal and alternatives for the reuse of sludge and the use of recycled sludge. In no event shall the agency dispose of more than 50 percent of its sludge by the pipeline.

(4) TERMINATION.—The permit shall provide for termination of the permit if the Administrator determines that the disposal of sewage sludge is resulting in an unacceptable adverse impact on fish, shellfish, and wildlife.

(c) REPORT.—Such districts shall report the results of the program and an analysis of such program to Congress under this section not later than four and one-half years after issuance of the permit.

SEC. 50. GRANTS FOR REPLACEMENT OF CONTAMINATED GROUNDWATER.

(a) GRANT RECIPIENTS.—The Administrator is authorized to make grants to—

(1) any person who owns or operates a public water system which, because of groundwater contamination, is unable to supply water which is fit for human consumption to some or all of the users of such system, and

(2) any unit of local government on behalf of individuals residing within the boundaries of such unit whose water is supplied from a source other than a public water system and is unfit for human consumption because of groundwater contamination.

(b) GRANT PURPOSE.—Grants under this section shall be for the purpose of providing alternative water supplies to such users and individuals on a temporary basis and providing permanent remedies for water supply problems resulting from groundwater contamination, including but not limited to the drilling of new wells and the installation of new pipes.

(c) APPLICATION.—An application for a grant under this section shall be in such form and shall contain such information as the Administrator may require. Each such application shall include—

(1) a description of the source and extent of groundwater contamination;

(2) information on the number of people who do not have water available to them because of such contamination; and

(3) a description of the measures the applicant proposes to undertake with the assistance to be provided under this section.

(d) FEDERAL SHARE.—The Federal share of the cost of measures undertaken with assistance under this section shall not exceed 50 percent.

(e) LIMITATIONS ON AMOUNT.—The maximum amount of a grant under this section to any applicant with respect to a particular source of groundwater contamination shall be $2,000,000 for each fiscal year. The maximum amount of grants under this section to applicants within one State shall be $10,000,000 for each fiscal year.

(f) ANNUAL REPORTS.—The Administrator shall report annually to Congress on grants made under this section. Each such report shall include—

(1) information on applicants for such grants, including the number of such applicants;

(2) information on the source and extent of groundwater contamination with respect to which applications are made under this section, including the average number of people affected by each source of groundwater contamination; and

(3) the average amount of such grants and the types of measures undertaken with such grants.

(g) DEFINITIONS.—For purposes of this section—

(1) the term "person" includes a State, a political subdivision of a State, and an agency or instrumentality of a State or political subdivision of a State;

(2) the term "public water system" means a system for the provision to the public of piped water for human consumption, if such system has at least 15 service connections or regularly serves at least 25 individuals; and

(3) the term "State" means the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Commonwealth of the Northern Marianas.

(h) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section not to exceed $150,000,000 per fiscal year for each of the fiscal years 1986, 1987, and 1988.

(i) JACKSONVILLE, ARKANSAS.—The Administrator shall make a grant under this section of $2,000,000 in each of fiscal years 1986, 1987, and 1988 to the city of Jacksonville, Arkansas, for the purpose of providing alternative water supply on a temporary basis and providing permanent remedies for water supply problems resulting from groundwater contamination.

SEC. 51. UNCONSOLIDATED QUARTERNARY AQUIFER.

Notwithstanding any other provision of law, no person may—

(1) locate or authorize the location of a landfill, surface impoundment, waste pile, injection well, or land treatment facility over the Unconsolidated Quarternary Aquifer, or the recharge zone or streamflow source zone of such aquifer, in the Rockaway River Basin, New Jersey (as such aquifer and zones are described in the Federal Register, January 24, 1984, pages 2946-2948); or

(2) place or authorize the placement of solid waste in a landfill, surface impoundment, waste pile, injection well, or land treatment facility over such aquifer or zone.

This section may be enforced under sections 309 (a) and (b) of the Federal Water Pollution Control Act. For purposes of section 309(c) of such Act, a violation of this section shall be considered a violation of section 301 of the Federal Water Pollution Control Act.

SEC. 52. GRANTS FOR PROTECTING GROUNDWATER QUALITY.

(a) ELIGIBLE APPLICANTS AND ACTIVITIES.—Upon application of a State for which a report submitted under subsection (a) of section 319 of the Federal Water Pollution Control Control Act, as added by section 7 of this Act, and a plan submitted under subsection (b) of such section is approved under such section, the Administrator shall make grants under this section to such State for the purpose of assisting such State in carrying out groundwater quality protection activities which the Administrator determines will advance the State toward implementation of a comprehensive nonpoint source pollution control program. Such activities shall include, but not be limited to, research, planning, groundwater assessments, demonstration programs, enforcement, technical assistance, education and training to protect the quality of groundwater and to prevent contamination of groundwater from nonpoint sources of pollution.

(b) APPLICATIONS.—An application for a grant under this section shall be in such form and shall contain such information as the Administrator may require.

(c) FEDERAL SHARE; MAXIMUM AMOUNT.—The Federal share of the cost of assisting a State in carrying out groundwater protection activities in any fiscal year under this section shall be 50 percent of the costs incurred by the State in carrying out such activities, except that the maximum amount of Federal assistance which any State may receive

under this section in any fiscal year shall not exceed $150,000.

(d) REPORT.—The Administrator shall include in each report transmitted under subsection (j) of section 319 of the Federal Water Pollution Control Act, as added by section 7 of this Act, a report on the activities and programs implemented under this section during the preceding fiscal year.

(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section not to exceed $7,500,000 per fiscal year for the fiscal years ending September 30, 1986, September 30, 1987, September 30, 1988, September 30, 1989, and September 30, 1990.

SEC. 53. DEMONSTRATION PROGRAM ON ACIDIFIED LAKES.

(a) RESTORATION OF BIOLOGICAL INTEGRITY.—The Administrator, in conjunction with the United States Fish and Wildlife Service and the environmental agencies of the States, shall carry out a demonstration program to restore the biological integrity of acidified lakes and watersheds through liming. The Administrator, in coordination with the environmental agencies of the States, shall select sites to carry out such program which will enable the Administrator to demonstrate and determine the effectiveness of liming in reducing the acidity of lakes and watersheds and in restoring the biological integrity of acidified lakes and watersheds.

(b) REPORT.—Not later than 90 days after completion of the demonstration program and not later than three and six years after completion of the program, the Administrator shall submit to the appropriate Committees of Congress reports on the results of the demonstration program carried out under this section. Such reports shall include, but not be limited to, an analysis of the effectiveness of liming in reducing the acidity of lakes and watersheds and in restoring the biological integrity of acidified lakes and watersheds in the long-term and the short-term.

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section not to exceed $10,000,000 for fiscal years beginning after September 30, 1985, to remain available until expended.

SEC. 54. NEWTOWN CREEK, NEW YORK.

(a) MODIFICATIONS TO TREATMENT PLANT.—The Administrator is authorized to make a grant to the city of New York to install such additional facilities in, and make such modifications to, the Newtown Creek sewage treatment plant as are necessary for the plant to provide secondary treatment. The Federal share of such project shall be 75 percent of the cost of installing such facilities and making such modifications.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated such sums as may be necessary to carry out this section for fiscal years beginning after September 30, 1985. Such sums shall be in addition to and not in lieu of any other amounts authorized to be appropriated under title II of the Federal Water Pollution Control Act.

SEC. 55. SAN DIEGO, CALIFORNIA.

(a) PURPOSE.—The purpose of this section is to protect the economy, public health, environment, surface water and public beaches, and water quality of the city of San Diego, California, and surrounding areas, which are endangered and are being polluted by raw sewage emanating from the city of Tijuana, Mexico.

(b) CONSTRUCTION GRANTS.—Upon approval of the necessary plans and specifications, the Administrator is authorized to make grants to the Secretary of State, acting through the American Section of the International Boundary and Water Commission (hereinafter in this section referred to as the "Commission"), or any other Federal agency or any other appropriate commission or entity designated by the President. Such grants shall be for construction of a project consisting of—

(1) treatment works in the city of San Diego, California, to provide primary or more advanced treatment of municipal sewage and industrial waste from the city of Tijuana, Mexico; and

(2) a publicly owned treatment works in such city to provide primary or more advanced treatment of such amount of municipal sewage and industrial waste for such city of San Diego as may be necessary to meet the objectives of the Federal Water Pollution Control Act.

(c) FURTHER MEASURES.—As a further measure, the Administrator shall make grants to the Commission or such other agency, commission, or entity as may be designated under subsection (b) for the construction of defensive treatment works to protect residents of the city of San Diego and surrounding areas from pollution resulting from any inadequacies or breakdowns in wastewater treatment works and systems in Mexico. The Commission or such agency, commission, or entity is authorized to construct, operate, and maintain such defensive treatment works in order to accomplish the purposes of this section.

(d) APPROVAL OF PLANS.—Any treatment works for which a grant is made under this section shall be constructed in accordance with plans developed by the Commission or such agency, commission, or entity, in consultation with the city of San Diego, and approved by the Administrator to meet the construction standards which would be applicable if such treatment works were being constructed under section 201 of the Federal Water Pollution Control Act.

(e) CAPACITY OF PROJECT.—The project authorized by this section shall provide capacity to provide treatment of municipal sewage and industrial waste for the cities of Tijuana and San Diego.

(f) APPLICABILITY OF ACT.—All provisions of the Federal Water Pollution Control Act which are applicable to a grant made to a State, municipality, or intermunicipal or interstate agency under section 201(g) of such Act shall apply to a grant made to an agency, commission, or entity for construction of treatment works under subsection (b)(2) of this section, except that the non-Federal share of the costs of such construction shall be paid by the city of San Diego and other non-Federal interests.

(g) FEDERAL SHARE.—Construction of the treatment works under subsections (b)(1) and (c) of this section with respect to municipal sewage and industrial waste from the city of Tijuana shall be at full Federal expense less any costs paid by the State of California and less any costs paid by the Government of Mexico as a result of agreements negotiated with the United States.

(h) OCEAN OUTFALL PERMIT.—Upon application of the city of San Diego, the Administrator may issue a permit under section 402 of the Federal Water Pollution Control Act which modifies the requirements of section 301(b)(1)(B) of such Act to permit the discharge of pollutants for any ocean outfall constructed with Federal assistance under this Act if such pollutants have received primary or more advanced treatment. Any permit issued pursuant to this subsection shall not be effective after December 31, 1993.

(i) EXTRA CAPACITY.—If the treatment works constructed under this section to provide treatment for municipal sewage and industrial waste from the city of Tijuana has capacity which is no longer necessary to provide such treatment, such capacity may be used to provide treatment for municipal sewage and industrial waste for the city of San Diego.

(j) DEFINITIONS.—For purposes of this section, the terms "construction" and "treatment works" have the meanings such terms have under section 212 of the Federal Water Pollution Control Act.

(k) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for fiscal years beginning after September 30, 1985, such sums as may be necessary to the Administrator to make grants under this section and such sums as may be necessary to the Commission or such other agency, commission, or entity as the President may designate under subsection (b), to carry out this section.

SEC. 56. NACO, ARIZONA.

(a) PURPOSE.—The purpose of this section is to protect the economy, public health, environment, and surface water and groundwater of the community of Naco, Arizona, which are endangered and are being polluted by raw sewage emanating from the city of Naco, Sonora, Mexico.

(b) CONSTRUCTION GRANTS.—Upon application of the county of Cochise, Arizona, the Administrator shall make grants to such county for construction of a project consisting of—

(1) a publicly owned treatment works in such community of Naco, Arizona, to provide primary or more advanced treatment of not less than 150,000 gallons of untreated sewage emanating from the city of Naco, Sonora, Mexico; and

(2) a publicly owned treatment works in such community of Naco, Arizona, to provide primary or more advanced treatment of such amount of municipal sewage and industrial waste per day for such community of Naco, Arizona, as may be necessary to meet the objectives of the Federal Water Pollution Control Act.

(c) APPROVAL OF PLANS.—Any treatment works for which a grant is made under this section shall be constructed in accordance with plans developed by the county of Cochise, Arizona, and approved by the Administrator to meet the construction standards which would be applicable if such treatment works were being constructed under section 201 of the Federal Water Pollution Control Act.

(d) CAPACITY OF PROJECT.—The project authorized by this section shall provide capacity to provide treatment of municipal sewage and industrial waste for the city of Naco, Sonora, Mexico and the community of Naco, Arizona.

(e) APPLICABILITY OF ACT.—All provisions of the Federal Water Pollution Control Act which are applicable to grants made under section 201(g) of such Act shall apply to grants made under this section to provide treatment of municipal sewage and industrial waste for the community of Naco, Arizona.

(f) FEDERAL SHARE.—The Federal share of the cost of construction of the treatment works to provide treatment of municipal sewage and industrial waste for the city of Naco, Sonora, Mexico, shall be at full Feder-

al expense less any costs paid by the Government of Mexico as a result of agreements negotiated with the United States.

(g) EXTRA CAPACITY.—If the treatment works constructed under this section to provide treatment for municipal sewage and industrial waste for the city of Naco, Sonora, Mexico, has capacity which is no longer necessary to provide such treatment, such capacity may be used to provide treatment for municipal sewage and industrial waste for the community of Naco, Arizona.

(h) DEFINITIONS.—For purposes of this section, the terms "construction" and "treatment works" have the meanings such terms have under section 212 of the Federal Water Pollution Control Act.

(i) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Administrator $2,000,000 to make grants under this section for fiscal years beginning after September 30, 1985.

SEC. 57. LIMITATION ON DISCHARGE OF RAW SEWAGE BY NEW YORK CITY.

(a) IN GENERAL.—

(1) NORTH RIVER PLANT.—If the wastewater treatment plant identified in the consent decree as the North River plant has not achieved advanced preliminary treatment as required under the terms of the consent decree by August 1, 1986, the city of New York shall not discharge raw sewage from the drainage area of such plant (as defined in the consent decree) into navigable waters after such date in an amount which is greater for any 30-day period than an amount equal to 30 times the average daily amount of raw sewage discharged from such drainage area during the 12-month period ending on the earlier of the date on which such plant becomes operational or March 15, 1986 (as determined by the Administrator), except as provided in subsection (b).

(2) RED HOOK PLANT.—If the wastewater treatment plant identified in the consent decree as the Red Hook plant has not achieved advanced preliminary treatment as required under the terms of the consent decree by August 1, 1987, the city of New York shall not discharge raw sewage from the drainage area of such plant (as defined in the consent decree) into navigable waters after such date in an amount which is greater for any 30-day period than an amount equal to 30 times the average daily amount of raw sewage discharged from such drainage area during the 12-month period ending on the earlier of the date on which such plant becomes operational or March 15, 1987 (as determined by the Administrator), except as provided in subsection (b).

(b) WAIVERS.—

(1) INTERRUPTION OF PLANT OPERATION.—In the event of any significant interruption in the operation of the North River plant or the Red Hook plant caused by an event described in subparagraph (A), (B), or (C) of paragraph (5) occurring after the applicable deadline established under subsection (a), the Administrator shall waive the limitation of subsection (a) with respect to such plant, but only to such extent and for such limited period of time as may be reasonably necessary for the city of New York to resume operation of such plant.

(2) INCREASED PRECIPITATION.—In the event that the volume of precipitation occurring after the applicable deadline established under subsection (a) causes the discharge of raw sewage to exceed the limitation under subsection (a), the Administrator shall waive the limitation of subsection (a) with respect to either or both such plants, but only to such extent and for such limited period of time as the Administrator determines to be necessary to take into account the increased discharge caused by such volume of precipitation.

(3) VARIATIONS IN CERTAIN NORTH RIVER DRAINAGE AREA DISCHARGES.—In the event that an increase in discharges from the North River drainage area constituting a violation of subsection (a)(1) is due to a random or seasonal variation, and that any sewer hookup occurring, or permit for a sewer hookup granted, after July 31, 1986, is not responsible for such violation, the Administrator shall waive the limitation of subsection (a)(1), but only to such extent and for such limited period of time as the Administrator determines to be reasonably necessary to take into account such random or seasonal variation.

(4) VARIATIONS IN CERTAIN RED HOOK DRAINAGE AREA DISCHARGES.—In the event that an increase in discharges from the Red Hook drainage area constituting a violation of subsection (a)(2) is due to a random or seasonal variation, and that any sewer hookup occurring, or permit for a sewer hookup granted, after July 31, 1987, is not responsible for such violation, the Administrator shall waive the limitation of subsection (a)(2), but only to such extent and for such limited period of time as the Administrator determines to be reasonably necessary to take into account such random or seasonal variation.

(5) CIRCUMSTANCES BEYOND CITY'S CONTROL.—The Administrator shall extend either deadline under paragraph (1) or (2) of subsection (a) to such extent and for such limited period of time as may be reasonably required to take into account any—

(A) act of war,

(B) unanticipated grave natural disaster or other natural phenomenon of an exceptional, inevitable, and irresistible character, the effects of which could not have been prevented or avoided by the exercise of due care or foresight, or

(C) other circumstances beyond the control of the city of New York, except such circumstances shall not include (i) the unavailability of Federal funds under section 201 of the Federal Water Pollution Control Act, (ii) the unavailability of funds from the city of New York or the State of New York, or (iii) a policy decision made by the city of New York or the State of New York to delay the achievement of advanced preliminary treatment at the North River plant or Red Hook plant beyond the applicable deadline set forth in subsection (a).

(c) PENALTIES.—Except as otherwise provided in subsection (b), any violation of subsection (a) shall be considered to be a violation of section 301 of the Federal Water Pollution Control Act, and all provisions of such Act relating to violations of such section 301 shall apply.

(d) CONSENT DECREE DEFINED.—For purposes of this section, the term "consent decree" means the consent decree entered into by the Environmental Protection Agency, the city of New York, and the State of New York, on December 30, 1982, relating to construction and operation of the North River and Red Hook wastewater treatment plants.

(e) COOPERATION.—The Administrator shall work with the city of New York to eliminate the discharge of raw sewage by such city at the earliest practicable date.

(f) SAVINGS CLAUSE.—Nothing in this section shall be construed as modifying the terms of the consent decree.

(g) SENSE OF CONGRESS.—It is the sense of Congress that the Administrator should not agree to any further modification of the consent decree with respect to the schedule for achieving advanced preliminary treatment.

(h) TERMINATION DATES.—

(1) NORTH RIVER PLANT.—The provisions of this section shall remain in effect with respect to the North River drainage area until such time as the North River plant has achieved advanced preliminary treatment (as defined in the consent decree) for a period of six consecutive months.

(2) RED HOOK PLANT.—The provisions of this section shall remain in effect with respect to the Red Hook drainage area until such time as the Red Hook plant has achieved advanced preliminary treatment (as defined in the consent decree) for a period of six consecutive months.

(i) MONITORING ACTIVITIES.—The Administrator shall establish and carry out a program within available funds to implement the monitoring activities which may be required under subsection (a) by December 1, 1984.

(j) ESTABLISHMENT OF METHODOLOGIES.—The Administrator shall establish the methodologies, data base, and any other information required for making determinations under subsection (b)—

(1) for the North River drainage area (as defined in the consent decree) by July 31, 1986, unless the requirements of subsection (h)(1) have been satisfied, and

(2) for the Red Hook drainage area (as defined by the consent decree) by July 31, 1987, unless the requirements of subsection (h)(2) have been satisfied.

(k) VIOLATIONS.—In carrying out this section, if the Administrator finds that a violation of subsection (a) has occurred, the Administrator shall also determine, within 30 days after such finding, whether a provision of subsection (b) applies. If the Administrator requires information from the city of New York in order to determine whether a provision of subsection (b) applies, the Administrator shall request such information. If the city of New York does not supply the information requested by the Administrator, the Administrator shall determine that subsection (b) does not apply. The city of New York shall be responsible only for such expenses as are necessary to provide such requested information. Enforcement action pursuant to subsection (c) shall be commenced at the end of such 30 days unless a provision of subsection (b) applies.

SEC. 58. DEER ISLAND TREATMENT PLANT, MASSACHUSETTS.

(a) EMERGENCY IMPROVEMENTS.—The Administrator is authorized and directed to make grants to the Metropolitan District Commission, Massachusetts, for a project to undertake emergency improvements at the Deer Island Waste Water Treatment Plant in Boston, Massachusetts. The Federal share of such project shall not exceed 75 percent of the cost of carrying out such improvements.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $10,000,000 per fiscal year for each of the fiscal years 1986, 1987, and 1988.

SEC. 59. GREAT LAKES INTERNATIONAL COORDINATION OFFICE.

(a) FINDINGS AND PURPOSE.—

(1) FINDINGS.—The Congress finds that—

(A) the Great Lakes are a valuable national resource, continuosuly serving the people of the United States and other nations as an important source of food, fresh water, recreation, beauty, and enjoyment;

(B) the United States should seek to attain the goals embodied in the Great Lakes Water Quality Agreement of 1978 with particular emphasis on goals related to toxic pollutants; and

(C) the Environmental Protection Agency (hereinafter in this section referred to as the "Agency") should take the lead in the effort to meet those goals, working with other Federal agencies and State and local authorities.

(2) PURPOSE.—It is the purpose of this section to achieve the goals embodied in the Great Lakes Water Quality Agreement of 1978 through improved organization and definition of mission on the part of the Agency, funding of State grants for pollution control in the Great Lakes area, and improved accountability for implementation of such agreement.

(b) ESTABLISHMENT.—The Great Lakes National Program Office of the Agency is hereby designated at the Great Lakes International Coordination Office (hereinafter in this section referred to as the "Office"). The head of the Office shall also serve as principal liaison person on Great Lakes matters to the International Joint Commission, United States and Canada (hereinafter in this section referred to as the "Commission").

(c) FUNCTIONS.—The Office shall—

(1) develop and implement specific action plans to carry out the responsibility of the United States under the Great Lakes Water Quality Agreement of 1978;

(2) carry out toxic pollutant control demonstration projects as Saginaw Bay, Michigan; Sheboygan Harbor, Wisconsin; Grand Calumet River, Indiana; Ashtabula River, Ohio; and Buffalo River, New York; and at other sites in the Great Lakes at which the Commission determines that sediments are heavily contaminated with toxic materials;

(3) coordinate actions of the Agency (including actions by headquarters and regional offices thereof) aimed at improving Great Lakes water quality;

(4) coordinate actions of the Agency with the actions of other Federal agencies and State and local authorities in developing water quality strategies and obtain the support of those agencies and authorities in achieving the objectives of such agreement;

(5) establish a Great Lakes system-wide surveillance network to monitor the water quality of the Great Lakes, with specific emphasis on the monitoring of toxic pollutants; and

(6) serve as the liaison with, and provide information to, the Canadian members of the Commission and the Canadian counterpart to the Agency.

(d) ADMINISTRATOR'S RESPONSIBILITY.—The Administrator shall ensure that the Office should enter into agreements with the various organizational elements of the Agency involved in Great Lakes activities and the appropriate State agencies spedifically delineating—

(1) the duties and responsibilities of each such element and the Agency with respect to the Great Lakes;

(2) the time periods for carrying out such duties and responsibilities; and

(3) the resources to be committed to such duties and responsibilities.

(e) BUDGET ITEM.—The Administrator shall, in the Agency's annual budget submission to Congress, include a funding request for the Office as a separate budget line item.

(f) REPORTS.—

(1) COMPREHENSIVE ASSESSMENT.—Within 120 days after the date of the enactment of this Act, and at the beginning of each fiscal year thereafter, the Administrator shall submit to Congress a comprehensive assessment of the planned efforts to be pursued in the succeeding fiscal year for implementing the Great Lakes Water Quality Agreement of 1978. The assessment shall show by categories (including judicial enforcement, research, State cooperative efforts, and general administration) the amounts anticipated to be expended on Great Lakes water quality initiatives in the fiscal year to which the assessment relates. The assessment shall also include a report of current programs administered by other Federal agencies which make available resources to Great Lakes water quality efforts.

(2) COMPREHENSIVE REPORT.—Within 150 days after the end of each fiscal year, the Administrator shall submit to Congress a comprehensive report which—

(A) describes the achievements in the preceding fiscal year in implementing such agreement and shows by categories (including judicial enforcement, research, State cooperative efforts, and general administration) the amounts expended on Great Lakes water quality initiatives in such preceding fiscal year;

(B) describes the progress made in such preceding fiscal year in implementing the system of surveillance of the water quality of the Great Lakes, with particular reference to toxic pollutanis; and

(C) describes the long-term prospects for improving the water quality of the Great Lakes.

(g) GREAT LAKES RESEARCH.—

(1) ESTABLISHMENT OF RESEARCH OFFICE.—There is established within the National Oceanic and Atmospheric Administration the Great Lakes Research Office (hereinafter in this section referred to as the "Research Office.").

(2) IDENTIFICATION OF ISSUES.—The Research Office shall identify issues relating to the Great Lakes resources on which research is needed. The Research Office shall submit a report to Congress on such issues before the end of each fiscal year which shall indentify any changes in the Great Lakes with respect to such issues.

(3) INVENTORY.—The Reserach Office shall identify and inventory Federal, State, university, and tribal environmental research programs (and, to the extent feasible, those of private organizations and other nations) relating to the Great Lakes System, and shall update that inventory every four years.

(4) RESEARCH EXCHANGE.—The Research Office shall establish a Great Lakes research exchange for the purpose of facilitating the rapid identification, acquisition, retrieval, dissemination, and the use of information concerning research projects which are ongoing or completed and which affect the Great Lakes system.

(5) RESEARCH PROGRAM.—The Research Office shall develop, in cooperation with the Coordination Office, a comprehensive environmental research program and data base for the Great Lakes system. The data base shall include, but not be limited to, data relating to water quality, fisheries, and biota.

(6) MONITORING.—The Research Office shall conduct, through the Great Lakes Enviromental Research Laboratory, the National Sea Grant College program, other Federal laboratories, and the private sector, appropriate research and monitoring activities which address priority issues and current needs relating to the Great Lakes.

(h) RESEARCH AND MANAGEMENT CONDITION.—

(1) JOINT PLAN.—Before October 1 of each year, the Coordination Office and the Research Office shall prepare a joint research plan for the fiscal year which begins the following calendar year.

(2) CONTENTS OF PLAN.—Each plan prepared under paragraph (1) shall—

(A) identify all proposed research dedicated to activities conducted under the Great Lakes Water Quality Agreement of 1978;

(B) include the Agency's assessment of priorities for research needed to fulfill the terms of such Agreement; and

(C) identify all proposed research that may be used to develop a comprehensive environmental data base for the Great Lakes system and establish priorities for development of such data base.

(i) AUTHORIZATIONS OF APPROPRIATIONS.—

(1) FOR THE OFFICE.—There are authorized to be appropriated for the purposes of carrying out subsections (b), (c), and (d) and for the purpose of carrying out the functions, powers, and duties of the Office not to exceed—

(A) $8,000,000 for fiscal year 1986, of which $1,500,000 shall be available only to carry out subsection (c)(2);

(B) $9,000,000 for fiscal year 1987, of which $2,500,000 shall be available only to carry out subsection (c)(2);

(C) $10,000,000 for fiscal year 1988, of which $3,500,000 shall be available only to carry out subsection (c)(2);

(D) $12,000,000 for fiscal year 1989, of which $5,000,000 shall be available only to carry out subsection (c)(2); and

(E) $13,000,000 for fiscal year 1990, of which $5,000,000 shall be available only to carry out subsection (c)(2).

(2) FOR GREAT LAKES STUDIES.—For the purpose of carrying out section 104(f) of the Federal Water Pollution Control Act there is authorized to be appropriated $10,000,000 for fiscal year 1986. Such funds shall be in addition to and not in lieu of any funds authorized to be appropriated under section 104(u) of such Act.

(3) FOR GREAT LAKES RESEARCH.—There are authorized to be appropriated for purposes of carrying out subsections (g) and (h) not to exceed—

(A) $2,000,000 per fiscal year for fiscal years 1986 and 1987; and

(B) $3,000,000 per fiscal year for fiscal years 1988, 1989, and 1990.

SEC. 60. OAKWOOD BEACH AND RED HOOK PROJECTS, NEW YORK.

(a) RELOCATION OF NATURAL GAS FACILITIES.—Notwithstanding any provision of the Federal Water Pollution Control Act, the Administrator shall pay, to the extent provided in appropriation Acts, in the same proportion as the Federal share of other project costs, all expenses for the relocation of facilities for the distribution of natural gas with respect to the entire wastewater treatment works known as the Oakwood Beach (EPA Grant Numbered 360392) and Red Hook (EPA Grant Numbered 360394) projects, New York.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for fiscal years beginning after September 30, 1985, not to exceed $9,000,000 to carry out this section.

SEC. 61. CHIPPEWA TOWNSHIP, PENNSYLVANIA.

In order to protect the public health, environment, and water quality endangered by the destruction of the Chippewa Township, Pennsylvania, sewage treatment facility and the resultant raw sewage discharge into Brady's Run and the Beaver River, Pennsyl-

vania, the Administrator is directed to remove such raw sewage.

SEC. 62. DES MOINES, IOWA.

(a) AUTHORITY TO MAKE GRANTS.—The Administrator is authorized to make a grant to the city of Des Moines, Iowa, for construction of the Central Sewage Treatment Plant component of the Des Moines, Iowa, metropolitan area project. The Federal share of such project shall be 75 percent of the cost of construction.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section not to exceed $85,000,000 for fiscal years beginning after September 30, 1985. Such sums shall be in addition to and not in lieu of any other amounts authorized to be appropriated under title II of the Federal Water Pollution Control Act.

SEC. 63. WASTEWATER RECLAMATION DEMONSTRATION.

(a) AUTHORITY TO MAKE GRANTS.—The Administrator is authorized to make a grant to the San Diego Water Reclamation Agency, California, to demonstrate and field test for public use innovative processes which advance the technology of wastewater reclamation and which promote the use of reclaimed wastewater.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated not to exceed $3,000,000 to carry out this section for fiscal years beginning after September 30, 1985.

SEC. 64. BOSTON HARBOR AND ADJACENT WATERS.

(a) GRANTS.—The Administrator shall make grants to the Massachusetts Water Resource Authority for purposes of—

(1) assessing the principal factors having an adverse effect on the environmental quality of Boston Harbor and its adjacent waters;

(2) developing and implementing a management program to improve the water quality of such Harbor and waters; and

(3) constructing necessary waste water treatment works for providing secondary treatment for the areas served by such authority.

(b) FEDERAL SHARE.—The Federal share of projects described in subsection (a) shall not exceed 75 percent of the cost of construction thereof.

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $20,000,000 per fiscal year for each of the fiscal years ending September 30, 1986, September 30, 1987, September 30, 1988, September 30, 1989, and September 30, 1990. Such sums shall be in addition to and not in lieu of any other amounts authorized to be appropriated under title II of the Federal Water Pollution Control Act.

SEC. 65. TREATMENT WORKS IN WASHINGTON STATE.

(a) AUTHORITY TO MAKE GRANTS.—The Administrator is authorized to make grants to the sewage treatment authorities discharging into Puget Sound and adjacent marine waters, including the Strait of Juan de Fuca and Bellingham Bay, to construct necessary treatment works for providing secondary treatment for the areas served by such authorities. The Federal share of such projects shall not exceed 75 percent of the cost of construction thereof.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $250,000,000 to carry out this section for fiscal years beginning after September 30, 1985. Such sums shall be in addition to and not in lieu of any other amounts authorized to be appropriated under title II of the Federal Water Pollution Control Act.

SEC. 66. IMPROVEMENT PROJECTS.

(a) AVALON, CALIFORNIA.—The Administrator shall make a grant of $3,000,000 from funds allotted under section 205 of the Federal Water Pollution Control Act to the State of California for fiscal year 1986 to the city of Avalon, California, for improvements to the publicly owned treatment works of such city.

(b) WALKER AND SMITHFIELD TOWNSHIPS, PENNSYLVANIA.—The Administrator shall make grants from funds allotted under section 205 of the Federal Water Pollution Control Act to the State of Pennsylvania for fiscal year 1986—

(1) to Walker Township, Pennsylvania, for developing a collector system and connecting its wastewater treatment system into the Huntingdon Borough, Pennsylvania, sewage treatment plant, and

(2) to Smithfield Township, Pennsylvania, for rehabilitating and extending its collector system.

(c) TAYLOR MILL, KENTUCKY.—Notwithstanding section 201(g)(1) of the Federal Water Pollution Control Act or any other provision of law, the Administrator shall make a grant of $250,000 from funds allotted under section 205 of such Act to the State of Kentucky for fiscal year 1986 to the city of Taylor Mill, Kentucky, for the repair and reconstruction, as necessary, of the publicly owned treatment works of such city.

(d) WATSONVILLE, CALIFORNIA.—The Administrator shall make a grant of $27,000,000 from funds allotted under section 205 of the Federal Water Pollution Control Act to the State of California for fiscal years beginning after September 30, 1985, to the city of Watsonville, California, for improvements to the wastewater treatment and disposal facilities of such city.

(e) NEVADA COUNTY, CALIFORNIA.—The Administrator is authorized to make a grant from funds allotted to the State of California for fiscal years beginning after September 30, 1985, for the construction of a collection system serving the Glenshire/Devonshire area of Nevada County, California, to deliver waste to the Tahoe-Truckee Sanitary District's regional wastewater treatment facility.

(f) TREATMENT WORKS FOR WANAQUE, NEW JERSEY.—The Administrator shall make grants to the Wanaque Valley Regional Sewerage Authority, New Jersey, from funds allotted under section 205 of the Federal Water Pollution Control Act to the State of New Jersey, for fiscal years beginning after September 30, 1985, for the construction of treatment works with a total treatment capacity of 1,050,000 gallons per day (including a treatment module with a treatment capacity of 350,000 gallons per day). Notwithstanding section 202 of the Federal Water Pollution Control Act, the Federal share of the cost of construction of such treatment works shall be 75 percent.

(g) TREATMENT WORKS FOR LENA, ILLINOIS.—The Administrator shall make grants to the village of Lena, Illinois, from funds allotted under section 205 of the Federal Water Pollution Control Act to the State of Illinois, for fiscal years beginning after September 30, 1985, for the construction of a replacement moving bed filter press for the treatment works of such village. Notwithstanding section 202 of the Federal Water Pollution Control Act, the Federal share of the cost of construction of such project shall be 75 percent.

(h) PRIORITY FOR COURT ORDERED PROJECTS.—The Commonwealth of Pennsylvania, from the sums allocated to it under this Act, shall give first priority to the Wyoming valley Sanitary Authority Secondary Treatment project mandated under federal court order, regardless of the date of start of construction made pursuant to the court order.

SEC. 67. STUDY OF REGULATION OF DE MINIMIS DISCHARGES.

(a) STUDY.—The Administrator shall study the feasibility and desirability of eliminating the regulation of discharges of pollutants into the navigable waters in amounts which, in terms of volume, concentration, and type of pollutant, are not significant.

(b) REPORT.—Not later than one year after the date of the enactment of this Act, the Administrator shall submit a report on the results of such study along with recommendations to the Committee on Public Works and Transportation of the House of Representatives and the Committee on Environment and Public Works of the Senate.

SEC. 68. STUDY OF EFFECTIVENESS OF INNOVATIVE AND ALTERNATIVE PROCESSES AND TECHNIQUES.

(a) EFFECTIVENESS STUDY.—The Administrator shall study the effectiveness on waste treatment of innovative and alternative wastewater treatment processes and techniques referred to in section 201(g)(5) of the Federal Water Pollution Control Act which have been utilized in treatment works constructed under such Act. In conducting such study, the Administrator shall compile information, by State, on the types of such processes and techniques utilized, on the number of facilities constructed with such processes and techniques, and a description of such processes and techniques which have not performed to design standards. The Administrator shall also determine which States have not obligated the full amount set aside under section 205(i) of such Act for such processes and techniques and the reasons for each such State's failure to make such obligations.

(b) REPORT.—Not later than two years after the date of the enactment of this Act, the Administrator shall submit to the Committee on Public Works and Transportation of the House of Representatives and the Committee on Environment and Public Works of the Senate a report on the results of such study, along with recommendations for providing more effective incentives for innovative and alternative wastewater treatment processes and techniques.

SEC. 69. WATER QUALITY IMPROVEMENT STUDY.

(a) STUDY.—The Administrator shall study the water quality improvements which have been achieved by application of best available technology economically achievable pursuant to section 301(b)(2) of the Federal Water Pollution Control Act. Such study shall include, but not be limited to, an analysis of the effectiveness of, and the costs and benefits associated with, application of best available technology economically achievable pursuant to such section and an analysis of the effectiveness of the water quality program under such Act and methods of improving such program, including site specific levels of treatment which will achieve the water quality goals of such Act in a cost-effective manner.

(b) REPORT.—Not later than two years after the date of the enactment of this Act, the Administrator shall submit a report on the results of the study conducted under subsection (a) together with recommendations for improving the water quality program and its effectiveness to the Committee on Public Works and Transportation of the

House of Representatives and the Committee on Environment and Public Works of the Senate.

SEC. 70. STUDY OF TESTING PROCEDURES.

(a) STUDY.—The Administrator shall study the testing procedures for analysis of pollutants established under section 304(h) of the Federal Water Pollution Control Act. Such study shall include, but not be limited to, an analysis of the adequacy and standardization of such procedures. In conducting the analysis of the standardization of such procedures, the Administrator shall consider the extent to which such procedures are consistent with comparable procedures established under other Federal laws.

(b) REPORT.—Not later than one year after the date of the enactment of this Act, the Administrator shall submit a report on the results of the study conducted under this subsection, together with recommendations for modifying the test procedures referred to in subsection (a) to improve their effectiveness, to the Committee on Public Works and Transportation of the House of Representatives and the Committee on Environment and Public Works of the Senate.

(c) BIENNIAL REVIEWS.—Biennially after the date of submission of the report under subsection (b), the Administrator shall conduct a state-of-the-art review of the test procedures for the analysis of pollutants referred to in subsection (a) for the purpose of determining the adequacy and effectiveness of such procedures and shall, based on the results of such review, submit to the committees referred to in subsection (b) recommendations for modifying such procedures to improve their effectiveness.

SEC. 71. STUDY OF PRETREATMENT OF TOXIC POLLUTANTS.

(a) STUDY.—The Administrator shall study—

(1) the adequacy of data on environmental impacts of toxic industrial pollutants discharged from publicly owned treatment works;

(2) the extent to which secondary treatment at publicly owned treatment works removes toxic pollutants;

(3) the capability of publicly owned treatment works to revise pretreatment requirements under section 307(b)(1) of the Federal Water Pollution Control Act;

(4) possible alternative regulatory strategies for protecting the operations of publicly owned treatment works from industrial discharges, and shall evaluate the extent to which each such strategy identified may be expected to achieve the goals of this Act; and

(5) the adequacy of Federal, State, and local resources to establish, implement, and enforce multiple pretreatment limits for toxic pollutants for each such alternative strategy.

(b) REPORT.—Not later than two years after the date of the enactment of this Act, the Administrator shall submit a report on the results of such study along with recommendations for improving the effectiveness of pretreatment requirements to the Committee on Public Works and Transportation of the House of Representatives and the Committee on Environment and Public Works of the Senate.

SEC. 72. STUDIES OF WATER POLLUTION PROBLEMS IN AQUIFERS.

(a) STUDIES.—The Administrator, in conjunction with State and local agencies and after providing an opportunity for full public participation, shall conduct studies for the purpose of identifying existing and potential point and nonpoint sources of pollution, and of identifying measures and practices necessary to control such sources of pollution, in the following groundwater systems and aquifers.

(1) the groundwater system of the Upper Sante Cruz Basin and the Avra-Altar Basin of Pima, Pinal, and Santa Cruz Counties, Arizona;

(2) the Spokane-Rathdrum Valley Aquifer, Washington and Idaho;

(3) the Nassau and Suffolk Counties Aquifer, New York;

(4) the Whidbey Island Aquifer, Washington;

(5) the Unconsolidated Quaternary Aquifer, Rockaway River area, New Jersey; and

(6) the Sparta Aquifer, Arkansas.

(b) PROPOSED MANAGEMENT PLANS.—After completion of each study under subsection (a), the Administrator, in conjunction with State and local agencies and after providing an opportunity for full public participation, shall prepare a proposed management plan describing methods of implementing the measures and practices identified for each groundwater system and aquifer under subsection (a).

(c) REPORTS.—Not later than one year after the date of the enactment of this Act, the Administrator shall submit to Congress an interim report of the studies and proposed management plans under this section. Not later than two years after such date of enactment, the Administrator shall complete such studies and plans and submit to Congress a final report of such studies and plans.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $10,000,000 for fiscal years beginning after September 30, 1985, to carry out this section.

SEC. 73. GREAT LAKES CONSUMPTIVE USES STUDY.

(a) STUDY OF CONTROL MEASURES.—In recognition of the serious impacts that are expected to occur to the Great Lakes environment as a result of a projected fivefold increase in consumption of Great Lakes water, including loss of wetlands and reduction of fish spawning and habitat areas, as well as serious economic losses to vital Great Lakes industries, and in recognition of the national goal to provide environmental protection and preservation of our natural resources while allowing for continued economic growth, the Administrator, in cooperation with other interested departments, agencies, and instrumentalities of the United States and the eight Great Lakes States and their political subdivisions, is authorized to conduct a study of control measures which can be implemented to reduce the quantity of Great Lakes water consumed without adversely affecting projected economic growth of the Great Lakes region.

(b) MATTERS INCLUDED.—The study authorized by this section shall include an analysis of both existing and new technology which is likely to be feasible in the foreseeable future and shall at a minimum include the following:

(1) a review of the methodologies used to forecast Great Lakes consumptive uses, including an analysis of the sensitivity of key variables affecting such uses;

(2) an analysis of the effect that enforcement of provisions of the Federal Water Pollution Control Act relating to thermal discharges has had on consumption of Great Lakes water;

(3) an analysis of the effect of laws, regulations, and national policy objectives on consumptive uses of Great Lakes water used in manufacturing;

(4) an analysis of the economic effects on a consuming industry and other Great Lakes interests associated with a particular consumptive use control strategy;

(5) an analysis of associated environmental impacts, both singularly and in combination with other consumptive use control strategies; and

(6) a summary discussion containing recommendations for methods of controlling consumptive uses which methods maximize benefits to the Great Lakes ecosystem and also provide for continued full economic growth for consuming industries as well as other industries which depend on the use of Great Lakes water.

(c) GREAT LAKES STATES DEFINED.—For purposes of this section, the term "Great Lakes States" means Minnesota, Wisconsin, Illinois, Ohio, Michigan, Indiana, Pennsylvania, and New York.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for fiscal years beginning after September 30, 1985, $4,500,000 to carry out this section. Sums appropriated under this section shall remain available until expended.

SEC. 74. SULFIDE CORROSION STUDY.

(a) STUDY.—The Administrator shall conduct a study of the corrosive effects of sulfides in collection and treatment systems, the extent to which the uniform imposition of categorical pretreatment standards will exacerbate such effects, and the range of available options to deal with such effects.

(b) CONSULTATION.—The study required by this section shall be conducted in consultation with the Los Angeles City and County sanitation agencies.

(c) REPORT.—Not later than one year of the date of the enactment of this Act, the Administrator shall submit a report on the results of the study, together with recommendations for measures to reduce the corrosion of treatment works, to the Committee on Public Works and Transportation of the House of Representatives and the Committee on Environment and Public Works of the Senate.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $2,000,000 to carry out this section for fiscal years beginning after September 30, 1985.

SEC. 75. PULP MILL STUDY.

(a) FEASIBILITY STUDY.—The Administrator, in consultation with the State of Alaska, shall conduct a study to determine the feasibility of resolving the air pollution control, solid waste disposal, water quality standards compliance, and energy impacts associated with the achievement of best practicable technology under section 301 of the Federal Water Pollution Control Act with respect to the Alaska Lumber and Pulp Company, located at Sitka, Alaska (NPDES permit numbered AK000053-1).

(b) REPORT.—Not later than 180 days after the date of the enactment of this Act, the Administrator shall submit a report on the results of the study conducted under subsection (a) to the Committee on Public Works and Transportation of the House of Representatives and the Committee on Environment and Public Works of the Senate.

SEC. 76. STUDY OF RAINFALL INDUCED INFILTRATION INTO SEWER SYSTEMS.

(a) STUDY.—The Administrator shall study problems associated with rainfall induced infiltration into wastewater treatment sewer systems. As part of such study, the Administrator shall study appropriate methods of regulating rainfall induced infiltration into the sewer system of the East Bay Municipal Utility District, California.

(b) REPORT.—Not later than one year after the date of the enactment of this Act, the Administrator shall submit to Congress a report on the results of such study, along with recommendations on reasonable methods to reduce such infiltration and on regulatory mechanisms to address special problems associated with increased flows from such systems resulting from such infiltration.

SEC. 77. STUDY OF pH IN DISCHARGES FROM MINING OPERATIONS.

(a) STUDY.—The Administrator shall study effluent limitations as they relate to pH in discharges from mining operations.

(b) REPORT.—Not later than one year after the date of the enactment of this Act, the Administrator shall submit to Congress a report on the results of such study along with the recommendations as to the feasibility of permitting modifications of such effluent limitations to permit lower pH in such discharges than is otherwise required.

SEC. 78. STUDY OF POLLUTION IN LAKE PEND OREILLE, IDAHO.

(a) COMPREHENSIVE STUDY.—The Administrator shall conduct a comprehensive study of the sources of pollution in Lake Pend Oreille, Idaho, and the Clark Fork River and its tributaries, Idaho, Montana, and Washington, for the purpose of identifying the sources of such pollution. In carrying out this subsection, the Administrator shall consider existing studies, surveys, and test results concerning such pollution.

(b) REPORT.—Not later than one year after the date of the enactment of this Act, the Administrator shall submit to Congress a report on the results of the study conducted under this section together with any recommendations of the Administrator.

(c) EDUCATION PROGRAM.—The Administrator shall make the report under subsection (b) available to the public and shall carry out such education programs as the Administrator deems appropriate for the purpose of making the public aware of the results of the study conducted under subsection (a) and the recommendations contained in such report.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section for fiscal years beginning after September 30, 1985, such sums as may be necessary.

SEC. 79. LIMITATION ON PAYMENTS.

No payments may be made under this Act except to the extent provided in advance in appropriation Acts.

SEC. 80. RIGHTS AND LIABILITIES UNDER OTHER FEDERAL STATUTES.

Section 505 of the Federal Water Pollution Control Act is amended by inserting the following new subsection (f) and by designating the succeeding subsections accordingly:

"(f) Nothing in this Act shall affect or modify the rights or liabilities of any person under other Federal statutes with respect to damages caused by noncompliance with any requirement of this Act or any permit issued under this Act.".

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title of the Senate bill was amended so as to read: "An Act to amend the Federal Water Pollution Control Act to provide for the renewal of the quality of the Nation's waters, and for other purposes."

A motion to reconsider was laid on the table.

A similar House bill (H.R. 8) was laid on the table.

GENERAL LEAVE

Mr. HOWARD. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

REPORT ON RESOLUTION PROVIDING SPECIAL BUDGET PROCEDURES FOR THE FISCAL YEAR 1986 CONGRESSIONAL BUDGET PROCESS

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 99-217) on the resolution (H. Res. 231) providing special budget procedures for the fiscal year 1986 congressional budget process, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION WAIVING CERTAIN POINTS OF ORDER AGAINST CONSIDERATION OF H.R. 3037, AGRICULTURAL, RURAL DEVELOPMENT, AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1986

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 99-218) on the resolution (H. Res. 232) waiving certain points of order against consideration of the bill (H.R. 3037), making appropriations for agriculture, rural development, and related agencies programs for the fiscal year ending September 30, 1986, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION WAIVING CERTAIN POINTS OF ORDER AGAINST CONSIDERATION OF H.R. 3038, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—INDEPENDENT AGENCIES APPROPRIATIONS, 1986

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 99-219) on the resolution (H. Res. 233), waiving certain points of order against consideration of the bill (H.R. 3038), making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1986, and for other purposes, which was referred to the House Calendar and ordered to be printed.

MISSING CHILDREN, SETTING THE RECORD STRAIGHT

(Mr. COATS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. COATS. Mr. Speaker, missing children is a topic that many of us in Congress have been justifiably concerned about. Many of you, like me, have both sponsored missing children legislation and applauded those who have donated advertising space to pictures and information on missing children.

While none of us wants to diminish the importance and tragic consequences of an abducted child, I would like to today add some perspective to this issue that perhaps can alleviate some of the fears of parents and children.

The most frequently used numbers—1.5 million children missing each year/50,000 child abductions—are erroneous. The FBI estimates that about 32,000—not 1.5 million—children are missing each year, and that 67 children—not 50,000—were reported as abducted in 1984. Among the 32,000 missing, up to 90 percent are children who have run away of their own volition, and nearly 90 percent of the remaining number are children not abducted by strangers but taken by one parent from another as the result of a family dispute over custody.

These statistics do not mean that missing children is not an important issue. They simply mean that the remedies for these problems must vary, and that Congress needs to have an accurate understanding of the causes and extent of the missing children problem as we examine possible means of dealing with this problem. Hopefully, these more encouraging numbers will also help relieve some of the unnecessary anxiety and fears of parents for the safety of their children.

I would like to submit for the RECORD a recent article which appeared in the Washington Post written by Ellen Goodman entitled: "Missing Children: Facts and Fears," which speaks to this issue.

[From the Washington Post, July 10, 1985]

MISSING CHILDREN: FACTS AND FEARS

BOSTON—In a supermarket in Maine there is a poster of a girl. It says that she is missing. There are other such faces: boys and girls, 3 years old, 11 years old, 8 years old, hanging like "the most wanted" in public places. Some are on the highway toll gates, others on the Chicago subways, milk cartons and gas bills. All of them are missing.

In New Jersey last winter, they began fingerprinting 44,000 school children. At Tufts University, they developed a technique for toothprints. These are in case, just in case, children are ever missing.

Over the past year or more, the alarm about the abduction of children has been raised everywhere: a television special or

two, a talk show or a hundred, a hotline (Dial 800-THE-LOST). Congress declared a National Missing Children's Day. The media rounded up the usual statistics: 1.5 million children missing, 50,000 a year abducted.

It has taken all this time for the facts to catch up with our bleakest fears.

Now, just now, we hear that there are not 50,000 children a year abducted by strangers. Child Find in New York has altered their estimate to 600 such kidnappings, and the FBI says 67 were reported in 1984. Nor are there 1.5 million missing children in this country. The FBI estimates, rather, 32,000.

Among the missing, the overwhelming majority—two-thirds, three-quarters, 90 percent (there are different figures from different people)—are runways and, as they say now, throwaways. Of the rest, perhaps as many as 90 percent have been taken by one parent from another in a distintegrating family.

Are those children all at risk? Absolutely. But this is not the fear that grips most parents who let a child walk to school for the first time, who leave the children alone in the house, who lose a preschooler in the shopping center, who wait for a child to come home * * *. It is the strangers that we fear.

It is impossible to exaggerate the pain of those parents who have lost a child. It is incalculable, inconsolable. But it is easy to exaggerate the risk, and in these months, the fear has been fanned out of all proportion to the reality.

I think it's worth asking why. Why, now, is there such a receptive audience for this primal anxiety? It isn't just the misused statistics that causes an epidemic of concern. There must be some particular vulnerability in parents today.

The terror of losing a child is a staple of mythology as well as nightmares. Village folklore was full of stories about strangers who stole children. Gypsies were the vagrants and suspects. In those days, communities were tight enough that the only strangers were rootless outsiders.

Today, more and more of us are outsiders, strangers on our own streets. The cities are bigger, neighborhoods less stable. The ratio of strangers to friends, strangers to families has changed dramatically. This is, I think, at the root of our insecurity.

In this same world, we routinely place our children in the hands of people we hardly know. The doctor at the clinic, the teacher at school, the swimming counselor, the bus driver. It is not a coincidence that the fear of child abduction is heightened at a time when more of us leave small children in day care outside their home and family than ever before.

When we tell our children—as we must—to beware of strangers, the number of people wearing that label is much larger than it once was. The more time they spend away from us, the more unknown their world, the more easily our anxiety can be tapped.

The victims of abduction deserve their priority, deserve all the sophisticated methods of discovery in our arsenal. But the victims of hysteria should wonder about the strangeness of our lives. Fear grows irrationally in a world without communities where we know the names of children only when they appear on a milk carton, on a toll booth or on a poster at a supermarket.

A "BARE BONES" DEFENSE BUDGET?

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. WEISS. Mr. Speaker, I have here a digital wristwatch with which to time my remarks. It tells the time in hours, minutes, and seconds; it also gives the date and month. Like many such watches, it was made in Hong Kong. Unlike most watches, it has "US Army" printed on its face.

This watch belongs to one of my constituents. She received it as a free gift from the Army. In order to get this watch, she didn't have to enlist. she didn't have to take an Army skills test. She didn't even have to visit a recruiting office. All she had to do was to request information about the Army by filling out a card like this.

These cards have been sent, unsolicited, to people throughout my district. They have even been mailed to senior citizens. Today I am asking the Secretary of Defense for an accounting of this recruiting campaign.

Secretary Weinberger has told us that he submitted a barebones defense budget. Army giveaways like this one make me wonder just who is being picked clean.

Check out the opportunities: College aid; top skill training; personal challenge—be all you can be in an Army of Excellence.

This digital wrist watch gives hour, minute and second readings, plus day and month. It's yours free when you mail this card at the right.

Yours free . . . if you act within seven days!

You must be 16 or older to receive your free gift. To be sure to receive it, you must complete all blanks. Offer expires June 30, 1985.

Don't miss out! Get full details on choice of Active Army/Army Reserve opportunities. Mail card today for info and free gift. No obligation.——U.S. Army——U.S. Army Reserve——Both.

Send me the Digital Wrist Watch.

The information you voluntarily provide, to include social security number, will be used for recruiting purposes only. Your social security number will be used to analyze individual response to this mailing (Authority: 10 USC 503).

Hon. CASPAR WEINBERGER,
Secretary of Defense, The Pentagon, Washington, DC.

DEAR MR. SECRETARY: I am writing to inquire about a recruiting campaign that is currently being conducted by the U.S. Army. This campaign was brought to my attention by one of my constituents, who received an unsolicited mailing from Col. Donald F. Border.

Col. Borden's letter described opportunities in the U.S. Army and invited my constituent to fill out a card requesting further information. In return for mailing this card, she was promised a free U S. Army digital wristwatch.

My constituent, who is well past the usual age for military service, was appalled to discover that the U.S. Army is indiscriminately offering free wristwatches to anyone whose name happens to find its way onto the Army's mailing list. The sole criterion for obtaining this "free gift" is that the recipient must be at least sixteen years old.

I share my constituent's concern about this recruiting campaign. Gifts like this wristwatch may be "free" to the recipient, but their cost must be borne by the American taxpayer. At a time when both defense spending and the federal deficit have reached record highs, it is difficult to see how this could possibly be a prudent and responsible use of our nation's resources. I am also troubled by the fact that these "US Army" watches are actually manufactured in Hong Kong.

I would therefore appreciate any information you can send me concerning this recruiting campaign. In particular, I would like to know the answers to the following questions:

(1) How long has this campaign been going on, and when is it scheduled to end?

(2) Is the Army running this campaign itself, or has it been contracted to a private agency?

(3) What is the cost of this campaign, and how much does the Army pay for each wristwatch?

(4) How many people have been given watches? How many of these people have subsequently enlisted?

(5) What other items are being given away to people who request information about service in the Army? Are these items also manufactured abroad?

(6) How does the Army obtain its mailing lists? What fraction of those who receive this offer are even eligible for military service?

(7) Are the other branches of the armed forces conducting similar campaigns?

For your information, I am enclosing a copy of Col. Boardman's letter and the materials that accompanied it. Thank you for your prompt attention to this matter.

Sincerely,

TED WEISS,
Member of Congress.

RUSSIAN SPIES IN THE UNITED STATES

(Mr. DARDEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DARDEN. Mr. Speaker, Sunday on "This Week with David Brinkley," Stańislaŷ Levcheńko, a Soviet master spy who defected to the West, estimated that as many as 40 percent of Soviet diplomats and tourists in the United States are principally engaged in spying.

Clearly, recent events, including this startling estimate, call for action on our behalf. Almost casually, many of us have said that Soviet espionage jeopardizes our national security. Let us put it a little more bluntly. When the Soviet Union obtains top secret information about our military forces it places millions of lives—the lives of our families, friends, and constituents—at greater risk. Espionage is serious and deadly business.

We recently enacted stiff penalties for military saboteurs in the Defense

Authorization bill. But we also need to take preventive measures. Soon, I will be introducing legislation urging the President to limit the number of Soviet diplomats allowed in the United States to the number which we are allowed in the Soviet Union. I urge my colleagues to join me in cosponsoring this legislation.

Mr. Speaker, I include for the RECORD an article from the "Atlanta Constitution" detailing Mr. Levchenko's comments:

[From the Atlanta Constitution, July 22, 1985]

40% OF RUSSIANS IN U.S. ARE SPIES, DEFECTOR CLAIMS

WASHINGTON.—A Russian master spy who defected to the West estimated Sunday that as many as 40 percent of Soviet diplomats and tourists traveling in the United States are intelligence officials.

To curtail such activities, said former KGB officer Stanislav Levchenko, the number of Soviet workers and visitors in the United States should be cut to the same number accepted by the Soviet Union.

"I think the act of making the number of U.S. diplomats and Soviet diplomats in Moscow and Washington equal can be a great help for reducing the scale of Soviet espionage," Levchenko said on ABC's "This Week With David Brinkley."

"I would say from 35 to 40 percent of the Soviet officials, travelers, tourists in this country are intelligence officers," he said.

Levchenko, filmed in shadows so his face could not be seen, said the KGB has been trying to kill him since he defected to the United States after a job recruiting Soviet spies in Japan.

Sen. Patrick Leahy (D-Vt.), vice chairman of the Senate Select Committee on Intelligence, said on the program: "I find when I'm giving speeches about the fact there's a lot of spies over here—a thousand KGB agents in this country, more than that actually—people think you're talking about some fantasy out of the '50s.

"Well it's not. We all say we've got to watch out for spies, but not one really does take it seriously."

Leahy urged House and presidential approval of a Senate amendment equalizing the U.S.-Soviet diplomatic corps in Washington and Moscow. "It doesn't mean you're going to stop spying; there's no way you can pass a law to stop Soviet spying. It simply means reducing the number in the diplomatic community and giving the FBI a fighting chance."

According to the Federal Bureau of Investigation, the number of Soviet diplomats, trade officials and personnel based in the United States totals about 1,000—or more than three times the figure of about 300 American personnel stationed in the Soviet Union.

Since the arrest of former Navy Warrant Officer John Walker, his son, Michael, and two alleged accomplices charged with selling secrets to the Soviets, Leahy and other members of Congress have called for tougher penalties against convicted agents.

SECTION 302 BUDGET ALLOCATIONS

(Mr. GRAY of Pennsylvania asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. GRAY of Pennsylvania. Mr. Speaker, in compliance with the resolution reported from the Committee on Rules I am submitting for the RECORD the allocation by House committee of budget authority, outlays, and entitlement authority for fiscal year 1986, and a revised allocation for fiscal year 1985. These two allocations are based upon, and entirely consistent with, the budget resolution (H. Con. Res. 152) passed by the House on May 23. These allocations are made pursuant to section 302(a) of the Congressional Budget Act, and are submitted now because the above cited resolution deems the House-passed budget resolution to be a conference agreement for the purposes of the Budget Act.

FISCAL YEAR 1985 ALLOCATION OF SPENDING RESPONSIBILITY TO HOUSE COMMITTEES PURSUANT TO SEC. 302(a) OF THE CONGRESSIONAL BUDGET ACT

[In millions of dollars]

House committee	Budget authority	Outlays	New entitlement authority
Appropriations	570,840	540,727	
Agriculture	7,449	17,891	
Armed Services	37,185	25,318	
Banking, Finance, and Urban Affairs	15,505	13,134	
District of Columbia	11	11	
Education and Labor	71	64	
Energy and Commerce	12,668	11,108	
Foreign Affairs	13,759	12,381	
Government Operations	4,573	4,573	
House Administration	44	8	
Interior and Insular Affairs	1,575	1,092	
Judiciary	570	477	
Merchant Marine and Fisheries	622	367	
Post Office and Civil Service	50,639	33,177	
Public Works and Transportation	17,616	514	
Science and Technology	138	104	
Veterans' Affairs	1,502	1,091	
Ways and Means	490,085	465,365	
Unassigned to committee	−185,752	−185,752	
Total	1,039,100	941,650	

ALLOCATION OF SPENDING RESPONSIBILITY TO HOUSE COMMITTEES PURSUANT TO SEC. 302(a) OF THE CONGRESSIONAL BUDGET ACT—FISCAL YEAR 1986

[In millions of dollars]

	Budget authority	Outlays	Entitlement authority
HOUSE APPROPRIATIONS COMMITTEE			
Current level (enacted law):			
050 National Defense	778	104,943	0
150 International Affairs	161	9,508	0
250 General Science, Space, and Technology	0	2,762	0
270 Energy	15	3,756	0
300 Natural Resources and Environment	26	6,368	0
350 Agriculture	0	598	0
370 Commerce and Housing Credit	0	1,135	0
400 Transportation	406	18,886	0
450 Community and Regional Development	4	5,371	0
500 Education, Training, Employment, and Social Services	7,980	23,732	0
550 Health	25,605	29,906	0
570 Medicare	19,761	19,761	0
600 Income Security	26,768	38,921	0
650 Social Security	497	497	0
700 Veterans Benefits and Services	15,187	17,117	0
750 Administration of Justice	124	1,079	0
800 General Government	5,649	6,329	0
850 General Purpose Fiscal Assistance	4,567	4,568	0
Subtotal	107,528	295,236	0

ALLOCATION OF SPENDING RESPONSIBILITY TO HOUSE COMMITTEES PURSUANT TO SEC. 302(a) OF THE CONGRESSIONAL BUDGET ACT—FISCAL YEAR 1986—Continued

[In millions of dollars]

	Budget authority	Outlays	Entitlement authority
Discretionary appropriations action (assumed legislation):			
050 National Defense	292,526	162,860	0
150 International Affairs	20,158	9,700	0
250 General Science, Space, and Technology	9,095	6,233	0
270 Energy	4,803	1,580	0
300 Natural Resources and Environment	15,119	8,726	0
350 Agriculture	12,768	1,283	0
370 Commerce and Housing Credit	4,976	2,380	0
400 Transportation	11,953	9,630	0
450 Community and Regional Development	6,501	1,218	0
500 Education, Training, Employment, and Social Services	23,083	7,496	0
550 Health	10,494	6,161	0
570 Medicare	−17	1,120	0
600 Income Security	31,062	20,080	0
650 Social Security	−18	3,988	0
700 Veterans Benefits and Services	11,140	9,036	0
750 Administration of Justice	6,665	5,659	0
800 General Government	5,535	4,842	0
850 General Purpose Fiscal Assistance	649	662	0
920 Allowances	−285	−285	0
950 Undistributed Offsetting Receipts	10	10	0
Subtotal	466,215	262,381	0
Discretionary action by other committees (assumed entitlement legislation):			
600 Income Security	61	61	0
700 Veterans Benefits and Services	70	11	0
850 General Purpose Fiscal Assistance	−1,142	−1,142	0
920 Allowances	−4,615	−4,115	0
Subtotal	−5,626	−5,186	0
Committee total	568,117	552,432	0
HOUSE AGRICULTURE COMMITTEE			
Current level [enacted law]:			
300 Natural Resources and Environment	298	284	0
350 Agriculture	2,976	12,363	11,059
450 Community and Regional Development	1	651	0
850 General Purpose Fiscal Assistance	270	270	270
Subtotal	3,545	13,568	11,329
Discretionary action (assumed legislation):			
350 Agriculture	−1,000	−1,000	−1,000
Subtotal	−1,000	−1,000	−1,000
Committee total	2,545	12,568	10,329
HOUSE ARMED SERVICES COMMITTEE			
Current level (enacted law):			
050 National Defense	10,026	10,026	166
600 Income Security	30,434	18,139	18,139
700 Veterans Benefits and Services	162	3	3
Subtotal	40,622	28,168	18,308
Committee total	40,622	28,168	18,308
HOUSE BANKING, FINANCE COMMITTEE			
Current level (enacted law):			
150 International Affairs	0	−313	0
370 Commerce and Housing Credit	1,069	−953	0
450 Community and Regional Development	105	123	0
500 Education, Training, Employment, and Social Services	0	−59	−32
550 Health	0	−1	0
600 Income Security	2,550	2,549	0
700 Veterans Benefits and Services	0	−21	0
800 General Government	4	4	0
900 Net Interest	20	20	0
Subtotal	3,748	1,348	−32
Committee total	3,748	1,348	−32

ALLOCATION OF SPENDING RESPONSIBILITY TO HOUSE COMMITTEES PURSUANT TO SEC. 302(a) OF THE CONGRESSIONAL BUDGET ACT—FISCAL YEAR 1986—Continued

[In millions of dollars]

	Budget authority	Outlays	Entitlement authority
HOUSE DISTRICT OF COLUMBIA COMMITTEE			
Current level (enacted law):			
750 Administration of Justice	11	11	11
Subtotal	11	11	11
Committee total	11	11	11
HOUSE EDUCATION AND LABOR COMMITTEE			
Current level (enacted law):			
500 Education, Training, Employment, and Social Services	12	11	4,571
600 Income Security	68	63	6,525
Subtotal	80	74	11,096
Discretionary action (assumed legislation):			
600 Income Security	0	−300	0
Subtotal	0	−300	0
Committee total	80	−226	11,096
HOUSE ENERGY AND COMMERCE COMMITTEE			
Current level (enacted law):			
370 Commerce and Housing Credit	33	33	0
550 Health	8	9	24,013
600 Income Security	13,122	11,319	8,272
850 General Purpose Fiscal Assistance	7	6	7
Subtotal	13,169	11,367	32,292
Discretionary action (assumed legislation):			
270 Energy	−14	−14	0
Subtotal	−14	−14	0
Committee total	13,155	11,353	32,292
HOUSE FOREIGN AFFAIRS COMMITTEE			
Current level (enacted law):			
150 International Affairs	13,241	12,265	0
600 Income Security	697	254	254
800 General Government	2	2	0
Subtotal	13,940	12,521	254
Committee total	13,940	12,521	254
HOUSE GOVERNMENT OPERATIONS COMMITTEE			
Current level (enacted law):			
800 General Government	4	4	0
850 General Purpose Fiscal Assistance	4,567	4,567	4,567
Subtotal	4,571	4,570	4,567
Discretionary action (assumed legislation):			
850 General Purpose Fiscal Assistance	−1,142	−856	−856
Subtotal	−1,142	−856	−856
Committee total	3,429	3,714	3,711
HOUSE ADMINISTRATION COMMITTEE			
Current level (enacted law):			
500 Education, Training, Employment, and Social Services	8	8	0
800 General Government	37	0	47
Subtotal	45	8	47
Committee total	45	8	47
HOUSE INTERIOR AND INSULAR AFFAIRS COMMITTEE			
Current level (enacted law):			
270 Energy	264	−100	0
300 Natural Resources and Environment	123	91	11
450 Community and Regional Development	456	454	419
800 General Government	2	2	0
850 General Purpose Fiscal Assistance	706	706	137
Subtotal	1,551	1,154	567
Discretionary action (assumed legislation):			
950 Undistributed Offsetting Receipts	−4,000	−4,000	0
Subtotal	−4,000	−4,000	0
Committee total	−2,449	−2,846	567
HOUSE JUDICIARY COMMITTEE			
Current level (enacted law):			
370 Commerce and Housing Credit	95	83	0
600 Income Security	16	4	4
750 Administration of Justice	100	51	124
800 General Government	301	301	301
Subtotal	512	440	429
Committee total	512	440	429
HOUSE MERCHANT MARINE AND FISHERIES COMMITTEE			
Current level (enacted law):			
300 Natural Resources and Environment	196	200	0
370 Commerce and Housing Credit	43	38	0
400 Transportation	389	4	352
850 General Purpose Fiscal Assistance	7	7	0
Subtotal	635	249	352
Discretionary action (assumed legislation):			
400 Transportation	−50	−50	0
Subtotal	−50	−50	0
Committee total	585	199	352
HOUSE POST OFFICE AND CIVIL SERVICE COMMITTEE			
Current level (enacted law):			
550 Health	0	−168	1,439
600 Income Security	41,620	23,842	23,842
800 General Government	11,618	11,618	0
Subtotal	53,238	35,292	25,281
Discretionary action (assumed legislation):			
550 Health	0	−300	0
920 Allowances	0	0	−145
Subtotal	0	−300	−145
Committee total	53,238	34,992	25,136
HOUSE PUBLIC WORKS AND TRANSPORTATION COMMITTEE			
Current level (enacted law):			
270 Energy	403	103	0
300 Natural Resources and Environment	63	56	0
400 Transportation	17,621	−2	54
450 Community and Regional Development	4	4	0
Subtotal	18,091	162	54
Discretionary action (assumed legislation):			
400 Transportation	0	−100	0
Subtotal	0	−100	0
Committee total	18,091	62	54
HOUSE SCIENCE AND TECHNOLOGY COMMITTEE			
Current level (enacted law):			
250 General Science, Space, and Technology	5	5	0
270 Energy	120	115	0
Subtotal	125	120	0
Committee total	125	120	0
HOUSE VETERANS AFFAIRS COMMITTEE			
Current level (enacted law):			
700 Veterans Benefits and Services	1,502	1,266	16,618
Subtotal	1,502	1,266	16,618
Discretionary action (assumed legislation):			
700 Veterans Benefits and Service	0	0	−300
Subtotal	0	0	−300
Committee total	1,502	1,266	16,318
HOUSE WAYS AND MEANS COMMITTEE			
Current level (enacted law):			
500 Education, Training, Employment, and Social Services	1,005	0	3,250
570 Medicare	88,732	76,942	76,515
600 Income Security	26,742	21,757	41,187
650 Social Security	210,730	200,324	198,559
800 General Government	10	10	0
850 General Purpose Fiscal Assistance	323	323	323
900 Net Interest	201,775	201,775	201,775
Subtotal	529,317	501,131	521,609
Discretionary action (assumed legislation):			
570 Medicare	−376	−3,423	−3,423
800 General Government	−473	−473	0
Subtotal	−849	−3,896	0
Committee total	528,468	497,235	518,186
UNASSIGNED			
Current level (enacted law):			
050 National Defense	−10,730	−10,730	0
150 International Affairs	−13,060	−13,060	0
270 Energy	−2,241	−2,241	0
300 Natural Resources and Environment	−2,725	−2,725	0
350 Agriculture	−94	−94	0
370 Commerce and Housing Credit	−65	−65	0
400 Transportation	−1,919	−1,919	0
450 Community and Regional Development	−322	−322	0
500 Education, Training, Employment, and Social Services	−38	−38	0
550 Health	−7	−7	0
570 Medicare	−26,150	−26,150	0
600 Income Security	−14,889	−14,889	0
650 Social Security	−4,009	−4,009	0
700 Veterans Benefits and Services	−611	−611	0
800 General Government	−17,339	−17,339	0
850 General Purpose Fiscal Assistance	−4,603	−4,603	0
900 Net Interest	−60,845	−60,845	−31,612
950 Undistributed Offsetting Receipts	−36,527	−36,527	0
Subtotal	−196,173	−196,173	−31,612
Discretionary action (assumed legislation):			
850 General Purpose Fiscal Assistance	1,142	1,142	0
950 Undistributed Offseting Receipts	767	767	0
Subtotal	1,909	1,909	0
Committee total	−194,264	−194,264	−31,612
Total, current level	596,057	710,511	611,169
Total, discretionary action	455,443	248,589	−5,379
Grand total	1,051,500	959,100	605,790

Note: Totals may not add because of rounding.

□ 1740

PROVIDING FOR DISMISSAL OF THE ELECTION CONTEST AGAINST BEN BLAZ

Mr. JONES of Tennessee, from the Committee on House Administration,

submitted a privileged report (Rept. No. 99-220) on the resolution (H. Res. 229), dismissing the election contest against Ben Blaz, which was referred to the House Calendar and ordered to be printed.

A BIG THANK YOU TO BOSSIER CITY

(Mr. ECKART of Ohio asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ECKART of Ohio. Mr. Speaker, I rise today to express my deep appreciation to the people of Bossier City, LA, which is represented by my colleague, BUDDY ROEMER. Recently, they displayed generosity to the those in northeast Ohio who were devastated by tornadoes a few weeks ago. In the aftermath of those tornadoes money and supplies were needed to help families rebuild their homes and their lives. The citizens of this Louisiana community responded with kindness. They collected donations for a large truck load of furniture, clothing, appliances, and building materials, and drove 1,200 miles to Niles, OH, one of the hardest hit areas. They also gave some extra money to further help with the rebuilding process. These donations will go a long way for the families who were left with nothing after the tornadoes struck.

Bossier City is no stranger to tragedy. In 1978 that community was ravaged by a hurricane. This unselfish effort was a way of celebrating their recovery from that hurricane.

It is often said that giving honors the giver and the people of Bossier city, LA, have indeed honored themselves. On behalf of the people of northeast Ohio I would like to offer our sincere thanks.

PERMISSION FOR SUBCOMMITTEE ON INTERGOVERNMENTAL RELATIONS AND HUMAN RESOURCES OF THE COMMITTEE ON GOVERNMENT OPERATIONS TO SIT DURING THE 5-MINUTE RULE ON TOMORROW AND THURSDAY, JULY 25, 1985

Mr. WEISS. Mr. Speaker, I ask unanimous consent that the Subcommittee on Intergovernmental Relations and Human Resources of the Committee on Government Operations be permitted to meet tomorrow and on Thursday during the 5-minute rule.

I have cleared this matter with my ranking minority member, the gentleman from Pennsylvania [Mr. WALKER].

The SPEAKER pro tempore (Mr. LAFALCE). Is there objection to the request of the gentleman from New York?

Mr. SOLOMON. Mr. Speaker, reserving the right to object, I will not object, but would the gentleman repeat the last part of his statement? Did he say he had cleared it with the minority?

Mr. WEISS. I did, indeed. I spoke to Mr. WALKER, and he has no objection.

Mr. SOLOMON. Mr. Speaker, I withdraw my objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

PRAISE FOR NEWPORT NAVAL HOSPITAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Rhode Island [Mr. ST GERMAIN] is recognized for 5 minutes.

● Mr. ST GERMAIN. Mr. Speaker, we live in an imperfect world. It's no big revelation. It's just imperfect. Things go wrong every day. And if for any reason we forget about the world's imperfections, we have news anchormen who remind us each night at 7 o'clock that we have problems. Big problems.

The true beauty of a not-so-perfect world lies in the possibility for things to go right; for a job well done. Little attention would be paid to a great accomplishment in a perfect world.

I would like to take this opportunity to share with my colleagues a great accomplishment that is happening at this very minute. It also happened yesterday, and it most likely will happen again tomorrow, and the next day. It regards the superb work being done by the U.S. Naval Hospital in Newport, RI.

In a time when unflattering news is being publicized about some medical facilities, I am pleased to read the positive constituent mail I have been receiving regarding Newport's Naval Hospital.

One constituent wrote me last week to tell me about the experience his wife had with the hospital. She was brought to the emergency room where doctors discovered a life-threatening brain tumor.

The patient's husband believes that the quick-thinking care and attention provided by the hospital's staff is responsible for his wife being alive today.

Hospitals are no picnic. Patients are not there because they wish to be there. This often creates many unhappy attitudes, all armed with an arsenal of complaints

Receiving mail from constituents who wish to praise the work of a hospital is special. It says something. It says that something is going right even if the world does have its flaws at times.●

PAY EQUITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. ARMEY] is recognized for 60 minutes.

Mr. ARMEY. Mr. Speaker, this evening I would like to discuss the whole question of pay equity within the context of a free enterprise market economy.

This is an old question that has been addressed many times, by many people, and one that has currently popped up again within the context of a new legislative initiative offered by Congresswoman OAKAR, from Ohio.

This legislation that is proposed addresses the issue of pay equity, or comparable worth, and raises a great many questions about the fundamental fairness of the methods and procedures and outcomes of pay and income distribution within our market.

I would like to go back and look at the history of this. If we can go back for a minute to 1776, and look at an important work that was written at that time by Adam Smith, "An Inquiry Into the Nature and the Causes of the Wealth of Nations."

Adam Smith, with this important work, brought for the first time a formal, systematic analysis of economic behavior, and he related to what he called man's natural tendency to truck and barter, and identified in that that there is a natural tendency for human beings to recognize in themselves and in the resources that they have commanded, particularly within the context of a private property ethic, a unique specialization of productive capability; that each and every individual had his unique skills; men and women alike; their talents, their abilities, and some jobs they could perform better than others.

The resources they had at their command were often better suited for some forms of production than for others, and there are all forms of geographic and demographic and biological and physiological characteristics that went into that; but nevertheless, human beings have that inherent capability of recognizing that area which Adam Smith called comparative advantage.

The sum and substance of that is that some of us are capable of doing some jobs better than others, and we recognize that capability. For example, I might find myself to be 250 pounds and 6 foot 7 and be able to run an extremely fast 40-yard dash and be very strong and I even perhaps am a little bit mean, in which case I might find myself uniquely qualified to be a defensive end for the Minnesota Vikings.

In which case, if I were very productive at the activities required of defensive ends, and if indeed the public continued to pay a tremendous price for the tickets to observe defensive ends in action, I might very well find myself paid at a rate which was higher than

that, say, of a college professor who some might consider to be a person who offers a great deal more in value to the community and to the society; but nevertheless the market does not reveal any willingness on the part of people to express that subjective valuation in the form of a price. I myself have lectured in the university campus for 20 years and I have not yet had anybody exhibit a willingness to pay $10.75 to come and watch me lecture for 2½ hours as they did for example on many occasions, to watch Carl Eller beat up on quarterbacks.

So indeed there is an objective criteria by which the valuation of that specialized effort can be worked out within a market context, as people devote themselves, by their choice, to that area in which they are most productive relative to other people.

This is a very important point. In a market circumstance, we make the free choice. There are very many things that we would evaluate in our determination of a free choice, and the market has a tendency to sort these choices out, to sort out the supply of people available for different occupations, and to juxtapose that rather sensationally against the demand that is out there for people in these various occupations, and indeed assign, then, a price that is competitive in such a way as the quantity of services offered at that competing market price will be equal just to that quantity demanded.

□ 1750

Indeed, in a wonderfully miraculous way, the market clears in such a way as to avoid either a shortage of those necessary services or a surplus of those services.

That is a wonderful thing that we often refer to as the miracle of the market, allocating resources to those areas in which they are most productive and away from areas in which they are less productive and rewarding those resources employed in those most productive alternative uses in a manner commensurate with the extent to which society values that productive activity by exhibiting in turn a willingness to go out and purchase that commodity in deference to other commodities that they might purchase.

Nevertheless, despite the fact that the market has worked well for centuries and was very well described by Adam Smith in 1776, people continue to question the validity of the market, the validity of this free choosing, freely initiating private enterprise system, and to raise questions and reservations. Indeed, John Stuart Mill wrote in the middle 1840's and up until 1869, and expressed the confidence that somehow or another the economic community as a whole, through a political process, in total disregard to the manner in which it allocated its resources and maximized the efficient utilization of those resources to the maximum total product for its community, could make then a separate decision with respect to how those commodities produced would be distributed among its population. I think Mill committed a fundamental error there in suggesting that somehow there could be a fundamental separation between the allocation of resources to alternative production tasks and the resultant reallocation of the fruits of that labor back to those that performed the labor. But he broke the ice then by way of suggesting that somehow or another there could be a governmental decision regarding the division of labor, the division of output, that might indeed result in a more desirable outcome than that natural outcome that would come from the fragmented but free decisions of the individuals in the community to express their preference, their desires and their demands.

Karl Marx took this up at a later time, beginning with a notion that was really, frankly, lacking in substance, the notion that was called the labor theory of value, where he argued that what determines the value of a commodity is the number of labor hours that go into that commodity and the number of labor hours alone would be the determinant of the value of that commodity, looking at it only from the supply side.

He went on then to argue that, therefore, only workers can create value, and since, as he observed the world in which he lived, only workers were where that value was distributed to, that is to say, the value was distributed not only to owners of labor but to owners of capital, Marx thought he saw a fundamental inequity in the system, and he postulated the problem that he perceived. I think he set the stage for the debate that would follow for years and years to come when he argued that under capitalism we take from each in accordance with their ability and give to each in accordance with their contribution.

Now, Karl Marx thought this was fundamentally unfair. By way of contrast, this concept of distribution tied to contribution to production is what is characteristic of the value system that is the heritage of Western civilization. In the United States we would argue in favor of an ethic governing income distribution, which would take from each in accordance with their ability and reward to each in accordance to their contribution. Indeed, if we find ourselves working alongside a person who contributes less than we do, we may very well resent that person's equal share to our own and do I think a rather obvious thing, which is to contribute less ourselves, in order to bring about a parity between the relationship between our share of output and our contribution as compared to the others.

An important aspect of this equity is that you have a built-in incentive, then, for each to contribute in accordance with their ability. If indeed I know clearly that the greater my contribution, the greater my reward, that if indeed I take the initiative, put my shoulder to the grindstone, work harder, that that will be rewarded by a greater share of the total output, I have then a natural incentive to give that greater contribution.

But Marx saw the possibility for a more fair world, a world that he described in the most general terms, and indeed was able to describe, quite frankly, with the most minimal discussion by way of a contrast to this historic capitalist formula for income distribution.

Marx envisioned a world that was a greater world, a world in which we would take from each in accordance with their ability and give to each in accordance with their needs. Somehow he felt this was a more fair formula, a more fair equation, but he totally overlooked the question how would we in such a context of distribution inspire people to give that greater share commensurate with a greater ability. If indeed you and I realized that we will get the same reward irrespective of disparate contributions, neither one of us has an incentive to contribute more than the other fellow.

Karl Marx totally ignored that, and he went on, frankly, I think with his head in the clouds total disregarding human nature. The fact of the matter is, Mr. Speaker, when we work we work first and foremost for ourselves and the people that we love, and we work harder if we find that our harder work does bring a greater gain to those people we love.

But that set off, then, a stage of attack against the capitalist free enterprise system, the recurring thundeous rejoinder generation after generation, each and every generation would produce a new champion of equity, fairness, equality, that would argue that capitalism in its free market workings, where indeed people were given equal pay for equal work, was not a fair system.

The most recent purveyor of the kinds of thinking that we have generating along these lines, which I will call the communal ethic in contrast to the individualistic ethic, where each contributes in accordance with their ability and takes in accordance with their contribution, this I call the individualistic ethic, the ethic that is often described as quid pro quo, this for that. The contrast is often called the need ethic or the communal ethic and is one indeed that many groups have argued against. Why should somebody receive more because it is subjectively

perceived that they need more, even though they may not have made the contribution? The most recent proponent of the need ethic, of formulas administered by the State to serve some localized idea of fairness, is John Kenneth Galbraith. Mr. Galbraith, of course, has been a very important influence in our time and a person who has an enormous flair for what I might call rhetorical innovation, and he has made enormous contributions to all kinds of false assumptions and false thinking regarding the area of income distribution.

So the assault was on, and it is carried on today. Marx had to be answered. It is a rather interesting thing, because in a search for an answer to Karl Marx's critique of capitalism, we developed a whole new school of economic thought, a whole approach to the subject which is often called the Austrian School of Economic Thought, and within that Austrian school, staffed primarily by Austrian economists, there emerged the first great American economic theorist, the first American economist to achieve international acclaim, John Bates Clark, who lived from 1847 to 1938 and wrote in the late 1800's, and answered Karl Marx in 1886 with a whole new perception of the theory of value as it relates to compensation of people contributing to output.

□ 1800

A very difficult analysis to follow, and one that is not popular among students of economics by virtue of its difficulty.

John Bates Clark pointed out that as you examine different occupations in a world of work, you find that each separate occupation has its different dimensions and characteristics. Something that I have taken the liberty to call "Obnoxiousness Factors."

The first thing we have to understand is that they call it work; they do not call it play. It is not something we do because we enjoy. Certainly, some of us are fortunate in that we are able to pursue what we call the self-actualizing occupations and get a certain satisfaction from our work. But the average worker in any industrial community must first come to terms with the fact that what you are doing is sacrificing a certain amount of leisure time which is almost always more enjoyable for time on the job, which is almost always less enjoyable, and that your objectives in doing so are to provision yourself and your family as best you can given the talents and the skills that you have.

Each and every one of us have an enormous range of choice. I am always amused by friends and colleagues who argue, well, I have no choice; this is the only job I can get. That is rarely the case. If you say this is the best job I can get, I will believe you. I would suppose that anybody would occupy themselves in the best job they can get given their talents and their skills and the things they value in life.

For example, I spent 20 years of my life as a college professor. It was not the only job I could get, but it was certainly the best job I could get. I could have shoveled coal as I did when I was a young man. I could have gone out and climbed poles for the power company as I did when I was a young man.

I could have worked as a store clerk. I could have done any number of hundreds of different occupations. But I chose this one because given my skills, my talents, my ability, this was the best I could do. That is where we find ourselves. We tend often to ignore that.

It is a basic and fundamental human characteristic that I find fascinating to study. Virtually everybody I know believes themselves to be overworked and undercompensated. I do not know anybody in the most privileged occupations, who does not have that self perception. Quite often you have the housewife who feels overworked and underappreciated. In the whole juxtaposition of the man and woman with respect to the division of housework, it is a fascinating thing to watch the discussions that are carried on when each party is enormously aware of all they do by way of the tasks around the house, and are seemingly unaware of what is done by the other party. It is a fundamental human characteristic.

That is, of course, the tendency that we have, but we must always remember that it is our choice and this is one of the difficult things that we have. Nobody makes the choice for us, we make the choice. We have to make a distinction between being free to choose and having free choices. You cannot have something without giving something up. If you are going to choose to drop out of high school and get an immediate job, then you give up the high school diploma. But it is your choice. The opportunity to continue is there.

If you are going to choose to take a job inside, out of the heat, out of the realm of heavy lifting, that is a choice you will make, and you will give up then, perhaps, the higher pay.

So as we look at these jobs that are arrayed in front of us, and we look at ourselves and the skills that we have available to us and we think of the things we value, many things, obviously we value, the material goods that can be bought with the wages we might earn in the alternative occupations, and consequently wage becomes very important as an incentive to us in making these different choices. To a large extent, we will tend to choose then that occupation for which we are qualified that pays the higher salary.

But that is not all we value. We value our leisure time. We value our time with our family. We value the opportunity to do what we prefer to do rather than what we must do. We value the opportunity to be our own boss. This Nation has millions of small farmers who continue to stay on the small farm despite the fact they do not earn the income they could earn if they give up their farm and go someplace else. Why do they do that? Because they like being their boss; they like that independence, that autonomy.

There are many factors that go into our choice. The one thing, again, I would like to remind you, is that we have the freedom to make that choice; we are not compelled down one route or another. We make these choices as we go on to our education and determine if we should do this major or if we should do that major. Should we study this subject or should we study another line of subjects? We prepare ourselves then for some future occupation, and, hopefully, we will guess correctly.

Now, looking then at any occupation you might choose, let us take a job, for example, as a garbage collector. It is a rather obnoxious job; it is a dirty job. You are picking up other peoples' trash; you are working in the hot sun; you are working hours that are not particularly desirable. You work under conditions that are generally not very satisfactory and I think probably can be generally described as pretty obnoxious conditions.

As you might guess, there are very few people willing to make the choice to be a garbage collector. As a consequence of that we find then a low supply of garbage collectors. Similarly, truckdrivers. If you were to choose to be a truckdriver, you would have to accept many hours and days perhaps on the road, away from your family. You would have to accept the trials and tribulations of being on the road, moving your vehicle, quite often a very heavy, cumbersome vehicle, through heavy traffic and strange communities, finding locations that are a dot on the map, and then when you are arriving there with this great big 18-wheeler, having the obnoxious task of turning it and backing it into a space that is barely big enough to put, it seems, sometimes, a Porche. A very obnoxious job.

As you might guess, there is a tremendous aversion to that occupation. On the other hand, you may find yourself prepared and fit for a position in a nice air-conditioned office doing light work with a congenial environment. Friendly coworkers, convenient to downtown and some of the things that you enjoy most. You may very well find the obnoxiousness factor of that being minimal. A supply curve there exhibiting the fact that

great numbers of people prefer that job.

Now, it is a fundamental fact in all economic analyses, the greater the supply, the lower will be the price. If the supply increases, this will tend to drive the price down simply because there are so many more people available for that occupation.

On the other hand, there is always a demand expressed for an occupation. This is a fascinating part of the analysis that John Bates Clark gave us. Why does a businessman demand a worker? They demand a worker for the value of output that worker can generate, and that value of output is determined by two things. One, the physical contribution that that worker makes to increase total product. We call this the marginal physical product. What if I bring another worker onto my work force, what will that worker contribute to the product that I have on line here? If he produces 10 other units of output, then he is worth whatever I can sell 10 units of output for. The other component being then the price of the output.

The price of your product reflects what society believes to be the value of this commodity relative to all the other commodities on which they could spent their income. I always understand that whenever I go into a grocery store and freely and voluntarily choose to buy brand X, I give up not only all other brands of that product on which I could have spent that money, but all the other products on which I could have spent that money. I make that choice.

□ 1810

I make that choice. It is a choice that I do not often relish and it is a choice that in itself can be an obnoxious choice, but indeed, the freedom of choice that we have within this market setting is phenomenal and we make these choices all the time.

So then the manufacturer offering his commodity on one hand, and trying to hire the number of workers here so that he can eventually produce just the right amount of output that he can sell over here, takes that piece of information from the goods market, called the price of the output, combines that with the piece of information from the resource market, called the productivity of the labor component in that productive activity, puts them together and determines what he can pay for that worker. He cannot pay more, because to do so, he would lose money. If he tries to pay less, somebody else will come and bid those workers away.

So he is really caught in a situation where he must make a very careful resolution of this two-market problem, getting then the appropriate amount hired to produce the appropriate amount of output.

That is a wonderful working out of the marketplace, is extremely complex and is extremely difficult. What happens here is that we find here then within the context of our economy a host of jobs, all of which will pay different wages but all of which will have different characteristics with respect to work environment. Then we put that within the context of the family life, and particularly, if you will, and frankly, Mr. Speaker, I am a little disconcerted at the extent to which people will ignore or pretend to be irrelevant thousands of years of family life traditions, but the fact of the matter is historically, and quite frankly, again, if you go back to years of a more primitive technology, for very good physical reasons, reasons having to do with size and strength and biological characteristics, there evolved over the years a tradition of a division of labor within the home.

Historically, there was a technological imperative to that tradition, but as you know, science and technology always moves faster than social adjustment and change. Even though we have the science and technology today that may free us from traditional household occupational roles, the traditions that we grew up with will move more slowly.

So there became then a traditional tendency for certain occupations to have a greater attraction for men than for women because they imposed greater demands on physical strength, greater demands on size, they required working out in the hot sun, lifting, suffering risk and danger in many cases, in many cases requiring a physical ability to defend oneself, as for example in the case of police work.

There became on the other side a host of occupations that women were quite frankly more fit for than men by way of their understanding of their role in the community. Some people choose to call that social conditioning. I do not want to put a label on it. The fact of the matter is, tradition has had a tremendous amount of influence over this. We tend not to give that up. One of the things I tried to tell my students, little girls tend to emulate big women; little boys tend to emulate big men. They learned these roles, but technology will free us from the requirement that we have these roles, and in recent years, technologies have meant a great deal.

Nevertheless, we see a tradition and a tendency historically for people to gravitate to different kinds of job applications based upon technologically different constraints.

We find, of course, that some of these occupations pay more than others, for two reasons: One, because they are so obnoxious in the physical demands that they make, and the characteristics of temperature and heavy lifting and danger that are characteristic of them, and perhaps sometimes esoteric technical skills. I would not want to discount the kind of technical understanding that is necessary to unplug a stopped drain. It is not always something that people can do. Indeed, I know many Ph.D.'s who cannot unplug a stopped drain. So the skills and the peculiar work understanding that you might find in a plumber, working again also often under rather difficult circumstances and obnoxious circumstances will tend then to give us a reduced supply of workers willing to work in that occupation, that reduced supply tending to raise the price that we would pay to get people to come into that occupation.

Other occupations are rather pleasant, nice working hours, nice working conditions, no heavy work. Indeed, one Member of Congress is reputed to have said that the reason he stayed in Congress was because he managed to avoid working outside with heavy lifting. I can well appreciate that point of view. That will tend to cause people to gravitate to that occupation, and the pay will be different but the rewards in terms of all that we value will still be sufficient enough to get someone to move here rather than there.

Also, often I have known people who will tell me, "I have a lousy job. This is a terrible job. I wish I could have a better job. I hate this job." The solution is very simple. If your job is not the best job for you, given your ability, then take another job. There is another job you can have, but you cannot give up this job and take that job without sacrificing something. Maybe it would be the higher pay. Maybe it would be the number of leisure hours that you have. But there is an alternative that you can take. The choice is yours.

Again, I find a rather interesting phenomenon on the part of individuals. We tend not only to consider ourselves always to be overworked and underpaid, overworked and under appreciated, but we tend always to try to find a way to avoid responsibility for where we are in our life. We are always looking for someplace where we can get off the hook, where somebody else is reponsible for where I am.

It is amazing to me how often we might seek to present the guise of helplessness. The reason we do that is, decisions are hard to make. It is difficult for each and every one of us to take our life into our hands and to make changes perhaps that are nonconventional, maybe nontradition, perhaps might be disapproved of by friends and peers and family. But because we want something else for ourselves, and do not indeed have the sense of personal autonomy to go grab that because that is what we want, and instead defer to what we expect

others might think we should have, we tend to feign helplessness a lot and that kind of goes into the argument that says in the final analysis, "Since I have now this job where I am not being paid fairly, I request the intervention of some strong third party to come to my rescue. Relieve me of the obligation of changing jobs, relieve me of the obligation of accepting that where I am is a consequence of my own decisions, and give me an instant, magic reprieve from the injustice that I perceive from having been asked to give too much work at too little pay," without perceiving that everybody perceives himself to suffer that same injustice.

This has brought us in recent days to the comparable pay or equity movement, but let us go back. The fact of the matter is, John Bates Clark proved that these market forces, working as they do, ended up where workers by and large, and with very few exceptions, got a wage which was equal to their value of marginal product.

□ 1820

So that a worker brought into a factory that contributed 100 units of additional output to that factory, if the output would sell for $1 a unit, was getting $100. And indeed he got that paid in direct accordance with his contribution. That was the normal, the natural, and the predictable outcome of the free exchange of labor in a capitalist system of markets. And if there was indeed a need for more workers over here, the market would show that with an increase in demand, that would raise the price and people would go from here to there, and they exercised their voluntary choice to move from one job to a better job. It worked well.

Now, indeed, unfortunately, you cannot operate an economy outside of a social setting, and indeed there are people within communities that have a certain mean-spiritedness, a certain narrowmindedness, and historically we have a troubled time with this because in fact quite often what we found was that people would tend to preclude others from an equal opportunity to get the work, quite often on the most capricious of grounds, because of race or sex, quite often because of creed.

From a market point of view, this is not an efficient way to conduct business. It always amazed me that any businessman could think he could afford the luxury of prejudice. Why would I dare to not hire the most qualified person, knowing that I risk the possibility that that person may go to work for my competitor and indeed may go over there and drive me out of business? But, unfortunately, it happened.

So we had a rising cry in this country that began with the civil rights movements in the 1960's and proceeded through the equal rights movement. It was not a cry that said, "Let's restructure the fundamental economic system under which we work," but it said, "Let's reevaluate the social pressures and the social mores and the demonstrations of bald-faced prejudice that we live with in this community by passing laws which say that everybody is entitled to equal employment opportunity with everybody else, that somebody is not free to preclude another person from work, for extraneous reasons having to do with sex or national origin or religious creed."

Now, this is not acceptable to us within the ethics by which we govern our Nation. It is not acceptable social behavior, and we will not allow it.

Then also the movement went on to say, "Let's make sure that everybody gets what the market would give them if the market had been operated free from social prejudice and what would be efficient for the community as a whole if the market were operated freely. Let's see to it that everybody has a right to equal pay for equal work, that you cannot differentiate in the pay of two people doing the same job because of extraneous considerations having to do with race or sex." And we made enormous progress in this country.

I always used to point out that when you start looking at the tradition of the market evaluated, you should look into those areas where you can get the greatest and the most precise measure of marginal product.

I remember when I was a lad, I used to go out and pick potatoes. When we picked potatoes, we were given 10 cents a bushel. That was the contract. We had men picking potatoes, we had women picking potatoes, and we had Catholics, we had Protestants, we had Hispanics, and we had whites picking potatoes. And it did not matter, race, sex, or creed. It did not matter because each and every person could count the number of bushels they picked, and that was the agreement. There was no room for prejudice. And that adherence then to that formula, that "we will pay each of you in direct accordance with what you produce," resulted in those people who worked the hardest, who picked the greatest number of bushels, getting more pay, irrespective of sex or color or any other consideration. The only consideration was, what did you produce?

How did they arrive at the figure of 10 cents a bushel? That was directly related to what they could sell the potatoes for. If the price of potatoes had gone up, they could have paid us 11 cents a bushel, and in some years they did.

Let us take a look, for example, at two rather interesting occupations. Let us take professional athletics, and let us take professional entertainment. In these two professions years before the civil rights movements of the 1960's we found that race barriers broke down. Not only was there a greater equality of opportunity for employment, but there was a greater equality in earnings.

Now, why was that? No. 1, because the talent and the skill was something you could not affort to preclude. The fact of the matter was that there were many black athletes that were better than the white athletes. Jackie Robinson was better, and professional baseball could not afford not to have this talent. And Willie Mays. What would baseball have been without Willie Mays?

The talent was there. We had to admit it or we lost something in the quality of our product.

And then there is the pay equity. I dare say that everybody in the city of Washington can tell you the productivity of the athletes with the Washington Redskins. Some of us in Dallas can even tell you something of the productivity of the Washington Redskins, and quite frankly some of us in Dallas think it is too high. But we have got it measured, and then when contracts come around, those statistics and that measurement go on the table.

We know the box office score of entertainers. We know how many tickets they sell, and when it comes time to negotiate contract terms to bring an entertainer in, you cannot, if you want to have the best product available, discriminate. You cannot say, "I won't have Sammy Davis, Jr., in here," because you will lose money if you bring in somebody who has less public appeal than he does. So you have to give him that opportunity to work, and you pay him what he can get, because if you do not pay him that in Washington, he will be booked into Baltimore.

So these barriers have broken down. It has not been altogether easy, and there has been some struggle. I do not want to diminish that. On the contrary, I think, Mr. Speaker, we ought to recognize the progress that has been made by people who have said consistently and constantly, "Give us what we should have within a free-enterprise, democratic community—equal employment opportunities and equal pay for equal work."

The Nation responded to that. Change is coming about. And what do we have? We have changing occupational patterns. We have opened the lines. We have taken away any ability on the part of any person to close the door on another out of considerations that we consider to be unethical and unacceptable, and as we have taken that away and as there has been a new awareness of the technology that makes it possible for us to do jobs that perhaps earlier we could not do, as we have explored alternatives to old tradi-

tions, we have seen amazing patterns of change in the world of work. Consequently, in the world in which we live and in our home lives as well we have blacks moving into nontraditional occupations.

Many years ago we pointed out that we did not resolve the problem of mistreatment of black Americans by raising the wage of redcaps. We resolved the problems by removing barriers to entry and recognizing that all American citizens are equally deserving with all others of the fundamental rights of equality to opportunity that this Nation promises all Americans.

We find women going into nontraditional jobs. I was driving through the city of Dallas the other day on an enormously hot day, a day on which quite frankly I was happy to be driving in my air-conditioned automobile, and I looked out the window and I saw a young woman moving steel, heavy angle iron, for a foundation.

□ 1830

I had to look twice, because quite frankly she had been out there in that hot Sun obviously all day. She had her heavy work boots on. She had her heavy work gloves on. She had a heavy work shirt and heavy jeans, a bandana tied around her neck. It was obviously not a job one would prefer to do.

I wondered why would that person, why would that woman choose that job. It must be awfully hard for her. She did not seem to have the size and I suppose she did not have the physical strength of a lot of the men that were working out there. Why do you suppose she chose that?

One was the new awakening that I have a right to and I have the ability to and I will go out and I will take this nontraditional occupation.

The other was nobody could present a barrier to her doing that. Of course, probably most important of all, she made more money doing that than what she might have made in some traditional occupation, so what we find is these changing patterns.

If I can now, let me focus attention, because one of the wonderful things is to see how the market accommodates. Once we broke that certain stranglehold that prejudicial social traditions had, once we passed the legislation that said we could no longer arbitrarily and capriciously foreclose these opportunities from American citizens as a matter of social policy, the economy responded. When women went out and applied for the nontraditional jobs, they were hired and they were paid in accordance with the work that they did and we saw this enormous change, the breakdown of traditional occupations. We see it today, but still at the same time, the change will only proceed as fast as the people make the new choices.

The fact is that the average American woman still today prefers those safer, those more comfortable, those more traditional occupational choices and they make the decisions to move in that direction, quite ofter because they are encouraged by their parents and family members to do that, to be a nurse instead of a doctor, but also because they have other things that they want to do with their lives.

One of the things that I acknowledged after considerable study on this subject and discussions with my own wife was that as a boy it never occurred to me that I had any choice other than to grow up and to accept that occupation by which I could first fulfill the responsibility to suppot my family. I always had rather a singular objective as I went through my educational years and so forth to prepare myself to be the primary breadwinner, because that is what I have seen all my life.

Women very often, quite frankly, realize and understand from the time they are a little girl that they never need to accept that responsibility, or they do not plan on accepting that responsibility of being the primary breadwinner and they prepare themselves for other activities as well, in addition to being a breadwinner, to have employment.

They also understand and accept the responsibility to the family that generally on a day-to-day basis in terms of the time required is something different than what the husband accepts. That is nobody's fault that they accept that. They are free to choose and, quite frankly, let me tell you something, Mr. Speaker, I am tired of people who tacitly project to me their assumption that the women of America are too stupid to make other choices, that they are unaware of who they are and what they value in the life that they prefer for themselves that they allow themselves to be programmed and manipulated as if they did not have a brain in their head. I am tired of that.

I have seen too many able-bodied, strong-willed, independent-thinking, hard-working, intelligent women doing something that is nontraditional, doing something that is exceptional.

For example, I have run seven marathons, that is 26 miles, and there has not yet been a marathon I have run that I have not followed several women.

I have had women in my classes. I have been in classes with women. I have been on the job with women.

Look at the women we have in this House of Representatives. Would anybody here deign to suggest that somehow or another they are suffering from a lack of intellectual parity with us men? Of course not; but time after time when we come back for these protective scenarios where we are trying to plead the case for some deviation from the traditional decisionmaking process and the freedom of choice that have governed so many lives, where the majority indeed have gone with tradition by choice, we tacitly suggest they make these choices because they do not know any better.

I am insulted by that. It is incredible to me to suggest that they do not know any better. They know what they value. They value their leisure time as I value my leisure time. They value time with their children as I value mine and they value doing quite often what they prefer to do, rather than what they must do.

Men quite often, on the other hand, value the same things, but have a sense of compelling force that I must make decisions where indeed I may be compelled to take a job less than what I would most prefer in a job because my primary responsibility is to achieve the highest money income for my family; so we see consistent patterns.

Men typically work more hours than women in a week. They stay on the job longer without interruption. They put their time in on the occupational ladder, working their way up from promotion to promotion, putting their time in the trenches and looking forward to that promotion. They do not interrupt their work years. They work more overtime hours.

When they get higher credentials, men typically translate those increased credentials into more hours on the job. Women typically translate increased credentials into fewer hours on the job.

To a large extent, women work for an advanced degree, and advanced certification, so that they can achieve a higher paying job and work fewer hours at it and leave the income level the same.

Now, those are free choices made by intelligent discriminating people and there is no reason for us to believe for one moment that the women making such choices are somehow less intelligent than the men or that somehow they are more amenable to social pressures than the men and less able to gain control of their own lives and to make their own decisions.

As I said before, I consider that an affront. Yet this is the undercurrent of dialog and rhetoric and analysis.

John Kenneth Galbraith, I mentioned earlier, the crypto servant he invented in one of his most recent works. In this work Mr. Galbraith argued that the American housewife is a crypto servant who is manipulated by the convenient social ethic—which he does not define—into making a decision which is totally contrary to her well-being by placing herself into a life of voluntary servitude where she will spend a lifetime working as a crypto slave with no compensation.

Mr. Galbraith obviously has a very low idea of the intelligence of the average American housewife if he thinks she does not know what he does. He obviously has very little awareness of the pleasures and the satisfactions that we gain from caring for our children and the fact that many, many women choose to be a housewife because they would rather be a housewife. It is not something they do because they are too dumb to do anything else or they are too unaware to know that the convenient social ethic has got them by their alter ego or superego or whatever else you might invent.

They are intelligent, rational people, living a full, productive, and responsible life.

Are they compensated? Yes. They do not get a paycheck. I would be the first to admit that the paycheck syndrome is very real. When I receive my paycheck, it is a validation, and a housewife misses that and her awareness of that lack of validation is something very real. Many, many women continue, though, to accept that because they find so rewarding what they are doing.

□ 1840

Sometimes they feel compelled to stay home with the children because they are concerned and their love for the children is so great. But they make the choice and they are not idiots. And Mr. Galbraith and some of the people who continue to give us the folklore of dissent by which they wrap these scenarios around free and intelligent people, and paying for them, a conspiracy theory in which it is alleged they have no choice, and they are helpless anyway because they are too dumb to know any better, ought to pay a greater respect to the women of America.

By the same token, it is an intelligent woman who knows what she values and pursues what she prefers by way of a lifestyle and a combination of homemaking and working that will so often choose the traditional occupation. She is making that choice and is she not fortunate that she lives in a Nation which has such a strong and prosperous market economy that is so adept at allocating the scarce resources and moving those resources to the jobs where we'd get the maximum production, that indeed we can afford for people to have that freedom of choice, to work part time, to take a job at a lower skill level in order to spend more with the family, or to upgrade your skills and your credentials in order to get a higher rate of pay and work fewer hours and spend more time with your family. All of these choices are available to us.

I would add, Mr. Speaker, that if you have not spent any time talking to the women of America, and if you have not talked to the wives and the mothers of America, and if you have not discovered that a great many of them find that they are indeed very richly rewarded for the productive activity that they carry out, then I believe you have missed something in your research.

Now what we have is the gentlewoman from Ohio, Ms. OAKAR, who rides in to describe a whole new concept that says that the system is corrupt, the system is punitive, the system is unfair because what we have here is different people in different occupations receiving different rates of pay. Is that news to us? Have we not perceived that before? Did you not when you decided to go on to the university and choose this major instead of that major, when you decided to go to that trade school and choose this trade instead of that trade, did you not know that there were different rates of pay for different jobs? Was that not part of the thinking that you employed when you made those choices to take those different jobs, to employ yourself for those different jobs?

But to Ms. OAKAR, it comes as a new revelation. Amazing. Different occupations receive different rates of pay.

And would you believe that in those occupations where there are no requirements for heavy lifting, where you are not asked to be out working in the hot Sun, or in the cold winter air, where you are in a comfortable, safe environment, can you imagine that the pay is less in some of those occupations than it is in others? The market must obviously be working improperly.

Can you imagine that we have situations in America today where people with college degrees, working in an office that is air-conditioned, with a white collar, are making less money than truck drivers who do nothing but spend 4 or 5 days a week, every week, away from their family, traveling 10 and 12 hours a day in a truck, finding a place in San Francisco they never heard of before, and parking that truck so it can be unloaded? Can you imagine the market is screwed up so badly that it is paying those people more to do that?

I remember when I was at the university that the college professors were always mad, and angry and upset. Can you imagine the football coach got more than some of the professors? And he was not producing a product of any value such as 18th century British literature. He was producing football. Can you imagine that this guy who works three or four times as many hours a week as the average college professor, who works out in the hot Sun, who took those students that the average college professor said I cannot teach, can you imagine how much more complex is a playbook for a football team than a U.S. history book? All of these elaborate things with red dog and blitz and all of the different kinds of esoteric concepts? I have seen football playbooks with little footprints in them, graphs that have 12 dimensions to them as opposed to the simple 2-dimensional graphs that I have seen in textbooks.

Can you imagine that that guy who takes those students, those young people that are told or are said to be unteachable in the classroom, that he teaches them what that playbook is, and also how to execute it.

PROTECTIONISM IS OUR DUTY IN TODAY'S TRADE WAR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. GAYDOS] is recognized for 30 minutes.

Mr. GAYDOS. Mr. Speaker, almost immediately after my first being elected to Congress in 1967, I began urging this body to look closely at the flow of foreign goods into this country. For nearly 18 years, I have been an outspoken proponent of limits—quotas, if you will—on goods that unfairly compete with American products in the domestic market.

Over the years that I have served in this body, I have been an eyewitness to the extinction and near extinction of many American industries that have been buffeted by foreign competitors—rivals that have thrived on subsidies from their home governments, rivals that have been and are wholly or substantially owned by their governments, and rivals who have shipped and sold their products here below what the cost of manufacturing was just in order to get a toehold, and then a foothold, and then the lion's share of the American marketplace.

And, because of my stand on limiting, on setting quotas on the amount of imports to this country as a means of assisting American business, American economic growth and American workers and their jobs, I have been labeled a "protectionist."

Well, Mr. Speaker, I take great pride in being tagged with that label.

In the early 1940's, when I volunteered to put on the uniform of this country's Armed Forces, I was sent to the South Pacific to "protect and defend" American ideals and beliefs. I believed in that cause and I was proud to be called a "protectionist."

Well, we are at war today, too. It may not be a shooting war, like that of the 1940's, but it is no less a war. And we are losing.

Just look at what is happening. For the first time since World War I, the United States is a debtor Nation. We have to depend on foreign governments and foreign investors to finance our debt—and that means our economic future is in the hands of other na-

tions and, if we don't turn it around, we'll have to dance to someone else's tune.

We have a merchandise trade deficit that is going out of sight. Last year, our merchandise trade deficit hit the all-time record mark of $123.3 billion. This year, the monthly deficits are even higher and the projected year-end deficit is between $140 and $160 billion.

What does that mean for America? It means that we are importing more goods than we are exporting. It means that these imported goods are taking a larger share of the American market—more than 25 percent of the American steel market, some 70 percent of the shoe market, more than 60 percent of the television sets and radios, and nearly 30 percent of the automotive market.

But it's more pervasive than that. Those are just foreign-made goods. What about the American manufacturers who have moved manufacturing facilities offshore or who import components for products that are sold here?

Two-thirds of every IBM personal computer is made in Japan or Singapore. Half of the components of all American machine tools are manufactured overseas. The Eastman Kodak Co. sells copiers made by Japan's Canon Corp. under the Kodak name.

General Motors and Chrysler will be building cars jointly with Japanese and Korean manufacturers. The assembly work will be here, but the parts will be imported. The list goes on and on.

And it costs us. It costs us jobs, good-paying jobs for American men and women. For every billion dollars of the trade deficit, we lose or fail to create 25,000 jobs. That means that in 1984, we lost or did not create about 3 million jobs. And, if the projections for the merchandise trade deficit for 1985 hold true, we will lose or not create between 3½ and 4 million jobs.

The components of the huge trade deficit, too, require some study. Nearly one-quarter of the 1984 trade deficit was with one country, Japan. And the picture for 1985 isn't getting any better.

For the first 3 months of 1985—January through March—our deficit with Japan worsened. Yes, it is true our exports to Japan increased overall by nearly 10 percent. But, at the same time, our imports from Japan increased by nearly 30 percent as compared to the first quarter of 1984.

What is even more disconcerting is that in April 1985, for the first time ever, Japan showed a surplus in invisibles, such items as shipping expenditures, interest and dividend payments, and licensing fees. Some are saying the $98 million surplus in these invisibles is a drop in the bucket compared to Japan's $3.3 billion merchandise trade surplus, but it's only the beginning, I fear.

The big reason for the turnaround is a surge in foreign interest income that has built up as Japanese companies send profits overseas in search of high interest rates.

And that means the United States. Japanese investors' net purchases of foreign bonds, mainly United States Government obligations, doubled from 1982 to 1983, and doubled again last year to $26.8 billion.

I am happy to say that more Members of Congress are at long last recognizing the problem. Last week, we won three new converts to the battle. Senator LLOYD BENTSEN and Congressmen DAN ROSTENKOWSKI and DICK GEPHARDT joined our ranks when they, along with a host of others, introduced legislation that would tack a 25-percent surcharge on certain goods from countries that have excessively high trade surpluses with the United States.

This legislation is intended to show the world that the Congress is seriously concerned and ready to act if the countries don't take steps to reduce those trade surpluses with us.

I want to welcome these new supporters. I am delighted that they have finally seen the light and see the danger to this country. I only wonder what took them so long to realize that our future is up to us, that we cannot wait for others to act.

The reaction to the legislation filed by these three newcomers has been predictable. The administration has labeled them "protectionist." According to newspaper quotes, this bill has been called "protectionist legislation of the rankest kind," and has been described as "patently anticonsumer, undermines the international trading system, and invites retaliation that would cost jobs."

We have heard a lot in these past few months about Japan's efforts to open its markets to our goods. Well, anyone who has followed the trade issue knows that the Japanese Government leaders have made these kinds of statements before, but that nothing has changed except in a cosmetic way.

We are still waiting for access to the Japanese market and I think we'll have to wait a lot longer unless we give a couple of big sticks to our trade people. Maybe then the Japanese and other nations will take heed of our interest.

There is another facet to our trade problem and it's more serious because it's coming from inside the country. We have those at home who oppose any limits on imports. They claim to speak for the consumers and the right of consumers to choose from a variety of both domestic and foreign goods and to select on the basis of price. And they talk about retaliation by foreign governments who will impose restrictions on American goods if we set limits on their goods.

These enemies, traitors if you will, are the ones who label us as "protectionists," using the term in a negative sense as if we are the enemy.

They are the ones who don't see the real problem. They are the ones who fail to understand that to have consumers, you have to have people with spendable income, that you have to have people who are employed.

The enemies of protectionism say that we can retrain workers who have lost their jobs. I wonder what we will train them for. The high tech industry is beginning to feel the pinch from imports just as the steel, copper, textile, automobile, and shoe industries have, so the potential jobs in that field are going to be limited.

The service industries? Sure, there will be jobs there. But service industries can't stand alone. They too, depend on manufacturing jobs as well. This country cannot survive solely on service industries.

The antiprotectionists say that the reason American goods cannot compete is because the dollar is too high as compared to the currencies of other countries and that when the dollar drops, American goods will become more competitive abroad so our trade deficit will come down.

The value of the dollar is a factor, but even the Commerce Department says it will take a minimum of 1 year for the impact of a falling dollar to reflect itself in fewer imports, more exports and recovery for American industry.

And what happens in the meantime? Are we to stand idly by and watch more jobs go down the drain, watch more American men and women, who want to work, unable to get work, even if they participate in the many job-training programs available?

Isn't it more cost-productive for us to keep the jobs we have than to spend billions to train men and women who have lost their jobs because of imports for new and other jobs that don't exist?

Shortly after I was first elected, and after each subsequent election, Mr. Speaker, I have stood here and have sworn to "support and defend the Constitution of the United States against all enemies, foreign and domestic." That phrase is part of the congressional oath of office.

I take my responsibility seriously. My remarks may sound jingoistic, but, Mr. Speaker, we are trying to be reasonable.

None of us accused of being "protectionist" has ever said that no foreign goods should be sold in this country. All we are saying is that for certain industries that we have determined to be vital to our national welfare, we want

to set some reasonable limits on how much of the American market we should give away.

After all, it's not as if we are doing anything different than what the rest of the world is and has been doing for years. In fact, whether we like it or not and no matter how much we try, other nations do have barriers to American goods.

Oh, they may say that our manufacturers don't cater to their foreign audience, but that sounds like just so much verbiage to me. If they feel that's true, then just open up the market and let us compete.

Frankly, I think we get a lot of lip service from other nations when it comes to open markets or opening markets. We hear a lot of words, but there just isn't any action.

I, Mr. Speaker, am a protectionist. I am proud to be one. I fully believe in what John C. Calhoun told the Congress on December 12, 1811. He said that "protection and patriotism are reciprocal. This is the road that all great nations have trod."

I agree with him. I don't know why we are so afraid of it. I am especially surprised that this administration, which seems to have made a point of its patriotic flavor, has failed, like so many others, to act to protect American industry and American jobs. This administration has squandered any number of opportunities to act forcefully to "protect" this country.

We have voluntary agreements on steel that may work, only because we have the force of the administration behind them. If that fails, then the agreements will fail as well.

We have seen that forceful, straightforward action—such as quotas on imports—work. Just a few short years ago, when the specialty steel industry was suffering, a package which included quotas and tariffs was adopted to deal with the problems.

Well, we see the results. Firms handling the specialty steel items on which quotas were imposed, are seeing marked improvement, while those firms handling items on which tariffs were imposed are not getting any better.

We who have been elected to serve our Nation have a responsibility to that Nation and its people. We have taken a solemn oath to do that. And if someone wants to call me a "protectionist" because I believe I am fulfilling the duties I have sworn to do, then so be it.

I am a "protectionist" and proud of it.

I yield to my colleague from Wisconsin.

Mr. ROTH. I thank the gentleman for yielding, because I know he has worked long and hard on this matter. We appreciate his diligence. The issue that the gentleman is addressing is one that I think all the American people are very much concerned about, and rightly so. I think there is no one in the Congress more dedicated to this issue than the gentleman is. I would like to ask him, because of the budget impasse we are having, does he feel if we would make a bigger dent in cutting the budget deficit that we would have, if not an advantage, certainly more of what we call a level playingfield in our trade policy with Japan and especially the Pacific rim? Because it seems to me the strength of the dollar is what is giving us a great headache right now as far as our trade imbalance is concerned. Last year, we had a $123 billion trade imbalance, possibly $150 billion this year. This is cause for great concern. That is why I appreciate the energy that the gentleman is putting into this issue.

Mr. GAYDOS. I think that the gentleman makes a viable remark and his position is sound. I can go back to the Nixon administration when the dollar was left to float at that time. I think my friend recognized it because, as he indicated, he has a sincere personal interest in this very, very important problem. At that time, since the floating of the dollar internationally, we have had these foreign nationals and foreign countries, Japan and others, but particularly Japan has been the biggest violator. Every time the American dollar has started to drop and we get a reasonable comparison, they start buying it up, all with the specific intent to make sure that the American dollar stays high, because when it stays high imports are cheap. I think the gentleman lays out before the House in the official RECORD here one of the most sensitive and complicated problems. That is the strength of the American dollar, how it works along with the deficits that we have.

I agree with the gentleman. I think he takes a very studious and well-reasoned approach when he says that the deficit is so important. We have to attack it tooth and nail.

I join him on the floor. I know he is conservative in that area and I join him at any time to help reduce that deficit, because I think in turn the natural consequences would flow and the American dollar would go down to where it should be.

Mr. ROTH. If the gentleman will yield further, I would like to say that of the 435 Members of this body we have at least 2 that are thinking along the correct lines. Now all we have to do is get 433 more. That should not be too difficult, should it?

Mr. GAYDOS. I want to compliment the gentleman. It is self serving on his part and on my part. However, I think in these onerous times it is most important to be selfserving. I think we should do more of it.

As I said when I started my remarks today on the special orders, I unabashedly said that I admit that I am a protectionist. At one time that was bad.

So I join my colleague in the selfserving declaration that at least two of us know what we are doing. I hope that we can attract others and their support.

I am very happy to say that more Members of Congress joined us in recognizing the problems.

□ 1900

Mr. ROTH. I appreciate the gentleman for yielding further.

Mr. Speaker, now we are citing ancient history, but I think you make a good point. As the gentleman knows, the gentleman is a very powerful Member of this body. Could you not prevail on TIP O'NEILL and Budget Committee Chairman GRAY to arrive at an agreement with Members of the Senate so that we could have a balanced budget and move forward. Then we would not have to go the route of protectionism; we would not have to take that avenue. I think if we did that, many of these problems would solve themselves.

Now the gentleman and I have an obligation; yes, but the gentleman with all the clout he has in this body, and with all the powers of persuasion you have, and as much leverage as you have over our Speaker, Mr. O'NEILL, and the budget chairman, it would seem to me that if you exerted a little pressure, friendly persuasion let us call it; why, with inside of a couple weeks, we would have a balanced budget, or be going in that direction.

Many of these problems would solve themselves and the gentleman and I would not have to be worried about protectionism, because you do not want protectionism, and neither do I. We realize we are going in that direction because of other problems, but it would seem to me a man with your clout could use another avenue to try to make some of these corrections.

Mr. GAYDOS. Let me respond to my good friend. I feel so good that the accolades extended to me: to have so much clout with the Speaker, and maybe Mr. ROSTENKOWSKI, and other places in this very complicated legislative body that we serve in.

If I had those powers, I would be like an Emerson. I would use those powers, with no hesitation, but unfortunately, as the situation exists, I am just one Member in the Democratic caucus. Yes, it is spoken of but probably has not been responded to because as it works in this democratic fashion, everybody has their problems; everybody takes their positions.

Should I have the power that has been attributed to me by my good friend, who I think is supportive in my position; I would exercise it, but I must, alas, in all sincerity respond to him: I do not have those powers, or I

would have done it 10 years ago, 20 years ago.

Mr. ROTH. Will the gentleman yield further?

Mr. GAYDOS. I yield to the gentleman.

Mr. ROTH. I think that humility is always a virtue, but I think the gentleman is selling himself short. I have seen the gentleman operate on this floor, and I do not believe that a man like you could not bring a lot of leverage to bear on Speaker O'NEILL and Chairman GRAY.

I think I have more confidence in you, and there are many Members of your side of the aisle, the majority side, who would follow you, and I think that is somewhat incumbent on you to take a harsher approach.

Mr. GAYDOS. Let me conclude by telling the gentleman that again, I would have no hesitation, and the record will show and substantiate that I have asked and I have pleaded to Members on both sides of the aisle, my case and my cause; I have tried to show statistics; spent many, many hours with my staff putting together facts, collecting the facts; overseas, locally, domestically, trying to formulate the problem, as such, and to show them in clear logic and based on the facts as they exist that they should be supporting me and the Steel caucus in our endeavor to at least effect a rational approach to this great dilemma we find ourselves in; and that is that this country is losing, if it has not already lost, the battle of international trade.

It is unfair to this country for anybody that has even half a smidgeon of understanding of the complicated international trade situation, for any of them, to say that we are not in danger; that it is not important to pass this legislation; that we can close our eyes and wear blinders and the problem will go away. That is not true

□ 1910

ETHIOPIA

The SPEAKER pro tempore (Mr. LAFALCE). Under a previous order of the House, the gentleman from Wisconsin [Mr. ROTH] is recognized for 60 minutes.

GENERAL LEAVE

Mr. ROTH. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. ROTH. Mr. Speaker, we had an adage when I was a student at the University of Wisconsin in Madison, "Let the people know the truth and all will be well."

This evening I wish I would not have to take this special order, but I think it is imperative that the people hear both sides of the story as to what is happening in Ethiopia.

All of us are saddened by the 7 to 8 million people that are dying of starvation in Ethiopia. The famine in Africa is touching all of us, and the real tragedy is that it could have been averted.

The Economist, July 30, 1985, a publication we all find instructive, said this: "Famine is unlike other disaster. Earthquakes and floods, which strike suddenly, need emergency assistance. Famine, which can be seen coming a long way off, should not. It signals its appearance with unmistakable clarity. At first, food prices rise. Then, livestock farmers begin to sell their herds first expendable sheep and goats, then more important and expensive cattle. Meat prices fall. Then whole villages begin to move in search of food."

I again take this time in a special order to speak about the tragedy in Ethiopia because I think it is important that we address this issue forthrightly, honestly, and candidly.

This tragedy had been brought on by drought, yes; but it has also been brought on by political failures.

What are the causes of this tragedy? The drought is one reason, but it is only one factor. There is a holocaust taking place in Ethiopia today because of Government actions—forced resettlements and a deliberate policy of forced starvation. Already 400,000 people have been forcefully resettled from the northern part of Ethiopia to the southern part. The Government intends to "resettle" another million people by the end of this year. The No. 1 priority of the Ethiopian Government is not to feed the starving but to resettle its people—at gunpoint if necessary. And this has become very evident.

Life did an article that is heartrending, and I encourage Americans who are interested in what is taking place in Ethiopia to read the May 1985 issue of Life. It is called "Cry, the Pitiless Land: Ethiopia's Ruthless Regime Uses Famine As a Cruel Weapon." It tells us of the horror stories that are taking place in that unfortunate country.

We have some 7 to 8 million people starving, but we also have some 60,000 tons of food rotting on one of the docks in Ethiopia because the transportation that is supposed to take the food to the various parts of Ethiopia is being used to forcibly resettle Ethiopians from northern areas that are not favorable to the Government to the southern part which the Government controls.

□ 1920

How does this happen? The Ethiopian Government uses the feeding camps to entice people from the hills. Then they round up the men who have come for food for their families, leaving women, children, the sick, and the elderly behind to fend for themselves. Why are they doing this? It is to depopulate the areas that are presently held by rebel groups.

These so-called resettled persons—transported some 400 to 600 miles to the southern part of the country—are taken from the hill country to the low country, and are extremely susceptible to diseases. So what happens is that many of the people there die because of exposure to diseases, especially cholera.

The Ethiopian Government has undertaken little or no planning in this resettlement. Many times when they come to the southern part of the country there are no plows, no seeds, and it is causing untold hardships.

The United States has donated over 2 million tons of food since this tragedy began. The European countries have donated some 1.3 million tons of food. We want to help, but we have to have the cooperation of the Ethiopian Government or at least ask the Government to get out of the way. In March, some of our people from the State Department met with the members of the Mengistu government, the Ethiopian Government, and we asked them to at least quit interferring as we try to get this food not only to certain sections of the country, but to all sections of the country. And it is not an easy job because the infrastructure is not the best, to say the least, in Ethiopia. So it takes a great deal of effort.

On April 28, the Mengistu government gave us their answer, because on that day, they came into a feeding center at Ibnet where we had some 60,000 people. In one morning, they dispersed all 60,000 people—burning the camp to the ground. Thirty thousand are still unaccounted for, and many were killed that day.

The United States donated tents for some 20,000 Ethiopians and what was Chairman Mengistu's response? His army came by, took the tents, and of course left the people without shelter.

The 10th anniversary of the Government. While millions were starving, the Government spent some $200 million on the 10th anniversary celebration of the Marxist-Leninist regime of Mengistu coming to power. For that celebration, some 480,000 bottles of scotch were purchased for the ruling elite.

What are some other examples of Mengistu's priorities? Some $35 million was recently spent on color television sets for the ruling elite, while millions are starving. While the Mengistu government is a satellite of the Soviet Union, the Soviet Union has only given 3,500 tons of rice, and the Ethiopians do not eat rice. So we see that

the Soviets again are not helping a client state, but only using them.

What are the priorities of the Soviet Union? They quite frankly are making out like bandits. They have donated 300 trucks—used not to distribute food but to forcibly resettle its people. But with each truck comes three drivers. And each driver is paid a hefty per diem. While at the same time on our side, as we donate food and ship it to Ethiopia, for every ton of food we ship, we have to pay $12.60 for port entry fees. Money that is used to pay for the Soviet drivers.

I think that it will be to our everlasting credit that not only we in this country, but the entire West, is concerned and our heart goes out to the men, women, and children who are dying of starvation in Ethiopia. Because no matter what government is in power, we want to respond and to help the unfortunate people.

Now, the response from our side has been terrific. I was very happy today to meet Bob Geldof, who was responsible for the Live Aid Rock Concert and raised some $70 million. I think it shows that people in the West are concerned, but I think it also makes it incumbent on us to see that the aid that we have donated goes to the people that we want to help.

As I have mentioned, since December, we have donated 400,000 tons of grains and food, but it is going to be of little avail if the people of Ethiopia do not receive this aid. What kind of a government are we dealing with in Ethiopia? One would say how is it possible that the Ethiopian Government will stand in the way? Let me give you an example.

Last Thursday, the Wall Street Journal had, I thought, a very good article that talks about new leaders in Africa and trying to right the wrongs, and they talk about Chairman Mengistu, the present ruler of Ethiopia. I just want to quote one sentence. They said that:

> Ethiopia's current ruler, Mengistu, cut short a Cabinet debate by pulling a pistol from under the table and shooting an argumentative minister in the head.

So we can see that we are dealing with a ruler that is not always going to listen to reason. I think it is important for us to continue to help, but I think we have to have follow-through, so that we help the people and the money gets to the people we want to help. So that it is not diverted to others. That means that we have to speak out forcefully and frequently. We need to take action that rivets world attention to the true story behind Ethiopia's tragedy, and we need to take actions that call on the people of the world to throw the weight of world opinion on the side of the people of Ethiopia, and not on the side of the people of the Government that is exploiting the people.

I think there are a number of steps, a number of actions that are called for if we are going to be true to our conscience in the West. The first is that we should ask for an immediate cease-fire in Ethiopia. Because there is a revolution going on in Ethiopia, and if we are going to help the people, and we have asked this in many areas of the world, in many countries of the world, we have asked for a cease-fire, and I think we should ask for a cease-fire in this situation. Because certainly this is a tragedy that has gone beyond all reasonable bounds.

I think we should march on the Ethiopian Embassy here in Washington and throughout the world, and to let the Ethiopian Government know that we do care and that we want this aid to go to the Ethiopians, to the people that are starving, and that we are concerned about so much of the money being diverted to Government uses.

□ 1930

For example, the 10th anniversary, as we had mentioned before, $200 million being spent on an anniversary while millions of people are starving. I think that we should rise up in righteous anger to let the world know that we are concerned. I think letters to Congressmen are important, because when the Congressmen feel that the people back home are concerned, they are going to be concerned. I think it is important, as I said before, that we give and continue to give help to the Ethiopian people, but by the same token, I do not think that it is our obligation to feed the military regime of Chairman Mengistu. I think that we should give food to the people, but we should starve the dictatorship.

I think we should have hearings on Capitol Hill. We have not had any hearings, any real hearings, on what is taking place in Ethiopia. We have this disaster and this tragedy has been unfolding for months. We have not had hearings, in our Subcommittee on Africa, on Ethiopia, and I think it is high time that we have hearings. If the chairman of the subcommittee will not call hearings, then I would ask that we set up an ad hoc committee to hold hearings on the tragedy that is taking place in Ethiopia so the full story is known to the American people and to the people throughout the world.

I think the Live Aid organizers, and I am happy to say I think many of them, including Bob Geldof, are going to pursue this, are going to have real follow-through so that the food, the money that is donated, goes to the people who we want to help.

I think the United Nations also has an obligation to speak out. They have been totally silent on the holocaust that is taking place in Ethiopia. I think that this is inexcusable.

Here in Congress we rise up every day and we speak of human rights violations. There is an outcry when we feel that human rights have been violated, but we have had no outcry when it comes to the genocide that is taking place in Ethiopia. I think it is only right that we have an outcry of the human rights violations, especially in Ethiopia.

The next time we have Members come to the floor and talk about human rights violations, let us remember Ethiopia, and when we have our friends on the other side of the aisle talk about human rights violations, let us refer back to Ethiopia, because we cannot have a double standard in this Chamber. I think we have to have and can have only one standard, and that is to speak out for what is right and to look at the facts and the truth as we see it.

So I ask that people who are concerned contact their Congressmen; that they speak out; that they look at what is taking place, for example, as we had mentioned before, in the Ibnet Center, where we talked about the 60,000 being dispersed, where the shelter was deprived, where the tents that we had donated were denied by the Ethiopian Army, by Mengistu's army, that the equipment that we donated to dig wells has been taken from the people by the army. In Ethiopia water is very important. In order for the people to have unpolluted water, they have to have wells. We have donated the equipment, but the army has expropriated the equipment, as they have the tents.

So I think it is important for us to speak out. I have been told and have read in many of the newspapers, for example, that we have some 200 Ethiopians perish every day near the capital. I think if this would be happening in a country in Europe or in Central America there would be a huge outcry, but yet nothing is said, and I have to wonder why, and that is why I have asked for this special order. I think it is important that we focus on the truth and focus on all issues of this particular case and not only what is favorable to our liberal friends.

Mr. GINGRICH. Mr. Speaker, will the gentleman yield?

Mr. ROTH. Yes; I am happy to yield to my friend, the gentleman from Georgia.

Mr. GINGRICH. I appreciate very much the gentleman from Wisconsin taking this special order, and I wanted to rise to join him in it and to mention two recent articles that I think are of some help in understanding what the problem is.

One is by George Ayittey, who is a native of Ghana, a black African who is an assistant professor of economics at Bloomsburg University in Pennsylvania, entitled "A Double Standard In

Black and White," which is from the Wall Street Journal of Monday, and the other is an article recently by Irving Kristol entitled "International Law and International Lies."

The two, I think, explain a little bit of the framework of the double standard which seems to afflict American liberals, but also to some extent, I think, the entire Western world. Ayittey, speaking as a black African, I think raises the point. He says, and I quote:

> There are 16 million oppressed blacks in South Africa. But 400 million people live in black Africa, a majority under despotic rule. Why so little attention to their plight?

He goes on to say:

> The U.N. does not condemn despotism in black Africa for fear of "interfering in the domestic affairs of sovereign nations." South Africa is not a sovereign nation, it might be argued—its government is illegitimate and unrepresentative of its people. But what black African government is legitimate and representative? Virulent condemnation of apartheid without parallel denunciations of tyranny in black African countries only serves to perpetuate the myth of black inferiority. Applying a lower standard of morality to black Africa betrays an insulting double standard against blacks.

The point Ayittey makes is that if there was any place else in the world this kind of vicious brutality was going on that we are living through in Ethiopia, if the Mengistu government existed anywhere in South America, particularly if it was pro-American, can you imagine the outrages, the picketing, the sitins on the campuses, the marches, the demonstrations, the television specials if a pro-American government were as vicious, as beastly, as uncaring as the Mengistu regime? But apparently as a pro-Soviet, Marxist dictatorship it gets a special standard, there is a blind eye cast. People may die, but it somehow does not matter. I think this goes back in part to a point that Irvin Kristol made in his essay on "International Law and International Lies." He ascribes it as being largely a function of Woodrow Wilson's vision of the world, what he called liberal internationalism, and I would like to quote about 3 paragraphs of it, because I think he really begins to frame the challenge to our generation. He says, and I quote:

> This new version of international law, and the liberal internationalist foreign policy associated with it, has played out its string. The senselessness of its assumptions becomes more apparent with every passing day. The American people see this—witness the popularity of any American ambassador to the U.N. who vigorously asserts American interests and values *against* that organization. Many higher officials in the State Department understand it well enough—but they are prisoners of what is by now a powerful conventional rhetoric, a set of intellectual habits that pervade the media, academia and public discourse on foreign affairs.
>
> The sad fact of the matter is that we do not have available, in the American political tradition, a mode of thinking about foreign policy that is appropriate to our condition today. The older nationalist-isolationism is clearly irrelevant to our condition as a great power that aims to shape a world congruent with our ideals, while confronting another world power, a militant world power, with the same aim but contradictory ideals. Theodore Roosevelt's combination of nationalism and internationalism seemed to offer promise of an interesting alternative, until it foundered on a foolish mimicry of European imperialism. Liberal internationalism, because it is incarnate in a host of international treaties and organizations, still predominates—but it is a theory both empty of substance and at war with reality.
>
> A new way of looking at and thinking about American foreign policy will eventually emerge. What one may call "reality therapy" will see to it. Meanwhile, however, we shall have to rely on our common sense and moral intuition to cope with the challenges of the near future.

The point I want to make, when you talk about commonsense and moral intuition and apply it to Ethiopia, it raises the most profoundly troubling questions. How can anyone have respect for a United Nations in which the current Ethiopian dictatorship is allowed to vote. How can anyone have respect for the whole fabric of the Organization of African States in which they pretend that the current Ethiopian Government makes any sense at all as a regime by any moral standards anywhere on this planet. How should the civilized world react to a government which, as I believe the gentleman has pointed out on several occasions, in the midst of desperate starvation imports champagne; in the midst of people dying in the streets, holds a huge, grotesque celebration, diverts its money away from saving the people and when others try to save the people, forces those who would be saviors to bribe the government in order that those trying to save the people can get the food to the starving.

□ 1940

The point I was simply asking the gentleman is that it seems to me that Ethiopia may symbolize for the next generation a Third Reich of the Third World, that it is as horrible an example in the modern African context as Nazi Germany was. And yet the question I would ask as a moral question is, What should we do? Is it the obligation of civilized nations to impose force?, Is it the obligation of civilized nations to impose everything short of force? What should we be saying now to Mengistu to be sure that people do not starve to death because of his political dictatorship?

I think it is a very profoundly disturbing question, and I want to thank the gentleman from Wisconsin for having the courage to raise an issue which, frankly, most of our friends on the left would like to just sort of shove under the rug and to talk about a situation that all too many of our friends in the news media would rather not think about.

Mr. ROTH. Mr. Speaker, I thank the gentleman for his contribution. As always, it is extremely insightful and very well done.

I think, as I look at it, that many of the people in this body and many of the people in the Western World are, as has been called by the gentleman, "ostriches." They stick their heads in the sand and hope the problem will go away. Well, the problem will not go away.

How often on the floor do we find Members asking, "How is it possible that we allowed the Holocaust to take place in the 1930's and 1940's?"

Well, take a look at what is happening in the world today. We have a holocaust taking place in Ethiopia today, and no one is saying a word. Take a look at the holocaust that took place only a few years ago in Cambodia involving 1 to 3 million Cambodians, and yet nobody gets up on the floor and speaks about human rights in Kampuchea.

Sometimes I feel that we do have a racial policy, that if it is something that is happening in the West or something that happens in North America, we speak out, but if other people are dying, we say nothing. May it be to the everlasting credit, however, of Kurt Janssen at the United Nations that he has, and I would like to inform the gentleman from Georgia that he has spoken out. He has spoken out very forcefully, but I will admit that he is the only one.

Mr. GINGRICH. Mr. Speaker, will the gentleman yield again to me?

Mr. ROTH. I am happy to yield to the gentleman from Georgia.

Mr. GINGRICH. Mr. Speaker, I just want to focus on the gentleman's point about the holocaust in Ethiopia and make the case that if we were to talk explicitly about a black holocaust, a holocaust that was as horrible in its Ethiopian context as the attempt made by Hitler to exterminate not only European Jews but also to kill many other people, including Poles, French, Russians, Ukrainians, and others, the challenge that would then be made, I think, to our friends, particularly the "ostriches" on the left, is that in the case of the Third Reich it is clear it was not an accident, it was not bad weather, it was not that things were not going well, it was a deliberate, systematic, vicious effort by Adolph Hitler and his puppets to exterminate human beings for racial reasons. Now, the challenge, I think, is to raise the issue of Mengistu and his regime and ask, is this purely random behavior? Is it just bad luck? As the gentleman has said earlier, are 200 people a day dying near the capital just because of bad weather, or in fact is the Mengistu regime, a Marxist dictatorship, in terms of some of its provinces, deliberately blocking the supply

of food in order to insure that it wins a political guerrilla war by starving the rebels and starving their children and starving their families?

Is this a regime that is deliberately blocking the delivery of food so that it can extort more money from the West in order to pay both the Russians and its own military?

I think that is the question. If this is actually a deliberate—and I think in large part it clearly is—a deliberate series of actions on the part of the Mengistu government in Ethiopia, then I think we do face exactly the challenge the gentleman from Wisconsin raised, and that is for all those who ask in retrospect, what should we have done about the Holocaust in the late 1930's and early 1940's, we need to raise the question: We are living now in the beginning of an era of a black holocaust in Ethiopia, and what is it we should do beyond simply sending food, sending food to rot on the docks while we try to bribe the regime to help its own people?

Mr. Speaker, I thank the gentleman again for yielding.

Mr. ROTH. Mr. Speaker, I thank the gentleman again for his very constructive remarks.

I referred to the May issue of Life magazine before, and this is one of the periodicals I was reading that really, I think, we focused on the tragedy that is taking place. I just want to quote one short paragraph from this article, because when I read this, I said to myself, "Someone has to say something." Here is what the author says:

> The government denies both the reports and the eyewitness accounts of foreign relief workers who have seen hundreds herded at gunpoint into Soviet-built aircraft and trucks bound for resettlement areas 400 to 600 miles away. "They showed no mercy," says a Catholic nun who witnessed families in Tigre being separated, and pregnant and nursing women forced against their will into the waiting transport. In one case four famine victims who resisted were shot to death in the northern town of Adigrat in front of several hundred witnesses. Mengistu's officials dismiss these facts as "propaganda" spread by the CIA and other foreign agents to discredit the government. But dissidents and foreign observers charge that the famine has provided Mengistu with an excuse and a weapon more potent than the $3 to $4 billion he has in Soviet-supplied arms or Ethiopia's 270,000-man military force. He has denied ulterior political motives. "What we are doing is really praiseworthy," Mengistu told CBC-TV. "We have two courses of action open to us. Either we take these people and provide them all the opportunity to produce, or simply leave them there to their fate and perhaps to annihilate themselves."

I think when one sees the facts of what is taking place in Ethiopia today, the conclusion one comes to is that, yes, you want to help the people that really need help, these poor, starving people. But, by the same token, you have an obligation to see to it that the donated food and the donated help goes to those people.

Second, someone must speak out about what is taking place, because if we do not speak out and we know the facts, then are we, too, not partners in this genocide?

● Mr. DORNAN of California. Mr. Speaker, I rise to join in this special order with my good friend and colleague Mr. ROTH, and commend him for his efforts in bringing this to the House floor.

Mr. Speaker, Ethiopia is today probably the worst short-term tragedy the world has seen in recent years. In terms of loss of life it is catastrophic. In terms of a decent respect for the opinions of mankind, it is even worse.

I went to Ethiopia last month alone to see for myself the situation there. I was inspired by television documentaries and especially the ABC "20/20" broadcast of our distinguished colleague from New York, Mr. ACKERMAN, on his Valentines' Day trip to Ethiopia with a group of New York students.

I had the picture in my mind of Congressman ACKERMAN singing with the Ethiopian children, a moving moment when he and they chanted back and forth, and at the same time it struck me that people were—and are—dying in Ethiopia at the same rate as the victims of the Nazi Holocaust. Through the miracle of jet travel it only takes a day or a little more to get to Ethiopia. I went to see for myself how the Marxist government of Colonel Mengistu was handling this situation.

I went out to two of the camps, to Ibnat and another site not far from Addis Ababa. I have never seen more beautiful children in my life, or more filled with love. Five or six will hold your hand at the same time, rubbing their heads against you, looking up at you with their big eyes begging for help. I talked to some of the young American nurses there. One child had lost its whole upper lip. I asked the young Canadian nurse there if this was a birth deformity and before she could begin to answer me, her throat closed and she began to cry. When she regained her composure, she told us that the little child had come in with an infection in one corner of its mouth, the infection turned to gangrene, and before they could help it, it spread, and the child's whole upper lip fell off. Now only plastic surgery can help her, if she can ever receive such treatment.

In stark, almost obscene contrast, was life at a major chain hotel in Addis Ababa. It has the largest swimming pool I have ever seen at a hotel, along with several restaurants—open pit barbecues and even a pizzeria. No one at that hotel eats less than well. Yet, just a 20-minute plane ride away, 90 minutes by car, are people dying of starvation. Just a stone's throw away from this hotel with its abundance of excellent food, people are dying from prolonged starvation and malnutrition.

The market in Addis Ababa is well stocked with goods not available even in Moscow or Leningrad, basically black market. The Mengistu government seems quite willing to avert its eyes from the thriving, free enterprise black market.

One would think that with millions of Ethiopians hungry unto death, and the capital city full of food, that there would be a steady stream of desperate folk into the city. Not so; the armed troops of Colonel Mengistu prevent any such movements.

If that sounds draconian, then the other practice of the Mengistu regime should be clearly understood. The Communist government of Colonel Mengistu is actually seeking to profit from the catastrophic famine which has stricken Ethiopia. It seeks political advantage by using food relief, donated by other nations, as bait to lure resisting peoples of Eritrea and Tigre into camps where they can be forceably relocated. It uses gift food selectively and contrary to the intent of donors by feeding its military first, and paying its militia with food. Volunteers with different private voluntary groups report terrible accounts of forced resettlement, deliberate withholding of vaccinations, and threats of expulsion from the country if they do not accept the inhuman rules under which they must operate.

The mindset behind these draconian measures is perhaps more understandable when we recall that much of the starvation in Ethiopia is attributable to the doctrinaire agricultural policies imposed by the Mengistu regime. Drought is in the short run not the fault of policy planners. Famine is more clearly their responsibility. And Ethiopia's collectivized agriculture was crippled even before the rains failed. State farms and compulsory cooperatives have been Mengistu's style, with the predictable result that agriculture was doomed to fail. Despite massive investment in Soviet-inspired state farms, productivity plunged.

Why has no one really taken note of this? Is it because Mengistu and his henchmen are self-proclaimed Marxists? I propose an axiom of political behavior: when a gang of thugs takes over a government at gunpoint, executing a thousand of the opposition in the process, they have to establish their legitimacy in the eyes of the world. The simplest way to legitimize totalitarian rule is to label it Marxist. The Mengistu clique didn't even have to read Marx, Lenin, or Engels. They simply put up big posters in the town square. They never have to have an election again. They gain a certain respect, even from some Congressmen, not to mention from Western Europe-

ans. Instead of elections, they rule by the gun. They pick up their Mercedes-Benzes and start driving around.

These Marxist thugs certainly eat well—they are part of Ethiopia's nomenklatura—and they do not let the starvation gripping their countryside get in the way of their own comfort.

Just as the famine was increasing last fall, Mengistu's government celebrated the 10th anniversary of their revolution—at a cost reported by some to be upward of $250 million. The Ethiopians imported at that time such necessities as a color television system for Addis Ababa at a cost of $45 million. Other necessities included 500,000 bottles of Scotch, costing almost $2 million. As a part of their anniversary pageant they erected statues of Marx and Lenin costing around $10 million.

The economic as well as the moral bankruptcy of the Mengistu regime is so real and desperate that the colonel and his henchmen are actually charging $12.60 a ton for docking charges on gift food, as well as $165 a ton for transportation and handling. This official extortion will probably raise some $15 million for the Ethiopian Government this year. That will not even pay the interest on their indebtedness to the Soviet Union for weapons—perhaps as much as $4 billion. United States and Western European food assistance has been massive, with the United States by far the largest donor. At that, the absorptive capacity of the Ethiopian Government has been overtaken—tons of food are rotting at the docks as a result of inability to store it or to move it where it is needed.

It is ironic that the Italian language was once forced on the Ethiopian people. When Colonel Mengistu's henchmen put up their propaganda signs around the cities, the signs are in English. Presumably the Ethiopians are grateful to the English for having liberated them from the fascism of Mussolini. But English, the language of freedom, is the language they must use to explain to the world that they are Marxists, and therefore do not have to have elections, and can rule by the gun.

Those beautiful children in Ethiopia, and their mothers and fathers, must be fed. We will continue to feed them. But the Communist government in Addis Abbaba is not only morally bankrupt but criminally incompetent as well as criminal in its policies toward its own people. It must get out of the way, or forfeit any legitimacy it may retain.●

● Mr. SOLOMON. Mr. Speaker, may I begin by congratulating the gentleman from Wisconsin [Mr. ROTH] for his initiative and leadership in calling this special order and for being the chief sponsor of House Joint Resolution 324. Today, we will be setting forth before the American people the other side of the story concerning the Ethiopian famine—the side of the story the news media has been reluctant to tell.

You know, we spend a lot of time as Members of Congress passing resolutions about past calamities, including genocide. I sadly fear that 50 or 60 years from now our successors in this House will be compelled to pass a resolution commemorating the Ethiopian genocide of the 1980's. Let it never be said that those of us who lived during the 1980's were silent. And I hope that this special order today will serve to call public attention to the monstrous crimes committed by the Mengistu regime against the Ethiopian people.

Mr. Speaker, the political use of famine is a device that has been employed by Communist dictatorships as a way of consolidating the tyranny of the state. What better way to get rid of dissenters and opponents than by starving them to death? The methodology of planned famines was perfected by Joseph Stalin. Millions of Ukrainians in the 1920's and 1930's were the first victims of this perverted science. And now the proud people of Ethiopia, the guardians of a rich and ancient culture, have fallen prey to this evil.

I was part of a congressional delegation that visited Ethiopia in August 1983. The concerns I expressed at that time, particularly in the dissenting views I published in the trip report document, are still valid today. There is no substantive evidence that the Mengistu regime desires better relations with the United States or that the regime holds any other outlook on world affairs than that which is directed by the Kremlin.

I remain convinced, as I was in 1983, that our country has a moral responsibility to help alleviate the suffering in Ethiopia. The Ethiopian people are a dignified and beautiful people, and they desire the friendship of the American people. The assistance we give them must be channeled through the private relief agencies that are permitted to operate in Ethiopia. Only then can we be reasonably sure that the assistance we try to provide has a chance of reaching the people who really need it.

In the dissenting views that I filed after the trip in 1983, I also made this statement:

> The ruling clique in Addis Ababa has made its priority clear: To maintain itself in absolute power, even at the cost of $2 billion in arms purchases, thereby mortgaging the country's meager export earnings for many years to come and at an untold cost in human suffering as the Ethiopian people are forced to fend for themselves against a virulently repressive regime and the devastation wrought by drought.

That statement remains true today, although I must say that the most recent estimates are that the Mengistu regime has now purchased over $4 billion worth of arms from the Soviet Union—arms that are used to defend the regime against the Ethiopian people. Let me try to convey some sense of the dimensions of the problem.

When Colonel Mengistu and his henchmen seized power in Ethiopia in 1974, they inherited the responsibility for fighting against a guerrilla insurgency in the northern province of Eritrea. A rebellion in the Province of Tigray was in an incipient stage at the same time. Today, the Provinces of Eritrea and Tigray are in full rebellion. The Oromo people, who represent the largest single ethnic group in the country, have taken up armed resistance across the central provinces. All told, 12 of the 14 provinces in Ethiopia now have armed insurgencies fighting against the tyranny of the Mengistu regime.

The problems the regime faces in Eritrea provide a good illustration of how the Mengistu regime's brutality has fanned the fires of rebellion.

During the last years of Emperor Haile Selassie's reign in the early 1970's, the government had 25,000 regular troops stationed in Eritrea. Troop strength of that number was sufficient to maintain effective control over 80 to 85 percent of Eritrea's land area. Today, the Mengistu regime has 150,000 troops in Eritrea—and they manage to control no more than 15 percent of the province. In the last 10 years, the Mengistu regime has increased the size of the Ethiopian Armed Forces to the point that they are now the largest in Africa. Ethiopia now has a larger standing army than either Egypt or South Africa. And the supreme irony is that these armed forces are used principally to defend the regime against the people.

It must be noted that there is one segment of the Ethiopian population that is conspicuously absent from the relief camps and the other scenes that are reported by the media. Nor was this group anywhere in evidence at the places our delegation visited in 1983. I am speaking of able-bodied men and teen-aged boys. These are the people who are trying to escape the regime's policy of forced conscription, Ethiopians who do not want to be forced into taking up arms against their own countrymen. So they try to make good their escape by fleeing over the border or into secure areas of the country away from military control.

Think of this tragedy. The Mengistu regime, which governs one of the most impoverished countries on Earth, has spent $4 billion in arms in less than 10 years. When we consider that, even in a good year, Ethiopia earns no more than $400 million in export sales, primarily of coffee, we can see that the Mengistu regime has literally bankrupted the country in order to purchase arms from the Soviet Union.

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Last year, the national budget of Ethiopia allocated 45 percent of its available resources to the military. About 10 percent of the budget went into the celebrations in September that celebrated the establishment of a Communist Party in Ethiopia. A grand total of 3 percent of the budget was used for famine relief. Such are the priorities of Colonel Mengistu and his thugs.

In June 1984 the 10th ministerial meeting of the World Food Council of the United Nations was held in Addis Ababa. Ministers of Agriculture and other officials from around the world were in attendance. What a golden opportunity for the Mengistu regime, as host of the conference, to make Ethiopia's famine known to the world. Did those people who attended the conference have any opportunity to see what was happening in Ethiopia? Of course not. And the conference itself spent time discussing such topics as apartheid, disarmament, the new international economic order, and the import quota of Nicaraguan sugar in the United States. Small wonder that an increasing number of Americans, including many in this House, view the United Nations as an organization that is being consumed by its own irrelevance.

The Mengistu regime still had arms purchases to make and a $200 million political festival to celebrate the establishment of a Communist Party before it could reveal to the world the extent of the famine. This should come as no surprise. The Mengistu regime is drenched in blood—at least 30,000 Ethiopians—including 5,000 innocent children—have been massacred by the regime in pursuit of Colonel Mengistu's brave new world. Any inquiries by Amnesty International and other human rights organizations about conditions in Ethiopia are dismissed out of hand by the regime. Our delegation was given the same treatment in 1983 when we asked about human rights. Moreover, Colonel Mengistu took advantage of the occasion to revile our Government as terrorists, exporters of revolution, and imperialist aggressors.

It is interesting that he would mention revolution. Soviet communism is always interested in sponsoring revolution against everything except communism itself, which, ironically, is the most reactionary theory of political and social development ever devised. And Colonel Mengistu himself is a particularly striking example of a Communist tyrant who is afraid of the very people that he ostensibly liberated.

Would such a regime use famine as a political tool? It most certainly would. Especially because its own survival is at stake and the regime has already demonstrated that it isn't exactly squeamish about bloodshed.

Mr. Speaker, the famine in Ethiopia is part of a larger tragedy, a human catastrophe so devastating and overwhelming that the mind can scarcely even imagine it. And let us not be under any illusions, the tragedy of famine in Ethiopia will continue for a very long time to come. What we have thus far witnessed may only be the dress rehearsal. As Americans and as free men and women, we have a moral obligation to help feed the hungry and alleviate the suffering. We also have a moral obligation to address the larger issue, which in Ethiopia means addressing the problem of tyranny, the sadistic despotism that preys on innocent people and consigns them to a lifetime, however abbreviated it may be, of starvation, disease, and degradation.

The generosity of the American people and of free people everywhere cannot have any permanent effect in Ethiopia so long as the regime there pursues other priorities—namely, the preservation of its own power regardless of the cost in human suffering that the maintenance of such power entails.

Let us continue to aid the victims of the Mengistu regime's crimes, but let us also see that regime for what it truly is, speak the truth without hesitation, and seek to isolate that regime from the human family so long as its criminal behavior continues.●

Mr. ROTH. Mr. Speaker, I yield back the balance of my time.

CARGO PREFERENCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Nebraska [Mr. BEREUTER] is recognized for 60 minutes.

Mr. BEREUTER. Mr. Speaker, it is indeed a coincidence that the special order I have taken is very much related in many ways to the subject just covered by the gentleman from Wisconsin [Mr. ROTH].

Since January of this year, there have been a number of controversial subjects which have occupied considerable time and attention in the Congress: the Federal deficit, the economic plight of American farmers and the 1985 farm bill, and the famine situation in Africa.

There is, however, a subject which certainly affects all three of these issues, and that is a subject called cargo preference.

Cargo preference is a 1954 law that requires one-half of all U.S. food aid shipments be transported on U.S.-flag vessels. On the surface, it seems like a patriotic and sensible gesture on the part of the U.S. Government to support the U.S. maritime fleet. In reality, however, cargo preference is a deceptive hoax that has guaranteed the U.S. maritime industry a captive shipping market and permitted absolutely flagrant price-gouging on the part of U.S. shippers. Cargo preference has in reality ripped off millions of dollars—in fact, it is hundreds of millions of dollars—from the Federal Government and the American taxpayer, stolen food from the mouths of thousands of starving and malnourished people, and caused the loss of hundreds of millions of dollars of commercial grain sales overseas and hurt American farmers.

As I was waiting for my time to arrive for a special order this evening, at 7:17 p.m. eastern daylight time, on the CBS Evening News, I heard Bill Moyers talk about the need to rise above the politics of famine.

□ 1950

As we saw those faces of starving Africans, adults, and children, graphically seared on our minds by so many accounts this year, by so many films, by so many TV programs, he also asked the final question, "If we are able, and more importantly, willing to snatch these children from the valley of the shadow of death."

I think it is time, therefore, that the American people and the Congress put a halt to that disgraceful government subsidy which benefits a handful of maritime shipping industries at the expense of hundreds of thousands of U.S. farmers and millions of hungry people around the world.

Cargo preference is certainly not a new issue. For over 30 years cargo preference has been an albatross hanging around the neck of agriculture. Now, however, it is also threatening thousands of people in Africa and other parts of the world who are faced with starvation.

As food aid shipments to Africa have increased during this past year, so have the freight rates charged by U.S. maritime shippers to all food aid shipments. During 1985, approximately $109 million in cargo preference subsidies will be divided among fewer than 30 U.S. maritime shipping companies to haul Public Law 480, the Food for Peace Program, title I bulk grain shipments, and that is just one part of the Food for Peace Program and only one part of the subsidy, $109 million in extra differential transportation costs for the bulk grain elements alone.

If this was divided out, it would translate into approximately $85,000 in subsidy for each of the nearly 1,300 merchant manning those 22 U.S. bulk carrier ships. It is not to say they receive it. That is what it averages out.

More disturbing is the fact that U.S. maritime shippers absolutely are taking advantage of America's stepped up famine efforts for the drought ravaged continent of Africa. From August 1984 through April of this year, the U.S. Department of Agriculture shipped on bulk vessels 548,000 metric tons of U.S. commodities under title II

of the Food for Peace Program to Ethiopia, Kenya, Mauritania, Mozambique, and the Sudan.

U.S.-flag vessels have carried 336,500 metric tons of the title II commodities at an average cost of $95.92 per metric ton, while foreign-flag vessels carried 222,000 metric tons at only $40.97 per metric ton. You see the cost is over twice as much for the U.S. vessels.

The subsidy to the U.S. fleet averaged therefore $54.95 per ton and so far has totaled $18.5 million. That is just for this emergency aid program for those five countries.

Thus, in shipments to just five drought stricken African nations alone, the USDA has been forced to subsidize in differential transportation costs the merchant marine by amounts sufficient to donate to those same five nations enough wheat and enough soybean oil to give more than 470,000 people 1 pound of wheat and an ounce of soybean oil per day for every day of the year.

In fiscal year 1985 the Department of Agriculture expects to pay out $155 million in ocean freight differential to U.S.-flag shipping companies to ship half of the commodities exported under both title I and title II of the Food for Peace Program. This amount is what the U.S.-flag shipping firms will earn in excess of the rate charged by foreign vessels and it is enough money to buy in the United States and ship to the Sudan or Ethiopia an additional 815,000 metric tons of wheat to provide 1 pound of wheat per day for over 1 year to 4.9 million people. That is what is not being bought because of the differential in cost between foreign- and U.S.-flag shipping.

A recent article in the Philadelphia Inquirer, May 26 of this year, illustrates what this means in terms of famine relief when American-flag vessels are used to deliver U.S. food aid.

To quote from the Inquirer:

> Even the extra cost of carrying a single famine relief cargo aboard American ships can substract more than $1 million from the budget of the food relief program, one ship, over 41 million in differential.

For example, a foreign ship operator bid $30.30 a ton, or a total of $757,000 total cost to transport a cargo of sorghum from Houston, TX, to the Sudan this year. Instead, the American ship, *Spirit of Liberty*, made the trip charging $107 a ton for a total of $2.69 million—two million six hundred ninety thousand dollars. That amounts to an indirect subsidy of $1,930,000 from the U.S. famine relief funds for the American ship on one voyage, enough money to buy 14,296 tons of corn, with the potential for feeding 54,000 Africans for 1 year.

To cite further from the Philadelphia Inquirer:

> Over the last 17 months, a period when world shipping costs have been in decline, American ship operators have increased their fees to carry the emergency famine relief cargo by $6 million, enough money again to feed 170 million starving people in Africa for a full year. Those rate increases when added to the already extraordinary costs of using American ships have required the government to spend $34 million more in transportation of African food aid than would have been needed if foreign vessels had been used, an Inquirer review of shipping records indicates. If that money had not been diverted to American ship operators, it could have been used to purchase and transport enough corn to Africa to feed 960,000 starving Africans for a total year.

American ship owners and operators say that higher unloading fees and delays at African ports have increased their costs of carrying famine relief cargoes.

But rates charged by foreign vessels to carry relief cargoes between the United States and African ports have not climbed even though the foreign ship owners face the same problems.

And critics charge that American shippers have been able to increase their rates at a time when world shipping charges are in decline because they have a monopoly on a portion of the famine relief trade, and they are exactly right.

"I am unhappy to confirm that it is true," said a spokesman for the World Food Program in Rome, the United Nations agency that distributes American relief grain.

"I am unhappy to confirm that some American ship operators have increased their rates on certain routes to Africa."

U.S. law requires that at least one-half of all government sponsored cargoes be carried in American ships, a measure designed to assure a strong merchant marine for commercial and national security purposes, yet a Philadelphia Inquirer review of government ship records and cost data show that vessels supported by this cargo preference legislation frequently are of very limited national security value and are so commercially uncompetitive that rates charged by U.S. bulk cargo carriers generally are double world rates and frequently triple.

The higher American shipping charges have helped push the transportation budget for the emergency relief efforts of the Federal Food for Peace Program up from 30 percent of the total emergency relief budget in 1984 to a projected 41 percent of the 1985 budget. That is to say 41 percent of our emergency food costs go for shipping and a part of that is due to the excessive differential between American and foreign shipping.

"Staggering," said Stephen Kearns, a vice president of Daniel F. Young, Inc., a New York freight forwarder that books many relief cargoes, when asked about the increasing difference between U.S. and foreign rates. He said:

> I believe it is due mostly to the decrease in foreign rates, but some of the American rates have increased. American lines are aware that there is a cargo preference program which requires the use of American flag vessels when they fix their rates. There is no doubt about it.

Some critics say that the reason for mounting American ship costs in the famine relief trade can be found in this country, not Africa.

"We have seen the difference in U.S. and foreign flag shipping rates rising from $11 per ton—that is the difference—to $37 a ton in 1 year on a type of ship called a liner, that is a type of cargo vessel, said John Baize, a representative of the American Soybean Association. The association represents, of course, U.S. soybean producers who see themselves, rightly so, certainly the case, losing income from sales of that commodity because of the high shipping rates and the food that is not purchased for our Food for Peace and our Famine Relief programs."

□ 2000

Quoting again Mr. Baize, "I am trying to think of a different phrase than price gouging, but I cannot think of one," he said.

A little earlier we heard reference to the possibility, a very real possibility, unfortunately, of a black holocaust, and about policies that contribute towards that black holocaust. I hope my colleagues think about what is happening because of price gouging that is taking place by the U.S. maritime industry today and the food that is not being delivered. I think, I hope that every Member of this body concerned about starving people in Africa, and I assume that means every one of us, and I hope especially the Black Caucus thinks about what cargo preference is doing to emergency relief programs today.

Let us hope that it is not racially oriented. Let us give them the benefit of the doubt and simply say it is good old fashioned price gouging to an outrageous degree.

U.S. Lines has increased its rates to South Africa, where some relief cargos are shipped for other points in Africa from $62.50 per metric ton in 1984 to $120 per metric ton this year following the bankruptcy of a competitor and the surge of relief cargos, according to officials of the World Food Program.

Despite the rate increase, a U.S. Lines spokesman said that the company was not charging excessively high rates for relief cargos, and competition assured that could not happen. Well, that is not the case.

But Agriculture and State Department officials say that the competition often works the other way with many shippers chasing, that is to say those agencies looking to meet the 50-percent requirement, chasing a few American flag ships that are available

to meet the cargo preference requirements.

Now AID officials said "We are sweating blood this year finding American carriers." Most of the Nation's cargo preference bulk fleet is composed of tanker and dry bulk carriers. Our 1984 Congressional Budget Office review of militarily useful vessels reports "Large tankers and dry bulk carriers are among the least useful ship types for military support."

A large number of America's lines are container vessels, commercially useful, but the Budget Office study said "From a military standpoint, an old fashioned, break-bulk freighter, with its loading booms and cargo nets, is usually more useful than a commercially efficient modern container ship that depends upon special port facilities for loading and offloading."

Moreover, some of the American ships chartered under the Government cargo preference program are very old. Others are rated poorly.

For example, the three ships, the *Spirit of Liberty, Cove Trader,* and the *Golden Endeavor,* have been given a 1 rating, the least favorable by the Guide for Selection of Tankers, a respected publication used by the oil industry to rate the reliability of oil tankers. The best rating is 5.

The ship called the *Inger,* a World War II era tanker, was converted and enlarged in 1962 to carry bulk grain. This ship is of the same type and age as the *Marine Electric,* which sank in 1983 off the Virginia coast, killing 31 crew members. And it is a near relative to the old converted World War II troop ship, *Poet,* which sank in 1980 killing 34 crew members.

The *Inger, Spirit of Liberty, Golden Endeavor,* and *Cove Trader* carried famine cargos this year and last at costs that, combined, were $9.45 million above prevailing world rates, enough money to buy a pound of corn each day for 260,000 people for 1 year.

Coast Guard records show that the *Inger* reported difficulties in November 1984 "after explosion of main turbine and generator."

Reynolds Metal Co., the ship's owner, performed those repairs and did extensive work on the ship's rusted hull, and the *Inger* was cleared by the Coast Guard to carry grain to Kenya in February at a cost of $102 a ton, just short of triple the cost of a foreign bid of $34.75 a ton to carry the same cargo.

Now we have a recent controversy or uproar among farm interests and maritime interests over cargo preference. What is the cause of this recent controversy?

It really relates to a February 21 court decision by U.S. District Court Judge June Green, who held that the USDA-Blended Credit Program was also covered by cargo preference requirements. The Blended Credit Program was and I underline was, a multimillion dollar commercial export promotion program until that February court decision. In response to the decision, the Secretary of Agriculture suspended $500 million worth of grain sales rather than attempt to comply with the cargo preference requirements that were newly placed upon that Blended Credit Program. The cost of compliance alone would be approximately $50 million.

If nearly $700 million of something called the GSM-102 program is added, and it probably could be under the same logic June Green followed, but it was simply not a part of that suit, then we are talking, of course, about staggering costs. Thus, this problem or recent controversey was created by the maritime interests, not by the farm population, although they certainly have desperate conditions and might appropriately be looking at what cargo preference is costing them in the loss of sold food and grain products.

Cargo preference requirements have had an immediate impact for agriculture and for my farm constituents in Nebraska. As a result of the court decision, U.S. farmers have lost $500 million worth of grain sales to Egypt, Iraq, Morocco and Tunisia. Thus, what was once an effective export promotion program has, for the time being, been effectively gutted by this cargo preference decision.

Worse, it appears that these customers are now turning to other sources such as France and Canada for their grain purchases, and it appears that these markets may be permanently lost, or lost for a substantial period of time.

Now what are the maritime interests saying about cargo preference, and how much validity is there in what they are saying?

Well in a letter addressed to myself as a result of some of my concerns, I have heard the following kinds of comments:

They are saying that the court decision is not really an expansion of cargo preference. But they are wrong. It is. Cargo preference has never been applied to USDA's commercial export credit programs in the past. Even grain shipped under direct export subsidies some years ago was not subject to cargo preference.

No. 2, they are also saying an attack on cargo preference is an attack on the maritime industry which cannot benefit farmers. Well, that is not quite right either, of course. The court's cargo preference ruling certainly has hurt farmers. The USDA has been forced to suspend the Blended Credit Program because of it, and that is costing American farmers export sales. It is also costing, of course, a lot of food processors and transportation people within the United States itself. So rolling back that court decision certainly can help farmers.

No. 3, they will say and do say that blended credit could go on if only USDA would let it go on. After all, the Government could simply pick up the cargo preference tab.

Now let us be honest. The extra shipping costs from cargo preference will be passed on to either one, the overseas customer, in which case the blended credit will simply cease to be of interest to our customers since they will be able to buy cheaper elsewhere; or No. 2, the U.S. taxpayer. The cost of paying cargo preference costs for 1985 for the Blended Credit Program, and if the GSM-102 Program is added, that is a credit guarantee program which is threatened by the court ruling, it would come to nearly $700 million.

Given our present deficits, asking the American taxpayer to cough up an extra $700 million a year just to accommodate the whims of a Federal judge is neither defensible nor realistically achievable. This argument has no merit whatsoever.

No. 4, they say eliminating cargo preference will not increase America's farm exports. Again they are wrong. Blended credit was a $500 million program in fiscal year 1984. If cargo preference applies, it will be a zero dollar program because the added shipping costs will make its credit terms unattractive. Preserving this and other export programs from cargo preference, then, certainly will allow the United States to export more farm products. That becomes even more clear when you look at the $5 billion GSM-102 Program, a credit guarantee program, whose freedom from cargo preference the court ruling put in jeopardy.

No. 5, the supporters of cargo preference are also saying that their maritime subsidies are good for national security. Well if they are, why is the cost being budgeted to the U.S. Agriculture Department? The last time I looked, we had a Defense Department to guard our national security and a Transportation Department to look after the maritime industry and other transportation-related industries. But for some reason, the cargo preference advocates prefer to keep the cost of their program hidden in the USDA budget.

□ 2010

Finally, some maritime advocates urge that we not promote one segment of the economy by undermining another. I heartily agree. But that is just what an expansion of cargo preference would do. It would reduce agricultural exports and food assistance to Africa, simply to benefit the maritime industry, simply to accommodate not only

their interests but extraordinary price gouging that is going on today.

Mr. Speaker, the General Accounting Office completed a report on Public Law 480 Commodity Program and the transportation costs related thereto in June of this year. At a later time this week I expect to make the recommendations of the GAO known to my colleagues in the responses from DOT and USDA to those recommendations.

Furthermore, I would hope to cover some of the impact of the political action contributions of maritime firms and maritime unions on the willingness and ability of this body to face up to the price gouging and to the obsolete subsidies that the Washington Post in its editorial referred to just yesterday, a kind of massive array of subsidies that are obsolete, that could be addressed in better fashion at best, that have been the subject of recent extensive series in the Philadelphia Inquirer and the Washington Post to name only two national publications which have focused on this extraordinary, expensive, egregious subsidy program that we have today. I will be taking, as I said, my comments on these and other subjects later this week.

Mr. BEREUTER. Mr. Speaker, I yield back the balance of my time.

STARVATION IN ETHIOPIA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. RITTER] is recognized for 60 minutes.

Mr. RITTER. Mr. Speaker, earlier this evening a number of my colleagues took to the floor to describe the situation in Ethiopia and to bring to light perhaps a different story on why Ethiopia is starving. What are some of the factors behind starvation in Ethiopia that perhaps have not been brought as fully to light as they should be?

Millions of people, perhaps as many as a billion-plus people recently witnessed a concert called "Live Aid." This concert was put on by a man named Bob Geldof and some of the leading rock and pop performers of our era.

I guess, I believe that that concert satisfied a need. It satisfied a need to provide financial support for food aid to starving millions in Ethiopia.

I would have preferred in addition to the consciousness-raising brought about by that concert about the problem of hunger and starvation in Ethiopia and in Africa in general, I would have hoped that in the course of this televised spectacular the subject of what was going on in Ethiopia would have been more fully addressed.

The moral suasion, the power of that audience was phenomenal. Had that audience access to some of the facts that my colleague from Wisconsin, Congressman ROTH, and other colleagues had brought earlier this evening, I believe that that would have had tremendous impact on the Government of Ethiopia.

When a billion people understand what a particular government is doing against its own people and how a particular government is aiding and abetting in the starvation of its people, there exists a tremendous moral force. Hopefully, Mr. Geldof and his colleagues can take this message into Ethiopia when they are on the scene to monitor the delivery of the food to those who need it inside Ethiopia.

Why is Ethiopia starving today? Is it solely because of a drought that is sweeping Africa? Is it even primarily because of a drought that is sweeping Africa?

Well, there have been droughts before but never has the calamity resulted that is as intense and as exacerbated as the calamity that has resulted from this drought. Unfortunately Ethiopia is starving because of natural causes and because of man-made causes. I would like to quote from an article in the May 1985 Reader's Digest. It says:

WHY ETHIOPIA IS STARVING

I. ANATOMY OF A FAMINE

Like the rest of sub-Saharan Africa, Ethiopia has suffered droughts before. It was struggling through a three-year drought in the northern provinces when, in 1974, its 2,000-year-old monarchy disintegrated. Out of a bloody struggle for power emerged an artillery colonel, Mengistu Haile Mariam, who is now the Soviet-backed dictator of Ethiopia.

Since taking power, and consolidating it with a machine-gun bloodbath in 1977-78, Mengistu has infected Ethiopia with the most virulent strain of socialist "planning" that plagues much of Africa. In 1962, the continent fed itself. But over the next 20 years, as proliferating Marxist regimes imposed "scientific socialism" on agriculture, Africa gained the grotesque distinction of being the only region on earth where per-capita food production consistently declined. Today, although it holds only 15 percent of the underdeveloped world's population, Africa receives *60 percent* of world food aid.

Agriculture expert D. Gale Johnson, professor of economics at the University of Chicago, calls this plummet in African food production "shocking." Says Johnson: "The decline is due not to a lack of resources, but primarily to political factors resulting in the exploitation of farmers."

Ethiopia stands as a particularly exquisite example of this failure. To be sure, drought has affected much of east Africa for the past three years. But this drought translated into agonizing famine only when combined with the egregious doctrinaire incompetence of Ethiopia's Marxist rulers.

In a recent editorial, June 15 in the Washington Post, I would like to take a quote from their comment on this famine.

First, I yield to the gentleman from Wisconsin.

Mr. ROTH. Mr. Speaker, I thank my friend from Pennsylvania for yielding. I want to compliment him for speaking out. I think, as he has mentioned often before, his conscience urges him to speak out and let the people know what is taking place. I want the gentleman to know that I had a chance to talk to Bob Geldof this morning and he is concerned about this aid and food getting to all the people of Ethiopia. I think that it is very reassuring. It was very reassuring for me to hear him say that because the people who donated the money, the people who are helping in the cause I think ought to know that he is concerned and he is going to follow through.

I think getting food and money to Ethiopia is only half a step; we have to go the full step, we have to make sure that it gets to the people who truly need the help.

□ 2020

Mr. RITTER. Indeed, that is a very important point, and I am gratified that Mr. Geldorf is aware of this situation; that food could be delivered in far greater volumes, only to rot on the docks and not be delivered to those places that need the food the most.

I think the gentleman is correct; it is the two halves of the step forward, getting the food and then getting it delivered.

I think there is another step, though, and I hope Mr. Geldorf and people around the world who watched the Live Aid concert would be aware of that, and that is, it is not possible for Ethiopian agriculture, the way it is set up; along ideological, Marxist lines, collectivized on the Soviet model.

It is not possible for Ethiopian agriculture to feed the Ethiopian people. The real tragedy is, that with the coming of rains and with the coming of changed conditions in the meteorology of the region, the Ethiopian people will be consigned to further famines unless they deal with the rehabilitation of their agriculture.

As long as the state controls what farmers plant and how much seed they can have and how much they must sell to the Government and to the army and it controls the distribution of food, they will fail.

The greater tragedy may be that out of this experience that the world has had with the Ethiopian famine that the message of what needs to be done in the future to avoid recurrence of this famine does not get out to the people of the world, and therefore the pressure is not on the Ethiopian Government to change.

The Soviet system of agriculture has not worked in Ethiopia, but that is nothing new. It has not worked in any of the Marxist economies which have adopted that system of agriculture

from the East bloc to Southeast Asia to Cuba; it is a failure.

The horror is that perhaps the people of the world do not know about this failure, and that while providing immediate assistance to take care of the problem at the moment, the long-range problem will continue to fester with the Ethiopian people being the tragic, tragic victims.

Let me return to the comments from the Washington Post editorial entitled "Free Ethiopia's Farmers". They say:

For years, especially in the north, both the Ethiopian armed forces and their assorted challengers have ravaged the countryside, either forcibly recruiting peasants to take part in military campaigns or treating them and their fields as the enemy. Meanwhile, the government by enforced collectivization, price manipulation and other administrative means destroyed the country's agriculture.

The use of food as a weapon, as a political weapon, is not new. Some 50 years ago—and we recently commemorated in this House and around the world—an event not well known to most of the people of this world, and that is the great famine that occurred in the Ukraine in the early 1930's.

There, there was a conflict of collectivizing Ukraine under Soviet domination. Some of the farmers in Ukraine resisted collectivization. The Soviet Union cordoned off this vast region, population today of approximately 50-plus million people; cordoned off this region and proceeded to keep all food supplies from coming in, and to ship all food supplies out.

The combination of this enforced famine was the death of some 7 million people. In a 2-year period, more people were killed by the forcible use of famine and the use of food as a political weapon, that 2 years, than the Jews in 5 years in Hitler's concentration camps.

So, my colleagues and to the people that we are speaking with tonight, do not underestimate the power of the food weapon and the power of the Ethiopian Government to use this food weapon as it sees fit to enforce its dominance over those who would resist marxism and communism in Ethiopia.

We are talking about millions of people in the northern provinces, particularly in Eritrea and Tigre; these millions are on the verge of starvation, and there are many articles that have brought this sorry fact to the fore.

The Deputy Commissioner for Food Relief at the United Nations is very distinctly aware of the cynicism and the use of food as a weapon against the resisting people of Ethiopia by the Mengistu government.

There is this question that was raised earlier which I would just like to refer to once again. It is the question of a double standard.

We have heard a great deal about South Africa in this term in Congress, and well we should. The Subcommittee on Africa has held five hearings on the situation in South Africa, and has produced four resolutions.

The subcommittee chairman has made the comment that, and I paraphrase this, made the comment that:

The Ethiopian situation has concerned this Congress over the last several years as no other situation in Africa.

Well, I would respectfully request, how is it that the Subcommittee on Africa has not held hearings on Ethiopia? Where are the hearings on the famine and the response of the Ethiopian Government to the famine?

□ 2030

Why has not this Congress looked beyond the provision of immediate aid in terms of food supply to the root causes of what could contain this famine indefinitely? I think the American people should write to their congressional representatives and ask them to ask the Subcommittee on Africa to please open up this situation to the light of debate so that perhaps we can have some influence on the future of the potential for Ethiopia to feed itself or to begin feeding itself.

Mr. ROTH. Mr. Speaker, will the gentleman yield?

Mr. RITTER. I yield to my colleague, the gentleman from Wisconsin.

Mr. ROTH. I thank my friend from Pennsylvania for yielding, because I would like to underscore what he has mentioned about the people of this country I think have an obligation, too, to speak out and to contact their Congressmen. I have sent a note to a number of Congressmen to join us on the floor, and one of the Congressman is the chairman of the subcommittee dealing with Africa. And here is what the gentleman said on the floor. He said: "Let me say, first of all, that there is no issue that has commanded greater attention to the Subcommittee on Africa and Foreign Affairs Committee over the past couple of years than the subject of starvation in Ethiopia and, more broadly, of course, the famine throughout the breadth of Africa."

Now, I serve on the Foreign Affairs Committee, and that is just not so. In truth, the last time the Africa Subcommittee held a hearing on Ethiopia was in August 1984, at the instigation of the Human Rights Subcommittee. This was the only hearing on Ethiopia during the entire 98th Congress. The hearing focused on the entire Horn of Africa, principally, Uganda.

Mr. RITTER. Has there been a hearing yet in the 99th Congress on this subject of the forced resettlements and deliberate starvation policies in Ethiopia?

Mr. ROTH. No, no, there has not. That is precisely why I asked the chairman of the subcommittee to join us this evening in this special order.

Mr. RITTER. Does this amount to some shyness on behalf of our Members of Congress to criticize the system and the government in Ethiopia?

Mr. ROTH. Well, maybe it is a reflection that you and myself and others have not spoken out forcefully enough. We have spoken out. For example, in the Africa Subcommittee we have held five hearings on South Africa, and rightly so, and we passed four resolutions on South Africa, rightly so, during the 98th Congress. But nothing as it relates to Ethiopia. And when you talk about a double standard, I think that is evident.

When I had an amendment on Ethiopia, one of the Members on the floor asked me not to introduce the amendment because the Ethiopian Government was so cruel and it was difficult to surmise what the Ethiopian Government would do to its own people if we spoke out. It reminded me of something that Eric Hoffer wrote, a philosopher I know the gentleman from Pennsylvania has often quoted and has read. Eric Hoffer said that people never rebel or speak out against the cruelty of a government, only against a weak government. And he has gone through history and has cited when there have been revolutions it has never been against an evil government, only against a government that has become weak. And I hope that we would not be so timid in this body—you, myself, others—and be intimidated from speaking out on this very important issue.

So I compliment the gentleman in the well for speaking out because this is something that has to be done.

Mr. RITTER. I would congratulate the gentleman from Wisconsin for his leadership on this issue. He is a distinguished Member of the House Foreign Affairs Committee. I think we can thank God that somebody in this Congress who is right at the core of the congressional action in this regard has taken the responsibility upon himself and to bring others like myself and many others into the debate, to call attention to what is going on. I think there is a double standard. I think if Ethiopia had a military junta which was basically capitalist and friendly to the United States of America, these kinds of inhuman transgressions, these egregious violations of basic human rights and dignity would be thrashed all over the floor of this House, as well it should. If this Government was a Latin American government that was friendly to the United States, I think we would have had demonstrations against this Government bordering on violent demonstrations, and perhaps that is the way it should be. But where are the demonstrations against the Ethiopian Government's inhumanity against their own people? Where are the demon-

strations against a failed Marxist system of agriculture imposed upon the people of Ethiopia by people who know less about agriculture than the Ethiopian Marxists?

I think the American people should be concerned about the deafening silence on the part of those who should know better to not only be concerned with bringing the immediate food aid into Ethiopia, but to try to right the structural political inherent wrongs that are going to make this famine continue on into the future.

I have a document here, which is translated from a language spoken in Ethiopia called Amharic, and I would like to just quote a little bit from this document. It is a document of the Provisional Military Government of Socialist Ethiopia, Ministry of Information and National Guidance. It is entitled, "The Anti-Revolutionary Nature of Religion," and it had on it a "top secret" classification.

Let me just mention a couple of actions to be taken in the campaign against Christian churches:

In several of the important churches and monasteries old and priceless altar and priestly vestments and other works of art are to be found. Their public display in church services and ceremonies is a calculated insult to the oppressed masses. Except the bare minimum needed to celebrate Mass all such items should be collected and be sent for safe-keeping to friendly countries or, where this is not feasible, destroyed.

That was item 3. I will just quote for you item 6:

Regular church goers should be identified by a network of informers and systematically discouraged from further attendance by a combination of the following measures: direct offer of monetary incentive, the threat of withdrawal of food ration permits, and jobs.

Let me quote item 10:

Priests, monks and other religious workers should be manipulated not only to be accommodative of the revolution but, where it is feasible, should be used to further the revolution's objective.

There is a connection between the oppression of freedom and religion and the oppression of the Ethopian people, whether it is political oppression or the oppression of the freedom of their farmers to produce food for their people. I think it is indicative, it is symbolic of the kind of government that we are dealing with in Ethiopa.

I will include in the RECORD at the end of my comments part I, the 12 actions to be taken in the campaign against Christian churches, and part II, actions contemplated against mosques.

The signature on the bottom of this document is not an individual. It simply says, "Down with Feudo-Bourgeois Order. Victory to the oppressed masses."

I would like once again to thank the gentleman from Wisconsin [Mr. ROTH] for putting this special order together and providing many of us with significant data resources to help in carrying out the special order. His leadership in this area is significant, and I am very pleased to have had an opportunity to take part in this special order.

I would hope that the American people who have had the opportunity to watch this special order tonight concerning the famine in Ethiopia would take the time to correspond with their Representatives and let those Representatives know that they are concerned about the situation in Ethiopia, they are concerned about the famine, they are also very concerned about putting an end to the famine by allowing the Ethiopia people to do what they need to do to feed themselves.

PART I. ACTIONS TO BE TAKEN IN THE CAMPAIGN AGAINST CHRISTIAN CHURCHES

1. The more important historical monasteries and churches should gradually be converted into museums from which the oppressed masses could draw valuable lessons. The list should notably include the monasteries and churches of Axum, Debra Damo, Lalibrella, Debre Libanos, Zuqualla and the principal monasteries in Gojam, Gondar, Wollo and important churches in Addis Ababa.

2. Several important collections of religious books exist in a number of churches and monasteries. Among them are to be found the Books of the Kings, the Book of Mirak, the Book of Music of Yared, Senksar, Tsome Digua, The Lives of the Saints, etc. For the most part these books support an ideology which made feudal exploitation possible. All such books should be confiscated.

3. In several of the important churches and monasteries old and priceless alter and priestly vestments and other works of art are to be found. Their public display in church services and ceremonies is a calculated insult to the oppressed masses. Except the bare minimum needed to celebrate Mass all such items should be collected and be sent for safe-keeping to friendly countries or, where this is not feasible, destroyed.

4. The present Patriarch of the Ethiopian Orthodox Church comes from the oppressed class. His educational background is limited. He can therefore be skillfully manipulated to become an unwitting instrument for the anti-religious compaign. He has already declared in one sermon that Christ himself had propagated socialism. He should be encouraged to elaborate and spread this theme. Priests and church workers who can be counted to spread the illusion of compatability between Christianity and Communism should be carefully selected and placed as close to the Patriarch as possible.

5. In addition to measures calculated at weakening the church's independent sources of income, steps should be taken to restrict the availability and then gradually remove from the market those materials, such as wax candles and raisins (used for the making of the sacramental wine) required in church services and rituals.

6. Regular church goers should be identified by a network of informers and systematically discouraged from further attendance by a combination of the following measures: direct offer of monetary incentive, the threat of withdrawal of food ration permits, and jobs.

7. A carefully orchestrated media campaign should be undertaken as a matter of priority. The propaganda line should emphasize the following: (a) that the world we live in is a world of concrete reality and material tasks and not of spirit as the deceptive backward-looking reactionaries would want us to believe, (b) that religion is always an obstacle to the liberation of oppressed people.

In order to deprive the churches of potential recruits for the clergy, especially the young ones from serving as deacons and lay helpers, a calculated effort should be made to detract such elements from pursuing a religious vocation by offering them attractive incentives in other careers.

8. The uprooting of the feudo-bourgois social and economic order has thrown the bourgois and the petit-bourgois classes into a state of fright. As if the churches would spare them the wrath of the working-class, these elements are flocking to them in great numbers. Religion has also fortified their spirit which was once thought to have been broken. This revival is fast becoming ground for counter-revolution.

It is therefore necessary to identify those individuals with strong religious attachment and target them for special treatment. (Translator's note: the Amharic word used literally means "hit them", which may also be taken as a euphemism for liquidation.)

9. One reason for the extraordinary hold of religion on the masses is that in their organized expressions they overawe them with rituals, mystery and piety. These curtains should be lifted from their eyes, and that the awe, respect and moral authority that the church and the clergy inspire should be methodically undermined. Several ploys could be used to that end. For example, women political cadres in the guise of nuns could be infiltrated into churches and monasteries with instructions to entrap priests and monks in sexually compromising situations or to frame-up scandals.

10. Priests, monks and other religious workers should be manipulated not only to be accommodative of the revolution but, where it is feasible, should be used to further the revolution's objective.

One way of doing that is to bring from friendly countries political cadres to pose as clergy from their respective churches in order to give Ethiopian priests and monks subtle indoctrination. Books and pamphlets in Amharic produced by the same sources could similarly be used to the same end. (Translator's note: the reference is to the Russian Orthodox and other Eastern Orthodox Churches in eastern European countries).

11. By nature the Ethiopian clergy is suspicious. The need for subtlety in disguising the final objective and the tactical targets of the anti-religious campaign cannot be overemphasized.

12. The effort already underway for creating dissension and divisions among the monks in the Ethiopian monastery of Jerusalem should be continued and intensified. With that in view, the number of agent-provocateurs infiltrating the ranks of the yearly pilgrims to the Holy Land should be increased.

PART II. ACTIONS CONTEMPLATED AGAINST MOSQUES

Potentially Islam is as much a danger to the revolution as Christianity. The growing Arab oil wealth has given it a new lease on life and renewed vigor. Even though Moslems on the whole are fewer in numbers

than other oppressed elements, Islam, like Christianity has always imposed a crushing blow on its oppressed followers. Moreover, no less than Christianity, Islam provides another banner under which the forces of reaction and counter-reaction are rallying today.

However, in the prosecution of the religious campaign certain realities should be recognized and tactical adjustment should accordingly be made. The revolution has come in today under increasing Imperialist conspiracy. It cannot now afford to create anxiety in certain quarters. It is thus recommended that the campaign against Islam should be postponed to another stage of the revolution when fear of antagonizing Moslems in radical Arab countries will no longer be a significant factor.

In the meantime, however, no effort should be spared in creating divisions between the two camps that are gathering under their respective banners.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. HEFNER (at the request of Mr. WRIGHT), through August 2, on account of medical reasons.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. RITTER, for 60 minutes, today.

(The following Members (at the request of Mr. GROTBERG) to revise and extend their remarks and include extraneous material:)

Mr. LATTA, for 30 minutes, today.

Mr. BEREUTER, for 60 minutes, today.

Mr. BEREUTER, for 60 minutes, on July 25.

Mr. KINDNESS, for 60 minutes, on July 30.

Mr. PORTER, for 10 minutes, on July 26.

Mr. PORTER, for 60 minutes, on July 30.

(The following Members (at the request of Mr. WEISS) to revise and extend their remarks and include extraneous material:)

Mr. ST GERMAIN, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GEPHARDT, for 60 minutes, on July 24.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. RAHALL, prior to the vote on the Howard amendments to H.R. 8, Water Quality Renewal Act of 1985, in the Committee of the Whole, today.

Mr. GILMAN, following remarks of Mr. HOWARD on the Howard amendments to H.R. 8 in the Committee of the Whole, today.

Mr. MOAKLEY, on the amendment offered by the gentleman from Massachusetts, [Mr. CONTE] in the Committee of the Whole, today.

(The following Members (at the request of Mr. GROTBERG) and to include extraneous matter:)

Mr. COURTER.
Mr. MORRISON of Washington.
Mr. BILIRAKIS.
Mr. CONTE.
Mr. MILLER of Ohio in three instances.
Mr. MYERS of Indiana.
Mr. BROOMFIELD.
Mr. GALLO.
Mr. BLILEY.
Mr. HYDE in two instances.
Mr. MARLENEE.
Mr. COUGHLIN.
Mr. CRANE in four instances.
Mr. LOWERY of California.
Mr. LAGOMARSINO.
Mr. KEMP.
Mr. BARTLETT.
Mr. BURTON of Indiana.
Mr. EMERSON in two instances.
Mr. HAMMERSCHMIDT in two instances.

(The following Members (at the request of Mr. WEISS) and to include extraneous matter:)

Mr. BARNES in two instances.
Mrs. LLOYD.
Mr. FAUNTROY in two instances.
Mr. FLORIO.
Mr. NOWAK.
Mr. VENTO.
Mr. BEILENSON.
Mr. LANTOS in two instances.
Mr. FUSTER.
Mr. MANTON.
Mr. TRAFICANT in two instances.
Ms. OAKAR.
Mr. STALLINGS.
Mr. SHELBY.
Mr. MRAZEK.
Mr. FEIGHAN.
Mr. WEISS in two instances.
Mr. SCHUMER.
Mr. MARKEY.
Mr. LUKEN.
Mr. HUBBARD.
Mr. LOWRY of Washington in two instances.
Mr. FORD of Michigan.
Mr. HAWKINS.
Mr. STARK.
Mr. CONYERS.
Mr. SHARP.
Mr. EDWARDS of California.

SENATE JOINT RESOLUTIONS REFERRED

Joint resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S.J. Res. 51. Joint resolution to designate the week beginning November 24, 1985, as "National Adoption Week"; to the Committee on Post Office and Civil Service.

S.J. Res. 145. Joint resolution designating November 1985 as "National Diabetes Month"; to the Committee on Post Office and Civil Service.

S.J. Res. 147. Joint resolution to designate a calendar week in 1985 as "National Infection Control Week"; to the Committee on Post Office and Civil Service.

S.J. Res. 160. Joint resolution designating the week beginning November 10, 1985, as "National Disabled Veterans Week"; to the Committee on Post Office and Civil Service.

ENROLLED JOINT RESOLUTION

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H.J. Res. 106. Joint resolution designating August 1985 as "Polish American Heritage Month."

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee did on July 19, 1985 present to the President, for his approval, a joint resolution of the House of the following title:

H.J. Res. 342. Joint resolution making an urgent supplemental appropriation for the fiscal year ending September 30, 1985, for the Department of Agriculture.

ADJOURNMENT

Mr. RITTER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 40 minutes p.m.) the House adjourned until tomorrow, Wednesday, July 24, 1985, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1725. A letter from the Secretary of Defense, transmitting a report of the Department's plans for the conduct of mobilization exercises, pursuant to Public Law 98-525; to the Committee on Armed Services.

1726. A letter from the Secretary of Education, transmitting a report on programs and activities assisted under the Women's Educational Equity Act of 1978, pursuant to 20 U.S.C. 3347(a); to the Committee on Education and Labor.

1727. A letter from the Secretary of Health and Human Services, transmitting the 11th annual report of the Department on the status of handicapped children in Head Start Programs, pursuant to Public Law 97-35, section 640(d); to the Committee on Education and Labor.

1728. A letter from the Director, Office of Legislative Affairs, Agency for International Development, transmitting notice of justification for an increase in the funding level of the proposed fiscal year 1985 program in Swaziland, pursuant to 22 U.S.C. 2413(b); to the Committee on Foreign Affairs.

1729. A letter from the Director, Office of Legislative Affairs, Agency for International Development, transmitting notice of justifi-

cation for an increase in the funding level of the proposed fiscal year 1985 program in Senegal, pursuant to 22 U.S.C. 2413(b); to the Committee on Foreign Affairs.

1730. A letter from the Acting Assistant Secretary of Health, Public Health Service, Department of Health and Human Services, transmitting notice of a new system of records, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

1731. A letter from the Administrator, Health Care Financing Administration, Department of Health and Human Services, transmitting a report of a new system of records, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

1732. A letter from the Chief, Insurance and Employee Benefits, Air Force Welfare Board, transmitting the annual report of the Air Force nonappropriated fund retirement plan for civilian employees, pursuant to 31 U.S.C. 9503(a)(1)(B); to the Committee on Government Operations.

1733. A letter from the Secretary of Agriculture, transmitting notice of a revised system of records, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

1734. A letter from the Secretary of Labor, transmitting notification that it is in the public interest to award a particular contract, pursuant to 41 U.S.C. 253(c)(7)(b); to the Committee on Government Operations.

1735. A letter from the Chairman, Administrative Conference of the United States, transmitting the annual report on fees and other expenses awarded each fiscal year under 5 U.S.C. 504, pursuant to 5 U.S.C. 504(e); to the Committee on the Judiciary.

1736. A letter from the Assistant Secretary of the Treasury (Legislative Affairs), transmitting a report on the allocation among foreign nations of the total allowable level of foreign fishing permitted under the Fishery Conservation and Management Act of 1976, pursuant to 16 U.S.C. 1821(f); to the Committee on Merchant Marine and Fisheries.

1737. A letter from the Executive Secretary, Office of the Secretary of Defense, transmitting the report on Department of Defense procurement from small and other business firms for October 1984 through April 1985, pursuant to 15 U.S.C. 639(d); to the Committee on Small Business.

1738. A letter from the Secretary of Labor, transmitting a report on foreign industrial targeting, specifically, case studies on trade and employment effects, pursuant to Public Law 98-573, section 625 (98 Stat. 3042); to the Committee on Ways and Means.

1739. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to repeal that paragraph of the act of March 4, 1913, as amended, that designates 10 percent of all national forest receipts for the construction of roads and trails on the national forests; jointly, to the Committees on Agriculture and Interior and Insular Affairs.

1740. A letter from the Under Secretary of Agriculture for International Affairs and Commodity Programs, transmitting the annual report on Public Law 480 activities for fiscal year 1984; jointly, to the Committees on Agriculture and Foreign Affairs.

1741. A letter from the Comptroller General of the United States, transmitting a report entitled: "Use of Unaudited Hospital Cost Data Resulted in Overstatement of Medicare's Prospective Payment System Rates"; jointly, to the Committees on Government Operations and Ways and Means.

1742. A letter from the Director, Office of Management and Budget, transmitting a draft of proposed legislation introducing the "Unified Budget Act of 1985"; jointly, to the Committees on Government Operations and Rules.

1743. A letter from the Comptroller General of the United States, transmitting a report entitled: "The Nuclear Regulatory Commission Should Report on Progress in Implementing Lessons Learned From the Three Mile Island Accident"; jointly, to the Committees on Government Operations, Interior and Insular Affairs, and Energy and Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DERRICK: Committee on Rules. House Resolution 231. Resolution providing special budget procedures for fiscal year 1986 congressional budget process (Rept. No. 99-217). Referred to the House Calendar.

Mr. BONIOR: Committee on Rules. House Resolution 232. Resolution waiving certain points of order against H.R. 3037, a bill making appropriations for agriculture, rural development, and related agencies programs for the fiscal year ending September 30, 1986, and for other purposes (Rept. No. 99-218). Referred to the House Calendar.

Mr. MOAKLEY: Committee on Rules. House Resolution 233. Resolution waiving certain points of order against consideration of H.R. 3038, a bill making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1986, and for other purposes (Rept. No. 99-219). Referred to the House Calendar.

Mr. JONES of Tennessee: Committee on House Administration. House Resolution 229. Resolution dismissing the election contest against Ben Blaz (Rept. No. 99-220). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ADDABBO:

H.R. 3056. A bill to amend the Small Business Act to restrict the authority of the Small Business Administration to deny financial assistance to small business concerns solely because the primary business operations of such concerns relate to the communication of ideas; to the Committee on Small Business.

By Mr. CRANE (for himself, Mr. SILJANDER, Mr. KASICH, Mr. BARTON of Texas, Mr. RUDD, Mr. DORNAN of California, Mr. BLILEY, Mr. LIVINGSTON, and Mr. GROTBERG):

H.R. 3057. A bill to repeal the provisions of law under which the denial of nondiscriminatory treatment (most-favored-nation treatment) to nonmarket economy countries under title IV of the Trade Act of 1974 may be waived; to the Committee on Ways and Means.

By Mr. DUNCAN (by request):

H.R. 3058. A bill to provide for the recovery by the U.S. Customs Service of the cost of customs processing and for other purposes; to the Committee on Ways and Means.

By Mr. MORRISON of Washington (for himself, Mr. MADIGAN, Mr. EMERSON, Mrs. ROUKEMA, Mr. EVANS of Iowa, Mr. DICKS, Mrs. COLLINS, Mr. WORTLEY, Mr. CROCKETT, Mr. LELAND, Mr. WHITEHURST, Mr. MILLER of Washington, Mr. ROBERTS, Mr. GARCIA, Mr. GILMAN, Mr. FAZIO, Mr. ARMEY, Mr. WHITTAKER, Mrs. BURTON of California, Mr. BEREUTER, Mr. KOLTER, and Mr. BEDELL):

H.R. 3059. A bill to amend the Internal Revenue Code of 1954 to allow a credit against tax for contributions of certain agricultural products to certain tax-exempt organizations; to the Committee on Ways and Means.

By Mr. PEASE:

H.R. 3060. A bill to amend the Foreign Assistance Act of 1961 with respect to the activities of the Overseas Private Investment Corporation; to the Committee on Foreign Affairs.

By Mr. PEPPER:

H.R. 3061. A bill to test a change in payment amounts for outpatient lens implantation procedures; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. RAHALL.

H.R. 3062. A bill to amend title XIX of the Social Security Act to require States to provide for payment for reservation of nursing home beds under the Medicaid Program; to the Committee on Energy and Commerce.

By Mr. SOLOMON:

H.R. 3063. A bill to amend the Federal Property and Administrative Services Act of 1949 to allow volunteer fire departments and emergency rescue squads to receive donations of Federal surplus personal property; to the Committee on Government Operations.

By Mr. TAUKE (for himself, Mr. HEFTEL of Hawaii, Mr. ROYBAL, Mr. REGULA, and Mr. SHUMWAY):

H.R. 3064. A bill to amend the Internal Revenue Code of 1954 to impose an excise tax of 16 cents an ounce on smokeless tobacco and to provide that the revenue from such tax shall be used to assist in financing the Medicaid Program under title XIX of the Social Security Act; to the Committee on Ways and Means.

By Mr. ROSTENKOWSKI:

H.J. Res. 343. Joint resolution to approve the "Compact of Free Association," and for other purposes; jointly, to the Committees on Interior and Insular Affairs, Foreign Affairs, and Ways and Means.

By Mr. UDALL (for himself, Mr. FASCELL, Mr. SEIBERLING, Mr. SOLARZ, Mr. JONES of North Carolina, Mr. ASPIN, Mr. YOUNG of Alaska, Mr. LENT, Mr. LAGOMARSINO, Mr. LEACH of Iowa, Mr. DE LUGO, Mr. DYMALLY, Mr. SUNIA, and Mr. RICHARDSON):

H.J. Res. 344. Joint resolution to approve the "Compact of Free Association," and for other purposes; jointly, to the Committees on Foreign Affairs, Interior and Insular Affairs, and Ways and Means.

By Mr. AKAKA (for himself, Mr. JEFFORDS, Mr. COELHO, Mr. LEACH of Iowa, Mr. MATSUI, Mrs. BURTON of California, Mr. ERDREICH, Mr. BROY-

HILL, Mr. FAZIO, and Mr. ST GERMAIN):

H.J. Res. 345. Joint resolution to designate March 1986 as "Music in Our Schools Month"; to the Committee on Post Office and Civil Service.

By Mr. ARMEY:

H.J. Res. 346. Joint resolution to amend the joint resolution designating Captive Nations Week to recognize the status of Russia as a captive nation, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. COUGHLIN (for himself, Mr. BORSKI, Mr. EDGAR, Mr. FOGLIETTA, and Mr. KOSTMAYER):

H.J. Res. 347. Joint resolution to designate November 18, 1985, as "Eugene Ormandy Appreciation Day"; to the Committee on Post Office and Civil Service.

By Mr. HALL of Ohio (for himself and Mr. KEMP):

H.J. Res. 348. Joint resolution to designate 1986 as the "Year of Thanksgiving"; to the Committee on Post Office and Civil Service.

By Mr. HUTTO:

H.J. Res. 349. Joint resolution to direct the Postmaster General to issue a commemorative stamp honoring the 75th anniversary of U.S. naval aviation; to the Committee on Post Office and Civil Service.

By Mr. FOLEY (for himself and Mr. LOTT):

H. Res. 230. Resolution providing that for the remainder of the 1st session of the 99th Congress there should be a substantially verbatim account of House proceedings in the CONGRESSIONAL RECORD which should be clearly distinguishable by different typeface from remarks not spoken but inserted under leave to extend; to the Committee on House Administration.

By Mr. CRANE (for himself, Mr. DWYER of New Jersey, Mr. BARTON of Texas, Mr. WORTLEY, Mr. LAGOMARSINO, Mr. BOULTER, Mr. SILJANDER, Mr. KASICH, Mr. RUDD, Mr. DORNAN of California, Mr. ARMEY, Mr. HYDE, Mr. BLILEY, Mr. LIVINGSTON, Mr. SCHULZE, Mr. GROTBERG, Mrs. BENTLEY, and Mr. DANNEMEYER):

H. Res. 234. Resolution disapproving the President's recommendation to extend certain waiver authority under the Trade Act of 1974 with respect to Romania; to the Committee on Ways and Means.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

210. By the SPEAKER: Memorial of the Legislature of the State of Kentucky, relative to land mines in Central America; to the Committee on Foreign Affairs.

211. Also, memorial of the Legislature of the State of Delaware, relative to Social Security; to the Committee on Post Office and Civil Service.

212. Also, memorial of the Legislature of the State of Illinois, relative to the KILnGAS commercial module; to the Committee on Science and Technology.

213. Also, memorial of the Legislature of the State of Kentucky, relative to the GI bill; to the Committee on Veterans' Affairs.

214. Also, memorial of the Legislature of the State of Florida, relative to the Social Security Act; to the Committee on Ways and Means.

215. Also, memorial of the Legislature of the State of Texas, relative to oil; to the Committee on Ways and Means.

216. Also, memorial of the Legislature of the State of Texas, relative to health and welfare; jointly, to the Committees on Education and Labor and Ways and Means.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 43: Mr. FUQUA, Mr. AKAKA, and Mr. GEJDENSON.

H.R. 76: Mr. DORNAN of California.

H.R. 97: Mr. KASICH and Mr. DREIER of California.

H.R. 155: Mr. SUNIA.

H.R. 236: Mr. HUTTO.

H.R. 281: Mr. REID.

H.R. 469: Mr. DANIEL and Mr. MONSON.

H.R. 481: Mrs. SCHROEDER.

H.R. 528: Mr. ROWLAND of Georgia.

H.R. 585: Mr. BUSTAMANTE, Mr. WEBER, and Mr. BARNES.

H.R. 679: Mr. CARNEY, Mr. MCCAIN, Ms. SNOWE, Mr. ROE, Mr. GRAY of Illinois, Mr. YOUNG of Alaska, Mr. HEFTEL of Hawaii, Ms. KAPTUR, Mr. LAGOMARSINO, Mr. WORTLEY, Mr. HORTON, Mr. MONTGOMERY, Mr. JONES of North Carolina, Mrs. BENTLEY, Mr. ECKART of Ohio, Mr. FAZIO, Mr. GEKAS, and Mr. HUNTER.

H.R. 747: Mr. EARLY and Mr. FORD of Michigan.

H.R. 864: Mr. WOLF, Mr. ENGLISH, Ms. MIKULSKI, Mr. GALLO, Mr. LENT, and Mr. EDGAR.

H.R. 1047: Mr. YOUNG of Alaska.

H.R. 1059: Mr. MONTGOMERY and Mr. BURTON of Indiana.

H.R. 1123: Mr. DARDEN.

H.R. 1163: Mr. EMERSON.

H.R. 1318: Mr. TAUKE.

H.R. 1375: Mr. CROCKETT, Mr. PURSELL, Mr. DASCHLE, and Mr. WOLPE.

H.R. 1376: Mr. BRYANT.

H.R. 1524: Ms. OAKAR and Mr. ROE.

H.R. 1632: Mr. KASTENMEIER.

H.R. 1759: Mr. MATSUI and Mr. SEIBERLING.

H.R. 1875: Mr. SCHULZE, Mrs. BENTLEY, Mr. SMITH of New Jersey, Mr. CARPER, Mr. BATES, Mr. CLINGER, and Mr. WEBER.

H.R. 1966: Mr. SAXTON, Mrs. BOGGS, Mr. OWENS, Mr. EDWARDS of California, Mr. CONYERS, Mr. BEVILL, Mr. WALGREN, Mr. ROYBAL, Mr. MRAZEK, and Mr. LAGOMARSINO.

H.R. 2018: Mr. DYSON.

H.R. 2101: Mr. COURTER.

H.R. 2158: Mr. SWEENEY.

H.R. 2189: Mr. COELHO.

H.R. 2263: Mr. FISH, Mr. GARCIA, Mr. GEKAS, and Mr. MORRISON of Connecticut.

H.R. 2282: Mr. GALLO.

H.R. 2361: Mr. BARNES.

H.R. 2440: Mr. ANDREWS, Mr. FISH, Mr. HAMILTON, Mr. KILDEE, Mr. WOLF, and Mr. YOUNG of Florida.

H.R. 2479: Mrs. BOXER, Mr. SWIFT, Mr. PARRIS, Mr. KINDNESS, Mr. RICHARDSON, and Mr. STOKES.

H.R. 2489: Mr. GORDON, Mr. GRAY of Illinois, Mrs. LLOYD, Mr. QUILLEN, and Mr. BONER of Tennessee.

H.R. 2674: Mr. ROTH and Mr. GUNDERSON.

H.R. 2700: Mr. OWENS, Mr. MRAZEK, Mr. MARTINEZ, Mr. MORRISON of Connecticut, Mr. RAHALL, Mr. SKELTON, Mr. VENTO, Mr. PERKINS, Mr. CONYERS, Ms. KAPTUR, Mr. FROST, Mr. MITCHELL, Mrs. SCHROEDER, Mr. WILLIAMS, Mrs. BENTLEY, Mr. KOLTER, Mrs. LLOYD, Ms. OAKAR, Mr. RICHARDSON, Mr. STOKES, and Mr. CROCKETT.

H.R. 2701: Mr. LANTOS, Mr. MARTINEZ, Mr. HERTEL of Michigan, Mr. WEAVER, Mr. GONZALEZ, Mr. SABO, Ms. MIKULSKI, Ms. KAPTUR, Mr. MRAZEK, Mr. DWYER of New Jersey, Mr. ACKERMAN, Mr. WAXMAN, Mr. DE LUGO, Mr. SEIBERLING, Mr. DELLUMS, Mr. MINETA, Mr. CONYERS, Mr. ROSE, Mr. GINGRICH, Mr. SUNIA, and Mr. KOLTER.

H.R. 2709: Mr. DORGAN of North Dakota.

H.R. 2761: Mr. HAYES and Mr. KILDEE.

H.R. 2768: Mr. BURTON of Indiana and Mr. SUNIA.

H.R. 2773: Mr. KOLTER, Mr. EDGAR, Mr. SEIBERLING, and Mr. COUGHLIN.

H.R. 2791: Mr. GARCIA, Mr. HERTEL of Michigan, Mr. TRAFICANT, Mr. LEHMAN of Florida, Mr. MOODY, Mr. WHEAT, Mr. RALPH M. HALL, Mrs. LLOYD, Mr. TALLON, Mrs. BOXER, Mr. KOLTER, Mr. FEIGHAN, Mr. SMITH of New Jersey, Mr. NIELSON of Utah, and Ms. MIKULSKI.

H.R. 2795: Mr. CARPER, Mr. LEACH of Iowa, Mr. SKELTON, Mr. LOTT, Mr. DYSON, Mr. JEFFORDS, Mr. LAGOMARSINO, Mr. TALLON, Mr. SILJANDER, Mr. MONTGOMERY, Mr. WALKER, Mr. HARTNETT, Mr. HILER, Mr. SISISKY, Mr. BARTON of Texas, Mr. RITTER, Mr. TAYLOR, Mr. CHENEY, Mrs. VUCANOVICH, Mr. COLEMAN of Missouri, Mr. PETRI, Mr. LUNDINE, Mrs. BENTLEY, Mr. SLATTERY, Mr. WHITLEY, Mr. ORTIZ, Mr. WORTLEY, Mr. WEBER, Mr. MITCHELL, Mr. STANGELAND, Mr. BROWN of Colorado, Mr. GEKAS, Mr. NEAL, Mr. HOPKINS, Mr. RANGEL, Mr. HATCHER, Mr. COATS, and Mr. WHITTAKER.

H.R. 2797: Mr. SUNIA and Ms. MIKULSKI.

H.R. 2839: Mr. BOUCHER, and Mr. VENTO.

H.R. 2851: Mrs. BOXER, Mr. KOLTER, Mr. MATSUI, and Mr. SUNIA.

H.R. 2907: Mr. TORRES, Mr. BONER of Tennessee, Mr. FRANK, Mr. DIXON, Mr. ORTIZ, Mr. MRAZEK, Mr. LELAND, and Mr. LEHMAN of Florida.

H.R. 2936: Mrs. BENTLEY, Mr. MONTGOMERY, and Mr. AUCOIN.

H.R. 2957: Mr. STUDDS, Mr. BEILENSON, Mr. ROE, Mr. GARCIA, Mr. MITCHELL, Mr. RODINO, Mr. EDWARDS of California, Mr. BONIOR of Michigan, Mr. JEFFORDS, Mr. CARPER, and Mr. SMITH of New Jersey.

H.R. 2958: Mr. STUDDS, Mr. BEILENSON, Mr. ROE, Mr. GARCIA, Mr. MITCHELL, Mr. RODINO, Mr. EDWARDS of California, Mr. BONIOR of Michigan, Mr. JEFFORDS, Mr. CARPER, and Mr. SMITH of New Jersey.

H.R. 2969: Mr. COURTER.

H.R. 3008: Mr. WAXMAN and Mr. RICHARDSON.

H.R. 3010: Mr. HORTON.

H.R. 3050: Mr. RICHARDSON, Mrs. BOGGS, Mr. WEBER, and Mr. ANDREWS.

H.J. Res. 3: Mr. APPLEGATE, Mr. PEPPER, and Mr. Coyne.

H.J. Res. 136: Mr. GILMAN.

H.J. Res. 178: Mrs. HOLT, Mr. DIOGUARDI, Mr. COBEY, Mr. SKEEN, Mr. HENDON, Mrs. ROUKEMA, Mr. AUCOIN, Mr. FORD of Tennessee, Mr. VANDER JAGT, and Mr. TRAFICANT.

H.J. Res. 197: Mr. BROYHILL, Mr. DICKINSON, and Mr. HENDON.

H.J. Res. 205: Mr. HERTEL of Michigan, Mr. SHARP, Mrs. ROUKEMA, and Mr. ROE.

H.J. Res. 206: Mr. MADIGAN, Mr. SHUMWAY, Mr. ROE, Mr. MANTON, and Mr. ERDREICH.

H.J. Res. 221: Mr. REID, Mr. DERRICK, Mr. PRICE, Mr. HUNTER, Mr. CHENEY, Mr. WRIGHT, Mr. LELAND, Mr. LAGOMARSINO, and Mr. LOWERY of California.

H.J. Res. 250: Mr. THOMAS of Georgia, Mr. DARDEN, and Mr. SISISKY.

H.J. Res. 271: Mr. KRAMER, Mr. GEKAS, Mr. BARTLETT, Mr. QUILLEN, Mr. WEISS, Mr.

FAZIO, Mr. LEVIN of Michigan, Mr. BEVILL, Mr. MATSUI, Mr. BADHAM, Mr. FRENZEL, Mr. ROE, Mr. TAUZIN, Mr. LAGOMARSINO, Mr. BRYANT, Mr. BONER of Tennessee, Mr. HEFTEL of Hawaii, Mrs. HOLT, Mr. DE LA GARZA, Mrs. COLLINS, Mr. SOLOMON, Mr. HUTTO, Mr. KOSTMAYER, Mr. CALLAHAN, Mr. RAHALL, Mr. PICKLE, Mrs. MARTIN of Illinois, Mr. COOPER, Mr. BATEMAN, Mr. OLIN, Mr. UDALL, Mr. FORD of Tennessee, Mr. MURTHA, Mr. REID, Mr. MAZZOLI, Ms. SNOWE, Mr. SPENCE, Mr. WAXMAN, Mr. CRAIG, Mr. FEIGHAN, Mr. SHUMWAY, Mr. BOEHLERT, Mr. PORTER, Mr. YOUNG of Florida, Mr. HOWARD, Mr. RANGEL, Mr. HOYER, Mr. DICKS, Mr. GROTBERG, Mr. VALENTINE, Mr. DINGELL, Mr. SNYDER, Mr. ROBINSON, and Mr. TORRES.

H.J. Res. 296: Mr. SHUMWAY, Mr. STAGGERS, Mrs. MEYERS of Kansas, Mr. HATCHER, Mr. MRAZEK, Mrs. BOXER, Mr. EVANS of Illinois, Mr. BURTON of Indiana, Mr. MORRISON of Washington, Mrs. COLLINS, Mr. MINETA, Mrs. HOLT, Mr. REGULA, Mr. WALGREN, and Mr. TRAXLER.

H.J. Res. 299: Mr. WAXMAN, Mr. SEIBERLING, Mr. ROE, Mr. FAZIO, Mr. SMITH of Florida, and Mr. ORTIZ.

H.J. Res. 305: Mr. WAXMAN, Mr. SHAW, Ms. MIKULSKI, Mr. RAHALL, Mr. SHELBY, Mr. BORSKI, Mr. HANSEN, Mr. BROWN of California, Mr. LUNDINE, Mr. WIRTH, Mr. STUDDS, Mr. BARTON of Texas, Mr. SWINDALL, and Mr. LOWRY of Washington.

H.J. Res. 306: Mr. GILMAN.

H.J. Res. 308: Mr. BONIOR of Michigan, Mr. BUSTAMANTE, Mr. CROCKETT, Mr. DINGELL, Mr. DWYER of New Jersey, Mr. EMERSON, Mr. FEIGHAN, Mr. HOYER, Mr. JACOBS, Mr. KILDEE, Mr. KOLTER, Mr. LAGOMARSINO, Mr. LELAND, Mrs. MEYERS of Kansas, Mr. MORRISON of Connecticut, Mr. NOWAK, Mr. SCHEUER, Mr. SHUMWAY, Mr. TRAXLER, Mr. VOLKMER, Mr. WHEAT, and Mr. WOLF.

H.J. Res. 327: Mr. TAUKE, Mr. SHUMWAY Mr. SHARP, and Mr. HAMILTON.

H.J. Res. 334: Mr. FORD of Michigan, Mr. ADDABBO, Mr. APPLEGATE, Mr. MARTINEZ, Mr. SISISKY, Mr. COUGHLIN, Ms. SNOWE, Mr. SHUSTER, Mr. ERDREICH, Mr. KINDNESS, Mr. CAMPBELL, Mr. KOLBE, Mrs. LLOYD, Mr. NOWAK, Mr. SABO, Mrs. JOHNSON, Mr. GUNDERSON, Mr. DYSON, Mr. CLINGER, Mr. GALLO, Mr. DWYER of New Jersey, Mr. SMITH of Florida, Mr. NEAL, Mrs. BENTLEY, and Mr. BROOMFIELD.

H. Con. Res. 15: Mr. BARNES.

H. Con. Res. 69: Mr. FROST and Mr. RUDD.

H. Con. Res. 90: Mr. DARDEN, Mr. GINGRICH, Mr. KANJORSKI, Mrs. LLOYD, and Mr. STALLINGS.

H. Con. Res. 131: Mr. ANDREWS.

H. Con. Res. 173: Ms. MIKULSKI, Mr. SWINDALL, and Mr. MONSON.

H. Res. 111: Mr. BEDELL.

H. Res. 198: Mr. UDALL and Mr. KOLTER.

H. Res. 206: Mr. WILSON.

H. Res. 213: Mr. DWYER of New Jersey, Mr. DORNAN of California, Mr. AKAKA, Mr. WALKER, Mr. SLAUGHTER, Mr. LAGOMARSINO, Mr. HORTON, Mr. YATRON, Mr. WEBER, Mr. GILMAN, Mr. MACK, Mr. HENDON, Mr. HENRY, Mr. GINGRICH, Mr. COBLE, Mr. COBEY, Mr. DICKINSON, Mr. EDWARDS of Oklahoma, Mr. BARTON of Texas, Mr. GREGG, Mr. DAUB, Mr. SILJANDER, Mr. LUNGREN, Mr. SWINDALL, Mr. MCMILLAN, Mr. CRANE, Mr. ROE, Mr. GALLO, Mr. SAXTON, Mr. SMITH of Florida, Mr. FROST, Mr. NICHOLS, Mr. NIELSON of Utah, Mr. HUNTER, Mr. MURPHY, Mr. WORTLEY, Mr. DASCHLE, Mr. EMERSON, Mr. LOWERY of California, Mr. MCCOLLUM, and Mr. MCGRATH.

H. Res. 219: Mr. BOSCO, Mr. KLECZKA, Mr. SMITH of Florida, Mr. COOPER, Ms. KAPTUR, Mr. SCHUMER, Mr. GRAY of Illinois, Mr. JONES of Tennessee, Mr. OBERSTAR, Mr. EVANS of Illinois, Mr. TOWNS, Mr. LELAND, Mr. DE LUGO, Mr. ADDABBO, Mr. LANTOS, Mr. ROE, Mr. WORTLEY, Mr. HORTON, Mr. FRANK, Mrs. COLLINS, Mr. MITCHELL, Mr. TRAXLER, Mr. RAHALL, Mr. MOODY, Mr. LUNDINE, Mr. WIRTH, Mr. BONIOR of Michigan, Mr. DWYER of New Jersey, Mr. DIXON, Mr. HOWARD, Mr. WHEAT, Mr. STOKES, Mr. FAZIO, Mr. TORRICELLI, Mr. BEVILL, Mr. ACKERMAN, Mr. FUSTER, Mr. DAUB, and Mr. PEPPER.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

172. By the SPEAKER: Petition of the Dade County Public Schools, Miami, FL, relative to the Education for All Handicapped Children Act; to the Committee on Education and Labor.

173. Petition of the County Clerk of Maui, Wailuku, HI, relative to marijuana; to the Committee on Energy and Commerce.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 1409

By Mr. UDALL:

—Page 71, after line 9, insert the following:

SEC. 819. LAND CONVEYANCE, DAVIS-MONTHAN AIR FORCE BASE, TUSCON, ARIZONA.

(a) AUTHORITY TO CONVEY.—Subject to subsection (b), the Secretary of the Air Force (hereinafter in this section referred to as the "Secretary") is authorized to convey to the city of Tuscon, Arizona (hereinafter in this section referred to as the "City") all right, title, and interest of the United States in and to approximately sixty one acres of real property adjacent to Golf Links/Craycroft Intersection, Davis-Monthan Air Force Base, Tucson, Arizona.

(b) CONSIDERATION.—(1) In consideration for the conveyance, the city shall extend the existing lease with the Air Force covering 4,348.81 acres of real property owned by the city at Davis-Monthan Air Force Base for an additional fifty years commencing in 2002 at the existing rental rate of $773 per year.

(2) The total value of the consideration received by the United States shall be at least equal to the fair market value of the real property conveyed under subsection (a), as determined by the Secretary.

(c) LEGAL DESCRIPTION OF LAND.—The exact acreage and legal descriptions of the real property to be conveyed under this section shall be determined by surveys that are satisfactory to the Secretary. The cost of such surveys shall be borne by the city.

(d) CONDITION.—(1) The conveyance to the city under this section shall be subject to the condition that the real property to be conveyed shall be used for public park purposes or other purposes agreed upon by the Secretary and the city which are consistent with the primary mission of Davis-Monthan Air Force Base.

(2) If the real property is used for any purpose other than a purpose described in paragraph (1), title to the real property shall revert to the United States.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions with respect to the conveyance made under this section as the Secretary considers appropriate to protect the interests of the United States.

H.R. 3011

By Mr. FRENZEL:

—On page 72, after line 7, insert the following new section:

SEC. . Notwithstanding any other provision of this Act, each amount appropriated by this Act not required to be appropriated by previously enacted law is hereby reduced by 1.7 percent.

H.R. 3036

By Mr. JACOBS:

—Page 31, line 1, strike out "$1,151,000" and insert in lieu thereof "$278,600".

H.R. 3038

By Mr. WORTLEY:

—Page 35, line 20, strike out "$516,160,000," and insert in lieu thereof "$524,060,000,".

EXTENSIONS OF REMARKS

THE DEATH OF AN AFGHANI FREEDOM FIGHTER

HON. WM. S. BROOMFIELD
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1985

● Mr. BROOMFIELD. Mr. Speaker, as the massive Russian war machine tightens the noose around Afghanistan, the outnumbered Afghani Freedom Fighters are put under increasing pressure. Among these lightly equipped brave fighters was a brave Afghani named Allah Berdi. His recent death in a remote mountain village is testimony to the bravery and toughness of the Afghani people who are determined to keep that country free. It is curious to note that Mr. Berdi's family had fled from the Soviet Union to Afghanistan when the Russians suppressed Islamic nationalism in southern Russia in the 1920's. I am certain that Mr. Berdi knew the family stories of how brutal their Soviet masters were when they set out to crush the ethnic groups in the Soviet Union.

As we sit back and enjoy the good life which this great and free country has given us, we should all pause and realize that at this very moment, a once independent country is being slowly absorbed into the Soviet empire.

Let us remember that at this very moment, there are freedom-loving men and women who are willingly laying down their lives in the struggle against communism. With these concerns in mind, I recommend the following New York Times article on the death of a Freedom Fighter to all of my colleagues in the House. By any standard, he is a hero.

[From the New York Times, July 14, 1985]

A Rebel Named 'God's Blessing' Dies

Balkhab, Afghanistan.—His name was Allah Berdi. Freely translated, it means "God's Blessing."

He was huddled over and shivering in a corner near the stove of a teahouse where a column of Afghan rebel fighters had stopped for lunch and a rest one day in late April.

The man, in his early 20's, had the smooth skin, long face and narrow eyes of a Central Asian. Now, his eyes were glazed and barely open, and he was apparently suffering from malaria.

A foreigner traveling with the rebel group gave him the four chloroquine tablets that a doctor in Pakistan, before the Afghan trip began, said should be given to anyone with obvious symptoms of malaria—fevers and chills.

In the next 10 days, Allah Berdi could be seen leaning back against a tree, sheltered behind a large rock on a steep slope, or sitting motionless among his group as they joked and cleaned their weapons.

Usually he could be found toward the center of the march. One day, the rebel commander at the rear of the convoy prodding stragglers forward saw Allah Berdi sitting under a tree, barely able to walk.

HE MOUNTS, THEN DISMOUNTS

He ordered someone to dismount from a horse so Allah Berdi could ride. Less than half an hour later, the young man had dismounted and was walking again, saying he was feeling much better.

On the morning of May 1, the rebels were in the village of Balkhab, in north central Afghanistan. Someone happened to dial a small radio to an English-language program. It was the Moscow radio. The announcer told of preparations for the May Day parade and of the Soviet Union's contributions to world peace. He spoke of peaceful coexistence and noninterference in the affairs of other nations.

The march began about 7 A.M. The advance unit had gone only a short distance when shots from back in Balkhab signaled a halt. Allah Berdi had died.

The column returned, the pack animals were unloaded, and the men scattered to the rooms where they had spent the previous night.

Allah Berdi's body was wrapped in a cloth and placed on a narrow wooden bier with two handles at each end and two at each side so that it could be shouldered by eight men. At about 9 A.M., there was a shuffling and tramping of feet through the bazaar that lines the main street of Balkhab. The body was carried to a mosque on a side street with the men walking quickly and silently behind in a small group, changing places frequently so that many could share in carrying the burden.

The mosque was wide but not deep, and most of the men had to stand outside on the steps. The priest intoned "Allah Akhbar," or "God is great," three times with short intervals in between.

BURIAL ON A ROCKY HILL

In less than a minute the bier was picked up again and hurried back through the bazaar, down a steep gully and up the other side to a bare rocky hill where the grave was still being dug.

The digging ended as the men sat watching, chatting quietly. The body was taken from the bier and the outer cloth removed. The body was lowered into the grave, and large flat stones were removed from forgotten graves strewn over the hillside and placed on top of the body. Smaller stones were filled in, and finally all was covered with a packing of mud.

The men now gathered around, taking turns shoveling earth into the grave or pushing the dirt in with their hands. Someone had brought a branch. Green cloth was tied to one end of the branch. The other end was put in the ground at the head of the grave and held upright by the packed earth.

As water was poured on the filled grave and it was stamped into a smooth mound, a priest intoned a long prayer. Finally stones were put at the head and feet and a string was tied lengthwise between them. It was about 10:30 A.M.

The men walked back to there rooms, talking, showing no emotion. They were told that the march would resume after lunch and the noon prayer.

FOREBEARS FLED SOVIET

The men were grouped according to the language they spoke and their village areas. Allah Berdi was with a group from a region of Balkh Province just across the Amu Darya River from Soviet Uzbekistan, near Soviet Turkmenistan. His unit leader, Lal Mohammed Khan, a tall, solemn man with long black chin whiskers, talked about Allah Berdi.

He said Allah Berdi's grandparents fled to Afghanistan from Turkmenistan when the Russians were suppressing Islamic nationalism in the 1920's. His parents were dead and so was his only brother.

About a year ago, the unit leader said, Allah Berdi was seized in one of the regular sweeps that the Russians make of rural areas to press men into the Afghan Army. Unwilling recruits are usually sent to a region where a different language is spoken, to make it more difficult for them to defect or leave the army.

Allah Berdi was sent far south to the besieged garrison at Samkani, in Paktia Province, only a few miles from the Pakistani border. After about six months, the rebel said, he managed to escape, taking with him two Kalashnikov rifles and a full-sized machine gun.

The local rebel fighters gave him the equivalent of $50 for the weapons and guided him to Pakistan. The real value of the weapons on the open market was about $5,000, the rebels said.

WANTED TO FIGHT RUSSIANS

"He wanted to be a mujahedeen," to fight with the forces opposing the Soviet-Afghan Government forces, said Lal Mohammad Khan. "He was happy when he was with us in our camp in Pakistan. He said he had no parents and no relatives except a cousin and we were his real relatives. He said he wanted to be with us and fight the Russians and the Communists."

Asked about the time Allah Berdi got off the horse, Lal Mohammed said: "He was ashamed. He said that was not the mujahedeen way. He said if he rode he would remain weak, and he wanted to be strong to fight."

His friends said Allah Berdi had not eaten for four days. The closest approximation to a doctor in Balkhab, the rebels said, was a man who had been sent to Iran for six months' training. The night before, he had given Allah Berdi a pain-killing injection.

Allah Berdi had stirred when the call came to resume the march. He even sat up, but fell back and died as the men set out.

At 12:30 P.M., the march resumed. None of the rebels looked across the gully to the distant mound on the hillside, where a limp green pennant marked the grave of the man known as God's Blessing.●

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

ROY J. WARD, DEDICATED CITIZEN

HON. THOMAS J. BLILEY, JR.

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1985

● Mr. BLILEY. Mr. Speaker, I would like to place into the CONGRESSIONAL RECORD a commendation for the great work which has been done by one of my constituents on behalf of handicapped citizens of this Nation. Mr. Roy J. Ward has, for the last 44 years, been an example of leadership and dedication which have enriched the lives of countless thousands through his work at the New York Lighthouse, Maryland School for the Blind, and in the State of Virginia.

His special contribution to Virginia's visually handicapped citizens for 26 years has been heartwarming and invaluable. His cane walking, home and yard navigation, and his techniques for using public transportation have been models of performance.

The fact that he has made these great contributions in spite of the fact that he is blind has been all the more an inspiration to the many people whose lives he has touched over the years.

It is with great personal pride that I thank Mr. Roy J. Ward on behalf of all Virginians for 26 years of caring and sharing his love and skills.

Best wishes for a retirement rich with personal satisfaction.●

D.C. BLACK MEN AND WOMEN IN BLUE CELEBRATE 50TH ANNIVERSARY

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1985

● Mr. FAUNTROY. Mr. Speaker, over the years, black men and women have served with distinction in the D.C. Police and Fire Departments.

On Saturday, July 13, 1985, active and retired firefighters and police officers constituting the "50th Anniversary Committee" will host a salute and celebration honoring D.C. black men and women in blue.

As part of the celebration, the history of the D.C. Police and Fire Departments will be reconstructed, with special attention being paid to the vital and important role black men and women have played.

Public safety is an essential element in any community. The protection of life and property against the hazards of fire and those with criminal designs is a major responsibility. In the District of Columbia, such responsibility carries additional and special burdens. Not only are the police and fire departments charged with protecting local residents, but they must also protect the many visitors and tourists from across the United States as well as the foreign dignitaries who visit or make their homes here. They also protect Federal installations and personnel here. They are indeed America's guardians.

For more than 50 years, black men and women have served as D.C. police and fire persons. With dedication, perserverance and unusual determination, they have overcome many obstacles and great odds to help fill the ranks, and in most recent years to lead the ranks of the men and women in blue.

Racial discrimination, hazardous duty, strict public scrutiny and all manner of exposure has not discouraged these men and women in their appointed task.

It is most appropriate therefore that we pause to honor and recognize their efforts.●

LIQUIDATING U.S. ASSETS

HON. ANTHONY C. BEILENSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1985

● Mr. BEILENSON. Mr. Speaker, I would like to call my colleagues' attention to some provocative and intriguing suggestions by my cousin Laurence Beilenson, a distinguished lawyer and historian, and Robert Poole, Jr., the president of the Reason Foundation, for cutting the Federal deficit. In the following article from the Wall Street Journal, Mr. Beilenson and Mr. Poole argue that the U.S. Government ought to consider liquidating some of its assets as one way to increase revenues without raising taxes. I hope that my colleagues will take the time to read these recommendations for dealing with the budget deficit crisis:

TIME TO THINK AGAIN ABOUT LIQUIDATING U.S. ASSETS

(By Laurence W. Beilenson and Robert W. Poole Jr.)

President Reagan supports a constitutional amendment mandating a balanced budget, but continues to send Congress budget proposals with massive, built-in deficits. And his agreement last week to allow inflation-adjusted increases for both Social Security and defense throws the prospects for any serious package of budget savings into jeopardy.

While certainly worthwhile, a balanced-budget amendment lacks credibility at a time of unending, huge annual deficits. Those who wish their advocacy of such a measure to be taken seriously have an obligation to show how the budget can be balanced without large tax increases.

One method would be to borrow a leaf from the book of any struggling corporation and begin selling off assets. There are additional precedents, both in theory (Adam Smith) and U.S. history. As was done with the accumulated deficits from the Revolution and the War of 1812, much or all of the government's debt can be paid off by selling the lands and other assets owned by the government and putting the proceeds into a trust fund devoted solely to that purpose.

The architect of the original debt retirement was Albert Gallatin, treasury secretary under Thomas Jefferson and James Madison. Gallatin started a sinking fund in 1817 to accelerate repayment of what he rightly called "the national curse of growing and perpetual debt." All federal revenues from land sales, tariffs and other charges (except for $10 million a year to cover the government's then-current expenses) went into the fund. By 1835 the U.S. was out of debt.

Congress then went on a spending spree. To avoid a repetition, every dollar raised by selling government assets should go into a sinking fund, and we should pass a rigid balanced-budget amendment. Such an amendment sounds like pie in the sky today, but would be quite credible if accompanied by liquidation of the national debt and budget cutting.

The U.S. government owns sufficient assets to pay off most or all of the $1.5 trillion national debt. This assertion will astonish most people, because conventional "balance sheets" for the federal government show liabilities far in excess of assets. But that is because most government assets are carried on the books at far less than their market values.

A start at correcting this misperception has been made by economists Robert Eisner and Paul J. Pieper. Their work on restating federal balance sheets shows the government moving from a negative net worth at the end of World War II to a positive net worth by the early 1960s, which continued increasing through 1980. Messrs. Eisner and Pieper have converted all government securities from par to market values, revalued gold reserves from the official $42 an ounce to market value, and revalued government buildings (but not land) to their replacement costs rather than their acquisition costs. The result for 1980 was asset values estimated at $1.4 trillion vs. liabilities of $1.15 trillion, for a net worth of about $250 billion.

The figures have changed somewhat since 1980, to be sure. The official "public debt" has increased to more than $1.5 trillion, while the price of gold has slumped. On the other hand, Messrs. Eisner and Pieper's estimate of federal land holdings at only $119.5 billion is grossly understated. It is based on revisions of revisions of an estimate made in 1950 by J. E. Reeve for the National Bureau of Economic Research. Mr. Reeve's figure for nonmilitary land—two-thirds of the total value—is based on a poorly justified statistical adjustment of original acquisition costs to 1946 market values. All subsequent federal land value estimates are simply updates and adjustments to these questionable numbers, rather than present-day market-value appraisals.

The federal government owns one-third of all U.S. land and a vast treasure-trove of mineral resources. Out of total federal landholdings of 729.8 million acres, only a bit more than 10% is in park-type land. The majority is in commercial use as timber or grazing land. There is no accurate inventory of what the lands alone might be worth in their highest and best use. Several years ago an aide to then-Sen. Charles Percy estimated that a selected 10 million of the some 300 million acres managed by the Bureau of Land Management would be worth $200 billion if sold. Economists Michael J. Boskin

and Marc S. Robinson have estimated that the value of just federal oil and gas rights—onshore and offshore—exceeded $800 billion as of 1981.

Of course, there will be naysayers at the idea of selling federal assets. They will dub it simplistic, but most good ideas are simple. It goes without saying that we will not sell off national parks and the like. Nor will we harm the environment. It's a common misperception that private ownership equates to environmental destruction while public ownership equals preservation. In fact, just the reverse is true. Private ownership provides incentives for the long-term stewardship of resources such as forests or erodible lands. While there are environmental tradeoffs in moving from public to private ownership, more sophisticated environmentalists are coming to realize that today more damage is associated with the Bureau of Reclamation, the Corps of Engineers and the BLM than with private timber and mining companies that own their own land and have a long-term stake in preserving its value.

Of course, in disposing of public lands, there are values at stake other than economic. Where certain types of use are deemed important (e.g., recreational uses in addition to timber sales), they can be assured by deed restrictions in the original grant from the government as part of the divestiture process. The deed could include a right of reversion to the original owner in case a defined misuse occurs. Sales can also be regulated so that ownership of the lands sold will not be concentrated in a few hands. The support of communities close to proposed land sales can be won if residents are given an advantage or discount in the sale or bidding. We would not be selling our birthright for a mess of pottage.

Sales of physical assets were discussed briefly during President Reagan's first year in office, but haven't drawn much attention since. This half of the federal balance sheet isn't limited to real property, however, and there has been movement in one area by an unexpected player. Sen. Daniel P. Moynihan (D., N.Y.) proposed in March that the government sell its entire $280 billion loan portfolio to private investors—realizing at least $150 billion in proceeds that could reduce in the deficit.

It is time to begin. Because government creaks along, Mr. Reagan should put the plan into operation at once, without the delay of a commission or task force. After all, liquidating the public debt and shrinking the role of the government are merely an extention of his own philosophy. But the plan also agrees with his critics that deficits are a menace to our economic health. We can grow our way out of our fiscal morass, but not without some pruning first.●

ABANDON ABORTION RULE

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1985

● Mr. HYDE. Mr. Speaker, not very much of the major media views the issue of abortion as seriously—and hence as correctly—as does the Chicago Sun Times. In an insightful editorial on July 18, they once again expressed sound judgment and common sense about this most troubling of issues and I would like to share these views with my colleagues:

ABANDON ABORTION RULE

The Reagan administration has been firm and consistent in its opposition to abortion. It has attempted, without success, to persuade the Supreme Court to relax or modify some of the inflexibility of the landmark 1973 ruling that established abortion as a woman's constitutional right. It is, therefore, right in now seeking to have the 1973 ruling reversed in toto rather than just dealing with the problem piecemeal.

Abortion opponents need not go overboard with joy, however. It is one thing for an administration sympathetic to their cause to take such a step. It is quite another to have the plea succeed.

After all, just two years ago the court had the opportunity to grant, in another case, much of what the administration is asking now. It rejected the request with a forceful disdain usually displayed by a teacher when a student has the temerity to suggest in open classroom that maybe the teacher had been wrong on something important and ought to correct the situation.

Justice Lewis F. Powell Jr. asserted, in effect, that precedent was more important than common sense. Adherence to precedent, he declared in the majority opinion, "is a doctrine that demands respect in a society governed by the rule of law."

It does, indeed. Provided the precedent itself is sound. In the case of Roe vs. Wade, the 1973 case, the Supreme Court left the high road of the Constitution and turned into the alley of legislating social fancy and factional passion. It has been stuck there even since. And the lower courts, in no position to comment on the lack of judicial garb on the Supreme Court justices, have not only embraced the fatally flawed decision in its entirety, they have also given it new—and unjustified—interpretations.

That is what adherence to precedent does, if done blindly.

The Sun-Times believes strongly, with the administration, that "the textual, doctrinal and historical basis for Roe vs. Wade is so . . . flawed" that the Supreme Court should abandon it.

And if the justices are still bothered by the question of precedent, they might want to consider another precedent: In 1954, the government asked, and the court agreed, to overturn a ruling that had supported the constitutionality of the "separate but equal" system of schooling for whites and blacks.

If sound education was important enough to warrant the Supreme Court to abandon precedent, surely a question involving life and death, literally, is at least as important.●

YOU NEVER MISS THE OIL UNTIL THE WELL RUNS DRY

HON. MARILYN LLOYD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1985

● Mrs. LLOYD. Mr. Speaker, the public and the Congress are apparently no longer concerned about energy supplies. The gasoline lines are 10 years behind us. One would almost believe that the world has more oil today than it had 10 years ago. But that's impossible, isn't it? I also want to remind my colleagues that estimates of the U.S. oil reserves made just 4 short years ago were grossly over optimistic.

In 1981, the Department of the Interior estimated that 27 billion barrels of oil and 167.2 trillion cubic feet of natural gas lay buried off the shores of the United States. But on May 9, 1985, the Interior Department released new estimates which indicate 12.2 billion barrels of oil and 90.5 trillion cubic feet of natural gas, a far cry from their previous figures which helped convince the public that the energy crisis was over.

In 1981, the U.S. Geological Survey had estimated 12.2 billion barrels of oil off Alaska alone. The current estimate is a mere 3.3 billion barrels. That is 73 percent less than originally expected. At the same time, the estimated natural gas resources are only 13.8 trillion cubic feet, not the 64.6 trillion cubic feet that had been expected.

The disappointment in the Atlantic coast deposits has been even greater. Four years ago, the U.S. Geological Survey estimated 5.4 million barrels of oil. Now the estimates, which are based on more complete data from the private sector, indicate a somewhat meager 680,000 barrels, or 87 percent less than expected. If you question estimates, as we all do, ask yourself, "how many oil rigs do I see off the Atlantic coast?"

The Office of Technology Assessment recently reported that "exploration in the Atlantic has been disappointing." Two continental offshore stratigraphic test wells and eight exploratory wells turned up dry in the North Atlantic while two test wells and 32 exploratory wells found only uneconomic amounts of natural gas in the mid-Atlantic.

The Federal portion of Cook Inlet has had similar disappointing results when one test well and nine exploratory wells failed to reveal any deposits.

Mr. Speaker, isn't it time for the Congress to exercise some wisdom and think long-range enough to alleviate future problems? Isn't it time to recognize that we need to maintain a rational and stable long-term energy research program in order to prevent a future energy crisis? Or, is Congress to join forces with those who want the United States to go out of the energy R&D business on the basis that it is cheaper in the short-term to sell the store?●

KILLING POPULATION AID

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1985

● Mr. BARNES. Mr. Speaker, I would like to share with my colleagues an editorial that appeared in the Washington Post on July 19, 1985, which correctly states that: "It would be nothing less than a tragedy if the United States, for more than a generation the world's principal sponsor of population aid for developing countries, ended its support." As a strong supporter of U.S. funding for family planning programs, I fear that the steps taken by the House and the Senate to curtail U.S. funding to organizations like UNFPA and IPPF are indeed tragic and will result in more suffering and death for thousands in the developing world.

As chairman of the Subcommittee on Western Hemisphere Affairs I have come to appreciate the important role that international population organizations like IPPF and UNFPA play in promoting the welfare of millions throughout Latin America and the Caribbean. During the current debate we have heard much about one country, China, but very little about the rest of the world, where birthrates are soaring and the need for family planning programs is great.

In Latin America alone the demographic trend is alarming. The population in Latin America has almost doubled during the last 25 years. From 218 million in 1960 to 397 million in 1984. The region's birthrates are double those of the developed nations. By the end of the century, Latin America will have a population of 562 million. The high birthrates and the lack of access to population programs and family planning services translate into high levels of infant and maternal mortality. Latin American infants on the average are seven times more likely to die before their first birthday than infants in the United States. Up to 40 percent of the Latin American children under 5 suffer from severe malnutrition. Family planning can reduce infant and maternal mortality by half by providing couples with access to family planning services and thus helping them to space births. But in Latin America, less than 50 percent of couples have access to family planning services.

IPPF and UNFPA are recognized as the two organizations that have done the most to provide family planning services in Latin America and the Caribbean. The IPPF represents 24 national family planning associations in the region, including in countries where the United States has no bilateral assistance programs such as Mexico and Colombia. IPPF represents a worldwide network of 119 indigenous family planning associations. In some countries, IPPF affiliates are the major or sole provider of contraceptive information and services. The most important contribution that IPPF makes to the region is in terms of institution building. I have been informed that in the case of Guatemala, AID's bilateral population assistance is essentially turned over by the Government to the Guatemalan Family Planning Association to operate a national program. In addition to this IPPF network, UNFPA provides support for population programs in 32 Latin American countries. In contrast, the Agency for International Development has bilateral population programs in only 11 countries in the region.

I understand and share the concerns expressed by my colleagues about forced abortions and infanticide that occur in China. But it is important to look very closely at the larger picture and the effects that a cutoff of population programs like UNFPA and IPPF will have on the health and welfare of children, mothers, and families throughout the Third World. It is clear that the impact of the elimination of U.S. funding for these organizations is likely to be a rise in birthrates, a rise in infant mortality rates, and a rise in illegal abortions. Most of these illegal abortions are botched abortions which have become the largest killer of women in Latin America and the Caribbean.

I trust that this House will have an opportunity to once again analyze this issue and rectify the erroneous decisions of the past. The editorial follows:

KILLING POPULATION AID

Representative David Obey, chairman of the House subcommittee dealing with foreign aid appropriations, says he won't recommend any money for international family planning programs next year until Congress decides what if any policy it wants to pursue. Mr. Obey is no foe of these programs. But, he points out, amendments added to other bills, together with new restrictive administration regulations, may have put most family planning programs out of business already. As a result, the need for continued funding is unclear.

It would be nothing less than a tragedy if the United States, for more than a generation the world's principal sponsor of population aid for developing countries, ended its support. No small element of the tragedy would be the increases in infanticide, abortion and infant mortality that would inevitably result. But Congress cannot go on pretending to respond to widespread public support for voluntary family planning programs while also making it impossible for those programs to operate.

U.S. family planning aid has always operated on the premise that deference should be paid to local laws and customs and personal preferences. Channeling aid through voluntary and multilateral organizations has been the preferred approach to avoid the appearance or the reality of interference by the U.S government. Developing a trustworthy network of service providers in impoverished and remote areas has not been easy. But the cooperation of church groups, voluntary organizations and local governments has produced significant progress in recent years.

No U.S. money—for that matter, no United Nations money—is used for legal abortions, much less for coerced abortions or infanticide. The Reagan administration itself has investigated and certified that. Nonetheless, in the name of combating alleged coercive practices in China, both Houses have adopted amendments to a supplemental appropriations bill and to the foreign aid authorization bill that may make it impossible for many family planning programs to operate.

The Agency for International Development, moreover, having already cut off aid to the International Planned Parenthood Federation, the major operator of programs in developing countries, has now issued rules giving favored treatment to programs that counsel sexual abstinence as the only method of birth control. The new rules also require all other local agencies to stop dealing with doctors, hospitals and other medical service providers that perform legal abortions.

The most vocal groups advocating these restrictions make no bones about the fact that they oppose all "artificial" birth control. That's not a position that would win much support among U.S. families and certainly not one that Congress should be imposing on people in other countries, directly or indirectly. If Congress doesn't believe the Chinese government's assurances that it opposes infanticide and other abuses, it should deal with that issue head on instead of using it as an excuse to obliterate an immensely valuable world program.●

A TRIBUTE TO ROBERT S. FOERSTER

HON. JOHN T. MYERS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1985

● Mr. MYERS of Indiana. Mr. Speaker, on Friday, July 19, Vice President George Bush announced the winner of the first teacher in space competition, Mrs. Sharon K. McAuliffe. I congratulate Mrs. McAuliffe on her high honor, and I also commend 1 of the 10 finalists, Mr. Robert S. Foerster, an outstanding young man from the Seventh District of Indiana. Bob Foerster teaches math and science at West Lafayette's Cumberland Elementary School.

Mr. Foerster was one of the original 40,000 applicants who jumped at the opportunity to fly when the President first announced last August that a teacher would be the first private citizen in space. Not only did Mr. Foerster undergo extensive interview sessions to earn the honor of being West Lafayette's candidate for the first teacher in space but he also flew on a KC-135 to experience the sensation of weightlessness at high altitudes.

Mr. Foerster was in Washington last week for the final interviews and to anticipate the countdown of Friday

afternoon's announcement. I had the opportunity to congratulate this fine young man when I hosted an informal luncheon in his honor on Wednesday, July 18. Mr. Foerster is a bright, articulate person who represented the State of Indiana with pride.

Mr. Foerster has always had a special place in his heart for flight since he watched the early Apollo launches as a fifth grader. He believes his computer background—he does consulting for several school districts—helped him become a finalist.

Mr. Foerster and his wife, Lee, also a teacher at Lafayette's Washington Elementary School, have two daughters, Lisa, 14, and Lorijane, 9.

Mr. Foerster is expected to work closely with NASA officials throughout the upcoming year to plan lectures, teacher workshops, curriculum guides and other educational programs to share his knowledge of the space program with as many schools as possible.

Today let us congratulate the 10 finalists; each has proven to be unique and talented individuals. But I especially salute Mr. Bob Foerster—he has made all of Indiana proud.●

OUR RELATIONS WITH ISRAEL

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1985

● Mr. COURTER. Mr. Speaker, about 1 month ago, when the TWA highjacking was newly before us, I told this House of my belief that the crime was a political act, aimed at weakening the United States-Israeli alliance and poisoning America-Israeli friendship. During the subsequent 2 weeks, the terrorists and their masters must have taken satisfaction in all of the following:

Headline, June 21: "Strains Between Israel, U.S. Surface in Crisis."

Item: A concern in Israel that the United States is playing "A strange game" with its ally over the matter of the 700 Shiite prisoners.

Item: A spokesman for American hostages calls on Israel to surrender the 700, which he calls "hostages."

Poll results: Fourty-nine percent of Americans questioned say Israel has not done enough to resolve the crisis.

Poll results, only 2 days later: Fifty-eight percent now hold that view.

Item: Rumors and deficient interview tape cause Israelis to believe that a German-born American employee of TWA airlines helped separate Jews from the other passengers.

Headline: "Poll Finds Rising Sentiment for Distancing United States from Israel." Results widely publicized in Israel and America show 42 percent of Americans surveyed want to reduce United States ties to Israel to protect us from terrorist acts.

Headline, July 1: "Crisis Boosts Assad and Berri; Clouds U.S.-Israeli Alliance."

Mr. Speaker, we cannot yet know how severe the damage has been. Presumably, some ill-will does remain beneath the surface, in both nations. But both democracies have too much in common, have been attacked by terrorists for such similar reasons, and stand for too many of the same good things, to let this base crime remain. Terrorism is a war for public opinion. It is not the sort of war democratic nations can afford to lose.●

TURKISH INVASION OF CYPRUS

HON. MICHAEL BILIRAKIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1985

● Mr. BILIRAKIS. Mr. Speaker, I would like to take a moment to reflect upon an anniversary. Unlike most anniversaries, however, this is, unfortunately, not one to be celebrated. Rather, it is one to be solemnly acknowledged and remembered, for it marks a tragedy that continues to this day.

Mr. Speaker, July 20 marked the end of yet another year in the tragedy that has plagued and afflicted the Republic of Cyprus for the last 11 years. Yes, July 20, 1974, was the day that Turkish troops undertook the fateful invasion that resulted in the occupation and colonization of 40 percent of the previously independent Republic's territory. Today, 11 years after the invasion, approximately 30,000 Turkish troops and more than 50,000 settlers from Turkey are illegally occupying and exploiting the properties of 200,000 displayed Greek-Cypriots who have become refugees in the land of their birth.

To make matters even worse, Turkey and the Turkish-Cypriot leadership, in direct violation of relevant U.N. resolutions, have taken a series of actions, subsequent to the 1974 invasion, which are aimed at consolidating the occupation and division of that small Mediterranean Republic. For example, as recently as 1983, there was even an illegal attempt to create a new Turkish political entity in the occupied areas. This unprecedented secessionist action was, fortunately, promptly labeled as illegal and unacceptable by the international community and received the condemnation that it so well deserved. As a matter of fact, the Reagan administration not only refused to recognize this unlawful action, but rightly called upon other governments not to extend recognition as well. Interestingly enough, of all the countries in the world, Turkey was the only one to recognize the existence of the pseudo-state.

There can be no question that resolution of the Cyprus issue must come soon, not only for the sake of the people of Cyprus, but also for the peace and stability of the Eastern Mediterranean as a whole. Initiatives at peace have been undertaken by various parties throughout the years, but experience has proven that the single most important issue that prevents any progress on Cyprus is Turkey's insistence on maintaining a military presence in the Republic of Cyprus, even after a settlement is reached. Turkey and the Turkish-Cypriot leadership must be made to realize that this unacceptable posture has ruined several initiatives to resolve the Cyprus problem in the past and threatens to do the same to the current U.N. initiatives at a time when the Secretary-General has declared that he remains "convinced that an agreement is within reach."

On June 11, 1985, U.N. Secretary General de Cuellar reported to the Security Council that, following extensive consultations, he has prepared a "consolidated draft agreement" that he believes "represents the formula most likely to lead to a just and lasting solution to the Cyprus problem." He further stated that the Greek-Cypriot community has already given an affirmative reply to his proposal.

This progress would certainly constitute encouraging news, were it not for the Turkish side's discordant and unconciliatory stand. The unfortunate facts are that not only has the Turkish-Cypriot side yet to reply to the Secretary General's proposals, but they have publicly expressed positions that are contrary to Mr. de Cuellar's dedicated efforts and are introducing new measures that further the partition of Cyprus. Discordant attitudes and unacceptable actions such as these can do nothing but undermine the road to peace.

Mr. Speaker, we are currently within grasp of an opportunity to resolve the complex issue of Cyprus peacefully. It is an opportunity that cannot, and must not, be lost. The Turkish-Cypriot leadership must be convinced that they will have to make concessions for the sake of peace, just like those that the Greek-Cypriot community has already demonstrated, and Turkey must accept the fact that the presence of her occupation troops in Cyprus is unacceptable. Finally, both Turkey and the Turkish-Cypriot leadership must be effectively persuaded to accept the new proposals put forth by the Secretary General in order to reunify the country and bring freedom and peace to all its people.

Mr. Speaker, divided countries spell trouble and, for the sake of everyone involved, the division of Cyprus must

not be allowed to continue. The Republic of Cyprus has been a good friend to the United States. It has extended assistance whenever we have needed it, such as in the case of the tragedy of our marines in Lebanon and in the recent hijacking of TWA flight 847. It is now time for us to do our part to help Cyprus. Let us, therefore, stand ready to help and join efforts to end this tragedy that has been allowed to fester so long.●

"NO" TO NORFOLK SOUTHERN

HON. DENNIS E. ECKART

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1985

● Mr. ECKART of Ohio. Mr. Speaker, the proposed sale of Conrail by the Federal Government continues to be one of the most important issues facing the Congress as well as rail employees and shippers in numerous States.

The proposed sale of Conrail to the Norfolk Southern Corp. has raised several serious questions which remain unanswered, including: Anticompetitive effects, increases in unemployment, inadequate return to American taxpayers, and increased shipping costs. The Cleveland Plain Dealer published an editorial last Saturday, July 13, which eloquently discusses several of these issues. The article follows:

[From the Cleveland Plain Dealer, July 13, 1985]

"NO" TO NORFOLK SOUTHERN

The word in some quarters around Capitol Hill is that the proposed sale of Conrail to the Norfolk Southern Corp. is, if you'll pardon the transported metaphor, dead in the water. If so, its demise should be cause for some rejoicing among nearly every interest dependent upon rail transportation in the Northeast United States. The proposal, put forward last winter by Transportation Secretary Elizabeth Dole, does not properly serve Ohio, the region or the nation. Although it would meet the well-intended congressional mandate to remove the federal government from the railroad business, the sale amounts to a giveaway of a very valuable property. It could serve only to limit competition severly—and thus prove unnecessarily costly to those industries dependent on rail freight transport.

The transaction's complexities are keeping legions of accountants busy trying to determine its ramifications. But the more that congressional calculators tally the tax benefits the sale would give Norfolk Southern, the more the announced $1.2 billion purchase price shrinks in its true return to the federal treasury. Granted, no sale, proposed or conceived, would recover anywhere near the $7 billion that taxpayers have provided to seed and cultivate the system's return to competitive excellence. Yet the tax write-offs the acquisition could provide for Norfolk Southern—estimated by one congressman to approach the full purchase price—could amount to a handsome payment to Paul by a deficit-ridden Peter.

The worst feature of the proposal is the potential it has to destroy the competitive balance of rail freight in the northeastern United States. Although Norfolk Southern and the Justice Department say that competition would be maintained through a complicated series of divestitutes, such does not appear to be the case. Opponents say that Justice used a non-standard antitrust yearstick to measure the sale, one that underestimated the competitive problems and overestimated the efficacy of divestiture. Indeed, the two regional railroads most often mentioned as recipients of the shed lines—Guilford Transportation Industries and the Pittsburgh & Lake Erie Railroad—already operate on restricted budgets. How they would be expected to take over and use the Conrail castoffs is beyond the ken of many analysts. The weight of the added trackage might well be more than either could bear, and would mean the end of whatever competition they might afford. Shippers then would be left to the questionable mercies of Norfolk Southern's rate-setters. Congressional staffs are re-examining the Justice study.

Finally, the sale would mean the loss of jobs in Ohio—not only for the 300 employees of Cleveland's Collinwood Yards whose work would be transferred to Bellevue, O., but for hundreds and perhaps thousands of others whose livelihoods are wrapped in services that the merged lines would not use. And the loss of jobs is the last thing Ohio needs.

If Conrail's future does not lie in absorption by Norfolk Southern, then what should be done with it? Some, Sen. Howard Metzenbaum among them, say Conrail is a money-making proposition that the government should retain indefinitely. The inference is that it should be sold only if it started to lose money. But then, who would want it?

More and more, the proper course seems to be some form of public stock offering along the lines of that proposed by the banking firm of Morgan Stanley & Co., Inc. That proposal would see the investment house buy the railroad for cash and tax revenues—the combined values of which it places at about $1.8 billion—then return ownership to the private sector through a series of stock sales. Conrail then would be left to fend for itself in the marketplace—a situation that its management, led by L. Stanley Crane, says it eagerly anticipates. Secretary Dole has opposed the public offer concept as unworkable and too time-consuming; in selecting the Norfolk Southern bid she said she wanted the system to go to a railroad company with pockets deep enough to carry it through projected income troughs and keep it off the dole.

But a public offering—whether Morgan Stanley's or one set up by the government itself—seems workable. Supporters point to the recent public sale of the $8 billion British Telecom by Reagan soulmate Prime Minister Margaret Thatcher as proof that a giant government entity can be privatized successfully in a timely fashion. And, as far as pocket depth and dedication are concerned, Norfolk Southern Chairman Robert B. Claytor told the House Transportation subcommittee last month that, should the tax advantages be stripped (he places them at less than $100 million) or the deal delayed past December, his company would reconsider its offer. *Sic semper* perseverance.

Congress is indicating it will not be hurried into a decision on Conrail's fate. It should not be. Too many questions, too many dollars and too many jobs are involved to yield to Secretary Dole's desire for a quick Conrail fix—especially one that might ultimately cripple the region's transportation system. If Norfolk Southern can't wait, too bad. The nation can—and should.●

JOB, HOME, FAMILY

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1985

● Mr. NOWAK. Mr. Speaker, as part of "Helen Keller Deaf-Blind Awareness Week," the Buffalo News published an article on July 26 describing the success story of Eileen Wuest, both deaf and blind. Eileen despite her handicaps leads a surprisingly normal life. She holds a job, runs her household and with her husband Marvin Wuest, Eileen raised their two children, Christopher and Charleen.

Recognition must also be given to the Blind Association of Western New York, an organization that both employs and counsels Eileen. The Blind Association of Western New York has helped integrate Eileen as a capable and working member to our society.

I am bringing to your attention this article entitled, "Job, Home, Family," in assurance that Eileen Wuest's story will inspire others in realizing that the blind and the deaf can assimilate effectively into our community. Eileen Wuest is an inspiration for us all and her story should support observance of "Helen Keller Deaf-Blind Awareness Week."

JOB, HOME, FAMILY

(By Paula Voell)

Quickly and unerringly, Eileen Wuest guides the edges of a washcloth under a sewing machine needle, controlling the speed with a foot pedal, stitching each side to keep it from raveling.

As she finishes, she tosses the washcloths into a large cardboard box. Throughout the day they are removed to be shipped for use in New York State hospitals. By the end of her 6½-hour shift, Mrs. Wuest (rhymes with east) will have thrown 90 dozen washcloths, with a few misses, into that box.

After her work day at the Blind Association of Western New York, where she works in a sheltered workshop, she cooks supper, vacuums, does laundry, knits or reads the New York Times or a spicy detective novel.

Her active life is possible with several adaptive aids, with help from her husband, Marvin; her daughter, Charleen, 21; and her son, Christopher, 19; but mostly because she refuses to give in to deafness and blindness.

Deaf since birth Mrs. Wuest started at St. Mary's School for the Deaf at 4. She met her future husband there; in seventh grade they became good friends, by their junior year, they were dating.

Wuest, a letter sorting machine operator, who wears a hearing aid and has a residual amount of hearing, can converse by reading lips and has speech that can be understood with careful attention.

Because she is deaf, Mrs. Wuest gave up her girlhood dream of being a nurse. Instead, she had jobs as a dishwasher and cleaning lady. She was trained and hired as

a keypunch operator but lost that job within an hour because her sight was beginning to fail.

She started to lose her vision in 1969 and became blind in 1981 as a result of Usher Syndrome, an inherited disease that causes hearing loss and retinitis pigmentosa, a degeneration of the retina.

She became one of 40,000 Americans deprived of both sight and hearing, a group being recognized this week, "Helen Keller Deaf-Blind Awareness Week."

Asked which handicap has been harder to live with, Mrs. Wuest replied: "Being blind is harder, but being deaf and blind is much harder. It was very hard to accept blindness, but I had to do it. I had to adapt or die."

Mrs. Wuest sat next to her husband while being interviewed, cupping her left hand over his right to "read" the gestures, motions and movements of his hands and fingers. She responded to questions in sign language interpreted by Wuest and their children, a frustrating and time-consuming process. Neither of the children is deaf.

It's difficult for Mrs. Wuest because she has to rely on a translator to keep her in touch with what's going on, and frustrating for those who want to talk with her but don't know how.

As her sight deteriorated, her family urged her to attend a rehabilitation program at the Blind Association to learn techniques for keeping house and how to get around, but she resisted, saying she was depressed and ashamed.

In February of 1979 she overcame her fear and enrolled in the program. Since then she's convinced others to go through the program and worked with a deaf-blind woman in her home.

In rehabilitation she learned to read Braille and use a printer; how to wash and vacuum a floor in sections (warning everyone to get their socks off the floor before she vacuums); how to slice bread and meat using a knife with a guide; and how to handle a double spatula that operates like tongs.

She marks canned goods with Braille magnets and uses only one brand of cake mix because she knows the temperature and other ingredients.

Her son thinks she's clever to have devised these systems and he has a strong opinion about the finished product: "She makes the world's best chicken and stuffing," said Chris, a freshman in fine arts at Villa Maria College. "Hands down, the best."

Mrs. Wuest attaches a metal tag marked in Braille to each piece of clothing so her clothes are coordinated and she can sort the laundry.

The family has worked out a system for her to get back and forth to work. Each morning Chris walks her to the bus stop and keeps her company until she's on the bus. While traveling, she wears a sign to let people know she is deaf and blind. When she leaves work, a staff member accompanies her to the bus stop where she carries a sign that reads "Please touch me on the shoulder when bus 13 comes."

Drivers discharge her in a specific place near her home so she doesn't have to cross the street.

Mrs. Wuest uses many aids to get her through a world she can neither see nor hear. She has a Braille watch, a cane and a Mowat sensor (a sensing device the size of a transistor radio that sends vibrations to signal her when she is near an object). She subscribes to monthly magazines and each week gets a condensed version of the New York Times in Braille.

"She always saying, 'Why didn't you tell me this happened?' " Chris said.

With the family's diverse schedules (Charleen works in the office of Western New York Services for the Hearing Impaired and Chris works part time while attending college), Mrs. Wuest is often home alone.

Two years ago they applied for a Telecommunication Braille Device, a $5,000 instrument that allows deaf-blind people to communicate with others on a Braille printer over telephone wires. Until recently funding for such aids was restricted to job-related devices, but legislation now allows for the latest technology for home use. The device would give everyone in the family a secure feeling when Mrs. Wuest is alone, Wuest said, but they still haven't received it.

Mrs. Wuest takes camping trips in the couple's motor home; she bowls, and she attends the national deaf-blind convention each year. One year she flew alone; this year she is going with a friend who is driving.

When the family is in public, Chris said they get all sorts of reactions, from "rubberneckers" to "little old ladies who come up after church and say 'God bless you' " to an unhearing Mrs. Wuest.

Chris said some people come up and speak very distinctly and slowly, as if that will help. Mostly, though, they don't know quite what to do, he said. At work, some people spell in her hand, a few have learned sign language.

"It's fun going through a crowd with her," he said. "When we were in Las Vegas I just yelled 'blind person coming through.' "If that doesn't work we start swinging the cane."

As he was being interviewed, his mother and father were conversing and the gestures became more animated. "You're right in the middle of a family squabble," he explained. "Mom wants to go out to lunch and Dad wants to get back to work," he said. Last seen, they were heading for Burger King.

Chris said his mother has always been the family disciplinarian. "She has a wicked right hook," he joked. When asked if that was true, Mrs. Wuest smiled and held up a fist, an easily recognized word in sign language.

"You don't get much past her," he said. "I have a friend she's not fond of and she didn't want him in the house. Once she followed right after him and cornered him in the bathroom. Sometimes I think she can still see."

When he and Charleen were youngsters, they went to St. Mary's School for the Deaf for kindergarten so they could learn sign language. Charleen has been tested and found not to have Usher Syndrome nor to be a carrier. Both know that it can show up on subsequent generations.

As they talked about growing up in unusual circumstances, Charleen said it seemed normal to her because it was all she knew.

The frustrations are there always—the inability to talk to others, to see the beauty of the outdoors, the knowledge that there is no cure for a world in darkness without sound.

There is a conquering spirit, however, in this family that shows itself in humor and affection, not pity or dismay.

"I really enjoy myself," Mrs. Wuest wrote in response to a series of questions. "I appreciate God for putting light in my life. I still help people who need help . . . We raised two lovely children."●

CATHOLIC CHURCH IN PARAGUAY CONDEMNS PRACTICE OF TORTURE

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1985

● Mr. BARNES. Mr. Speaker, the House recently adopted language in the foreign aid authorization bill conditioning the provision of IMET funds to Paraguay on a certification by the President that the Government of Paraguay has ended the practice of torture and the abuse of individuals held in detention by its military and security forces and has instituted procedures to ensure that those arrested are promptly charged and brought to trial.

The official paper of the Catholic Archdiocese of Paraguay recently carried an editorial addressing the issue of torture in Paraguay, stating that:

We cannot be silent on the subject because until now in our country, police reports based on statements extracted under duress, despite the fact that all legal systems expressly forbid this practice, are used to initiate court procedings. We speak of torture because, although many cases have been reported and proven, we do not know of any perpetrators having been sentenced. In some cases, the authorities involved merely issued communiques denying the accusations. In other cases, court procedings were initiated and then dropped . . . It should also be made clear that nothing is gained by hiding this evil or by not admitting its existence. Consequently, we gain nothing by denying the existence of torture in our country, because it does exist.

As we go to conference on the foreign aid bill, I hope and trust that the House will stand firm on its language.

The complete text of the editorial follows:

WHY WE SPEAK OF TORTURE

We feel the need and obligation to speak of torture because cases of illegal mistreatment in police precincts have come to light in recent weeks. There have even been some deaths. The reports, including evidence of physical mistreatment, are a deplorable testimony that this debasing and criminal practice continues.

We have to speak of torture because the national constitution is not being strictly complied with, as it should be. The Constitution says: "No one will be subjected to torture or cruel and inhuman treatment." The many specific norms of international law, which repeatedly condemn this practice, are also not respected.

We have to talk about torture because we cannot be content to listen to hollow condemnations or official denials, and because we want to actively participate in the eradication of this social scourge so that the word torture will be no more than a sad remnant of the past.

We cannot be silent on the subject because until now in our country, police reports based on statements extracted under duress, despite the fact that all legal systems expressly forbid this practice, are used

to initiate court proceedings. We speak of torture because, although many cases have been reported and proven, we do not know of any perpetrators having been sentenced. In some cases, the authorities involved merely issued communiques denying the accusations. In other cases, court proceedings were initiated and then dropped. Once and for all, we must admit that remaining silent, "playing dumb," "looking the other way," and taking no interest in this matter are just forms of complicity with this degrading practice.

It should also be made clear that nothing is gained by hiding this evil or by not admitting its existence. Consequently, we gain nothing by denying the existence of torture in our country, because it does exist. We are duty-bound to firmly and straightforwardly denounce the existence of torture so that this practice can be eliminated through the investigation of all reported cases and the punishment of those responsible.

The national and international laws clearly stipulate that torture cannot be justified. An individual cannot be tortured for reasons of national security, or by orders from the government or legally constituted authority, or "from the top." An individual cannot be tortured on behalf of "Western and Christian civilization." Therefore, nobody is under any obligation to torture or to obey orders from anyone to do so.

Today's torturer is equivalent to the pirate or slave trader of the past. He is an enemy of mankind. He is also a cowardly criminal, because he perpetrates the crime against a totally defenseless individual by abusing power.

Today we also speak of torture because our Christian conscience is aroused by indignation. Man is the son of God and, therefore, his body is a living temple of the Holy Ghost and part of Christ's mystical body. All this elevates the dignity of the human being even more. Catholics clearly understand that whoever attacks man, attacks God; whoever injures, mutilates, or destroys a man's body is indeed injuring, mutilating, or destroying a creature of God. The Second Vatican Council clearly stated: "Anything that attacks human life, anything that violates its integrity, such as mutilations, moral or physical tortures, or similar practices are in themselves shameful, degrading to human civilization, disgrace the perpetrator more than his victim, and are detrimental to the honor due to the Creator."

There is no alternative but to eliminate torture as the most terrible of evils. Its perpetrators, instigators, abettors, and accomplices must be brought to justice and punished on behalf of the highest interests of humanity in general and our society in particular.

This is a challenge for the entire national community, but it is a more direct challenge for the state branches, the executive and the judicial powers, which must comply with and enforce the law lest they ignore their duties and become passive accomplices of such acts of perversion.●

JUSTICE DEPARTMENT REVEALS ITS ANALYSIS OF CONRAIL DIVESTITURES WILL TAKE UNTIL YEAR END

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1985

● Mr. FLORIO. Mr. Speaker, in February, the Department of Transportation recommended the sale of Conrail to the Norfolk Southern Corp. The Subcommittee on Commerce, Transportation and Tourism, which I chair, has been expeditiously evaluating this proposal, along with other options.

Because the proposed sale to Norfolk Southern would violate the antitrust laws, the Justice Department has required the divestiture of certain rail lines to other railroads, subject to a review of the actual proposed divestitures to ensure that the carriers acquiring the divested lines would be viable competitors with a combined Conrail-Norfolk Southern.

However, the following article from Traffic World reveals that, because of lack of information, the Justice Department does not anticipate completion of its review until the end of the year. Despite this delay from the administration, the subcommittee will continue to expeditiously review the sale options. The article follows:

[From Traffic World, June 24, 1985]

JUSTICE ANTITRUST REVIEW OF NS DIVESTITURE PLANS WILL TAKE UNTIL YEAREND

The antitrust division of the Department of Justice will not allow third parties to impose deadlines on its review of the divestiture proposed as part of Norfolk Southern Corp.'s bid for Conrail, according to an agency official, who added that the review process would take at least until the end of the year.

James Weiss, the assistant director of the transportation section of the antitrust office, said at a luncheon in Washington June 14 that his agency "hasn't received anything yet" except the agreements themselves from Norfolk Southern, Guilford Transportation Industries or Pittsburgh & Lake Erie Railroad.

Under terms of those agreements, NS would sell certain segments of rail line to Guilford and P & LE to satisfy potential antitrust objections to its proposed acquisition of the government's 85-percent interest in Conrail. The two smaller rail lines would also gain the rights to operate over the trackage of NS and Conrail.

"We are sending (the agreements) out now to the states involved," Mr. Weiss said at a meeting of the Transportation Table in the National Press Club. "We have very detailed letters of inquiry out to NS, Conrail, P & LE and Guilford. We will be meeting with all the states' people and local shippers. Once they start responding, I would anticipate it would take us a while because of the volume of the material. We will make a more detailed assessment based on the facilities and financial circumstances later."

The agency is now hiring consultants to conduct that detailed study, he said.

"I wouldn't anticipate we'd be done with that before the end of the year," Mr. Weiss said, adding that "the sale cannot go through until we are completed. That's assuming that NS is going to make the offer. It could be Morgan Stanley, in which case we're out of it," he added, referring to the alternative bid to purchase Conrail proposed by investors led by the Morgan Stanley & Co. (T.W., June 17, p. 37).

Asked if NS was aware of the agency's time frame, he responded, "we've said under a number of circumstances that we can't be tied down to a time frame because we don't have the information" which has been requested.

Mr. Weiss added that his office would be looking at the recently announced plan of Texas Air Corp. to acquire Trans World Airlines. He indicated that route overlaps could raise a number of potential objections.

Mr. Weiss was responding to reporters' questions after a brief talk on antitrust aspects of intrastate rate regulation of motor carriers. He predicted that state-approved bureaus would disappear eventually despite the Supreme Court's *Southern Motor Carrier Rate Conference* decision, which allowed the bureaus to continue under certain circumstances (T.W., Apr. 1, p. 5).

Mr. Weiss argued that market forces would draw motor carriers away from the rate conferences since the "pressure to go along on prices" could compel certain carriers to accept rates that were higher than those they could otherwise offer. "Carriers are thus compelled to act against their own interest—not by pricing below cost but by pricing above it," Mr. Weiss said.

He indicated that the agency would continue ongoing oversight of the rate conferences and hold them to the traditional tests Justice has established for such entities.●

FENTON HIGH SCHOOL: DIVERSITY IN DuPAGE COUNTY

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1985

● Mr. HYDE. Mr. Speaker, the June 1985 issue of Illinois Issues included a very informative and insightful article about Fenton High School in Bensenville, IL, which is in my congressional district. The community of Bensenville is most fortunate to have an excellent high school with a challenging and diverse curriculum offering a wide range of choices for all of its students. Fenton is also known for its first-rate faculty and an outstanding superintendent, Carl Herren.

I am very pleased to share this excellent article with my colleagues:

FENTON HIGH SCHOOL: DIVERSITY IN DUPAGE COUNTY

(By Richard J. Shereikis)

If the students at Fenton High School in Bensenville learn nothing else during their stay at the northwest suburban school, they will learn to make choices. Fenton, located in the northeast corner of affluent DuPage County, has the ways and means to offer something for nearly everyone. The school's 1,500 students can choose from over 200 course offerings, including traditional

courses in English, foreign languages, the sciences and industrial arts, as well as unusual offerings like Comedy and Satire, Cartooning, Fashion Illustration and Foreign Foods.

They may choose among 18 different sports (nine each for girls and boys) which are contested at 54 different levels. (Football, for example, is played at six levels: Freshman A, Freshman B, Sophomore A, Sophomore B, Junior Varsity and Varsity.) They may choose to join any of nearly 20 extracurricular organizations or activities, including clubs for students interested in skiing, chess, angling and community service.

In a month like April 1985, which included the school's spring break, they could choose among 154 different athletic events, at the various levels, where they could cheer their Bison on to victory.

The options, among other things, make school attendance attractive. "We have an average daily attendance of 96 percent," says Carl Herren, Fenton's superintendent. "That compares to an absence rate of 40 percent or more in some Illinois schools. Our dropout rate is only 1.86 percent. And we're not talking about some exclusively college-prep kind of student body. About 50 percent of our graduates plan to attend college, while the other half are planning careers right out of high school. That's pretty unusual for a suburban school, but we're proud of it." The average ACT score of Fenton students is just over 19, which compares favorably to the state average of around 18, according to Herren.

Fenton has no rigid, ability-grouping program, but teachers and counselors "try to keep close track of every student," says Herren. "If they want to get into college-prep courses at the start, that's OK. But if they start getting D's and F's in those, a counselor will call them in, maybe with their parents, to talk about it and see if it's realistic for them to plan that way. We try to offer enough options so that the students who want to learn about specific careers will have a chance to get a good start here."

Robert Varney is one of those on the Fenton staff who takes a special interest in students' vocational interests. He is the chairman of the eight-member business education department which offers over 27 courses, from Shorthand and Typing to Accounting and Marketing and Distribution, from Today's Consumer to Salesmanship. Every freshman is required to take a course in Keyboarding/Computer Literacy, and the school has 80 computer terminals to make this possible. "At least 700 of our students will take business education courses each year," says Varney, "and the school and community are very supportive of our programs, partly because so many of our students get work right out of school at the industrial park. We're very proud of what we do."

The presence of that industrial park is also one of the reasons why Fenton can offer so many choices. The substantial taxes they pay increase the school's budget, so that Bensenville's essentially middle-class home owners do not have to bear the entire burden of financing their children's education (the estimated median household income for 1984 was $31,573). "Our tax base, including what the industrial park generates, allows us to spend around $4,800 per student each year," says Herren, "and only about 5 percent of that comes from the state. So we have a budget of around $6.5 to $7 million a year to work with. That lets us do a lot of things for the wide range of students we have here."

Herren points with pride to the diverse accomplishments of Fenton's athletic and speech teams as an illustration of the school's ability to offer activities to students from disparate socioeconomic backgrounds. "We won state in wrestling in 1973, and we've remained very competitive in wrestling over the years. We just won the girls' state bowling championship. We've won three state championships in speech and been second a couple of times. How's that for balance? State championships in bowling and speech?"

Fenton's exceptional facilities provide the opportunities for the excellence and balance. The school has five different gymnasiums, not including a large wrestling gym that permits numerous bouts and practice drills to take place simultaneously. The former main gym, spacious and well-equipped, is used now exclusively for girls' sports. (Girls can compete in badminton, basketball, bowling, cross-country, gymnastics, softball, tennis, track and volleyball.) There is also a large new gym, featuring an 11-lap running track and a seating capacity of 4,000, which makes Fenton an attractive site for basketball and wrestling tournaments. Most of the boys' indoor sports are contested here. (Boys may choose among baseball, basketball, cross-country, football, golf, soccer, tennis, track and wrestling.)

The facilities also permit Fenton's athletic teams to accommodate large numbers of students. "We've got about 800 kids out for sports each year, probably 500 different ones, since a lot will go out for two sports," says Pete George, Fenton's athletic director for the past 10 years. "We'll have as many as 120 out for the six different levels of football; maybe 80 to 100 playing boys basketball. There are 30 different teams among the nine girls' sports, so most girls who want to compete have some chance in one of the interscholastic programs."

George has a yearly budget of around $70,000 for supplies, entry fees, officials and upkeep. Coaches' salaries and travel expenses are funded from other sources, and his operation includes 56 different coaching positions, 10 of them for football alone. George, who came to Fenton after serving as wrestling coach at MacMurray College in Jacksonville, is proud of the many athletic opportunities his department can offer. "At a school like this, you understand, we're competing with music, speech, theater, for some students' time. We do all we can to let kids do both, if they want. And with the various levels for each sport, we give kids a chance to develop."

Opportunities abound within the curriculum, too, for both the college- and career-bound students at Fenton. The 14-member English Department regularly offers over 25 courses in writing, literature, speech and theater. At various points in their careers, students may take Journalism or Mass Media if they are interested in communications. Others may take courses in Acting and Stagecraft/Design, and get practical experience in the 750-seat theater which is used for student productions and other events. College-bound students can take traditional survey courses in British and American literature, as well as electives like Pre-College Composition and Advanced Placement courses in English and American literatures. Creative Writing, Film Making and Science Fiction are also available.

Neither the department's course offerings not its stated philosophy makes any mention of the study of traditional grammar, which suggests the department's enlightened approach. Research for years has shown that there is no correlation—except possibly a negative one—between the study of formal grammar and improvement in writing, and the English department operates accordingly. "We try to reach all students through the various offerings, which also include English as a Second Language and Developmental Reading," says Angela Durkin, a member of the department since 1977. "We teach writing by having students write, not by memorizing rules." In the past four years Fenton students have won five awards in the national writing contests sponsored by the National Council of Teachers of English. "Those were advanced students, of course," says Durkin, "but we try to give everyone, college-bound or not, a lot of chances to write."

College-bound or not, all Fenton students are served by the office of Pupil Personnel Services, headed by Gloria Harrington. Harrington's staff includes five counselors, a social worker, a nurse and a full-time psychologist. Their facilities include a Guidance Information System, from which students can gain essential information about specific colleges and careers. "They can punch a career into the computer, for example, and get a reading of the starting salaries, educational prerequisites, long-range potential and other factors," says Harrington. "Or they can get a printout on any of hundreds of colleges and find out immediately about financial aid, admissions standards, deadlines for applications and things like that. Next year, we'll be subscribing to a more sophisticated system that will cost a bit more. But then a student will be able to punch in her anticipated financial picture, her test scores, interests, even the kind of climate she'd like, and then get printouts of the schools that fit her requirements."

Harrington's staff also supervises students who take part in the programs offered by the DuPage Area Vocational Education Authority (DAVEA), a 15-district consortium that provides students in the region with more sophisticated opportunities for vocational education than they can find in their own buildings. DAVEA programs include courses like Dental Assisting, Ornamental Horticultural, Data Entry Occupations and Aviation Maintenance Technology.

Using funds from a recent grant for the education of gifted students, Harrington has planned a series of enrichment programs which began in the 1985 spring semester. During that term 69 of the students identified as gifted at Fenton chose to participate in a program on the performing arts. They met a couple of times each week. They made field trips to important cultural locations, like the Goodman Theater in Chicago, where they saw a play and then went backstage to talk with actors and others involved in the production. Members of a dance troupe came to the Fenton campus for demonstrations and discussions, and the students also met musicians from the Chicago Symphony. "In the fall, we'll have a bit different clientele because the general topic will be math and science. Next spring the subject will be Chicago. A lot of these students, believe it or not, never get into the city. They have all kinds of stereotypes about it and don't even think of it as a place to look for work. We plan to travel a main street—Halsted or Western or Clark—from end to end, looking at the neighborhoods. We'll study the architecture there and have visits from architects and historians."

But Fenton students need not be in the gifted program to study architecture. They may take a two-course sequence in Architectural Drafting in the industrial arts department, which offers over 20 courses in eight different areas. "We look on it as general education, not vocational education," says Alex Georgas, who has taught auto mechanics, carpentry, and machine courses in his 25 years at Fenton. "This is not a typical suburban school," says Georgas. "Almost half of our students take something in our department, and we like to think these are things they can use all their lives, even if they don't make a living from them." Once again, well-equipped facilities make the offerings attractive and effective. The photography area boasts a darkroom with 12 stations in it and equipment that makes professional-level work possible. There is a foundry, as well as areas for welding, carpentry and auto mechanics, and well-stocked drafting and electronics classrooms. "All of them want to go to college when they're freshmen, even though this is kind of a blue-collar community," says Georgas. "But after they see what's available and find out what they like and what they're good at, many of them realize they might have a future in a trade."

And if they're looking for other futures, Fenton students might even look to their own teachers as models, which is not always possible in these days of embarassingly low teacher salaries. While Fenton's faculty salaries aren't lavish, especially in light of the cost of living in the areas, they are respectable enough so that the district's teachers feel they are getting some reward for their effort and credentials. About 75 of the 100 faculty have master's degrees, according to Herren. "The average faculty salary is around $32,000," he says, "and four or five make something like $45,000 a year when you add in coaching and extra days they might work in the summer." The starting salary for a B.A. with no experience is $17,500; for a beginning M.A., $19,250. After 17 years, a teacher with a M.A. plus 45 credit hours earns $38,500, according to the 1984-85 salary schedule. A few administrators earn more than $50,000 per year.

Generous pay scales help, of course, to attract highly qualified faculty. But they alone would not insure good morale and commitment among teachers. Administrators can set a tone for a school, and many at Fenton credit Herren for the upbeat spirit that seems to prevail in the halls and classrooms. Herren, who began as a chemistry teacher, first in Aurora, then at Bremen High School in south suburban Midlothian, has been the Fenton superintendent for two years. After his stint at Bremen, he served as counselor and assistant principal at Lyons Township in LaGrange for nine years before coming to Fenton as principal in 1974. When he walks the halls, students say "hi" to him easily; more importantly, he returns their greetings, seeming to know them all by name. His administrative staff, including Principal Alf Logan, Assistant Principal Larry Brandes and Business Manager Roy Doll, interact with him casually and frankly. When he goes to the cafeteria, he chats easily with faculty, speculating about the Chicago Cubs, about Fenton's athletic teams and reminiscing about a field trip he took with a social studies class to the Cook County Jail. His style sets a tone that may help Fenton as much as its substantial financial base, but Herren knows that decent salaries and first-rate facilities make his job much easier. "Sometimes it doesn't seem fair that we can offer so much while other districts are so strapped," he says. "It would be nice if every high school could offer what we can offer, but right now that doesn't seem possible."

That feeling raises a number of questions about quality and equity in Illinois public education. Clearly, Fenton is an attractive place in which to teach and learn. Decently paid teachers work in well-equipped facilities to offer students an imposing array of options and opportunities. The students seem to respond. When you look into classrooms, you see, for the most part, students involved and attentive, perhaps because they're in classes they've chosen to take, rather than ones they must be in. The halls look clean and orderly, though not repressively so. "There's not much graffiti here," says Herren, "partly because the kids don't do much of it, and partly because we paint it right over before it encourages someone else." A disciplinary system which moves systematically from warnings through more serious punishments while yet remaining flexible seems to keep unruliness in check. A policy that prohibits students from leaving campus for lunch reduces truancy and tardiness, says Herren. The student body, predominantly white with only a scattering of Hispanics, blacks and Asians, seems cheerful and lively. Larry Brandes, the assistant principal who is in charge of student activities and organizations, feels that students' pride in themselves and in the school has grown in recent years. "I sense a real anti-drug attitude among the students," he says. "And they've really getting back into the value of hard work, sports, academics and positive school spirit."

The questions raised by a visit to Fenton are fundamental: Would it be possible to provide the same kinds of opportunities for all Illinois high school students? Doesn't it seem right to try? How could we do it? What would it cost? What is the price, in missed changes and unmet needs, if we don't? Who would have the courage to propose it?

Alex Georgas may be right when he says that Fenton "is not a typical suburban school." Ah, but wouldn't it be nice if it were a typical Illinois school?●

LEGISLATION FOR UNINCORPORATED FARMERS

HON. SID MORRISON

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1985

● Mr. MORRISON of Washington. Mr. Speaker, today I am introducing legislation along with 21 of my colleagues designed to offer this Nation's farmers a tax incentive for contributing surplus, or damaged food commodities to nonprofit, charitable organizations for distribution to the poor and needy.

This legislation simply restores a tax incentive that farmers had until 1969 and one that Congress restored for corporations, but not individuals in 1976. I want to restore equity to the majority of farmers who are not incorporated, but who donate their crops to charitable organizations. Last year, in the State of Washington, State food banks received 2.5 million pounds of produce, worth $1.25 million through a unique volunteer gleaning network. It is my belief that providing nonincorporated donors with a 10-percent tax credit for their gifts would increase those donations considerably.

Farmers donate the food because 20 to 40 percent of some crops often aren't marketable to the American consumer. But these products are perfectly edible and can help feed the hungry. It seems only natural that in these times of budget constraints that alternatives to meeting the basic food needs of our citizens be found. The gleaning approach provides one such alternative.

In my own State of Washington, there is a statewide, year-round gleaning operation. The two cornerstones to its success are transportation and communication. The director of the project receives word that a surplus commodity is available from a farmer, shipper or packer. Transportation is arranged through both private distributors and military units. Then a call is made to local food banks to offer the food for distribution.

Prior to the 1969 Tax Reform Act, the general rule was that a taxpayer who contributed crops to charity was able to deduct the fair market value of the property at the time of the gift. The charitable deduction resulted in an incentive for some taxpayers in high marginal tax brackets to donate rather than to sell the crop.

The 1969 Tax Reform Act allowed the farmer to deduct only the cost incurred in producing the dontated crop. This rule not only eliminated the abuse mentioned above, but also greatly reduced contributions of appreciated property to charitable organizations. In 1976, the Senate Finance Committee concluded that:

> It is desirable to provide a greater tax incentive than in present law for contributions of certain types of ordinary income property which the donee charity uses in the performance of its exempt purpose.

The Tax Reform Act of 1976, through a complicated formula, allowed for a tax incentive for corporate donors but not for individual farmers who wish to contribute gleaned crops. It has been estimated that only 1.7 percent of all farms are incorporated, so the majority of farmers are unable to utilize the 1976 act. Unlike the incorporated farmer who can fully deduct their costs and a significant portion of the appreciation in his crop, the individual farmer is left with no financial incentive to contribute unmarketable crops.

This legislation only provides nonincorporated donors with the same incentive already provided his corporate colleagues. This will provide the needed stimulus for farmers to participate in a gleaning effort on an even larger scale, making it possible to feed

a greater number of hungry people. I urge my colleagues to give this gleaning bill their careful attention and active support.●

A SELF-POLICING PROGRAM THAT'S WORKING

HON. RON MARLENEE

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1985

● Mr. MARLENEE. Mr. Speaker, recent efforts to curb military waste, mismanagement, and fraud by Malmstrom Air Force Base in Great Falls, MT, are proving to be a tremendous success. Everyone at Malmstrom deserves our hearty salutes.

In addition to these efforts, Malstrom should also be commended for their reduction in energy use; they are the lowest among SAC facilities with a 33-percent cut in the last 10 years.

While I understand that all areas of the military budget are not mismanaged, I cannot stress enough the importance of continuing our focus on stopping wasteful practices.

I urge and challenge all U.S. military bases to show the same professionalism and dedication as Malmstrom.

I submit to my colleagues a laudable editorial from the July 6 edition of the Great Falls (MT) Tribune.

MALMSTROM DESERVES APPLAUSE FOR PROGRAMS THAT HALT WASTE

Discovery at Malmstrom Air Force Base that the Air Force was paying $190 for a clamp used on missile wings—even though overpriced by $185—just doesn't have that same gasping notoriety as some other more publicized Pentagon purchases, including $640 toilet seat covers, $44 lightbulbs, $7,622 coffee makers or $180 flashlights.

After all, we've all bought considerably cheaper light bulbs, flashlights and coffee makers, and have a good guess what a toilet seat cover should cost.

But the fact that the incidents of waste or overpricing uncovered by Malmstrom personnel are not dramatic enough to be used in gag lines by Johnny Carson or in attacks on military spending by such Pentagon critics as Montana Sen. John Melcher does not mean they're not important.

Col. Bruce Harger, 341st Strategic Missile Wing vice commander, recently told the Tribune about Malmstrom programs to catch waste, fraud and overpricing. He listed several successes, including the $190 clamp, uncovered after a staff sergeant's complaint. The investigation bore fruit: the Air Force will save an estimated $18,000 a year and the sergeant received a $1,300 reward.

Other claims of overpricing are being reviewed, as is a complaint that a firm overcharged Malmstrom $100,000 last year for contracted services.

Harger stressed that most of Malmstrom's parts come from out-of-state military depots, so local merchants rarely are involved in overpricing investigations.

Air Force personnel are encouraged to report what they think is fraud or overpricing, but most complaints of overpricing are determined after investigation to be unfounded, he said. One reason is that the Air Force sometimes must pay a higher price for what seems a mundane hardware-store item to get special reliability needed in missile maintenance.

Malmstrom should be commended for its efforts at cost-saving. It also has reduced its energy use by 33 percent since 1975—lowest among all SAC facilities. Also due for praise are the Air Force and the entire Pentagon, which claims to have saved $500 million last year through more efficient acquisition of spare parts.

There's even something to the argument made by the military that—although it is usually military programs that uncover fraud and overpricing—it is the military that is made the whipping boy, with politicians and the press citing the expensive coffee pots and toilet seat covers as examples of how the military budget is bloated and can be cut without damaging American security.

It's an oversimplification to jump to conclusions about the entire Pentagon budget from a few overpriced items, although the revelations of major military supply companies improperly writing off thousands of dollars of campaign contributions as part of their defense contracts are troubling.

But it also is an oversimplification for defense advocates to imply that all major weapons expenditures are sacrosanct and absolutely necessary to U.S. security.

In summary, we applaud the military's internal uncovering of waste and fraud and encourage that such programs be continued with full funding.●

TAX REFORM'S STING IN PUERTO RICO

HON. JAIME B. FUSTER

OF PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1985

● Mr. FUSTER. Mr. Speaker, a few days ago, the New York Times editorialized again regarding the effects on Puerto Rico of the tax reform which the Congress is currently considering. This time the New York Times editorial highlights not only the grave economic damage to the island that will result from the proposed repeal of IRS section 936, but also some of the political costs which such repeal would have.

I believe the July 20, 1985, editorial should be considered by all those that will be deciding on tax reform, so I request that it be inserted in the CONGRESSIONAL RECORD.

[From the New York Times, July 20, 1985]

TAX REFORM'S STING IN PUERTO RICO

Some major bad news for Puerto Rico has stirred too little concern in Washington. The resource-poor but labor-rich island has benefited for decades from a special tax provision that generated half its manufacturing jobs. So Puerto Ricans were stunned to find the Treasury proposing its instant elimination as part of tax reform. Now President Reagan offers what looks like a compromise but isn't: the benefit would be phased out in five years, to be replaced by a gimmicky wage credit.

The argument concerns Section 936 of the Internal Revenue Code, adopted in 1979 but rooted in longstanding practice. It excuses U.S. corporations from Federal taxes on earnings they repatriate from Puerto Rico. The Treasury complains it costs as much as $1.7 billion a year and that the benefits go not to mass employers but to capital-intensive industries, like pharmaceuticals.

The Treasury seems to assume that those businesses would remain in its jurisdiction. Experience argues they will move elsewhere, probably Asia. And every job thus lost in Puerto Rico will cost yet another in its service industries.

The Treasury also complains that the incentives system is cumbersome. The benefiting corporations seem to have no trouble understanding; 23 of them want to expand the idea by establishing "twin plants" that employ skilled labor in Puerto Rico and less-skilled labor in other Caribbean countries. That is now possible under President Reagan's Caribbean Basin Initiative, provided Section 936 survives.

In its place, the Treasury suggests wage credits, an accountant's nightmare. Companies would gain a credit against taxes equal to 60 percent of wages below the Federal minimum, plus 20 percent above the minimum, limited to four times the minimum. So much for simplicity.

There is also a political cost to this tampering. Puerto Ricans rightly believe they are owed their benefit under the compact that proclaimed them a commonwealth. Instead of statehood and a vote in Congress it gave them home rule and Federal tax relief. That compact should not be lightly or unilaterally altered.●

ST. PAUL-RAMSEY MEDICAL CENTER HONORED FOR HEARING IMPAIRED HEALTH AND WELLNESS PROGRAM

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1985

● Mr. VENTO. Mr. Speaker, throughout their lives, individuals who have hearing impairments may become frustrated and isolated by their disability. A serious barrier to learning and socializing, hearing impairment can cause serious psychological repercussions, as well. Although nearly 7 percent of all Americans have hearing impairments, mental health services designed to meet the needs of the hearing impaired are limited.

Until 1975, such services were nonexistent in St. Paul, MN. That year, the Department of Psychiatry at the St. Paul-Ramsey Medical Center began collaborating with 26 agencies and organizations to establish a comprehensive network of mental health services for the hearing impaired. The result was the creation of the Hearing Impaired and Wellness Program at St. Paul-Ramsey Medical Center.

Recently, this innovative program was selected for special honor and recognition by the American Psychiatric Association at its 36th Annual Institute on Hospital and Community Psychiatry. Chosen from among 134 applicants, St. Paul-Ramsey Medical Center

received an award of significant achievement recognizing its outstanding efforts in serving the mental health needs of the hearing impaired. Furthermore, the Hearing Impaired and Wellness Program at St. Paul-Ramsey has served as a model for the establishment of similar programs at other hospitals around the Nation. The selection of St. Paul-Ramsey Medical Center for recognition of its program for the hearing impaired is especially significant in light of extensive and impressive competition as well as lengthy site visits and interviews by members of the American Psychiatric Association, the medical specialty society representing over 30,000 psychiatrists nationwide.

Mr. Speaker, I commend the St. Paul-Ramsey Medical Center for its outstanding Hearing Impaired and Wellness Program and for its exemplary commitment to the mental health needs of the hearing impaired. Hopefully, this innovative program will be duplicated in other hospitals across the country which serve those with hearing impairments.●

A TRIBUTE TO CARL CLEMENS

HON. THOMAS J. MANTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1985

● Mr. MANTON. Mr. Speaker, it is my privilege to call to the attention of my colleagues the contributions made by Carl Clemens to his community, Ridgewood; to the county of Queens; and to the city of New York.

Carl Clemens is president and publisher of the Ridgewood Times, a weekly newspaper which has been in continuous publication since 1908, serving the Queens communities of Ridgewood, Glendale, Maspeth, and Middle Village. Carl Clemens joined the Ridgewood Times in 1920 at the age of 15, while a student at the Queensboro Business Institute. The institute placed him there on a temporary basis. However, Mr. Clemens exhibited such energy and dedication that George Schubel, the founder and publisher of the Times, kept him on and he eventually assumed management of the paper.

Carl Clemens has been part of every improvement in the communities he serves. His recollections include the first library built in the area, the first subway line brought in, the first bus service made available, the building of the Interborough Parkway and the Long Island Expressway, the establishment of the YMCA, the opening of the first high school in Ridgewood, the formation of the Community Boards, the reconstruction of Myrtle Avenue, the restoration of the Onderdonk House, and the designation of parts of Ridgewood as the country's largest historic district.

In January of 1985, in recognition of the contributions made by Carl Clemens during his long and distinguished career, Mayor Edward I. Koch signed a bill passed by the city council officially designating the triangle on Cornelia Street a Myrtle and Cypress Avenues as "Carl Clemens Triangle." In his remarks at the signing ceremony, Mayor Koch said, "Carl Clemens has been a lifetime New Yorker, and has worked continuously for the betterment of the quality of life for its inhabitants. His life is truly a success story and he deserves the praise we give him today."

Carl Clemens is a member of numerous civic and fraternal associations, and served as Commissioner of Public Events under Mayor John V. Lindsay in the late 1960's. In addition to his many civic affiliations, Mr. Clemens is also an active member of Community Board 5. Now 80 years of age, Mr. Clemens can be found daily at his desk at the Ridgewood Times, making his unique contribution to the paper and the community.

Mr. Speaker, one of the great rewards of my years in public office has been the opportunity to work with Carl Clemens. Carl Clemens has never failed to be in the forefront of the fight for a better life for his communities. I have always enjoyed working with Carl Clemens on behalf of the people in his area, and I look forward to many more years of fighting at his side for progress and prosperity.●

CLEVELAND'S "SHOES FOR KIDS" CAMPAIGN

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1985

● Ms. OAKAR. Mr. Speaker, on Thursday, August 1, 1985, the Shoes for Kids Program in Cleveland will launch its 1985 campaign with a continental breakfast at the Sheraton in Beachwood. All of the money raised for the campaign is used to buy clothes for needy schoolchildren, so that everyone attending will pay for their own breakfast. This year's goal is to raise $125,000.

Shoes for Kids started in 1969, when Mr. Morrie Sayre, board member of the Metropolitan Branch of the Cleveland YMCA learned through firsthand experience that there were children in Cleveland who were not attending school because they did not have shoes to wear during the bitter winter months. His response was to begin a campaign to organize enough shoes for every needy child and the Shoes for Kids project under the auspices of the YMCA began. The YMCA provides 501(c) status and serves as a fiscal agent for the project.

Over the past 16 years, the Shoes for Kids project has evolved from a 3,000 pair used shoes collection and repair effort to an activity with Cleveland and suburban impact. Thousands of dollars worth of shoes, hats, socks, mittens, boots, underwear, and other apparel are purchased at wholesale prices or lower, and distributed to Cleveland area elementary school-age children with the cooperation and assistance of Cleveland public school and volunteer personnel.

Mr. Morrie Sayre, a businessman and YMCA branch board member and past chairman, serves as the general chairman, personally supervising the Shoes for Kids project. This entails soliciting funds and other donations, the purchase of shoes and clothing, publicity and coordination of distribution throughout the entire Cleveland area. Irving B. Fine and Albert Ratner, two prominent Cleveland area citizens, assist Mr. Sayre as cochairmen.

The Greater Cleveland Shoes for Kids project, deserves the support of the entire community. Its many participants and supporters deserve commendation for their civic-mindedness and generosity.●

THE 50TH ANNIVERSARY OF SOCIAL SECURITY

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1985

● Mr. CONTE. Mr. Speaker, I rise today to commemorate the 50th anniversary of one of the truly seminal events in our Nation's history, the enactment of the Social Security Act. The Social Security Act represents the most basic fulfillment of our social contract: that Americans should work hard and proud for their Nation, and that these Americans in turn will sleep well with the knowledge that they will have the means to survive when they become older. Yet Social Security is no handout. For the last 50 years, when older Americans have received Social Security benefits, they have done so with pride, as they have toiled long and hard to receive the money they contributed to the system for all their working years.

When President Franklin Delano Roosevelt signed the Social Security Act into law on August 19, 1935, he did so to recognize the salient changes occurring in American society. America was no longer the rural society it once was, whose older and disabled citizens could live with children and relatives as they grew older. America of 1935 found unprecedented numbers living in cities, industrial workers whose families were often hundreds of miles

away, with little hope for any future after they were retired or became disabled. Social Security allowed people to contribute to their future, and not live in mortal fear of disability, or being left alone in poverty in their golden years.

In the past 50 years we have witnessed great changes in the Social Security system, each step intended to bring the reality of a secure society closer to all. When first enacted, the Social Security package applied to only a very few workers. Yet Americans soon realized the necessity of expanding the people covered under the system's safety net. By the mid-1950's, virtually all American workers were contributing and planning their futures around the promise of Social Security benefits. The numbers of workers covered was further expanded when the maximum taxable earnings base was lowered, allowing even greater numbers to contribute to Social Security.

In the 1960's many other important changes were implemented in Social Security. Earlier benefits to widows, early retirement, and Medicare were all instituted to expand the size of our society's safety net. By the dawn of the 1970's, Social Security benefits were raised in accordance with the inflation rate, to prevent a retired person's earned benefits from being eroded away by inflation.

I also want to honor those who have worked in the Social Security district offices for the past 50 years. These workers have devoted their lives to transforming Social Security legislation from theory and putting it into practice. These workers often provide the most common interface between the Government and its people, and we cannot commemorate Social Security without thanking the excellent workers who provide these crucial services.

Today, too much of what we hear about Social Security centers around its financial problems. Pessimists will insist on the impending demise of Social Security, claiming that demographics and other factors have sapped the fund of its fiscal livelihood. Yet these pessimists and predictors of doom fail to account for the desire and will of the American people to maintain a basic guarantee of safety and security for all Americans. Social Security stems from the core of the American spirit. It grew from the suffering of the Depression, and now provides the basic measure of safety and financial solvency to all Americans. I salute 50 years of a secure society, achieved through Social Security.●

SUPPORT SUPERFUND REAUTHORIZATION

HON. FRED J. ECKERT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1985

● Mr. ECKERT of New York. Mr. Speaker, H.R. 2817 sets up a responsible and effective program for cleaning up hazardous waste. I shall support it. Superfund is very important to the people in my district and throughout western New York.

There is currently one national priorities list site in my district and a second will be placed on the list shortly. The adjoining congressional district has the famous Love Canal site.

Superfund is also very important to the people in my district who are employed by numerous chemical producing and using businesses. For example, I want to ensure that none of the approximately 60,000 persons employed by Eastman Kodak, the 900 persons employed by Du Pont, the 475 persons employed by 3-M, the 150 persons employed by Jones Chemical Co., or the hundreds of other persons employed by chemical using or producing businesses in my district are thrown out of work as a result of being taxed out of business, regulated to the point of losing their competitive edge, or having their important trade secrets opened up to their foreign or domestic competitors.

We need a clean environment. I am committed to a clean environment and reauthorization of Superfund. I am also committed to protecting the jobs of the thousands of people working in the Greater Rochester Area in these important industries which have helped to create a quality of life which a recently prepared study for the U.S. Environmental Protection Agency ranked Rochester third in the Nation, the only community east of the Mississippi River so acclaimed, for outstanding quality of life in economic, political, environmental, health, education, and social components of urban living.

This bill is a bipartisan effort that strikes a balance between the need to continue full economic growth and employment and the need to keep the environment in as clean a state as possible. I have some reservations about the bill, including the provision that calls for a spending level of $10 billion—a sum which exceeds what the EPA says it can effectively spend. On the positive side, I find that the taxing provisions are more broad based and designed to provide the funds necessary to move ahead with the cleanup without penalizing a very few industries.

The bill accomplishes six very important things.

First, the bill establishes a schedule for cleanup by requiring the EPA Administrator to initiate remedial investigation and feasibility studies [RI/FS] at 150 sites a year, and to start remedial action at 90 percent of these sites within 12 months of completing the RI/FS's.

Second, the bill establishes cleanup standards at national priority list sites.

Third, the bill allows citizens to become involved in the Superfund process by allowing them to participate in the selection of the cleanup plan, sue the Administrator of EPA if he fails to perform a required act, or to sue individuals or corporations who violate the regulations established under the bill.

Fourth, the bill insures the protection of the community by establishing a workable community right to know plan that will provide those involved in responding to emergency situations the information to carry out their responsibilities.

Fifth, the bill emphasizes the cleanup of sites over litigation, while still providing citizens new rights to sue in order to enforce the law.

Sixth, the bill provides for adequate contractor cleanup by reducing the exposure to liability except in those cases where contractors willfully or negligently carry out their duties under the law.

The bottom line is a bill that is a bipartisan consensus that reflects the give and take of the legislative process, a bill that moves the cleanup of hazardous waste sites forward without costing thousands of people their jobs. I would urge my colleagues to support the compromise.●

WHAT IS A FARMER

HON. RICHARD STALLINGS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1985

● Mr. STALLINGS. Mr. Speaker, today I would like to focus briefly on the plight of the American farmer. Many people argue that there is not an actual crisis on the American farm, or that the farmer is so inefficient he deserves the current credit crunch. I do not support either school of thought. I strongly believe that the American farmer is the most efficient producer in the world, and also worthy of our deep concern. I do not believe that the Federal Government should give the farmer a blank check or that the farmers are asking for handouts. The American farmer is merely looking to maintain a way of life which has made this Nation strong.

Ted Meyer, a farmer from Kendrick, ID, recently sent me the following poem about the plight of the farmer. I found the poem simple yet profound. The American farmer truly plants in

hope, cultivates in faith, and ends in debt.

WHAT IS A FARMER?

A farmer is a man who wears out two pairs of overalls growing enough cotton for one.

A farmer starts every year with nothing, loses everything he grows, and at the end of the year comes out even.

Planting time and harvest season, he finishes his 40-hour week by Tuesday noon—then puts in another 72 hours.

He loads his planter with $1,500 worth of seeds, fertilizer, herbicides and insecticides. That is one hour's worth.

In a normal farm afternoon (1 to 10 p.m.) he well bury $13,500 in the ground.

Odds are it will get too wet or too dry, or there will be hail, wind, early frost, bugs, brickbats, or bureaucrats.

And, if he gets a good crop, he still won't meet expenses.

He buries last year's disappointments with this spring's plowing.

And, so he plants in hope, cultivates in faith, and ends in debt—and then starts all over again.●

SUPPORT FOR MEDICAL EDUCATION IS SUPPORT FOR PATIENT CARE

HON. EDWARD F. FEIGHAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1985

● Mr. FEIGHAN. Mr. Speaker, after a decade of high-paced inflation in medical costs, the Federal Government has moved decisively over the last several years to curb health care expenditures and to promote greater efficiency in the delivery of medical services. Sharp reductions in the medical inflation rate are welcome signs that this policy has already begun to have some success.

But as we continue to pursue efforts at cost containment, we should not lose sight of two other aims that ought to remain fundamental to America's health care policy: humane care and broad access. The same technological revolution in medical procedures that has pushed up the cost of medical care has also accelerated specialization in the health professions. Doctors have been called upon to master increasingly narrow and complex techniques, while nurses have assumed a number of roles formerly held by physicians. If the quality of patient care is to be maintained through this transformation, then the Federal Government must help prepare nurses for their more extensive doctoring roles while encouraging a healthy supply of physicians committed to general patient services. Two bills passed by us last week would achieve these goals by reauthorizing assistance for a number of educational programs in the health professions. They deserve support from both sides of the aisle.

The Nurse Education Act would provide grants to support advanced nurse training as well as programs for nurse midwives, nurse anesthetists, and nurse practitioners. The Health Professions Education Assistance Act would reauthorize the Health Education Assistance Loan [HEAL] and Health Professions Student Loan [HPSL] Programs and provide assistance to family medicine and general dentistry curricula. Both bills would promote the recruitment of minority and disadvantaged students seeking careers in the health professions.

The technological push to specialization in the health professions has been amplified by economic forces. Cuts in Medicaid, the revamping of the Medicare reimbursement system, and pressures from the growing for-profit hospital sector have put the financial squeeze on many of our country's teaching hospitals. The costs of medical, dental, and nurse training have thus skyrocketed, and the financial incentives for specialization have increased accordingly. The bills before us last week would help ease some of these pressures. By increasing the supply of primary care practitioners—both nurses and doctors—by improving the geographical distribution of medical personnel and by fostering opportunities for disadvantaged students in the health professions, the bills would enrich the quality of American medicine while assuring a more equitable distribution of its benefits.●

OHIO BAND REPRESENTS UNITED STATES ABROAD

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1985

● Mr. TRAFICANT. Mr. Speaker, I rise today to salute the Warren Junior Military Band of Mahoning County in Ohio because they have been selected as the official U.S. band to host the opening ceremonies of the International Youth Festival in Zurich, Switzerland. The Warren Junior Military Band is comprised of 116 talented young men and women who together form the best band in the land.

Because of their accomplished reputation and impeccable competition record, the Warren Junior Military Band has been chosen to spend the summer touring Europe and representing the United States in competition. The band is performing in Innsbruck, Austria; Salzburg, Munich, and Strasburg, Germany; Paris, France; and Brussels, Belgium, during the month of July 1985.

The Warren Junior Military Band was formed in 1927 in Trumbull and Mahoning Valley area of northeastern Ohio, and the band has been successful in competition ever since its formation, winning 20 national championships, 11 Canadian championships, and numerous other State and local awards.

The current band owes much of its success to the renowned director, Donald W. Hurrelbrink, who was awarded the Nation's highest award in 1973, the George Washington Award. Under the direction of Hurrelbrink, the Warren Junior Military Band has traveled from the east coast to Hawaii and from Canada to the Gulf of Mexico performing at countless events for an impressive list of dignitaries, Presidents, and Prime Ministers. They have toured Europe as goodwill ambassadors and have performed in competition, concerts, field shows, and parades such as the Macy's, Hudson's, and Gimbel's Thanksgiving Day Parades; Orange Bowl Parade; the Indy and Cleveland "500" Parades; and the Hall of Fame Parade. In 1983, the Warren Junior Military Band was the grand champion at the Flags of Freedom competition in Sun Prairie, WI. And in 1984, the band was the overall champion in the Falling Leaves Festival in Salamanca, NY.

The accomplishments of the Warren Junior Military Band speak highly of the dedication of the young men and women who have contributed to the band's success by developing their talents, and the band currently has over 5,000 alumni. The band's representation of the United States in foreign lands is worthy of pride at home in the 17th District of Ohio and the United States of America. We in Congress should remain aware of those institutions in our home districts that reinforce American pride and spirit, and the Warren Junior Military Band has been a source of community pride and spirit since its early formation in the first half of the century.●

TRIBUTE TO JOHN BISHOP, JR.

HON. RICHARD C. SHELBY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1985

● Mr. SHELBY. Mr. Speaker, I would like to share with my colleagues in the House of Representatives a delightful story that appeared in the July issue of Alabama magazine, written by Joanna C. Hutt.

It is a wonderful account about Mr. John Bishop, Jr., and his famous Dreamland barbeque. Following is the enjoyable story:

For a heap of folks, from California to New York, the search for the best barbecue—ribs only—ends at Dreamland Drive Inn. Here amidst the neo-neon beer-sign decor, the menu offers beer, white bread, and ribs—hence the famous rib sandwich.

Don't look for delicious side dishes. There's no slaw, french fries, baked beans, anything. Not even knives and forks. Just the ingredients for what John Bishop Jr. calls an inside picnic—beer, white bread, and ribs only.

Then why do people like Joe Namath, Ray Perkins, a Russian poet visiting the University of Alabama, a New York women's soccer team, Bart Starr, and hordes of people you haven't heard of keep coming back?

It's the ribs only.

"So, what's the secret?" which is the first question for any good barbecue joint. According to Dreamland's mountainous owner, John Bishop Sr., known affectionately to his regular customers as Big Daddy, "Well, first one thing an' another."

Bending only slightly to persistent questions, Bishop goes on in his rich black dialect, as rich as those slabs on the pit. "Some people say the sauce makes it, but the sauce is just a part. It's the wood. I use just hickory. It's in the fire. It's in the cookin'. It's in the sauce. And it's in the brains."

He fires up his pits early, and experience tells him when the temperature is just right. He choose his ribs carefully. "I'll tell you somethin' about me. I like things did right. And not everybody has good teeth. You can pull out your dentures an' eat my ribs."

The sauce, explains Bishop, has to do justice on the ribs. He started working on his recipe back in 1958 when he built the cement block building and started up the fires. He experimented for about eight months. He admits he changed it one time, but when a customer confronted him about the difference, he went back to his original creation.

Rumor has it that he adds a touch of turnip greens to his sauce, but Bishop will neither confirm or deny.

Bishop has been approached about bottling his sauce and selling it, but he says he'll wait on that a while.

Dreamland is not the easiest place to find, but lots of people have followed their noses and had no trouble. If you're in the Tuscaloosa area going east on highway 82, go through McFarland intersection and turn left on Jug Factory Road (just past McDonald's) into Jerusalem Heights. Wind around until you get to a fork in the road. Do what it says, and you can't miss it.

I am honored to be able to share this delightful story with my colleagues in the House. I always enjoy going home to Tuscaloosa and eating at Dreamland. It is barbecue at its finest, and I certainly wish Mr. Bishop the very best in all his future endeavors.●

END COLD WAR AGAINST CUBA

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1985

● Mr. WEISS. Mr. Speaker, Dr. Wayne S. Smith, a career Foreign Service officer from 1958 until 1982 and currently an adjunct professor of Latin American studies at the Johns Hopkins University, recently gave an address before the Humanist Society of Metropolitan New York. The speech, entitled "Let's End the Cold War Against Cuba," was made to an audience which included diplomats from the United Nations. The following is a report of his speech by Prof. James Aronson, which appeared in the May newsletter of the Humanist Society of Metropolitan New York. I am sharing this article with my colleagues because I strongly believe it is in the national interest of the United States to improve our relations with Cuba.

END COLD WAR AGAINST CUBA

(By James Aronson)

In a sharp rebuke to the government of the United States for its "policy of confrontation" toward Cuba, a former chief advisor to the State Department on Cuban affairs urged the government to return to a "policy of diplomacy" and make its mission one of "encouraging a more stable world situation under the rule of law."

The criticism was leveled by Dr. Wayne S. Smith, a Foreign Service career officer from 1958 to 1982, when he resigned because of differences with the foreign policy of the Reagan Administration. Dr. Smith served as chief of the U.S. Interest Section in Havana from 1979 to 1982. He is at present a professor of Latin American studies at Johns Hopkins University. He spoke at the monthly Humanist Dialogue meeting of the Humanist Society of Metropolitan New York on April 15, on the subject, "Let's End the Cold War Against Cuba."

Dr. Smith ranged beyond Cuba in his analysis of U.S. foreign policy. "We behaved counter-productively in Angola," he said. "The U.S. was in Angola before the Cubans came in. We became involved in a stupid, inept military movement." He went on:

"We have learned nothing from the Bay of Pigs, nothing from Angola, and we are doing the same thing in Nicaragua. What is the objective? Is there to be no analysis ever? It is time we grew up as a nation and took our obligations seriously."

He was not optimistic, however, that the Reagan Administration would change its policy, and indicated that the "misinterpretation" of the facts of our involvement in the world's trouble areas would continue.

Dr. Smith said that Fidel Castro in the early stages of the Cuban revolution was "too determined to breathe fire in all directions," but that Castro had changed because he now believed "a dialogue with us is in his interests." It would be in the interests of the U.S. too, he said, because we could once again have access to Cuba's nickel, tobacco products and shellfish. But that was not the crucial element, he said: Dialogue with the Cubans could help achieve a solution in Central America too. "Conditions for accommodation between the two countries exist," Dr. Smith said, "and we should recognize that."

"Cuba is a Marxist-Leninist state and will remain one," he said. "It is an ally of the Soviet Union and is likely to remain one. We must accept the situation and begin a dialogue. Our present policy achieves absolutely nothing." He charged that the U.S. had rejected all overtures from Cuba while insisting that none had been made.

"Why this attitude?" he asked. "It is partly ideological—appeasing the Right. Cuba is declared to be the evilest part of the Evil Empire."

On the question of human rights, Dr. Smith said that it was "inconsistent to talk about human rights in Cuba when we ignored their violation elsewhere." Our policy, he said, has to do with the way the Administration projects the Soviet role in Central America. This, he said, forces our policy makers to misinterpret deliberately any Cuban overture. The fact is, he said, "there is never any response from the U.S. to Cuban overtures."

In a lively question period, Dr. Smith said that the U.S. had helped bring about the confusion and bitterness engendered by the Mariel migration of thousands of Cubans to the U.S. Beginning in 1979, he said, the Cubans had asked for talks on migration, just as they had initiated the talks on airplane hijacking; but the U.S. had refused, thus forcing the conditions governing the migrations from Mariel and their aftermath in the U.S. He said that the Cubans had begun in 1980 to seek talks, but that the Reagan Administration had dropped the whole thing, and "it took four years to get around to doing it."

Asked whether the Cubans were better off under Castro than under Fulgencio Batista, the last president, who fled to Portugal, Dr. Smith said that there had been obvious material and health gains since the revolution, but that there had also been "a heavy cost in freedom." "The judgment of history is still out," he said.

Reiterating his position that he saw little hope for immediate change in U.S. policy, he said: "The march of folly goes on. My sense is that anti-communism is the theology of our time."

Dr. Julius Manson chaired the meeting in place of Professor Richard Falk, who was called unexpectedly to Switzerland.●

QUALITY RENEWAL ACT OF 1985

HON. GUY V. MOLINARI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1985

● Mr. MOLINARI. Mr. Speaker, I commend the chairman and the ranking members of both the Public Works and Transportation Committee and the Subcommittee on Water Resources for their strong leadership in crafting this bill before us today and I urge my colleagues to support it. It is crucial that we reauthorize the Clean Water Act. This has, however, proven to be a difficult task due to the wide range of conflicting interests and priorities which must be addressed. The Water Quality Renewal Act of 1985 resolves many of those concerns as a practical and ambitious approach towards cleaning up and maintaining our Nation's waterways.

I am especially pleased to note that two amendments which I sponsored during consideration of the Clean Water Act last year are contained within this bill. Section 15 of the committee print prohibits the EPA Administrator from issuing any treatment works grants which are part of an approved areawide water quality plan required under section 208 of the Clean Water Act if that plan is not being implemented or developed and reasonable progress is being made towards its implementation.

The section 208 plan is an areawide, interstate waste treatment management plan, wherein States identify areas which have significant water quality problems as a result of urban-industrial discharges. The section 208 program is the only program aimed directly at identifying nonpoint source water pollution problems. Nonpoint sources contribute a major share of many serious pollutants to our waters. Effective execution of the section 208 plan could ultimately save moneys by investing in cost-effective treatment processes.

The other provision, section 17(c)(2) of the committee print, earmarks $2 million annually to the Interstate Sanitation Commission [ISC]. The ISC has been consistently underfinanced and as a consequence, has had to dramatically reduce some of its core activities. Among some of the activities which have slowed significantly or stopped altogether included: Sampling and analyzing the overall interstate waterbodies, inspecting and sampling public and private treatment plants, monitoring discharges and water conditions, and analysing toxics in effluents. The additional funding of $2 million is necessary to permit the ISC to resume the above activities at a fully effective level.

This provision is long overdue. The ISC plays a vital role in protecting the waters of the Greater New York-New Jersey-Connecticut Area. The funds provided in the legislation before us appropriately reflects the Commission's needs.

I am pleased to note that the committee amendment to H.R. 8, which will be offered on the floor and which was inserted in the July 16, 1985 CONGRESSIONAL RECORD, contains two additional provisions which I sponsored last year. One provision provides for continued and accelerated research into the harmful effect on human health and welfare caused by water pollutants, with particular emphasis on the bioaccumulation of pollutants within the indigenous aquatic population.

The current regulatory process places predominant significance on the pollution levels within a specific body of water. We need to refocus our attention on the effects of pollutants upon the indigenous population rather than simply examining the levels of pollutant concentrations within the water. This is a true test of the progress made by the Clean Water Act—whether the aquatic ecosystem has been restored and/or maintained.

The other provision within the committee amendment would include the term "leachate collection system" to the definition of point source discharge. A leachate collection system functions to collect leachate from groundwater or landfill. An EPA report listed approximately 400 landfill sites with degraded water quality due to leachate discharges. In my district alone, 4 million gallons of leachate are collected from a landfill on Staten Island and channeled daily into the water body separating New York and New Jersey. EPA has refused to require a discharge permit for the landfill claiming that it does not represent a point source. The intent of the Clean Water Act is to regulate all sources of pollutant discharge—there is no valid reason to exempt leachate collection systems from that regulatory net. This provision clarifies congressional intent by specifying leachate collections systems as a point source.

In closing, I again urge my colleagues to support quick passage of this strong and sensible reauthorization bill.●

DENY MOST-FAVORED-NATION STATUS TO ROMANIA

HON. PHILIP M. CRANE
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1985

● Mr. CRANE. Mr. Speaker, today I am introducing a resolution to reject the President's request for a waiver under section 402 of the Trade Act of 1974, as amended. The purpose of this resolution is to deny renewal of most-favored-nation [MFN] trade status to the Socialist Republic of Romania.

Mr. Speaker, it is time for us to stop deceiving ourselves about the nature of the Romanian Government.

Since 1975, we have conducted trade with the Socialist Republic of Romania under the provisions of the Jackson-Vanik amendment to the Trade Act, which links the assignment of MFN status to the establishment of free and open emigration procedures. Time and time again, we have been presented with substantial evidence that the Romanian Government harasses and persecutes those who try to emigrate. Time and time again, President after President has chosen to overlook these violations of the basic principles of human rights and to accord the Romanians MFN status, citing Romanian "assurances" that progress would be made. Time and time again, these assurances turn out to be tragically empty promises.

Last May, our former Ambassador to Romania, David Funderburk, revealed the Romanian's latest dodge around the provisions of the Jackson-Vanik amendment. The Romanian Government has allowed our Embassy to be swamped with emigration applications. At first, we applauded. But later we learned that Romanian President Nicolae Ceausescu was merely trying to dispose of undesirable Romanian citizens unqualified for U.S. citizenship, much as Fidel Castro did with Cuban criminals in 1980. This is the type of negotiating strategy we've come to expect from the Romanian Government.

In addition to this gross violation of Jackson-Vanik we find that those citizens which are given emigration passports by the Romanian Government are termed traitors to their country and consequently are evicted from their homes, fired from their jobs, and denied food ration cards. Last April, Romania's leading dissident poet, Dorin Tudoran, began a hunger strike to protest his inability to obtain a passport from his government to emigrate. Shortly after he began his hunger strike, the Romanian Government cut off all written and telephone communication between him and the outside world. He was then apprehended by the government. No traces of him have been found since that time.

The late Senator Jackson's concern with free emigration reflected his deep commitment to the protection of all human rights, and the spirit of the Jackson-Vanik amendment speaks to the entire range of human rights issues. The most cursory examination of the abysmal Romanian record on human rights would reveal just how undeserving Romania is of MFN status.

The Romanian Government persists in its systematic persecution of the religious community. In recent years, at least seven clergymen have died during or following "questioning" by the authorities, the most recent case occurring only last year. In this case, a Catholic priest by the name of Geza Palffy was beaten by the Romanian secret police [the CIE], his liver crushed and kidneys shattered, for simply criticizing in his Christmas, 1983, sermon the policy of the Romanian Government not to allow Christmas Day to be a legal public holiday. It was recently discovered that the 20,000 Bibles which the Romanian Government so graciously allowed into the country were confiscated and recycled to make toilet paper. In addition, churches are being bulldozed, strict limitations placed on the number of students allowed into seminaries, and pastors denied licenses to preach in fast-growing congregations.

In the period in which Romania has enjoyed preferential trade status with the United States, the Romanian Government has attempted to silence critics of the regime. In July 1978 General Ion Pacepa, former deputy director of the CIE and special adviser to President Ceausescu, was instructed personally by Ceausescu to conduct secret assassinations by mailing plastic explosives to exiles critical of the Ceausescu regime. Pacepa refused and defected. Since his 1978 defection, he has been

the target of at least seven assassination attempts.

Paul Goma, the dissident writer expelled to France in 1977, was targeted for assassination in 1982. His would-be assassin, Matei Haiducu, revealed to the French secret service the details of his mission. In 1980, West Germany arrested a man who spied on Romanian emigrants for Romanian intelligence; in February 1981, parcel bombs were sent to the house of prominent Romanian exiles in Paris and Cologne, injuring two of them and a police bomb expert; in July 1981, Emil Georgescu, an outspoken Romanian program editor at Radio Free Europe was stabbed 22 times. Other Radio Free Europe personnel who have been beaten or targeted for assassination include Monica Lovinescu and Sergious Manoliu. Many more cases can be found during the period in which Romania has enjoyed MFN status.

It is interesting to note that Romania was the first country to send its airline to the Beirut airport after the United States called for an embargo of the airport which was the scene of the most recent terrorist act against the United States. Should we tolerate this blatant slap in our faces?

The abuse of religious rights, harassment of emigrant applicants, and assassination of critics of the regime continue unabated. Yet we decline to speak out forcefully.

To remain silent while these gross violations of fundamental human rights continue is unconscionable. To my mind, these abuses far outweigh the token gestures of cooperation with which the Romanian Government has been forthcoming. I cannot stand idly by while the Jackson-Vanik amendment becomes a dead letter. I ask my colleagues to join me in respectfully but firmly asking the President to withdraw his request to waive the imposition of section 402 penalties. Should he prove unresponsive, I ask you to support my resolution to disapprove his request for a waiver.●

RESPECT FOR ELDERLY—VIETNAMESE STYLE

HON. ROBERT J. MRAZEK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1985

● Mr. MRAZEK. Mr. Speaker, I think we can all agree that our perceptions of a given phenomenon can alter radically when viewed from a different perspective, and that an impartial observer often can shed new light on a set of circumstances that those of us close to a situation could never see.

These points were brought home to me recently in the form of the observations of a constituent who grew up in another land. The constituent, Hao Hoang of Port Washington, is Vietnamese. In the following passage, he gives a unique perspective of American society that we all could do well to consider, as he speaks directly to a part of our culture that is distinct from other lands. As Americans, we think of ourselves as a youthful society, an attitude which is not without its positive aspects. Yet, this same philosophy also can foster a dilemma in many of us as we consider the implications of old age on our families and, ultimately, ourselves.

I offer Hao Hoang's thoughts for the consideration of my colleagues and of the American people:

When I first came to the United States, I was shocked by what I heard about how old people are being treated in this country. I heard that an old man had been dead in his house for a week before his children knew what had happened. Old people are being put in care centers away from their homes. To me, care centers are not homes; Care Centers are places where old people are away from their grandchildren and other loved ones, and they feel rejected by their children. This was not how I used to see old people being treated in my country.

I remember when I was in Viet-Nam every new year, the first person my father took to visit was my dear old grandmother, who was living with my uncle. When all our relatives had arrived, my uncles and aunts, with my parents, each carried a cup of warm tea and walked toward my grandmother. They wished her a long life and good health. Then all her grandchildren, from the eldest to the youngest stood in line; each of us walked toward my grandmother and wished her a happy new year, and we would say things that lightened her heart. In reply, she wished us a brilliant future and a great career. This was what I used to see and remember. I used to think that being old was so rewarding, and how happy I would be to grow old.

My father had set a fine example to all his children. He had shown that old people like my grandmother need comfort, not loneliness. I will take care of my parents as they had once taken good care of theirs. It won't be a special thing to do, it will be a normal thing to do.

I want you to take a look at the world around you, it was made especially for you by the contributions of your elders. I want you to feel your heart, the blood that is pumping in your heart is as pure as your parents'. When you were born, a stranger to the world, you were not able to take care of yourself, who took care of you? Now, your parents are old, and unable to support themselves; it's your chance to take good care of them. It's not a matter of tradition, it's a matter of right. Is it right to take care of your own flesh and blood? The answer should naturally be yes.

You know, you are the one that will influence the next generation. I want you to set a fine example, to all your children, show them that you care for your parents emotionally and financially, show them you respect them. There may have been some rough times between your parents and you, but when you have finally grown, you should give and forgive.

I know I can do for my family alone, but if all in America set a fine example for their families, there will be no more bitter tears of loneliness. The problem of how to treat old people will be solved, and there will be a difference in our future.

For every action, there is a reaction. How you treat your parents will be how your children will treat you, and what your parents receive from you will be what you will receive from your children.●

REMEMBERING HIROSHIMA

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1985

● Mr. WEISS. Mr. Speaker, 40 years ago last week, at a remote site in the New Mexico desert, the United States tested the world's first atomic bomb. Within a month, nuclear explosions would devastate Hiroshima and Nagasaki, and the war with Japan would end. Historians have often debated the link between the Japanese surrender and the use of the atomic bomb, and we will never know for sure how many American lives President Truman's decision saved. What we do know, however, is how many lives it cost. To see, as I did, the destruction at Hiroshima is to know that nuclear weapons must never again be used in war.

One concrete, practical step that the United States could take to reduce the likelihood of nuclear war is to renounce the first use of nuclear weapons. We already have a limited policy of no first use. In 1978, President Carter forswore the use of nuclear weapons against any nonnuclear nation, provided that that country was not being assisted in aggression by a nation that did possess such weapons. The Reagan administration has reaffirmed its commitment to this pledge.

It is time for this limited policy to be extended to total renunciation of the first use of nuclear weapons. Such a step is not only supported by three out of every four Americans; it also makes military sense. No one supports a strategic first strike. As former Secretary of Defense Robert McNamara recently noted in testimony before the House Committee on Foreign Affairs,

> It would be * * * reckless to attempt a disarming first strike. Nevertheless, the arms race is driven by deep-seated fears held by each side that the other has, or is seeking, the ability to execute just such a strike.

Adopting a policy of no first use would help to control those fears, and the resulting arms race that threatens us all.

Turning our attention to tactical nuclear weapons, we find that they are inherently uncontrollable, and NATO's continuing reliance upon them creates more problems than it solves. Because of their short range, such weapons must be deployed close to the front, where they are most likely to be overrun. Consequently, the authority to release them would prob-

ably have to be delegated to officers in the field, thus destroying the principle of civilian control. Many experts believe that the dispersal of nuclear weapons from their storage depots into the field would immediately provoke a preemptive attack by the adversary. Finally, the British Government's recent embarrassment over American assertions that they have agreed to accept deployment of the W88 nuclear artillery shell demonstrates that NATO's reliance upon nuclear weapons subjects the alliance to unnecessary stress.

Even the smallest nuclear weapon can cause extraordinary damage to lives and property, to civilians and combatants, and to friend and foe. Recently I had the privilege of meeting several Japanese hibakusha, or atomic bomb victims, who were visiting this country to press their plea for an end to the nuclear arms race. Nihan Hidankyo, the Japanese association of atomic bomb survivors, plans to send similar delegations to China, France, Britain, and the Soviet Union.

The testimony of the hibakusha confirms everything that we know about the horrific nature of nuclear war. Some describe the terrible physical destruction and the ghastly task of burying the dead and caring for the wounded. Others focus on the psychological effects of this horror. Among the latter is Shoji Sawada, now a professor of physics at Nagoya University, who described how his boyhood experiences at Hiroshima led to his persistent commitment to peace. I urge my collegues to read Professor Sawada's moving account, the text of which follows:

REMEMBERING HIROSHIMA

"I still hear my mother call my name"
"Get away from here, right now!"
"Forgive me, mother!"

This was the last conversation I had with my mother in the encroaching fire, and I still remember it very vividly even now, I lost my mother when the atomic bomb was dropped on Hiroshima. I was 13 and my mother was 36 years old.

When the bomb exploded, my mother and I were in the same room. Since I was sleeping in the room, I didn't see the flash of the bomb, nor was I aware that I was caught under the crushed house. Everything happened instantaneously. I struggled and wriggled in the piles of broken wood and plaster. At last I was able to crawl out of the piles. I stood up vacantly and found myself in a world of desolation which was filled with yellowish air. I could see small fires here and there.

I could not understand what was happening. Immediately, I heard mother call my name. Her voice seemed to be coming from far away, though I knew there was not much distance between me and her. So I inferred that the broken roofs and piles of crushed plaster prevented her voice from coming straight to me. My mother said her legs were caught in big beams or pillars, being unable to move. I tried to pull out the broken pillars and struggled to push up the plaster with all the power I had. But it was far beyond my ability. I called for help to adults in vain, because those wounded people could do nothing more than find a safe place for themselves.

The fire was spreading gradually. When it came nearby, my mother said to me, "That's enough, never mind your mother. Get away from here right now!" It was a faint but strong word that made me decide to leave there without her.

There was no road and I could see only piles of pieces of completely crushed houses and escaping people burned and blackened in the flames and smoke. I walked on the broken roof-tiles, woods and plaster, and swam across Enko-river to reach the dry river-bed. Standing there, I watched the burning town across the river. The smoke became a cloud and was hanging over my head. When I thought about my mother under the smoke, I felt my heart was broken. "Couldn't I really help her out? There must have been a way." I had tears of regret and repentance in my eyes.

Even now, forty years after that incident, the same feeling fills me, and I am depressed whenever I think of my mother.

After the war, the world has changed. Especially, in the field of science and technology, the progress has been remarkable. Now we can never think of our life as separate from scientific achievements. Sometimes I wonder what my mother would say about the present life, which is always followed by the feeling of regret at not having been able to rescue her.

While I studied and did research in nuclear physics, I realized the great responsibility given to the scientists in utilizing scientifically discovered truth solely for the welfare and peace of mankind. Atomic bombs were followed by far more powerful hydrogen bombs, and this nuclear arms race has never ceased to grow under the illusion of nuclear deterrence or military balance. Now, based on the development of both the strategic and tactical nuclear weapon systems, the policy makers and the strategists of the United States hold a first-nuclear-attack strategy and dream of the possibility of theatre nuclear war. They proceed on the totally mad assumption that it is possible to use nuclear weapons in practice.

Through the peace movement, we have learned that the very force which has prevented the use of nuclear weapons is the collective will of the people—the world opinion—who truly want peace. Furthermore we must strengthen the forces for peace so that they defeat the forces for war. Then we can avoid recreating the living hell, where mother and child have to call each other's names in agony under the A-bomb clouds.

This is the acute feeling I must face every summer when I think of my mother, who was burned to death, being unable to move in this burning inferno.●

SLATINGTON HOSE COMPANY NO. 1: 100 YEARS OF SERVICE

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1985

● Mr. RITTER. Mr. Speaker, today I would like to bring to the attention of my House colleagues the 100th anniversary of the Slatington Hose Company No. 1.

On August 12, 1885, a group of concerned citizens first came together to organize a system of fighting fires in their community. On September 21, 1985, citizens again will come together to mark a century of service by the heirs to this tradition.

A proud tradition it is too. The depth of community commitment was measured in the summer of 1980, when hundreds of people from the borough—and even across the country—donated hundreds of volunteer hours and thousands of dollars to restore the unique fireman's statue damaged by a hit-run driver. From this community tragedy came renewal of community spirit and a new spirit of unity.

This year, these active Slatington volunteers have undertaken a new project—to restore the Northern Lehigh Firemen's Memorial Bell, the first in the borough. The Baltimore manufacturer will acid dip, sandblast, and finally polish this 1891 bell. On its return, the bell will be mounted on a unique silicon-bronze frame, placed prominently on an octagonal slab illuminated by four lights. Borough council was unanimous in its support for this project.

As a frequent visitor to Slatington, I often gaze with admiration on the statue. Whenever I do, once again I am reminded of the quality of the fire company and dedication of its members, its ladies auxiliary and the community that supports it.●

APPLYING JACKSON-VANIK TO MFN

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1985

● Mr. CRANE. Mr. Speaker, today I am introducing legislation which would eliminate a provision in the Trade Act of 1974 which allows the President to ask for a waiver of Jackson-Vanik human rights provisions in conjunction with granting most favored nation [MFN] trade benefits to Communist countries. My purpose in introducing this legislation is merely to insure that the intent of the Jackson-Vanik amendment is respected.

The Jackson-Vanik provisions were made a part of the trade act in an effort to improve the respect for basic human rights in Communist countries. As the amendment itself states, its purpose is "to assure the continued dedication of the United States to fundamental human rights. . . ." This is accomplished by denying MFN status to the nonmarket Communist countries that have failed to comply with the amendment's provisions regarding the right to emigrate.

In addition, the law also contains a provision which allows the President to ask for a waiver in cases where the nonmarket country does not comply with the emigration requirements of Jackson-Vanik. Unfortunately, the last three administrations have invoked this waiver authority for several Communist countries which do not even comply with the minimal emigration requirement of Jackson-Vanik. It is incomprehensible to me that we should grant MFN status to a country that does not even comply with the simple requirement of "allowing citizens the right or opportunity to emigrate." The only other requirement in Jackson-Vanik is that the Government not "impose more than a nominal tax, levy, fine, or other charge on any citizen as a consequence of the desire of such citizen to emigrate."

These dual requirements are anything but onerous or excessive, and yet we have not insisted that they be respected. Year after year successive presidents have elected to waive compliance with Jackson-Vanik. Meanwhile, merely expressing a desire to emigrate from within these Communist countries could lead to the loss of one's ration cards—without which they cannot buy food—demotions or terminations at the place of their employment, harassment of spouse and children, detainment and imprisonment, and even death. We would all agree that this is most severe treatment for expressing a wish to leave a country.

I believe that the time has come for us to let these nonmarket countries know that in order to get MFN trade status they must deserve it. We owe it to the people of these Communist countries to exercise our congressional authority over trade and remove from the President the ability to grant trade status without even considering human rights conditions. I urge my colleagues to join me in revoking the President's waiver authority.●

THE SENATE UNDER THE HANDGUN

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1985

● Mr. EDWARDS of California. Mr. Speaker, today in the Washington Post I read a powerful article by our colleague PETER W. RODINO, JR., the distinguished chairman of the House Judiciary Committee. This article forcefully discusses why our handgun control laws need to be made tougher. I would like our colleagues to have the benefit of Chairman RODINO's careful thoughts on this very serious matter, so I am submitting the article for the RECORD today.

I agree with Chairman RODINO that weakening our gun control laws makes no sense considering the grim statistics on handgun crime in America. Handgun crime has already taken too great a toll on our Nation, taking thousands of lives and shattering innumerable futures. As Mr. RODINO points out, rather than giving criminals more tools to commit crimes, we need to give law enforcement officials more tools to fight crime.

Chairman RODINO has long been an advocate of gun control as a way to fight crime. In his article, he proposes one solution: Institute a reasonable waiting period to enable law enforcement agencies to check the records of a prospective purchaser of firearms. This would serve as a vital deterrent. And, it is a proposal that the American people overwhelmingly support.

Knowing that we are all concerned with the unacceptable level of crime in America, I hope our colleagues will bear in mind the insightful and sensible thoughts contained in the article that follows.

[From the Washington Post, July 23, 1985]

THE SENATE UNDER THE HANDGUN

(By Peter W. Rodino, Jr.)

If Congress really wants to fight crime, emasculating controls on the interstate sale of handguns surely is not the way to do it. But that is exactly what the Senate did recently with the passage of a bill that will render toothless the minimal gun control laws we now have on the books. What these laws need is strengthening, not weakening.

Considering the grim statistics on handgun crime in America, the Senate's action is surprising. In 1980, there were more than 11,000 handgun murders in the United States—as compared to four in Australia, eight in Great Britain and eight in Canada, each of which has a tough handgun control law. In 1983 handguns were used in 200,000 robberies and 120,000 aggravated assaults, and accounted for 44 percent of all murders. Even more alarming is the fact that while the Vietnam war claimed 46,121 American lives in the decade from 1963 to 1973, handgun murders killed more than 70,000 civilians back home in America.

But statistics cannot tell the whole story. Behind the numbers are thousands of personal tragedies, grieving families and shattered futures, brought about solely by reckless use of handguns by criminals. Our national memory is equally scarred by handgun-wielding assassins taking aim at our political leaders. Fortunately, presidents Reagan and Ford, as well as Gov. George Wallace, survived handgun attempts on their lives. Presidential Press Secretary James Brady barely did. Robert Kennedy, Allard Lowenstein and George Moscone did not.

Sadly, murder by handgun has become, in the words of one London newspaper, "a peculiarly American death."

So why did the Senate approve the bill weakening controls? Ostensibly to help out-of-state hunters and sportsmen who want easier access to weapons. But hunters have no use for handguns such as the easily concealed snub-nosed "Saturday night special." Only criminals do. Loosening restrictions on such weapons defies reason.

While no one wants to inconvenience hunters and sportsmen, at the same time we don't want to make it easier for criminals, drug addicts, felons and mental incompetents to get their hands on a handgun. But with the bill passed by the Senate, all a criminal has to do is cross a state line and the snub-nosed gun is his.

It's no surprise that every major police organization opposes this bill. Last year, two-thirds of the American police officers who died in the line of duty were killed by handguns. A bill that would loosen restrictions—making it easier for criminals to purchase a handgun—can only add to the crime rate and increase the chance that murder, robbery and other violent crimes will jeopardize more lives.

There is a clear consensus in America that crime must be reduced. Last year Congress passed the Comprehensive Crime Control Act with just that purpose. One of its provisions called for strict prison sentences for persons who commit crimes while carrying firearms. What we really need are laws to prevent these crimes from happening initially—after-the-fact prison sentences do little for the victims of crime. The Senate bill, however, only makes the fight against crime more difficult by affording potential criminals greater opportunity to commit a violent crime. Instead of giving law enforcement officials more tools to fight crime, this bill would end up giving criminals more tools to commit crimes.

Public opinion polls indicate that an overwhelming majority of Americans favor tougher gun control laws. So did the attorney general's 1981 Task Force on Violent Crime, which recommended a mandatory waiting period to enable law enforcement agencies to check the records of a prospective purchaser of a firearm.

To that end, I recently introduced legislation that calls for a reasonable waiting period. State and local laws with waiting periods have been highly effective: for example, two felons per week are prevented from buying handguns in Columbus, Ga., and in 1981, 1,200 felons were screened out in California. (In fact, had such a law been in place, John Hinckley might have been prevented from purchasing the handgun he used in his assassination attempt on President Reagan.)

A 1981 Gallup poll showed that 91 percent of Americans favor just such a waiting period. Americans are serious about fighting crime.

In America, we enact tough laws against drunk drivers and speeders because they cause highway deaths. We pass laws that crack down on drugs because they cause death and violent crime. Yet, if the bill passed by the Senate ever becomes law, we will be giving a free pass to criminals to purchase a gun.

For years opponents of gun control legislation have used the tired argument that guns don't kill, people do. But if the Senate's bill passes the House, more of the people who are likely to kill will find it easier to get their hands on a gun. It just doesn't make any sense.●

CONGRESSIONAL EFFORT TO ELIMINATE PENTAGON WASTE

HON. JIM KOLBE

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1985

● Mr. KOLBE. Mr. Speaker, in recent months Congress has taken significant steps in an attempt to end massive fraud and waste within the Pentagon. These steps have also tried to make the process by which we acquire and maintain a military and national defense more efficient and cost effective.

I'm not here to add to the multitude of "horror stories" that illuminate waste in defense procurement—the $9,609 hexagonal wrenches, $1,100 plastic stool caps and $436 hammers. But it is time that serious attention and examination be given to the system of parts control which manifests these problems. Despite promises of reform by the Pentagon, the system continues, seemingly on autopilot. We can scream until we are blue in the face over thousand dollar toilet seats, but until we implement serious reforms that make the spare parts control system effective, such waste will continue.

There exists in the Department of Defense a highly touted program that was designed to save the Government millions of dollars a year on procurement of new and replacement parts for Department of Defense systems. The Defense Logistics Agency monitors the parts that contractors propose to use on Department of Defense equipment and attempts to replace contractor specified parts with parts that are already in the military supply system. If a contractor proposes that a part that shows promise for becoming a part used in various applications, it can be entered into the military supply system. According to an article written by Lt. Gen. Woodrow W. Vaughan, USA (retired) of the Defense Logistics Agency, the program seeks to minimize the variety of parts used in new design, enhance systems reliability and maintainability through the use of reliable parts, and keep specifications and standards current with the state of the art (Defense Management Journal, July 1978).

The Defense Logistics Agency contends that the parts control program is saving us money by letting fewer unique items into contracts, allowing larger buys of the parts that are standardized and using competition to buy these parts. The Defense Logistics Agency handles parts control through its four subgroups, the Defense Electronic Supply Center, the Defense Industrial Supply Center, the Defense General Supply Center, and the Defense Construction Supply Center.

Serious questions have been raised that suggest that the Defense Logistics Agency is not fulfilling its mission of saving the Defense Department or the taxpayer money. A Department of Defense Inspector General Audit Report, February 20, 1985, conducted between November 1983 and May 1984:

> . . . showed that reported program results and cost avoidance benefits resulting from the program were overstated.

Of the various problems mentioned in the report, the most serious the Department of Defense Inspector General's finding that in its sample, 88 percent of the recommendations made to contractors were overridden by the contracting officer. The report said cost avoidance of $128.6 million as a result of replacing nonstandard parts with standard parts were reported in fiscal year 1983. The report concludes that as a result of this and other problems.

> . . . reports submitted to Department of Defense and to Congress did not present a true picture of the program's accomplishments.

John A. Goldsmith, spokesman for the Defense Logistics Agency, stated that:

> There was no intent to mislead, but the recommendations of the parts control advisory groups were ignored by the services and the contractors.

He added:

> That there was no feedback procedure to subtract those projected cost avoidances from total projected cost avoidances.

This past December, a Deputy Secretary of Defense issued a memo that requested action be taken in the parts control program. Mr. Goldsmith stated that:

> The system has been corrected both with respect to their reporting of the cost avoidances and with respect to the acceptance of the recommendations.

Mr. Stephen Stromp, the Defense Electronics Supply Center spokesman said that:

> Steps have been taken to improve the reporting system and correct the deficiences.

However, it has been apparent to me through conversations with Defense Electronics Supply Center employees that the waste at that agency continues unabated.

Tomorrow, I will request the General Accounting Office to undertake a study to examine whether the Department of Defense Inspector General Audit recommendations have been implemented in regards to the Defense Electronics Supply Center. In addition, I will ask the General Accounting Office to examine spare parts management acquisition deficiencies at the Defense Electrronics Supply Center and to suggest means by which we can eliminate the waste endemic in the Department—and thereby save the American taxpayer millions of dollars at an agency originally designed to eliminate waste.●

TRIBUTE TO THE HONORABLE LESLIE C. ARENDS

SPEECH OF

HON. JOHN P. HAMMERSCHMIDT

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1985

● Mr. HAMMERSCHMIDT. Mr. Speaker, our late friend and colleague, Leslie C. Arends, served the people of the 15th District of Illinois with honor, determination, and success for 40 years in the House of Representatives. He served in the 74th through 93d Congresses, until he chose not to seek reelection—a record that certainly shows the excellent way in which he represented his constituents. We have lost a fine statesman in Les Arends, who passed away on July 16, and he will be missed by all of us in the years to come.

I was privileged to serve with Les in the House for 8 years, from the 90th to the 93d Congresses, during which time he held the leadership position of Republican whip. Les was a good friend and guiding hand to me as a freshman Member of Congress, and I will always appreciate his help. His exceptional abilities as a whip reflected his personal traits of integrity, loyalty, congeniality, and appetite for hard work.

In addition to serving as Republican whip, Les was also a senior member of the Armed Services Committee, where he was a strong and persuasive advocate on issues under the jurisdiction of the panel. His skillful work on legislation dealing with naval construction projects is just one aspect of his many accomplishments in this arena. Les also had a strong interest in agricultural issues, and was a diligent supporter of farm programs.

Les also served his country in the U.S. Navy during World War I, and he was a charter member of the American Legion Melvin Post No. 642 in his hometown of Melvin, IL. He served as post commander, county commander, and district commander in this organization.

I would like to express my deepest sympathy to Les' wife, Betty, his daughter, Letty, and the rest of his family.●

REAGAN'S INFLATE-THE-DEFICIT GAME

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1985

● Mr. FORD of Michigan. Mr. Speaker, I want to share with my colleagues an article from the New York Times of last Sunday by Senator PAT MOYNIHAN

entitled "Reagan's Inflate-the-Deficit Game." In this article, Senator MOYNIHAN outlines the purposeful efforts of the Reagan administration to drive up the deficit to create political pressure to cut and eliminate domestic programs. The Senator also discusses the hypocrisy of the administration's increasing the deficit while expressing support for a balanced budget. I urge my colleagues to read this article and to heed the message of Senator MOYNIHAN while we continue to work on efforts to reduce the deficit.

The article follows:

REAGAN'S INFLATE-THE-DEFICIT GAME

(By Daniel Patrick Moynihan)

WASHINGTON.—The week of July 8 began with the announcement that David A. Stockman would be leaving as budget director and ended with the Senate Judiciary Committee approving two constitutional amendments requiring a balanced budget. This marks the transition from policy to panic. It suggests we pause for a moment's reflection.

First, some definitions. The policy was the Administration's deliberate decision to create deficits for strategic, political purposes. The panic arises among those who think the deficit was caused instead by a failure of our political system.

The Reagan Administration came to office with, at most, a marginal interest in balancing the budget—contrary to rhetoric, there was no great budget problem at the time—but with a very real interest in dismantling a fair amount of the social legislation of the preceding 50 years. The strategy was to induce a deficit and use that as grounds for the dismantling.

It was a strategy devised by young intellectuals of a capacity that Washington had not seen for years. They were never understood, and as they depart they leave behind an alarming incomprehension of the coup they almost pulled off.

The key concept was that individual Government programs are relatively invulnerable to direct assault. The Congress, the staff, the constituency can usually beat you and always outwait you.

On the other hand, the Budget Act of 1974 contained little understood powers of huge potential. The budget committees, assuming agreement by the full Congress, could require other committees to cut back programs. The power—technically a "reconciliation" instruction—had never been used to the fullest, but it was there.

Thus, the plan: Reduce revenues. Create a deficit. Use the budget process to eliminate programs.

A hidden strategy? Not really. On Feb. 5, 1981, 16 days in office, the President in his first television address to the nation said: "There were always those who told us that taxes couldn't be cut until spending was reduced. Well, you know, we can lecture our children about extravagance until we run out of voice and breath. Or we can cure their extravagance by simply reducing their allowance."

This statement was noticed by Republican conservatives: What was this business of deliberately creating a Republican deficit? As it happened, a new economics was at hand to show that this need not happen. Known as "supply-side," it held that cutting taxes would increase revenues. A few weeks after the President's speech, the Office of Management and Budget issued revised budget projections showing taxes going down and receipts going up, almost doubling from $520 billion in 1980 to $940 billion in 1986.

Well, of course none of this happened. The budget was not balanced in 1984 as promised. Rather, by that time, Mr. Stockman was talking about $200 billion deficits "as far as the eye can see."

There are plenty of reasons the strategy came to grief, but the least noticed is that the budget committees just couldn't deliver. Successive chairmen, especially in the Senate, tried to transform the process from a straightforward allocation of funds for 19 "budget functions" into an item-by-item decision on everything. Committee meetings became spectacles: dazed legislators, swarming staff, exhausted journalists.

Then it collapsed. Other committees stopped paying any heed. The Senate Budget Committee itself broke apart. In 1982, the chairman in effect gave up and settled for a partyline vote on a one-page budget resolution with about a dozen numbers on it that nobody bothered to examine because by then nobody believed any of it any more.

On June 5, 1985, Mr. Stockman told the board of the New York Stock Exchange: "The basic fact is that we are violating badly, even wantonly, the cardinal rule of sound public finance: Governments must extract from the people in taxes what they dispense in benefits, services and protections . . . indeed, if the [Securities and Exchange Commission] had jurisdiction over the executive and legislative branches, many of us would be in jail."

This is taking too much blame. It was an honest effort, simply too clever. A failing, they say, of intellectuals in Government.

The constitutional amendments are another matter. They reflect a kind of desperation: Don't let us do it again. Which quite misses the point. The deficit was policy, a curious legacy of the young radicals who came to power in 1981, but not a symptom of a failed system of Government.

The budget is now out of control for the moment. Debt service was $53 billion in 1980; it will be $234 billion by 1990. The debt is compounding; we will indeed in time be borrowing abroad to pay interest owed abroad.

We can do little about this in the near-term. It is now, at minimum, a 15-year problem. On the bright side, the Social Security Trust Funds begin to grow rapidly after 1988, reaching an estimated $1 trillion surplus by 1999. The dark prospect is that some administration in the 1990's will give up and wipe out the debt by inflating the currency.

But if there isn't much we can do, there are things we can learn. Principally, that the dysfunction of the political economy is not a symptom of a failing of the political system. The disaster was planned, although not as a disaster. If we can get a truly conservative Administration into office by the 1990's, we can probably restore stability by the year 2000.●

SOVIET ACTIVE MEASURES

HON. DAN BURTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 17, 1985

● Mr. BURTON of Indiana. Mr. Speaker, I commend the gentleman from California [Mr. LUNGREN] for calling this special order regarding Soviet "Active Measures." The public must be made more aware of the Soviet Union's efforts to influence American foreign policy.

Lenin said, "We must be able to agree to any sacrifice, and even if need be resort to all sorts of tricks, slyness, illegal methods, evasion, and concealment of the truth . . . and carry on Communist work at all costs." Throughout the world today the Soviet Union is carrying out this Leninist doctrine uninhibited by any bourgeouis regard for truth. Whether we call it active measures, disinformation, or propaganda, it all amounts to the same thing—lies.

People do not realize the extent to which Soviet lies can filter through the American media and powerful affects the public debate. As a member of the Western Hemisphere Subcommittee of Foreign Affairs, I am particularly aware of how Soviet-Nicaraguan-Cuban lies have affected the debate on Central America.

The Soviet Union would like nothing more than to see a string of Cubas in Central America—what better way to destroy the morale and economy of the United States than to engulf it in war on its southern border. They know that the main obstacle to a Communist Central America which would keep the United States busy for decades, is the Nicaraguan people, who are bravely fighting to prevent their country from becoming another Cuba. They also know that if they can get the word out that the Nicaraguan freedom fighters are actually thugs and barbarians, then the American people will think twice about supporting their freedom fighters. So they arrange for a human rights report on the freedom fighters that can be used in a smear campaign against them.

To do this, the Communist Sandinista regime in Nicaragua commissioned an American law firm named Reichler & Applebaum. The firm arranged for a lawyer named Reed Brody to take a team down to Nicaragua to investigate Contra atrocities. The Sandinistas obliged by providing transportation, boarding, housing, office space, and many of the "witnesses" for the report.

Since the Brody report was obviously bought and paid for by the Sandinistas, another group was sent to Nicaragua to verify the report. But this group was led by Donald Fox, whose brother-in-law is a Sandinista official.

Despite the dubious origins and blatant laundering of the Brody report, Representative SAM GEJDENSON and two leftist organizations, the Washington Office on Latin America and the International Human Rights Law Group, held a press conference and demanded congressional hearings on Contra atrocities based on its findings.

The chairman of the Western Hemisphere Subcommittee Representative BARNES, held hearings at which Mr. Brody and Mr. Fox testified.

The result of all this hoopla over blatant Sandinista propaganda was articles in the Washington Post, the New York Times, and network coverage, including a good size story on the CBS evening news.

It would not be fair to accuse the press of being willing agents of propagandists in Moscow, Havana, and Managua. What can be said is that the American people should demand that the media, instead of denying that they can be manipulated, be much more vigilant about being duped by classic active measures such as the Brody report.

I recommend that my colleagues read the article by Jim Denton in the Wall Street Journal following my remarks, describing the complicated path of the Brody report from Managua to CBS News, and into the minds of the American people. This disturbing story is just one example of how lies spread by our adversaries can affect the public debate, impinge on our foreign policy, and endanger the security of this Nation.

[From The Wall Street Journal, April 23, 1985]

CONTRA ATROCITIES, OR A COVERT PROPAGANDA WAR?—A LOBBYING DRIVE BEGAN IN MANAGUA

(By Jim Denton)

The likely congressional defeat of President Reagan's proposal to provide military aid to the anti-Sandinista contra forces comes in the wake of an extraordinary lobbying campaign. The struggle for the hearts and minds of Congress has mobilized a handful of partisans who have been enormously effective in distorting the Nicaraguan human-rights story. Although it is not uncommon for foreign governments to try persuasion on Capitol Hill, the manner and degree to which the Sandinistas have manipulated public and congressional opinion is noteworthy.

A review of the origins, the dubious handling and the reception of a report recently released by Rep. Samuel Gejdenson (D., Conn.), and two putative human-rights groups provides a case study of how Sandinista propaganda is legitimized and makes its way into the public debate and, ultimately, congressional policy.

The Washington, D.C., law firm of Reichler & Applebaum is the Nicaraguan government's official registered agent in the U.S. For its services, the firm is paid an annual rate of about $320,000. From all outside appearances the firm has ably represented its client. An accounting of the lobbyists' appointments with legislators and staff reads like a Who's Who among Senate and House liberals.

But Reichler & Applebaum's lobbying efforts on the Sandinistas' behalf have gone beyond the congressional routine. In an interview. Mr. Reichler confirmed that some months ago he originated and orchestrated a plan to send a team of "professional attorneys to Nicaragua to conduct an objective, independent investigation of contra atrocities."

Reed Brody, a 31-year-old lawyer, and Jim Bordeloin, a law-school student, were selected to conduct the "objective investigation." They spent four months in Nicaragua taking statements from witnesses of resistance-force atrocities, all with the full cooperation of the Sandinistas. Mr. Brody confirms that most of the investigators incountry transportation, boarding, housing, office space, staff and, one can assume the witnesses themselves, were provided compliments of their Marxist hosts and sympathizers in Managua.

Upon completion of the "investigation," the 141-page Brody Report, consisting of nearly 150 sworn affidavits from "witnesses," was duly processed back through the Sandinistas' lobbyists at Reichler & Applebaum. There it was prepared in final form and, according to a report submitted to the House Foreign Affairs Subcommittee on Western Hemisphere Affairs, passed to the Washington Office on Latin America (WOLA), the International Human Rights Law Group and Rep. Gejdenson for public dissemination.

These three parties all have their individual biases. WOLA, for example, has been a particularly prolific and harsh critic of the human-rights records of Latin American governments friendly to the U.S., as well as the contras, and sympathetic to the Sandinistas and other Marxist insurgents in the region. In reviewing WOLA reports, articles and studies, no serious or critical account of Fidel Castro's human-rights record in Cuba could be found. It is also worth noting, in weighing the group's objectivity, that two former WOLA employees are now employed by the Nicaraguan Foreign Ministry.

Apparently recognizing that a hasty embrace of the Sandinista-sponsored Brody report might be viewed with skepticism. Rep. Gejdenson, WOLA and the Law Group assembled a second delegation to verify the Brody findings. This second delegation consisted of Michael Glennon, former chief counsel to the Senate Foreign Relations Committee under the chairmanship of Frank Church; Donald Fox, a New York City-based international human-rights lawyer-activist; Valerie Miller, the delegation's interpreter, who lived in post-revolutionary Nicaragua for two years and wrote a book on the Sandinista literacy campaign; and, as an observer, a staff aide to Rep. Gejdenson. Mr. Fox confirmed that his Nicaraguan-born wife, now a U.S. citizen, Ana Clemenzia Tercero, accompanied the group to Managua to visit family members at WOLA's expense. Ms. Tercero's brother is a high-ranking official in the Nicaraguan Foreign Ministry assigned to Rome. This group uncovered no discrepancies in the Brody findings after having corroborated only 10 of the nearly 150 Brody affidavits during its one-week visit to Nicaragua.

Then, on March 7, in releasing the Sandinista-sponsored Brody Report, Rep. Gejdenson, WOLA and the Law Group called for a congressional investigation into contra atrocities before a packed press conference on Capitol Hill. Mr. Gejdenson stated he was forwarding the report to Rep. Lee Hamilton (D., Ind.), chairman of the House Intelligence Committee, and Rep. Michael Barnes (D., Md.), chairman of the House Foreign Affairs Subcommittee on Western Hemisphere Affairs, of which Mr. Gejdenson is a member. In their prepared press statements Mr. Gejdenson, WOLA and the Law Group did not mention the Sandinistas' role in originating and facilitating the Brody Report.

Last week the House Western Hemisphere Affairs Subcommittee held several days of hearings on aid to the contras. At Thursday's session, at the request of Mr. Gejdenson, Mr. Brody testified before the committee and had his report entered into the Congressional Record. Mr. Fox also testified, embracing the Brody report. And, apparently in order to gain some distance from the Sandinista-inspired document, Mr. Fox submitted a second report written by himself, Mr. Glennon, the Law Group and WOLA. The findings of this report substantiated and reinforced the Brody report.

The Brody document made its way into the public and congressional debate with a splash. The media fallout included articles in the Washington Post and the New York Times, and network coverage, including about 2½ minutes on the CBS Evening News. None of these accounts seriously challenged the report's origins or handling, ignoring or playing down the Sandinista sponsorship to the point that it was virtually unrecognizable to the audience.

The overall impact of the press accounts and congressional responses served the purposes of a Marxist regime to distort the U.S. public and Congress' understanding of the human-rights saga in Nicaragua—all of which will continue to shape U.S. policy in that war-torn country.●

A DOUBLE STANDARD IN BLACK AND WHITE

HON. BILL LOWERY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1985

● Mr. LOWERY of California. Mr. Speaker, in the past few years, this body has unceasingly made clear its abhorrence of the disgraceful political and social structure in South Africa known as apartheid. However, many black-governed African nations have been increasingly subjugating other black Africans within their own borders, instituting a de facto "apartheid." There has been a double standard applied to the African Continent that few of my colleagues have recognized. I have, therefore, included an editorial from the July 22 Wall Street Journal, addressing the social, economic, and political inequities between blacks in black-governed African nations.

A DOUBLE STANDARD IN BLACK AND WHITE

(By George B.N. Ayittey)

Apartheid is an abomination. But the sad fact is that many of the black African leaders who applaud sanctions on South Africa have themselves instituted de facto "apartheid" regimes in their own countries against their own black people.

The first characteristic of apartheid is its caste system: separation of people on the basis of race. White South Africans, who control the government, have refused to share meaningful power with the disenfranchised black majority. The standards of living of the whites are far higher than those of the blacks. The second feature is a dual system of justice: a relatively lenient one for whites but a swift and brutal one for blacks. The third is an intolerance of any

opposition—the death of Steve Biko and the imprisonment of Nelson Mandela are well known. The fourth is insidious repression of the black majority in general through such devices as the pass laws.

Now, if one looks beyond the issue of skin color, similar characteristics also can be found in many black African regimes.

ONE-MAN, NO-VOTE

In black Africa, the two classes are not whites vs. blacks but rather the elites (the educated class and the military) vs. the people (the peasants). The elite minority, which controls the government, does not share power with the people. As in South Africa, the elite minority disenfranchises the peasant majority. Until 1984, the peasants of Liberia could not vote in a presidential election unless they had property valued at more than $25,000.

Indeed, some African leaders who advocate majority rule and one-man-one-vote for South Africa do not give their own black people the right to vote. Many have declared themselves "Presidents for Life." Other black regimes are military dictatorships or farcical "democracies."

The standards of living enjoyed by the elites far outstrip those for the peasants. Contrast the plush and subsidized amenities for the ruling class in the urban areas with the dingy and wretched lives of rural peasants. In Mauritania, while the elites have access to subsidized tap-water supplies, the peasants pay seven to 40 times more for their water from sellers with donkey carts. In Zaire, officials each earn between $5,000 and $9,000 a month while a peasant is lucky to make $50 a month * * *.

The prices at which the rural poor sell their produce are dictated, not by market forces, but by government directives. They face stiff penalties and outright confiscation of their produce if they sell above the dictated prices. In Ghana, farmers receive less than 10% of the world market price for their cocoa. In Gambia, they receive less than 20% of the world market price for their peanuts.

In many African countries, when peasants run afoul of the law, justice is swift and brutal. Consider two cases:

In September 1981, a 43-year-old peasant woman, Kporkporvie Dada, was beaten to death by Ghanaian border guards for taking a gallon of kerosene across a border to a relative.

Phillipine Addo, a 27-year-old peasant who in 1982 attempted to smuggle $3 worth of cocoa into Togo, was jailed for five years at hard labor.

The ruling elites also smuggle, embezzle funds, plunder state treasuries and illegally transfer their booty abroad. If corrupt ministers are apprehended, the sentences tend to be light or nonexistence: forfeiture of the booty or mere dismissals or transfers. Some examples:

In Upper Volta (now Burkina Faso), at corruption trials in 1984, former President Sangoule Lamizana, who could not account for about $1 million he was charged with embezzling, was acquitted. Three top officials of his government were ordered only to repay to the state money they had allegedly stolen while in office.

Three top officials of the Ghana Meat Marketing Board were merely sacked in 1984 for "gross abuse of office."

* * * * *

South African crackdowns on the African National Congress can be compared with those meted out to opposition elements in black Africa; many leaders have either outlawed political parties or have declared their countries one-party states and liquidated the opposition. Many opposition members have mysteriously vanished in Zaire, Kenya, Uganda, Zambia and Guinea.

There are also parallels between apartheid and black African regimes in the control of their populations. For example, black South Africans must carry passes that allow them only into certain areas; in black Africa peasants must contend with curfews and road blocks. Only members of the ruling class have the passes or permits to sail through road barriers and break curfew hours. For the majority of others harassment is the norm. Policemen have deliberately set their watches ahead in order to harass and extort money from "curfew breakers." Peasants in Ghana could not legally cross regional borders until restrictions were lifted last year by the military government of Flight Lt. Jerry J. Rawlings. (Some economic reforms demanded by the International Monetary Fund have also been implemented by Mr. Rawlings, but he shows no sign of allowing political freedoms.)

Despite the parallels, world opinion tends to apply radically different standards of morality to South Africa and black Africa. If South Africa had savagely expelled its illegal black aliens, as Nigeria recently did; or if South Africa had resettled some blacks on "homelands" in the midst of a famine, as Ethopia recently attempted, condemnations at the United Nations and in Congress would have been deafening. As if the skin color or the ideology of the tyrant makes any difference to the oppressed * * *. There are 16 million oppressed blacks in South Africa. But some 400 million people live elsewhere in black Africa, a majority under despotic rule. Why is so little attention given to their plight?

The U.N. does not condemn despotism in black Africa for fear of "interfering in the domestic affairs of sovereign nations." South Africa is not a sovereign nation, it might be argued—its government is illegitimate and unrepresentative of its people. But what black African government *is* legitimate and representative? Virulent condemnation of apartheid without parallel denunciations of tyranny in black African countries only serves to perpetuate the myth of black inferiority. Applying a lower standard of morality to black Africa betrays an insulting double standard against blacks.

REBUTTING RACISM

Some of the remaining support for the apartheid may be caused by conditions in black Africa itself. When South Africans look across their border they see the same atrocities the black African governments accuse them of committing. Furthermore, these governments have, through misguided policies, reduced their economies to tatters. Ian Smith, the former white prime minister of Rhodesia, defended his refusal to hand over power to the majority by observing that black Africans were incapable of running a country and managing an economy. That statement was rightly denounced as racist and invalid, but black Africa's execrable economic record is not a convincing rebuttal.

To the majority of black Africans, the peasants, the whole apartheid issue is largely irrelevant. Many of them would affirm that they fared better economically under the white colonialists. To many, independence has meant oppression and economic deprivation. Indeed, back in 1981, many peasants in Ghana were calling upon the British to recolonize the country. If we had to die, I and many oppressed Africans would rather be shot dead in South Africa than in an independent African nation under black rule. It seems that only in *South* Africa does the killing and subjugation of innocent blacks prompt world-wide pressure for reform.●

LITERACY ADDRESSED BY THE JOB CORPS

HON. PAT WILLIAMS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1985

● Mr. WILLIAMS. Mr. Speaker, I would like to share a description with my colleagues of how the Job Corps has responded to the problems of illiteracy. This was developed from existing Job Corps information.

DEVELOPING LITERACY IN JOB CORPS

During the twenty years since its inception in 1965, Job Corps has enrolled more than a million impoverished and undereducated young men and women in an intensive program of reeducation and job skills training. The original direction, set by Congress, was to increase the employability, enhance the life chances and improve the vocational coping skills of 16 to 21 year olds. The education and vocational training program which evolved from this direction and from the special circumstances of the Job Corps setting may be of interest as a model for improving literacy. The challenge and client characteristics that have shaped the focus and content of the Job Corps education systems are common to a number of employability programs.

The Job Corps basic education and reading programs are the result of an originally bold conception and years of dedicated tinkering. They use the systems approach to instruction and incorporate a number of teaching methodologies, of which the most prominent is programmed instruction. The advantages of the systems approach in providing individualized diagnosis of skills and instruction, promoting early success, and adapting to the input of new students at any time have made it the most distinctive and unchanging feature of the Job Corps literacy education. The more varied objectives of the vocational training program in preparing graduates for a hundred and forty-four occupations have led to some modification of the principle, but vocational education also follows a systems approach as far as is practicable.

No one would argue that the Job Corps education and training systems offer a panacea for miseducation and neglect or that they are the only successful approach to improving literacy. They do not meet all the needs of the client populations. Yet they can provide a core around which other training can be structured, and have often been and are being so used public schools, the armed services, and other community programs.

If only by virtue of longevity, the Job Corps basic education program remains the most viable, influential, and widely imitated of employability and literacy programs. It is also probably among the most economical and most easily established.

THE JOB CORPSMEMBER: TYPICAL AND ATYPICAL

Although the Job Corps population differs in a number of significant respects from other adult literacy client populations—age, work experience, home and family background—it is the needs and skills deficiencies that it shares with a large number of these groups that demonstrate the broad applicability of its literacy programs. The Job Corps population is defined by Title IV of the Job Training Partnership Act (JTPA) as yong men and women who are out of school and out of work, who need improved literacy, job training, and work experience to secure and hold meaningful jobs, participate successfully in schoolwork, or qualify for other civilian or military training. During the last program year, about two-thirds of approximately 55,000 new enrollees were men and about one-third were women. Nearly two-fifths were sixteen of seventeen, another fifth were eighteen, and the remaining two-fifths were nineteen or older. Approximately seventy-five percent were members of minority groups and nearly ninety percent came from families earning less than $6,000 a year.

In terms of previous level of literacy and education, the average entering Job Corpsmember has been in school nearly ten years and has roughly fifth or sixth grade reading skills. In other words, the average Job Corps entrant has typically advanced a little more than a half year in reading for each year of schooling, a fact that studies show is characteristic of the educational histories of disadvantaged participants in employability programs generally. Where the Job Corps population does differ educationally and socially from those in other programs, it is a matter of degree rather than kind—they have the same disadvantages, only more so.

Comparative studies of public and private school vocational training students show that Job Corps trainees have slightly worse educational preparation, lower literacy skills, and that a higher proportion come from families on welfare. They also have the least work experience of all groups surveyed. But past studies with the Neighborhood Youth Corps and current research with community programs such as Occupational Industrial Crusade (OIC) that have used or are using the Job Corps basic education approach to literacy indicate that the same techniques are at least equally effective with clients who are somewhat less seriously handicapped by their skills deficiencies than the Job Corps population.

Approximately a fifth of Job Corps entrants read and compute below the third grade level; many cannot even recognize the letters of the alphabet. But another handicap is more subtle and difficult or impossible to measure statistically. Rejected in the two socially recognized arenas of achievement, school and work, the typical corpsmember is convinced that he or she cannot learn. While he or she may momentarily hope that a new method will work, the new corpsmember is extraordinarily sensitive to the slightest sign of failure, and in the absence of clearly demonstrated progress, will assume defeat. Without clear and immediate proof of personal success, enrollees simply drop out of the program.

THE SYSTEMS APPROACH TO LITERACY

These characteristics, including the inclination of Job Corpsmembers to "vote with their feet" by dropping out of demanding and therefore threatening, public institutions, set the direction for the Job Corps literacy program which has evolved since 1985. The implied requirements in large measure established the operational philosophy of education behind the Job Corps program, which from the beginning was a combination of most suitable materials in the educational field with new materials specially developed for Job Corps. It is the Job Corps tests, progress records, and teachers' manuals that organize what would otherwise be an assortment of commercial and noncommercial materials into sequential learning systems that build literacy step by step.

It was determined from the outset that the program should, as far as possible:

Reinforce success. Overconditioned to defeat in the classroom, corpsmembers need immediate proof of success to capture attention and allay fears.

Adapt to random entry. Because corpsmembers enter the program at any time of year, the educational system must constantly absorb changing enrollments and integrate new students into a learning sequence.

Provide for individual differences. Like the one-room schoolhouse, the Job Corps classroom has to accommodate many levels and rates of achievement in a basic skill.

Be innately rewarding. Learning activities are meant to be intrinsically meaningful and rewarding. They involve students in charting their own progress in competition with themselves rather than with others.

Be relevant to life goals. Programs should be structured so as to clearly relate to goals that make sense to the learner in terms of jobs or eligibility for further training.

THE PROGRAM: BASIC EDUCATION

The basic education programs built to meet these specifications in reading, mathematics and high school equivalency preparation have certain features in common: they are diagnostic, individualized, and predominantly self-instructional. To realize the objectives of immediate success, self-competition and intrinsic reward, proper initial placement is essential. The learner can interact successfully with the material only if the proper match is established at the outset. The diagnostic tests are a device for matching student skills with units of instruction. After each unit, the corpsmember takes a progress check to demonstrate mastery of the material. A successful level of completion leads to the next unit. If the results show a need for more work on the first unit, alternative remedial or tutorial work which covers the same material in a different way is assigned.

Though there is provision for one-to-one tutorial work throughout the program, especially in the initial stages of beginning reading, the dominant mode of instruction is programmed learning. The teacher serves as a counselor, guide, and resource person to help students move through the program at their own speed rather than as a lecturer who makes textbook assignments and paraphrases their content in class.

READING

The Job Corps Reading Program is comprised of beginning reading, covering literacy skills from 0 to the equivalent of school grade 3.4; graded reading, covering skills equivalent to school grades 3.5 to 7.4; and advanced reading, covering skills equivalent to school grades 7.5 and above. Beginning and graded reading are organized as separate classes, while advanced reading is usually conducted as a supplement to the high school equivalency program. Each of these program segments contains multiple graduated skills levels, which place the students in steps of approximately a half-grade level each.

Incoming students are placed roughly at the appropriate level by means of a thirteen minute placement test specially developed for Job Corps, the Reading Job Corps Screening Test #1. Initial fine placement and subsequent advancement from one level to another are accomplished through one-to-one teacher interviewing and testing which place the student at his or her most effective performance level. Students who are placed in the beginning reading section of the program work in the Sullivan Associates Programmed Reading series, book 1-14. Although Job Corps has a policy of continuously evaluating and pilot testing new materials, this is the best series Job Corps has been able to identify during twenty years of use and field trial to provide the critical rewards of immediately reinforced success and inherent meaning.

Students move rapidly and systematically from a few sound symbol pairs, to words, to simple sentences. Experience shows that the psychological impact of finding that this is the first book they can actually read for themselves soon outweighs initial misgivings about juvenile illustrations.

Within the eight half-grade levels of the intermediate graded reading section, there are over 1,800 selections for students to choose from. Selections range from high-interest story-cards to short stories from anthologies. Students are free to choose from among 15 to 225 selections at each level by means of a master index organized by level and interest areas such as science fiction, adventure, mystery, sports, hobbies, jobs.

The advanced program serves the needs of students who have worked their way up through graded reading or whose initial placement scores were in the junior high school range. A system of progress and promotion recording like that in graded reading is used as a means for both students and teachers to monitor learning. Because of the comparable reading levels represented, the advanced reading section is most often used to supplement the advanced general education program.

The initial cost of reading materials to equip a classroom to serve 75 students a day, is approximately $2500.

RESULTS

Reliable recent gains data on the use of the Job Corps basic literacy program are difficult to obtain because the Test of Adult Basic Education (TABE) have been instituted just within the last year and insufficient data have been reported. However, preliminary data indicate that gains in reading will probably be consistent with or better than those reported for the years 1968-1974, which ranged from 1.3 to 2.5 months per month of instruction. Even if one takes the average gain of 1.7 months in reading as a conservative estimate of actual gains, it is clear that the results are better with the Job Corps literacy program than the .5 gain per month, or one-half grade level per year, the same students made during their stay in school. Allowing wide margins for the effects of relearning and measurement error, it seems safe to say that students make substantially more progress in literacy while in Job Corps than they did before they entered.●

DON'T NEGATIVELY AFFECT REAL ESTATE INVESTMENT

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1985

● Mr. HUBBARD. Mr. Speaker, I want to share with my colleagues a timely letter that I received from Donald W. Webb and Dudley Webb of The Webb Companies in Lexington, KY. Don and Dudley Webb, natives of Whitesburg in eastern Kentucky, are very successful in the real estate development business in central Kentucky.

They have written to me about the President's tax revision proposal "as it relates to depreciation and capital gains on real estate investment." Don and Dudley Webb are concerned that Tax Code changes to depreciation and capital gains on real estate will, in effect, adversely impact small businesses, industries, and the entire Nation.

I agree with their concerns and urge my colleagues to read their comments. The June 20 letter from Donald W. Webb and Dudley Webb follows:

LEXINGTON, KY,
June 20, 1985.

Congressman CARROLL HUBBARD,
Rayburn House Office Building,
Washington, DC.

DEAR CARROLL: Obviously, we in the real estate development business are quite concerned about President Reagan's tax revision proposal as it relates to depreciation and capital gains on real estate investment.

We understand the President's plan will drastically trim the investment amounts we believe are legitimate calculations for depreciation. More importantly, the proposed revisions would have a profound negative impact on investment in real estate should an individual's return on investment be taxed as "ordinary income" rather than "capital gains."

As evidenced in the government's own monthly economic indicators, commercial construction and housing starts are key barometers to the nations' economic health. Minus the automobile industry, no industry group represents the multiplier effect from dollars invested than the real estate development business.

This industry is not simply a limited group of investors who alone profit from development. Commercial, industrial, retail and residential real estate development and related construction represents a dollar that rolls over four times the number invested in any given community. Indeed, we can think of no industry that participates with small business more than real estate development.

It is our firm belief that the President's currently proposed tax revision as it relates to real estate investment will prove exactly counter-productive to Mr. Reagan's overall economic revival program. We oppose this aspect of the President's tax reform program and solicit your support in revising the program as it comes before you in Congress.

Help keep alive one of America's truly entrepreneurial industries, real estate development.

Sincerely,

THE WEBB COMPANIES,
DONALD W. WEBB.
DUDLEY WEBB.●

INTERNAL THREAT TO COSTA RICA

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1985

● Mr. MARKEY. Mr. Speaker, I would like to urge my colleagues to take note of an article by Robert M. Sussler that recently appeared in the Boston Globe. Mr. Sussler is an American businessman whose work brings him into contact with several Costa Rican clients. Through these clients he has apparently gained an intimate knowledge of the current political climate in the region.

This administration's policy toward Central America has undermined and weakened those who should be our natural allies. While we continue to actively promote the overthrow of the Government of Nicaragua, we thwart our own interests by militarizing the tiny nation of Costa Rica, which for the last 48 years has stood as a model of democracy for the rest of the region. Mr. Sussler makes a noteworthy assessment of the detrimental effects our policy has had on Costa Rica. I share his concerns about a powerful military in Costa Rica leading to growing authoritarianism. I hope my colleagues will keep his views in mind. The text of Mr. Sussler's article follows:

INTERNAL THREAT TO COSTA RICA
(By Robert M. Sussler)

NEW LONDON, CT.—The Reagan administration has recently implemented policy decisions that may undermine the democratic system of Costa Rica. Costa Rica is known as the Switzerland of Central America, a bastion of tranquility and democracy, with a private enterprise system and a viable middle class. Reagan's policy is to support a small group of ambitious right-wing, would-be militarists by transforming a portion of the internal police into an army and providing it with training and aircraft. Because these people are vehement anticommunists, the administration is willing to disregard the potential authoritarian threat to Costa Rica's democracy.

Costa Rica is a democratic jewel in Central America. United States aid to the contras in Nicaragua, the equipping of the Salvadoran army and support for the regime of Guatemala constitute interference in countries that are already unstable and authoritarian. Costa Rica is the stable, democratic exeption.

In 1948, Costa Rica abolished the army, established private enterprise as a basis for the country's wealth and stability, appropriated 25 percent of national funds for education, developed a social security system with adequate health protection for its citizenry, and entered a stable period of democratic development. Crucial to Costa Rica's subsequent stability was the abolition of the Costa Rican army, an achievement of Jose Figueres, the founder of modern Costa Rica. He has vehemently spoken out against this new Costa Rican army, calling the new force "dangerous goosesteppers."

In Latin America, the army is the instrument for authoritarianism. It is used to nullify the results of an election when an elected party attempts to enact policies of progressive taxation or social reform.

Without an army, Costa Rica's upper class has participated constructively in the democratic process. Wealthy agriculturalists, retailers and processors in Costa Rica have for the last 35 years supported both major political parties. This has allowed Costa Ricans to develop their country through private initiative, and by sharing the profits from commodity exports among small and large producers and processors. It has resulted in a peaceable, stable democratic society in an area of chaos and violence.

The American Embassy in conjunction with Benjamin Piza, head of the National Security Forces of Costa Rica, has now introduced a growing military presence within Costa Rica. The United States has 24 advisers training Costa Rican National Security Forces in the north of the country to become an army, and is supplying helicopters. Piza, with the contrivance of the US Embassy, pressured President Luis Alberto Monge into accepting this new military force. Piza raised the specter of communist intrusions into Costa Rica by Nicaragua and the threat of a communist domestic insurgency.

Even with a small army, Costa Rica could never withstand an invasion by Nicaragua. Costa Rica's security derives from its borders being guaranteed by Venezuela, Mexico and the United States.

Are there internal dangers of insurgency? The Communist Party has never been able to achieve more than 10 percent of the vote. The police force has been able to control domestic violence, discovering and arresting criminals and terrorists.

Benjamin Piza is a key figure with full access to the US Embassy. As military commander of the augmented public security force, Piza could choose whether to implement Costa Rica's democracy or to proceed down the road toward authoritarianism.

President Reagan, if he stands for freedom fighters, should do nothing that endangers the democratic traditions of Costa Rica.

There is a need, however, for humanitarian aid for the 250,000 Nicaraguan refugees already in Costa Rica. Better to neutralize Costa Rica's northern border than to build up a domestic army. Better to aid these refugees, growing by 3,000 a week, than to spend money for helicopters and an army buildup.●

A STUDENT'S PLEDGE TO AMERICA

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1985

● Mr. FAUNTROY. Mr. Speaker, I am pleased to take this opportunity to congratulate the District of Columbia's winning contestant in this year's Voice of Democracy contest, Junie J. Harris. More than 300,000 secondary school students participated in the annual competition sponsored by the

Veterans of Foreign Wars of the United States and its ladies auxiliary.

Mr. Speaker, I commend Miss Harris, an 11th grade student at the All Saints High School for her commitment to her country and her pledge to make it a better place for all to live.

I submit her speech for inclusion in the CONGRESSIONAL RECORD.

MY PLEDGE TO AMERICA

(By Junie J. Harris)

My pledge to America is to give back to this great nation what it has given to me. I pledge to give America my honor, my love, peace, happiness, and respect. I also pledge to uphold the standards of the Constitution and the laws of our nation.

Honor in America is defined as glory, admiration, a symbol of distinction, and to display appreciation for it. I will show appreciation for what my country stands for and promise to be a symbol of it. I will pledge allegiance to my flag.

To give those whom I meet love, I must also spread peace, happiness and unity. To love those who want to hate. To give peace to those nations who would like to go to war. To give happiness by making those who are sad, feel my warmth. Also, to give unity by the giving of my time for all to feel that they are alike whether in race, creed, or national origin. All of this makes up my pledge to America to give back love and to love someone, you must first, have respect for that person.

To respect America and not turn my back on its people shows that I am proud of what America stands for; freedom, shelter, food and a dream. To uphold the truths that are self evident. All people are created equal, so we must give the freedom of speech, the freedom of the press, and the freedom to worship as people please. To live our lives judging each other by our character and not our color.

To respect America, all of her people must have adequate shelter, I pledge to give back the shelter that has been provided for me by finding the homeless a place to live. I also pledge my service to help in the fight against hunger. I will do this by feeding those with whatever I have available. I will give of my time to help people find a way to get food. I want to pledge my service to America. As a young person this can also be done by helping the elderly, helping the handicapped, and teaching those who are younger than I. Everyone in America must have a dream and my dream is to serve America and her people where I am needed the most. I pledge to reinstill a dream that was once there, a dream our forefathers once had of the freedoms of our nation.

Martin Luther King, Jr., once said, and I quote, "We must use time creatively, in the knowledge that the time is always ripe to do right. Now is the time to make real the promise of democracy and transform our pending national elegy into a creative psalm of brotherhood. Now is the time to lift our national policy from the quicksand of racial injustice to the solid rock of human dignity".

Now is the time for us, as young Americans, to lift National policy; to act and dedicate our lives to these truths. We must also dedicate our lives to creating a better place for others to live. Now is the time for America, my America, to make a pledge for honor, love, and respect. For America to be all she can be, and for me to be all I can be.●

HOW THE SECONDARY MORTGAGE MARKET FUNCTIONS

HON. STEVE BARTLETT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1985

● Mr. BARTLETT. Mr. Speaker, as a member of the House Banking Committee, I have spent a great deal of time learning and appreciating the secondary mortgage market. So, it is with great pleasure that I speak today on behalf of the Federal Home Loan Mortgage Corporation, Freddie Mac, which will celebrate its 15th anniversary on July 24, 1985.

Freddie Mac has been an innovator and pioneer in the secondary mortgage market since its creation. I congratulate the corporation for the outstanding job it has done in helping to make more affordable mortgage credit available to America's homebuyers.

For those of you who may be somewhat perplexed about the secondary mortgage market, I can assure you that it is not some complex thing or entity. It is merely a chain—a linkage that runs from your local homebuyer through to your local depository institution, to your secondary mortgage market conduit like Freddie Mac and then to Wall Street. And everyone benefits along the way: The homebuyer finds mortgage money more readily available and affordable; the depository institution can finance and then service more mortgages; and investors have highly liquid securities backed by pools of mortgages that often provide better yields than corporate securities.

I had the pleasure of touring Freddie Mac to see how the secondary mortgage market functions up close. It was fascinating to see the speed at which thousands of mortgage transactions were handled, and it's all so simple. There's a small room in Freddie Mac's basement where a staff of no more than six or seven talk to lenders all over the country to let them know what prices Freddie Mac can buy mortages for each day. This staff also commits Freddie Mac to buy the mortgages that lenders want to sell in order to replenish their supply of lendable funds.

Approximately 3 hours and 100 calls later, a tape of all the transactions for that day are taken by a messenger from the commitment room to the trading room 3 floors up. The traders there call 15 Wall Street firms simultaneously and the firms bid on the mortgages Freddie Mac has committed to purchase that day.

Almost 70 percent of home mortgages that lenders wrote last year were sold into the secondary mortgage market. Home buyers may not care who gets their monthly mortgage payments in the end, but they do care, as I do, about the availability and affordability of housing. Thanks to the secondary mortage market, families and individuals can be sure of getting a mortgage from their local lender, at interest rates which reflect national capital market investors' increasing willingness to provide a good price for mortgage-related securities. This willingness translates into interest rates lower than local sources could provide, which means savings on montly payments for home buyers and which means more people will qualify for loans to buy homes. Freddie Mac has been vital to housing finance in the past 15 years, and will continue to be so for many years to come. Over 60 million home buyers are coming into prime home buying age during this decade, the biggest bulge the census bureau has ever recorded. Freddie Mac will be there to ensure that these home buyers will continue to have access to the American dream with affordable mortgage credit.●

A TRIBUTE TO SAM SMITH

HON. MIKE LOWRY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1985

● Mr. LOWRY of Washington. Mr. Speaker, for nearly 30 years, Sam Smith has devoted his time, knowledge, ability, enthusiasm, and determination to the people of Washington State and the city of Seattle. In honor of his many years of dedicated service, the Washington State Legislature has proclaimed July 27 as Sam Smith Day. In addition, the board of directors of the Central Area Youth Association [CAYA] of Seattle, a nonprofit organization dedicated to improving the lives and futures of Seattle's young people, has renamed its annual Hometown Run the Sam Smith Hometown Fun Run. I would like to join the people of Seattle, Washington State, the Northwest, and other regions of the Nation in honoring Sam Smith.

Mr. Smith, the husband of Marion King Smith and the father of five sons and a daughter, is currently serving his fifth term and 18th year as a member of the Seattle City Council. For 4 of these years he was president of the council, a position to which he was elected by his colleagues. In this capacity, he served as a lightning rod for cooperation by helping to develop an atmosphere of respect and goodwill. Mr. Smith is now chairman of the Housing, Recreation, and Human Services Committee; vice chairman of the Public Safety Committee; and vice chairman of the Finance Committee. Prior to serving on the Seattle City Council, Mr. Smith served five terms in the Washington State Legislature.

The concern for equal opportunity and fair play was a part of Sam

Smith's life long before he became a public official. He has consistently championed the rights of the poor, the young, the elderly, minorities, and others who often need assistance in obtaining the opportunities and skills that will enable them to be productive, contributing members of society. Sam Smith has always known that the thing that people need the most is a chance. He has dedicated his life's work to making sure that it is forthcoming.

In addition to his years of public service, Mr. Smith has volunteered countless hours to private volunteer and service organizations. He is a former member of the board of managers of the American Baptist Churches USA, life member of the National Association for the Advancement of Colored People, member of the Seattle Urban League, president of the Brotherhood of the Mount Zion Baptist Church for 25 years, church schoolteacher for 29 years, and the area director of the National Black Caucus of Local Elected Officials.

Mr. Smith also organized and guided the Northwest Conference of Black Public Officials in Washington, Oregon, Idaho, Colorado, and Alaska. In recognition of the need to help offenders establish stable lives upon release, he organized the Black Prisoners Assistance Coalition of Washington. The Coalition has not only helped prisoners, but also their children and other loved ones who have been affected by their incarceration. Sam's concern for the elderly and the development of human potential led him to serve on the Seattle-King County Planning Council on Aging and the National League of Cities' Human Resource Policy Committee.

Sam Smith has been commended and honored for his effective leadership and tireless efforts by numerous institutions and organizations. The Seattle King County Municipal League, Seattle University, Mount Zion Baptist Church, the Seattle Urban League, the Washington State Legislature, the Veterans of Foreign Wars, the Prince Hall Grand Lodge, and the Central Area Jaycees make up only a partial list of those who have recognized Sam Smith's commitment to making our community and our Nation a better place for everyone.

I would like to add my name to the many others in congratulating Sam on a job well done. We look forward to hearing his compassionate voice, being touched by his strength, and benefiting from his experience for many years to come.●

TRIBUTE TO LES ARENDS

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1985

● Mr. CONTE. Mr. Speaker, I was surprised and saddened to hear the distinguished minority leader tell us today that Les Arends, who served as minority whip in the House until 1974, passed away Tuesday morning.

What can you say about a man who served 40 years in the House without making a single enemy on either side of the aisle? What can you say about a man who served as Republican whip for 31 years—a record which will probably never be surpassed? He served under four different leaders—all of whom considered him their right hand in the House.

When he retired in 1974, Members flooded to the floor to pay their respects to Les. Members expressed their affection for Les in many different ways: "His years in Congress brought him not only ever-increasing respect—but something very close to love." Others said that if Congress were to create a "Mr. Geniality" award, Les would win it hands down. He was called one of God's gifts to the human race by former Speaker Carl Albert, and former President Ford, who Les served under, said that Les looked at problems from "the point of view of what was right."

Many of Les positions—especially on defense matters—were controversial for many Members of the House. But his views never made enemies for him—because no matter how you felt about his views, you had to admit that he was always firm, fair, decent, and well-prepared to defend his position.

As Republican whip, he knew where his Members stood on an issue and where they could be tracked down. Once, he even asked the Pennsylvania State Police to locate a homebound Member on the Pennsylvania Turnpike to advise him to get back to the Capitol for a vote.

Elected to the Congress by 2,200 votes in 1934, Les was the only Republican House candidate to defeat an incumbent Democrat in that depression year election. His constituents in Illinois sent him back to the House 20 times—and of the over 10,000 Members who have served in this House, only 10 have served longer than Les Arends.

Mr. Speaker, when Les was saying goodbye to Members retiring from the House in 1966, he said:

> One of the great rewards of serving in the Congress is the friendships that develop. Whatever the future may bring for any one of us, we cannot look back upon those years in Congress without reflecting on the times of crisis and the failures and successes that we share with our colleagues and with our friends.
>
> One of the great rewards of my service in the House was knowing, working with, and serving with my good friend Les Arends. He will be missed.●

THE CLEAN CAMPAIGN ACT OF 1985

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1985

● Mr. LANTOS. Mr. Speaker, recently I introduced legislation to address a serious and growing campaign practice—the misuse of television and radio broadcasting for negative political commercials against a candidate for Federal office.

Negative, even slanderous, campaigning is certainly not new. What is new, however, is the power of such negative campaigning to reach masses of people through the pervasive media of radio and television. An emotional and well-staged attack on a political candidate through television advertising will certainly draw significant media attention. This fact of campaign life is not overlooked by aspiring candidates and their managers, but equally serious is the growing use of negative campaign advertisements by political action committees [PAC's] and wealthy individuals who are not themselves political candidates.

The foundation of our democracy is a well-informed public. The electorate must be informed about critical national issues which must be decided upon by our democratically elected representatives.

Negative campaigning—especially through television—threatens the right of the public to be informed. Such campaigning increasingly is being used to mislead and deceive the public on important and complex issues. Short ads on radio and television, often no more than 30 seconds long, use inuendo and half-truths to cast aspersions on candidates without providing the attacked candidate an opportunity to respond directly. Untruths and distortions of facts are deliberately broadcast, and the perpetrators cannot be held accountable.

Under recent court decisions, political action committees [PAC's] and individuals who are not candidates for public office are free to participate in political campaigns without many of the restrictions placed on official campaign committees and candidates. Often these PAC's and individuals abuse our democratic system by paying for negative campaigns against candidates for public office. Armed with millions of dollars, independent political action committees are attacking candidates whom they oppose with a deluge of vicious, even slanderous, commercials.

The most recent campaign, 1984, hit an all time high both in the tastelessness of many charges made against candidates and in the use of negative advertising. Many political candidates sponsored commercials impugning their opponent's character and record, rather than explaining or defending their own positions. The volume of PAC advertising, targeted against particular candidates, also reached new highs. This negative campaigning constitutes a growing proportion of an average campaign's advertising. In the 1950's and 1960's less than a quarter of the campaign ads were negative in tone; in the 1970's that increased to about one-third. In 1980, negative advertising took a quantum leap as conservative groups targeted individuals they opposed. Using similar negative tactics in self-defense, candidates have contributed to an escalation of this problem. Negative spending, in the 1980 election, accounted for 14 percent of all money spent on federal campaigns. Since 1980, these figures have continued to skyrocket.

Political scientists have examined the serious and unfortunate results of such attack politics—all candidates for public office are damaged and the public becomes disgusted. The American people, sick and tired of hearing and seeing these abusive ads, turn off by refusing to go to the polls. Widespread voter disenchantment and cynicism are fostered by negative campaigns.

Continuing barrages of negative advertising intensifies the negative tone of political discourse, not only among candidates but among their constituents as well. Such campaign tactics abuse the potential of television accurately to inform the public. The American people deserve informed and informative political discussion; they deserve political campaigns which present the issues and differences between candidates seriously, honestly, and with statesmanship.

Mr. Speaker, it is time for us to take effective steps to stop this snowballing trend of negative campaign advertising. I have introduced the Clean Campaign Act of 1985 in order to address this serious problem. This legislation has two major provisions to help reduce negative campaigning.

First, any references in a broadcast advertisement by a candidate for Federal office about his or her opponent must be made by that candidate in person. If this is not done, the opponent must be given free media time to respond. The same amount of time during the same period of the day on the same broadcasting station must be made available within a short, reasonable period of time under terms of this act.

While this may not entirely eliminate negative campaign advertising, it will increase the accountability of any candidate for such advertising. The public will see and hear the candidate personally make negative statements about his or her opponent. The candidate cannot hide behind the words of a paid actor speaking in pompous, omniscient tones.

Second, the legislation requires that if a PAC or an individual who is not a candidate airs a negative advertisement, the candidate against whom it was directed will receive free response time. If a PAC or an individual who is not a candidate advertises an endorsement of a candidate for Federal office, the opponents of that candidate will also receive free response time.

Mr. Speaker, there are serious questions regarding freedom of speech that must be considered. This act, however, in no way abridges that precious right. The fundamental purpose of freedom of speech is to permit the full and fair airing of all points of view in the belief that if all sides are freely and openly discussed and debated, the public will be in a position to make informed, rational choices.

This legislation requires responsibility and accountability, and it assures that all sides of an issue are presented. Present law and current legal interpretations give those who engage in negative campaigning an unfair advantage. The Clean Campaign Act restores balance by assuring that all sides have a full and fair hearing.

This act is a first step toward cleaning up dirty campaigning. It will not violate freedom of the press or freedom of speech; but it will make candidates and their supporters more accountable for their campaign statements. I urge my colleagues to join me in cosponsoring this important legislation.●

LACK OF LEADERSHIP

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1985

● Mr. GEPHARDT. Mr. Speaker, Senator DANFORTH'S attempt to blame our present budget stalemate on House Democrats clearly demonstrates the root cause of our dilemma. There is no consensus in the Congress or the country for how to resolve our hemorrhaging deficit. No consensus exists because there is not sufficient Presidential leadership to create the agreement. If Senator DANFORTH would spend more time urging the President to do his job we might end the stalemate and save the economy.

I voted in the House with 52 other Members of Congress for a huge reduction plan much like the plan Senator DANFORTH supported in the Senate. The fact that plan only received 53 votes in the 435-Member House, indicates that such a plan is not likely to be a product of a House-Senate compromise.

The plan ultimately passed by the House was not as aggressive against the deficit as I would like, but Senator DANFORTH is wrong when he complains that it juggles numbers and does not achieve $56 billion in real deficit reductions.

The Senate passed their plan by voting the Vice President and bringing in Senator PETE WILSON on a stretcher. Now the President has sided with Representative JACK KEMP and House Republicans against the Senate Republican plan. The net result of all of this is that Republicans are attacking Republicans and Republicans are attacking Democrats and vice versa. Meanwhile, the President stands above the fray as the country is paralyzed on the most important problem we face. As the St. Louis Globe Democrat pointed out today in its lead editorial:

> There should be no question, President Reagan, as the single leader responsible to all of the people, has to take the lead not only to reach a compromise but an agreement that drastically reduces the string of monster deficits that face the Nation.

The budgetary chaos in Congress today is the direct result of the President expecting a committee of 535 to lead on difficult political issues when he neither cannot or will not lead on the issue himself. As long as the President sees goals like avoiding across-the-board spending cuts or tax increases as more important than deficit reduction, he will not effectively lead the Congress to a solution.

I can understand and share JOHN DANFORTH'S frustration. I can also understand his reluctance to identify the President, a fellow Republican, as the problem. To see Republicans and Democrats, Senators and Representatives throwing brickbats at one another would be interesting and perhaps amusing if the stakes weren't so high. I hope Senator DANFORTH will find time after his public salvos to aid Senator DOLE in privately convincing the President to do what he was elected to do.●

SYNTHETIC FUELS CORPORATION

HON. PHILIP R. SHARP

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1985

● Mr. SHARP. Mr. Speaker, along with several of my colleagues, I will oppose the rule on H.R. 3011, the Interior appropriations bill, in order to offer an amendment cutting spending by the Synthetic Fuels Corporation by $6 billion.

Because the Synthetic Fuels Corporation is not subject to annual authorizations and appropriations, we must use this vehicle to rescind funds if we are to ensure that they are not committed in the near future.

H.R. 935, legislation to abolish the Corporation, has been introduced by the gentleman from Oklahoma [Mr. SYNAR] and the gentleman from Michigan [Mr. WOLPE], and has been amended and reported by the Energy and Commerce Committee. It is expected to be considered soon by the Banking Committee.

Final enactment of this legislation by both Houses, however, is likely to be a lengthy effort, and the Corporation could commit billions of dollars to unnecessary projects before we can accomplish their abolition

Given the existence of the strategic petroleum reserve and the current oil glut and falling prices, we are not likely to need Synfuels production in this century. We can improve our knowledge and get ready for their eventual commercial use with a much smaller effort, which H.R. 935 would establish in the Department of Energy.

Although the risk of another oil shock and its damage to our economy must not be ignored, the economic consequences of not cutting the Federal deficit are greater, more immediate, and more certain.

The amendment I seek to offer to the interior appropriations bill is quite simple. It would rescind about $6 billion—all of the Corporation's uncommitted funds except for $500 million for transfer later to the new DOE Program. The Corporation would be prohibited from using this $500 million for any additional awards.

For the House to adopt this amendment, it will be necessary to defeat the rule for H.R. 3011 and I hope my colleagues will join me in voting to do so.

Mr. Speaker, I ask that the text of the proposed amendment be printed in the RECORD following my remarks.

Page 45, after line 18, insert the following new item:

DEPARTMENT OF THE TREASURY

ENERGY SECURITY RESERVE

(Rescission)

Except as otherwise provided in this item, all funds appropriated to the Energy Security Reserve are hereby rescinded. Funds so rescinded shall include all funds appropriated to the Energy Security Reserve by the Department of the Interior and Related Agencies Appropriations Act, 1980 (Public Law 96-126) and subsequently made available to carry out title I, part B, of the Energy Security Act by Public Laws 96-304 and 96-514, and shall be deposited in the general fund of the Treasury. This rescission shall not apply to—

(1) funds transferred from the Energy Security Reserve by this Act;

(2) $500,000,000, which may not be used for payments with respect to projects or modules under the Energy Security Act; and

(3) such amounts as may be necessary to make payments for projects or modules for which obligations were entered into under title I of the Energy Security Act before the date of enactment of this Act.●

CONGRATULATIONS TO DEBORAH NICHOLS ON AN OUTSTANDING EFFORT

HON. MIKE LOWRY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1985

● Mr. LOWRY of Washington. Mr. Speaker, I would like to share with my colleagues an outstanding essay written by Deborah Nichols of Burlington, WA, and to offer my congratulations to Deborah for being chosen as the national winner and recipient of a $10,000 scholarship of a national essay contest by the U.S. League of Savings Institutions. The national essay contest, which was a part of the savings league's deficit-reduction campaign, attracted over 1,000 hard-working students from across our Nation.

I commend Deborah and the other contestants for an excellent effort to help us act upon the crucial issue of the Federal budget deficit. Deborah's essay strengthened my faith in our young people and their commitment toward our Nation. I share this essay with my colleagues in the hope that it will help each of us to better understand and to act upon our obligation to our younger citizens, upon whom rests the future of our Nation.

YOU CAN SAVE YOUR COUNTRY: "DOUBLE DECKER DEFICIT DEDUCTION"

Roaring flames swept across America. Trees crumbled to the ground, and animals fled their homes in despair. The powerful forces of nature seemed uncontrollable. Such was the scene of George Washington's startling vision. Various interpretations have attempted to reveal the true meaning of Washington's vision. Some people think that the fire signified the Civil War which pitted brother against brother. Other analogies point toward less obvious destructions, including harmful drugs and intolerable crime. Perhaps Washington's vision of fire sweeping America was a glimpse at the runaway deficit and its impact on the economy today and in the future. The growing deficit figure, which reached $213 billion in 1985, instigated a serious reevaluation of our taxation allotments and our funding disbursements. We can blame the Executive Administration; we can blame Congress; we can blame wars, welfare, and the wealthy. Regardless of the cause, the deficit is a fact that meets each American face to face—on the job, at home, at the store, in the factory, and at the bank. Although the wild deficit paints a gloomy picture, hope and solutions abound. A moderate deficit can serve to benefit mankind by stimulating aggregate demand, production, and employment. On the other hand, a runaway deficit can become an uncontrollable fire that spreads inflation and/or high interest rates. W.R. Grace, a successful businessman and head of the Grace Commission, voiced the concern of the growing deficit when he stated, "If federal deficits continue at their current rate, it's as if every baby born in 1985 will have a $50,000 debt strapped to its back." Indeed, analyzing and activating reduction and reconstruciton plans for the federal budget system will help control the runaway financial fire and, in turn, lighten the burden for young citizens.

The saga of deficit spending dates back to the phenomenal ideas and theories of a British economist in the middle 1930's named John Maynard Keynes. Keynesian economics provided a plausible solution for a world suffering from the Great Depression and for the United States where millions of people were unemployed and unable to buy food. "Around 1935, fully 25 percent of American workers were unemployed, and an additional large percentage were not working on a full-time basis." Keynes taught that increased government spending would put money into the hands of consumers, thereby increasing the demand for goods and services as well as providing employment. For the first time in the history of this country, the federal government adopted the role of caretaker and job-provider. Although the public-investment projects were ill-planned and inefficient, the work programs provided employment. An extreme case of such "make-work" plans was the mythical "dig holes and then refill them" project. Even though our nation shifted away from most wasteful public-works spending after the Great Depression, we allowed the "let the government provide" attitude to smolder.

Thirty years after Keynes' initial seed of deficit spending was planted, the United States faced the economic havoc of World War II, the Cold War, and the Korean War. GNP growth from 1953 to 1960 averaged out to barely 2.5 percent per year in the United States, while Western Germany, Japan, Italy, France, and Western Europe generally were achieving sustained real growth rates several times this amount. The enormous cost of the war-production effort was, for the most part, financed by U.S. government borrowing.

When John F. Kennedy stepped into the executive chair, he found conditions favorable for expansion and promised to open the New Frontier for America. Increased spending provided the stimulus. Meanwhile, the Federal Reserve was manipulating the monetary supply in an earnest effort to balance our payment deficit and maintain an acceptable dollar exchange rate. Before his assassination, President Kennedy persuasively advocated a deliberate deficit and a deliberate tax cut to stimulate economic growth.

The smoldering deficit continued to burn unauspiciously as Lyndon B. Johnson entered the Presidential office. Johnson promoted poverty programs of the New Frontier and of his Great Society, consequently increasing government responsibilities. The national debt expanded. In 1965 came Johnson's fateful decision to accelerate the Vietnam War. Purposely disregarding economists' advice to raise taxes, President Johnson thrust the full burden of monetary contraction on the Federal Reserve.

Through the "money crunch" of 1966 and the "stagflation" of 1974, the United States government continued to sponsor benefits, subsidies, and pensions without sufficient funds to cover the costs of such programs. Each year, expenditures rose, partly because military appropriations were increased from $146 billion in 1980 to $265 billion in 1984 and partly because indexed

Social Security payments and soaring Medicare costs overrode reductions that had been gained by slashing away at welfare. The result was the phenomenal monster deficit of $111 billion in fiscal 1982; a second, larger deficit of $195 billion in fiscal 1983; and the probable $213 billion deficit in fiscal 1985. This deficit must be extinguished or controlled if we are to avoid the scramble for funds that could send interest rates out of sight.

What is upsetting about these deficits, however, is not only their size, but their structural nature. As a result of a complex role confusion between the government and the people, entwined with a selfish, materialistic attitude, citizens of the United States have allowed the skyrocketing deficits to literally explode. Instead of working out problems on the individual or state level, we obligate the government to step in. Big Brother to the rescue! We are becoming a nation in distress, seeking world power and prestige through ridiculously high defense increases. In fact, defense costs the taxpayer an average $2,175, nearly 30 percent of total government spending. Granted, defense contracts and military payments increase employment and protect the nation. These work programs, however, seem no different than the "dig a hole and refill it" projects of the Great Depression. Slowly, but surely, the trend of high deficit spending is internally decaying our nation by weakening economic stability to the point that defense spending becomes self-defeating. From $2,000 hammers to triple-dipping recipients, we see that the range and magnitude of government spending is neither necessary nor tolerable. What good is a warehouse of missiles when quality education is neglected or when a huge deficit awaits posterity? Clearly, the response should not be accelerated deficit spending.

An analysis of the deficit spending structure illustrates the extremely contradictory values of our nation. With enough missiles to destory the world several times, we have an all-time high defense budget of $277.5 billion. Abortion, crime, and teenage suicides accelerate at phenomenal rates, while we build the missiles and bombs that will supposedly protect our country. As a guardian angel of our country and as a watchdog of the world, the federal government has confused the values, resources, and needs of the people themselves.

The spiralling deficit is entangling the people of this country in a dangerous trap. The fire is blazing, yet few persons seem to understand the impact of high deficits or agree upon any proposed corrections. A number of simple solutions include a limit on personal wealth, a nation-wide lottery, and end to Social Security and retirement programs, or bankruptcy. Obviously, simple solutions are neither practical nor saleable. A complex network of historical events, from Keynes to Reagan, have contributed to the egotistic attitude and opposing values that cause the deficit dissolvement to seem impossible, both monetarily and socially. As a result, several decades will be required to bring the federal deficit under control.

My proposal to curb the federal deficits centers upon redefining the role of the federal government by distributing the burden of the debt to each state based on population according to the current census. This plan, called the Double Decker Deficit Deduction, returns all taxing power to the state where local interests, climates, and industries can best be served. Free from all programs, except the national defense, the federal government would apportion the costs of national security and domestic protection to the states and would maintain an annual balanced defense budget. Double decker refers to taxation upon individuals to pay for the programs in their particular state, and taxation upon the states to pay their portion of national defense. The states respectively would have 85 years to reduce their share of the national debt and annual deficit to a level acceptable by the standards of their state. The more wealthy states may completely dissolve their deficits much sooner than expected. Existing programs may be cut entirely or reduced, but education would rank high on the budget priority. Of course every plan has its disadvantages, and the Double Decker Deficit Deduction would certainly anger the lobbying groups and individuals who depend upon the federal government to set food on their tables, buy artificial hearts, research fossils in Africa, abort unwanted babies, and provide retirement benefits. Burdening the states will bring the runaway deficit back home where the flames can be controlled. The alternative? The runaway federal deficits could sweep the nation, making Washington's vision of fire a reality.●

SOCIAL SECURITY MARKS ITS 50TH ANNIVERSARY: A PARTNERSHIP WITH TOMORROW

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1985

● Mr. HAWKINS. Mr. Speaker, 1930's President Franklin D. Roosevelt characterized the social condition of the third of this Nation's population as "ill-housed, ill-clad, ill-nourished." In the 1980's there are still a number of poorly cared for people in this land, but hardly as many as there would be without the Social Security Administration and the many services it has provided for millions of Americans for 50 years.

Social Security was begun as a program to help prevent the kind of widespread economic insecurity of the elderly that occurred during the 1930's. That purpose lives on in the work that Social Security does now. When it became apparently necessary to provide for those who fall through the cracks of society because of youthful situation, unemployment, or medical need, Social Security became a family program, rather than one just for the aged, by providing benefits for certain dependents and survivors of insured workers.

With the formation of Medicare in the sixties, the Social Security Administration provided the medical assistance so many senior citizens needed to survive. Medicare is still vitally important to the livelihood of millions of senior Americans. Now, the medical and financial needs of many of our citizens are addressed and we will be able to address them with certainty for at least another three generations because of legislation that has increased the old-age survivors and disability insurance fund.

Social Security has done a great deal, an immeasurable amount to address ill-nourishment, poor housing, and other indicators of poverty, old age, and family infirmity in this Nation. Social Security has served a priceless purpose in this Nation. Each time proposals are made to reduce the benefits of this program a thorough analysis shows that a multitude of Americans face the risk of impoverishment. We all must strengthen our resolve to insure that Social Security will be available as needed for another 50 years and beyond. I applaud the Social Security Administration and its successes on its 50th anniversary.●

CAPTIVE NATIONS WEEK

HON. BILL EMERSON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1985

● Mr. EMERSON. Mr. Speaker, President Reagan has issued a proclamation declaring the week of July 21 through July 27, 1985, as the 27th annual observance of Captive Nations Week. In so doing, the President has kept an annual tradition of designating the third week of July as a time when we remember those in other countries who are held captive under the long, dark shadow of communism. The Soviet Union has been doing all in its power to cast that shadow as widely as it can, and as we all are painfully aware, they have met with success even in recent years.

In 1920, Armenia, Azerbaijan, Byelorussia, Cossackia, Georgia, Udel-Ural, North Caucasia, and the Ukraine fell to Soviet domination. Others were not far behind: the Far Eastern Republic and Turkestan in 1922; Mongolia in 1924; Estonia, Latvia, and Lithuania in 1940; Albania, Bulgaria, and Yugoslavia in 1946; Poland and Romania in 1947; Czechoslovakia and North Korea in 1948; Hungary and East Germany in 1949; Tibet in 1951; Cuba in 1960; Cambodia, South Vietnam, and Laos in 1975; and Afghanistan in 1980.

Even more horrendous than their brutal invasion of many of these countries is their treatment of the citizens of these new Soviet satellites. Recently, we have seen the oppression of the Polish labor union Solidarity, the attempted assassination of the Pope, a Cuban and Soviet presence in Grenada, and the tragic downing of a Korean commercial airliner. We need only to look to their activities in Central America and Southeast Asia to see that they have every intention of casting that shadow into other corners of the world.

This week, all Americans, and particularly Members of Congress, should

pause and reflect on how we can ensure that no more countries are added to the list of captive nations, and on the consequences of our failure to do so. As the strongest democracy in the world, we must set an example and work toward the day when all captive nations can take their rightful place among the free nations of the world.●

CAN WE USE REASON ABOUT OUR USE OF ANIMALS?

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1985

● Mr. LANTOS. Mr. Speaker, the ancient lawmaker, Seneca, in the first century B.C. said, "Man is a reasoning animal," And yet, some 20 centuries later, members of the official bureaucracy in our generally enlightened democracy too often fail to use reason.

A serious case in point is the recent victory won for animal welfare last week, when Secretary Margaret Heckler ordered the suspension of funding for the University of Pennsylvania brain-trauma experiments on primates. I was joined by several of my colleagues in the House in calling for a halt to this experimentation months ago. As more information became available to us, despite the reluctance to the National Institutes of Health to cooperate, our shock and horror over the blatant abuses in this laboratory increased. It was clear from the outset—to any reasoning person—that the use of public funds for this research was in violation of regulations governing research procedures using animals. Scientific procedures as well as ethical and humane concerns were blatantly compromised. And yet, the Department of Health and Human Services continued to defend and fund this research, and even to accept without hesitation a recommendation for continued funding for another 5 years. Where is the use of reason?

What finally forced the attention of the Secretary was a disconcerting demonstration by an activist animal welfare group that organized a sit-in in the offices of the National Institute of Neurological and Communicative Diseases and Stroke. The demonstration, coupled with inquiries and pressure from some of us in Congress, resulted in this long overdue action by HHS. The research at the University of Pennsylvania brain-trauma laboratory should have been stopped as soon as the violations were first made public almost a year ago.

In today's Washington Post, James J. Kilpatrick offers a balanced perspective on this sensitive issue. Kilpatrick does not mention that the report of the investigating committee, which confirmed claims about the research, was released—as if by coincidence—after the takeover of NIH by the demonstrators and after stepped-up congressional pressure. He does, however, clearly expose the resistance to reason exhibited by responsible officials in the National Institutes of Health. Unfortunately, experiences of this kind merely encourage the future use of such displays of force, rather than reasoned persuasion. This should not happen in a democracy such as ours.

I am inserting in the RECORD Mr. Kilpatrick's article from the Post for the benefit of my colleagues.

BRUTALITY AND LAUGHTER IN THE LAB

Early in the morning of May 28, 1984, members of the Animal Liberation Front broke into the Head Injury Clinical Research Center at the University of Pennsylvania. They stole more than 60 hours of videotapes of animal experiments and launched a campaign to halt further federal grants to the center. Last week they could claim a well-won victory.

The story of the laboratory break-in created a small flurry last summer. Clinic officials and university spokesmen stoutly defended the research. Dr. James Wyngaarden, director of the National Institutes of Health, was quoted in Science magazine in June 1984. The center, he said, "is considered one of the best laboratories in the world." Last week he appeared to have suspended that judgment.

The animal lovers who stole the videotapes edited the 60 hours down to a 30-minute shocker. Under the auspices of PETA (People for the Ethical Treatment of Animals), the 30-minute film was selectively circulated. I watched it a few days ago, and though I am no anti-vivisectionist, I found it appalling. Half a dozen members of Congress viewed it. They wrote to Margaret Heckler, secretary of Health and Human Services, demanding that the experiments be halted. The government at long last began to pay attention.

The story goes back about 13 years, to the time that medical doctors at the University of Pennsylvania got their first federal grant for head-injury research. One series of experiments involved enclosing a test animal's head in a hard plastic helmet, positioning the head in a machine that delivers a piston blow of up to 1,000 g's, and then chipping off the helmet with hammer and screwdriver. The brain-damaged primate is then subjected to various experiments, some of them involving recent memory, and finally the animal is killed and its brain tissues and fluids analyzed.

If the research were done carefully and humanely, perhaps a case could be made for it. Whiplash injuries are serious injuries. Brain concussion is no trivial matter. But PETA spokesmen charged that the research was not being done ethically. They contended, for one thing, that the anesthetic used in the experiements, Sernalyn (phencyclidine hydrochloride, or PCP), was inadequate to prevent the animals from suffering serious pain. They charged that lab assistants were violating rules having to do with sterile procedures. The hammer blows to remove the protective helmets, they said, affected whatever findings might be disclosed by later dissection.

The stolen film shows animals with various levels of brain damage. It depicts researchers as having a really fun time. One lab assistant flops a dazed baboon around a table. He waves the rag-doll arms and jokes about the trainer "who taught him how to do those tricks." Ho, ho, ho. Over in a corner is baboon B-10, who gazes at the camera in misery. "As you can see, B-10 is alive . . . B-10 wishes his counterpart well. B-10 is watching and hoping for a good result." The mockery provokes a big laugh. Other researchers try to make an animal shake hands. This is hilarious. "He says, 'You're going to rescue me from this, aren't you?'"

Well, it was high time for someone to rescue these baboons from the hands of their tormentors. Under pressure from PETA and the shocked congressmen, Wyngaarden, who originally had stonewalled, a month ago named a committee to investigate. Last Wednesday the committee filed its preliminary report. There has been "material failure to comply with public health policy for the care and use of laboratory animals." The committee was especially critical of anesthetic procedures. There had been inadequate "supervision and training" of lab personnel.

Heckler did not wait upon a final report. She telephoned Wyngaarden Thursday morning to say she was suspending the federal grants at once. If the outraged House members have anything to say about it—and they do—the funding will be halted for good.

Fine with me. After 13 years and $13 million, what's to be gained by bashing in the brains of more baboons? According to PETA, published papers have been mostly of mild academic interest, though the researchers' analysis of brain fluids may have proved useful in treating some human head injuries. The whole unhappy business smacks of grantsmanship at its most avaricious. Get the grant, and never mind the poor baboons.●

JOHNNIE, WE REMEMBER

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1985

● Mr. GEPHARDT. Mr. Speaker, on Wednesday, June 5, 1985, the St. Louis Metropolitan Police Department lost one of its finest. Patrolman Johnnie Corbin, 41 years of age, an 18-year veteran with the police department, met an untimely death.

Officer Corbin was a former member of the mobile reserve, a police unit that knew how to deal with trouble. Johnnie was a member of the St. Louis Hostage Negotiating Team, an elite unit of officers trained to react in hostage situations.

Johnnie was a survivor. In 1974, Corbin was awarded a meritorious service award, the department's second highest award, for his role in a shootout with three desperadoes. One bandit was killed and two others wounded when Corbin and other officers interrupted a hold-up in my district. Johnnie knew what danger was.

Johnnie was a survivor. The ex-Marine Corps sergeant underwent open heart surgery in 1983, and after a

short recuperation returned to police duty. Johnnie wasn't very different from the thousands of other peace officers in this country—men who do a very important job for our country and their community, men we citizens often take for granted.

On Wednesday, June 5, 1985, Officer Johnnie Corbin, was doing his job. Johnnie didn't die in a hail of gunfire. Johnnie wasn't freeing a hostage from the terrorists. Johnnie was giving out parking tickets. He was assigned to traffic safety, and he was doing his job. Fifteen minutes before his death, Corbin gave a motorist a $4 ticket for a parking violation. The motorist in a rage ran Johnnie down as he sat on his tri-car. That wasn't enough, his assailant proceeded to kick Officer Corbin in the head—just for doing his job.

Mr. Speaker, we in America, read about or see on television daily, the sensational efforts put forth by our police officers. And in those brief moments, we think, "Thank God they were there to help." But how often do we just take for granted the job they do? The pay is not always good, the hours are sometimes bad, and their lives are always on the line.

To the anonymous citizen, who apprehended the assailant with Officer Corbin's own gun, and to all the Johnnies in law enforcement, thanks for the job you do. We do remember. To Johnnie's family, friends, and fellow officers, our deepest sympathy. And you Johnnie, we remember.●

SOVIET ACTIVE MEASURES: LUNGREN S.O.

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 17, 1985

● Mr. DORNAN of California. Mr. Speaker, this special order is of great interest to me, because I am convinced that one of the most consistent and significant efforts the Soviet Union makes in its public affairs at home or abroad, is trying to make the world see things that aren't there, or not to see things that are. The Soviet Government does this in order to gain the maximum advantage available by making this country and others, including its own citizens, misdirect attention and energy, or sleep, blissfully unaware of what is being done to them.

Their work of misdirection ranges from placement of black propaganda articles in friendly foreign publications to timing the activities of their military and defense construction so as to be quiescent and invisible as U.S. intelligence satellites pass overhead.

Since the pictures of the world we make in our minds are the models on which we base our plans of action, it is critical that we be aware of the Soviet proclivity for lying. They instinctively lie, preferring the protection of misdirection to the advantages of truth. And, when the truth comes out, they do their best to raise doubts as to the accuracy of the true reports.

So important is the Soviet propensity for misdirection, deceit, and deception, that they actually have a chief directorate for strategic deception, headed by General N.V. Ogarkov. This department guides and controls all military censorship in the Soviet Union, which means all publications in science, technology, economics, or anything which might have military implications. Viktor Suvorov, in his revealing and insightful study "Inside the Soviet Army," tells us that "Everything in this huge country must be done in such a way that the enemy always has a false impression of what is going on." He goes on to say that some things are hidden, others are exaggerated "out of all recognition." Further, Suvorov tells us, Soviet military intelligence and the directorate have recruited mercenary hack journalists abroad, who disseminate Soviet-inspired false information.

Within the first directorate of the KGB, the active measures service carries out parallel operations, with attention to far more than simply disinformation and forgeries. It is worth noting that since World War II the Soviets have upgraded that office from a disinformation office to an active measures office to its present status as a full-fledged service. That service has six departments, and is charged with supporting foreign active measures conducted by the Politburo. Deception is a key element in the Soviet strategy of world domination.

One way to look at the Soviet art of lying is to remember that they have small lies, and big lies. The small lie is the slight distortion, the statistical exaggeration or shell game, which exaggerates progress or success, or minimizes failure. A significant example of this was General Ogarkov's promotion of the belief that they were capable of producing a successful antiballistic missile. Now, the Soviets did have some excellent surface-to-air missiles in their armory at that time, and they were capable of destroying some ballistic missiles. They were by no means able to destroy an incoming American Minuteman missile. But, by displaying an otherwise unidentified huge missile during a Moscow parade, building a building in plain sight of Moscow, and broadcasting some computer signals from it, they gave the impression that they had something going. They even faked up some films showing an antiballistic missile in action. The result was that this country came to the bargaining table with the Soviets and relinquished our right to develop a weapons system which would have given us an advantage, because the Soviets really didn't have the capacity to produce such missiles. The tipoff to this should have been General Ogarkov's presence at the Geneva bargaining table.

Another side of this is the absence of news in the Soviet media about natural disasters or even plane crashes, despite the fact that many Soviet citizens are directly affected by such events.

The other kind of Soviet lie is the big lie, a lie told when no Soviet would dare tell the truth, but silence is impossible. The record is replete with such examples. Soviet troops are in Afghanistan because the Western Powers are running an operation against the Afghan Government. The Government of Czechoslovakia invited Soviet troops into that country in 1968. The United States caused the cold war. Flight KAL 007 was shot down because it was engaged in a spy mission. I could go on, but the point is clear.

The problem this presents for U.S. policymakers, and lawmakers, is that we spend so much time sorting out what we can believe and what we cannot. Our intelligence services gather data, and provide reports. At the same time the Soviets hide some things completely—like their recent real missile production—and put out misleading stories on more public developments, seeking to undercut public faith in official U.S. reports.

The Soviets are fond of besmirching the United States reputation by circulating what used to be called black propaganda through news organs around the world. One of Ogarkov's puppet journalists writes a story which might appear in the Bombay Blitz, for instance, accusing an American Embassy official of spying or other misbehavior. The story is then picked up by Pravda or Izvestia, and then reported in a Western newspaper, by which time some people accept it as true. It is hard enough to keep track of normal political polemics as practiced in this country by rivals and opponents, let alone the complications of international news deliberately slanted and distorted to blind the American public to what our adversaries are about.

A case in point was the cleverly arranged demise of the enhanced radiation weapon, or neutron bomb. The Soviets spent about $100 million to shape the public debate to their purposes, successfully. In the NATO Review for April 1983, Larry Eagleburger reported that "the U.S.S.R. was able to distort the public debate on the topic and direct attention from the massive Soviet military buildup and the clear threat to European security posed by Warsaw Pact convention-

al forces—the threat which enhanced-radiation weapons can so effectively counter." The unfortunate part was that responsible and informed American journalists fell into the Soviet trap. To this day, some people believe the neutron bomb was rejected because it was immoral, "that it killed people instead of destroying property," rather than because the Soviets cleverly torpedoed it. Other writers have described Soviet capabilities and practices in the area of active measures. I call attention to John Barron's masterful study, "The KGB Today," which details the operations of that Soviet secret intelligence/counterintelligence agency. Arnaud Deborchgrave's excellent series in the Washington Times detailed the network of organizations which manipulate American public and official opinion, especially with regard to Central America.

There are many examples we could cite, and I am sure the wide range of institutional and organizational connections in the peace and antinuclear movements in Western Europe and the United States fit nicely into the active measures strategy. Tens of thousands of well-meaning, idealistic citizens of the United States and of Western European democracies are deftly herded into the streets to serve Moscow's aims—the delaying of deployment of a defensive weapons system to counter the Soviet threat.

We must be on our guard, and we must recognize the Soviet design and intention as the Soviet Union practices "active measures," which is to confuse and mislead us that they can gain fatal advantage over this Nation.●

NATIONAL POW/MIA RECOGNITION DAY

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1985

● Mr. KEMP. Mr. Speaker, this has been a year for remembering. We celebrated the 40 anniversary of the victory of the Allies ending World War II, and we remembered those who gave their lives in that war, and those who suffered the horror of the Holocaust. We looked back 10 years ago to the fall of Saigon, and we remembered why we were in that war, the honor of those who served, the tragedy of Vietnam today.

Today we observe another day of national remembering. July 19, 1985 is National POW/MIA Recognition Day. As President Reagan said in his proclamation of this day, "we recognize the special debt all Americans owe to our fellow citizens who gave up their freedom in the service of our country; we owe no less to their families."

The families and loved ones of the 2,500 Americans unaccounted for in Vietnam, who have held on to their faith and their determination never to let any of us forget, are truly American heroes. No greater courage nor love has any man or women than they who refuse to surrender hope. Their extraordinary sacrifice, and extraordinary spirit, command our admiration and demand our unrelenting commitment to be adamant in our insistence that Hanoi provide a full accounting of our missing countrymen.

That national commitment is more than a promise; it is a solemn responsibility that we owe not only to those 2,500 and their families, but to the future generations who will serve their country, that they may be secure in the knowledge of our unfailing support for them in combat and commitment to their safe return home.

We know that the Governments of Vietnam and Laos have information which could resolve the status of a large number of American POW/MIA's. The refusal of the Communist Governments of Vietnam and Laos to provide this information, despite repeated official demarches and poignant personal humanitarian pleas, highlights as much as anything why it was right for those who love freedom and human decency to fight against the Communist forces of North Vietnam. And that fight is not over, not in Indochina, where the democratic resistance continues, and not here, where the families of our POW/MIA's unceasingly continue to speak out, to never give up, to never forget.

That fight is noble, as President Reagan has said; indeed it is the noblest of fights because its goal is the noblest of goals, which is to make it possible to believe that one day all mankind will be free of the horror of totalitarian fanaticism, free to grow and reach our full potential.

For several weeks this summer, America held its breath while Americans were held hostage in Beirut. The families of our POW/MIA's have been holding their breath for a dozen or more years. If they had tied yellow ribbons to their doors and mailboxes, those ribbons would long ago have become tattered and torn. But their ribbons aren't tied to their mailboxes, they're tied to their hearts. They will never fade, not until our missing are accounted for, our countrymen brought home.

In western New York, our community continues to remember, thanks to the courage and relentless determination of people like Barbara Rausch, and Sue Czajkowski, and Ellen Cooper, and Mafalda DiTommaso and Christine Waz, and many others. On July 6 and 7, under the chairmanship of Donna Lee Glair, Missing-In-Action ceremonies were held at the Vietnam Veterans' Memorial and the Buffalo Naval and Serviceman's Park. I was very sorry that I was unable to attend in person, but my thoughts and prayers were with these dedicated friends as always but especially as they met together this year to dedicate a new display case that contains special MIA/POW bracelets in honor of our missing men.

Mr. Speaker, I would like to include for the RECORD an article that appeared in the Buffalo News of June 23, 1985 by Bob Curran concerning this very special event, and the extraordinarily special people responsible for these ceremonies of remembrance.

Bob is a great friend of all the families mentioned and I'm proud of the great work he has done to keep this issue at the forefront of our attention.

THE MISSING ARE STILL REMEMBERED

Courage is to feel
The deadly daggers of relentless steel
And keep on living.—Douglas Malloch

The above words appear at the beginning of a column of mine that was published October 10, 1970.

In the body of the story I told about how Mrs. Robert Rausch of Hamburg was informed by visiting Air Force officers that her husband was missing in action in Southeast Asia.

It was the first of many stories I would write about the men missing in action in Southeast Asia and it came front and center a month or so ago when I received a letter from Donna Lee Glair, chairman of the Missing-In-Action ceremonies that will be held at the Vietnam Veterans Memorial and the Buffalo Naval & Servicemen's Park on July 6th and 7th.

In the letter Mrs. Glair asked if I would represent the Rausch family at the ceremony and place Robert Rausch's bracelet in the special case that from July 7th on will be on display at the Naval Park.

Right after notifying Mrs. Glair that I was honored by the invitation and would be there, I began thinking about an Independence Day column for July 7th.

Then I found myself thinking, "Who qualifies more for a Neighborhoods column than this band of people whom you have spent more time with than you have with neighbors."

Yes, there, have been memorable days.

There is no way I could forget the day Mrs. Barbara Rausch and Major Robert Rackley, the officer the Air Force had assigned to her case, asked me to meet them at the Statler Hilton.

At the meeting, Barbara told me that she was convinced—as were Air Force officials—that her husband had died on the day he crashed. She and Bob Rackley had fallen in love and planned to marry. They wanted me to break the news in a column because I understood the situation.

That was done and the Rackleys now live down South.

There were other unforgettable days. Like the Christmas Day when I spent some time with Mrs. Mafalda DiTommaso, who has not celebrated a holiday since her son, Robert, was shot down in 1966.

Like the time I traveled to Rochester to attend an Army-Navy Union meeting with Sue Czajkowski and her mother, the late Lee Dyczkowski, whose Air Force son, Robert, was shot down on April 23, 1966.

Then there were the tree plantings. And as I typed that last sentence I thought of the day some of Sgt. Jimmy Rozo's friends

played a special song at a tree planting in his honor in Tonawanda.

And there was the day we all marched to the White House with the families of people from other places who were missing in action in Southeast Asia.

Certainly I will never forget the lady who when asked by a TV reporter if she was refusing to concede her son was dead because of the fact that she would lose benefits, gave a strong and teary reply.

It was: "He came to me naked and with nothing and I will take him back the same way. All I want from the government is an accounting."

These days I am wearing an MIA/POW bracelet with the name of Robert DiTommaso on it. On the third finger of my left hand is a red ring with the name of Jimmy Rozo on it. And I wince when people say, "I didn't know people were still wearing those bracelets."

Yes, there are people wearing the bracelets and the rings and each veterans organization has a national committee on national and local levels that are dedicated to the cause.

As I watched reports on the hostage situation in Lebanon on TV the other night, I found myself thinking about some of the men whom many of us consider to be hostages.

Yes, the officials in Hanoi have been parcelling out the bodies of dead men just as terrorists parcel out live hostages. And often I recall Captain Dick Stratton, who came home after six and a half years as a prisoner of the Viet Cong and made a statement about the matter. He said: "If the Viet Cong would collaborate with an American inspection team, we could have an accounting within a month."

The name of Dick Stratton reminds me that I did not mention earlier that I spent many hours with his sister, Mrs. Ellen Cooper of Snyder. Ellen kept working with the other families of MIA/POW families after her brother was returned.

On the day of the march to the White House I met the father of a man who had also returned from prison camp. Others told me that the father is still one of the most active members of the National League of Families of Men Missing in Action in Southeast Asia.

The July 6th ceremony will start at 10 a.m. at the Vietnam Veterans Memorial near the Naval Park.

Bracelets with the names of 23 men from this area will be placed in a special case. After the formal ceremonies have ended, members of the Vietnam Veterans of America will keep a vigil over the case until 10:45 on Sunday, July 7th.

At 11 A.M. on July 7th, the bracelets will be moved to the park and placed in the care of Commander Richard Beck, U.S.N., (retired), Director of the Park. On Thursday, Susan Czajkowski was saying: "The case will be in Commander Beck's care until the last man whose name is on a bracelet is returned to the United States."

Of course I am looking forward to seeing all of MIA/POW people mentioned above and Christine Waz, Jimmy Rozo's sister, whom I didn't mention on July 6th. Chris was one of my main contacts for years.

And I hope that I will see some strange faces at the ceremonies. Faces that belong to other Americans who realize that the families of the men missing in action have never stopped feeling "the deadly daggers of relentless steel" as they kept on living and hoping.●

CONGRESSIONAL CALL TO CONSCIENCE

HON. BILL EMERSON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1985

● Mr. EMERSON. Mr. Speaker, today I join many of my colleagues in the congressional call to conscience which, I am pleased to say, has become an annual occurrence in which we as Members of Congress can express our dismay and outrage at the human rights violations taking place every day against Jews in the Soviet Union. Despite our past protests and the world outcry against the treatment of these oppressed people, the situation in the Soviet Union has worsened during the past year. The emigration rate for Soviet Jews in 1984 was the worst in more than a decade, and anti-Semitic activity by the Soviet Government has increased.

At a time when relations between our Government and that of the Soviet Union are improving and a new leader has taken power there, it is important to continue pressuring the Soviets to observe the Helsinki accords and guarantee individual rights to freedom of religion, cultural practices, and emigration. All of these things that we take for granted in our own country are only dreams for millions of Jews in the Soviet Union. We must not allow ourselves to become complacent and forget others in the world who have the misfortune to live under a government that has no respect for basic human rights. Today, we all call upon the leadership of the Soviet Union to do what is right and decent and end its oppression of Soviet Jews.●

NATIONAL ENDOWMENT FOR DEMOCRACY: ONLY THE LATEST IN A LITANY OF QUESTIONABLE ACTIVITIES

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1985

● Mr. CONYERS. Mr. Speaker, from its very inception, the National Endowment for Democracy has been riddled with scandal and impropriety. Whether it be interfering in other countries' elections, such as Panama, supporting ideologically affiliated political organizations and political parties abroad, acting as a pseudo foreign policy arm of the U.S. Government without a clear congressional mandate to do so, or violating congressional mandate by the way in which it distributes funds, NED has been a highly unjustified and duplicitous waste of the taxpayers' money.

Most recently, investigative reporters for the San Francisco Examiner, Phil Bronstein and David Johnston, have uncovered NED's activities in the Philippines. I enter into the CONGRESSIONAL RECORD their news story which appeared in Sunday's edition of that paper. The article follows:

[From the San Francisco Examiner, July 21, 1985]

U.S. FUNDING ANTI-LEFT FIGHT IN PHILIPPINES

(By Phil Bronstein and David Johnston)

At least $3 million from a U.S. fund designed to "foster democracy" around the world through development programs is quietly being spent to fight the communist insurgency in the Philippines and to cultivate political leaders there.

The money is part of a multimillion-dollar congressional appropriation to the AFL-CIO and other organizations. But details on how the funds are spent are a closely guarded secret provoking irritation both in Congress and in Manila.

The funds sent to the Philippines are intended to assist workers and farmers. Although such programs are under way, critics say the money also has become a vehicle for the United States to intervene in Philippine Affairs while bypassing the government of President Ferdinand Marcos.

The programs are paid from tax money via the private, Washington-based National Endowment for Democracy. The endowment channels the money to the Philippines through the Asian American Free Labor Institute, an arm of the AFL-CIO.

Local labor leaders in several Philippine provinces have won union elections with help from the fund; the money also assists several radio stations and publications.

A prominent Philippine opposition leader, former Sen. Jose Diokno, said the program is "worse than just a matter of intervening in our internal affairs. It is breeding further discontent."

Members of Congress and U.S. Embassy personnel in Manila have had difficulty learning details about the fund. One embassy official who made persistent inquiries was said to have been threatened with the loss of his job.

Program coordinators in the Philippines acknowledge that combatting the growing communist movement is a major objective, but insist the funds are appropriately spent to support the free trade union movement and create self-sufficiency programs for farmers and the rural poor.

The National Endowment for Democracy has critics in Congress, although its funding for the coming fiscal year was approved last week in the House. The Senate will debate the appropriation within the next few weeks.

NED is "clearly one of the most mischievous and unjustified expenditures of public funds that we've seen in some time," Rep. John Conyers, D-Mich., wrote in a letter to his House colleagues last week. Conyers tried unsuccessfully Wednesday to kill NED funding.

Conyers, who was unaware of the program's effort in the Philippines, said in his letter that NED money may be funding the AFL-CIO's political objectives in Central America and Africa.

He wrote that the law creating NED "should really be known as the Taxpayer Funding for Foreign Elections Act."

Last year, the NED-funded Free Labor Institute in Panama was found to have donated $20,000 to a candidate in that country's presidential election. Congress has since passed an amendment prohibiting political use of NED money.

The U.S. Information Agency liaison for NED, Cathy Super, said last week that she was unfamiliar with the programs in the Philippines and said the endowment resisted providing reports. NED's annual report to Congress does not specify the group's expenditures.

NED President Carl Gershman said there is no secrecy involved in the program. "We're operating in a fishbowl," he said.

NED was created in 1983 after President Reagan called for private sector efforts to strengthen democratic institutions around the world. Originally, NED funds—$18 million last year—were divided among groups set up by the AFL-CIO, the U.S. Chambers of Commerce and the Republican and Democratic national committees. Congress dropped funding for the party committees last year.

The AFL-CIO is getting the largest chunk of funding—$11.5 million—which it gives to its Free Trade Union Institute. The institute has created programs in politically unsettled areas. In Southeast Asia, the vehicle is the Asian American Free Labor Institute.

Although the institute covers all of Southeast Asia, the Philippines project "is far and away larger than anything else we've got going," said Charles Gray, the institute's executive director in Washington.

The Asian American Free Labor Institute has been active in the Philippines for 15 years, using money from the AFL-CIO and the U.S. Information Agency. But its funding for Philippine operations increased from $250,000 to $1 million in 1984 with the injection of the NED allocations. An additional $2 million was allocated last year, bringing the total to $3 million.

The program, with its base in the urban Filipino labor movement, has used the NED money to expand to all areas of the country in an attempt to undermine leftist gains in religious organizations, universities and among the rural poor.

The NED money had dramatic effects, said the institute's administrator in the Philippines, Bud Phillips, coming after the 1983 assassination of opposition leader Benigno Aquino had destabilized the country.

"If people hadn't had immediate assistance then," Phillips said, "the success of the political left in the (Philippine) trade unions would have been phenomenal. Nationally and internationally it would have been a Waterloo. Our help saved the free trade union movement here."

With only one administrator and a small staff in Manila, the institute depends on Filipino labor leaders to dole out the money to various programs. That creates political allies in a country where the average annual income is only $790.

"Some of the regional (labor leaders receiving institute money) are becoming powerful politically," Phillips said. "Imagine if you have $100,000 to give out to families in $500 chunks: Your stock goes way up, faster than the stock of any of the militant labor groups."

Institute money is distributed via one of the country's largest trade union groups, the Trade Union Council of the Philippines.

One U.S. official who has raised concerns about the effect and scope of the institute's activities is Joseph Lee, the U.S. Embassy's labor attache. Lee refused comment, but a source familiar with his efforts detailed Lee's unsuccessful attempts to get information about the institute's Philippine projects.

The source quoted Lee as saying that since the money came from U.S. taxpayers, "We have a certain obligation to see that they're used properly."

"All of a sudden it disappears into a private organization and becomes a secret," the source said. "Some of the programs are made to sound clandestine."

After Lee began to ask about the size and nature of the institute's programs, he was told by State Department officials to "lay off, it's none of your business," the source said.

AFL-CIO executives in Washington complained to Ambassador Steven Bosworth about Lee, according to the source, and threatened to have Lee removed from his job.

One of those blocking Lee's inquiries in Washington, according to several sources, was Irving Brown, the politically powerful head of the AFL-CIO's international section and an ardent anti-communist.

Brown, who visited the Philippines last year, has long been involved in AFL-CIO activities in international trouble spots, including Asia and Latin America. Some former Central Intelligence Agency agents, including Phillip Agee, have linked Brown to CIA activities.

The institute's director in Thailand was expelled late last year when the Thai government accused him of being a spy.

The institute's program in the Phillippines "follows the pattern of Latin America where AFL-CIO money was used for CIA purposes," Philippine opposition leader Diokno said. "For instance, they opened up an institute here supposedley to teach labor relations. But they teach community organizing and indoctrination, not labor tractics."

Still, over the last 15 years the institute has begun programs that even critics such as Lee endorse. They include low-interest loans, employment training, health care and farm projects.

Although some institute officials are unhappy even with the country's traditional opposition—They are the same kind of people already in power," said executive director Gray—the main enemy remains the communists, and not just those in the labor movement.

"The leftist elements (in the church) can potentially make real problems," Gray said, "and we're trying to counter that kind of thing."

The institute also has problems in Congress. Opponents are likely to renew their efforts to cut out NED financing when the appropriation request for the next two years comes before the Senate.

With board members like Henry Kissinger and Walter Mondale, NED will have powerful supporters.

But a congressional coalition of liberal Democrats and conservative Republicans has been building up steam against the endowment. The liberals are concerned about foreign meddling. The conservatives, including Rep. Hank Brown, R-Colo, worry about the money.

"Here we are cutting domestic programs right and left and at the same time putting millions in private hands to run around the world doing God knows what," said Brown's legislative assistant, Jerry Martin.●

H.R. 1555

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1985

● Mr. LAGOMARSINO. Mr. Speaker, during the debate on H.R. 1555, the International Security and Development Cooperation Act of 1985, I was pleased to join the gentleman from New York, [Mr. GARCIA], in a short colloquy on the economic and political situation in Ecuador.

Much to my surprise and disappointment, I discovered several typographical errors in my remarks which appeared in the CONGRESSIONAL RECORD the following day. The printed text of my remarks incorrectly leaves the impression that Ecuador has not acted in a responsible manner with respect to its economic troubles. Such is not the case. The government of President Febres-Cordero has done a remarkable job to revive the economy and reduce the country's foreign debt. My remarks also indicated that Ecuador has a human rights problem. This is absolutely false. The U.S. State Department reports that Ecuador "has vigorously upheld the principles of representative rule." Further, they report "* * * there were no substantiated cases of human rights violations in 1984."

It is regrettable that these errors occurred in the transcript of my remarks.

Mr. Speaker, at this point in the RECORD, I would like to insert a copy of my letter to Ecuador's Ambassador to the United States, Mario Ribadeneira.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, July 23, 1985.

His Excellency MARIO RIBADENEIRA,
Ambassador of Ecuador to the United States, 2535 15th Street, NW., Washington, DC.

DEAR MR. AMBASSADOR: I was honored to join in the debate during the House's consideration of the foreign assistance legislation regarding the economic and political situation in your country.

Your President is to be congratulated for setting a bold new direction in terms of economic and social policy.

It was with deep regret, therefore, that I discovered several errors in my printed remarks which appeared in the CONGRESSIONAL RECORD the following day. These errors could be construed in a way which reflects negatively upon your country. Such was not my intention. I have only the highest praise for your President's economic program and the government's record in the area of human rights. The facts support one inescapable conclusion: Ecuador is on the way to becoming a success story in Latin America.

With kind personal regards, I am

Sincerely,

ROBERT J. LAGOMARSINO,
Member of Congress.●

TO DESIGNATE NOVEMBER 18, 1985 AS EUGENE ORMANDY APPRECIATION DAY

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1985

● Mr. COUGHLIN. Mr. Speaker, today I am pleased to join with my distinguished colleague in the Senate, the Honorable JOHN HEINZ of Pennsylvania, to introduce a joint resolution designating November 18, 1985, as "National Eugene Ormandy Appreciation Day."

November 18 marks the anniversary of the birth of the Hungarian-born conductor who brilliantly led the Philadelphia Orchestra for over four decades. During his tenure as music director and conductor laureate, Mr. Ormandy developed and presented the unique and innovative "Philadelphia Sound" that soon gained international acclaim. He served the city of Philadelphia and his adopted country as a good will ambassador as he and his orchestra embarked on numerous tours of cultural diplomacy to such places as the Soviet Union, Europe, South America, and China.

For decades Ormandy was a source of pride for Philadephians as he honored and dignified the city with his leadership of the brilliant orchestra. Mr. Ormandy set a high set of standards and both he and his musicians lived up to them. By the time he stepped down—or stepped back, as he put it—Ormandy had personally handpicked every member of the orchestra.

Though he has recently passed away, Eugene Ormandy's legend lives on in his orchestra and in the hearts of Philadelphians and Americans alike. I hope my colleagues in the House will join me in declaring a national day of appreciation in honor of this great man.●

SOVIET DISINFORMATION—THREAT TO AN OPEN SOCIETY

SPEECH OF

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 17, 1985

● Mr. CRANE. Mr. Speaker, our colleague, Congressman DAN LUNGREN, is to be commended for his special order on Soviet disinformation and its effects on our society. I am pleased to be able to participate with Mr. LUNGREN and others in this special order, because I consider this to be a matter of great importance. If we fail to recognize the presence of disinformation, or fail to work to counteract it, we are leaving ourselves open to a dangerous and destructive influence. I believe it is essential to understand just what disinformation is if we are to be successful in our efforts to defend against it.

WHO CONTROLS THE DISINFORMATION NETWORK

Like all major foreign policy decisions, the ultimate approval for all use of disinformation rests with the highest level of the Soviet hierarchy, the Politburo and the Secretariat of the Central Committee of the Communist Party of the Soviet Union. The actual implementation of these decisions is carried out by a special branch of the KGB known as Service A. Service A works in close coordination with two clandestine elements of the Soviet party bureaucracy known as the International Department and the International Information Department. The fact that these two powerful party components participate so directly in Soviet disinformation activities indicates the level of importance that the Kremlin attaches to this type of operation.

Other elements of the Soviet structure are also regular and essential participants in disinformation measures. Magazines, news agencies such as TASS and Novosti, radio stations, television networks, and even the Soviet airline Aeroflot are all called upon as need arises. In the field, any KGB officer or intelligence asset can be used in the implementation of disinformation. What's more, official and quasiofficial Soviet representatives abroad often perform disinformation functions in addition to their overt or official functions. These representatives include embassy staffers, specialized Soviet missions abroad—trade, scientific, and cultural—and Soviet residents abroad—correspondents, scholars, students, and so forth.

The International Information Department is little more than the Soviet foreign propaganda machine. Its primary function is to supervise the Soviet propaganda organs such as New Times and Radio Moscow that support disinformation campaigns abroad. The IID also commonly redisseminates misleading or blantantly false reports—as in the Nigerian case mentioned above—that were originally released to local news organizations by the KGB or a KGB asset, such as an agent of influence. The purpose behind such an activity is to lend credence to claims made by Soviet leaders of widespread support throughout the world for Soviet policies. False stories receive extensive coverage and are described as having originated in independent and supposedly unbiased foreign newspapers.

The International Department, on the other hand, is the Soviet liaison with foreign Communist parties and Communist front organizations. Its mission is to convince foreign Communist parties to accept and support the official Soviet line on any number of issues that the Kremlin has chosen as priorities. Front organizations are instructed to undertake propaganda actions or political activities in support of disinformation campaigns. Some of the more well known of these front organizations are the Afro-Asian People's Solidarity Organization, the World Peace Council, and the World Federation of Trade Unions. The Soviets funnel funds to these and other front groups, and in some cases even provide administrative assistance and direct leadership.

The World Peace Council, based in Helsinki, is the largest of the Soviet front organizations, and until 1979 its financial and administrative activities were directed by Aleksandr Lebedev, a Soviet official. With affiliates in more than 130 countries, the WPC is an important instrument of Soviet foreign policy, and its directives come directly from the Kremlin. It is actively engaged in generating opposition to NATO and NATO policies in Western Europe and the United States. In fact, for the past 30 years WPC positions on virtually every important international issue have coincided exactly with those of the Soviet Union. Even the Soviet invasion of Hungary in 1956 and of Czechoslovakia in 1968 and the more recent invasion of Afghanistan have received the complete approval of the WPC.

TYPICAL DISINFORMATION TECHNIQUES

In addition to financing and directing front organizations such as the WPC, the Soviets use any number of disinformation techniques. Below is a list of some of the more common techniques used today:

Press placements.—Soviet disinformation specialists often make placements in the foreign media and either falsely attribute it using a fake or non-Soviet author or do not attribute it at all. The main function of such placements is to influence local opinion and provide grist for the Soviet propaganda mill.

Forgeries.—Soviet forgeries may actually contain some truth or they may be real documents that have been altered in some way. According to a House Permanent Select Committee on Intelligence report published in 1982, since 1975-76 the number of forged documents "known to have surfaced in foreign countries has increased from about three to four to a current count of more than twice that number per year. In some cases a Soviet role in manufacturing these documents may be uncovered by content and forensic analysis of the document, the method of surfacing the relative level of sophistication of the forgery, or its quick replay by the Soviet media."

"Friendship Societies."—Soviet friendship and cultural societies are well organized in many countries. They present themselves as nonpolitical groups designed merely to improve cultural and economic understanding and cooperation between countries. In fact, these groups are political tools that are manipulated and directed by the International Department. They allow the Soviets to reach people who might normally be reluc-

tant to involve themselves directly with local communist parties or groups that are openly pro-Soviet.

Clandestine radio stations.—The Soviets at present maintain two clandestine radio stations: National Voice of Iran (NVOI) and Radio Ba Yi. NVOI calls itself an independent station representing certain unidentified progressive elements of Iranians. Its broadcasts, as a rule, are virulently anti-U.S. and pro-Tudeh (the Soviet controlled Iranian communist party). It is actually located in Soviet Azerbeijan, although it has never revealed its exact location. Radio Ba Yi poses as a Chinese station representing Chinese political dissidents, particularly among the Chinese military. It, too, supports major Soviet foreign policy goals.

Political influence operations. Of all areas of Soviet disinformation activities, this is potentially the most difficult to trace and to deal with. The problem is that many such operations fall in what could be termed a "gray area" between an actual disinformation operation and a legitimate exchange of ideas. But according to the House Select Committee on Intelligence report, the purpose is always the same: "to insinuate the official voice of the Soviet Union into foreign governmental, political, journalistic, business, labor, artistic, and academic circles in a nonattributable or at least seemingly unofficial manner." Typically, the foreigner or agent of influence involved in the operation is not a recruited agent in the strictest sense of the word. In fact, he may be aiding the Soviet cuase unwitingly.

While the above list is far from exhaustive, it gives at least an idea of the extent of Soviet disinformation activities.

THE EFFECT OF DISINFORMATION IN OPEN SOCIETIES

It is extremely difficult to measure the effect of disinformation on an open society such as ours. But few people would dispute the fact that Soviet disinformation does have a negative impact on open political systems. Former Under Secretary of State for Political Affairs Lawrence Eagleburger described the effect as "corrosive." He stated that:

> The confusions produced by media manipulations, forgeries, calculated rumors, falsely attributed radio broadcasts, and the activities of agents of influence may, over time, weaken public confidence in political institutions and processes.

But the effects are even more tangible and immediate than the above statement would indicate. Take, for example, the Soviet involvement in the debate surrounding the "neutron bomb." Conservative estimates place the amount of money spent by the Soviets in that campaign at better tnan $100 million. But in the eyes of the Soviets, that money was very well spent. They were able to distort the public debate on the issue and divert Western attention from the huge Soviet military buildup in Eastern Europe. Had the public debate focused on the threat posed by Warsaw Pact conventional forces it is very likely that the neutron bomb would have been deployed, since enhanced radiation weapons can effectively counter the threat posed by conventional forces. Little wonder that this campaign is regarded by the Soviets as one of their most successful ever.

The strong opposition voiced in the debate regarding the deployment of Pershing II's and ground launched cruise missiles in Europe and the "nuclear freeze" movement are two additional examples of classic Soviet disinformation techniques. This is not meant to imply that those who support a nuclear freeze or oppose the Euromissiles are Soviet agents or "dupes." It does mean, however, that the thrust of Soviet disinformation on these issues has been to magnify and channel the sincere concerns of non-Communist critics of the official policies of Western governments. Through front organizations the Soviets have funneled huge sums of money to many freeze or antinuclear groups, thus making them unwitting allies of the Soviets. Legitimate concerns are lost in the confusion and uproar so adroitly encouraged by the Soviets.

What is disturbing in all this is the fact that the Soviets are able to participate in the West's public debate on the implementation of defense measures needed to counter the threat posed by the Soviets themselves. And herein lies the problem: our system allows for freedom of expression and open debate whereas the Soviet system does not. In fact, the Soviets actually bombard their own people on a daily basis with an unending stream of propaganda.

Obviously, Soviet disinformation in the United States and other advanced states has had to be more subtle than in most Third World countries. As stated above, the ideas promoted in disinformation campaigns, as dangerous as they might be, often fall into a gray area somewhere between blatant disinformation and the legitimate and healthy interplay so fundamental to a democratic system. The question is, How should we react when allies of a totalitarian system or agents of that system attempt to use the freedoms guaranteed by our system to influence our public debate? The issue becomes all the more important when the subjects being debated are so vital to our national security.

HOW TO COUNTERACT SOVIET DISINFORMATION

The quickest, most effective way of ensuring that the Soviets will be unable to participate further in the legitimate exchange of ideas in this country would be to merely limit the freedom of expression itself. But this is obviously not the answer. We cannot allow our freedoms to be restricted because of Soviet intervention. Actually, the contrary is true; what is needed is increased investigation, more information, and more publication of the truth. Persistent and determined efforts to expose in as accurate a way as possible all Soviet uses of disinformation will make citizens of this and other Western countries aware of the nature of the threat.

Some experts have described the Soviet use of disinformation as analogous to an infection: it thrives in the darkness but can be quickly cured if exposed to sunlight. Surely Soviet disinformation is very similar. As it becomes more and more embarrassing and costly in terms of international public opinion to employ such deceptive and hostile techniques, their use will gradually dwindle. We must resolutely expose disinformation operations and protect ourselves from them by removing from our society the foreign instruments responsible for them.

As Under Secretary Eagleburger has stated:

> The soundest response to the Soviet use of (disinformation) is to keep our balance. It is as unwise to ignore the threat as it is to become obsessed with the myth of a super Soviet conspiracy manipulating our essential political processes.

For now, at least, it appears that the Soviets are committed to the use of disinformation as an instrument of their foreign policy. The massive bureaucracy that has been created and the quantity of funds spent tend to indicate that this problem will be with us for some time to come. Logic would dictate, then, that the West must do all that it can to keep its citizens as fully informed as possible of the deceptive practices to which they are likely to be exposed. Only in this way can the threat posed by Soviet "dezinformatsia" be effectively countered and contained.●

HOUSE OF REPRESENTATIVES—*Wednesday, July 24, 1985*

The House met at 10 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We pray, O God, for all those to whom great responsibility has been given. May Your guiding and comforting spirit be with the women and men who have been chosen to lead our Nation in the paths of peace. Give them wisdom to understand Your will and the strength to lead lives of service. Bless the Members of this assembly and their families. Keep them ever in Your grace, and may Your abiding love never depart from them. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 2370. An act to amend the Public Health Service Act to extend the programs of assistance for nurse education; and

H.R. 2409. An act to amend the Public Health Service Act to revise and extend the authorities under that Act relating to the National Institutes of Health and National Research Institutes, and for other purposes.

ELIMINATING THE SYNTHETIC FUELS CORPORATION

(Mr. SYNAR asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SYNAR. Mr. Speaker, in a matter of hours, we are going to have a unique opportunity, for today, we will be voting on the Interior appropriations rule which has turned out to be the decision on whether or not we will continue the Synthetic Fuels Corporation.

The vote is not a small vote. It is a vote for $6 billion, one of the largest individual budget cuts this Congress will face this year.

Ladies and gentlemen, the Synthetic Fuels Corporation in this country has been a failure. It is the most wasteful and unproductive agency in our Federal Government. I hope that my colleagues will take this opportunity to end the Synthetic Fuels Corporation later today by overturning the rule and allowing us a vote on this very important issue.

ENDING THE SYNTHETIC FUELS CORPORATION

(Mr. BLILEY asked and was permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BLILEY. Mr. Speaker, today we will be taking up H.R. 3011, the Interior and related agencies' fiscal year 1985 appropriations bill.

I am speaking today to urge my colleagues on my side of the aisle, as the distinguished gentleman from Oklahoma [Mr. SYNAR], my friend, just urged Members on his side, in a bipartisan effort to vote against the rule, to vote against the rule to make in order an amendment that would allow the rescission of all but $500 million from the Synthetic Fuels Corporation.

The Synthetic Fuels Corporation has compiled a record of inaction, excessive salaries and pensions and has not brought the commercialization of synfuels 1 day closer to reality.

If the Congress does not act swiftly, billions of dollars may be obligated by the Synthetic Fuels Corporation without any congressional review. The full House should have the opportunity to vote on the rescission of synfuels.

The vote last year shows that most Members favor rescission. Rescinding money from the synthetic fuels fund in an appropriations bill is the only way, the only sure way to force the other body to deal with the synthetic fuels issue.

PAY EQUITY

(Mr. GARCIA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GARCIA. Mr. Speaker, we pride ourselves of being part of a nation which places great importance on fairness and equity. As a nation we have come a long way to correct unfairness in our society, but as they say, we have a long way to go.

Pay equity is an issue of discrimination which we, as legislators, must try to resolve. Discrimination is ingrained in the existing wage system of our Federal Government and it is hurting American women, especially those in the lower rung of the pay scale.

Many cities and States have taken a lead in implementing pay equity policies to eliminate wage discrimination in the local and State governments. Should not the Federal Government examine its own wage system, and follow the example being set by such cities and States?

The Federal Government is the largest employer of women, but the majority of the women employees are at the lower end of the pay scale. Those who argue against pay equity say that our market system placed women in particular job fields which just happens to pay less than the job fields dominated by men. However, most women are in the lower paying jobs because those jobs traditionally held by women have been under valued.

Many argue against pay equity contending that it will cost too much. Must we let the forces of free market go uncontrolled? Further, on the issue of costs to implement pay equity—should we not place equity and justice above and beyond monetary value?

We must start taking action to assure that the Federal Government examines its wage system to eliminate wage discrimination. It's our job, and it's our responsibility.

COMPARABLE WORTH

(Mr. ARMEY asked and was given permission to address the House for 1 minute.)

Mr. ARMEY. Mr. Speaker, one of the things we must always keep in mind is the fact that as the Federal Government enters the labor force, hiring labor, it must compete with the market across the economy, with the private sector. The fact of the matter is the market differentiates between different occupations and jobs by assigning them different wages.

People in this country are guaranteed, and this Government has done a great deal to assure, the right to freely make their occupational choice. As a result of those choices, people of similar circumstance and preference find themselves collected into different kinds of occupations at different wage rates. As we recognize this, the thing we must never forget is the individual American has the right and exercises the right to choose the job to which they will apply.

Our job as a government is to guarantee their right to access to employment, to guarantee them equal pay for equal work. We have been doing a good job of that and nobody is complaining of our failure to do so.

The largest voice in America for that right has been the women of America

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

arguing for equal pay for equal work and they have, in recent years, made significant progress. Today now, we entertain the possibility of a law that will stall that progress and diminish the willingness and the ability of women to move to nontraditional occupations. It is called variously pay equity or comparable worth. But the upshot of it is for the Government to override the market, to establish a system of Government fiat wage determination that will totally disregard the ability of the market to differentiate between occupations, and the rights of individuals to choose those occupations most advantageous to their individual sense of value and purpose.

IN SUPPORT OF PAY EQUITY

(Ms. KAPTUR asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. KAPTUR. Mr. Speaker, the Committee on Post Office and Civil Service will mark up H.R. 3008 today. I would urge my colleagues to keep an open mind on the issue of pay equity—at least until the committee finishes its work and brings a bill to the floor. There are those who are putting out much misinformation on this legislation. I would urge my colleagues to consider the facts.

H.R. 3008 simply calls for a study of the Federal pay and classification system to determine if discrimination exists based on sex, race, or ethnic origin. A study, Mr. Speaker, only a study. What are opponents of this legislation afraid of? I believe their confusion stems from circumstances which occurred in the State of Washington. When one looks into the situation there, it becomes clear that enormous sums required to implement pay equity in that State stem, not from the job evaluation study, but rather, from a court decision awarding back pay.

Mr. Speaker, all but five of the States have addressed this issue. Some 39 have done research, while 22 are currently conducting evaluations of the pay classifications of State employees. In addition, seven States are implementing pay equity adjustments as a result of such studies. These States include: Idaho, Iowa, Wisconsin, Minnesota, New Mexico, South Dakota, and Washington. In my home State of Ohio, we have conducted a pilot job evaluation study, done extensive research in this area, and established a task force on the issue.

Given that a recent GAO study found that federally employed women earn an average of 62.8 cents for every dollar earned by federally employed men, I believe this proposal for a study deserves our serious consideration.

TRIBUTE TO DR. CAROLYNE K. DAVIS

(Mr. PURSELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PURSELL. Mr. Speaker, today I'd like to recognize one of the most outstanding members of the Reagan administration, Dr. Carolyne K. Davis, who is announcing her decision to end her long and distinguished leadership of the Health Care Financing Administration.

Dr. Davis held that post longer than any other administrator. I think it has been obvious to all who have observed her work that the taxpayers and all of us in Congress have been fortunate to have her leading such an important and sensitive agency.

Dr. Davis is a long time associate of mine, and I'm proud to call her my friend. She is a former vice president of the University of Michigan, and her list of academic, professional, and personal accomplishments cannot be listed in such a brief comment. It is sufficient to say that Carolyne Davis is one of the most brilliant and able people I have ever known.

□ 1010

On behalf of my colleagues, particularly Congressman MICHEL, Congressman BROYHILL, Congressman GEORGE O'BRIEN, Congressman EARLY, and I am sure Congressman BOLAND, and others, we will miss her here and hope she returns to help this great Nation in some deserving capacity.

LET US VOTE ON DAVIS-BACON REFORM

(Mr. RAY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RAY. Mr. Speaker, I rise today to express my strong hope that this House will be given the opportunity to vote on the Davis-Bacon reform language which was added by the Senate to the Defense authorization bill. We will probably complete action on the DOD conference report before we recess next week, and I urge the conferees to allow the full House to vote on this important issue.

The Davis-Bacon Act was enacted in the 1930's, during the Great Depression, and requires that locally prevailing wages be paid on Federal contracts. The definition of "locally prevailing wages" was not specifically set out in the law, and, since the 1930's, the well intentioned Davis-Bacon requirements have produced a needless paperwork burden, particularly on small businesses. They have encouraged high unemployment rates in many places, especially in rural areas, and they have added more than $1 billion to Federal construction costs.

The House has never voted on Davis-Bacon reform, only on repeal and exemption. Now is the time, however, to review this out-of-date provision of the law and to improve it. I believe that this action will remove barriers to small business participation in the contracting process and will result in more jobs, reduced paperwork, and a lower Federal deficit.

AMERICAN HELD HOSTAGE IN LEBANON 444 DAYS

(Mr. O'BRIEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. O'BRIEN. Mr. Speaker, Friday will be the 444th day since Rev. Benjamin Weir was taken hostage by gunmen on the streets of Beirut.

Four hundred and forty-four days. The same number of days the American Embassy was held hostage in Iran 5 years ago.

Four hundred and forty-four days. That's 1 year, 2 months, and 3 weeks.

Not since May 1984 has Reverend Weir had any contact with the outside world. The Red Cross has never visited Reverend Weir.

Another American, William Buckley, will have been held hostage 500 days next Monday.

Sunday will mark the 200th day my good friend, Father Lawrence Jenco, has been held hostage in Lebanon.

Today is the 130th day of captivity for Terry Anderson, the Associated Press bureau chief in Beirut.

Today is the 57th day of captivity for David Jacobsen of Huntington Beach, CA.

Thomas Sutherland, of Fort Collins, CO, was kidnaped by Muslim gunmen on June 9, 6 days before TWA flight 847 was hijacked. Today is the 44th day Sutherland has been held hostage.

Today also marks the 232d day since the disappearance of Peter Kilburn of San Francisco, CA.

Mr. Speaker, what's the difference between an American Embassy being held hostage in Iran for 444 days and an American citizen being held hostage in Lebanon for 444 days? The hostage crisis is not over.

GASOLINE PRICE TYRANNY OF THE OIL COMPANIES DESPITE DECLINE OF CRUDE OIL PRICES, PRICE OF GASOLINE AT THE PUMP IS GOING UP, NOT DOWN

(Mr. OBERSTAR asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OBERSTAR. Mr. Speaker, pity the poor oil companies. They've had to raise the price of gasoline to boost their sagging profits. Yesterday, five

oil companies reported over $2 billion in profits for the second quarter of this year.

A worldwide glut of crude oil has triggered a continuing decline of crude oil prices over the last several months. Yet, consumers have seen the price of gasoline at the pump go up, not down.

The free marketeers have always argued that ending Government controls would stimulate increased crude oil production, which, in turn, would drive retail gasoline prices down. That, perhaps, is what should happen in a free market; but it hasn't. On the contrary; the oil companies have suspended the laws of competition and the marketplace. They have used their virtual monopoly position as processors to reduce the production of gasoline, artificially driving up its price and their profits.

In the process, they have denied consumers any share in the economic benefits of conservation, which should have resulted in financial savings for consumers. Instead, deregulation of crude oil controls and gasoline prices has become a Trojan horse for taking the public interest out of gasoline pricing and substituting for it the profit tyranny of the oil companies.

REPUBLICANS 9, DEMOCRATS 3

(Mr. COATS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COATS. Mr. Speaker, for those of our colleagues who have not yet heard and for the millions of Americans who were not able to pick up their sports page this morning to find out the results, let me just report: Republicans 9, Democrats 3.

THE OUTRAGEOUSLY WASTEFUL SYNTHETIC FUELS CORPORATION

(Mr. WOLPE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WOLPE. Mr. Speaker, I rise to urge my colleagues to vote "no" on the rule for consideration of the Interior appropriations bill. This is more than a procedural vote.

By defeating the rule, we will have the opportunity to prevent the outrageously wasteful Synthetic Fuels Corporation from squandering $6 billion.

The supporters of the SFC will no doubt make references to Khomeini and Qadhafi and the threat of future oil embargoes. Their concern is well-founded but the SFC is not the answer. To the contrary, allowing the SFC to waste $6 billion will only make us more vulnerable.

I urge my colleagues to take a close look at the SFC's abominable record and its very dim prospects for future success. If you do so, you will conclude that allowing the SFC to continue with its grandiose spending plans will not add to our security.

It will diminish our security and add only to our Federal deficits.

I strongly urge our colleagues to vote "no" on the rule today.

LET'S HEAR NO EXCUSES, MR. SPEAKER

(Mr. PORTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PORTER. Mr. Speaker, it appears all but certain that Congress will recess next week without writing a budget. Once again, our kids will pick up the bill. While we're out on recess, the Government will run up another $20 billion in debt. That will cost each child, over a lifetime, an extra $1,000 in taxes. That's quite an expensive vacation we're taking.

The American people don't want to hear any excuses, Mr. Speaker—from you or any of us—about why we couldn't reach an agreement. I know why. It's because you insisted on your spending increases. Had you been willing to accept an across-the-board freeze, plus some fairly applied cuts, I have a hunch we would have a compromise budget.

As it is, Mr. Speaker, you will have an obligation to this Congress—and, more important, to America's children—to come up with a $56 billion deficit reduction package. In hard numbers. With binding reconciliation.

If you can't, it's because you won't. And don't blame anyone else but yourself.

WE MUST VOTE "NO" ON INTERIOR APPROPRIATIONS RULE

(Mr. SHARP asked and was given permission to address the House for 1 minute.)

Mr. SHARP. Mr. Speaker, today we will have one of the most important opportunities we will have in this session of Congress to cut future deficits by as much as $6 billion. But to get that opportunity we must vote "no" on the Interior appropriations bill.

Mr. Speaker, ladies and gentlemen, the Synthetic Fuels Program, as administered by the Synthetic Fuels Corporation, cannot be justified by the energy picture we are facing, it cannot be justified by the performance of the Synthetic Fuels Corporation, it cannot be justified in the face of the massive deficits that we are going to be seeing for the next several years.

If we are not willing to cut the pork barrel and cut the Synthetic Fuels Program, when I think Members of the House are going to have to be willing to raise taxes.

ONE OF THE WORST BOONDOGGLES IN THE HISTORY OF THIS COUNTRY—SYNTHETIC FUELS CORPORATION

(Mr. DREIER of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DREIER of California. Mr. Speaker, as the unfortunate stalemate over the budget continues, we have seen by these 1-minutes this morning that there is going to be a great opportunity for Democrats and Republicans alike to lay the ground work to cut up to $6 billion from future deficits by attempting to eliminate one of the worst boondoggles in the history of this country. I speak of the Synthetic Fuels Corporation.

To do that we must vote "no" on the Interior appropriations rule. I urge my colleagues to do just that.

□ 1020

COSPONSOR LEGISLATION TO REMOVE THE SO-CALLED PHANTOM TAX

(Mr. BOSCO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BOSCO. Mr. Speaker, with all the concern in Congress over tax fairness, I am sure my colleagues will be interested in a startling new report issued today by the Environmental Action Foundation.

Last year, the Nation's 125 largest electric utilities billed their ratepayers for $7.4 billion in Federal taxes that the utilities did not end up paying the Government. This so-called phantom tax occurred due to provisions of the 1981 Tax Act that allow utilities to charge customers for taxes without passing on benefits the utilities received under the act.

In my area of northern California, the Pacific Gas & Electric Co. was No. 1 in the Nation, charging customers $497 million for taxes last year—yet the utilities tax form showed it actually received a $29 million tax refund for the same period.

Industrial and residential customers paid on the average $33 in higher electric bills in 1984 due to the phantom tax, and the total indirect and direct costs to households exceeds $100 annually.

Mr. Speaker, this multimillion-dollar slight of hand is an unfair tax on all American consumers and businesses. I urge my colleagues to join with Messrs. DORGAN, PEASE, STARK, and myself in cosponsoring legislation to remedy this unfairness in our tax laws.

DIVORCE OURSELVES FROM "CONSTRUCTIVE ENGAGEMENT"

(Mr. MILLER of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MILLER of California. Mr. Speaker, under the guise of an emergency order, the Government of South Africa has once again unleashed state sponsored repression.

South Africa is a country where you can be jailed for objecting to repression, arrested for reporting repression, and hanged for fighting repression.

The goal of the mass arrests and the denial of civil liberites is simple: to silence the demands of the black majority for an end to apartheid

Both Houses of Congress have passed legislation condemning apartheid and halting U.S. economic support to the Nation that promotes it.

But the administration opposes taking real action. The administration insists on its policy of "constructive engagement."

Mr. Speaker, I believe I speak for the majority of this House, and the majority of Americans, when I say:

"We do not want to be "engaged" to apartheid in any fashion.

"We must divorce ourselves from apartheid and from the police-state that enforces it."

TWO "NO" VOTES REQUIRED TO STOP SYNFUELS

(Mr. WALKER asked and was given permission to address the House for 1 minute.)

Mr. WALKER. Mr. Speaker, we have a couple of actions before us today. I join with my colleagues who want us to defeat the rule with regard to the Interior appropriations, but I suggest to those people who are concerned about Synfuels that they had better also defeat the measure with regard to the Budget Procedures Act.

Because if we allow the Budget Procedures Act question to go through, what could happen is that that Interior appropriation bill could come to the floor; they would have the provision in there that points of order could be made against the legislation in an appropriations bill, but nevertheless the Interior appropriations bill could be brought to the floor under the Budget Procedures Act.

I would suggest to all those people who are concerned about doing something about Synfuels, if you really want to cast votes that are aimed at reducing the deficit, you have got to vote against both the Budget Procedures Act and the rule on the Interior appropriations bill to get to this problem.

If you do only one, you will set up a scenario whereby the Interior appropriations bill could come to the floor and we would not be able to touch the Synfuels Corporation.

So I say to my colleagues, you have got to vote against both the Budget Procedures Act and the Interior rule in order to get at Synfuels. Otherwise, you are going to set a scenario whereby the process could go forward and we would not get to vote on the $6 billion for Synfuels.

DISMISSING THE ELECTION CONTEST AGAINST BEN BLAZ

Mr. JONES of Tennessee. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 229) dismissing the election contest against BEN BLAZ, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 229

Resolved, That the election contest of Antonio Borja Won Pat, contestant, against Ben Blaz, contestee, relating to the office of Delegate from Guam, is dismissed.

The SPEAKER. The gentleman from Tennessee [Mr. JONES] is recognized for 1 hour.

Mr. JONES of Tennessee. Mr. Speaker, I yield 30 minutes, for the purpose of debate only, to the gentlewoman from Nevada [Mrs. VUCANOVICH], and pending that, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 229 is a resolution to dismiss the election contest regarding the position of Delegate from the Territory of Guam.

Under the U.S. Constitution and the rules of the House, the Committee on House Administration is charged with the responsibility for investigating contested elections.

On July 10 the Committee on House Administration, by unanimous voice vote, directed me to bring to the floor this resolution dismissing the election contest of Antonio Won Pat against BEN BLAZ.

Pursuant to the Rules of the committee, Chairman ANNUNZIO established a task force to examine the documentary record, and to receive oral arguments from contestant and contestee. I chaired the task force, serving with me were Mr. GEJDENSON and Mr. BADHAM.

After presentation of oral arguments, and examination of the record, the task force determined that the contestant did not meet his burden of presenting sufficient documentary and other evidence to warrant further proceedings. The task force then unanimously recommended dismissal of the contest, and the committee also by unanimous vote, ordered this dismissal resolution reported to the House.

Although contestant Won Pat raised a number of issues regarding the administration of the election, which the committee hopes will be addressed by the Guam Election Commission before the next election, the committee concluded that the issues raised were not sufficient to overturn the outcome of the election. The initial count of ballots, and two subsequent recounts, provided contestee BLAZ with a winning margin of approximately 350 votes out of 31,000 cast.

The two principal issues raised by contestant were the late mailing of absentee ballots, and an interpretation by the Guam Election Commission of the election statute. Let me first address the absentee ballot question.

The task force found that no absentee ballots were sent out until October 16, 1984. Thereafter they were sent out as applications were received, right up to the week before the election.

The voters were instructed to return the absentee ballots as soon as possible, and were also instructed that absentee ballots received after election day would not be counted. Nearly two-thirds of the ballots sent out were returned by election day, and were included in the final tally. Late arriving ballots were not counted.

Given the late date on which absentee ballots were sent out, 21 days before the election compared to the 45 days recommended by the Voting Assistance Office of the Pentagon, some voters may not have been able to timely return their ballots. The committee hopes that the Guam Election Commission will establish procedures for future elections which allow substantially more transit time than was provided in the last general election, so as to avoid the possible disenfranchisement of overseas voters. Nevertheless, the committee does not believe contestant's claim requires that the election be invalidated. Invalidating an election is a radical step. There is no reason for believing that delay in sending out the absentee ballots had an impact on the result of the election. If there were a problem the contestant should have sought relief before the election.

The contestant's second contention is that blank ballots and overvotes should be included in the total number of "votes cast." That would deprive contestee of the absolute majority, required by the Guam statute.

In interpreting a similar statutory provision governing elections in the Virgin Islands, a Federal court of appeals rejected the argument that such ballots should be included in the total of votes cast. The committee found the court's reasoning to be persuasive and affirmed the decision of the Guam Election Commission.

The committee reviewed the other arguments put forth by contestant, but found that the various issues raised were not, individually or collectively, sufficient to change the result of the election.

Consequently the committee recommends that the House adopt the resolution dismissing the election contest.

□ 1030

Mr. BADHAM. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the resolution. As was stated by the gentleman from Tennessee, the task force met and heard oral arguments from the counsels for both parties and in a later meeting voted unanimously to dismiss the contest.

Briefly, Mr. Speaker, the contestant's allegations were that the rights of absentee voters were deprived by acts of election officials and that the contestee did not receive a majority of the votes cast in this election. Additionally, the contestant raised certain other allegations of irregularities in the Guam election process.

First, the allegation was made that the low rate of return of the ballots was because the first ballots were not mailed to the absentee voters until October 16 and that the mailing of the absentee ballots were not completed until October 31. Therefore, there was not enough time to complete and return the ballots in a timely manner. Counsel for the contestee presented the task force with an affidavit from the employee of the Guam Election Commission who spoke with the Postal Service representative who had advised her that if the absentee ballots were sent out by October 21 and if they were expeditiously returned by the voter the ballots should be back in time to be counted in the general election. In addition, Mr. Speaker, the absentee voter was advised several times within the absentee mailing to return the ballot immediately.

The contestant's second allegation that the contestee did not receive a majority of the votes cast. They contend that the "majority" must be computed to include ballots cast that were marked for both candidates—overvotes—or neither candidate—blank ballots. Further, the contestant believes that the absentee ballots which were postmarked prior to November 6, but received after the close of the polls are "votes cast."

Mr. Speaker, there was a similar case decided in 1982 in an election for Governor and Lieutenant Governor of the Virgin Islands. The court was faced with the issue of whether blank and spoiled ballots should be counted in determining the majority of the votes cast. In the Totman versus Boschulte opinion, the Court quoted an earlier decision (*Euwema* v. *Todman*, 8 V.I. 224 (D.V.I. 1971)) which stated that "The proper basis for computing a majority" was that "voters not attending the election or not voting on the matter submitted are presumed to assent to the expressed will of those attending and voting and are not to be taken into consideration in determining the result." Additionally, the Guam Election Commission legal counsel advised the commission of a legal opinion written 2 years ago that blank ballots and those with voted too many should not be counted.

Mr. Speaker, I don't believe it is necessary to take any more of the House's time on the resolution and would urge its adoption.

Mr. JONES of Tennessee. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. JONES of Tennessee. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolution just agreed to.

The SPEAKER pro tempore (Mr. GRAY of Illinois). Is there objection to the request of the gentleman from Tennessee?

There was no objection.

PROVIDING SPECIAL BUDGET PROCEDURES FOR FISCAL YEAR 1986 CONGRESSIONAL BUDGET PROCESS

Mr. DERRICK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 231 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 231

Resolved, That, for the purposes of the provisions of the Congressional Budget Act of 1974 (Public Law 93-344), as they apply to the House of Representatives, the Congress shall be considered to have adopted H. Con. Res. 152, revising the congressional budget for the United States Government for the fiscal year 1985 and setting forth the congressional budget for the United States Government for the fiscal years 1986, 1987, and 1988, as adopted by the House on May 23, 1985. For the purposes of this resolution, the allocations of budget authority and new entitlement authority printed in the Congressional Record of July 23, 1985 by Representative Gray of Pennsylvania, shall be considered as allocations made pursuant to section 302(a) of the Congressional Budget Act of 1974 (Public Law 93-344).

SEC. 2. This resolution shall cease to apply upon final adoption by the House and the Senate of a concurrent resolution on the budget for the applicable fiscal year or years.

The SPEAKER pro tempore. The gentleman from South Carolina [Mr. DERRICK] is recognized for 1 hour.

Mr. DERRICK. Mr. Speaker, I yield the customary 30 minutes, for the purpose of debate only, to the gentleman from Ohio [Mr. LATTA], and pending that, I yield myself such time as I may consume.

Mr. Speaker, yesterday, the Committee on Rules reported House Resolution 231, providing special budget procedures for the fiscal year 1986 congressional budget process. This is a matter of original jurisdiction for the Rules Committee. House Resolution 231 provides that the House-passed budget resolution for fiscal year 1986, House Concurrent Resolution 152, will be considered to be adopted by the Congress for purposes of the Congressional Budget Act, as it applies to the House of Representatives. House Resolution 231 states that the allocation of spending totals among House committees printed in the CONGRESSIONAL RECORD of July 23, 1985, by Representative GRAY, chairman of the Budget Committee, will be considered as the allocation required by section 302(a) of the Budget Act. Finally, Mr. Speaker, if the two Houses agree on a budget resolution for fiscal year 1986, the provisions of House 231 would cease to apply.

Mr. Speaker, the Budget Act was created in order to allow Congress to set some overall limits on spending and revenue and to set priorities for the way that funds would be spent. To make sure that these limits have some real meaning, that all of the pain we go through in adopting a budget resolution actually will help to control spending and revenues, section 303 of the Budget Act provides that spending and revenue legislation cannot be considered unitl Congress has agreed on those overall limits in a budget resolution. You cannot very well enforce limits on spending if you have already spent most of your money before you decide on those limits. Of course, the Budget Act also requires that the budget resolution be adopted by May 15.

But here we are on July 24, with no budget resolution agreed to. I am a member of the conference committee on the budget, and I can assure you that we have tried mightily to produce a budget agreement, but so far it has been beyond our power. I still hope that we will reach agreement, but we do not have one now and I cannot honestly say that one is just around the corner.

This means we are faced with a dilemma. We simply cannot afford to wait any longer to move forward with consideration of the 13 general appropriation bills and other spending legislation. If we delay any longer, we are simply insuring that the Government will be funded by a massive continuing resolution. The business of the Government must move forward at some point, even if we have not been able to

agree to a budget resolution. On October 1, funding for most of the Government stops, regardless of the status of the budget resolution. On the other hand, we cannot afford simply to throw up our hands and surrender to the $200 billion deficits facing us and give up the constraints provided by the Budget Act.

The resolution before us today offers a compromise solution to this dilemma. The solution is not perfect. A perfect solution would be that we have a budget resolution in place which eliminates the deficit. But this resolution allows the House to move forward with the business of providing funds for the Government, while imposing the constraints of the only budget resolution we have: The budget passed by this House on May 23. This resolution will allow the appropriation bills and other spending bills to move foward without waivers of the Budget Act, but it will activate all of the enforcement provisions of the Budget Act to ensure that these bills stay within the limits that this House agreed to in its budget resolution.

If House Resolution 231 is adopted, the regular scorekeeping procedures will be set in motion. Members will have the information necessary to compare spending bills with the overall spending totals in the House-passed resolution. Chairman GRAY printed in yesterday's CONGRESSIONAL RECORD the allocations of new budget authority and new entitlement authority among House committees. The House committees, pursuant to section 302(b) of the Budget Act, will subdivide their allocations among their subcommittees or by program and report these subdivisions promptly to the House. The Appropriations Committee has this morning made available a tentative version of its 302(b) subdivisions. The subdivision to be provided today is necessarily tentative because the Appropriations Committee has not had sufficient time to meet and formally approve it. It is my understanding, however, that the final subdivision is not likely to be significantly different.

House Resolution 231 would also set in motion the reconciliation process. In effect, House Resolution 231 gives force to the reconciliation directive included in the House Resolution 231 gives force to the reconciliation directive included in House Concurrent Resolution 52, the House-passed budget resolution, which instructs 10 committees of the House to report reconciliation legislation not later than 30 calendar days after final action on the resolution. If House Resolution 231 is adopted, the 30-day clock begins running today.

Adoption of this resolution will also bring into effect the Budget Act constraints on total spending and on revenues. In accordance with section 311 of the Budget Act and the provisions of the House-passed budget resolution, beginning October 1, 1985, a point of order will lie against any measure that would cause the spending totals or revenue floor set in House Concurrent Resolution 152 to be breached.

Mr. Speaker, House Rule XLIX provides that a joint resolution changing the debt limit shall be deemed to have passed the House if Congress adopts a budget resolution which recommends a change in the statutory limit on the debt. The resolution we are considering today does not trigger this procedure. If House Resolution 231 is adopted, the House-passed budget resolution will be deemed to have been adopted by Congress for purposes of the Budget Act, but not for purposes of House Rule XLIX.

To date, Mr. Speaker, three general appropriation bills for fiscal year 1986 have been considered and approved by the House. Three more have been reported by the Appropriations Committee and are awaiting consideration by the House. Therefore, out of a total of 13 general appropriation bills, only three have cleared the House and three more are pending.

With the start of the next fiscal year on October 1, 1985, and an intervening congressional recess during the month of August, it is apparent that we are far behind in our annual appropriations process.

Mr. Speaker, we are in a predicament. The budget conference is stalled. The House must act on appropriation measures but the House should not act without the constraint and guidance offered by a budget resolution. This is our situation. I wish it were not. The best we can do, I submit, is to use the House-passed budget resolution to get the ball rolling on reconciliation, to put in motion the regular scorekeeping procedures, and to place overall limits on spending. That is what House Resolution 231 does. I urge its adoption.

□ 1040

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me say I rise in opposition to the resolution.

In our discussion on this issue, I think we ought to start by being honest about the nature of the resolution itself. It is, in effect, a waiver of the Budget Act. Let us get that straight. More specifically, it has the effect of waiving the requirements that final action be completed on the budget resolution before the House may proceed to consider general appropriation bills.

This resolution eliminates certain Budget Act restraints on not just one, not just two, not just three, but all—all—the general appropriation bills for fiscal year 1986.

House Resolution 231 does all this by providing that the first budget resolution for fiscal year 1986 as passed by the House will be considered to have been adopted by both Congress of the Congress. If we once accept this pretense that a budget resolution has been agreed to, then there is no need to waive points of order for lack of a real budget agreement.

Mr. Speaker, not only is this a blanket waiver of section 303(a), the Budget Act requirement that a budget resolution be in place before appropriation bills can be considered, but for the first time this year, it actually would permit spending increase amendments to be offered to general appropriation bills.

Under current procedure, even though the House may waive section 303(a) of the Budget Act against individual appropriation bills, such waivers do not cover amendment. So under current procedure, amendments cutting spending may be considered, but amendments increasing spending violate the Budget Act requirement for a final budget resolution before new spending may be considered.

However, if this resolution is adopted, there will be no prohibition under the Budget Act remaining against amendments which increase spending. This may result in moving the House toward larger deficits rather than reducing deficits. Even if the House should manage to hold the line against spending increase amendments, the fact remains that many of the so-called savings in the original House-passed budget resolution are suspect at best.

To lock the House into this position would be to run up the white flag on achieving more meaningful, real savings in its ongoing negotiations with the other body.

Mr. Speaker, to adopt this resolution now removes much of the incentive to reach a budget agreement with the other body. We should be trying to encourage agreement, rather than making it easier to get along without any final budget resolution.

Mr. Speaker, a vote for this resolution is a vote for more, not less, spending and I oppose the resolution and ask my colleagues to join me in defeating it.

As one of the conferees on the budget, let me finish my remarks by setting forth some of the differences between the House and the Senate on these issues.

As the figures will indicate, the House must come up with some hard cuts, and reconciliation instructions which will produce results. These are several areas of disagreement on real cuts. We have to get back to the negotiating table with the other body, make these real savings, get away from any puffery, and there has been some admission that there were some, on both sides—not only on this side in

the Democrat budget, but in the other body, and get this budget resolution in place.

I have heard many speeches this year and in past years about how important it is to have a budget resolution, and I believe it is important to have a budget resolution. But the only way to get a budget resolution is to get concurrence with the other body and to come to some agreement on the differences. I think the time is short for getting an agreement.

We have to lay aside some of the differences, think only about the future if we do not come to some resolution of this problem.

Let me first ask this question of the Members of this House: Without a budget resolution, are you prepared, as early perhaps as the first of October, to be voting on an increase in the debt ceiling to as high as $2 trillion—$2 trillion? That is the forecast from the Treasury Department.

I think time is late for action, and this problem deserves action. We have to be prepared in the House to make cuts in our favorite programs, and we hear about them all the time. You cannot say you cannot cut this or that, but for gosh sakes, reduce the deficit. We have to reduce the deficit, and the only way to do it is in those programs that are your pet programs.

□ 1050

No one has said during this conference that we ought to be touching the so-called poverty programs or the needs-tested programs. We have laid those aside. We have laid COLA's aside. We have taken half the cuts out of defense in the House-passed budget, and defense only represents a third of the total budget. So for any Member to come down in the well and attempt to argue, as we have heard the last few days, that we have got to take more out of defense shows a lack of knowledge of what has already been accomplished. We have got to start touching those programs which are sensitive to the Members of the House.

The time to act is now, but not the way we are proceeding here this morning by passing a resolution to waive the Budget Act on all of the appropriations bills.

I raised this question yesterday before the Rules Committee: What would be the scenario if we come back with a budget resolution and we had passed appropriations above what is called for in that budget resolution? Nobody came up with the answer. Are we going to have to repass them? Are we going to have to lay them aside? What are we going to do? Nobody seemed to have the answer.

But we are about to pass a general waiver of the Budget Act. I think if we have to have a waiver on these appropriation bills, we ought to be taking them up one at a time, not doing it with one sweep.

Mr. Speaker, I include with my remarks a table showing the differences between the House and Senate budget figures, as follows:

HOUSE OFFER VERSUS SENATE BUDGET: MAJOR DOMESTIC CATEGORIES

	Program	Senate savings in excess of House		House offer (Senate savings)	
		1986	1986–88	1986	1986–88
	Hard program savings: COLA's:				
1	Social Security COLA	6.0	22.0	0	0
2	Other COLA's	1.7	6.3	0	0
3	Subtotal	7.7	28.3	0	0
	Hard program savings: Non-COLA's:				
4	Civilian/military retirement	.5	5.9	0	.5
5	Medicaid	.3	1.2	0	0
6	Child nutrition	.4	1.4	0	0
7	WIN/CSA	.3	1.7	0	0
8	Food stamps	.3	1.0	0	0
9	Training/health grants	.3	2.0	0	0
10	Student aid	.1	.5	0	0
11	Other poverty programs	.1	.6	0	0
12	Medicare	.1	2.9	0	1.4
13	Exim direct loans	.2	2.2	.1	.8
14	SPRO	.5	1.9	.2	.6
15	Postal subsidy	.7	2.2	.....	.2
16	Highway programs	.....	1.4	.1	.9
17	Amtrak	.....	.3	.....	.1
18	Veterans health care	.1	1.2	0	0
19	GSL	02	.9	.1	.7
20	Veterans housing	.2	.7	0	0
21	EDA, ARC, UDAG/HODAG.	.1	1.0	.1	1.1
22	SBA	.2	1.3	.2	.7
23	Job Corps	.....	.3	0	0
24	Mass transit	.2	1.45	.1	.6
25	Sec. 108	.....	.2	.....	.2
26	CDBG	0	0	0	.5
27	Rural housing	.8	3.2	0	0
28	Subtotal	5.6	35.6	1.0	8.3
29	Grand total, hard savings.	13.3	63.8	1.0	8.3
	Soft savings and bookkeeping				
30	Farm programs	1.4	4.8	.3	2.0
31	Superfund	.3	1.9	.....	.3
32	Public housing debt forgiveness.	1.6	4.7	1.6	4.7
33	Public housing finance reform.	.5	2.2	.5	2.2
34	FEHB reserves	.2	.1	.5	.8
35	4 percent non-DOD work force cut.	.5	2.0	.5	2.0
36	Administrative cut	.6	1.9	.6	1.9
37	Rural housing asset sale.	0	0	.6	2.7
38	Unspecified transportation savings.	0	0	.3	1.6
39	Unspecified function 500.	0	0	.1	.5
40	Law enforcement freeze	0	0	.1	.4
41	Subtotal	4.7	17.6	5.1	19.1
42	Grand total, domestic in Senate.	18.0	81.4	6.1	27.4
	New House proposals:				
43	Nuclear electric user fee.	0	0	.3	1.1
44	Higher grazing fees	0	0	.1	.2
45	State and local new hires (SS).	0	00	.2	2.0
46	Eliminate PILT	0	0	.1	.3
47	Mineral lease revenue sharing.	0	0	.6	1.8
48	Subtotal	0	0	1.3	5.4
	Bridge to House offer as reported:				
49	Hard program savings	.....	.....	1.0	8.3
50	Soft savings/bookkeeping.	.....	.....	5.1	19.1
51	New House proposals	.....	.....	1.3	5.4
52	Drop 1986 revenue sharing.	.....	.....	−.9	−1.2
53	Other small items	.....	.....	−.2	−.5
54	Gross House offer	.....	.....	6.3	30.1
55	Drop contracting out	.....	.....	−3.9	−12.3
56	Debt service adjustment	.....	.....	−1.7	−5.1
57	Net House offer	.....	.....	.7	12.7

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 4 minutes to the distinguished chairman of the Budget Committee, the gentleman from Pennsylvania [Mr. GRAY].

Mr. GRAY of Pennsylvania. Mr. Speaker, I rise in support of the proposed rule to implement the House-passed budget resolution.

Although I am still working to reach agreement with the Senate conferees on a budget resolution for fiscal year 1986, I believe that the House must take immediate steps to implement its own budget. The House is firmly committed to a budget-reduction figure of $56 billion in deficit reductions this year, and this message can never be delivered too strongly to the other body or to the American people.

What is being asked here is not a waiver of the Budget Act but a strong enforcement of the Budget Act. The House has made some tough decisions. We have made real cuts, and in our last offer to the Senate we offered $24 billion in additional cuts. Yet our offer was rejected.

This weekend we have heard four different targets coming from the other body and from the White House. We heard $28 billion, we heard $50 billion, we heard $70 billion, and we have heard $80 billion.

While the other body and the White House are trying to come together and get a target, we have to continue with the orderly business of this Nation. That means bringing forth the appropriation bills in order to meet our deadline at the end of this fiscal year. All this resolution does is simply allow us to continue that orderly business, allow the appropriation bills to come forward, and also let the Members of this House on both sides of the aisle know that those appropriation bills are under the House-passed budget. Thus, there is a 302(b) allocation that is published, as well as 302(a) allocation.

So in essence we are not waiving the Budget Act. We are simply saying that we need to move judiciously and efficiently in the House legislatively, and what we are doing is establishing a mechanism to do that in light of the fact that we do not have a conference report. As soon as we have a conference report, it will supersede the House-passed budget, but until then this mechanism will allow us to proceed with appropriation bills and have published in the RECORD 302(a)'s and 302(b)'s so that Members will know that each of the appropriation bills is under the House-passed budget.

It is important for us to do this for two reasons. First, let us remember that last year, because the other body had another problem, we did not get a conference report until October. Thus we had to pass several appropriation bills, and often Members asked, "Can

we tell for sure that these bills are under the House-passed resolution?" The answer was, "No, you cannot tell for sure because we don't have a published 302(b) allocation."

Second, I would also remind the Members that last year, besides not getting a conference report until October, often Members were put into the position of voting for appropriation bills, and then those very same votes were used against them to imply that they broke the budget every time they voted for an appropriation bill. By voting for this House resolution, all you are saying on both sides of the aisle is that this is the budget until we have a conference report, and thus we will have a published report and know exactly where each of these appropriation bills stands in relation to the House-passed budget which was bipartisanly passed this spring.

So I would urge my colleagues to recognize that this is not waiving the Budget Act. This is enforcing the Budget Act. This is showing once again that we in the House are committed to achieving over $50 billion of deficit reductions, and if we get a conference report, we will work to implement that as well. And this chairman stands ready to go back to the conference table with the Senate as soon as they convene. But again I remind the Members that the targets keep moving.

Mr. LATTA. Mr. Speaker, I yield 5 minutes to the gentleman from Mississippi [Mr. LOTT].

Mr. LOTT. Mr. Speaker, I fear that this procedure that we are about to vote on is one more nail in the coffin of the budget process. I really hate to see that because I think that the budget process that we set up under the Budget Impoundment Act is a good idea and one that I would like to see work. It has not worked very well in restraining spending, but I would like to see us keep working at trying to make it a success.

□ 1100

Now, as far as the argument that these appropriation bills are under the House-passed budget resolution, so is the sky. I mean, there is no restraint, in my opinion under the House budget resolution, so it is not very impressive when you are told that it is under the House budget resolution.

There are a lot of angles to this budget that I would like my colleagues to consider and I will just mentioned a few of them.

I remember, though, Mr. Speaker, President Lincoln used to pose the riddle, "If you call a tail a leg, how many legs does a horse have?" And when the answer would inevitably come back, "five legs," Lincoln would respond: "No. A horse would still have four legs. Calling a tail a leg doesn't make it a leg."

I would suggest to my colleagues that this resolution suffers from the same problem. It tries to call the House-passed budget resolution the "congressional budget." But calling it so doesn't make it so. We're just horsing around with this gimmick—pulling everyone's leg, and spinning tales. And why are we going to all this trouble? Mainly so we don't have to waive the Budget Act every time an appropriations bill comes to the floor. This resolution provides a blanket waiver of the Budget Act—one, big horse blanket.

Mr. Speaker, my majority party colleagues on the Rules Committee, in collaboration with the majority leadership, have presented us with a convenient little procedure that will spare us waiving the Budget Act piecemeal as we take up spending bills. Moreover, they will argue that by adopting this resolution we are somehow preserving orderly process, and especially the budget process and the discipline that goes with it.

Unfortunately, all those representations are just plain false. This does not preserve the congressional budget process; it gives formal recognition to a new House budget process. It says, "the other body be damned; full speed ahead." You will note that this is not a concurrent resolution on budget procedures; it is a simple House resolution.

Does this preserve the discipline of the budget process? Yes and no. This will trigger the reconciliation process. Our committees that are subject to reconciliation instructions will have to report their bills within 30 calendar days. This will also kick in the overall spending limit on October 1.

But, on the other hand, this resolution will also permit amendments to be offered to appropriations bills to increase spending—something that cannot be done under existing procedures without a specific waiver of the Budget Act against amendments. So consider the fact that during this crucial stage of the appropriations process, you will be authorizing spending increase amendments by adopting this resolution.

Also consider the fact that by adopting this resolution you will be taking the pressure off the conferees to work out a final budget resolution. Why should they? This gives them everything the House voted for.

In conclusion, Mr. Speaker, let me caution my colleagues to think before you vote. Think about what this resolution really does. Think about the precedent you are setting in converting the congressional budget process into a House budget process. Think about the harm you are doing to bicameralism and budgetary compromise by calling the House budget a congressional budget. Think about the damage you are doing to the prospect of achieving real savings in the area of $50 billion if you threaten a House-Senate compromise on a savings package and settle for the limited savings in the House-passed resolution that the other body might agree to.

I would submit that when you get done thinking about these larger issues, you just might be willing to join with me and set aside the temporary comfort and convenience this resolution might offer, and stick with existing procedures. We already have a budget process. Let's make it work. Defeat this resolution.

Mr. ROEMER. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I yield to the gentleman from Louisiana.

Mr. ROEMER. Mr. Speaker, I appreciate the gentleman's statement.

Assuming that the gentleman is concerned about the deficit, jobs in Mississippi and jobs in America, I make that critical assumption.

The SPEAKER pro tempore. The time of the gentleman from Mississippi [Mr. LOTT] has expired.

Mr. LATTA. Mr. Speaker, I yield 1 additional minute to the gentleman from Mississippi.

Mr. LOTT. Mr. Speaker, I thank the gentleman and I yield to the gentleman from Louisiana.

Mr. ROEMER. Mr. Speaker, I thank the gentleman for yielding.

If that is true, the deficit being critical, how would the gentleman reduce the deficit? The gentleman is not for Social Security cuts, he is not for any cuts in defense, he is not for any new taxes. I just ask the gentleman, as a responsible legislator with whom I share much in common and of whom I have a high regard, it seems to me that our colleague, the gentleman from Pennsylvania, is trying to put a budget on the House floor. What might we do constructively to help that?

Mr. LOTT. Well, Mr. Speaker, I would like to answer that question.

First of all, under the agreements that have been tentatively reached, I think we have already agreed to defense spending reductions in excess of $22 billion, and where we make those savings are in nondefense discretionary domestic appropriated accounts across the board, freeze them across the board. There are a lot of them that could be eliminated or cut further.

But the gentleman from Pennsylvania is trying to move in that direction and I think the conferees can make progress; but let us not take the pressure off them to make that progress by passing this resolution.

Mr. GRAY of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I yield to the gentleman from Pennsylvania.

Mr. GRAY of Pennsylvania. Mr. Speaker, I would say to the distinguished gentleman from Mississippi, with regard to taking pressure off the conference, in fact this does just the opposite. It puts pressure on the conferees.

The SPEAKER pro tempore. The time of the gentleman from Mississippi [Mr. LOTT] has again expired.

Mr. LATTA. Mr. Speaker, I yield 1 additional minute to the gentleman.

Mr. LOTT. Mr. Speaker, I yield to the gentleman from Pennsylvania.

Mr. GRAY of Pennsylvania. Mr. Speaker, I would say to the distinguished gentleman from Mississippi that just the opposite is true. Today there are reports in the media that the Senate is talking about not operating with a budget at all in 1986. The other body is talking about no budget.

Mr. LOTT. Well, Mr. Speaker, if the gentleman will allow me to respond to that particular point, that information is not correct. My colleagues in the other body are going to work further with the gentleman from Pennsylvania and make progress.

Mr. GRAY of Pennsylvania. Well, I hope that is true, but it seems to me that what we are doing in this simple resolution is putting in place a mechanism so that we can show clearly that we are prepared to enforce the savings in the House budget until such time as we get a conference report.

I want the gentleman to know that I want to keep the pressure on. I think this is the mechanism to keep the pressure on, because it says that the House is going to achieve over $50 billion worth of savings and the Senate, I am hopeful, will be able to do that, so I would simply say to my colleague that it does not take the pressure off.

Mr. LOTT. Well, what kind of pressure is it when we say, "All right, Appropriations, go ahead and do your deal and we will worry about the budget resolution later"?

Mr. GRAY of Pennsylvania. Well, let me just give the gentleman the answer by going to the opposite. You have to approve individual waivers.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 2 minutes to the gentleman from Texas [Mr. FROST].

Mr. FROST. Mr. Speaker, my friend, the gentleman from Mississippi, made a comment a moment ago about another nail in the coffin of the budget process.

I would only point out to my friend, the gentleman from Mississippi, that as a member of the conference committee on this matter, I can tell the gentleman that it is the other body that has broken off the negotiations, that it is the other body that has proceeded to apply nails to this particular matter, not this body. It is the other body that has refused to come back with another offer at this point.

I hope that they will. I hope the other body will come forward this week, but I do not think that we can point the finger at Members on this side of the aisle or this House for having broken off the negotiations on the budget.

Mr. Speaker, I would like to make several points to my friend, the gentleman from Mississippi.

One. This is a matter of sunshine which Members on both sides of the aisle have sought from time to time, letting everyone know what is happening in the budget process. This resolution would do just that. You would have the 302(a) allocations, the 302(b) allocations, so that Members on that side of the aisle, as well as some Members on our side of the aisle who are concerned about what is happening on these individual appropriation bills would be able to look at those allocations, compare the appropriation bills and make their points during the debate.

Mr. Speaker, I would also point out, as was observed during the debate a moment ago, that this resolution permits reconciliation to go forward and that is very important.

Now, there is some difference of opinion about the amount of reconciliation, whether we should have an "X" figure or a "Y" figure, but the point is that reconciliation, once this resolution is adopted, then could begin, which is very important to enforcing any budget resolution in the House this year.

This is a constructive approach. It permits the House to move forward in a reasonable way to enforce a budget. It is something that should be adopted today.

Mr. LATTA. Mr. Speaker, I yield 6 minutes to the gentleman from Massachusetts [Mr. CONTE].

Mr. CONTE. Mr. Speaker, last week the Committee on Appropriations reported the fiscal year 1986 appropriation bills, three bills, for Agriculture, Housing and Urban Development, and Treasury-Postal Service.

All we needed at that time to bring these bills to the floor of the House was a waiver of section 303 of the Budget Act for each of the bills and the necessary waivers for lack of authorization.

What we got, instead, was a round trip to political Disney Land, courtesy of the majority leadership. Although the conferees have been unable to agree on a budget resolution for fiscal year 1986, this rule solves that problem by the convenient fiction that Congress "shall be considered to have adopted" the budget resolution which passed the House.

This has to be the most arrogant imposition on public credibility that I have seen in the last 27 years that I have been in the House, and I hope that the Members of the House will reject this rule here today.

Do we really believe that the public is so gullible that we can simply pass a resolution which says that the Congress has adopted a piece of major legislation, when as a matter of public record we have not? If so, why stop here with the budget resolution, I ask the gentleman from Louisiana?

If we are going to take this ultimate congressional junket to political Disney Land, why not dispose of all of our pending business?

We could legislate by a simple resolution. Think of the possibilities.

We could resolve that the conferees on the first budget resolution for fiscal year 1986 have met and agreed on a budget resolution which provides for a balanced budget through fiscal year 1990, and that this budget resolution has passed the House and the Senate.

We could resolve that the House and the Senate have passed, and the President has signed, a reconciliation bill which makes the changes in entitlement and authorizing legislation needed to implement a balanced budget through 1990.

We could resolve that the House and the Senate have passed, and that the President has signed, all authorizations and appropriation bills outstanding for the fiscal year 1986, which will be consistent with a balanced budget.

We could resolve that the House and Senate have passed, and the President has signed, a tax reform and simplification act, which provides for further reductions in individual tax rates and is revenue neutral and eliminates all unfair tax preferences in the Internal Revenue Code.

□ 1110

We could do that, believe me, if we could do this.

Finally, we could resolve that the first session of the 99th Congress has adjourned until January 3, 1986. What a blessing that would be.

This rule is an insult to the credibility of this House, to the intelligence of our constituents, and we should vote it down.

I see the gentleman from Michigan [Mr. WOLPE] who is interested in doing away with the Synthetic Fuels Corporation, as I am. If you vote for this today and it passes, there is no longer any need for the Interior Committee to go to the Rules Committee to get a rule waiving points of order against

section 302(b) or section 303. And there is no way, I say to the gentleman from Michigan [Mr. WOLPE] that I think that you will be able to join me in an amendment zeroing out the Synthetic Fuels Corporation.

Not only him, but the gentleman from Oklahoma [Mr. SYNAR] and all of the others who oppose the Synthetic Fuels Corporation and want to zero it out.

You are working right into the hands of the gentleman from Pennsylvania [Mr. MURTHA] and all of the others who favor the Synthetic Fuels Corporation. And I hope that you are listening, I say to the gentleman from Michigan [Mr. WOLPE] because there is no way in the world that you are ever going to be able to get rid of the Synthetic Fuels Corporation. We could kill the rule here today and the Interior Committee would not have to come back to the Rules Committee. They can bring the bill right here because they do not need any waivers.

Mr. YATES. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Speaker, I think the gentleman is confused. We will have to come to the Rules Committee for a rule even though this passes and our Interior rule is voted down. We still will have to come to the Rules Committee for waivers of legislative matters.

We will not have to come to the Rules Committee on the question of waiving the requirements of the Budget Act.

Mr. CONTE. That is optional. That is optional and many, many subcommittee chairmen, I remember the gentleman from Iowa [NEAL SMITH] last year, I think it was, in the State Justice and Commerce bill came here without a rule, and they did raise points of order against those parts of the bill that were not authorized, and they were knocked out.

Mr. YATES. I have considered that possibility. The problem is that several of the legislative committees have not passed bills that will authorize major programs, and we would still have to come to the Rules Committee in order to get a waiver, in order for those very important Departments in Government to keep operating.

Mr. WOLPE. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I am glad to yield to the gentleman from Michigan.

Mr. WOLPE. I thank the gentleman for yielding, and I look forward to joining with him in a moment, of course, in the battle against the rule on the Interior appropriation bill.

But first, may I say that I think that the issue just raised with respect to the budget rule before us now, that issue is a red herring. There are many, many other reasons why the Interior Appropriations Committee or other committees will have come to the Rules Committee beyond the Budget Act, and that is simply a nonissue.

Mr. CONTE. That is a question of judgment by the subcommittee chairman. They have done it many times, they have come here without a rule, and they can do it again.

If you are interested in doing away with the Synthetic Fuels Corporation, you will vote down this rule.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 1 minute and 30 seconds to the gentleman from New York [Mr. SCHUMER].

Mr. SCHUMER, I thank the gentleman from South Carolina [Mr. DERRICK] for yielding this time to me.

I must say as to my colleague from Massachusetts, Mr. CONTE, that as a Member of the Appropriations Committee one could expect that he would opposed this resolution. But to my good friend, the gentleman from Ohio and the other Members on the other side of the aisle, I am surprised that they are opposing this resolution, because this resolution once and for all shows that we in the House are serious about the budget, are serious about the deficit and are trying to do something about it.

Can we go all the way as far as the Senate and the White House want us to go on domestic programs? Probably not. But are we trying to go a good part of the way? Yes, we are.

And we are saying we are going to do that whether there is a budget resolution or not. I would remind the gentlemen on that side of the aisle about what has happened in the other body. The other body a very tough budget resolution, and yet in the last week, even though their budget resolution eliminated money for EDA, they put $30 million in the supplemental appropriation for EDA. Even though the body's Budget Resolution eliminated the money for the ARC, the Appalachian Regional Commission, that body put $82 million in the appropriation bill, for the ARC.

Even though the other body opposed funding the TVA in their budget resolution, they put $90 million in their appropriation for that.

If this resolution passes, we cannot do the same thing that is going on in the other body here in the House. We will be proving once and for all that we indeed serious, and we will be making real progress.

I would ask the gentleman from that side of the aisle on the Budget Committee and the others to join us. They should be joining us. They should be saying that this shows the House is serious about the deficit. They should not say white simply because we say black.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 3 minutes to the distinguished chairman of the Appropriations Committee, the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. Mr. Speaker, I hope we will go ahead and pass this rule and get along with our business.

May I say that the Budget Act was not required because of appropriations from our Committee on Appropriations. The Budget Act was recommended by the study of Mr. Ullman of the Ways and Means Committee and myself representing the Appropriations Committee. We recommended the Budget Act because spending was bypassing the annual process by our Committee on Appropriations on 42 percent of Government spending.

What we have here is a resolution where we resolve to carry out what your Appropriations Committee is already doing. We pledged ourselves at the beginning of our action this year, in the absence of a budget resolution, that we would follow the House budget as passed by the House. We have done that and we will continue to do that. The resolution calls on us to do that. Here we would resolve to limit ourselves to the House budget provisions.

May I point out that the budget resolution was due May 15, 70 days ago. If you exclude Mondays and Fridays, we have remaining 13 legislative days. If there is much more delay, justified or otherwise, you are inviting a continuing resolution. We do not ever want that, we have not wanted to legislate by continuing resolution in the past, however it became necessary. This could easily happen again.

I urge you to let us go ahead now. If the Rules Committee wants me up there in the afternoon, in the morning and at midnight, I will be there, because I want the Congress to finish its business. Of course, I would prefer that all waivers be made at once for our convenience. I will point out that we will have about 9,000 witnesses before us this term, and we have had action of various types on appropriation bills in one single day last week. We are ready to work day and night to finish the business of the Congress.

A number of our colleagues wanted us to release the allocations made among the various subcommittees. We have done that. You have it before you and you can look at it. Of course, we reserve the right to reallocate, if such a course should become necessary. I recall a few years ago where we had to take $1 billion to take care of damages caused at Mount. St. Helens. We may have to do that again on any number of emergencies. But when we have to act, our action will be subject to your approval.

I wish to say again that we have 13 legislative days to wind up this fiscal year and to take care of the future of this Government. Your Committee on

Appropriations has not needed a budget resolution for us to stay in line. We have held the line each year, and will do so this year.

The public has been led to believe that we must have a budget, and if we cannot get one between the two Houses, surely it is appropriate for us to adopt a course as though we had a budget resolution. Our committee will follow the course, for which this resolution provides.

With 13 days remaining, I hope we will adopt this resolution, provide the necessary rules, and proceed.

Mr. LATTA. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. KEMP].

Mr. KEMP. Mr. Speaker, I thank my colleague for yielding. Let me say I can understand why the chairman of the Budget Committee wants to pass this resolution.

But let me rise in opposition for perhaps a different reason. I think it is just very poorly timed. I was disturbed, as I think some Members on the Democratic side of the aisle were, that there are reports from the other body that there are those who do not think that we need a budget.

I certainly think that this is faulty reasoning. We do need a budget and we ought not to give up. We have made, I think, some good-faith offers on both sides of the aisle and on both sides of the Capitol to try to reach a budget compromise.

Let me say to my colleagues in both Chambers, let us not let the process die. There are those who want to give up. And as I said earlier, I can understand why the gentleman from Pennsylvania, Chairman GRAY, wants to pass this resolution in the name of increasing pressure for a budget compromise. But it actually waives the budget in a blanket way, and that would be a mistake in my opinion.

This resolution would suspend the usual 302(b) allocations to the Appropriations Committee, which is one of the most important enforcement mechanisms for deficit reduction. The resolution would be an admission of failure that we cannot achieve a real deficit-reduction package. It suspends the budget process, which is already under attack as toothless.

□ 1120

I give Chairman GRAY credit for making a very good-faith effort to go to the Senate in the conference, on which I serve. I also commend the gentleman from South Carolina. They have offered a compromise. It does not go as far as our side of the aisle wants to go or Members of the Senate. But Chairman GRAY has offered a $273 billion spending cut package over 3 years and $56 billion or so in the first year. We ought to give him credit for making an offer which goes further than the House's original budget by making additional real spending cuts, strengthening reconciliation, and increasing defense budget authority.

Now I would say to some of my colleagues we are going back and attempting to pass today the original House budget which has $22 billion less saving than the House's second offer. I think that is a mistake. It is poorly timed. Both the House and Senate conferees are trying to achieve a new and better compromise budget package. I definitely want to say, as I previously did, that the chairman has made a good-faith effort. Let the Senate come back and make a new offer. We can then resolve our differences in the next 48 hours, which I am optimistic we can do, if we set aside some of our pseudodifferences and get down to numbers.

Chairman DOMENICI has set a budget savings benchmark that is very positive with regard to reducing the deficit. It is a bold package. Perhaps our Democratic friends cannot go that far. There are some of us in the House in the Republican Party that cannot go that far on certain items.

But I think we can find a way to work together to increase domestic savings without hurting the defense of the country and improving, as I think the chairman would like to do, the process for reconciliation or budget enforcement, as he and the gentleman from South Carolina have offered.

A good place to start in looking for additional savings might be to abolish or dramatically reduce synthetic fuels subsidies to major oil companies for producing synthetic fuels. We might think in terms of reducing subsidies for the Eximbank which subsidizes corporations for trading or exporting to other countries. We might reduce substantially outdated so-called economic development agencies. Those reforms would save $5 billion over 3 years. We might want to consider giving Amtrak's Northeast corridor routes to its employees for long-term savings and pass a moratorium on the strategic petroleum reserve [SPR] for additional savings of a couple of billion dollars.

We could abolish the Direct Loan Program of the SBA as recommended by the National Federation of Independent Businessmen, for another billion.

There are $3 billion to $5 billion that could easily be saved in other business subsidy programs beyond those I mentioned. I am not outlining a plan; I am not outlining the things that absolutely must be done. But we ought to go back in conference and not let the process die. In my opinion, we are about $5 to $7 billion apart in fiscal year 1986 and about $20 billion apart over the 3 years.

Now, do not forget, my friends, we are talking about almost a $1 trillion budget in a $4 trillion-plus GNP and we have narrowed our differences to around $7 billion to $8 billion.

Mr. Speaker, this is a huge economy. We have narrowed our differences. The chairman and the gentleman from South Carolina have made a good-faith effort to resolve some of the differences on reconciliation and enforcement. More could be done, more cuts could be made, some of which I have outlined.

I really think that the differences between the House and the Senate budget are not irreconcilable. They can be broached. The outlines for agreement are in sight. We ought to get moving.

On that basis, I would ask my colleagues on both sides of the Capitol to reconsider their support for the budget process. Let us get the conferees back and make the effort that has to be made, not on behalf of either side of the Capitol Hill or either party but on behalf of the American economy, getting those deficits down and getting a good budget for fiscal year 1986.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 2 minutes to the gentleman from Florida [Mr. MACKAY].

Mr. MACKAY. I thank the gentleman for yielding. I speak for a group on this side of the aisle which last week objected to waiving the Budget Act, for two very specific reasons. One, we felt that the waiver would force us to give up the right to insist on reconciliation, a discipline required by the Budget Act. Two, we were unwilling to waive our right under the Budget Act to insist on 302(b) allocations. Without these allocations, which set upper limits on spending for each program, there is no way for individual Members to understand the entire spending proposal being put forward by the Appropriations Committee.

Today's resolution assures us that both of these rights will be protected.

Now clearly there is going to be a continuing resolution. This is going to happen whether we waive the Budget Act or whether we do not waive the Budget Act, and that is going to be because we have stalled around and played games far beyond the time contemplated to go forward with the budget resolution.

I do not know whose fault that is. I think there is enough fault so that we can all take our share of the blame for the position we find ourselves in. But the question of what happens on the continuing resolution is an issue not to be decided today. That is the issue to be decided when we have a rule, this year I hope, that says we will have the same limitations on the continuing resolution that we have on general appropriations bills. If that rule had been in effect last year, we could have avoided the farce which took place at

the end of the session, when the continuing resolution negated all efforts to achieve fiscal discipline.

In the meantime, I believe we are preserving the discipline of the Budget Act, we are doing as much as we can do under the circumstances, not as people who get together under the oak tree on the lawn of the White House and decide the future of the world, but as general, ordinary Members of the House who say, "I want to force the system to work the way it is supposed to work." We are doing all we can do. I think there was a major concession made by the Appropriations Committee. We can go home to our constituents in August and say, "The budget process is not working right, but at least I can tell you now in advance what is going to happen so far as the House spending decisions are concerned." That is not a spectacular gain, but it is probably all we can achieve under the constraints of the White House agreement.

Mr. Speaker, I urge support of this resolution.

Mr. DERRICK. For purposes of debate only, Mr. Speaker, I yield 1 minute to the gentlewoman from California [Mrs. BOXER].

Mrs. BOXER. I thank the gentleman for yielding.

Mr. Speaker, this past weekend I held community meetings throughout my district. People asked me "Congresswoman, what happened to the budget?" I told them, "I believe politics was getting in the way of a joint House/Senate budget and that that is unfortunate."

Today by passing this resolution I think we can rise above politics and show America that we are breaking the logjam, that we are moving ahead with the $56 billion deficit reduction this House already passed by such a wide margin.

Let the other body squabble, but let us move forward with deficit reduction. Let the other body walk out of conference, but let us move forward with deficit reduction. Let the other body work without a budget, but let us move forward with a budget.

Now I wish the other body would change, but we in the House cannot control that. But we can control what we do.

So let us move forward today with this resolution, with deficit reductions. Let us pass this resolution.

Mr. Speaker, I yield back the balance of my time to the gentleman from South Carolina.

Mr. LATTA. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I certainly agree with the chairman of the Committee on the Budget when he said that we are not waiving the Budget Act here. That is right. What we are doing is abandoning the Budget Act. What we have decided to do with this particular resolution is that we have decided that the process to which we have committed ourselves in the past does not work and so therefore we have learned to come up with a whole new process. This is another case of when you cannot live with the rules that you have set, you simply abandon the rules midstream.

That is what we are doing here. When it comes to spending money, I think there is no barrier that this House will not abandon in order to spend the money. This bill is called a sunshine bill here. That is right. I would agree it is a sunshine bill. There is nothing under the Sun we will not do in order to spend money. This Congress has regularly overspent its own budget. Over the last 5 years, we have overspent our own budgets to the tune of $150 billion or more. This is how we do it. This is exactly the kind of bill, the kind of approach that we use in order to overspend our own budgets.

□ 1130

Vote for this resolution if that is what you are going to do; that is fine, but your are voting for more spending and you are voting to abandon the budget process.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 2 minutes to the gentleman from California [Mr. FAZIO].

Mr. FAZIO. Mr. Speaker, we are conducting another one of those arcane debates some of us refer to as "inside baseball" around here. People out across the country expect two things of us in the context of our budget process.

One, they want us to cut spending; they want us to balance the budget; they want us to reduce spending; they want us to move at least in the direction of reduction in our annual deficit so that we get back to the historic level we began with in 1980 when President Reagan took office, and secondly, they want us to keep the process of government functioning; they do not want us to run up against that October 1 fiscal year deadline and have to close down the Federal Establishment for symbolic purposes.

I argue that this resolution today allows us to move forward on both of those issues. First of all, it does not in any way reduce the pressure on our budget conferees. As a conferee myself, I can tell you that we feel the pressure. It is the kind of pressure that results from out of the knowledge we have about the strength of "the bully pulpit," the Presidency, President Reagan's ability to stand up and cast aspersions against the Congress as his top aide, Mr. Regan did the other morning, for failing in our responsibilities to enact deficit reduction measures.

We know that however ineffective some of us may consider the budget process, it is the most important symbolic act we can engage in, and we will continue our efforts in the conference this week, next week and when we come back, if must be the case, in September to pass a resolution so that we can enact the proper framework to meet our needs.

We are also, I think, able to say that the Appropriations Committee historically has met its targets. Senator HATFIELD, the chairman of the Appropriations Committee, a leading Republican, said in the debate on the Senate floor on the line-item veto yesterday that we have come $12 to $13 billion below President Reagan's spending requests since he has been in office; and right now the 10 appropriations bills that have come at least to full committee are $7.5 billion below the budget authority granted to them in the 302(b) tentative allocation. This committee is not the problem.

This is the approach we need to impose discipline on ourselves; the Senate needs it as well; I hope we can proceed at least today to give confidence to our budget process and to the Appropriations Committee's proper approach as well.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 1 minute to the gentleman from Connecticut [Mr. MORRISON].

Mr. MORRISON of Connecticut. Mr. Speaker, I thank the gentleman for yielding and I rise in support of the resolution.

This is a resolution that gives us the tools to at least live within spending limits. It gives us the tools to control and reduce spending. Those who are attacking this resolution as an attack on the budget process really do not want to come to grips with the fact that we want something real to compare the appropriations measures to.

This resolution gives us 302(b) guidelines by which we can judge the appropriations as they come to the floor. It gives us the beginning of a reconciliation process where we can save billions of dollars in spending if we will move forward in that process.

It gives us a 302(a) limit which can limit any continuing resolution that will be coming before this House.

We can and should do more than just pass this resolution, but it is a beginning; it is a beginning that gets the House of Representatives on record in its rules that will live at least within the budget that we have already passed, and the other body, if it has more savings, can get to give or more savings to ask, can certainly amend what we pass in the appropriation and reconciliation process to implement those greater savings.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 1

minute to the gentleman from Michigan [Mr. LEVIN].

Mr. LEVIN of Michigan. I appreciate the gentleman yielding.

Mr. Speaker, I rise in support of the resolution. I have listened to some of the debate, and I am somewhat surprised by the statement from the other side. What this resolution says is that we will meet the other house halfway on a resolution, but in the meanwhile, the House, this House is going to put our own house in order.

It has been said that this resolution would diminish the pressure on the other house. I think it will increase the pressure. It will show that we here are able to act within a framework that brings about major savings.

So for all of those reasons, I hope very much that we will vote for the resolution. This is a very significant first step toward the kind of budget that this country needs.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 1 minute to the gentleman from Louisiana [Mr. ROEMER].

Mr. ROEMER. I thank my colleague for yielding.

Mr. Speaker, this is a close call today. This is not an easy vote for a lot of people who care deeply about what we have done to this country in terms of the deficit. This is a close call today for those who are worried about jobs and get letters like I do about tomorrow and what it holds.

I did not support the budget that passed the House a couple weeks ago, and as a result it is very difficult for me to vote to put into effect the very budget that I voted against.

This is a close call, and I do not mean to cast stones in either direction, but I have decided that I cannot vote for this rule. I do so reluctantly; I do so without any animosity toward anyone. I just think the basic question is: Are we better off to put a bad budget in place or have no budget at all momentarily? Right now, I like the pressure of the individual votes on the appropriations bills. Because I voted against this budget, I am not going to be able to vote to impose it. That support is the responsibility of those who supported this budget originally. I did not. I can not.

Mr. LATTA. Mr. Speaker, I yield 1 minute to the gentleman from Texas [Mr. BOULTER].

Mr. BOULTER. Mr. Speaker, I thank my colleague for yielding and I rise in opposition to the resolution, for a number of reasons that have already been expressed.

Mr. Speaker, it would, as the gentleman from Louisiana [Mr. ROEMER] said, put into effect what many of us consider to be a very bad budget; a budget which as I recall in the area of nondefense domestic cuts actually contains $13 billion above a freeze level.

I rise in opposition to the resolution because it is a vote for that very budget. What we are doing today would remove pressure on House budget conferees to get a budget; those of us who think it is important to have a budget should vote against this. There is no precedent for it; it erodes the budget process, and it would actually permit spending increase amendments to be offered to appropriations bills.

I hope that this vote today will be viewed as the big spending vote of this Congress, because I believe this vote is a budget-buster, and it is an abandonment of the budget process.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 1 minute to the gentleman from Kansas [Mr. SLATTERY].

Mr. SLATTERY. Mr. Speaker, I thank the gentleman from South Carolina [Mr. DERRICK] for yielding, and I rise in somewhat reluctant support of the resolution.

The reason I do, Mr. Speaker, is because frankly the bottom line is, this is as good as we are going to do at this point. The fact of the matter is that we have made a good faith offer to the other body; $56 billion in deficit reduction next year; $273 billion over the next 3 years; and the Senate has in effect walked away from that offer.

At this point, we do not know whether the Senate is going to continue to participate in the conference or not. That leaves us in the position where we are totally at the mercy of the Senate.

I do not believe we can leave ourselves in that position, Mr. Speaker, and it seems we have no other choice. At least with this resolution we will be in a position to judge the appropriation bills against the earlier passed House budget resolution; and in addition to that, there is nothing in this resolution—and I say this to my colleagues on the other side of the aisle, and also to my colleagues on the Democratic side of the aisle—there is nothing in this resolution that will prevent individual Members from having the opportunity to come to this mike in the well of this House and offer amendments to further trim the appropriation bill that might be coming forward.

I, for one, intend to do that, and I would urge my other colleagues who are really interested in deficit reduction, to join me in that effort.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 1 minute to the gentleman from California [Mr. PANETTA].

□ 1140

Mr. PANETTA. Mr. Speaker, the issue here today is whether there will be any semblance of discipline whatsoever in the House with regard to the budget resolution. That is the issue. I regret as much as anyone else the fact that we do not have an agreement on a conference report regarding the budget resolution. There is plenty of blame for that to go around for everybody. But the blame will be on this House if we at the very least do not have the guts to support the very resolution that was adopted here. That is the point of this resolution. It is to provide some semblance of enforcement, scorekeeping on the appropriations bills. What could be the problem of providing a list of scorekeeping so we know whether in fact appropriation bills meet what is in the resolution? It provides for reconciliation. Reconciliation is the only tool we have in the budget process. This will allow reconciliation to go forward so that at the very least we can achieve those savings here.

Now, I understand the argument that some do not like the particular resolution. You may not like the shape of the barn; but it is no reason to leave the barn door open. This resolution tries to close that door. And at the very least, it is the minimal step that needs to be taken if we are to say to the American people, "We exercised some discipline on the budget process." This is your chance.

Mr. LATTA. Mr. Speaker, I yield 1 minute to the gentleman from Florida [Mr. MACK].

Mr. MACK. I thank the gentleman for yielding.

I rise in opposition to the rule. I think that to continue to make the statement about discipline and to make statements about one of the ways to avoid a continuing resolution is to vote for this rule is just totally misleading. The same comments were made last year. We ended up with a continuing resolution last year that increased spending by 13 percent.

What good is it to have scorekeeping if the scorekeeping is going to indicate to us that we are going to raise spending 13 percent?

So I think we are headed in the wrong direction. If we want discipline, we ought to make ourselves live within the Budget Act.

If I could, I would like to ask one question of the chairman of the Budget Committee.

What has happened to the $4 billion in contracting out. Is the Appropriation Committee going to deal with contracting out?

Mr. GRAY of Pennsylvania. The $4 billion in contracting out has been assigned to the Appropriations Committee. It is in the 302 allocation and it is in the 302(b)'s.

Mr. MACK. I thank the gentleman for the information.

Mr. LATTA. Mr. Speaker, I yield myself the balance of my time.

The SPEAKER pro tempore. The gentleman from Ohio [Mr. LATTA] is recognized for 2 minutes.

Mr. LATTA. Mr. Speaker, let me say that anybody who believes that the passage of this resolution is going to speed up the conference and the passage of a joint resolution on the budget must have to believe in the tooth fairy. They are living in dreamland. This makes it easier for the whole thing to go by the board.

I pointed out in my general remarks earlier something that seems to have escaped the people who want to do something about reducing expenditures. There is a difference in what they are doing here and what we would do otherwise. This is actually a matter of convenience. This is not only a blanket waiver of section 303(a) of the Budget Act, which requires a budget resolution to be in place before appropriation bills can be considered, but it actually would permit spending increase amendments to be offered to appropriation bills.

Under current procedure, even the House may waive section 303(a) against individual appropriation bills. Such waivers do not cover amendments which provide additional budget authority or spending increase amendments. Therefore, the adoption of this resolution can be interpreted as authorizing budget busting amendments that are currently prohibited under existing law.

So anybody who believes that we are going to reduce spending by passing a resolution that most of us on this side did not support in the first place, which had peanuts for reconciliation, which had a lot of puffery in it, escapes my imagination.

I think the only way to do anything about the deficit is to get back in conference and cut, cut, cut expenditures. Quit beating around the bush about it. Let us do something about it. And the way to do it is back in conference and not passing waivers like this. You can call it anything you like, but it is a waiver of the Budget Act and it opens the door for the Appropriations Committee to come in here on all of these appropriations with a blanket waiver of the Budget Act without coming up to the Rules Committee with a justification for a waiver on every bill.

I think they ought to come in and make their case on each individual appropriation bill.

Mr. DERRICK. Mr. Speaker, I yield myself 1½ minutes.

Mr. Speaker, to have not voted for the budget resolution last time is no excuse for not voting for this resolution. That is an untenable excuse. The House passed the budget resolution. This is an opportunity for the House to say to the American people who are looking to this Congress for some sort of fiscal discipline that we, even though we have made every effort that we possiby can to come to an agreement with the Senate on a budget resolution, that having failed that, until we do that—and I believe we will come to an agreement in very short order—that we are going to have what it takes to discipline ourselves.

There is no other way that the reconciliation process and the budget enforcement process of the House may go into effect without supporting this resolution.

So I suggest to the Members that those who are not voting for this because they do not like the budget are being very shortsighted. I voted for the budget. There is a lot in there I do not like. But what I do like and what I do demand, and what I do think we owe the American people is to tell them that, yes, the U.S. House of Representatives has what it takes to discipline itself.

Mr. Speaker, I yield the balance of my time to the distinguished gentleman from Pennsylvania [Mr. GRAY].

The SPEAKER pro tempore. The gentleman from Pennsylvania [Mr. GRAY] is recognized for 1 minute.

Mr. GRAY of Pennsylvania. Mr. Speaker and colleagues, there really are only two questions to be answered in this vote, and that is: Do you want to enforce what you voted bipartisanly, overwhelmingly for, just a couple of months ago in stating what the House priorities were? Do you want to demonstrate to America and to the other body that you are prepared to discipline yourself, enforce over $50 billion worth of savings? Or are we going to continue to play partisan politics and allow the red ink to swell up around us?

The Appropriations Committee, led by the distinguished gentleman from Mississippi, has already pledged itself to be a part of that great effort. That is the first question. So if you voted for the budget a couple of months ago, you ought to vote for this resolution.

Second, let me just say: Is this budget that we have from the House in conference the best budget in the world? I would say it is not. Given the constraints of the House policy, in terms of COLA's, given the constraints of the President's position on revenues, I believe it is a good start toward cutting spending. So let us enforce it; let us pass this resolution.

The SPEAKER pro tempore. All time has expired.

Mr. DERRICK. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. LATTA. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 242, nays 184, not voting 7, as follows:

[Roll No. 251]

YEAS—242

Ackerman	Gaydos	Olin
Addabbo	Gejdenson	Ortiz
Akaka	Gephardt	Owens
Alexander	Gibbons	Panetta
Anderson	Glickman	Pease
Andrews	Gonzalez	Penny
Annunzio	Gordon	Pepper
Anthony	Gray (IL)	Perkins
Aspin	Gray (PA)	Pickle
Atkins	Guarini	Price
AuCoin	Hall (OH)	Rahall
Barnard	Hall, Ralph	Rangel
Barnes	Hamilton	Ray
Bates	Hatcher	Reid
Bedell	Hawkins	Richardson
Beilenson	Hayes	Robinson
Bennett	Heftel	Rodino
Berman	Hertel	Roe
Bevill	Howard	Rose
Biaggi	Hoyer	Rostenkowski
Boggs	Hubbard	Rowland (GA)
Boland	Huckaby	Roybal
Boner (TN)	Hughes	Russo
Bonior (MI)	Hutto	Sabo
Bonker	Jacobs	Savage
Borski	Jenkins	Scheuer
Bosco	Jones (NC)	Schroeder
Boucher	Jones (OK)	Schumer
Boxer	Jones (TN)	Seiberling
Brooks	Kanjorski	Sharp
Brown (CA)	Kaptur	Shelby
Bruce	Kastenmeier	Sikorski
Bryant	Kennelly	Sisisky
Burton (CA)	Kildee	Skelton
Bustamante	Kleczka	Slattery
Byron	Kolter	Smith (FL)
Carper	Kostmayer	Smith (IA)
Carr	LaFalce	Solarz
Chappell	Lantos	Spratt
Clay	Leath (TX)	St Germain
Coelho	Lehman (CA)	Staggers
Coleman (TX)	Lehman (FL)	Stallings
Collins	Leland	Stark
Cooper	Levin (MI)	Stenholm
Coyne	Levine (CA)	Stokes
Crockett	Lipinski	Stratton
Daniel	Lloyd	Studds
Darden	Long	Swift
Daschle	Lowry (WA)	Synar
de la Garza	Luken	Tallon
Dellums	Lundine	Tauzin
Derrick	MacKay	Taylor
Dicks	Manton	Thomas (GA)
Dingell	Markey	Torres
Dixon	Martinez	Torricelli
Donnelly	Matsui	Towns
Dorgan (ND)	Mavroules	Traficant
Dowdy	McCloskey	Traxler
Durbin	McCurdy	Udall
Dwyer	McHugh	Valentine
Dymally	Mica	Vento
Dyson	Mikulski	Visclosky
Eckart (OH)	Miller (CA)	Volkmer
Edgar	Mineta	Walgren
Edwards (CA)	Mitchell	Watkins
English	Moakley	Waxman
Erdreich	Mollohan	Weaver
Evans (IL)	Montgomery	Weiss
Fascell	Moody	Wheat
Fazio	Morrison (CT)	Whitley
Feighan	Mrazek	Whitten
Flippo	Murphy	Williams
Florio	Murtha	Wilson
Foglietta	Natcher	Wirth
Foley	Neal	Wise
Ford (TN)	Nelson	Wolpe
Fowler	Nichols	Wyden
Frank	Nowak	Yates
Frost	Oakar	Yatron
Fuqua	Oberstar	Young (MO)
Garcia	Obey	

NAYS—184

Applegate	Gradison	Oxley
Archer	Green	Packard
Armey	Gregg	Parris
Badham	Grotberg	Pashayan
Bartlett	Gunderson	Petri
Barton	Hammerschmidt	Porter
Bateman	Hansen	Pursell
Bentley	Hartnett	Quillen
Bereuter	Hendon	Regula
Bilirakis	Henry	Ridge
Bliley	Hiler	Rinaldo
Boehlert	Hillis	Ritter
Boulter	Holt	Roberts
Breaux	Hopkins	Roemer
Broomfield	Horton	Rogers
Brown (CO)	Hunter	Roth
Broyhill	Hyde	Roukema
Burton (IN)	Ireland	Rowland (CT)
Callahan	Jeffords	Rudd
Campbell	Johnson	Saxton
Carney	Kasich	Schaefer
Chandler	Kemp	Schneider
Chappie	Kindness	Schuette
Cheney	Kolbe	Schulze
Clinger	Kramer	Sensenbrenner
Coats	Lagomarsino	Shaw
Cobey	Latta	Shumway
Coble	Leach (IA)	Shuster
Coleman (MO)	Lent	Siljander
Combest	Lewis (CA)	Skeen
Conte	Lewis (FL)	Slaughter
Conyers	Lightfoot	Smith (NE)
Coughlin	Livingston	Smith (NH)
Courter	Loeffler	Smith (NJ)
Craig	Lott	Smith, Denny
Crane	Lowery (CA)	Smith, Robert
Dannemeyer	Lungren	Snowe
Daub	Mack	Snyder
Davis	Madigan	Solomon
DeLay	Marlenee	Spence
DeWine	Martin (IL)	Stangeland
Dickinson	Martin (NY)	Strang
DioGuardi	Mazzoli	Stump
Dornan (CA)	McCain	Sundquist
Dreier	McCandless	Sweeney
Duncan	McCollum	Swindall
Early	McDade	Tauke
Eckert (NY)	McEwen	Thomas (CA)
Edwards (OK)	McGrath	Vander Jagt
Emerson	McKernan	Vucanovich
Evans (IA)	McKinney	Walker
Fawell	McMillan	Weber
Fiedler	Meyers	Whitehurst
Fields	Miller (OH)	Whittaker
Fish	Miller (WA)	Wolf
Franklin	Molinari	Wortley
Frenzel	Moore	Wylie
Gallo	Moorhead	Young (AK)
Gekas	Morrison (WA)	Young (FL)
Gilman	Myers	Zschau
Gingrich	Nielson	
Goodling	O'Brien	

NOT VOTING—7

Downey	Lujan	Wright
Ford (MI)	Michel	
Hefner	Monson	

□ 1200

The Clerk announced the following pairs:

On this vote:

Mr. Wright for, with Mr. Michel against.

Mr. Ford of Michigan for, with Mr. Monson against.

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

□ 1210

THE BATTLE HYMN OF THE REPUBLICANS

(Mr. CONTE asked and was given permission to address the House for 1 minute.)

Mr. CONTE. Mr. Speaker, unfortunately, I am not permitted to sing on the House floor. But, on this historic occasion, I would like to recite "The Battle Hymn of the Republicans":

Mine eyes have seen the glory of the victorious G.O.P.
We trampled down those Democrats by a score of 9 to 3.
At 17-6-1, you call this a rivalry?
The G.O.P. is marching on.
We practiced every day, Pursell and Coats worked up a sweat;
While the Democrats spent their weeks adding to the national debt.
They tried to legislate themselves some talent, I am willing to bet;
The G.O.P. is marching on.
We can hear the Donkeys whimper, with Chappell leading the whine;
But he shouldn't feel so bad; with that talent they played fine.
After batting against Schaefer, they just got splinters on the pine;
The G.O.P. is marching on.
As their coach, I helped them to accomplish this great feat;
I said, "Hit it to Russo or Bonior; that will ensure their defeat."
So stop crying, old Chappell; get out of the kitchen if you can't stand the heat.
The G.O.P. is marching on.
Now the game is over, one more year 'till 86;
And who will win next year, I know who I would pick.
Don't feel bad, old Chappell; you did well for a Florida hick.
The G.O.P. is marching on.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE PRIVILEGED REPORT ON DISTRICT OF COLUMBIA APPROPRIATIONS BILL, 1986

Mr. DIXON. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a privileged report on a bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1986, and for other purposes.

Mr. CONTE reserved all points of order on the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

REDESIGN AND RECONSTRUCTION OF THE EAST PLAZA OF THE CAPITOL FOR INCREASED SECURITY

(Mr. YOUNG of Missouri asked and was given permission to address the House for 1 minute.)

Mr. YOUNG of Missouri. Mr. Speaker, today, I am introducing legislation which authorizes the Architect of the Capitol, under the direction of the Senate Office Building Commission and the House Office Building Commission, to redesign and reconstruct the east plaza of the U.S. Capitol to provide for increased security and for esthetic purposes. I am pleased to be joined in introducing the bill by the distinguished ranking minority member of the Subcommittee on Public Buildings and Grounds, Hon. E. CLAY SHAW, as well as several other distinguished Members of Congress. Mr. Speaker, this bipartisan effort is part of the crucial response to security needs of which we have become all too aware in recent years.

As my colleagues are aware, in November 1983, a bombing was carried out in the Senate wing of the Capitol by an extremist organization. The Subcommittee on Public Buildings and Grounds subsequently held hearings on increased security for the Capitol, and several additional security measures were implemented. This legislation is another important step toward updating security, while at the same time providing a ceremonial entrance to the Capitol substantially in accord with the Olmsted plan for the U.S. Capitol Grounds and the landscape plan of the 1981 master plan for the U.S. Capitol. It will provide for use of the east plaza as a major pedestrian and ceremonial entrance point appropriate for the main entrance to the Capitol of the United States.

Mr. Speaker, I hope that the Congress will recognize the importance of this legislation so that we can move quickly to detailed plans which will protect employees and visitors to the Capitol while ensuring that the east front reflects the pride which all Americans feel for the Capitol as a symbol of democracy. I urge my colleagues to cosponsor this legislation and support timely passage.

INTRODUCTION OF LEGISLATION TO IMPROVE SECURITY OF EAST FRONT PLAZA OF THE CAPITOL

(Mr. SHAW asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHAW. Mr. Speaker, I am honored to introduce along with the chairman of the Public Works and Transportation Subcommittee on Public Buildings and Grounds and sponsor of the bill, Mr. YOUNG of Missouri, and a number of my colleagues, legislation intended to substantially improve the security of the east front plaza of the Capitol.

All of us are keenly aware of the increasing acts of terrorism being carried out worldwide and realize we are as vulnerable here in Washington as the passengers who boarded their flight in Athens or the American soldiers who were senselessly murdered in a cafe in El Salvador.

I know many of you can recall the bomb blast which ripped through the

Capitol 2 years ago, the individual apprehended in the House gallery ladened with explosives, and the Columbian and Libyan hit squads headed for Washington and destinations throughout the country.

You will recall, too, the steps which were taken to deter or prevent a repeat of these occurrences. Identification cards were issued, access within the buildings was restricted, trucks were positioned across driveways and guard booths, and idling police cars were stationed in front of the Capitol.

But many of the measures implemented in and around the Capitol following these incidents were of a temporary nature, which is why we have introduced this legislation which would result in a number of permanent security improvements on the east front plaza.

The legislation would authorize the Architect of the Capitol to redesign and reconstruct, under the direction of the House and Senate Office Building Commissions, the east plaza of the Capitol in order to provide improved security for the hundreds of employees and thousands of visitors occupying this majestic building daily.

The redesign is to be in accordance with the Olmstead plan for the U.S. Capitol Grounds and the landscape plan of the 1981 master plan for the U.S. Capitol.

Once plans and cost estimates are prepared by the Architect, the legislation requires they be submitted to the Congress for final approval prior to the appropriation of funds for the reconstruction.

Preliminary estimates by the Architect indicate the entire project would cost approximately $8.4 million, and I would like to point out that some of the funds for the project may be available from the west front renovation.

Currently, the renovation of the west front is progressing exceptionally well under the careful and diligent supervision of the Architect; the project is on schedule and the costs that have been incurred thus far are well below those originally estimated.

Barring any unforeseen problems, the west front renovation should be completed well below the amount appropriate meaning; funds from this project could be transferred to the east front plaza reconstruction project subject to congressional approval.

Mr. Speaker, improving the security of our Nation's Capitol so we might ensure the protection of the world's most distinguished symbol of freedom, and the safety of those who work and visit there daily, is of paramount importance.

It is that responsibility we must not shirk, and I would urge Members to cosponsor and support this legislation.

IN DEFENSE OF DEMOCRATIC HONOR AND BASEBALL TEAM

(Mr. GONZALEZ asked and was given permission to address the House for 1 minute.)

Mr. GONZALEZ. Mr. Speaker, I rise in defense of the Democratic honor and the baseball team that fielded gloriously last night and lost through chicanery, but in direct reply to the poesy of the gentleman from Massachusetts, let me say that the Democratic gladiators battled proudly and gloriously and honorably on the field, but at no time could we change the GOP.

The GOP, like my little white hen, Higgly-Piggly, she lays eggs only for gentlemen.

We could not persuade with pistol or lariat to come across for the proletariat.

WAIVING CERTAIN POINTS OF ORDER AGAINST CONSIDERATION OF H.R. 3011, DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS, 1986

Mr. FROST. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 227 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 227

Resolved, That all points of order for failure to comply with the provisions of section 303(a) of the Congressional Budget Act of 1974 (Public Law 93-344) are hereby waived against the consideration of the bill (H.R. 3011) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1986, and for other purposes. During the consideration of the bill, all points of order against the following provisions in the bill for failure to comply with the provisions of clause 2 of rule XXI are hereby waived: beginning on page 2, lines 1 through 21; beginning on page 4, line 6 through page 6, line 19; beginning on page 8, line 10 through page 9, line 10; beginning on page 9, line 16 through page 10, line 2; beginning on page 11, line 11 through page 12, line 8; beginning on page 13, lines 3 through 26; beginning on page 14, lines 19 through 22; beginning on page 16, line 8 through page 17, line 9; beginning on page 26, line 8 through page 27, line 19; beginning on page 41, lines 12 through 21; beginning on page 45, line 20 through the colon on page 50, line 5; beginning after the colon on page 50, line 8 through page 50, line 16; beginning on page 52, line 12 through page 53, line 18; beginning on page 56, line 16 through page 57, line 15; beginning on page 61, line 3 through page 63, line 8; and beginning on page 65, lines 1 through 4; and all points of order against the following provisions in the bill for failure to comply with the provisions of clause 6 of rule XXI are hereby waived: beginning on page 45, line 20 through page 48, line 24; and beginning on page 52, line 12 through page 53, line 18. In any case where this resolution waives points of order against only a portion of a paragraph, a point of order against any other provision in such paragraph may be made only against such provision and not against the entire paragraph.

The SPEAKER pro tempore. The gentleman from Texas [Mr. FROST] is recognized for 1 hour.

Mr. FROST. Mr. Speaker, for purposes of debate only, I yield 30 minutes to the gentleman from Tennessee [Mr. QUILLEN], pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 227 waives certain points of order against the consideration of H.R. 3011, the Department of the Interior and related agencies appropriation for fiscal year 1986. The rule does not provide for the consideration of H.R. 3011, since general appropriation bills are privileged; rather, the rule protects specified provisions of the bill against points of order for failure to comply with the provisions of clauses 2 and 6 of rule XXI. Clause 2 of rule XXI prohibits unauthorized appropriations and legislative provisions in a general appropriation bill while clause 6 prohibits reappropriations or transfers in those bills.

The specific provisions of the bill for which the waivers are provided are detailed in the rule by page and line. I should note that the waivers provided in the rule are those requested by the chairman of the Committee on Appropriations, Mr. WHITTEN.

In large part, the provisions protected by clause 2, rule XXI waivers in the rule are unauthorized appropriations which are at some stage of the legislative process but have yet to be enacted into law. Generally, the granting of these waivers requested by Chairman WHITTEN was not found to be objectionable by the relevant legislative committees. However, in one instance, the authorizing committee, Energy and Commerce, did object to the language proposed to be protected by a waiver of clause 2 of rule XXI. This language, which prohibits the test sale of oil from the strategic petroleum reserve, was not protected in the rule by the Committee on Rules in light of the objection raised by the chairman of the Committee on Energy and Commerce. It has generally been the practice of the Committee on Rules not to grant protection to unauthorized projects or legislative language contained in appropriation bills if such language is found to be objectionable by the relevant legislative committees.

However, in order to protect the remainder of this paragraph in the bill, the rule provides that should a point of order be raised against the test sale language, that the point of order may be made only against that language in the paragraph and not against the paragraph as a whole. This provision in the rule leaves the remainder of the paragraph relating to the strategic petroleum reserve protected against

points of order under clause 2 of rule XXI.

The paragraphs granted a waiver of clause 2, rule XXI in title I of the bill provide appropriations for a number of agencies involved in activities related to the programs of the Department of the Interior including the Bureau of Land Management; resource management, land acquisition and construction within the U.S. Fish and Wildlife Service; funds for operations, construction and the John F. Kennedy Center for the Performing Arts within the National Park Service; the Geological Survey; and Administration of Territories. Waivers of clause 2, rule XXI in title II are provided for the Youth Conservation Corps within the Forest Service; various programs within the Department of Energy; Indian Health Services within the Department of Health and Human Services; the Smithsonian Institution; the National Foundation on the Arts and Humanities; and the U.S. Holocaust Memorial Council.

The rule also protects three provisions in title II against points of order against the failure to comply with clause 6 of rule XXI. These provisions are also protected by clause 2, rule XXI waivers. Specifically, the rule protects the clean coal technology reserve and the fossil energy research and development accounts within the Department of Energy because they contain transferred funds and the appropriation for the Indian Health Service within the Department of Health and Human Services because it contains reappropriations.

The rule also waives section 303(a) of the Congressional Budget Act of 1974 because the rule was reported from the Committee on Rules prior to the adoption of House Resolution 231 which was just agreed to by the House. Under the provisions of House Resolution 231, this waiver is no longer necessary because the House is now operating under the House-passed budget resolution, House Concurrent Resolution 152, as if it had been adopted by the Congress for purposes of the Budget Act. As Members know, once the first budget resolution has been adopted by the Congress, a waiver of section 303(a), which prohibits the consideration of new budget authority for a fiscal year prior to the adoption of a budget resolution for that year, is no longer required in order to consider appropriation bills.

Mr. Speaker, there is one matter of some controversy in the rule I should point out to my colleagues. The Committee on Rules did not provide a waiver of clause 2, rule XXI for an amendment relating to the Synthetic Fuels Corporation. The amendment, proposed by the gentleman from Indiana, Mr. SHARP, as well as a number of other Members, proposed to rescind oil funds in the energy security reserve, which is the Synthetic Fuels Corporation, except for $500 million which the SFC would be unable to commit. The amendment was not considered by the Appropriations Committee nor did that committee request that an amendment of this nature be protected under the rule.

Proponents of the amendment will speak today in favor of defeating the rule in order to compel the Committee on Rules to report another rule for H.R. 3011 which would protect the Syn Fuels amendment. I would like to point out from the outset that authorizing legislation has been reported from the Committee on Energy and Commerce and is currently pending before the Committee on Banking, Finance and Urban Affairs. The Committee on Rules was informed that the Subcommittee on Economic Stabilization will take up the legislation after the August district work period. The Committee on Rules has been, and continues to be, reluctant to grant waivers to allow legislative amendments to appropriation bills and while a great many Members may argue that this amendment would deserve special treatment despite the committee's reluctance, the Committee on Rules continues to believe that the legislative process must be protected and that authorizations should take their normal course through the legislative process. For this reason, the Committee on Rules did not recommend that the amendment be protected in the rule. I would urge my colleagues to support the position of the Committee on Rules, as well as the Committee on Appropriations, and vote to support this rule.

Mr. Speaker, H.R. 3011 contains important appropriations for a wide variety of programs within the Department of the Interior and other related agencies. The rule provides for the expeditious consideration of this measure and will allow the House to move forward with the consideration of general appropriation bills for the coming fiscal year. I urge my colleagues to support the previous question and the rule so that the House may conduct its business on this most important appropriation bill.

□ 1220

Mr. QUILLEN. Mr. Speaker, I yield myself as much time as I may use.

Mr. Speaker, I urge support for the rule.

Today, the House is faced with an important decision regarding our national energy policy and our national security. A bipartisan group of Members argue that this rule should be defeated so that the Rules Committee will be forced to grant another rule permitting the offering of a nongermane amendment to abolish the Synethetic Fuels Corporation. These Members are sincere and able. I have the greatest respect for them. I count them as my friends. My duty and responsibility as I see it, however, compels me to say that they are wrong, and I ask the House to reject their advise and to reject their policy.

Members should be aware that a bill to accomplish their purpose to abolish the Synthetic Fuels Corporation has been reported by the Committee on Energy and Commerce and is now before the Subcommittee on Economic Stabilization of the Committee on Banking, Finance and Urban Affairs. The subcommittee chairman, the gentleman from New York [Mr. LAFALCE], assured the Rules Committee in a letter that he has every intention of taking up their bill after the August recess. Here is the proper and regular legislative remedy for those who wish to press ahead in their effort to abolish the Synthetic Fuels Corporation.

To reverse our national energy policy and to destroy our most innovative national program to establish a synthetic fuels industry by way of a single amendment debated for a few minutes, is not the sort of deliberate legislative procedure this important matter deserves. What they are about is too serious a national policy question to be dealt with by such an irregular and impromptu procedure.

Beyond this procedural dispute lies the greater question of substance. And what a difference a few years make.

The great oil shortages of the 1970's are behind us. The economic devastation, the wild inflation, the high unemployment, the genuine threat to our national security, all apparently gone, behind us. Today there is an adequate supply of oil and the attitude seems to be that we have no problem with oil supplies anymore.

How quickly we forget. The truth is that America is dangerously dependent on imported oil and a lot of it comes from a part of the world infested with rulers who are sworn enemies of the United States. The Middle East is spinning off its axis under the assaults of a vicious terrorism, or religious fanaticism, of belligerent nationalism, of incredible disparaties of wealth, and is afflicted with the agonies of a traditional culture hammered by rapid change introduced by an alien world. They are even rerunning World War I, or is it the Hundred Years' War, at the head of the Persian Gulf.

This is a stable source of oil?

And remember, if we learned anything in the 1970's, it is that America's economy, her foreign policy and her national security depend on America's capacity to establish our own independent energy market—one that we control.

The Synthetic Fuels Corporation is the most important part of America's commitment to free herself from the

grip of the madmen and the crazies of the Middle East who hate her and who will use the oil weapon to bring America to her knees if they can. We have got to have the strength to stop them. We have got to have the vision to go forward and to develop a synthetic fuels industry.

We have sufficient coal and oil shale to last for centuries. Let's use it, instead of sending our sons to die some day in the sands of the Middle East in an oil war.

Mr. Speaker, I ask the Members to support the Appropriations Committee and the Rules Committee. Let us not act unwisely and in haste today on a matter of such importance. I ask for a "yes" vote on the rule.

□ 1230

The SPEAKER pro tempore. The gentleman from Tennessee [Mr. QUILLEN] has consumed 5 minutes.

Mr. FROST. Mr. Speaker, for purposes of debate only, I yield 5 minutes to the gentleman from Pennsylvania [Mr. MURTHA].

Mr. MURTHA. Mr. Speaker, this morning when I was driving into work, on my left was a Subaru, in front of me was a Honda and behind was another foreign car. I see the chairman of the Trade Committee coming in. Let me tell you something: They are all burning, one-third of those cars, not only coming in from overseas, but they are burning foreign-imported oil.

Now the steel mills, we have lost 200,000 people in the last couple of years. My area still has between 11 and 13 percent unemployment because of subsidized imports. They say in automobiles alone 50 percent of the cars are going to be imported in the next couple of years if the Japanese eliminate the voluntary quotas that they have received.

Interesting thing: This morning in my mail from a fellow named Broyhill, a Paul Broyhill, I received a letter and Paul says "The furniture business is going downhill and the subsidized imports are killing" him and something has to be done about it.

He sends me a copy of what imports are doing to this country.

Well there have been some of us who have been working for years trying to do something about imports.

In today's Washington Post, the headline "Long-Term Oil Problem." In last week's Washington Post, another, "U.S. May Face Power Deficit in the Early 1990's."

We are talking about, in my estimation, one of the most serious situations to face this country.

I remember driving back from Johnstown, PA, to Washington just a couple of years ago when I had to plan where I was going to stop because half the gasoline stations were closed. I had to be very careful what day I got back and make sure I filled my tank before I left Johnstown.

Now I have a copy of the CONGRESSIONAL RECORD here from 1953. We closed down two synthetic fuel plants in 1953, that is, the Congress. The Interior Committee of the Committee on Appropriations said in 1953 that we have no energy crisis, there is not going to be any problem so we are going to close down two plants.

Now what is the significance of closing those plants? The real expenditure in synthetic fuels is the capital expenditure. Those plants cost substantially less in 1953 than they would cost today. So the real crisis might have been avoided if we were able to keep those plants going, expand and increase the technology and to keep the price of the initial investment down.

Now you talk about the amount of money which we spend. Well, let me tell you something: Imported oil costs us $47 billion a year to our trade deficit. We are going to spend money in the long run in keeping some technology in this country. I am not talking about foreign aid, I am not talking about a program—and I supported the foreign aid bill because we need a balanced program—but let me tell you something here, here is a program that would help us be more independent, here is a program where people in the United States are going to be working.

Mr. Speaker, I got a letter from the United Mineworkers and they said that we have half our people out of work and we need a program that would put coalminers back to work.

You may argue about the situation at the Synthetic Fuels Corporation. But they have only had 6 months under the new board to get anything done. You can go back and look at the discouraging problems they had before and I know it is very difficult to defend the situation under the former regime, but since December, they have tried to narrow down the program and they have tried to increase the productivity, they have tried to make smaller projects and come up with something in case we have another energy crisis.

It is not beyond the realm of possibility that we are going to have an energy crisis within the next couple of years. This expenditure that we make today could be some of the best money spent in this country as far as I can see.

So I say to you today they have reported out a bill, that is the authorizing committee, and appropriately so. We will fight it out in their bill, but certainly we should not make the same mistake today we made in 1953 when we shut down two synthetic fuel plants, with the expenditures they made in those days which might have helped us during that energy crisis. We should make sure that we vote for the previous question and vote for the rule and to keep the prospects of being less dependent on foreign oil and reducing the amount of money and the deficit that we spend for foreign oil in this country.

Mr. QUILLEN. Mr. Speaker, I yield 5 minutes to the gentleman from North Carolina [Mr. BROYHILL].

Mr. BROYHILL. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, there are a number of Members on our side who would like to have time and I may have to yield to them.

Mr. Speaker, I do join with my colleagues on both sides of the aisle who are concerned that the Rules Committee did not give us the opportunity to vote on an amendment that would save the American people potentially several billions of dollars.

Now the gentleman from Pennsylvania who just spoke, who just left the well, Mr. Speaker, is a good friend of mine and certainly I share his concern about imports. But this amendment has nothing to do with that. We are talking about a program that is spending billions of dollars needlessly by subsidizing fuel for America.

We are talking about a corporation that has been pouring billions down a rathole.

Our budget deficit demands some action. This is not the place to talk about the import problem or try to come up with solutions to the import problem.

We sorely need to do that. The gentleman from Pennsylvania knows I am willing to join with him in coming up with solutions to that problem. But I do not see how we can continue to permit the Synthetic Fuels Corporation, which as I see it is a monument to corporate welfare and bureaucratic waste, I do not see how we can permit that corporation to continue untouched while we are here talking about, which we did earlier this morning, about reducing farm supports, reducing funding for Medicare and transportation, just to name a few.

Unlike many of these programs that I have mentioned where we are contributing to the well-being of our constituents, I do not feel that the Synthetic Fuels Corporation is contributing to anything but the well-being of its officers and employees.

The development of synthetic fuels technology, Mr. Speaker, is taking place but if real progress is being made, it is happening in spite of the Synthetic Fuels Corporation and not because of it, in the private sector.

I just do not believe it makes sense to spend massive amounts of taxpayer dollars to develop these white elephant/pink elephant type of plans in order to demonstrate technologies that are not even remotely eccnomical.

I am certain as the gentleman from Pennsylvania mentioned in his remarks, the majority of our Members

here feel as I do, Mr. Speaker, that something has to be done about the budget. Here is a chance to do it. Legislation is pending that would deal with this subject but we need to do something on this appropriations bill in order to reduce the funding for this particular program.

I think there is a momentum building here to do something about this and it is only a matter of time before this corrective legislation that I am talking about will come before the House. But we cannot wait that long. We have got to act now. The time is now. Synthetic Fuels Corporation could commit all of its funds available to it and once that happens, there is nothing we can do. When that bill comes before us, we will say that we will have already spent the money. We can do something about it now, prevent hundreds of billions of dollars from being poured down the rathole.

□ 1240

Mr. COUGHLIN. Mr. Speaker, I rise today to express my strong opposition to the rule governing the debate on the fiscal year 1986 Interior Department appropriations bill.

My opposition to this rule is based upon its overt protection of the Synthetic Fuels Corporation and the outright ban on offering an amendment to rescind $7.4 billion of its remaining appropriations.

We have fought this battle before. Last year the House only was allowed to work its will on the Synthetic Fuels Corporation when it defeated a similar rule banning synfuels amendments. We must do so again this year for several important reasons.

First, the Synthetic Fuels Corporation is an expense we can no longer afford. Designed to convert our vast reserves of coal and oil shale into liquid transportation fuels, we have learned that this mandate cannot be met. Synthetic fuels technologies are immature and much farther from commercial viability than had been anticipated. We have realized that synthetic fuels technologies are uneconomical and require massive Federal subsidies. In fact, the price of synfuels has risen from $60 to $90 per barrel of oil equivalent while the price of oil continues to decline below $30 per barrel.

Doesn't it seem ironic that we will allow billions of dollars, as much as $7.9 billion, to be spent on the commercialization of uneconomic and immature technologies when, at the same time, we are desperately searching for ways to reduce the deficit.

I maintain that the House must not spend billions of dollars on an industry that requires continued subsidization to develop unproven technologies which present environmental, public health and worker safety risks. We should not drain our limited resources away from productive energy investments. And we should not advocate and finance initiatives which prolong rather than curtail our energy dependence on foreign oil.

Momentum for a change continues to build and it is only a matter of time before corrective legislation is approved by the House. In fact, the House Energy and Commerce Committee has already acted by approving a bill, which I cosponsored, abolishing the Synthetic Fuels Corporation and authorizing a demonstration program.

But we should not wait any longer to stop the flow of red ink in the Federal budget. We should use every opportunity we have, whenever and wherever possible.

Failure to act now will allow the Synthetic Fuels Corporation to continue to commit most, if not all, of the billions of dollars it has available.

It is incumbent upon this House that we not let this happen. Our chance to prevent this wasteful expenditure is to vote down the rule.

I urge a "no" vote on House Resolution 227. A "no" vote will give us the chance to work our will and provide the opportunity to remedy the synthetic fuels mistake without further wasting taxpayers money.

Mr. FROST. Mr. Speaker, for purposes of debate only, I yield 6 minutes to the distinguished majority leader, the gentleman from Texas [Mr. WRIGHT].

Mr. WRIGHT. Mr. Speaker, I rise in support of this rule. I hope we will follow this orderly process. I recognize that there are people with a certain degree of zealotry who have been trying now for several years to do away with the Synthetic Fuels Program that we launched in 1980 in an effort to recoup our strength and build energy independence in this country so that never again would we be vulnerable to the kind of blackmail that we suffered in 1973 and again in 1979.

I know that memories are short and there are people now consumed with newer demands and newer alarms who have forgotten how desperately this country was smitten, and our economy actually brought to its knees by the Arab oil embargo of 1979.

That might have been prevented if we had followed the counsels of visionary people in 1952 and 1953. The President then had appointed a Paley Commission which recommended to us that we needed to develop a synthetic fuels capacity principally from coal if we were to stave off a disastrous dependence upon foreign oil.

Well, we didn't listen. I have before me here a copy of the CONGRESSIONAL RECORD of April 27, 1953, and it is to help us avoid the very mistake that our colleagues of that earlier date made that I want to read to you what they did.

"In the table above," I am reading from the RECORD, "the only appreciable change from the amounts allowed in the current fiscal year is for the Synthetic Liquid Fuels Program. It was reported to the committee that the Secretary proposed to put the synthetic liquid fuel demonstration plans at Louisiana, Missouri in standby."

Well, now, was that because it was not doing its work? No; quite the contrary. It was reported to the committee that "refinements accomplished to date in these processes have brought the cost of producing gasoline down to within a few cents of being commercially competitive."

"The Bureau of Mines has been operating another synthetic fuels demonstration plant at Rifle, CO, from which gasoline has been made from oil shale." Now, this process was reported to be even closer costwise to being commercially competitive.

Now the committee has therefore concluded, what; that we have got a good thing going? And that we ought to move it on until it is commercially competitive, until it is a reality? No. The committee has concluded, therefore, that it is time to close the Rifle plant also, the Bureau appears to have done an excellent job in leading the way in these important developments.

They were content with scientific theory, but my colleagues, we cannot be content only with the scientific theory which we know will prove itself. The Germans proved that they could run the Luftwafe and the Wehrmacht for many, many months after the realities of World War II would have caused them to crumble because they had the capacity to build a synthetic fuels plant and to convert that soft brown coal from the Ruhr Valley into high-grade aviation gasoline.

Now what they did, for goodness sake, we can do; but we cannot do it unless we have enough lead time. So in 1980, we resolved that this Congress was going to mandate that the Government of the United States make us energy independent by 1990; that it produce actual, ongoing production of a commercial-scale plant, of many commercial-scale plants, so that we would have a total of 2 million barrels, not less, by 1990, of commercial production.

Why is that important to us? Wholly aside from our military dependency is our economic dependency. The second biggest problem facing us right after the budget deficits is the trade deficit, robbing us of some $150 billion from our economy, and maybe 4 or 5 million American jobs this year; and the biggest single contributor to that trade deficit is our dependence on foreign petroleum products.

It has not grown better; it has grown worse in these intervening 6 years since 1979. Then we were importing

only crude oil. Today, after having closed down about 150 domestic petroleum refining plants, we are importing not only crude oil, but refined petroleum products as well.

Is it our destiny? Are we willing to accept a second rate status among the nations? Are we willing to say that oil and energy, those things that are the lifeblood of our economy, are something that we are willing to be dependent upon foreign sources for?

Let me just say this: Obviously what we have done is imperfect; obviously many people appointed to this commission have not really believed in its mission and have not performed in an exemplary way, but this program is vital to our national security in the future.

If the Defense Department had in it some people who were not operating in a way that you would like for them to operate, what would you do? Would you abolish the Defense Department? I do not think so. I think we would get rid of the people who had not been well-performing and replace them with people who believed in the mission that we had given to the Defense Department; and that is what I suggest we do today.

The great Committee on Science and Technology does not want this action taken today; they want this rule adopted in order that that great committee may have the oportunity to look at provisions that would aim at curtailing activities on the part of this board rather than just simply doing away with it.

I urge you, in the interests of the future security of the United States, maybe not tomorrow, maybe not next year, to vote wisely for the rule and let any recommendations to do away with this program follow the regular legislative process and not be rushed through here in a moment of passion today, only that we may regret it or our predecessors or our successors regret it in future years as we regret this unwise action of our predecessors of 1953.

Mr. QUILLEN. Mr. Speaker, I yield 4 minutes to the gentleman from Ohio [Mr. REGULA].

Mr. REGULA. Mr. Speaker, I rise in support of the rule. There are three major reasons that will be offered today for not supporting this rule, and I would like to address each of those.

First is the matter of cost. I would point out to my colleagues that if you use apples and apples in evaluating this bill, you would discover that we are about $300 million under fiscal 1985. Obviously you can get different kinds of numbers. However, I would make it very clear that because we have forward funded SPRO in 1984, that to get a valid comparison you have to include that money in fiscal year 1985. Given that fact, we are in effect freezing at 1985 levels minus $315 in this bill.

The administration, of course, has sent out some letters on this, and they would point out that we are over the administration's request in terms of the amount of money that is in the bill.

We took into account, in this bill, the pay raise, and factored that in, because the administration just a few days ago indicated that they are going to support the pay raise and have withdrawn the request for the 5-percent reduction.

□ 1250

Factoring that into their numbers, this bill would then be $900 million over the administration's request.

But let me point out a few things: The administration did not request any money for land acquisition. I think it is unreal, given the fact that one-third of America is owned by the Federal Government to not do any acquisition. There are adjacent lands that ought to be acquired for parks, for the Bureau of Land Management, and for national forests including in holdings, and similar lands, that need to be acquired in fiscal year 1986. Therefore, we put in approximately $144 million to do that.

The administration cut drastically the maintenance amount. Even though we have committed $1 billion in the last few years to improving the quality of the park experience and the forest experience for the people of this Nation, they now want to stop going forward with safety improvements, with health improvements with highways, with the things that are important. This is in spite of the fact that visitations to the national parks are substantially higher.

The administration cuts back on Indian health. Like it or not, we have a responsibility to the Indian population of this country to maintain basic health standards. Therefore, we address that; also we address the matter of soil and water problems in the national lands.

Let me say to all of you again that we are talking about one-third of America, 730 million acres are affected by this bill, and therefore it is important that we address these concerns adequately.

I think the impact of this is illustrated by the fact that we have requests in our subcommittee from 249 Members of the House of Representatives. More than half of the Members submitted requests to us, saying in effect, "This is important in terms of a Federal piece of land in my district that you do this." We tried to respond to those requests.

For all of these reasons, we were over the minimum budget submitted by the administration. I think we did a remarkable job in only going over $900 million, considering the 249 requests from Members of this House, in addition to the needs that I have just outlined.

Mr. YATES. Mr. Speaker, will the gentleman yield?

Mr. REGULA. I yield to the gentleman from Illinois.

The SPEAKER pro tempore. The time of the gentleman from Ohio [Mr. REGULA] has expired.

Mr. QUILLEN. Mr. Speaker, I yield 1 additional minute to the gentleman from Ohio. [Mr. REGULA].

Mr. YATES. Mr. Speaker, the gentleman spoke of the numbers of Members of the House who appeared before our committee and requested certain actions be taken, which we did, in most instances. About 60 Members, if my memory serves me correctly, came in and asked the committee to take steps to inaugurate a clean coal technology program. And based upon those requests and upon the country's needs we provided for a transfer of $750 million from the Energy Security Reserve to the Department of Energy to carry out that program.

Mr. REGULA. I thank the gentleman.

I would add two things. In there we included a requirement that the cost sharing be a minimum of 50 percent from anyone participating, in clean coal programs. Therefore, they have to put their own money up front to get support for the projects. We limit expenditures to $100 million next year.

One last comment, because others will address the Synfuels issues, and that is that this bill is a net revenue producer. We appropriate today, if we pass this bill and this rule, $8.2 billion. The U.S. Treasury will receive from the sale of oil and gas rights, mineral rights, forest products, and other miscellaneous items a total of $12.5 billion. This will net the Treasury $4.3 billion.

Mr. DREIER of California. Mr. Speaker, the time is long overdue for Congress to concede its error and cut its losses by rescinding funds for the continuation of the Synfuels Corporation. At its best Synfuels is a boondoggle, and at worst a careless waste of public revenue the supply of which is increasingly stretched thin.

The SFC was ill conceived in the panic of the 1979 fuels crisis. It promised an eventual solution to our Nation's dependency on foreign energy while guaranteeing a flow of oil and gas from previously untapped resources. In fact, the only flow consisted of billions of tax dollars coursing their way into a bottomless well of waste and mismanagement. The fuels obtained thus far haven't amounted to a trickle.

The highly touted centerpiece of the SFC, the Great Plains Coal Gasification Project, has become a public em-

barrassment—and a case in point for the dismantling of his misbegotten agency. After significant start up problems, fortunately the plant is able to produce synthetic gas. More precisely though, for every $3 of gas produced at Great Plains, the Government spends $10. That's some return on investment. So far, the project's cost to the taxpayer includes $1.5 billion drawn from $2 billion in Federal loan guarantees. Additionally, the project's contractors are negotiating $720 million in price guarnatees to insure payment of money already owed the Treasury.

Synfuels' other projects, though somewhat limited in number, can boast of similar accomplishments. The taxpayer has taken a very expensive bath in the corporation's best intentions. Meanwhile, the SFC retains one of the most highly paid bureaucracies in the history of government spending. Almost $53 million in salaries and administrative costs have been rung up in the last 5 years. That's for a staff which has never exceded 200.

The urgent need for synthetic fuels has been considerably relaxed by the turn of energy events since 1980. Oil and gas price estimates which justified the SFC at that time have not been born out. The major players in the private energy industry have withdrawn from their expanded R&D efforts to synthesize fuel continuing their efforts in correspondence with current needs and the dictates of the reduced marketplace. These corporations have taken the necessary steps to retrench following the popping of the energy crisis bubble.

The lack of necessity in light of the SFC's stated goals leave this agency with a lot of money and no where to spend it. This fact, combined with the agency's lackluster history of management, should convince its remaining congressional supporters to vote for a reallocation of Synfuels funds while putting a quiet end to a body has so little to be proud of.

I urge my colleagues to vote "no" on the Interior appropriation rule to hasten the redirecting of our energies and funds away from a public agency because it has become a public embarrassment. Let's admit the well intentioned mistake of creating the Synfuels Corporation in the haste of potential crisis in favor of recovering these resources for use in counteracting the clearly recognized crisis of the Federal budget.

Mr. QUILLEN. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana [Mr. COATS].

Mr. COATS. Mr. Speaker, I rise today to urge my colleagues to defeat the rule providing for consideration of H.R. 3011, the Interior and related agencies fiscal year 1986 appropriations. I oppose the rule because it does not allow for an amendment to rescind $6 billion from the Synthetic Fuels Corporation.

The Energy and Commerce Committee recently voted overwhelmingly to abolish the agency and establish in its place a $500 million scaled-down Synfuels Assistance Program at the Department of Energy. Common sense tells us that to proceed with anything more would be an unwise and unneeded expenditure of scarce taxpayers funds.

The record of the Synthetic Fuels Corporation speaks for itself. The Corporation has compiled a record of inaction, excessive salaries and pensions, and has not brought about the efficient or cost-effective commercialization of synfuels that sponsors originally anticipated. To spend excessively for synfuels in the name of "energy security" will only waste billions of dollars when budget deficits are already at an all-time high.

If the Congress does not act swiftly, billions of dollars may be obligated by the Synfuels Corporation without any congressional review. When the Corporation was created, it was insulated from congressional review by being authorized through 1992 and received its $15 billion appropriation in one lump sum. Time and circumstances have dramatically altered the need for a synfuels program of the size and with the mission that Congress originally authorized.

The full House of Representatives should have the opportunity to vote on the rescission of Synfuels funds.

I urge a no vote on the rule.

Mr. FROST. Mr. Speaker, for purposes of debate only, I yield 3 minutes to the distinguished gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. I thank the distinguished gentleman from Texas for yielding.

Mr. Speaker, if this rule is rejected, my colleagues on the Rules Committee can go back up to the Rules Committee and can craft a rule which will enable the rescission of funds for the Synthetic Fuels Corporation; the House will be able to debate the actions of the Synthetic Fuels Corporation; the actions will not bear the test of scrutiny; we can proceed then to adopt what is an otherwise excellent bill; and we can then proceed to address the question of what ought to be done about the Synthetic Fuels Corporation. I urge—and this is the first time in 30 years' service in this body—I urge the rejection of the rule so that those issues can be properly addressed by this body.

If we defeat this rule, I trust that the Rules Committee will understand and be responsive to our reasoning, and craft a new rule to enable the House to have the opportunity to vote on a synfuels rescission amendment. Over all, the bill is an excellent one. I commend the Rules Committee, and I understand why it has done what it has, nevertheless, I think the rule must be objected to by the body.

The Interior appropriations bill is generally an excellent one, but the rule forecloses opportunity to deal with the basic issue.

Now, do not think that I am alone in this view. I just want to read from my old friend, Tom Corcoran. He says: It is preposterous to develop billions in synthetic fuel subsidies when we are faced with a massive budget deficit, cuts in social spending and high interest rates.

He is the vice chairman of that institution. They waste money. They have established a standard of living that exceeds that of any Government corporation. They have more people who make more than $80,000 a year than all of the rest of the government put together. Their first official act, or one of them, was to hire lawyers to figure out how they could keep information away from Congress.

In the entire life of that institution, they have approved three projects, gigantic white elephants, none of which can pay out.

Now, if you are interested in fiscal responsibility, understand we have here an opportunity to save $6 billion. Last year, in the hope that the Synfuels Corporation and its officers would reform and would move forward and provide Federal assistance for projects which would have merit, I supported the continued existence of the corporation. They have been tried; they are now found wanting. They waste. They construct enormous white elephants at vast costs to the taxpayers, instead of developing the technology and putting in place the size projects that will enable this country to move toward independence.

The arguments about imports and all of the other good questions are matters of concern. Developing coal, and liquid fuels therefrom, are extremely important. But the Synthetic Fuel Corporation in all of its years has not done anything about those problems.

So I say let us simply recognize they have not done what they are supposed to do. Let us abolish them, let us set up an appropriate size program in the Department of Energy, and let us move forward then toward the steps that will move this Nation toward a measure of energy independence based on good research, based upon responsible conduct in public office.

I would point out to my colleagues that at issue here are billions of dollars of taxpayers' moneys that can be saved. The savings will be small at first, but, believe me, dear friends, they will grow.

I yield to no man in affection for the majority leader. But on this he has a

blind side, and his views should be rejected.

Mr. QUILLEN. Mr. Speaker, I yield such time as he may consume to the gentleman from Massachusetts [Mr. CONTE].

Mr. CONTE. Mr. Speaker, I rise in opposition to this rule providing for the consideration of H.R. 3011, making appropriations for the Department of the Interior and related agencies for fiscal year 1986. I do so because of the failure of the rule to permit me to offer an amendment to the Interior appropriations bill that would rescind funds previously appropriated for the Synthetic Fuels Corporation. It is clear that the time has come to stop the corporate subsidies and give-aways for the fat cats of the oil industry. But the only way to do that is to defeat this rule.

Back in 1980, when the Synthetic Fuels Corporation was first funded, synthetic fuels were the wave of the future. But since then, oil scarcity has turned to glut, and the price of imported oil has dropped dramatically. Just this week, we have been treated to the welcome news of OPEC oil ministers squabbling among themselves in an effort to stop the over-production and price cutting that threatens to destroy OPEC's stranglehold on the world's oil supply.

During our debate on this issue last year, several Members pointed to the instability in the Persian Gulf, the ongoing war between Iran and Iraq, and attacks on oil tankers, as evidence of the need to proceed full speed with the development of our synthetic fuel resources. What has the past year taught us?

It has taught us that despite continued and even increasing instability and conflict in the Middle East, our oil supply remains virtually unencumbered. Since last year, our dependence upon Middle Eastern oil has continued to decline, as ever-increasing portions of our oil imports come from our South American neighbors.

The past year has taught us that despite the best intentions of those who bailed out the Synthetic Fuels Corporation last year, the sweetheart deals, enormous subsidies, and outrageous life styles of Synfuels Corporation employees have continued.

As a result of continued filling of the strategic petroleum reserve, we are today in an even better position to withstand an enforced reduction in oil imports than we were a year ago.

We've been hearing a lot over the past several months about the budget deficit—well, here's the best opportunity we'll see in a long time to make a real cut. At a time when budget conferees are talking about cuts in food stamps and increasing the taxes on our elderly Social Security recipients, how can we even think about continuing to pay Union Oil a million dollars a day in price supports for 6 years—and that's in addition to the $3.4 billion in tax breaks!

When the budget conferees are talking about cutting transportation funds by 15 percent, how can we even think about providing billions of dollars in taxpayer subsidies to guarantee a return of over 20 percent for one of the most profitable companies in the Fortune 500.

How can we explain to those constituents back home who are breaking their backs 40 hours a week, sweating to pay taxes, that we didn't do anything to reduce the deficit, to bring down interest rates, to save billions of dollars when we had the chance?

Mr. Speaker, the Synthetic Fuels Corporation has had its chance. It should have been killed a year ago. The past year has given us just more of the same—more money wasted on staff perks and privileges, more money wasted on subsidies for oil companies to build plants that don't now and perhaps never will work, more money wasted on technology that won't be economical for at least 20 years, and more empty promises that the Corporation will be brought under control.

The Synthetic Fuels Corporation has proven beyond a shadow of a doubt that it is incapable of bringing itself under control. Now it is up to Congress to put this monster out of its misery.

I urge the defeat of this rule so that my amendment can be offered.

Mr. QUILLEN. Mr. Speaker, I yield 3 minutes to the gentleman from Arizona [Mr. RUDD].

Mr. RUDD. Mr. Speaker, I rise in support of the rule for the consideration of H.R. 3011, the Interior appropriations bill.

Some of my colleagues are opposing this rule because it does not allow for an amendment to rescind funding for the Synthetic Fuels Corporation. Such an amendment is not germane to the bill and would constitute legislation on an appropriations bill.

It's true that we don't need synfuels today. We have adequate supplies of oil and relatively stable prices. But it would be a grave mistake to send the signal only 5 years after authorizing the Synthetic Fuels Corporation that we are no longer serious about pursuing energy independence. We wouldn't cancel the fire insurance on our homes just because we haven't suffered from fire damage over the last 5 years. A fire could break out tomorrow. Just because we're not facing an energy emergency today, there is no reason to believe we will be so secure in the years ahead. About one-third of U.S. energy needs is now satisfied from imports, about the same as in 1973. Synfuels development provides our Nation with crucial insurance protection against increasing dependence on foreign sources of energy, particularly the volatile Middle East.

We are already falling behind other countries in synfuels technology. West Germany and Japan are leading the way in direct coal liquefaction. South Africa is leading in indirect coal liquefaction. The synfuels plant in South Africa has proved that we can have synthetic fuels at the rate of about $2.50 per gallon for gasoline. We cannot continue to lag behind in synfuels technology.

Twice during the 1970's, this Nation found itself grossly unprepared to deal with energy crises. The long gas lines, the prospect of rationing, and the memories of skyrocketing prices appear to have faded, and we are forgetting how vulnerable we can be to manipulation of our energy supplies from abroad. Such manipulation is a serious threat to our national and economic security, and in recognition of this threat, the Defense Department is already working with the Synthetic Fuels Corporation to address defense needs.

Finally, let me point out that the savings from abolishing the Synfuels Corporation are grossly inflated. Synfuels support comes mainly in the form of price supports and loan guarantees. Under the best scenario, the projects would not cost the Synfuels Corporation any money. Indeed, in a July 9, 1985, letter to the Energy and Commerce Committee, the Congressional Budget Office said that abolishing the agency and authorizing $500 million for an R&D program in the Energy Department would reduce estimated budget outlays by only $332 million from fiscal year 1986-90. This is nowhere near the $6 billion mentioned by SFC opponents.

I urge the adoption of the rule. Synfuels development is vital to national security and ought to be continued.

□ 1300

Mr. QUILLEN. Mr. Speaker, I yield 1 minute to the gentleman from Ohio [Mr. OXLEY].

Mr. OXLEY. I thank the gentleman for yielding to me.

Mr. Speaker, I would like to call this opportunity to vote perhaps a "Give us a chance to vote," and that is to give those of us who have some strong feelings about synfuels an opportunity to debate and vote on this very important subject. It seems to me that we have an opportunity here to not only save the taxpayers a great deal of money, but also to make public policy in the sunshine; something that we talked about earlier this morning. So the opportunity is there for all of us to vote down the rule and give these folks on both sides of the aisle an opportunity to debate this very important issue.

The distinguished majority leader has said, I think I quote: "This program is vital to our national security." If this program, as it is currently existing, is vital to our national security, then we are in a lot more trouble than we think, because this program has already authorized $2.6 billion in spending authority. It has spent $70 million; it has employed 200 bureaucrats, and what have we got to show for it? Absolutely nothing.

I ask that this vote be resounding against the rule.

Mr. FROST. Mr. Speaker, I yield such time as he may consume to the gentleman from Kentucky [Mr. PERKINS].

Mr. PERKINS. I thank the gentleman for yielding time to me.

Mr. Speaker, I rise to urge an affirmative vote on ordering the previous question and also on approval of this rule. It is absolutely vital to the national security and economic health of our Nation that the synthetic fuels program continue.

A little over 32 years ago, on April 27 and 28, 1953, this House debated on whether or not to add $2 million to the Department of Interior appropriation bill to continue in operation three synthetic fuel plants operated by the Bureau of Mines. In 1953, the Committee on Appropriations proposed that these plants be shut down. These plants were producing gasoline from coal and oil shale within a few cents a gallon as what it cost to refine gasoline from crude oil. This was admitted in the report accompanying the Interior Department's appropriation bill. A coal liquification plant was operating at Louisiana, MO; a coal gasification plant was working at Gorgas, AL; and an oil shale plant was operating at Rifle, CO.

It was said in 1953 that private industry would develop a synthetic fuels industry. Well, we all know what happened. The amendment to add the $2 million was defeated, the plants were shut down, and nothing happened. The only thing that did happen was that the technology made its way to South Africa which put their Sasol I synthetic fuel plant in operation about 1956.

The United States is importing a significant portion of its energy needs. Let's not forgot what occurred during the shortages of the 1970's. This could start tomorrow. All it would take would be for some terrorist to sink a super tanker in the Straits of Hormuz. Then we would have some real gasoline lines.

One of the basic rationales for the 600-ship Navy is to protect the sea lanes to the Middle Eastern oil fields. The basic rationale for the Rapid Deployment Force is also to protect the Middle Eastern oil fields. It is planned to pre-position ships at Diego Garcia so that troops can go ashore in the Middle East to protect the Arab oil. This Congress has been willing to spend billions of dollars to protect the oil owned by Middle Eastern potentates.

The purchase of imported oil is also a significant cause of our international trade deficit which is devastating the U.S. economy. There are three good reasons to vote yes on the rule. One, for the national security of our Nation; two, to lower the Defense budget by creating a synthetic fuel industry and thereby stopping the need to use American boys to protect the oil of Middle Eastern potentates; and, three, to reduce the Nation's trade deficit.

Mr. Speaker, in my opinion, any one of these reasons is sufficient in and of itself to vote yes on ordering the previous question and yes on this rule.

Mr. Speaker, we cannot today make the same mistake that was made over 32 years ago. It is not often that we will have the opportunity to avoid repeating the mistakes of the past. There is one such opportunity today.

Mr. FROST. Mr. Speaker, I yield 3 minutes to the gentleman from Florida [Mr. FUQUA].

Mr. FUQUA. I thank the gentleman for yielding.

Mr. Speaker, I rise in support of the rule, and I would like to briefly explain why. This vehicle before us is an appropriations bill. It is not a legislative bill; it does not come from a legislative committee.

The Committee on Energy and Commerce has reported a bill that seeks to make certain changes in the Synthetic Fuels Corporation. That bill is now pending before the Banking and Urban Affairs Committee. The Committee on Science and Technology, which I have the honor to chair, has requested sequential referral. We have jurisdiction; we have a great interest in the matter of synthetic fuels.

The Committee on Science and Technology in 1975 brought the first bill to this floor relating to synthetic fuels, so our interest goes a long way back in this particular area. We intend to hold hearings on this legislation. We hope that we can perfect and correct any inequities or errors that have been involved in the Synthetic Fuels Corporation as we know today. But let us not just abolish the agency because we are mad because somebody did something they did not like.

We have had a problem in procurement with the Department of Defense but we did not abolish the Department. We tried to correct the problem. That is what we are trying to do here. I urge my fellow colleagues to give us a chance to orderly work through the legislative process and let the legislative committees that have an interest in this and have had a long and continuing interest in this area give us an opportunity to work through the legislative process and bring a bill to this floor.

It has been reported out of a committee, so it will get to the floor, and then the House will have its opportunity to work it in the proper forum, not as an attachment to an appropriations bill.

If you believe in the legislative process, I hope you will vote for the rule. We will have a bill of some sort on the floor that will be open to amendment. Everybody will have a chance to make their wishes known.

Mr. WIRTH. Mr. Speaker, will the gentleman yield?

Mr. FUQUA. I yield to my friend from Colorado.

Mr. WIRTH. I thank the gentleman for yielding.

Mr. Speaker, I want to associate myself with the gentleman's remarks and the process that ought to be followed, which he has described very well. As a member of both the Commerce Committee and the Science Committee, I have been an advocate of developing an energy independence program which the gentleman has been so much of a leader in, and I would hope that we would follow the regular process in this.

Mr. FUQUA. I appreciate the gentleman's support and I would like to further state that we have worked with all of the committees when this Corporation was created. We have had an interest for a long, long time in synthetic fuels and energy development. Alternative sources of energy. While we may have a glut of energy today, that does not mean that that is going to exist 5 or 10 years from now.

I urge that we let the legislative process work. Vote "aye" on the rule so that we can get on with the business of trying to work through the normal procedures of the House, and not attach something to an appropriations bill that has no business being on there. We worked very closely with the distinguished gentleman from Illinois [Mr. YATES] in funding programs, and the gentleman from Ohio [Mr. REGULA] in funding programs, particularly in the fossil fuel area. Our interest goes a long way.

I do urge a vote for the rule so we can consider this bill.

Mr. QUILLEN. Mr. Speaker, I yield 1 minute to the gentleman from Iowa [Mr. TAUKE].

Mr. TAUKE. I thank the gentleman for yielding.

Mr. Speaker, it is important for us to act on this critical issue of synfuels today because the train is about to leave the station on a number of major expenditures. One is on the Great Plains project. Let me just briefly discuss the Great Plains project.

The Federal Government put in $1.5 billion. One point five billion. The private sector put in $559 million. They

received in tax breaks over $30 million more than they put into the project—so far, they have a $30 million profit in tax breaks. They have put in not one nickel of equity.

They are producing fuel that costs $92 a barrel and so what are they doing? Coming back for a $720 million subsidy, that if we do not act on today will be granted. A $720 million subsidy to sell this fuel which they have produced.

It seems to me that we should be appalled at the notion that now the Synfuels Corporation is considering forgiving a good portion of the $1.5 billion loan we have already put in, and we have said that the private sector can get out by August 1986, meaning the Federal Government would be stuck with over $2 billion in losses.

This is a boondoggle from the word go, and to stop projects like this, we need to act today. Vote "no" on the rule.

□ 1310

Mr. QUILLEN. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. CLINGER].

Mr. CLINGER. I thank the gentleman for yielding this time to me.

Mr. Speaker, the issue is joined here clearly. Those who are supporting this rule believe that the Synthetic Fuels Corporation has a vital role to play in securing America's energy independence, and it also has a vital role to play in the national security of this country.

Those who oppose this rule are trying to kill the Synthetic Fuels Corporation without giving the House of Representatives an adequate opportunity to really explore the ramifications of that action. The gentleman from Michigan has indicated that we should kill the Synthetic Fuels Corporation today because his committee has fully explored the issues and has arrived at its conclusion. But the fact is that, as the gentleman from Florida indicated, a number of other committees have a very vital interest in this program and have not had an opportunity to work their will and explore what the fallout would be.

Mr. Speaker, I serve as the ranking minority member on the Committee on Government Operations Subcommittee which has oversight jurisdiction over SFC, and we have studied the Corporation extensively. We have studied the outlook for world petroleum markets as well. If anyone doubts the necessity for a viable, commercial-scale synfuels program, they need only look at the increases in U.S. domestic consumption of petroleum products in 1984. They were up 5 percent. We are no longer in the days when we had decreasing consumption.

In addition, U.S. oil imports were up in 1984 by 8 percent. We talk about the deficit. Are we not concerned about the enormous trade deficit we are running to which oil imports are contributing $60 billion? We cannot afford the luxury of waiting until another crisis occurs.

A number of well-respected oil economists told us that by 1990 we can expect over one-half of our oil imports to once again come from OPEC nations, and most of that is produced in the Middle East, and I need not remind my colleagues of the unstable conditions that exist in that area of the world.

We can be proactive rather than reactive by supporting the Synthetic Fuels Corporation.

The major arguments we hear against the SFC is that it has been wasteful and abolishing it will cut the deficit by $6 billion. While there is no doubt that the program has had serious flaws in the past, there are now visible improvements at SFC for two major reasons. No. 1, last year Congress addressed this problem by cutting SFC's authorization by 45 percent and providing that 50 percent of the savings resulting from scaling down its projects would be returned to the Treasury. That was a responsible action. It was instigated by the same group that is opposing the rule today. But that action was barely 1 year ago. Seeking to abolish the Corporation without the opportunity for Congress' intent to be carried out would not be responsible. We have already taken action to put the SFC on the right path, this is not the time to pull the rug out from a program vital to our energy security.

The second factor not addressed by opponents of SFC is the dramatically new approach to project approval and technology selection which the SFC has developed in their new comprehensive strategy. This approach has just been completed and recognizes the wisdom of Congress in cutting the funds last year. The strategy calls for smaller projects, costing less to the taxpayer and putting in place the diversity of technology necessary to have a viable commercial alternative to petroleum. It is a lean and mean approach which we must give time to work.

The biggest argument against SFC is that by cutting it out completely we will save $6 billion which will have a direct effect on the budget deficit. This is simply not correct. The assistance given by SFC is in price supports and loan guarantees and is not an immediate outlay. The assistance would go to projects in most cases over a period of 10 years. Do not be deceived by the claims of immediate budgetary effects. In fact, a CBO study done for the gentleman from Michigan [Mr. DINGELL], showed that total budgetary impact of the amendment he seeks to offer would be $332 million—and that would be over a 5-year period, through fiscal year 1990.

On the other hand, if SFC were abolished, the Department of Energy would have to come to this body immediately seeking $1.5 billion to payoff the loan to the Great Plains project which DOE guaranteed. I stress that this would be an immediate dollar outlay of $1.5 billion. I believe the dollar tradeoff is clear, as is the necessity of acting for the energy security of our Nation. I really would like to see this House act responsibly, taking into account the future policy implications of our actions. The whole story shows us that SFC has built a responsible program, has a new Board to implement it, and is now poised to get us out from behind the threats of foreign imports. A smaller Energy Department R&D program is not the answer. We have gone that route unsuccessfully before.

The time to act is now and the vote to make is in favor of the rule.

Mr. FROST. Mr. Speaker, for purposes of debate only, I yield 2 minutes to the gentleman from Indiana [Mr. SHARP].

Mr. TAUZIN. Mr. Speaker, will the gentleman yield?

Mr. SHARP. I would be happy to yield briefly to the gentleman from Louisiana.

Mr. TAUZIN. I thank my chairman for yielding.

Mr. Speaker, we need badly to oppose this rule and to get at the Synfuels Program. The logic of the Synfuels Program today is to commercially put in place projects that will develop synfuels for the future. The logic is so bad because the technologies are changing so fast. We may, in fact, invest billions of dollars, if we do not do something now, in technologies that will be as obsolete tomorrow as some of the personal computers of 5 years ago are today.

That is the kind of bad logic synfuels is engaged in. If we do not vote "no" on the rule, we cannot get into this debate and we cannot save this $6 billion.

Mr. SHARP. The gentleman is absolutely correct. Let me say procedurally the time is now, substantively the time is now.

Procedurally, we have to understand that it is very difficult for the Congress to get at the synthetic fuels program. Unlike the defense budget, unlike the budget on the domestic side, this was set up to be so insulated that we do not have any kind of annual or 2-year or 4-year review of this program.

We must seize the opportunity now. The only other time Congress got at this program was last year when it did the identical thing we are asking you to do today. Last year the House rejected the Interior appropriations rule

after which another rule came to the floor and we got to debate synfuels and make decisions about it.

Substantively the time is now, ladies and gentlemen, because the Corporation is in a position to commit us to $6 billion of future deficit spending; we can prevent that now.

Let me suggest to you, as one who supported this program, who sought to give the Reagan administration the opportunity over the last 4 years to make it work, that I cannot buy any longer the arguments that this is the direction in which to go; we can find few energy experts in this country who believe this is a wise place to put the limited number of Federal dollars that we have to spend on energy today.

The deficit cries out for us to cut the budget. It requires us to set firmer priorities, and this is the time to do it on synthetic fuels. If we are interested in coal, as I am interested in coal development, there are much better ways to go about it. This is the most wasteful approach we can take.

Mr. Speaker, I ask my colleagues to vote against the rule.

Mr. QUILLEN. Mr. Speaker, I yield 3 minutes to the gentleman from Colorado [Mr. STRANG].

Mr. STRANG. I thank the gentleman for yielding this time to me.

Mr. Speaker, I rise in support of the rule because this has come down to a debate over synthetic fuels. Aside from being an improper forum to decide major issues in Congress, I raised some objections because, referring to the majority leader's comments back in 1953, are my colleagues aware what this Congress did with the coal gasification process that we had developed?

We gave it to South Africa, and it works. They are energy independent. We gave it to South Africa. This is the kind of action that this flagrant abuse of numbers and exaggeration is driving us to today.

We lost our nuclear initiative. We have lost it. We have lost it because we will not permit it to go forward. We are legislating by rescission. That is a mistake.

Talk about cost sharing, Mr. Speaker. Somebody mentioned cost sharing. Are my colleagues aware that on reliance that this Congress meant what it said, Union Oil has spent $683 million of their own money on their own project in Garfield County, CO?—$683 million. No taxapayer dollars. There are no synfuels dollars in western Colorado and there will not be for several years because they have to buy product.

What are the people in Florida and California going to do when they move down there for their declining years? They are already energy independent. What are they going to do in 1995 when we have a real, major energy wreck on our hands? They are going to ask us what we did. They are going to ask us what we did, and I do not know what we are going to tell them. What are we going to tell them? That we just wanted to save a few bucks now and we could not deal with the strategic and long-term importance of energy for this country? Six hundred billion barrels of available oil in the Green River formation alone in Utah and Colorado and we turned our back on it.

What are we going to do in 1995? What are we going to tell the people in Michigan, in Ohio, about the jobs that we create for them for a vehicle that cannot have any gasoline to drive? Have we forgotten the gas lines?

Do not defeat this rule. Mr. Speaker, we are about to go down the same road that our distinguished colleagues, Mr. Perkins of Kentucky and Mr. Aspinall of Colorado warned us against in 1953. Where did our development technology go? We gave it to South Africa. Let us not do that again.

Mr. FROST. May I inquire of the Chair how much time is remaining?

The SPEAKER pro tempore. The gentleman from Texas [Mr. FROST] has 4 minutes remaining and the gentleman from Tennessee [Mr. QUILLEN] has 4 minutes remaining.

Mr. FROST. Mr. Speaker, for purposes of debate only, I yield 1 minute to the gentleman from Illinois [Mr. YATES] the chairman of the subcommittee.

Mr. YATES. I thank the gentleman for yielding this time to me.

Mr. Speaker, I urge support of this rule. This is a good bill which the Interior Subcommittee of the Committee on Appropriations has brought to the House. It is a responsible bill.

Members have received a letter from our good friend, the gentleman from Minnesota [Mr. FRENZEL], in which he says that this bill is over the 1985 bill. That is not true. A true comparison between the amount of the bill that we have brought to the floor and the amount in the 1985 bill shows that we are at least $55 million below that bill.

□ 1320

We are now $254 million below our allocation under 302(b) in accordance with the budget that was established under the budget resolution approved by the House. We are in our bill not taking advantage of the so-called 5-percent pay reduction. We have money for the pay of Federal employees in the bill. We are not looking to pay them in a supplemental bill, as has been claimed by other committees.

This is a good bill. I am sorry that we got into the debate on the Synthetic Fuels Corporation. I think that is a subject for the bill that has already been reported by the Energy and Commerce Committee. That bill has been reported, and that bill should be given the opportunity of being debated on the floor in a legislative procedure rather than in an appropriation procedure.

Mr. QUILLEN. Mr. Speaker, I yield 1 minute to the gentleman from Utah [Mr. NIELSON].

Mr. NIELSON of Utah. Mr. Speaker, I rise in support of the rule at the risk of offending my ranking minority member, the chairman of my committee, and most of my colleagues on the Energy and Commerce Committee. I strongly support the rule.

I feel the vehicle that was adopted in the Energy and Commerce Committee is the one that should be used in the legislative process. It should come to the floor and be debated on the floor with appropriate amendments. I do not believe it should be in the appropriation bill.

I would like to point out that there are some successes in the Synthetic Fuels Corporation. One small one that I had mentioned is the Geokinetics Corporation which has been energy-efficient. It is already producing oil in an environmentally sound way. There are many others also, and some are in the process of developing tar sands. I believe we should put our eggs in more than one basket. I support the rule, and I would like to deal with the Synthetic Fuels Corporation directly.

Let me make one further rejoinder. We did take $5 billion out of this Corporation last year. We have not had time to see what effect that has had. They have a new Board. Let us give them a chance to operate and deal with it in a legislative fashion later.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I urge adoption of the rule.

We have heard debate on the Synthetic Fuels Corporation and how important it is to develop alternate sources of energy. Also, action on the Interior appropriation itself is necessary. I think we must get down to the business of passing this appropriation bill.

In further regard to the Synthetic Fuels Corporation, there are those who say that it is not operating efficiently. If you have a sore on your hand, you do not cut off the hand to cure the sore; you treat the sore. That is what we should do with this Corporation. We should bring it in line and let it do what it was intended to do.

Mr. Speaker, I urge adoption of the rule, and I reserve the balance of my time.

Mr. FROST. Mr. Speaker, for purposes of debate only, I yield 1 minute to the gentleman from Michigan [Mr. WOLPE].

Mr. WOLPE. Mr. Speaker, there is one overriding issue in the vote we are about to take, and that is whether we are going to allow the slogan of

"energy security" to continue to protect the most wasteful, the most mismanaged agency in the Federal Government, one that is squandering literally billions upon billions of taxpayer dollars, or whether we are really going to do something genuine about our energy security requirements.

Wasting billions of dollars on energy products that cost up to $90 a barrel of oil equivalent is diverting resources away from those kinds of energy investments that will really reduce our vulnerability to import oil. Let us understand very clearly that a vote for energy security is a no vote on this rule so that Members of this body can begin to hold the Synthetic Fuels Corporation accountable once and for all and so we can put an end to the waste of billions of taxpayer dollars.

Mr. Speaker, let us give Members of this body an opportunity to save 6 billions of taxpayer dollars and make a real contribution to energy security.

Mr. FROST. Mr. Speaker, I would inquire, has the gentleman from Tennessee [Mr. QUILLEN] used all of his time?

The SPEAKER pro tempore. The gentleman from Tennessee [Mr. QUILLEN] has 2 minutes remaining.

Mr. QUILLEN. Mr. Speaker, at the appropriate time I will yield 1 minute to the gentleman from Massachusetts [Mr. BOLAND], and to account for the balance of my time, I now yield myself 1 minute.

Mr. Speaker, I urge the adoption of the rule. Let us not be penny-wise and pound-foolish. Let us go forward and do what we have to do for this Nation to develop alternate sources of energy. Let us pass this rule overwhelmingly and let the appropriate authorizing committees of the House handle this synthetic fuels matter when they bring their bill to the floor.

Mr. Speaker, I now yield 1 minute to the gentleman from Massachusetts [Mr. BOLAND], and after that I will yield back the balance of my time.

Mr. BOLAND. Mr. Speaker, I am grateful to the gentleman from Tennessee [Mr. QUILLEN] for yielding a portion of his time to me.

Mr. Speaker, I strongly support the rule on H.R. 3011, the appropriations bill for the Department of the Interior and related agencies.

I understand the reason for the fight on this rule. A number of Members of this House believe that it's time to pull the plug on the Synthetic Fuels Corporation, and they want the Interior appropriations bill to be the executioner. I oppose this effort on both procedural and substantive grounds.

Mr. Speaker we had this same argument on synthetic fuels last year. As a result of that debate, we approved a sizable rescission in the funds previously appropriated to the Synthetic Fuels Corporation, we put the managers of that enterprise on notice that we expected them to institute some administrative reforms. Changes have been made as a result of what took place on this floor last August, but some would not give the Corporation a chance to see the fruits of those changes.

This year, the Energy and Commerce Committee has approved a bill which would effectively abolish the Synthetic Fuels Corporation. The Banking Committee has concurrent referral of that bill, and the Science and Technology Committee has requested sequential referral of it. The amendment which would be offered to the Interior appropriations bill if this rule is defeated is the bill reported by the Energy and Commerce Committee. I want to make it clear that I am going to vote against that bill in whatever form it comes to the floor. I think it is a shortsighted measure for which, if approved, we will pay dearly in the future. But I can't help but believe that this institution would be better served if all of the committees with jurisdiction over the various aspects of the Synthetic Fuels Corporation bill had a chance to consider it. There is no good reason, in my judgment, for short-circuiting that process in this case.

Mr. Speaker, where are our memories? The arguments we have heard on this floor against the Synthetic Fuels Corporation would have us disregard both history and common sense. I remember the atmosphere in this Chamber 5 years ago when the Synthetic Fuels Corporation was created. The Members who voted to launch our Nation's synthetic fuels effort, and I was one of them, understood two things. We knew that synthetic fuels were going to be expensive, and we knew that neither the strategic petroleum reserve nor energy conservation were going to provide effective long-term alternatives to imported petroleum. In the intervening 5 years, crude oil prices have fallen and our recollections of gas lines, factory closings, and early school dismissals have faded. You would think our energy problems had disappeared.

Some things have not changed since 1980. We all receive mountains of statistics on energy supplies and energy use. None of those statistics have ever led me to conclude that petroleum is other than a finite resource. No estimates which I have seen have shown that domestic oil and gas reserves, either onshore or offshore, are increasing. In fact, at least since the 1952 report by the Paley Commission we have been warned that the United States will run out of oil and gas. We are not sitting on oceans of oil in this country and we are never going to be. And what's more, Mr. Speaker, our consumption of imported petroleum, after several years of decline, is again moving toward the levels of the 1970's.

In my judgment, synthetic fuels represent our only path to energy independence. We knew, or at least I thought we knew, when we created the Synthetic Fuels Corporation that the road to commercial development was uncertain and likely to be expensive. We also knew, however, that when they were needed, synthetic fuels would look like a bargain at any cost. When synthetic fuels are needed, they are going to be needed in quantities approaching the 2 million barrels per day of production capacity which the Synthetic Fuels Corporation was charged with establishing. We simply will not have the time to build the plants necessary to produce synthetic fuels in those quantities, if we wait until a time of crisis to get started. You can do all of the research you want, and do small demonstration projects until there is not enough warehouse space at the Department of Energy to store them all, but if the necessary synthetic fuels plants are not in operation when the next crunch comes, all of the fancy blueprints, and academic treaties we will have purchased with the kind of program envisioned in the energy and commerce bill will be of little comfort.

It remains incumbent on this Congress to encourage the development of those alternative fuels on which our Nation's future will depend. Synthetic fuels are those alternatives and we dare not allow a complacence brought on by a temporary oil glut, to make us lose sight of the need to have them available when they are needed.

The SPEAKER pro tempore. The Chair will state that the time of the gentleman from Tennessee [Mr. QUILLEN] has expired, and the gentleman from Texas [Mr. FROST] has 2 minutes remaining.

Mr. FROST. Mr. Speaker, for purposes of debate only, I yield 2 minutes to the gentleman from New York [Mr. LAFALCE], whose subcommittee has jurisdiction over this matter.

The SPEAKER pro tempore. The gentleman from New York [Mr. LAFALCE] is recognized for 2 minutes to close debate.

Mr. LAFALCE. Mr. Speaker, obviously a great many Members of this body want to vote on the continued existence or not of the Synthetic Fuels Corporation. They will get that opportunity, but I do not think they ought to get that opportunity on the Interiors appropriations bill.

My Subcommittee on Economic Stabilization has jurisdiction over the issue. We will have hearings on it immediately after we return from the August recess. I hope to report a bill out in the middle of September so that the Science and Technology Committee can then take it up and Members

can discuss the merits of the Synthetic Fuels Corporation and the merits of the approach we should take toward energy independence after full authorizing committee deliberations.

On the merits of the issue right now, I would point out, too, that this body did in August 1984 take dramatic action. We virtually cut in half the amount of money available to the Synthetic Fuels Corporation, and we totally changed its board of directors. They have had virtually no opportunity to carry out the will of this Congress now, and yet the members of the Synthetic Fuels Corporation's board of directors and its officers right now are those individuals who, either when they were here or on the outside, did not even favor the creation of the Synthetic Fuels Corporation. So we do not have an unfriendly audience running this Synthetic Fuels Corporation now. Those who would abolish it have a friendly board of directors and a friendly group of officers.

Mr. Speaker, this is an inopportune time to act. It is too precipitous, and we will have another opportunity. We will have another opportunity very shortly after we return from the August recess. I urge a "yes" vote on the rule.

● Mr. SYNAR. Mr. Speaker, I rise in strong opposition to the proposed rule. I do so reluctantly because I have great respect for the chairman and the committee. But as I did almost a year ago to the day, I stand in opposition to this rule; I stand in opposition to the most wasteful and unproductive agency in the Federal Government today—the Synthetic Fuels Corporation. We must put an end to the Synthetic Fuels Corporation now and, to do so, we must defeat this rule.

We will hear today about this Nation's continued vulnerability to foreign oil dependence and the need to remain committed to pursuing energy security. The issue before us today, however, is not simply an issue of energy security. It is an issue of how we as a Nation can achieve energy security in the most productive manner at the lowest possible cost to the taxpayer. The question is not whether we need an energy insurance policy, the question is what kind of coverage that policy provides and how much that policy costs.

If you consider nothing else today, I urge you to go beyond the traditional rhetoric surrounding this debate, beyond the image of the ayatolla, beyond the image of Persian Gulf strife, and focus on the substance of this program—the projects themselves. It's the projects that make the program.

As chairman of the Government Operations Subcommittee with responsibility for overseeing the Synfuels Corporation, I have followed as closely as any Member of Congress the trials and tribulations of this program and the projects it has brought us. This program has brought us the Union Oil shale facility in Colorado which, after 20 months of unsuccessful startup attempts, remains crippled by the technological difficulties inherent in the premature commercialization of infant technologies. This program has brought us the Great Plains project which remains continually dependent upon forever increasing taxpayer subsidies. I urge my colleagues to look at where we have been with this program and where we are going. Because even as we debate the wisdom of this program today, the Synfuels Corporation continues to negotiate additional assistance for the Union Oil shale facility and more subsidies for the Great Plains project. The past has clearly evidenced the failure of this program. The future promises only the disastrous consequences of our failure to act today.

As we debate the future of this program, our colleagues in the budget conference continue to struggle with ever-increasing deficits which truly threaten the security and prosperity of this Nation. Since we debated this program last year, the deficit has become larger, the prospects for substantial long-term deficit reduction have become dimmer and the expectations of synfuels viability have become more distant.

The real question before us today is a question of priorities and equity. It is a question of whether we as a Congress are prepared to say no to the family farmer, not to the elderly, no to the hungry and the homeless and yes to the handful of multimillion- and billion-dollar corporations that want Uncle Sam to pay their way to greater profits. It is a question of whether we as a Congress are committed to getting serious about this Nation's deficit problems and doing so in a fair and equitable manner.

Mr. Speaker, there are those who ask why we must act now. Just last week, the Synthetic Fuels Corporation reached preliminary agreement to provide an additional $720 million in taxpayer subsidies to the Great Plains project. We may not be able to alter that decision. But, Mr. Speaker, the Great Plains story is the story of the Synfuels Corporation. It is a story of technologies which cannot and will not for the foreseeable future be able to compete in the marketplace. It is a story of sponsors returning time and time again for more and more of the taxpayers' money. It is a story to which we must now write an end. We must cut our losses before its too late. I urge my colleagues to vote no on the rule and support the efforts of myself and my colleagues to put an end to the Synthetic Fuels Corporation.●

□ 1330

The SPEAKER pro tempore. All time has expired.

Mr. FROST. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. SYNAR. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 179, nays 251, not voting 3, as follows:

[Roll No. 252]

YEAS—179

Addabbo	Gray (IL)	Ortiz
Akaka	Gray (PA)	Owens
Alexander	Grotberg	Packard
Anderson	Hall (OH)	Pease
Andrews	Hall, Ralph	Pepper
Annunzio	Hamilton	Perkins
Applegate	Hatcher	Pickle
Aspin	Hawkins	Price
Atkins	Hayes	Quillen
Bateman	Hendon	Rahall
Beilenson	Horton	Rangel
Bennett	Howard	Regula
Bevill	Hoyer	Reid
Boggs	Hubbard	Robinson
Boland	Hutto	Roe
Boner (TN)	Hyde	Rogers
Bonior (MI)	Jenkins	Rose
Borski	Jones (NC)	Rostenkowski
Boucher	Kanjorski	Roybal
Brooks	Kildee	Rudd
Brown (CO)	Kolter	Russo
Bruce	Kramer	Sabo
Bryant	LaFalce	Schaefer
Burton (CA)	Lantos	Scheuer
Bustamante	Leath (TX)	Schulze
Byron	Lehman (CA)	Seiberling
Carr	Lehman (FL)	Shelby
Chappell	Leland	Shuster
Clinger	Levine (CA)	Skeen
Coelho	Lipinski	Skelton
Coleman (TX)	Lloyd	Smith (IA)
Coyne	Long	Snowe
Daniel	Lowery (CA)	Snyder
Dannemeyer	Lujan	Staggers
de la Garza	Lundine	Stangeland
Derrick	Manton	Stenholm
Dicks	Matsui	Stokes
Dixon	Mavroules	Strang
Donnelly	McDade	Stratton
Dorgan (ND)	McKernan	Traficant
Duncan	McKinney	Traxler
Durbin	Mica	Udall
Dwyer	Michel	Valentine
Early	Miller (OH)	Visclosky
Edwards (CA)	Mineta	Volkmer
Emerson	Moakley	Walgren
Fascell	Mollohan	Watkins
Fazio	Montgomery	Wheat
Foley	Moody	Whitley
Ford (TN)	Murphy	Whitten
Frost	Murtha	Wilson
Fuqua	Myers	Wirth
Garcia	Natcher	Wise
Gaydos	Nelson	Wright
Gekas	Nichols	Wylie
Gibbons	Nielson	Yates
Gilman	Nowak	Yatron
Gonzalez	O'Brien	Young (AK)
Goodling	Oakar	Young (MO)
Gordon	Oberstar	

NAYS—251

Ackerman	Franklin	Obey
Anthony	Frenzel	Olin
Archer	Gallo	Oxley
Armey	Gejdenson	Panetta
AuCoin	Gephardt	Parris
Badham	Gingrich	Pashayan
Barnard	Glickman	Penny
Barnes	Gradison	Petri
Bartlett	Green	Porter
Barton	Gregg	Pursell
Bates	Guarini	Ray
Bedell	Gunderson	Richardson
Bentley	Hammerschmidt	Ridge
Bereuter	Hansen	Rinaldo
Berman	Hartnett	Ritter
Biaggi	Heftel	Roberts
Bilirakis	Henry	Rodino
Bliley	Hertel	Roemer
Boehlert	Hiler	Roth
Bonker	Hillis	Roukema
Bosco	Holt	Rowland (CT)
Boulter	Hopkins	Rowland (GA)
Boxer	Huckaby	Savage
Breaux	Hughes	Saxton
Broomfield	Hunter	Schneider
Brown (CA)	Ireland	Schroeder
Broyhill	Jacobs	Schuette
Burton (IN)	Jeffords	Schumer
Callahan	Johnson	Sensenbrenner
Campbell	Jones (OK)	Sharp
Carney	Jones (TN)	Shaw
Carper	Kaptur	Shumway
Chandler	Kasich	Sikorski
Chappie	Kastenmeier	Siljander
Cheney	Kemp	Sisisky
Clay	Kennelly	Slattery
Coats	Kindness	Slaughter
Cobey	Kleczka	Smith (FL)
Coble	Kolbe	Smith (NE)
Coleman (MO)	Kostmayer	Smith (NH)
Collins	Lagomarsino	Smith (NJ)
Combest	Latta	Smith, Denny
Conte	Leach (IA)	Smith, Robert
Conyers	Lent	Solarz
Cooper	Levin (MI)	Solomon
Coughlin	Lewis (CA)	Spence
Courter	Lewis (FL)	Spratt
Craig	Lightfoot	St Germain
Crane	Livingston	Stallings
Crockett	Loeffler	Stark
Darden	Lott	Studds
Daschle	Lowry (WA)	Stump
Daub	Luken	Sundquist
Davis	Lungren	Sweeney
DeLay	Mack	Swift
Dellums	MacKay	Swindall
DeWine	Madigan	Synar
Dickinson	Markey	Tallon
Dingell	Marlenee	Tauke
DioGuardi	Martin (IL)	Tauzin
Dornan (CA)	Martin (NY)	Taylor
Dowdy	Martinez	Thomas (CA)
Dreier	Mazzoli	Thomas (GA)
Dymally	McCain	Torres
Dyson	McCandless	Torricelli
Eckart (OH)	McCloskey	Towns
Eckert (NY)	McCollum	Vander Jagt
Edgar	McCurdy	Vento
Edwards (OK)	McEwen	Vucanovich
English	McGrath	Walker
Erdreich	McHugh	Waxman
Evans (IA)	McMillan	Weaver
Evans (IL)	Meyers	Weber
Fawell	Mikulski	Weiss
Feighan	Miller (CA)	Whitehurst
Fiedler	Miller (WA)	Whittaker
Fields	Mitchell	Williams
Fish	Molinari	Wolf
Flippo	Moore	Wolpe
Florio	Moorhead	Wortley
Foglietta	Morrison (CT)	Wyden
Ford (MI)	Morrison (WA)	Young (FL)
Fowler	Mrazek	Zschau
Frank	Neal	

NOT VOTING—3

Downey	Hefner	Monson

□ 1340

Messrs. SILJANDER, JONES of Tennessee, EDWARDS of Oklahoma, SMITH of Florida, STARK, PANETTA, FOGLIETTA, and BADHAM changed their votes from "yea" to "nay."

So the resolution was not agreed to.

The result of the vote was announced as above recorded.

□ 1350

GENERAL LEAVE

Mr. MOAKLEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on House Resolution 227.

The SPEAKER pro tempore. Is there ojection to the request of the gentleman from Massachusetts?

There was no objection.

WAIVING CERTAIN POINTS OF ORDER AGAINST CONSIDERATION OF H.R. 3038 DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT-INDEPENDENT AGENCIES APPROPRIATION ACT, 1986

Mr. MOAKLEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 233 and ask for its immediate consideration.

The Clerk read the resoluton, as follows:

H. RES. 233

Resolved, That during the consideration of the bill (H.R. 3038) making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1986, and for other purposes, all points of order against the following provisions in the bill for failure to comply with the provisions of clause 2 of rule XXI are hereby waived: beginning on page 2, line 8 through page 7, line 17; beginning on page 8, line 4 through page 10, line 8; beginning on page 10, line 22 through 25; beginning on page 11, line 7 through page 12, line 13; beginning on page 12, line 20 through page 13, line 6; beginning on page 14, lines 12 through 21; beginning on page 15, line 13 through page 17, line 7; beginning on page 18, line 10 through page 23, line 18; beginning on page 24, line 14 through page 27, line 21; beginning on page 28, line 4 through page 31, line 16; beginning on page 35, line 11 through page 37, line 26; and beginning on page 38, line 22 through page 40, line 2; and all points of order against the following provisions in the bill for failure to comply with the provisions of clause 6 of rule XXI are hereby waived: beginning on page 2, line 8 through page 5, line 19; beginning on page 8, lines 4 through 18; beginning on page 11, lines 7 through 16; beginning on page 37, lines 7 through 26; beginning on page 39, lines 10 through 22; and beginning on page 40, lines 4 through 13.

The SPEAKER pro tempore. The gentleman from Massachusetts [Mr. MOAKLEY] is recognized for 1 hour.

Mr. MOAKLEY. Mr. Speaker, I yield the customary 30 minutes for purposes of debate only to the gentleman from Tennessee [Mr. QUILLEN], pending which I yield myself such time as I may consume.

Mr. MOAKLEY. Mr. Speaker, House Resolution 233 waives points of order against a number of provisions of H.R. 3038, the Department of Housing and Urban Development and Independent Agencies Appropriations Act for Fiscal Year 1986. The rule does not provide for the bill's consideration since general appropriation bills are privileged under the Rules of the House. Provisions relating to time for general debate are also excluded from the rule. Customarily, general debate is limited by a unanimous-consent request by the chairman of the Appropriations Subcommittee, Mr. BOLAND, prior to consideration of the bill.

Mr. Speaker, despite the fact that the House and Senate have not agreed to a budget resolution for fiscal year 1986, no Budget Act waiver is necessary to the consideration of this appropriation bill. As Members are aware, earlier today, the House adopted House Resolution 231 which deemed the House-passed budget resolution to have been adopted for purposes of the enforcement provisions of the Budget Act. This allows the House to proceed to consideration of appropriations and other spending legislation without the necessity of a waiver of section 303(a) of the Budget Act. This and other legislation is subject to all the other constraints of the Budget Act.

House Resolution 233 waives clause 2, of rule XXI which prohibits unauthorized appropriations and legislative provisions in general appropriation bills, against specified provisions in the bill. House Resolution 233 also waives clause 6, of rule XXI which prohibits reappropriations or transfers in general appropriation bills, against specified provisions in the bill. Mr. Speaker, the specific provisions of the bill which have been protected by these waivers are detailed in the rule, by reference to page and line of the Housing and Urban Development Appropriation bill. Chairman WHITTEN has also written a letter describing the provisions protected by the waivers. The provisions described in the letter are the only ones that waivers are provided for.

The provisions granted a waiver of clause 2, rule XXI in title I of H.R. 3038 provide appropriations for a number of programs of the Department of Housing and Urban Development. The waivers are necessary for some provisions because, while authorizing legislation for the programs involved is under consideration at some stage of the legislative process, it has not yet been enacted into law. In addition, Mr. Speaker, several provisions violate the prohibition on legislation in general appropriation bills, although a number of these are similar

to language routinely included in previous appropriation acts. These programs include housing for the elderly and handicapped. Low-income housing projects, and community development grants.

Clause 2, rule XXI waivers are also necessary to allow consideration of appropriations items in title II of the bill which fund the following independent agencies: The Consumer Product Safety Commission; the Environmental Protection Agency; Federal Emergency Management Agency; NASA; the National Science Foundation; the Neighborhood Reinvestment Corporation, and the Veterans' Administration.

The waivers of clause 6, rule XXI are provided for portions of the bill which provide for continued availability and use of funds provided in prior appropriations, for such programs as the troubled projects operating subsidy, the loan guaranty revolving fund, and the Veterans' Administration. The waivers are necessary to allow consideration of these reappropriations.

Mr. Speaker, H.R. 3038 appropriates $57.8 billion in new budget authority for the Housing and Urban Development Department and 17 independent agencies in fiscal year 1986. The bill would provide $12.6 billion for federally assisted housing programs, $330 million for urban development action grants, $1.5 billion for the Environmental Protection Agency, $7.7 billion for NASA, $3.4 billion for revenue sharing, and $26.5 billion for the Veterans' Administration. In addition, H.R. 3038 appropriates $2.0 billion for the contruction of 10,000 much needed public housing units. Also, H.R. 3038 would require that the Housing and Urban Development Department make available up to 20 percent of public housing funds earmarked for the development or acquisition of public housing for major reconstruction of obsolete housing projects.

Mr. Speaker, this is an important measure providing for new budget authority for a wide variety of programs and agencies. The Appropriations Committee should be commended for acting on a very important and complex bill and for reporting a bill that comes within the guidelines of the House-passed budget resolution. In addition, I would like to commend the gentleman from Massachusetts, the chairman of the HUD-Independent Agencies Subcommittee, Mr. BOLAND, for his hard work and leadership in dealing with issues that are vital to the Federal Government and the American people. I urge the Members to adopt the resolution.

□ 1400

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the rule has been ably explained by the gentleman from Massachusetts [Mr. MOAKLEY].

This is an important appropriation bill. Not only does it include HUD but also 16 independent agencies including the Veterans' Administration. We know that the veterans of this country deserve every attention possible that we can give them, as do the elderly, as do the needy, as do the beneficiaries of many of these agencies for which funds are appropriated in this bill.

So, Mr. Speaker, even though the administration says this bill is above their request, the committee reports that it is $1 billion less than 1985 and the rule needs to be adopted.

Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. I thank the gentleman for yielding.

Mr. Speaker, this bill and this rule are basically the kind of bill and rule that we have considered on the House floor before. I went to the Rules Committee, though, yesterday, with a subject area that I thought needed to be addressed and which did not get addressed in the Rules Committee; and I thought that I would bring it up because ultimately we are going to resolve it on the floor.

I have talked to the gentleman from Massachusetts [Mr. BOLAND] and the gentleman from New York [Mr. GREEN], and when the bill comes to the floor, I will be offering an amendment which I think they are prepared to take at that point.

I wanted to raise the issue of what I brought before the Rules Committee yesterday, because I think it is a question of process that needs to be understood by the House.

Back some weeks ago we passed a shuttle pricing policy on the House floor. It was a relatively close vote, but it was rather intensely debated and we came to a conclusion about shuttle pricing policy.

In the appropriations bill as reported from committee, the Appropriations Committee had gone back to the shuttle pricing policy that was rejected by the House, and put that in as a legislative provision in the appropriations bill.

It was my opinion, and when I appeared before the Rules Committee yesterday, that that kind of legislating in an appropriations bill ought to at least be subject to a point of order on the House floor; that we ought not be waiving points of order where the House itself has made a specific decision.

It is one thing to talk about waiving authorization types of language where in fact the authorizing committees have not done their job. I have some questions about that, and I can understand how Members can have some concern about that.

In this case, the authorizing committee had not only done its job; we had come to the floor, we had specifically debated the issue, the House had determined the issue; it is an issue where the Senate has already passed the bill; we are about to go to conference and we were faced here with a legislative provision in an appropriations bill that would have a marked effect on that policy.

It seemed to me that the Rules Committee, in those kinds of instances, does have an obligation to make that kind of legislation in an appropriation bill subject to a point of order.

The Rules Committee, in this rule, specifically decided not to do that, and I raise it as an issue because it would cause me to vote against the rule, but I think we also ought to take a look at the process, that it seems to me that the Rules Committee ought not put this House in a position of having legislation in an appropriation bill where the House has previously made a very, very fundamental determination, and I would hope that in the future the Rules Committee would be a little more sympathetic to those of us who sit for hours and hours and hours in authorizing committees to make decisions, who bring the bills in good conscience to the House floor, make decisions, and then have the potential of those decisions being overriden with legislation in an appropriations bill.

That is specifically what the rules attempt to protect, and what was being violated here, and I am disappointed that the Rules Committee did not see fit to maintain the point of order.

As I say, in discussions that the gentleman from Massachusetts [Mr. BOLAND], the gentleman from New York [Mr. GREEN] have had with the chairman of the authorizing committee, with the chairman of the subcommittee, with myself, and so, on, I think we have come to an agreement now that that ought not be the way of proceeding, and that the motion to strike I hope will be accepted; but it does bother me.

Mr. QUILLEN. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. BARTLETT].

Mr. BARTLETT. I thank the gentleman for yielding, and I rise to oppose the rule that is now before us, as I will be opposing the bill itself.

What is essentially wrong with the rule is the rule would waive a number of points of order against the bill; those points of order not being trivial, but being significant to this bill.

The most important of which is the bill would waive the point of order in which programs that are not yet authorized would be appropriated.

Now in many appropriations bills, this happens, and I suppose that is a common bills, this happens, and I sup-

pose that is a common fight or disagreement on the floor in appropriating funds for programs that are not yet authorized.

I wish to bring to the House's attention that this bill goes a substantial step further than that; this bill appropriates $500 million in the assisted housing category for what is euphemistically called new program reserve.

This bill would appropriate $500 million for programs that are not only not authorized, but have never been authorized; that have never existed, that may or may not ever exist.

My point is that the point of order should not be waived on brand new programs that have never been created, and should not be waived on unauthorized programs that are waiting to be authorized in the first place.

I think it sets an enormously difficult and bad precedent for this House to be appropriating funds for new programs that had never existed.

Now, assuming the rule passes, and when we get to the appropriations bill, I will be offering an amendment to delete that new program reserve; that slush fund, if you will, of some $500 million that appropriates funds for new programs. I would urge the Appropriations Committee and the authorizing committee on which I serve to go back to the drawing board and we can then decide whether we want to authorize these new programs, and if we do, and if the Congress authorizes the new programs, then we can come back on either a supplemental or a recission or a new appropriations bill, and appropriate the funds after the authorization.

Now there is a further difficulty with the bill that this rule makes in order. The difficulty is, the appropriations bill is sold as a freeze level bill in the assisted housing programs, but in the assisted housing programs it appears to be, when you begin to look at each program line by line, a total increase in expenditures over fiscal year 1985 expenditures of a total of $1.7 billion.

When we get to the House floor on the bill itself, I will take time to offer amendments, and in debate I will explain to the House how that $1.7 billion was added on.

Suffice it to say for now that it was done in two ways: One, with an accounting change which made a change in accounting which changed $989 million; set that off-budget, or outside the HUD appropriations process, and then spent the money on new and additional programs.

The other way was to take $800 million of a nonrecurring, one-time-only program that was spent and designed to be spent only in fiscal year 1985; it is called rent supplement wrap; the program was not terminated; was not eliminated; it just simply existed for 1 year.

We took that $800 million and we spent that money additionally in fiscal year 1986 as if it were an ongoing program.

So I will have three amendments: One, to reduce the number of units of newly constructed public housing units from the 10,000 units that are in the bill back to a freeze level of 5,000 new units that we built in fiscal year 1985. I will not be proposing that we terminate public housing or that we eliminate all new units of public housing; but merely that we build the same number of new units in 1986 than we built in 1985.

The second one will be to eliminate the program reserve of new, unauthorized programs.

The third, then, will be across-the-board reduction of 2½ percent in order to achieve a true freeze level in the assisted housing programs.

I would call my colleagues' attention that the assisted housing programs will be the first up on the calendar; that in the HUD appropriations bill, the very first area that we will debate will be the HUD assisted housing programs; it is the area that is on a percentage basis the largest out of line in terms of a freeze.

□ 1410

It does spend a total of $1.7 billion more in fiscal year 1986 than we spent in fiscal year 1985. I would urge my colleagues to vote no on the rule so we can go back for a better rule so the points of order against appropriating funds for programs that are not yet and have never been authorized will simply not be in there and that we would be allowed to make a point of order in that case.

I would urge a "no" vote on the rule.

Mr. QUILLEN. Mrs. Speaker, I yield 2 minutes to the gentleman from New York [Mr. GREEN] to close debate on this side.

Mr. GREEN. I thank the gentleman for yielding.

Mr. Speaker, I urge my colleagues to vote for the rule. I shall address the points that the gentleman from Texas has made with respect to the substance of the bill when we go into the Committee of the Whole House and debate the bill.

With respect to the rule, point out that inevitably with this bill we come to the Rules Committee at a time when the majority of the programs in the bill are not authorized. I wish it were not so. The chairman of the subcommittee wishes it were not so. But that is the fact, and year after year it has been the fact, and year after year, if the House wants to proceed expeditiously with the appropriations bills instead of doing them all in the form of a continuing resolution, we have to have this kind of a solution.

The reserve to which my friend from Texas refers is a device we have used in the past to account to this House for the fact that we can expect further requests for funds for these programs, so that the House will be put on notice and know at the time it is considering this bill what it can expect in the way of spending, and so that it is not surprised by a supplemental request or funding in a continuing resolution. I think it is the more honest way to do it rather than just pretending that the future spending does not exist as a problem for the future.

So I would urge my colleagues to vote for this rule and let us move on to the substance of the bill.

Mr. MOAKLEY. Mr. Speaker, I understand the gentleman from Tennessee [Mr. QUILLEN] has no further requests for time. I have no further requests for time.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. BARTLETT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 266, nays 159, not voting 8, as follows:

[Roll No. 253]

YEAS—266

Ackerman	Carper	Fish
Addabbo	Carr	Flippo
Akaka	Chappell	Florio
Alexander	Clay	Foglietta
Anderson	Coelho	Foley
Andrews	Coleman (TX)	Ford (MI)
Annunzio	Collins	Ford (TN)
Anthony	Conte	Fowler
Applegate	Conyers	Frank
Aspin	Cooper	Franklin
Atkins	Coughlin	Frost
AuCoin	Coyne	Fuqua
Barnard	Crockett	Garcia
Barnes	Darden	Gaydos
Bateman	Daschle	Gejdenson
Bates	Davis	Gephardt
Bedell	de la Garza	Gibbons
Beilenson	Dellums	Gilman
Bennett	Derrick	Glickman
Berman	Dicks	Gonzalez
Bevill	Dingell	Gordon
Biaggi	Dixon	Gradison
Boehlert	Donnelly	Gray (IL)
Boggs	Dorgan (ND)	Gray (PA)
Boland	Dowdy	Green
Boner (TN)	Duncan	Guarini
Bonior (MI)	Durbin	Hall (OH)
Bonker	Dwyer	Hamilton
Borski	Dymally	Hatcher
Bosco	Dyson	Hayes
Boucher	Early	Hertel
Boxer	Eckart (OH)	Hillis
Breaux	Edgar	Howard
Brooks	Edwards (CA)	Hoyer
Brown (CA)	English	Hutto
Bruce	Erdreich	Hyde
Bryant	Evans (IL)	Jacobs
Burton (CA)	Fascell	Jenkins
Bustamante	Fazio	Jones (NC)
Byron	Feighan	Jones (OK)

Jones (TN)	Murtha	Slattery
Kanjorski	Myers	Smith (FL)
Kaptur	Natcher	Smith (IA)
Kastenmeier	Neal	Smith (NE)
Kennelly	Nelson	Smith (NJ)
Kildee	Nichols	Snyder
Kleczka	Nowak	Solarz
Kolter	O'Brien	Spratt
Kostmayer	Oakar	St Germain
LaFalce	Oberstar	Staggers
Lantos	Obey	Stallings
Lehman (CA)	Olin	Stark
Lehman (FL)	Ortiz	Stokes
Leland	Owens	Stratton
Levin (MI)	Panetta	Studds
Levine (CA)	Pease	Swift
Lipinski	Perkins	Synar
Lloyd	Pickle	Tallon
Long	Price	Thomas (GA)
Lowery (CA)	Pursell	Torres
Lowry (WA)	Quillen	Torricelli
Lujan	Rahall	Towns
Luken	Rangel	Traficant
Lundine	Ray	Traxler
MacKay	Regula	Udall
Manton	Reid	Valentine
Markey	Richardson	Vento
Martinez	Ridge	Visclosky
Matsui	Rinaldo	Volkmer
Mavroules	Robinson	Walgren
Mazzoli	Rodino	Watkins
McCloskey	Roe	Waxman
McCurdy	Rose	Weaver
McDade	Rostenkowski	Weiss
McHugh	Rowland (GA)	Wheat
McKinney	Roybal	Whitley
Mica	Russo	Whitten
Mikulski	Sabo	Wilson
Miller (CA)	Savage	Wirth
Miller (OH)	Scheuer	Wise
Mineta	Schroeder	Wolpe
Mitchell	Schumer	Wortley
Moakley	Seiberling	Wyden
Mollohan	Sharp	Wylie
Montgomery	Shelby	Yates
Moody	Sikorski	Yatron
Morrison (CT)	Sisisky	Young (AK)
Mrazek	Skeen	Young (MO)
Murphy	Skelton	

NAYS—159

Archer	Fields	Madigan
Armey	Frenzel	Marlenee
Badham	Gallo	Martin (IL)
Bartlett	Gekas	Martin (NY)
Barton	Gingrich	McCain
Bentley	Goodling	McCandless
Bereuter	Gregg	McCollum
Bilirakis	Grotberg	McEwen
Bliley	Gunderson	McGrath
Boulter	Hall, Ralph	McKernan
Broomfield	Hammerschmidt	McMillan
Brown (CO)	Hansen	Meyers
Broyhill	Hartnett	Michel
Burton (IN)	Heftel	Miller (WA)
Callahan	Hendon	Molinari
Campbell	Henry	Moore
Carney	Hiler	Moorhead
Chandler	Holt	Morrison (WA)
Chappie	Hopkins	Nielson
Cheney	Hubbard	Oxley
Clinger	Huckaby	Packard
Coats	Hughes	Parris
Cobey	Hunter	Pashayan
Coble	Ireland	Penny
Coleman (MO)	Jeffords	Petri
Combest	Johnson	Porter
Courter	Kasich	Ritter
Craig	Kemp	Roberts
Crane	Kindness	Roemer
Daniel	Kolbe	Rogers
Dannemeyer	Kramer	Roth
Daub	Lagomarsino	Roukema
DeLay	Latta	Rowland (CT)
DeWine	Leach (IA)	Rudd
Dickinson	Leath (TX)	Saxton
DioGuardi	Lent	Schaefer
Dornan (CA)	Lewis (CA)	Schneider
Dreier	Lewis (FL)	Schuette
Eckert (NY)	Lightfoot	Schulze
Edwards (OK)	Livingston	Sensenbrenner
Emerson	Loeffler	Shaw
Evans (IA)	Lott	Shumway
Fawell	Lungren	Shuster
Fiedler	Mack	Siljander
Slaughter	Strang	Vander Jagt
Smith (NH)	Stump	Vucanovich
Smith, Denny	Sundquist	Walker
Smith, Robert	Sweeney	Weber
Snowe	Swindall	Whitehurst
Solomon	Tauke	Whittaker
Spence	Tauzin	Wolf
Stangeland	Taylor	Young (FL)
Stenholm	Thomas (CA)	Zschau

NOT VOTING—8

Downey	Horton	Williams
Hawkins	Monson	Wright
Hefner	Pepper	

□ 1430

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 821

Mr. BURTON of Indiana. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 821.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

GENERAL LEAVE

Mr. BOLAND. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 3038, and that I be permitted to include tables, charts, and other extraneous material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT-INDEPENDENT AGENCIES APPROPRIATION ACT, 1986

Mr. BOLAND. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3038) making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1986, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to not to exceed 1 hour, the time to be equally divided and controlled by the gentleman from New York [Mr. GREEN] and myself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Massachusetts [Mr. BOLAND].

The motion was agreed to.

□ 1432

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 3038, with Mr. PANETTA in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Under the unanimous-consent agreement, the gentleman from Massachusetts [Mr. BOLAND] will be recognized for 30 minutes and the gentleman from New York [Mr. GREEN] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Massachusetts [Mr. BOLAND].

Mr. BOLAND. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to pay tribute to the members of this subcommittee on the majority side, the gentleman from Michigan [Mr. TRAXLER], the gentlewoman from Louisiana [Mrs. BOGGS], the gentleman from Ohio [Mr. STOKES], the gentleman from Minnesota [Mr. SABO], and the gentleman from Tennessee [Mr. BONER].

I also want to pay my respects to the ranking minority member, the gentleman from New York [Mr. GREEN], who has had extensive experience in the housing area and with these programs, and also to the gentleman from Pennsylvania [Mr. COUGHLIN], and the gentleman from California [Mr. LEWIS].

Mr. Chairman, the 1986 HUD-independent agencies appropriation bill which we bring to the floor today is, for the most part, noncontroversial. The bill, as it is before you, provides $57,807,514,000 in new budget authority for 1986. That is $10,351,783,000 above the President's request and is $1,011,043,000 below 1985. And, Mr. Chairman, virtually all of the increase above the President's budget is once again in the subsidized housing programs. Also, Mr. Chairman, the bill is within the $42,500,000,000 of tentative section 302(b) allocation—based on the House-passed budget resolution.

One thing I should point out at the outset is that the numbers I just gave you do not include $3,310,000,000 of budget authority we deferred pending enactment of three authorizations. We have deferred $900,000,000 for the Superfund Program—$2,400,000,000 for the Construction Grants Program—and $10,000,000 for a new fair housing initiative under HUD. However, all of the $3,310,000,000 is assumed within the section 302(b) allocations.

Now as I said, we are $10.3 billion over the President's budget. That is a lot of money—but let's keep in mind two things.

First, the President's budget included no funds for the Subsidized Housing Program. After the budget came up in February—everyone recognized that was simply not equitable. So both budget committees have assumed roughly $10 to $11.5 billion of new budget authority for new subsidized housing.

And the second point, is to keep in mind that under these programs we score the budget authority for the entire period of the housing contract. That means that the $10.7 billion in this bill covers 15 or 20 or even 30 years of the cost of each housing unit. So our method of scoring these costs tends to magnify the budget authority numbers.

HOUSING

Pages 4 through 8 of the report describe the subcommittee's actions concerning subsidized housing. Basically, we have included 100,000 incremental housing units in this bill. By incremental, I mean a net addition of subsidized housing units to the total number of 3.9 million currently under subsidy.

We have provided for 10,000 new public housing units—30,000 section 8 voucher units—12,000 section 202 housing for the elderly units—1,000 Indian housing units—32,000 section 8 existing units—and 15,000 section 8 moderate rehabilitation units. All of that adds to 100,000 incremental housing units.

In addition, we have also included $150 million to provide for approximately 15,000 rental rehabilitation units and 2,500 rental development [HODAG] units.

Finally, in the housing area, as many of you know, the House Banking Committee recently reported H.R. 1, the housing authorization bill for fiscal years 1986 and 1987. That bill has in it a number of potential new programmatic thrusts which are not addressed in this appropriation. So what we have done is exactly what we did 2 years ago—and that is that we have set aside $500 million in a reserve to accommodate at least some of new programmatic thrusts contained in H.R. 1—if that bill is ultimately passed and signed by the President.

Under the Community Development Block Program—we are going along with the 10 percent reduction proposed by the President and assumed in the budget resolution. For the Urban Development Action Grant Program we are recommending a 25-percent cut—from $440 million made available in 1985 to $330 million in 1986. I should point out, in the house budget resolution a 10-percent reduction was assumed and in the Senate a 20-percent cut was included. We are below both resolutions.

ENVIRONMENTAL PROTECTION AGENCY

For the Environmental Protection Agency, the total increase recommended above the budget request is $128 million. Also, we are about $174 million above the current 1985 rate. That increase above the budget request of $128 million is made up of $62 million in the operating programs—$16 million to restore the 5-percent pay cut—and $50 million for the school asbestos program. Except for the asbestos funds, the add-ons for EPA are largely in areas that the committee has restored funding for in the past.

FEDERAL EMERGENCY MANAGEMENT AGENCY

For FEMA, we have included funding in the bill that puts us about $70 million above 1985 and about $89.6 million above the budget request. I should quickly point out that the bulk of that increase above the budget and above 1985 is made up of $70 million included for the Emergency Food and Shelter Program. That activity has been underway since 1983, and to date we have made available a total of $160 million through the national board and $50 million through the States.

In other FEMA activities, the report spells out in great detail the committee's problems with the Agency in connection with discrepancies in the budget justifications. We have tried to address these ongoing management problems by including very specific bill and report language that will put FEMA on notice that we expect that Agency to provide the Congress with honest budget estimates.

Also, for FEMA, we have added about $22 million for the Civil Defense Program. You may recall that during the past 3 or 4 years the Agency has requested substantial increases for civil defense. Virtually all of those increases have been denied in the past. However, in 1986 the President's budget proposed a decrease in the Civil Defense Program below the 1985 level. While we are in agreement with the general philosophy of that decrease—we felt it went a little too far and we have restored some funding for ongoing civil defense grants to States. In 1987, we expect that the States will take over some of these programs on a 50/50 matching basis.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

For NASA we have recommended a total of $7,666,000,000 and that is $220 million under the President's budget request. It is, however, about $175 million above the current 1985 level. We have been able to provide for that small add-on above 1985 by reallocating some of our tentative section 302(b) allocation.

Now in taking a $220 million cut from the President's budget—what we tried to do was to adopt the philosophy that these reductions should be handled in such a way as to preserve the funding stream for those projects already underway—and cut to those projects which are proposed as essentially new starts in 1986.

We took that approach because it makes the most sense. Why? Because if additional projects are started in 1986 that will require substantially increased funding in 1987 and 1988—NASA's problems in view of uncoming very tight budgets will only get worse.

So we took the reductions primarily from the orbital maneuvering vehicle—which we cut from $25 million to $10 million—the solar optical telescope—which we cut from $30 million to $5 million—and the scatterometer—which we cut from $31 million to $6 million. And, we felt we could take some money out of the space station—which is basically a new activity—and we reduced that from $230 million to $200 million.

Let me give you a little additional insight as to why we took the approach we did. It's always easy to start new projects at low funding levels. We could probably have started the solar optical telescope with $10 or $15 million. But to do that, we would have had to cut some other ongoing project. For example, the Senate Authorization Committee, in making its reductions, reduced the upper atmospheric research satellite by $20 million in 1986—from $134 million to $114 million.

But do you know what the impact of that reduction is? The upper atmospheric research satellite—which is a satellite designed to take a hard look at what's happening to our atmosphere—and which is scheduled to fly in 1988 or 1989—is in its third year of funding. That $20 million cut will require NASA to replace it with $56 million in 1987 and 1988. So we only cut the project by $5 million—because the fact is that it doesn't make any sense to cut programs that are in the middle of their major funding stream and end up having it cost NASA three or four times as much. It makes a lot more sense to cut programs that are just about ready to start.

So that is the philosophy we followed with NASA—and I think it makes sense—and I think that the agency basically agrees with what we have done—given the very tough budget problems.

VETERANS' ADMINISTRATION

For the Veterans' Administration, we have added a total of $441,802,000. But, let me quickly point out that $205 million of that add-on was to restore the 5-percent pay cut.

And by the way, while I'm on that subject, I think this subcommittee should be commended for the fact that we took it upon ourselves to use part of our section 302 (b) allocation to restore more than $300 million for the 5-percent pay cut. Other subcommittees will have to face that problem down the road—or they will pass it off on a supplemental bill. But for every major agency in this bill we have re-

stored the 5-percent cut. So, we are $441 million over the President's budget in the table. However, because we have recently received a budget amendment from the President restoring the 5-percent pay cut to all agencies, our amount over the President's budget will ultimately be reduced by over $200 million.

Without restoring that pay cut to the VA Medical Programs—the 172 hospitals would face disaster. You cannot run a medical care system that has 193,000 employees—and not have sufficient funds to pay the people. We would have lost 5,000 additional nurses and doctors and lab technicians, et cetera—unless we had restored that pay cut at the beginning of the fiscal year.

We have also added about $80 million to maintain the 1985 FTEE [full time equivalent employment level] at 193,941. With new facilities coming online, even maintaining the level of nurses and doctors et cetera, at the 1985 rate will cause nearly every VA Hospital to give up positions in order to staff the new facilities.

The other major add-on in VA comes in the construction program where we have added a net of $98,960,000. Now let me quickly point out that we have not added any additional projects for construction. No, what we are trying to do is save OMB and the VA from itself. They proposed partial funding for the Philadelphia and Houston hospitals. This subcommittee has long had a policy that every construction project should be submitted for full funding. This is the first year, in my memory, that the administration did not do that. We have elected to add money to restore both the Philadelphia and Houston hospitals to the full funding level.

□ 1440

Now we have taken some offsets to do that. We cut out a couple of parking garages and a cemetery in northern California. And by the way, although those are virtually the only reductions we have made in the entire bill, from what we have heard, you would almost think that they were the most vital part of this legislation. But, basically, we have judged the parking garages at a lower priority than treating patients.

So Mr. Chairman, that sums up the HUD-independent agencies appropriation bill. I think it is a responsible mark. I think it is reasonable, and I hope it has your support. I will include a table summarizing the amounts recommended in the bill with comparisons to the 1985 appropriations and the 1986 budget requests at this point.

SUMMARY OF ESTIMATES AND NEW BUDGET (OBLIGATIONAL) AUTHORITY IN BILL

Department or agency	Appropriations, 1985	Budget estimates, 1986	Recommended in bill	Bill compared with—	
				Appropriations, 1985	Budget estimates, 1986
(1)	(2)	(3)	(4)	(5)	(6)
American Battle Monuments Commission	$11,065,000	$10,954,000	$10,954,000	−$111,000	
Cemeterial Expenses, Army	7,759,000	14,778,000	7,759,000		−$7,019,000
Consumer Information Center	1,149,000	1,249,000	1,249,000	+100,000	
Consumer Product Safety Commission	36,000,000	33,700,000	37,000,000	+1,000,000	+3,300,000
Council on Environmental Quality	700,000	705,000	700,000		−5,000
Department of Housing and Urban Development	16,901,317,775	5,088,041,000	16,445,549,781	−455,767,994	+11,357,508,781
Environmental Protection Agency	1,321,775,000	1,367,596,000	1,496,176,000	+174,401,000	+128,580,000
Federal Emergency Management Agency	561,368,000	542,070,000	631,656,000	+70,288,000	+89,586,000
Federal Home Loan Bank Board [1]	(68,908,000)	(71,649,000)	(27,617,000)	(−41,291,000)	(−44,032,000)
National Aeronautics and Space Administration	7,491,400,000	7,886,000,000	7,666,000,000	+174,600,000	−220,000,000
National Credit Union Administration [2]	(600,000,000)	(600,000,000)	(600,000,000)		
National Science Foundation	1,501,792,000	1,569,400,000	1,523,855,000	+22,063,000	−45,545,000
Neighborhood Reinvestment Corporation	15,512,000	14,669,000	17,669,000	+2,157,000	+3,000,000
Office of Consumer Affairs	2,096,000	1,988,000	1,988,000	−108,000	
Office of Revenue Sharing	4,874,641,000	4,574,485,000	3,433,025,000	−1,441,616,000	−1,141,460,000
Office of Science and Technology Policy	2,194,000	2,091,000	2,343,000	+149,000	+252,000
Selective Service System	27,780,000	27,384,000	27,780,000		+396,000
Veterans Administration	26,062,008,000	26,320,621,000	26,503,810,000	+441,802,000	+183,189,000
Total	58,818,556,775	47,455,731,000	57,807,513,781	−1,011,042,994	+10,351,782,781

[1] Limitation on corporate funds; administrative and nonadministrative expenses in 1985 and only administrative expenses in 1986.
[2] Limitation on direct loans.

Mr. GREEN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would like to join the distinguished chairman of the HUD-Independent Agencies Appropriations Subcommittee in commending our colleagues on the subcommittee for their contributions to this bill. In addition, I would particularly like to express my appreciation and, I hope, the appreciation of the House to the distinguished chairman for the remarkable job that he does in bringing this bill to the floor of the House.

This is an extremely complicated bill, as I am sure the debate will reveal as we move forward. The funding mechanisms of assisted housing are extremely complicated, and to bring such a bill on the floor, particularly at a time of fiscal stringency when we are in essence shooting at a moving target in terms of the budget resolution, takes no small degree of skill. The House obviously owes a great debt of gratitude to the subcommittee chairman for being able to bring us this bill so promptly.

I do not want to recover the details of the bill, which have been so ably covered by the chairman but, rather, to focus on a few points which I gather from the discussions which have been had informally and on the floor of the House during debate on the rule are of concern to Members of this body.

First, we are below our section 302(b) allocation, tentative as it is, but not by much. We have a little over $4 million in leeway. I know there are many members who were disappointed that various projects in which they were interested, therefore, could not move forward. I happen to have a Veterans' Administration hospital in my district which is scheduled for a substantial expansion of its outpatient facilities because of terrible overcrowding. We were not able to reach that this year, and I know there are other Members who are concerned because their projects have not been reached. I can only say that, within the limits we have, we have done what we could, and I urge Members not to offer amendments that would take us over our section 302(b) allocation.

In addition, as the subcommittee chairman has pointed out, we are over $1 billion below our fiscal year 1985 enacted level. I think that represents a very significant savings in this bill. We are, it is true, well above the administration's request, but that is because the administration requested no funds for assisted housing, having proposed a 2-year freeze on those programs. Plainly, in the action on the first budget resolution that has so far taken place, both this body and the other body rejected that approach and did supply budget authority for the assisted housing programs. We have responded to that action on the part of both bodies and, therefore, have included funding for the assisted housing programs in this bill, which is

what puts us over the administration's request.

I know there are some Members of this House who are concerned because there is not a freeze on each and every item within this bill. Let me say straight out that I do not envisage that to be the charge that we in the Appropriations Committee have received from the House. Under the Budget Act we are required to come within our section 302(b) allocation, and as I indicated, we have done that.

There has been a strong sentiment for freeze in this House, and we have done that in terms of the bill as a whole. As I indicated, the bill is below our fiscal year 1985 enacted level. But we believe that it is appropriate that the Appropriations Committee and the full House have the flexibility to make adjustments within the overall bill in order to meet situations of need where those occur and to achieve savings where those can be achieved. Thus, if you want to compare this bill with the administration's request, on some items we are higher, on many we are the same, and in many we are lower. Similarly, if you want to compare this bill with last year's bill, we have not just frozen everything. On some items we are higher, on some items we are the same, and on many items we are lower.

I simply ask the Members to recognize this process and not just let the word, "freeze," apply to each line item in the bill. That would be a foolish consistency indeed, and it would make no sense from the point of view of the appropriation process in the House to function in that fashion.

We have allowed for increases in some activities. We have taken the pains of finding where to cut other activities or otherwise we could not come out below where we were last year. Having done that, I do ask the House to stand with us, recognize the work that has been done, and approve this bill. It represents a very significant effort to deal with the programs, the very important programs with which this subcommittee is charged, programs such as housing, veterans, the environment, our space programs, our science programs, and many others, while at the same time staying within the guidelines established by the House in the first budget resolution and, I think, reflecting the will of the House to hold these bills at or below last year's level.

This we have accomplished 100 percent, Mr. Chairman, and I ask the House to stay with us and approve this bill.

Mr. Chairman, I reserve the balance of my time.

Mr. BOLAND. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. SCHUMER].

Mr. SCHUMER. Mr. Chairman, I thank my distinguished colleague, the gentleman from Massachusetts [Mr. BOLAND], and I rise in support of this legislation.

Let me say that I think Appropriations Committee, the subcommittee and the committee as a whole, has done an outstanding job, and I speak from two perspectives. As a member of the Housing Subcommittee of the Banking Committee of the House, let me say that we have in the last 4 years suffered tremendous cuts. A total authorization in housing of $31 billion, roughly $31 billion in 1981, has shrunk to an authorization of just about half that amount. Yet there is a crying need for housing in this country. We hear about homeless people, we hear about poor people who cannot find housing, and now we have begun to hear about middle-class people, the kind of people who have had the American dream on their calendar and who had thought that once they were married and got jobs they would be able to find housing for themselves, but now they cannot. So we have a dramatic need for housing, and the Housing Subcommittee has tried to take into account those needs.

I also speak as a member of the Budget Committee, and as a freshman member of the Budget Committee, let me assure the Members of the House that that changes one's perspective a great deal.

□ 1450

To try and deal with the deficit that is only going to get worse and worse unless we do something is a painful and painstaking process. It is difficult to find $50 and $100 million there to bring the deficit reduction under control.

I have lived with that process, as have so many members of the Budget Committee, for the last 6 months. If you put those two things together and realize, No. 1, the desperate needs that we have in this country, needs that now extend to many, many districts in this country, certainly a majority, needs that extend to many different types and classes of people, and yet at the same time realize the looming deficit cloud that constantly hovers over our head, I think you can only come out where this resolution does. It is within the House budget resolution. It tries particularly in the reserve portion of the program to come up with some innovative and cost-efficient programs and preserve others, dramatic changes from the days of section VIII, which the majority of people in this House thought was too expensive and affected too few people.

Yet also while dealing with those needs, it does try to live, and does indeed live, within the budget resolution.

To ask for new programs probably scuttles the work that this subcommittee has done and pushes us over the budget resolution. We cannot ask for any more than we have; but to cut any further simply because there may not be in one's own district the people knocking at the door for the needs of housing would also be a lesson to those on the Housing Subcommittee and the authorizing committee and to so many in this House that to painstakingly live within the budget resolution is not worth it all, because you go to the House floor and because housing and so many other areas here are not the No. 1 items on most people's political agendas, you say, well, cut those.

The lesson then would be, cut those further.

The lesson then would be, "Don't live within the budget resolution, start off as high as you can, because you're going to be cut on the floor anyway."

So I would say to my colleagues in conclusion that this is a fine, well honed appropriation. It does not make everybody perfectly happy, but it does live within the two goals, the two parameters within which we must live, the parameter of a need for housing and the parameter of an increasing deficit.

Mr. Chairman, I urge support of this resolution.

Mr. GREEN. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. COUGHLIN].

Mr. COUGHLIN. Mr. Chairman, I would like to take this opportunity to comment briefly on our recommendations for the fiscal year 1986 budget for the Environmental Protection Agency.

Prior to commenting upon specific EPA items, I want to commend the subcommittee's distinguished chairman, Mr. BOLAND, for his tireless work on H.R. 3038. The guidance and invaluable efforts of Mr. GREEN, the ranking minority member or our subcommittee, also have enabled us to present this carefully crafted proposal to the full House for consideration. I want to thank both Mr. BOLAND and Mr. GREEN for all their help in making significant strides in the budget of the Environmental Protection Agency.

I believe our recommendations will provide EPA with the resources necessary to continue to successfully achieve its statutory objectives and to protect human health and the environment.

The relatively modest increases proposed for EPA over last year's funding level will provide important practical benefits. For example, our bill provides $50 million for the school asbestos abatement program. The magnitude of the costs facing local schools in their attempt to curb these potential hazardous conditions justifies a Federal role in assisting school districts in financial need. To insure that any asbestos abatement work under-

taken with these Federal funds are environmentally sound and safe, our panel has included requirements. Specifically, under our bill any abatement projects funded by the program must be conducted by contractors that have been certified by the States and by workers who have received training through programs approved by EPA.

H.R. 3038 also provides: additional enforcement funds and staff positions for the Resource Conservation and Recovery Act's program which regulates the handling and disposal of hazardous wastes; a full-scale demonstration of limestone injection multistage burning technology [LIMB], a potential acid rain reduction technology that promotes cleaner burning of coal; $3 million for exposure assessment studies of toxic pollutants; $5 million for State grants to expand innovative State and local activities in inventorying and reducing hazardous waste generation and a $2 million program for estuarine management. These are just a few important initiatives our subcommittee has taken to assist EPA to fulfill its myriad responsibilities.

I also want to mention, as my colleagues are aware, that our panel deferred spending decisions on the Superfund Program and the Clean Water Act's Wastewater Treatment Construction Grants Program pending enactment of authorization bills for the two programs. As you know, the authorizations for these programs expire at the end of September.

I pledge, however, my strongest support for efforts to appropriate funds for these vital programs as expeditiously as possible once the required authorizations bills advance through Congress.

In conclusion, Mr. Chairman, I want to urge my colleagues to support these modest EPA increases we propose. The panel has provided EPA with the resources necessary to continue its attempts to meet its environmental mandate. The benefits our citizenry will reap from these moderate hikes in EPA's budget demand our support.

Mr. BOLAND. Mr. Chairman, I yield such time as he may consume to a member of the subcommittee, the gentleman from Tennessee [Mr. BONER].

Mr. BONER of Tennessee. Mr. Chairman, I rise in strong support of the Department of Housing and Urban Development—independent agencies appropriations bill. I particularly would like to compliment the chairman of my committee, Mr. BOLAND, for leading the members of the committee through many difficult program choices.

Let me underscore some of the remarks that have already been made during this debate. The bill is below the total amount of money appropriated for the same departments, agencies, and programs in fiscal year 1985. In its entirety, the bill is more than $1 billion below the amount appropriated last year for these same programs. Additionally, the bill is below the House budget resolution allocations.

Within the level of funding provided, the members of the Appropriations Committee have tried to make difficult choices between and among programs. As a result, the committee is recommending funding for some programs that are higher than fiscal year 1985, but it has offset those increases with corresponding reductions in other programs. These recommendations, these choices, these decisions setting priorities were made only after the committee reviewed all of the programs in its jurisdiction. These were not easy choices but we hope that our colleagues here in the House will endorse the recommendations contained in the bill.

I would like to offer some comments on the funding level recommended for NASA. I joined a majority of my colleagues in voting to freeze funding for NASA at the fiscal year 1985 level. I certainly do not regret that vote. In fact, I believe that the House vote to freeze NASA's authorization increased the scrutiny the committee focused on NASA's budget request. In doing so, the committee tried to assure a stream of funding for those NASA programs nearing a level of maturity while deferring, where possible, those new and young programs that could afford to be deferred. In addition, the committee worked to assure adequate funding for some programs whose delay would result in significant cost increases over the life of the program. This is the case with the NASA recommendations for the Space Station Program.

While I would have liked to fund fully the request for the space station, I believe the level provided for the program by the committee is the minimum necessary to assure that the space station options are fully studied. As my colleagues know, the inclusion of man in the operation of the space station and the full development of robotics and automated systems is currently being studied. NASA has initiated these studies and their successful completion is the first necessary step to constructing the space station.

Several other NASA programs deserve the level of funding the committee has recommended. One of these is the advanced communications satellite [ACTS], a program which will continue the United States' lead in meeting future communication needs.

For the Department of Housing and Urban Development, the committee has recommended what I believe is the minimum necessary to meet our Nation's housing needs. Again, I join many of my colleagues in wishing the House could provide a higher level of funding. But, in light, of the budget constraints imposed by the House, the level of support provided in the bill assures continued public housing, vouchers, section 8 and section 202 units, and adequate funding to support rental rehabilitation and low-income housing operational assistance.

Lastly, Mr. Chairman, I ask my colleagues to support the committee's recommendation for the Veterans Administration. We are all well aware of the increasing numbers of aging veterans who may need medical assistance. The bill continues this Nation's commitment to provide assistance to our veterans, not only in terms of new hospital and outpatient facilities construction but also the medical personnel necessary to staff these facilities.

I encourage my colleagues to join in support of the committee's recommendations. The bill reflects the committee's considered judgment on what programs need and deserve funding while complying with the votes earlier this year to reduce Federal expenditures.

□ 1500

Mr. GREEN. Mr. Chairman, I yield 4 minutes to the gentleman from Texas [Mr. BARTLETT].

Mr. BARTLETT. Mr. Chairman, I thank the gentleman for yielding.

During the debate, I will concentrate on that portion of the bill that is in the housing assistance program. I have a chart to share with the Members of the Committee to consider that portion of the bill that is between the fiscal year 1985 and fiscal year 1986 appropriations.

Several have said earlier that this is a complex bill, and indeed, it is. I will attempt to make it direct and straightforward.

Someone else said that we do not have to have a freeze on each and every line item, and I agree with that. And what I have attempted to do is to secure at least freeze level for that $10 billion of the total or aggregate section of the assisted public housing or the assisted housing programs.

Now I think the House understands what a freeze level means. It means a freeze level to where we spend no more in the total in 1986 than we spent in 1985.

What we have in the assisted housing portion of this HUD appropriation bill is a nominal freeze on the surface, but it is impossible that it could be a freeze in reality because, in fact, when you look at each program, line by line, you discover that virtually all of the programs have been increased, some by as much as 100 percent, and no programs have been reduced by any significant amount.

Let me share with my colleagues precisely where the difference between the nominal freeze and the bona fide freeze would be. First, in the area of modernization of public housing, now that is the area that repairs

existing units of public housing. It is a good program and it ought to be. Last year, in fiscal year 1985, we spent $1.7 billion in that, but we did so, as the House has historically done, by appropriating both the principal and the interest in the HUD appropriation bill. In the fiscal year 1986, we appropriated $700 million, a nominal $1 billion decrease, but the difficulty is we change the accounting formula so that we only appropriate the principal and the interest is shuffled over to the function 900 of the total Federal budget, so we are spending the $900 million in another place off the HUD appropriation, and yet we are counting that $900 million saving for additional programs.

The same holds true in the nonrecurring items of the rent supplement and rental assistance program. That is a program which has essentially ended. It is not a program to help people or to transfer payments. That is a program in which last year we appropriated $1.6 billion for a one-time-only conversion, and it was a conversion of 236 units to section 8 units. We had to buy out the contracts. All of those contracts are now purchased.

Then we spent, in essence, of that $1.6 billion, we spent $800 million. That is a conversion that is already completed. it is not a recurring program. But the appropriations bill was to take that $800 million and spend it again in new programs.

What I will be proposing a little later will be essentially to back both of those accounting changes out of the bill with three amendments to bring the total appropriations down to a true freeze of $8.9 billion. If you take the $10.7 billion in new authority in fiscal year 1985, reduce it by the $900 million of modernization, of interest payments, reduce it by the $800 million of rental supplements, which is a conversion program, which has already been spent, there are no more contracts to buy, then you come up with a true freeze of $8.9 billion.

I will be proposing in essence three amendments to come down to that amount. I will be freezing the amount of newly constructed public housing units to last year's level.

Now it is true that the administration proposed a 1-year moratorium.

The CHAIRMAN. The time of the gentleman from Texas [Mr. BARTLETT] has expired.

● Mrs. ROUKEMA. Mr. Chairman, I rise in strong support of the amendment to be offered by my colleague from the Housing Subcommittee, Mr. BARTLETT.

This amendment would strike from the bill $500 million which the Appropriations Committee has recommended be earmarked for new and unauthorized programs. To me, this is the height of fiscal irresponsibility.

This year both the House and the other body agreed in separate budget resolutions that we need to reduce the budget deficit by over $50 billion this year and by nearly $300 billion over the next 3 years. Does it make sense under these circumstances to approve funding for unauthorized programs? We are talking about $500 million for programs which the full House has not even had the opportunity to review.

Faced with $200 billion deficits for as far as the eye can see, it is totally inappropriate for Congress to be authorizing any new housing programs. We have had a hard enough time finding money for programs that are currently operative and in dire need of sustained funding. To allocate money for new, unauthorized programs would be irresponsible and would fly in the face of reason.

As a member of the Housing Subcommittee that has only recently completed markup of H.R. 1, the housing authorization bill, I have had an opportunity to observe and engage in the heated controversy that has surrounded committee deliberations on these new programs. My colleagues, this is neither the time nor the place to continue the debate regarding these new housing programs—we will have that opportunity when the housing authorization bill reaches the floor—but let me just briefly say that many of these proposed new programs are costly, and redundant.

By way of clarification, in addition to funding for the Department of Housing and Urban Development, many independent agencies also receive appropriations through H.R. 3038. For example, $26.5 billion is provided for the Veterans' Administration and some very meritorious veterans programs.

Of this amount, $14.2 billion is for veterans compensation and pensions and $9.4 billion is earmarked for medical care and treatment. Mr. Chairman, I want to make it perfectly clear that I believe we, as a nation, owe our veterans a great debt. I have consistently supported veterans programs. The increased funding for veterans programs in his bill recognizes the fact that in coming years, millions of World War II and Korean conflict veterans will become eligible for and need veterans health care. Therefore, my speaking against one aspect of this, this comprehensive appropriations bill should in no way be construed as a stand against funding for important and necessary veterans programs.

My colleagues, in closing, let me stress, this House has not authorized new housing programs, we have not agreed on the need for new programs, and we certainly cannot justify the new costs of these programs. To set aside money for programs that are yet unauthorized would be irresponsible; and there are far better places in the budget where the money could be put to use. I urge you to support the Bartlett amendment.●

Mr. BOLAND. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Connecticut [Mr. MORRISON].

Mr. MORRISON of Connecticut. Mr. Chairman, I thank the chairman of the subcommittee for yielding me this time, and I want to start by commending him and his entire committee on bringing in a housing program, and in fact an entire appropriation which does the two necessary things that we have to do in this budget and appropriation process this year.

No. 1, it conforms itself to the budget requirements. It is within the budget, and it is comfortably within the budget. And beyond that, it makes the difficult choices to fund the programs that are needed in this country that ought to be supported by Federal funds.

First let us look at the budget matter. We have had debate after debate about freezing and limiting spending, and I have been proud to have been a part of that debate and to try to take a leadership role. And one of the questions that is always raised is are we denying the proper flexibility to reallocate funds from one area to another but to stay within a reasonable budget amount? The answer to that has always been that the way to do that job is through the budget process. And in this appropriation and in the response of this committee to this appropriation we have just that effect.

Today we have received, we understand, on the House floor now as a result of the resolution passed this morning, the section 302(b) allocation. We know what is available within the budget that we have passed for this committee and under its jurisdiction.

What we have before us is $3.4 billion below that level, so it certainly is within the budget, and on top of that the $4.1 billion beneath the spending level for 1985.

The committee has reserved the funds which may be necessary for future authorizations in the area of the EPA and the area of housing programs; $3.3 billion is reserved in its entirety, and within the housing budget a half billion dollars is reserved, and not allocated based on future authorizations that may come from the committee of authorization jurisdiction.

These budget savings did not come without a price. There are cuts that are difficult to be absorbed. We have $110 million lower spending in the area of urban development action grants, and $350 million less available in community development block grants, and a 25-percent cut, over $1.1 million in the area of revenue sharing.

These are real cuts and they are real reductions in Federal spending. They hurt in the communities, but they are the price we are paying for budget discipline.

As a member of the Housing Subcommittee, I am particularly pleased to see the maintenance of necessary housing starts for the next year. We have heard criticism by the prior speaker about the budget level. Somehow it is wrong, it is argued, that this year as well we are going to provide 100,000 new units of housing for low-income and elderly Americans who need it.

I do not think that anyone could question the need. Certainly I know that the hearings before our Subcommittee on Housing have suggested that this only scratches the surface. And I think most Members of this body know that is true.

We have been able at least to freeze and maintain the level of effort with respect to new housing, and I think that that is an accomplishment and it ought not to be criticized. It ought to be supported, and it certainly ought not to be cut back by arguing that savings that have been made in other areas, which may be less important, cannot be used in this area to maintain our effort. In fact, that is exactly what the budget process is about.

For that reason, I urge the Members to support this appropriation as reported. I want to note in particular that with respect to the elusive 5-percent pay cut that in some areas has created problems, this subcommittee has taken a responsible road and provided the funds in its appropriation to cover that 5-percent pay restoration which we all knew was never going to happen in the first place.

The overall picture here is one of responsible allocation of limited resources to do a job that is much in need of doing. I commend the committee in its entirety for having brought us this appropriation, and I urge the Members of this House not to make budget constraint into a fetish by which each and every line item is cut without looking at the picture as a whole. We have now done the job of putting our budget into our House rules and making it effective. We have got an overall target. We are meeting that target.

Let us approve the bill.

Mr. GREEN. Mr. Chairman, I yield 3 minutes and 30 seconds to the gentleman from Wisconsin [Mr. ROTH].

Mr. ROTH. Mr. Chairman, I thank the gentleman for yielding me this time.

I have a message for the President. Popular folklore has it that the President sometimes watches floor debate. Well, Mr. President, I want to inform you that this particular bill we are debating today is $10 billion above your budget request.

□ 1510

Mr. President, you have often said that if Congress does not do the proper cutting, you are going to send your surgeon to Capitol Hill to do some real cutting.

Well, Mr. President, my advice would be to send your surgeon and to send him quickly. Some people may tell you that we are not giving away the entire grocery store, and that may be true. But we are certainly giving away most of the groceries in the store.

This measure represents an improvement over the housing authorizing measure, H.R. 1, in addressing the needs of the low-income housing needs of this country but it hardly resembles a budget-cutter's dream.

I regret, for example, that the bill calls for doubling the number of units of new construction. However, overall it does recognize that we need to make a switch from emphasis on new construction programs to those which utilize existing housing stock but it appropriates entirely too much money in the process. We cannot any longer afford the convenience of sticking with the same, tired old concepts, or the impulsiveness of buying off on fashionable new products. What we can do is improve programs that have worked in the past and streamline and eliminate other programs. This bill goes only so far, but not far enough, in that direction.

I applaud the Appropriations Committee's recognition that housing vouchers are an important component of this Nation's housing law and should be retained. The bill before us today provides for 30,000 freestanding vouchers.

The Housing Subcommittee has been slow to recognize, even after 10 years of experience, that this program may be the best way to house needy families. The Appropriations Committee has again had the wisdom to fund this housing program.

During the Banking Committee markup I successfully offered an amendment to untie the voucher program from rental rehabilitation. This will help ensure that the vouchers we are funding in this bill will represent a fair test of the program.

Vouchers provide housing assistance to eligible families at a lower cost than any other housing program. They allow an assisted family to obtain decent, safe and sanitary rental housing and guarantee payment to the landlord for a portion of the rent. With the continued recognition of this valuable program, HUD has been able to assist more families than ever while at the same time decreasing the assisted housing debt.

Congress has an obligation to reduce the Federal deficit while continuing to help the most needy. We must act responsibly in affirming our Nation's commitment to provide decent, safe, and affordable housing for those who are needy. This must be accomplished, however, within the context of fiscal responsibility. I am confident that these two goals can be met.

Amendments which will be offered to the bill by members of the Housing subcommittee will enable us to meet both goals. I urge my colleagues to achieve an honest "budget freeze" for housing. The measure before us is by no means a freeze. An amendment to be offered by Mr. BARTLETT will help us achieve a freeze in assisted housing.

The bill allows for $500 million for new program reserves. This is not the time to be obligating funds to programs not yet authorized.

Also, this bill does authorize 10,000 new public housing units. Again, here we need to recognize that the housing needs of the low income can be best served by utilizing existing housing units, not by constructing new housing projects. We should restore the 1985 level for newly constructed housing units to 5,000.

It has often been said: "Little holes will sink a big ship." Well, this is not just a little hole, it's $10 billion.

So I would advise that we take a realistic look at this legislation because it is very important if we are going to keep the deficit under control.

Mr. BOLAND. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. COELHO].

Mr. COELHO. Mr. Chairman, I thank the gentleman.

Mr. Chairman, I would like to enter into a colloquy with the chairman of the Appropriations Subcommittee on HUD and Independent Agencies, the gentleman from Massachusetts [Mr. BOLAND].

I would like to ask the chairman about the administration's $6 million request for land for a national cemetery in northern California. As the chairman knows, the House has approved legislation directing the VA to establish the cemetery on land in Merced County, CA, a private owner is willing to donate. Am I correct then in assuming that the committee deleted those funds because it now appears that the VA will not have to pay for the land—because the cemetery will be built on donated land?

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. COELHO. I yield to the chairman of the subcommittee.

Mr. BOLAND. I thank the gentleman for yielding.

Mr. Chairman, the gentleman from California is correct.

Mr. COELHO. One more point, Mr. Chairman. It is my understanding that the VA has the funds to begin design and planning and can proceed with this phase as soon as it acquires the

land. Therefore, I would ask to have some assurance that the deletion of these funds is no indication of a lack of support for this project. I would hope that at such time as construction funds are needed, and a request is submitted in a supplemental this year or in the fiscal year 1987 budget, it will be given due and favorable consideration by the committee.

Mr. BOLAND. Mr. Chairman, will the gentleman yield further?

Mr. COELHO. I am happy to yield to the gentleman from Massachusetts.

Mr. BOLAND. I thank the gentleman for yielding further.

Mr. Chairman, deletion of the $6 million in no way conveys a lack of support by the committee and I can assure the gentleman that any request for construction funds submitted by the administration will receive the most careful review and sympathetic consideration.

Mr. COELHO. Mr. Chairman, I appreciate the assurance of the gentleman from Massachusetts.

Mr. Chairman, I yield back the balance of my time.

Mr. GREEN. Mr. Chairman, I yield 3½ minutes to the gentleman from Texas [Mr. FIELDS].

Mr. FIELDS. Mr. Chairman, I rise in support of H.R. 3038, the HUD-independent agencies appropriation bill for fiscal year 1986. Funding for a project of deep personal concern to me and to the 450,000 veterans in the Houston VA Medical Center's primary service area is funded. H.R. 3038 appropriations $226 million for the replacement of the Houston VA Medical Center.

Shortly after coming to Congress in 1981, the veterans of my district suggested that I visit the Veterans' Administration Hospital in Houston. I agreed. While I expected that the facility might not be optimum, I have to tell you that I was not prepared for what I saw.

I was immediately struck by a glaring lack of patient privacy. Bed after bed was divided only by privacy curtains. In fact, the joint Commission on Accreditation of Hospitals has cited the Houston Medical Center for lack of adequate patient privacy. Toilet and bathing facilities were limited and were in deplorable condition. Handicapped access was almost nonexistent in a facility which by its very nature serves a large number of handicapped individuals.

I saw many departments of the hospital, such as ambulatory care, fragmented into different locations. The outlay of the medical center was an architect's nightmare, with various structures added on through the years to try to keep pace with growing demand and new technology. Because of these piecemeal additions along with an outmoded general design, interrelated areas such as surgery and intensive care were located wherever physically possible, not where functionally efficient. Many of the hospital's buildings were constructed in the mid-1940's with a life expectancy of 15 years, yet are still in use.

Finally, I was appalled by safety deficiencies such as inadequate smoke detectors, sprinklers, smoke partitions, and fire alarm systems. I could go on and on, but time does not permit.

Since that initial shocking visit to the Houston VA Medical Center, I have returned numerous times. Each visit rededicates me to the effort to ensure congressional approval of adequate funds to replace the Houston facility.

The Houston VA Medical Center first appeared on the Veterans' Administration 5-year facility construction plan of the 10 hospitals most in need of replacement or modernization in 1979. However, for 3 subsequent years nothing happened. The Houston facility was pushed aside in favor of other hospitals below Houston on the priority list.

That's why I became involved. I felt that the full story of our facility's dire need of replacement was not being told, or not being told loudly enough. In 1982, I arranged a meeting with the then-administrator of the Veterans' Administration. Several of my colleagues from the Houston area joined the meeting. Later that year, I was informed that, finally, the Veterans' administration had placed Houston on the advance planning fund for fiscal year 1984 to receive $5 million for preliminary design planning.

Last year, Congress recognized Houston's need and appropriated $25.2 million for working drawings and site preparation.

H.R. 3038 would follow through with the commitment Congress made to our veterans last year by appropriating $226 million, the entire amount needed for the Houston VA replacement project.

I urge favorable consideration of the bill.

Mr. GREEN. Mr. Chairman, I yield 3 minutes to the gentleman from Indiana [Mr. HILER].

Mr. HILER. I thank the gentleman for yielding.

Mr. Chairman, I rise to voice a concern about the way some of the numbers are obtained in the HUD portion of this particular bill, in particular as it relates to the assisted housing provisions.

When we were marking up the housing authorization bill in both the Housing Subcommittee and in the full Committee on Banking, somewhat of an extended discussion took place over the accounting changes as they concern modernization of public housing units.

□ 1520

I do not think anyone in the Housing Subcommittee or in the Banking full committee or on the Appropriations Committee today would say that we are going to do less in modernization for public housing authorities; and yet we are showing in our numbers nearly $1 billion savings because we are saying that rather than that money being issued to the public housing authority with a, I believe it is a 20-year note and, therefore, putting the total cost of the money going to that public housing authority is not only the actual money itself, but also the interest cost over 20 years; now we are going to treat it as a grant.

Now, the fact is that the Federal Government still has to borrow that money to give that money to the public housing authority, and we have switched the functions. Instead of that interest being charged up to the HUD budget, it is not going to be charged up to the Function 900 budget, and we then use that as a $1 billion savings to spend in a different area in the HUD budget to basically come up with our saying that this is a frozen level for HUD.

Mr. BARTLETT. Will the gentleman yield?

Mr. HILER. I will be happy to yield to the gentleman from Texas.

Mr. BARTLETT. Mr. Chairman, I think the gentleman is saying that the Housing subcommittee does not have an objection to the new accounting method. Our objection is to changing accounting methods, to shifting $1 billion of spending to another portion of the budget and then counting that as part of the new spending level in HUD appropriations; in essence, spending it twice. That is the gentleman's objection.

Mr. HILER. Reclaiming my time, I would say that is so, although I would caution the gentleman, I am not speaking for the Housing subcommittee; I am speaking for myself, and I think for the gentleman from Texas and some others.

I had offered an amendment in the Housing subcommittee that was ruled out of order, which would have said that the alleged savings that we were going to get should not be then used to justify funding new programs, and yet still come up with the bottom line of spending at a freeze level or below.

So I think that the Members of the House should know that when we vote on the HUD bill, that if this is not changed, if we do not reduce the nearly $1 billion that has been added to the HUD bill to use this billion dollars in savings; that you will be voting for funny money savings. I think you should be aware of that, and there will be more discussion on that when we get to the amendment process.

Mr. BOLAND. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. LUNDINE].

Mr. LUNDINE. Mr. Chairman, I have read the fine committee report that accompanies this bill. I was particularly pleased to find language urging the National Science Foundation to support the International Institute for Applied Systems Analysis, known as IIASA.

IIASA was first conceived by President Johnson as a place were East and West could meet and demonstrate that we could work together on common problems that require common solutions. The Institute was later established under President Nixon, with the support of scientific bodies from a dozen countries.

As a member of the Science and Technology Committee, I have met many American scientists who have worked at IIASA. I have learned that the Institute makes valuable contributions in tackling global problems like overpopulation, world climate, and depletion of energy, food, and water resources. These are problems where East-West cooperation is important and noncontroversial.

I was fortunate to be in Vienna for a meeting of the Inter-American Development Bank last March. While there, I led a delegation to IIASA's headquarters and met Prof. Tom Lee of MIT, the new director of the Institute. I was extremely impressed by Dr. Lee and I know that IIASA will continue to make important contributions in the future under his leadership.

Once again, I commend the Appropriation Committee for recognizing the importance of IIASA. I strongly support NSF funding for this valuable institution.

Mr. GREEN. Mr. Chairman, I yield myself such time as I may consume.

I take this time to respond to a couple of issues that have arisen during the general debate. First, let me deal with the question of the so-called accounting change.

This is a change in the way that the modernization program is funded. I emphasize for my colleagues that this is a change requested by the administration so that in adding this to the bill and in changing the traditional method of funding the modernization program, we have simply acceded to what the administration requested.

I would suggest, however, that the consequences are a little different from what those who have attacked the accounting change, who have questioned its saving, would have you think.

The fact of the matter is, one does save dollars when one buys for cash instead of buying on the installment plan. They get around that by seeking to charge this account, alone of all the accounts in the budget, with the interest on the national debt.

Now, if you wanted to charge accounts that way, we would have not a $300 billion defense bill but a $1,300 billion defense bill by the time we pay off all the borrowing for the Defense authorization bill that this House passed earlier this year.

The fact of the matter is that as the modernization program has worked in the past, the Federal Government entered into contracts with local housing authorities to pay for 20-year borrowing by the local housing authority; and the Federal contract agreed to pay both the principal amount of the debt incurred by the housing authority to conduct the modernization work and the interest on that principal amount. Depending on what interest rates were at the time, that meant that the total amount it would cost the Federal Government as it paid off on that contract, over a 20-year period, would be approximately twice the cost of the work; it has been a little more than twice what the work would cost if we paid up front.

Of course, as the gentleman points out, if we pay it up front we have to borrow money because we are having a deficit this year and there will be interest on that money; but when we pay it over time and we have deficits, we have to borrow more than twice as much money; and we therefore have to pay more than twice as much interest on the national debt, because we have bought on the installment plan.

Essentially what the administration is seeking to do is to stop buying housing modernization on the installment plan, to pay for it up front, and to save money the way any household would that pays for its goods up front instead of buying on time.

Mr. BARTLETT. Will the gentleman yield?

Mr. GREEN. I yield to the gentleman.

Mr. BARTLETT. Rather than debate all of the merits and demerits, the point is, is without debating the merits of the new accounting system; of whether it is paid up front or on the installment plan, all we are asking is that it be an apples-to-apples comparison, so that however we accounted for it, in fiscal year 1985, we account for it in the same manner in fiscal year 1986.

The Congressional Budget Office, for example, has sent a letter in which they conclude there are no net savings in outlays to the Federal budget as a whole, since the proposed financing methods would simply cancel a host of intergovernmental transfers.

The point is that all we ask is that we compare, is that we calculate fiscal year 1985 the same way we calculated fiscal year 1986 so then we can come to a freeze baseline; not that we calculate them—the appropriations bill has fiscal year 1986 calculated a new way, and it takes the $900 million that is taken out and counts it as a savings.

Mr. GREEN. If I may reclaim my time, the problem is we are not comparing apples; we are comparing dollars. And when you compare dollars, there is a real dollar savings from paying cash instead of borrowing; any family that has to make a purchase either for cash or on the installment plan knows which way it comes out. That is why we have truth in lending legislation.

Let me now move on, however, to the question of the reserve fund. I would like to say to the House that this reserve fund is an effort on the part of the Appropriations Committee to accommodate the authorizing committee; in this case, the Banking Committee.

□ 1530

It would have been easy enough for us to sit down and write out $500 million of items on which we chose to spend the money. We have deferred to the Banking Committee by holding this fund in reserve so that its members may fulfill their function under the House rules and make a determination as to what housing programs this House ought to have. But we have been honest with the House. We have told the House that we anticipate that we will be applying this money to assisted housing before the budget process is over. I think that is the honest way to do it. I do not think we should be criticized for it. I think we should be applauded for the deference we have shown the Banking Committee and for the honesty we have shown the House by accounting for this situation in this manner.

Mr. BARTLETT. If the gentleman will yield, I have a great deal of respect for the gentleman from New York, I work a great deal with him on housing matters and I appreciate the Appropriations Committee attempting to accommodate the Banking Committee. What the Members of the House would like would be for the Appropriations Committee to acommodate the 435 Members of the House who have not yet had an opportunity to review the creation of these five new programs.

So we as Members of the House as a whole would seek to withhold judgement and to have a real debate on those new programs before the money is appropriated.

Mr. GREEN. If I can reclaim my time, since I have only about a minute left, before that money gets applied to specific programs the house will have two shots at it, once in the authorizing legislation, when that is scheduled, and once in any supplemental appropriation or continuing resolution when we identify the reserve with specific

programs. We are not denying the House that opportunity. We are simply alerting the House that it is the intention of the committee to come back to the House with specific recommendations after we have heard what the Banking Committee chooses to do and the House has approved it.

Mr. BOLAND. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Texas [Mr. ANDREWS].

Mr. ANDREWS. Mr. Chairman, it gives me great pleasure to note that today the veterans' hospital replacement project was fully funded by the House. This hospital project will be a critical link in our ability to provide ongoing medical care to the veterans in Houston and throughout my region of the country.

According to the Veterans' Administration, by the year 2000 the number of veterans over 65 will more than double to 9 million, making 2 out of 3 elderly males in the United States eligible for Veterans' Administration medical care. This hospital is a vital part of the response to a dramatically growing need. Our veterans who have risked their lives for our way of life deserve the best medical care available. This hospital will provide such care. We have faced difficulties and setbacks in planning for this replacement hospital facility. It is to the credit of all of the people with whom I've worked for so many months that attention to the needs of American veterans have kept those difficulties to a minimum and helped in their solution. This hospital means so much for American veterans, and I am proud to have worked for its funding.

Mr. BOLAND. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Louisiana [Mrs. BOGGS], a member of the committee.

Mrs. BOGGS. Mr. Chairman, it is with a great deal of pride that I rise in full support of this legislation and to compliment the chairman and the ranking minority member, and all the members of the committee and the staff, for coming forth with a bill of such a comprehensive nature that deals not only with one of the largest departments in the Government, but with 17 of the independent agencies. The particular care which is taken with each of these agencies and with each segment of the Housing and Urban Development Department is absolutely amazing. Sometimes some of the best programs that this bill funds are lost to the public view in the whole comprehensive attitude of the bill.

It is imperative that we consider the many good and measurable benefits of NASA's programs when we consider its budget. Most of the programs carried out by NASA have benefits for our country but are difficult to measure when they are initiated. You have heard about some of these programs by some of my distinguished colleagues. I would like to review one of NASA's programs that I have supported and have a special interest in that it has produced remarkable and very measurable benefits. This is NASA's Search and Rescue Program—sometimes called the COSPAS/SARSAT Program. This program saves lives.

In 1978, NASA requested a new start to support their idea of developing a system using polar orbiting satellites to detect crashed airplanes and sinking boats. Congress supported its request.

By 1979, NASA with its unique facilities and people were not only able to complete the design of the system but they put together a team of U.S. agencies including the Coast Guard, Air Force, and NOAA and formed an international team with France and Canada. Later that same year they formed an additional team with the Soviet Union to jointly develop and fund the system.

In 1982, after less than 4 years of work, the first satellite [COSPAS I] was launched. Within weeks of the first launch, while NASA was performing preliminary tests, the satellite detected a red emergency in the wilderness of British Columbia—and three lives were saved.

Today, we have three Soviet and two American satellites in orbit. As of this morning, 475 lives—(over one-half of them American)—have been saved by this program. The COSPAS/SARSAT system has been declared operational and nine nations are now participating in the program. We will probably see over 100 nations involved in the program within 10 years.

So far 475 pilots, fishermen, and explorers have been saved by this NASA program—a very measurable benefit.

When we consider NASA's budget, remember the Search and Rescue Program as representative of the many good things NASA does for our great Nation.

● Mr. CONTE. Mr. Chairman, I am pleased to join the distinguished chairman of the subcommittee, Mr. BOLAND, and the ranking minority member, Mr. GREEN, in bringing to the House floor today H.R. 3038, the bill making appropriations for the Department of Housing and Urban Development and independent agencies for fiscal year 1986.

I would like to take this opportunity to thank the chairman, the ranking minority member, and each of my colleagues on the subcommittee for their swift and responsible action in reporting out this measure. This is the fifth regular appropriation bill which we bring to the floor this year. With very few legislative days remaining in this fiscal year, it is important that we move as expeditiously as possible to complete work on this and other bills so that they may be sent to the other body and enacted into law before October 1.

This bill contains $57.8 billion in new budget authority for the Department of Housing and Urban Development and 17 independent agencies for fiscal year 1986. This is approximately $1.011 billion below fiscal year 1985 enacted levels, and $10,352 billion above the budget request.

The majority to the increase over the President's request, $11.4 billion, occurs in the assisted housing account where our committee has rejected the proposed 2-year moratorium on all subsidized housing programs.

While the chairman and the ranking minority member have described some of the important housing, community development, environmental, veterans, emergency management, scientific, consumer and educational programs and activities funded through this bill, I would like to take a moment to highlight a few of the programs which we have included for fiscal year 1985.

For the Department of Housing and Urban Development, we have recommended $3.124 billion for community development block grants, the same as the budget request and as assumed in the House-passed budget resolution. We have provided $330 million to continue the Urban Development Action Grant Program, a 25-percent reduction from the 1985 levels, but a significant restoration of the President's request for program termination.

We have restored the section 8/section 202 level of 12,000 units at the fiscal year 1985 level to maintain our commitment to provide housing for elderly and handicapped Americans, and have recommended $735.3 million for the modernization of public housing. In addition to the 100,000 incremental assisted housing units, our committee also recommends $75 million for the Rental Rehabilitation Grants Program and $75 million for Rental Housing Development Grants Program. We have also recommended $20 million for the Solar Energy and Conservation Bank, and $1 million for the Housing Assistance Council, the national nonprofit corporation which has been established to increase the availability of decent housing for rural, low-income people.

Out of our $1.5 billion recommendation for the Environmental Protection Agency, we have provided $1.5 million to upgrade the national emissions data system to make possible an accurate inventory of industrial emissions related to acid rain, an increase of $4 million over the request for hazardous waste and ground water research, $5 million for the Clean Lakes Program, and $50 million for the School Asbestos Abatement Program.

For the Federal Emergency Management Agency, we are recommending $631.7 million. Included in this total is

$70 million for the Emergency Food and Shelter Program and a continuation of funding for the Neighborhood Antiarson and National Community Volunteer Fire Prevention Programs.

Our committee's recommendations for NASA total $7.66 billion, and include a minimum of $200 million for phase B definition studies connected with the President's space station initiative. For the National Science Foundation, we recommend $1.523 billion, including $60.55 million for science education activities. The fiscal year 1986 recommendation for the Veterans' Administration totals $26.503 billion.

Mr. Chairman, as you know, the administration has indicated its opposition to the bill as reported by the committee. In one of his last "Dear Sil" letters, our good friend, the young slasher, the Director of the Office of Management and Budget, indicates that the most seriously objectionable increases are the $330 million UDAG provision, $70 million for the Emergency Food and Shelter Program, $99 million for the construction of major Veterans' Administration projects, a $129 million increase over the request for EPA operating programs and a $279 million increase over the request for Veterans' Administration medical care.

Mr. Chairman, as you know, the committee has recommended deferral of fiscal year 1986 action on four specific issues until such time as the appropriate authorizing committees act on matters within their jurisdiction. These include: EPA wastewater treatment construction grants, the Superfund, the Fair Housing Initiatives Program and several additional housing programs.

I think that each of us is disappointed with one aspect or another of this bill. Some of us would like to see some increases for a change in assisted housing programs for the elderly, handicapped, and low-income. Some of us would like to see new veterans medical facilities for our needy veteran population or additional funding for science education at the precollege or university level. I, myself, am sorry to see just another $50 million going into the acid rain research effort at EPA, and I regret that I cannot stand here proudly before you to explain a strong, responsible control program initiative. It is not here.

But in light of the need for fiscal restraint, the absence of necessary authorizing legislation, and the clear and continued responsibility which we have to provide shelter, medical care, environmental protection and scientific and technological advancement for the citizens of this great country, I believe that we have before us a responsible bill which deserves our support.

In over 20 days of hearings, including testimony from more than 300 witnesses filling 9 volumes of hearings and 7,500 pages, our committee has crafted a fair and reasonable bill. In light of the assumptions made in the House-passed budget resolution, and action which we await from a wide number of authorizing committees, I believe that we have acted responsibly. I urge the support of my colleagues for H.R. 3038.●

● Mr. MONTGOMERY. Mr. Chairman, during debate on the supplemental appropriations bill passed by the House on June 12, 1985, I complimented the leadership of the Appropriations Committee for the restoration of certain funds for the Veterans' Administration, especially for veterans' health care.

Again, I want to thank the very able chairman of the Subcommittee on HUD-Independent Agencies, the distinguished gentleman from Massachusetts [Mr. BOLAND] and the distinguished ranking minority member of the subcommittee, Mr. GREEN, for correcting some of the deficiencies in the administration's proposed budget for veterans for the next fiscal year.

For example, the subcommittee took the following actions:

First, it restored the 5-percent pay cut throughout the agency, including the medical care account, to prevent what would be a very serious reduction in VA staffing. The proposed pay cut would have required a reduction of 6,767 FTEE in VA's medical staff—VA is already having to absorb a 1-percent OMB imposed staff reduction of 1,916 FTEE in fiscal year 1986 and will have to reduce current hospital staffing by about 2,000 FTEE in order to fund activations next year.

Second, it continued the staffing level for medical care at the 1985 level of 193,941. This follows earlier committee and House action approving $152 million to maintain that FTEE level in fiscal year 1985.

Third, it increased medical and prosthetic research by $8,760,000—some of the most vital and effectively used money available to the VA medical care system to assure quality medical care for veterans.

Fourth, it added the funds necessary to fully fund the replacement hospitals at Philadelphia and Houston. It is very important that we continue to upgrade the medical facilities throughout the country, many of them 50 or more years of age.

Fifth, it prevented the administration from eliminating the VA Nurse Scholarship Program.

Sixth, it provided 13 FTEE for the two pilot programs our committee enacted last year to provide vocational training for certain seriously disabled veterans drawing compensation and pension benefits. We hope to get many of these veterans off the unemployment rolls and back to productive jobs.

These are some of the major differences between the administration's plan for veterans and that proposed by the Appropriations Committee. All of the recommendations of the subcommittee are contained in the committee bill and, again, I want to thank the distinguished and very able chairman of the full committee, Mr. WHITTEN, the distinguished ranking minority member of the full committee, Mr. CONTE, and all members of the Appropriations Committee for their continuing commitment to our veterans and their families.●

The CHAIRMAN. All time for general debate has expired.

Mr. BOLAND. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. VENTO] having assumed the chair, Mr. PANETTA, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3038) making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1986, and for other purposes, had come to no resolution thereon.

WAIVING CERTAIN POINTS OF ORDER AGAINST CONSIDERATION OF H.R. 3037, AGRICULTURE, RURAL DEVELOPMENT, AND RELATED AGENCIES APPROPRIATION BILL, 1986

Mr. HALL of Ohio. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 232 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 232

Resolved, That during the consideration of the bill (H.R. 3037) making appropriations for Agriculture, Rural Development, and Related Agencies programs for the fiscal year ending September 30, 1986, and for other purposes, all points of order against the following provisions in the bill for failure to comply with the provisions of clause 2 of rule XXI are hereby waived: beginning on page 9, line 13 through page 16, line 11; beginning on page 22, lines 1 through 13; beginning on page 25, line 11 through page 26, line 8; beginning on page 27, line 12 through page 28, line 10; beginning on page 29, line 11 through page 30, line 10; beginning on page 30, line 21 through page 31, line 7; beginning on page 32, lines 6 through 13; beginning on page 32, line 20 through page 33, line 4; beginning on page 46, line 9 through page 48, line 8; beginning on page 48, line 23 through page 50, line 21; and beginning on page 52, line 7 through page 53, line 2; and all points of order against the following provisions in the bill for failure to comply with the provisions of clause 6 of rule XXI are hereby waived: beginning on page 22, lines 1 through 13; be-

ginning on page 27, line 12 through page 28, line 10; and beginning on page 46, line 9 through page 48, line 8.

□ 1420

Mr. HALL of Ohio. Mr. Speaker, I yield the customary 30 minutes to the gentleman from Missouri [Mr. TAYLOR], for purposes of debate only, pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 232 waives points of order against several provisions of H.R. 3037, the Department of Agriculture, rural development, and related agencies appropriation bill for fiscal year 1986. The rule does not provide for the bill's consideration because general appropriation bills are privileged under the Rules of the House. Provisions relating to time for general debate are also excluded from the rule. Customarily, general debate is limited by a unanimous-consent request by the chairman of the Appropriations Subcommittee prior to consideration of the bill.

Despite the fact that the House and Senate have not yet agreed to a budget resolution for fiscal year 1986, no budget waiver is necessary to allow consideration of this appropriation bill. As Members are aware, on July 24, the House adopted House Resolution 231 which deemed the House-passed budget resolution to have been adopted for purposes of the enforcement provisions of the Budget Act. This allows the House to proceed to consideration of appropriation and other spending legislation without the necessity of a waiver of section 303 of the Budget Act. Under the terms of House Resolution 231, this and other such legislation is subject to all the constraints of the Budget Act.

The rule waives all points of order against specified provisions of the bill for failure to comply with clauses 2 and 6 of rule XXI. Clause 2 of rule XXI prohibits unauthorized appropriations and legislative provisions in general appropriation bills. Clause 6 of rule XXI prohibits reappropriations or transfers in general appropriation bills.

The specific provisions of the bill which have been granted waivers are detailed, by reference to page and line of the bill, in the rule. I also have a copy of a letter from Chairman WHITTEN further describing the provisions protected by the waivers.

The sections granted a waiver of clause 2 of rule XXI in title I of the bill provide appropriations for a number of research and extension programs. These include the Agricultural Research Service, the Cooperative State Research Service, the Extension Service, and the National Agricultural Library. Funding for the Dairy Indemnity Program is also protected from points of order by the rule. In addition, title I contains language dealing with section 32 funds which may constitute legislation in an appropriations bill, and is therefore protected from points of order by the rule.

Clause 2, rule XXI waivers are also necessary to protect rural housing programs in title II of the bill.

In title III of the bill, clause 2, rule XXI waivers are needed for several sections relating to domestic food programs. Title III also contains language dealing with transfer of section 32 funds which may constitute legislation in an appropriation bill, and is, therefore, protected from points of order by the rule.

Title IV of the bill deals with international programs. Clause 2, rule XXI waivers are needed for sections relating to the Public Law 480 Program.

Mr. Speaker, many of the provisions which have been granted clause 2, rule XXI waivers are in various stages of the legislative process. In some cases, the authorizations will be contained in the 1986 farm bill not yet reported by the House Committee on Agriculture. In other cases, legislation has been reported by the authorizing committee but has not yet been considered by the full House. Since the authorizing bills have not been enacted into law, the provisions specified in the rule represent unauthorized appropriations in a general appropriation bill. Therefore, a waiver of clause 2 of rule XXI is necessary.

The rule also protects specified sections of the bill against points of order for failing to comply with clause 6 of rule XXI. In title I, language dealing with the transfer of section 32 funds needs a clause 6, rule XXI waiver, as does the language providing a transfer of funds for the general sales manager of the Commodity Credit Corporation. In title III, the section providing for a transfer of section 32 funds for the child nutrition programs also requires protection from points of order under this clause.

Mr. Speaker, H.R. 3037 is an important measure providing appropriations for a variety of programs ranging from measures to assist our Nation's largest industry—agriculture; to domestic nutrition programs, and food-for-peace funds for Africa. The bill has broad bipartisan support.

House Resolution 232 provides for expeditious consideration of this bill, and I urge its adoption.

I yield to the gentleman from Missouri [Mr. TAYLOR] for the purposes of debate only.

Mr. TAYLOR. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 232 waives certain points of order against the consideration of the agriculture, rural development and related agencies appropriations bill for 1986.

The purpose of this rule to allow timely consideration of the bill, H.R. 3037, and it therefore waives points of order that would otherwise lie against specified provisions of the bill for failure to comply with clause 2 and clause 6 of rule XXI.

Mr. Speaker, the gentleman from Ohio [Mr. HALL] has already pointed out that this rule does not contain a waiver of section 303 of the Budget Act, because the House adopted House Resolution 231 earlier today, and thus alleviated the need to waive points of order against consideration of this bill for failure to comply with section 303 of the Budget Act.

Clause 2 of rule XXI prohibits appropriations for any expenditure not previously authorized by law and it also prohibits legislation on an appropriations bill. The waiver recommended by the Committee on Rules is necessary because a number of provisions of H.R. 3037 contain appropriations for which authorizing legislation has not yet been enacted.

Clause 6 of rule XXI prohibits reappropriations or transfers in a general appropriation bill. The waiver recommended by the Committee on Rules is necessary. Several items may be reappropriations.

Mr. Speaker, the various provisions of the bill to which these waivers apply are specified in the resolution, and are provided because of delays in enactment of the 1985 farm bill, the 1985 Housing Act reauthorization, and the foreign assistance authorization bill.

Mr. Speaker, the programs funded by this appropriations bill have generally have been frozen by the Committee on Appropriations at their 1985 funding levels, and the bill covered by this rule maintains current service funding for most of our farm and nutrition programs.

Mr. Speaker, it is certainly not the fault of the Committee on Appropriations that the necessary authorization bills have not been enacted into law, and the action of the Committee on Rules reflects this fact.

Mr. Speaker, there was no controversy about this rule in the Committee on Rules, and the chairman of the Committee on Appropriations, the gentleman from Mississippi [Mr. WHITTEN], and the ranking Republican member of the Agriculture Subcommittee, the gentlelady from Nebraska [Mrs. SMITH] appeared before the committee united in their request for this rule.

Mr. Speaker, I strongly support this rule because we are rapidly running out of time before the beginning of the new fiscal year.

Mr. BONIOR of Michigan. Mr. Speaker, I wish to thank my friend and colleague from Ohio [Mr. HALL], for filling in for me in my absence earlier.

Mr. Speaker, I have no requests for time and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 3037, and that I be permitted to include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

AGRICULTURE, RURAL DEVELOPMENT AND RELATED AGENCIES APPROPRIATIONS BILL, FISCAL YEAR 1986

Mr. WHITTEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill—H.R. 3037—making appropriations for Agriculture, Rural Development, and Related Agencies programs for the fiscal year ending September 30, 1986, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to not exceed 2 hours, the time to be equally divided and controlled by the gentlewoman from Nebraska [Mrs. SMITH] and myself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

□ 1550

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 3037, with Mr. VENTO in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

There was no objection.

The CHAIRMAN. Under the unanimous consent agreement, the gentleman from Mississippi [Mr. WHITTEN] will be recognized for 1 hour, and the gentlewoman from Nebraska [Mrs. SMITH] will be recognized for 1 hour.

The Chair recognizes the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, we come now to one of the basic actions that the Congress has to take each and every year. It has been said that with less than 3 percent of our people engaged directly in agriculture today that these few make it possible for us to have food, clothing, and shelter so that the rest of us may have the standard of living that we have today.

Historically, American agriculture has been the custodian of our land for present and future generations. Historically, American agriculture has been our chief earner of dollars in world trade. Historically, it is the biggest market that industry and labor has, and the biggest employer that we have. I hate to say it, but right now we are in a serious situation in agriculture and if we do not look after what is left, the whole country will feel it.

Most folks do not realize that the farm programs of the mid-1930's were to restore the purchasing power of American agriculture.

BUDGET REQUEST

I would call attention here today to the fact that there have been proposals that the Department of Agriculture be abolished, and that the budget submitted to us provides for the abolishment of the conservation programs, the programs that take care of our land for the present and future generations. It calls for the abolishment of rural housing and other rural development programs, and recommends that we abolish most direct farm lending by the Farmers House Administration at a time when banks and the Farm Credit System are unable to meet the need. It looks like in the coming year the Farmers Home Administration will be nearly the sole source of money with which to farm. The budget works toward abolishing the Rural Electrification Administration. It would abolish all special research grants, those where the Congress has some say about what is done, and where they report to the Congress as to what they are doing. It would abolish all the special programs of the Extension Service, it would convert the Farmers Home Administration to a loan servicing agency and terminate about 4,000 employees. It would convert the Soil Conservation Service to a technical assistance staff and terminate 9,300 employees, and it would reduce access to the feeding programs such as school lunch and elderly feeding.

That is what we had before us. Since there is no way, without abolishing all the programs of the Department, it left us where we had to measure what we recommend by the present year's appropriation under which it is operating.

RECOMMENDED BILL

So I would like to say that our bill is based on the 1985 levels. The bill is under the House-passed budget resolution. It is within the 302 allocation.

We recommend $36,396 million-plus in obligational authority. We are $4.2 billion below the 1985 appropriation.

I would like to pause and say that $9.2 billion will be appropriated to the Commodity Credit Corporation because it is greatly depleted in its ability to meet its obligations.

As I said, it is within the 302 allocation. It is $916,000 less than the budget. It restores the rural housing program to the 1985 level, restores the conservation programs to the 1985 level, it restores water and sewer loans to $340 million and grants to $115 million, restores the Cooperative State Research Service and the Extension Service to about last year's level.

It restores special research grants. It restores nutrition aids and urban gardening, which gives our city colleagues an opportunity to take part in the debate in handling this program.

We restore the REA loan programs and provide that the REA associations shall not be sold except with the support of over half of the Members, and provides that any loans to the Government would have to be repaid, as provided by law.

We fully fund all the food programs, and require a budget request for $665 million for school lunch, since it is an entitlement program.

LEADED GASOLINE

Mr. Chairman, in our full Committee meeting on this bill, Mr. TRAXLER and Mrs. SMITH of Nebraska offered an amendment to the committee report regarding the Environmental Protection Agency's proposed ban of leaded gasoline. Their amendment to our report passed unanimously. When the report was filed in the House the language of the amendment was inadvertently omitted from the committee's report.

The language that was adopted is as follows:

The committee is concerned that the Environmental Protection Agency's proposed ban of leaded gasoline will impose severe hardship on farmers and ranchers, many of whom utilize machinery powered by leaded-gasoline engines. The Secretary will be expected to fully cooperate with the Administrator of the Environmental Protection Agency in conducting a study of the use of fuel containing lead additives in gasoline engines which are used in agricultural machinery and are designed to combust fuel containing such additives.

AGRICULTURE ESSENTIAL

Let me repeat again: Here we deal with the relatively few who make our high standard of living, the group to whom we have to look to take care of the soil and the natural resources that we have. It has been the chief dollar earner in world trade, and would be so again if we will sell competitively as we have the authority to do under the

charter of the Commodity Credit Corporation. Not only do we have the right to offer for sale at competitive prices, but we have the obligation, in my opinion, to do so. At a time when the world is begging for food, we are wasting the big advantage we have in providing for the peoples of the world.

We need again to restore the dollar earnings of American agriculture because now we are running a trade deficit of around $100 billion a year. We are buying that much more than we are selling, and we need to restore the purchasing power of American agriculture.

EMBARGOES

In our bill, we ask for information about what the effects of our policies have been where we have set embargoes against exports. We have put embargoes on the sale of soybeans at one time, a market that we are finding hard to get back. We had an embargo on exporting grain. Now, if you were the middleman, if you bought grain at a time when we had an embargo against selling to Russia and could not sell it, we paid the exporter, but we did not pay the farmer anything. There have been years when we have not used the mechanics of our Government, through the Commodity Credit Corporation, to see that the product is moved. We are asking them to give us the information on that to see what part it has played in the serious situation facing agriculture.

I say further that we have over 59 banks in rural areas that failed this year. American agriculture owes $214 billion, and I do not know how, at present prices, they are going to pay the interest on that debt.

Mr. Chairman, our bill is within the budget and within the allocation. We are bringing you a bill to restore these services so vital to the American people. Mr. Chairman, this is a good bill and I hope we will have the support of all the Members.

Mrs. SMITH of Nebraska. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 3037, making appropriations for Agriculture, Rural Development, and Related Agencies for fiscal year 1986.

Let me commend my good friend and colleague, the chairman of the full Appropriation Committee and chairman of the Appropriations Subcommittee on Agriculture, Mr. WHITTEN, for his leadership and expertise in drafting a bill that significantly addresses the needs of rural America, but yet serves an extremely broad spectrum of constituencies. I also commend the other members of the subcommittee for their efforts to work in a bipartisan manner on behalf of agriculture. Thanks are extended to the staff for their outstanding assistance.

This bill funds our Child Nutrition and Food Stamp Programs, sends food for peace donations to hunger-stricken people in Africa and around the world, and provides important assistance to many Americans in our large cities who participate in such activities as the extension service's Urban Gardening and Nutrition Education Programs.

So this bill addresses many high priorities, the highest of which is our agricultural production base. Before pointing out major features of the bill, let me take a moment to review the importance of American agriculture:

Farming, with a work force of 3 million, is the Nation's largest industry, employing as many as the combined work forces of the transportation, steel, and automobile industries.

In all, fully 22 percent of our work force, or 23 million individuals, work in agriculture-related industries throughout our country.

Our export surplus of agricultural products, which is estimated at $14 billion this fiscal year, is one of the few bright spots in our $150 billion balance of trade deficit—this in spite of the overvalued dollar.

Let me briefly review key features of the bill, particularly as they relate to Members of this body:

Overall, the amounts in this bill are within the amounts assumed in the House-passed budget resolution.

Funds are included to restore Federal employees pay to the status quo prior to the 5-percent pay cut proposed by the administration's original budget.

Funding for Soil and Water Conservation Programs, which help to preserve two of our most important natural resources, has been restored to levels about the same as fiscal year 1985.

Farmers Home Administration farm ownership, rural housing, and rural development loan levels are nearly identical to last year's level. FmHA farm operating loans total $3.4 billion—the same as the administration's budget request.

Rural Electrification Administration loan levels are in accordance with the agreement reached earlier this year by the administration, the other body, and the rural electrical cooperatives.

Nearly all special grants funded in fiscal year 1985 by the Agricultural Research Service and the Cooperative State Research Service have been restored in the bill, along with special programs of the Cooperative Extension Service.

The levels of expenditure proposed by this bill represent a bipartisan effort of the Appropriations Committee and our Agriculture Subcommittee to develop a balanced bill that is truly fiscally responsible. Loan levels are either frozen or reduced in nearly every account, and expenditures would be held to levels very close to the original fiscal year 1985 levels.

Therefore, I urge my colleagues to vote for fiscal responsibility and continued support for these programs by approving H.R. 3037.

Mr. WHITTEN. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, as chairman of the Subcommittee on Agriculture, I wish to express my thanks to the gentlewoman from Nebraska [Mrs. SMITH]. Nobody could be better informed or more interested or work harder. She makes a great contribution, not only in this area but in many other areas.

I do not believe there is a better subcommittee membership anywhere. The subcommittee is composed of the gentleman from Michigan [Mr. TRAXLER]; the gentleman from New York [Mr. MCHUGH]; the gentleman from Kentucky [Mr. NATCHER], with whom I have served for many years on the subcommittee; the gentleman from Hawaii [Mr. AKAKA]; the gentleman from Oklahoma [Mr. WATKINS]; the gentleman from Illinois [Mr. DURBIN]; the gentleman from Iowa [Mr. SMITH]; the gentlewoman from Nebraska [Mrs. SMITH], whom I mentioned; the gentleman from Indiana, Mr. JOHN MYERS, who has given many years of service here, though he is a very busy Member in other activities; the gentleman from Kentucky [Mr. ROGERS]; the gentleman from New Mexico [Mr. SKEEN]; and the gentleman from Massachusetts, Mr. SILVIO CONTE. I wish to pay special tribute to my colleagues who work on this subcommittee because they, too, recognize agriculture as basic to the overall economy and to the public's well-being.

Mrs. SMITH of Nebraska. Mr. Chairman, I yield 5 minutes to my good friend and colleague, the gentleman from Indiana [Mr. MYERS].

Mr. MYERS of Indiana. Mr. Chairman, I thank my colleague, the gentleman from Nebraska, for yielding this time to me.

Mr. Chairman, it is a pleasure to serve on this committee, not just for the task we have in trying to help rural American agriculture but for the colleagues we have to serve with and the staff that we have.

As Chairman WHITTEN and the gentlewoman from Nebraska [Mrs. SMITH] have both demonstrated here, the spirit is that we want to try to help rural America. It is a rather difficult job, but we do it in a bipartisan way—I guess I should say "nonpartisan" because there is a difference between bipartisan and nonpartisan. We do it in a nonpartisan way because the problems in rural America today are too important to let politics enter into it.

I just took this off the ticker here. Contract lows were established in every pit in the grain market in Chicago at the close today. At the close, soybeans were off up to 5¾ cents; wheat

was off up to 6 cents, 6 to 8 cents; corn was off up to 3¼ cents; and oats were off 2¼ cents. This is happening too often. The market is continuing to go down.

If you will look at the report—and I know there is a lot of reading in these committee reports—on pages 10, 11, and 12 it pretty well tells the story about agriculture and rural America and its plight. If you will read it, it says that prices received by farmers have gone up roughly 50 percent in the last 10 years; that is, on overall prices, while prices paid by farmers have more than doubled. The pressure is on farmers to produce better today and cheaper, and it is not always possible.

This bill is a rather comprehensive bill. It is unfortunate that so often some of our colleagues point to the $33 billion figure here in this appropriation and say: "Look, a $33 billion handout to farmers of America for sitting on their cans and going to Florida," or whatever it is farmers are accused of. And that is not true.

If you would closely examine our appropriation bill today, you will see that more than 60 percent of this $33 billion is not related to help to farmers directly; it is in feeding programs such as the Child Nutrition Program, $4 billion plus; women, infants, and children, $1.5 billion; and food stamps, almost $12 billion. Those are three of the largest items in our appropriation bill.

So maybe it is a little unfair that farmers get tagged today about this huge appropriation, that we are bailing out farmers or paying farmers not to work, which is not true.

But it is a big bill. I must say that in the years I have been on the Appropriations Committee this bill has increased rather significantly. But again it has not been in helping farmers do a better job or paying farmers not to produce or providing for the many programs that so often farmers get accused of. So much of it has been in feeding programs and in research. And research is very necessary.

The bill is under every expectation. It is below the President's request by approximately $22 million, not a large amount under the President's request, but it is under the President's request. It is well under last year's spending on appropriations.

The Members are all going to receive letters, as we already have, from the Office of Management and Budget. I would be kind of disappointed and be suspect if we did not get a letter from OMB saying that the bill is not acceptable to the administration. It troubles me to get those letters because it is the scoring, how it is done. We have examined this, and what actually happens is that every time the Appropriations Committee makes a savings and cuts below the President's request, that is never taken off, but every time we change in priorities, adjust the dollars from the President's request, if we add to it, that is a plus. That is charged against us in their scorekeeping. But when we cut below, which we did a number of times, we are never given credit. So the OMB makes the best of their world to make their case look the best. They add it up, they add to it and charge us if we go over their expenditures, but they never give us credit for the cuts.

As long as I have been on the Appropriations Committee—and the chairman has been there a long time, much longer than I have, as well as several other members, including the gentleman from Kentucky [Mr. NATCHER], who has been there many years longer than I—the House of Representatives and the other body, especially the Appropriations Committees, are going to see things differently from the administration. And we should. That is our job. If we have to rubber stamp only what somebody else requests, why have the Appropriations Committee? Why have a House of Representatives? Why have a Congress at all?

Of course we make some adjustments. We live with it. We examine each of these programs, and we make judgments on what is best for rural America because we are closer to it.

We have made some changes. But this is the bottom line which I think we have to be concerned about here. We have the House-passed budget, which is someplace between here and the other side—and whether it will ever see the light of day we do not know—and we can only take that document and last year's spending and the President's request. We are under all of them in this bill.

Mr. Chairman, this is a bill worthy of the Members' support.

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Mr. WHITTEN. Mr. Chairman, I would like to point out the situation we have facing us and the basis for our bill that we have here.

Mr. Chairman, Members are well aware of the conditions facing American agriculture. Not a day goes by without the press reporting on the seriousness of the situation. Bankruptcies are prevalent, and loss of farms that have been in a family for generations is commonplace.

What is equally disturbing is the recommendation for a new farm bill submitted by the administration which would reduce farm income further, would reduce production, and do nothing to reduce costs to the farmer nor to pass on a reasonable price to the user of farm products.

Why don't we let the user pay for a reasonable support price for basic commodities. It would be many times cheaper to the Government and would prevent the farmers from an undeserved tag of being kept citizens. At the beginning of the year, we would remove to a great degree the uncertainty of price. Industry and labor pass on to the users what they get under laws—through such laws as minimum wage, the right of labor to organize and of industry to mark up so much above cost. Over the last 25 years these two have increased their take of the user's dollar from 49 percent to 73 percent. The farmer buying from them has an ever-increasing cost and decreasing income, declining from 51 percent to 27 percent during the same period.

What we pay to him is to offset the increase of what the other two have gotten. As with industry and labor, the farmer should receive a fair return.

In export sales, we have to deal with foreign governments. Why don't we use the Commodity Credit Corporation, a wholly owned Government corporation set up for the very purpose of dealing with foreign governments? It worked before, why not use it now? All countries sell what they produce and don't need for what it will bring except the United States. Why should we hold an umbrella over world prices and remain a residual supplier because we don't push for our normal share of world markets?

If the Secretary rents 20 million acres of land, at a cost of $11 billion charged to the farmer, actually he will give away a further share of our overseas market as he did when he lost 11 percent with the PIK Program.

Without meaning to, they would cause a return to Dust Bowl days. At a time when farmers are broke, they put the burden on him to take care of the land when he cannot even pay his taxes.

Recommended are programs paying him a slight sum not to farm which have the effect of giving our competitors our normal foreign markets. At a time when much of the world is hungry it is proposed we limit our production.

It is evident we are returning to the conditions of the early 1930's when no farmer owned his land. It was owned by insurance companies and banks.

Under some proposals Federal agents will be authorized to go on a person's land to enforce orders of the Federal Government in Washington. Not just to search out illegal crops like marijuana, but to see if farmers are carrying out the orders of the Secretary of Agriculture.

With our trade deficit over $120 billion a year, our national debt nearly $2 trillion, the Nation cannot afford a return to Dust Bowl days.

All farmers know land deteriorates far more if idle than if cultivated. Today nonfarmers appear to be in the saddle in setting agricultural policy.

For those who would do what the budget advocates, let them do it by State law and not by Federal statute or program.

FORMER PROGRAMS EFFECTIVE

Mr. Chairman, few are aware of or have taken the time to study the history of the farm programs. The farm programs were originally enacted by the Congress to restore purchasing power to agriculture. For years, we in this country provided a domestic support price by loan or purchase to maintain a reasonable balance between the income of agriculture, industry and labor.

The Commodity Credit Corporation, a $25 billion wholly owned Government corporation, was set up to support such a system. The CCC charter provided the authority and obligation to support farm prices through commodity loans and purchases at prices which provide a balance to the farmer at a level comparable to labor and industry; and move supplies surplus to domestic needs into world trade at competitive prices, with credit arrangements comparable to those provided for other U.S. products.

This approach had the advantage of letting the farmer and his banker know what price levels they could count on when he planted his crop—leaving cost and volume as the only variables. It provided a strong and well-financed mechanism to sell commodities surplus to domestic needs in world trade on a competitive basis. It also enabled the farmer to deal through a Government corporation on an equal basis with other governments, most of which use governmental boards or agencies to market their production.

Another benefit of this system—and a substantial one—was that the price paid to maintain a reasonable balance for the farmer came from the users of his products, who on the domestic level paid at least the support price which assured the farmer of a fair return on his production. In this connection, it should be recognized that a 10-percent increase in farm prices would add less than half a cent to the retail price of a 54-cent loaf of bread and only 5 cents to the retail price of a $15.95 cotton shirt.

Under this program, farmers imposed on themselves acreage allotments which applied to most basic or storable commodities. However, in 1956, this approach fell into disuse. Few people today remember it, and few study the past. At that time Congress had to step in and require the use of CCC to move our commodities in world markets at competive prices.

Perishable commodities, where one year's surplus generally does not carry over into the next year, were and still are supported by section 32 funds—30 percent of tariff receipts on imports. These funds are used to buy up surpluses for use in the School Lunch Program, feeding programs for the needy, and other such outlets. Unfortunately, in recent years there have been attempts in Congress to transfer cash directly rather than commodities or to divert the fund to other uses, thereby defeating the intent of the program and its essential price support benefits.

This farm program worked.

It provided relatively stable income to the farmer. It preserved our share of world markets, since our competitors knew that the United States would produce and sell, with the receipts going back into the CCC revolving fund for continued use.

It is still in basic law.

It is not a two-price system. A two-price system is one which results in one price to the farmer for production for the domestic market, and another price to the farmer for production for export. Use of CCC to support prices and sell surpluses overseas competitively involves only one price to the farmer for his entire production.

This concept has now been twisted around by opponents to discredit the former farm program—one which worked.

It should be recognized that support prices and competitive export sales do not represent a subsidy to the farmer. Rather, they are used to protect his market, and thus are a benefit to the entire economy. They enable the American consumer to enjoy abundant quantities of high quality food at very low prices and enable American industry to retain its largest and best customer—the farmer.

CONSERVATION OF NATURAL RESOURCES

Mr. Chairman, one of the most disturbing aspects of the proposed 1986 budget is its virtual abandonment of the Department of Agriculture's conservation programs. Next year's budget proposes to reduce the funds and staff of the Soil Conservation Service to one-third of its present level. It eliminates all funding for the Agricultural Conservation Program [ACP] and the Forestry Incentives Programs. It removes all funds of river basin sureys and investigations, watershed planning, watershed and flood prevention, resource conservation and development, and Great Plains conservation, all of which have contributed so much to the Nation's conservation movement.

These proposals raise several basic questions which can be answered by Congress and the people, such as: Can this country afford to step aside and let the very effective conservation effort built up over past 50 years disintegrate? Can we let up on our efforts to prevent the depletion of our soil, and timber resources at a time when expanding needs for food and fiber at home and abroad are placing increased demands on the productive capacity of this country? Can we expect the farmer to assume the full cost of protecting and conserving the land for present and future generations, when he is unable to even meet the interest payments on his loan? Can we ignore the mistakes of those civilizations which have disappeared or are in the process of disappearing because of failure to protect and preserve their productive resources?

LESSONS OF THE PAST

A review of history reveals what happened to those past civilizations of the world which failed to take care of their fertile lands, timber, and water supplies.

Today's terrible famine in Africa is a present-day example of the results of the failures to employ good conservation practices. Here again, the major reason for this calamity is the neglect of the soil, water, and timber resources through the years. The lack of rain during the past 3 years has brought on the immediate crisis. However, continued deforestation, soil degradation, population growth, and counterproductive Government policies have contributed to the long-term decline in the productivity of the past half-century, have done so much to restore and preserve the Nation's basic natural resources and the growing human suffering which follows.

Our people and our Government must ever be aware of the need to maintain a strong and coordinated conservation effort. They must realize that the best investment they can make in the future of this country is the conservation of its real wealth—the soil, the water, and the timber. With productive resources, present generations can feed themselves and pass along to their children the means to prosper during their lifetime. With wornout land and depleted water supplies, their descendants cannot survive, despite all else.

STRONG CONGRESSIONAL SUPPORT

Mr. Chairman, through the years, this committee has believed that it is absolutely essential to maintain the conservation programs of the Department of Agriculture at a level which will ensure maximum protection of the Nation's basic resources. With the backing of the Congress through the years, it has restored severe budget reductions and has increased budget requests to assure an effective national conservation effort. It has restored budget cuts for the agricultural conservation program [ACP] more than 30 times over the years.

The committee can see no reason to turn its back on these valuable programs now, as proposed by the 1986 budget. It cannot see the logic of giving less attention to the foundation of our national economy, so as to spend more for less productive purposes.

CREDIT ASSISTANCE REDUCED

The proposed budget for 1986 seriously curtails insured loan funds for the Farmers Home Administration which provides loan funds to those farmers who are unable to obtain credit from other sources. This proposal would also eliminate almost 4,000 staff technicians from FmHA offices at a time when farmers are facing the most severe financial crisis since the Great Depression and need additional assistance in meeting their problems, not less. Many farmers are in deep financial trouble. Many are facing bankruptcy. Many are unable to plant their crops for the next year.

PHASEOUT OF REA AND FCIC SUPPORT

The 1986 budget also proposes to severely curtail various USDA programs which have done so much to improve the quality of life in rural America. It drastically reduces funds for the Rural Electrification and Telephone Programs—the first step toward eventual liquidation of these valuable programs which have been so successful in bringing essential electric and telephone services to rural areas. Also, it sharply reduces loan and grant funds for water and sewer facilities and rural housing. Further, under proposed legislation, the administration would phase out Federal administrative and premium support for the Federal Crop Insurance Program. This would increase the farmer's crop insurance premiums at a time when he is unable to assume any additional expenses. About 80 percent of the land area of our country, four times the area in our major cities and encompasses thousands of cities and towns. This area of the country and its residents must have equal treatment.

FARM ECONOMY CONTINUES TO DECLINE

Although the Nation's total economy has expanded greatly through the years, the farm economy has declined. Since 1968, the Gross National Product [GNP] has increased 331 percent, from $831 billion in 1968 to $3,581 billion in 1984. During this same period, net farm income went up only half that amount—152 percent, from $12.3 billion in 1968 to an estimated $31.0 billion in 1984.

While the national income level rose from $722.5 billion in 1968 to $2,450 billion in 1982—an increase of 240 percent—income to the farm sector went up only one-third of that amount—80 percent. During the period, gross farm income doubled while farm production expenses tripled, leaving a greatly decreased share for the farmer.

FARM INCOME

During the past decade, gross farm income increased 70 percent while farm production expenses went up 90 percent, leaving less net income to the producer. Net income reached a high of $31 billion in 1981, but then dropped nearly 50 percent to a low of $16 billion in 1983.

During the hearings on the 1986 budget, the Secretary of Agriculture estimated that net farm income for 1985 will be between $19 and $24 billion—a reduction of $10 billion from 1984 and close to the disastrously low level of 1983.

FARMER'S SHARE OF FOOD DOLLAR

Since 1946, the farmer's share of the dollar has decreased nearly 50 percent, from 51 percent to 27 percent, while the share taken by those between the farmer and the consumer has nearly doubled, from 49 percent to 73 percent. Thus, while the farmer's income has gone down, the cost of what he must buy from industry and labor has gone up, leaving less and less for him to run his farm and support his family.

FARM DEBT A GROWING PROBLEM

Mr. Chairman, as of January 1, 1985, the farm debt totaled $212 billion—an increase of $159 billion—300 percent—over 1970. About half the debt is for real estate loans, the balance covers non-real estate and CCC loans. This is a very heavy debtload for the farmers to carry under today's depressed farm conditions and high interest rates.

Due to loss of income on one hand and inflated expenses on the other, an increasing number of farm producers are existing from one crop year to the next entirely on credit. Many have had to mortgage all of their assets each year to plant their next crop. They are in effect working for their bankers, since they have no equity left. Many remain on the farm only because they prefer farming as a way of life, not as a way to support their familes.

FAMILY FARMS IN TROUBLE

Large farms units—those with annual sales of $500,000 or more—and small farms which depend largely on off-farm income are relatively solvent. The current debt crisis is affecting primarily the family farms with annual sales of $40,000 to $500,000, which provide an important part of the Nation's supplies of food and fiber. About 229,000—34 percent—of these middle-size farms with debt-to-asset ratios of 40 percent or more are in serious financial trouble, many facing bankruptcy. Those in the deepest trouble are located in the Corn Belt, Lake States, and Northern Plains.

FALLING LAND VALUES

Declining farm income, and falling land values reflecting the reduced earning power of farmland, are largely responsible for the present credit crisis. The value of farm real estate which provides the main collateral to support farm loans has declined 10 percent since 1981. In the Corn Belt land values have fallen 30 to 50 percent. As a result, many farmers face bankruptcy and many more are unable to put this year's crop into the ground at planting time.

LOAN DELINQUENCIES AND LOSSES

Loan delinquencies of the Farmers Home Administration, which holds 9 percent of farm real estate debt and 15 percent of farm operating debt, are at an alltime high. As of April 1985, 41 percent of its borrowers were delinquent some $5.4 billion.

Also, the Farm Credit System is under financial stress; 11 production credit associations PCA's have been liquidated and 39 PCA's have been merged to maintain liquidity. In 1983, PCA losses totaled $253 million, over 40 percent of all losses sustained in its 50-year history. Losses increased to $370 million in 1984, a serious strain on PCA reserves.

The Governor of the Farm Credit Administration summed it up in the following words: "In my 8 years of coming before you * * * this is an extremely critical year. PCA's and Federal land banks are facing serious cash flow problems. The next 2 to 3 years are crucial."

IMPACT ON RURAL AND URBAN AMERICA

Mr. Chairman, the impact of the current farm crisis on rural America is growing as increasing numbers of producers are being forced off their farms. Equipment dealers, hardware stores, feed, seed, and fertilizer dealers, and many Main Street merchants in small, rural towns are going broke along with the farmer.

Rural banks, which represent 28 percent of all U.S. banks, are also in trouble. An increasing number are facing bankruptcy. As of January 1, 1985, 837 of the Nation's banks were considered by the FDIC to be problem banks. Of these, 306—37 percent—were agricultural or rural banks with 25 percent of their loans agriculture-related.

The media is full of examples of rural communities which are beginning to dry up, especially in the Midwest. Press and TV provide a frightening picture of the threat to the agricultural heartland of the United States—an area which has helped greatly to feed the entire world. They provide ample evidence of what can happen to the national economy if its foundation—agriculture—crumbles.

URBAN PEOPLE ALSO AFFECTED

People in the cities are also beginning to feel the impact of the farm crisis. Companies which provide the equipment and supplies needed to operate the farms and produce the crops are having to curtail their operations and reduce the number of their employees.

FUTURE OF AMERICAN AGRICULTURE

Despite agriculture's magnificent contribution to the strength of the United States and the welfare of its people, the future of the family farm which made this possible is not encouraging. Faulty Government policies, failure to protect the farmer's interest, and lack of official and public

understanding and support have made farming a far less desirable and rewarding occupation and way of life than in the past.

Only about 3 percent of our people live on the farm today. The other 97 percent, who enjoy the highest standard of living ever known to man, take their food supply for granted. They often fail to realize that the farmer must have a fair return for his investment and labor if he is to continue to provide their basic necessities—food, clothing, and shelter. Many overlook the fact that the low food prices they enjoy in this country come at the expense of the farmer who must face ever-expanding production costs with a declining share of the consumer food dollar.

FARM VALUE OF FOOD DOWN

For the wheat in a 54-cent loaf of bread or the corn in a 56-cent package of cornflakes, the farmer receives only 4 cents. The farm value of the cotton in a $15.95 shirt is only 50 cents, about 3 percent of the retail price. If the farm price of wheat and cotton were increased by 10 percent, it would add less than half a cent to the retail price of a loaf of bread and only 5 cents to the retail price of a cotton shirt.

AGRICULTURE—NATION'S LARGEST INDUSTRY

Mr. Chairman, agriculture is the Nation's main generator of new wealth. It is estimated that each dollar taken from the soil multiplies seven times as it travels through the Nation's financial system. In 1982, agriculture accounted for 19.8 percent of gross national product, compared with 5.1 percent for the auto industry and 2.6 percent for housing.

Agriculture is the country's largest industry. Its assets of over $1 trillion are equal to 70 percent of the total for all manufacturing corporations in the United States. Some 22 million people work in some phase of agriculture, from growing food and fiber to selling it at the supermarket or the export market. The number of such workers equals the combined total for transportation, the steel industry, and the automobile industry.

For the benefit of all—farmer, consumer, industry, and labor—the importance of agriculture to our society and our economy must be recognized and perpetuated. The American farmer must have equal opportunity under the law to maintain a balance with all other segments of the Nation's economy. The future strength and prosperity of this country depends on this.

Mrs. SMITH of Nebraska. Mr. Chairman, I yield 5 minutes to my good friend, the gentleman from New Mexico [Mr. SKEEN].

Mr. SKEEN. Mr. Chairman, I thank the gentlewoman for yielding this time.

I want to begin by saying that as a new member on the Agriculture Appropriations Committee that it has been very instructional. I have served on the full Agriculture Committee of the House prior to going to this assignment.

I want to say at the outset that under the adroit leadership of our chairman, the gentleman from Mississippi [Mr. WHITTEN], and in concert with our colleagues and with good staff representation as well, I think it is probably one of the most responsive committees that I have ever served on, because we are in a crisis in agriculture. I do not think that anyone would deny that who knows what the situation is or who has had any contact with it.

For most Americans, that is a very superficial contact because so few people today are involved directly in agriculture. Just a little over 3 percent of our entire population produces the food and fiber that we use in this country. We are so sophisticated that lots of times we take this for granted, because it is there and in abundant supply, it is well packaged, it is attractive, and it is there once again in great abundance.

As a matter of fact, that has been one of our problems, the tremendous abundance that we produce in agriculture goods in the United States.

But I do want to say this, at this time we do have an economic crisis in agriculture, that this committee has risen to the challenge each time. I want to commend the chairman and the other members of the committee, as well as the staff, because just the other day we extended the CCC authority. The initiative was begun here and I think that took care of a situation that could have been very costly for farmers, particulary in the winter wheat producing country, because without that authority the sales would have completely stopped, the cash flow which is so essential in operating agricultural enterprises today would have been stopped.

Along with that I want to mention, too, and everybody gets a little grin out of this when you mention it, the grasshopper program, but an extremely critical issue to many of the States in the West and the Northwest. This committee once again rose to that challenge and took care of that problem in a timely fashion ahead of the incident itself, because the hatch looked good.

So I just want to take this opportunity to say it has been a pleasure to serve on that committee. I think we have done very valuable work. I think we have got a good agriculture appropriation bill here today.

One of the things that it is is forward looking. It is saying that we have a tremendous future in agriculture, no matter how dark the situation may look today. We are still going to take care of agricultural research and the conservation measures that we feel are one of our primary responsibilities and that is included in this bill today, not just farm credit, not just the economic things, but the future of agriculture in the United States

I want to commend the members of the committee and those members of the staff who served with us. It has been a real pleasure to operate with them.

I think we have a good bill here and I urge its adoption.

Mr. WHITTEN. Mr. Chairman, I yield 2 minutes to the ranking member of the committee, the gentleman from Michigan [Mr. TRAXLER].

Mr. TRAXLER. Mr. Chairman, I rise in complete support of H.R. 3037, the bill making appropriations for the Department of Agriculture and related agencies for fiscal 1986. This bill deserves the support of all of our colleagues because it is fiscally prudent while meeting the many important diverse needs of those who depend upon the programs administered by the Department of Agriculture.

I want to compliment the distinguished chairman of both the full Appropriations Committee and the Agriculture Subcommittee, Mr. WHITTEN, for his marvelous leadership in a very difficult task. I also want to express my appreciation to our distinguished ranking minority member, Mrs. SMITH of Nebraska, who consistently puts the interest of American agriculture first, and enables us to come forward with a truly bipartisan bill.

There is no question that American agriculture continues to face great difficulties. The work on this appropriation, as well as the work on the 1985 farm bill clearly reflect our concern that something must be done to address the serious problems our farmers face so that we can continue to have the most abundant food supply in the world.

I must say at this point, however, that I am somewhat disheartened by the fact that despite that our action was completed last week on an emergency supplemental appropriation for the Commodity Credit Corporation to keep farm price support payments coming, the President has as of late yesterday still not signed the measure into law. This is certainly an urgent situation, and I would implore the President to recognize this fact on this bill and any further supplemental action we might have to take.

Mr. Chairman, the bill before us today is $4.2 billion below the fiscal 1985 appropriation for the Department of Agriculture. It is also slightly below the amount requested by the President in total, while responding to the concerns of the hundreds of witnesses who appeared before our subcommittee during our 2 months of hearings. The priorities may not be the same as those in the President's

budget, but they are in keeping with what the people we all represent say they want.

I want to take some time here to describe some of the programs that are of particular significance to the people I represent, and, indeed, to our entire Nation.

We have heard a lot about efforts by the Environmental Protection Agency to ban leaded gasoline over the next few years. Last year as part of our work on the HUD-independent agencies appropriations bill, the report directed EPA to review the adverse effects of such a ban on farmers who frequently own older vehicles that use leaded gasoline. The ban will provide a particular hardship to them. The full Appropriations Committee last week directed EPA to work with the Secretary of Agriculture to conduct a study of the use of leaded fuel in gasoline engines used in agricultural machinery to analyze mechanical difficulties associated with the use of other fuels, and the impact of a ban on leaded fuels on farmers. We expect the Secretary of Agriculture to take close note of this directive which is found in House Report 99-212, and sanctioned during our discussions of the agricultural appropriations bill.

There is no question that the future of agriculture depends in large part upon the results of research and extension activities. This is why, in my view, these programs deserve special consideration in any budget. They are plans for the future, and we are all interested in the future.

It was necessary for us to make several restorations in these accounts. The cuts were not in the best interest of our Nation. The restorations are. But we did not provide any major increases in these accounts either, recognizing the fiscal limitations our Nation faces.

It is particularly important to those of us around the Great Lakes to have the restoration of $200,000 for the continued assessment of dioxin and other contaminants in the Great Lakes. We need to be vigilant about all dangers from chemical residues, and it is vital that we do more to understand the possible health risks of these substances before they enter the food chain.

For the Cooperative State Research Service, we were forced to make some hard choices. The hardest one we had to make was to not provide for an increase in the Hatch Act formula research funds. This action is in line with the President's budget proposal, and is also consistent with our action throughout the entire bill. I know that many State research stations are in need of additional research funds, and I truly wish that the time was right to provide an adequate increase, but that is one of the good things that will have to wait while we in the House make serious efforts to reduce the Federal budget deficit.

We were able to restore a number of special research grants that are of special interest to Michigan, including funding for the Saginaw Valley Bean and Beet Research Farm, dairy and beef photoperiod research, blueberry shoestring virus research, potato research, asparagus yield decline research, stone fruit decline research, and wood utilization research.

I want to call special attention to the wood utilization research project which involves a cooperative effort between Michigan State University and Purdue University. Given the extensive forest lands in Michigan, it is important that adequate work be done to appropriately use and replenish a significant resource.

We were also able to fund four new research projects under the Special Research Grants Program this year. One of these projects will provide $100,000 for the initiation of an apple quality research program in Michigan. This project is designed to improve apple quality at the level of production, handling, storage, packaging, and distribution. Work will also be done regarding grading, sorting, and packaging of apples.

We reduced funding for the Competitive Grant Program by $12 million, from $46 to $34 million. Since this funding involves totally new projects each year and these projects are usually not of an emergency nature, it is possible to reduce this funding without impairing the ability to do crucial research.

We also did not provide any increase in Smith-Lever formula funding under the Extension Service. Our reasoning here was the same as with Hatch funding under CSRS. I personally would have preferred increasing this account, but our budget situation does not allow us our personal preferences.

We did manage, however, to restore the shortsighted efforts to eliminate funding for all of the Smith-Lever 3(d) projects, like the Expanded Food and Nutrition Education Program, the Farm Safety Program, the Urban Gardening Program, and the Integrated Pest Management Program. The strong public support for these efforts would not allow us in good conscience to go along with the President's recommendation to eliminate funding for these projects.

I am sorry, however, that we were not able to restore funding for the Renewable Resources Extension Program. I personally understand the importance of this program, and I am very hopeful that in the remainder of the budget process we might find a way to restore funding for this program.

We were also able to restore a number of reductions proposed for the Animal and Plant Health Inspection Service. Of primary importance is the restoration of funding for the Brucellosis Eradication Program. It seems as if this is a battle we face each year because certain individuals are simply philosophically opposed to this program. Fortunately the Appropriations Committee is more interested in results, and it is based on the success of this program, as well as the remaining task, that we restored funding.

Another battle we face each year involves funding for the Animal Welfare Program. The amount of mail I have received in support of restoring funds for this program is absolutely incredible. Each year during our hearings I have been able to point out to APHIS personnel that the law does not allow States and private organizations to enforce the provisions of the Animal Welfare Act, as the administration persistently proposes. The results of adopting any reduction in funding for this program would quite simply mean that our animal welfare efforts would be significantly diminished.

I am also pleased that we were able to restore funding for the Agricultural Cooperative Service. We understand quite well that this agency is doing all that it can with its limited resources to help foster the development and expansion of farmer cooperatives. This is support that is vitally needed as we work to help expand market opportunities for our farmers.

In title II, we restored a great number of rural loan and grant programs, both for farmers and for communities. Now is not the time to cut off the resource helping so many farmers stay in production, and all of these programs have a role to play in this regard. We cannot afford to forget the programs that serve rural communities, like water and sewer programs, because the quality of life in rural areas is just as important as it is in urban areas.

We also restored funding for the Rural Electrification Administration, compared to the President's request. The funding is below the fiscal 1985 levels in some of the REA programs in recognition of our tight budget situation, and reflects the best estimates of actual needs for the REA programs. I want to extend my personal compliments to the National Rural Electric Cooperative Association for their sincerity in working toward funding recommendations which meet both the needs of rural areas and Federal budget constraints. Let no one say that this group was more interested in its own concerns than in our Nation.

We also rejected some extremely disastrous proposals to reduce total funding for the Soil Conservation Service by about one-third. The job of conservation is never over because the forces of nature continue to work on changing our resources, and all too often in-

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dividuals fail to recognize the need to work with and not against nature. The Soil Conservation Service works to help everyone develop this understanding.

I am particularly pleased that we were able to provide $60,000 to start a study of back irrigation through existing drainage systems to avoid the need for taking water from ground wells for irrigation purposes in the Thumb and Saginaw Bay area of Michigan. This project will serve as a model for the Nation in demonstrating a new and innovative way to provide water for our farmers while taking action to avoid risks to water supplies.

And it should be no surprise to anyone that we once again restored funding for the most basic of all conservation programs, the Agricultural Conservation Program. The local nature of this program enables every part of the Nation to tailor conservation practices to individual situations. The continued efforts to eliminate this program have failed once again because we continue to recognize the value of ACP, and the fact that the job is not yet done.

Title III provide all of the funding for our domestic feeding programs. In a Nation as rich as ours, we have a moral obligation to try to share our abundance with those who do not have the personal ability to obtain adequate food for themselves and their families.

It is true that this is a very major component of this appropriation bill, and it is equally true that these programs face the same budget limitations that I described for other components of the bill. We have operated under a very simple and straightforward policy in developing this component of the bill: We fund programs based on current provisions of law, and we do so to our best ability so that no one need be removed from a program unnecessarily. We know that there are changes proposed for the various feeding programs, both in H.R. 7 and in the farm bill title dealing with Food Stamps and the Commodity Supplemental Feeding Program. But we do not know the final design of these modifications because neither of these measures has received full consideration by the House and Senate, and we cannot responsibly base our funding on uncertain provisions.

In many areas the President's budget request understates the funding requirements for these programs. We have allowed for this fact by providing certain increases over the budget request, while holding these increases to the maximum necessary to meet current service requirements.

As I have in the past, I want to call particular attention to the section of this title which provides funding for the Commodity Supplemental Feeding Program. We have provided an increase of $2,950,000 in this program to account for the continuation of three projects providing commodities to low income elderly individuals in Detroit, MI, New Orleans, LA, and Des Moines, IA. This dollar amount reflects the best information we could obtain regarding the cost of continuing these programs, and the bill allows for not less than this amount in the event that these cost projects are revised at a later date. We have rejected the proposal to transfer this project to the Department of Health and Human Services, because such transfer would be contrary to the historic method of operating this program and would impair its efficiency.

In our report we direct the Department to include timely information in its monthly report, "Food Program Update", so that we and the public can be kept fully apprised of the operation of this program. It is amazing to me that while data on all other feeding programs is regularly included in this document, information on CSFP is available only on a sporadic basis. It is also most interesting that while program operators are required to report program participation levels at the end of each month, it is nearly 3 months before any of this information is included in the monthly update when information is provided. This is simply not an acceptable situation, and there is no good reason whatsoever for the Department not to revise its policy regarding the reporting of the operation of the Commodity Supplemental Feeding Program.

We are also faced with a much more serious issue regarding the administration of this program by the Food and Nutrition Service, and the Office of Management and Budget. We are nearly 10 months through fiscal 1985, and OMB has yet to approve the actual fiscal 1985 allocation for this program. Local operators have been operating under fiscal 1984 guidelines, which does allow them to continue to operate, but failure to act responsibly with this budget allocation makes it virtually impossible for us to determine the true extent of interest in this program in relationship to the ability of the agency to respond. Four applications have been submitted for new programs by the States of Arizona, New Mexico, New York, and Rhode Island. These applications were rejected because the agency claims that there is not sufficient money to start these programs. But we do not know this for a fact because the allocations have not been officially completed, and also because the agency is planning on using fiscal 1985 funds to purchase food that will be used in fiscal 1986. While this may not be illegal, it is certainly a breach of faith regarding the fact that the money for this program is appropriated with the intent that it be used in the year for which it is appropriated—not for the next fiscal year.

But we cannot act in a vacuum. We need information, and we will do all that we can to get it. This is in part why our report directs the agency to keep us advised regarding the status of any application for the Commodity Supplemental Food Program. That means we want to know when applications are filed, where they are filed, what the decision is, how long it has taken, and to the extent that an application is rejected that the reason be clearly and explicitly stated. We also expect that to the extent additional appropriations are needed to deal with legitimate demand for the program that the Department will request supplementals, and not merely say funds are insufficient to approve additional applications.

There is also an important report directive regarding utility allowances for the Food Stamp Program. We direct the Department to allow States to continue to follow the practice of using a standard utility allowance. This is administratively easier, and there has not been an opportunity for full consideration of any changes in this policy. The Department should not be able to move forward with the change that it has proposed without congressional approval because this issue is so important. I expect we will hear more about this issue in the days ahead.

I am also pleased that we are providing $50 million for the Temporary Emergency Food Assistance Program. This program is too important to too many people to allow it to lapse, and it is for this reason that we are providing funding under the terms of the rule. We do so in advance of the authorization which has already been approved by the full House Agriculture Committee as part of the 1985 farm bill.

Title IV provides funding for our international agricultural programs. Funding for the Foreign Agricultural Service is essentially at fiscal 1985 levels, and will allow the agency to continue its extremely important market development cooperator program.

Funding is also provided for the Food for Peace Program, Public Law 480. This is an extremely important program, and is a part of the worldwide governmental and private efforts to provide needed food assistance to the hungry around the world. Let me emphasize that Public Law 480 is available for all needy people around the world, and is not restricted to our immediate concerns for the people of Africa.

As we have in the past, I am confident that we will respond to developing circumstances around the world, and promptly consider all supplemental appropriation requests for this program that may be warranted.

We have also provided certain directives to the Department of Agriculture to expand its use of beans in brine as part of the Food for Peace Programs. This processed commodity has been demonstrated to the private relief organizations and Agency for International Development personnel in Africa, and has met with great approval. Unfortunately, the Department of Agriculture has not moved quickly enough to approve this item as one of those eligible for the Public Law 480 program. We need to have the Department recognize that cost is not the only nor the controlling issue in our efforts to provide essential food assistance to those in need. Beans in brine meet an important nutrition test, and can go a long way in helping ease the problems of hunger. The same is true of ultra-high-temperature milk, and we would expect the Department to move to expand use of these important food items.

Mr. Chairman, obviously this bill covers a large range of programs of interest to all of our colleagues. I urge their support of the fiscal 1986 agriculture appropriations bill.

Mrs. SMITH of Nebraska. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. LOEFFLER] for a colloquy with our chairman, the gentleman from Mississippi [Mr. WHITTEN].

Mr. LOEFFLER. Mr. Chairman, I thank my distinguished ranking member for yielding to me.

I would like to ask the chairman of the committee to participate in a colloquy with me.

On page 34 of our committee report, the following table reflects the committee's recommendations on special research grants. In this committee report, there is a recommendation that no money be made available for Wool Research, which is a research facility near San Angelo, TX. As I have spoken with the chairman, it is my understanding that $150,000 will be made available and it was frankly an oversight.

Mr. WHITTEN. Mr. Chairman, if the gentleman will yield, that is correct. I am sorry it was overlooked. It was not recommended by the Office of Management and Budget, but that is true of most of these programs in this bill. Most programs were restored by the Congress. I am in thorough accord with the gentleman from Texas and I expect to see that Wool Research is restored in conference.

Mr. LOEFFLER. Mr. Chairman, I thank the distinguished gentleman and I thank the distinguished ranking minority leader on our committee for their help and assistance.

Mr. WHITTEN. Mr. Chairman, I yield 5 minutes to a member of the subcommittee, the gentleman from New York [Mr. MCHUGH].

Mr. MCHUGH. Mr. Chairman, I rise in strong support of this appropriations bill, and urge my colleagues to vote for it. Under the fine leadership of the gentleman from Mississippi [Mr. WHITTEN], this bill has been fashioned so that it protects our resources and our commitments to the people of this Nation. At the same time, the bill is below the fiscal year 1985 appropriation level. This was not an easy task. However, it was accomplished due to the work and cooperation of all of the members of our subcommittee and its capable staff.

I think the bill is a balanced one. Despite the need for fiscal restraint, it addresses the basic needs of our farmers, the problems of our rural communities, and the nutritional needs of the most vulnerable of our society, our children, and the elderly. In addition, the bill provides funds for international programs of relief and cooperation.

This appropriations bill provides funds for education through extension programs, for research on food and fiber, for export development, and for protection of our natural resources, soil and watersheds. All of these programs are vital to sustaining our farmers who face a most difficult time economically. The application of new research and the development of new techniques are important to our agricultural base. Clearly, we must protect those resources that are not replaceable such as land and water. The continuation of these programs is necessary if we are to remain the breadbasket for the world.

For rural communities, the bill provides funds to continue programs such as rural housing, water and sewer loans and grants, and rural electrification and telephone service. There are just a few of the programs that help to foster a sound economy in our small and medium sized communities.

In meeting our responsibilities to those in need of nutrition assistance, the bill continues funds for the school lunch program, the food stamp program, all child nutrition programs and the special food program for women, infants and children [WIC]. The bill contains sufficient funds to maintain these programs at current service levels.

In the international area, programs such as Public Law 480 are also maintained at the fiscal year 1985 levels. However, this is one area that may need further attention given the continuing crisis in Africa. We may well need to consider additional funds for famine relief once we have reasonably reliable estimates on the food needs and actions necessary to continue to respond to this tragic situation.

I would especially like to have my colleagues note that the Committee provided direction to the Office of International Cooperation and Development to develop the Foreign Associate Expert Program. The committee expects OICD to work with other agencies to appoint recent science graduates to the Food and Agriculture Organization of the United Nations so that they may gain international experience. This should benefit our Nation as well as others. We expect OICD to see that four or five graduates are made available to the FAO for at least 2 years.

On the whole, I think the bill is a responsible one. the restorations that we made in program funding levels simply maintain current services in most instances. It is not an extravagant spending bill, and it deserves our support.

The CHAIRMAN. The Committee will rise informally in order that the House may receive a message.

MESSAGE FROM THE PRESIDENT

The Speaker pro tempore [Mr. MCHUGH] assumed the chair.

The SPEAKER pro tempore. The Chair will receive a message.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Saunders, one of his secretaries, who also informed the House that on the following dates the President approved and signed a bill and joint resolutions of the House of the following titles:

On July 17, 1985:

H.J. Res. 325. Joint resolution to designate July 13, 1985, as "Live Aid Day."

On July 19, 1985:

H.R. 1373. An act to designate the wilderness in the Point Reyes National Seashore in California as the Phillip Burton Wilderness.

On July 22, 1985:

H.J. Res. 198. Joint resolution providing for appointment of Barnabas McHenry as a citizen regent of the Smithsonian Institution.

On July 24, 1985:

H.J. Res. 342. Joint resolution making an urgent supplemental appropriation for the fiscal year September 30, 1985, for the Department of Agriculture.

The SPEAKER pro tempore. The Committee will resume its sitting.

AGRICULTURE, RURAL DEVELOPMENT, AND RELATED AGENCIES APPROPRIATION BILL, 1986

The Committee resumed its sitting.

Mrs. SMITH of Nebraska. Mr. Chairman, I yield 7 minutes to the gentleman from Kentucky [Mr. ROGERS].

Mr. ROGERS. Mr. Chairman, I thank the distinguished ranking member for yielding.

Mr. Chairman, I rise in strong support of this bill. I want to commend

our distinguished chairman and the ranking member and all the members of this subcommittee. There are a lot of hours, of course, represented in the product that is before us at this time, many hours of hearings, many hours of study and mulling over the problems of agriculture, especially at this time, and the need for us to continue the funding for many of the programs which are the only lifeline really that many of the farmers in our Nation have in many of the programs that are contained in this appropriations bill.

There are a number of things in the bill that are of particular interest to Members of this body individually, but then the bill contains, I think, commendable programs that are essential to us at this particular time. Some of the highlights that I think are significant are on the Agricultural Research Service, the bill reduces funds by $1.3 million below fiscal year 1985, but increases by about $9.5 million above the administration request.

The Cooperative State Research Service reduces funding by $9.8 million below fiscal year 1985 and increases by about $24.8 million above the request.

The Extension Service, which is so important to our States, it holds nearly even with the fiscal year 1985 level, including some transfers from the Food Stamp Program.

Crop insurance, it denies the administration proposal to eliminate subsidies and administrative support assistance for that program.

□ 1620

There is a slight increase for rural housing, essentially holding the ownership loans and the operating loans even. It keeps the water and sewer grant and loans at the fiscal 1985 level, and retains rural fire protection funding which is important to many of us.

It maintains the approximate same floor for loan levels for telephones and electric co-ops as fiscal 1985 in the REA, and the Soil Conservation Service it holds the programs at the fiscal 1985 level, including the RC&D programs, which I think are terribly important for our countryside.

The Child Nutrition Program has approximately a $200 million increase of fiscal 1985. It keeps the milk program at the fiscal 1985 level, and there is a slight increase for the WIC Program.

Food stamps increases about $100 million over fiscal 1985. The temporary Emergency Food Assistance Program for cheese and other products, there is a slight decrease below fiscal 1985.

The Foreign Agricultural Service is at about the 1985 level.

In a State like Kentucky, facing the problems of small farmers, many of them dependent upon tobacco growing as their principal source of cash income, at a time when that program is facing problems that perhaps are unique in its history, even if the tobacco program is maintained, many of those small farmers are still in need of supplemental, additional income. And in this bill there is a provision in the report language that is of particular importance to those areas.

This bill contains $150,000 for a comprehensive research program on supplemental fruits and vegetable crops for those types of farmers. The University of Kentucky will be participating with the USDA on research on subjects from cropping to facilities to market research, transportation and the like for such supplemental alternative crops, in addition to the tobacco crop.

In Kentucky, current fruit sales are about $11 million per year, and vegetable sales about $16 million. It is estimated that another $35 million of vegetables could be sold annually, within 10 years, and that within 8 to 10 years that could exceed $100 million.

This study, 3-year study is particularly significant toward that goal.

For the REA, there is some important report language in the bill relating to the REA. Recently the REA has maintained, I think, a terribly detrimental policy relating to general funds, restricting the availability of loans to electric and telephone borrowers based on the general funds of the co-op. That practice has prevented the REA from allocating the minimum loan levels outlined in appropriation bills. That language specifically in this bill tells the REA to halt that policy. I think that is significant and will be proven to be more so as time passes.

Again I thank the chairman and the ranking member and all of the members of this subcommittee for a lot of hard work. I think we have boiled this down in this bill to the very essence. I think every dollar in there can be justified. There is not more money being spent in this time of tight money than needs to be spent, and I think it adequately funds the programs that need and justify our attention.

So I thank our subcommittee for its hard work, and of course, the full committee, and I rise in strong support of the measure and hope that it passes. I urge my colleagues to support it, and I yield back the balance of my time.

Mr. WHITTEN. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. SMITH], a long-time member of the committee.

Mr. SMITH of Iowa. Mr. Chairman, I support this bill and I commend the gentleman from Mississippi [Mr. WHITTEN], the chairman of the subcommittee, and the gentlewoman from Nebraska [Mrs. SMITH] and the others for work on this bill. I think it does as good as we could in these times of tight budgets to not only take care of the problems of operating farmers with operating programs, but also consumer, nutrition, regulatory agencies, and various research programs which are so important to the future, including a number of research programs at Iowa State University, which I am very interested in. The bill also provides for computerized and other information that we need to make our very important decisions with regard to the 1985 farm bill. I urge support of this bill.

Mrs. SMITH of Nebraska. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. WEBER].

Mr. WEBER. Mr. Chairman, I rise in support of this bill and want to commend the committee for its work on the bill, and particularly the gentleman from Mississippi, Chairman WHITTEN, and the ranking member, the gentlewoman from Nebraska [Mrs. SMITH], for their work on a very important bill at a time that is tremendously difficult in the agricultural sector. I want to add my voice to those of my colleague who was just in the well, the gentleman from Kentucky [Mr. ROGERS], in particularly saying that I am pleased that the committee has seen fit to adequately fund the Rural Electrification Program which was in some doubt earlier in this budget cycle because of recommendations from the administration that would have had the effect of in essence gutting the REA Program.

Certainly in my part of the country and in other rural areas across the United States, it is hard to think of any program that has been over the long term more beneficial or more successful than the REA Program, both in bringing electric and telephone service to rural areas. They have done their job well, and there is still work to be done.

I commend the committee for both funding them adequately and dealing in report language with certain problems that have arisen because of the administration of this program over the last few years.

In addition, I would like to point out, Mr. Chairman, that although the bill is a good bill, and probably the best that the committee could do under the circumstances, we face a massive problem in agriculture that cannot be addressed simply by this bill or any other bill. I would like to speak specifically for a second, if I could, just in terms of the Farmers Home Administration.

This bill contains $700 million in Farmers Home loan money and $3.4 billion in farm operating loan money. Those are certainly prudent numbers from a strict fiscal standpoint.

But I would just like to share with the Members my view that we face an escalating and, indeed, cascading crisis across rural America, and particularly

in the upper Midwest that is going to render those figures, as generous as the committee has tried to be with them, wholly inadequate by this fall. We have a disastrous situation in the upper Midwest, and indeed throughout much of agricultural America.

Last spring, the whole Nation's attention was directed to this crisis. We faced a massive crisis and it was precipitated particularly in my area of the country by a drastic fall in land values. Federal and State examiners went through the banks in the Midwest and across the country and devalued land, at least in my district, by 50 percent across-the-board for most of the banks in my congressional district. They have since gone back to my congressional district, and far from revaluing that land upward, they have chosen to revalue it downward somewhat.

In addition to that immediate precipitating problem, we have faced long-term problems in agriculture of low prices and high interest rates. The Nation focused its attention on this agricultural problem last spring, and the country was suddenly sympathetic to the plight of the farmers and the farm problem was on the cover of Time, as well as we saw movies dedicated to that problem. But the massive bankruptcies that some predicted at that time did not quite materialize, at least in the number that we had anticipated they might. So many people conclude that the problem was not as severe as it was described to us last spring.

Mr. Chairman, that simply is not the case, and I am alerting the body here today, as I have done in the past, that all we did last spring really was delay the problem somewhat, and it is going to face us in spades, in my judgment, I am sorry to say, this fall.

Last spring the lending institutions across rural America decided that they were going to stick with their farm borrowers. as much as they could, and they were as generous in their lending practices as they could be. In essence, they gambled on higher prices and lower interest rates, and tried to keep their marginal borrowers in business as much as they could.

Unfortunately, those favorable conditions did not materialize, and unless something changes drastically, we are not going to see higher farm prices in the fall; we are going to see lower farm prices. And interest rates that will change very little, if at all, in the agricultural sector.

That means that those lenders that tried to be generous with their marginal borrowers in the spring are going to be in very difficult shape when it comes time to receive repayment this fall. And I beleive we will see a massive problem, a massive credit problem, develop in rural America, particularly in the upper Midwest, when those lenders seek repayment this fall.

□ 1630

At that time, substantial additional pressure is going to be put on the Farmers Home Administration to accommodate borrowers that are going to be literally shoved out of private lending institutions. Again, I commend the committee for the good job it has done.

Mr. Chairman, I intend to support the bill but I want to alert the committee as well as the Congress to this Member's opinion that the problem in agriculture in America is growing and we are going to have to come back again and again to deal with that very severe problem.

Mr. WHITTEN. Mr. Chairman, I yield 5 minutes to the gentleman from Hawaii [Mr. AKAKA], a member of the committee.

Mr. AKAKA. I thank the Chairman.

Mr. Chairman, I rise in support of the bill. I want to praise my chairman, Mr. WHITTEN of Mississippi, and our ranking minority person, Mrs. SMITH of Nebraska, the members of the committee and the staff for doing such a wonderful job in helping the farmers of our country.

As we look at agriculture in our country, in the world today there is no question in our minds that agriculture is one of the most important industries for human survival in the world. When we think of agriculture starting in backyards of farmers, growing into huge conglomerate farming and producing units, producing farm commodities for our country and also for other parts of the world, this has grown to be the largest industry in our country. It has become the backbone industry of our country. As such, it is one of the industries that our country must look to in continuing operations and continuing with the farmers so that they can continue to produce.

As we look at the problems that our farming community is facing, they are in a crisis at the present time. Many of them are suffering from financial crisis, which will mean that many of them will be going out of business.

I attended some hearings held in some of our southern States and we heard the farmers literally cry on our shoulders and beg for help that would keep them in the farming business.

Unfortunately, we were not able to help them with our farm emergency bill which was vetoed by the administration.

But we hope we can continue to help them with some of the programs that this committee has taken on, and that we will continue to help them.

One of the programs they wanted to be continued was the Soil Conservation Service. I am glad that this committee has been able to continue that service for our farmers throughout the country.

I look upon our responsibility in this committee as being very, very important for the farmers of our country.

I want to commend the members of the committee again, especially our chairman, Mr. WHITTEN, and Mrs. SMITH of Nebraska for their help and guidance on this committee.

Mr. Chairman, I urge my colleagues to support the bill.

Mrs. SMITH of Nebraska. Mr. Chairman, we have no further requests for time, and we reserve the balance of our time.

Mr. WHITTEN. Mr. Chairman, we have two more speakers on this side who have requested time.

Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. DURBIN], a member of the subcommittee.

Mr. DURBIN. I thank the Chairman.

Mr. Chairman, as a Member of the House of Representatives, I represent a congressional district which was represented more than 140 years ago by a gentleman by the name of Abraham Lincoln. When he was elected President of the United States, of course, he made history not only in our Nation, but in the world. There are several facets of the Lincoln administration which are not well-known. One of them is the fact that President Abraham Lincoln created a fledgling Department known as the Department of Agriculture.

For the very first time in America, we decided as a Nation that it was a Federal responsibility for us to be concerned about feeding our Nation and in fact feeding the people of the world in many years to come.

There are many great resources of American agriculture which have come from this effort and from our people and from our Nation; our rich soil, our technological strength, our productivity, our research, and those other intangibles, the industry and intelligence of American farmers, the family values that they bring to this great country.

But I have discovered in my short time on this subcommittee and on the full Committee on Appropriations, there is another great agricultural resource in America. I refer to our chairman, Mr. WHITTEN. He has humbled so many witnesses with his encyclopedic knowledge of agricultural programs. He has stunned many witnesses in our subcommittee when they came to learn that what they thought was a new idea had been tried before. Chairman WHITTEN then reported on the results of that previous effort. He has brought more than a historical perspective to this subcommittee's effort in this bill.

He has brought the vision to the future. I particularly refer to that section of the bill where we, in the sub-

committee, paid close attention to the needs for continuing research and continuing efforts to develop technology so that American agriculture will continue to lead the world.

One of the elements is a source of great pride to those of us in Illinois. It is a proposal for a plant and animal sciences research center at the University of Illinois. This biotechnical research center answers the No. 1 agricultural research priority of the U.S. Department of Agriculture and it does it in a fashion that is fiscally responsible. It suggests that the Federal Government will be involved in the building of this center but with the commitment from the University of Illinois to pay to equip it and to pay those operating expenses necessary.

This partnership, this sharing of expense, I think tackles the reality we face today of a budget deficit.

I am happy to support this particular effort of the Agriculture Subcommittee; I am proud to be a part of this effort. Mr. Chairman, I commend it to my colleagues.

Mr. WHITTEN. Mr. Chairman, I yield 5 minutes to a member of the subcommittee, the gentleman from Oklahoma [Mr. WATKINS].

Mr. WATKINS. I thank the Chairman.

Mr. Chairman, first I would like to stand and express my support for this particular Agricultural and Rural Development Appropriation Subcommittee bill. Second, I want to thank our chairman of the subcommittee, Mr. WHITTEN from Mississippi, and also the ranking minority member, Mrs. SMITH of Nebraska, and all the subcommittee members on both sides of the aisle for their deep and sincere and genuine concern and interest in the plight of the American farmer and the plight that exists in rural America.

I want to thank the staff for their time and extra effort which they are putting in because of the crisis that we face in agriculture today.

I only want to make one statement because I think this bill addresses as well as it can today the survivability of rural America under the trying circumstances that we have. But I think as a Congress, I think as a nation, as a legislative body we are going to have to ask the question and to answer the question: Is the basic agricultural industry important for the national security and survivability of our Nation? I think the answer to that is definitely yes. I think in the months and years ahead we are going to have to decide what we are going to do and what priority we are going to have to place on meeting the needs of this Nation.

So, Mr. Chairman, I want to thank the chairman again and the other members of the committee and the staff for the job that they have done to try to shape and to fashion a bill which under the trying circumstances we have today, I think does a good job, allows us to move forward and hopefully will help agriculture and rural America survive.

● Mr. ROYBAL. Mr. Chairman, I rise in support of the Chairman's amendment providing additional moneys for FDA to continue its research activities into the transmission, prevention, and control of HTLV-III infection and AIDS. Our committee has consistently provided the funds necessary to AIDS research by the NIH, CDC, and the FDA and has closely followed their progress in the search for a prevention, treatment, and cure of this tragic illness.

We have come a long way since this tragic illness first came to national attention, but there is still much work to be done. Some of the areas identified by our Secretary of Health and Human Services as needing greater attention are:

A 5-year followup and evaluation of blood donors who are found positive by the HTLV-III screening to determine the medical significance of the test results;

A study of the impact of additional tests for HTLV-III and other retroviruses on the safety of the blood supply;

A study to clarify the means of transmission of HTLV-III among homosexual males and AIDS patients;

Additional monitoring of the HTLV-III test kits for quality control;

The review and approval of second and third generation tests for AIDS and evaluation of diagnostic and treatment products, including an eventual vaccine against the HTLV-III virus.

I am pleased with the tremendous successes we have had in combating AIDS. We have identified HTLV-III as the causative agent, we have developed a screening test for the HTLV-III virus, and have begun to educate the public about AIDS. But our job is far from over. We need to know more about the viral components of the disease, that we can move quickly in developing a vaccine. We need to develop an efficient, accurate test to screen blood donations in order to protect the Nation's blood supply. We need epidemiological studies to understand how AIDS is spreading through the population. The FDA's role in this process is vital. We now need to focus on the activities outlined above. The moneys provided for in this amendment are essential to the continued progress of the NIH, CDC, and FDA in their battle against AIDS.●

● Mrs. LLOYD. Mr. Chairman, it is becoming increasingly evident that the cost of farm programs has become the major sticking point in efforts on both sides of the Capitol to write Federal farm policy for the coming years. The triple objective of lowering market prices, maintaining farmers' incomes and reducing the program's cost has so far eluded the best designs of congressional policy makers. This bill holds the line at last years spending level while reauthorizing programs which are absolutely essential to the Department of Agriculture to maintain and which are vital, not only to the present economic well being of our farmers, but to the future of American agriculture.

Mr. Chairman agriculture is the Nation's main generator of new wealth. It is estimated that each dollar taken from the soil multiplies seven times as it travels through the Nation's financial system. It is our country's largest industry, yet not a day goes by when the press does not report on the seriousness of the conditions facing American agriculture. Bankruptcies are prevalent, and loss of farms that have been in a family for generations is commonplace. This situation demands immediate action by Congress because time is running out for many desperate farmers. Failure to act will only result in the devastating loss of more farms, not only in the Third Congressional District of Tennessee but across the Nation. For the benefit of all—farmer, consumer, industry, and labor—the importance of American agriculture to our society and our economy must be recognized and perpetuated. The American farmer must have equal opportunity under the law to maintain parity with all other segments of this Nation's economy. The future strength and prosperity of this country depends on this.●

● Mr. BRUCE. Mr. Chairman, American agriculture faces a great challenge. Competition from foreign agricultural producers in threatening the vitality of our Nation's farm industry. Benefits will be realized by the Nation whose agricultural system incorporates new knowledge with the greatest speed. With this in mind, I rise in support of H.R. 3037, and more specifically, the proposed Plant and Animal Science Research Center at the University of Illinois in Champaign-Urbana.

In the past 40 years, production costs for U.S. agriculture have risen markedly. History has proven that in any industry, a constant flow of new technology that increases efficiency and quality is necessary to reduce production costs and maintain markets. That essential flow of new technology traditionally comes from sound basic research in combination with vigorous programs of applied research, and implemented through the cooperative efforts of Federal and State institutions.

Last year, the Appropriations Subcommittee on Agriculture, Rural Development, and Related Agencies, requested the U.S. Department of Agriculture to do a feasibility study on establishing a Plant and Animal Sciences Research Center at the University of Illinois. The study concluded

that the best interests of American consumers and American agriculture can be served by establishing this center in Champaign-Urbana.

The University of Illinois in Champaign-Urbana is uniquely qualified to operate such a research center. It is centrally located, and lies in the heart of the major corn and soybean production area of the Nation. It currently has 125 scientists engaged directly in biotechnology research, a field widely recognized as essential for the prosperous future of U.S. agriculture. It also has one of the most productive contingents of USDA plant scientists, along with a host of research facilities, including 2,200 acres of fields, herds and flocks located immediately adjacent to the campus. Representative KIKA DE LA GARZA, chairman of the Agriculture Committee, personally endorsed the project after visiting the campus last October.

An historic opportunity for improving the efficiency of agricultural production awaits. Major achievements in genetics, biochemistry, physiology, and molecular biology have advanced our scientists to the threshold of a new era in agricultural productivity. U.S. agricultural scientists will either lead or be led. It is in the best interests of our nation to invest wisely n one of our most envied assets—agricultural productivity. A Plant and Animal Sciences Research Center at the University of Illinois could help ensure the superior agricultural efficiency that is essential for this Nation's economic health and security.●

Mrs. SMITH of Nebraska. Mr. Chairman, I have no further requests for time and I yield back the balance of my time.

Mr. WHITTEN. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. All time has expired.

The Clerk will read.

□ 1640

The Clerk read as follows:

H.R. 3037

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for Agriculture, Rural Development, and Related Agencies programs for the fiscal year ending September 30, 1986, and for other purposes; namely:

TITLE I—AGRICULTURAL PROGRAMS

PRODUCTION, PROCESSING AND MARKETING

OFFICE OF THE SECRETARY

For necessary expenses of the Office of the Secretary of Agriculture, including not to exceed $75,000 for employment under 5 U.S.C. 3109, $1,750,000: *Provided,* That not to exceed $8,000 of this amount shall be available for official reception and representation expenses, not otherwise provided for, as determined by the Secretary.

OFFICE OF THE ASSISTANT SECRETARY FOR ADMINISTRATION

For necessary expenses of the Office of the Assistant Secretary for Administration to carry out the programs funded in this Act, $484,000.

STANDARD LEVEL USER CHARGES (USDA)

(INCLUDING TRANSFERS OF FUNDS)

For payment of Standard Level User Charges pursuant to Public Law 92-313 for programs and activities of the Department of Agriculture which are included in this Act, $49,454,000: *Provided,* That in the event an agency within the Department of Agriculture should require modification of space needs, the Secretary of Agriculture may transfer a share of that agency's appropriation made available by this Act to this appropriation, or may transfer a share of this appropriation to that agency's appropriation, but such transfers shall not exceed 10 per centum of the funds made available for Standard Level User Charges to or from this account.

BUILDING OPERATIONS AND MAINTENANCE

For the operation, maintenance, and repair of the Washington, D.C. Agriculture building complex pursuant to the delegation of authority from the Administrator of General Services authorized by 40 U.S.C. 486, $17,800,000.

ADVISORY COMMITTEES (USDA)

For necessary expenses for activities of Advisory Committees of the Department of Agriculture which are included in this Act, $1,323,000: *Provided,* That no other funds in this Act shall be available to the Department of Agriculture for support of activities of Advisory Committees.

DEPARTMENTAL ADMINISTRATION

(INCLUDING TRANSFERS OF FUNDS)

For Budget and Program Analysis, $3,796,000; for Personnel, Finance and Management, Operations, Information Resources Management, Equal Opportunity, Small and Disadvantaged Business Utilization, and Administrative Law Judges and Judicial Officer, $15,334,000; making a total of $19,130,000 for Departmental Administration to provide for necessary expenses for management support services to offices of the Department of Agriculture and for general administration of the Department of Agriculture, repairs and alterations, and other miscellaneous supplies and expenses not otherwise provided for and necessary for the practical and efficient work of the Department of Agriculture, of which not to exceed $10,000 is for employment under 5 U.S.C. 3109: *Provided,* That this appropriation shall be reimbursed from applicable appropriations in this Act for travel expenses incident to the holding of hearings as required by 5 U.S.C. 551-558.

WORKING CAPITAL FUND

An amount of $6,000,000 is hereby appropriated to the Departmental Working Capital Fund to increase the Government's equity in this fund and to provide for the purchase of automated data processing, data communication, and other related equipment necessary for the provision of Departmental centralized services to the agencies.

OFFICE OF THE ASSISTANT SECRETARY FOR GOVERNMENTAL AND PUBLIC AFFAIRS

For necessary expenses of the Office of the Assistant Secretary for Governmental and Public Affairs to carry out the programs funded in this Act, $337,000.

PUBLIC AFFAIRS

For necessary expenses to carry on services relating to the coordination of programs involving public affairs, and for the dissemination of agricultural information and the coordination of information, work and programs authorized by Congress in the Department, $6,758,000, of which not to exceed $10,000 shall be available for employment under 5 U.S.C. 3109, and not to exceed $2,000,000 may be used for farmers' bulletins and not fewer than two hundred thirty-two thousand two hundred and fifty copies for the use of the Senate and House of Representatives of part 2 of the annual report of the Secretary (known as the Yearbook of Agriculture) as authorized by 44 U.S.C. 1301: *Provided,* That in the preparation of motion pictures or exhibits by the Department, this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225).

LEGISLATIVE LIAISON

For necessary expenses for liaison with the Congress on legislative matters, $495,000.

INTERGOVERNMENTAL AFFAIRS

For necessary expenses for programs involving intergovernmental affairs, emergency preparedness, and liaison within the executive branch, $467,000.

OFFICE OF THE INSPECTOR GENERAL

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Office of the Inspector General, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), $30,756,000, including such sums as may be necessary for contracting and other arrangements with public agencies and private persons pursuant to section 6(a)(8) of the Inspector General Act of 1978 (Public Law 95-452), and including a sum not to exceed $50,000 for employment under 5 U.S.C. 3109; and including a sum not to exceed $75,000 for certain confidential operational expenses including the payment of informants, to be expended under the direction of the Inspector General pursuant to Public Law 95-452 and section 1337 of Public Law 97-98; and in addition, $15,924,000 shall be derived by transfer from the appropriation, "Food Stamp Program", and merged with this appropriation.

OFFICE OF THE GENERAL COUNSEL

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses, $15,077,000; and in addition, $786,000 shall be derived by transfer from the appropriation, "Food Stamp Program", and merged with this appropriation.

OFFICE OF THE ASSISTANT SECRETARY FOR ECONOMICS

For necessary expenses of the Office of the Assistant Secretary for Economics to carry out the programs funded in this Act, $418,000.

ECONOMIC RESEARCH SERVICE

For necessary expenses of the Economic Research Service in conducting economic research and service relating to agricultural production, marketing, and distribution, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627), and other laws, including economics of marketing; analyses relating to farm prices, income and population, and demand for farm products, use of resources in agriculture, adjustments, costs and returns in farming, and farm fi-

nance; research relating to the economic and marketing aspects of farmer cooperatives; and for analyses of supply and demand for farm products in foreign countries and their effect on prospects for United States exports, progress in economic development and its relation to sales of farm products, assembly and analysis of agricultural trade statistics and analysis of international financial and monetary programs and policies as they affect the competitive position of United States farm products; $46,305,000; of which not less than $200,000 shall be available for investigation, determination and finding as to the effect upon the production of food and upon the agricultural economy of any proposed action affecting such subject matter pending before the Administrator of the Environmental Protection Agency for presentation, in the public interest, before said Administrator, other agencies or before the courts: *Provided*, That not less than $350,000 of the funds contained in this appropriation shall be available to continue to gather statistics and conduct a special study on the price spread between the farmer and consumer: *Provided further*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225): *Provided further*, That not less than $145,000 of the funds contained in this appropriation shall be available for analysis of statistics and related facts on foreign production and full and complete information on methods used by other countries to move farm commodities in world trade on a competitive basis.

STATISTICAL REPORTING SERVICE

For necessary expenses of the Statistical Reporting Service in conducting statistical reporting and service work, including crop and livestock estimates, statistical coordination and improvements, and marketing surveys, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627) and other laws, $59,079,000: *Provided*, That no part of the funds herein appropriated shall be available for any expense incident to publishing estimates of apple production for other than the commercial crop: *Provided further*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $40,000 shall be available for employment under 5 U.S.C. 3109.

WORLD AGRICULTURAL OUTLOOK BOARD

For necessary expenses of the World Agricultural Outlook Board to coordinate and review all commodity and aggregate agricultural and food data used to develop outlook and situation material within the Department of Agriculture, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1622g), $1,680,000: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225).

OFFICE OF THE ASSISTANT SECRETARY FOR SCIENCE AND EDUCATION

For necessary salaries and expenses for the Office of the Assistant Secretary for Science and Education to administer the laws enacted by the Congress for the Agricultural Research Service, Cooperative State Research Service, Extension Service, and National Agricultural Library, $371,000.

AGRICULTURAL RESEARCH SERVICE

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses to enable the Agricultural Research Service to perform agricultural research and demonstration relating to production, utilization, marketing, and distribution (not otherwise provided for), home economics or nutrition and consumer use, and to coordinate and provide program leadership for higher education work of the Department, and for acquisition of lands by donation, exchange, or purchase at a nominal cost not to exceed $100; $492,806,000: *Provided*, That appropriations hereunder shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $115,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That funds appropriated herein can be used to provide financial assistance to the organizers of national and international conferences, if such conferences are in support of agency programs: *Provided further*, That appropriations hereunder shall be available for the operation and maintenance of aircraft and the purchase of not to exceed one for replacement only: *Provided further*, That uniform allowances for each uniformed employee of the Agricultural Research Service shall not be in excess of $400 annually: *Provided further*, That of the appropriations hereunder not less than $10,526,600 shall be available to conduct marketing research: *Provided further*, That appropriations hereunder shall be available pursuant to 7 U.S.C. 2250 for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided the cost of constructing any one building shall not exceed $150,000, except for headhouses connecting greenhouses which shall each be limited to $500,000, and except for ten buildings to be constructed or improved at a cost not to exceed $275,000 each, and the cost of altering any one building during the fiscal year shall not exceed 10 per centum of the current replacement value of the building or $150,000 whichever is greater: *Provided further*, That the limitations on alterations contained in this Act shall not apply to a total of $250,000 for facilities at Beltsville, Maryland: *Provided further*, That the foregoing limitations shall not apply to replacement of buildings needed to carry out the Act of April 24, 1948 (21 U.S.C. 113a): *Provided further*, That the limitation on purchase of land shall not apply to the purchase of land at Fresno, California, or to an option to purchase land at Florence, South Carolina, for a term of not to exceed one year: *Provided further*, That the limitations on construction contained in this Act shall not apply to the establishment of the National Clonal Germplasm Repository for Citrus, Riverside, California: *Provided further*, That not to exceed $200,000 of this appropriation may be transferred to and merged with the appropriation for the Office of the Assistant Secretary for Science and Education for the scientific review of international issues involving agricultural chemicals and food additives.

Special fund: To provide for additional labor, subprofessional, and junior scientific help to be employed under contracts and cooperative agreements to strengthen the work at Federal research installations in the field, $2,000,000.

BUILDINGS AND FACILITIES

For acquisition of land, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities of or used by the Agricultural Research Service, where not otherwise provided, $3,600,000.

COOPERATIVE STATE RESEARCH SERVICE

For payments to agricultural experiment stations, for cooperative forestry and other research, for facilities, and for other expenses, including $156,484,000 to carry into effect the provisions of the Hatch Act approved March 2, 1887, as amended by the Act approved August 11, 1955 (7 U.S.C. 361a-361i), and further amended by Public Law 92-318 approved June 23, 1972, and further amended by Public Law 93-471 approved October 26, 1974, including administration by the United States Department of Agriculture, and penalty mail costs of agricultural experiment stations under section 6 of the Hatch Act of 1887, as amended, and payments under section 1361(c) of the Act of October 3, 1980 (7 U.S.C. 301n.); $13,053,000 for grants for cooperative forestry research under the Act approved October 10, 1962 (16 U.S.C. 582a—582a-7), as amended by Public Law 92-318 approved June 23, 1972, including administrative expenses, and payments under section 1361(c) of the Act of October 3, 1980 (7 U.S.C. 301n.); $23,474,000 for payments to the 1890 land-grant colleges, including Tuskegee Institute, for research under section 1445 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (Public Law 95-113), as amended, including administration by the United States Department of Agriculture, and penalty mail costs of the 1890 land-grant colleges, including Tuskegee Institute; $27,310,000 for contracts and grants for agricultural research under the Act of August 4, 1965, as amended (7 U.S.C. 450i); $34,000,000 for competitive research grants, including administrative expenses; $5,760,000 for the support of animal health and disease programs authorized by section 1433 of Public Law 95-113, including administrative expenses; $1,202,000 for research authorized by the Critical Agricultural Materials Act of 1984; $500,000 for rangeland research grants as authorized by subtitle M of the National Agricultural Research, Extension, and Teaching Policy Act of 1977, as amended; $10,000,000 for grants to upgrade 1890 land-grant college research facilities as authorized by section 1433 of Public Law 97-98, to remain available until expended; $3,000,000 for higher education strengthening grants under section 1417(a)(2)(A) of Public Law 95-113, as amended (7 U.S.C. 3152(a)(2)(A)); and $1,645,000 for necessary expenses of Cooperative State Research Service activities, including administration of payments to State agricultural experiment stations, funds for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $50,000 for employment under 5 U.S.C. 3109; in all, $276,428,000.

EXTENSION SERVICE

(INCLUDING TRANSFERS OF FUNDS)

Payments to States, Puerto Rico, Guam, the Virgin Islands, Micronesia, and American Samoa: For payments for cooperative agricultural extension work under the Smith-Lever Act, as amended by the Act of June 26, 1953, the Act of August 11, 1955, the Act of October 5, 1962 (7 U.S.C. 341-349), section 506 of the Act of June 23, 1972, and the Act of September 29, 1977 (7 U.S.C. 341-349), as amended, and section 1361(c) of the Act of October 3, 1980 (7 U.S.C. 301n.), to be distributed under sections 3(b) and

3(c) of the Act, for retirement and employees' compensation costs for extension agents, and for costs of penalty mail for cooperative extension agents and State extension directors, $241,484,000; payments for the nutrition and family education program for low-income areas under section 3(d) of the Act, $60,354,000, of which $38,627,000 shall be derived by transfer from the appropriation, "Food Stamp Program", and merged with this appropriation; payments for the urban gardening program under section 3(d) of the Act, $3,500,000; payments for the pest management program under section 3(d) of the Act, $7,531,000; payments for the farm safety program under section 3(d) of the Act, $1,020,000; payments for the integrated reproductive management program under section 3(d) of the Act, $50,000; payments for the pesticide impact assessment program under section 3(d) of the Act, $1,716,000; payments for a financial management assistance program under section 3(d) of the Act, $1,000,000; payments for extension work under section 209(c) of Public Law 93-471, $983,000; payments for extension work by the colleges receiving the benefits of the second Morrill Act (7 U.S.C. 321-326, 328) and Tuskegee Institute, $17,741,000; in all, $296,752,000; of which not less than $79,400,000 is for Home Economics: *Provided*, That funds hereby appropriated pursuant to section 3(c) of the Act of June 26, 1953, and section 506 of the Act of June 23, 1972, as amended, shall not be paid to any State, Puerto Rico, Guam, or the Virgin Islands, Micronesia, and American Samoa prior to availability of an equal sum from non-Federal sources for expenditure during the current fiscal year.

Federal administration and coordination: For administration of the Smith-Lever Act, as amended by the Act of June 26, 1953, the Act of August 11, 1955, the Act of October 5, 1962, section 506 of the Act of June 23, 1972, section 209(d) of Public Law 93-471, and the Act of September 29, 1977 (7 U.S.C. 341-349), as amended, and section 1361(c) of the Act of October 3, 1980 (7 U.S.C. 301n.), and to coordinate and provide program leadership for the extension work of the Department and the several States and insular possessions, $5,979,000; of which not less than $2,300,000 is for Home Economics.

NATIONAL AGRICULTURAL LIBRARY

For necessary expenses of the National Agricultural Library, $11,340,000: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $35,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That not to exceed $575,000 shall be available pursuant to 7 U.S.C. 2250 for the alteration and repair of buildings and improvements.

OFFICE OF THE ASSISTANT SECRETARY FOR MARKETING AND INSPECTION SERVICES

For necessary salaries and expenses for the Office of the Assistant Secretary for Marketing and Inspection Services to administer programs under the laws enacted by the Congress for the Animal and Plant Health Inspection Service, Food Safety and Inspection Service, Federal Grain Inspection Service, Agricultural Cooperative Service, Agricultural Marketing Service, (including Office of Transportation) and Packers and Stockyards Administration, $347,000.

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

SALARIES AND EXPENSES

(INCLUDING TRANSFERS OF FUNDS)

For expenses, not otherwise provided for, including those pursuant to the Act of February 28, 1947, as amended (21 U.S.C. 114b-c), necessary to prevent, control, and eradicate pests and plant and animal diseases; to carry out inspection, quarantine, and regulatory activities; and to protect the environment, as authorized by law, $281,165,000; of which $3,000,000 shall be available for the control of outbreaks of insects, plant diseases and animal diseases to the extent necessary to meet emergency conditions: *Provided*, That $1,000,000 of the funds for control of the fire ant shall be placed in reserve for matching purposes with States which may come into the program: *Provided further*, That no funds shall be used to formulate or administer a brucellosis eradication program for the current fiscal year that does not require minimum matching by the States of at least 40 per centum: *Provided further*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $40,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That this appropriation shall be available for the operation and maintenance of aircraft and the purchase of not to exceed two, of which one shall be for replacement only: *Provided further*, That, in addition, in emergencies which threaten any segment of the agricultural production industry of this country, the Secretary may transfer from other appropriations or funds available to the agencies or corporations of the Department such sums as he may deem necessary, to be available only in such emergencies for the arrest and eradication of contagious or infectious diseases or pests of animals, poultry, or plants, and for expenses in accordance with the Act of February 28, 1947, as amended, and section 102 of the Act of September 21, 1944, as amended, and any unexpended balances of funds transferred for such emergency purposes in the next preceding fiscal year shall be merged with such transferred amounts.

BUILDINGS AND FACILITIES

For plans, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities, as authorized by 7 U.S.C. 2250, and acquisition of land as authorized by 7 U.S.C. 428a, $4,262,000.

FOOD SAFETY AND INSPECTION SERVICE

For necessary expenses to carry on services authorized by the Federal Meat Inspection Act, as amended, and the Poultry Products Inspection Act, as amended, $358,494,000: *Provided*, That this appropriation shall be available for field employment pursuant to section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $75,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but the cost of altering any one building during the fiscal year shall not exceed 10 per centum of the current replacement value of the building.

FEDERAL GRAIN INSPECTION SERVICE

SALARIES AND EXPENSES

For necessary expenses to carry out the provisions of the United States Grain Standards Act, as amended, and the standardization activities related to grain under the Agricultural Marketing Act of 1946, as amended, including field employment pursuant to section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $20,000 for employment under 5 U.S.C. 3109, $7,045,000: *Provided*, That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but, unless otherwise provided, the cost of altering any one building during the fiscal year shall not exceed 10 per centum of the current replacement value of the building: *Provided further*, That none of the funds provided by this Act may be used to pay the salaries of any person or persons who require, or who authorize payments from fee-supported funds to persons or persons who require, nonexport, nonterminal interior elevators to maintain records not involving official inspection or official weighing in the United States under Public Law 94-582 other than those necessary to fulfill the purposes of such Act.

INSPECTION AND WEIGHING SERVICES

LIMITATION ON ADMINISTRATIVE EXPENSES

Not to exceed $36,856,000 (from fees collected) shall be obligated during the current fiscal year for Inspection and Weighing Services.

AGRICULTURAL COOPERATIVE SERVICE

For necessary expenses to carry out the Cooperative Marketing Act of July 2, 1926 (7 U.S.C. 451-457), and for activities relating to the marketing aspects of cooperatives, including economic research and analysis and the application of economic research findings, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627), and for activities with institutions or organizations throughout the world concerning the development and operation of agricultural cooperatives (7 U.S.C. 3291), $4,713,000; of which $139,000 shall be available for a field office in Hawaii: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $15,000 shall be available for employment under 5 U.S.C. 3109.

AGRICULTURAL MARKETING SERVICE

MARKETING SERVICES

For necessary expenses to carry on services related to consumer protection, agricultural marketing and distribution and regulatory programs as authorized by law, and for administration and coordination of payments to States; including field employment pursuant to section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $70,000 for employment under 5 U.S.C. 3109, $31,455,000; of which not less than $1,582,000 shall be available for the Wholesale Market Development Program for the design and development of wholesale and farmer market facilities for the major metropolitan areas of the country: *Provided*, That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but, unless otherwise provided, the cost of altering any one building during the fiscal year shall not exceed 10 per centum of the current replacement value of the building.

LIMITATION ON ADMINISTRATIVE EXPENSES

Not to exceed $27,253,000 (from fees collected) shall be obligated during the current fiscal year for administrative expenses.

FUNDS FOR STRENGTHENING MARKETS, INCOME, AND SUPPLY (SECTION 32)

(INCLUDING TRANSFERS OF FUNDS)

Funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) shall be used only for commodity program expenses as authorized therein, and other related operating expenses, except for: (1) transfers to the Department of Commerce as authorized by the Fish and Wildlife Act of August 8, 1956; (2) transfers otherwise provided in this Act; and (3) not more than $6,193,000 for formulation and administration of Marketing Agreements and Orders pursuant to the Agricultural Marketing Agreement Act of 1937, as amended, and the Agricultural Act of 1961.

PAYMENTS TO STATES AND POSSESSIONS

For payments to departments of agriculture, bureaus and departments of markets, and similar agencies for marketing activities under section 204(b) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623(b)), $990,000.

OFFICE OF TRANSPORTATION

For necessary expenses to carry on services related to agricultural transportation programs as authorized by law; including field employment pursuant to section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $20,000 for employment under 5 U.S.C. 3109, $2,466,000: *Provided*, That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but, unless otherwise provided, the cost of altering any one building during the fiscal year shall not exceed 10 per centum of the current replacement value of the building.

PACKERS AND STOCKYARDS ADMINISTRATION

For necessary expenses for administration of the Packers and Stockyards Act, as authorized by law, including field employment pursuant to section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $5,000 for employment under 5 U.S.C. 3109, $9,201,000.

FARM INCOME STABILIZATION

OFFICE OF THE UNDER SECRETARY FOR INTERNATIONAL AFFAIRS AND COMMODITY PROGRAMS

For necessary salaries and expenses for the Office of the Under Secretary for International Affairs and Commodity Programs to administer the laws enacted by Congress for the Agricultural Stabilization and Conservation Service, Office of International Cooperation and Development, Foreign Agricultural Service, and the Commodity Credit Corporation, $502,000.

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

SALARIES AND EXPENSES

(INCLUDING TRANSFERS OF FUNDS)

For necessary administrative expenses of the Agricultural Stabilization and Conservation Service, including expenses to formulate and carry out programs authorized by title III of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1301-1393); the Agricultural Act of 1949, as amended (7 U.S.C. 1421 et seq.); sections 7 to 15, 16(a), 16(f), and 17 of the Soil Conservation and Domestic Allotment Act, as amended and supplemented (16 U.S.C. 590g-590o, 590p(a), 590p(f), and 590q); sections 1001 to 1004, 1006 to 1008, and 1010 of the Agricultural Act of 1970 as added by the Agriculture and Consumer Protection Act of 1973 (16 U.S.C. 1501 to 1504, 1506 to 1508, and 1510); the Water Bank Act, as amended (16 U.S.C. 1301-1311); the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2101); sections 401, 402, and 404 to 406 of the Agricultural Credit Act of 1978 (16 U.S.C. 2201 to 2205); and laws pertaining to the Commodity Credit Corporation, $395,119,000: *Provided*, That not to exceed $395,119,000 may be transferred to this account from the Commodity Credit Corporation fund: *Provided further*, That other funds made available to the Agricultural Stabilization and Conservation Service for authorized activities may be advanced to and merged with this account: *Provided further*, That these funds shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $100,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That no part of the funds appropriated or made available under this Act shall be used (1) to influence the vote in any referendum; (2) to influence agricultural legislation, except as permitted in 18 U.S.C. 1913; or (3) for salaries or other expenses of members of county and community committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, for engaging in any activities other than advisory and supervisory duties and delegated program functions prescribed in administrative regulations.

DAIRY INDEMNITY PROGRAM

For necessary expenses involved in making indemnity payments to dairy farmers for milk or cows producing such milk and manufacturers of dairy products who have been directed to remove their milk or dairy products from commercial markets because it contained residues of chemicals registered and approved for use by the Federal Government, and in making indemnity payments for milk, or cows producing such milk, at a fair market value to any dairy farmer who is directed to remove his milk from commercial markets because of (1) the presence of products of nuclear radiation or fallout if such contamination is not due to the fault of the farmer, or (2) residues of chemicals or toxic substances not included under the first sentence of the Act of August 13, 1968, as amended (7 U.S.C. 450j), if such chemicals or toxic substances were not used in a manner contrary to applicable regulations or labeling instructions provided at the time of use and the contamination is not due to the fault of the farmer, $100,000: *Provided*, That none of the funds contained in this Act shall be used to make indemnity payments to any farmer whose milk was removed from commercial markets as a result of his willful failure to follow procedures prescribed by the Federal Government.

CORPORATIONS

The following corporations and agencies are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the current fiscal year for such corporation or agency, except as hereinafter provided:

FEDERAL CROP INSURANCE CORPORATION

ADMINISTRATIVE AND OPERATING EXPENSES

For administrative and operating expenses, as authorized by the Federal Crop Insurance Act, as amended (7 U.S.C. 1516), $200,502,000: *Provided*, That not to exceed $700 shall be available for official reception and representation expenses, as authorized by 7 U.S.C. 1506(i).

FEDERAL CROP INSURANCE CORPORATION FUND

For payments as authorized by section 508(b) of the Federal Crop Insurance Act, as amended, $135,000,000.

COMMODITY CREDIT CORPORATION

REIMBURSEMENT FOR NET REALIZED LOSSES

To reimburse the Commodity Credit Corporation for net realized losses sustained, but not previously reimbursed, pursuant to the Act of August 17, 1961 (15 U.S.C. 713a-11, 713a-12), $9,195,240,000.

GENERAL SALES MANAGER

(ALLOTMENT FROM COMMODITY CREDIT CORPORATION)

(INCLUDING TRANSFERS OF FUNDS)

Not to exceed $6,089,000 may be transferred from the Commodity Credit Corporation funds to support the General Sales Manager who shall work to expand and strengthen sales of United States commodities (including those of the Corporation) in world markets pursuant to existing authority (including that contained in the Corporation's charter), and that such funds shall be used by the General Sales Manager to carry out the above activities. The General Sales Manager shall report directly to the Board of Directors of the Corporation of which the Secretary of Agriculture is a member. The General Sales Manager shall obtain, assimilate, and analyze all available information on developments related to private sales, as well as those funded by the Corporation, including grade and quality as sold and as delivered, including information relating to the effectiveness of greater reliance by the General Sales Manager upon loan guarantees as contrasted to direct loans for financing commercial export sales of agricultural commodities out of private stocks on credit terms, as provided in titles I and II of the Agricultural Trade Act of 1978, Public Law 95-501, and shall submit quarterly reports to the appropriate committees of Congress concerning such developments.

Mr. WHITTEN (during the reading). Mr. Chairman, I ask unanimous consent that title I be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The CHAIRMAN. Are there any amendments or points of order to title I?

If there are no amendments to title I, the Clerk will read.

The Clerk read as follows:

TITLE II—RURAL DEVELOPMENT PROGRAMS

RURAL DEVELOPMENT ASSISTANCE

OFFICE OF THE UNDER SECRETARY FOR SMALL COMMUNITY AND RURAL DEVELOPMENT

For necessary salaries and expenses for the Office of the Under Secretary for Small Community and Rural Development to administer programs under the laws enacted by the Congress for the Farmers Home Administration, Rural Electrification Administration, Office of Rural Development

Policy, and Federal Crop Insurance Corporation, $415,000.

OFFICE OF RURAL DEVELOPMENT POLICY

For necessary expenses, not otherwise provided for, of the Office of Rural Development Policy in providing leadership, coordination, and related services in carrying out the rural development activities of the Department of Agriculture, as authorized by section 603 of the Rural Development Act of 1972, as amended (7 U.S.C. 2204b); section 2 of the Rural Development Policy Act of 1980 (7 U.S.C. 1921), and grants pursuant to the Consolidated Farm and Rural Development Act, as amended (7 U.S.C. 1926(a)(11) and 7 U.S.C. 1932(c)), $2,037,000: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $5,000 of this appropriation shall be available for employment under 5 U.S.C. 3109.

FARMERS HOME ADMINISTRATION

RURAL HOUSING INSURANCE FUND

For direct loans and related advances pursuant to section 517(m) of the Housing Act of 1949, as amended, $17,000,000 shall be available from funds in the Rural Housing Insurance Fund, and for insured loans as authorized by title V of the Housing Act of 1949, as amended, $3,221,000,000; of which not less than $3,220,000,000 shall be available for subsidized interest loans to low-income borrowers, as determined by the Secretary, and for subsequent loans to existing borrowers or to purchasers under assumption agreements or credit sales; and not to exceed $10,000,000 to enter into collection and servicing contracts pursuant to the provisions of section 3(f)(3) of the Federal Claims Act of 1966 (31 U.S.C. 952).

During fiscal year 1986, no more than 15,000 units may be assisted under rental assistance agreements entered into or extended during the year pursuant to authority under section 521(a)(2) of the Housing Act of 1949, as amended, and the total new obligation incurred over the life of these agreements shall not exceed $198,000,000 to be added to and merged with the authority provided for this purpose in prior fiscal years: *Provided*, That the life of the agreements entered into or extended during fiscal year 1986 shall not exceed five years.

For an additional amount to reimburse the Rural Housing Insurance Fund for interest subsidies and losses sustained in prior years, but not previously reimbursed, in carrying out the provisions of title V of the Housing Act of 1949, as amended (42 U.S.C. 1483, 1487e, and 1490a(c)), including $2,757,000 as authorized by section 521(c) of the Act, $1,843,927,000, and for an additional amount as authorized by section 521(c) of the Act as may be necessary to reimburse the fund to carry out a rental assistance program under section 521(a)(2) of the Housing Act of 1949, as amended.

AGRICULTURAL CREDIT INSURANCE FUND

Loans may be insured, or made to be sold and insured, under this fund in accordance with and subject to the provisions of 7 U.S.C. 1928–1929, or guaranteed, as follows: real estate loans, $732,000,000, including not less than $700,000,000 for farm ownership loans of which $200,000,000 shall be guaranteed loans; and not less than $28,000,000 for water development, use, and conservation loans of which $6,000,000 shall be guaranteed loans; operating loans, $3,400,000,000 of which $1,480,000,000 shall be guaranteed loans; and emergency insured and guaranteed loans in amounts necessary to meet the needs resulting from natural disasters.

For an additional amount to reimburse the Agricultural Credit Insurance Fund for interest subsidies and losses sustained in prior years, but not previously reimbursed, in carrying out the provisions of the Consolidated Farm and Rural Development Act, as amended (7 U.S.C. 1988(a)), $1,089,943,000.

RURAL DEVELOPMENT INSURANCE FUND

For loans to be insured, or made to be sold and insured, under this fund in accordance with and subject to the provisions of 7 U.S.C. 1928 and 86 Stat. 661–664, as follows: insured water and sewer facility loans, $340,000,000; guaranteed industrial development loans, $100,000,000; and insured community facility loans, $115,000,000.

For an additional amount to reimburse the Rural Development Insurance Fund for interest subsidies and losses sustained in prior years, but not previously reimbursed, in carrying out the provisions of the Consolidated Farm and Rural Development Act, as amended (7 U.S.C. 1988(a)), $560,005,000.

RURAL WATER AND WASTE DISPOSAL GRANTS

For grants pursuant to sections 306(a)(2) and 306(a)(6) of the Consolidated Farm and Rural Development Act, as amended (7 U.S.C. 1926), $115,000,000, to remain available until expended, pursuant to section 306(d) of the above Act.

VERY LOW-INCOME HOUSING REPAIR GRANTS

For grants to the very low-income elderly for essential repairs to dwellings pursuant to section 504 of the Housing Act of 1949, as amended, $12,500,000.

MUTUAL AND SELF-HELP HOUSING

For grants and contracts pursuant to section 523(b)(1)(A) of the Housing Act of 1949 (42 U.S.C. 1490c), $8,000,000.

RURAL COMMUNITY FIRE PROTECTION GRANTS

For grants pursuant to section 7 of the Cooperative Forestry Assistance Act of 1978 (Public Law 95–313), $3,250,000 to fund up to 50 per centum of the cost of organizing, training, and equipping rural volunteer fire departments.

COMPENSATION FOR CONSTRUCTION DEFECTS

For compensation for construction defects as authorized by section 509(c) of the Housing Act of 1949, as amended, $1,000,000.

RURAL HOUSING PRESERVATION GRANTS

Funds made available by Public Laws 98–396 and 98–473 for rural housing preservation grants shall remain available through September 30, 1986.

SALARIES AND EXPENSES

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Farmers Home Administration, not otherwise provided for, in administering the programs authorized by the Consolidated Farm and Rural Development Act (7 U.S.C. 1921–1995), as amended; title V of the Housing Act of 1949, as amended (42 U.S.C. 1471–1490h); the Rural Rehabilitation Corporation Trust Liquidation Act, approved May 3, 1950 (40 U.S.C. 440–444), for administering the loan program authorized by title III A of the Economic Opportunity Act of 1964 (Public Law 88–452 approved August 20, 1964), as amended, and such other programs for which Farmers Home Administration has the responsibility for administering, $356,297,000, together with not more than $3,000,000 of the charges collected in connection with the insurance of loans as authorized by section 309(e) of the Consolidated Farm and Rural Development Act, as amended, and section 517(i) of the Housing Act of 1949, as amended, or in connection with charges made on borrowers under section 502(a) of the Housing Act of 1949, as amended: *Provided*, That, in addition, not to exceed $1,000,000 of the funds available for the various programs administered by this agency may be transferred to this appropriation for temporary field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), to meet unusual or heavy workload increases: *Provided further*, That not to exceed $500,000 of this appropriation may be used for employment under 5 U.S.C. 3109: *Provided further*, That not to exceed $1,600,000 of this appropriation shall be available for contracting with the National Rural Water Association or other equally qualified national organization for a circuit rider program to provide technical assistance for rural water systems: *Provided further*, That, in addition to any other authority that the Secretary may have to defer principal and interest and forego foreclosure, the Secretary may permit, at the request of the borrower, the deferral of principal and interest on any outstanding loan made, insured, or held by the Secretary under this title, or under the provisions of any other law administered by the Farmers Home Administration, and may forego foreclosure of any such loan, for such period as the Secretary deems necessary upon a showing by the borrower that due to circumstances beyond the borrower's control, the borrower is temporarily unable to continue making payments of such principal and interest when due without unduly impairing the standard of living of the borrower. The Secretary may permit interest that accrues during the deferral period on any loan deferred under this section to bear no interest during or after such period: *Provided further*, That if the security instrument securing such loan is foreclosed, such interest as is included in the purchase price at such foreclosure shall become part of the principal and draw interest from the date of foreclosure at the rate prescribed by law.

RURAL ELECTRIFICATION ADMINISTRATION

To carry into effect the provisions of the Rural Electrification Act of 1936, as amended (7 U.S.C. 901–950(b)), as follows:

RURAL ELECTRIFICATION AND TELEPHONE REVOLVING FUND LOAN AUTHORIZATIONS

Insured loans pursuant to the authority of section 305 of the Rural Electrification Act of 1936, as amended (7 U.S.C. 935), shall be made as follows: rural electrification loans, not less than $650,000,000 nor more than $1,100,000,000; and rural telephone loans, not less than $250,000,000 nor more than $325,000,000; to remain available until expended: *Provided*, That loans made pursuant to section 306 of that Act are in addition to these amounts but during 1986 total commitments to guarantee loans pursuant to section 306 shall be not less than $975,000,000 nor more than $2,345,000,000 of contingent liability for total loan principal: *Provided further*, That as a condition of approval of insured electric loans during fiscal year 1986, borrowers shall obtain concurrent supplemental financing in accordance with the applicable criteria and ratios in effect as of July 15, 1982.

REIMBURSEMENT TO THE RURAL ELECTRIFICATION AND TELEPHONE REVOLVING FUND

For an additional amount to reimburse the rural electrification and telephone re-

volving fund for interest subsidies and losses sustained in prior years, but not previously reimbursed, in carrying out the provisions of the Rural Electrification Act of 1936, as amended (7 U.S.C. 901-950(b)), $225,395,000.

RURAL TELEPHONE BANK

For the purchase of Class A stock of the Rural Telephone Bank, $30,000,000, to remain available until expended (7 U.S.C. 901-950(b)).

The Rural Telephone Bank is hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to such corporation in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out its authorized programs for the current fiscal year. During 1986, and within the resources and authority available, gross obligations for the principal amount of direct loans shall be not less than $185,000,000 nor more than $220,000,000.

RURAL COMMUNICATION DEVELOPMENT FUND

To reimburse the Rural Communication Development Fund for interest subsidies and losses sustained in prior years, but not previously reimbursed, in making Community Antenna Television loans and loan guarantees under sections 306 and 310B of the Consolidated Farm and Rural Development Act, as amended, $1,203,000.

SALARIES AND EXPENSES

For administrative expenses to carry out the provisions of the Rural Electrification Act of 1936, as amended (7 U.S.C. 901-950(b)), and to administer the loan and loan guarantee programs for Community Antenna Television facilities as authorized by the Consolidated Farm and Rural Development Act (7 U.S.C. 1921-1995), and for which commitments were made prior to fiscal year 1985, including not to exceed $7,000 for financial and credit reports, funds for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $103,000 for employment under 5 U.S.C. 3109, $30,990,000.

CONSERVATION

OFFICE OF THE ASSISTANT SECRETARY FOR NATURAL RESOURCES AND ENVIRONMENT

For necessary salaries and expenses for the Office of the Assistant Secretary for Natural Resources and Environment to administer the laws enacted by the Congress for the Forest Service and the Soil Conservation Service, $386,000.

SOIL CONSERVATION SERVICE

CONSERVATION OPERATIONS

For necessary expenses for carrying out the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-590f) including preparation of conservation plans and establishment of measures to conserve soil and water (including farm irrigation and land drainage and such special measures for soil and water management as may be necessary to prevent floods and the siltation of reservoirs and to control agricultural related pollutants); operation of conservation plant materials centers; classification and mapping of soil; dissemination of information; acquisition of lands by donation, exchange, or purchase at a nominal cost not to exceed $100; purchase and erection or alteration or improvement of permanent and temporary buildings; and operation and maintenance of aircraft, $365,629,000; of which not less than $3,973,000 is for snow survey and water forecasting and not less than $4,089,000 is for operation of the plant materials centers: *Provided,* That of the foregoing amounts $290,204,000 is for personnel compensation and benefits and $75,425,000 is for other expenses: *Provided further,* That the cost of any permanent building purchased, erected, or as improved, exclusive of the cost of constructing a water supply or sanitary system and connecting the same to any such building and with the exception of buildings acquired in conjunction with land being purchased for other purposes, shall not exceed $10,000, except for one building to be constructed at a cost not to exceed $100,000 and eight buildings to be constructed or improved at a cost not to exceed $50,000 per building and except that alterations or improvements to other existing permanent buildings costing $5,000 or more may be made in any fiscal year in an amount not to exceed $2,000 per building: *Provided further,* That when buildings or other structures are erected on non-Federal land that right to use such land is obtained as provided in 7 U.S.C. 2250a: *Provided further,* That no part of this appropriation may be expended for soil and water conservation operations under the Act of April 27, 1935 (16 U.S.C. 590a-590f) in demonstration projects: *Provided further,* That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225) and not to exceed $25,000 shall be available for employment under 5 U.S.C. 3109: *Provided further,* That qualified local engineers may be temporarily employed at per diem rates to perform the technical planning work of the Service.

RIVER BASIN SURVEYS AND INVESTIGATIONS

For necessary expenses to conduct research, investigations and surveys of the watersheds of rivers and other waterways, in accordance with section 6 of the Watershed Protection and Flood Prevention Act approved August 4, 1954, as amended (16 U.S.C. 1006-1009), $14,906,000: *Provided,* That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $60,000 shall be available for employment under 5 U.S.C. 3109.

WATERSHED PLANNING

For necessary expenses for small watershed investigations and planning, in accordance with the Watershed Protection and Flood Prevention Act, as amended (16 U.S.C. 1001-1008), $8,922,000: *Provided,* That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $50,000 shall be available for employment under 5 U.S.C. 3109.

WATERSHED AND FLOOD PREVENTION OPERATIONS

For necessary expenses to carry out preventive measures, including but not limited to research, engineering operations, methods of cultivation, the growing of vegetation, rehabilitation of existing works and changes in use of land, in accordance with the Watershed Protection and Flood Prevention Act approved August 4, 1954, as amended (16 U.S.C. 1001-1005, 1007-1009), the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-f), and in accordance with the provisions of laws relating to the activities of the Department, $183,843,000 (of which $27,617,000 shall be available for the watersheds authorized under the Flood Control Act approved June 22, 1936 (33 U.S.C. 701, 16 U.S.C. 1006a), as amended and supplemented): *Provided,* That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $5,000,000 shall be available for emergency measures as provided by sections 403-405 of the Agricultural Credit Act of 1978 (16 U.S.C. 2203-2205), and not to exceed $200,000 shall be available for employment under 5 U.S.C. 3109: *Provided further,* That $14,000,000 in loans may be insured, or made to be sold and insured, under the Agricultural Credit Insurance Fund of the Farmers Home Administration (86 Stat. 663): *Provided further,* That not to exceed $1,000,000 of this appropriation is available to carry out the purposes of the Endangered Species Act of 1973 (Public Law 93-205), as amended, including cooperative efforts as contemplated by that Act to relocate endangered or threatened species to other suitable habitats as may be necessary to expedite project construction.

RESOURCE CONSERVATION AND DEVELOPMENT

For necessary expenses in planning and carrying out projects for resource conservation and development and for sound land use pursuant to the provisions of section 32(e) of title III of the Bankhead-Jones Farm Tenant Act, as amended (7 U.S.C. 1010-1011; 76 Stat. 607), and the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-f), and the provisions of the Agriculture and Food Act of 1981 (16 U.S.C. 3451-3461), $26,320,000: *Provided,* That $2,000,000 in loans may be insured, or made to be sold and insured, under the Agricultural Credit Insurance Fund of the Farmers Home Administration (86 Stat. 663): *Provided further,* That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $50,000 shall be available for employment under 5 U.S.C. 3109.

GREAT PLAINS CONSERVATION PROGRAM

For necessary expenses to carry into effect a program of conservation in the Great Plains area, pursuant to section 16(b) of the Soil Conservation and Domestic Allotment Act, as added by the Act of August 7, 1956, as amended (16 U.S.C. 590p(b)), $21,531,000, to remain available until expended.

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

AGRICULTURAL CONSERVATION PROGRAM

For necessary expenses to carry into effect the program authorized in sections 7 to 15, 16(a), 16(f), and 17 of the Soil Conservation and Domestic Allotment Act approved February 29, 1936, as amended and supplemented (16 U.S.C. 590g-590o, 590p(a), 590p(f), and 590q), and sections 1001-1004, 1006-1008, and 1010 of the Agricultural Act of 1970, as added by the Agriculture and Consumer Protection Act of 1973 (16 U.S.C. 1501-1504, 1506-1508, and 1510), and including not to exceed $15,000 for the preparation and display of exhibits, including such displays at State, interstate, and international fairs within the United States, $190,000,000, to remain available until expended for agreements, excluding administration but including technical assistance and related expenses, except that no participant in the Agricultural Conservation Program shall receive more than $3,500, except where the participants from two or more

farms or ranches join to carry out approved practices designed to conserve or improve the agricultural resources of the community: *Provided,* That no portion of the funds for the current year's program may be utilized to provide financial or technical assistance for drainage on wetlands now designated as Wetlands Types 3 (III) through 20 (XX) in United States Department of the Interior, Fish and Wildlife Circular 39, Wetlands of the United States, 1956: *Provided further,* That such amounts shall be available for the purchase of seeds, fertilizers, lime, trees, or any other conservation materials, or any soil-terracing services, and making grants thereof to agricultural producers to aid them in carrying out approved farming practices as authorized by the Soil Conservation and Domestic Allotment Act, as amended, as determined and recommended by the county committees, approved by the State committees and the Secretary, under programs provided for herein: *Provided further,* That such assistance will not be used for carrying out measures and practices that are primarily production-oriented or that have little or no conservation or pollution abatement benefits: *Provided further,* That not to exceed 5 per centum of the allocation for the current year's program for any county may, on the recommendation of such county committee and approval of the State committee, be withheld and allotted to the Soil Conservation Service for services of its technicians in formulating and carrying out the Agricultural Conservation Program in the participating counties, and shall not be utilized by the Soil Conservation Service for any purpose other than technical and other assistance in such counties, and in addition, on the recommendation of such county committee and approval of the State committee, not to exceed 1 per centum may be made available to any other Federal, State, or local public agency for the same purpose and under the same conditions: *Provided further,* That for the current year's program $2,500,000 shall be available for technical assistance in formulating and carrying out rural environmental practices: *Provided further,* That no part of any funds available to the Department, or any bureau, office, corporation, or other agency constituting a part of such Department, shall be used in the current fiscal year for the payment of salary or travel expenses of any person who has been convicted of violating the Act entitled "An Act to prevent pernicious political activities" approved August 2, 1939, as amended, or who has been found in accordance with the provisions of title 18 U.S.C. 1913 to have violated or attempted to violate such section which prohibits the use of Federal appropriations for the payment of personal services or other expenses designed to influence in any manner a Member of Congress to favor or oppose any legislation or appropriation by Congress except upon request of any Member or through the proper official channels.

FORESTRY INCENTIVES PROGRAM

For necessary expenses, not otherwise provided for, to carry out the program of forestry incentives, as authorized in the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2101), including technical assistance and related expenses, $12,500,000, to remain available until expended, as authorized by that Act.

EMERGENCY CONSERVATION PROGRAM

For necessary expenses to carry into effect the program authorized in sections 401, 402, and 404 of title IV of the Agricultural Credit Act of 1978 (16 U.S.C. 2201-2205), $5,000,000, to remain available until expended, as authorized by 16 U.S.C. 2204.

Mr. WHITTEN (during the reading). Mr. Chairman, I ask unanimous consent that title II be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The CHAIRMAN. Are there any amendments or points of order to title II?

Hearing none, the Clerk will read.

The Clerk read as follows:

TITLE III—DOMESTIC FOOD PROGRAMS

OFFICE OF THE ASSISTANT SECRETARY FOR FOOD AND CONSUMER SERVICES

For necessary salaries and expenses for the Office of the Assistant Secretary for Food and Consumer Services to administer the laws enacted by the Congress for the Food and Nutrition Service and the Human Nutrition Information Service, $350,000.

FOOD AND NUTRITION SERVICE

CHILD NUTRITION PROGRAMS

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses to carry out the National School Lunch Act (42 U.S.C. 1751-1761, and 1766), and the applicable provisions other than section 3 of the Child Nutrition Act of 1966 (42 U.S.C. 1773-1785, and 1788); $4,114,140,000, to remain available through fiscal year 1987, of which $842,548,000 is hereby appropriated and $3,271,592,000 shall be derived by transfer from funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c): *Provided,* That, of funds provided herein, $665,015,000 shall be available only to the extent an official budget request is transmitted to the Congress: *Provided further,* That funds appropriated for the purpose of section 7 of the Child Nutrition Act of 1966 shall be allocated among the States but the distribution of such funds to an individual State is contingent upon that State's agreement to participate in studies and surveys of programs authorized under the National School Lunch Act and the Child Nutrition Act of 1966, when such studies and surveys have been directed by the Congress and requested by the Secretary of Agriculture: *Provided further,* That if the Secretary of Agriculture determines that a State's administration of any program under the National School Lunch Act or the Child Nutrition Act of 1966 (other than section 17), or the regulations issued pursuant to these Acts, is seriously deficient, and the State fails to correct the deficiency within a specified period of time, the Secretary may withhold from the State some or all of the funds allocated to the State under section 7 of the Child Nutrition Act of 1966 and under section 13(k)(1) of the National School Lunch Act; upon a subsequent determination by the Secretary that the programs are operated in an acceptable manner some or all of the funds withheld may be allocated: *Provided further,* That if the funds available for Nutrition Education and Training grants authorized under section 19 of the Child Nutrition Act of 1966, as amended, require a ratable reduction in those grants, the minimum grant for each State shall be $50,000: *Provided further,* That only final reimbursement claims for service of meals, supplements, and milk submitted to State agencies by eligible schools, summer camps, institutions, and service institutions within sixty days following the month for which the reimbursement is claimed shall be eligible for reimbursement from funds appropriated under this Act. States may receive program funds appropriated under this Act for meals, supplements, and milk served during any month only if the final program operations report for such month is submitted to the Department within ninety days following that month. Exceptions to these claims or reports submission requirements may be made at the discretion of the Secretary.

SPECIAL MILK PROGRAM

For necessary expenses to carry out the special milk program, as authorized by section 3 of the Child Nutrition Act of 1966 (42 U.S.C. 1772), $11,500,000, to remain available through September 30, 1987: *Provided,* That only final reimbursement claims for milk submitted to State agencies within sixty days following the month for which the reimbursement is claimed shall be eligible for reimbursement from funds appropriated under this Act. States may receive program funds appropriated under this Act only if the final program operations report for such month is submitted to the Department within ninety days following that month. Exceptions to these claims or reports submission requirements may be made at the discretion of the Secretary.

FEEDING PROGRAM FOR WOMEN, INFANTS AND CHILDREN (WIC)

For necessary expenses to carry out the special supplemental food program as authorized by section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786), $1,570,000,000: *Provided,* That funds provided herein shall remain available through September 30, 1987.

COMMODITY SUPPLEMENTAL FOOD PROGRAM

For necessary expenses to carry out the commodity supplemental food program as authorized by section 4(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c (note)), including not less than $2,950,000 for the projects in Detroit, New Orleans, and Des Moines, $36,999,000: *Provided,* That funds provided herein shall remain available through September 30, 1987.

FOOD STAMP PROGRAM

For necessary expenses to carry out the Food Stamp Act (7 U.S.C. 2011-2027, 2029) $11,891,570,000: *Provided,* That funds provided herein shall remain available through September 30, 1986, in accordance with section 18(a) of the Food Stamp Act: *Provided further,* That up to 5 per centum of the foregoing amount may be placed in reserve to be apportioned pursuant to section 3679 of the Revised Statutes, as amended, for use only in such amounts and at such times as may become necessary to carry out program operations: *Provided further,* That funds provided herein shall be expended in accordance with section 16 of the Food Stamp Act: *Provided further,* That this appropriation shall be subject to any work registration or workfare requirements as may be required by law: *Provided further,* That $345,000,000 of the funds provided herein shall be available only to the extent necessary after the Secretary has employed the regulatory and administrative methods available to him under the law to curtail fraud, waste and abuse in the program.

NUTRITION ASSISTANCE FOR PUERTO RICO

For monthly payments to the Commonwealth of Puerto Rico for nutrition assistance as authorized by 7 U.S.C. 2028, $825,000,000.

FOOD DONATIONS PROGRAMS

For necessary expenses to carry out section 4(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c (note)) and section 4(b) of the Food Stamp Act (7 U.S.C. 2013), $187,622,000.

TEMPORARY EMERGENCY FOOD ASSISTANCE PROGRAM

For necessary expenses to carry out the Temporary Emergency Food Assistance Act of 1983, as amended, $50,000,000: *Provided*, That, in accordance with section 202 of Public Law 98-92, these funds shall be available only if the Secretary determines the existence of excess commodities.

FOOD PROGRAM ADMINISTRATION

For necessary administrative expenses of the Domestic Food Programs funded under this Act, $82,502,000; of which $5,000,000 shall be available only for simplifying procedures, reducing overhead costs, tightening regulations, improving food stamp coupon handling, and assistance in the prevention, identification and prosecution of fraud and other violations of law: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $150,000 shall be available for employment under 5 U.S.C. 3109.

HUMAN NUTRITION INFORMATION SERVICE

For necessary expenses to enable the Human Nutrition Information Service to perform applied research and demonstrations relating to human nutrition and consumer use and economies of food utilization, $13,562,000: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225).

Mr. WHITTEN (during the reading). Mr. Chairman, I ask unanimous consent that title III be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The CHAIRMAN. Are there amendments or points of order to title III?

Hearing none, the Clerk will read.

The Clerk read as follows:

TITLE IV—INTERNATIONAL PROGRAMS

FOREIGN AGRICULTURAL SERVICE

For necessary expenses of the Foreign Agricultural Service, including carrying out title VI of the Agricultural Act of 1954, as amended (7 U.S.C. 1761-1768), market development activities abroad, and for enabling the Secretary to coordinate and integrate activities of the Department in connection with foreign agricultural work, including not to exceed $110,000 for representation allowances and for expenses pursuant to section 8 of the Act approved August 3, 1956 (7 U.S.C. 1766), $83,547,000: *Provided*, That not less than $255,000 of the funds contained in this appropriation shall be available to obtain statistics and related facts on foreign production and full and complete information on methods used by other countries to move farm commodities in world trade on a competitive basis.

PUBLIC LAW 480

(INCLUDING TRANSFERS OF FUNDS)

For expenses during the current fiscal year, not otherwise recoverable, and unrecovered prior years' costs, including interest thereon, under the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1691, 1701-1715, 1721-1726, 1727-1727f, 1731-1736g), as follows: (1) financing the sale of agricultural commodities for convertible foreign currencies and for dollars on credit terms pursuant to titles I and III of said Act, not more than $1,030,000,000; of which $657,000,000 is hereby appropriated and the balance derived from proceeds from sales of foreign currencies and dollar loan repayments, repayments on long-term credit sales and carryover balances, and (2) commodities supplied in connection with dispositions abroad, pursuant to title II of said Act, not more than $650,000,000, of which $650,000,000 is hereby appropriated: *Provided*, That not to exceed 10 per centum of the funds made available to carry out any title of this paragraph may be used to carry out any other title of this paragraph.

OFFICE OF INTERNATIONAL COOPERATION AND DEVELOPMENT

For necessary expenses of the Office of International Cooperation and Development to coordinate, plan, and direct activities involving international development, technical assistance and training, and international scientific and technical cooperation in the Department of Agriculture, including those authorized by the Food and Agriculture Act of 1977 (7 U.S.C. 3291), $3,917,000; and the Office may utilize advances of funds, or reimburse this appropriation for expenditures made on behalf of Federal agencies, public and private organizations and institutions under agreements executed pursuant to the agricultural food production assistance programs (7 U.S.C. 1736) and the foreign assistance programs of the International Development Cooperation Administration (22 U.S.C. 2392).

Mr. WHITTEN (during the reading). Mr. Chairman, I ask unanimous consent that title IV be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The CHAIRMAN. Are there amendments or points of order to title IV?

Hearing none, the Clerk will read.

The Clerk read as follows:

TITLE V—RELATED AGENCIES

FOOD AND DRUG ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses of the Food and Drug Administration; for rental of special purpose space in the District of Columbia or elsewhere; and for miscellaneous and emergency expenses of enforcement activities, authorized and approved by the Secretary and to be accounted for solely on the Secretary's certificate, not to exceed $25,000; $390,225,000: *Provided*, That none of the funds in this Act shall be used to develop, establish, or operate any program of user fees authorized by 31 U.S.C. 9701.

BUILDINGS AND FACILITIES

For plans, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities of or used by the Food and Drug Administration, where not otherwise provided, $1,450,000.

STANDARD LEVEL USER CHARGES (FDA)

(INCLUDING TRANSFERS OF FUNDS)

For payment of Standard Level User Charges pursuant to Public Law 92-313 for programs and activities of the Food and Drug Administration which are included in this Act, $25,888,000: *Provided*, That in the event the Food and Drug Administration should require modification of space needs, a share of the salaries and expenses appropriation may be transferred to this appropriation, or a share of this appropriation may be transferred to the salaries and expenses appropriation, but such transfers shall not exceed 10 per centum of the funds made available for Standard Level User Charges to or from this account.

COMMODITY FUTURES TRADING COMMISSION

For necessary expenses to carry out the provisions of the Commodity Exchange Act, as amended (7 U.S.C. 1 et seq.), including the purchase and hire of passenger motor vehicles; the rental of space (to include multiple year leases) in the District of Columbia and elsewhere; and not to exceed $25,000 for employment under 5 U.S.C. 3109; $28,416,000; including not to exceed $700 for official reception and representation expenses.

FARM CREDIT ADMINISTRATION

LIMITATION ON REVOLVING FUND FOR ADMINISTRATIVE EXPENSES

Not to exceed $21,175,000 (from assessments collected from farm credit system banks) shall be obligated during the current fiscal year for administrative expenses, as authorized under 12 U.S.C. 2249.

Mr. WHITTEN (during the reading). Mr. Chairman, I ask unanimous consent that title V be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The CHAIRMAN. Are there any points of order against title V?

Are there amendments to title V?

AMENDMENT OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITTEN: On page 54, line 2, strike "390,225,000" and insert "392,370,000".

Mr. WHITTEN. Mr. Chairman, this amendment is offered on behalf of the subcommittee.

Mr. Chairman, we have been advised by Secretary Heckler that budget amendments are now pending at the Office of Management and Budget to increase the resources devoted to work on acquired immune deficiency syndrome [AIDS].

These amendments involve the Centers for Disease Control, the National Institutes of Health, the Alcohol, Drug Abuse, and Mental Health Administration, and the Food and Drug Administration, a total of $37.8 million.

The amendment I offer on behalf of the Committee increases the Committee's recommendation for FDA, by $2,145,000, the full amount of the pending budget amendment. The resources for the other agencies will be addressed in the Labor-HHS Appropriation bill.

We have not yet received the budget amendments, but the paperwork is being processed by OMB, and should be submitted soon. This money will be used to develop and improve screening tests for AIDS, to assure the safety of the Nation's blood supply, to clarify the possible transmissibility of AIDS through food, and to review and approve new diagnostic and treatment products.

Mr. Chairman, I yield to my colleague, the gentleman from California [Mr. FAZIO].

Mr. FAZIO. Mr. Chairman, I rise in strong support of the bill, which goes such a long way to improve agricultural programs for the State of California in relation to the administration's budget submission, and I am particularly pleased to see the committee's action in regard to AIDS.

Mr. Chairman, I commend the subcommittee for adding the $2 million to the budget of the Food and Drug Administration to expedite the availability of diagnostic kits for potential AIDS victims across the country.

This wise and humane decision is another example of the broad support that exists in Congress for the limitation and eventual eradication of acquired immune deficiency syndrome.

As most Americans now know, the threat to public health has now clearly been extended to include every element of our population. This bill and the measure yet to come before us from the subcommittee responsible for health appropriations show significant progress in broadening the funding base for this terrible unsolved problem.

Mrs. SMITH of Nebraska. Mr. Chairman, this side supports the amendment.

Mr. GREEN. Mr. Chairman, I should like to express my strong support for this urgently needed amendment to H.R. 3037, the fiscal year 1986 Agriculture Appropriation bill, and I commend the committee, and particularly its chairman and ranking minority member for offering it. This amendment will provide an additional $2.145 million to the Food and Drug Administration [FDA] for activities to combat acquired immune deficiency syndrome [AIDS].

The Secretary of Health and Human Services [HHS] has informed the Appropriations Committee that these additional funds are essential for optimal progress in fighting this deadly epidemic. This past Friday, July 19, 1985, the Department finally responded to congressional requests for revised recommendations for funding and resources necessary in fiscal year 1986 for the Public Health Service [PHS] to deal effectively with this problem. The FDA will use these additional funds in part to expand activities related to the blood test for antibodies to the HTLV-III virus, which is believed to cause AIDS, to ensure the safety of the Nation's blood supply. Other FDA activities include studying the possibility of AIDS transmission through food, and evaluating diagnostic and treatment products, including an eventual vaccine against the HTLV-III virus.

There have been almost 4,000 AIDS cases reported thus far in 1985 alone. Over 1,000 cases have been reported in New York City, which has had the greatest number of AIDS cases in the country, 33 percent. According to the Centers for Disease Control [CDC], there have been 11,871 known cases of AIDS in the United States to date and the number of cases is doubling every year. Seventy-five percent of AIDS patients diagnosed prior to January 1983 are now dead.

At present, there is no treatment or cure for AIDS. Clearly, it is vital that we provide the necessary resources to fight this disease, for AIDS victims, for their families, and to protect the public health. The funds provided in this amendment are within the section 302(b) allocation. This is a small price to pay for a potentially great breakthrough in our efforts to fight AIDS. I urge my colleagues to support this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. WHITTEN].

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to title V?

If not, the Clerk will read.

The Clerk read as follows:

TITLE VI—GENERAL PROVISIONS

SEC. 601. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive Order issued pursuant to existing law.

SEC. 602. Within the unit limit of cost fixed by law, appropriations and authorizations made for the Department of Agriculture for the fiscal year 1986 under this Act shall be available for the purchase, in addition to those specifically provided for, of not to exceed seven hundred thirty-four (734) passenger motor vehicles of which seven hundred six (706) shall be for replacement only, and for the hire of such vehicles.

SEC. 603. Funds in this Act available to the Department of Agriculture shall be available for uniforms or allowances therefore as authorized by law (5 U.S.C. 5901-5902).

SEC. 604. Not less than $1,500,000 of the appropriations of the Department of Agriculture in this Act for research and service work authorized by the Acts of August 14, 1946, July 28, 1954, and September 6, 1958 (7 U.S.C. 427, 1621-1629; 42 U.S.C. 1891-1893), shall be available for contracting in accordance with said Acts.

SEC. 605. No part of the funds contained in this Act may be used to make production or other payments to a person, persons, or corporations who harvest or knowingly permit to be harvested for illegal use, marihuana, or other such prohibited drug-producing plants on any part of lands owned or controlled by such persons or corporations.

SEC. 606. Advances of money from any appropriation in this Act for the Department of Agriculture may be made by authority of the Secretary of Agriculture to chiefs of field parties.

SEC. 607. The cumulative total of transfers to the Working Capital Fund for the purpose of accumulating growth capital for data services and National Finance Center operations shall not exceed $2,000,000: *Provided*, That no funds in this Act appropriated to an agency of the Department shall be transferred to the Working Capital Fund without the approval of the agency administrator: *Provided further*, That not to exceed $40,001,000 shall be charged against the Working Capital Fund for personnel compensation and benefits.

SEC. 608. New obligational authority provided for the following appropriation items in this Act shall remain available until expended: Public Law 480; Mutual and Self-Help Housing; Watershed and Flood Prevention Operations; Resource Conservation and Development; Animal and Plant Health Inspection Service, Buildings and Facilities; Agricultural Stabilization and Conservation Service Salaries and Expenses funds made available to county committees; the Federal Crop Insurance Corporation Fund; and Buildings and Facilities, Food and Drug Administration.

SEC. 609. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 610. Not to exceed $50,000 of the appropriation available to the Department of Agriculture in this Act shall be available to provide appropriate orientation and language training pursuant to Public Law 94-449.

SEC. 611. Notwithstanding any other provision of law, employees of the agencies of the Department of Agriculture, including employees of the Agricultural Stabilization and Conservation county committees, may be utilized to provide part-time and intermittent assistance to other agencies of the Department, without reimbursement, during periods when they are not otherwise full utilized, and ceilings on full-time equivalent staff years established for or by the Department of Agriculture shall exclude overtime as well as staff years expended as a result of carrying out programs associated with natural disasters, such as forest fires, droughts, floods, and other acts of God.

SEC. 612. Funds provided by this Act for personnel compensation and benefits shall be available for obligation for that purpose only.

SEC. 613. No part of any appropriation contained in this Act shall be expended by any executive agency, as referred to in the Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), pursuant to any obligation for services by contract, unless such executive agency has awarded and entered into such contract as provided by law.

SEC. 614. None of the funds appropriated or otherwise made available by this Act

shall be available to implement, administer, or enforce any regulation which has been disapproved pursuant to a resolution of disapproval duly adopted in accordance with the applicable law of the United States.

SEC. 615. Certificates of beneficial ownership sold by the Farmers Home Administration in connection with the Agricultural Credit Insurance Fund, Rural Housing Insurance Fund, and the Rural Development Insurance Fund shall be not less than 75 per centum of the value of the loans closed during the fiscal year.

SEC. 616. No funds appropriated by this Act may be used to pay negotiated indirect cost rates on cooperative agreements or similar arrangements between the United States Department of Agriculture and nonprofit institutions in excess of 10 per centum of the total direct cost of the agreement when the purpose of such cooperative arrangements is to carry out programs of mutual interest between the two parties. This does not preclude appropriate payment of indirect costs on grants and contracts with such institutions when such indirect costs are computed on a similar basis for all agencies for which appropriations are provided in this Act.

SEC. 617. None of the funds in this Act shall be used to carry out any activity related to phasing out the Resource Conservation and Development Program.

SEC. 618. None of the funds in this Act shall be used to prevent or interfere with the right and obligation of the Commodity Credit Corporation to sell surplus agricultural commodities in world trade at competitive prices as authorized by law.

SEC. 619. Notwithstanding any other provision of this Act, commodities acquired by the Department in connection with Commodity Credit Corporation and section 32 price support operations may be used, as authorized by law (15 U.S.C. 714c and 7 U.S.C. 612c), to provide commodities to individuals in cases of hardship as determined by the Secretary of Agriculture.

SEC. 620. During fiscal year 1986, notwithstanding any other provision of law, no funds may be paid out of the Treasury of the United States or out of any fund of a Government corporation to any private individual or corporation in satisfaction of any assurance agreement or payment guarantee or other form of loan guarantee entered into by any agency or corporation of the United States Government with respect to loans made and credits extended to the Polish People's Republic, unless the Polish People's Republic has been declared to be in default of its debt to such individual or corporation or unless the President has provided a monthly written report to the Speaker of the House of Representatives and the President of the Senate explaining the manner in which the national interest of the United States has been served by any payments during the previous month under loan guarantee or credit assurance agreement with respect to loans made or credits extended to the Polish People's Republic in the absence of a declaration of default.

SEC. 621. None of the funds in this Act shall be available to reimburse the General Services Administration for payment of Standard Level User Charges in excess of the amounts specified in this Act.

SEC. 622. In fiscal year 1986, the Secretary of Agriculture shall initiate construction on not less than twenty new projects under the Watershed Protection and Flood Prevention Act (Public Law 566) and not less than five new projects under the Flood Control Act (Public Law 534).

SEC. 623. Funds provided by this Act may be used for translation of publications of the Department of Agriculture into foreign languages when determined by the Secretary to be in the public interest.

SEC. 624. None of the funds appropriated by this or any other Act may be used to relocate the Hawaii State Office of the Farmers Home Administration from Hilo, Hawaii, to Honolulu, Hawaii.

SEC. 625. Provisions of law prohibiting or restricting personal services contracts shall not apply to veterinarians employed by the Department to take animal blood samples, test and vaccinate animals, and perform branding and tagging activities on a fee-for-service basis.

SEC. 626. None of the funds provided in this Act may be used to reduce programs by establishing an end-of-year employment ceiling on full-time equivalent staff years below the level set herein for the following agencies: Farmers Home Administration, 12,400; Agricultural Stabilization and Conservation Service, 2,550; and Soil Conservation Service, 14,177.

SEC. 627. Funds provided in this Act may be used for one-year contracts which are to be performed in two fiscal years so long as the total amount for such contracts is obligated in the year for which the funds are appropriated.

SEC. 628. Funds appropriated by this Act shall be applied only to the objects for which the appropriations were made except as otherwise provided by law, as required by 31 U.S.C. 1301.

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Mr. WHITTEN (during the reading). Mr. Chairman, I ask unanimous consent that title VI be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The CHAIRMAN. Are there any points of order or amendments to title VI?

The Chair hears none.

Mr. WHITTEN. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore [Mr. MURTHA] having assumed the chair, Mr. VENTO, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3037) making appropriations for Agriculture, Rural Development, and Related Agencies programs for the fiscal year ending September 30, 1986, and for other purposes, had directed him to report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill, as amended, do pass.

The SPEAKER pro tempore. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER pro tempore. The question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the yeas appeared to have it.

Mr. LUNGREN. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device and there were—yeas 354, nays 71, not voting 8, as follows:

[Roll No. 254]

YEAS—354

Ackerman	Coleman (TX)	Gonzalez
Addabbo	Collins	Gordon
Akaka	Combest	Gray (IL)
Alexander	Conte	Gray (PA)
Andrews	Conyers	Green
Annunzio	Cooper	Guarini
Anthony	Coyne	Gunderson
Applegate	Craig	Hall (OH)
Aspin	Crockett	Hall, Ralph
Atkins	Daniel	Hamilton
AuCoin	Darden	Hammerschmidt
Barnard	Daschle	Hartnett
Barnes	Daub	Hatcher
Barton	Davis	Hawkins
Bateman	de la Garza	Hayes
Bedell	Dellums	Heftel
Beilenson	Derrick	Hendon
Bennett	Dickinson	Hillis
Bentley	Dicks	Hopkins
Bereuter	Dingell	Horton
Berman	DioGuardi	Howard
Bevill	Dixon	Hoyer
Biaggi	Dorgan (ND)	Hubbard
Bilirakis	Dowdy	Huckaby
Bliley	Duncan	Hutto
Boehlert	Durbin	Jeffords
Boggs	Dwyer	Jenkins
Boland	Dymally	Johnson
Boner (TN)	Dyson	Jones (NC)
Bonior (MI)	Early	Jones (OK)
Bonker	Eckart (OH)	Jones (TN)
Borski	Edgar	Kanjorski
Bosco	Edwards (CA)	Kaptur
Boucher	Edwards (OK)	Kasich
Boulter	Emerson	Kastenmeier
Boxer	English	Kemp
Breaux	Erdreich	Kennelly
Brooks	Evans (IA)	Kildee
Broomfield	Evans (IL)	Kindness
Brown (CA)	Fascell	Kleczka
Brown (CO)	Fazio	Kolbe
Broyhill	Feighan	Kolter
Bruce	Fiedler	Kostmayer
Bryant	Fish	Kramer
Burton (CA)	Flippo	LaFalce
Bustamante	Florio	Lantos
Byron	Foglietta	Latta
Callahan	Foley	Leach (IA)
Campbell	Ford (MI)	Leath (TX)
Carper	Ford (TN)	Lehman (CA)
Carr	Fowler	Lehman (FL)
Chandler	Franklin	Leland
Chappell	Frost	Levin (MI)
Chappie	Fuqua	Levine (CA)
Clay	Garcia	Lewis (CA)
Clinger	Gaydos	Lewis (FL)
Coats	Gephardt	Lightfoot
Cobey	Gibbons	Lipinski
Coble	Gilman	Livingston
Coelho	Gingrich	Lloyd
Coleman (MO)	Glickman	Loeffler
Long	Pease	Spratt
Lott	Penny	St Germain
Lowery (CA)	Pepper	Staggers
Lowry (WA)	Perkins	Stallings
Lundine	Petri	Stangeland
MacKay	Pickle	Stark
Madigan	Porter	Stenholm
Manton	Price	Stokes
Markey	Quillen	Strang
Marlenee	Rahall	Stratton
Martin (NY)	Rangel	Sundquist
Martinez	Ray	Sweeney
Matsui	Regula	Swift
Mavroules	Reid	Swindall
Mazzoli	Richardson	Synar
McCain	Ridge	Tallon
McCloskey	Rinaldo	Tauke
McCurdy	Roberts	Tauzin
McDade	Robinson	Taylor
McEwen	Rodino	Thomas (CA)
McHugh	Roe	Thomas (GA)
McKernan	Roemer	Torres
McKinney	Rogers	Torricelli
McMillan	Rose	Towns
Meyers	Rostenkowski	Traficant
Mica	Roth	Traxler
Mikulski	Rowland (GA)	Udall
Miller (CA)	Roybal	Valentine
Miller (OH)	Rudd	Vander Jagt
Mineta	Russo	Vento
Mitchell	Sabo	Visclosky
Moakley	Savage	Volkmer
Mollohan	Schaefer	Walgren
Montgomery	Scheuer	Watkins
Moody	Schneider	Waxman
Moore	Schroeder	Weaver
Morrison (CT)	Schuette	Weber
Morrison (WA)	Schumer	Weiss
Mrazek	Seiberling	Wheat
Murphy	Sharp	Whitehurst
Murtha	Shelby	Whitley
Myers	Sikorski	Whittaker
Natcher	Siljander	Whitten
Neal	Sisisky	Williams
Nichols	Skeen	Wilson
Nowak	Skelton	Wirth
O'Brien	Slattery	Wise
Oakar	Slaughter	Wolf
Oberstar	Smith (FL)	Wolpe
Obey	Smith (IA)	Wortley
Olin	Smith (NE)	Wright
Ortiz	Smith (NJ)	Wylie
Owens	Smith, Robert	Yates
Oxley	Snowe	Yatron
Panetta	Snyder	Young (AK)
Parris	Solarz	Young (FL)
Pashayan	Spence	Young (MO)

NAYS—71

Anderson	Gradison	Molinari
Archer	Gregg	Moorhead
Armey	Grotberg	Nelson
Badham	Hansen	Nielson
Bartlett	Henry	Packard
Bates	Hertel	Pursell
Burton (IN)	Hiler	Ritter
Carney	Hughes	Roukema
Cheney	Hunter	Rowland (CT)
Coughlin	Hyde	Saxton
Courter	Ireland	Schulze
Crane	Jacobs	Sensenbrenner
Dannemeyer	Lagomarsino	Shaw
DeLay	Lent	Shumway
DeWine	Lujan	Shuster
Dornan (CA)	Luken	Smith (NH)
Dreier	Lungren	Smith, Denny
Eckert (NY)	Mack	Solomon
Fawell	Martin (IL)	Stump
Fields	McCandless	Vucanovich
Frank	McCollum	Walker
Frenzel	McGrath	Wyden
Gallo	Michel	Zschau
Goodling	Miller (WA)	

NOT VOTING—8

Donnelly	Gekas	Monson
Downey	Hefner	Studds
Gejdenson	Holt	

□ 1700

The Clerk announced the following pair:

On this vote:

Mr. Gejdenson for, with Mr. Monson against.

Messrs. GOODLING, LUKEN, and FRANK changed their votes from "yea" to "nay."

Mr. ANTHONY and Mr. SWEENEY changed their votes from "nay" to "yea".

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 2121, COASTAL ZONE MANAGEMENT REAUTHORIZATION ACT OF 1985

Mr. MOAKLEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 214 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 214

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2121) to provide for the reauthorization of the Coastal Zone Management Act of 1972, and for other purposes, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Merchant Marine and Fisheries, the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Merchant Marine and Fisheries now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, and each section of said substitute shall be considered as having been read. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

□ 1710

The SPEAKER pro tempore. The gentleman from Massachusetts [Mr. MOAKLEY] is recognized for 1 hour.

Mr. MOAKLEY. Mr. Speaker, I yield the customary 30 minutes, for the purpose of debate only, to the gentleman from Mississippi [Mr. LOTT], and pending that I yield myself such time as I may consume.

Mr. Speaker, House Resolution 214 is an open rule providing for the consideration of H.R. 2121, the Coastal Zone Management Reauthorization Act of 1985. The rule provides for 1 hour of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Merchant Marine and Fisheries.

The rule makes in order an amendment in the nature of a substitute which is recommended by the Committee on Merchant Marine and Fisheries and is now printed in the bill. This amendment in the nature of a substitute shall be considered as original text for the purpose of amendment under the 5-minute rule and is to be considered by section with each section to be considered as read. Finally, Mr. Speaker the rule provides for one motion to recommit with or without instructions.

Mr. Speaker, H.R. 2121 is the bill to reauthorize the Coastal Zone Management Act. This act was first established in 1972 to encourage coastal States and communities to consolidate their efforts in the management of coastal resources, including natural, commercial, and ecological resources. H.R. 2121, the Coastal Zone Management Reauthorization Act of 1985, would authorize the appropriation of funds for fiscal years 1986 through 1991.

Mr. Speaker, the act would provide financial incentives for States to develop coastal management programs. The two main incentives that Congress provided in the Coastal Zone Management Act are Federal financial assistance of up to 80 percent of program cost for developing and implementing State coastal zone management programs, and providing grants to States to assist in the administration of federally approved programs.

Since the passage of the Coastal Zone Management Act, all 35 eligible States and territories have participated and 28 have voluntarily developed federally approved programs. The involvement of these States is the reason why the Coastal Zone Management Act has been so successful in accomplishing its goals.

Mr. Speaker, other provisions of H.R. 2121 would allow the Secretary of Commerce to make grants under sections 306 and 306A of the bill to coastal States, provided those grants are matched by a State contribution of 20 percent of the grant for fiscal year 1986, 30 percent of the grant for fiscal year 1987, 40 percent of the grant for fiscal year 1988, and 50 percent of the grant for each year thereafter. This phased decrease in the Federal share of grants would result in a 50/50 State-Federal partnership beginning in fiscal year 1989 and beyond. This provision in the bill would reflect the Committee on Merchant Marine and Fisheries' position that one of the major purposes of the act is to get coastal States to develop their own coastal management programs.

Mr. Speaker, the cost of these grant programs would be $40 million in fiscal year 1986 and would be scaled down to $35 million a year for fiscal years 1989 through 1991. This reduction in the authorization level will result in a savings of $99 million to the Federal Treasury over the 6 years. This reduction would require the States to pick up the cost of administering their coastal management programs over the period covered by this legislation.

Mr. Speaker, H.R. 2121 also changes the structure of the national program protecting inland salt water bodies. Through this program over 261,000 acres of salt water marshes, and shorelines, are being preserved for long-term research and public educational activities.

Mr. Speaker, I would like to commend the gentleman from North Carolina [Mr. JONES], and also members of both sides of the Committee on Merchant Marine and Fisheries for their bipartisan effort in bringing a bill to the House floor that will continue to protect our Nation's coastal areas.

Mr. Speaker, I urge adoption of House Resolution 214 so that the House may proceed on this important legislation.

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. LOTT. Mr. Speaker, House Resolution 214 provides for the consideration of H.R. 2121 which reauthorizes the Coastal Zone Management Act of 1972 for 6 years. The rule provides for 1 hour of general debate divided between the chairman and ranking minority member of the Committee on Merchant Marine and Fisheries.

Following general debate, the bill will be considered for amendment under the 5-minute rule with the committee amendment in the nature of a substitute considered as an original bill for the purpose of amendment. Finally, the rule provides for the motion to recommit with or without instructions.

Mr. Speaker, H.R. 2121 authorizes the appropriation of funds for fiscal years 1986 through 1991 to carry out the purposes of the Coastal Zone Management Act. The authorization levels are on a declining scale to reflect the progress individual coastal States have made in developing and implementing their own management programs.

Under the provisions of H.R. 2121, the annual authorization level for basic State coastal zone management grants for administration of coastal management programs is $40 million in fiscal year 1986, gradually declining to $35 million annually in fiscal years 1989 through 1991. The bill also includes substantive changes in the act to require States to provide funding for a greater share of coastal management program costs. Under current

law, the Federal Government is responsible for up to 80 percent of such costs. H.R. 2121 would reduce the Federal share to no more than 50 percent in each year after fiscal year 1988. H.R. 2121 also reauthorizes Federal grants to States for low-cost construction and port development and the estuarine reserve system at $9 million a year.

Mr. Speaker, this authorization will continue the States' longstanding efforts to rejuvenate America's coasts, which have an effect on every State in the Nation. Today, our oceans and Great Lakes are home to more than one out of every two Americans. By the year 2000, experts predict that nearly 80 percent of the U.S. population will live within an hour's drive of a seashore, lakefront or coastal area. The coastal States' record of success as caretakers of the Nation's vast coastal resources is proof that the Coastal Zone Management Act is working, and working remarkably well. Great progress has been made in managing coastal development, promoting economic development, restoring urban waterfronts, managing coastal resources, improving public access, enhancing marine and freshwater resources, working with Federal agencies, protecting lives and property—the list goes on and on.

Mr. Speaker, since passage of the Coastal Zone Management Act, all 35 eligible States and territories have participated and 28, including my own State of Mississippi, have developed federally approved programs. In passing the act in 1972, the overwhelming vote in favor of the final bill—376 to 6 in the House and 68 to 0 in the Senate—signaled a strong congressional mandate for national coastal zone management.

We are entering a crucial period where activities in the Nation's coastal regions are intensifying, requiring skillful management from all sectors, public and private. The Coastal Zone Management Act is the only comprehensive tool which allows Federal, State, and local governments to cooperatively manage the beaches, bays, wetlands, ports and harbors, estuaries, islands, and fisheries of our Nation's coastal areas. If these grants are eliminated, most States would not have the financial resources to adequately administer their coastal management programs or meet the act's important national policy objectives.

Mr. Speaker, this bill was reported by unanimous voice vote and there were no additional views filed. I therefore strongly urge the adoption of this rule so we can proceed with the consideration of this very important Coastal Zone Management Reauthorization Act.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 10, NATIONAL DEVELOPMENT INVESTMENT ACT

Mr. BEILENSON. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 223 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 223

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 10) to amend the Public Works and Economic Development Act of 1965 and the Appalachian Regional Development Act of 1965, and the first reading of the bill shall be dispensed with. All points of order against the consideration of the bill for failure to comply with the provisions of section 402(a) of the Congressional Budget Act of 1974 (Public Law 93-344) are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works and Transportation, the bill shall be considered for amendment under the five-minute rule by titles instead of by sections, and each title shall be considered as having been read. Immediately after the enacting clause of the bill is read, it shall be in order to consider, before any other amendments, the amendments printed in the Congressional Record of July 11, 1985, by Representative Howard of New Jersey, if offered by Representative Howard or his designee, said amendments shall be considered en bloc and shall be in order although amending portions of the bill not yet read for amendment, and said amendments shall not be subject to a demand for a division of the question in the House or in Committee of the Whole. Said amendments shall not be subject to amendment but shall be debatable for not to exceed twenty minutes, to be equally divided and controlled by the proponent of the amendment and a Member opposed thereto. If said amendments are adopted, it shall be in order to consider the bill, as modified by said amendments, which shall be considered to have been adopted in the House and in the Committee of the Whole, as an original bill for the purpose of amendment under the five-minute rule by titles instead of by sections, and each title shall be considered as having been read. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments, as may have been adopted, and the previous questions shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

□ 1720

The SPEAKER pro tempore. The gentleman from California [Mr. BEILENSON] is recognized for 1 hour.

Mr. BEILENSON. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Tennessee [Mr. QUILLEN] pending which I yield myself such time as I may consume.

House Resolution 223 is the rule providing for the consideration of H.R. 10, the National Development Investment Act and Appalachian Regional Development Act Amendments of 1985. The rule waives section 402(a) of the Congressional Budget Act against consideration of the bill and provides for 1 hour of general debate to be equally divided and controlled by the chairman and ranking minority member of the committee on Public Works and Transportation. The rule further provides that the bill will be read for amendment by titles rather than sections in order that its consideration may be expedited.

The rule also makes in order the consideration of amendments by the gentleman from New Jersey and chairman of the Public Works Committee [Mr. HOWARD] that were printed in the CONGRESSIONAL RECORD of July 11, 1985. The amendments are to be considered en bloc and are to be the first amendments considered after the conclusion of general debate. The chairman's amendments are to be debatable for no more than 20 minutes and shall not be subject to amendment. House Resolution 223 provides that if the chairman's amendments are adopted by the House. The bill as modified by those amendments shall be considered as original text during proceedings under the 5-minute rule. The rule also makes in order the consideration of one motion to recommit.

Mr. Speaker, section 402(a) of the Budget Act, as Members know, prohibits the consideration of any measure that authorizes the enactment of appropriations for a fiscal year if the measure is not reported from the committees to which it was referred by May 15 preceding the fiscal year for which the authorization is made. H.R. 10, which authorizes appropriations for the coming fiscal year and for ensuing fiscal years, was referred to the Committee on Banking, Finance, and Urban Affairs as well as the Committee on Public Works. While Public Works did in fact file its report on May 15 of this year, the Banking Committee chose to take no action on the bill. Consequently, consideration of H.R. 10 by the House would be in technical violation of section 402(a) of the Budget Act.

Mr. Speaker, my colleagues will be interested to know that on June 6 of this year, the gentleman from Rhode Island [Mr. ST GERMAIN], who chairs

the Banking Committee, wrote the chairman of the Rules Committee requesting that a rule be granted for H.R. 10 and indicating that the Banking Committee's failure to report in no way constitutes an attempt to delay the bill's consideration. In addition, the gentleman from Pennsylvania [Mr. GRAY] indicated in a letter to the Rules Committee chairman that the Budget Committee has no objection to waiving this technical violation of the Budget Act. I make these points to assure my colleagues that the waiver is recommended by the Rules Committee in light of the fact that there appears to be no opposition to its adoption.

Mr. Speaker, the amendments which Chairman HOWARD will offer to the bill will have the effect of lowering its authorization levels to those assumed in the first concurrent resolution on the budget for fiscal year 1986 adopted by the House on May 23 of this year. The rule before the House would ensure that if the amendments are adopted, Members would retain the opportunity to further amend affected provisions of the bill.

H.R. 10, which was reported by the Committee on Public Works and Transportation without amendment, consists of two titles. Title I, the National Development Investment Act, authorizes and consolidates programs of the Economic Development Administration; $530 million are authorized for each of fiscal years 1986, 1987, and 1988 for purposes of financing development projects in economically distressed areas in the United States and for the formulation of economic development plans for such areas.

Title II, the Appalachian Regional Development Act Amendments of 1985, authorizes $723 million over 5 years for the nonhighway programs which are administered by the Appalachian Regional Commission in order to promote economic development in the severely distressed region which it serves. The bill also authorizes $2 billion for fiscal years 1986 through 1992 to complete the Appalachian Highway System—a step which is considered crucial to the area's development. Should the House adopt the amendments to be offered en bloc by Chairman HOWARD, the total authorization levels in the bill will be reduced significantly for all programs included.

Both titles also include a variety of statutory modifications designed to improve the efficiency and effectiveness of the programs of the Economic Development Administration and the Appalachian Regional Commission. One example of such an amendment is a requirement that half of grant funds appropriated for EDA Administration be spent by the end of the seventh month of the fiscal year for which they were appropriated. The bill also requires that the Federal share of any project of the ARC—with the exception of highway construction—may not exceed 50 percent.

The open rule now before the House, Mr. Speaker assures all Members the opportunity to offer germane amendments during the consideration of H.R. 10. I urge my colleagues to adopt the resolution so that we can begin to consider the important issues which are addressed in the bill.

Mr. QUILLEN. Mr. Speaker, I yield myself as much time as I may use.

Mr. Speaker, the National Development Investment Act is an important bill. The rule has been ably explained, and I will not be redundant.

Mr. Speaker, we know that the administration wants to do away with the Appalachian Regional Commission and with the Economic Development Administration. I was on the Public Works Committee and helped draft the legislation to create the Appalachian Regional Commission. It has done a great job for the Appalachian area. I live in the heart of it. The Appalachian Regional Commission has opened up access to that area, bringing on economic development, and it has served a good purpose.

I would urge the Members of this House to consider seriously the continuation of these two programs as outline by the Committee on Public Works and Transportation. I think it is a fine thing that we do this. Obviously the funds have been reduced. But the bill brings back into focus the original purpose of the Appalachian Regional Commission and the Economic Development Administration. It does what it should do, and that is to create jobs and construction, and the money is not wasted.

Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. CLINGER].

Mr. CLINGER. Mr. Speaker, this is a good rule. I would point out that the bill that we will be bringing to the floor under this rule contains a committee amendment which would make the authorization in this bill consistent with the House budget resolution.

In fact, Mr. Speaker, the amendment that we will bring exceeds anything that we have done yet in terms of a freeze, because the House budget resolution would call for a 10-percent cut in these programs, so what we are doing here is really a freeze, plus a 10-percent cut. So that, I think, would bring us, and does bring us, into line with the House budget resolution.

Mr. Speaker, this bill constitutes a significant reform of the legislation we have had in the past under the Economic Development Administration and the Appalachian Regional Commission. Criticisms were made last week of the fact that vast amounts of the country were eligible for aid under the EDA legislation, up to 80 percent. This bill would substantially correct that abuse, and clearly it is an abuse. This would limit eligibility. It would bring the eligible areas down to those that are really most needful, the ones that are hurting the most, the ones that need some minimal investment at the Federal level in order to get their economic house in order and to begin to create the jobs that are necessary in those pockets of poverty throughout our country. So eligibility is limited under this bill.

The second thing this does is it addresses another criticism that was made of the bill, which was that the loan program was out of control, that we had vast numbers of loans that were in default or about to go into default. In essence, we recognize that criticism, and we have restructured the program so that the loan program that would be in existence would be strictly administered at the local level. They are in a much better position to monitor these loans and determine who should be receiving help and who should not, and then monitoring and making sure that the loans are kept current. So we have reformed that element of the bill.

□ 1730

We do accentuate planning and I would point out that it is because of the EDA that we have in place throughout this country planning people who are able and they are in place to help, particularly in our rural areas, to help them come up with and devise economic strategies for their areas. These people are very creative. They are knowledgeable. The expertise is there and we would continue that kind of support.

Last week, Mr. Speaker, we had voted on this issue, on the issue of EDA, and the vote was 318 against an amendment to delete all funding for EDA and 95 votes in favor. I think that demonstrated broad-based support for this legislation.

We also heard a number of success stories of things that have been accomplished through this agency, success stories that bespeak, I think, the fact that this has been an effective agency. It has created jobs. It has preserved jobs that otherwise would have disappeared and it has done so with a very, very modest investment of Federal dollars.

This is not a huge boondoggle, a huge pork-barrel program. It is a very targeted program and it will be even more targeted in the future.

Mr. Speaker, I think this is a good bill that we are considering. It is a much tighter bill. It is a targeted bill. It is a focused program. It is going to be built on the success stories that we have had in the past, while eliminating those areas and programs that have not proven effective.

It recognizes, Mr. Speaker, that there is a continuing role for the Federal Government, albeit a modest one, in the economic development problems of this country.

Again, it is a good rule and I urge support of the Members for it.

Mr. QUILLEN. Mr. Speaker, I urge adoption of the rule so that the House can get down to business and pass the legislation when it is brought to the floor.

Mr. Speaker, I have no further requests for time.

Mr. BEILENSON. Mr. Speaker, I urge my colleagues to support the rule.

Mr. Speaker, I have no further request for time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. QUILLEN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 406, nays 12, not voting 15, as follows:

[Roll No. 255]

YEAS—406

Ackerman	Bryant	Dingell
Addabbo	Burton (CA)	DioGuardi
Akaka	Burton (IN)	Dixon
Alexander	Bustamante	Donnelly
Anderson	Byron	Dorgan (ND)
Andrews	Callahan	Dornan (CA)
Annunzio	Campbell	Dowdy
Anthony	Carper	Duncan
Applegate	Carr	Durbin
Archer	Chandler	Dwyer
Aspin	Chappell	Dymally
Atkins	Chappie	Dyson
AuCoin	Cheney	Early
Barnard	Clay	Eckart (OH)
Barnes	Clinger	Eckert (NY)
Bateman	Coats	Edgar
Bates	Coble	Edwards (CA)
Bedell	Coelho	Edwards (OK)
Beilenson	Coleman (MO)	Emerson
Bennett	Coleman (TX)	English
Bentley	Collins	Erdreich
Bereuter	Combest	Evans (IA)
Berman	Conte	Evans (IL)
Bevill	Conyers	Fascell
Biaggi	Cooper	Fawell
Bilirakis	Coughlin	Fazio
Blliley	Courter	Feighan
Boehlert	Coyne	Fiedler
Boggs	Craig	Fields
Boner (TN)	Crane	Fish
Bonker	Crockett	Flippo
Borski	Daniel	Florio
Bosco	Dannemeyer	Foglietta
Boucher	Darden	Foley
Boulter	Daschle	Ford (MI)
Boxer	Daub	Ford (TN)
Breaux	Davis	Fowler
Brooks	de la Garza	Frank
Broomfield	DeLay	Franklin
Brown (CA)	Dellums	Frost
Brown (CO)	Derrick	Fuqua
Broyhill	Dickinson	Gallo
Bruce	Dicks	Garcia
Gaydos	Markey	Savage
Gekas	Marlenee	Saxton
Gephardt	Martin (IL)	Schaefer
Gibbons	Martin (NY)	Scheuer
Gilman	Martinez	Schneider
Gingrich	Matsui	Schroeder
Glickman	Mavroules	Schuette
Gonzalez	Mazzoli	Schulze
Goodling	McCain	Schumer
Gordon	McCandless	Seiberling
Gradison	McCloskey	Sensenbrenner
Gray (IL)	McCollum	Sharp
Gray (PA)	McCurdy	Shaw
Green	McDade	Shelby
Gregg	McEwen	Shuster
Grotberg	McGrath	Sikorski
Guarini	McHugh	Siljander
Gunderson	McKernan	Sisisky
Hall (OH)	McKinney	Skeen
Hall, Ralph	McMillan	Skelton
Hamilton	Meyers	Slattery
Hammerschmidt	Mica	Slaughter
Hansen	Michel	Smith (FL)
Hartnett	Mikulski	Smith (IA)
Hatcher	Miller (CA)	Smith (NE)
Hawkins	Miller (WA)	Smith (NH)
Hayes	Mineta	Smith (NJ)
Heftel	Mitchell	Smith, Robert
Hendon	Moakley	Snowe
Henry	Molinari	Snyder
Hertel	Mollohan	Solomon
Hiler	Moody	Spence
Hillis	Moore	Spratt
Hopkins	Moorhead	St Germain
Horton	Morrison (CT)	Staggers
Howard	Morrison (WA)	Stallings
Hoyer	Mrazek	Stangeland
Hubbard	Murphy	Stark
Huckaby	Murtha	Stenholm
Hughes	Myers	Stokes
Hutto	Natcher	Strang
Hyde	Neal	Stratton
Ireland	Nelson	Sundquist
Jacobs	Nichols	Sweeney
Jeffords	Nielson	Swift
Jenkins	Nowak	Swindall
Johnson	O'Brien	Synar
Jones (NC)	Oakar	Tallon
Jones (OK)	Oberstar	Tauke
Jones (TN)	Obey	Tauzin
Kanjorski	Olin	Taylor
Kaptur	Ortiz	Thomas (CA)
Kasich	Owens	Thomas (GA)
Kastenmeier	Oxley	Torres
Kemp	Packard	Torricelli
Kennelly	Panetta	Towns
Kildee	Parris	Traficant
Kindness	Pashayan	Traxler
Kleczka	Pease	Udall
Kolbe	Penny	Valentine
Kolter	Pepper	Vander Jagt
Kostmayer	Perkins	Vento
Kramer	Petri	Visclosky
LaFalce	Pickle	Volkmer
Lagomarsino	Porter	Walgren
Lantos	Price	Walker
Latta	Pursell	Watkins
Leach (IA)	Quillen	Waxman
Leath (TX)	Rahall	Weaver
Lehman (CA)	Rangel	Weiss
Lehman (FL)	Ray	Wheat
Leland	Regula	Whitehurst
Lent	Reid	Whitley
Levin (MI)	Richardson	Whittaker
Levine (CA)	Ridge	Whitten
Lewis (CA)	Rinaldo	Williams
Lewis (FL)	Ritter	Wilson
Lightfoot	Roberts	Wirth
Lipinski	Robinson	Wise
Livingston	Rodino	Wolf
Lloyd	Roe	Wolpe
Loeffler	Roemer	Wortley
Long	Rogers	Wright
Lott	Rose	Wyden
Lowery (CA)	Rostenkowski	Wylie
Lowry (WA)	Roth	Yates
Lujan	Roukema	Yatron
Luken	Rowland (CT)	Young (AK)
Lundine	Rowland (GA)	Young (FL)
Mack	Roybal	Young (MO)
MacKay	Rudd	Zschau
Madigan	Russo	
Manton	Sabo	

NAYS—12

Armey	DeWine	Smith, Denny
Bartlett	Dreier	Stump
Barton	Frenzel	Vucanovich
Cobey	Hunter	Weber

NOT VOTING—15

Badham	Gejdenson	Monson
Boland	Hefner	Montgomery
Bonior (MI)	Holt	Shumway
Carney	Lungren	Solarz
Downey	Miller (OH)	Studds

□ 1750

Messrs. STUMP, HUNTER, and ARMEY changed their votes from "yea" to "nay."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.J. RES. 187, APPROVING "COMPACT OF FREE ASSOCIATION"

Mr. PEPPER, from the Committee on Rules, submitted a privileged report (Rept. No. 99-224) on the resolution (H. Res. 235) providing for the consideration of the joint resolution (H.J. Res. 187) to approve the "Compact of Free Association," and for other purposes, which was referred to the House Calendar and ordered to be printed.

NATIONAL DISABILITY IN ENTERTAINMENT WEEK

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 86) to designate the week of July 25, 1985 through July 31, 1985, as "National Disability in Entertainment Week," and ask for its immediate consideration in the House.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. HANSEN. Mr. Speaker, reserving the right to object, I do not object, but I simply would like to inform the House that the minority has no objection to the legislation now being considered.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate joint resolution as follows:

S.J. RES. 86

Whereas the thirty six million people with disabilities in our Nation still face attitudinal barriers that prevent the full exercise of their civil liberties;

Whereas the entertainment industry is a powerful educational tool that has a significant impact on the images the Nation perceives;

Whereas the entertainment industry has been making strides in increasing both the quantity and quality of the portrayals and employment of people with disabilities in the media;

Whereas the continued involvement of the entertainment industry is vital to changing the stereotypes of people with disabilities;

Whereas the entertainment industry, the Federal Government, and the Nation should recognize the great potential for contribution from those with disabilities: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of July 25, 1985, through July 31, 1985, is designated as "National Disability in Entertainment Week" and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe the week with appropriate programs, ceremonies, and activities.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LUPUS AWARENESS WEEK

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 57) to designate the week of October 20, 1985, through October 26, 1985, as "Lupus Awareness Week," and ask for its immediate consideration in the House.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. HANSEN. Mr. Speaker reserving the right to object, I do not object, but simply would like to inform the House that the minority has no objection to the legislation now being considered.

Mr. Speaker, under my reservation, I would like to yield to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Speaker, I am pleased to take this opportunity to express my strong support for Senate Joint Resolution 57, which designates October 20 through 26 as "Lupus Awareness Week." I would also like to thank the gentleman from Pennsylvania [Mr. BORSKI] for sponsoring the House companion measure, House Joint Resolution 197, which I am proud to have cosponsored.

It is appropriate that we consider this resolution today, while concerned people and members of lupus awareness organizations from across the United States are attending a Lupus Convention in Dallas, TX. The convention began on July 13 and will last until the 27th. Our consideration of Senate Joint Resolution 57 will, I am certain, bolster the spirit and hope of all those in attendance who have dedicated their time and energy to this worthy cause.

The disease, lupus erythematosus, is an immunological disorder characterized by chronic inflammation of the connective tissues. Its symptoms include severe pain in the joints, and increased susceptibility to infections, rashes, and bruises. Sadly enough, these symptoms are worsened by exposure to sunlight, thus depriving lupus victims of the mental and sometimes physical healing power of the Sun. Although lupus is usually restricted to the extremities, it can also cause damage to major body organs, and in worst cases, lupus can even cause death.

Lupus erythematosus affects a staggering 50,000 people each year, but unfortunately is less understood than multiple sclerosis, muscular dystrophy, and cystic fibrosis, which claim less victims per year. Although these three diseases are less widespread than lupus, they are no less tragic. All four diseases, including lupus, are presently incurable. However, with lupus the problem of not having a cure is compounded by a significant lack of awareness. Although lupus erythematosus is not a rare condition, doctors who are unfamiliar with the disease often misdiagnose lupus victims who could have been effectively treated to reduce the severity of the condition.

Through the work of the Lupus Foundation of America, Inc., its constituent chapters and other concerned individuals, much progress has been made to support lupus victims and their families, to encourage funding for research and to increase awareness of lupus. In specific, I am familiar with the work of the Rockland and Orange Chapter of the Lupus Foundation of America, Inc., an all-volunteer health organization dedicated to lupus and located in my congressional district.

In spite of the progress that has already been made to increase the awareness of lupus erythematosus, there is still much work that needs to be done to educate the public, the Government, and most especially those in the medical profession about the incidence of lupus. Accordingly, I urge my colleagues to join in support of this measure. By passing Senate Joint Resolution 57, we can add to the progress that has already been achieved by organizations and people such as those currently gathered in Dallas at the Lupus Convention by giving them something to build upon, talk about, and hope for.

Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I urge my colleagues to fully support the measure.

● Mr. BORSKI. Mr. Speaker, I rise in support of Senate Joint Resolution 57, which designates the week of October 20–26, 1985, as "Lupus Awareness Week." I am proud to have sponsored this resolution, and would like to express my thanks to the many Members who joined me as cosponsors.

Lupus erythematosus, or lupus, is a debilitating disease of the body's immune system, and there is no cure yet known for it. The body's immune system attacks healthy tissue, resulting in severe inflammation and scarring. Lupus may only affect the skin in some victims, while in others it may damage major body organs. Lupus can cause kidney and heart disease, pleurisy, and pneumonia. In some cases, the disease may result in death.

Lupus affects over 500,000 Americans, with more than 50,000 new cases diagnosed yearly. While the disease can affect people of all ages, over 70 percent of its victims are women, often in their child-bearing years.

Lupus is largely unknown among the general public, even though it is more common than multiple sclerosis, muscular dystrophy, and leukemia. Further, it is often misdiagnosed, preventing victims from receiving the treatments that could possibly reduce the severity of the disease.

For these reasons, it is critical to increase the awareness of the general public to the symptoms, diagnosis, and possible prevention of lupus. "Lupus Awareness Week" is an important part of the effort to increase public awareness and promote early diagnosis and improved treatment.

I want to thank the Lupus Foundation of America for their leadership in bringing this issue to the attention of Congress. The Lupus Foundation is aggressively leading the fight to combat and ultimately defeat this illness.

It is my hope that this resolution can mark a unification of our concern and our efforts, on the part of Congress, the Lupus Foundation, and the general public, to finding an end to one of the most baffling, painful and injurious diseases now confronting the American public. Lupus Awareness Week is a heartening step in the right direction.●

Mr. HANSEN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 57

Whereas Lupus Erythematosus is a disease of unknown cause that affects over five-hundred thousand people in the United States, 90 percent of whom are women in their childbearing years;

Whereas Lupus Erythematosus, though not a rare disease, is unfamiliar even to some physicians which may result in the

disease being misdiagnosed or diagnosed too late;

Whereas Lupus Erythematosus in the most severe form can be fatal;

Whereas The Lupus Foundation of America, Inc., its constitutent chapters, and other voluntary health organizations are established throughout the United States to serve and support victims of lupus and their families, encourage funding for research and increase public awareness; and

Whereas the public and the Federal Government are not sufficiently aware of the incidence of Lupus Erythematosus: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of October 20, 1985, through October 26, 1985, is designated as "Lupus Awareness Week" and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe the week with appropriate programs, ceremonies, and activities.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RECOGNIZING BOTH PEACE CORPS VOLUNTEERS AND THE PEACE CORPS ON THE AGENCY'S 25TH ANNIVERSARY

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 305) to recognize both Peace Corps volunteers and the Peace Corps on the Agency's 25th anniversary, 1985–86, and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. HANSEN. Mr. Speaker, reserving the right to object, I do not object but simply would like to inform the House that the minority has no objection to the legislation now being considered.

Mr. Speaker, under my reservation, I yield to the gentleman from Michigan [Mr. PAUL HENRY], who is the chief sponsor of House Joint Resolution 305.

Mr. HENRY. I thank the gentleman for yielding.

I simply point out, Mr. Speaker, that this resolution is a resolution of commendation for roughly 120,000 volunteers who have served in the Peace Corps in its 25-year history in over 90 countries across the world.

There were five former volunteers who presently serve in this body who joined in cosponsoring this resolution of tribute. I thank the gentleman from New York [Mr. GARCIA] for the speedy consideration of the resolution.

Mr. HANSEN. Mr. Speaker, under my reservation, I would yield to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Speaker, I rise today to encourage my colleagues to support House Joint Resolution 305, legislation honoring the 25th anniversary of the Peace Corps. As a cosponsor of this resolution, I commend the gentleman from Michigan [Mr. HENRY] for introducing this commemorative legislation in the House. It is especially appropriate that the gentleman from Michigan brings this bill before us, since it was in a speech given at the University of Michigan by the then-Presidential candidate, John F. Kennedy, that the concept and dream of a Peace Corps was first introduced.

President Kennedy's dream was realized when the Peace Corps was established by the Peace Corps Act of 1961. The Peace Corps was later made an independent agency by title VI of the International Security and Development Cooperation Act of 1981.

The corps has experienced tremendous growth since its inception. The number of volunteers serving in the Peace Corps has grown from the meager 864 that served in the first year of operation to more than 5,000 volunteers today. Our Peace Corps volunteers range in age from 21 to 83 years, serving in 60 countries throughout Africa, Latin America, Asia, the Near East, and the Pacific. More than 120,000 Americans have volunteered during the 25 years of the Peace Corps' existence.

Peace Corps volunteers are trained for a 9-to-14-week period in the appropriate local language, the technical skills necessary for their particular job, and the cross-cultural knowledge needed to adjust to a society with customs and attitudes different from their own. These volunteers serve usually for a period of 2 years, working primarily in the areas of agriculture, rural development, health, and education, while living among the people with whom they work. These are 24-hour jobs that have generated the well-deserved Peace Corps slogan "It's the toughest job you'll ever love."

This important work is made possible solely through the efforts of the Peace Corps volunteers. Let us celebrate the 25th anniversary of the Peace Corps by recognizing this demonstrated caring and desire of the American people to help others help themselves.

The year-long celebration of the 25th anniversary of the Peace Corps will begin with a symposium on October 21, 1985, at the University of Michigan. The theme of this symposium, and the many other symposiums scheduled throughout the year is "The U.S. Stake in the Developing World."

Accordingly, I urge my colleagues to join us in supporting House Joint Resolution 305 to honor the Peace Corps. It is vitally important that we show appreciation of the tremendous contributions made to developing countries by the thousands of Peace Corps volunteers by adopting this resolution.

Mr. Speaker, I thank the gentleman from Utah.

Mr. HANSEN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 305

Whereas the United States Peace Corps is beginning its twenty-fifth year of providing volunteers to serve in countries of the developing world in helping people help themselves in their reach for a better life;

Whereas over one hundred and twenty thousand Americans have served in the Peace Corps in over ninety countries around the world in programs that have significantly added to bridges of understanding between the people of the United States and the peoples of the countries it has been privileged to serve;

Whereas Peace Corps volunteers have returned to their communities enriched by the experience, more knowledgeable of the world and the challenges of building a lasting peace;

Whereas Peace Corps volunteers continue to maintain open channels of communication with their friends in the country where they served, thereby continuing to build solid commitments of understanding; and

Whereas the response of Americans to Peace Corps' call for service in seeking long-term solutions to the complex human problems of hunger, poverty, illiteracy, and disease continue to exceed its recruitment requirements: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the period October 1, 1985, through September 30, 1986, shall be the official time set aside to reflect on the achievements of the Peace Corps during its twenty-five years, as well as to consider innovative ways that the talents and expertise of its volunteers and other bilateral volunteer programs might be used in the future; the President is authorized and requested to issue a proclamation setting forth October 1, 1985, through September 30, 1986, as a period of time to honor Peace Corps volunteers past and present, and reaffirm our Nations' commitment to helping people in the developing world help themselves.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

□ 1800

MULE APPRECIATION DAY

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service to be discharged from further consideration of the joint resolution (H.R. Res.

76) to designate October 26, 1985, as "Mule Appreciation Day", and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. HANSEN. Mr. Speaker, reserving the right to object, I do not object, but simply would like to inform the House that the minority has no objection to the legislation now being considered.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The clerk read the joint resolution, as follows:

H.J. RES. 76

Whereas on October 26, 1785, the father of our country, George Washington, received the first jacks from King Charles III of Spain to breed the first American mules;

Whereas mules bred from these jacks began a tradition of service to our Nation in agriculture, mining, transportation, territorial exploration, war, and countless other endeavors;

Whereas mules have been such an important part in the building of this country; and

Whereas this is the bicentennial anniversary of the arrival of the first mules in America: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That October 26, 1985, is hereby designated as "Mule Appreciation Day". The President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to recognize October 26, 1985, as "Mule Appreciation Day".

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the joint resolutions just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 2817

Mr. EVANS of Illinois. Mr. Speaker, I ask unanimous consent to have my name withdrawn as a cosponsor of H.R. 2817.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

TEXT OF PROPOSED AGREEMENT BETWEEN THE UNITED STATES AND THE PEOPLE'S REPUBLIC OF CHINA CONCERNING PEACEFUL USES OF NUCLEAR ENERGY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 99-86)

The SPEAKER pro tempore laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, without objection, referred to the Committee on Foreign Affairs and ordered to be printed:

(For message, see proceedings of the Senate of today, Wednesday, July 24, 1985.)

CITY DEMONSTRATES NEED FOR FLOOD CONTROL PROJECT

(Mr. BOULTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BOULTER. Mr. Speaker, yesterday the citizens of Wichita Falls, TX, overwhelmingly demonstrated their support for the Lake Wichita-Holliday Creek Flood Control Project. Not only did they demonstrate their support, but they also demonstrated true financial commitment. Yesterday the citizens voted to issue municipal bonds to fund a do it yourself flood control plan in the amount of $9 million. Mr. Speaker, for over 40 years Wichita Falls has been plagued by severe flooding and the bureaucratic Federal Government has failed to provide any assistance. Even though last week's House passage of the 1986 appropriations for water projects brings funding closer, the citizens of Wichita Falls are tired of waiting. They have said enough is enough, and are going ahead with a city financed plan that will provide some, though not all, of the protection they need.

I commend the citizens for their intiative. Wichita Falls has shown both the community spirit to get things done and the necessary commitment to justify their request for Federal assistance to complete this project. With Federal funding to complement the city's input, the citizens will be protected to the level of a 100-year-flood. This will enable the city to continue to grow and prosper, thus creating jobs and economic opportunity. I urge my colleagues to act swiftly on legislation to make this project a reality.

THE UNANIMOUS DECLARATION OF DEPENDENCE ON MARINE RESOURCES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas [Mr. ALEXANDER] is recognized for 5 minutes.

● Mr. ALEXANDER. Mr. Speaker, when this Nation declared its independence in 1776, we did so with a complete faith in the greatness of the American spirit and the ingenuity of the American mind. As the needs of our Nation grew, so did demands on our resources.

Today we find many of those traditional resources near depletion. In the last century man consumed half the Earth's fossil fuels. The remainder will be gone within the next 50 years. Almost half of the world's population is malnourished, while the specter of increased famine and disease looms perilously in the paths of developing nations in Africa, South America, and Asia. After only two centuries of existence, our society finds itself menaced by the pollution of our soil, rivers, forests, and air. We are threatened by the depletion of our mines, ground waters, and natural resources.

The message is clear. America must once again call on the genius of its sons and daughters, the spirit of its people, and set out once again to affirm its independence and preserve for future generations the freedoms that we have come to enjoy.

Mr. Speaker, recently I had the opportunity to speak at the dedication of the new education and research center of the Marine Resources Development Foundation. This nonprofit foundation was established in 1970 by the distinguished Ian Koblick, known to many as "The American Cousteau." Ian has overseen the work of the foundation for the past 15 years in its efforts to foster prudent development of the vast resources of the world's oceans.

To increase public awareness of the oceanic development, Ian Koblick has proposed an international "Declaration of Dependence," affirming the commitment of the world's business leaders, scientists, political leaders, and others to exploring new horizons in marine development and research.

I include a copy of this "Declaration of Dependence" in the RECORD, and encourage my colleagues to study its contents. It espouses important principles for our future, and points our Nation in a direction we must follow—for our own survival and our future independence.

DECLARATION OF DEPENDENCE

In 1776 independence from colonial rule was a matter of survival. Two centures later we are faced with a new and more powerful adversary. Today survival has become a fight against resource depletion, over consumption, waste and pollution. Since the turn of this century, land resources (soil, forests, mines, lakes and rivers) have been diminished or depleted at an ever increasing rate. In 50 years the world's land resources will not support its spiraling population. We have reached that point in time and growth where we must think and plan for new sources of tomorrow's food, fresh water, energy and minerals.

To this end Marine Resources Development Foundation has established an education and research center in Key Largo, Florida. The nonprofit Foundation was established in 1970 by Ian G. Koblick, ocean pioneer and leading authority on "Living and Working in the Sea," which is the title of his recently published definitive work on underwater habitats and their meaning to man's survival.

An abundance of indisputable facts and predictable trends substantiate the population versus resources crisis. We are past the time for derisive gloom and doom comments, past the time of inaction. We can no longer afford to wait and watch, and work only when resource development is profitable. To break away from the restrictions of apathy, ignorance, and funding, creative ideas and strong motivating influences are needed now.

As a step in this direction the Marine Resources Development Foundation has prepared a special document entitled the Declaration of Dependence. This document patterned after the Declaration of Independence is an attempt to mobilize the support of leading marine scientists and citizens of influence.

The oceans which cover 71 percent of our planet have all the resources needed to adequately sustain a growing population. We must formulate plans now, as a national priority, to tap this abundant marine resource.

IN CONGRESS, JULY 24, 1985

THE UNANIMOUS DECLARATION OF DEPENDENCE ON MARINE RESOURCES

When in the course of human events it becomes necessary, for the survival of man and his planet, to arouse a common awareness of impending disasters, to spread knowledge of the overconsumption and abuse of the Earth's resources, it is time for man to recognize his communion with Nature and that which Nature's God entitles him, and to act forthrightly to replenish, maintain and enhance a wholesome environment.

We hold these truths to be conspicuously evident that all men are created with equal and inalienable rights and among these are the right of fresh air, clean water and the sustenance of life from land and water resources. These are the basic elements of man's Dependence on Earth for survival. When man knowingly, inadvertently, ignorantly or fortuitously transgresses this Dependence he acts against all mankind and Nature.

To secure man's vital rights and to abolish hunger, malnutrition and reckless and wanton pollution of our land, water and sky we must be aware of the imminent problems and disasters and muster strong defenses and concerted aggressions against all that threatens to restrict or destroy life, liberty and the pursuit of happiness.

This Declaration of Dependence, of ecological dependence, advances the proposition that all men of good conscience should actively promote the engendering of a high priority national affirmation and effort to inventory resources, evaluate resource utilization and develop programs that will provide what is essential to nurture mankind now and in the future.

In the absence of thorough scientific evidence, we accept the probabilities and implications presented in generalized reports and observations indicating that almost half the world's population is undernourished, that statistical projections indicate that the world's population may double in fifty years, that all the arable land on Earth cannot feed all the people, under present conditions, for more than twenty-five to thirty years.

Furthermore, we are losing six billion tons of topsoil each year. The world's largest minority group, the hungry, the malnourished, grows by approximately one million people each week. The march, which could become a stampede, from areas of hunger to those of affluence has already begun, as evidenced by Central America's northern migrations and the plight of East Africans. China's population has reached the billion mark. Man has consumed half the world's supply of fossil fuels in the last century. The rest will be gone in fifty years. Wanton exploitation has destroyed or diminished ecological system and food chains that were thousands of years in developing. We have annihilated many species and subspecies and weakened others without ever knowing their ecological significance to natural harmony.

Population and irrigation demands have put the world on the edge of water bankruptcy. Eighty percent of man's illnesses can be attributed to impure or inadequate water supplies and this condition is aggravated by an increasing spread of acid rain, ground and water pollution from toxic chemicals and industrial wastes affecting all life on Earth.

As a nation, in 30 years, we have spent vast amounts of money on our space program. With all of its accomplishments, it has not yielded a single bite of food, a single drop of water, or a single watt of energy. However, the new technology developed through space exploration can have direct application to marine resource development.

We, here, in unanimity, declare what must be done. We must develop the world's resources, most importantly, Marine Resources. The oceans cover seventy-one percent of our planet and represent a nearly inexhaustible supply of food, fresh water, energy and minerals.

We are beyond theory. We have the skill and tools at hand to develop efficient processes of desalinization to produce fresh water; aquaculture techniques to produce high protein feed and food with genetically engineered micro-algae using only sea water and sunlight; conversion methods to produce limitless energy from ocean tides, currents and thermal changes, and to extract hydrogen for a combustion based economy; extraction techniques to produce minerals and medicines from ocean water rich in pharmaceutically active compounds.

We are on the verge of breathing oxygen under water without cumbersome tanks and equipment. Man will know and feel a new freedom of exploration. Greater numbers of people will visit the depth of our oceans and investigate their wonders. Underwater habitats for research and recreation are becoming a reality. We have a sizeable population of marine scientists working on a broad array of projects that could bring to Earth the fruits of the Ocean.

Lacking is national organization, communications, prioritizing programs, and essential government, public and private sector recognition and support.

We, therefore, the representatives of the Congress of Marine Resources, appeal to the Governors and the governed to remove the blindfolds and restrictions imposed by apathy, affluence, disinterest and ignorance which result in a lack of vision and voice to see and decry insufficiency of action and coordination of effort.

Viable, nationally coordinated programs are needed now to alter the course of impending events. We, in Congress, assert the urgent need to establish a national policy for marine resources development which will have the force and financing to achieve attainable objectives. We concur on setting as a specific goal, to be reached with in 25 years, the abolition of hunger on Earth, and within an economically feasible and scientifically possible framework.

We must return to all men their inalienable right to sustenance from their planet's resources.●

LET CITIZENS HELP RETIRE THE DEBT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. GROTBERG] is recognized for 5 minutes.

● Mr. GROTBERG. Mr. Speaker, how often have we heard the two little words, budget deficit, spoken in this Chamber? Those two little words describe something we all know is far from small. We are always looking for painless ways to reduce a deficit which could conceivably be the most destructive force in our children's and grandchildren's future. Today, I'm introducing a bill which in a small way gives all citizens a chance to take part in deficit slashing while Congress goes through the painful, but necessary, exercise of program reductions.

My bill would allow a taxpayer to designate at the time a tax return is filed that any portion over $1 of an overpayment be used to reduce the public debt of the United States. The Secretary of the Treasury would be instructed to transfer the designated funds to a special account, which already exists, to reduce the debt. It adds no new layer of bureaucracy. Many of my constituents don't believe they pay enough taxes. This allows those individuals a chance to voluntarily contribute an extra amount.

I don't presume to believe that this bill will solve our deficit problem, but I think this legislation would afford our constituents an opportunity to be a part of the process and the ongoing solution. I urge my colleagues to support this idea.●

THE RECIPROCAL TRADE AND ADJUSTMENT ACT OF 1985

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. MCDADE] is recognized for 5 minutes.

● Mr. McDADE. Mr. Speaker, I am today reintroducing legislation to toughen the U.S. response to unfair trade practices by foreign competitors. This legislation, that I introduced in the 98th Congress as H.R. 1974, is known as "The Reciprocal Trade and Investment Act of 1985." The need for enactment of this bill is even greater today.

The American people have become all too familiar with what American

businessmen have long known—that our foreign competitors are not abiding by the rules that must exist to govern free trade.

Free trade must be fair trade.

The bill expands the list of actions that are defined as unfair trade practices under U.S. law. It also gives the President new powers to retaliate against unfair trade practices that hurt American products in all industries—from automobiles to agricultural exports as well as to the service industries.

In addition, this legislation is designed to counter foreign governmental subsidies for agriculture and other products which give them an unfair advantage over U.S. exports in overseas markets. This bill also focuses on trade practices of other nations that create barriers to prohibit or reduce the export of American service skills ranging from computer software to fast-food franchises.

Services related to computers, systems management, and data processing are and should continue to be an increasingly important part of the American export market.

Adoption of this act would authorize the President to place restrictions on any foreign investment and service contracts in our country, if necessary, to persuade other nations to hold these unfair trade practices. Under current law, the President can only retract previously granted trade concessions or imposed duties, fees or the restrictions on foreign imports. This bill would require the President to identify and access the impact on trade of foreign barriers and inform Congress of what will be done to eliminate those barriers. This legislation empowers Congress to request formal investigation and action in language which would strengthen section 301 of the Trade Act of 1974. This bill expands on legislation with similar provisions which passed the other body in the 97th Congress, but was not acted upon by this House of Representatives.

I urge my colleagues to join me in cosponsoring the Reciprocal Trade and Investment Act of 1985. Mr. Speaker, I ask unanimous consent that a digest of this legislation appear immediately after my statement in the RECORD.

THE RECIPROCAL TRADE AND ADJUSTMENT ACT OF 1985

Amends the Trade Act of 1974 to establish provisions dealing with foreign trade barriers. Directs the United States Trade Representative, (USTR), through the Interagency Trade Organization established pursuant to the Trade Expansion Act of 1962 to identify, analyze, and estimate the impact of practices that constitute significant barriers to or distortions of: (1) U.S. exports of goods and services; and (2) foreign direct investment by U.S. persons, especially if it has implications for trade in goods or services.

Set forth factors to be considered by the USTR in such analysis. Directs that the USTR update the analysis annually. Requires the USTR to consider foreign subsidization of exports which are like or competitive with U.S. exports to be an act which constitutes a significant barrier to, or distortion of, U.S. export of goods. In addition, it directs the USTR to submit the analysis to the appropriate Congressional Committees and it requires the report to include any action taken to eliminate such trade barriers. Directs the USTR to consult with Congress on trade policies. Directs Federal agencies to furnish information and other assistance to prepare such analysis. Authorizes the President to respond to a foreign entity's unfair trade practices by taking action against any goods or sector of such entity without regard to whether the goods of sector were involved in the unfair trade practice. Authorizes the President to propose legislation to protect U.S. trade rights or to eliminate unfair trade practices. Requires such legislative proposals to be given priority treatment. Requires a summary of a petition for a trade investigation by the USTR to be published in the Federal Register, rather than the entire petition as in current law, if the USTR decides to begin an investigation with respect to the issues raised by the petition. Authorizes the USTR to initiate an investigation in order to advise the President concerning the exercise of the President's authority to take action against unfair trade practices. Directs the USTR to consult with the appropriate congressional committees before beginning such an investigation. Authorizes the USTR to delay for up to 90 days any request for consultation by a foreign entity concerning a petition for investigation into unfair trade practices. Directs the USTR to publish notice of the delay in the Federal Register and to report to Congress the reasons for the delay. Changes the definition of "commerce" for purposes of foreign trade investigations to include: (1) services associated with international trade, whether or not related to specific goods (currently products); and (2) foreign direct investment by U.S. persons with implications for trade in goods or services. Defines "unreasonable", "unjustifiable," and "discriminatory" for purposes of such investigations. Prohibits makng information which the USTR has received in a trade investigation available to the public, if: (1) the person who provided the information makes a specified certification; (2) the USTR determines that such certification is well-founded; and (3) the person providing the information provides an adequate nonconfidential summary. Authorizes the USTR to use the information in trade investigations or to make it available to the public in a form which cannot identify the person providing the information. Sets forth the principal U.S. negotiating objectives with respect to trade in services, foreign direct investment, and high technology products. Directs the USTR to develop and coordinate the implementation of U.S. policies concerning trade in services. Requires Federal agencies responsible for regulating any service sector industry to advise and work with the USTR concerning: (1) the treatment afforded U.S. services sector interest in foreign markets; or (2) allegations of unfair practices by foreign governments or companies in a service sector. Authorizes the Secretary of Commerce to establish a service industries development program. Sets forth the goals of the program. Expresses the policy of the Congress that the President shall: (1) consult with State governments on trade policy issues affecting the regulatory authority on non-Federal governments or their procurement of goods and services; and (2) establish one or more intergovernmental policy advisory committees on trade.

Authorizes the President to establish policy advisory committees representing non-Federal governmental interests to provide policy advice on trade negotiating objectives, bargaining positions, and the implementation of trade agreements. Authorizes the President to negotiate to reduce trade barriers in foreign direct investment by U.S. persons, especially if such investment has implications for trade in goods and services. Authorizes the President to enter into agreements concerning high technology industries. Requires the Department of Commerce to submit a report to Congress analyzing factors, not addressed by this Act, which significantly affect the competitiveness of U.S. high technology industries and which have a potential for high sales growth in world markets. Authorizes the President to proclaim the modification, elimination, or continuance of any existing duty, duty-free, or excise treatment, or any additional duties to carry out agreements concluded under this Act. Requires the President to exercise this authority only with respect to specified items listed in the U.S. Tariff Schedules. Provides for the termination of such authority within five years after the enactment of this Act.●

H.R. 8—THE WATER QUALITY RENEWAL ACT OF 1985

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. LANTOS] is recognized for 5 minutes.

● Mr. LANTOS. Mr. Speaker, when the House voted on H.R. 8, the Water Quality Renewal Act 1985, I was unavoidably detained while holding a hearing in my congressional district on the subject of Federal tax reform, and, therefore, I was unable to cast my vote on this important issue. I wish to be certain, however, that my consistent and enthusiastic support for this bill is known.

The Congress enacted the Clean Water Act in 1972 to reduce the pollution of our Nation's streams, rivers, and lakes by municipal sewage and industrial discharge. A great deal of progress has been achieved under that farsighted legislation. Despite significant increases in population and industrial discharges, we have seen important successes in reducing the pollution of our Nation's waters.

Since 1982, however, many of the specific programs and general authorizations of the original Clean Water Act have expired, and we have attempted to operate without a regular authorization. Passage of the Water Quality Renewal Act of 1985 is essential to close these gaps and to remove uncertainties in funding and delays in implementing essential programs to maintain and improve our water quality.

Mr. Speaker, I strongly oppose the amendment offered by Mr. STANGELAND of Minnesota which would allow

companies to opt for weaker, locally imposed limits on industrial pollutants. This amendment would drastically slow down compliance with clean-water standards, and it would undermine and defeat the purposes of the Clean Water Act.

Mr. Speaker, I also strongly oppose the amendment offered by Mr. PURSELL of Michigan to freeze funding for water quality programs at 1985 levels. The Public Works and Transportation Committee, as directed in the House budget resolution, has already made reductions of $600 million in programs under its jurisdiction. The Water Quality Renewal Act is consistent with the House-passed budget resolution. The funding provided in this legislation is essential, and the funding reduction proposed by Mr. PURSELL would only further delay long-needed action to clean up our waters.

I welcome the passage of this act. Our Nation's waters are a precious natural heritage. This act is essential to insure that they are protected from further pollution and to remedy some of our failures in the past to take action such as this.●

ONE HUNDRED AND EIGHTIETH ANNIVERSARY OF BIRTH OF CONSTANTINO BRUMIDI

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. ANNUNZIO] is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, on Friday, July 26, 1985, we commemorate the 180th anniversary of the birth of Constantino Brumidi, that "Michelangelo of the Capitol," whose imperishable works of art add so greatly to the splendor and beauty of our Capitol.

It is appropriate that Congress once again recognize the contributions of the "Michelangelo of the Capitol" on this anniversary day. For the occasion, Cornelius W. Heine, Executive Director of the U.S. Capitol Historical Society, who has studied Brumidi art in the Capitol for 5 years, has written an article bringing into focus the art and the artist. I submit for the RECORD this article entitled "An Artist's Contribution to America."

AN ARTIST'S CONTRIBUTION TO AMERICA

(By Cornelius W. Heine, Executive Director, U.S. Capitol Historical Society)

Holding fast to the last rung of a ladder on the scaffolding from which he had just fallen, Constantino Brumidi dangled precariously 80 feet above the Rotunda floor. Just before his strength ebbed, Captain Landman was able to secure ropes about him and lower the 75 year old artist gently to the floor below. It was October 1, 1879. That was the last time the aging artist was to apply his brush and paints to the walls of the Capitol. He continued to prepare sketches from which his assistant, Felippo Costaggini, executed the frescoes on the belt of the Rotunda. Brumidi, tired in spirit, and strength, died four months later in 1880. For 25 years he had labored tirelessly throughout the Capitol completing a vast amount of lasting art—clearly the work of a master artist. Following his death, the memory and the recognition of Brumidi's immense contribution was lost sight of. Thanks to Mrs. Myrtle Cheney Murdock, wife of the congressman from Arizona, Brumidi's life and contributions were once again highlighted in 1948. Mrs. Murdock's research culminated in her magnificent book "Constantino Brumidi—The Michelangelo of the Capitol." Those many Americans, greatly interested in the art of the Capitol, are indebted to the work of Mrs Murdock.

Brumidi's life is the story of the power of the meaning of America and of one man's attempt to portray its principles through art as his payment for the freedom he found. Seeking that freedom, Constantino Brumidi left his native Italy in 1852, leaving behind a land caught up in political turmoil. He landed in New York City on September 18, 1852, the anniversary of the date upon which President George Washington laid the cornerstone of the Capitol in 1793. Penniless and downtrodden, Brumidi did some art work in New York City and for a time in Mexico. In 1855 the artist came to Washington. At the Capitol, fate brought him into contact with Captain Montgomery Meigs, who was in charge of the construction and decoration of the great dome, and who was looking, vainly, for an artist skilled in fresco. This old world art form was the decorative treatment of large sections of ceilings and walls, wherein the painting was done on freshly laid plaster with the pigment suspended in pure water. The art then became a permanent part of the structure itself. When Meigs found that Brumidi was a fresco artist, he hired him. Before commencing his work, Brumidi wrote a prayer as his preface to an achievement that grows larger with each passing year. He said, "My one ambition and my daily prayer is that I may live long enough to make beautiful the Capitol of the one country on earth in which there is liberty."

Though conditions in Italy in the mid-nineteenth century induced Constantino Brumidi to come to America for a new life, it was, in another sense, in his native Italy wherein through long years of study, his skill as an artist was nurtured and sharpened. There at the *Accademia di San Luca*, he had studied under the greatest artists and sculptors of the time—Vincenzo Camuccini, Antonio Canova, and Berthel Thorwaldsen. It was there he executed outstanding artistic achievements, which were to be precursors to his later work in the Capitol. In his interior decoration of the Dome of the Church of the *Madonna dell Archetto*, Brumidi's art was acclaimed as approaching that of the great masters. But of most significance for the future of the United States Capitol, Brumidi was evolving concepts and techniques that he would later apply in his greatest works in the Capitol. The central figure in the Dome of the Church of the *Madonna dell Archetto* surrounded by angels is somewhat analogous to the later Eye of the Dome painting in the Capitol, depicting Washington surrounded by a circle of maidens representing the original thirteen states. Similarly, in the Capitol room where Brumidi strove to excell in every possible way—the President's Room, his four madonnas in the ceiling call to mind also his earlier adornment of the Church of the *Madonna dell Archetto*, with four madonnas on the pilasters, representing the theological virtues.

So as with many other individuals who contributed to the greatness of America, our nation is indebted to the heritage and the culture which they brought with them from their native lands. In Brumidi's case it was the sensitive skill and ability to use great art to portray the principles upon which a new nation had been founded. Both the land of his heritage, Italy, and the United States of America—his chosen country, can be justly proud of Constantino Brumidi.

However, when Constantino Brumidi first arrived on the Capitol scene in 1855, he had little inkling of such monumental undertakings as the Eye of the Dome and the President's Room. Nor were the officials of the Capitol yet convinced of his technical skill. Thus, Captain Meigs and the leaders of Congress gave the newly arrived artist a chance to prove himself by undertaking the fresco decoration of the House Agriculture Committee Room (H-144). There he completed his first fresco and the first completed in the Capitol, as he depicted the Seasons of the Year. When the officials reviewed that work, they were greatly pleased. They marveled, as had the critics of Rome earlier, of the beautiful hues of colors and the harmony of the whole execution. Brumidi had passed the test and the way was now open for him to begin a quarter-century of art in the Capitol.

Not long thereafter, the Capitol officials contemplated the decoration of the canopy of the dome. Brumidi was commissioned to execute the decoration of this almost 5000 square feet canopy at a cost not to exceed $40,000. The undertaking represented a tremendous challenge to even the most skilled fresco artist. But it was one to which Brumidi was equal. While Secretary of the Interior Usher, who was in charge of the Capitol in 1863, expressed concern that progress on the "Eye of the Dome" was too slow, once Brumidi had completed his cartoons and was ready to apply oils to the plaster, this mammoth work was finished in less than one year in 1864. The official title given to the work was "The Apotheosis of George Washington" and it represented the deification of the First President and the principles that he and the nation exemplified. In historical retrospect, few if any artists living at that time could have been better suited to bring life through art to the canopy of the great dome than Constantino Brumidi. He must have called upon all the techniques and skills learned over a quarter of a century before in his native Italy. First he had to have the ability to plan and envision the overall concept, to know exactly the size required, so that his 15 foot figures would appear life-like in size to the visitors eye 181 feet below. His mastery of fresco required the prior knowledge, almost in scientific exactitude of the colors and the varying shades as they would appear when finally dried. This was all the more difficult, in that the colors were originally applied on wet dark brown plaster, giving no hint, except to the Master skilled in *"buono fresco,"* in how the shades would eventually turn out. The final Masterpiece was finished before the Second Inauguration of President Abraham Lincoln. Sometime prior to that time on the box in the grouping where Mercury, Protector of Travelers and Merchants, is advising Benjamin Franklin, Robert Fulton, and Samuel B. Morse, Brumidi affixed his signature and the date 1865.

Following his unexcelled achievement of the "Eye of the Dome" painting, Constan-

tino Brumidi moved to the Senate side, where he decorated the halls and corridors, which today bear the title "The Brumidi Corridors." There he was assisted by some 25 or more artisans. But it is believed that he personally executed the frescos in the ceilings and many of the animals and birds which adorn the walls.

Brumidi also applies his skills in many of the committee rooms in the Senate wing of the Capitol. In the room now used by the Vice President's staff is the beautiful fresco of "the South being welcomed back into the Union of the States." Nearby, in the much larger room—once the Senate District of Columbia Committee Room—and now the Senate Democratic Policy Committee Room, the walls and the ceilings are all equisite Brumidi. Four major fresco paintings decorate each wall, beginning with "Physics" on the north wall and continuing clockwise with "Geography." "History" and lastly the "Telegraph." Groupings representing the Three Graces are found in each corner of the ceiling and the entire ceiling contains special decorative motifs of the artist Brumidi. In the three room suite now used by the Senate Appropriations Committee, Brumidi spent many arduous hours of workmanship, when these rooms were the Indian Affairs Committee Room and the Naval Affairs Committee Room. In the latter room, now used by the Senate Appropriations Committee, Brumidi used a theme symbolic of the sea and marine life. Figures from Greek and Roman mythology and a variety of half-human-half sea creatures adorn the room. Since the committee rooms are used for official legislative work, visitors rarely see the remarkable art treasures within them. In the case of the Senate Appropriations Committee Room, Committee Chairman, Mark Hatfield had the central door off the main corridor converted to open glass, so that visitors may look in and see the art of Brumidi and the room itself whenever the Committee is not in session.

Many art historians believe that the high point in Brumidi's Capitol oddessey came with his decoration of the President's Room. Perhaps, realizing this room would be used by Presidents of the United States down through the years, Brumidi exerted every effort to reach the near-perfection of his artistic ability. The art in the President's Room reveals not only Brumidi's mastery of form and harmony of colors, but his gifted technique of using light and shadow to convey a three-dimensional quality to the figures. Cherubs appear as if their arms are actually reaching out from the flat wall. Outstanding portraits of Benjamin Franklin, George Washington, William Brewster, and Americus Vespucius adorn the walls. As in his earlier work in the Rotunda, Brumidi sought to depict principles both underlying the founding of the new government and the work that would go on within the walls of the Capitol. Thus he achieved through the depiction of four beautifully executed Madonnas in the ceiling of the room. Holding symbols of the principle or virtue being depicted, the madonnas represent the Executive, for whom the room was designed; Religion, representing the higher moral values by which mankind is guided, Legislation, which is the official duty of the Congress, and Liberty, which was that principal of human dignity that brought people to a new land and caused them to create a government, based on that human dignity.

Of Brumidi's work in the Capitol, there seemed almost no end. He even designed exquisite monumental bronze stairways—two each for the House and Senate, which were modeled and cast by other artisans and represent the highest art-form of bronze work found anywhere in the United States.

When Constantino Brumidi uttered his prayer that he be given time to beautify the Capitol, he perhaps had no number of years in mind. As his 25th year of his labor of love approached, age, the work of years, and personal hardships had taken their toll. By the late 1870's, he was back in the Rotunda to begin his last art work in the Capitol—the freize bordering the base of the Dome and entitled "America in History." It was there, while working on the grouping of William Penn and the Indians, that Brumidi's fall occurred.

While art historians and critics continue to study the work of Erumidi, there appears to be a growing recognition of the mastery of his art. The amount of his art is almost baffling to the mind. He must have been absorbed in his art and followed the early Latin motto *Labore est Orare*—work is prayer.

The Capitol is a treasure house of art and particularly the treasure house of Brumidi's art. As we approach the 180th anniversary of the birth of Constantino Brumidi, his art is bringing more and more acclaim. After being forgotten for many years, he is now being referred to as the Michelangelo of the Capitol. Once his remaining paintings and work sketches of his original paintings in the Capitol as left to his son and later auctioned off, found little public interest. Today even his work sketches are prized by collectors. The work sketch of "The Telegraph" referred to earlier was acquired by the curator of the Senate at a cost of some $27,000.

Increasing recognition has been given Brumidi by the Congress in recent years. Leading such recognition, Congressman Frank Annunzio introduced in 1966 a House Resolution to memorialize Brumidi with a marble bust and the late Senator Paul Douglas introduced a similar resolution in the Senate. These efforts were supported by the Honorable Peter Rodino and former Senator John O. Pastore. On April 30, 1968 the dedication of the bust of Constantino Brumidi by the sculptress Jimilu Mason took place in the Capitol Rotunda. That marble bust now rests on a pedestal across from the Senate Foreign Relations Committee Room and amid the corridors where Brumidi worked so ardently during his lifetime.

But while the art of Brumidi is now receiving the due it deserves, what of Brumidi the man. In one sense Constantino Brumidi cannot be spearated from his art. His life was art and his obsession was to beautify a single building—the Capitol of the United States. He lived in an age where the care of family records and the interest in recording history was not what it is today. Perhaps, in the future historians will study further the man apart from his art. But for now the legacy of Constantino Brumidi is the vast array of fresco art in the Capitol of the United States. It is the nation's treasure created by one who poured out his love for America through his art. Here in the Capitol, all the years of apprenticeship under the masters and his own artistic work in the palaces and churches of Italy came to distillation in the majestic "Eye of the Dome" painting; in the President's Room; and in the halls and corridors of the Capitol.

Constantino Brumidi's family and descendents recognized his unique greatness among artists. Lola Germond Brumidi, his wife and model for many of the figures in his Capitol paintings saw that he was buried in her family plot upon his death, even though circumstances had caused their parting earlier. Today, the great-grand niece of Lola Germond Brumidi, Mildred Thompson, helps to keep alive the memory and the contributions of Constantino Brumidi. Mrs. Thompson frequently shares insights into various aspects of Brumidi's work in the Capitol and elsewhere. She has pointed out that despite his massive production of art in the Capitol, Brumidi's works of art may also be seen in the frescoes in St. Aloysius Church on North Capitol Street in Washington, in St. Stephen's Church in New York City, and in the form of portrait paintings held in private collections. Recently, the U.S. Capitol Historical Society acquired the Brumidi portrait of Mrs. Edward Clark, wife of the Architect of the Capitol when Brumidi did his principal works, and donated it to the Capitol collection.

Many years ago President Herbert Hoover said: ". . . The Caitol is this national stage on which the drama of our political life is played. Here we fought the battles that tested the foundation of our government. We face similar problems of our time; and in centuries hence, some other Americans will face the great problems of their time. For our task and their tasks there is need of a daily inspiration of surroundings that suggest not only the traditions of the past, but the greatness of the future."

Constantino Brumidi spent a quarter century working to create "that daily inspiration of surroundings" of which President Hoover spoke. He strove through art to go beyond the "inspiration of surroundings" by symbolically depicting some of the fundamental principles underlying the founding of the United States—courage, freedom of the individual, justice, and faith that this nation, so conceived, would endure. Brumidi's legacy is the nation's legacy. Millions of visitors have passed through the Capitol and continue to do so. Some of these visitors and the lawmakers who serve within the Capitol, at times glance upwards upon the masterful art of one man, who wanted to repay the nation which gave him the freedom he yearned for. The verdict of history looks kindly, I believe, upon his repayment, as the Nation and the Congress of the United States pause to honor Constantino Brumidi on the 180th anniversary of his birth—July 26, 1985.●

REFORM OF THE HOUSE RULES

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Kansas [Mrs. MEYERS] is recognized for 60 minutes.

GENERAL LEAVE

Mrs. MEYERS of Kansas. Mr. Speaker, I ask unanimous consent that all Members who participate tonight may have 5 legislative days to revise and extend their remarks, and to submit extraneous and supportive material in conjunction with the special order.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Kansas?

There was no objection.

Mrs. MEYERS of Kansas. Mr. Speaker, I rise to discuss a matter of

great concern to many Members of the House of Representatives, and that is reform of the rules by which we conduct the people's business.

As the chairman of the House Republican Task Force on Congressional Reform, my office has embarked on an exhaustive research project, identifying numerous instances and cases where House rules could and should be modified to allow a more democratic participation in the legislative decisionmaking process.

On July 11, I introduced House Resolution 220, which calls for the consideration of another House Resolution, No. 164, introduced previously by our distinguished minority leader [Mr. MICHEL].

I have today filed a petition to discharge the resolution from the Rules Committee.

While I am not unaware of partisan considerations which may affect consideration and discussion of this reform proposal, I truly believe that Members on both sides of the aisle can work together in a spirit of statesmanship toward a package of reforms which will benefit the entire House.

I am very willing to work with all of my colleagues in this worthwhile process of reexamining the rules by which we work together. I earnestly seek the support of Members of the majority who, while we may differ on other substantive issues, are willing to consider ways and means to make this body run more efficiently; be more sensitive, and responsive to the people and be more productive and effective in resolving the many important issues facing America today.

Before I proceed, Mr. Speaker, I would like to yield to my friend, the gentlewoman from Nevada [Mrs. VUCANOVICH].

Mrs. VUCANOVICH. Mr. Speaker, I want to thank my colleague, Congresswoman MEYERS, for holding this special order so that we can discuss the problems certain Members have with the rules of this House. I would like to focus my remarks on committee ratios and proxy voting.

First, addressing the Democrat leadership's desire to hide behind the protection of strength through numbers—it seems that the Democrats don't play with a full deck even when they stack the deck.

Unfair committee ratios are an obvious attempt to squash reasonable and constitutional debate of important issues. The leadership of the House is simply protecting its private viewpoint from possible defectors who may have a different view.

By loading the committees with heavyhanded numbers of Democrats, Mr. O'NEILL, Mr. WRIGHT, and their lieutenants have made sure that the only viewpoint on an issue is their view!

How do you freethinking, intelligent Democrats feel knowing that your leadership has chosen its view and has planted it in every committee, no matter what you think? What happens to your voice if you differ from your leaders?

I call on every single colleague of mine, Republican and Democrat, to demand that TIP O'NEILL allow fair and equitable representation on all committees that reflect the true ratio of this body.

And to compound the attempted censorship of views of the loyal opposition in committees by the Democrat leadership, Mr. O'NEILL and company continue to define democracy as "four votes, one man"—better known as proxies.

Not only are minority viewpoints suppressed; they are voted down by Members who are not even there and there are ghosts who the leadership has claimed are vital to their committee. If they are so vital, Mr. Speaker, let's have them present in committee, voting their own position. We should not condone the practice of proxy voting passing legislation.

The American people are demanding we make important well-informed decisions on the floor and we can't even get the benefit of committee member's knowledge because they are not attending—they are voting by proxy.

By continuing this practice of absentee representation, the Democrat leadership has simply said to the American voter, "I will give you full representation on the floor of the House, but I don't have to in committee."

It seems the Democrats want to give the people only half of their voice in Congress.

□ 1810

I thank the gentlewoman for holding this special order, and I am glad to have been able to participate.

Mrs. MEYERS of Kansas. I thank my colleague for her remarks.

There is a view that Congress is unable to cope effectively with today's widespread problems. Such a view has been around for almost 40 years and probably existed before that. Congress responded with the Legislative Reorganization Act of 1946 and with it reformed committee jurisdictions. In the 1970's Congress took steps toward improving congressional capabilities and efficiency with which it meets its legislative, investigative, and oversight responsibilities. Of the number of actions taken in this direction, four stand out: The Legislative Reorganization Act of 1970, the Technology Assessment Act of 1972, the Budget and Impoundment Control Act of 1974, and the Committee Reform Amendments of 1974.

Many good things have been accomplished with the passage of these reforms, such as modifying floor voting procedures to save time and announcing each year's anticipated schedule to enable Members to plan accordingly. Unfortunately, the Congress has done little else to improve its methods of operations since the 1970's. There remains much that needs to be accomplished.

Found in House Resolution 164 are a series of reform proposals that deserve the attention of Members on both sides of the aisle. Legislation I have introduced would bring House Resolution 164 to the floor for 10 hours of debate. Thoughtful discussion and input from all Members would provide great insight into ways that the rules could be improved.

I am one of the freshmen, one of the new kids on the block, and concede that I have more to learn about the House than others. However, as a freshman I have been frustrated by a number of things. Scheduling is a terrible problem for all of us. There are committee hearings to attend, constituents to meet, legislative issues and priorities to become familiar with, votes to cast, debates to both listen to and participate in, and on and on.

We need to organize the time of all Members so that we are better able to represent and serve our constituents. The task force which I chair is not the first to suggest such reforms. There has been a Commission on Administrative Review, another Task Force on Reform, the Commission on More Effective Government, and the Select Committee on Committees, to name a few. What we need to do is stop, listen, and learn from what these people were trying to tell us.

In 1979 a survey was done of both Republican and Democratic members of the Select Committee on Committees. I am submitting a copy of this survey for the RECORD.

SURVEY OF HOUSE MEMBERS

Because of the short time available to the Select Committee in which to complete its work, committee members sought a variety of means through which to evaluate Member opinion on various organization options. The Bolling Committee, in 1973, held extensive public hearings on committee reorganization. It was the feeling of the Select Committee that such generalized hearings could not be held in view of the committee's early reporting deadline.

The committee therefore sought alternative means to determine Member sentiment toward reorganization. In June and July, staff of the Select Committee interviewed more than forty Members of the House. The interviews were held off the record, but they provided valuable early input which served to shape future committee decisions. In October 1979, the staff of the Select Committee drafted two questionnaires on specific reorganization proposals. In all, more than two hundred House Members responded to the survey questionnaires. The text of the questionnaires, and the response totals are included in this section.

QUESTIONNAIRE 1.—COMBINED RESPONSES OF REPUBLICAN AND DEMOCRATIC MEMBERS SELECT COMMITTEE ON COMMITTEES, NOV. 16, 1979

	Democrat			Republican			Combined		
	Yes	No	Undecided [1]	Yes	No	Undecided [1]	Yes	No	Undecided [1]
A. GENERAL									
1. Please indicate whether or not you agree with each of the following general statements about committee system revision:									
(a) The House committee system is in disarray and comprehensive revision of the system should be given high priority	82	28	12	46	11	5	128	39	17
(b) Despite appearances of disarray, the committee system is functioning about as well as can be expected and does not require major reorganization	25	85	12	13	44	3	38	129	15
(c) A carefully developed comprehensive revision of the committee system will attract wide support among Members	30	45	47	17	25	20	47	70	67
(d) Most Members would be more likely to accept a relatively few modest changes, rather than a comprehensive revision	85	13	24	47	8	7	132	21	31
(e) Committee system revision is so necessary that it should be pursued even if Members see themselves adversely affected by specific jurisdictional or other changes	85	22	15	46	10	6	131	32	21
(f) Committee system revision should be limited to changes which do not affect Members' positions or jurisdictions	16	93	13	7	50	5	23	143	18
	Importance								
	High	Medium	Low	High	Medium	Low	High	Medium	Low
2. Following is a list of possible goals or objectives of committee system revision: Please indicate, for each, the level of importance you believe it should have.									
(a) Strengthen authority of committee chairmen	32	44	46	5	26	31	37	70	77
(b) Strengthen role of leadership	52	42	28	13	21	28	65	63	56
(c) Improve information resources	68	35	18	33	15	14	101	50	32
(d) Rationalize jurisdictions	97	17	8	57	3	2	154	20	10
(e) Strengthen oversight	84	32	6	50	9	3	134	41	9
(f) Reduce fragmentation	101	15	6	53	6	3	154	21	9
(g) Improve hearing process	52	45	25	20	26	16	72	71	41
(h) Reduce costs of committee operations	40	48	34	38	17	8	78	65	42
(j) Consolidate committee system by reducing number of units and assignments	79	28	15	42	14	6	121	42	21
(i) Control growth of committee staffs	69	36	17	43	14	5	112	50	22
(k) Develop means of cooperation between committees	84	31	7	39	18	5	123	49	12
B. COMMITTEE STRUCTURE AND ASSIGNMENTS									
1. Do you believe the number of subcommittees should be reduced?	98	9	15	51	8	3	149	17	18
If so, what should be the maximum number of subcommittees (except for Appropriations): 5 (71), 6 (47), 7 (8), 8 (7), other (40).									
2. Do you believe the total number of subcommittee assignments per Member should be limited?	95	7	20	57	3	2	152	10	22
If so, what should be the maximum number of subcommittee assignments per Member? 3 (48), 4 (66), 5 (23), 6 (6), other (38).									
C. COMMITTEE RULES AND PROCEDURES									
1. Under which conditions, if any, should committees be allowed to close their meetings to the public: Security.									
2. Should Members be authorized to take leaves of absence from assigned committees, without losing seniority, to serve temporarily on other committees?	68	37	17	26	24	12	94	61	29
3. Should proxy voting in committee be prohibited?	33	83	6	47	14	1	80	97	7
4. Should the quorum required for the transaction of business and the marking up of legislation be increased from one-third to one-half to correspond with the quorum required to report a measure?	42	66	14	46	12	4	88	78	18
D. COMMITTEE ADMINISTRATION, FUNDING, AND STAFFING									
1. Should committees be required to publish advance monthly calendars of future committee/subcommittee meetings and hearings?	73	32	17	41	14	7	114	46	24
2. Please indicate your agreement or disagreement with each of the following statements or proposals (which do not necessarily reflect the views of the Select Committee or its Members) regarding committee staff:									
(a) Committee staffs, generally, are too big	69	33	20	47	10	5	116	43	25
(b) So long as committee workloads increase, committee staffs should keep pace	51	47	24	20	31	11	71	78	35
(c) Large subcommittee staffs have contributed to the fragmentation and unmanageability of the House committee system	70	30	22	44	7	11	114	37	33
(d) Subcommittee independence is a positive factor in the committee system and thus requires independent staffing	55	44	23	18	33	11	73	77	34
(e) Staffing of subcommittees should be under the control of full committees rather than function independently	57	48	16	34	22	6	91	70	22
(f) Some kind of ceiling or cap should be imposed on committee/subcommittee staffs overall	89	19	14	59	2	1	148	21	15
(g) The number of subcommittees per committee on which, under the rules, chairmen and ranking minority members have independent authority to appoint 1 staff member should be reduced from 6 to 4	65	28	29	38	9	15	103	37	44
(h) Committee minorities should be entitled to appoint a full ⅓ share of committee/subcommittee staffs	52	42	28	59	1	2	111	43	30
(i) The expansion of Members' personal staffs has become a serious problem, too	42	64	16	24	32	6	66	96	22
E. OVERSIGHT									
1. In general, do you believe that House committees are doing an adequate job of oversight?	26	84	12	3	55	4	29	139	16
2. Currently, about ½ the standing committees centralize all or part of their oversight activities in oversight subcommittees; other committees decentralize oversight through their regular subcommittees. Which arrangement in your experience, produces more effective oversight?									
(a) A single oversight subcommittee	27	39	56	14	38	17	41	77	73
(b) Each subcommittee doing its own oversight	48	24	50	32	11	19	80	35	69
(c) A combination of (a) and (b)	45	24	53	18	16	28	63	40	91
3. The Government Operations Committee under the rules, is required to review and report biennially on the oversight plans of House committees in order to assure effective coordination of oversight.									
(a) Do you believe this requirement achieves the needed coordination?	14	64	44	5	47	10	19	111	54
(b) Should the Government Operations Committee's authority to coordinate oversight be strengthened?	47	38	37	25	22	15	72	60	52
(c) Should the committee's coordinating role be eliminated?	23	60	39	16	32	14	39	92	53
(d) Should this coordinating role be assigned to the Committee on House Administration (and its Accounts Subcommittee) in connection with its consideration of committee funding resolutions?	16	65	41	10	22	19	26	87	60
(e) Should the coordinating function be performed by the House leadership?	29	53	40	14	32	16	43	85	56
4. Should committees be required to do more systematic "Foresight" work, analagous to oversight, in order to anticipate new and developing policy concerns?	90	9	23	46	8	8	136	17	31
5. Overall, are you satisfied that the legislative branch support agencies (Congressional Research Service, General Accounting Office, Congressional Budget Office, and Office of Technology Assessment) are adequately supporting the work of House committees?	88	17	17	45	13	4	133	30	21
6. If you have experienced committee oversight efforts which you believe were unsuccessful, which of the following factors, if any, were significantly responsible for lack of success:									
(a) Lack of commitment or determination on the part of the committee	71	13	38	41	3	19	112	16	57
(b) Partisan differences within the committee	24	57	41	22	23	17	46	80	58
(c) Inexperienced, untrained staff	29	52	41	13	29	20	42	81	61
(d) Too few staff	12	65	45	4	40	18	16	105	63
(e) Inadequate support from GAO, CRS, OTA, or CBO	10	3	6 4	2	3	4 4	12	6 6	8
	GAO	CRS	OTA CBO	GAO	CRS	CBO	GAO	CRS OTA	CBO
(f) Lack of cooperation from executive agency(ies)	58		25 39	34	13	15 20		82 38	52
(g) Lack of access to specialized expertise	40		40 42	20	22	20		60 62	62
(h) Inadequate planning	73		12 37	35	5	22		108 17	59
(i) Lack of clear congressional intent in statute or legislative history; absence of standards or objectives by which to measure performance	65		18 39	33	11	18		98 29	27

QUESTIONNAIRE 1.—COMBINED RESPONSES OF REPUBLICAN AND DEMOCRATIC MEMBERS SELECT COMMITTEE ON COMMITTEES, NOV. 16, 1979—Continued

	Democrat			Republican			Combined		
	Yes	No	Undecided [1]	Yes	No	Undecided [1]	Yes	No	Undecided [1]
(j) Failure to follow through on oversight findings	71	10	41	36	6	20	107	16	61
F. COMMITTEE COSTS REDUCTION									
1. In general, do you believe significant reductions can be realized in the cost of committee operations without reducing committee effectiveness?	69	29	24	48	7	8	117	36	32
2. Please indicate for each of the following categories of committee costs whether you believe there is a potential for signficant reductions:									
(a) Staff compensation	46	39	37	30	20	12	76	59	49
(b) Staff fringe benefits	29	47	46	14	28	20	43	75	64
(c) Travel	62	30	30	36	12	14	98	42	44
(d) Supplies and equipment	34	45	43	16	24	32	50	69	75
(e) Committee use of House Information Systems services	20	49	53	7	32	33	27	81	86
(f) Publications, reference materials	34	43	45	13	24	36	47	67	81
(g) Telephone service	23	45	54	6	29	37	29	74	91
3. Should committees be encouraged to consider the employment of short-term consultants in lieu of some full-time staff?	73	24	25	36	13	12	109	37	37

[1] Includes undecided and no answer.
[2] Includes low and no answer.

QUESTIONNAIRE 2.—COMBINED RESPONSES OF REPUBLICAN AND DEMOCRATIC MEMBERS—SELECT COMMITTEE ON COMMITTEES, JAN. 14, 1980

	Republican			Democrat			Combined		
	Yes	No	Undecided	Yes	No	Undecided	Yes	No	Undecided
A. COMMITTEE JURISDICTIONS—OBJECTIVES									
The way in which committee jurisdictions are structured or aligned should, presumably, be related to certain general objectives. Please indicate whether you agree or disagree with each of the following possible objectives:									
1. Improved coordination in the consideration of related policy issues	30	1	1	73	2	2	103	3	3
2. Enhanced opportunity to bring a broader variety of viewpoints and expertise to bear on major policy issues	20	6	6	54	8	15	74	14	21
3. More expeditious consideration of legislation at the committee level	21	9	2	60	8	9	81	17	11
4. Greater opportunity for specialization in specific policy areas	17	6	9	57	6	14	74	12	23
5. More evenly balanced workloads among committees	23	4	5	63	6	8	86	10	13
6. Reduced need for witnesses to appear before several committees on the same subject	27	1	4	65	6	6	92	7	10
7. Greater deliberation, more selectivity, less haste in committee consideration of legislation	23	6	3	54	6	17	77	12	20
8. Reduction of jurisdictional duplication and overlap among committees	31	0	1	70	2	5	101	2	6
9. Retention of present jurisdictions and procedures so as to prevent possibility of new problems resulting from change	5	23	4	14	51	12	19	74	16
10. Discourage excessively close relationships which tend to develop between committees and the agencies and interests they oversee	16	8	8	44	17	16	60	25	24
B. COMMITTEE JURISDICTIONS—OPTIONS									
Each of the following options for dealing with committee jurisdicitons would advance one or more of the objectives listed above. For each option, please indicate whether you favor or oppose it:									
1. Provide for fewer committees with broader, more comprehensive jurisdicitons	15	15	2	40	23	14	55	38	16
2. Provide for more committees with narrower, more specialized jurisdictions	5	25	2	2	63	12	7	88	14
3. Whatever the number of committees, assure that each has broad jurisdiction over related subjects	25	2	5	62	6	9	87	8	14
4. Insofar as possible, provide exclusive jurisdiction over any one subject in one committee	27	3	2	52	9	16	79	12	18
5. Retain the present number of committees and seek objectives through transfers of jurisdiction and/or use of multiple referral procedures	13	13	6	17	38	22	30	51	28
6. Realine committee jurisdictions to correspond with—									
(a) Jurisdictions of Senate committees	4	19	9	12	38	27	16	57	36
(b) Jurisdictions of Federal departments and agencies	16	9	7	22	28	27	38	37	43
7. Abolish committees with narrower jurisdictions and lighter workloads and transfer jurisdiction to other committees	18	10	4	48	11	18	66	21	22
8. Transfer portions of the jurisdictions of committees with heavier workloads to committees with lighter workloads	17	8	7	32	19	26	49	27	33
C. SPECIFIC JURISDICTIONAL CHANGE									
1. Following are several options for organizing jurisdiction over energy. For each please indicate whether you would find the option acceptable:									
(a) Establish a single energy committee by transferring jurisdiction from existing committees	20	10	2	44	21	12	64	31	14
(b) Consolidate nontax energy jurisdiction in 3 Committees with major energy responsibility (Commerce, Science and Technology, and Interior); require sequential referral of all bills with energy provisions reported by other committees to 1 of the 3	5	20	7	18	37	22	20	57	29
(c) Concentrate energy jurisdiction in 2 committees, 1 for research and development, the other for regulation, etc	9	17	6	13	36	28	22	53	34
(d) Leave energy jurisdiction unchanged and establish an ad hoc committee, without legislative authority, for steering, policy, and coordination purposes	5	23	4	9	50	18	14	73	22
(e) Abolish joint referral of energy bills; refer each bill to the appropriate "lead" committee and provide limited sequential referral (under strict time limits) where coordination is necessary	20	6	6	32	21	24	52	27	30
2. In addition, which of the following options do you prefer:									
(a) Environmental aspects of policy should be located within the appropriate energy committee	27	2	3	43	18	16	70	20	19
(b) Environmental aspects of energy policy should be located in a separate committee	2	22	7	18	38	21	20	60	28
3. If none of the above options is satisfactory, please summarize your views or recommendations regarding energy jurisdiction [1]									
4. In view of the widely varying workloads and jurisdictions among House Committees—									
(a) Which committee(s), if any, do you believe should be abolished and their jurisdiction(s) transferred to other committees? [2]									
(b) What new committees, if any, should be established from the jurisdictions of existing committees? [3]									
5. For the committees on which you serve, please indicate by committee and subject matter those areas in which you have found significant jurisdictional conflict with other committees [4]									
6. For each of the following, please indicate whether you agree with the proposal for jurisdictional change (not necessarily those of the select committee or its members):									
(a) Transfer jurisdiction over water policy from—									
(i) Interior to Public Works	8	14	10	10	30	37	18	44	47
(ii) Public Works to Interior	11	10	11	36	13	28	47	23	39
(b) Transfer railroad transportation jurisdiction from Commerce to Public Works	12	14	6	25	28	24	37	42	30
(c) Consolidate jurisdiction over health matters in—									
(i) Commerce	14	8	10	27	22	28	41	30	38
(ii) Ways and Means	5	14	13	7	39	31	12	53	44
(iii) New Committee on Health	9	13	10	20	32	25	29	45	35
(d) Separate education and labor jurisdictions	12	11	9	33	30	14	45	41	22
(e) Combine jurisdiction over labor, postal service, and civil service in 1 committee	19	9	4	41	19	17	60	28	21
(f) Combine jurisdiction over pension and retirement programs in 1 committee	28	2	2	54	12	11	82	14	13
(g) Consolidate all environmental policy jurisdiction in 1 committee	14	12	6	39	26	12	53	38	18
7. What other specific transfers of jurisdiction between committees would you recommend? [5]									
D. INTELLIGENCE									
1. Currently, 4 House committees are authorized to receive information about CIA covert activities: Select Intelligence, Foreign Affairs, Appropriations, and Armed Services.									
(a) Should intelligence information be provided to fewer committees to protect its security?	17	7	8	24	36	17	41	43	25
(b) Should the present system be continued to assure effective oversight of covert activities?	10	13	9	31	24	22	41	37	31
(c) If fewer committees should be authorized to receive intelligence information which committee(s) should be so authorized? [6]									
2. Would you favor a single joint House-Senate Committee on Intelligence?	18	10	4	25	32	20	43	42	24

QUESTIONNAIRE 2.—COMBINED RESPONSES OF REPUBLICAN AND DEMOCRATIC MEMBERS—SELECT COMMITTEE ON COMMITTEES, JAN. 14, 1980—Continued

	Republican			Democrat			Combined		
	Yes	No	Undecided	Yes	No	Undecided	Yes	No	Undecided
E. MULTIPLE REFERRAL PROCEDURES									
The referral of bills, or parts of bills, to 2 or more committees is designed to assure that all committees with jurisdiction and expertise review legislation in their fields, though the process often delays or blocks legislation. Please indicate whether you agree with the following possible changes in the multiple referral process:									
1. Impose mandatory time limits for reporting, favorably or unfavorably, all measures multiply referred (joint, split, sequential)	21	4	7	47	16	14	68	20	21
2. Abolish joint referrals and rely on split and sequential referrals	9	13	10	22	24	31	31	37	41
3. On all joint referrals, designate a lead committee and permit that committee to seek a rule, if the other committee(s) to the referral have not reported within a specified time after the lead committee reports, and manage bill on the floor	17	5	10	51	7	19	68	12	29
4. When a measure is jointly referred and subcommittees of each of the committees in the referral are considering the measure, permit those subcommittees to merge temporarily as a "special" committee to report directly to the House	10	15	7	39	14	24	49	29	31
F. ADDITIONAL RECOMMENDATIONS/COMMENTS									
See footnote 7.									

[1] Question C.3. Broad oversight by several—leadership limits time for consideration under sequential referrals.
[2] Consolidate to every extent possible, smooth out referral system.
[3] Environmental aspects must be protected.
[4] Make jurisdictions flexible—able to change from Congress to Congress.
[5] Several of the above are preferable to the present structure—hence, I have checked those which are at least better than what we have.

Mrs. MEYERS of Kansas. My colleagues will note something interesting. A majority of both Democrats and Republicans in this survey agreed that the committee system was in disarray, that the committee system revision is so necessary that it should be pursued even if Members saw themselves adversely affected by specific jurisdictional or other changes, that the number of subcommittees should be reduced and the committee staffs are too big. That is both Democrats and Republicans. And they agreed to all of this, even though it would personally affect them.

If there are issues about which a significant number of us can agree, then our goals should therefore become quite clear and we do have common ground for discussion. A former Member of Congress once said a Congressman has become an expanded messenger boy, an employment agency, a getter-outer of the Navy, Army, and Marines, a ward healer, a wound healer, troubleshooter, law explainer, bill finder, issue translator, resolution interpreter, controversy oil pourer, glad hand extender, business promoter, convention goer, civil ills skirmisher, veterans' affairs adjuster, ex-servicemen champion and watchdog of the underdog.

Does that sound familiar? That statement was made 36 years ago, in 1949. In 1965, former chairman of the House Rules Committee, Richard Bolling, a Democrat from my area of the country, also considered one of the leading experts of congressional reform, commented, "With such a patchwork of assignments which sometimes take up to 90 percent of the time of Members and their staffs, there is little time left for the primary function of a legislator, making laws."

At this time I yield to the gentleman from Illinois [Mr. MICHEL], our distinguished minority leader, who introduced the package of rules that we would like to have considered here on the floor.

Mr. MICHEL. I thank the gentlewoman for yielding, and I want to commend her for taking this special order to discuss the matter of reforming this House, a matter about which we on this side of the aisle have strong feelings.

Mr. Speaker, Rick McIntyre ought to be here in this Chamber. He isn't. His absence tells a story that could fill volumes of the CONGRESSIONAL RECORD. The events which led up to his loss of a congressional seat he rightfully won reflect a pattern of mismanagement and misuse of this institution.

This Chamber has been under Democratic control since 1955, 30 years straight. Never before in the history of this House has a party held power for so long.

Unlike wine and cheese, power does not improve with age. It tends to become corrosive and abusive. Those who hold power for that length of time forget the House of Representatives isn't their's—it's the people's.

That's why we offered the McIntyre House reform amendments. We want to make the legislative process more open, accountable and efficient. That is why the majority has done nothing with them. They don't want what we want.

The Speaker once said, "we have too much openness." I beg to disagree. We don't have enough openness. Among other things, the CONGRESSIONAL RECORD fails to present an accurate picture of what is said and done on the House floor. We're proposing to make the RECORD a verbatim account of this Chamber's proceedings.

Accountability—that's really just another word for representation. You can't represent people if you can hide your positions from them. If this Chamber is truly going to be the people's house, the key issues have to come up for debate and vote, so the people can know where their lawmakers stand. As Sam Rayburn once said: "I think this House should be allowed on great measures to work its will." On this score, the majority party has let the people down.

Key initiatives, such as enterprise zones and immigration reform remain frozen in committee. As the rules stand now, Members can petition to discharge a committee from consideration of a bill. But signatures can't be made public until they reach the required number of 218. This secrecy takes public pressure off those who haven't signed.

We proposed that the signatures be made public as soon as 100 Members sign. That figure is low enough to ensure openness yet high enough to discourage abuse of this procedure.

Congress is a billion-dollar boondoggle. Just to take 1 example, our postage costs are 10 times what they were in 1970. Last year, the House alone sent out 586 million pieces of mail. That's too much mail and a whole lot more than Congress received.

The McIntyre amendments direct the Franking Commission to study abuses in this area, with a view to achieving at least a 10-percent cost reduction.

We're proposing a number of other reforms. They'll be explained later. For now, I just want to offer this closing observation.

Eleven years ago, the Speaker was serving as majority leader. On May 9, 1974, the Democratic caucus rejected a proposal for rules reform. He explained their action with these words: "The name of the game is power, and the boys don't want to give it up."

No, the work of this House should not be a game, and its name should not be power. We're here to do the people's business as fairly and efficiently as we can. Let's acknowledge that by passing the McIntyre reform amendments.

I want to applaud the gentlewoman again for what she has done here to bring to the attention of the House that array of reforms that we now present to the House of Representatives again in the name of McIntyre reforms, because we think that symbolizes exactly what we are talking about here.

Mrs. MEYERS of Kansas. I thank the gentleman for his remarks. I appreciate his being here tonight and I congratulate our distinguished leader for introducing this package of reforms. I am pleased that the gentleman could be here with us to participate in this special order tonight.

At this time I yield to my colleague, the gentleman from Kansas [Mr. WHITTAKER].

Mr. WHITTAKER. Mr. Speaker, I commend my colleague, the gentlewoman from Kansas, JAN MEYERS, for giving us this opportunity to focus on some reforms needed to make this body more accountable and fair. Through her leadership of the House Republican Task Force on Congressional Reform, Congresswomen MEYERS is making a great contribution to making this institution more representative and democratic. As a newly elected Member of this body, JAN has distinguished herself as one who is willing and able to take on the age-old issue of making the House more fair, open, and honest.

Many of our constituents sit in the gallery of this great Chamber wondering why many of us are not here on the House floor tending to our duties. They come to understand that much of the work—indeed, most of the work—done by Congress takes place in the committee rooms scattered about Capitol Hill. With a few notable exceptions, most of the substantive battles in hammering out legislation are fought away from this Chamber, in committee.

My Energy and Commerce Committee is quickly becoming one of the most productive committees in the Congress. As the Washington Post recently observed, it's there that we shape legislation that affects every American who "breathes, drinks, eats, smokes, watches TV and movies, listens to the radio, drives, plays the stock market, needs medical care, pays for insurance, enjoys sports, worries about hazardous waste and nuclear powerplants, buys faulty products, rides the railroads or gets buried." I happen to think that's important work. That's why I am keenly concerned about the need to make membership on all House committees more fair and representative.

The minority party, the Republican Party, holds 42 percent of the seats in this House. Yet, on some of the key committees, where critical decisions are made nearly every day, we're woefully underrepresented. For instance, on the Appropriations Committee, we hold only 22 of 57 seats, or 36 percent. On the Rules Committee, which dictates the way in which every piece of legislation is considered on the House floor, we hold 31 percent of the 13 seats. On the Ways and Means Committee, we hold only 13 of the 36 seats, or 36 percent of the seats. Believe it or not, the distribution of subcommittee assignments is even less equitable than for full committee seats. That's right: of the 1,673 subcommittee slots, we Republicans hold only 39 percent.

Mr. Speaker, I respectfully request that the chart reflecting the imbalance of committee and subcommittee assignments be printed in the RECORD so that our colleagues can see the inequity which has raised my concern.

COMMITTEE AND SUBCOMMITTEE RATIOS IN THE 99TH CONGRESS

The House has 770 committee slots and 1,673 subcommittee slots (not counting slots for nonvoting delegates). If the Republican Party's share of these totals matched its strength in the House, it would have 14 more committee slots and 46 more subcommittee slots. This problem is important because these bodies often make decisions by narrow margins. And the discrepancy is greatest where it matters most. On the three exclusive committees (Appropriations, Rules, Ways and Means), Republicans have only 37 percent of the committee slots and 35 percent of the subcommittee slots, compared with their 42 percent of House seats. See the table below:

FULL COMMITTEE

	Democrat	Percent	Republican	Percent
Agriculture	26	60	17	40
Appropriations	35	64	22	36
Armed Services	27	59	19	41
Banking	28	60	19	40
Budget	20	61	13	39
District of Columbia	7	64	4	36
Education and Labor	19	59	13	41
Energy and Commerce	25	60	17	40
Foreign Affairs	25	60	17	40
Government Operations	23	60	16	40
House Administration	12	63	7	37
Interior	22	59	15	41
Judiciary	21	60	14	40
Merchant Marine	25	60	17	40
Post Office	13	62	8	38
Public Works	27	59	19	41
Rules	9	69	4	31
Science and Technology	24	59	17	41
Small Business	25	60	17	40
Standards of Official Conduct	6	50	6	50
Veterans' Affairs	20	59	14	41
Ways and Means	23	64	13	36
Total	462	60	308	40

SUBCOMMITTEES

	Democrats	Percent	Republican	Percent
Agriculture	72	63	43	37
Appropriations	86	65	47	35
Armed Services	67	61	43	39
Banking	92	58	67	42
Budget	(1)	(1)	(1)	(1)
District of Columbia	12	57	9	43
Education and Labor	53	63	31	37
Energy and Commerce	68	62	42	38
Foreign Affairs	56	61	36	39
Government Operations	39	61	25	39
House Administration	29	62	18	38
Interior	59	58	43	42
Judiciary	46	61	30	39
Merchant Marine	68	60	46	40
Post Office	21	58	15	42
Public Works	74	61	48	39
Rules	10	71	4	29
Science and Technology	51	61	32	39
Small Business	33	60	22	40
Standards of Official Conduct	(1)	(1)	(1)	(1)
Veterans' Affairs	41	59	29	41
Ways and Means	42	64	24	36
Total	1,019	61	654	39

[1] No subcommittees.

There are three measures pending before the House Rules Committee which would address the imbalance in committee assignments. House Resolution 24, introduced by my friend Mr. DANNEMEYER, would correct the disproportionate seating of members of House committees. House Resolution 110, the Committee Improvements Act of 1985, offered by Mr. LOTT, would restore equitable party ratios on all committees. And House Resolution 164, the McIntyre House Reform amendments, offered by the minority leader, Mr. MICHEL, would require membership to reflect the ratio of majority to minority members of the whole Congress. Mr. Speaker, each of these measures is languishing in the Rules Committee. If we had a fighting chance on that committee—or any other committee, for that matter—we might take some meaningful steps to making this body more fair and representative.

Mr. Speaker, allow me to cite one other statistic that should be of interest. In House races in 1984, where both major parties fielded candidates, Republicans won just over 50 percent of the total popular vote. But, on the committees and subcommittees of this body, we're considered lucky to have 40 percent representation. That's not fair. What's more, that 50 percent of American voters know that's not fair. They expect equity in this body. And, if they can't get if from the current majority party, they might encourage some of their friends to join them in voting for Republicans in the elections to come.

Mr. Speaker, we Republicans climbed into this ring knowing what to expect. I gladly entered my fourth term serving the people of the Fifth District of Kansas. We aren't asking the majority party's heavy-weights to take a fall. We're just asking you to give us a fighting chance.

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Mrs. MEYERS of Kansas. I would like to thank my colleague, the gentleman from Kansas, for his incisive remarks and for calling our attention to those figures.

Mr. Speaker, I would like to yield to the distinguished chairman of the Republican Study Committee, my colleague from California [Mr. LEWIS].

Mr. LEWIS of California. I thank the gentlewoman for yielding to me.

Mr. Speaker, before going on with my own remarks, JAN, I would like to express my deep appreciation for the work that you have done in connection with the vital, indeed, the fundamental job we have to do in terms of reorganizing this House.

It is very clear to anybody who even takes a cursory review of the way this place operates that there is a need for not just light, there is a need, indeed, for radical change in the House of Representatives. If the public had an

opportunity to sit where we are, and viewed the exercise of power that we watch day in and day out, they would be more than appalled. Indeed, I think there would be the groundswell that could lead to revolution out there in the hinterlands.

It has been said many a time that power does corrupt and that absolute power corrupts absolutely. It is not the power per se in my view, but rather the arrogance that often goes with power held too long. This I say not in a partisan sense. You have heard commentary earlier regarding some of the partisan difficulties that we face in the House. But the fact is that most of the public recognizes that the vast percentage of the problems we face in this country really have very little to do with partisan politics. If we would come together representing the people, seeking change and solution to problems instead of spending so much of our time in partisan bickering. Indeed, the House would have a chance of regaining the confidence it needs on the part of the public to effectively lead.

The difficulty we have historically in our country is that oftimes one party gets a good deal of control in the House and they extend that control for too long a period of time, and with that extended control comes that element of arrogance of which I speak.

Indeed, at this point in time it is clear to those who control this place that they dominate the place, and it is their right to exercise their power at free will with little consideration for the voice of the minority. The absolutely unbelievable distortion of the committee apportionments; that which takes place in terms of using the rules here to dominate debate. The inability of people operating in a nonpartisan way to have the minority's voice heard in the mix where decisions are made is a fundamental violation of our democratic process.

It is so important that not just our Members, but America focus upon the work that you are about, my colleague, that indeed, if they begin to get an understanding, you yourself, will be responsible for a piece of that revolution that I personally am beginning to sign onto myself.

The work that you are about is not just fundamental to we who represent the minority, but I think very important to the future of the world's greatest deliberative body. This institution will be much better off as a result of your contribution, and I appreciate it.

Mr. Speaker, what we're discussing here today boils down to one question: Shall the rules of this House foster leadership or raw power?

These terms often get confused, but leadership is as different from raw power as music is from noise.

True leaders are like orchestra conductors. They strive for harmony and balance in a room full of talent and temperament. They try to make sure that no one section overpowers the others, so that everyone can contribute to the final product. Leadership is really a creative act, whether the product is a symphony or a well-crafted piece of legislation.

Now look at those who deal in raw power. Raw power isn't creative, it's destructive. Instead of working for harmony, power players just turn up the volume and try to drown out anyone who disagrees. They might get a fleeting rush of satisfaction from making the loudest noise, but they don't make anything of value.

Leadership makes us proud. Raw power leaves us bitter.

The great leaders of the House always understood this. Perhaps the greatest of them all was Sam Rayburn. He put it this way:

> We're all grown up now. A man's got to lead by persuasion and kindness and best reason . . . You can't lead people by driving them.

Just as musicians or craftsmen respect their instruments, true leaders take care not to abuse the rules of the House. Again, Sam Rayburn set the example. He didn't arbitrarily fix committee ratios; instead he relied on the Parliamentarian of the House, Lewis Deschler, to work out a fairly routine process for translating party strength in the Chamber to party strength in committees.

Unfortunately, not every officer of the House has been a Sam Rayburn. At some points in history, the rules have been abused. In 1910, the Republicans were in the majority, a position they had held for 15 years straight. Over that period, they had lost sight of the need for harmony and balance. Their leaders grew rude and arrogant—even to their own rank and file.

Resentment grew. Eventually a bipartisan coalition rose up and forced reforms in the rules. An Alabama Democrat named Oscar Underwood explained the reformers' case in words that have a contemporary ring:

> We are fighting a system and that system is the system that enables the Speaker, by the power vested in him, to thwart and overthrow the will of the majority membership of this house.

One of the reforms that grew out of this revolt was the discharge petition. And now, 75 years later, the discharge petition is again part of a reform movement. Thwarted time and again in our efforts to bring key issues up for a floor vote, we want to make the discharge petition a more effective instrument by bringing it into the sunshine.

Does reform have a chance in 1985? I think it does. Many Members on both sides of the aisle are distressed at the way the House is run. In fact, even the Speaker and the majority leader have spoken of the need for fairness and civility. In 1977, the Speaker made these promises on taking office:

> I pledge to be patient, good-tempered and courteous toward individual Members. I pledge best to employ the talent of the House for full and fair consideration of issues that come before us. . . . I pledge to remain cool and unshaken, guarding the permanent laws and rules of the House from being sacrificed to temporary passions, prejudices and interests.

And here's what the majority leader wrote in his fine book "Reflections of a Public Man:"

> The assumption of mutual honor, I have come to learn, is not merely a staid and stuffy formal prop for sagging egos. It is part of the very oxygen which fuels the bloodstream of the Congress. Without it, our national task of legislating would be a vastly different and more difficult thing.

Well, I'm afraid that the task of legislating has become different since the days of Sam Rayburn—and the officers of the majority must take their share of the responsibility. Their actions have not always matched their words. But it doesn't have to be that way. The House of Representatives can be a place of harmony and balance, a place ruled by reason instead of raw power. And reforming the rules can be a good first step toward that goal.

Mrs. MEYERS of Kansas. I thank the gentleman from California [Mr. LEWIS].

Mr. Speaker, at this time I would like to read a quote from Mr. Bolling, who worked very hard. A Democrat from the Kansas City area who worked very hard on Rules, and in his Book entitled, "A House Out of Order," written in 1965, Mr. Bolling stated:

> The Legislative Reorganization Act of 1946 appeared to make great changes in the institutional form of the Congress. However, time has brought disappointment. The reduction in the number of standing committees has been offset by the creation of more and more standing subcommittees within each full standing legislative committee. The work of Congress, therefore, remains fragmented and uncoordinated.

Mr. Speaker, I yield to the gentleman from Pennsylvania [Mr. RIDGE].

Mr. RIDGE. I thank the gentlewoman for yielding.

Mr. Speaker, I want to commend the gentlewoman for her initiative. A process as important as policy and the positive approach that you have taken toward institutional reform and hopefully, the bipartisan support that you are trying to nurture through this initiative is indeed an admirable one, and I appreciate the time to share a few thoughts with you and exchange a few ideas with you as part of that process.

I believe there is a quote attributed to Alexander Hamilton about the House of Representatives. It says: "Here, sir, the people govern."

Having served just a term and a half, and still pretty much a novice, but

having been around long enough to appreciate the process, I kind of suspect that if the people knew precisely and accurately how we govern, they would yearn for many of the same reforms that the gentlewoman is promoting.

I think the approach that the gentlewoman has taken is not a critical one, it is a constructive one. Indeed, all legislators on both sides of the aisle hopefully will view your efforts and similar efforts in the future in that fashion. I know that in the resolution that you have drafted and are promoting there are many institutional reforms, and I wanted to just address a couple of them in a very practical and real way confronting the problems that you and I and our fellow legislators confront on a day-to-day basis.

The oversight reform recommendation that you have included in your package is indeed a necessary one, and you suggest that committees would be required to formally adopt and submit to the Government Operations Committee by March 1 of the first session their oversight plans for that Congress.

□ 1830

Coincidentally, it matches very comfortably with a view that I have that we would be a lot better off if we went to a 2-year budget process and exercised a great deal more oversight. We have tendency, as an institution, to be very responsive to problems, often in a crisis situation, and we respond to those problems more often than not in a bipartisan effort, and we respond to them by authorizing and then appropriating money, hoping to find a solution. Rarely do we follow the money out the door to see whether or not it properly addressed and then redressed the problems that we initially confronted.

So the oversight reform indeed is an important measure.

The multiple referral to committees, we saw a perfect example of that particular problem today with regard to the synfuels debate that we had on the floor. Clearly, we had an issue that our fellow Congressmen and Congresswomen wanted to address. There were some policy objections, of course, to the Synfuels Program and there was a concern, some procedural objections, that the individual committees that had concurrent jurisdiction had not had the opportunity to work their will.

Indeed, we have such a decentralized system that we literally have hundreds of committees and subcommittees, and multiple referral has not proven to be as effective as it has proven to be somewhat cumbersome, and then, again, the situation that we saw today is clearly a demonstration of that problem.

Proxy voting, I think it is pretty clear, is a tool, a mechanism, that is used again by our colleagues on both sides of the aisle. I am not confident at all that it is used in a manner that responsible legislators approve of, although it is a necessity at times because again of the decentralized nature of our system, the reliance on efforts in the committees and subcommittees, and when we have that proliferation of subcommittees and we have competing demands on individual legislators' time, it is, therefore, not unusual or unique that we would have a proxy voting mechanism.

But clearly, if we are to meet the gentlewoman's objective, and I think the objective of responsible legislators everywhere to have a responsive and responsible system, a representative system, then clearly we do not want to abuse our responsibility as legislators, and clearly when those many, many occasions arise when we all leave proxies to be voted on our behalf, oftentimes in support of or against individual amendments that we may only have a vague idea about, and as we well know, many of those amendments arise spontaneously and the vote can be cast on an amendment, procedural or substantive, by someone holding our proxy, and we have not addressed that ourselves and left explicit instructions. I am not saying it is an abuse of the process; I am saying that because of the decentralized nature of our system, we come to rely on it too heavily.

The gentlewoman has also asked this body to take a look at the number of committees and subcommittees and I think that ties neatly in with that recommendation that you have made, as well, and indeed it is a very strong one and hopefully one that will be endorsed by majority Members on both sides of the aisle.

Finally, scheduling reform, as the gentlewoman well knows and appreciates, during this 1st session of the 99th Congress, the responsibilities of individual Members, you have read the litany, a marvelous litany of tasks that we are called upon to do on a daily basis. If we narrowed it down, I guess we would have to say that we have to be ombudsmen and deal with bureaucracy and help our constituents work their way through the system, and we have to be legislators and have to do all those other things that you mentioned in that litany.

Yet, we rarely have a schedule that we can rely upon, that our staffs, who work so diligently with us can rely upon to serve the constituents who send us here. So often it is the case that we begin the week not knowing when the week will end. It is difficult if not impossible to schedule functions at home, meetings with constituents at home, addressing those real problems, real personal and people problems back home in the district.

So I realize the gentlewoman has prepared a summary of quite a few recommendations, and I appreciate the opportunity to express my support for her initiative and my particular concern about four or five of these particular areas.

Mrs. MEYERS of Kansas. I would like very much to thank the gentleman from Pennsylvania for being with us tonight and participating in this special order and for emphasizing those particular reforms that he thinks are most important.

Mr. Speaker, it is interesting to note that the House has 770 committee slots and 673 subcommittee slots, not counting slots for nonvoting delegates.

If the Republican Party's share of these totals matched its strength in the House, it would have 14 more committee seats and 46 more subcommittee seats. This inequity is important because these bodies often make decisions by narrow margins. The discrepancy is greatest where it matters most.

On the three major committees, Appropriations, Rules, and Ways and Means, Republicans have only 37 percent of the committee slots, and 35 percent of the subcommittee slots, compared with 42 percent of the House seats.

This is only one example of the types of reforms that we are suggesting, and I urge that my colleagues on both sides of the aisle join me in making the House of Represenatives more fair and efficient. We hope that the discharge petition is successful and that we will be considering this package of rules that was submitted by our distinguished minority leader.

These do have to do with a number of reforms that have already been mentioned by my colleagues tonight: Oversight reform, multiple referral of legislation, the joint referral of bills to two or more committees would be abolished and replaced by a system wherein the Speaker would designate a committee of principal jurisdiction.

Committee elections and organization. The House would be required to elect its committees not later than 5 legislative days after the convening of a Congress. This year I think it was into February before all of our committees were appointed.

Committee ratios. The party ratios on committees, which we have already referred to on several occasions, would be required to reflect the party ratio in the House, and especially on those important committees of Appropriations, Ways and Means, and Rules.

Subcommittee limits. Each House committee except Appropriations would be limited to not more than six subcommittees.

A proxy voting ban. I do not know how many Americans know that frequently so much of the work in this body is done in committees. Many im-

portant votes are cast in committees, and I do not know how many of our constituents know that many of these votes are cast by proxy, by a piece of paper that we sign a day ahead of time.

As one of my colleagues mentioned, it is sometimes necessary now, because if we have two committees that are scheduled at the same time, it is necessary that one sign one of the proxies. However, if we had scheduling reform and did not have such a proliferation of committees and subcommittees, it would not be necessary to rely so heavily on proxies.

Majority quorums. A majority quorum would be required for the transaction of business on all committees and subcommittees.

Committee documents. All committee documents and prints would require the formal approval of the committee and must carry a clear disclaimer to the contrary on their cover if it has not been approved by the full committee.

There are many of these rules. All Rules Committees reporting on special rules providing for the consideration of legislation would be required to include a justification and explanation of any comments received from the Budget Committee on any Budget Act waivers. It is important that if we have to waive the Budget Act that we explain why; that there be a strong justification for doing so.

Reforms in committee staffing. In riders, appropriations riders, the present rule prohibiting limitation amendments to appropriation bills, unless a complicated procedure is gone through, would be abolished, thus permitting limitation amendments to be considered simultaneously with other amendments.

Measures could not be considered under suspension of the rules unless by direction of the committees of jurisdiction or upon written request by the chairman and ranking member of the committees of jurisdiction.

Copies of discharge motions and signatures would be made available by the Clerk for public inspection at any time after 100 Members have signed the motion. Now no one can see who has signed discharge petitions.

□ 1840

Verbatim accounts of floor and committee remarks would be required in the published RECORD and made clearly distinguishable from any extensions or extraneous material. Any substantive alteration of floor or committee verbatim accounts would be subject to investigation by the Ethics Committee. Members or their designees would still be permitted to make technical, grammatical, or typographical corrections, of course, in their verbatim remarks, but not substantive changes.

A new House broadcast rule would establish a House broadcast system under the authority of the Speaker and a bipartisan broadcast advisory board.

The Committee on Rules would be authorized and directed to study the operation of House rule XI regarding committee procedures and staffing, the number of subcommittee and member subcommittee assignments, and report back its findings and recommendations to the House; and certainly House scheduling reform so we do not end up with overlapping committees. It would involve the Speaker of the House in consultation with the majority and minority members, and the Rules and House Administration Committees would be authorized and directed to study current House scheduling with a view to implementing a system of full work weeks, designated committee meeting times, a fixed legislative floor schedule, and established district work periods, and report the findings to the full House.

The House Commission on Congressional Mailing Standards would be authorized and directed to study the current House franking rule. The committee must approve by vote with quorum present the hiring of consultants or temporary staff detailed with other agencies. No committee report could be filed until the chairman has consulted with the ranking minority member, making the committees much more representative.

There are 25 suggested reforms here. If this body could discuss this for 10 hours, I think it would be educational. It would reveal to the American people some of the abuses that I think are going on and some of the problems in scheduling that all of us on both sides of the aisle have.

Mr. Speaker, I appreciate very much the participation of my colleagues in this special order tonight, and I urge all Members to sign the discharge petition so that we can consider this package of rules.

● Mr. DAUB. Mr. Speaker, I have introduced a resolution which will permit the American people true representation in Congress by prohibiting the use of proxy voting in the committees of the House of Representatives. If it is true, as Woodrow Wilson once commented, that "Congress at work is Congress in committee," then we should adopt this resolution to insure the integrity of the proceedings.

The vast bulk of the truly significant work and legislative decisions made by the House of Representatives are accomplished through committees. Given the size of our membership and the complex nature of the business at hand, there can hardly be any alternative. Our fundamental responsibilities to maintain the integrity of the legislative process, however, are not lessened because we chose to proceed under this committee system.

Now I understand the arguments for maintaining proxy voting:

"There are just too many votes."

"There are too many issues."

"There are too many meetings."

"There are too many commitments of my time."

I do not understand, however, what any of those arguments have to do with the basic notion of responsible Government. Is it too much to ask our Members to represent their particular constituents' interests in person? Do the Members have any more important interests that their participation on the floor and in committee? Are our Members so overworked that having to cast important votes in person will stretch them too far? I doubt it.

My colleagues on the other side of the aisle are frequently extolling the virtues of opening up the system of Government and being truly democratic—with a small d. There is much talk of participation openness and candor in the process. Yet the reality is that the committee system in conjunction with proxy voting vests a committee chairman with the ability to manipulate the committee function. Committee chairmen frequently can acquire a majority of votes through proxies on a partisan basis and eliminate the reason for any Member to attend the committee meeting, listen to testimony in the committee meeting, or even vote in the committee meeting.

Even with this kind of abuse, the issue is something much more than simply a partisan matter. Proxy voting strikes at the fundamental principles of our democratic system of Government; the right of Americans to travel to the seat of Government and be heard, the right of Americans to expect legislation to develop from meaningful debate and compromise, and the right of Americans to expect that their Representative is just that—"Representative."

Visit most any committee function on any given day and then try to suggest to me that the testimony is being heard and understood by all the Members, that there is meaningful debate, and that all the interests of each of the members of the committee are being represented. How can we be truly responsive to the issues of the day when Members infrequently attend hearings and only participate when necessary to accompliish some parliamentary procedure? Morever, how can we be truly democratic when Members hold a fistful of proxies and the issues are resolved by a single Member before the debate even begins? Without meaningful participation by all committee members, the

committee system is only expedient, certainly not democratic.

For this reason, I urge all my colleagues to join with the 42 Members from both sides of the aisle who have cosponsored House Resolution 154. The integrity of the system and our democratic principles are at issue.●

● Mr. LOTT. Mr. Speaker, I am pleased to join in this special order of the gentlelady from Kansas [Mrs. MEYERS] on the subject of House rules reform. I not only want to commend the gentlelady on taking this special order, but on her initiative on introducing a special rule as the first step in bringing the Republican House reform package to the floor under the discharge procedure.

Mr. Speaker, as a member of the minority party on the Rules Committee I am all too familiar on how difficult it is to bring any meaningul House reform proposals to the floor. For three consecutive Congresses now I have introduced a package of House reform proposals called the "committee improvement amendments." On occasion my majority colleagues have been kind enough to grant me a hearing, but nothing much has happened beyond that. Why? Well, I think it should be obvious that the majority is fairly comfortable with the status quo—our present way of doing things. And, I suspect if we had been in control of the House for as long as the Democrats have, we might also have that attitude of not wanting to make waves or rock the boat.

Many of these rules do work to the advantage of the majority. Proxy voting and lopsided majority party representation on committees are but two examples. They make it easier for the majority to operate and prevail. But that begs the question of whether they are fair or democratic procedures. The fact is, they are neither. We need to abolish proxy voting and restore equitable party ratios on committees as the Republican reform package would do.

Another central problem of our institution is the proliferation of subcommittees we've had over the last decade. I think at last count there were some 146 House subcommittees—up from 119 just 10 years ago—a 22-percent increase. And yet, the number of standing committees has remained relatively constant over that period. The number of House Members has remained the same. What all this means is that we have the same people with the same time available expected to do much more work. Many Members have over six subcommittee assignments. We're spread too thin, and as a result we're doing a poor job of legislating. It's little wonder that the majority needs such phantom legislative devices as proxy voting and one-third quorums to do business.

What the Republican reform package would do would be to limit each committee, except Appropriations, to no more than six subcommittees, and each Member to no more than four subcommittee assignments.

This would result in the elimination of some 16 subcommittees—an 11-percent reduction. It would also result in a substantial reduction in the number of subcommittee assignments of Members.

Not only would these changes make it possible to eliminate the need for proxy voting and to restore majority quorum requirements, as our package would do, but they would make possible a reduction in committee staff. Our proposal would call for at least a 10-percent reduction in existing committee staff. Moreover, it would require the House to establish and abide by overall committee staff ceilings each year before committee expense resolutions are adopted. With the reduction in subcommittees there should be no problem in reducing the staff we have. House committee staff is now around 1,800—up over 100 percent from a decade ago. While a case might be made that we were understaffed then, an even stronger case can be made that we are highly overstaffed now.

Mr. Speaker, while I have not touched on all of the provisions in the Republican reform package, I have attempted to focus on the central problems of this institution and how we would resolve them. I hope the Rules Committee will break with precedent and take a serious look at what has been sincerely proposed on this side. Although this is a Republican initiative, it is not partisan. I think my colleagues will agree after looking at this that it is in the best interests of the House as an institution to make our workload more manageable and our procedures more fair and democratic. I again commend our House reform corps group for taking this special order and keeping these issues before us.●

● Mr. McKERNAN. Mr. Speaker, I am pleased to have the opportunity to speak today on the issue of House rules reform. In the day-to-day flurry of legislative activity, it is easy to lose sight of the importance of focusing on the rules which govern House proceedings. Yet, they are the mechanism which ensures that major legislative business will be carried forward. House rules are the vehicle which should enable all Members of Congress, and thus all citizens of the United States, to have a fair and equal opportunity to be represented in the legislative process.

Rules are the wheels and sprockets of the legislative process—they need constant attention to ensure that they are in good working order. It is clear, however, by the very fact that we are here today, that all is not in good working order in the House. We are all too well aware that the McIntyre-McCloskey seating dispute involving Indiana's Eighth District came as close as any event in recent history to derailing this body from its proper legislative track. We must not forget the lessons we learned from this event.

The McIntyre-McCloskey issue developed into more than just a question of who won and who lost on November 6, 1984. Likewise—the issues that are being discussed today, such as committee ratios and quorums, and numbers of subcommittees—go far beyond being a question of mere numbers. The McIntyre-McCloskey issue helped focus attention on the problems in this institution. These problems are often cast in a partisan light, but they affect every Member of the House, and, more importantly, every one of his or her constituents.

Issues such as committee ratios, proxy voting in committees, the proliferation of subcommittees, the franking privilege, scheduling of the workload of the House—must be examined, and reforms made, if we are to carry out the business of the House as the founders of our country intended.

As just one example, the overall underrepresentation of the minority party on committees and subcommittees is well-documented. And, the overriding importance of the committee and subcommittee system in legislative decisionmaking only serves to magnify this imbalance.

Another issue of recurring interest is the accuracy of the CONGRESSIONAL RECORD. The importance of ensuring that the RECORD is an accurate representation of the proceedings of the House cannot be overestimated. The CONGRESSIONAL RECORD is supposed to be an accurate and precise record of this body's proceedings—and it is our collective duty to ensure that it is by enacting reforms to help make the RECORD truly a verbatim account of what happens on the floor.

Our serious consideration of these and other reforms is imperative. I commend my colleague, Congresswoman MEYERS, for her leadership on this issue, and look forward to working with her to achieve this goal.●

● Mr. MILLER of Ohio. Mr. Speaker, last week, in an effort to give notice that a majority of the Members of the House were against the House rule that presently permits each Member of this body to send out, at Government expense, six districtwide postal patron mailings a year, I offered an amendment to cut $10 million from the official mail account of the legislative appropriations bill. Though this amendment fell a few votes short of passage, in retrospect I felt that if I had been able to present this issue in a

more direct fashion it may have passed.

Toward this end, I plan to introduce a bill to amend the House rule that presently permits each Member of this body to make six postal patron mailings a year from six to three annually. As I mentioned in my floor remarks last week, this could result in savings in mail costs alone of up to $22 million a year.

We heard during the debate on the legislative appropriations bill how our incoming mail has increased over the years and how the appropriations allocation for official mail was a bareboned proposal. Little mention was made of the fact that only 3 to 4 percent of the mail costs incurred by the legislative branch of Government go for personal letters to constituents.

What then, one is compelled to ask, does the balance of this official mail account pay for? The largest and most costly form of mail sent out by the Congress is clearly newsletter mail sent out under the bulk rate. Figures show that almost three times as much mail is sent out by the Congress as it receives, and that, not too surprisingly, the year's when the volume of outgoing mail are the highest are the even numbered election years when Members of Congress are most intent in telling their respective constituencies of the great job they are doing. I don't think anyone in this Chamber can in good conscience deny that six districtwide postal patron mailings annually are an unnecessary extravagance that we as Members of Congress could and should cut back on.

It is one thing to talk of reform, it is another thing to act on it. I hope this body will have what it takes to follow through on many of the proposals put forth here today. We talk of efficiency and fairness in Government—it is time we started practicing it.●

● Mr. LAGOMARSINO. Mr. Speaker, I'd like to commend the gentlelady from Kansas for bringing this matter to the attention of the House and our viewing audience. Those who watch us on TV must wonder from time to time at the things that go on on the House floor. With good reason.

What they are watching, in essence, is a rigged game. The rules are rigged in favor of the majority party, the party of the Speaker, the Democrats. Because they have a majority of the votes in the House, they operate as they please. Unlike any other Government body, agency, or court in this land, the the Congress makes it own rules. And when it feels like it, it breaks them with impunity. It is a tyranny of the majority, with no rights accorded to the minority. This despite the fact that in the last Congressional elections, last November, nearly half the people who voted, voted for the Republican candidate for the House. These voters, in effect, are disenfranchised by the rules adopted by the Democratic majority in the House.

Rules, for example, that deny Republicans seats on House committees in proportion to their numbers. That deny us a fair share of the staff appointments on House committees, and a fair share of the operating funds.

But the minority party and the people they represent are not the only ones who are cheated by these rules. The public as a whole, Democrats, Independents, and Republicans are denied access to and knowledge of House processes, by such practices as systematic falsification of the CONGRESSIONAL RECORD and committee hearing transcripts, by committees which operate without quorums and with proxy votes, and by the regular waiver of even those stacked House rules, even of the law, whenever it suits the needs of the majority leadership.

How long can this body continue to operate with a stacked deck? How long will it be before people begin to realize that the largest democratic body in the most democratic of nations operates under autocratic rule? That there are no rights for the minority in this House?

I submit, Mr. Speaker, that this charade will not go on indefinitely. The people watching us today, on TV sets in living rooms across the Nation, are aware of what is happening. They see the rules invoked against our rights as a minority. Even more important, they see the results of this tyranny; a budget which violates every rule of the House; a deficit which prevents people from buying homes; a national debt which our great-grandchildren will still be paying off; and a House which by its own rules shames the very concept of fair play and democratic rule.●

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mrs. VUCANOVICH) to revise and extend their remarks and include extraneous material:)

Mr. GROTBERG, for 5 minutes, today.

Mr. MCDADE, for 5 minutes, today.

(The following Members (at the request of Mr. EVANS of Illinois) to revise and extend their remarks and include extraneous material:)

Mr. ALEXANDER, for 5 minutes, today.

Mr. LANTOS, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. SOLARZ, for 5 minutes, today.

Mr. MARTINEZ, for 5 minutes, July 25.

Ms. OAKAR, for 60 minutes, July 30.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. COUGHLIN, following the remarks of the gentleman from North Carolina [Mr. BROYHILL], on House Resolution 227, in the House, today.

Mr. DREIER of California, following the remarks of the gentleman from Ohio [Mr. REGULA], on House Resolution 227, in the House, today.

Mrs. ROUKEMA, following the remarks of Mr. BARTLETT during consideration of H.R. 3038, in the Committee of the Whole, today.

Mr. GREEN, in support of the Whitten amendment during consideration of H.R. 3037, in the Committee of the Whole, today.

(The following Members (at the request of Mrs. VUCANOVICH) and to include extraneous matter:)

Mr. SCHUETTE.
Mr. KEMP in three instances.
Mr. PORTER.
Mr. GROTBERG.
Mr. GINGRICH.
Mr. BROOMFIELD.
Mr. ROTH.
Mr. COBEY.
Mr. JEFFORDS.
Mr. MICHEL in two instances.
Mr. HENDON.
Mr. GEKAS in two instances.
Mr. CRANE.
Mr. MCCAIN.
Mr. GREGG.
Mr. WYLIE in two instances.
Mr. BOULTER.

(The following Members (at the request of Mr. EVANS of Illinois) and to include extraneous matter:)

Mr. DURBIN.
Mr. RANGEL.
Mr. FASCELL in two instances.
Mr. KOLTER.
Mr. DYSON.
Mr. MATSUI.
Mr. HAMILTON.
Mr. STALLINGS.
Mr. COELHO in two instances.
Mr. HUBBARD.
Mr. MAVROULES.
Mr. FORD of Michigan.
Mr. GEJDENSON.
Mr. VENTO.
Mr. SKELTON.
Mr. SCHUMER.
Mr. DOWNEY of New York.
Mr. LEVIN of Michigan.
Mr. AUCOIN.
Mr. SMITH of Florida.
Mr. LEHMAN of Florida.
Mr. DWYER of New Jersey.
Mr. HOYER.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee did on this day present to the President, for his ap-

proval, a joint resolution of the House of the following title:

H.J. Res. 106. Joint resolution designating August 1985 as "Polish American Heritage Month".

ADJOURNMENT

Mrs. MEYERS of Kansas. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 43 minutes p.m.) the House adjourned until tomorrow, Thursday, July 25, 1985, at 10 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1744. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to limit the price of scientific and technical reports sold by the Secretary of Commerce to their fair market value, and for other purposes; to the Committee on Energy and Commerce.

1745. A letter from the Director, Defense Security Assistance Agency, transmitting the Department of the Army's proposed Letter of Offer to Korea for defense articles and services estimated to cost $53 million, pursuant to 22 U.S.C. 2776(b); to the Committee on Foreign Affairs.

1746. A letter from the President of the United States, transmitting a report on the justification for request for appropriations to meet unexpected urgent refugee and migration needs, pursuant to 22 U.S.C. 2601(c)(3); to the Committee on Foreign Affairs.

1747. A letter from the Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting a report of political contributions for John Blane, of Illinois, as Ambassador to the Republic of Chad, pursaunt to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

1748. A letter from the Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting a report of political contributions for Richard W. Bogosian, of Maryland, as Ambassador to the Republic of Niger, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

1749. A letter from the Administrator, Veterans Administration, transmitting a draft of proposed legislation to amend title 38, United States Code, to clarify the authority of the Chief Medical Director or designee regarding disciplinary actions on certain probationary title 38 health care employees; to the Committee on Veterans' Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FASCELL. Committee on Foreign Affairs. H.J. Res. 3 Joint resolution to prevent nuclear explosive testing (Rept. No. 99-221. Referred to the House Calendar.

Mr. DIXON. Committee on Appropriation. H.R. 3067. A bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1986, and for other purposes. (Rept. No. 99-223. Referred to the Committee of the Whole House on the state of the Union.

Mrs. BURTON of California. Committee on Rules. H. Res. 235. A resolution providing for the consideration of H.J. Res. 187, a joint resolution to approve the "Compact of Free Association", and for other purposes. (Rept. No. 99-224. Referred to the House Calendar.

[Omitted from the Record of July 23, 1985]

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. MITCHELL. Committee on Small Business. H.R. 2540. A bill to authorize the appropriation of funds to the Small Business Administration, and for other purposes, with an amendment, referred to the Committee on the Judiciary for a period ending not later than September 24, 1985, for consideration of section 9 of the amendment. (Rept. No. 99-222, Pt. I). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. TORRICELLI (for himself, Mr. VOLKMER, Mr. SCHEUER, Mr. FUQUA, Mr. LUJAN, and Mrs. SCHNEIDER):

H.R. 3065. A bill to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 to authorize a program of research, development and demonstration for innovative or experimental treatment technologies for use in remedial actions; jointly, to the Committees on Energy and Commerce, Public Works and Transportation, and Science and Technology.

By Mr. YOUNG of Missouri (for himself, Mr. SHAW, Mr. OBERSTAR, Mr. GRAY of Illinois, Mr. TOWNS, Mr. STANGELAND, Mr. PETRI, and Mr. SUNDQUIST):

H.R. 3066. A bill to authorize the Architect of the Capitol to redesign and reconstruct the East Plaza of the U.S. Capitol in order to provide increased security and for esthetic purposes; to the Committee on Public Works and Transportation.

By Mr. DIXON:

H.R. 3067. A bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1986, and for other purposes.

By Mr. BURTON of Indiana:

H.R. 3068. A bill to promote equitable personnel practices and to eliminate discrimination within the Federal civil service; to the Committee on Post Office and Civil Service.

By Mr. DELLUMS:

H.R. 3069. A bill authorizing the President to issue a posthumous commission of brigadier general to Lt. Col. Charles E. Young, U.S. Army; to the Committee on Armed Services.

By Mr. DIOGUARDI:

H.R. 3070. A bill to provide housing assistance to the homeless through emergency food and shelter, renovation and conversion of facilities for use as shelters, and provision of housing and services in the transition to independent living; to the Committee on Banking, Finance and Urban Affairs.

By Mr. GRAY of Illinois:

H.R. 3071. A bill to prevent the denial of employment opportunities by prohibiting the use of lie detectors by employers involved in or affecting interstate commerce; to the Committee on Education and Labor.

H.R. 3072. A bill to direct the Administrator of General Services to renovate the public building at 425 Second Street, NW. in the District of Columbia for use as a homeless shelter; to the Committee on Public Works and Transportation.

By Mr. GROTBERG:

H.R. 3073. A bill to amend the Internal Revenue Code of 1954 to provide a mechanism for taxpayers to designate overpayments of income tax for purposes of reducing the public debt of the United States; to the Committee on Ways and Means.

By Mr. JEFFORDS (for himself, Mr. VENTO, Mrs. SCHNEIDER, Mr. KOSTMAYER, Mr. TOWNS, Mr. GEJDENSON, Mr. MACKAY, and Mr. MARKEY):

H.R. 3074. A bill to grant the consent of Congress to two or more States to enter into compacts for the purpose of developing conservation and electric power plans and for other purposes and to delegate the authority to regulate certain rates for the sale of electricity at wholesale to the States; to the Committee on Energy and Commerce.

By Mr. McDADE:

H.R. 3075. A bill to amend the Trade Act of 1974 to ensure reciprocal trade opportunities, and for other purposes; jointly, to the Committees on Ways and Means, Foreign Affairs, Energy and Commerce, Judiciary, and Rules.

By Mr. AUCOIN (for himself, Mr. ST GERMAIN, Mr. GONZALEZ, Mr. BOLAND, Mr. WYLIE, Mr. MCKINNEY, Mr. FOLEY, Mr. ANTHONY, Mr. ARCHER, Mr. BARTLETT, Mr. BORSKI, Mr. CAMPBELL, Mr. CARPER, Mr. CARR, Mr. CHANDLER, Mr. COELHO, Mr. COUGHLIN, Mr. DAUB, Mr. DICKS, Mr. DREIER of California, Mr. ERDREICH, Mr. FAUNTROY, Mr. FRANK, Mr. GREEN, Mr. GROTBERG, Mr. HOYER, Mr. HILER, Mr. KANJORSKI, Ms. KAPTUR, Mr. KEMP, Mr. KLECZKA, Mr. KOLBE, Mr. LAFALCE, Mr. LEHMAN of California, Mr. LEVIN of Michigan, Mr. LOEFFLER, Mr. LUNDINE, Mr. MANTON, Mr. MCCOLLUM, Mr. MCDADE, Mr. MITCHELL, Mr. MORRISON of Connecticut, Mr. NELSON of Florida, Mr. SHUMWAY, Mr. TORRES, Mr. VANDER JAGT, Mr. WATKINS, Mr. WORTLEY, and Mr. WYDEN):

H.J. Res. 350. Joint resolution to designate the week of October 6, 1985, through October 13, 1985 as "National Housing Week"; to the Committee on Post Office and Civil Service.

By Mr. BURTON of Indiana:

H.J. Res. 351. Joint resolution to condemn the government of Vietnam for violations of human rights; to the Committee on Foreign Affairs.

By Mr. GARCIA:

H.J. Res. 352. Joint resolution to designate November 11, 1985, as a day to honor the musical works of Irving Berlin; to the Committee on Post Office and Civil Service.

By Mr. MICA:

H.J. Res. 353. Joint resolution to provide that the funds appropriated for the Commission on the Ukranian Famine shall remain available until expended; jointly, to the Committees on Foreign Affairs, and Appropriations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BIAGGI:

H.R. 3076. A bill for the relief of Joseph-Paul Ferraro and Weiner Broadcasting Co.; to the Committee on Energy and Commerce.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 56: Mr. GINGRICH, Mr. SPENCE, Mr. YOUNG of Alaska, Mr. STUMP, and Mr. LEWIS of Florida.

H.R. 72: Mr. SLAUGHTER.

H.R. 79: Mr. SMITH of New Hampshire.

H.R. 147: Mr. HOWARD.

H.R. 237: Mr. ANDERSON, Mr. DELAY, Mr. GONZALEZ, Mr. LEVIN of Michigan, and Mrs. LLOYD.

H.R. 580: Mr. MOODY, Mr. EDGAR, and Mr. MAZZOLI.

H.R. 976: Mr. DUNCAN.

H.R. 1207: Mr. CLAY.

H.R. 1284: Mr. OWENS, Mr. NEAL, and Mr. FEIGHAN.

H.R. 1353: Mr. LOWRY of Washington.

H.R. 1508: Mr. VENTO, Mr. HEFTEL of Hawaii, Mr. BERMAN, Mr. CROCKETT, Mr. SCHEUER, Mr. GOODLING, and Mr. WILSON.

H.R. 1591: Mr. NIELSON of Utah, Mr. CLINGER, Mr. PETRI, Mr. HENRY, Ms. KAPTUR, Mr. SUNIA, and Mr. APPLEGATE.

H.R. 1616: Mr. HEFTEL of Hawaii and Mr. MATSUI.

H.R. 1659: Mr. WRIGHT, Mr. GRAY of Pennsylvania, Ms. FIEDLER, Mr. ATKINS, Mr. BRYANT, Mr. HILER, Mr. JACOBS, Mr. KLECZKA, and Mr. LEVIN of Michigan.

H.R. 1719: Mr. BURTON of Indiana.

H.R. 1985: Mrs. SCHROEDER.

H.R. 2025: Mr. THOMAS of California, Mr. MINETA and, Mr. MCCANDLESS.

H.R. 2119: Mr. LEHMAN of Florida and Mr. YATES.

H.R. 2162: Mr. LUNDINE.

H.R. 2226: Mr. LUKEN.

H.R. 2337: Mr. OLIN.

H.R. 2472: Mr. SUNIA.

H.R. 2504: Mr. OWENS, Mr. STUDDS, Mr. O'BRIEN, Mr. UDALL, Mr. DASCHLE, Mr. MAVROULES, Mr. WEAVER, Mr. DWYER of New Jersey, Mr. MORRISON of Connecticut and Mr. SCHUMER.

H.R. 2522: Mr. MCKINNEY and Mr. SAVAGE.

H.R. 2578: Mrs. BENTLEY, Mrs. BOXER, Mr. DORNAN of California, Mr. HORTON, Mr. LAGOMARSINO, Mr. LEVIN of Michigan, Mr. MARTINEZ, Mr. MRAZEK, Mr. NELSON of Florida, Mr. ORTIZ, Mr. ROE, Mr. SHELBY, Mr. SMITH of New Jersey, and Mr. WAXMAN.

H.R. 2587: Mr. HYDE, Mr. DARDEN and, Mr. MONSON.

H.R. 2589: Mr. FAZIO, Mr. MARTINEZ, and Mr. KOLTER.

H.R. 2620: Mr. CLAY and Mr. MILLER of California.

H.R. 2685: Mr. LEHMAN of Florida and Mr. LIPINSKI.

H.R. 2781: Mr. BURTON of Indiana.

H.R. 2866: Mr. MILLER of Ohio, Mr. GROTBERG, Mr. SAXTON, Mr. PORTER, Mr. CHAPPIE, Mr. CONYERS, and Mr. TALLON.

H.R. 2999: Mr. DE LUGO, Mr. THOMAS of Georgia, Mr. FAZIO, Mr. TOWNS, Mrs. LLOYD, Mr. MITCHELL, Ms. MIKULSKI, Mr. LEVIN of Michigan, Mr. WAXMAN, Mr. MCEWEN, Mr. EDWARDS of California, Mr. KOSTMAYER, Mr. NIELSON of Utah, Mr. CONYERS, Mr. LELAND, Mr. SILJANDER, Mr. OBERSTAR, Mrs. COLLINS, Mr. MARKEY, Mr. SMITH of Florida, Mr. MCGRATH, Mr. KOLBE, Mr. MOODY, Mr. ADDABBO, Mr. LUKEN, Mr. MORRISON of Connecticut, Mr. KOLTER, Mrs. BENTLEY, Mr. RICHARDSON, Mr. LAGOMARSINO, Mr. MAVROULES, Mr. FUSTER, Mr. STOKES, Mr. HUTTO, Mr. BARNARD, Mr. SCHAEFER, Mr. BOULTER, Mr. WEBER, Mr. GINGRICH, Mr. KASICH, Mr. MILLER of Washington, Mr. MARTIN of New York, Mr. SOLOMON, Mr. DORNAN of California, Mr. WHITEHURST, Mr. MARTINEZ, Mr. MRAZEK, Mr. LANTOS, Mrs. BOXER, Mr. BARNES, Mr. YOUNG of Alaska, Ms. OAKAR, Mr. WORTLEY, Mr. TRAXLER, Mr. FLORIO, Ms. KAPTUR, Mr. PARRIS, Mr. LOWERY of California, Mr. COELHO, Mr. CHAPPELL, Mr. GALLO, Mr. MINETA, Mr. VENTO, Mr. CONTE, Mr. ECKART of Ohio, Mr. CHANDLER, Mr. FAUNTROY, and Mr. DWYER of New Jersey.

H.R. 3006: Mr. EDGAR.

H.R. 3050: Mr. HUTTO, Mr. ORTIZ, and Mr. CHAPPELL.

H.R. 3031: Mrs. HOLT.

H.J. Res. 112: Ms. SNOWE.

H.J. Res. 144: Mr. KRAMER.

H.J. Res. 200: Mr. SWIFT, Mr. TAUKE, Mr. LIGHTFOOT, Mr. BEDELL, Mr. EDGAR, Mr. LANTOS, Mr. GONZALEZ, Mr. MOAKLEY, Mr. EARLY, Mr. BOLAND, Mr. PURSELL, Mr. BOEHLERT, Mr. AKAKA, Mr. MINETA, Mr. ROBERTS, Mr. BONIOR of Michigan, Mr. MORRISON of Washington, Mr. CONYERS, Mr. OWENS, Mr. O'BRIEN, Mr. MCGRATH, Mr. BARNES, Mr. TOWNS, Mr. DARDEN, Mr. ROE, Mr. WAXMAN, Mr. JACOBS, Mr. WOLF, Mr. SMITH of Florida, Mr. GINGRICH, Mr. BERMAN, Mr. ADDABBO, Mr. WEISS, Mr. HERTEL of Michigan, Mr. GRAY of Illinois, Mr. BUSTAMANTE, Ms. KAPTUR, Mr. SABO, Mr. HEFTEL of Hawaii, Mr. BEVILL, Mr. BRUCE, Ms. SNOWE, Mr. BLILEY, Mr. ST GERMAIN, Mr. GALLO, Mr. DONNELLY, Mr. DANNEMEYER, Mr. LUJAN, Mr. HARTNETT, Mr. KINDNESS, Mr. FRENZEL, Mr. DERRICK, Mr. MARTINEZ, Mrs. BURTON of California, Mr. DEWINE, Mr. COELHO, Mr. MOORHEAD, Mr. LAFALCE, Mr. LAGOMARSINO, Mr. SPRATT, Mr. KOLTER, Mr. BARTLETT, Mr. STRATTON, Mr. JEFFORDS, Mr. BRYANT, Mrs. ROUKEMA, Mr. STANGELAND, Mr. GUARINI, Mr. KOSTMAYER, Mr. COUGHLIN, Mr. CROCKETT, Mr. EVANS of Iowa, Mr. MILLER of Washington, Mr. LOWRY of Washington, Mr. SHELBY, Mr. FLIPPO, Mr. DIXON, and Mr. CALLAHAN.

H.J. Res. 207: Mr. KEMP, Mr. DICKINSON, Mr. LIVINGSTON, Mr. RUDD, Mr. NICHOLS, Mr. SHAW, Mr. BLILEY, Mr. SAXTON, Mr. ROBERT F. SMITH, Mr. LIGHTFOOT, Mr. EDWARDS of Oklahoma, Mr. CLINGER, Mr. MOORHEAD, Mr. MCEWEN, Mr. CRAIG, Mrs. ROUKEMA, Mr. LENT, Mr. RINALDO, Mr. GUNDERSON, Mr. MCKERNAN, Mr. EVANS of Iowa, Mrs. COLLINS, Mr. ECKERT of New York, Mr. NIELSON of Utah, Mr. STANGELAND, Mr. CONTE, Mr. STRANG, Mr. HENRY, Mr. MACK, Mr. PACKARD, Mrs. MEYERS of Kansas, Mr. HILLIS, Ms. SNOWE, Mr. TAUKE, Mr. ROBERTS, Mr. KRAMER, Mr. SKEEN, Mr. BROWN of Colorado, Mr. ROTH, Mr. LUJAN, Mr. BROYHILL, Mr. EMERSON, Mr. STENHOLM, Mr. LUNGREN, Mr. THOMAS of California, Mr. MCCOLLUM, Mr. STUMP, Mr. HOPKINS, Mr. MCCANDLESS, Mr. MADIGAN, Mr. BLAZ, Mr. HAMMERSCHMIDT, Mr. QUILLEN, Mr. COURTER, Mr. SLAUGHTER, Mr. PARRIS, Mr. GROTBERG, Mr. HYDE, Ms. FIEDLER, and Mr. BURTON of Indiana.

H.J. Res. 259: Mr. HYDE, Mr. O'BRIEN, Mr. ROSE, Mr. DASCHLE, Mr. LAGOMARSINO, Mr. BEILENSON, Mr. WEISS, Mr. HEFTEL of Hawaii, Mr. RUDD, Mr. LUNDINE, Mr. FUQUA, Mr. THOMAS of Georgia, Mr. HUGHES, Mr. DAUB, Mrs. BYRON, Mr. STANGLAND, Mr. BARNARD, Mr. HATCHER, Mr. CLINGER, Mrs. KENNELLY, Mr. VENTO, Ms. KAPTUR, Mr. LANTOS, Mr. REID, Mr. ENGLISH, Mr. TOWNS, Mr. MINETA, Mr. HORTON, Mr. WORTLEY, Mr. MATSUI, Mr. EVANS of Illinois, Mr. FROST, Mr. RANGEL, Mr. BRYANT, Mr. GREEN, Mr. SABO, Mr. KEMP, Mr. BORSKI, Mr. RINALDO, Mr. CONTE, Mr. KASTENMEIER, Mr. TRAXLER, Mr. COURTER, Mr. DYMALLY, Mr. ADDABBO, Mr. WAXMAN, Mr. DE LA GARZA, Mr. JEFFORDS, Mr. SMITH of New Jersey, Mr. COOPER, Mr. GEJDENSON, Mr. BONER of Tennessee, Mr. ROYBAL, Mr. RAY, Mr. KINDNESS, Mr. NELSON of Florida, Mr. BADHAM, Mr. MAZZOLI, Mr. RITTER, Mr. COELHO, Mr. MORRISON of Washington, Mr. CARR, Mr. MURPHY, Mr. HERTEL of Michigan, Mr. BREAUX, Mrs. VUCANOVICH, Mr. OWENS, Mr. WATKINS, Mr. LUNGREN, Mrs. BOXER, Mr. GARCIA, Mr. FISH, Mr. LAFALCE, Mr. BIAGGI, Mr. MORRISON of Connecticut, Mr. DORNAN of California, Mr. ATKINS, Mr. FAZIO, Mr. MARTINEZ, Mr. ROE, Mr. MCKINNEY, Mrs. HOLT, Mr. WILSON, Mr. EVANS of Iowa, and Mr. PANETTA.

H.J. Res. 296: Mr. SHELBY, Mr. SOLOMON, Mr. FISH, Mr. WORTLEY, Mr. SAXTON, Mr. CHANDLER, Mr. COYNE, Mr. MADIGAN, Mr. PURSELL, Mr. MCHUGH, and Mr. MOORHEAD.

H.J. Res. 305: Mrs. BOXER, and Mr. MADIGAN.

H.J. Res. 323: Mr. WILSON, Mr. LIPINSKI, Mr. STANGELAND, Mr. SUNIA, and Mr. MONSON.

H.J. Res. 333: Mr. TORRICELLI, Mr. DEWINE, Mr. VANDER JAGT, Mr. DANIEL, Mr. RINALDO, Mr. EMERSON, Mr. FAZIO, Mr. QUILLEN, Mr. LELAND, Mr. ANNUNZIO, Mr. STANGELAND, Mr. LUKEN, Mrs. BOXER, Mr. LAGOMARSINO, Mrs. COLLINS, Mr. CHAPPIE, Mr. SHUMWAY, Ms. KAPTUR, Mr. YOUNG of Missouri, Mr. HORTON, Mr. DAUB, Mr. WORTLEY, Mr. DE LA GARZA, Mr. HUGHES, Mr. FEIGHAN, Mr. JACOBS, Mr. BERMAN, Mr. SMITH of Florida, Mr. ROE, Mr. HOWARD, Mr. HOYER, Mr. MONTGOMERY, Mr. ADDABBO, Mr. CROCKETT, Mr. DWYER of New Jersey, Mr. SUNIA, Mr. WEISS, Mr. MARTINEZ, Mr. KINDNESS, and Mr. CHANDLER.

H.J. Res. 336: Mr. KOSTMAYER, Ms. KAPTUR, Mr. STARK, Mr. SNYDER, Mr. BEILENSON, Mr. HAYES, Mr. LANTOS, Mr. RAHALL, Mr. MORRISON of Connecticut, Mr. MRAZEK, Mr. GEJDENSON, Mr. BARNES, Mr. FAUNTROY, Mr. DE LUGO, Mr. CROCKETT, Mr. SMITH of Florida, Mr. REID, Mrs. JOHNSON, Mr. DE LA GARZA, Mr. GARCIA, Mr. TOWNS, Mr. DELLUMS, Mr. LEHMAN of Florida, Mr. MARKEY, Mr. MATSUI, Mr. MAVROULES, Mr. HORTON, Mr. SAXTON, Mr. SCHEUER, Mr. FORD of Michigan, Mr. TORRICELLI, Mr. LEVINE of California, Mr. FAZIO, Mr. REGULA, Mr. RANGEL, Mr. MITCHELL, Mr. CARPER, Mr. LOWRY of Washington, Mrs. SCHNEIDER, Mr. HOWARD, Mr. SEIBERLING, Mr. BEDELL, Mr. LEACH of Iowa, Mr. SABO, Mr. MCKERNAN, Mrs. SCHROEDER, Mr. ECKART of Ohio, Mr. TRAXLER, Mr. CONYERS, Mr. KASTENMEIER, Mr. STOKES, Mr. BERMAN, Mr. TAUKE, Mr. MCHUGH, Mr. LEVIN of Michigan, Mr. ROE, Mrs. BOXER, Mr. ADDABBO, Mr. MOAKLEY,

Mr. DOWNEY of New York, Mr. MCCURDY, Mr. FOGLIETTA, and Mr. WEISS.

H.J. Res. 340: Mr. MOORHEAD.

H. Con. Res. 69: Mr. LUKEN.

H. Con. Res. 129: Mr. WILLIAMS, Mr. BEREUTER, Mr. COBLE, Mrs. KENNELLY, Mr. WEBER, Mr. HEFNER, Mr. DIOGUARDI, and Mr. KEMP.

H. Con. Res. 169: Mr. FAZIO, Mr. WEISS, Ms. MIKULSKI, Mr. SUNIA, Mr. BRUCE, Mr. LEHMAN of Florida, Mrs. BOXER, and Mr. FORD of Tennessee.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 821: Mr. BURTON of Indiana.

H.R. 2817: Mr. EVANS of Illinois.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 3011

By Mr. COBEY:

—Page 13, line 6, strike out "$104,069,000" and insert in lieu thereof "$104,469,000, of which $400,000 shall be for completion of restoration of Estey Hall in Raleigh, North Carolina".

By Mr. CONTE:

—Page 52, after line 8, insert the following:

DEPARTMENT OF THE TREASURY

ENERGY SECURITY RESERVE

(Rescission)

Except as otherwise provided in this section, all of the funds appropriated to the Energy Security are hereby rescinded. This rescission shall not apply to:

(1) funds transferred from the Energy Security Reserve by this Act;

(2) $500,000,000, which may not be used for payments with respect to projects or modules under the Energy Security Act; and

(3) such amounts as may be necessary to make payments for projects or modules for which obligations were entered into under the Energy Security Act before the date of enactment of this Act.

H.R. 3038

By Mr. FRENZEL:

—Page 13, line 20, strike out "$10,954,000" and insert in lieu thereof "$10,779,000".

—Page 15, line 7, strike out "$7,759,000" and insert in lieu thereof "$7,635,000".

—Page 34, line 10, strike out "$9,368,694,000" and insert in lieu thereof "$9,218,795,000".

—Page 34, line 15, strike out "$195,840,000" and insert in lieu thereof "$192,707,000".

—Page 34, line 21, strike out "$61,119,000" and insert in lieu thereof "$60,141,000".

—Page 35, line 7, strike out "$760,547,000" and insert in lieu thereof "$748,378,000".

—Page 35, line 20, strike out "$516,160,000" and insert in lieu thereof "$507,901,000".

—Page 37, line 15, strike out "$144,400,000" and insert in lieu thereof "$142,090,000".

—Page 38, line 8, strike out "$22,000,000" and insert in lieu thereof "$21,648,000".

—Page 38, line 13, strike out "$3,000,000" and insert in lieu thereof "$2,952,000".

—Page 38, line 20, strike out "$500,000" and insert in lieu thereof "$492,000".

—Page 39, line 8, strike out "$235,000,000" and insert in lieu thereof "$231,240,000".

By Mr. HENRY:

—Page 31, after line 9, insert the following new item:

NSF APPROPRIATIONS CEILING

Notwithstanding any other provision of this Act, the total amount appropriated under this Act for the National Science Foundation shall be $1,501,800,000.

—Page 27, after line 21, insert the following new item:

NASA APPROPRIATIONS CEILING

Notwithstanding any other provision of this Act, the total amount appropriated under this Act for the National Aeronautics and Space Administration shall be $7,510,000,000.

SENATE—*Wednesday, July 24, 1985*

(Legislative day of Tuesday, July 16, 1985)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by the Honorable ALAN K. SIMPSON, a Senator from the State of Wyoming.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

Father in Heaven, the democratic process is an inefficient system and it moves slowly—as do the wheels of justice. Cumbersome though it be, it guarantees the greatest good for the greatest number as a political system designed to provide for the interests of the individual citizen, local, State, regional, and national, plus the interests of those of special groups. Thank Thee, Gracious God, for the vision and wisdom of our founders who gave us this incredible legacy. Forgive our impatience when the process fails to move as fast as we think it should. Forgive the criticism of those whose demands are not met. Forgive the cynicism of those who expect the impossible and respond with acrimony and bitterness when disappointed. Gracious God, help the 100 Senators who are supposed to work the system fairly in response to this massive array of issues, many of which are in conflict. Give them grace as they struggle with this immense task. In Jesus' name. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. THURMOND].

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, July 24, 1985.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable ALAN K. SIMPSON, a Senator from the State of Wyoming, to perform the duties of the Chair.

STROM THURMOND,
President pro tempore.

Mr. SIMPSON thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDING OFFICER (Mr. COHEN). Under the previous order, the acting majority leader is recognized.

SCHEDULE

Mr. SIMPSON. Mr. President, I am fortunate—because of the various hats I have been wearing—to have a little hair remaining on my head. We will now get on with the activities of the day.

The two leaders will be recognized under the standing order for 10 minutes each.

Special orders for not to exceed 15 minutes each have been noted for Senators PROXMIRE, DIXON, HATFIELD, MATTINGLY, and EVANS.

If time permits, there will be routine morning business, not to extend beyond the hour of 12 noon, with statements limited therein to 5 minutes each.

At the hour of 12 noon, a live quorum will begin under the provisions of rule XXII of the Standing Rules of the Senate, to be followed by a cloture vote on the motion to proceed to S. 43, the issue of the line-item veto.

The Senate is expected to turn to other legislative and executive items that have been cleared by unanimous consent. Activity is taking place to try to obtain those clearances. I believe there will be progress there. Therefore, rollcall votes can be anticipated throughout the session of the Senate today.

Mr. President, I reserve the remainder of the time of the majority leader.

RECOGNITION OF THE ACTING MINORITY LEADER

The PRESIDING OFFICER. Under the previous order, the acting minority leader is recognized.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the time of the minority leader be reserved for his later use.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER (Mrs. KASSEBAUM). Under the previous order, the Senator from Wisconsin [Mr. PROXMIRE] is recognized for not to exceed 15 minutes.

THE CHAPLAIN'S PRAYER

Mr. PROXMIRE. Madam President, as usual, the Chaplain's prayer was most germane and relevant. We have a marvelous Chaplain. Although he was appointed by the Republican majority, I think he has overcome that handicap and is doing a superlative job.

The Chaplain started out this morning by saying the democratic process was an inefficient system. We have learned that in this body.

MYTH OF THE DAY: THAT THE CONGRESS LACKS CHARACTER AND WISDOM

Mr. PROXMIRE. Madam President, it is a widely held belief in this country that the Congress has the character of a wimp and the intelligence of a backward, grade school dropout. That belief is wrong. It is today's myth of the day. For 200 years it has always been open season on the Congress. Will Rogers once said that this country has only one native criminal class: The Congress. More recently one observer opined referring to the Congress that half of the Members are waiting to be discovered and the other half are afraid they will be. Mr. President, there have been times in the past when it has been very hard to defend the Congress. The Congress has suffered individual scandals and humiliations that have sullied the entire body. Most recently Abscam accomplished that purpose. This year the entire Congress or at least a large majority of the Congress when it comes to spending and taxing seems to lack the brains to come in out of the rain or the character to cast even one vote for responsible fiscal policy if it means the loss of a vote in the next election.

The series of immense Federal deficits represents the biggest moral and intellectual failure of our Government in this generation. Who is responsible for that failure? One institution: The Congress. The Congress and the Congress alone can authorize appropriations. The Congress and the Congress alone can raise the taxes to pay for Federal expenditures. We cannot pass the buck. The spectacular failure of our Federal Government to bring the budget under control is not the failure of the President or the pressure groups or the people of the country. They cannot spend or tax. Only the Congress can do that. The failure of fiscal policy is the failure of the Con-

gress. So why then do I call it a myth that the Congress has the character of a wimp and the intelligence of a very dull child? I call it a myth because the Congress is in my judgment now prepared to begin to act to bring the fiscal train back on track. It will take time, maybe 15 years or more. It will take character including the will to vote to cut a large number of popular spending programs and even tougher to increase taxes on everyone. It will take the intelligence to do this in a way that can persist through the recessions that characterize any free economic system and will certainly plague the American economy before we achieve a responsible fiscal policy. This is the biggest challenge the Congress has faced in a very long time. Why do I believe that the Congress will face up to this challenge? Because I have served in this body long enough to have talked to enough of my colleagues often enough and in sufficient depth to have found that, given the opportunity to vote for fiscal responsibility, they will do so. And if they are not given that opportunity, they will create it.

Frankly, Madam President, my contention that the widespread belief that the Congress lacks character and good sense is a myth, is at this point, only a judgment. It may be a fact. But this Senator believes it is a myth and the Congress over the next several years will have the brains and the will to prove the myth was a bum rap. It will take a while. But we'll see.

WHY THE ADMINISTRATION IGNORES EVEN SMALL NUCLEAR CONSULTATIVE SUCCESSES

Mr. PROXMIRE. Madam President, at the end of the June meeting of the Standing Consultative Commission, the United States and the Soviet Union announced a joint communique stating "a common understanding" of the obligations of the two nuclear superpowers if there should be a nuclear incident. The United States and the U.S.S.R. agreed to make a full exchange of information about any "unauthorized" threat or nuclear explosion. In commenting on this SCC agreement in the July 1 New York Times, Flora Lewis writes that the purpose of the exchange is to prevent retaliation if one side assumes after a nuclear explosion that the other side is involved in a terrorist attack.

Madam President, this is good news, although limited good news. The Standing Consultative Commission does not provide any institutional basis for actually negotiating arms control. It does provide a forum for reconciling suspicions of violations of arms control agreements. Its participants meet secretly. They only disclose what both of them agree they wish to disclose about their meetings. Three years ago, the U.S. Arms Control and Disarmament Agency reported that the SCC had satisfactorily resolved suspicions by the United States of Soviet cheating on SALT I. So we had known before this latest report that the SCC had a record of working to correct violations or allay suspicions of treaty violations at least once.

In the June meeting, the SCC reported that Soviet and United States participants also signed an understanding "intended to further enhance the viability of the Anti-Ballistic Missile Treaty." This vague understanding is mildly encouraging. It would mean a lot more if it could report a U.S. challenge to the U.S.S.R. to explain how the Soviets can claim compliance with the ABM Treaty when their giant radar at Krasnoyarsk appears to be a conspicuous violation. If the Soviets cannot justify this radar deployment, the administration should renegotiate the treaty.

Similarly, the United States should answer the Soviet charge of U.S. violation of the ABM Treaty by its vigorous progress in preparing to build the star wars ICBM defense system. The administration has dismissed the charge with virtually no explanation.

Flora Lewis calls the agreement by the two superpowers to cooperate to stop a nuclear terrorist act against either superpower a small forward step that both should hail and build on. Why haven't they? Are both superpowers unwilling to admit that the adversary is willing to cooperate and work together to prevent at least one kind of nuclear threat?

Each superpower has taken pains to loudly tell the world that the other side will not negotiate to stop the nuclear threat. Gorbachev has repeatedly charged that the Reagan administration is stubbornly insisting on the impossible demand of calling for a Russian reduction in offensive nuclear missiles at the same time it pushes a massive antiballistic program that could destory the Russian deterrent, especially if the Soviets accepted the central U.S. arms control proposal to drastically reduce the Soviet's mammoth ICBM arsenal.

On the other hand, President Reagan has denounced the U.S.S.R. for their bullheaded stubbornness in refusing to negotiate any nuclear reduction anytime, any place, under any conditions. As the President has said, it takes two to tango. He's willing, but the President charges his tango partner would rather engage in empty denunciation than dance. For either Gorbachev or Reagan to credit the other with cooperation under these circumstances would contradict the propaganda of both.

Madam President, this mutual determination to blame the other side for failure may constitute the prime obstacle to any significant arms control progress. Some hardline, right-wing critics have blamed previous Republican as well as Democratic administrations as "too success oriented"; that is, too willing to make damaging concessions to the Soviets in order to get credit for signing an arms control treaty. The charge was never valid. No objective expert has shown that any of the five major treaties negotiated with the U.S.S.R. contained concessions damaging to U.S. security interests.

No one would charge that the Reagan administration is success oriented, with respect to arms control. In fact, quite the contrary; in its 4½ years in office, it has an impeccable failure orientation. It has the total absence of the suggestion of a whisper of an arms control record to prove it. The administration's refusal to make even a small point of its minor achievement in agreeing with the U.S.S.R. to work together to stop nuclear terrorism shows how firmly it is attached to this failure orientation.

Madam President, I ask unanimous consent that the article by Flora Lewis in the July 1 New York Times entitled, "A Small U.S.-Soviet Step" be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, July 1, 1985]

A SMALL U.S.-SOVIET STEP

GENEVA.—In the midst of renewed stridency between Moscow and Washington, the two have managed to agree on how to face the possibility of nuclear terrorism.

Vice President George Bush told a conference here Saturday that there is also a search for a Soviet-American "consensus that terrorists who use or threaten to use nuclear weapons be dealt with jointly and swiftly."

Terrorism is increasing and so is the danger of involving a nuclear weapon. America and Russia accept their common interest in not letting someone else trigger a catastrophe.

A little-noticed communiqué at the end of the Standing Consultative Commission's meeting here last month announced that the two countries have signed "a common understanding" of their obligations if there should be a nuclear incident.

The S.C.C., which meets twice a year, is the official Soviet-U.S. body for complaints about noncompliance with arms control treaties, and proposals to improve their execution. It isn't involved with talks on new treaties.

In the "understanding," the two countries promised to tell each other immediately all they know about an "unauthorized" nuclear explosion or threat, presumably on the hot line. This is to prevent the risk of retaliation on one side's mistaken supposition that the other has launched a sneak attack. Terrorists might provoke that, by accident or even by mad design.

The S.C.C. also signed an understanding "intended to further enhance the viability of the A.B.M. (Anti-Ballistic Missile) Treaty," somewhat surprising in view of mutual accusations and the failure so far of

the Geneva arms negotiations to start moving. The U.S. says the Russians are violating the treaty by building a forbidden radar, and the Russians say the U.S. has launched an "open conspiracy" to violate it with "Star Wars."

It is a measure of how strained relations still are, and how deep our mutual suspicions, that neither side wants to call attention to the fact that they have recently been able to reach some small agreement.

There seems almost to be shared embarrassment in admitting a step forward. The big propaganda trumpets are all blaring out how intransigent each side finds the other. Each is insisting that it is up to the other to make next move. Meanwhile, negotiations are marking time.

Mikhail Gorbachev, the Soviet leader, has hinted at another walkout. The U.S. isn't taking the threat seriously. But there is a danger that this public posturing will reach a point where Moscow feels it has to act or lose faith.

Up to now the negotiations have served mainly as a platform for public recrimination. Of course, a propaganda war doesn't kill anybody, but it does increase the chance of adding still more to the grotesque nuclear arsenals on both sides. The astronomer Carl Sagan calculates that they are already "many tens of times" above the level that would cause nuclear winter if they were set off.

Russians and Americans can see that they dare not let somebody they can't control move in on the nuclear menace game. But they can't see how to reduce their mutual menace.

There isn't even much awareness of each other's preoccupation. U.S. officials analyzing Soviet behavior tend to assume that it is all about manipulating opinion in the West. But the chances are that Mr. Gorbachev is more concerned now with his problems at home.

He made two important speeches recently, one at the late Konstantin Chernenko's home base of Krasnoyarsk, one at late Leonid Brezhnev's base of Dnepropetrovsk, both big military industrial centers. The speeches expressed his effort to launch important personnel changes and to revise the economic plan. He has a deadline if he is to win elbow room to make his ideas work—the Communist Party Congress next February.

But if Mr. Gorbachev was deliberately tough toward the U.S. so as to placate the stubborn old men whom he is trying to make swallow some hard domestic decisions, he failed to appreciate the impact outside the U.S.S.R. It is hard to tell whether Moscow is again miscalculating Western reaction as it did during its campaign against Euro-missiles, or just doesn't care.

The S.C.C. "understanding" shows some agreement can be reached when it is seen to be in urgent common interest. The two countries are right to see control of any possible nuclear terrorists, but one wonders if they are really in control of their own monstrous nuclear sausage-machines.

LESSON OF THE CAMBODIAN TRAGEDY

Mr. PROXMIRE. Madam President, although most Americans have paid only fleeting attention to the slaughter of millions of Cambodians during Pol Pot's regime in the late seventies—the literary world has devoted some attention to the subject.

This desire to tell the Cambodian story can be seen clearly in Edmund Keeley's new book, "A Wilderness Called Peace."

Mr. Keeley details this bloody era in Cambodian history through the diary excerpts of a woman who experienced it.

In addition, there is a fictional character in the book who represents the United States, and the United States' failure to help stop the barbaric Khmer Rouge regime.

Mr. Keeley is true to history and makes no attempts to distort facts—however unpleasant they may be to an American reader.

While the crimes committed against the Cambodians and against humanity are truly the worst documented since the Holocaust, most Americans do not realize the human destruction involved in this situation.

Madam President, the story told in this book is yet another vivid reminder of the genocide the Cambodian people were forced to endure.

But, it is also a reminder of the helplessness one can feel watching this heinous crime occur, with no means to prevent it.

A helplessness that we should never have to feel in the face of genocide again.

Now is the time we can make certain we are never that helpless again.

Now is the time we must ratify the Genocide Convention.

The treaty, as we know, has been reported for the sixth time to the U.S. Senate by the Foreign Relations Committee. It is now on the calendar. It was on the calendar yesterday. There is no reason why it cannot be taken up. I appreciate that the majority leader has a very full agenda between now and the August recess, but I earnestly hope that that treaty will be taken up as soon as possible.

It is recommended by the Reagan administration, by every President in the last 25 or 30 years. It is supported by every religious group in America and by the American Bar Association. The only opponents are the far-out right wing—Ku Klux Klan—Liberty Lobby group which have been discredited so often.

This treaty represents a chance for the United States to take a firm stand against what has happened to the Cambodians—and to help ensure it never happens again.

Madam President, too many times in the past we have allowed this opportunity to slip through our hands.

Now we must seize the opportunity and ratify the Genocide Treaty.

VITIATION OF ORDER FOR RECOGNITION OF SENATOR DIXON

Mr. PROXMIRE. Madam President, I understand that Senator DIXON does not need his special order. I ask unanimous consent that it be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MATTINGLY. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF SENATOR MATTINGLY

The PRESIDING OFFICER. Under the previous order the Senator from Georgia [Mr. MATTINGLY] is recognized for not to exceed 15 minutes.

Mr. MATTINGLY. Thank you, Madam President.

LINE-ITEM VETO SUPPORT

Mr. MATTINGLY. Madam President, I intend to use most of the time that I have today to comment on and bring to the attention of my colleagues the range of support that now exists and, in fact, continues to build on behalf of Senate bill 43, the item veto legislation, that I have introduced and which has been cosponsored by 46 of our colleagues.

I shall take a short moment, though, to express a special thanks to the distinguished junior Senator from Washington, Senator DANIEL J. EVANS. Senator EVANS has lent a unique and invaluable perspective to the issue that we are discussing and, in fact, it is in great part due to his efforts and support that we who favor the item veto trial have been able to gather so much support for the ideas that its opponents refuse to allow the matter to be brought before this body for a vote.

Senator EVANS, who has been given by the people of the State of Washington the distinct privilege of holding the Senate seat once occupied by our friend, the esteemed Senator Henry "Scoop" Jackson, has served as a three-term Governor of the State of Washington. I wonder how many of our colleagues, however, are aware of the fact that the National Governors Association included him in its list of the top 10 Governors of the 20th century.

I am sure that they were not advised of that fact by my friend, Senator EVANS, because he is as modest as he is capable.

To all of us who favor the item veto legislation, the formidable talents and energy of our distinguished colleague have provided a key ingredient in what I am confident will be, at some point, our recipe for success.

And that success, Madam President, will in the final analysis be a result of the support that Senate bill 43 gathers from the American people.

Madam President, I ask unanimous consent that materials related to Senate bill 43 be printed in the RECORD at the end of my remarks today.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MATTINGLY. Madam President, let me comment briefly on some of these items.

In today's Atlanta Constitution, Prof. Donald Ratajczak, director of the Economic Forecasting Project at Georgia State University and perhaps known to my colleagues as a frequent guest of one of the early morning network television shows, writes about the line-item veto legislation. He says:

Congress created a strong case for the line-item veto in its budget resolution deliberations last week. According to the Budget Reform Act, Congress was expected to first establish a target for total expenditures. The idea was good, but the execution as been atrocious. For all practical purposes, the Budgetary Reform Act is no longer operational in Congress. Still, budgetary control is sorely needed. By using a line-item veto, the administration can more effectively restore spending targets, as most Governors currently do. It is clear that Congress has failed in its budgetary responsibility. The President should now be given the tools he needs to bring more order to the current budgetary mess.

I might add that I believe that is a popular opinion among the people of my State and across the United States. There is a budget mess and they want this Congress to get on with doing something about it.

I will include the remainder of that column in the RECORD for the benefit of my colleagues to read.

Also in an editorial in the Providence, RI, Journal entitled "Line Items and President's Veto Power" that appeared this Monday, it is stated:

The need for (line-item veto) has been steadily amplified in recent years by Congress' proven inability to cut Federal spending.

In yesterday's Los Angeles Times, our distinguished colleague, Senator KENNEDY, wrote and I quote:

. . . The massive nature of the modern appropriations process overwhelms the primitive veto power, and the President acquiesces in bills that by any standard are badly flawed. By giving the President a stronger role, the line-item veto would instill a new and needed measure of Presidential accountability in Federal spending and reduce the excesses of a congressional process that too readily focuses on individual districts and separate interests, not the national interest.

I might add, Madam President, that Senator KENNEDY's support for the item veto emphasizes the strong, bipartisan support for the proposal and is indicative of its passage when it comes to a vote.

An editorial in the Wall Street Journal on June 21, of this year, asserted:

The manner in which the Senate disposes of the line-item veto bill will tell the public a lot about how serious our lawmakers are in their posturings about bringing the budget under control.

Now, Madam President, I bring to the attention of my colleagues another article, entitled "Available: A Proven Way To Reduce the Deficit." I have placed a copy of this article, which appears in the August edition of the Reader's Digest, on the desk of each Senator. I hope everyone will take time to read it because it provides an interesting look at the item veto proposal and the value of such a weapon in the fight for fiscal responsibility.

I hope all my colleagues review this material. I believe that support of the concept generally and Senate bill 43 specifically continues to grow and this growing support provides a strong basis for further efforts this year to bring this legislation to the attention of the Senate and provide everyone with an opportunity to vote on the merits of the proposal.

As usual the people of our Nation are ahead of their legislative representatives, not in recognizing that something must be done to reduce the deficits that present such a looming and potentially disastrous problem in the future, but in recognizing that new methods of dealing with the problem are needed. They recognize that the well-intentioned and in some cases truly heroic efforts of some Members of Congress to restore fiscal balance have not been successful.

The latest statistics contained in the June 1985 copy of the "Economic Indicators" pamphlet produced for our Joint Economic Committee by the Council of Economic Advisers provides further, disturbing proof of this fact. The Federal budget deficit through the first 7 months of fiscal year 1985 was $118.7 billion. That is more than $10 billion greater than the deficit for the first 7 months of the prior year. Last year's budget deficit was more than $185 billion; projections for the current fiscal year estimate that the deficit will be $213 billion. Receipts during this fiscal year have been higher than last, but they have been exceeded by an increase in outlays from last year during the same period by $10 billion.

That proves, Madam President, that the people of our country are not undertaxed. They are overspent.

Total Federal debt will have doubled between fiscal year 1980 and fiscal year 1985 and that enormous increase, as we all know, has taken place during the administration of a President who has consistently worked for a reduction in the level of Federal spending. I need not point to the clear support that the American people have expressed for that position last November.

The fact that Federal spending has continued to rise is evidence of the need to explore new methods and try other means to halt the explosive growth of outlays.

S. 43 does not give any authority to the President that the Constitution would prohibit. The men who wrote that document wanted the President to play an integral role in the legislative process. I do not think that there can be any dispute about the contention that Congress has effectively removed the President's legitimate veto authority in many instances. Passing continuing resolutions after the expiration of the fiscal year, dumping the result on the President's desk and daring him to veto it, is not the careful, considerate, and deliberate process envisioned by the founders.

The fact that the item veto would not be able to be applied to the so-called entitlement programs should not dissuade the Congress from allowing it to be used on the other, discretionary elements of the budget. Perhaps we should examine the possibility of bringing all spending back on budget where the Congress would have to exercise its judgment each year about funding levels and outlays.

Madam President, the house is too late and the potential problems too severe to allow an excess of institutional jealousy and a zeal to protect turf and fiefdoms to intrude on our ability to do what must be done.

We appropriate money today in an atmosphere that is heavily weighted toward the spending side. All you have to do is attend one subcommittee markup of the Appropriations Committee or one full committee meeting of the Appropriations Committee to see it. The unique blend of special interest pleas and pledges elicits a far greater response from Congress than does the generalized view of the electorate that somehow, spending must be reduced. Senate bill 43 would provide the President with a weapon that could be wielded on behalf of the Chief Executive's national constituency and that would help in redressing the imbalance that now exists between the pressure for spending reductions and the pressure for an ever-increasing level of spending.

To those who say that the item veto would not save much money, I ask: How much is much?

Let me point out to my colleagues the comments of Prof. Judith Best, distinguished teaching professor of political science at New York State University in Cortland.

Professor Best, to whom I am much indebted for her brilliant work on the item veto issue, has written:

Perhaps to some who are used to thinking of budget items in the billions, budgets in the hundreds of billions, and deficits in the trillions, several billion dollars in annual savings is a mere drop in the bucket, but to the man on the street even $1 billion is a very great deal. If a few billion dollars in savings makes no difference, then a few extra billion in expenditures makes no difference either. It is thus that trillion-dollar deficits are built.

Madam President, let me read for the benefit of my colleagues a letter I received recently from OMB Director David Stockman. According to some of the item veto opponents, Director Stockman has expressed reservations about its effectiveness. Let us put that to rest right now.

DEAR MACK: I am writing in response to your concern about comments, attributed to me, concerning my support for a grant of line-item veto power to the President.

Let me assure you that I strongly support the President's view that the line-item veto would provide an effective tool for restraint in spending. Nothing in my remarks before a recent American Enterprise Institute conference concerning the efficacy of the line-item veto should be construed to imply otherwise.

My remarks on that occasion simply were designed to illustrate the obvious—that in order to make the line-item veto effective, it would be necessary that a President would have the political will to use it in a manner that would sharply curtail unneeded and wasteful spending. No one should have any doubt that Ronald Reagan would in fact have the will to use it wisely and well.

As we look into the future, however, I believe that all of us must recall that constitutional safeguards alone offer no assurances of success in the absence of strong political leadership. As we work together to promote fiscal sanity at the Federal level, I'm sure that you will agree that fiscal leadership on the part of both the Congress and the President will be necessary to achieve our desired goal.

Thank you for the opportunity to clarify my views on this important subject. You can be sure of united administration support behind your efforts to make the line-item veto power an effective weapon in the battle against wasteful spending.

Sincerely,

DAVID A. STOCKMAN,
Director.

Madam President, I will take just a moment to list for the benefit of my colleagues the letters of support and other items that will be included in the RECORD at the conclusion of my remarks:

A letter from the Attorney General of the United States, Edwin Meese; a letter from the Secretary of the Treasury, Jim Baker; a letter from David Stockman; a letter from Peter Grace, of the President's private sector survey on cost control; a letter from Richard Lesher of the National Chamber of Commerce; a letter from Howard Jarvis of the American Tax Reduction Movement; a letter signed by the American Association of Physicians & Surgeons, American Bankers Association, American Business Conference, American Electronics Association, Business Executives for National Security, Chamber of Commerce of the United States of America, Citizens for America, Coalitions for America, Competitive Enterprise Institute, Conservative Caucus, Council for Citizens Against Waste, Free the Eagle Citizen's Lobby, National Association of Wholesaler-Distributors, Public Advocate, Students for America, United States Business & Industrial Council; the National Federation of Indepedent Business, the American Bankers Association, once again, the American Farm Bureau, and many others.

Mr. President, the last item for which I ask unanimous consent to submit for the RECORD is a list of Federal receipts and outlays from 1789 to 1985. If there is any doubt that the Government is spending too much money, these figures should remove them.

Francis Bacon told us, Madam President, that "he that will not apply new remedies must expect new evils; for time is the greatest innovator."

Our times, Madam President, demand S. 43 as a new remedy or we will continue to face the fiscal evils that our profligacy will bring.

I urge my colleagues to support the cloture motion.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TABLE 9.—BUDGET RECEIPTS AND OUTLAYS, 1789–1990 [1]

[In millions of dollars]

Fiscal year	Budget receipts	Budget outlays	Budget surplus or deficit (–)
1789–1849	1,160	1,090	+70
1850–1900	14,462	15,453	–991
1901–1905	2,797	2,678	+119
1906–1910	3,143	3,196	–52
1911–1915	3,517	3,568	–49
1916–1920	17,286	40,195	–22,909
1921–1925	20,962	17,323	+3,639
1926	3,795	2,930	+865
1927	4,013	2,857	+1,155
1928	3,900	2,961	+939
1929	3,862	3,127	+734
1930	4,058	3,320	+738
1931	3,116	3,577	–462
1932	1,924	4,659	–2,735
1933	1,997	4,598	–2,602
1934	3,015	6,645	–3,630
1935	3,706	6,497	–2,791
1936	3,997	8,422	–4,425
1937	4,956	7,733	–2,777
1938	5,588	6,765	–1,177
1939	4,979	8,841	–3,862
1940	6,548	9,468	–2,920
1941	8,712	13,653	–4,941
1942	14,634	35,137	–20,503
1943	24,001	78,555	–54,554
1944	43,747	91,304	–47,557
1945	45,159	92,712	–47,553
1946	39,296	55,232	–15,936
1947	38,514	34,496	4,018
1948	41,560	29,764	11,796
1949	39,415	38,835	580
1950	39,443	42,562	–3,119
1951	51,616	45,514	6,102
1952	66,167	67,686	–1,519
1953	69,608	76,101	–6,493
1954	69,701	70,855	–1,154
1955	65,451	68,444	–2,993
1956	74,587	70,640	3,947
1957	79,990	76,578	3,412
1958	79,636	82,405	–2,769
1959	79,249	92,089	–12,849
1960	92,492	92,245	247
1961	94,388	97,723	–3,335
1962	99,676	106,821	–7,146
1963	106,560	111,316	–4,756
1964	112,613	118,528	–5,915
1965	116,817	118,228	–1,411
1966	130,835	134,532	–3,698
1967	148,822	157,464	–8,643
1968	152,973	178,134	–25,161
1969	186,882	183,640	3,242
1970	192,812	195,649	–2,837
1971	187,139	210,172	–23,033
1972	207,309	230,681	–23,373
1973	230,799	245,707	–14,908
1974	263,224	269,359	–6,135
1975	279,090	332,332	–53,242
1976	298,060	371,779	–73,719
TQ [2]	81,232	95,973	–14,741
1977	355,559	409,203	–53,644
1978	399,740	458,729	–58,989
1979	463,302	503,464	–40,161
1980	517,112	590,920	–73,808
1981	599,272	678,209	–78,936
1982	617,766	745,706	–127,940
1983	600,562	808,327	–207,764
1984	666,457	851,781	–185,324
1985 est.	736,859	959,085	–222,226
1986 est.	793,729	973,725	–179,996
1987 est.	861,676	1,026,625	–164,949
1988 est.	950,376	1,094,761	–144,385
1989 est.	1,029,934	1,137,390	–107,456
1990 est.	1,107,673	1,190,030	–82,357

[1] Includes outlays (and deficits) that are off-budget under current law and proposed to be included on-budget. These transactions began in 1973.
[2] In calendar year 1976, the Federal fiscal year was converted from a July 1-June 30 basis to an Oct. 1-Sept. 30 basis. The TQ refers to the transition quarter from July 1 to Sept. 30, 1976.

Data for 1789–1939 are for the administrative budget: data for 1940 and all following years are for the unified budget.

MEMORANDUM.—COMPONENTS OF THE BUDGET

Fiscal year	Off-budget under current law, outlays	On-budget under current law	
		Outlays	Surplus or deficit (–)
1973	60	245,647	–14,849
1974	1,447	267,912	–4,688
1975	8,088	324,245	–45,154
1976	7,307	364,473	–66,412
TQ [2]	1,785	94,187	–12,956
1977	8,700	400,504	–44,945
1978	10,359	448,370	–48,630
1979	12,467	490,997	–27,694
1980	14,245	576,675	–59,563
1981	21,005	657,204	–57,932
1982	17,331	728,375	–110,609
1983	12,357	795,969	–195,407
1984	9,966	841,815	–175,358
1985 est.	12,459	946,626	–209,767
1986 est.	1,501	972,224	–178,495
1987 est.	–3,240	1,029,865	–168,189
1988 est.	–4,334	1,099,095	–148,719
1989 est.	–5,307	1,142,698	–112,764
1990 est.	–6,764	1,196,795	–89,122

EXHIBIT 1

OFFICE OF THE ATTORNEY GENERAL,
Washington, DC, May 14, 1985.

Hon. MACK MATTINGLY,
U.S. Senate,
Washington, DC.

DEAR SENATOR MATTINGLY: This letter responds to your request for the views of the Department of Justice on S. 43, your bill to provide the President with authority to veto individual items of appropriation.

The President expressed his approval of this legislation in his State of the Union Message. The Department, as well, fully suports the concept of the item veto. We believe it is critical that the President be granted such authority to gain control of federal government expenditures. Line item veto authority is used responsibly by 43 State Governors; it is time that the President be granted such authority in an effort to halt the nearly half-century practice of government living beyond its means.

Your proposal to accomplish this worthy objective provides that for a two-calendar-year period each item of any general or special appropriations bill or joint resolution is to be enrolled and presented to the President as a separate bill. An item is generally defined as any numbered section and any unnumbered paragraph of the specified forms of legislation. This procedure would permit the President to veto any of these separate bills, and, therefore, to have the power to veto individual items of appropriation.

We appreciate and strongly support your efforts and we would be happy to work with you and others in Congress to realize one of the most important goals of this Administration.

Sincerely,

EDWIN MEESE III,
Attorney General.

THE SECRETARY OF THE TREASURY,
Washington, DC, February 12, 1985.

Hon. MACK MATTINGLY,
U.S. Senate,
Washington, DC.

DEAR MACK: This is in response to your January 17 letter to former Secretary Regan requesting his support for S. 43, to provide for a line item veto. As President Reagan made clear in his State of the Union address, the Administration is firmly behind your proposal.

I look forward to working with you to enact the line item veto, and appreciate your leadership on this important issue.

Sincerely,

JAMES A. BAKER III.

EXECUTIVE OFFICE OF THE PRESIDENT, OFFICE OF MANAGEMENT AND BUDGET,
Washington, DC, February 15, 1985.

Hon. MACK MATTINGLY,
U.S. Senate,
Washington, DC.

DEAR MACK: Thank you for recent letter concerning S. 43, legislation that you are sponsoring to provide the President with authority to veto individual items in appropriations bills.

As the President stated in his State of the Union address of February 6, 1985, the Administration supports enactment of S. 43. In our view, the authority that S. 43 would confer upon the President would be a major step forward in getting unnecessary Federal spending under control.

I look forward to working with you to ensure early passage of this important legislation.

Sincerely,

DAVID A. STOCKMAN,
Director.

FOUNDATION FOR THE PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROL, INC.,
Washington, DC, January 26, 1985.

Hon. MACK MATTINGLY,
U.S. Senate,
Washington, DC.

DEAR MACK: Many thanks for your letter and the copy of S. 43.

I applaud your efforts and initiative.

We will do everything we can to help.

All the best,

Sincerely,

J. PETER GRACE.

CHAMBER OF COMMERCE OF THE UNITED STAES OF AMERICA,
Washington, DC, January 30, 1985.

Hon. MACK MATTINGLY,
U.S. Senate Office Building,
Washington, DC.

DEAR MACK: Thank you for your recent letter concerning legislation for a line item veto, S. 43. The Chamber supports the passage of such an amendment. Giving the President the power to veto specific spending bills would lead to greater fiscal discipline. We are quite pleased with your efforts on this issue.

We are in the process of gathering political support in favor of S. 43. Directions have been sent to our field offices for the purposes of influencing members of Congress. Also, I would like to extend an invitation to you to appear on our cable television network. BizNet. This will give you an opportunity to convey your message to the public.

It will be a pleasure to work with you in the 99th session of Congress.

Sincerely,

RICHARD L. LESHER,
President.

AMERICAN TAX REDUCTION MOVEMENT,
Los Angeles, CA, May 13, 1985.

Hon. CHARLES McC. MATHIAS, Jr.,
Chairman, Senate Committee on Rules and Administration, Russell Senate Office Building, Washington, DC.

DEAR MR. CHAIRMAN: In his quest to reduce government spending, the President's key weapon is missing—the line item veto. My organization, the American Tax Reduction Movement, supports Senator Mattingly's S. 43 to give the President this power.

This line item veto allows each funding measure to stand on its own merits. It will prevent items from being hidder from view under "more worthy" appropriations.

Today, the President is given two choices: take the suit, shirt, tie, cufflinks, handkerchief, and shoes or take nothing at all. The President should have the option to take what he chooses and leave the rest. Congress will still have the power to override any presidential veto.

The governors of 43 of our 50 states have been given the line item veto power by state legislators. That is why state governments are in better financial condition than the federal government. The failure of the Congress to permit a president this power is the major reason the federal government has had a deficit every year for the last 19 years.

The 600,000 member American Tax Reduction Movement is dedicated to lower taxes and sensible government spending. The adoption of the line item veto is a step toward those goals.

For the American Tax Reduction Movement I urge you to pass S. 43 to the full Senate.

Yours in lower taxes,

HOWARD JARVIS,
Chairman.

MAY 13, 1985.

Hon. MACK MATTINGLY,
U.S. Senate,
Washington, DC.

DEAR SENATOR MATTINGLY: We the undersigned organizations strongly support your efforts to secure a statutory Presidential line-item veto authority. As you are aware, the relentless increase in Federal spending has brought into focus the need for appropriations reform. The politics of parochial of self-interest remain very strong and Congress is under continuous pressure to preserve programs that benefit local constituencies.

The line-item veto would create a new force within the appropriations process. It would allow the President to exercise his veto authority on individual expenditures without jeopardizing entire spending bills, thus making the President an active participant in trimming the Federal deficit.

In his televised budget address to the nation on April 24, President Reagan said with regard to line-item veto: "If Congress can't bring itself to do what's right—they should at least give me what 43 Governors already have—a line-item veto. Then I'll make the cuts; I'll take the responsibility and the heat. And I'll enjoy it."

Congress needs line-item veto to enhance its efforts to reduce Federal spending. Your bill, S. 43, which establishes a two-year trial period for Presidential line-item veto authority, provides an excellent vehicle for Congress and the President to work together to bring deficit spending under control. We believe that S. 43 deserves the full support of your colleagues, and look for forward to working with you toward ensuring its passage.

Sincerely,

American Association of Physicians and Surgeons, American Bankers Association, American Business Conference, American Electronics Association, Business Executives for National Security, Chamber of Commerce of the United States of America, Citizens for America, Coalitions for America, Competitive Enterprise Institute, Conservation Caucus, Council for Citizens Against Waste, Free the Eagle Citizen's Lobby, National Association of Wholesaler-Distributors, Public Advocate, Students for America, United States Business and Industrial Council.

NATIONAL FEDERATION OF INDEPENDENT BUSINESS,
Washington, DC, February 28, 1985.

Hon. MACK MATTINGLY,
U.S. Senate,
Washington, DC.

DEAR MACK: On behalf of the 500,000 members of NFIB, I would like to thank you for sponsoring S. 43, a bill which would give the President line-item veto authority over appropriations.

In a recent poll, the members of NFIB indicated their support for Presidential line-item veto authority by a 67 percent majority. In our opinion, a line-item veto could serve as a significant tool in efforts to reduce the burgeoning federal budget deficits. Giving the President such authority would recognize the responsibility he shares with Congress in regaining control over federal spending.

We believe S. 43 offers a responsible line-item veto approach in that it will enhance the President's control over spending without encroaching on the appropriations authority of Congress. Under this approach, the President could reject specific items in an overall appropriations bill without vetoing the entire bill. In addition, under the structure of this bill, the Congress could override the President's veto of a specific item if there was strong objection to it, just as the Congress might override the President's veto of an entire bill.

NFIB appreciates your leadership in this effort to lead our government back to fiscal responsibility.

Sincerely,

JOHN J. MOTLEY III,
Director of Federal Legislation.

AMERICAN BANKERS ASSOCIATION,
Washington, DC, July 23, 1985.

U.S. SENATE,
Washington, DC.

DEAR SENATOR: The American Bankers Association supports the Senate Leadership as they attempt to proceed to consideration of S-43, the bill providing the line-item veto. As you are aware, cloture must first be invoked in order to proceed with Senate debate on S-43.

We urge you to support the Senate Leadership and vote for cloture so that the line-item veto can be debated. The line-item veto is important legislation. It would constitute long-term institutional reform and impose external discipline on government spending and borrowing.

This measure is too important to be held up on a procedural basis. It deserves the opportunity to be debated on its merits. Again, the American Bankers Association urges you to support the Senate Leadership motion to invoke cloture on the motion to proceed to consideration of S-43.

Sincerely,

EDWARD L. YINGLING.

LINE-ITEM VETO

DEAR SENATOR: As the debate continues on S. 43, a bill to give the President line item veto authority over appropriations, the National Federation of Independent Business (NFIB) would like to remind you of our strong support for this legislation.

The half million small business owners who belong to NFIB believe that a line item veto could serve as a significant tool in achieving and maintaining control over the federal budget. NFIB would like to see this legislation voted on by the full Senate and therefore urges you to support the motion to proceed to S. 43 and to support any cloture motions connected with the bill.

Given the crisis we face with ever rising budget deficits, new means of controlling the budget must be considered. S. 43 has been structured to overcome the constitutional concerns of other line item veto proposals and it deserves full consideration and a vote.

JOHN J. MOTLEY III,
Director of Federal Legislation.

[Telegram]

Hon. MACK MATTINGLY,
Senate Office Building,
Washington, DC.

Current budget impasse makes it imperative that the President be given item veto. Urge your vote for cloture on S. 43 and yes vote on the bill.

JOHN C. DATT,
Executive Director, Washington Office,
American Farm Bureau Federation.

CHAMBER OF COMMERCE OF THE
UNITED STATES OF AMERICA,
Washington, DC, July 22, 1985.

MEMBERS OF THE U.S. SENATE: The U.S. Chamber of Commerce urges you to vote for both cloture on the motion to consider S. 43, the line-item veto bill, and the legislation itself.

S. 43 has the bipartisan support of 47 senators. It deserves the consideration of the full U.S. Senate.

The control of Federal spending is the most important issue facing American business. The U.S. Chamber believes that line-item veto will promote fiscal discipline in Congress.

Sincerely,

ALBERT D. BOURLAND.

[From the Washington Post, July 12, 1985]

THE "GANG OF 535"

Sen. Mark Hatfield's basic premise ["Line by Line, a No-Account, Veto," op-ed, June 25] is that the line-item veto, rather than being a panacea for budget woes, would transfer political power from the legislative to the executive branch. As far as the budget question goes, anything has to be better than the way Congress had handled the purse strings the last decade or so.

Every October we watch the debacle of 535 elected officials working late into the night to come up with a compromise budget. Occasionally it gets done before the spending authority has expired, all of which is to little avail since another 10 or 15 percent is spent in supplemental appropriations.

The transfer of political power is even more interesting. Sen. Hatfield says that the president could "undercut legislative intent" by selective use of the veto. Since 1972, when Congress took large powers away from the executive branch, we have had undercutting of executive intent (especially in foreign affairs) by legislative committee. The intent of the "Star Wars" program, for example, has been changed by reducing appropriations for certain programs necessary for development and not others. That's like buying a car with a V-8 and getting only four pistons.

Congressmen are continually voting for the best "pork" for their districts and not necessarily in the best interests of the country. If the line-item veto were to increase the power of the executive branch, so be it. The interest of the country is more important than the nest-feathering of the "Gang of 535."

FRED STENGER,
Fayetteville, Pa.

[From the Los Angeles Times, July 23, 1985]

LINE-ITEM VETO: OUT OF THE SHAMBLES

(By Edward M. Kennedy)

Growing support for the line-item veto in the Senate and the House is a reflection of the Pogo Principle in contemporary politics—"We have met the enemy, and they is us."

The budget process is in shambles, the deficit is out of control, and Congress is the problem. Our system of checks and balances, which functions adequately, even brilliantly in most areas, is out of kilter in the area of the budget. Congress has too much power over the purse, and the President has too little. The line-item veto, while neither the miracle cure that proponents promise nor the disaster that opponents fear, is one of the few available tools to redress the balance.

The fundamental issue is fiscal responsibility, and it has little to do with partisan politics or the current budget wars that pit a Republican President against a Democratic House—and even against his own Republican Senate. A larger principle and a longer perspective are at stake.

When 100 senators and 435 representatives have primary responsibility for the budget, no one is adequately responsible. The traditional veto power of the President, which worked well until the 1970s, is still sufficient to keep most other legislation in check. But it is too unwieldly to impose significant discipline on the appropriations process. In 1983 and 1984 the 98th Congress produced 623 bills that were sent to the White House and signed into law. Only 27 were appropriation bills, but they made up in size and scope for what they lacked in number—dispensing hundreds of billions of dollars across the entire range of myriad federal programs.

Very occasionally Presidents have been bold enough to veto one or another of these behemoth appropriations bills because they objected to particular provisions. More often the massive nature of the modern appropriations process overwhelms the primitive veto power, and the President acquiesces in bills that by any standard are badly flawed. By giving the President a stronger role, the line-item veto would instill a new and needed measure of presidential accountability in federal spending and reduce the excesses of a congressional process that too readily focuses on individual districts and separate interests, not the national interest.

In any event the line-item veto is hardly a riverboat gamble. Forty-three states already give a similar power to their governors, who universally regard it as an indispensable tool of budget control—at least until they become U.S. senators.

Presidents since Grant have sought the line-item veto, but until now Congress has refused to cede the power—and with considerable justification, because earlier Congresses seldom brought in budgets that were unbalanced. Today Congress has only itself to blame for the irresistible pressure to yield some of its power to the President. We gave away the Treasury with the massive tax cuts and huge increases in military spending of the past four years and the country will continue to sink into an irreversible morass of deficits unless corrective action is taken.

Everybody talks about balancing the budget, but nobody is currently doing much about it. Congress claims that it's the President's fault for failing to use the veto—"stop us before we spend again." The President pleads in turn that he fervently detests the deficits but does not have the power to fight them fully. So let's give it to him. Let's help him live up to his own rhetoric—and let's also see to it that Congress will be looking over its shoulders as it packages and passes future appropriations bills.

[From the Providence Journal, July 22, 1985]

LINE ITEMS AND PRESIDENT'S VETO POWER

Tomorrow, the U.S. Senate will vote, for the second time in as many weeks, on a motion to kill a filibuster of bill S. 43, the line-item veto. The need for such a measure has been steadily amplified in recent years by Congress's proven inability to cut federal spending. If the filibuster can be stopped (60 votes are needed), the bill is expected to pass the Senate with ease.

Sponsored by Sen. Mack Mattingly, a Georgia Republican, the measure would require that each item in an appropriations bill be sent to the President as a separate bill. This would allow the President to veto expensive "pork barrel" expenditures by which individual legislators buy the support of special interests back home.

With the authority to make item vetoes, the President could significantly alter the traditional budget process. The horse-trading of federal money among members of

Congress has in recent years produced last-minute package deals that are truly unconscionable. Appropriations that the Congress can't agree on during floor debate are, at the session's end, rolled into a "continuing resolution," which the President must either approve or veto in toto.

Last year's continuing resolution—totaling more than $500 billion—included more than half of all federal spending for the current fiscal year. It would be wildly impractical for the President to veto a package that includes so many essential appropriations; in signing it, he approves a vast amount of pork as well.

The filibuster against proceeding on the bill is led by Republican Sen. Mark Hatfield of Oregon. He asserts that the item veto would shift too much power from the Congress to the President, creating what Senator Hatfield calls "an open invitation to political mischief." Horse hockey! The governors of 43 states have item-veto authority, and there is simply no evidence that it can be used to install a ring in the legislature's nose. Those who see the item veto as a partisan contrivance should check in with Sen. Ted Kennedy, who isn't exactly a stingy reactionary. Even he supports it.

A second objection by opponents is that the item veto couldn't touch most federal spending, such as entitlement programs. This is true, but it rests on the cockeyed assumption that if the President can't veto the largest budget items, he shouldn't be given authority to veto smaller ones. That is a transparent plea for the sanctity of the pork barrel.

Neither of these arguments addresses the fact that S. 43 would give the President item-veto authority for only two years. That is a reasonable time to experiment with a power that otherwise could be conferred only by amending the Constitution. If, at the end of two years, the item veto proves to harbor even half the faults its opponents claim, that will be reason enough not to reinstate it. On the other hand, if it helps the President cut pork projects from a $900-billion budget, it will have earned its keep.

When the Congress shows, as it did last week, that it lacks the will to eliminate even the cost of elevator operators for the Capitol's automated elevators, that is symptomatic of the need to extend the President's veto power. Ronald Reagan says that he has the will to cut into the disgraceful waste of taxpayers' money. He deserves the chance to prove it.

[From the Athens (GA) Banner Herald, Feb. 25, 1985]

MATTINGLY'S LINE-ITEM VETO PLAN SHOULD BE CONSIDERED

Senator Mack Mattingly, R-Ga., appears to be gaining support for his proposal that the president be given a line-item veto on a two-year trial basis.

Almost 50 senators, including some fiscally minded Democrats as well as Republicans, endorsed the proposal when it was presented. President Reagan urged Congress to adopt it, and many other concerned Americans have offered their support.

Both houses should adopt the measure quickly, so that it can be put into effect this year.

Mattingly's proposal has several advantages over previous suggestions that a constitutional amendment be proposed to grant presidents this authority to influence budget-making.

First, it could be adopted much easier since it is a law rather than a proposed amendment. The time-consuming process of receiving approval in the states could be avoided.

Second, it proposes a trial rather than a permanent change. If Congress decides after two years that the plan has not helped, it could decide not to extend it or propose a constitutional amendment to make it more permanent.

The amendment is not being touted as the answer to budget deficits or other spending programs. It is being offered as one means to help foster responsibile spending. The president could become a more active partner in the budget process, and many non-essential proposals could be eliminated or postponed.

Congress would not be abdicating its power over the budget, since it would retain the power to override a presidential veto and it could throw out the whole idea after two years.

The line-item veto has been used successfully in 43 states, including California, where Reagan served two terms as governor. On the basis of his experience there, he argues that it could be a powerful tool against wasteful or extravagant spending in Washington.

Some opponents argue that the effect on the deficit would be minor because there is so little non-defense discretionary spending in the budget. But if that is true, they have little reason to oppose the trial.

Others argue that the system has served well for many years, so why change it. But has it really served well? Isn't our reluctance to change one of the reasons we have so many problems?

The Mattingly proposal is a reasonable effort to improve a system that is obviously flawed. It should be given a fair trial, then kept or abandoned as appropriate.

[From the Atlanta Journal, June 28, 1985]

SEN. MATTINGLY WINS A ROUND IN HIS CASE FOR ITEM VETO

Senator Mack Mattingly of Georgia has won a round in his fight for a line-item veto by default—but it is a short-term victory to be savored. The item veto was imperiled in a Senate committee chaired by Charles McC. Mathias of Maryland, a Republican, but a long-time friend of budget deficits and federal spending, particuarly for public employees. Mathias would have done away with Mattingly's proposal for a two-year test of the veto before it ever saw the Senate floor.

Mattingly is learning, however. He threatened to tie the veto plan to an appropriations bill, a wrong-headed but time-honored way of beating the system. Mathias allowed it to go to the floor.

Though Mathias and a few liberal Republicans oppose it, Mattingly has the support of 47 members of the Senate, including a great many Democratic powerhouses. They know a couple of things. They know that the current budget process, with 13 unwieldy appropriations bills that must be signed or vetoed by the president must be put into narrower focus. They know that the item-veto, with a provision for overriding by a two-thirds vote, works in 43 states.

None sees the item veto as a cure for red ink. At best, it might shave 1 percent or 2 percent from a given appropriations bill. Over time, however, those percentage points can add up. Most important, the threat of the veto of individual budget items should force Congress to act more responsibly, to avoid pork-barrelling and see-no-evil backscratching on pet projects. It is instructive how President Reagan's adamance against signing a years-old water project cornucopia has resulted in House and Senate scaling down the measure and insisting on larger local contributions.

The week's events in a House-Senate conference on budget resolutions shows the need for the item veto and muddies the ease of its opponents. The conferees are deadlocked on how to resolve their differences. Key House members are talking about going ahead with individual spending bills without so much as a target. We've been here before and $200-billion annual deficits prove it.

Mattingly must persist and prevail. The item veto is a small weapon with great long-term and psychological effects.

[From Savannah (GA) Morning News, May 17, 1985]

PASS LINE-ITEM VETO

Two years is all Sen. Mack Mattingly is asking to determine whether his proposal to give the president line-item-veto authority is worthwhile. That's a fair enough request by Georgia's junior senator.

After two years, if the Mattingly bill passes, Congress would reassess the line-item authority. If Congress by then should decide the president had abused the authority, or hadn't really needed it, then that would be that. If Congress, on the other hand, should decide that it's not a bad idea after all, then it would extend the authority.

So why not act and give the Mattingly bill a chance to prove itself?

The thought here is that line-item veto authority would work on the national level, just as it has worked well in the 43 states now according that authority to their governors. Georgia is one such state.

Another thought here is that neither President Reagan nor any one president after him would abuse the authority. Presidents, irrespective of party affiliation, have to maintain a degree of working cooperation with their lawmakers; to abuse the authority would be to court disaster where a president's own programs are concerned. Even a fellow party member isn't going to allow his president to push him around.

A line-item veto would help to streamline spending legislation by thwarting the temptation for members of Congress to tack unrelated spending amendments onto legislative measures going through the enactment process. It would be, as Senate Majority Leader Robert Dole says, "a proper remedy for the problem of overspending."

Under the present system, a president must approve or veto a bill in its entirety. If a bill contains 95 percent of provisions that both the president and Congress agree are good, but 5 percent of porkbarrel amendments tacked on like suckers clinging to the back of a whale, a president often has to accept the non-essential 5 percent in order to preserve the essential 95 percent.

With authority to veto line items in a measure, a president can say yes to the larger part and no to the smaller.

Would that, under the Mattingly bill, cast a president in the role of dictator? Absolutely not. The Mattingly bill would allow an override of a vetoed line item by a majority vote of each chamber. That's different from the present requirement of a two-thirds majority in each chamber for an override.

Also, the Mattingly bill contains the two-year-reassessment feature, which would protect Congress from an unreasonable presi-

dent. It's fair legislation, and in the public's interest.

Senator Dole wants the Mattingly bill passed after Congress returns from its Memorial Day recess. It should pass, go on to the House, pass there, and then be accorded the chance to work.

[From the Washington Times, Feb. 11, 1985]

A SIZZLING BIG MACK

If the line-item veto is too much for Congress to contemplate as a constitutional amendment, why not a two-year trial? A novel idea, and Georgia Sen. Mack Mattingly deserves special commendation for thinking of it. Sen. Mattingly's bill may have picked up enough support already to ensure passage in the Republican-controlled Senate. Perhaps it would take the appointment of Tip O'Neill as ambassador to Ireland to get it through the House.

A line-item veto, if only for two years, would have profound power to remake the budgetary process. Rather than heightening controversy over each spending issue, the device could well drain the budgetary process of demagoguery. Presidents propose budgets, as they say in civics class, but "chief executives" are much less active participants than is commonly supposed. As things work now, Congress is allowed to beat up on presidents for deficits not of their making.

Presidents have been known to beat up on Congress, of course, but that's just the point. Too much who-shot-Johnism removes the debate from sincere efforts to manage the taxpayers' money and restrain spending. If Sen. Mattingly's bill, which has President Reagan's blessing, becomes law, then the burden of demonstrating its usefulness will rest with the administration, and both sides will have to get serious.

Some conservatives have fought the line-item veto because of a misplaced constitutional fastidiousness. Appropriations are supposed to arise from Congress, and that's that. The point ignores two centuries of congressional recklessness, and conservatives should be the first to grasp the lessons of history.

The real fight will be in the Democrat-controlled House, of course. Perhaps Mr. O'Neill's legions will be brave. Perhaps they will seize on the measure to challenge the president's intentions, to place the burden on him if he thinks he knows so much. Perhaps he will be waiting for them.

[From Savannah (GA) Evening Press, Feb. 10, 1985]

LINE-ITEM VETO NEEDED

Suddenly last Wednesday night, Mack Mattingly, our junior senator, was in the spotlight. President Reagan mentioned him by name and the television camera covering the State of the Union address picked him up.

A nice plug for the old Empire State of the South, the Cracker State, or just plain ol' Georgia by any sobriquet. But when the senator and his admiring constituents finish taking bows, the fact remains that more than showmanship was involved in that allusion to the Georgia senator. The president was addressing a serious matter.

The matter is the proposal by Senator Mattingly of line-item veto authority for the president. The Georgia lawmaker proposed this in the last term of Congress, but the measure fell by the wayside for reasons of other more pressing business.

What he is proposing again is authority for the president to go through an appropriations bill, item by item, and approve or disapprove, also item by item.

Under present law, a president must accept or veto an entire measure, and appropriations bills have a way of picking up tacked-on pork-barrel projects during their final stages of passage. A bill can be 99-percent to a president's liking, but he must also approve that pesky 1 percent or risk delaying or killing many worthwhile projects. Too many presidents have had to grin and bear it by signing bills that contained boondoggle items.

The Mattingly proposal is sensible. It contains an override feature much in favor of the Congress—requiring only a majority to override a line-item veto rather than the present two-thirds requirement for an entire bill. And it would apply only to appropriations bills; thus, the two-thirds requirement would not be eliminated entirely.

Another favorable feature is that the Mattingly bill would be experimental, containing a "sunset" provision. That means Congress would have to renew it two years hence; if by then Congress should deem it had proved unworkable, that would be the end of it.

Many States, Georgia included, accord their governors line-item veto authority. The provision has worked well. Why not on the federal level as a means of streamlining the enactment and signing of legislation, as well as protecting the taxpayer—which is its main purpose?

[From Savannah (GA) Evening Press, May 22, 1985]

GIVE VETO A TEST

Forty-three state governors have the authority to use the line-item veto. It works for them and it would work on the federal level.

Congress should give this authority to the president. The result would be a tighter control on federal spending and a reduced deficit.

Georgia's Sen. Mack Mattingly has offered a bill that would introduce the line-item veto. The proposal, now before the Senate Rules Committee, has 46 co-sponsors. There's nothing radical about the idea. Sen. Mattingly's bill would provide for a two-year trial period in which to test its effectiveness.

"New methods are clearly needed to restrain the growth of federal spending," Sen. Mattingly told the Rules Committee. As he pointed out, the legislative process has eroded presidential options on spending.

Congress passes omnibus bills that contain a mixture of good and bad spending proposals and the president has to choose between a veto of the good to halt the bad and acceptance of the bad to get the good.

In the throes of confusion as a congressional session prepares to close, unwise spending proposals are passed without proper deliberation. In an effort to placate special interests, lawmakers make rash decisions. With the line-item veto, a president could discourage this practice and save the taxpayers money.

Automatically the line-item veto would inhibit the practice of tacking unrelated spending proposals onto important appropriations measures.

Congress would not be hurt or deprived of its authority by adopting the line-item veto. Instead, congressional integrity would be protected, for there would be less partisan legislating, less catering to special interests, and the president would catch the political flak.

Foes who say the line-item veto would upset the constitutional balance are quite simply wrong. Congress would retain the power to override presidential vetoes and would continue to have the final say on spending.

We say it's time to give Sen. Mattingly's proposal a fair trial. If it failed to fulfill its supporters' expectations it could be abandoned, and if it worked the public would be delighted.

[From the Atlanta Journal, Feb. 17, 1985]

MATTINGLY RIDES THE RIGHT HORSE ON LINE-ITEM VETO

Ideas take a long time to filter up or down, as the case may be. The notion of a line-item veto power for the president is an example. This newspaper and others have been urging it for three years as a vital step toward curbing the spending appetites of Congress. Sen. Mack Mattingly (R-Ga.) has pushed it, cajoled his colleagues and has seen one version of it go down to narrow defeat.

Mattingly's persistence now may be rewarded. President Reagan, after a visit from the senator and after the up and down filtering of the idea through press, public and Congress, endorsed it heartily in his State of the Union Message, even singling out a beaming Mattingly.

To his credit, the persistent and frugal Mattingly has obtained 46 other Senate signatures—Democrats and Republicans, liberals and conservatives.

The item veto seems a worthy effort, particularly now that Mattingly has reworked it into a two-year trial by statute, rather than constitutional amendment. Those who are queasy about another Reagan proposal, a constitutional amendment mandating a balanced federal budget, ought to jump at the line-item veto as an interim step that might remove the need for the sterner measure.

The item veto, which Congress could override by a two-thirds vote, is needed to save Congress from itself. Representatives, by necessity, do a good bit of horse-trading and log-rolling for local or pet projects. Congressmen face a lot of pressure from the famed special interests (and we include the Pentagon in that category).

The president in most cases has little leeway. Once he submits a budget to Congress, it comes back to him in the form of 13 monster appropriations bills or one continuing resolution. His choices are to sign them or veto them, with the usual risks of "shutting down the federal government" or "freezing Social Security checks at the Post Office." He too must horse trade because so often the spending bills come with pet presidential policy measures attached.

The government will spend in the vicinity of $973 billion in the coming year. It has run deficits ever since Congress "reformed" its budget process in 1974. The states, on the other hand, are showing record financial well-being. It is not an accident that 43 governors are armed with veto power over legislative spending items.

The line-item veto prevents Congress from hiding profligacy in massive packages. It would allow the president to focus taxpayer attention on pork-barrel dollars or hidden social agendas. It would force Congress to face those items in an up or down vote if members chose to try to challenge the president.

A great deal of Washington gamesmanship could be avoided. If the president wanted to do away with the Legal Services Corporation for instance, he could try it out in the open instead of using recess appointments to name board members interested in killing it by attrition. If the president wanted to rein in military pensions or college student loans, those items could be isolated for proper debate.

[From the Atlanta Journal, July 21, 1985]

SENATOR MATTINGLY'S VETO PLAN IS SURFACING IN NICK OF TIME

The timing couldn't be better for Sen. Mack Mattingly of Georgia. His cherished plan to give the president the line-item veto is heading for the Senate floor next week even as the federal budget process is bogged down, paralyzed really, in a tangle that is by far the worst of the sorry deadlocks of recent years.

Even the most casual observer can see that Congress' ability to even arrive at a budget, much less prepare an accurate one, is going aglimmering. Clearly Congress must re-reform its budget procedures and there must be new tools to deal with the irresponsible spending that produces annually underestimated deficits and overestimated revenues.

One of those tools—and it is a tool, not a panacea—is Mattingly's proposal for a two-year test of the line-item veto, a weapon to cut spending that's in use in 43 states and has the support of a bare majority of the U.S. Senate. If the president has the power to strike individual appropriations, he can save Congress from itself by pruning the log-rolling and pork-barrelling that is part of multi-headed compromises.

His power would not be absolute, but would be subject to override. Attention could be focused nicely on individual expenditures, instead of the huge catch-all bills that slide through now without public scrutiny. A congressman could vote on an item on its own merits instead of as part of a package deal of several other items. There would be fewer worries about extraneous riders.

What we've had lately is budgeting by brinkmanship. At the end of nearly every fiscal year, the president faces those 13 appropriations bills that he must sign or risk shutting down the government. This year, he might not even have that option. This Congress is heading toward the new year with few prospects of even the usual irresponsible continuing resolution, much less individual bills framed within spending targets. The paralysis demonstrates the need for Mattingly's plan, to choose just one reform.

The item veto is being held hostage this week by a filibuster led by a handful of Senate Republicans. A vote to end the delay may come Tuesday. Some two more votes must be rounded up before then to stop the filibuster. Since even Sen. Edward Kennedy supports that vote, the talking will end and Mattingly should have his floor test. Calls from a certain hospital switchboard this weekend might guarantee it.

The line-item veto is no shift in the constitutional balance of power, as its hysterical critics allege. It is a device that might shave at most 1 percent to 3 percent of federal spending in a good year. Its effects will be long-term and hardly can be said to be disruptive.

The real shift in the constitutional balances of power is going on right now on Capitol Hill. Congress is abdicating its budget responsibilities and its charge to promote the general welfare. Especially prudent Americans might consider that a constitutional crisis.

[From the Atlanta Constitution, July 24, 1985]

CONGRESS MAKES GOOD CASE FOR LINE-ITEM VETO

(By Donald Ratajczak)

Congress created a strong case for the line-item veto in its budget resolution deliberations last week.

The major argument against providing the president with veto rights against individual portions of a spending bill is the presumed tilt it could cause in political power. The president, it is argued, would be in greater control of all spending.

Some members of Congress argue that their control over budgetary matters will diminish if they are unable to attach spending provisions that are not wanted by the administration to bills that the administration strongly endorses.

However, Congress was unable to compromise on a spending blueprint to be used in controlling the size of appropriations.

If Congress cannot provide itself with a binding ceiling on total spending, allowing that body to continue attaching appropriations measures to unrelated bills is fiscal irresponsibility.

Indeed, the line-item veto will not diminish any budgetary authority that the Congress currently is exercising. Instead, the line-item veto will provide some budgetary controls where none now exist.

After the Budget Reform Act was passed in 1974, Congress created rules that appeared to provide control over a disorganized budgetary process.

Previously, appropriations were determined on a program-by-program basis. Compromises usually were resolved by adding resources to favored programs. As a result, the sum of all appropriations normally exceeded levels that most members of Congress felt were economically prudent.

According to the Budget Reform Act, Congress was expected to first establish a target for total expenditures. If subsequent testimony indicated that more spending on a given program was worthwhile, Congress either was expected to cut other programs to adhere to the spending guidelines or alter the spending on revenue targets.

As a result, budget-busting appropriations could be readily identified.

The idea was good, but the execution has been atrocious. This year, the Senate and House cannot agree upon a budget target. By failing to accept program cancellations, the House appears to be establishing budgetary savings that can be eliminated by supplemental appropriations as the budgetary year progresses.

SENATE REFUSES

The Senate refuses to go along with this charade. Therefore, no spending limits have been approved. For all practical purposes, the Budgetary Reform Act is no longer operational in Congress.

Still, budgetary control is sorely needed. By using a line-item veto, the administration can more effectively restore spending targets, as most governors currently do.

Congress still has the power to override the president, if he uses his veto to alter their priorities. It also can withhold appropriations for programs the administration desires if the president wields too heavy a line-item veto on Congress's pet projects.

If the Congress is so upset about losing authority to the president, it can reduce the override majority necessary to offset a veto. However, it is clear that Congress has failed in its budgetary responsibility.

The president should now be given the tools he needs to bring more order to the current budgetary mess.

[From the Wall Street Journal, July 23, 1985]

SOMETHING FOR THE FARMERS

Congress this week will prove once and for all that it is institutionally incapable of federal budget management. It will attempt to pass, before the August recess, a bill calling for nearly $40 billion in farm subsidies over the next three years. That's $12.5 billion above the Senate budget resolution "ceiling."

Individual congressmen know this is crazy. How can Americans, or the world at large, have any confidence in a legislative body that professes grave concern about budget deficits while at the same time handing out subsidies with reckless abandon? Yet such is the level of political courage in the House and Senate that members don't want to face their rural constituencies during the recess without having first written out a generous check. And this was supposed to be the year for farm-policy reform.

What instead happened was that Congress found it had three mutually antagonistic goals in writing the farm bill. It decided that all three did not have the same importance. By far the highest priority was "protection" of farmer income. In actual practice, that mainly meant protecting big farmers. According to the USDA, 12% of the nation's 2.4 million farmers got nearly half of last year's subsidy payments. Dairy farmers did best, with subsidies averaging $22,800. The House Agriculture Committee last week simply rubber-stamped a dairy subsidy bill written by the industry itself. "Protecting" income, in the language congressmen understand, means buying votes.

Goal number two, very much lower on the priority list, is to increase farm commodity exports. Price-support levels for major farm exports were set so high by Congress in 1981 that they have been pricing American farmers out of world markets. Farm products are a major U.S. export, so declining sales have been an important cause of the U.S. trade deficit, which congressmen wring their hands over when they are not wringing their hands over the budget deficit. But of course (see priority number one) they are not going to cut support levels, or at least not until after the 1986 elections. Instead, the government will pay farmers the difference between the income support "targets" and market prices, plus export subsidies. The Treasury will bleed profusely. There is no guarantee this will cure the trade deficit, but it will certainly boost the budget deficit.

Which brings us to priority number three. Priority number three is to get the farm bill's cost back below that $27.5 billion ceiling. That priority is the odd man out, to be sacrificed to the other two. Senate strategists in effect decided last Friday to go full speed this week on getting a farm bill passed, whatever the cost. The budget will be worried about when everyone comes back from vacation in September. Bon voyage.

There are other interesting little quirks to the House and Senate farm bills. For four years now, big land speculators in the West have been plowing up substandard range land and planting it in winter wheat. Envi-

ronmentalists are furious at this "sodbusting," which they say threatens a new dust bowl in Montana and other states where rainfall is light and topsoil marginal. They are right. Sodbusting, pure and simple, has been financed by Uncle Sam through investment incentives in the tax law combined with agricultural subsidy programs. In the farm bills, Congress proposes to pay the farmers up to $40 an acre to take some 25 million to 30 million acres out of use. As one observer puts it, "Uncle Sam paid them to put the land into production; now he is paying them to take it out." Nice deal.

The bill written by the dairy lobby for the House "does not deal candidly with U.S. dairy farmers or the public concerning the costs," a USDA letter to the chairman of the House committee said last week. In short, it underestimates them, not uncommon for farm bills. Even $40 billion for the total farm bundle may be a conservative guess.

We're told that senators and representatives are becoming increasingly edgy with one another over budget issues. They see a process collapsing before their eyes. Mr. Reagan is offering to do the cutting for them if they will give him a line-item veto. They may never get a better offer.

[From the Wall Street Journal, July 22, 1985]

TWO SENATORS

Only two U.S. senators now stand in the way of giving the line-item veto bill a chance to be voted on in the Senate. Last Thursday, a vote to end a filibuster against consideration of the item veto came up at 57-42, three votes shy of the needed 60. One supporting senator was away on family matters, so when the next cloture vote comes up, probably tomorrow, two votes would stop the filibuster and give the item veto an honest test.

What's the point of preventing the Senate from having the opportunity to vote this bill up or down once and for all? The moment that the item veto is removed from the Senate's agenda, Congress will be back with its Sisyphean rock at the bottom of the budget mountain. Congress is heading toward another December continuing resolution, with the federal accounts written up by the unelected staffers of the appropriations subcommittees.

Surely it's only a matter of time before constituents, challengers and home-town editors begin to figure out what a Ponzi scheme the federal budget has become for incumbents. A $900 billion budget and a $200 billion deficit is the sort of thing voters will eventually decide to hang on someone, and come November 1986 it won't be Ronald Reagan.

The item veto's purpose would be to give one major player in the process responsibility for saying no. It would therefore include someone within the system who is to be held accountable for spending. The high political stakes of modern incumbency have undermined Congress's ability to bear public, identifiable responsibility for long-term spending discipline. Sens. Hatfield, Byrd and Weicker have been orating that the item veto would upset the balance of power. What power? The only real purse-string power held in Washington now belongs to the special interests (see Sen. Byrd's remarks printed nearby). They built that $900 billion budget, they testify professionally on its behalf before committees like Sen. Weicker's and they'll defund the campaign of any formerly supportive incumbent who resists them.

It's just possible the Senate would like to alter this hapless game. Among Democrats voting to end the filibuster were Sens. Kennedy, DeConcini, Leahy, Nunn, Dixon and Pell. That doesn't mean they'd vote for the item-veto bill itself, but they're at least willing to open the door toward a vote on the bill.

Of these Democrats, only Sen. Leahy is up for reelection in 1986. All other Democratic incumbents up for reelection—Glenn, Hart, Dodd, Cranston, Ford and Eagleton—voted for the filibuster. So did two incumbent Republicans—Specter and Packwood. No doubt these senators have reasons for not giving the item veto a chance. What's becoming harder to understand is how all of them can defend what they do now as responsible management of their constituents' taxes.

NOTABLE & QUOTABLE

Senate Minority Leader Robert Byrd (D., W. Va.), filibustering on July 18:)

Mr. President, I feel that this breadth of opposition to the bill certainly is worthy of reference at this point. So I would like to read into the Record a list of these 41 organizations that have contacted my office expressing opposition to the line-item veto. They are as follows:

The AFL-CIO; the American Library Association; the United Mine Workers of America; American Association of University Women; the American Federation of Government Employees; the National Urban League; the Communications Workers of America; the American Council on Education; the United Automobile Workers of America; the National Association of Federally Impacted Schools; the United Steelworkers of America; the Committee for Education Funding; the American Federation of Teachers; the National League of Cities; the International Ladies Garment Workers Union; the International Union of Bricklayers & Allied Craftsmen; the Service Employees International Union; the Paralyzed Veterans of America; the United Food & Commercial Workers International Union; the Lutheran Council in the U.S.A.; the Food & Allied Service Trades Department of the AFL-CIO; Congress Watch; the Amalgamated Clothing & Textile Workers Union; Common Cause; the National Farmers Union; the Americans for Democratic Action; the Seafarers International Union of North America; the United Church of Christ, Office for Church in Society; the National Association of Letter Carriers; the United States Student Association; the Brotherhood of Railway & Airline Clerks; the Council of Great City Schools; the American Federation of State, County & Municipal Employees; the Children's Defense Fund; the Consumers Union of America; the National Council of Senior Citizens; the Coalition on Block Grants and Human Needs; the National Association for the Advancement of Colored People; and the American Association of Retired Persons.

Mr. President, I feel that this is a clear indication of the broad interest in this matter throughout the country.

[From the Wall Street Journal, July 18, 1985]

A SENATOR'S CHOICE

Over the next 48 hours, each of the 100 members of the U.S. Senate will have to make a choice about the way the government manages the people's money. Bill S.43, which would give the president a line-item veto over individual appropriations, is finally before the Senate. The bill's opponents, led by Sen. Mark Hatfield (R., Ore.), are attempting to kill it with parliamentary procedures that would prevent the full Senate from voting on the measure. The bill appears to have enough votes for passage, but whether 60 votes exist to kill Sen. Hatfield's filibuster is uncertain.

We suspect that most senators have thought about the item veto and its possible usefulness. With the voting finally at hand, however, senators might want to give some thought to how comfortable they are with the budgetary status quo. It is our sense that the politics of managing a federal budget now totaling $900 billion simply don't square with what most thought they'd be doing in Washington when they entered public life.

We're not talking about the traditional hardball of big-league politics. Men and women have come to Washington and played that game well and honorably since 1789. We're talking about something more peculiar to modern American politics.

The 535 members of the Senate and House now preside over a set of government functions, a bureaucracy and a federal budget whose scale is unimaginably large and complex. Each January the members return to Washington and again set to work at the task of parceling out $900 billion or whatever, which happens to be quite a few more billions than their constituents are willing to contribute in taxes. The Constitution quite specifically assigns this function to Congress, and for that reason the process and its participants command a certain level of respect. But that's not the only reason so many people pay their respects to the members.

The main reason is that federal spending is big bucks. You have the power of the purse over that much money and you get a lot of respect. But the respect now accorded the members isn't the same as it was, say, in 1960 when John Kennedy undertook to revitalize America. By comparison, Washington was a lean and vibrant place then. Today it's a built-up town of associations—thousands upon thousands of them, all pressing some legitimate claim on that $900 billion.

Over the course of any budget process now there will be deals, political payoffs, pork-packed supplementals, grand-scale log-rolling between liberals and conservatives, continuing resolutions written when the rest of the country is literally asleep and campaign solicitations mailed out to all those endlessly polite and deferential association people. We were struck last Friday by an item in the Journal's Washington Wire column: "At a $500-a-head fund-raiser for Rep. Rostenkowski, lobbyists received buttons saying, 'I did more than write Rosty.'" This is what the Founding Fathers had in mind when they wrote Article I, Section 7 of the Constitution?

A prominent senator called our office recently, and the discussion turned to the floundering budget process. "We're institutionally incapable of changing," the senator said. "And there's no use you wasting your time writing editorials slamming us for spending. We won't change because we can't." This man is a liberal.

We're certain this view of the institution's debilitating paralysis is shared by many more Democratic senators than have cosigned Sen. Mack Mattingly's item-veto proposal. We also doubt that many senators take seriously Sen. Hatfield's current filibustering argument that the item veto

would shift the balance of power unfairly in the president's favor. And we doubt that many have been distracted by the red-herring argument that the item veto's reach won't significantly reduce the deficit. Surely the senators who will be casting votes on the motion to shut off the filibuster know what the real issue here is.

The issue is that there are two words a politician needs to be able to say: yes and no. We now have a federal presence where the two words most used are yes and yes. That's why we have a $900 billion budget. Congress has demonstrated beyond a doubt that it cannot change this on its own. Its budget process has become the equivalent of trying to walk down the world's longest rising escalator.

The presidential item veto would provide one significant outside presence responsible for saying no. Yes, of course, Sen. Hatfield is right—the item veto won't wave away the deficit overnight. But the item veto will clearly allow individual members to sometimes step off the escalator of a political spending system that is no longer edifying or admirable. Senators might find that the public respect accorded them then would be far more genuine and satisfying.

[From the Wall Street Journal, July 11, 1985]

GOODBYE TO ALL THAT

David Stockman could hardly have picked a more appropriate day to resign. It was on a day when Tip O'Neill came out of a White House cocktail session chortling that he had busted up the centerpiece of the Reagan-Dole anti-deficit package, a Social Security freeze. It was a day when the House Agriculture Committee approved a generous dairy price support bill written, in large part, by the dairy industry itself. It was a day of dejection in the markets as the world watched Washington's spending-control efforts running aground once more.

Who can blame Mr. Stockman for leaving his White House frustrations behind for a desk at Salomon Brothers? At a Wall Street investment house, a bright young man can actually accomplish something. He can finance a skyscraper or a bridge, or a corporate takeover. He can sign binding contracts with his opposite number's John Hancock also on the dotted line—no more of those slippery political promises. He can make as much money as his talents will allow.

No one has ever doubted Mr. Stockman's talent. Indeed, we now hear Rep. William H. Gray III (D., Pa.), chairman of the House Budget Committee, complaining that Mr. Stockman's departure "leaves us in the lurch." In other words, if the budget process fails once more it won't be the fault of Tip O'Neill. It will be because the man who knows all the numbers fled to Wall Street and President Reagan didn't stop him. Now *no one* knows the numbers. This last point at least is almost believable.

We ourselves haven't minded seeing Mr. Stockman lose certain battles. In his legitimate concern about the large federal deficit he often has been too willing to join forces with tax boosters. That route was tried in 1982 when Mr. Reagan suffered the famous TEFRA swindle, agreeing with Congress to a $100 billion tax increase for spending cuts that never materialized. The new taxes didn't dent the federal deficit either.

But during all the time Mr. Stockman was taking deserved flak for his tax-increase feelers we never doubted his sincerity about spending cuts. His occasional bitter outbursts over battles lost to the military-congressional complex, or the agriculture lobby, or congressisonal logrollers, made this abundantly clear. Under him, OMB produced incisive documentation of the economic irrationality of Amtrak, the Job Corps, military retirement and dozens of other congressional sacred cows.

In an intellectual sense, the tax issue has been resolved. No one with any credentials believes anymore that the government can tax its way to solvency. The principle of a flatter tax schedule, designed to encourage more productive-effort and more useful investment, has support on both sides of the aisle.

There is widespread intellectual agreement as well that Congress spends too much money. It is one of the favorite stump themes of individual congressmen. They know it will win voter empathy. But as a body, Congress has proved beyond doubt in the 10 years it has had its own "budget process" that it is incapable of setting budget priorities and living with the revenues that American taxpayers are willing to yield for federal purposes. Organizational changes of the early 1970s converted Congress into a bazaar where the objective is to ensure that every member gets his share of the spending. And there's always the fond hope of scrounging up some new revenues.

The answer is not likely to be found in "cuts" hammered out in House and Senate budget resolutions. Speaker O'Neill abolished most of the hope for that Tuesday. Yesterday's agreement between Mr. Reagan and the congressional leadership on a new budget "framework" did little to revive hopes.

The answer is to give the president responsibility for the final outcome of the budget and hold him accountable to the voters. As things stand now, the president can legitimately say that he does not have sufficient control to be held accountable.

Giving the president a line-item veto, as the Mattingly bill now in the Senate does, would restore accountability. The president could edit out the excesses of the congressional bazaar. He could bargain over "entitlements." He would be less susceptible to lobbying pressures than would individual congressmen.

As a side benefit, the federal budget director would again have useful work to do. Should a talented replacement for Mr. Stockman be found, he would be less likely to follow Mr. Stockman's trail to Wall Street in search of relief from acute frustration.

[From the Wall Street Journal, July 10, 1985]

LOWELL WEICKER'S ITEM VETO

President Reagan met with congressional leaders last night to negotiate over the federal budget. Or, so he and the congressmen and the press seemed to think. What last night's summit illustrates, however, is that the president lacks the effective means, namely a line-item veto, to truly enter into the budget "process" at all.

As an example, consider HR 2577, the fiscal 1985 supplemental appropriation calling for some $11 billion to $12 billion for such items as the Commodity Credit Corporation, Social Security and the Postal Service.

The bill is a classic trough of unneeded spending, with large sums for "family social services," job-training schemes, and, of course, water projects. Yet somehow, we can't picture Mr. Reagan credibly threatening a veto over cocktails with Tip O'Neill. The president complains about the water projects. Tip reminds him the bill also contains $2 billion in aid to Israel and mutters something about Bitburg. Yes, but it also has money for more "job-training" boondoggles, Mr. Reagan complains. "Along with aid to the contras, Mr. President," Tip notes, asking him to "get serious" and consider a tax increase.

With just the blunt tool of a non-item veto, Mr. Reagan can only hack at a fiscal sausage that is designed, ground, cooked and sliced in Congress. The Washington's Post's Howard Kurtz recently described this process as it shaped Senate action on HR 2577. Lowell Weicker had two bills involving the handicapped stalled before a committee chaired by Orrin Hatch. Meanwhile, two Utah projects—$2 million for an energy research center and $3 million for a radiation clinic—were stalled before Sen. Weicker's appropriations subcommittee. "The two men conferred; the rest is legislative history," Mr. Kurtz put it.

Daniel Inouye wanted $2 million for four trauma-care centers, one for Hawaii, "Officials say it is understood . . . that another (will be) in Weicker's home state of Connecticut. A third center . . . will be in Utah."

All this comes amidst an interesting shift in the debate over a proposed presidential line-item veto. Early criticisms focused on the veto's alleged ineffectiveness, since it arguably would cover "only" the federal spending that now comes in the form of individual appropriations. Yet Maryland Sen. Charles McC. Mathias, a line-item critic, refuted this criticism well recently on our letters page. Sen. Mathias's complaint, in effect, was that the item-veto would work too well allowing the president to cut a project Mr. Mathias wants for Chesapeake Bay—or to allow it through in exchange for a critical vote on some larger spending bill.

For all the screams about creating some new tool of coercion, the line-item veto already exists. As HR 2577 illustrates, there are 535 line-item vetoes, one for each member of Congress to use in representing his limited constituencies. Also, these individual line-item vetoes, rather than focusing accountability, hide it among a morass of votes, deals, speeches and amendments. And they tend to generate spending, not control it.

A presidential line-item veto would merely counterbalance these smaller interests and allow the dispersed national interest in keeping spending under control to be represented. Before Mr. Reagan participants in negotiations with Congress he should demand what Sen. Weicker and 534 other members of Congress already exercise: a line-item veto.

[From the Wall Street Journal, June 21, 1985]

FIRST STEP

The Senate Rules Committee took one small step for mankind yesterday. It reported out a bill that would legislatively give the president the power of line-item veto over spending measures. We have become more convinced than ever of the importance of investing this authority in the modern presidency, and look forward to seeing the measure brought to the floor soon by Majority Leader Bob Dole.

Let us say quickly that we certainly don't want to leave the impression that the item-veto bill escaped from the Rules Committee with the imprimatur of Commerce Chairman Mac Mathias, alleged Republican of

Maryland. As has been evident the past week from Sen. Mathias's role in undermining the confirmation of Brad Reynolds to a high position in the Reagan Justice Department, Mr. Mathias marches very much to some other drum. And, indeed, Sen. Mathias's Rules Committee reported out the bill with an unfavorable recommendation.

The fact remains, however, that the item-veto measure sponsored by Sen. Mack Mattingly of Georgia has the sponsorship support of 47 members of the Senate. Nor is this bill the hopelessly quixotic effort of a band of like-minded Republicans. The Mattingly bill has the support of significant Democrats: Biden of Delaware, Proxmire of Wisconsin, Hollings of South Carolina, Exon and Zorinsky of Nebraska, Boren of Oklahoma. We call these Democrats significant in that they have one, important common interest—a strong belief that federal spending must be brought under control.

Indeed, the fact that it is possible to find 47 members of the Senate willing to publicly align themselves with a measure like this reflects the growing realization in Washington that something is fundamentally flawed in the modern budget process. When this bill comes to the Senate floor for debate, much will be said about tipping the balance of power and giving the presidency a virtual stranglehold on federal spending. But the plain truth is that precisely the opposite problem lies at the bottom of the spending impasse.

Once a president sends Congress his budget, he becomes a virtual spectator to the process. Oh sure, he can huff and puff about what he will or won't accept, but the total dollar amounts and number of programs in the appropriations bills have become so huge and unwieldy that the process has lost coherence. The executive and legislative branches both bear responsibility for how tax dollars are spent but answer to different political constituencies. As the system now exists there is no way for the two branches to negotiate their differences in a precise or prudent way. The current system is merely a 12-month slugfest, often settled in the dark of the night by continuing resolutions only committee staffers pretend to understand.

Providing the president with the potential power to veto single spending items would force both the White House and Congress to make clear spending choices. The manner in which the Senate disposes of the Mattingly item-veto bill will tell the public a lot about how serious our lawmakers are in their posturings about bringing the budget under control.

[From the Wall Street Journal, May 13, 1985]

S. 43

We watched with great interest last week as the U.S. Senate tried in its budget deliberations to figure out how to slash the budget in an economically significant way while simultaneously retaining such vital national commitments as Amtrak and the Small Business Administration. By week's end, the White House compromised with Congress: In return for some marginal spending cuts for Amtrak, the Job Corps and whatnot, plus a freeze on Social Security increases, the White House agreed to cut the real growth in spending for the Defense Department to zero.

The more we watch this process, the more we think Washington is overlooking one other significant way to save time and money: Abolish the White House.

Who needs it? The executive branch exists to inject into the political process some sense of direction or discipline, but it no longer has the tools to spike the narrow-interest logrolling inevitable in the 535-person committee at the other end of Pennsylvania Avenue. Indeed, the presidency looks more and more like a hapless intruder into the village calm of the nation's capital.

Consider, for instance, that the White House's current resident carried 49 states in the past election, and that he was given nearly 60 percent of the popular vote after four years of widespread coverage of his desire to severely cut back the federal presence in the American economy. Every voter in America knew that Ronald Reagan was not Howard Baker or Gerald Ford. And presumably the president believes that the results of the November election are the way our political system tells an incumbent president to follow his own well-advertised instincts. So, two weeks ago, Mr. Reagan went on national television to describe in detail his desire to eliminate most of the federal programs he said he wanted to eliminate back in 1981.

Now consider again last week's "compromise": The president gives away the one thing he campaigned for—restoration of the nation's defense—and virtually caves in on the one thing he campaigned against—the 20-year proliferation of domestic spending programs. So much for the imperial presidency. Sen. Domenici assures us this will not kill any weapons programs; they will only be stretched out, which means that over a period of years the cost of the weapons will be increased in the name of balancing the budget.

Getting the president to stipulate that he can live with zero growth in defense is in fact absolutely all that has been accomplished in the compromise. Everything else is meaningless. Next comes negotiations with the House Democrats, then comes the negotiations with the conference committee, then comes the negotiations with the appropriating committees in both houses and their conferences. Finally when Congress cannot pass a budget at all, there comes the negotiations with the faceless congressional staffers who will write the "continuing resolutions" in the last hours of the fiscal year.

If any further evidence was needed that the White House is now playing by Congress's rules, it was Mr. Reagan's statement Friday that "I have the agreement of the Senate that if this represents a cut in [defense] spending beyond where we should go, I will be returning for a supplemental appropriation." If so, Mr. Reagan will probably have to take a ticket to get in line behind the likes of Republican Sen. Al D'Amato of New York as he tries to get funding added back for mass-transit subsidies. "Supplemental appropriations" is a device Congress has used for two years to appropriate money effectively out of public view. Little national coverage, no accountability, no one takes heat for anything, everyone gets reelected. It is unfortunate to see Mr. Reagan indicating his willingness to participate in this.

We prefer the proposal the president made in his budget speech the other night: "If Congress can't bring itself to do what's right, they should at least give me what 43 governors already have—a line-item veto. Then I'll make the cuts; I'll take the responsibility, and the heat. And I'll enjoy it."

The process of establishing the item veto starts tomorrow. Sen. Charles Mathias (R., Md.) is scheduled to hold a hearing on S. 43—the bill introduced by Sen. Mack Mattingly of Georgia and co-sponsored by 46 senators that would create a legislated line-item veto power over appropriations for the president. This is the one proposal on the horizon that would correct the present imbalance between executive and legislative branches, allowing each do to its job and the government to form a budget with some priorities, or indeed any budget whatever.

Sen. Mathias is reportedly no friend of the item veto, and he did not join his many Republican colleagues in co-sponsoring the Mattingly bill. What is at issue at this point in the process, however, is whether the Rules Committee will send the item-veto legislation on to the full Senate, with or without a favorable recommendation.

Once in the Senate, the item veto's fate falls to Majority Leader Bob Dole, who alone is able to bring the bill onto the floor for debate. Sen. Dole surely deserves some kind of credit for keeping all those budget balls in the air. But as the great compromise—Social Security cut and all—moves over to the fun House, the importance of keeping the Mattingly item-veto bill alive becomes more urgent.

[From the Wall Street Journal, Apr. 18, 1985]

GETTING SERIOUS

They're doin' it again. "It" is the congressional budget process. This Monday the Senate will begin floor deliberations over what the process calls a "budget resolution." Bear in mind that this is April and that for the last two years the "process" has lasted until December, when a "continuing resolution" has been cobbled together in the dark of night by congressional staff assistants no one has ever heard of, let alone voted for. But—lest readers judge us too cynical—things could be different this year.

Congress's budgeteers this year are likely to encounter two new elements alien to their status-quo politics. The first is the new White House-GOP budget that reduces outlays in part by *killing* many long-lived federal programs. The second is the probability that Majority Leader Bob Dole will schedule a vote on Sen. Mack Mattingly's bill to legislatively empower the president to veto line items in this year's budget. Critics of the item veto can no longer claim the administration wouldn't use it, and coupled with the proposals to close out programs it is the one proposal that could decisively change the process that has put the budget out of control.

Indeed, the program-killing budget proposal and the Mattingly item veto constitute the only serious attempt we're likely to see this year to enact spending control that the markets would recognize as spending control. The alternatives—notably an across-the-board spending freeze emerging from the House Budget Committee—do little more than defer an eventual return to the current, economically debilitating status quo.

The tradition-busting significance of what Bob Dole brought away from this negotiations with the White House becomes clearer when you see a simple list of the programs to be eliminated. Those that would cease to exist with this budget or in a few years are: general revenue sharing, the postal subsidy, the Small Business Administration, the Job Corps, urban-development grants (UDAG), the Amtrak subsidy, the FmHA rural-housing program, direct loans from the Ex-Im Bank and Conrail via a sell-off. Programs to

be phased out over time are the crop-insurance subsidy and the Rural Electrification Administration. Spending reductions and significant changes in spending formulas would touch some 28 other programs affecting students, farmers, the Medicaid program, federal workers and pensioners, scientists and others.

To get the cuts and terminations, of course, President Reagan agreed to back off from his military budget. In return, he got the support of the leaders of his fellow Republicans in the Senate. Now he will be asked to compromise with the full Senate, then with the Democratic leaders in the House, then with the full House, then with the Conference Committee. And no one can make any of the deals stick. As Barry Goldwater says, "There will be more attempts to amend this bill than any bill that ever came to the floor."

So on recent form next week's budget news will probably degenerate into a din of whining about "pragmatism" and how we can't to it what with the '86 elections only 500 days away. Then Congress and the White House will embark on a confusing and debilitating round of compromises over "saving" UDAG grants, Amtrak subsidies and the like. By the end of the session, the president will have compromised a half-dozen times on the military budget, the spending interest will have run amok, and we will have a "budget" like all other recent budgets.

Imagine how much more productive and rational the process would be if Congress enacted the legislative line-item veto. This budget's program terminations amount to a public listing of where Ronald Reagan's item vetoes would fall. Anyone who wanted to save these programs would be required to give up something in bargaining, and the president would have recourse if Congress failed to deliver. With this mind-clearing discipline, the bargainers could bypass this swamp and get down to bedrock bargaining. That means cutting a deal over this budget's two most volatile aspects—Social Security cost-of-living adjustments and defense spending.

By proposing the actual elimination of moribund federal programs, the president and Majority Leader Dole have taken a first, significant step in breaking the cycle of budget failure. But this is not enough without something to instill some discipline in the process. The next step, which needs to be taken before the opportunity of enacting this budget is lost, is for Mr. Dole to move the Mattingly item veto onto the Senate calendar and for Mr. Reagan to lobby actively for its adoption in both houses. Then spending control and deficit reduction will at least have a fighting chance.

[From the Wall Street Journal, Mar. 8, 1985]

MR. REAGAN'S ITEM VETO

Here is how a presidential line-item veto works:

On Tuesday, congressional Democrats sent the White House a farm bailout bill that they said would increase outlays by $429 million over the next few years. The White House said Tuesday the bill would increase federal spending by $1 billion to $2 billion. By Wednesday afternoon, the spending bill's actual cost to the nation's taxpayers was quite clear. It would be $0.00.

The bill is dead, killed by what may be fairly regarded as a line-item veto.

We and others, notably Sen. Mack Mattingly of Georgia, have been arguing recently that investing line-item veto authority in the presidency would be the most productive, efficient and feasible way to restore rationality to the federal spending process. Sen. Mattingly now has a bill, with nearly 50 bipartisan co-sponsors, that would give the item veto a two-year trial. It is not often that a public-policy proposal receives such a clean chance to demonstrate its attributes and probable effects, but the Reagan farm veto did just that.

Though attached to an African aid bill, the farm bailout was for practical purposes a single, clearly targeted appropriation. That is what Mr. Reagan vetoed, nothing more and nothing less. Now compare this veto with the one Mr. Reagan would have been required to cast last year against the appropriation bill for "agriculture, rural development and related agencies."

There were well over 100 individual spending categories in that bill, ranging from all the various farm credit programs, food stamps and related welfare spending, on through the Food and Drug Administration. It added up to a single, $30-billion lump of federal spending. As with the other 12 multibillion-dollar appropriation bills, a president is required either to veto the whole thing or let it pass. The expansion and complexity of the federal role has made the current veto power indiscriminate and obsolete. The item veto would be precise, discriminate and effective.

The president and Congress are now spending $900 billion annually on hundreds upon hundreds of programs that few Americans know exist or rarely see. When the budget dust clears, the average voter today is very hard put to make an informed judgment about who exactly decided to spend money on what. With an item veto, the president could both take the heat for spending cuts and sharpen public debate over individual spending decisions.

Such a need was made abundantly clear this week by the activities of the Senate Budget Committee. On Tuesday the committee voted a huge cut in defense spending. And the next day they resumed fattening the domestic accounts and trading pork. Farm spending went up $6 billion. The president's plan to end a brain-dead program like rural electrification was reversed. Fritz Hollings, the great defense cutter and heretofore unknown train buff, stoutly defended the committee's decision to continue Amtrak subsidies. More aid for urban development and mass transit was whooped through. By noon yesterday, Louisiana's Sen. Bennett Johnston was mocking "this mating dance of spending cuts" and asserting the inevitability of a tax increase. This is the status quo, and we invite opponents of the item veto to come forth and defend it.

These opponents say Capitol Hill will simply cast special-interest votes and let the president clean up the mess, encouraging political irresponsibility. But in Tuesday's House vote on the farm bailout, 65 members of the House switched their votes to oppose the bill, suggesting it's more likely that presidential leadership will tip many fence-sitters toward responsibility. Similarly, we suspect that if the item veto existed, the budget committee wouldn't be wasting its time bogged down in sludge like Amtrak.

The item veto won't make the acrimony of budget politics disappear, but it will make it more productive by forcing tough and serious political decisions. Both the president and Congress would have to work more closely to cut deals over their priorities. In a sense, the person who holds the key to all this is Senate Majority Leader Bob Dole.

The more intense politics of the item veto would put a special burden on the congressional leadership. But we suspect Mr. Dole is precisely the person who holds the political skills needed to make the item veto work in a way that gives all players a chance to benefit. The scheduling of a debate and vote on the Mattingly bill is in Mr. Dole's hands. After a week that witnessed both a successful presidential item veto and the breakdown of the budget committee, it is clear that the Mattingly bill deserves the Senate's highest priority.

[From the Wall Street Journal, Feb. 26, 1985]

RESCUE THE SENATE!

Don't be surprised if they start putting up bunkers soon around the Capitol building in Washington; it's becoming increasingly evident that the gentlemen and ladies of Congress are under siege. The nation's governors are holding their annual meeting in Washington this week, for example, and had great sport ridiculing the Hill's quixotic attempts to cut the budget.

When a parade of senators and House members came before the governors to describe the heavy burden of budget-reduction, the state executives practically hooted their federal colleagues out of the room. California's Republican Gov. George Deukmejian described their presentations as "a lot of hand-wringing." Massachusetts's Democratic Gov. Michael Dukakis, taking up the issue of fiscal responsibility, mocked the visitors from Capitol Hill for not doing in four years what most governors have been doing in a single session. "These guys," he told his fellow governors, "tell us it's painful and excruciating and, 'Oh, it's so difficult.' " The governors laughed.

Today the governors will stop laughing and start voting on a series of resolutions approved by their association's executive committee. One of those resolutions calls for empowering the president with a line-item veto over appropriations. Currently 43 of these 50 governors hold a similar line-item veto authority. It would be most informative to have someone like Gov. Deukmejian sit down on one of our TV-interview programs and explain the political dynamics of the item veto to Washington's politicians and pundits. We suspect that what he and many other governors would say is that the item veto is the indispensable tool in any effort to extract spending discipline from a body of legislators.

If we have learned anything from these first weeks of budget politics, it is that the Washington status quo—the politics of self-interest—is very likely to again grind the budget process into dust. Right now it's the farmers. Barely into a new session, the Senate stumbled into gridlock last week over the farmers' bailout and the Meese confirmation vote. The paralyzed Senate recessed after midnight Friday and came back for more on Saturday, when Majority Leader Robert Dole was finally able to cut a deal with farm-state Democrats. This may be February, but Washington's politics is already resembling the manic eleventh-hour continuing-resolution atmosphere of late November 1984.

Surely it must be evident to serious Republicans and Democrats by now that Congress has some severe institutional problems that operate independently of any individ-

ual politician's assertions about spending freezes or reductions in cost-of-living increases. There is little reason to believe that these institutional weaknesses will not again cause the annual budget gridlock that is turning Congress into an unfortunate laughingstock. The remarks by Govs. Dukakis and Deukmejian make it evident that high officials from both parties are willing to lob bombs inside the Beltway. And speaking at a White House dinner for the governors Sunday night, President Reagan likened Washington to "the Twilight Zone."

What we have now in Washington is a budgetary system that has the appearance but rarely the substantive results of serious politics. It is political burlesque. The line-item veto would create a significant new force outside the congressional system. The president would have to make his priorities explicit. Congressional Republicans and Democrats would have to bargain with the president. Both sides would have to do what is rarely done now—make choices.

The vehicle most likely to return serious politics quickly to Washington is Sen. Mack Mattingly's bill to legislatively give the president a line-item veto for two years. Mr. Reagan endorsed the experiment in his State of the Union address. The bill currently has 47 co-sponsors, including six Democrats as well as the majority leader and other ranking Republicans. But it remains mired in the parliamentary swamps. The stately procedures of the Senate are not tampered with lightly, only when farm senators unleash a filibuster against a cabinet nominee in order to get a vote on their land speculators bailout bill.

The Hill needs help. Sen. Dole's earnest efforts at a budget solution have been thwarted, and the Senate is already dissolving into an orgy of politics as usual. Senators of both parties ought to be concerned about the future of the World's Greatest Deliberative Body. And they could start to rescue themselves if more Democrats signed up on the Mattingly bill, and if Sen. Dole and the Republican leadership turned their full ingenuity toward ensuring an early vote.

[From the Wall Street Journal, Feb. 7, 1985]

VOTE THE VETO

Last Thursday, Sen. Mack Mattingly of Georgia met privately with the president and told him that he is now within several votes of the number needed to enact line-item veto authority for the president.

Last night, Ronald Reagan went up to Capitol Hill and in his State of the Union address urged Congress to enact Sen. Mattingly's bill.

What's behind this sudden momentum on the item veto? Votes. Sen. Mattingly gave the president a letter urging him to publicly endorse the bill. The letter had 47 signatures. They fill three pages with great senatorial flourishes—Bob Dole, Phil Gramm, John Warner, John Chafee, Larry Pressler, John East, Alan Simpson, Arlen Specter. They have signed on to the Mattingly line-item veto bill from all the current pigeonholes—pragmatists, ideologues, moderates. The signatories include as well a Who's Who of fiscally sane Democrats—Fritz Hollings, Joe Biden, Bill Proxmire, David Boren, James Exon, Edward Zorinsky.

It is altogether appropriate to undertake a serious push for spending discipline in the same week that Washington officially started deciding how to spend $973 billion. The existing veto, which can shut down several departments at once, has become pointlessly destructive. It is obsolete.

Because the Mattingly item veto would be enacted legislatively, not via a constitutional amendment, it could become effective on passage. The House of course would have to vote for it as well. The first thing people will say about this is: Forget it. The second thing they will say is: What if the president barnstorms around the country in 1986 waving the Senate's act of fiscal responsibility in the face of Tip O'Neill's colleagues? And the third thing people will say is: Why would the House vote against something that would allow it to lay all the blame for these terrifying spending-cut decisions on Ronald Reagan?

The Mattingly bill would require every spending item in an appropriations bill to be enrolled as a separate bill for presentation to the president. His item veto could be overridden by a two-thirds vote. This law would expire in two years, when it would require renewal. The burden of usefulness obviously would rest on the item veto's supporters.

This last provision will surely elicit a great horselaugh from the item veto's opponents. They argue that so little non-defense discretionary spending resides in the budget that the item veto's effect on the deficit would be insignificant. This facile argument deserves a high-school debater's answer: If the thing is so harmless, what's the harm in giving it a try? In point of fact, the line-item veto is opposed because it would be all too efficient at reordering the political culture of Washington.

The item veto's real threat to the status quo does not lie in its ability to chisel dollars off the top of this $973 billion block of wood. Its power is that it turns the president from a passive to an active participant in the budget process. The other day Budget Director David Stockman parried agricultural policy with members of the Senate Budget Committee, hinting at administration backing for a farm-credit bailout in exchange for Senate action reducing permanent price-support subsidies. Any child can see that this kind of bargaining would be tipped decisively toward budget discipline if Mr. Stockman were backed with a president's power to zap spending for the individual handouts being pushed by individual senators.

More broadly, with an item veto looming, both the president and Congress would have to make their priorities clearer than they do now. The president might conceivably make clear that he wants his Ag Department reforms, opposes the land speculators' bailout, and wants to abolish urban-development grants, defund Legal Services and achieve five key Grace Commission reforms. Such a list wouldn't merely reflect a shuffling of budget accounts, but the president's view of what are and are not appropriate responsibilities of the national government. Congress, including the fiscally sane Democrats, would lay competing priorities and legitimately held beliefs on the table. They would do deals. They would do politics. But spending restraint would be dealt a better hand.

If the budget process is now perceived to be a captive of special interests, that is because the budget process is largely a captive of Congress, which quite properly represents special interests. The line-item veto would enable the president to pose his national constituency against Congress's particular constituencies. For many unfortunate reasons, Congress has evolved the budget into what is now essentially a secret activity. With the budget now approaching $1 trillion, that concealment is irresponsible and indefensible. It must stop. And the quickest way to stop it is to enact the Mattingly line-item veto bill.

STATE UNIVERSITY
COLLEGE AT CORTLAND,
Cortland, NY, January 30, 1985.

Senator MACK MATTINGLY,
U.S. Senate,
Washington, DC.

DEAR SENATOR MATTINGLY: After a careful examination of your proposal to give the President a two-year statutory line item veto authority over appropriations bills, I write to express my support. It is my considered judgment, as expresed in my article, "The Item Veto: Would The Founders Approve?" Presidential Studies Quarterly, Spring 1984, that the item veto is necessary to restore the balance of power between the legislature and the executive that the Founders deemed essential for good government. Although I would prefer a constitutional amendment, I support this bill as an experiment and a first step for I respect the concerns of those wary of constitutional change. I wholeheartedly agree that constitutional amendments should not be made lightly and that the burden of proof lies with those proposing constitutional amendments.

In the process of forming my judgment on your proposal, I have reviewed the literature and weighed and considered the several objections to the proposal. I conclude that your proposal meets the raised objections, constitutional, political, practical and ministerial, either fully or on balance. I have considered each of these objections separately and formulated a response, which I have attached. Please feel free to use any of these thoughts you find cogent.

Three simple statements of fact have a bearing on the item veto: 1. The veto was created by the Founders to be an internal control on government. 2. Congress has eroded the veto power. 3. Government spending is out of control. While the item veto is not the only or the sufficient solution to the problem of government spending, it is a solution to the imbalance of power. To be the sufficient solution to the imbalance of power, it would have to take the form of a constitutional amendment. What Congress can give, Congress can take away.

A statutory item veto authority may be justified on practical political grounds, but it must also overcome that objection which has proven fatal to previously made statutory proposals—their unconstitutionality. In my judgment your proposal is constitutional for it does not change the requirement of presentment to the President or the provisions for reconsideration and override, and it is based on the congressional power, implicit in Article I, Section 5, to define a bill.

There are many practical arguments for the item veto, but the compelling argument is constitutional principle. It is fidelity to the separation of powers with its checks and balances. As Hamilton said, in Federalist 71, without the checks and balances, "such a separation must be merely nominal, and incapable of producing the ends for which it was established." The foremost, though not the exclusive, end was to prevent legislative dominance, as is clear from Hamilton's elaboration:

"It is one thing to be subordinate to the laws, and another to be dependent on the

legislative body. The first comports with, the last violates the fundamental principles of good government; and, whatever may be the forms of the Constitution, unites all power in the same hands. The tendency of the legislative authority to absorb every other has been fully displayed and illustrated. . . . in governments purely republican, this tendency is almost irresistible. The representatives of the people, in a popular assembly, seem sometimes to fancy that they are the people themselves, and betray strong symptoms of impatience and disgust at the least sign of opposition from any other quarter; as if the exercise of its rights, by either the executive or judiciary, were a breach of their privilege and an outrage to their dignity."

Hamilton may not have been foresighted enough to predict the specific means of encroachment, that Congress would abuse its power to define a bill in order to encroach on the veto power, but he did foresee the general tendency. Indeed, on reading his last sentence above, one would think that he had actually overheard the objections to the item veto reform made by a few of our representatives—so aptly does he describe them.

The veto is an indispensable check and balance, and the Founders intended that it be frequently and forcefully used as an essential internal control on government. The Founders saw in the veto the means of providing the benefits of reconsideration and anticipation. Abusing its power to define a bill, Congress has trespassed. Having transgressed, will it rectify? The more cynical analysts may believe that this proposal has the same prospect of passage as the fox locking the chicken coop, but I do not share this view. Political Scientists teach their students that there are two theories of representation: the delegate, who is the faithful representative of his small part of the whole, of the special, narrow, local interests of his particular constituents, and the trustee, who, knowing that the whole is greater than any of the parts or even their sum, acts for the good of the whole. Which, the students ask, is the model followed by our representatives? The answer, I believe, is both—as the situation requires. On occasion a policy that transcends the clash of special interests and institutional jealousy of power is needed. On such occasions many of our delegate representatives are capable of being trustees. This proposal is such an occasion. It is an opportunity to revitalize one of our constitutional checks and balances; it is an opportunity for statesmanship.

It is possible for our representatives to be statesmen; it is possible because it must be possible if men are capable of self-government. The fundamental policy of "supplying by opposite and rival interests the defect of better motives" is a prudent and necessary policy, but there are times when there is no substitute for "better motives". The establishment of the policy is the work of Founders, of men who in creating it, transcended it. That policy could only be created by men of "better motives". It can only be recreated by men of "better motives".

Since I believe your proposal is a first step in reanimating the Founders' fundamental policy of government, I not only support your proposal, I honor the commitment that you and your colleagues in this endeavor have to be our fundamental constitutional principals.

Sincerely,

JUDITH A. BEST,
Distinguished Teaching Professor,
Political Science.

OBJECTIONS TO THE LINE-ITEM VETO CONSIDERED

(Prepared by Judith A. Best)

THE CONSTITUTIONAL OBJECTION

The objection is that the proposal is unconstitutional because it would change the Constitution, specifically the veto power, by act of Congress alone.

The response is as follows: Article I, Section 5 of the Constitution permits this procedure. Nothing in Article I, Section 7 is violated by this procedure. Under this proposal, all bills must be presented to the President. He may sign or veto all bills. He must return vetoed bills with his objections. Congress may override any veto with a two-thirds majority of each House.

Under Article I, Section 5, Congress possesses the power to define a bill. Congress certainly believes that it possesses this power since it and it alone has been doing so since the first bill was presented to the first President in the first Congress. If this construction of Article I, Section 5 is correct, the definition of a bill is a political question and not justiciable. "Prominent on the surface of any case held to involve a political question is found a textually demonstrable constitutional commitment of the issue to a coordinate political department." *Baker* v. *Carr*, 369 U.S. 186 (1962). "A textually demonstrable constitutional commitment" of the issue to the legislature is found in "Each House may determine the Rules of its Proceedings." If Congress may define as a bill a package of distinct programs and unrelated items, it can define distinct programs and unrelated items to be separate bills. Either Congress has the right to define a bill or it does not. Either this proposal is constitutional or the recent practice of Congress informing omnibus bills containing unrelated programs and ungermane items is constitutionally challengeable. If the latter, the President would be well advised to bring such suit against the next omnibus bill.

THE IMBALANCE OF POWER—IMPERIAL PRESIDENCY OBJECTION

The objection is that the proposal would create an imbalance of power, concentrating more power in the executive thus leading to an imperial Presidency.

The response is as follows: The imbalance already exists and the proposal is an attempt to restore the original equilibrium. This objection appears to be compelling because it invokes a principle convincing to both the theoretical and the practical reason. The good once attained, innovations must be retrogressions or once you're at the top, any movement must be downward. A proper balance of powers once established, any change must destroy the balance. The logic of this argument, however, is not convincing because it is based on the incorrect factual assertion that no charge has yet occurred. The fact is that the balance of power has already been disturbed by Congressional practice, by encroachment on the veto. The proposal is not an innovation, but a restoration.

The objection is unwarranted if not absurd because an imperial President has an absolute veto not a qualified one. Congress would still have the power to override any Presidential veto. The objection is invalid because this proposal is limited to appropriations bill and has a two year sunset provision. The very existence of this line item veto would depend upon simple majorities in each House of Congress. What Congress can give, Congress can take away. A more valid objection to this proposal is that it gives too little, not that it gives too much.

Although the less than charitable might describe this objection as the pot calling the kettle black, for it is Congress that has managed to encroach on the veto power through such things as riders, non-germane amendments and pork-barrel provisions in omnibus bills, nonetheless the balance of power objection is on its face so serious that it deserves a respectful hearing and the strongest possible rebuttal.

Much of the opposition to the line item veto is based on jealousy of institutional prerogative, and this jealousy is usually a good thing. A "prudent jealousy," Madison said, is "the first duty of Citizens," and is one of the effectual "personal motives" the Founders decided to employ "to resist encroachments" on the separation of powers. Jealousy of institutional prerogative is desirable and necessary to preserve our balanced system of government. But, prerogative means prerogative and not license. The constitutional prerogative, the exclusive and unquestionable right of Congress, is to pass or to refuse to pass bills and resolutions and to override presidential vetoes by two-thirds votes. Congress has no prerogative to exclude the President from the legislative process or to debilitate the veto.

Opponents charge that with the item veto, "the President can frustrate a decision of the Congress on any individual program." (Hatfield, S13446, Oct. 4, 1984) Yes, indeed.

Exactly so. To frustrate, to check, to thwart the decision of ordinary majorities of Congress and thus provide the benefits of reconsideration is precisely what the veto is for. The logic of this objection would support a Congress that produced just one bill each session, a Congress that lumped all bills into one grand all-encompassing measure, thus giving the President but one opportunity to veto, to take all or nothing. This objection is not merely an objection to the item veto, it is an objection to the veto itself, to the veto as it was created and intended to operate. Either the opponents do not understand, or they do not agree with the Founders concept of the separation of powers. Under the separation of powers, Congress was not given the plenary power to legislate. The legislative power was divided, and one-sixth of it was given to the President (one-sixth being the difference between an ordinary majority and a two-thirds majority). That one-sixth of the legislative power is the President's prerogative, his exclusive and unquestionable right.

In terms of legislation, Congress was given the first word and the last word, not the only word, not the unimpeded, unfrustrated word. Congress alone can initiate the lawmaking process by passing a bill. The President cannot initiate a bill. Congress has the last word because it can override a veto. The President does not have an absolute veto. But in between, the President was given the power to frustrate, to check, to thwart. The reason why is most succinctly stated in "Memorial and Remonstrance" where Madison asserted, "The preservation of a free Government requires not merely, that the metes and bounds which separate each department of power be invariably maintained; but more especially that neither of them suffered to overleap the great Barrier which defends the rights of the people." The "great Barrier" is limited government, government with internal controls, with the checks and balances that enforce the "policy of supplying by opposite and rival interests, the defect of better motives."

The "new science of government" that our Founders believed made democratic republics viable was a science of process. In a government of laws and not of men, in a free government of, for and by a huge and heterogeneous people, the highest morality is, as the great constitutional scholar, Alexander Bickel, said, "the morality of process." Men, who cannot and do not agree on such substantive issues as abortion, school prayer, the nuclear freeze or even various appropriations, can and must still agree on the process by which such decisions are to be made. In a continental country with such a wide variety of religious, ethnic, occupational, racial and social interests, the general will, what all can will, is our constitutional forms and procedures. In any contest or dispute among free and civilized men, the rule of law, the rules that govern the contest are the sine qua non. It is the faith of the democratic-republican that if we follow the constitutional process the public good will emerge.

To violate the process, to defeat or finesse the rules, to disregard the ordained form is to destroy the "great Barrier which defends the rights of the people." That form and process are fundamental can be seen in the great battle cry of our revolution: Taxation without representation is tyranny! Not taxation is tyranny, but taxation that emerges from a defective procedure is tyranny. According to our Founders, the qualified Presidential veto is part of the correct process. Any legislative practices that finesse the veto, that avoid subjection to the full force of the veto, violate the morality of process. If the form is wrong, if the procedure is defective, the law is tyrannical. Legislative practices, particularly in appropriations bills, do debilitate the veto. Restoration is imperative.

THE PASSING THE BUCK OBJECTION

The objection is that the proposal would decrease responsibility in Congress because Congress could abandon restraint altogether and evade difficult decisions by passing almost everything and leaving it to the President to make the hard choices.

The response is as follows: The proposal will increase the responsibility of Congress because it will mitigate that pernicious form of reciprocity—I'll vote for your pork, for your special interest, if you'll vote for mine—because the payoff for such log-rolling will be much more doubtful. Without the coercive effect of the omnibus bill, the President can scuttle the deal, nullify the bargain. He might well find that one of the items in the trade off is more rational than the other; he might even find that one is in the national interest and the other a mere venality. The incentive for sordid bargaining decreases if the President can undo such bargains in whole or in part.

The Founders asked the common sense question: are men more likely to be responsible when they believe someone can say no to them, or when for all practical purposes they believe no one can? It is clear their answer was the former. Part of the purpose of the veto power is to provide the benefits of anticipation, benefits that have been largely lost because of the omnibus bill. Though anticipation of a veto may and probably will tempt some to abandon restraint altogether, the Founders believed that it would increase the restraint of most. Here institutional pride and jealousy of departmental power and reputation also play a role. When the President vetoes, he must give his reasons so that Congress may reconsider and possibly override his veto. Those reasons are part of the public record. A Congress that flagrantly abdicted its responsibility would be subject to public censure and shame. A Congress that made a practice of hiding behind the President would not escape the notice of the media and the wrath of the people.

The passing the buck objection is based in part on a confusion of ends and means and in part on a policy that is contrary to the policy of the Founders. First, it is highly desirable that our elected representatives be responsible, but that responsibility is merely part of the means and not the end of government. Service in government is far more than a school in character development for elected representatives. That the office can contribute to the making of the man, that the awesome duty of office may and sometimes does improve a man's character cannot be denied, but the opposite is also possible. Some degree of virtue in our representatives is necessary, and that virtue, that responsibility is promoted in a number of ways, most notably by free and frequent elections and a free press to publicize failures of responsibility. The assumption is that the people will choose responsible men in the first place, and remove those who do not measure up. Let us be careful not to confuse ends and means, and let us remember that the final purpose of government is not to develop the virtue of the leaders, but to secure the safety of the people.

Second, although the policy of seeking and depending upon virtue in governing officials is part of a long and honorable tradition, and the Founders did not totally abandon it, yet it was not their central policy. To place sole reliance on responsibility, to place sole reliance on virtue itself, was, to the Founders, the height of imprudence. Their policy was the policy of "opposite and rival interests." Their policy was the separation of powers and the checks and balances. The whole weight of history was on their side. Reliance on virtue had been tried, and it failed to provide safety.

Finally, the pass the buck argument is an argument that in principle applies not just to the item veto proposal but to the veto itself and thus is in opposition to the Founder's policy. Surely the legislature would find it harder to evade responsibility if the Constitution permitted no veto at all. The very existence of the veto power already allows some passing of the buck. Responsibility is a fine quality, and we are right to expect it of all our elected officials, but safety comes first. The people must be protected from bad laws and errors. That protection lies in the checks and balances, that protection lies in a frequently and forcefully used veto power that can be overridden by a two-thirds vote of each House of Congress. The Founders were not about to issue blank checks to any man. It is just too dangerous. Increased responsibility or increased safety? The Founders' answer is safety, for they understood that basic axiom of political science: ruling—law-giving—is for the safety of the ruled, not for the interest, advantage or even the virtue of the rulers.

THE IRRESPONSIBLE PRESIDENT OBJECTION

The objection is that the proposal could permit a President to use the item veto to punish political opponents and uncooperative members of his own party, and to further his personal or ideological interests.

The response is as follows: The proposal contains sufficient safeguards against the abuse of power. First, the sunset provision in this proposal obviates this objection. Such behavior on the part of the President would guarantee the end of the line item veto, and the President would be fully aware of this fact. Second, the two-thirds override of a veto provision in the Constitution was created to forestall and counter just such a danger. The Founders believed that this provision alone sufficed. Such actions on the part of the President would be perceived by members of both parties as attacks on the independence of Congress, and men of both parties would stand together to resist the President. They have already done so in the past. Institutional loyalty and jealousy of power and prerogative are fundamental norms of the Congress. Third, such an abuse of power by the President could not escape the notice of the media and the wrath of the people. The President would be held to public censure and shame. History demonstrates that the people will not support presidential attacks on the separation of powers whether those attacks take the form of purging or packing. When the people are aroused, Congress is not reluctant to censure or even to bring impeachment proceedings against the President.

THE INSIGNIFICANT SAVINGS OBJECTION

The objection is that the proposal would not achieve meaningful reductions in the Federal deficit because it cannot be applied to such expenditures as entitlement programs or interest on the national debt.

The response is as follows: The objection is a strawman since no one claims that it is a panacea. It is a beginning, a good faith effort to respond to a serious problem and the will of the people. It should and must be followed by other proposals for strengthening the budget process and reducing the deficit. "Every great journey begins with a single step."

The objection is itself a symptom of the disease. Perhaps to some who are used to thinking of budget items in the billions, budgets in the hundreds of billions and deficits in the trillions, several billion dollars in annual savings is a mere drop in the bucket, but to the man on the street even a billion dollars is a very great deal. If a few billion dollars in savings makes no difference, then a few extra billion in expenditures makes no difference either. It is thus that trillion dollar deficits are built.

THE IMPERIAL CLERK OBJECTION

The objection is that the proposal would create an imperial enrolling clerk with the discretion to determine what constitutes a bill and thereby undo or distort the will of the Congress.

The response is as follows: The Congress and each chamber thereof will still control the format. The clerks are employees of the chambers, hired and fired by the chambers, subject to the will and commands of the chambers. The task assigned to the clerks is purely ministerial.

A more cogent objection to this proposal is precisely that Congress would still control the format and could subvert the intention and make the item veto meaningless by drafting an omnibus bill in "one section or one unnumbered paragraph." Senator Baker made this very point in 1984.

THE PARTISAN OBJECTION

The objection is that the bill creates a partisan advantage.

The response is as follows: The issue is not a partisan one because for every pet project of the Democratic party open to a line item veto by a Republican President, there is a pet project of the Republican party open to

a line item veto by a Democratic President. Although the proposal has a two year sunset provision, the proposal is made with the clear intention of renewing and institutionalizing it if it passes the test of experience.

One important variation of this objection is that a Democratic or liberal President could veto items in defense appropriations passed by Congress. The special status of this argument arises from the national government's exclusive responsibility for defense. Most other domestic items vetoed by a President could be funded by the individual states, but no state could fund a national defense project.

The response to this is as follows: Neither party has a monopoly of concern for the survival of the country. Neither department of government, neither the Congress nor the President, has a claim to unchallengeable judgment about what is needed for defense. If one party is derelict in its duty to the national defense, the proper solution lies in the ballot box, not encroachment on the checks and balances. If one department is derelict in its duty to the national defense, the proper solution lies in the checks and balances, the vigorous revitalized veto and the possible override by Congress.

Conservatives and the Item Veto: A Reply to Congressman Mickey Edwards

In his article, "A Conservative's Case Against The Item Veto," Washington Post, February 8, 1984, Congressman Mickey Edwards makes his case against the line item veto for the President, saying that it is a conservative's case, and chastising his fellow conservatives for supporting a proposal that he believes is incompatible with their philosophical principles. While he invokes old American political principles, he misapplies and misunderstands those principles, and therefore, I believe his case ultimately fails.

When it comes to constitutional issues such as the separation of powers and the checks and balances, let us fervently hope that we are all conservatives as we are all liberals. Our Constitution was established on the classically liberal principles that just government rests on the consent of the governed and protects the natural rights of men. The Constitution is undeniably a classically liberal document. A conservative, as I understand the term, is one who desires to preserve the established order, in this American context, the constitutional order designed and ordained by the Founders. The perpetuation of our political institutions, therefore, requires that all true American liberals must also be conservatives, and all American conservatives must also be true liberals. The principles that American conservatives desire to preserve are liberal principles.

Mr. Edwards argues from the fundamental American principle of the diffusion of power. He attacks both concentration of power and change. He argues that "the harder it is to write and rewrite laws, the greater the protection for the people." These ideas and principles are clearly conservative, are clearly reflective of the Founder's views, and yet they are perversely applied against the item veto. The item veto would make it "harder" to write and pass laws, and in all likelihood make it necessary to rewrite them more often. The item veto would reduce the concentration of power in the legislature by revitalizing the veto power. If Mr. Edwards believes, as he says, "Difficulty in bringing about change is again a cardinal virtue," then it would follow that he would support a proposal on the item veto because it is more difficult to muster a two-thirds majority in each chamber than an ordinary one. The argument does not make sense unless the term change refers only to an alteration and reduction in the power of Congress to avoid and finesse the veto. The change he fears is not change in the laws per se but rather change in the current law-making process, a process in which Congress now presents the President with all or nothing choices, a process which has warped and weakened the veto depriving it of the vigor the Founders desired. That this is indeed the case is indicated by his explication of the central philosophy of conservatism.

Mr. Edwards argues that opposition to the concentration of power "is the single philosophical element" which unites all conservatives of the American tradition. He is right, but he tends to find the danger of concentration only in the Presidency. In this he differs markedly from the Founders and from Madison in particular. For our Founders, a concentration of power in the hands "of one, a few, or many," was to be feared and resisted. (Federalist 47). Mr. Edwards believes that because congressional power is in the hands of many rather than one, it is less dangerous. The Founders would not agree. The many, when they unite, when they act in concert, when they engage in such practices as logrolling, can be as dangerous and tyrannical as one man. Mr. Edwards may believe that in principle the legislature is the least dangerous branch of government, but that view was definitely not the view of the Founders. The Founders feared legislative dominance, and because they did, they divided the legislature into two chambers. They did not divide the executive. Indeed, they exerted themselves to create a strong, vigorous and independent executive.

This is not to say that they saw no danger in executive power, for they did and they took steps to avert the danger. Rather, it is to say, as did Madison in Federalist 51, that, "In republican government, the legislative authority necessarily predominates." He concludes that the first remedy for this dangerous imbalance is bicameralism and different modes of election to each chamber. But, even this, he says, is not enough, for the "weakness of the executive" requires further fortification, the fortification is the veto power. According to our Founders, it is not the veto power that is to be feared, but its absence and its debilitation.

As I have argued elsewhere, the Founders intended that the veto be frequently and forcefully used, not only to prevent bad laws and errors, but to institutionalize the benefits of reconsideration and to produce that anticipation which brings self-control. If the Founders were with us today and saw the extent to which Congress has encroached on the veto power with its omnibus bills filled with riders, non-germane items and pork barrel, they would support proposals to rehabilitate the veto power.

Mr. Edwards case is conservative, if to be a conservative means the desire to preserve any existing power relationship or any current practice however debased or decayed. In such a case even successful radicals must be called conservative since they too wish to preserve the changes they have brought about. It seems to me that the true conservative, in fact the true statesman, is the man who works to preserve, to renew, to recover and to restore the balance established in our original constitutional solar system.

The Item Veto Is Needed

(By Judith A. Best)

Why does the president need an item veto? Most arguments for the item veto for the president focus on the federal deficit and the failure of Congress, which has the constitutional power of the purse, to control federal spending. The item veto would allow the president to pick and choose among the elements of a bill. He could accept some and reject others, and Congress could override his veto with a two-thirds vote. In choosing the item veto as a solution to Congress' lack of self-control, its proponents seek to revitalize an internal control on the government that was established by the Founders.

"In framing a government," said James Madison, "the great difficulty lies in this: you must first enable the government to control the governed, and in the next place oblige it to control itself." To accomplish this second great task, as every school child should know, the Founders established the separation of powers and with it checks and balances.

The only way to prevent the abuse of power, said the Founders, was to check one power with another. Congress was given the legislative power, but to prevent bad laws and errors, the president was given the veto power. The veto power actually is part of the legislative power, because it requires more than a simple majority of each house of Congress to override a veto.

The veto power, the power of returning all bills with objections, is an internal control on government. Because a veto can be overridden its purpose is to make possible an institutional means of reconsideration and to require greater evidence of good, mature judgment before a bill, challenged by the president, can become a law. Also, because the veto is not absolute, because it can be overridden, the legislature can check a potential abuse of power by the president.

The policy behind all of our governmental institutions is the Madisonian "policy of supplying, by opposite and rival interests, the defect of better motives." Under this policy, power must be divided and the power of one office used to check the power of another. One ambition will check another; one interest will restrain another. The veto power was designed to provide Congress with a rival. The president was to be a vigorous, competent rival who could force Congress to take a sober second look at questionable proposals, and who could force Congress to control itself by anticipating a veto.

Statements by the Founders indicate that they intended the veto to be used frequently, on ordinary occasions, because reflection and reassessment in the light of objections from those in different situations and with different interests was necessary to avoid errors and to produce good laws. When men exercise their calm and sober judgment, without giving in to their passions or interests, they are capable of ruling themselves.

The Founders' intentions for the veto were clear: it was to be a working control on Congress. What is equally clear is that since the founding, Congress has developed practices such as log-rolling and attaching special-interest riders and non-germane amendments to bills, especially to vital bills. These practices have weakened the veto by allowing Congress to make the president an offer he can't refuse. He must either accept proposals he deems unwise and unjustifiable or lose things he deems vital.

This practice is particularly true of appropriations bills where the president is given an all or nothing choice: accept pork-barrel proposals or shut down the entire government. Such proposals subvert the rational process of reconsideration and convert the veto power into a very dangerous game of "chicken." An item veto is needed to revive this indispensable internal control.

The major objection to giving the president an item veto is that it would be a step further toward an imperial presidency. This is not the case. A truly imperial president would have an absolute veto, and the proposed item veto, like the existing veto, can be overridden by a two thirds vote.

Opponents argue that the president already has sufficient power to check congressional excesses. But the fact is that the 1974 Budget Control Act took away from the president the impoundment powers which had been used for more than fifty years to control spending. In addition, congressional rules on germaneness, which prevented Congress from attaching special-interest riders to vital bills dealing with another subject, are now largely ignored.

To give the president an item veto would merely restore the vigor of an original internal control that has been weakened by legislative practices the Founders did not anticipate. They insisted that the government should be obliged to control itself. Since Congress is demonstrably unable to do so in the budgeting process, something must be done to compel it to control itself. An item veto would revitalize a control instituted by the Founders; it would not create an imperial presidency but rather prevents bad laws. And let us remember that "bad laws are the worst form of tyranny."

CONGRESSIONAL RESEARCH SERVICE,
THE LIBRARY OF CONGRESS,
Washington, DC, March 13, 1985.

From: American Law Division
Subject: Constitutional Questions Raised by S. 43 in Establishing Item Veto

This is response to your request for a brief consideration of S. 43, 99th Congress, proposing to create the item veto by statute, by reference to the constitutional discussion in our report entitled "Constitutionality of Empowering Item Veto by Legislation," dated January 4, 1984.

The bill would achieve the item veto through direction to the officer of the originating legislative body to take any appropriations bill passed in the same form by both Houses and to divide it into separate bills conforming to the numbered sections or unnumbered paragraphs of the original bill. These bills are then sent to the President who may sign or veto each separate bill as he wishes. Congress could override any veto as it currently does.

Without elaborating in any detail the discussion in the previous report, we can summarize the constitutional considerations as follows: Under the Constitution, the President must sign or veto bills coming to him from Congress, irrespective of the fact that any particular bill may contain provisions he favors and other provisions he does not favor. The President's veto power is an intrusion into the lawmaking function of Congress which the Constitution specifically provides for. Expansion of the President's power in this respect implicates the separation of powers doctrine, which is one of the bedrock principles of our constitutional governance. Whether that expansion would be unconstitutional is, of course, another question, requiring evaluation whether it would violate an express provision of the Constitution or, if not, whether it would be invalidated because of its disruption or potential disruption of the assigned functions of one or another branch.

"Explicit and unambiguous provisions of the Constitution prescribe and define the respective functions of the Congress and of the Executive in the legislative process. . . . These provisions of Art. I are integral parts of the constitutional design for the separation of powers." *INS* v. *Chadha*, 103 S. Ct. 2764, 2781 (1983). The relevant sections of the Constitution require passage by both Houses of Congress of a bill in the same form, presentation to the President, and his signature or the enactment of the bill over his veto by the required majorities. Departure from these processes leading to a greater intermixture of functions as between the legislative and executive branches seems to raise a presumption that constitutional boundaries have been crossed. "It emerges clearly that the prescription for legislative action in Art. I, §§ 1, 7, represents the Framers' decision that the legislative power of the Federal Government be exercised in accord with a single, finely wrought and exhaustively considered, procedure." Id., 2784.

Evident it would appear to be that simply to authorize the President to pick and choose among provisions of the same bill would be to contravene this procedure. In S. 43, however, a different tack is chosen. Separate bills drawn out of a single original bill are forwarded to the President. In this fashion, he may pick and choose. The formal provisions of the presentation clause would seem to be observed by this device. The question that would appear to be raised is whether the provisions setting forth Congress' role in lawmaking have been complied with. Both Houses have passed a single bill and this bill comprises the no-doubt numerous compromises within each House and between the two Houses; the resulting bill may be balanced and contain provisions accepted by some in return for acceptance of provisions they wish. This bill is then separated into what may be artificial parts and transformed into separate bills as a ministerial act by an employee of one House. These bills are then sent to the President without ever being passed again by the two Houses. Does this process comport with Article I?

Of course, it is true that the Constitution does not mandate compromise in bills passed by Congress, it only makes compromise possible. And even under S. 43, Congress retains its ability to ensure that any compromises are kept inviolate from the President's veto. The officer dividing up the bill must make separate bills out of numbered sections and unnumbered paragraphs. Nothing would prevent Congress from protecting a compromise by placing two or more disparate provisions into the same section or paragraph.

But the more interesting question is whether Congress may comply with Article I through passage of a single bill and then direct its separation into a series of bills which Congress then does not again take up. Each House has the power under Article I, § 5, cl. 2, to "determine the Rules of its Proceedings," and in S. 43 this power is exercised in § 2(b) by deeming each enrolled bill to comply with clauses 2 and 3 of § 7. The bicameralism requisite, however, arises from § 1 of Article I, vesting legislative power in the two Houses. *INS* v. *Chadha*, *supra*, 2783. Therefore, the issue is a not insubstantial one, inasmuch as upon its resolution turns the answer to the question whether the President's power under the presentation clause is legally enhanced or whether the enlargement is simply a *de facto* one.

Because there is no judicial precedent and no known legislative precedent in the congressional context to apply to the fact situation, it is not possible to attempt any definitive resolution of this question. However, the resolution may lie in the observation that compliance with the bill if enacted and its effectuation is wholly within Congress' discretion. Congress in passing the original bill may combine into single sections any of a number of disparate parts and in fact it could enact a lengthy and complex measure in one numbered section or one unnumbered paragraph comprising the entire bill. Because Congress retains full control over the process, it would perhaps be excessive formalism to require that each separated bill be again passed by both Houses. While true, perhaps, to the letter of Article I, such a requirement would in fact be unnecessary to achieve what Article I necessitates in the process of lawmaking.

Not only must we be concerned, when considering separation of powers issues, with specific constitutional provisions which a governmental action may violate, but there are as well structural and "inherent" guaranties of separation. Thus, in *Myers* v. *United States*, 272 U.S. 52 (1926), the Court held unconstitutional a legislative limitation upon the President's power to remove officers of the executive branch, not because any specific provision of the Constitution conferred on the President or denied to Congress the power of removal under the circumstances, but because the Court discerned in the nature of executive power the necessity of having removal authority. The Court has since distilled the doctrinal essence to be applied in the absence of a specific constitutional provision to be, first, whether the action of the moving branch threatens to prevent another "from accomplishing its constitutionally assigned functions," and, second, where there is a "potential for disruption" it must be determined "whether that impact is justified by the overriding need to promote objectives within the constitutional power" of the moving branch. *Nixon* v. *Administrator of General Services*, 433 U.S. 425, 442-443 (1977); *Nixon* v. *Fitzgerald*, 457 U.S. 731, 753-754 (1982).

Here, it would appear to be evident that a successful conferral upon the President of the item veto would constitute an enlargement of presidential power and a diminution of congressional power, simply as a matter of fact. Whether this shift of power would constitute, in constitutional terms, a potential for prevention of the exercise by Congress of its constitutionally assigned functions would present a nice question. However, if the matter is analyzed in terms of the most probable operation of an enacted S. 43, rather than in terms of its formal provisions, it would appear to be unnecessary to reach that question. Again, the key would seem to lie in the observation that compliance with an enacted bill and its effectuation is wholly within Congress' discretion. As noted above, Congress could combine into one numbered section of a bill two or more disparate provisions. It can avoid the intended operation of S. 43 by ensuring that the President may not pick and choose among the items with which it is most concerned.

Of course, Congress may also put in differently numbered sections various items

which it wishes to be enacted together and the President may choose to frustrate congressional wishes. In that event, the intent of S. 43 would be effectuated and the power shift would occur. But Congress could accomplish that very same shift by in fact passing separate bills containing the various provisions which it otherwise would put into the same bill. The power shift would occur, but would anyone suggest that Congress could not cause that power shift in this way? If the one would be valid, would not rejection of the other be adherence to pure formalism?

The key would seem to be that congressional discretion, congressional power, to bring about a particular result or to avoid a particular result is preserved.

To conclude, two questions are raised about S. 43 in terms of the Constitution. First, would the bill in operation violate the lawmaking procedure set out in Article I because the separated bills would not be passed again by both Houses? Bills that in fact were not passed through ordinary lawmaking would be sent to the President. While it is literally true that S. 43 would achieve this result, it is arguable that Congress' power to prescribe its own rules and its control over the features of the one original bill would militate against a finding that literal noncompliance effectuated a constitutional violation. Second, would enactment of S. 43 result in an unconstitutional shift of power between Congress and the President? While this shift might occur, the degree to which it would and the power to reverse the shift would continue to remain with Congress. In that fact would probably lie the basis to reject the argument as too formalistic.

JOHNNY H. KILLIAN.

[From Reader's Digest, August 1985]

AVAILABLE: A PROVEN WAY TO REDUCE THE DEFICIT

(By Donald Lambro)

When the Massachusetts legislature sent Gov. Michael Dukakis a dangerously unbalanced 1985 budget, he deleted $58 million in dubious expenditures—from recreational boat ramps to grants for the state's wealthiest communities. Then, having balanced the budget, Dukakis signed it into law.

Similarly, Illinois Gov. James R. Thompson eliminated $136 million of less-than-vital items from his state's 1983 budget, and California Gov. George Deukmejian blue-penciled a whopping $1.3 billion from his 1984 and 1985 budgets. In so doing, they helped keep their treasuries out of the red.

These governors—and 40 others throughout the country—wield an immensely powerful weapon, the line-item veto, which allows them to delete or reduce individual budget items from appropriations bills sent them by their legislatures. The veto may be overridden by a legislative vote, but surprisingly, this seldom occurs. Over the past decade the line-item veto has saved state taxpayers billions of dollars.

Yet, at a time of $200-billion federal deficits, it is a tool denied the President of the United States by the Constitution. If Congress sends him a spending package loaded with unnecessary appropriations and pork-barrel projects, he has only two options: either veto the entire bill, or spend the additional money and drive taxpayers deeper into debt.

This "like it or lump it" choice faced President Reagan last October when Congress dropped a $458-billion appropriations bill on his desk, the largest appropriations package in American history. Designed to keep hundreds of federal agencies—from the Defense Department to health and welfare programs—running through the current fiscal year, the bill also included hundreds of wasteful expenditures that cried out for a Presidential veto: among them, $400,000 to study the 1932-33 famine in the Ukraine and $2 million to "reconstruct in its original form" a lighthouse at Nantucket, Mass. The President had little choice but to sign. A full veto might have shut down vital programs for weeks until Congress hammered out a new bill.

The line-item veto has been sought by Presidents since the days of Ulysses S. Grant. Franklin Roosevelt, Harry Truman and Dwight Eisenhower all asked for it, to no avail. Yet it may be an idea whose time has come. The deficit for 1985 is expected to hit $213 billion, and the national debt is costing taxpayers $130 billion this year *in interest alone.*

All of this has fueled a bipartisan movement to find new ways to pound the deficit into submission. At the National Governors' Association meeting in February, Democratic and Republican governors gave solid approval to a resolution urging Congress to grant the President the line-item veto. It's not a panacea for "erasing the deficit," cautions Dukakis, a liberal Democrat, but a vital weapon "to ensure fiscal stability."

No one agrees more than Sen. Mack Mattingly (R., Ga.). "The full veto worked fine in a bygone era when budget bills were relatively small and dealt with only a few programs," he says. "But nowadays the President needs a modern precision tool to trim the fat."

Mattingly has introduced legislation to give the President the line-item authority possessed by most governors. Mattingly's proposal specifies that each spending item within an appropriations package would be a separate bill, thus skirting the constitutional obstacle that prohibits a President from vetoing sections of a single bill. The law would also retain Congress' authority to override each item veto with a two-thirds vote. Finally, to assuage Congressional fears that the line-item veto could be abused, the law would expire in two years unless extended by Congress.

Mattingly's bill, which has 47 cosponsors, including six Democrats, appears headed for Senate passage. But prospects in the House, where the Democratic leadership opposes the bill, remain uncertain.

This year Congress will send the White House a federal budget approaching $1 trillion in a grand total of 13 appropriations bills. Unless the Mattingly bill is enacted, the President will have to sign bills containing unnecessary and wasteful items, or use the veto and bring worthwhile programs to a halt.

Here are a few of the programs that cry out for a line-item veto. These alone would save an estimated total of nearly $30 billion in just three years:

1. Buried in the $36-billion Agriculture and Rural Development appropriations bill are school-lunch subsidies for non-needy children. Deleting this item would not touch free and reduced-price lunches for poor and low-income students. Savings: $2 billion.

2. The Rural Electrification Administration is an outdated Depression-era program that dishes up heavily subsidized loans—at interest rates as low as two percent—including some wealthy electric cooperatives and telephone utilities.[1] Phasing out REA's direct loans and loan guarantees would save $1.6 billion.

3. Nearly 40,000 localities (most of which, unlike the federal government, maintain healthy budget surpluses or balanced budgets) receive revenue-sharing largess from the U.S. Treasury. Uncle Sam also gives money away to such wealthy communities as Beverly Hills, Calif., which gets more than $200,000 a year, and Palm Beach, Fla., which received $73,478 in 1985. Revenue-sharing grants account for only 2.5 percent of all local expenditures, and their elimination would still leave states and localities with about $100 billion a year in federal grants-in-aid. Savings: $12.5 billion.

4. Although founded to help small businesses get started, the Small Business Administration grants most of its loans to established businesses or to entrepreneurs who could raise private capital. In fact, a minuscule 0.2 percent of America's 14.3 million small businesses are getting SBA credit. Elimination of this program would save $5.3 billion.

5. Buried in foreign-economic-aid bills, which include vital humanitarian aid to the world's hungry, are funds for the Export-Import Bank. The Ex-Im Bank is a prime example of corporate welfare. Many of its subsidized loans, which go to foreign customers to buy U.S. products, benefit a handful of corporate giants, including Boeing and General Electric. Economic-trade analysts say such loans have a "negligible" effect on the U.S. balance of trade. Abolishing Ex-Im's direct loans would save $3.9 billion.

6. Begun under Lyndon Johnson's Great Society, the Job Corps is the government's costliest training program. Each slot cost taxpayers $15,200 a year—more than the cost of tuition, room and board at Yale. Nearly two-thirds of all trainees do not finish the program, and of those who do, only a third are employed a year after leaving. Without a line-item veto, the President will most likely have to swallow this program as part of the huge labor, health and human services, and education bill. Shutting down the program would save $1.3 billion.

7. Health-professions training subsidies were established in 1963 to alleviate a serious nationwide shortage of doctors, nurses and other health specialists. Today, however, there is an oversupply of such personnel. In fact, a federal advisory panel predicts that in five years the United states will have an excess of surgeons, neurosurgeons, eye specialists and general practitioners. Terminating any further health-profession school subsidies would save $512 million.

8. The U.S. Army's $5-million DIVAD Air Defense Gun is so inaccurate that its primary mission has been changed from shooting down maneuvering airplanes, which it has had trouble doing, to knocking out hovering helicopters, which it hasn't been able to do very well either. Yet the Army wants to purchase a total of 614 DIVADs for more than $4 billion. Vetoing further funds for the DIVAD could save $2 billion.

Until Congress gives the President the same authority exercised by the vast majority of the nation's governors, he will continue to be boxed in by wasteful catchall appropriations bills. Says Sen. Joseph R. Biden, Jr. (D., Del.), "The line-item veto is intended to let the President out of that

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[1] See "Power Play on the Potomac," Reader's Digest, September '84.

box so he can begin to play a more active role in cutting away at the deficit."

A majority of governors want the President to have line-item-veto power, and an October 1983 Gallup poll shows that 67 percent of the public does too. If you agree, then write your Senators and Representative and tell them to vote for this proven, waste-cutting tool.

GEORGE V. GRUNE,
Pleasantville, NY, July 15, 1985.

Hon. DANIEL EVANS,
Senate Office Building,
Washington, DC.

DEAR SENATOR EVANS: Cutting the deficit is still a matter of highest priority and will continue to be for some time to come. Certainly, it has been a concern of ours at Reader's Digest; "A Proven Way to Slash the Deficit," appearing in the August issue, is the fourth article touching on the subject this year.

Along the same lines, I addressed the National Press Club last month, at which time I referred to a major campaign co-sponsored by The Business Roundtable and The Digest. It was a four-page advertisement addressing the budget crisis and inviting readers to write their members of Congress via a business reply postcard. So far, more than a million cards have been received and forwarded to you. In fact, the enclosed article carries another appeal for readers to write Congress.

Because the subject is so vital, I am enclosing a copy of my remarks and a release detailing the results of a Gallup poll on the subject of the deficit. I hope you will find time to read them and that you will find them thought-provoking.

With every good wish,

GEORGE GRUNE.

[From Reader's Digest]

GALLUP POLL RESULTS

WASHINGTON, June 27.—A Gallup Poll sponsored by Reader's Digest taken last weekend has revealed that 54 percent of the American people consider reduction of the federal deficit to be "the most important domestic priority facing the United States in the next few years." This compares with just 45 percent who consider tax reform the "most important."

The figures were revealed by George V. Grune, Chairman of the Board and Chief Executive Officer of The Reader's Digest Association, which commissioned the poll. Mr. Grune spoke at a National Press Club Newsmaker's breakfast this morning (June 27). The Gallup Poll, Mr. Grune said, covered 1000 Americans nationwide and asked what they believed were the priority issues of the next few years. Deficit reduction was the leading issue, with a 54 percent response, which increased to 64 percent among college graduates.

Political views did not seem to matter in gauging the responses, Mr. Grune said. Fifty-four percent of Republicans felt that deficit reduction was "the most important priority", while 53 percent of Democrats and 56 percent of Independents responded in the same way.

"One can only wonder," Mr. Grune said, "in light of all this, whether some Congressmen welcomed tax reform as a kind of smoke screen to deflect attention from the much more important and difficult issue—the deficit."

"Certainly tax reform is important, but no single issue of our time has greater potential to influence the quality of our lives and the lives of future generations than the soaring, stubborn, staggering federal deficit," he added.

The Reader's Digest official described the results of an advertisement in the magazine's May issue, sponsored by the Business Roundtable, an organization comprised of 200 U.S. corporations, including The Digest. The four-page advertisement described the deficit crisis and included a reply card that readers were invited to return to The Digest, where they were tabulated by Congressional district. Every two or three days every Member of Congress received a computer print-out telling him or her how many people in his district had responded.

To date, Mr. Grune noted, "One million cards have poured into our offices. They have been tabulated and the numbers and names sent to the Congressmen."

The Reader's Digest chairman urged his listeners from the media to use their influence to persuade Congress to come to some resolution on deficit reduction. "Let's realize, as that Gallup Poll has shown us, that Americans care, deeply, about the deficit," he said. "Let's give it the prominence in print and the television news programs that it deserves. Let us all unite in a campaign to lick this monster. There has never been a better opportunity. The people care. Now the media must begin to force Congress to care. So let's turn up the heat."

WILL 535 CONGRESSMEN CARE WHAT 1 MILLION AMERICANS THINK?

(An address by George V. Grune, Chairman and Chief Executive Officer, the Reader's Digest Association, Inc.)

Good Morning. Although I have been introduced to you, I want to repeat one or two of the items that tell you who I am. Not because of ego, but because it will help to explain why I am here. But first let me offer a disclaimer concerning who I am not. I am not an economist. So this is not going to be a learned talk about the "dismal science." I am the chairman and chief executive officer of the Reader's Digest Association, a large multi-national corporation doing about $1.4 billion in business annually. In other words, I am a businessman. I am also a husband. I am a father. I am a consumer. I am a taxpayer. And in every one of these roles, I am being deeply affected by what I believe is the most pressing national and international issue of our time. The federal budget deficit.

During the past two weeks the attention of the world has been rivited on the plight of forty hostages held prisoner by a group of hijackers. Newspapers have gone to their largest type-fonts for headlines. Television has devoted major coverage. The President of the United States has been quoted extensively. Experts in terrorism have been interviewed at length. Governments friendly to the United States have offered their help in trying to resolve the crisis.

All of this is entirely appropriate. Lives are at stake. And our frustration grows because as individuals, we cannot do anything but watch. But here on the domestic front, there is a crisis of enormous proportions that we can do something about. That crisis is the federal budget deficit. I wish most fervently that somehow we could find ways to dramatize the significance of the federal budget deficit in our lives.

For if it is not resolved—and quickly—the deficit crisis will affect hundreds of millions of lives in virtually every nation on earth. If it is not resolved—and quickly—it will affect the lives of our children—and their children—and their children's children.

Where are the headlines screaming about the deficit crisis? Where are the Presidential press conferences devoted to the deficit crisis? Where are the television specials discussing the deficit crisis? Where are the experts offering their views of ways to resolve the crisis? Where are the offers of help from friendly countries? Where indeed are the expressions of concern that say we must halt the deficit?

If they are here in Washington, we haven't heard them. If they are on the front page of the New York Times, we haven't read them. If they are in television specials, we haven't seen them.

Yet we know the concern is out there. How do we know? We know because more than one million Americans have engaged in that great American custom of writing their Congressman. More than one million Americans have said to those Congressmen, "Halt the Deficit!" Now the question becomes, "Will 535 Congressmen listen to one million Americans?" So far, they have not. And because they have not, I would like to change the title of this talk. I think a more appropriate title might be, "How You Can Help Halt the Deficit." And when I have finished, I think you'll understand why.

Let me take you back a few years. I quote from an editorial in a major New York newspaper. (Quote) How long can the federal government continue to spend far more than it collects in taxes or other receipts from the citizens? For six consecutive years, the amount of money spent by the federal government will have been considerably in excess of the flow of tax funds to the U.S. Treasury during the same period. (Unquote) That was David Lawrence writing in the New York Herald Tribune in January 1965. (The editorial was reprinted in the April 1965 issue of Reader's Digest.) The six consecutive deficit years mentioned would have taken us back to 1959. So we can point to 1959 as the first "Year of the Deficit."

In 1965, just twenty years ago, Lyndon Johnson was proposing a budget in which expenditures were expected to be $127.4 billion. Today the deficit is expected to exceed $220 billion, almost twice the amount of the entire federal budget twenty years ago!

Digest articles through the years have warned about the effects of the growing deficit. And interestingly, some of them made the point that Congress would not act unless the people demanded action. In 1967 we quoted House Appropriations Chairman George Mahon of Texas, who said "Congress is not going to practice restraint unless the message comes through loud and clear from the people. I'm waiting to hear from constituents who really want to lower outlays as I do."

In 1979, when President Jimmy Carter proferred a budget with a $29 billion deficit, we noted that an Associated Press poll found that "70 percent of Americans believe that politicians will not work to wipe out the deficit."

More recently, we have carried two articles describing the exciting potential of Peter Grace and his commission, and pointing to the fact that fiscal sanity can be restored to the federal budget. One of those articles quoted Mr. Grace as saying in the New York Times, "Congress is the biggest single obstacle to restoring fiscal sanity to the federal budget. We never said cutting spending was going to be easy," he added. "But the time has come for Congress to stop clowning around and get serious."

I tell you all this because I want to emphasize that we at Reader's Digest are not strangers to the problems of the deficit. Nor are the fifty million men and women who read our magazine every month, and who represent one household in every four in America.

Against this background, we became aware earlier in the year that the Business Roundtable, of which we are one of two hundred American member companies, was preparing a major campaign to call attention to the deficit and its consequences. Reader's Digest had worked with them before on a series of public service advocacy ads, and we knew of their strength to move people. In 1975, The Roundtable and The Digest collaborated on a series of a dozen adds, one a month, on various aspects of the American economic system. These explored such basic economic topics as the role of profits in our society, the impact of inflation, the question of size in business, product quality, taxes and government spending, unemployment and the plight of American business abroad. The subjects were basic; the language was clear and simple. The results were gratifying. The ads had an impact! People cared, deeply, about our economic system and wanted to keep it healthy. Even more dramatic illustration of that caring was the fact that we sold 6,620,000 reprints of those ads to individuals and organizations!

The Roundtable's current campaign has two basic objectives: (1) Something has to be done to end the deficit. (2) The campaign has to be taken to the people of the United States.

Our publisher, associate publisher and editor-in-chief worked on a proposal that would unite the Reader's Digest and the Roundtable in a joint campaign to enable Americans everywhere to express their views. The result: a four-page advertisement in our May issue. It described the crisis, invited readers to engage in that unique American custom of writing their Congressman, and included a business reply postcard that we promised to deliver to Representatives, Senators and, ultimately, to President Reagan. You each have a copy of that ad.

Our data processing people tabulated the responses in a way to enable us to deliver to every Member of Congress a print-out of the voters in his or her district who had responded! So far, something like one million cards have poured into our offices! They have been tabulated and the numbers and names sent to the Congressmen. Here are just a few examples:

In our own state of New York, Senator Alfonse D'Amato received 49,198 names of people who responded to the ad. Will he act to halt the deficit?

California Senator Alan Cranston received 98,998 cards. Will he act to halt the deficit?

Senator Paula Hawkins of Florida, whose constituents include many thousands of retired people on fixed incomes, received 58,909 cards. Will she act to halt the deficit?

Senator Mark Hatfield of Oregon, who is chairman of the Senate Appropriations Committee, received 15,667 names of constituents who replied. Will he act to halt the deficit?

In our Congressional District of New Castle, in Westchester County, our Congressman, Joseph DioGuardi, received one thousand, seven hundred forty four responses. Will he act to halt the deficit?

And in own Congressional district, the fourth district in Connecticut, My Congressman, Stuart McKinney, received one thousand, seven hundred sixy nine responses. Will he act to halt the deficit? (I plan to ask him that question!)

While we were publishing the Roundtable advertisement, that organization itself was active in a grass-roots program. A large briefing book was sent to every one of their member organizations. A covering letter from Robert Beck, their chairman, who is also the chairman of the Prudential Insurance Company of America, stressed the importance of the campaign. The book contained this chilling paragraph: "The federal deficit threatens our jobs, our standard of living and the futures of our children and grandchildren. It is America's number one problem. And if nothing is done to bring it under control, our nation is sure to suffer."

And the Roundtable is far from the only national organization that is concerned about the deficit. Richard Lesher, head of the United States Chamber of Commerce, said "We are enthusiastic supporters of deficit reduction through spending restraint. The Chamber of Commerce has taken the position that it is willing to let certain pet programs in the budget be sacrificed if the overall effect would help reduce the deficit."

Herbert Stein, who is a senior fellow at the American Enterprise Institute, has said, "By running large budget deficits, we are choosing to have higher consumption for ourselves today and to make future standards of living somewhat smaller than they would otherwise be. The present generation of Americans may want to do just this. This generation of Americans has probably not made the decision, in favor of themselves as against the future, that is implicit in the large deficits we are running. The choice has never been presented to them in that way, and they would not make such a decision if it were presented thus. So, a decent regard for the future requires that we take steps to reduce the looming budget deficits."

If the American people were presented with a choice, would they indeed choose to mortgage the future to pay lavishly for the present? Just last weekend, Reader's Digest went after the answer to that question. We asked the Gallup organization to poll 1,000 Americans across the nation to ask what they believed were the priority issues of the next few years! Fifty-four percent of those polled indicated that reducing the size of the federal budget deficit should be one of our most important priorities over the next few years! Interestingly, the importance of reducing the deficit was even more evident to college-educated people. They registered a sixty-four percent rating of deficit reduction as one of our most important priorities. And this is one issue on which partisanship does not matter. The "most important priority" response came from 54 percent of Republicans, 53 percent of Democrats and 56 percent of Independents. Despite all of the publicity surrounding the issue of tax reform, and despite Mr. Reagan's traveling around the country and urging Congress and the American people to fight for his program, reform, only 45 percent felt that tax reform should be one of the most important priorities. One can only wonder, in light of all this, whether some Congressmen welcomed tax reform as a kind of smoke screen to deflect attention from the much more important and difficult issue—the deficit.

Certainly tax reform is important, but no single issue of our time has greater potential to influence the quality of our lives and the lives of future generations than the soaring, stubborn, staggering federal deficit.

Last Sunday's New York Times had a four-column article with this lead: "This year's effort to reduce the Federal budget deficit will reach a critical crossroad next week. After two weeks of sparring, conferees from the House and the Senate are faced with trying to reach a compromise on the crucial issues of Social Security and the military budget, but no one can see a solution at this moment." That article, buried on page 22, proved to be correct. As you know, the House and Senate conference on the budget broke up just yesterday when the conferees reached a deadlock on Social Security. Meantime, the chairman of the House Budget Committee has accused the President of trying to "bust up" the budget process, and the White House is sending messages through Larry Speakes that "prospects for compromise are not good."

Adding to the pressure, Congress will be getting away for its July Fourth recess without resolving the most pressing domestic issue facing us. Few would deny our legislators their holidays, but I suggest that walking away from our nation's most urgent problem is a poor way to mark our nations' Independence Day.

And as much as one may admire Senator Bill Proxmire, I don't think it adds to the quality of this debate when he is quoted in the New York Times as saying that if he were a gambling man, he would bet that "the deficit in 1986 will be just about where it is in 1985."

At the moment, we do not share that pessimism. And we do not intend to let the matter drop. Indeed in our August issue, we have an article strongly urging that the President be given what Congress wants—and needs—right now."

And now I want to urge you to lead in this campaign. The media has enormous built-in strength to focus public attention on issues. Collectively, we represent tremendous power and tremendous influence. We must fight in our way for a future that will allow our children and their children to enjoy the same economic security that we have. Please join in. Please give the deficit the attention it deserves. Find ways to put it on the front pages—every day, until it is resolved. Let's realize, as the Gallup Poll has shown us, that American care, deeply, about the deficit. Let's give it the prominence in print and in the television news programs that it requires. Let us all unite in a campaign to lick this monster. There has never been a better opportunity. The people care. Now the media must begin to force Congress to care. So, let's turn up the heat. Let's focus the attention of Congress on solutions. Let's let them know that Americans expect decisions—not postponements. If we don't fulfill our responsibilities, the chances of resolving the issue will grow less, and less, and less. We cannot allow that to happen.

What will you do?

Thank you.

Mr. MITCHELL. Mr. President, the proposal before us is described as a constitutionally permissible grant of power to the President, necessary to let him selectively veto parts of spending bills to reduce the $200 billion deficits which his fiscal policies have helped produce.

There are three things wrong with this approach.

It is not constitutional.

It is not necessary.

It will not reduce the deficit.

The need for this new power is based upon the allegation that Congress has eroded the President's veto power by passing omnibus legislation containing many different provisions, thus forcing a President to make the unpleasant choice of vetoing provisions he supports if he wants to eliminate provisions he opposes.

It is claimed that the congressional practice of attaching riders to appropriations bills is a recent and intolerable burden on the veto power and must be redressed by passage of a line-item veto to let the President pick and choose which sections of an appropriation he would approve.

It is pointed out that 43 of our State Governors have the item veto power, that no State which has it has ever repealed it, and that the President of all the States should not be less powerful than the chief executives of 43 of the States.

And, of course, it is claimed that even if these institutional concerns did not warrant the grant of a line-item veto power, the deficit emergency we face does.

But these claims are not supported by the facts.

Since our Nation's beginning, Presidents have vetoed a total of 2,413 bills. Ninety-seven of these vetos have been overridden. That is fewer than 50 overrides a century. If that is not evidence of the potency of the Presidential veto power as it stands, then nothing is.

The veto power gives to a President who can command the support of just one-third-plus-one Members of either House of Congress unlimited power to veto every spending bill the whole Congress passed. A President need only persuade 34 Senators to uphold his decision and no bill can be enacted against his will.

That is a powerful bargaining tool with which to confront a recalcitrant Congress.

The bill's supporters claim that President's cannot veto omnibus appropriations bills. But the very first bill President Reagan vetoed was precisely such a bill, House Joint Resolution 357, the continuing appropriation for fiscal 1982.

And his veto was not overridden. Congress rewrote the bill and reduced the spending to which the President objected.

In 1982, the President twice vetoed an omnibus appropriation—again, exactly the kind of all-encompassing legislation that it is claimed he cannot veto. And those two vetoes were sustained by the House of Representatives.

In both cases, the veto proved a potent bargaining tool to eliminate spending programs the President disapproved.

In all, President Reagan has exercised his veto power 40 times in the past 4½ years. Congress has overridden 4 of the 40 Reagan vetoes, precisely 10 percent. That is the reality behind the claim that the veto power has been eroded.

The claim that the use of legislative riders and omnibus bills is a recent development is just as unsupportable on the evidence.

Congress has been attaching riders to legislative enactments since the time of the Civil War. That was one of the reasons why the proposed Confederate Constitution included a line-item veto. That was one of the reasons that encouraged many States to adopt the mechanism.

There is absolutely nothing novel about the passage of unrelated measures by any legislative body, whether this Congress or any one of its forebears.

It is inaccurate to make the claim that omnibus legislation of the kind we have today is somehow a novel, unprecedented legislative development which poses novel and unprecedented threats to the veto power.

For half a century, defense funding, to take just one example, has been enacted in an omnibus bill that includes new weapons and ongoing operational costs.

Presidents of both parties have had little difficulty in determining when a particular legislative rider makes a bill unacceptable. President Reagan's vetoes demonstrate this as do the vetos of virtually all his predecessors.

The claim that a power granted to 43 of our State Governors is a power the President ought to have makes little sense.

Governors do not have the responsibility of financing the national defense. States are not financially responsible for major domestic, national programs such as Social Security and veterans benefits.

The functions of State governments and of the national Government are so different that the superficial similarities pale by comparison.

And as a practical matter, the line-item veto has not proven an unmixed blessing for the States which have it. In some States—such as California—it has the effect of making the legislature delay appropriations until private deals can be struck with the Governor over spending.

Courts have had to order States to mail out welfare and retirement checks because of governmental paralysis resulting from the standoff caused by line-item vetos.

Line-item veto powers and the manner in which they are exercised have been and continue to be subject to court challenge. The courts have handed down conflicting rulings. One court has said it permits a Governor to reduce spending as well as to block it. Another court has disagreed.

President Reagan had the use of the line-item veto during his 8 years as Governor of California, a period in which the State's budget almost doubled and two State tax increases were enacted. His line-item veto supposedly reduced spending by 2 percent on average each year.

Studies have repeatedly shown that the States in which line-item veto authority exists have a higher per capita spending rate than the others. That simply confirms common sense: Chief Executives are just as reluctant to slash popular spending programs as legislators.

Those are the general arguments made for a line-item veto authority. I do not find them persuasive in the abstract. And when I consider the measure we are asked to approve, which entails specifics rather than abstractions, it is an even less attractive proposal.

We are not being asked to approve an abstract, generalized grant of power. We are faced with a concrete and quite specific proposal. It is a proposal I cannot endorse.

First and foremost, the legislation seeks to alter the Constitution by legislation rather than the proper route of constitutional amendment.

The Congress has been asked to walk down this road before on a variety of measures. Whenever we face the difficulties implicit in amending the Constitution, there are some who believe we can change the document without being bound by the requirements of a constitutional amendment: A two-thirds congressional vote and ratification by 38 States.

But we cannot. The argument that we should pass this measure anyway and let the courts decide whether or not it is constitutional hardly deserves a response.

We are, each of us, sworn to uphold the Constitution.

We cannot and should not enact legislation which is clearly and on its face unconstitutional as this measure is.

It is unconstitutional because it seeks to change, by legislation rather than by constitutional amendment, clear and definite provisions of the Constitution.

Article I, sec. 7 reads, in part:

> * * * Every bill which shall have passed the House of Representatives and the Senate, shall, before it becomes a law, be presented to the President of the United States; if he approves it he shall sign it, but if not he shall return it, with his objections to that House in which it shall have originated * * *

Nothing can be clearer. The Constitution does not say he shall return those parts he disapproves. It does not say he shall sign those parts he approves. The Constitution very clearly and explicitly says "* * * If he approves it he shall sign it, but if not he shall return it * * *." There is nothing ambiguous about that wording or its intent.

Yet this proposal seeks to bypass that very clear constitutional requirement by the subterfuge of allowing a Clerk of the House to take apart every appropriation bill and to reenroll its numbered provisions and its unnumbered paragraphs into separate bills for presentment to the President for his approval or veto.

The Constitution grants no such power to the Congress. It clearly says "Every bill which shall have passed the House of Representatives and the Senate * * *." Little bits of legislation enrolled separately are not what have "passed the House and Senate."

An argument has been made that Congress, by virtue of its right to write rules for itself, also has the right to define "bill" any way it chooses.

Such an assertion finds support neither in common sense nor in constitutional history. The very fear that the legislature might resort to some subterfuge such as calling bills something else led Madison to include in the same article the further provision that "Every order, resolution, or vote to which the concurrence of the Senate and House of Representatives may be necessary * * *" shall also be presented to the President for his approval.

Nowhere is there any authority, express or implied, for the Congress to unilaterally determine that a segment of a previously passed bill can be separately enrolled and remain a bill that has been passed by both Houses.

When we seek by legislation to change the Constitution, we should remember that the Supreme Court has consistently held, as recently as last year, that "The plenary authority of the Congress * * * is not open to question, but what is challenged here is whether Congress has chosen a constitutionally permissible means of implementing that power." [*I.N.S.* v. *Chadha*]

Congress does have plenary authority "in all cases in which it has substantive legislative jurisdiction * * * so long as the exercise of that authority does not offend some other constitutional restriction." [*Buckley* v. *Valeo*]

This proposal most definitely offends another constitutional restriction; it is therefore beyond our authority to enact.

What is obvious, of course, is that Congress has the authority, if it should wish to exercise it, of granting the President extensive leeway to approve or disapprove appropriations.

In fact, that has been done. In the Budget Act, the President has been effectively and legally given the very power it is now claimed he needs.

The rescission authority in the Budget Act, which has been in force since 1975, gives every President the right to selectively rescind congressionally-approved spending for programs as he chooses. A rescission is subject to congressional action. So is a veto.

If proponents of this line-item veto feel, as they apparently do, that the existing rescission authority limits the use of Presidential rescission, nothing prevents their bringing to the Senate floor a proposal to correct that by changing the Budget Act.

There is little in this President's experience with the rescission authority which could be read as a compelling argument for a line-item veto power. Since this proposal has a 2-year lifespan, President Reagan is the only one to whom its authors can intend it to apply.

In 1981, President Reagan proposed 208 rescissions, totaling $16 billion. Congress approved $14 billion worth, 90 percent. This mirrors the experience of this President with the veto, where only 10 percent of his vetoes have been overridden.

In subsequent years, the President has not used his rescission powers as much. In 1982, he wanted to rescind $9½ billion in appropriated funds; Congress gave him six.

In 1983 the President asked for $1½ billion in rescissions. In 1984, he asked for just $660 million.

The decision of the President not to request rescissions is his to make. Nothing is gained by second-guessing it. But it is evident that the power to rescind funds for specific programs exists, can be used, and that the formidable persuasive powers that any President has can be mobilized to gain congressional support for such action.

If those who feel the President is hamstrung by some claimed inability to veto omnibus spending bills want to alter the Budget Act to make it harder for Congress to refuse a rescission, that remains a constitutionally permissible and politically feasible approach.

But there is absolutely no need to do violence to the Constitution in order to expand the powers of this President or any other.

Presidents had, for 50 years, a virtually unlimited impoundment authority which they could and did use. That impoundment authority was curtailed only when one President attempted to use it for policy changes that he could not persuade Congress to accept.

And this proposed line-item veto authority contains within itself precisely the same potential for misuse.

Appropriations bills represent policy judgments reached by a majority of the Congress. They may not be policy judgments shared by the President. But the President has explicit veto authority to seek to reverse such judgments. He has at his command all the persuasive powers of the Presidency to make his policy stick.

The inference in this proposal is that policy judgments occur elsewhere in the legislative process and that appropriations are merely the funds with which to carry out already agreed-upon policy. That is simply not the case. In many instances, Congress imposes a condition on an appropriation precisely in order to impose a policy judgment. This line item veto would permit the President to accept the funds for purposes he supports and dispense with the conditions under which Congress has said they can be spent.

It would make a rubber stamp of the legislative body. And it would, of course, almost immediately result in the rewriting of appropriations bills to frustrate such a possibility.

In that connection, it is pertinent to note that although the proposal before us is termed a "line item" veto, it is not at all a line-item veto power. Even its chief sponsor acknowledged before the Rules Committee that it is a "section and paragraph" veto authority.

The reason for that is that Congress does not, for the most part, enact appropriations by line item.

Congress appropriates by accounts. The Defense appropriations bill, for example, does not contain a line that reads "40 MX missiles." It contains an account for strategic programs in which MX missile funds are included.

There are about 1,100 federal budget accounts in all. But the 50 largest accounts add up to more than 80 percent of total spending. It is hard to see, as committee witness Dr. Allen Schick pointed out, how the President could "pluck high spending items from appropriations bills."

More to the point, as the Rules Committee reported, the nondefense discretionary spending which is presumably the target of this line-item veto bill consists of 846 budget accounts of which just 12 make up half the total dollars spent. But the President's rescission requests for this year only included 3 of these 12 accounts.

When these factual realities are set against the broad abstractions with which this proposal is being defended, it is quite clear that the line-item veto is not necessary. It gives the President a less refined approach to specific spending items than the rescission authority he already has. It adds nothing to his power to establish policy beyond his already existing veto power.

So what is the urgency about this grant of power to the executive branch?

Proponents claim that our fiscal emergency has made it essential to enact this bill. But that is the least convincing argument of all.

As written, this line-item veto applies only to current year appropriations. Some of the largest budget accounts, such as those financing various income benefits, are not annually ap-

propriated. The line-item veto could not reach them.

Another enormous budget expenditure is interest on the debt. That also is not annually appropriated.

The total budgetary amount which is annually appropriated is just over 26 percent of the Federal budget. Of that amount, 15 percent is defense spending and 11 percent is nondefense. The principal reason for the relatively small size of annually controllable appropriations is that prior-year authorizations, which make up a substantial portion of the defense budget, for instance, cannot be reached by the line-item veto.

So the actual amount of spending that is controllable by this mechanism is about a quarter of total spending.

Proponents of this measure argue that the President would use this power to eliminate waste in the defense budget. The facts are directly contrary, since he has not done so in his budget submissions each year, even though he has absolute control over those decisions.

Proponents have also claimed that another President might well target defense spending. That claim is not persuasive, since we are debating a proposal with a 2-year lifespan.

Even assuming that this President were willing to cut defense spending, the fact remains that defense appropriations are divided as to accounts, not as to specific bases or missiles, or tanks.

This proposal does not give the President authority to reduce budget accounts, only to veto entire sections. So it is difficult to see how specific items could be reached by this mechanism.

If, on the other hand, we accept that the President's preference for increased defense spending would remain unchanged in the face of a line-item veto power, he would be able to exercise this power on just $128 billion of a trillion-dollar budget.

As I already pointed out, 12 of the accounts in this area make up $64 billion of the spending, and the President has proposed to rescind programs in three. The line-item veto will not give him more surgical precision than he now has to excise specific programs from these accounts. It would give him only the option of vetoing entire accounts.

In practical terms, that means that instead of asking for a rescission of $100 million in veterans health programs, as he has done this year, he would have the option of vetoing the entire $7.9 billion in this account.

It is incomprehensive that anyone can consider this as flexibility or precision to veto decisions.

I need not and will not reiterate the many other valid arguments made by my colleagues about the pernicious effects of this proposal. It seems to me to be obviously unconstitutional, and to make little sense on the practical merits.

But I would like to address briefly the claim argue that congressional appropriations are uncontrolled because they involve compromise: That Senators and Representatives accept some spending they would not each individually approve in order to obtain approval for spending they do approve.

This allegation has been represented as a fundamental failing in the legislative branch which can only be corrected by substituting one man's judgment for that of 535.

But surely the essence of legislating—and more importantly, the entire essence of governing a large and diverse nation—is compromise. And if compromise does not consist in accepting less than perfection, then the word has no meaning.

As elected representatives of the people, we are forced time and time again to reach compromises among the desires of various of our constituents. Our constituents are not, as some would describe them, "narrow interest groups."

I see nothing narrow about the fact that the people in the northern part of my State of Maine, which has no large cities, are more interested in rural programs than the people in the southern part, which contains most of the State's population centers.

I see nothing narrow in the fact that Senators from Western States have a greater interest in water projects than Senators from Eastern States. I see nothing inherently wrong with the fact that Senators who represent States with large cities are concerned about the problems of those cities.

This seems to me to be precisely what the Framers anticipated when they provided for representative government and when they created a bicameral legislature.

It is unwise and shortsighted for us today to overthrow their carefully crafted balance of powers in order to enhance a power that the President already has and has failed to use extensively. The bill purports to solve a problem it cannot solve. And it solves a problem that does not exist.

It cannot have a substantial impact on the budget in its 2-year duration because it reaches only to the 11 percent of spending that the President does not want to increase.

And because it is a blunter instrument to control spending than the powers the President already has, it gives him no more flexibility to manage spending.

It is an ill-conceived notion, and its enactment would be unconstitutional. I urge my colleagues to reject it.

Mr. NICKLES. Mr. President, giving the President line-item veto power on appropriation bills is not a new issue in the Senate. In 1983, I coauthored an amendment expressing the sense of the Senate that line-item veto authority be given to the President. That was the last time this matter was considered before the full Senate. The bill now before us, S. 43, would give the President statutory authority for a 2-year period to exercise an item veto on appropriation bills. This is urgently needed.

As drafted, this proposal for an item veto addresses many of the concerns that have been raised in the past. It establishes by statute a line-item veto on the basis of a precedent already used by the House of Representatives, known as the Gephardt rule. It specifically defines what an "item" of appropriation constitutes. Under this procedure, the enrollment of the appropriation bill would, in effect, allow each item of appropriation to be enrolled separately, thereby avoiding the constitutional controversy. Furthermore, it would retain the constitutional two-thirds veto override by both Houses of Congress and would sunset after 2 years. Also, according to the Senate parliamentarian, it would not be subject to a constitutional point of order on the Senate floor.

My State of Oklahoma has given this power to its Governor along with 42 other States. It has been shown on the State level to be an effective tool for cost control. This can be seen in the annual deficits and surpluses that States have experienced compared to their Federal counterpart. For 1983, all but two States realized budget surpluses. This is in stark contrast to the Federal deficits. If it works for the States, why not for the Federal Government?

We can experience similar results on the Federal level if only we would give the President this authority. For example, in fiscal year 1983, the President sent to the Congress requests for appropriations of $497.9 billion, the Congress approved $510.8 billion, an increase of $12.9 billion. If the President had the power to reject portions of these appropriation bills that we sent him, we might have seen the fiscal year 1983 deficit reduced substantially.

When an appropriation bill comes before the President, he has two options—either sign it or veto the entire bill. He has very little input or ability to be able to make some constructive changes or reductions in the budget through the appropriations process.

Congress is the one that passes these bills. Congress is the one that is really the guilty culprit when it comes to ever-escalating Federal spending.

I ask, why not provide additional accountability for our Federal Government and improve our ability to control Federal spending by giving the President this important budgetary tool? I urge the adoption of this bill.

Mr. DURENBERGER. Mr. President, I rise to oppose consideration of S. 43. Despite broad agreement that the current high budget deficit is a problem, there is surprisingly little agreement on its cause. Proponents of the item veto as a solution assume that deficits are structurally rooted in the balance of power between Congress and the Executive [OMB]. However, even were this certifiably so, the short-term deficit remains unreachable by the item veto. Meanwhile, experts on the legislative and budget processes rate the item veto as far more certain to increase the power of the executive—and with it the President's ability to implement their programs—than to establish a long-term dynamic toward balanced budget.

The Mattingly legislation adopts a statutory approach, intended to accomplish much the same purpose and effect of a constitutional amendment. However, in addition to raising policy issues regarding the balance of executive and legislative powers, the proposal also raises novel legal questions, and could lead to perverse behavior designed to circumvent the stature:

SECTION-BY-SECTION ANALYSIS

NEW ENROLLMENT PROCEDURES

The Secretary of the Senate and Clerk of the House would be directed to have their enrolling clerks enroll as a separate bill each "item" of any bill making general, special, supplemental, deficiency or continuing appropriations originating in their respective House as a separate bill. Each such "item" would bear the designation of the measure to which the item had been attached before enrollment, as well as a separate bill or joint resolution number.

DEFINITION AS "BILL"

A bill derived through the above described process would be deemed to be a "bill" under Clauses 2 and 3 of Article 7 of the Constitution.

"ITEM" DEFINED

An "item" would include any numbered section or unnumbered of any appropriations bill.

SUNSET

The provision would be in effect for two calendar years, beginning with its enactment.

ANALYSIS OF ISSUES

The major advantages of the Mattingly legislation are: First, it could be enacted much faster than a constitutional amendment; and second, it has a 2-year "sunset," making the provision essentially experimental.

However, the statutory approach raises a number of procedural obstacles, including:

BINDING CONGRESS

If passed, this statute would be an implicit exercise of Congress' rulemaking powers. However, Congress cannot be bound by the acts of previous Congresses. This is particularly true for the House, which is not a "continuing body," while the Senate arguably, though not necessarily, is. Because most, if not all, appropriations legislation originates in the House, the House could decide to waive the requirement as it sees fit. While debate over an omnibus bill might well reflect an expectation that it will be separated into its component parts, the House could arbitrarily decree otherwise. Thus, the legislation might be seen as an uncertain grant of power from the Senate to the House.

DEFINING THE BILL

The provision essentially redefines a bill, the definition of which has evolved through tradition. There is a question as to whether the courts would sustain such an interpretation, especially when the measure might be seen as an unconstitutional delegation of Congress' powers to the President via statute, rather than constitutional amendment.

If the legislation were solely a change to the rules of the House and Senate, rather than statute, judicial review might be limited. However, such an approach could conceivably make a waiver a mere formality observed in all appropriations legislation.

DEBATING FORMAT

Undoubtedly, Members of both Houses would seek to circumvent the strictures of the legislation. Instead of omnibus appropriations, omnibus paragraphs would result, probably with little attention to their internal consistency. Such a result would dim coherence of legislation, and result in logrolling not only over whether provisions are included in a bill, but which paragraphs they are included in. In addition, other innovations would arise. A dollar appropriation might appear in one paragraph, and the second paragraph could apportion that amount in a way that makes it difficult for the President to veto either. Finally, it is likely appropriations committees would rely more heavily on report language. In short, the Mattingly legislation, if nothing else, would lead to dramatically different styles of legislative drafting.

DEFINING A PARAGRAPH

The bill defines an "item" as an unnumbered paragraph. It does not define a paragraph, so it is unclear whether a long bill consisting of a single paragraph would be determined to be one or several paragraphs. At the very least, the bill should define a paragraph.

LEGISLATIVE APPROPRIATIONS

Most item veto proposals have exempted appropriations for the legislative brand from item vetoes. The Mattingly legislation would not.

No evidence has been found that the framers of the Constitution considered the utility of the item veto when setting forth the President's veto power under article I, section 7. Some scholars adduce that this was due to the fact that the legislative innovation of the omnibus appropriation—developed as a means to constrain the President's veto power—did not come into being until much later. However, with the advent of omnibus appropriations in the mid-1800's, many perceived the need to readjust institutional relationships through the item veto. (Some assert that omnibus appropriations were themselves "readjustments" to the unanticipated increase in the use of vetoes for policy purposes about that time.) In 1861 the Confederate constitution provided for the item veto, and following the Civil War, several States revised their constitutions to include this tool. Today, 43 State constitutions provide for some version of the item veto.

The State experience demonstrates great variance in the item veto concept. Essentially, the item veto allows the executive to veto provisions of bills, rather than entire bills. However, the item veto could: First, apply to legislative as well as appropriations language; second, apply to provisions having the effect of appropriations, such as entitlements, entitlement eligibility measures, tax expenditures, and so forth; and third, include the power to reduce, as well as reject, spending measures. For example, Alaska's Governor may expand or reduce both legislative and appropriations provisions, while Colorado, by contrast, only permits its Governor to veto unconstitutional provisions in bills.

While State experiences have generally been regarded as positive, many argue that they are not translatable to the Federal level because first, most States have balanced-budget requirements; second, many State legislatures meet irregularly and are less sophisticated than their executive counterparts; and third, most State constitutions do not mandate the rigorous system of checks and balances reflected in the Federal Constitution. The item veto, therefore, is often characterized as an "uncertain grant of power" to the President.

OPERATION OF THE ITEM VETO

President Reagan draws on his California experience to endorse the item veto concept, citing it as "a powerful tool against wasteful or extravagant spending." It is indeed a powerful tool, but its use is not confined merely to opposing extravagance.

The major argument in favor of the item veto is that it can be used to stymie "logrolling," helping to purge uneconomical "pork barrel" projects from the budget. This view emphasizes the role of the Office of Management and Budget as a counterweight to the "iron triangle" politics practices by agencies. There is nothing inherent in the item veto, however, which constrains the President from using this tool for that purpose alone. For example, the President could become the preeminent "logroller" of the legisla-

tive process, dispensing favors and retribution to individual Congressmen based on their support or opposition to his programs. Moreover, different Presidents will come to office with differing notions as to what should be cut, from a programmatic standpoint. Where Reagan might focus his cost-cutting on grant programs, a Mondale or Hart administration might prove equally determined to reduce defense spending. Clearly, the item veto could drastically increase the power of any President to implement his policies and programs.

However, unless the item veto power given to the President is broad, Congress will probably be able to circumvent such authority, with potentially perverse outcomes. For example, if the authority did not extend to entitlement programs or tax expenditures, Congress might be tempted to embody more spending measures in this form, making the budget even more difficult to control. Similarly, Congress could "pack" line-item appropriations, making it so that several projects are funded by a particular allocation formula. Indeed, unless the President were given the power to alter the legislative language governing the allocation of funds, the mere power to reduce spending on individual line items would be sufficient to kill a project's funding.

Other possible unwanted side effects of item vetoes include: First, extensive negotiations on the budget between the President and Congress would result in slower enactment of appropriations and more, not less, deadlocks in the budget process; and second, Congress could "pass the buck" to the President, counting on his role as budgetcutter to restrain spending under politically popular programs.

Finally, there is the institutional concern that the President would be able to substitute his judgment for that of the legislature, making Congress subservient and unable to enact dependent appropriations. To the extent that omnibus appropriations represent "coordinated policy based on broad themes," such policymaking power would be disrupted with uncertain results.

LIMITED USES

Perhaps no example better illustrates the limitations of the line item veto than that of its potential applicability to the current fiscal year's deficit. A 1984 report by the House Budget Committee points out that 54 percent of the $928 billion budget for fiscal year 1985, or $503 billion, comprises uncontrollable expenditures, including entitlements and interest on the debt. Of the remaining $425 billion, 40 percent, or $168 billion, comprises prior year authority and is already obligated. The committee concluded that of the remaining $257 billion, Reagan would be unlikely to seek reductions in the $173 billion defense budget, and points out that the President's fiscal year 1985 budget only contemplated a $2 billion reduction in domestic spending levels.

Most of these cuts are from programs such as "Older Americans, Head Start," mass transit, and other grant programs—and have become the basis for changes that the administration lacks fairness.

While a Reagan administration armed with the item veto would undoubtedly seek to cut pork barrel projects from defense and civilian programs alike, political constraints would make it difficult for any administration to unilaterally impose such cuts in the absence of a reasonable degree of consensus. For example, a Senator might not vote for the defense budget if a key base in his State were likely to be dismantled and so a President would promise to keep the wasteful expenditures to insure support for his overall program.

CONCLUSION

The item veto is a budget-balancing tool of uncertain value. Its main application would be toward cutting pork barrel projects inserted in the budget as part of legislative compromise, with unpredictable consequences for the legislative process itself.

In the absence of a balanced budget requirement to complement the item veto, the President's bargaining power in the legislative process would increase significantly, but his uses of this power would vary, depending on his programmatic or fiscal proclivities. At best, the item veto would be an instrument of fine tuning—the cumulative effect of its consistent use having a significant long-term effect. At worst, the item veto could accentuate sharp and undesirable policy wings between administrations of different ideologies, possibly adding to economic confusion and disarray, permitting the President and one-third minority of either House to dominate budget policy.

The State experience shows that the item veto is a useful, and perhaps necessary, complement to the balanced budget requirement. Under the strict fiscal discipline of balanced budgets, the likelihood that the item veto would be used principally to root out extravagance is greater than without such discipline. Unfortunately, the bill we are being asked to consider does not require a balanced budget. If it did I might support it.

Clearly, a constitutional amendment—which would take so long to implement as to be irrelevant to the current deficit crisis—would be the riskiest course, since it would be hardest to repeal if experience subsequently proved the grant of item veto power to be unwise or unworkable. The statutory route is safer in this regard. Some House Members have suggested a still-safer alternative of putting a 2-year sunset into any expansion of the President's recision authority under the 1974 Budget Act. This would be enough to make a President circumspect about using these powers in a confrontational mode with Congress.

Mr. President, I am sympathetic to the motives of the distinguished Senators from Georgia and Washington, who have brought up a measure to provide the President with line-item veto powers. They are as concerned as I am about the prospect of continued massive Federal budget deficits. And, I agree that extraordinary action is called for if Congress and the President are to solve this burgeoning problem, which constitutes a growing, unconscionable mortgage on America's future. But by the same token, I cannot agree that the line item-veto, in any form, is an appropriate remedy to our institutional dilemma.

There can be little doubt that during the past two decades, the President's ability to lead has diminished considerably, as Congress has used a variety of means to constrain his options and increase our own. If it could be accurately diagnosed that, somehow, Congress increased its power through this process, then it might follow that the needed response is to increase the President's powers vis-a-vis the Congress. But that is not what has happened. Congress' constitutional powers have not changed one iota. What has changed is the way Congress uses, and all too often abuses, its powers.

Sadly, as an institution, we have lost much of our self-discipline. And this, more than any other factor has limited the President's historic ability to lead in cooperation with congressional leaders. In fact, many of the so-called reforms we adopted in the 1970's have had the effect of diminishing party and congressional leadership to the point where today there is an appalling lack of discipline in the legislative process. Increasingly, we find ourselves unable to forge consistent governing coalitions on the difficult issues of the day.

Instead, Congress has come to rely on a never ending series of shifting and undependable coalitions. This phenomenon, in turn, has increased our dependence on logrolling of the kind reflected in omnibus appropriations legislation.

Clearly, omnibus appropriations are but a symptom of the malady afflicting the Congress. The item veto would treat this symptom. But it would fail to treat its cause, which is the fragmentation of congressional and party leadership. Congress would do well to exhaust its efforts to restore self-discipline before we concentrate an unprecedented degree of authority in the hands of the executive branch, and thereby give the President extraordi-

nary powers to impose his discipline upon us. The effect of such a shift would be a turning point in our system of government, potentially opening the way for sharp and undesirable policy swings between Presidents of different ideologies.

Mr. President, there is no evidence that, by itself, item veto power would be sufficient to constrain deficit spending. Not only do entitlement programs, payments on the debt, and multiyear contracting procedures limit the applicability of the Senators' proposal, since appropriations bills aren't needed to permit spending in these areas. But the President would be inclined to use the item veto for logrolling, to the extent that he would no more be able to work with key congressional leaders to ensure passage of his programs than he was before accruing this new power. In short, the item veto would merely make the President the preeminent logroller. It would not reform the system. In fact, it would surrender to it.

Mr. President, before Congress seriously considers the item veto, we should take a hard look at the factors that have resulted in the decline of party and legislative discipline. These factors include the present congressional committee system, campaign finance law, the nature and scope of the congressional and executive budget processes. I will be happy to work with my distinguished and most able colleagues toward this end.

Mr. HATCH. Mr. President. I thank my colleagues for the opportunity to address myself briefly to the substantial issues presented by this bill. Based on my reading of the Constitution and my concerns about the effects of this proposal, I have grave reservations about a bill, or a constitutional amendment for that matter, to grant the executive branch an unprecedented line-item veto authority. Despite my reservations about the soundness of this measure's constitutional policy, I have voted and will continue to vote to bring this bill to the floor. I would like to state my reason for supporting cloture on a bill about which I harbor grave reservations. Congressional inability to restrain the growth of deficit spending is the greatest constitutional crisis of our generation. For 25 of the past 27 and 46 of the last 54 years, Congress has run a deficit. These deficits have become the pattern in good or bad economic times without distinction. Federal Government spending policies are indeed haphazard, willy-nilly, and out of control. The stability and longevity of our institutions are threatened by this profligacy. Senator MATTINGLY deserves great credit for focusing the Nation's attention on this crisis. The Senator from Georgia correctly perceives that Congress' budget policies are out of control. Because this bill carries that message, it certainly deserves to come up for debate.

My study of this bill and our current constitutional crisis tend to indicate that S. 43 is not good constitutional policy. The Constitution itself recommends that we deal with crises by limiting Government authority, rather than by expanding central Government authority. The framers did not solve the problems of the Articles of Confederation by centralizing all authority in the Executive, but by diffusing authorities to limit Government and make it more accountable to the people. This could lead us to the conclusion that Congress can best attack the spending crisis by preserving the constitutional principle of limited Government embraced by the balanced-budget amendment, rather than by altering the revered constitutional separation of powers doctrine. The balanced-budget amendment would put limits on Congress and make it more accountable to the people, rather than expand the power of the Executive to participate in the legislative arena of setting spending priorities.

As I have mentioned, Senator MATTINGLY deserves commendation for making the Nation aware of the vagaries of Congress' spending avarice. President Reagan as well deserves great credit for focusing attention on the need for some device to control Federal spending. In his State of the Union Addresss on January 25, 1984, the President stated that:

> Some 43 of our 50 States grant their Governors the right to veto individual items in appropriation bills without having to veto the entire bill. California is one of those 43 States. As Governor, I found this line-item veto was a powerful tool against wasteful or extravagant spending. It works in 43 States. Let's put it to work in Washington for all the people. I would be most effective if done by constitutional amendment. The majority of Americans approve of such an amendment just as they and I approve of an amendment mandating a balanced Federal budget.

By mentioning the line-item veto in conjunction with the balanced-budget and tax-limitation amendment, the President seemed to suggest appropriately that a line-item veto amendment might not be necessary at all if the House of Representatives had concurred with the Senate last year in adopting the balanced-budget amendment to control indiscriminate Federal spending. The balanced-budget amendment embodies the most sound constitutional tool against the spending crisis.

The item-veto amendment is based on the theory that the power of the Chief Executive should be strengthened to check Federal spending. Because under the Constitution the President must approve or disapprove a bill in its entirety, I can understand his frustration with the difficult choice of vetoing an entire spending bill which funds vital Government services and which also contains some extravagant or unnecessary items. President Eisenhower described this dilemma in the following words:

> The necessity of accepting or rejecting a bill in its entirety prevents the President from considering separable provisions on their own merit.

Presidents Reagan and Eisenhower are not the only Chief Executives to have requested line-item veto authority. In fact, at least five other Presidents have expressed their support for such a change in the Constitution. They are Presidents Grant, Hayes, Arthur, Franklin, D. Roosevelt, and Truman. This alone speaks for the need to give this some debate and to fully examine these issues. I would be pleased to see the Senate give this measure the courtesy of a full examination on the merits. I, for one, am confident that such an examination will convince the Senate to opt for a sounder constitutional remedy than an item veto.

As this list of Presidential supporters for an item-veto amendment suggests, this is not a new concept. A brief historical review will give some perspective about this bill. A provision for vetoing portions of bills first appeared in the Constitution of the Confederacy. Robert H. Smith, author of this first American item veto, explained that the President needs power "to arrest corrupt or illegitimate expenditures and at the same time approve other parts of the bill." Since the Civil War, every New State added to the Union, with the exception of Nevada, has granted its Governor some form of item-veto power. Usually it has been limited to appropriation bills.

The first proposal to amend the U.S. Constitution to provide an item veto came from Representative James C. Faulkner of West Virginia in 1876. Since then, over 140 similar proposals have been introduced in Congress. In over 100 years since the first item-veto proposal appeared in Congress, five hearings have been held on the subject. The first hearing in more than a quarter of a century on this topic was held before the Constitution Subcommittee, of which I am chairman, last year. It is ironic that no hearings were held on this subject for 27 years during which time the Federal Government has run a deficit in all but 2 years and the Federal debt has grown from $272 billion to nearly $1½ trillion.

As I mentioned at the outset, the Constitution prevents the President from exercising an item veto. Article I, section 7, requires explicitly that "every bill," not portions of bills, be approved or rejected by the President. No language in the Constitution even hints at an item-veto authority for the

Chief Executive. Moreover the Constitutional Convention never discussed the possibility of an item veto and no President has ever presumed to exercise such power in the absence of constitutional authorization. Therefore, unless amended, the Constitution itself counsels against an item-veto bill.

The more substantial constitutional concerns, in my opinion, deal with the potential that an item veto could disturb the delicate balance of powers set up by our Nation's foundational document. A permanent item veto could potentially alter the historical separation of powers balance between the executive and the legislative branches. The item-veto posits that a concentration of power in the Executive would permit more decisive and efficient response to our budgetary crisis. The spirit of the Constitution, however, was to resist centering too much authority in any single entity.

James Madison, father of the Constitution, considered the delicate separation of powers to be key to our constitutional framework. In the Federalist, No. 47, he stated:

> No political truth is certainly of greater intrinsic value, or is stamped with the authority of more enlightened patrons of liberty than that . . . the accumulation of all powers, legislative, executive, and judiciary in the same hands, whether of one, a few, or many . . . may justly be pronounced the very definition of tyranny.

Alexander Hamilton echoed those sentiments in the Federalist, No. 66:

> That important and well-established maxim . . . requires a separation between the different departments of power.

These quotes are not offered to insinuate that the item veto threatens all liberty, but to emphasize the importance the framers placed upon the preservation of the principle of dividing vital powers amongst executive, legislative, and judical branches.

The framers of the Constitution wanted to avoid an "imperial executive," an "imperial legislature," or an "imperial judiciary." Accordingly, they withheld from the President legislative authorities over the purse strings of the Nation. The framers wanted budgetary priorities to be set by Congress, the representatives of the people. The item veto clearly gives the President broad power to become involved in the minutiae of budget policies.

We must remember that the Constitution will still be governing two centuries from today as it has already preserved our liberties for 200 years. In that sense, I have concerns that a restructuring of the balance of powers—although seemingly important at the present—could have significant unanticipated effects 100 years from now. It is a natural tendency during times of political stress and difficulty, as our budget impasses have become, to prefer the institutions of Government that move expeditiously and decisively. We must ask ourselves, however, whether the benefits of expedition and decisiveness are worth their price in terms of the Constitution's balance. As I have stated, my judgment, at this juncture, is that the Senate would be far wiser to respond to the crisis Senator MATTINGLY has helped bring once again to our attention by adopting a balanced-budget amendment.

Perhaps I could state as well my observations about how this proposal might disrupt our separation of powers. The executive branch desires an item veto precisely because it does not want to accept portions of a bill it considers undesirable as part of an overall favorable bill. Under an item veto, Congress would lose its exclusive discretion to mix undesirable with desirable as it sees fit. The executive branch would instead mix desirable with undesirable as it sees fit. In this sense, the presumption concerning who determines the proper mix of legislative priorities will shift from Congress to the Executive. A President will possess, with an item veto, considerable legislative power to determine which priorities ought to be linked with others in legislation. The Executive's gain would be the legislature's loss. This is a fundamental restructuring of the balance of powers in an area hitherto reserved by the Constitution solely to the Congress.

In addition to my constitutional qualms, I also would like to present to the Senate some thoughts about the practical workings of an item veto. Perhaps my most crucial practical concern is that Members of Congress will be required to cast votes on measures whose final provisions are uncertain. Let me state this concern in hypothetical terms. As we all know, we often have to decide to support a bill which contains many items we oppose because on balance we think the good aspects of the bill outweigh the bad. Thus a Senator could make such a judgment and support a bill only to have the President strike from the bill the only provisions which he supported in the bill. At that point, his support would turn to opposition. He might vote to override unsuccessfully, but it is too late. That Senator has facilitated passage of legislation he opposes. This, of course, is not a very good case for the principle of legislative accountability which could be very clouded by the twists and turns of an item-veto confrontation. Moreover, it is theoretically possible under this scenario for legislation to be enacted that is opposed in its final form by nearly every Member of Congress.

Another aspect of a President's new authority to play a pivotal role in the form of legislation may result in less deterrence for pork-barrel items than current Executive authority to veto an entire bill. Under the present system, there is often a powerful disincentive to jeopardize a particular legislative mix by adding some pork-barrel project that may attract a veto. The item veto may establish an incentive in the opposite direction, namely pork barrels may be added either to force the President to take the politically embarrassing step of vetoing a popular program or to grant Members of Congress the chance to case politically popular votes in reliance on the President's subsequent veto. Indeed more pork barreling may occur to ensure sufficient majorities to override item-vetoed programs.

We have heard much evidence about the success of the item veto in the States. We should not expect, however, the same kind of success experienced in some States. The primary spending problems of the Federal budget are not pork-barrel projects, but defense spending, entitlements, and interest payments, none of which are a part of State budgets. Moreover the item veto would not apply at all to entitlements, leaving the defense budget a major target of item vetoes, which could be problematical in times of national defense vulnerability. Returning to the coverage of the item veto, it obviously would only reduce interest payments to the extent it reduces spending in other major areas of Federal spending. In fact, since the item veto does not apply to entitlements or interest payments and should be wielded only sparingly against defense spending, its actual coverage would be limited to less than 10 percent of the Federal budget.

In conclusion, I would like to commend again the Senator from Georgia for his efforts in identifying Congress as the source of our current constitutional spending crisis. Due to my desire to see this issue debated, I will continue to vote for cloture. For my part, however, I lean at the present against voting to approve S. 43 and would instead deal with this constitutional crisis as the Constitution itself seems to suggest—by limiting the power of Congress and making it more accountable to the real governors, the people. This is vastly preferable, in my mind, to disrupting the separation of powers embodied in the Constitution.

Mr. LAUTENBERG. Mr. President, I rise in opposition to S. 43.

The budget deficit poses a grave threat to our economic future. Policies in effect over the past 4 years have increased the annual budget deficit almost fourfold. The national debt has doubled in the last 5 years. To finance that debt, we have borrowed funds from abroad, driving up real interest rates and the value of the dollar. And, that inflated dollar has produced a trade deficit that threatens the long-term markets of American industry,

and threatens the jobs and economic security of American workers.

We face a serious problem, Mr. President. But, the bill before us is no solution. Under the bill, each numbered section or unnumbered paragraph of an appropriation bill would be enrolled as a separate bill by the Secretary of the Senate or the Clerk of the House. That separate bill would then be subject to a separate veto by the President. This new procedure would expire after 2 years.

The proponents of the bill argue that it would give the President the power to reject, to surgically remove, so-called special interest appropriations that the Congress may include in an appropriations bill. As a practical matter, the bill will not work that way. It address paragraphs or sections in appropriations bills, not specific lines. In practice, paragraphs or sections of appropriations bills cover more, for example, than just one water project, or one power project.

Indeed, the power to reach particular projects or program items already exists, under the Impoundment Control Act of 1974. If a President wants to delay the obligation of budget authority, he can submit a proposal for a deferral. It is up to Congress then to disapprove of the deferral and present that disapproval to the President. A President can also propose rescinding budget authority which then needs the approval of both Houses. For 1981, the Congress approved $14.5 billion out of $16.2 billion in recissions requested. For 1985, the President proposed less than $2 billion in recissions.

But, practicality aside, the Congress must ask some tough questions about the item veto as proposed by S. 43. Despite its tempting simplicity, it is not the answer to our budget problems.

First, the item veto would miss most of the Federal budget. It permits no item veto of entitlement programs—programs like Social Security, which pay benefits automatically to people who are entitled to them. There could be no item veto of interest on the national debt. Under this administration, at least, there would surely be no item veto of foreign aid or defense budget accounts. What's left is 11 percent of the budget. The President could item veto all of it, and we would still have a budget deficit.

Second, the item veto would likely result not in less spending, but different spending. It would allow the President to set priorities, instead of the Congress. Individual Senators would surrender a great deal of the power they now have to address the needs of the people they represent.

I, for one, believe it essential that we expand the Superfund, to clean up toxic waste dumps. The Senate Environment and Public Works Committee, on which I serve, has reported a bill that would substantially increase cleanup funding. The President opposes providing the funds at the level that I, the committee, and the people of New Jersey think essential. I daresay, that if he had the chance, the President would item veto Superfund.

The same could be said about funding for Amtrak, which is an essential part of our region's infrastructure—or to fund the Urban Development Action Grant Program—which has played a key role in revitalizing local economies in my State and the Nation. The President opposes funding these programs, and if given the chance, he would item veto them.

The bill would ironically subject to item veto one area of the budget where economies have been made. Ask the students who have a harder time getting loans. Ask mothers who have a harder time feeding their children. Ask the mayors, whose roads and rails and public works are in need of repair. The budgets have been cut.

The President from 1980 to 1985 asked for $2.249 trillion in discretionary appropriations, the kind of appropriations subject to the item veto. The Congress enacted a total of $2.237 trillion—less than the President requested. Of course, the priorities were different—some programs received more funding than the President requested and others received less—but total spending was below that requested by the President. The item veto would guarantee not less spending, but different spending and the losers would the people that Members of Congress represent.

I would like to make a third point. What may be good for the States may not be good for the Nation. The proponents argue that the line-item veto works well for so many Governors around the country that it should be tried on the Federal level. Yes; the Governor of my State exercises a line-item veto power. But there are differences.

The New Jersey Legislature presents a single appropriations measure for the entire State budget. One might argue that an item veto is necessary, lest the Governor be forced to send the whole funding measure back over one or two disagreements. The Congress passes many more appropriations measures, ideally 13 regular appropriations bills. And, while we have relied on continuing resolutions to package several bills, when we have failed to reach all 13, the President has not hesitated to use his power to reject a continuing resolution. He vetoed a continuing resolution in 1982.

Moreover, the line-item veto can be a diversion. A Governor can point proudly to all the money he has saved with the item veto. But, often he cuts spending that would not have been approved in the first place were it not for the veto. A legislator can work to fund a pet program at more than he or she thinks realistic, knowing that the Governor will cut it down to size. He gets the credit for being generous, knowing the Governor will have to force discipline. That is not real budget cutting. That is playing politics with the item veto.

The fourth and final point I would like to make concerns the sanctity of our Constitution. Mr. President, we are talking about changing the balance of power between the branches of our Government, changing a system of checks and balances that we have learned to respect and preserve. We should hesitate to tinker with the basic design of our Government, the basic design laid out by the framers of the Constitution.

Mr. President, the economy of our Nation cannot suffer much longer the failure to reduce our budget deficit. Difficult decisions must be made. A Senate-House budget conference has been meeting off and on, and now, unfortunately, off, to fashion a budget that will begin to reverse the ominous trend of the last 5 years. We must move forward on real solutions to the budget deficit. The line-item veto is a detour, Mr. President. A detour that will take us no further along toward our destination.

For the benefit of my colleagues, I ask unanimous consent that at the conclusion of my remarks two editorials in opposition to the line-item veto, one from the New York Times, and the other from the Philadelphia Inquirer, be printed in the RECORD.

I urge my colleagues to oppose S. 43.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Philadelphia Inquirer, July 23, 1985]

REJECT BID FOR LINE-ITEM VETO

The Senate is tied in more knots than usual over whether to give presidents the power to veto "line items" in spending bills. President Reagan wants this power, maintaining that it would better enable him to control spending and reduce budget deficits. So would the abolition of Congress. He might as well ask that, for that would be the effective result. Recognition that the stakes are that high has prompted a bipartisan filibuster. An attempt to shut it off is expected today.

Currently the President must veto an entire spending bill, which typically provides funds for a vast collection of projects and programs. If he objects to only one, he must decide whether killing it is worth sinking all the others with it. A line-item veto would permit him to pick off specific programs.

Obviously that would be a useful tool, yet most federal spending still would be beyond its reach. Some 45 percent of spending goes to entitlement programs. Anyone meeting the programs' criteria is entitled to the money. Only changes in fundamental laws can reduce such spending. Another 15 percent covers interest on the nation's debt, which must be paid. Then 27 percent of spending goes to the Pentagon, and Mr.

Reagan is unlikely to veto many items there. That leaves only thirteen percent of all spending realistically within reach. This veto would be little more than an ax with which Mr. Reagan finally could fell all the programs such as Amtrak upon which he has chopped so relentlessly since 1981.

The power of the purse is Congress's primary authority, awarded by the Constitution. By bargaining among interests from all over this diverse nation, Congress apportions spending so that everyone gets a share. Sure, some projects are little more than "pork barrel" giveaways; there is some waste. Yet in the final analysis, this continuous process of bargaining and trading enables coalitions to be knitted, which ties the regions into the national system, enabling governance itself.

Give the President the power to veto specific items and Congress would lose leverage forcing him to bargain. Such a surrender of authority would knock asunder the careful balance of institutional powers wrought so finely by the framers of the Constitution. It would permit a Ronald Reagan to dismantle social programs unimpeded. The same authority would permit a liberal president to run roughshod over programs conservatives treasure.

This proposal is a distraction, a nonanswer to deficits and a serious threat to the system's checks and balances. No senator should approve this emasculation of congressional authority. Until a solid Senate majority is persuaded of that, let the tongues of those senators who understand this issue's importance wag on.

[From the New York Times, July 17, 1985]

THE LINE-ITEM DIVERSION

For more than a century, every President has wanted a veto power over individual items in appropriation bills. Congress, concerned more than its own power than for the Federal exchequer, has scotched the idea every time. The issue is once again before the Senate. It deserves the same fate.

Line-item appropriation vetoes would relieve the President of the duty to weigh the pros and cons of bundled expenditures. Every President since Ulysses Grant has vowed to wield the veto against "waste"—none more insistently than President Reagan. But alarming extravagance can always be resisted by vetoing an entire package, too. The bundling annoys Presidents because it has been an important element in their annual negotiations with Congress. Presidents want to tip the power balance in their favor, but no strong case for needing extra power.

Mr. Reagan recalls his line-item veto power as California Governor, and notes that 42 other governors enjoy it too. So why not the President?

Because a governor is not the President, Commander in Chief, Diplomat in Chief, Economist in Chief and Communicator in Chief. Governors may need the added authority to influence their legislatures. But Presidents, especially Mr. Reagan, have made no persuasive showing that they now need to destroy Congress's last significant power, the power of the purse.

Much as it might alter the political power balance, the line-item veto would not directly affect most appropriations. It could not reach three-fourths of the Federal budget. Social Security costs could not be vetoed without first rewriting the underlying law. The same goes for other entitlement programs, like Medicare or farm subsidies. Interest on the national debt is veto-proof, and so, by and large, is the defense budget.

Ignoring these limitations, Presidents like to portray the item veto as a scalpel for removing the pet projects of special interests that Congress won't resist. As if the White House served no special interests.

A further reason for opposing the item veto is that it might give Presidents excessive influence over individual members of Congress. The White House could, for example, threaten to veto perfectly legitimate expenditures of importance to individual legislators because they dare to oppose the President on other issues. Presidents loom large enough in the political careers of legislators.

At best, this proposal would alter spending patterns at the margin. At worst it's a power grab, upsetting Federal checks and balances that have worked pretty well. This debate is a poor substitute for doing something substantial about the alarming budget deficits.

CLOTURE MOTION

The PRESIDING OFFICER (Mr. HUMPHREY). One hour having passed since the Senate convened, the clerk will report the motion to invoke cloture.

The bill clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the motion to proceed to the consideration of S. 43, to provide that each item of any general or special appropriation bill and any bill or joint resolution making supplemental, deficiency, or continuing appropriations that is agreed to by both Houses of the Congress in the same form shall be enrolled as a separate bill or joint resolution for presentation to the President.

Bob Dole, Ted Stevens, Mack Mattingly, Barry Goldwater, Warren P. Rudman, Thad Cochran, Pete Wilson, John Warner, Chuck Grassley, Jesse Helms, Strom Thurmond, Phil Gramm, Jeremiah Denton, William L. Armstrong, Chic Hecht, Mitch McConnell.

CALL OF THE ROLL

The PRESIDING OFFICER. Pursuant to rule XXII, the Chair now directs the clerk to call the roll to ascertain the presence of a quorum.

The bill clerk called the roll, and the following Senators answered to their names:

[Quorum No. 14 Leg.]

Baucus	Humphrey	Symms
Gore	Kassebaum	
Hatfield	Mattingly	

The PRESIDING OFFICER. A quorum is not present. The clerk will now call the names of the absent Senators.

The bill clerk resumed the call of the roll, and the following Senators answered to their names:

Abdnor	Bingaman	Burdick
Andrews	Boren	Byrd
Armstrong	Boschwitz	Chafee
Bentsen	Bradley	Chiles
Biden	Bumpers	Cochran
Cohen	Hecht	Packwood
Cranston	Heflin	Pell
D'Amato	Heinz	Pressler
Danforth	Helms	Proxmire
DeConcini	Hollings	Pryor
Denton	Inouye	Quayle
Dixon	Johnston	Riegle
Dodd	Kasten	Rockefeller
Dole	Kennedy	Roth
Domenici	Kerry	Rudman
Durenberger	Lautenberg	Sarbanes
Eagleton	Laxalt	Sasser
East	Leahy	Simon
Evans	Levin	Simpson
Exon	Lugar	Specter
Ford	Mathias	Stafford
Garn	Matsunaga	Stennis
Glenn	McClure	Stevens
Goldwater	McConnell	Thurmond
Gorton	Melcher	Trible
Gramm	Metzenbaum	Wallop
Grassley	Mitchell	Warner
Harkin	Moynihan	Weicker
Hart	Murkowski	Wilson
Hatch	Nickles	Zorinsky
Hawkins	Nunn	

The PRESIDING OFFICER. A quorum is present.

VOTE

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate on the motion to proceed to the consideration of S. 43, a bill providing for line item veto, shall be brought to a close? The yeas and nays are automatic under the rule. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. DECONCINI. Mr. President, on this vote I have a pair with the senior Senator from Louisiana [Mr. LONG]. If I were at liberty to vote, I would vote "yea." If the senior Senator from Louisiana were present and voting, he would vote "nay." Therefore, I withhold my vote.

Mr. CRANSTON. I announce that the Senator from Louisiana [Mr. LONG] is necessarily absent.

The PRESIDING OFFICER (Mr. GRASSLEY). Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 58, nays 40, as follows:

[Rollcall Vote No. 158 Leg.]

YEAS—58

Abdnor	Gramm	Nickles
Armstrong	Grassley	Nunn
Biden	Hatch	Pell
Boren	Hawkins	Pressler
Boschwitz	Hecht	Proxmire
Chafee	Heflin	Quayle
Cochran	Heinz	Roth
Cohen	Helms	Rudman
D'Amato	Hollings	Simpson
Danforth	Humphrey	Specter
Denton	Kassebaum	Stevens
Dixon	Kasten	Symms
Dole	Kennedy	Thurmond
Domenici	Laxalt	Trible
East	Leahy	Wallop
Evans	Lugar	Warner
Exon	Mattingly	Wilson
Garn	McClure	Zorinsky
Goldwater	McConnell	
Gorton	Murkowski	

NAYS—40

Andrews	Bradley	Chiles
Baucus	Bumpers	Cranston
Bentsen	Burdick	Dodd
Bingaman	Byrd	Durenberger

Eagleton	Lautenberg	Riegle
Ford	Levin	Rockefeller
Glenn	Mathias	Sarbanes
Gore	Matsunaga	Sasser
Harkin	Melcher	Simon
Hart	Metzenbaum	Stafford
Hatfield	Mitchell	Stennis
Inouye	Moynihan	Weicker
Johnston	Packwood	
Kerry	Pryor	

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

DeConcini, for

NOT VOTING—1

Long

The PRESIDING OFFICER. On this vote, the yeas are 58, the nays are 40. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is not agreed to.

LINE-ITEM VETO

Mr. DOLE. Mr. President, we had one live pair, so we are back to where we have been; and that is, had everybody been present, the vote would have been 59 to 41. I think we have had a fair shot at trying to proceed to this legislation. I regret that those on the other side would not let us proceed to the legislation itself and then do our battle. But the rules permit that and they have that right. I do not have any quarrel with those who have done that, except those who talk about the rules changes and then participate in the process.

But, in any event, it is a matter of particular interest to the President. I indicated to the President, in a visit this morning, that we would not get cloture. It seemed to me the die was fairly well cast. There were not enough flexible Senators and there was no way cloture would be invoked at this time. But there are maybe other ways to get a vote on the issue.

I have been supporting the line-item veto for a number of years. I am not the principal sponsor in this area, but I understand the sponsors of this legislation, the distinguished Senator from Georgia, the principal cosponsor, and the distinguished Senator from Washington, Senator EVANS, do plan to pursue this matter at another time.

In just a few moments, I will ask unanimous consent that the motion to proceed to S. 43, the line-item veto, be withdrawn, which will be followed by routine morning business until about 2 o'clock. At 2 o'clock, we will turn to the equal access to justice bill offered by Senator GRASSLEY. There will be a rollcall vote.

Following that legislation, since we are unable to get an agreement on a number of these bills, we are going to start calling up legislation today, tomorrow, and Friday without any time agreements to see if we can get some movement that way. So I suggest that there will be votes for the balance of the week. If Senators wish to avoid that, then I hope they would help us work out some of these minor details that are hanging up five or six rather minor pieces of legislation. If we could accomplish all of that without protracted debate, it is certainly satisfactory to the majority leader.

I yield to the distinguished Senator from Georgia whatever time he may need.

Mr. MATTINGLY. Mr. President, let me just assert my view that the request to withdraw the motion to proceed does not signal the end of this legislation. It is merely, really, the beginning of the next stage in this legislative battle.

The Senate, I believe, has now demonstrated to a watching public that a clear majority of its Members desire to consider the merits of the line-item veto as a budget too. That expressed will has been temporarily frustrated but I am confident that there will be an opportunity later this year for the Senate to pass the measure. I believe that the bill would pass if we were able to vote on it. Apparently that perception is shared by its opponents. The problems that we face and the people we represent demand that we not evade our responsibilities or avoid making difficult decisions.

I thank my colleagues who have supported the efforts to debate the bill. Indeed, I appreciate the contribution made by its opponents because I believe that the legislation has been clearly strengthened as a result of the rigorous examination it withstood. I encourage the continued involvement of all Senators in this critical issue and look forward to an opportunity for the proponents of the legislation to make their case for the bill at a time when it could conceivably be the pending business when offered as an amendment to another piece of legislation. Thank you, Mr. President.

Mr. EVANS. Mr. President, at the close of this third vote to end debate on the motion to proceed to S. 43, the line-item veto, I remain optimistic—optimistic on two fronts.

First, that a majority of Members of this body support this legislation granting the President item veto authority. And only through a procedural obstacle have the opponents mustered sufficient strength to keep this issue from an up-and-down vote.

During the past week I have listened with interest and anticipation to my distinguished and learned colleagues opposing the item veto—interest to learn more of their points of view and anticipation while eagerly awaiting debate. Debate never became a reality. S. 43 was stalled in its starting blocks through the use of obstructionist Senate procedure, which has not afforded this Congress the opportunity to debate the merits of this issue itself.

We have taken three votes seeking the support of 60 Senators to bring to a close this filibuster—a filibuster not on the legislation, but on the motion to proceed to this issue. Falling one vote short, we leave this issue for a brief period of time. But not without serving notice once again that some day, somehow, somewhere, we will fully debate and vote on this issue.

Mr. President, this leads me to my second sense of optimism. Events of this past week have offered a dramatic example of the desperate need to seek changes in the rules that guide Congress. I can only hope that this will help us abandon the primitive procedures that no longer work.

We have proven thus far incapable of effective budgetary action. We have missed every budget deadline so far this year, in spite of the best efforts of those who work daily in that field. Generally, the budget process is in shambles. Through the use of filibusters on motions to proceed to legislation, not the legislation itself, the majority leader can no longer set this Senate's agenda.

These examples are symbolic of a greater problem—the abuse of rules of the Senate that could ultimately bring this Government to a standstill.

At the beginning of the second session of this 99th Congress, many proposals will once again be submitted to change the way we do business. When considering these proposals, I suggest that we all remember the agonies of this past week.

Mr. CRANSTON. Will the majority leader yield briefly?

Mr. DOLE. I am happy to yield the floor.

Mr. CRANSTON and Mr. HATFIELD addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

Mr. CRANSTON. Mr. President, I would briefly like to state that I am delighted that the majority leader has recognized that this is not the time when the Senate is prepared to cope with this issue. There is significant opposition to the line-item veto primarily because of the concern about undermining the power of the purse which is one of the strongest elements of the strength of this Congress. Second, there is concern about undermining the balance of powers between the executive and the legislative branches of our Government. And, third, there is a concern that this would really not lead to savings but would lead to more expenditures rather than less.

The majority leader stated that it was those on the other side that had prevented it from coming to a vote, and I trust he meant those on the other side of the issue, not on the other side of the aisle.

Mr. DOLE. I did.

Mr. CRANSTON. The majority leader confirmed that was his view.

Obviously, Republicans as well as Democrats did not wish to see the line-item veto become the law of the land.

I thank the majority leader.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. Mr. President, having created this particular situation and with no apology for having done so, but with great pride, from that standpoint we have stopped what was to be one of the most dangerous proposals that has come before this Senate during my 19 years. I believe in always laying my cards face up on the floor, on the table, or wherever I may be. Since I am on the floor now, I guess I would lay them on the floor. But I want to say to the leadership—and I want to say to the opponents—that I am very happy the leadership has pulled this down.

I have heard the proponents indicate they will use every appropriation, some appropriation, whatever, or some other bill. I would like to say to the leadership now particularly that I feel just as strongly about this issue as I did. In fact, we stood here for 5 days and offered to debate it with any proponent, and no proponent of the measure ever appeared on the floor to debate it except under special order of business. We have had ample opportunity to have a debate on this issue. I do not look forward to seeing the appropriations bills being made the vehicle for nongermane items, nor certainly subject to a point of order as we have gone through that circus before with abortion, school prayer, and a few other issues. I only remind my colleagues here that we are reaching the end of the fiscal year. We do not have a budget resolution. I think the country expects the Senate to be about the business that affects this country most vitally. The line-item veto is not one of them.

I do not think there is a Senator on this floor amongst the proponents or the opponents who believes if somehow the Senate got to a vote up-or-down on the line-item veto and it happened to pass the Senate that it would get through the House of Representatives. We are in an exercise of futility to waste any more of the Senate's time on this issue. That should have been proven by now. It was not 59 to 41. We never would have gotten beyond the 59 measure because there would have been those Senators who would not have permitted that to happen. So let us not suffer any illusions about what the strength or the weakness of this issue is. This issue will not pass on this floor.

I want to say as one Senator only, if I have to stand here as one person, I will fight it on every issue, and bring any matter pending before the Senate to a halt in order to stop this so-called mad piece of legislation of trying to throw the whole balance of power of this Constitution out of kilter. I just want to make it very clear I am ready to go to battle at any time, and I am ready to go to debate at any time. But as far as I am concerned we are not going to have that opportunity on this floor, and I am exercising the prerogatives of the Senate under the rules of the Senate. Let me say to the leader I would vote to change this rule. I would be the first to change this rule. But as long it is the rule of the Senate I am going to exercise every legitimate rule of the Senate and every procedure of the Senate I can to stop the line-item veto.

There is only one prerogative that a chairman of a committee has. If we do not have a budget resolution, we may not have an appropriation bill. I have only one prerogative—to call a meeting of the Appropriations. And I can assure the Senate if we look toward to seeing that appropriation bill being used as a vehicle, I may not even call a meeting and report any bill.

So I want to make it clear that on this battle, if they want to wage it down the line, I am ready to do battle any time. I feel just as strongly, and will wage every bit of effort I can against this measure.

I thank the Senator.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, I have stated I have cleared the request which I will make in just a moment with the distinguished minority leader, Senator BYRD.

Again, I thank Members on both sides of the issue. I did not intend to differentiate by party lines. Of course, the great proportion of the no votes came from the Democratic side. I think there were seven Republicans. That left 46 voting in the affirmative. But in any event, I understand there are strongly held views on this issue.

But I do wish to commend particularly the distinguished Senator from Georgia, Senator MATTINGLY, and the distinguished Senator from Washington, Senator EVANS, for their persistence, and also thank the President for his support. The President did not prevail on this issue. But he was unrelenting in his effort. He made a number of telephone calls. In fact, he commented on this legislation briefly again this morning.

I also want to include special thanks to the distinguished Senator from Delaware, Senator BIDEN. I just say that this is a very difficult issue. There are very strongly held views. There are some on each side of the aisle with differing views. I assume that if Senators MATTINGLY, BIDEN, and EVANS, and others decide to raise the issue later that they will find some opportunity. I think the record speaks for itself. The vote was 58 to 40 today. It only requires, depending on how many are here, 51 to pass the legislation. So at least on the record it would indicate there are sufficient votes to pass this legislation. Maybe some would slip away. Maybe some would not. There was never any real reason to debate the bill. The bill was never before us. Had the bill been before us I assume there would have been a number of proponents on the Senate floor making their views heard.

THE PEOPLE WON AGAIN

Mr. BYRD. Mr. President, the people won again today when cloture was not adopted on the motion to proceed to the consideration of S. 43.

Some have argued that the Senate should have adopted the motion to proceed so that Senators could then debate the bill.

Some Senators asserted that an extended debate or filibuster, whatever one wants to call it, on a motion to proceed is not the norm around here and that any debate on the bill should await adoption of the motion to proceed. I must say that a filibuster on a motion to proceed is not unique.

I have asked the Journal Clerk to supply statistics on instances going back 20 or 25 years involving filibusters on motions to proceed.

The Journal Clerk has prepared that information; and, I ask unanimous consent to have printed in the RECORD a list of motions to proceed that have been filibustered, going back 25 years—to and including 1961.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MOTIONS TO PROCEED TO CONSIDER

1961

S. Res. 4 (rule XXII—cloture).
Mansfield motion to proceed.
Cloture not invoked on motion to proceed (37–43).
Motion to proceed laid on the table (47–35).

1965

H.R. 77 (National Labor Relations Act).
Mansfield motion to proceed.
Cloture not invoked on motion to proceed (45–47).

1967

S. Res. 6 (rule XXII—cloture).
McGovern motion to proceed.
Cloture not invoked on motion to proceed (53–46).
Resolution laid on table.

1969

S. Res. 6 (rule XXII—cloture).
Hart of Michigan motion to proceed.
Cloture not invoked on motion to proceed (50–42).
Resolution laid on table.

1971

S. Res. 6 (rule XXII—cloture).
Pearson motion to proceed.
Cloture not invoked on motion to proceed (48–37).

Cloture not invoked on motion to proceed (50-36).
Cloture not invoked on motion to proceed (48-36).
Cloture not invoked on motion to proceed (55-39).
Motion to proceed indefinitely postponed.

1975

S. Res. 4 (rule XXII—cloture).
Pearson (and Mondale) motion to proceed.
Cloture invoked on motion to proceed (73-21).
Motion to proceed agreed to (69-26).
Cloture invoked on resolution (73-21).
Resolution agreed to (56-27).
H.R. 6219 (voting rights).
Mansfield motion to proceed.
Cloture invoked on motion to proceed (72-19).
Motion to proceed agreed to (63-13).
Cloture invoked on bill (76-20).
Bill passed (77-12).
S. Res. 145 (disapproval of President's removal of price controls on petroleum, etc.).
Mansfield motion to proceed.
Cloture not invoked on motion to proceed (54-38).
Resolution laid on the table.
H.R. 5900 (Labor Relations Act).
Mansfield motion to proceed.
Cloture invoked on motion to proceed (66-30).
Cloture not invoked on bill (58-31).
Cloture invoked on bill (62-37).
Bill passed (52-45).
H.R. 10647 (supplemental appropriations).
Mansfield motion to proceed.
Cloture petition filed on motion to proceed.
Additional cloture petition filed on motion to proceed.
Cloture petitions vitiated by unanimous consent.
Bill considered by unanimous consent.
Bill passed (71-24).

1978

H.J. Res. 638 (Equal Rights Amendment Extension).
RC Byrd motion to proceed.
RC Byrd files cloture on motion to proceed.
RC Byrd withdraws motion to proceed.
Weicker motion to proceed.
Senate adjourns—motion dies.
RC Byrd motion to proceed agreed to (voice vote).
Joint Resolution passed (60-36).
S. 3279 (Aircraft Noise).
RC Byrd motion to proceed.
RC Byrd files cloture on motion to proceed.
RC Byrd withdraws motion to proceed.
(Bill not considered).

1980

H.R. 5200 (Fair Housing).
RC Byrd motion to proceed.
Cloture invoked on motion to proceed (62-32).
Cloture not invoked on bill (54-43).
Bill returned to Calendar.

1982

S. 1630 (Criminal Code).
Baker motion to proceed.
Cloture not invoked on motion to proceed (45-46).
Motion to proceed withdrawn.
S. 1992 (Voting Rights).
Stevens (for Baker) motion to proceed.
Cloture invoked on motion to proceed (86-8).
House companion bill passed (85-8).
H.R. 6211 (Highways).
Baker motion to proceed.
Cloture invoked on motion to proceed (75-13).
Bill passed (56-34).

1983

S. 602 (Radio Marti).
Baker motion to proceed.
Cloture invoked on motion to proceed (62-33).
Bill passed (voice vote).
H.R. 3706 (Martin Luther King, Jr. Holiday).
Baker motion to proceed.
Cloture filed on motion to proceed.
Withdrew cloture motion by U.C.
Motion to proceed withdrawn.
Bill considered by U.C.
Bill passed (78-22).
S. 1715 (Natural Gas).
Baker motion to proceed.
Cloture invoked on motion to proceed (86-7).
Bill returned to Calendar by U.C.
H.J. Res. 290 (Free Entry of Olympiad Effects).
Baker motion to proceed.
Cloture motion filed on motion to proceed.
Cloture motion withdrawn by U.C.
Joint Resolution considered by U.C.
Joint Resolution passed (voice vote).

1984

S. 2851 (Depository Institutions).
Baker motion to proceed.
Cloture invoked on motion to proceed (89-3).
Motion to proceed agreed to (95-2).
Cloture invoked on bill (95-6).
Bill passed (89-5).
S. Res. 66 (Senate T.V.).
Baker motion to proceed.
Cloture invoked on motion to proceed (73-26).
Motion to proceed agreed to (67-32).
Cloture not invoked on resolution (37-44).
Resolution returned to Calendar by U.C.
S. 2527 (Highways).
Baker motion to proceed.
Cloture invoked on motion to proceed (70-12).
Motion to proceed agreed to (voice vote).
Cloture motion filed on bill.
Cloture motion withdrawn.
Bill did not reach 3rd reading.

Mr. BYRD. Mr. President, I congratulate the distinguished Senator from Oregon [Mr. HATFIELD], who led the opposition to the motion to proceed to S. 43. I wish to assure him that I will join him if efforts are made to offer the line-item veto as an amendment to any appropriations bill.

I think Senator HATFIELD is entirely correct: The appropriations bills should not be subjected to this legislation, and a point of order should lie against such an effort, because it would constitute legislation on an appropriations bill.

Mr. President, from time to time in the past few days I have alluded to this bill, S. 43, as a so-called line-item veto bill, and I indicated that at some point I would state my reasons for referring to it as a so-called line-item veto.

S. 43, in fact, did not provide for a line-item veto in its purest form. I have to say that I believe that any effort by statute to provide a line-item veto to the President in its raw and pure form would be unconstitutional. I think that only a constitutional amendment could give a line-item veto power to the President. S. 43 would not do that. It would not give the President a line-item veto in the pure form.

The content of the bill is set forth in the bill as follows:

* * * to provide that each item of any general or special appropriation bill and any bill on joint resolution making supplemental, deficiency, or continuing appropriations that is agreed to by both Houses of the Congress in the same form shall be enrolled as a separate bill or joint resolution for presentation to the President. . . .

It is obvious from this reading of the purpose of the bill, as I have just stated, that if the bill had been enacted into law, it would not have given to the President a line-item veto. It does not say that the President may take an appropriations bill and may elect to strike any sentence, any figure, any paragraph, any language, any verbiage that he may choose to strike. S. 43 does not say that. If it did have that specific language then it would be the line-item veto.

The Consitution provides for the President to have a qualified veto power. He can veto any bill or joint resolution. But he cannot pick and choose from a bill and say: "I will take this line and I will strike out line so and so. I will strike out lines, let us say, 10 and 11 on page 2. I will also strike lines 4, 5, 6, and 7 on page 3, and I will strike out all of page 4. I will strike out title 1, section 10," and so on. He cannot do that. He has to take it all or leave it all. The ability to pick and choose as I have outlined would be the pure line-item veto. S. 43 does not purport to give such power to the President. I know that Senators have been talking about a line-item veto, and I have as well, although I usually have referred to a so-called line-item veto in my comments on S. 43.

What that bill actually would do is it would require the enrolling clerk of the House take an appropriation bill as passed by both Houses and break that bill into several parts, the number depending on what the enrolling clerk finds in the bill. The enrolling clerk, being mandated by this legislation were it to pass, would break down an appropriations bill into as many parts as have numbered sections and unnumbered paragraphs.

The several small parts would then be enrolled as separate bills and sent to the President. So that the President, in the case of the continuing resolution last year, would receive more than 2,000—I think 2,047—little bills or resolutions, that being the number of numbered sections and unnumbered paragraphs within last year's continuing resolution.

I am right, am I not, I ask the Chair? I have reference to the continuing resolution that was passed last September, I believe. Am I correct, that that piece of legislation could have been broken into 2,047 parts, or at least over 2,000 parts?

The PRESIDING OFFICER. The Chair is advised that the number is 2,043.

Mr. BYRD. I thank the Chair. The enrolling clerk of the House having done his work, more than 2,000 little bills would then have been sent to the President, and each would carry a number: H.R. 1-A, H.R. 1-B, H.R. 1-C, and so forth—heaven only knows.

The President then would be able to exercise the veto power—which he has now under the Constitution on entire bills—on any one, or more, or all of those little bills or resolutions resulting from the dismemberment, limb by limb, of the continuing resolution which had earlier passed both Houses.

That action, in the judgment of many of us, would not comport with the requirements of the Constitution. Why not? Because section 7 of article I of the Constitution, paragraph 2 reads as follows:

> Every Bill which shall have passed the House of Representatives and the Senate, shall, before it become a Law, be presented to the President of the United States; if he approve he shall sign it, but if not he shall return it, . . .

And so forth.

For the enrolling clerk to have broken that bill or resolution, which had actually passed both bodies, down into 2 parts or 3 or 100 or several hundred or thousands of parts and enrolled as separate bills for the President's signature or veto would not comport with the requirements of section 7, paragraph 2 of article I of the Constitution, which says, "Every Bill which shall have passed the House of Representatives and the Senate, shall, before it becomes a law, be presented to the President. . . ." Paragraph 3, section 7, article 1 provides the same requirements for:

> Every Order, Resolution, or Vote to which the Concurrence of the Senate and House of Representatives may be necessary (except on a question of Adjournment) shall be presented to the President of the United States;

And so on.

The constitutional requirement is that not just one bill or another may be presented to the President, but "every" bill and every resolution which shall have passed both bodies "shall" be presented to the President.

But to break down a bill, such as the continuing resolution of last fall to which I was referring into 2,043 parts and have the enrolling clerk prepare 2,043 separate resolutions or bills to send to the President simply would not comport with the provisions of the U.S. Constitution, because not one of those little dismembered pieces of legislation would have ever passed either or both Houses. However, the enrolling clerk might have styled them, not one of those little bills or resolutions would have ever "passed" either House, to say nothing of both Houses. They would simply have been enrolled as several separate and distinct bills and given each a number by the enrolling clerk of the House of Representatives under the instructions of S. 43. They would have been given several and distinct numbers by that enrolling clerk and sent to the President.

Neither the House nor the Senate would have acted upon any one of those separate little measures before their presentation to the President.

So to sum up, Mr. President, S. 43 really would not give the real line-item veto to the President of the United States. S. 43 would provide that appropriations bills should be broken up into many parts by the enrolling clerk of the House of Representatives, enrolled and sent as separate different bills to the President, and then, of course, he could pick and choose which of those he wanted to approve and which of those he wanted to veto. That is it.

So in that sense, I think, S. 43 would have been unconstitutional because the requirements of the Constitution in regard to the passage of bills and resolutions would not have been met. Indeed, S. 43 did not purport to give the President the pure line item veto power with respect to appropriations bills and resolutions passed by both Houses of Congress.

Mr. President, I compliment those on both sides of the aisle and those on both sides of the question. I do especially compliment Mr. HATFIELD for his leadership again, and I compliment Mr. CRANSTON on the excellent work that he did in keeping tab on this side regarding the votes.

We will be waiting and ready at the pass if there is any other effort this year or next year. If the President is going to be given the line item veto power, it should be done by constitutional amendment. I am not now saying I would support that effort, but that is the way to go if it should be done.

In closing, I say that the Senate was correct in rejecting, as it did, the motion to close debate on the motion to proceed to take up S. 43. The Senate was constitutionally correct, institutionally correct and it correctly protected the interests of the people who sent us here to do that very thing.

I congratulate, in closing, those Senators on the Republican side of the aisle who joined in supporting Senator HATFIELD's successful effort. It was not easy for them to stand firm against the White House pressure for cloture.

Mr. President, I ask unanimous consent that a column in the Washington Post by David S. Broder, under instant date titled "Where Reagan is No Conservative" be printed in the RECORD at the close of my remarks.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

WHERE REAGAN IS NO CONSERVATIVE

Should President Reagan be given the power he is seeking to veto individual items in spending bills passed by Congress? Today, he must veto, or threaten to veto, an entire appropriation bill to get at specific provisions he finds objectionable. Would an item veto give him a more effective weapon to reduce the deficit?

As a believer in the federal system, I was strongly inclined, by the example of 43 states that give their governors the item-veto power, to think the president should have similar authority. But as I began studying the issue, arguments from fiscal and constitutional conservatives made me understand this is not the simple proposition it seems.

The Senate opponents of the measure include two southern Democrats, Howell Heflin of Alabama and John Stennis of Mississippi, who served as judges in their states and are as consistent in their conservative interpretations of the Constitution as any two men in Congress. When Stennis says, as he did in debate last week, that giving this power to the president "would gradually destroy the legislative branch of this government," it is not prudent to disregard the argument.

The same thing is true about one of the most vocal opponents of the companion House measure, Rep. Mickey Edwards (R-Okla.). Edwards, a former law professor, has headed the American Conservative Union and is a longtime supporter of Reagan's. The last thing in the world he wants to do so thwart Ronald Reagan, but he has been conducting a furious correspondence and lobbying campaign with fellow-Republicans to persuade them that the line-item veto is a real Trojan horse.

Of course, presidents already have the power to veto appropriation bills, as they do any other form of legislation. But they must veto the whole bill and risk being overridden if two-thirds of the senators and representatives are persuaded that the bill, on balance, is a good one.

But if the president can single out an individual item in the comprehensive appropriation bill for veto, he is taking on only those legislators with a special interest in that item.

In Edwards' view, that "shifts the president's power from the level of persuasion to the level of blackmail." One of Edwards' arguments is that a future Democratic President—a Gary Hart, say—could use an item-veto to kill the MX missile or B-1 bomber program and could make the veto stick even if all 435 House members and 64 of the 100 senators thought that decision risked the nation's security.

For those who don't see great likelihood of a liberal Democrat's succeeding Reagan in the White House, Edwards appeals to the traditional legislative sense of power and prerogative.

And here, he and the more liberal Republicans such as Mark Hatfield of Oregon and Charles McC. Mathias of Maryland, who are leading the Senate opposition to Reagan's request, are certainly on sound political and constitutional ground.

Mathias provided an example in debate of what the shift might mean in his case. "For example," he said, "if President Reagan does not like my position on the issue of school prayer, and if he acquires the power to kill funds for the program that I have long supported to save the Chesapeake Bay . . . then the president . . . has a hostage.

"He can hold the Chesapeake for the ransom of my support . . . for state-sponsored prayer in school or any other subject that he might want my support on. . . . In my opinion it would destroy the balance that exists between . . . the executive and legislative branches."

That it would shift power is unquestionably correct. Whether the critics are right in saying it would "destroy the balance" and cripple the legislative branch is considerably less clear.

Oklahoma's governor has the item-veto power, backed by a requirement for a balance state budget, and yet Edwards concedes that its Legislature is hardly a toothless, enfeebled institution.

When Hatfield, a former governor of Oregon, was expounding on the "mischief" a presidential item-veto could bring, his Republican colleague Dan Evans, a former governor of neighboring Washington, said it hardly seemed "radical" to him for the national government to do what 43 states already do.

It is a close question, in my view. Experience might show that the item-veto power is no more malign in the hands of a president than it has been for governors. But these are not ordinary times. We have a budget deficit crisis and any president given this new power would be tempted to use it, as Hatfield said, for "radical" surgery. Much as I believe that the deficit needs to be cut, I am not convinced that it would be wise policy or healthy precedent for Reagan to be given a greater degree of unilateral power to determine how the cutting is done.

On balance, I think it best that he be forced to negotiate those decisions with Congress—and Congress with him—as the makers of the Constitution intended. On this issue, I think the conservatives are right, and Reagan is not voicing the conservative position.

LINE-ITEM VETO

Mr. DOLE. Mr. President, I have indicated that the line-item veto issue will remain with us, even though we did not succeed in proceeding to the bill on this occasion. But I want to take this opportunity to thank the distinguished Senator from Georgia, Senator MACK MATTINGLY, for his outstanding leadership on the issue.

It was Senator MATTINGLY who pursued the question of the line-item veto in the 98th Congress, and it was he who developed the concept of a 2-year legislative trial of the procedure by changing the definition of what constitutes an appropriation "bill" which the President may sign or reject. As a member of the Rules Committee, I was pleased to work with MACK MATTINGLY on his proposal, S. 43, and to help clear the way for the Rules Committee to consider the proposal. It is regrettable that the committee could not have given a favorable recommendation—but this battle is far from over.

Mr. President, Senator MATTINGLY understands the importance of the item veto as it relates to our budget problems. We simply cannot afford to pass up any new tool that can help us in the fight to reduce spending and budget deficits. The line-item veto is a very important tool in that fight, and I will continue working with Senator MATTINGLY to secure passage of this important proposal. I believe we—and he—ultimately will prevail, and I know President Reagan very much appreciates our efforts.

UNANIMOUS-CONSENT REQUEST TO WITHDRAW S. 43

Mr. DOLE. Mr. President, I ask unanimous consent that the motion to proceed to S. 43, the line-item veto, be withdrawn.

The PRESIDING OFFICER (Mr. MCCONNELL). Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. DOLE. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business not to extend beyond the hour of 2 p.m. with statements limited therein to 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

AGENDA

Mr. DOLE. Mr. President, we had a meeting with the President this morning at the White House. I thought I might give a brief report to my colleagues because we discussed what might be accomplished between now and the commencement of the so-called August recess.

The President's remarks were primarily directed at the budget, and his strong plea that we get a budget. That means a budget resolution. That means an agreement between Republicans, Democrats, House-Senate conferees, and he would like to have that done and out of here before we leave on the 2d of August. The President started off with that statement. It was discussed throughout the meeting with all of my colleagues who were there at the White House and the President ended on that note. So I think there is not much question about the President's feeling about the budget deficit. He also indicated that we should try to pass the farm bill before we leave on August 2. That is a view with which I strongly agree.

Many of us in wheat-producing States are getting a little frustrated about not knowing what the program is before the wheat is planted. There is still some hope that the Agriculture Committee can report out a bill if we can get consent to meet, which I understand is being objected to by the other side of the aisle. The farm bill is a matter of priority with the President of the United States. The American farmer deserves better than we are giving him by not passing a bill. We should have an opportunity to meet, report out a bill, do it today, bring it up tomorrow, and start the debate. So I hope there will be no further foot-dragging by either party, members of the committee on either side, thereby not permitting the Senate Agriculture Committee to meet.

In addition, the President mentioned the DOD authorization bill. I understand from the distinguished chairman of the committee and a member of the conference, Senator GOLDWATER, that what he thought was the likelihood of completion is now marginal. But if that could be completed, it would be very helpful.

Then there is the supplemental appropriations bill, which includes humanitarian aid for Nicaragua, funds for water projects, and literally hundreds of other items. We were advised, which came as a surprise to me and I think as a surprise to the distinguished chairman of the Appropriations Committee, that it is being held up because the Senate added 341 amendments. I find that hard to believe but I will check that with the distinguished chairman of the Appropriations Committee, Senator HATFIELD, That is the reason being given by the chairman of the House Appropriations Committee for not going to conference, that it was so loaded with amendments that it takes a while to sift through them. I assume if there were that many amendments, they must have been technical in nature, not substantive.

In any event, that may be the problem.

The President would like to complete action on that particular item, however.

That was, in essence, the conversation. The President looks good. He obviously has lost some weight. His voice is not quite as strong as it was. But it has only been 10 days since major surgery. I think everyone there probably agreed that he has had a remarkable recovery. Everyone there, Democrat and Republican, including the distinguished leader on the other side, wished the President well and wanted him to get well. We can argue about the issues when he gets to feeling better. We did not argue today. It was more of a pleasant exchange. It was a very good visit, lasting about 1 hour.

Mr. President, as I indicated before, it will be our intention at approximately 2 o'clock to turn to an original bill by Senator GRASSLEY dealing with equal access to justice. A rollcall vote is expected on final passage of the Grassley bill.

That will be followed either by the FTC authorization or by the Consumer Products Safety authorization bill, which should commence, hopefully, by 3 o'clock. I am not certain how long those matters will take.

We will announce this afternoon what our intention will be for tomorrow and Friday and what bills we hope to call up.

Mr. President, I noted the distinguished chairman of the Appropriations Committee is on the floor and has confirmed the suspicion I had, that the reference to 341 amendments is grossly overstated. In fact, they are technical, as I indicated. There is progress on the conference and that legislation may be before us before the week is out, I understand.

Mr. HATFIELD. Yes.

If the leader will yield, I will respond to the leader that there is a meeting going on after we finally got the House of Representatives to agree to appoint conferees, which was long delayed. We were ready to do business in the Senate shortly after we passed the supplemental. The House finally agreed to appoint conferees.

We came together in our first session the day before yesterday. We outlined the job at hand. We set the procedure in place to finish up that work. We hope to have a meeting this afternoon. Subcommittees have been meeting between the two Chambers. We expect to complete the supplemental by the end of the week. I believe we can move as well on the fiscal year 1986 bill. We had markups yesterday and we will have them again today and tomorrow. I will say to the leader we should have at least two of the fiscal year 1986 bills reported to the floor before the recess, perhaps three, and we will have completed the supplemental as well.

Mr. DOLE. I thank the chairman of the Appropriations Committee. At least we are planning on two and possibly three appropriations bills next week on our schedule.

Mr. BYRD. Mr. President, I understood the distinguished majority leader to state that he could not say when to expect the farm bill, but the Agriculture Committee had made a request to meet. At what time?

Mr. DOLE. Three o'clock.

Mr. BYRD. Has it been cleared on the side of the majority leader?

Mr. DOLE. Yes.

Mr. BYRD. I know it was cleared over here yesterday or the day before for action on one of those days.

Mr. DOLE. There was an earlier objection and when they discovered that Senator HELMS had to go to the hospital, they took off their objection.

Mr. BYRD. I would not describe it as that. It can be cleared on this side for the afternoon, I believe. I will check that.

Mr. DOLE. I hope we can clear it because we would like to proceed.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ANDREWS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. (Mr. COCHRAN). Without objection, it is so ordered.

AUTHORITY FOR COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY TO MEET

Mr. ANDREWS. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be authorized to meet during the session of the Senate on Wednesday, July 24, between the hours of 3 p.m. and 5 p.m. to mark up S. 616, the Farm bill and related issues.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. Mr. President, there is no objection on this side, I am happy to say.

Mr. ANDREWS. We appreciate that, I am happy to say to the Democratic leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ANDREWS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

TRIBUTE TO SENATOR MARK O. HATFIELD

Mr. WEICKER. I rise at this point to pay a special tribute to my chairman on the Appropriations Committee and dear friend, MARK HATFIELD.

His handling of the issue before us is indicative of both his political skills and the quality of the man. He grabbed onto an issue that few were eager to fight. He marshaled a formidable case against it and responsibly used the tools of the legislative process to carry the day. Throughout this debate he has been thoughtful, persuasive, and unfailingly gracious to ally and opponent alike. As such, this debate has been vintage HATFIELD.

Mr. President, in a word, he is the model of how a Senator should conduct himself in the best traditions of this body. I thank him and commend him for his leadership on this matter.

THE PLIGHT OF SOVIET JEWRY

Mr. TRIBLE. Mr. President, I rise today to draw attention to the ongoing persecution of Jews by the Soviet Union and its client states.

For years now, the Call to Conscience has served to remind the world that freedom is under assault in the Soviet Union. The fundamental right to worship God is under attack by the Soviet state. Jews who seek only to practice their faith suffer a wide range of abuses, ranging from simple harassment to outright imprisonment.

Persecution of this sort is an affront to the human conscience. It is an example of the manner in which the Soviets use fear as a tool of Government. It is also a forceful rebuke to those who would argue that the Soviet Union is "just like us."

The Soviets' oppression of the Jews is particularly poignant at this time. On August 1, we will mark the 10th anniversary of the signing of the Helsinki accords. With this agreement, the Soviets pledged to respect the rights of religious expression and free emigration. This was a solemn promise on the part of the Soviets, but it has been broken time and time again.

Jewish emigration from the Soviet Union remains at precipitously low levels, and the ranks of refuseniks in the U.S.S.R. continue to swell. Moreover, the Soviets are waging a growing campaign of anti-Semitism, and individual Jews continue to be singled out for particularly harsh punishment.

Let me cite just two examples. In December 1984, Uli Edelshtein was sentenced to 3 years in prison camp after being charged with illegal drug trafficking. Edelshtein had earlier applied unsuccessfully to emigrate to Israel; he is said to have irritated Soviet authorities further by teaching Hebrew without official authorization.

Also in December 1984, Yosef Bernstein was sentenced to 4 years in prison for allegedly resisting arrest. Yet, his sole offense was his persistent effort over the past 5 years to emigrate to Israel with his wife, Faina. He is reported to have suffered severe damage to one eye after being attacked by two other inmates upon his arrival at prison.

These are but 2 of the estimated 2½ million Jews in the Soviet Union, all of whom are subject to the hostility of the Soviet regime. The United States and other free nations must make every effort to ease the plight of the Soviet Jews.

The upcoming summit meeting between President Reagan and the Soviet leadership offers an opportunity to address this urgent issue. Recently, I and many of my colleagues wrote to the President asking that, during his meetings with Mikhail Gorbachev and others, he question the Soviets' continued persecution of the Jews and press for the freedom of Edelshtein, Bernstein, and other prisoners of conscience. It is imperative that we pressure the U.S.S.R. to halt this heinous practice, and I ask unanimous consent

that a copy of the letter to President Reagan be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC, July 19, 1985.

President RONALD REAGAN,
The White House,
Washington, DC

DEAR MR. PRESIDENT: We urge you to take advantage of your upcoming summit meeting with Mikhail Gorbachev to address the Soviets' persecution of Jews, Christians, and other religious believers.

As you know, the Soviet Union's attempts to suppress religious activities have been unrelenting. Despite its participation in the Helsinki Accords and other international human rights agreements, the U.S.S.R. steadfastly opposes most expressions of religious faith.

Repression by Soviet authorities not only limits the opportunity for worship, but also severely restricts access to religious instruction and religious texts. Moreover, the Sovets continue to imprison believers solely for practicing their faith.

The upcoming Soviet-American summit offers an opportunity to express America's outrage over the anti-religious policies of the U.S.S.R. In this, his first meeting with an American President, Mr. Gorbachev must be made aware that our commitment to religious freedom for people everywhere remains strong and steadfast.

The ongoing plight of Andrei Sakharov and Anatoly Shcharansky bears witness to the Soviets' hostility toward religion. So, too, does the persecution of Uli Edelshtein, Yosef Bernstein, Balys Gajauskas, Anna Chertkova, and countless others.

The release of these and other prisoners of conscience would be a welcome step toward improving Soviet-American relations. We urge you, during your meetings with Mr. Gorbachev, to press vigorously for these and other prisoners' freedom, and to argue for an end to Soviet persecution of all religious believers.

We pledge you our support in this important task.

Dick Lugar, Paul Trible, Rudy Boschwitz, Jeremiah Denton, Warren B. Rudman, Mack Mattingly, J. J. Exon, Steve Symms, Don Nickles, Frank H. Murkowski, Gary Hart, Lawton Chiles, Strom Thurmond, Thad Cochran, David L. Boren, Paul Sarbanes, Frank R. Lautenberg, Dave Durenberger, Larry Pressler, Albert Gore, Jr.

A GREAT DAY OF CELEBRATION—JULY 24

Mr. HATCH. Mr. President, Utah is a unique State in that it recognizes two significant dates in its history: Admittance to the Union as the 45th State on January 4, 1896, and the founding of the Salt Lake Valley and subsequent settling by the Mormon pioneers on July 24, 1847.

I am sure most of you are familiar with the story of the Mormon pioneers; it is a remarkable one. It is a story of extreme hardship and difficulty endured by a people who were persecuted for their religious beliefs. In a country founded upon and governed by principles of freedom and opportunity, the Mormons were forced by those who hated them to seek a better life elsewhere.

It was autumn in 1846 when the Mormons first began their preparations for the 1,000-mile trek across the plains from Missouri to the western frontier. Under the guidance of their capable leader, Brigham Young, they sought refuge in the isolated, desolate desert far from their enemies. They left under adverse circumstances and the journey was a long, difficult one. The winter was bitter and costly for many of those early pioneers, yet they continued to forge on—many with their families and loved ones buried behind them.

In April 1847, Brigham Young set out in search of a settling place with an advance party consisting of 143 men and 3 women, and some 70 wagons, 90 horses, 52 mules, 66 oxen, 19 cows, and dogs, chickens, seed, implements, and a 6-pound cannon. And, on July 23, Brigham Young ventured from the trail to a point of elevation where he could view the Great Basin of Salt Lake. It was there that he gazed into the barren, desolate, desert land which he predicted would one day rise to prominence in the West and blossom as the rose and declared, "Enough. This is the place. Drive on." One day later the pioneers entered the Salt Lake Valley.

Today, Salt Lake is Utah's capital and largest city and it is considered the "crossroads of the west." It is a thriving vibrant business and family community, and that same pioneer spirit which was first manifest in the 1840's has been kept alive for 138 years and is still present today. Salt Lake and its surrounding valley stand as a monument to the early pioneers who sacrificed to secure religious freedom and the chance to live their lives free from persecution and religious intolerance.

July 24 is a great day of celebration in Utah and it is also a day to celebrate for me personally. You see, my ancestors were some of the early pioneers in Utah, themselves having endured much hardship in settling the valley—and it is also the day my parents were married 62 years ago in 1923.

S. 1486—INTRODUCTION OF THE EQUAL COMMERCIAL CREDIT

Mr. DURENBERGER. Mr. President, when I introduced the Economic Equity Act on May 20, 1985, I did so with a strong commitment to eliminate barriers which limit women's full participation in our society. The bill being introduced today represents a perfect example of the historical purpose for the Economic Equity Act.

Mr. President, the purpose and intent of the Equal Credit Opportunity of 1972 was to make credit equally available to all credit customers free of discrimination on the basis of sex, race or marital status. Business and commercial credit transactions were not exempted from the law. Despite the existence of the Equal Credit Opportunity Act of 1972 misinterpretation of current law creates barriers which limit talented women, who possess the potential to be successful, tax paying citizens. In some cases a woman is still required to produce a spouse to participate in the process even when the woman clearly has established sufficient collateral and meets all other financial requirements. Still others are encouraged to remain dependent on their spouses and in some cases remain dependent on the Federal welfare system. I am pleased to see organizations such as Minnesota based, Women's Economic Development Corp., a private nonprofit organization providing a vehicle for women entrepreneurs to develop, refine and pursue their own businesses. Through WEDCO hundreds of women have profited from its resources.

The Equal Credit Opportunity Act of 1972 should provide equal protections for women however, commercial and business loans do not appear to provide those protections as they are currently interpreted. The Equal Credit Opportunity Act of 1972, prohibits a creditor from asking about an applicant's sex, race, color, and national origin. It also restricts creditors from asking an applicant personal questions unrelated to the specific merits of the loan and which specifically discriminate against women. The act restricts a creditor's ability to seek information about an applicant's spouse and assures that each credit worthy individual can obtain separate credit. Current law prohibits discrimination and sets forth penalties against such practices.

Currently, 11 different agencies have enforcement of the act with respect to the lenders they ordinarily regulate. The Federal Trade Commission enforces the act with respect to lenders not specifically assigned to one of the other agencies. Those agencies include: The Board of Governors of the Federal Reserve System, Securities and Exchange Commission, National Credit Union Administration, Department of Agriculture, Federal Deposit Insurance Corporation, Federal Home Loan Bank Board, the Small Business Administration, and others. This bill makes it explicit that a double standard one for "businessmen" and one for "women" is unacceptable and contrary to congressional intent.

This bill amends the Equal Credit Opportunity Act to clarify its application to business and commercial loans. It will make explicit that rules should be applied by a uniform standard without regard to sex, race, or marital

status. This measure will make a significant impact in ending the barriers which render women as second class citizens under the law. Women who demonstrate talent and ability should be given the opportunity for self-sufficiency. The Government should not support a system which promotes discrimination or dependency in any form.

Mr. President, I commend Senator DOLE for chief sponsorship of this separate provision of the Economic Equity Act.

SPACE EXPLORATION DAY

Mr. GLENN. Mr. President, I am pleased to recognize the contributions of so many individuals who have devoted time and effort to a movement which most people today take for granted—that of space flight. In this age of the space shuttle we should remember that it was not too long ago when getting a small rocket launched was a major event. Thus, recognizing today as "Space Exploration Day" is fitting and very important to past achievement in this area.

For those of us who were involved so deeply at the beginning of humankind's space venture, it is gratifying that we have come so far so fast. Our task with regard to future space venture should include its usage for enhancing our ability to do scientific research, to locate natural resources, to communicate with others on this globe, to understand and predict natural phenomena, and to make materials with properties not achievable on Earth.

But this exploitation of space, important as it is, is not the only reason for a strong space program. For all of us who care about space, it represents the modern frontier for national adventure, for extending man's reach into the unknown, and for getting closer to answering the ultimate question.

While it is tempting to completely romanticize space activities, it is important to recognize that space has its practical applications as well. In an age of budget and resource limitations, we must be hardheaded about our goals and the costs entailed in reaching them. Space activity should be a goal of enhancing our physical, intellectual, and material progress.

If the United States is to maintain its high standing in space exploration and competition, we shall need imaginative leadership to solidify and extend previous gains. We must be clear as to what our goals are, and we must develop the infrastructure to reach those goals. That will include continuing substantial support for basic research and development, an activity that will aid not only our space program, but our economic competitive position in the world.

I wish to congratulate those people who have contributed to a successful air and space program, and challenge those who aspire to be tomorrow's aviation and space pioneers to reach for new levels of achievement that will make the next quarter century as exciting as the past one.

A TRIBUTE TO MARION "SIS" GRANT

Mr. HEFLIN. Mr. President, I would like to take this opportunity to share with my colleagues the story of a remarkable woman. I am talking about the late Marion "Sis" Bankhead Grant, who fought many battles for the retarded citizens of Walker County, AL.

On April 15, 1985, the Walker Association for Retarded Citizens complex was renamed the Marion "Sis" Bankhead Grant Center, for Mrs. Grant's years of dedicated service to the organization. The announcement was made during WARC's annual awards banquet. "Because of her love and hard work for the complex, the WARC's board of director named the center in honor of the late Mrs. Grant as a way of saying thanks," said Leonard Zakarin, executive director. The center, which Mrs. Grant's sister recalls was "the closest thing to her heart," houses the adult activities center and Skills Unlimited. Many plans are also being made to expand the center.

Mrs. Grant devoted her life to helping those less fortunate than she. She served as president of the WARC for 3 years, until the time of her death. The entire county noted her selfless devotion to the ongoing cause of serving the needs of the mentally retarded, and her abundant love and joy in such service was ever apparent to all who knew her.

Mrs. Grant is a member of the famous Bankhead family of Alabama and was a very successful person in her own right. She was the executive for a very successful chain of radio stations in Alabama. Her contributions to the cultural and civic improvement of Jasper and Alabama were immeasurable.

Mr. President, we hope all who work with our retarded citizens are as dedicated as Mrs. Grant. I hope that all who see the Marion "Sis" Bankhead Grant Center will be reminded of her lasting contributions to such a worthy cause.

Mr. President, I ask unanimous consent that an article from the Daily Mountain Eagle concerning Mrs. Grant and the building's dedication proclamation be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

WARC COMPLEX NAMED FOR GRANT

(By Linda Baker)

SUMITON.—As a commemorative remembrance, the Walker Association for Retarded Citizens complex has been renamed the Marion "Sis" Bankhead Grant Center.

The announcement was made Monday night during WARC's annual awards banquet at Jean's Restaurant.

Because of her love and hard work for the complex which houses the adult activities center known as Skills Unlimited, the WARC's board of directors named the center in honor of the late Mrs. Grant, as a way of saying thanks, said Leonard Zakarin, executive director.

Mrs. Grant was serving her third year as president of WARC and had been on the board for four years.

"Im thrilled to death about it. It will be a perpetual thing," said Zakarin about the center located near the intersection of Alabamas 5 and 195.

He read the proclamation, which read in part, "Whereas, we the members of the board of directors of the Walker Association for Retarded citizens, were privileged to serve with Marion 'Sis' Bankhead Grant, as president of our association and whereas her outstanding contribution in such capacity her selfless devotion to the ongoing cause of serving the needs of the mentally retarded citizens of Walker county and her abundant love and joy in such service was ever apparent to us and to all who knew her . . . we wish to make known to all who came before us, to all who succeed us in office and in membership, and to all who share our goals, that we desire that her name and her contribution be forever remembered and that our appreciation be expressed in a lasting manner . . ."

"This was the closest thing to her heart," Barbara Oliver, the late Mrs. Grant's sister, said about the center.

"This is a wonderful honor bestowed upon my wife. I'm proud of the things she did for this association. My family and I all appreciate it very much, said Bill Grant, the late Mrs. Grant's husband.

Plaques were presented to Bill Grant, Mrs. Oliver, sons Alec and Walter Grant, and brother John Bankhead.

PROCLAMATION

Whereas, we the members of the board of directors of the Walker Association for Retarded Citizens, were privileged to serve with Marion "Sis" Bankhead Grant, as president of our association, and

Whereas, her outstanding contribution in such capacity, her selfless devotion to the ongoing cause of serving the needs of the mentally retarded citizens of Walker County, and her abundant love and joy in such service was ever apparent to us and to all who knew her, and

Whereas, we wish to make known to all who came before us, to all who succeed us in office and in membership, and to all who share our goals, that we desire that her name and her contribution be forever remembered and that our appreciation be expressed in a lasting manner.

Now, therefore, we, the said board of directors of the Walker Association for Retarded Citizens, in special session sitting, do hereby unanimously.

Resolve: That the Walker Association for Retarded Citizens Complex, which now houses our adult activities center, Skills Unlimited; and any and all future programs, additions to this complex, acquisitions of

properties and/or buildings, wherever situated under our service domain, be named the Marion "Sis" Bankhead Grant Center, with gratitude and in her honor.

Dated at Jasper, Walker County, Alabama, this 15th day of April, 1985.

A TRIBUTE TO DORA WINTERS

Mr. HEFLIN. Mr. President, today I would like to share with my colleagues a story of true dedication and selflessness. I am referring to Mrs. Dora Winters of Bryant, AL, who was recently honored by the Alabama State Legislative for her work with the Retired Senior Volunteer Program.

Mrs. Winters typifies the ideals set forth by the RSVP Program. Her loyalty, selflessness, and devotion to the program is well known by all who work with her. She volunteered 897 hours during 1983-84, even though she missed 2 months of work when she had surgery. She coordinated attempts to weatherize the homes of elderly in Jackson County, even to the extent of neglecting repairs on her own home. She also keeps the community informed about RSVP functions and is constantly involved with the lonely and depressed in her area.

Mrs. Winters has served as coordinator for the Bryant area RSVP for the past 8 years. She also served as the energy conservation coordinator during the 50th anniversary year of TVA. Her normal volunteer work includes cheese distribution and organization of transportation and workers. She also makes doctor appointments for those people without phones, arranges transportation for those without cars, cooks meals when needed, and offers support to anyone who is troubled. Mrs. Winters, despite all her work for the RSVP, never asks for any type of compensation, money or otherwise.

RSVP Director Virginia Harden calls Mrs. Winters the organization's most active volunteer. She is also active in the county's political activities, and stays informed about all political viewpoints concerning the elderly, and ways to better life in the county. Mrs. Winters works for her community with a "zest not many of us are fortunate to experience for one day in our lifetime," says Harden.

Mr. President, I ask unanimous consent that an article concerning Dora Winters in the Valley Voice be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WINTERS WINS STATE RECOGNITION FOR SERVICES

The Alabama State legislature recently honored Mrs. Dora Winters of Bryant, Ala., for her volunteer work with the RSVP (Retired Senior Volunteer Program) and Jackson County during her lifetime.

Representative Ben Richardson presented Winters with a resolution signed by Governor George Wallace at an RSVP covered dish luncheon on May 17 at Caldwell Park.

Born in November of 1909, Winters joined RSVP on June 2, 1977. She worked 897 hours during 1983-84, even though she missed two months of work when she had surgery.

Winters has been the Bryant area coordinator for RSVP for the past eight years.

She also served as the energy conservation coordinator during the 50th Anniversary TVA grant year, when RSVP handled a $3,000 grant for weatherization in Jackson County.

Winters worked setting up meetings, finding needy people, preparing food for workers and making numerous phone calls concerning the program.

She needed repairs on her own home during this time, but according to RSVP, she never mentioned it to anyone.

Her normal volunteer organization includes cheese distribution and organization of transportation and workers.

She also makes doctor appointments for those people without phones, arranges transportation for those without cars, cooks meals when needed and offers support to anyone who is troubled. She never asks for any compensation, money or otherwise.

Winters keeps the community informed about RSVP functions and is constantly involved with the lonely and depressed in her area. According to RSVP director Virginia Harden, she is the organization's most active volunteer. She is also active in the county's political activities. She is well informed about all political viewpoints concerning the elderly, social services, schools and ways to better life in the county.

Winters works for her church, community, friends and people in general with a "zest not many of us are fortunate to experience for one day in our lifetime," said Harden.

THE NEED FOR QUICK ACTION ON FARM BILL

Mr. NICKLES. Mr. President, with the 1985 farm bill still in committee, Oklahoma farmers are once again in the dark about the coming year's farm programs. There is little question but what our Nation's agriculture industry is suffering under one of the most difficult times in history. Farmers have been placed against the wall by low commodity prices, falling land values and interest rates that remain high for them while declining for the rest of the economy.

Farmers have operated for the past 4 years under farm programs that have failed in a number of areas. They failed to provide an adequate income protection for the family farmer despite record amounts of money poured into the programs. They have failed to hold down production and in fact, had many built-in incentives to produce beyond our ability to consume and export.

One month ago, farmers in my State of Oklahoma finished harvesting this year's winter wheat crop. Right now, they are in the fields cultivating and applying fertilizer. Come September, the 1986 crop will be going in the ground.

No doubt, writing a farm bill that will improve farm income during times of budget constraints is no easy task. But, if Congress does not act quickly on the farm bill, winter wheat farmers will end up the biggest losers. As I mentioned, these are trying times for American agriculture. In order to cut production costs, farmers reduce tillage and fertilizer on set-aside acreage. However, farmers will not be able to maximize these savings on the 1986 crop without having full knowledge of program details.

With this in mind, I offer a word of encouragement to the Agriculture Committee in hopes that the farm bill or at least the wheat section of the farm bill will be placed before the Senate for consideration prior to the August recess.

NO TAX ON PERMANENT LIFE INSURANCE

Mr. PRESSLER. Mr. President, I am extremely pleased to join as an original cosponsor of Senate Resolution 199, which expresses the sense of the Senate that the final tax reform plan adopted by this body should not contain a provision to impose a tax on the annual increase in the value of permanent life insurance.

Virtually everyone agrees that tax reform is a worthy and important goal. I wholeheartedly share this position. However, meaningful tax reform should ultimately make our Tax Code simpler and fairer. I believe that a tax on what is known as the inside buildup of life insurance policies accomplishes neither of these objectives.

For the first time in our history, we are considering an age-indexed tax—one which would grow heavier with each passing year. Because the cash value of these policies increases each year, the tax would also increase. It is conceivable that the income tax payable by older policyholders might even exceed the policy's annual premium. Families with moderate and middle incomes would also be adversely affected. In 1983, 66 percent of the permanent life insurance policies were purchased by individuals with incomes under $25,000 a year.

Mr. President, I think this is an excellent point. We are not talking about the superrich. We are talking about people who have relatively low incomes and wish to protect their families.

This proposal also fails to accomplish simplicity. Instead, it would require extensive recordkeeping for life insurance companies and policyholders. While it is yet unclear what type of records would be required, from past experience it is extremely possible that in many cases, the reporting and recordkeeping expenses of insurance companies and the Government's

administrative costs would approach or exceed the tax collected. Whatever the cost, this proposal would add more, not less, complexity to our code.

Let us look for a moment at the reasons the administration offers in support of this tax. First, Treasury maintains that earnings on comparable investment products generally are not tax-free or tax-deferred. This is not true for assets which are, in fact, comparable to traditional life insurance. For instance, gains attributable to ownership of a house, livestock, grain, and shares of stock are not taxed until the gains are received upon their sales or exchanges. Taxing the unrealized appreciation of an individual's life insurance policy is truly unprecedented.

The second major argument made by Treasury is that this tax is necessary because the tax-favored treatment of inside buildup encourages individuals to save through life insurance companies rather than through other financial institutions, even though they may not need the additional coverage.

A Gallup Poll asked respondents to assume they had an unexpected $1,000 or $10,000 to add to their savings or investments. Only 3 percent chose life insurance for the extra $1,000 and less than one-half of 1 percent chose this investment for the extra $10,000. Other studies show that less than 5 percent of permanent life insurance policies are owned by individuals with family incomes in excess of $100,000. High income persons hold much smaller portions of their liquid assets in life insurance policies than do middle-income persons. However, this insurance offers vital protection to millions of families.

During 1983, South Dakotans purchased over 4.5 billion dollars worth of new life insurance and paid almost $2 million in premiums. Nationally, permanent life insurance policies paid out over $7 billion in death benefits during 1983, with approximately 63 percent going to surviving wives and children.

For generations, our Nation's tax laws have been designed to encourage people to provide for their own long-term financial security through the private insurance system. This proposed change in tax policy is contrary to the administration's policy of encouraging individual and family self-reliance. This proposal would end the viability of traditional life insurance in the marketplace. Reducing this life insurance protection will reduce overall financial security and increase the need for other forms of assistance, such as Social Security and other Government programs. Clearly, this is an undesirable effect.

How much revenue would be raised through this new tax? Treasury estimates no revenue until 1990 and then only $200 million. However, this figure assumes there would be no change in the amount of permanent insurance purchased if inside buildup were taxed. A survey just conducted found that 83 percent of the respondents felt a tax on permanent life insurance would make the product less desirable. Thus, Treasury's estimates become extremely suspect.

Everyone wants a tax system that is simple and fair for all Americans. However, the proposal to tax life insurance policyholders is neither simple nor fair. If the administration's proposal becomes law, it would produce virtually no income, while destroying a product important to the financial security of millions of Americans. I urge all of my colleagues to oppose this unfair and dangerous tax.

RECOGNITION FOR A DISTINGUISHED JURIST

Mr. BYRD. Mr. President, the Association of Trial Lawyers of America has recently announced its selections to receive the 1985 Judicial Achievement Awards. These annual national awards for judicial excellence will be presented to four judges from jurisdictions across the country at the 1985 ATLA Convention in Chicago later this month.

The four judges were selected from nominations made by association members and State trial-lawyer affiliates throughout the United States. In announcing the names of the 1985 winners, ATLA president, Scott Baldwin, said:

> These four distinguished jurists have made superb contributions to improving the quality of jurisprudence in America's civil-justice system. They have shown talent for innovation, compassion for victims in our society, and a determination to preserve the rights of those victims.

I am gratified to note that this year's Outstanding Appellate Judge Award is being presented to the Honorable Judge Kenneth K. Hall of Charleston, WV, a judge on the U.S. Court of Appeals, Fourth Judicial Circuit, composed of the districts of Maryland, North Carolina, South Carolina, Virginia, and West Virginia.

In making its decision to name Judge Hall for this year's award, the ATLA—with 60,000 members, the world's largest trial-bar association—stated that:

> In black-lung cases, Judge Hall is renowned among practitioners for his pioneering work in creating a body of law that assures that coal miners and other workers eligible for disability benefits will receive those benefits in a reasonable period of time.

Judge Hall's judicial career spans 30 years. A native of Boone County, WV, Judge Hall served in the U.S. Navy during World War II, and was awarded his J.D. degree from the West Virginia University College of Law in 1948, prior to beginning his legal practice. For 18 years, he was a West Virginia trial judge, and for 5 years, a Federal district court judge. In 1976, he was named to the U.S. appellate court. His numerous opinions on black-lung and Social Security disability claims demonstrate a steady elimination of unfair rules and procedures and a concern for workers who suffer injury or disease because of their jobs.

Two landmark opinions, Petry versus Califano (1978), and Hubbard versus Califano (1978), compelled the Secretary of Health, Education, and Welfare to evaluate the evidence rather than merely give a conclusory statement to the court when the Government denied benefits to a claimant. As a result, benefit awards to claimants at the administrative level have increased.

Other rulings by Judge Hall halted the practice of the Government's routinely accepting the opinions of consultants over those of claimants' physicians, for example, Souch versus Califano (1979), and for the first time in the appellate review process Judge Hall insisted that the court look at the realities of life in the coal mines and the workplace. For example, in Higginbotham versus Califano (1979), he ruled that the fact that a disability claimant does housework does not disprove a claim.

In summary, Judge Hall is highly regarded in the legal profession for the dramatic changes he has made in the procedures for review of benefits claims on appeal. He has insisted that the spirit, as well as the letter, of the statutory law be applied, and that common sense and decency be an integral part of the administrative and judicial review process.

For many years, I have been a friend and admirer of Judge Hall, and I was originally responsible for submitting his name for consideration for nominations to the Federal district and appellate benches. I congratulate Judge Hall on receiving this new recognition from the Association of Trial Lawyers of America, and I know that, being named 1985 Outstanding Federal Appellate Judge, presages an even more significant judicial career for him in the years to come.

[From the Charleston Daily Mail, July 23, 1985]

HALL GETS TOP APPELLATE JUDGE AWARD

(By Ron Hutchinson)

"I'd like to tell all those lawyers how happy they made a country boy from the hills of West Virginia."

With a statement that was spiced with homespun humor. U.S. Circuit Judge K.K. Hall yesterday accepted the achievement award from the American Trial Lawyers Association as the top federal appellate judge in the United States.

Hall was selected from all federal appeals judges to receive the award from the 60,000-member legal group. Hall, a federal judge for 13 years, had been scheduled to receive the award in Chicago during the ATLA con-

vention but a family illiness prevented him from attending the meeting.

Charleston attorney Stanley Preiser presented the award to Hall in ceremonies before a standing room only audience in the federal courthouse. The presentation was videotaped and will be shown at the ATLA meeting.

Calling Hall "a judicial superstar," Preiser said the judge's rulings in Social Security and black lung cases "have made the courts look at the realities of the coal mines and workplace."

Attorney Barbara Fleisher, who along with lawyer Monty Preiser nominated Hall for the award, said "The working person knows he has a real friend on the court."

In his comments. Hall praised the late Dr. I.E. Buff, former U.S. Sen. Jennings Randolph and U.S. Sen. Robert Byrd for their efforts in getting federal black lung legislation approved by Congress.

Hall likened the award to the definition of serendipity. "It is a pleasant surprise that you weren't looking for, and this is certainly a pleasant surprise for me."

Hall added, "A judge, in looking to the federal law, must determine not is it good for the country or is it pleasing, but, is it constitutional? If it is, then enforce it."

Hall became a state circuit court judge in Boone County in 1953 and was appointed as a U.S. district judge by President Nixon in 1971. In 1976, Hall was elevated to the 4th Circuit Court of Appeals in Richmond, VA. and he still maintains judicial offices in Charleston.

THE BOISE CASCADE EVOLUTION

Mr. SYMMS. Mr. President, the Idaho statesman, which covers Boise and most of central and southwestern Idaho, carried in its June 23 edition an interesting article on Boise Cascade Corp. I ask unanimous consent to have this article printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. SYMMS. Mr. President, we in Idaho are very proud of Boise Cascade, a corporation formed in Boise in 1957 by the merger of two regional lumber companies. From a modest start it has grown to be one of the 125 largest firms in the Nation with gross sales of $3.8 billion in 1984. The corporation currently employs about 27,600 people in operations from Oregon to Maine.

At its inception, the corporation owned significant acreages of timberland in Idaho and Washington. In order to most effectively utilize this timber base and its existing facilities, the firm immediately entered the paper field. It has remained basically a wood products company, shifting its emphasis from solid wood to paper products.

One of the reasons for Boise Cascade's success has been solid, progressive management. Board Chairman John Fery has been with the firm almost from the beginning and is recognized as one of the Nation's top executives.

Boise Cascade has been a good neighbor and a good citizen. Its operations illustrate that it is not only practical but profitable to utilize natural resources in an environmentally acceptable manner.

Idaho is a resource-dependent State and it's heartening to see a resource-based company like Boise Cascade evolving with changing conditions while continuing to make major contributions to society.

EXHIBIT 1

[From the Idaho Statesman, June 23, 1985]

THE BOISE CASCADE EVOLUTION

Following a record number of buys, sells and shutdowns of operations during the past 18 months, Boise Cascade has a different profile.

While the Boise-based company has been evolving from a traditional wood-products firm to a paper company for years, a recent restructuring of operations has accelerated the trend.

"I view 1984 and the first few months of 1985 as being pivotal," Chairman and Chief Executive Officer John Fery said at the company's annual meeting. "As a result of actions taken, Boise Cascade looks somewhat different than it did a year ago," he said.

The most obvious effect of the actions is to make Boise Cascade more of a paper company and less a building and wood-products company.

About 80 percent of company revenues this year are expected to come from paper and paper-related businesses, compared with 20 percent from wood and building products. Last year, the mix was 70 percent paper and related products and 30 percent building products.

That trend has been emerging since the late 1950s, when Boise Cascade entered the paper business. But the flurry of buys, sells and closures during the past 18 months has dramatized that trend.

During the second half of 1984, Boise Cascade closed three unprofitable wood-products manufacturing plants on the Washington and Oregon coasts and a large hardboard plant in Minnesota, although it left the four Idaho wood-products plants intact. The company closed or sold dozens of building materials distribution centers, including one in Nampa.

That retrenchment in wood and building products prompted the company to take an $88 million pretax charge from its 1984 earnings.

While Boise Cascade reduced its operations in building and wood products, it spent $195 million to purchase sole ownership in Boise Southern Co., which it shared equally with another company.

The primary reason for the acquisition was a Louisiana pulp and paper mill, which was expected to boost Boise Cascade's total paper production by 13 percent, company officials have said.

While the Boise Southern purchase and wood and building products restructuring were two key events last year, the list of buys, sales and closures seems endless. The company purchased six corrugated-box plants and left the envelope business.

Even by Fery's estimation, the purchase, sale or closure of more than 90 operations during the past 18 months was a record. He considers the last half of 1984 and the first few months of 1985 the most significant.

"It became a very important period for the company—not by design—but by coincidence," he said.

He said the buys and sells were consistent with the company's strategies, but they were coincidentally completed during a short period of time.

"Some of these things we had been talking about for a year or more, but they finally came to fruition," he said. "Surprised? No. Delighted? Yes."

"I am delighted with the opportunities.

I think the company today is very well positioned for the future," he said.

Fery said the acquisitions and decisions were based on company strategies developed more than 10 years ago to focus on businesses that provided the best growth opportunities.

As a result, the company turned to paper and paper-related businesses because they were less cyclical than the wood-products business and demand was growing rapidly.

Boise Cascade specifically concentrated on writing, publishing and business papers, such as those used for business forms and computer printouts, and expanded its office products network throughout the United States. It also emphasized corrugated containers, such as cardboard boxes, and composite cans that are used for everything from a quart of oil to Pringles potato chip containers.

The strategy worked. Said Fery: "We have gone from being zip in paper in 1957 to the fifth largest pulp and paper producer in the U.S. I think we are the fastest growing paper company in the U.S.

He sees more growth in the future in the paper and paper related businesses, which either grow at the rate of the economy or exceed the growth. Fery projects fast growing areas in the future will be computer printing paper, white paper, business forms, copy paper and others.

To prepare itself to compete in those areas, Boise Cascade has spent more than $3 billion to expand and ungrade facilities—primarily in paper and paper-related fields—during the past decade and spent $651 million for capital investments in 1984 alone.

Part of the cash needed for recent and future investments was freed up by selling building materials centers, an envelope division and a pulp mill in Canada—operations Fery thinks will be less profitable in the future.

Those realignments and growth trends have prompted some to question how viable Boise Cascade's wood and building products operations are and what its future is in the Northwest.

During the past five years, Boise Cascade growth has been concentrated east of the Mississippi River, while it has reduced some operations in the Northwest.

Its Northwest wood-products operations, which once supplied wood for the entire United States, now serves primarily a western market. Boise Cascade has started to manufacture wood products closer to the booming Sunbelt communities to capture a growing market and to avoid high transportation and labor costs, Fery said.

Growth in paper, office products, composite cans and corrugated containers has been faster in the east, although Boise Cascade has those types of operations in the west. For example, its paper mills are primarily in Maine, Washington, Oregon, Louisiana, Minnesota and Canada. Corrugated container plants are located coast-to-coast and include two in Idaho—Burley and Nampa.

Despite the growth in the South, Fery said: "We have not abandoned the Northwest."

He recently responded to some of the questions about Boise Cascade's decisions to retrench in its Western wood and building products operations and gave his views on Boise Cascade's future in the Northwest. Some of his answers follow.

On consolidation of wood and building products businesses: With the strong U.S. dollar and Canadian wood imports, "business is damn tough."

"We think there is far too much (wood-products manufacturing) capacity. Therefore some capacity has to go down, and we will take our share.

"Even when you get that capacity in balance, it will continue to be a highly cyclical business. And we want less of our company vulnerable to the cyclicalities of that business. But, we do see some good years in the future in this (wood-products) business. I just can't tell you when."

On future shutdowns of plants: "We have no plans today for further curtailment or shutdown of wood-products manufacturing facilities in the Northwest. We think we have taken the steps that are necessary in reducing marginal capacity. We think the future of the Northwest wood-products business—including our own—is largely dependent on the eventual balancing of supply and demand."

On wood-products employment: "We are operating today with 2,000 less people than we were five years ago . . . in the wood-products manufacturing business, and manufacturing not much less product. That's the interesting thing."

With increased automation, "We are operating with a lot fewer facilities, but we are not a whale of a lot smaller in terms of our manufacturing capability."

Idaho wood-products employment dropped from 1,382 in 1980 to 715 in 1985, primarily due to automation and shift consolidation, company officials say.

On the future in the Northwest: "As a practical matter, more of our company today is east of the Mississippi River than west. So if we just continue to maintain and expand from our present bases, there will be more growth (in the east than in the west) because we have got more to expand from.

"That will not foreclose our growing here (in the west) too. We have not said: 'Hey, let's cross this off.' . . . Our plans in the West are to grow in paper, to grow in packaging and to grow in office products to serve Western markets."

On future headquarters location: "There is no logical place (to locate Boise Cascade's headquarters) if you look at the U.S. You could say go to New York because that's where the financial community is. You could say go to Chicago or St. Louis because that's kind of the middle of the hub.

"Anyplace we go will have some advantages over Boise and some disadvantages. My point of view is we are here, and there is a cost associated with moving that I would prefer not to bear.

"And we like the living environment of Idaho and Boise, Idaho, and our people do. . . . We have no plans to leave. We would have to travel to someplace else no matter where we go, and we do think this valley offers a good living environment. We will work to improve that. But, we like it here."

TRANSACTIONS

Boise Cascade has made the following transactions:

Facility	Transaction dates
Buys:	
Purchase of joint venture partner's interest in Boise Southern Co., including 5 plants and timberland in Lousiana and Texas.	December 1984.
6 corrugated container plants in Alabama, Illinois, Indiana, Kentucky and Tennessee.	November 1984.
2 office products distribution centers and a retail store in Missouri, Kansas and Texas.	October and December 1984.
Wood chip plant and timberland in Maine.	September 1984.
Sells:	
Pulp mill and timberland in New Brunswick, Canada.	May 1985.
4 envelope plants in New York, Ohio and Pennsylvania.	March 1985.
40 wholesale and retail building materials centers in Oklahoma, Texas, Utah, Washington and Kansas.	September 1984 to June 1985.
Closings:	
Envelope plant in Illinois	March 1985.
Hardboard plant in Minnesota	December 1984.
3 wood-products plants in Oregon and Washington.	October 1984.
24 wholesale and retail building materials centers in California, Colorado, Idaho, Oklahoma, Oregon, Texas and Washington.	March 1984 to June 1985.
Openings:	
Office products distribution center in Ohio.	October 1984.
One plant to produce metal for composite cans in Maryland.	February 1984.

PROFITS MAY DOUBLE

Analysts expect Boise Cascade's profits at least to double this year, following a substantial restructuring of the company's wood and building products operations last year.

In 1984, Boise Cascade earned $2.23 a share—up from the previous year—despite an $88 million pretax charge that reduced earnings by $2.07.

Analysts predict earnings will soar in 1985, although not as high as the company's peak in 1979, when earnings per share were $6.48.

Merrill Lynch estimates earnings of $4.45 a share in 1985, and Prudential-Bache Securities projects earnings of $4.90 a share this year.

A Forbes poll published in April showed the average earnings estimate by 13 analysts was about $4.52 a share for 1985.

Three stockbrokers interviewed said the company's restructuring of its building and wood products operations and concentration on more profitable paper and paper-related businesses were primary reasons for the earnings forecasts.

ENGLISH LANGUAGE AMENDMENT

Mr. SYMMS. Mr. President, a recent series on bilingual education in the Washington Post helps underscore the need for dramatic action in securing an official status for the English language in America.

Entitled "The War of the Words," the three-part series examined the controversies of bilingual education. Although I may not agree with all statements in the series, I believe it was a reasonably fair and accurate look at a very thorny issue.

Mr. President, I ask unanimous consent that the series be printed in the RECORD at the conclusion of my remarks and that my colleagues who question my enthusiasm for the ELA please read it.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. SYMMS. Mr. President, the gut feeling one gets upon reading the series is that all is not well in the supposed utopia of bilingual education. There is a genuine battle going on in the Nation's educational trenches over the issue and the real victims are the young students.

The last installment, entitled "'Immersion' Success Fuels Debate," will particularly stick in the craw of bilingual enthusiasts. As the title suggests, the immersion method, which goes straight into mainstream English without wasting years in the students' native language, has been a roaring success where ever it has been used.

Mr. President, I wish to quote briefly from the article. Dr. Esther Eisenhower, one of the Nation's most reputable language-learning experts and Fairfax Country, VA's language program coordinator, said:

When working with a child in the native language is working against the child learning the English language, that's what I object to. In the name of a child "feeling good" about being a Turk, he's graduating from high school with a fifth-grade competency in English.

Unfortunately, this is what is happening far too often all in the name of someone's fuzzy political or educational theory.

In my own mind, and I hope in the minds of many of my colleagues, the Post's series only reinforces the need for an English language amendment.

The English language amendment [ELA) would impact directly two areas important to our Nation's unity and well-being: bilingual ballots and bilingual education. It would eliminate bilingual ballots, and would reestablsh Congress' original intent in creating bilingual education—namely, to help non-English-speaking youngsters learn our Nation's language as fast as possible.

As the Post articles demonstrate, the current practice we call bilingual education is most often a maintenance program designed to coddle a youngster in his own language and shelter him from the dominant culture. This practice retards his entrance into the mainstream and diminishes his chances of full participation in our economic system. I call it America's apartheid system.

The ELA does not affect language use in any private context: First amendment rights are fully protected at home, church, private schools, and in businesses. But English would be the language of our schools, our governments at all levels, at the ballot box, and in similar public places.

The 15 sponsors of the ELA in this body, and the founder of the ELA, former Senator S.I. Hayakawa, are not xenophobic or racist. We see the entire issue as a question of full economic and political opportunity for

our new immigrants; and as an urgent need for national unity under a common means of communication.

Mr. President, I urge all my colleagues who have not done so to closely examine my arguments in favor of the English language amendment. I would be happy to supply them with whatever material they need to make this examination.

EXHIBIT 1

BILINGUAL EDUCATION'S DILEMMAS PERSIST

(By Cynthia Gorney)

REDWOOD CITY, CALIF.—They were a mystery to Barbara Ruel, these exuberant Spanish-speaking children whose faces went empty every time she opened a reader and began to write English vocabulary on the blackboard. Even the most recent of the Central American immigrants understood some English, and Ruel was a veteran reading teacher, but every word she gave them seemed gone by the next week. They would stare at their readers and Ruel could see them struggling, as though the shapes had blurred before them.

What was she doing wrong?

Then in 1976, intrigued by a controversial idea that was gaining momentum among a few teachers, Ruel decided to try something so different that she was not certain the school administration would even allow it. Working in secret, she and her Spanish-speaking aide sat down together and wrote an entire first-grade reading primer in Spanish.

Ten words a week, Ruel told the aide—two characters, a boy and a girl, admiring spring. *Mariposa.* Butterfly. *El Pajaro Vuele.* The bird flies. Ruel ran the pages off on the school mimeograph, the aide watched the door to make sure no one was coming, and with no advance warning Ruel presented her Spanish-speaking first-graders one day with a small stapled volume written entirely in their own language.

All at once, Ruel says now, she had a roomful of voracious readers. She had children who ran to her at the end of each day to ask what stories or new sentences they might take home that night. "We could not keep up with them," she said recently. "I thought, *God, it's fabulous, it's just fabulous.* They started to read like normal first-graders read."

And as Barbara Ruel sat back in the nearly deserted lunchroom at Hoover Elementary and remembered those children, a single glimpse through the open classroom doors nearby might have hinted at the breadth of the change in the decade since Ruel stapled together her primers. The school district's hard-bound Spanish readers lay in fat stacks on the bookshelves wall-length dual alphabet charts displayed the Spanish *ll* and *ch*, and a bright construction-paper leprechaun smoked a pipe under the large bulletin board letters that identified him: *El Duende.*

Ten years ago, spurred by a Supreme Court decision arguably as significant for non-English-speaking students as *Brown v. Board of Education* was for black students, the U.S. Office of Education began a nationwide effort whose premise was unprecedented in American education. The scope was massive, affecting school districts from southern Florida to the Alaskan bush. Wielding educational research and the new mandate of the Supreme Court, officials declared that in the American public school system, every non-English-speaking child below high school age had a right to be taught in his own language—to learn basic subjects from a bilingual teacher so the child might develop self-confidence, sharpen his thinking skills and keep from falling behind in school while he was mastering English.

It was called "bilingual education," and the clamor it raised was tremendous, from the legislative battles to the heated school board meetings to the teachers who stopped speaking to each other in faculty lunchrooms. In the modern history of this nation's public schools, nothing except racial desegregation has so thoroughly entangled the classroom with intense feelings about ethnicity, politics and the meaning of becoming an American.

And although the outcry has quieted since the public debates of the early 1980s, the dilemmas of bilingual education have not. If you set out this year on a random tour of American classrooms, you would find, amidst teachers still deeply divided about the idea, half a million children now enrolled in what their schools call bilingual education—an effort that is costing local school boards and the federal government about $500 million a year.

You would find young Boston Haitians learning culture in Creole, and Mississippi Indians learning to read in Choctaw, and children of Michigan immigrants learning history in Albanian and Arabic. You would find math workbooks in Spanish, Italian reading primers, Chinese vocabulary cards, Navaho storybooks, an Earth sciences text in Laotian, a U.S. history text in Vietnamese, and color and shape charts written in the Filipino dialect Tagalog.

You would find a young Oakland teacher, the walls of her classroom bright with two-language vocabulary posters, walking the narrow rows between desks and announcing the words for the day's spelling test. "In English—*see.* 'I will *see* who studied.'" A pause for the careful penciling of a few of the children, and then: "En Espanol—*pan.* 'Me gusta el *pan.*'" I like bread. And the rest of the children hunch over their papers, murmuring the sentence as they write.

You would visit a Spanish bilingual class whose teacher speaks no Spanish; a bilingual Cambodian class whose teacher speaks no Khmer; a bilingual Chinese class whose teacher has no intention of learning Chinese and believes most dual-language education has no place in the taxpayer-funded schools of an English-speaking society.

You would watch attorneys and administrators grapple over major bilingual-education lawsuits in Illinois, California and Colorado. You would hear immigrant parents insist on English-only classes, and immigrant parents demanding improved bilingual classes. You would pick up studies that variously claim bilingual education improves, impairs or has no effect on academic performance.

And you might come across a school or two like Hoover Elementary, where for all their uncertainty and occasional misgivings, Barbara Ruel and her colleagues say what sells them on bilingual education is the children around them—children they believe would have withdrawn into failure under a constant barrage of English.

". . . Almost frightened to death," Ruel said, remembering Valentina, who came to Ruel's first-grade classroom three years ago from an elementary school where the child had been in English-only classes. "I remember my aide and I welcoming her, and her little face kind of—'Oh, my God, I can relax. Somebody's saying something I can understand for the first time in two years.'"

A decade of argument might be read into the slow unclenching of that small girl's face, in a Mexican-born schoolchild's discovery that she needed no English to make sense of her surroundings. A visitor to Hoover need drive less than 10 minutes to find junior high school teachers who think of "that warm little cocoon," as one social studies teacher called the elementary-level bilingual program, as a well-intentioned trap that produces seventh-graders unable to speak or write coherent English.

And the most fervent of bilingual education's supporters include scores of men and women who have never forgotten how it felt to be a Valentina years ago. Beatriz Arias, a Stanford education professor whose Mexican-born father sent her to a Los Angeles kindergarten in the early 1950s, still remembers being locked into a supply closet every time she spoke Spanish in the classroom. Louise Kinsley, an Arizona Navaho woman who is now 29, was in second grade when her Bureau of Indian Affairs schoolteacher drew a small circle on the blackboard and then demanded that Kinsley stand before the class with her nose pressed into the circle—the classroom punishment for speaking Navaho in school.

No one punished Kinney Kinmon Lau for speaking Chinese at Jean Parker Elementary School in San Francisco, but no one taught him in Chinese, either. He was 6 years old, the son of an immigrant carpenter in San Francisco's Chinatown, when a young lawyer in 1970 happened to find Kinney "languishing," as the lawyer puts it, in a first-grade class that treated him like any other San Francisco first-grader—the class was all in English, with no special courses like English as a Second Language to help a child who had grown up speaking Cantonese.

"Sink-or-swim" is the bilingual teachers' nickname for classes like that—you either master English, in what popular if arguable notions of American history insist is the time-honored manner, or you pass beneath the waves. In *Lau v. Nichols,* as the case came to be called, the Supreme Court ruled for the first time that sink-or-swim violated the Civil Rights Act, which prohibits discrimination by racial or national origin in any program receiving federal financial help. "There is no equality of treatment merely by providing students with the same facilities, textbooks, teachers, and curriculum," wrote Justice William O. Douglas in January 1974, "for students who do not understand English are effectively foreclosed from any meaningful education."

The court did not mandate bilingual education; it simply mandated that students receive some special help. But when the Department of Health, Education and Welfare's Office of Education convened a panel to draw up guidelines for federal enforcement of the *Lau* ruling, the panel members in 1975 decided after some argument that the government's preferred approach—directly affecting about 500 school districts, and strongly influencing many subsequent state education laws—was the controversial and politically-loaded practice of dual language teaching in the schools.

"I don't think people realized how big it was," said Edward de Avila, an Oakland-based educational consultant who helped prepare the government guidelines. "I know I didn't."

STRUGGLING IN REDWOOD CITY

Patty Swanson, her blond hair tucked under a small purple beret, dropped into an undersized wood chair one recent afternoon at Hoover Elementary and offered up the problem of Gloria. Gloria (her real name has been changed at Swanson's request) is in Swanson's bilingual fifth-grade class. The child came to Hoover in fourth grade, shy, just up from Mexico, speaking no English. Into a bilingual class she went—Hoover's Hispanic population is so large now that nearly every class is bilingual—and she began reading, as the Spanish speakers generally do at Hoover, in Spanish.

Two years later, Gloria is uneasy about English and is still reading in Spanish. When she has to get up in science class to present her work group's report on the results of their experiment, she struggles through the English words, glancing down at her notes to remember how to put the sentences together. On the face of it, Swanson said, Gloria looks like fodder for the bilingual-education opponents who complain that the "crutch" of Spanish teaching keeps children from fluency in English.

But Swanson has seen what she believes happens to the Glorias who get no teaching in Spanish—who are immersed into traditional English classrooms and then pulled away each day for a brief session in English as a Second Language. Those ESL courses are what Swanson used to teach. Every day, in a rural school on the northern California coast, she led Spanish-speaking children through the workbooks offered in ESL. *What's this? It's a book. What's this? It's a pen.*

Half the kids I worked with became big behavior problems," Swanson said. "They were so frustrated. They were so angry . . . Of the group, about a third of them survived and will do quite well. But those are the numbers you're working with in immersion."

And Gloria? To hurry her into English, Swanson is preparing her for English reading and is trying not to speak Spanish to her any longer. "Maybe in immersion she would have been forced . . ." Swanson mused. "But her conceptual stuff—she wouldn't have any idea who Christopher Columbus was. She wouldn't know the difference between transparent and opaque, or what causes a shadow."

Swanson nodded toward the other end of the classroom, where a curly-haired boy in fashionably baggy slacks was offering some arithmetic advice and horsing around in both English and Spanish. "Look at that kid—he's beaming with confidence," she said. "In math he's at the top of his class, because he hasn't missed out on concepts."

So when the class ranges from monolingual Anglos to Mexicans barely settled in this country, how does a bilingual fifth-grade teacher cope?

This is how: She has four different reading groups, one in English, one in Spanish and two just switched over from Spanish to English and working through lower-level books. She assigns and writes compositions in whatever language the student is currently reading. She teaches ESL every morning, sends the whole class out to a special bilingual science workshop, sprinkles Spanish into her arithmetic lessons when the children seem to have trouble understanding, and sandwiches chunks of English teaching between tutoring sessions with children who need the ideas explained in Spanish.

"You just sort of look at your class and feel it out," Swanson said.

It is complicated and demanding—her training never prepared her for classes that include immigrant children who didn't start school until they were 12—and it is precisely what Swanson wants to do. She is part of a new generation of Redwood City teachers—women and men hired under a controversial 1981 board resolution to accept only teachers trained to work in two languages. School districts across the country reacted any number of ways to the bilingual mandates forced on them by federal guidelines and new state laws: some ignored them, some handed the responsibility to bilingual but otherwise ill-qualified teaching aids, and some, like Redwood City, scrambled to snatch up the few bilingual teachers who were emerging with at least some theoretical training in dual-language teaching.

"You've got to compete," said Connie Williams, the energetic administrator who five years ago began setting up the city's bilingual program. "If you just wait for bilingual teachers to come to you, they don't come."

On paper, two years after the full complement of bilingual teachers finally settled in at Hoover, there is not a great deal to show for Williams' efforts so far. The test scores are mixed, with some showing slight improvement and some showing none. And there is little enthusiasm at the two junior high schools that take Hoover students; a dozen teachers, interviewed at random, said either that they could see no difference between the bilingual-class children and children taught in traditional classes, or that they believed the bilingual classes were keeping some students from learning English.

"Enormous numbers of kids I get in my class say they've been here [in the United States] four and five years, and they don't have the English language skills that kids who haven't been in the bilingual program have," said Diane Davoli, a social studies teacher at Kennedy Junior High. Like the other teachers interviewed, she was not certain what students had gone to which schools—whether the children she was describing went through five years of bilingual classes, or even whether they were telling the truth about how long they had been in the country.

"Of course the scores are low," Swanson said heatedly over the faculty lunchroom table. "They're testing kids who have only been in school one or two years."

"They're probably comparing [them to] middle-class kids," said Barbara Ruel, the teacher who experimented with Spanish reading nine years ago. "And I think that's unfair, I really do. And I don't think they're doing it because they're bad teachers. I think they're doing it because they don't understand the complexities . . . Perhaps if some of those teachers worked over here for a while—with any amount of feeling, they would understand."

IN A CHILD'S SHOES

Ruel has no classroom now; she works as a resource teacher, helping plan other teachers' curriculums. She is one of the English speakers who promised in writing that she would pass a test in Spanish competency and "cultural understanding." She studied for two years, and then four years later, by then a 43-year-old schoolteacher with 20 years' classroom experience, she reported for her test.

The examiner was a young Mexican-American woman who read an article in rapid Spanish and asked Ruel to respond. Ruel does not remember now what the article was about, but she was certain, as she listened, that it had nothing to do with the words you use to teach first-graders to read.

She remembers the blood draining from her face. If seemed to her all at once that she must be feeling precisely what a 7-year-old Mexican immigrant feels the first time a teacher calls on him in English.

Ruel failed the examination. The news came by mail, some weeks later. She had passed the "cultural understanding" section, but she had failed the language test, and she needed both. She believes she is still an entirely capable Spanish reading teacher, and that although she has not been asked to leave Hoover, she would go if they wanted her to.

But she will not go through the examination again.

[From the Washington Post, July 8, 1985]

FOR TEACHERS, 10 YEARS OF TRIAL AND ERROR—BILINGUAL PROGRAMS DISMAY ADVOCATES, CRITICS

(By Cynthia Gorney)

OAKLAND.—On March 1, nine years after state officials first began requiring bilingual education for children who speak another language more fluently than they speak English, the California State Education Code finally caught up with Franklin Elementary School.

Spurred by an Oakland parents' lawsuit demanding improved bilingual classes citywide, a judge ordered the city's schools into compliance with the state guidelines that map out the largest bilingual education effort in the nation. In California, if an elementary school has one grade with at least 10 limited-English students from a particular language group, the school has to offer a bilingual class just for them.

Inside Franklin, which sits in the midst of inexpensive rental housing that attracts new immigrants, 14 languages are spoken in the course of a normal school day. According to state regulations, the school was supposed to offer bilingual classes in Cantonese, Spanish, Vietnamese, Laotian, the Cambodian language Khmer and the Ethiopian language Tigrinya.

So this is what happened at Franklin:

Priscilla McClendon, a fifth-grade teacher who jokes that she finds challenge aplenty in just mastering English, was assigned a group of fourth- and fifth-grade Cambodians and told to promise in writing that she would learn Khmer.

Francesca Ferrari was assigned a collection of first- to third-grade Ethiopians and told to promise in writing that she would learn Tigrinya. Since state law requires at least one-third of the children in a bilingual class to be native English speakers, she got some of those, too—eight black American children and one Hispanic girl whose mother had just pulled her out of a Spanish bilingual class because she thought her daughter wasn't learning enough English.

Pat Eimerl lost her Cambodian-Vietnamese-Ethiopian-Thai-Hispanic sixth grade, which on the books had been labeled a Cambodian bilingual class, since Eimerl had earlier promised in writing to learn Khmer. Her new students, all of whom filed in one afternoon carrying the contents of their former desks, are Cantonese-speaking Vietnamese, Eimerl was told to promise she would learn Cantonese, since this was now supposed to be a Chinese bilingual class, but for weeks she refused to sign the promise.

"See, with Cambodian I'm safe, because there aren't any classes," Eimerl said (she meant language classes for teachers) on the

morning of the class shift. She was standing in the hallway, watching 11-year-old Asian boys wander back and forth in search of the right classrooms, and she was so angry her voice shook. "But there are Chinese classes. I've got three kids. I'm 40 years old. I'm not about to go try to learn Chinese."

WHO'S BEING SERVED?

Ten years ago, when federal officials began their unprecedented push for bilingual education in public schools across the country, grand hopes and promising research armed them against their critics. High school dropout rates for Hispanics were far higher than those for white students, they observed; here, they argued, was a possible remedy. Theory and their own convictions convinced them that students who learned at least part time in their native language had a much better chance in the schools; they would keep up academically, they would maintain their self-esteem, and they might in the end become literate and articulate in two languages.

A decade later, with half a million children enrolled in what their schools describe as bilingual programs, much of the whole enterprise has dismayed both its longtime critics and some of the people who most ardently believe in bilingual education. National Hispanic high school dropout rates, although not reliably monitored, are as high as ever; just under 40 percent, according to estimates by the Washington-based National Hispanic Policy Development Project. Teachers from San Francisco to Providence can be heard complaining that bilingual classes hold students back or keep them away from English. A U.S. Department of Education study, published in 1983 to vehement criticism from many bilingual educators, found "no consistent evidence" that dual-language instruction improved students' academic progress.

And bilingual advocates say schools are slapping the "bilingual" label on classes that have almost nothing to do with dual-language teaching. They also say that because some states don't require bilingual education and some schools ignore their own state requirements, more than three-quarters of the limited-English-speaking children in this country are receiving no dual-language instruction at all.

"What's going on in 90 percent of the classrooms in this country is a joke in respect to what bilingual education ought to be," said Duane Campbell, a Spanish-English bilingual teacher who now works in the bilingual teacher training program at California State University at Sacramento. "And if you're going to tell me that doesn't work, I'll agree with you. It doesn't work."

Campbell, an Iowa-born Anglo, sounds a little more embittered than many of his colleagues. Franklin is in more linguistic turmoil than most neighborhood schools. But a Washington Post inquiry into public school bilingual education found similar heat and frustration among teachers, parents, administrators and researchers—many of whom are still at odds about the classroom efforts public schools are calling bilingual education.

There is nothing simple about this. Like many broad public school programs, the term "bilingual education" covers such vast territory—gifted teachers and dreadful teachers, imaginative new workshops and rote learning in overcrowded classrooms—that it defies the kind of generalizations people seem to want when such a controversial idea is proposed as public policy. So complex is the argument that critics and advocates cannot even agree on how many children in this country come to school with what the jargon calls "limited English proficiency"; the estimates range from 1.5 million to 3.5 million.

But a look at the problems in this massive undertaking, the business of helping immigrant schoolchildren in their own language, might begin at Franklin Elementary, or Franklin Year-Round, as the school is now officially named: its side-by-side buildings now hold children in a schedule that has eliminated the summer break. Down the long hallways, the bulletin boards all acolor with spring tulips and construction paper Humpty-Dumptys, doorways frame bright classrooms crowded desk to desk with the children of the new immigration. Phumpuang Phaisan, Khadihaj Muhammed, Phonevil Pomsouvanh, Kai-Phong Mack, Alejandro Esparza—the names, in careful block lettering, fill pink and green class lists on the desk of Franklin's harried bilingual coordinator, and next to each name the numerical code for the language the child brought to school: Khmer, Tigrinya, Laotian, Cantonese, Spanish.

"If you figure just the amount of time, money and education disruption . . . the fact that English speakers have zero rights . . . this has been costly as hell," said Martha Muller, the coordinator who for the last three months has been shuffling and reshuffling names into lists that will comply with California state education laws. "The law is not meant for this kind of school. It is meant for a nice, neat, orderly Spanish-English population, or a Chinese-English population, or something. But it's not meant for a multilanguage school."

"Now that we're in compliance, it's just as ridiculous as when we were out of compliance," said Michael Phillips, who teaches his combined fourth- and fifth-grade class in both English and the Vietnamese he learned in preparation for a year's special military assignment in Vietnam. "So all my English-speaking kids have to sit there and wait while I'm translating for the Vietnamese. Now who's being served there?"

As chaotic as it is at this school, with nearly every morning bringing new immigrants to the front office to enroll their children, bilingual education at Franklin is in some of the same trouble that has plagued schools across the country for the last decade. It begins with California state law—a law, similar to those in some of the 22 states that mandate or permit bilingual classes, that lays out the number of speakers of any single language that is supposed to trigger a bilingual class.

It was violations of that requirement, among many other complaints, that moved a group of Oakland parents last fall to bring what turned into a bitterly argued lawsuit that accused the city school board of causing "irreparable injury" to thousands of students by failing to offer them bilingual classes. The documentation listed Franklin as one of the worst offenders: the school was missing teachers or aides in five languages, including Laotian and Tigrinya.

How does a school find candidates for a job like that? School officials actually interviewed a few people, Franklin principal Jay Cleckner said, although lawyers for the parents' group insisted Oakland had done far too little recruiting and hiring. But almost nobody qualified as an American classroom teacher, Cleckner said. And if a few spoke English well enough to work as classroom aides, he said, he could not keep them in part-time jobs that paid about $5 an hour and offered no benefits. "I have interviewed for aides and for teachers, people who are very qualified," Clecker said. "But they can go back to work for four times what I can pay them, and I tell them, 'Go. Take care of yourself.' "

The national shortage of qualified teachers has for some years been one of bilingual education's major problems. There is not a single Khmer- or Hmong-speaking credentialed teacher in California, which has the nation's highest numbers of refugees from Cambodia and the part of Laos that was home to the Hmong people. Even qualified teachers who speak fluent Spanish are in short supply in many states; when Houston bilingual administrator Delia Pompa was presented this year with the revised Texas mandates for bilingual education through fifth grade, she calculated that even with extensive recruiting and $1,500 bonuses for the mostly Spanish-speaking dual-language teachers, conventional teaching patterns were going to leave the district short 400 teachers qualified to work in two languages.

"Before, when Hispanics went to college, they went into teaching," said Pompa, who plans to accommodate the shortage by classroom rearrangements like teacher pairing. "Hispanics are starting to go into other professions . . . Teaching, and education in general, is going through a low period. Teaching isn't looked at as a real respected profession. You're looking at a lot of problems."

Hardly anybody seriously expects Franklin's elementary school teachers to learn Khmer or Laotian in their spare time. But one of the ways many areas have adapted to the shortage is by asking teachers to sign up for courses in languages that seem more manageable to learn. In California, state figures show that fully half the "bilingual" teachers are regular teachers who have pledged to learn dual-language teaching methods and become fluent in a second language (usually Spanish, but occasionally English) while a bilingual aide helps them with the children.

That leads to a whole new set of problems. How well those teachers are actually learning both the language and the complicated business of dual-language teaching varies wildly from school to school, particularly since many principals are dubious about the idea to begin with. One elementary school will house an after-hours class for teachers genuinely committed to learning Spanish, and usually doing so on their own time; a second will sign up "bilingual" teachers who plainly have little interest in ever learning more than a few words of the language. Even when they do try, bilingual advocates sometimes wonder what comes of their efforts: a Hispanic attorney tells of the newly trained Texas teacher who stood before a parents' group and began, "Damas y caballos," which is a salutation of sorts; it means "Ladies and horses."

And the proceedings inside the dual-language class are only as effective as the teacher who runs it. In visits this spring to more than 20 bilingual classrooms, a reporter watched one bilingual teacher review long division in English scarcely intelligible through his Spanish accent, and another teacher who spoke no Spanish and left all the Spanish business to an aide she clearly distrusted: "I don't even think she's graduated from high school," the teacher confided.

Here were teachers translating right through history and arithmetic lessons, despite linguists' warnings that simultaneous translation is the least effective bilingual

teaching method because it lets the student listen to the language he knows best. Here were teachers frustrated by school systems that hurried children into full-time English so fast that, as the teachers saw it, some of the point of bilingual education was being lost—the idea that children's English work will be stronger and more confident if they are allowed to fully develop and work in their own language at least part time for more than a year or two.

Here were teachers so tired of the whole bilingual effort—of juggling multiple two-language reading groups, battling supervisors and watching children's confusion when a school offered them dual language at one grade but then abruptly not at another—that the teachers had finally bailed out. "You go crazy—that's why a lot of bilingual teachers go out of the program, because they can't handle it," said Erlinda Griffin, a quadrilingual Filipino who left bilingual teaching seven years ago for a school supervisorial job in the central California farm city of Fresno. Griffin believes bilingual education theory, and she has seen programs that seem to her to use it successfully. "But unfortunately, they were in the minority—there were so few of them."

And here, too, were teachers, nearly all of them monolingual English speakers, convinced that the bilingual classes they had seen were in large part misguided efforts that held a lot of children back. An Arizona teacher remembered Geme, her Navaho student who had sat through five years of bilingual classes before somebody realized the boy was having trouble because he had spoken scarcely a word of Navaho before he came to school. A suburban San Francisco teacher remembered Spanish-speaking children who never seemed to make the promised transition into English. A Rhode Island counselor remembered the Puerto Rican boy, bewildered by his referral to bilingual classes, who told the counselor in flawless English that he had grown up and gone to school in Lawrence, Mass.

"This is the stuff that goes on all the time," the counselor said. "I think a lot of kids are kept in those programs simply to build up the numbers and justify the programs. We've got kids in those programs who are fluent in English."

If anybody does belong in bilingual classes, who is it to be? To this day that generates argument and still another set of complaints. Some states reserve bilingual classes only for children who speak Spanish or some other language, prompting complaints about ethnic and linguistic segregation. California requires them whenever possible to be in classes with native English speakers so the children won't be segregated and will have role models to help them learn the language.

But that doesn't satisfy everybody either. Because most bilingual classes are designed as remedial programs, aimed at moving children into English as rapidly as possible, English-speaking parents have often been disappointed when they allow their children into bilingual classes in the hope that they will learn Spanish. And in towns like Fillmore, a heavily Hispanic southern California farming community where the expansion of bilingual classes set off an angry Anglo protest this spring. English-speaking parents say their children waste time in a class taught partly in another language.

"Who's going to meet *my* daughter's needs?" demanded Judy Collins, a Fillmore parent whose husband recently proposed a controversial city council-adopted resolution making English the "official language" of Fillmore. "The amount of time that teacher is speaking Spanish is time that my child is not getting English instruction," Collins said.

It is complaints like these that have complicated the response to a generally unenthusiastic 1983 bilingual-education report by two federal Department of Education researchers. At the request of a White House policy review group, the researchers examined several hundred studies on bilingual education, many of which concluded that the classes had improved students academic performance, and found only 39 to be "methodologically acceptable." After analyzing those 39 studies, the researchers reported bilingual education producing only mixed results.

"Sometimes kids did better," said Department of Education analyst Keith Baker, the report's coauthor. "Sometimes it had no effect. And sometimes it had negative effects."

Baker and his partner, who have been criticized for their own methodology, suggested in the report that although limited-English-speaking children clearly needed some special attention, education officials might rethink their reliance on classes using native language—that full-time intensive English programs, for example, might be more effective in some cases.

Would Franklin Elementary's Francesca Ferrari, facing her tiny Ellis Island of a classroom earlier this year, have done any of her students a greater service by using their own language?

"This I do not know," she said.

"I do not know what I really think about bilingual education," Ferrari said.

When the Oakland parents' lawsuit was settled in May, with school officials committing themselves to a considerable expansion of the bilingual staff, the central office finally found some qualified teachers' aides for Franklin; a Tigrinya-speaking Ethiopian man now helps in Ferrari's classroom for 80 minutes a day. And she welcomes his presence, she said. He makes things easier for her. Last month they were working on sq words, and Ferrari did not have to go into contortions or bring lemons into class to explain squirt and squint and squid.

These are ideas the children would have grasped without translation, Ferrari said. Demonstrations, in her experience, are sometimes even more vivid than translation. But she is happy to have the aide anyway—"grateful," Ferrari said. "I think it's a sense of security for the children to have him there, I really do."

Her class no longer includes the Spanish-speaking child; it is now all Ethiopian and native English-speaking children, and in March, as a welcoming gesture, Ferrari put up an Ethiopian market poster and wrote the Tigrinya words for "How are you?" in big bright letters on a poster she taped to the classroom door. Camilla 'Ha.

Some weeks later, in discret messages conveyed through the principal's office, Ferrari was told that this had distressed the Ethiopian families. Parents of all but three of her Ethiopian students indicated on signed forms that they wished their children taught exclusively in English, so Ferrari need no longer abide by her implausible promise to learn Tigrinya.

"They don't want their culture brought in," Ferrari said. "They feel they can take care of that at home." She took the poster down and pulled Camilla Ha off the classroom door.

[From the Washington Post, July 9, 1985]

"IMMERSION" SUCCESS FUELS DEBATE

(By Cynthia Gorney)

SAN FRANCISCO.—In a classroom bright with wall decorations, a line of raggedly cut paper pandas stretched overhead, Liana Szeto sat cross-legged on the floor and explained the morning game to the children around her. She would start with five plastic cubes and milk carton with the top cut off, and they were to close their eyes while she hid some of the cubes under the milk carton. Then they could count the remaining cubes and figure out how many she had hidden.

Perhaps Sparky, Szeto suggested, might make the next guess.

Jesse (Sparky) Manger, a small blond boy in standard-issue kindergarten blue jeans and sneakers, squeezed his eyes shut and covered them with his hands. "Sparky," Szeto said. *"Gu yahp bihn yauh gei do go?"*

Just as she had all morning—just as she does for every full school day in a classroom that includes white children, Chinese-American children and a Chinese-Hispanic child—Szeto was speaking straight Cantonese.

Sparky, whisking his hands away and gazing at the single cube left atop the milk carton, contemplated her question: yes, he could guess how many she had left inside. *"Sei,"* he said. Szeto lifted the carton and clapped her hands in approval. Four, of course, was right.

Liana Szeto, a 27-year old Hong Kong immigrant who coaxes and performs her way through each day with a vigor that is almost exhausing to watch, speaks excellent English; she learned it both in her Hong Kong schools and in the junior high schools she attended when her family first arrived in San Francisco. But many of her students don't realize she speaks any English at all. From the first day of school last September, confronted with 24 kindergarten children who by and large spoke not a word of Cantonese, Szeto has never used English in her classroom. She uses posters, gestures, games, songs, repetition, theatrics, picture books, field trips and anything else she imagines might help her teach, but whenever she speaks—from "Please take out your pencils" to "Let's tell the story of the five foolish fishermen!"—she speaks in Cantonese.

And Sparky Manger's mother Judy, an American Airlines ticket agent who has cringed at most American's inabiliiy to manage other languages, is delighted. "With China becoming a world power, in his lifetime, it's really going to be beneficial for him to learn Chinese," she said. "I thought he was going to come home and say, 'Mom, what have you done to me?' And he's never once said anything to me about that. He loves it . . . Now he tells me his name is Jesse Wong sometimes."

There is a label in educationalese for the work Szeto is doing with these children, all of whom were sent to West Portal School because their parents wanted to experiment with a teaching method now being tried in at least 18 public school districts around the country. It is called language immersion, and although the teaching varies from school to school, the principle is the same: English-speaking children, principally from homes where nothing but English is spoken, spend either part or all of their days in classes conducted entirely in another language.

In Baton Rouge, La., fourth-grade children last month were discussing the tax

system, studying the Louisiana state government and answering written test questions about layers of the atmosphere—all in French. In Culver City, Calif., fifth-graders were working long-division problems and reading aloud stories about construction workers and shy cats—all in Spanish.

There is Spanish immersion in Tulsa, French immersion in Montgomery County, German immersion in Milwaukee and Cincinnati. San Francisco school officials, already immersing students into Spanish and Cantonese, are thinking of adding Mandarin. And although some of the programs, like San Francisco's, are too new for any serious evaluation, many administrators have reported results comparable to those out of Canada, where for 20 years public schools have been offering French immersion that University of Southern California linguistics professor Stephen D. Krashen, has written "may be the most successful program ever recorded in the professional language-teaching literature."

In the vast new array of efforts at teaching in two languages, no approach has been so carefully monitored, so widely praised for its effectiveness—and, in one of the more complicated ironies of this whole controversial field, so disturbing to advocates of the more familiar theories of bilingual education, which insist that a child should learn to read and think first in his native language. The vision of these immersion classes, of American-born children learning math and reading from teachers who never address them in English, has prompted opponents of public bilingual education to ask the obvious question: If you can drop an English-speaking child into a special all-Spanish classroom and get him working and thinking in Spanish with no damage to his psyche or test scores, why can't you do the same thing in reverse?

Isn't this a natural way to accustom Spanish speakers to English without having to teach them reading and basic skills in Spanish?

School districts in several states are already trying special all-English programs for Spanish-speakers, and the federal government, both in U.S. Department of Education reports and in increased availability of special funds, has troubled bilingual-education advocates by showing considerable interest in the idea. And the heat this argument has generated—some teachers and language experts use words like "a crock" and "a crime" to describe the practice of immersing Spanish-speakers into special all-English classes—is part of a quiet but spirited national debate about America's attitude toward non-English languages, about the role of language in an immigrant society, about the ties between language and the human spirit.

Show and tell, afternoon kindergarten and first-grade class, Culver City's El Rincon School, just outside Los Angeles. Irma Wright, her black hair curled and a carnation pinned to her lapel, summoned around her a noisy collection of children and announced who would begin.

"Tu no eres primera," she admonished a small blond girl who had clamored to be first. "Cheryl es primera."

The child nodded, resigned to the primacy of Cheryl, and said in English, "Can I be second?"

Thus it went, the children—nearly every one of them from an English-speaking home—looking entirely unconcerned that their teacher spoke to them only in rapid, native Spanish. Cheryl showed off a stuffed gray bear that she said belonged to her mother, and Wright asked, "Quien le dio eso a tu madre?" Nobody had given it to her mother, Cheryl answered. "She saw it and she got it in a store."

"Que tiene este oso en la nariz?" Wright asked, wondering what was appliqued on the end of the bear's nose. The children knew a heart when they saw one: "Un corazon!" they cried.

Irma Wright, a Hispanic woman who grew up in El Paso, has been teaching the kindergarten immersion class since 1971, when the Culver City schools opened the first U.S. version of the program that was generating so much interest in Canada. A school outside Montreal, now in its 20th year, had set off the whole experiment when a group of Engligh-speaking parents asked for a dramatic and effective way to teach their children French; by last year, according to an article in the Canadian magazine Language and Society, 115,000 Canadian children were studying in one of the French immersion programs now offered in every province.

Culver City administrators, under the supervision of linguists at the University of California at Los Angeles, followed almost precisely the original Quebec model: no English at all for the first two years (although the children are free to speak English, and the teacher must be bilingual so that she or he can understand and answer); an hour a day of Engligh reading and language arts in second and third grades; and then a steady increase of English teaching time, until by the fifth grade students are doing more than a third of their classwork in English. "When they leave the elementary school, they are functionally bilingual," said Eugene Ziff, the principal at El Rincon. "They can understand, read, write and speak Spanish in a functional manner, and they have done this without losing any of their basic skills in English."

As he has done for dozens of uncertain parents, Ziff pulled out the mimeographed sheet listing El Rincon's most recent scores on the California Test of Basic Skills, which is administered in both English and Spanish to students in the immersion classes. In 1983 the sixth-grade students were testing out a eighth-grade level on English vocabulary and comprehension. Language mechanics and expression, math concepts and computation—all showed above average scores, and in the case of language expression, far above average. Only English spelling fell slightly short.

As for their Spanish skills, the Spanish reading test scores are not quite up to the average for native language speakers, but a recent visit to Mary Nabours' fourth- and fifth-grade classroom, for example, was startling: children with names like Jennifer Feingold and Pentti Monkkonen read easily from their Spanish texts, or talked in Spanish about characters in the story they had just finished, or worked in longhand on their definitions.

"Catarata—cascada." Waterfall. "Caldo—liquido que se calienta." Broth—liquid that is heated. Their chatter with each other was in English, but at the small horse-shoe table where Nabours worked with one reading group at a time, only Spanish was allowed. Their accents ranged from good to nearly native; Nabours, who is American but lived in Mexico while studying Spanish, speaks with almost no trace of American accent. They discussed words like supongo, suppose, and interes, as in bank interest, and if their grammar was often not quite right, they plowed cheerfully through what they were trying to say. A lively red-haired girl, asked to escort the visitor down to the kindergarten, was asked in Spanish whether she found the two languages difficult to manage, and she said in slightly ungrammatical but entirely unselfconscious Spanish, "No, because I'm used to it."

"They don't have any trouble getting across what they want to say," Nabours said between bites of a sandwich in the faculty lunchroom. "The program encourages creativity in a certain way, but the main thing it encourages—this is my opinion; I can't prove it, but I feel it in every cell in my body—is this feeling of, 'I can' . . . 'If I can speak Spanish, I can do anything. I can do math. I can do science. I can do anything.' "

So why shouldn't it work in reverse? Why shouldn't Spanish speakers learn English the same way?

To answer that, teachers like Nabours believe, you must think about English and Spanish and the social roles they play here. The linguists who designed immersion programs like Culver City's have insisted the programs be used only for children who speak English, children who will go straight into an English middle school, children whose families have sought out the second language and who will never, as long as they live in North America, risk losing the language they grew up with.

CATERING TO ETHNIC GROUPS?

One six-school program in San Diego is using the Culver City model on both English and Spanish speakers, immersing them all into Spanish and then gradually working English into half the school day, but its goal is the same as Culver City's—to encourage bilingualism, and to celebrate the learning and reading of two languages rather than one.

That very notion, the idea that schools should promote bilingualism and should hold advanced classes in both languages, has been thoroughly attacked during public debates over dual-language education for Hispanics. There is still a strong feeling among many teachers and parents' groups that American schools ought to be teaching in English that offering special classes for bilingual children amounts to catering to certain ethnic groups. Indeed, the word "maintenance," commonly used to describe classes in Spanish for fully bilingual students who want to sharpen their Spanish fluency, has developed so dangerous a resonance now that most teachers and administrators hasten in interviews either to distance themselves from it ("We don't believe in maintenance here") or to confide that they personally believe in it but that the district wishes only to have students move rapidly into full-time English.

So when Spanish speakers are immersed into English, as several Texas school districts are now doing in a state-sponsored pilot program, no one imagines that they will gradually have Spanish worked back in to take over half their school day. The point is simply to teach them English, using techniques that have worked for Anglophones in places like Culver City: Speak nothing but English to the children, but let them use Spanish when they wish; use vocabulary and phrasing aimed at children just learning the language; fill the gaps with posters and pantomime and things the children can touch.

This is what it looked like on a recent morning in Houston: A plump, smiling teacher named Rachel Echavarry, travers-

ing the rows of quiet children, held up small picture cards and waited for each response.

"Jesus, what's this?"

"It's a cat."

"What's this?"

"It's a cow."

"Where is the cow?"

Hesitation. Then, tentatively: "The cow—is in—the barn."

There is nothing unique about a class like this; it is standard English as a Second Language (ESL) teaching, offered as part of many public schools' bilingual programs. The difference, at Gregory-Lincoln Education Center and the other Texas schools trying similar approaches, is that Jesus and his classmates are immersed in English all day long—they are never supposed to hear Spanish from their teachers. Indeed, many of the teachers at Gregory Lincoln do not know how to speak Spanish or any of the Indochinese languages nearly a quarter of the students arrive with; instead, in Saturday workshops and in-class training, they have studied ESL teaching techniques.

How well it works—whether these Texas children are having an easier time learning English while keeping up in their other classes—is still in some dispute.

"Thank God for the English immersion," said Linda Hunter, a fourth-grade teacher now at her 10th year at Gregory Lincoln, which used to offer an hour a day of Spanish-language instruction. Her colleague Sherilyn Kozodoy, a third-grade teacher whose class includes two Spanish-speaking children, agreed. "I had students in [my former school] who had been going to the bilingual classes for three or four years and still had difficulty with the English language," Kozody said. "They learn it much more slowly."

Some teachers are similarly enthusiastic in Texas cities like McAllen, which has attracted national attention for its English immersion pilot; and in Virginia's Fairfax County, which for seven years has insisted on intensive English instead of dual-language instruction. But preliminary Texas data indicates so far that the immersion classes there, experimentally begun four years ago in cities that also offered bilingual programs, are producing English test scores no higher than those from the bilingual classes—and there are misgivings about the experiment even among some of the administrators in charge of it.

"I had had one teacher start crying and saying, 'Look, I can't do this, it's not fair to the kids,'" Said Delia Pompa, Houston's bilingual education administrator. "There were others, to be perfectly fair, who thought it was a good option . . . I'll be honest. I would prefer a dual language program, because I don't know what kind of cognitive deficits [the immersion children] are going to have four or five years later. And I think there are going to be some."

Wallace Lambert, the social psychologist and language expert who developed the first French immersion programs in Quebec, has argued for more than a decade that to use these techniques on language-minority children is, as he wrote in a 1984 California Department of Education volume, "not only wrong but dangerous." The danger, he argues, lies in what he calls "subtractive bilingualism"—the elimination in school of the language the child first used to think, to conceive ideas and accept who he is.

"We are not removing their language from school," countered Sally Clyburn, acting instructional supervisor for the Houston schools. "We are removing the language from instruction . . . the students are using their native language. They can be seen walking to the school cafeteria, to and from the playground, using their native language."

"The child is basicaly being told, 'Your language is not worth anything,'" said William Prather, who teaches in Spanish to English speakers at Rock Creek Elementary School's Spanish immersion program in Chevy Chase and who thinks the approach is entirely wrong for non-English speakers. Teachers like Prather and Mary Nabours believe a child whose language is kept out of the classroom will probably lose much of it, if his is not the language of society at large, and that public schools do children a great disservice that way.

"It's like taking a great gift and throwing it away—and some of us fight so hard to try and learn a new language," Nabours said. "I understand it's hard to get bilingual teachers. But I also believe America has a real problem in its understanding of the importance of language . . . I don't consider a person educated unless he speaks another language. If you have a child who speaks Spanish, and you don't use that to teach him to read and write in that language, you're stealing from him. And you're stealing from society, because we need people who can speak those languages."

FAIRFAX: "ENGLISH AND ONLY ENGLISH"

(By Anndee Hochman)

A filmstrip of "Cinderella" played to the small audience of fourth-, fifth- and sixth-graders in Susan Lawrence's Fairfax County classroom at Graham Road Elementary School one recent morning, and Rosa Garcia studiously ignored it.

Instead, she bent over a reading workbook; looking intently at a row of tiny line drawings; a picture of a can, a table followed by the letter "s," a child with a spoon, a birthday cake.

"Can tables eat cake?" she read haltingly to the teacher. Then she answered her own question, giggling along with Lawrence. "No," Rosa said. Tables, she knew, cannot eat cake.

For seven years, Lawrence and other Fairfax teachers of English as a Second Language (ESL) have relied exclusively on such books of word-picture diagrams, filmstrips, flashcards, charts, charades—and patient, continual repetition—to teach children like Rosa. Her teachers will never speak to her in Spanish, nor will they talk to her classmates in their native Urdu, Farsi or Chinese.

About 3,800 students—2 percent of the sprawling Fairfax County school population—are enrolled in ESL classes. Their predominant languages are Korean, Spanish and Vietnamese, although many speak Arabic, Khmer, Chinese, Farsi, Japanese, Laotian and Urdu. In all, they speak 75 different languages, and none of them is in a bilingual class.

"When working with a child in the native language is working against the child learning the English language, that's what I object to," said Esther Eisenhower, Fairfax County's ESL program coordinator. "In the name of a child 'feeling good' about being a Turk, he's graduating from high school with a fifth-grade competency in English."

While bilingual education is an appealing notion in an ideal world, she said, there are few school systems with the funding, public support, native-language teaching materials and multilingual teachers to practice it effectively.

As proof the ESL program works, Fairfax educators point to test results—1980 and 1981 tests showed ESL students meeting or exceeding local and national norms in most subjects—and to children like Rosa, illiterate in her own language but now able to print words and chatter fearlessly in English.

Critics have claimed that affluent Fairfax County, where many students come from diplomatic and well-educated families, is not a fair setting to prove the worth of ESL teaching.

"I don't think that argument holds," Eisenhower said. "I could hardly say these are children of commanders of the Japanese navy or attaches in the Swedish Embassy." Sixty-two percent of ESL students, she pointed out, qualify for free or reduced-price lunches.

Many of Fairfax's ESL students would probably be in ESL classes no matter where they were; few teachers around the country are qualified to teach bilingual classes in Asian or Indochinese languages. And there is an active debate about whether Asian or Indochinese students, generally perceived as academically successful despite their language problems, need bilingual classes at all—particularly the Vietnamese, with their widely publicized climbs to school honor rolls.

Bilingual advocates have suggested that the newer waves of Indochinese immigrants will probably not do as well without bilingual education, since many of the earlier well-educated Vietnamese immigrants who often spoke two or three languages before they left Vietnam. The more recent immigrants, they point out, include thousands whose backgrounds are more like those of many less educated and less literate Hispanic families.

But Eisenhower and Lawrence believe the Fairfax plan will successfully move those children into English too. "I encourage them to read in their native language, to communicate with each other in their native language," Lawrence said. "But as far as the instruction goes, I feel English and only English is the best way."

THE VALUE OF NATIVE LANGUAGE

The argument over language immersion is not really about the merits of the few programs now trying in some formal and monitored way to place non-English speaking children in special all-English classes. There are not very many of those programs—most are either small experiments or are aimed at childeren like the Indochinese, who often have no bilingual teachers available—and it is highly unlikely that in the near future they could replace bilingual classes. Federal funds that can be used for special English immersion programs are limited to less than 10 percent of the $139 million budgeted for bilingual education this year.

The battle over that funding was fierce, though, with bilingual education critics wanting much more of the budgeted money to be available to English immersion-type experiments. Bilingual education advocates fought back, some of them declaring that these special immersion classes were simply a convoluted path back to the days when schools openly sent Spanish and Chinese-speaking children to fend for themselves in standard all-English classes—the kind of approach the Supreme Court prohibited 11 years ago.

So the argument is really about the value and meaning of native language in a child's schooling, and that makes it much bigger

and more complicated than the proceedings inside a few public school classrooms. "I think the issue becomes an emotional issue, and people stop looking at what kids need, and what works for kids," said Houston's Delia Pompa. "It becomes in some ways a threat, and sometimes 'I-made-it-why-can't-they,' and sometimes people bring political baggage and emotional baggage to it. I think sometimes people miss the point."

MORMON PIONEER DAY COMMEMORATION

Mr. SYMMS. Mr. President, I should like to encourage my colleagues to join with the Idaho delegation and communities throughout Idaho in commemoration of Pioneer Day. One hundred and thirty-eight years ago on this day, July 24, the first pioneers from the Church of Jesus Christ of Latter-day Saints, Mormons, entered the Salt Lake Valley in Utah.

Bands of Mormon pioneers had begun leaving their homes in Nauvoo, IL, in 1846 after a history of religious persecution. Their homes and businesses had been raided and burned. Their members and leaders had been tarred, feathered, and imprisoned under illegal sentences. Shortly after Missouri Governor Boggs signed an order calling for the extermination of the Mormons, Joseph Smith, the founder and president of the church, was shot and killed by a mob in the Carthage Jail. To escape this persecution, the church, under the leadership of Brigham Young, left their newly-built homes and set off across the plains in search of a land amidst the mountain tops, a land where they would not be persecuted.

During the long trek across the plains, the pioneers—some in wagons, some with handcarts, many on foot—experienced numerous hardships, including food shortages, diseases, adverse weather, and unfriendly Indians. Their grief over the loss of many loved ones during this time was relieved only by their belief that families would be reunited in a life to come.

After what must have seemed like an endless struggle, they finally arrived at a point overlooking the Salt Lake Valley. Here Brigham Young, very ill himself, proclaimed, "This is the place."

Following the lead of Brigham Young, the members soon set to work to make the land productive. Their lives depended on a good crop.

Disaster nearly struck as their first crops of grain were infested with crickets. Then a most beautiful and welcome sight occurred as great flocks of seagulls appeared and devoured the crickets. The farmers in southern Idaho today, I am sure, would be greatly pleased by a similar relief from grasshoppers.

As new pioneer companies continued to arrive from the East, Brigham Young began to spread the settlers out, sending groups to build cities in Utah, Arizona, and Idaho. In fact, the first city in Idaho, Franklin, as well as many others, including Rexburg and Inkom, were established by these Mormon pioneers.

In this, Idaho's 95th year of statehood, I would like to salute the values brought to Idaho by these early pioneers. The most obvious among these are self-dependence, charity, and hard work.

The Mormons traditionally are self-dependent. They believe in a day's work for a day's pay. They maintain their own welfare system. Applicants, however, are encouraged first to exhaust all other resources, including church job services and family members. Those who do receive welfare are asked to help with upkeep of the church or other such services.

The Mormon people are known for their willingness to help others, regardless of belief. Church members donate their time to work on welfare farms, in Deseret Industries thrift stores, and in food-canning facilities. Food and basic supplies generated by this process are given to welfare recipients and victims of disaster all over the world. Church members have been generous in donating their labor, such as in sandbagging and cleanup efforts in the 1976 Teton Dam flood. They are also generous in donating funds; this January, members of the church fasted one 24-hour period, giving money they normally would have spent on meals for the relief of hunger victims in Ethiopia. This special fast generated $6.5 million.

The same spirit of hard work and perseverance that brought the first church members to Idaho remains with Idahoans today. Although Idaho is currently facing severe economic and agricultural problems, history shows that her people are strong and will pull themselves through tough spots to regain economic stability.

I am proud to recognize today as Pioneer Day for the Church of Jesus Christ of Latter-day Saints, and I congratulate them for the contribution they have made to the State of Idaho and are continuing to make wherever they are found. It is values such as theirs that formed the cornerstone of our great Nation and continue to uphold the principles of government outlined by our Founding Fathers.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations and a withdrawal which were referred to the appropriate committees.

(The nominations and withdrawal received today are printed at the end of the Senate proceedings.)

AGREEMENT BETWEEN THE UNITED STATES AND THE PEOPLE'S REPUBLIC OF CHINA ON PEACEFUL USES OF NUCLEAR ENERGY—MESSAGE FROM THE PRESIDENT—PM 67

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers; which was referred to the Committee on Foreign Relations:

To the Congress of the United States:

I am pleased to transmit to the Congress, pursuant to sections 123(b) and 123(d) of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2153 (b), (d)), the text of the proposed agreement between the United States and the People's Republic of China Concerning Peaceful Uses of Nuclear Energy, with accompanying annexes and agreed minute. The proposed agreement is accompanied by my written determination, approval, and authorization, and the Nuclear Proliferation Assessment Statement by the Director of the United States Arms Control and Disarmament Agency concerning the agreement. The joint memorandum submitted to me by the Secretaries of State and Energy, which includes a summary analysis of the provisions of the agreement, and the views of the Director of the United States Arms Control and Disarmament Agency are also enclosed.

The proposed agreement with the People's Republic of China has been negotiated in accordance with the Nuclear Non-Proliferation Act, which sets forth certain requirements for new agreements for cooperation with other countries.

It is the first peaceful nuclear cooperation agreement with a Communist country and the only such agreement with another nuclear-weapon state (the United Kingdom and France are covered by U.S. agreements with EURATOM).

During the last several years, the People's Republic of China has developed ambitious plans for the installation of a substantial number of nuclear power stations. The proposed agreement reflects the desire of the Government of the United States and the Government of the People's Republic of China to establish a framework for peaceful nuclear cooperation. During the period of our negotiations and discussions, China took several important steps that clarify its non-proliferation and nuclear export policies. Premier

Zhao has made important statements of China's non-proliferation policy that make clear that China will not contribute to proliferation. Those statements have been endorsed by the National People's Congress, thereby giving them official status. Based on our talks with the Chinese, we can expect that China's policy of not assisting a non-nuclear weapon state to acquire nuclear explosives will be implemented in a manner consistent with the basic non-proliferation practices common to the United States and other suppliers. Further, in conjunction with China's membership in the International Atomic Energy Agency, effective January 1, 1984, China has said that it will require IAEA safeguards on its future nuclear export commitments to non-nuclear weapons states.

This agreement will have a significant, positive impact on overall U.S.-China relations. It will provide the United States and its companies an opportunity to participate in another aspect of China's energy programs, with possibly substantial economic benefit. The proposed agreement will, in my view, further the non-proliferation and other foreign policy interests of the United States.

I have considered the views and recommendations of the interested agencies in reviewing the proposed agreement and have determined that its performance will promote, and will not constitute an unreasonable risk to, the common defense and security. Accordingly, I have approved the agreement and authorized its execution.

I have also found that this agreement meets all applicable requirements of the Atomic Energy Act, as amended, for agreements for peaceful nuclear cooperation and therefore I am transmitting it to the Congress without exempting it from any requirement contained in section 123(a) of that Act. This transmission shall constitute a submittal for purposes of both section 123(b) and 123(d) of the Atomic Energy Act. The Administration is prepared to begin immediately the consultations with the Senate Foreign Relations and House Foreign Affairs Committees as provided in section 123(b). Upon completion of the 30 day continuous session period provided in section 123(b), the 60 day continuous session period provided for in section 123(d) shall commence.

RONALD REAGAN.

THE WHITE HOUSE, *July 24, 1985.*

MESSAGES FROM THE HOUSE

At 11:05 a.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 729. An act to amend the Panama Canal Act of 1979 in order that claims for vessels damaged outside the locks may be resolved in the same manner as those vessels damaged inside the locks, and for other purposes;

H.R. 1602. An act to amend the Securities Exchange Act of 1934 to authorize appropriations for fiscal years 1986 and 1987;

H.R. 1603. An act to amend the Securities Exchange Act of 1934 to authorize the Securities and Exchange Commission to subject banks, associations, and other entities that exercise fiduciary powers to the same regulations as broker-dealers, pursuant to section 14(b) of the Securities Exchange Act of 1934;

H.R. 1802. An act to amend title 5, United States Code, to establish certain requirements for the procurement by contract of certain services that are reserved for performance by preference eligibles in the competitive service; and

H.R. 2455. An act to provide for the collection of data about crimes motivated by racial, religious, or ethnic hatred.

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent, and referred as indicated:

H.R. 729. An act to amend the Panama Canal Act of 1979 in order that claims for vessels damaged outside the locks may be resolved in the same manner as those vessels damaged inside the locks, and for other purposes; to the Committee on Armed Services.

H.R. 1602. An act to amend the Securities Exchange Act of 1934 to authorize appropriations for fiscal years 1986 and 1987; to the Committee on Banking, Housing, and Urban Affairs.

H.R. 1603. An act to amend the Securities Exchange Act of 1934 to authorize the Securities and Exchange Commission to subject banks, associations, and other entities that exercise fiduciary powers to the same regulations as broker-dealers, pursuant to section 14(b) of the Securities Exchange Act of 1934; to the Committee on Banking, Housing, and Urban Affairs.

H.R. 1802. An act to amend title 5, United States Code, to establish certain requirements for the procurement by contract of certain services that are reserved for performance by preference eligibles in the competitive service; to the Committee on Governmental Affairs.

H.R. 2455. An act to provide for the collection of data about crimes motivated by racial, religious, or ethnic hatred; to the Committee on the Judiciary.

ENROLLED JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, July 24, 1985, she had presented to the President of the United States the following enrolled joint resolution:

S.J. Res. 144. Joint resolution to authorize the printing and binding of a revised edition of Senate Procedure and providing the same shall be subject to copyright by the author.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. DANFORTH, from the Committee on Commerce, Science, and Transportation, with an amendment in the nature of a substitute and an amendment to the title:

H.R. 2796. An act to improve security standards for international air transportation.

By Mr. DANFORTH, from the Committee on Commerce, Science, and Transportation, without amendment:

S. Res. 203. An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of H.R. 2796; referred to the Committee on the Budget.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. GRASSLEY (for himself, Mr. HEFLIN, Mr. THURMOND, Mr. BIDEN, Mr. DOLE, Mr. METZENBAUM, Mr. DECONCINI, Mr. KENNEDY, Mr. LEAHY, Mr. DENTON, Mr. MCCONNELL, Mr. SIMON, Mr. DOMENICI, Mr. BENTSEN, Mr. WEICKER and Mr. SASSER):

S. 1487. A bill to amend section 504 of title 5, United States Code, and section 2412 of title 28, United States Code, with respect to awards of expenses of certain agency and court proceedings, and for other purposes; considered and passed.

By Mr. CHILES (for himself, Mr. ANDREWS, Mr. INOUYE, Mr. PROXMIRE and Mr. DIXON):

S. 1488. A bill to authorize appropriations for construction of certain highways in accordance with title 23 of the United States Code, for highway safety and for other purposes; to the Committee on Environment and Public Works.

By Mr. DURENBERGER:

S. 1489. A bill to amend title XVIII of the Social Security Act with respect to the payment amount for ambulatory surgical procedures, and for other purposes; to the Committee on Finance.

By Mr. ROTH:

S. 1490. A bill to amend title 18, United States Code, to allow the imposition of the death penalty for espionage, and for other purposes; to the Committee on the Judiciary.

By Mr. HEINZ:

S. 1491. A bill to amend part A of title IV of the Social Security Act to require States to utilize automated statewide management information systems; to the Committee on Finance.

By Mr. HELMS:

S. 1492. A bill to deny most-favored-nation trade status to Romania; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. DECONCINI):

S.J. Res. 171. Joint resolution proposing an amendment to the Constitution of the United States with respect to the length of the term of office of the President and Vice President and the number of terms a President may serve; to the Committee on the Judiciary.

By Mr. DECONCINI:

S.J. Res. 172. Joint resolution proposing a Constitutional Amendment to limit Congressional terms; to the Committee on the Judiciary.

By Mr. EAST (for himself, Mr. BOSCHWITZ, Mr. BURDICK, Mr. DOLE, Mr. EXON, Mr. GRASSLEY, Mr. HATCH, Mr. HEFLIN, Mr. HELMS, Mr. JOHNSTON, Mr. LAUTENBERG, Mr. LEVIN, Mr. LAXALT, Mr. MATSUNAGA, Mr. MCCLURE, Mr. MURKOWSKI, Mr. NUNN, Mr. RIEGLE, Mr. SASSER, Mr. SPECTER, Mr. STAFFORD, Mr. STENNIS, Mr. SYMMS, Mr. THURMOND, Mr. ZORINSKY, and Mr. ABDNOR):

S.J. Res. 173. Joint resolution to designate the Month of September 1985 as "National Sewing Month"; to the Committee on the Judiciary.

By Mr. HEINZ (for himself, Mr. SPECTER, Mr. PELL, Mr. CHAFEE, Mr. KENNEDY, Mr. HATCH, and Mr. BRADLEY):

S.J. Res. 174. Joint resolution to designate November 18, 1985, as "Eugene Ormandy Appreciation Day"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. FORD:

S. Res. 202. A resolution to urge negotiators for major league baseball owners and players to quickly settle their differences and avoid a scheduled players' strike; to the Committee on Labor and Human Resources.

By Mr. DANFORTH

S. Res. 203. An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of H.R. 2796; to the Committee on the Budget.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CHILES (for himself, Mr. ANDREWS, Mr. INOUYE, Mr. PROXMIRE, and Mr. DIXON):

S. 1488. A bill to authorize appropriations for construction of certain highways in accordance with title 23 of the United States Code, for highway safety, and for other purposes; to the Committee on Environment and Public Works.

FEDERAL-AID HIGHWAY ACT

● Mr. CHILES. Mr. President, today I am introducing legislation to extend and reauthorize Federal highway programs for 4 years or for the period of fiscal year 1987 through fiscal year 1990.

My bill, the Federal Aid Highway Act of 1985, lays the base for a smooth transition to the 1990's when the Interstate System will be completed. It attempts to balance the need to preserve our existing highway system against the pressing need to build new capacity in the growth areas of our country. Finally, it looks beyond the Federal highway trust fund as the only source of funding for our highway programs by permitting the use of tolls to help finance important, capacity enhancement highway projects around the country. This legislation, I believe, is both fiscally prudent and realistic as it does not increase highway authorizations beyond the levels that are now authorized for fiscal year 1986 and, therefore, it does not require any new highway taxes to finance its several provisions.

Mr. President, with the exception of the Interstate Construction Program, the last several decades have seen the Federal Highway Program emphasis shift to the preservation and restoration of the existing highways. This highway funding trend has ignored the growing and obvious need for new highways and the expansion and upgrading of existing highways. The need for new highway capacity does not exist only in Florida and other traditional growth Sun Belt States, but it exists in every region of the country where pockets of growth and highway construction have developed.

From the perspective of good transportation policy, we can no longer afford to only maintain or preserve our existing systems. We must also begin to address capacity problems. In attempting to meet both the need to preserve and expand our system of highways, the limitations of Federal resources present an obvious challenge. In order to meet this challenge while not increasing Federal taxes, my legislation proposes to permit States to build new facilities and substantially expand existing facilities by using toll revenues—a financing option which is now severely limited by existing law.

I would like to now describe the main features of my legislation.

First, the Interstate Construction Program is reauthorized for 4 years at the current level of $4 billion a year with the funds to be distributed under existing formulas. The $300 million discretionary program and the one-half percent minimum allocation for all States is retained. In order to accelerate the completion of the Interstate System and meet the 1990 completion date, the bill would do the following: Most importantly, it would effectively remove the obligational ceiling for interstate construction. It would also permit States to transfer up to 10 percent of funds from other highway programs, with the exception of bridge or safety programs, into the interstate program to complete interstate gaps. Additionally, it would permit the administrative approval of the interstate cost estimates and the interstate substitution cost estimates if the Congress fails to act on time. The repeated failure of Congress over the last 3 years to approve the interstate cost estimates and the interstate substitution cost estimates in a timely manner has caused a great deal of disruption to the Interstate Construction Program.

Finally, it would relax the requirement for a 90-percent Federal contribution, giving States the option to use more than 10 percent of State and local funds on interstate construction projects.

The second major feature of my bill is to expand and reinforce user fee philosophy by permitting toll revenues to supplement highway trust fund revenues. The use of toll financing would be limited to those projects which would be new construction or major reconstruction and would result in additional capacity to address congestion problems. Other significant features of my toll proposal would include the following:

First, Federal participation in toll financed projects would be limited to 50 percent;

Second, the requirement to pay back the Federal Government for its investment in a highway when an existing free road is tolled would be eliminated;

Third, tolls would be permitted to remain in place on existing and future toll roads, bridges, and tunnels after the debt has been retired; and

Fourth, toll revenues in excess of operation, maintenance, and debt retirement needs may be retained by the State to be used for other ground transportation projects in the State.

A third major feature of the legislation is the creation of a new National System of Highways. Creation of this new system defines a national focus and looks to the period beyond 1990 when the Interstate Construction Program will be completed. It is created by combining the interstate 4-R or the Interstate Maintenance Program with the primary program and the bridges on those two systems into one new program. Funding under this new program would be distributed by a new formula based one-third on current population data; one-third on lane-miles; and one-third on fuel consumption. Present formulas incorporate several extraneous factors such as land area and rural postage route mileage which have little direct relationship to actual highway funding needs.

Creation of a new National System of Highways meets two objectives. First, it addresses the concept of a new Federal interest highway system that is beginning to take shape as interstate completion grows near. This new National System embodies our primary Federal interest in our National System of Highways. Second, by combining several existing programs in a new National System, program flexibility is greatly increased, permitting States to address their needs with much less Federal redtape. Additional flexibility would be provided by relaxing the Federal match from the current 90 percent for interstate construction and 75 percent for primary road construction, permitting States to contribute a greater share of project costs at their option.

A significant feature of the new National System of Highways would be the creation of a $300 million set aside program to be allocated on a discre-

tionary basis by the Secretary of Transportation. Priority would be given to those projects which accommodate capacity and congestion problems with the Federal share of the project cost limited to 50 percent of the total. Toll revenues would be permited to be used as the local contribution to match the Federal funds.

Creating the new National System of Highways raises the obvious question of the fate of those Federal highway programs not included in the National System. To address that question, the bill calls for a study to be completed and submitted to the Congress within 2 years to address the organization and structure of those remaining highway programs.

Finally, the balance of the bill focuses on the continuation of all other categorical programs at current authorized levels, including the National Highway Traffic Safety Administration programs, with the exception of the Alcohol Incentives Grant Program. This program was intended as a 3-year initiative to get States more involved in measures to curb drunk driving. Only $30 million of the $125 million authorized for this program has been spent and the balance of the funds continue to be available until 1988.

The 8.5 percent minimum allocation, an important feature of current law, would be continued.

Mr. President, this is a significant and major piece of legislation and for that reason, I have attempted to explain it in some detail. In order to supplement this explanation, I would request that a section-by-section analysis of the legislation be printed in the RECORD.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION ANALYSIS

TITLE I

Sec. 101 provides that title I may be cited as the "Federal-Aid Highway Act of 1985".

Sec. 102 provides that references in title I to sections or other provisions are references to sections and provisions of title 23, United States Code except where otherwise specified. Words and terms used in title I are defined as if they were used in title 23, United States Code.

Sec. 103 provides an Interstate construction authorization of $4 billion for fiscal year 1991 in addition to existing authorizations. Pursuant to 23 U.S.C 104(b)(5) such $4 billion would be apportioned on October 1, 1989. The effect of section 103 considered with existing Interstate construction authorization is to provide 4 years of Interstate construction authorizations to be apportioned on October 1, 1986, October 1, 1987, October 1, 1988 and October 1989. Under the current definition of Interstate completion the additional $4 billion authorized by this section will be needed to complete the Interstate System.

Sec. 104 retains current law to provide that no State, including Alaska, shall receive less than ½ of 1 percent of the Interstate construction apportionment scheduled by law to be made on October 1, 1986, October 1, 1987, October 1, 1988 and October 1, 1989. Sec. 104 also permits the expenditure of minimum Interstate apportionments for Interstate 4R, primary, secondary, urban and hazard elimination purposes when the apportionments are not needed for Interstate completion.

Sec. 105 provides for the approval of an Interstate Cost Estimate necessary to apportion the Interstate Construction funds that should be apportioned on October 1, 1985.

Sec. 106 provides for the approval of an Interstate Substitution Cost Estimate necessary to apportion the highway and transit Interstate substitution funds that should be apportioned on October 1, 1985.

Sec. 107 provides an obligation ceiling for Federal-aid highways and highway safety construction for fiscal years 1987, 1988, 1989, and 1990. The provisions of this section are the same as those in force for fiscal year 1985 except that Interstate construction apportionments will receive a dollar for dollar allocation of obligation authority.

Sec. 108(a) provides authorization for the Federal-aid highway programs out of the Highway Trust Fund (other than the Mass Transit Account) for the fiscal years 1987, 1988, 1989, and 1990 that are identical to that provided for fiscal year 1986 except that $50 million per fiscal year is added to the primary authorization and except that there is an Interstate 4R authorization for fiscal year 1987 of $3.15 billion that is in addition to an existing fiscal year 1987 of $3.15 billion Interstate 4R authorization. The existing fiscal year 1987 Interstate 4R apportionment will be apportioned on October 1, 1985. The fiscal year 1987 Interstate 4R apportionment provided by this section will be apportioned on October 1, 1986 in accord with amendments to 23 U.S.C. 104 made by this Act. The net effect of section 108(a) is to maintain the authorizations to be apportioned in the fiscal years 1987, 1988, 1989 and 1990 at the level for fiscal year 1986 plus $50 million. The amounts of primary funds, Interstate 4R funds and bridge funds to be used on the primary and Interstate System to be apportioned are, however, reduced by provisions of this Act which amend 23 U.S.C. 118 to set aside $300 million, $108.6 million from the primary system authorization, $137.1 million from the Interstate 4R authorization, and $54.3 million from the primary and Interstate bridge authorization for a discretionary fund to be used on the primary and Interstate systems (a National discretionary fund).

Sec. 108(b) provides authorizations for the fiscal years 1987, 1988, 1989, and 1990 for the 85 percent minimum allocation program under 23 U.S.C. 157 out of the Highway Trust Fund (other than the Mass Transit Account) of whatever amounts may be necessary.

Sec. 108(c) provides authorization for Motor Carrier Safety Grants of $50 million per fiscal year for the fiscal years 1989 and 1990 out of the Highway Trust Fund (other than the Mass Transit Account). $50 million is the level of authorizations provided in the Surface Transportation Assistance Act of 1982 for the fiscal year 1988.

Sec. 108(d) provides authorizations for the fiscal years 1987, 1988, 1989 and 1990 for transit substitution projects of $400 million per fiscal year from the general funds of the Treasury with 50 percent of the funds to be distributed at the discretion of the Secretary and 50 percent apportioned in accord with 23 U.S.C. 103(e)(4). The $400 million authorization and the 50-50 split are the same as that provided by the Surface Transportation Assistance Act of 1982 for the fiscal year 1986.

Sec. 108(e) retains the disadvantaged business enterprises provisions of section 105(f) of the Surface Transportation Assistance Act of 1982.

Sec. 109 amends 23 U.S.C. 103(e)(4) to provide for the administrative apportionment of Interstate transit and highway substitution funds.

Sec. 110(a) provides a new apportionment formula for Interstate 4R funds, Federal-aid primary system funds, and primary and Interstate bridge replacement funds. The formula is based one-third upon population as shown in the annually updated Federal census, one-third on lane miles on the primary and Interstate systems, and one-third on highway fuel consumption with no State to receive less than ½ of 1 percent of each year's apportionment.

Sec. 110(1), (2) and (3) make conforming amendments.

Sec. 110(b)(4) provides for the administrative apportionment of Interstate construction funds if the Congress should fail to approve an Interstate Cost Estimate.

Sec. 110(c) repeals 23 U.S.C. 104(b)(5)(B), the existing Interstate 4R apportionment formula.

Sec. 110(d) makes conforming amendments.

Sec. 110(e) adds a new subsection to 23 U.S.C. 104 to permit the use of 10 percent of the Interstate 4R, primary, primary and Interstate bridge, secondary and urban apportionments to complete Interstate gaps if requested by the State, approved by the Secretary and in the case of attributable urban system funds, approved by the local officials of the urbanized area involved. The Federal share payable for transferred funds shall be the same as for other Interstate construction funds.

Sec. 110(f) provides that one-half of the fiscal year 1987 Interstate 4R, primary, and primary and Interstate bridge funds, less a set-aside for a National discretionary fund, shall be apportioned as per existing law and one-half according to the amendments made by this Act. The primary authorizations provided by this Act shall be apportioned to the territories in accord with existing law.

Sec. 111(a) amends 23 U.S.C 118 to make conforming amendments and to provide that Federal-aid primary funds, Interstate 4R funds, and primary and Interstate bridge funds shall not lapse when they are unobligated but shall go into a National discretionary fund, and to provide that Interstate 4R funds, Federal-aid primary system funds, and primary and Interstate bridge funds may be obligated on the Federal-aid primary system including the Interstate System. Funds in the National discretionary fund will be available at the discretion of the Secretary for obligation on the Federal-aid primary system including the Interstate System for high cost projects to increase capacity and lessen congestion that cost more than 10 percent of a State's apportionment of Interstate 4R, primary, and primary and Interstate bridge funds in the year of application for the funds. The Secretary may allocate funds from the National discretionary fund only to States that will obligate the funds immediately and, in the case of construction work, begin work within 90 days of obligation. The Federal share payable for projects financed from the national discretionary fund shall not exceed 50 percent but may be less than 50 percent at a

State's option with the concurrence of the Secretary. A total of $300 million will be set aside annually from the Federal-aid primary system authorization, the Interstate 4R authorization, and the primary and Interstate bridge authorization to fund the national discretionary fund.

Sec. 111(b) provides that balances of Interstate 4R, primary, and bridge funds that are unobligated when this Act passes shall be expended without regard to this Act except that they shall not lapse or go into the Interstate 4R discretionary fund but shall go into the National discretionary fund created by this Act.

Sec. 112 makes conforming amendments.

Sec. 113 provides the federal share payable for funds apportioned under 23 U.S.C. 104(b)(1). The Federal share payable for projects financed with apportioned Federal-aid primary system, Interstate 4R, or primary and Interstate bridge funds on the primary system other than the Interstate System will be that in 23 U.S.C. 120(a) and the Federal share payable for projects financed with apportioned Interstate 4R, primary, or primary and Interstate bridge funds in the Interstate System will be that in 23 U.S.C. 120(c). In either instance the federal share payable may be less than the prescribed amount at a State's option with the concurrence of the Secretary.

Sec. 114 amends the toll provisions of 23 U.S.C. 129 and 301. Title 23, U.S.C. section 129(a), as amended, incorporates the toll provisions of 23 U.S.C. 301 and provides that tolls may be imposed by the States on existing Federal-aid highways without the payback of any Federal-aid funds expended on such highways if the highways are publicly owned and operated and if the State enters into agreements to use excess toll revenues for capital transportation projects eligible under title 23, United States Code.

Title 23, U.S.C., section 129(b), as amended, provides that Federal-aid highway funds may be expended in the construction of new toll highways, or the major reconstruction of any toll highways or highways which will be tolled upon the completion of reconstruction, or the construction or acquisition of any toll bridges and tunnels upon compliance with the conditions in 23 U.S.C. 129(b). The Federal share payable for projects under 23 U.S.C. 129(b) shall not exceed 50 percent and may, at the option of the State with the concurrence of the secretary, be less than 50 percent. The highway, bridge or tunnel must be publicly owned and operated. The State must agree to use any excess toll revenues for capital transportation projects under title 23, United States Code, or alternatively, to free the facility from tolls after the State has been repaid its costs.

Title 23, U.S.C., section 129(c) retains existing law to the effect that Federal-aid highway funds may be used on approaches to toll roads, bridges or tunnels and certain assessments and analyses.

23 U.S.C. 129(d)(1) retains current provisions with regard to Federal participation in the construction of ferry boats and also adds the State of Maine to States exempted from certain international water provisions.

23 U.S.C. 129(d)(2) retains existing provisions concerning approaches to ferry boats.

Sec. 114(b) repeals 23 U.S.C. 301.

Sec. 114(c) provides for the cancellation of toll agreements made before the enactment of this act upon reaching an agreement under the new 23 U.S.C. 129.

Sec. 115 amends the highway bridge replacement and rehabilitation program. Federal-aid primary system including Interstate System bridges will be eligible for funding under a combined Interstate 4R, primary, and primary and Interstate bridge program. Other bridges will be eligible for funding under 23 U.S.C. 144. The bridge discretionary program is retained at the current level to cover bridges other than primary and Interstate bridges and bridges previously funded with discretionary funds.

Sec. 116 provides for a post Interstate study to help determine the direction of the Federal-Aid Highway program when Interstate construction is complete. A report is due to the Congress within 2 years and $1,000,000 is authorized from the Highway Trust Fund (other than the Mass Transit Account) to cover the costs of the study.

Sec. 117 contains conforming amendments.

TITLE II

Sec. 201 provides that title II may be cited as the "Highway Safety Act of 1985".

Sec. 202 provides that a reference in title II to a section or other provision is a reference to a section or other provision of title 23 United States Code and that terms and words used in title II have the same meaning as if they were used in the title 23 United States Code.

Sec. 203 provides authorizations out of the Highway Account of the Highway Trust Fund for the Federal Highway Administration's and the National Highway Traffic Safety Administration's safety programs for the fiscal years 1987, 1988, 1989 and 1990 at the same level as authorizations provided for the fiscal year 1986.●

By Mr. DURENBERGER:

S. 1489. A bill to amend Title XVIII of the Social Security Act with respect to the payment amount for ambulatory surgical procedures, and for other purposes; to the Committee on Finance.

MEDICARE OUTPATIENT SURGERY SAVINGS, ACCESS, AND QUALITY ACT

● Mr. DURENBERGER. Mr. President, over the last 6 years I have worked with many of my colleagues in the Congress to promote health system reform through changing Medicare's payment policies. Since its inception in 1965, Medicare had paid hospitals and doctors their costs or charges. Basically, Medicare paid whatever bill it was sent by the providers—Medicare sent a blank check to the hospitals and doctors and said fill it in. This blank check payment system helped the health care system grow, but it also was inflationary and promoted excessive use of health care resources.

The purpose of health system reform has been to maintain or improve quality and access to health care while working the excesses of cost-based reimbursement. That is why in 1983 the Congress developed the prospective payment system for hospital inpatient care under part A of Medicare and this year why Medicare offered voluntary vouchers to Medicare beneficiaries to join health maintenance organizations. The key to these new payment systems is the setting of prices in advance based on averages across hospitals and changing the incentives of hospitals and doctors. This strategy has worked, at least for part A. Hospital length of stay has dropped sharply—2 percent in 1983 and 5.1 percent in 1984. Hospital admissions have also fallen 0.5 percent in 1983 and 4 percent in 1984. The strength of these trends is pushing the cash flow problems of the Medicare trust fund off until 1985.

Mr. President, the picture is not completely rosy for Medicare. There is still work to be done. This is why I rise to introduce S. 1489 the Medicare Outpatient Surgery Savings, Access and Quality Act. S. 1489 is part of the job we health reformers still must do for Medicare—to close all the loopholes which through paying costs or charges send the wrong economic signals to hospitals and doctors and cost Medicare and the elderly more than they should spend on health care. The bill will set a prospective rate for outpatient surgery facilities paid for Medicare beneficiaries. It also includes features to assure quality care and increased access to cost-effective health care.

The bill is only a part of a broader reform for Medicare, progress has been made on the inpatient side. This bill will set the right incentives in place on the outpatient surgery side. And, set in motion the next stage, refinement of payment for the physician services rendered to Medicare beneficiaries.

OUTPATIENT SURGERY

Outpatient surgery in hospitals is critical to Medicare payment reform because: First, it is one of the last areas of hospital services where Medicare pays reasonable cost not a fixed price, second, it is rapidly becoming a big ticket item for Medicare part B payments, and third, it will continue to expand with improved technology and the push by providers and Peer Review Organizations [PRO's] alike to encourage beneficiaries to seek alternatives to expensive inpatient hospital services.

Technological advances in medicine now make it possible to perform many surgical procedures outpatient which previously required a hospital stay. Procedures done outpatient now include such surgery commonly used by Medicare patients as implantation of intraocular lenses—cataract surgery, hernia repair, arthroscopy, and many more. The capability even to implant pacemakers for relatively healthy individuals in an outpatient setting is just around the corner.

Medicare currently pays for outpatient surgery done in doctor's offices, freestanding ambulatory surgical centers [ACS's] and the outpatient departments of hospitals. Because outpatient surgery is same day and requires no overnight hospital stay, it should

be less expensive than comparable inpatient surgery. But it does not always work that way, at least for surgeries performed in outpatient hospital departments.

The chief culprit is cost-based reimbursement—the blank check for the hospital outpatient services, Medicare pays reasonable cost—which, in practice, may or may not be reasonable.

For example, for one of the most common procedures for the elderly, cataract surgery, the fixed inpatient hospital DRG payment is about $1,500. For outpatients, without fixed prices, the charges average $2,200 and can go as high as $4,500. In other words, the costs of the procedure are lower but the price to Medicare is higher.

To put it simply, Medicare is being ripped off—and so are its beneficiaries.

Hospitals can make a lot of money because of this disparity in payment amount and they are doing it. The incentives for hospitals are even discussed publicly. In the July 1985 issue of "Healthcare Financial Management," a hospital controller explains how his institution uses a sophisticated computer program to tell physicians which procedure ought to be performed outpatient to maximize hospital revenue.

Medicare reform is based on changing incentives and it is clear that the incentive is to stack up outpatient procedure costs. This must be halted. Payment by a prospective per-case price on the inpatient side is bringing about real savings. But, these savings are in part being eaten up by the overpriced outpatient surgery which Medicare is buying.

The revenue from outpatient surgeries which hospitals save is even frequently sufficient to allow institutions to waive patient deductibles and copayments and settle for simply receiving Medicare's 80 percent of the reasonable cost. This is undermining the cost-sharing aspect of part B Medicare policy.

The trends are likely to exacerbate these problems. Outpatient surgery is growing while inpatient procedures are declining.

Since 1980, inpatient surgery has declined steadily from over 16.2 million procedures to about 15.5 million. On the other hand, outpatient surgical procedures in hospitals have grown from 3 million to over 5 million during the same period.

In recent years, the dollar volume of part B payments has increased at a rate of 20 percent per year. Freezing physician payments has held this increase down in the short term but cannot stem the tide indefinitely because 41 percent of the increase in part B payments was due to an increase in the volume.

PRO policy is likely to further contribute in this growth of outpatient volume. PRO's which now only monitor inpatient services have objectives to move patient services out of the hospital. Florida's PRO, for example, in the area of cataracts has a goal to reduce the number of inpatient cataract procedures by 51,064, the number of carpel tunnel releases by 1,267 admissions, and the number of foot procedures [DRG 225] by 2,023 admissions. Similarly, the California PRO wants to shift 27,544 cataract extractions, 5,239 inguinal hernias, 11,706 endoscopy and colonoscopy procedures, and thousands of other procedures to the outpatient setting. PRO policy is appropriate, current Medicare payment policy is not.

PROSTHESES

The high cost to Medicare of hospital outpatient services is not a problem of fraud or abuse, but of hosptials having the wrong economic incentives. The incentives are misdirected. Hospital managers are following accepted business practices for a cost-based system. The same cannot be said of the scam which has developed around the sale of intraocular lenses and other prostheses, some used in the outpatient setting, some not.

According to the Inspector General of Health and Human Services, intraocular lenses purchased last year by Medicare and its beneficiaries ranged in cost from $250 to $790 in hospitals and $146 to $408 for those implanted in other settings. In these prices are marketing costs which include enticements to doctors to encourage them to buy one produce line over another. To be frank, these are kickbacks and include trips to the Bahamas, fancy cars, and sophisticated medical equipment.

The kickback is now OK by HHS as long as it is reported by its recipients. But, the ethics of the arrangements and the added cost to Medicare due to these marketing techniques are unconscionable.

This is a clear waste of the public's money. It is even worse when you consider that these lenses cost around $55 to make and can be purchased for as little as $99 by institutions willing to shop. With the payment structure the way it is, however, as long as Medicare is willing to pass through the cost of the lens, the hospital, ASC, or doctor has no incentive to shop around and force the manufacturers to bargain.

SOLUTION

We know how to solve all these problems. The answer is fixed, prospective pricing for all the outpatient surgery Medicare and its beneficiaries purchase, regardless of setting.

Congress began to move down this path in section 934 of the Omnibus Budget Reconciliation Act of 1981. That act authorized the Secretary of Health and Human Services to establish a set of prospective facility rates for outpatient surgery performed in ASC's. The actual rates, set in 1982, equals a fraction of the amount paid for the same procedures in hospital outpatient departments. The cataract operation I talked about earlier which costs up to $4,500 in the hospital is performed for $750 on average in the ASC, inclusive of facility and lens costs.

If Medicare can get the cataract operation for $750, then there is no reason to pay more. That is why S. 1489 is modeled on the earlier act—but goes further.

The bill would extend the ASC prospective payment approach to hospital outpatient surgery for all procedures which the Secretary approves for the ASC—150 are currently approved. As a further refinement, S. 1489 would set a rate which is all-inclusive of the costs associated with a given procedure, including prosthetic devices and lab work. Professional fees are excluded at this point.

Currently, the prosthetic device—for example, the intraocular lens used in cataract surgery—is charged to the patient by the physician. The charges, as I have shown, have no relation to reasonable prices for the devices. The new payment methodology, including a rate with a fair market cost for the prosthetic devices, gives the incentive and flexibility to the facility to buy smart in the marketplace, not succumb to market tactics like kickbacks.

The single rate for each surgical procedure has many advantages. First, it will encourage hospitals and ASC's to provide service in a cost-effective manner. In a sense it will level the playing field between hospitals and ASC's. The hospitals have no incentive now to contain outpatient cost, the ASC's have to. Under this approach all settings will have to be efficient to compete.

Second, in a cost-based environment, costs go up but never come down. New technology that increases efficiency never seems to help lower costs. The bill requires the Secretary to review rates annually. She can adjust the rates accordingly.

In other industries movement on the learning curve toward higher volumes and production cost bring prices down. In health care, the old reasonable cost criterion, has traditionally sustained costs at their developmental levels indefinitely. The prospective payment approach for outpatient surgery will permit the rates to be adjusted.

The drawback of a fixed rate is that providers can do best by maximizing volume. Fortunately, we have not seen a rise in volume on the inpatient side where we use a fixed price per case. This constraint in use of hospital services can be attributed to a number of factors. Among these is peer review by the PRO's.

S. 1489 includes a provision which would require the Secretary to have

PRO's review outpatient surgical procedures. It is critically important that we guard against unnecessary procedures. PRO review will provide the constraint needed to control inappropriate surgery. This is a key provision of the legislation. It will help ensure quality outpatient care.

The cost of PRO review for outpatient surgery should be in the range of $37 million. When this provision of S. 1489 becomes law it is critical that this amount be appropriated. Otherwise, the PRO's will not have the capability to watchdog this area. I will work to encourage my colleagues in the Senate and the House of Representatives to appropriate these funds.

ASC's have proven capable throughout the country of providing quality care at a reasonable price. It is important that these institutions be allowed to compete in this new fixed price marketplace. There have been constraints applied by States which clearly discriminate against ASC's. It is not coincidental that New York State does not include a single ASC. If these institutions meet Medicare specifications, it is time they be freed up to operate. The bill includes language which would prohibit discriminatory practices to inhibit ASC development. Strengthening the ASC's will improve beneficiary access to quality same-day surgery.

Finally, the bill would eliminate the current provision in the law waiving the copayment for procedures provided in ASC's. This provision was originally adopted to help ACS's compete with hospitals. It made sense to give an incentive for beneficiaries to use the cheaper ASC. Now that the program will be moving to a fixed price for all settings, it eliminates the purpose for this policy.

Copayment is an important part of Medicare part B policy. Cost sharing is an additional safeguard against over use of services and an important tool in making the consumer conscious of the cost of care. The cost-conscious consumer will buy smarter.

It is also noteworthy that the lowering of all the payments on the hospital outpatient surgery side will invaribly help the beneficiary. It will mean lower copayments. The beneficiary who now receives his cataract surgery at Yale-New Haven Hospital is paying a copayment of $900 on a $4,500 charge. A prospective rate with a copayment in the $100 to $200 range will greatly benefit him.

PHYSICIAN PAYMENT REFORM

S. 1489 is another step toward reforming Medicare payment. However, it does not directly address the lack of economic incentives for doctors to seek out the most cost-effective setting for patient care. It also does not reflect needed reform in how and what Medicare pays doctors for services rendered.

Under the current system of paying for surgical services, Medicare makes a payment to the surgical facility and provides seperate reimbursement for the charges of all doctors involved in the case. In general, this will include the surgeon, any assistant surgeon, anesthesiologist, and radiologist or other consultants that were employed in the case. The number of doctor services varies dramatically according to the styles of practice in the facility and locale where the procedure is performed.

While there are clearly valid medical reasons for some variation in the per-case cost for professional services, the current systems of payment encourages the proliferation of professional services with no necessary relation to quality of care.

It is the doctor who decides whether a procedure is necessary, when it should be performed, how it should be performed, and where it should be performed. However, he does not have the economic incentives to seek the most cost-effective service, as well as the highest quality care. The incentives must be redirected to help doctors add economics and efficiency to their decisionmaking for patients.

To extend the payment reform process for facilities I have begun in S. 1489, I am drafting further legislation that will provide a single prospective payment to the doctor covering all the costs of an outpatient surgical procedure. The doctor would then be responsible to see that only those professional services expressly warranted by the case are provided. Further, the doctor would have a direct incentive to seek the facility that provides quality service at the lowest cost. The doctor who accepted a Medicare case under this arrangement would retain sufficient compensation, net of payments to other providers, only if those other providers are efficient.

The ultimate key to making this alternative payment system work is setting an appropriate all-inclusive payment. The basis for the facility payment portion is established in S. 1489. The physician payment legislation would extend that process to the establishment of an appropriate professional fee schedule for selected surgical procedures. An advisory panel of recognized experts would be established to develop the required fee schedule. Once the fee schedule was established, combining it with the prospective facility payment would create the all-inclusive payment for the procedure that would be paid to the attending physician.

This alternative physician payment system will significantly modify the incentives in the provision of surgical procedures. It will be another important step in the process of changing the incentives of health care providers to improve access to quality and cost-effective health care.

Mr. President, I ask unanimous consent that a summary of the bill and the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1489

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Medicare Outpatient Surgery Savings, Access, and Quality Act of 1985".

LIMITATION ON REASONABLE COST OR CHARGE

SEC. 2. (a) AMBULATORY SURGICAL CENTERS AND PHYSICIAN OFFICES.—Section 1833(i)(2) of the Social Security Act is amended by adding at the end thereof the following new subparagraph:

"(C) In no case shall the standard overhead amount established with respect to a surgical procedure under subparagraph (A) or (B) exceed the DRG rate for the same surgical procedure when provided on an inpatient basis in a hospital in the same area, as determined under section 1886.".

(b) HOSPITAL OUTPATIENT DEPARTMENTS.—Section 1861(v)(1)(K) of such Act is amended by adding at the end thereof the following new clause:

"(iii) Such regulations shall also provide that—

"(I) the amount of the costs or charges which shall be considered reasonable for facility services with respect to a surgical procedure described in section 1833(i)(1)(A) which is provided on an outpatient basis in a hospital shall be equal to the standard overhead amount with respect to the same surgical procedure when provided in an ambulatory surgical center in the same area, as determined under section 1833(i)(2)(A); and

"(II) the amount of the costs or charges which shall be considered reasonable for facility services with respect to any surgical procedure provided on an outpatient basis in a hospital shall not exceed the DRG rate for the same surgical procedure when provided on an inpatient basis in a hospital in the same area, as determined under section 1886.".

(c) ANNUAL UPDATING.—(1) Subparagraph (A) and (B) of section 1833(i)(2) of such Act are each amended by striking out "shall be reviewed periodically" and inserting in lieu thereof "shall be reviewed and updated not less often than annually to ensure timely compliance with the standards established under this subparagraph,".

(2) Section 1833(i)(1) of such Act is amended by adding at the end thereof (after and below subparagraph (B)) the following: "The lists of procedures established under subparagraphs (A) and (B) shall be reviewed and updated not less often than annually.".

FACILITY SERVICES TO INCLUDE RELATED SERVICES

SEC. 3. (a) Section 1833(i) of the Social Security Act is amended by adding at the end thereof the following new paragraph:

"(5) For purposes of this section, 'facility services' shall include all medical and other health services (as defined in section 1861(s)) which are furnished in connection with a surgical procedure specified under paragraph (1), other than the physicians' services.".

(b) Sections 1832(a)(2)(F) and 1833(i)(3) of such Act are each amended by striking out "services (including all pre- and post-operative services) described in paragraphs (1) and (2)(A) of section 1861(s) and" and inserting in lieu thereof "physicians' services and facility services, including all preoperative and postoperative services,".

(c) Section 1833(i)(4)(A) of such Act is amended by striking out "and with respect to all related services (including physicians' services, laboratory, X-ray, and diagnostic services)" and inserting in lieu thereof "and the physicians' services".

PRO REVIEW

SEC. 4. (A) Section 1154(a)(1) of the Social Security Act is amended by inserting "and subject to the requirements of subsection (d)" after "subject to the terms of the contract".

(b) Section 1154 of such Act is amended by adding at the end thereof the following new subsection:

"(d) Each contract under this part shall require that the utilization and quality control peer review organization's review responsibility pursuant to subsection (a)(1) will include all ambulatory surgical procedures described in section 1833(i)(1)(A) which are performed in the area, or, at the discretion of the Secretary, a statistical sample of selected procedures.".

NONDISCRIMINATION IN TREATMENT OF AMBULATORY SURGICAL CENTERS

SEC. 5. Section 1864 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(d) Any State having an agreement under this section must provide that no certificate of need requirement, licensure, or other regulatory requirement may be imposed on an entity which seeks to qualify as an ambulatory surgical center under section 1832(a)(2)(F)(i) which is not imposed on similar entities not seeking to qualify under such section.".

COINSURANCE AND DEDUCTIBLE TO APPLY WITHOUT REGARD TO SETTING OF AMBULATORY SURGERY OR ASSIGNMENT

SEC. 6. (a) Section 1832(a)(2)(F)(i) of the Social Security Act is amended by inserting "standard overhead" before "amount determined under section 1833(i)(2)(A)".

(b) Section 1832(a)(2)(F)(ii) of such Act is amended by inserting "standard overhead" before "amount determined under section 1833(i)(2)(B)".

(c) Section 1833(a)(1) of such Act is amended—

(1) by inserting "and" before "(E)"; and

(2) by striking out ", and (F)" and all that follows and inserting in lieu thereof a semicolon.

(d) Section 1833(a)(4) of such Act is amended by striking out "the applicable amount described in paragraph (2) of section 1833(i)" and inserting in lieu thereof "80 percent of the applicable standard overhead amount described in subsection (i)(2) of this section".

(e) Section 1833(b) of such Act is amended by striking out "(3) such total amount shall not include expenses incurred for services the amount of payment for which is determined under subsection (a)(1)(F) or under subsection (i)(2) or (i)(4), and (4)" and inserting in lieu thereof "and (3)".

(f) Subparagraphs (A) and (B) of section 1833(i)(2) of such Act are each amended by inserting "80 percent of" before "a standard overhead amount".

(g) Section 1833(i) of such Act is amended by striking out paragraph (3) and redesignating paragraph (4) as paragraph (3).

EFFECTIVE DATES

SEC. 7. (a) The amendments made by sections 2(a), 2(b), 3, and 6 shall apply to services furnished on or after January 1, 1986.

(b) The amendments made by section 2(c) shall apply on and after January 1, 1986. Prior to January 1, 1986, the Secretary of Health and Human Services shall update the amounts established under subparagraphs (A) and (B) of section 1833(i)(2) of the Social Security Act on the basis of current data to account more appropriately for the costs actually incurred.

(c) The amendments made by section 4 shall apply to contracts entered into or renewed on or after January 1, 1986.

(d) The amendment made by section 5 shall become effective on the date of the enactment of this Act.

BILL SUMMARY—1489

1. Pay a fixed prospective rate for outpatient surgeries regardless of delivery setting—outpatient hospital department or ambulatory surgery center. Currently 150 procedures will get a fixed rate. The Secretary of Health and Human Services can add further procedures to this list.

2. Include in the fixed prospective rate all facility costs including prosthetic devices (e.g. intraocular lens) and lab work.

3. Allow no fixed procedure rate to go above the amount paid for the inpatient DRG for the comparable surgery.

4. Update the outpatient prospective rate to current costs. And, require the Secretary to update the rates at least annually.

5. Mandate PRO review of medical necessity and quality of outpatient surgical procedures.

6. Prohibit discriminatory state practices against ambulatory surgical centers seeking Medicare qualification.

7. Provide a copayment for all outpatient surgery as for all other services provided under Medicare Part B.

By Mr. ROTH:

S. 1490. A bill to amend title 18, United States Code, to allow the imposition of the death penalty for espionage, and for other purposes; to the Committee on the Judiciary.

IMPOSITION OF DEATH PENALTY FOR ESPIONAGE

● Mr. ROTH. Mr. President, I am today offering an amendment to section 794, title 18, United States Code, which deals with espionage against the United States.

We have all been sickened by the recent revelations of spying against our government—allegedly carried out on behalf of foreign governments by our own citizens. Their treachery disgusts all decent Americans and causes us in the legislature to reexamine current policies, procedures, and laws designed to safeguard our secrets and deter from action those who would consider selling out their country. Clearly, present statutes are not perceived as strong enough, nor is punishment perceived as sure enough, to dissuade these traitors from their activities; activities we are told which are motivated as much by a lust for money as for political reasons—perhaps more.

My amendment will, most importantly, cure the present defects in the espionage statute so that the death penalty can be constitutionally imposed in appropriate circumstances. Certainly, espionage during time of declared war and war-like conflict involving the dedication of our military forces against a foreign power is especially dangerous to the national security and places in peril the lives of American military members engaged in operations against the enemy. In such circumstances I believe the ultimate penalty should be among the punishments available for consideration.

Likewise, there are certain classes of information the unauthorized release of which puts our security and our people in grave jeopardy. Including among those is the compromise of information concerning nuclear weapons, retaliation or defense capabilities of the United States, intelligence and counterintelligence operations, and major elements of defense strategy, among others. Because of the peril which could result from the loss by espionage of these items I view the death penalty as an appropriate punishment in such cases, especially in light of recent events which indicate that the perpetrators may just be looking for some fast bucks. Perhaps knowing that their greed may lead to this ultimate punishment will cause them to think twice. I can't believe that someone in full control of their faculties would risk their life for 50,000 KGB dollars.

Finally, this amendment will reflect the seriousness with which Congress views espionage against the United States by requiring a minimum penalty of 20 years in prison for those convicted. And in all cases, when a term of years is the penalty imposed, there will be no opportunity for early release or probation.

These are tough measures but I believe they are appropriate sanctions for one of the most serious crime a person can commit.

This bill will amend section 794 of title 18, United States Code which enumerates the offense of espionage and provides penalties for violations.

The amendments' effects would be as follows:

First. Amendment to subsection (A): Create a minimum term of 20 years imprisonment upon conviction, and provide for the sentence of death during peacetime if it is found that the offense involves enumerated areas of espionage.

Second. Amendment to subsection (B): Expands beyond congressionally declared war the circumstances of combat involving United States troops where the penalties would attach and creates a minimum term of 20 years imprisonment upon conviction. This amendment would include "Police Actions" such as the Korean and Vietnam conflicts as well as military oper-

ations such as the Grenada action as among those covered by subsection (B).

Third. Amendment in the form of subsection (D): Provides for a constitutionally-mandated hearing in which factors in aggravation and mitigation are considered prior to imposing the sentence of death.

Fourth. Amendment in the form of subsection (E): Provides that no person sentenced to a term of years for espionage is eligible for parole or probation during the term of imprisonment imposed.●

By Mr. HEINZ:

S. 1491. A bill to amend part A of title IV of the Social Security Act to require States to utilize automated statewide management information systems; to the Committee on Finance.

IMPROVEMENT TO AID TO FAMILIES WITH DEPENDENT CHILDREN PROGRAM PAYMENT SYSTEM

● Mr. HEINZ. Mr. President, we face a severe crisis in our States' aid to families with dependent children payments system. Nationally, approximately 8 percent of all AFDC payments are made incorrectly—at a time when only half of the 13 million impoverished children in our country receive AFDC. The Federal Government has now sanctioned 27 States, with more sanctions on the way. Clearly, it is in everyone's interest to have the best possible AFDC administration.

In 1979, when Medicaid payments were also in poor condition because of antiquated State administration practices, I consponsored S. 731 which mandated the Medicaid management information system. Since that time, Medicaid payments have improved substantially. Thus, I am pleased to introduce legislation which will mandate the family assistance management information system by fiscal year 1989. It is my belief that this system, developed by HHS almost 6 years ago, will provide the kind of quality AFDC administration that we must have.

The Federal Government has tried many devices to encourage the States. Presently, the Treasury will reimburse 90 percent of a State's cost to implement FAMIS. Yet, only three States—North Dakota, Alaska, and Wisconsin—have gone so far as to have their systems certified by HHS. Other States are moving ahead with the system, but some have received Federal funds and then backed out on implementation all together. Thus, if we are to bring about the quality of administration that Congress has insisted upon, we must mandate the system.

Mr. President, my legislation will ultimately save the Government money, and be certain that the neediest children are those who receive AFDC. This is what quality welfare administration should be, and we should expect no less. It is my hope that my colleagues will join me in sponsoring this urgently needed legislation, and I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1491

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) STATE PLAN REQUIREMENT.—Section 402(a)(30) of the Social Security Act is amended to read as follows:

"(30) provide for the establishment and operation (directly or by contract) of an automated statewide management information system which meets the requirements of section 413 and is approved by the Secretary;".

(b) SYSTEM REQUIREMENTS.—Section 413 of the Social Security Act is amended to read as follows:

"MANAGEMENT INFORMATION SYSTEM

"SEC. 413. (a) SYSTEM REQUIREMENTS.—For purposes of sections 402(a)(30) and 403(a)(3)(B), an automated statewide management information system must meet the following requirements:

"(1) The system must be designed to effectively and efficiently assist management in the administration of the State plan approved under this part so as to—

"(A) control and account for all the factors in the total eligibility determination process under such plan, including but not limited to—

"(i) identifiable correlation factors such as social security numbers, names, dates of birth, home addresses, and mailing addresses (including postal ZIP Codes), of all applicants for and recipients of aid to families with dependent children and the relative with whom any child who is such an applicant or recipient is living, to assure sufficient compatibility among the systems of different jurisdictions to permit periodic screening to determine whether an individual is or has been receiving benefits from more than one jurisdiction; and

"(ii) checking records of applicants for and recipients of such aid on a periodic basis with other agencies, both intrastate and interstate, for determination and verification of eligibility and payment pursuant to requirements imposed by other provisions of this Act;

"(B) control and account for the costs, quality, and delivery of funds and services furnished to applicants for and recipients of such aid;

"(C) notify the appropriate officials of child support, food stamp, social service, and medical assistance programs whenever the case becomes ineligible or the amount of aid or services is changed;

"(D) provide for security against unauthorized access to, or use of, the data in such system; and

"(E) be compatible with the claims processing and information retrieval systems utilized in the administration of State plans approved under title XIX, and State programs with respect to which there is Federal financial participation under title XX.

"(2) The system must be established and operated in accordance with an initial, and annually updated, advance automatic data processing planning document which when implemented will generally carry out the objectives of such system set forth in paragraph (1), as determined by the Secretary. Such document must—

"(A) provide for the conduct of, and reflect the results of, requirements analysis studies, which include consideration of the program mission, functions, organization, services, constraints, and current support, of, in, or relating to, such system;

"(B) contain a description of the proposed statewide management system, including a description of information flows, input data, and output reports and uses;

"(C) set forth the security and interface requirements to be employed in such system;

"(D) describe the projected resource requirements for staff and other needs, and the resources available or expected to be available to meet such requirements;

"(E) include cost-benefit analyses of alternative management systems, data processing services, and equipment, and a cost allocation plan containing the basis for rates, both direct and indirect, to be in effect under such system;

"(F) contains an implementation plan with charts of development events, testing descriptions, proposed acceptance criteria, and backup and fallback procedures to handle possible failure of contingencies; and

"(G) contain a summary of proposed improvement of such system in terms of qualitative and quantitative benefits.

"(b) REVIEW AND APPROVAL—(1) The Secretary shall, on a continuing basis, review, assess, and inspect the planning, design, and operation of statewide management information systems, with a view to determining whether, and to what extent, such systems meet or continue to meet the requirements imposed under this section, and shall approve those systems which meet such requirements.

"(2) If the Secretary finds with respect to any statewide management information system that there is a failure substantially to comply with the requirements of this section, then the Secretary shall not approve, or shall suspend approval of, such system until compliance with the requirements of this section is met or restored.

"(c) TECHNICAL ASSISTANCE.—The Secretary shall provide such technical assistance to States as the Secretary determines necessary to assist States to plan, design, develop, install, and provide for the security of, the management information systems.

"(d) MODIFIED REQUIREMENTS FOR PROGRAMS ADMINISTERED ON A COUNTY LEVEL.—The Secretary shall establish modifications of the requirement that the management information system be a statewide system, to the extent that such modifications are necessitated because aid to families with dependent children is provided through a county (or other political subdivision) program. Such modifications must provide that there be maintained a capability for statewide central eligibility clearance, and a capability for statewide reporting. Approval under subsection (b) shall apply on a statewide basis.'.

"(c) CONFORMING AMENDMENT.—Section 403(a)(3)(B) of the Social Security Act is amended to read as follows:

"(3) 90 percent of so much of the sums expended during such quarter as are attributable to the planning, design, development, or installation of an automated statewide management information system which meets the requirements of section 413; and".

"(d) EFFECTIVE DATE.—The amendments made by subsections (a), (b), and (c) shall apply to calendar quarters beginning on or after October 1, 1988, but any State may choose to have such amendments become

applicable to such State effective on the first day of any calendar quarter, selected by the State, prior to October 1, 1988.

"(e) MORATORIUM ON ERROR RATE SANCTIONS.—Section 403(i) of the Social Security Act is amended by adding at the end thereof the following new paragraph:

"(5) This subsection shall not apply with respect to the first fiscal year during all of which the State has in operation an automated statewide management information system approved by the Secretary under section 413." ●

By Mr. HELMS:

S. 1492. A bill to deny most-favored-nation trade status to Romania; to the Committee on Finance.

DENIAL OF MOST-FAVORED-NATION TRADE STATUS TO ROMANIA

● Mr. HELMS. Mr. President, it is time for the United States to stop rewarding the oppressive, tyrannical regime of Romania with most-favored-nation trade status. The United States tried, unsuccessfully, to affect Romania's repressive policies by giving that government a lucrative trade agreement. This agreement is a great economic benefit to Romania, but after 15 years Romania yet maintains the worst human rights record in the Soviet bloc—second only to the Soviet Union.

Mr. President, a few examples of human rights abuses include the mandatory registration of all typewriters, an "education tax" levied on all emigrants, the demolition of churches, and the transformation of much needed Bibles into toilet paper.

Obviously, Mr. President, the repeated and automatic granting of most-favored-nation trade status is not the solution to the problem. Therefore, I am introducing today a bill which would deny MFN to Romania.

Continuing preferential trade would condemn the people of Romania to more of the same—systematic religious persecution and total disregard for human rights. Rather, let us send a message to the people of Romania that we will no longer be Ceausescu's accomplice—that we expect improvement of the system under which they live.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1492

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the General Headnotes and Rules of Interpretation to the Tariff Schedules of the United States (19 U.S.C. 1202) are amended by inserting "Romania" after "Outer Mongolia" in headnote 3(f).

(b)(1) Notwithstanding any other provisions of law, the products of Romania shall not receive nondiscriminatory (most-favored-nation) trade treatment.

(2) No agreement may be entered into with Romania under section 405 of the Trade Act of 1974 (19 U.S.C. 2435) and no proclamation may be issued by the President under section 404(a) of the Trade Act of 1974 (19 U.S.C. 2434(a)) with respect to Romania.

(c) Notwithstanding any other provision of law, Romania may not participate, directly or indirectly, in any program under which the United States extends credit, credit guarantees, or investment guarantees. ●

By Mr. THURMOND (for himself and Mr. DECONCINI):

S.J. Res. 171. Joint resolution proposing an amendment to the Constitution of the United States with respect to the length of the term of office of the President and Vice President and the number of terms a President may serve; to the Committee on the Judiciary.

LIMITING THE PRESIDENCY TO A SINGLE SIX YEAR TERM

Mr. THURMOND. Mr. President, today along with Senator DECONCINI, I am introducing a joint resolution proposing an amendment to the Constitution limiting the tenure of a President to a single 6-year term. This is a measure that has long been needed to ensure that the office of the President will be one of emphasis on national issues and problems, and not one of concern for reelection.

Mr. President, I wish to note at the outset that the need for this amendment does not result solely from our experience with any one President. During the first term of many administrations, both Republican and Democrat, much of what the President has said or done has been interpreted as being designed to improve his chances for reelection. Few would doubt that a great temptation confronts Presidents to base policies on perceived enhancement of popularity. This temptation has no place in decisionmaking, which ought to be concerned only with what is in the Nation's best interest.

The Presidency is one of three cornerstones in our Federal system, and I am introducing this joint resolution because I believe we need to rescue it. The tempo, pressures, and problems of these times, which we in the Senate know well, have grown to a point that one must doubt the ability of even the greatest of Presidents to meet the responsibilities which come with his office at the same time he meets the demands of a mounting national campaign for reelection.

The pressures of the job combined with the pressures of campaigning can bend an incumbent President physically, just as they can bend his policies. As if it were not enough to preside over the departments and agencies of the executive branch, to be Commander in Chief of the Armed Forces and ceremonial head of state, we invite our Presidents to go to the country as candidates, defend their policies in a heavy schedule of State primaries, and exercise their powers of incumbency in a long struggle for renomination and reelection.

The idea of a single-term Presidency was not conceived in the stress of modern politics. The issue of Presidential reeligibility was heavily debated during the Constitutional Convention which concluded that unlimited succession was desirable.

But the experiences of the early Presidents renewed the advocacy of the single term, and the case was put strongly in 1828 by Virginia Representative Alexander Smyth:

> The honor, the welfare, the tranquility of the Nation, the fairness of elections require that the President should not be a candidate.

President Andrew Jackson was persistent in urging the reform in each of his annual messages to Congress. He stressed his special concern that Presidents are tempted to abuse their powers in pursuing reelection.

Many leading public figures, including Henry Clay, Benjamin Harrison, Benjamin F. Wade, and Charles Sumner, endorsed the reform in the 19th century. Rutherford B. Hayes proposed it in his inaugural address; and Grover Cleveland, accepting the Presidential nomination in 1886, described a President's eligibility for reelection as a "most serious danger to that calm, deliberate, and intelligent action which must characterize a government by the people." By 1896, the proposal to limit the President to one 6-year term had been introduced in Congress more than 50 times.

In 1912, the Democratic platform advocated a single-term President. After the general election, on February 1, 1913, the Senate, by a vote of 47 to 23, proposed such an amendment. However, the House did not adopt the resolution.

In acting to avert a repetition of Franklin D. Roosevelt's four terms, Congress voted in 1947 to adopt the George Washington precedent, amending the Constitution to set a mandatory limit of two 4-year terms. Some members argued for the single-term alternative, but such a provision was not adopted.

The major argument that has been raised in opposition to the single, 6-year Presidential term is that a President's power will be seriously diminished if he is obliged to enter the Oval Office as a lame duck. Many insist that a President gains strength from his exertions to be reelected. But by enacting the 22d amendment, Congress committed any President who wins a second term to lame duck status.

Dwight Eisenhower, the only President who, to date, has served a full second term under the limitations of the 22d amendment, did not feel that his inability to run again imposed any handicaps or loss of influence. Eisen-

hower became, in fact, a strong proponent of the single-term Presidency.

Although it is still early in his second term, I do not believe that President Reagan has shown any signs of the so-called "lame duck effect." I do not believe that we will see any such effect during his final term.

President Carter was a convert to the single term while in office. The reason, he explained:

Is that no matter what I do as President now, where I am really trying to ignore politics and stay away from any sort of campaign plans, and so forth, a lot of the things I do are colored through the news media and in the minds of the American people by, "Is this a campaign ploy or is it genuinely done by the incumbent President in the best interest of our country without any sort of personal advantage involved?" I think that if I had a 6-year term, without any prospect of re-election, it would be an improvement.

Mr. President, the Nation will gain more, it seems to me, from the services of a President who is liberated from reelection pressures than it will lose in sacrificing its right to pass upon a President's performance after 4 years. With the increased pressures of a long string of hard-fought primaries before him and the general election after that, a President's judgment on issues of substance are inevitably colored by his need to build a political base for reelection. He is harder and harder pressed to find time and attention to deal with the issues which confront him, but at the same time he is obliged to allocate increasing amounts of time and attention to his political prospects. This leads him to rely on aides whose preoccupation in politics more than on those aides directly concerned with the substance of government. As he behaves more and more like a candidate, the more he is viewed as a candidate by the media, the public and, very importantly, the international community, before whom he is the spokesman of the free world.

The 4-year cycle is being shortened by the pace of events. A newly installed President has only a short time to gear up his administration and get his program started before the Nation's attention turns to the congressional elections. There once was a haitus between the congressional elections and the start of Presidential campaigning, Presidential candidates now believe in starting early so the incumbent faces challengers when he is barely into his third year. The quadrennial cycle is allocating more and more time to politics, less and less to the serious business of government.

Mr. President, I believe as we enjoy our 210th year as a Nation, we are fortunate to have a President who is unhampered by the prospect of campaigning for reelection. The problems he must face are prodigious. They pose a serious threat to our Nation and demand his full attention, as well as our own. It is my opinion that we will serve ourselves well by giving our future Presidents more time to govern, and especially more time to face these problems unhindered by the outside pressures created during a reelection campaign. This amendment will provide them with that opportunity.

Mr. President, I ask unanimous consent that the proposed amendment be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 171

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constituion of the United States:

"ARTICLE

"SECTION 1. The term of office for the President and the Vice President shall be six years. No person otherwise eligible under this Constitution to be President shall be eligible to be President if he has previously been elected to such office, and no person who has held the office of President, or acted as President, for more than two years of a term to which some other person was elected President shall be eligible to be elected to the office of the President.

"SECTION 2. The term of office provided for the President and Vice President by section 1 of this article shall apply to the terms of office of Presidents and Vice Presidents elected after the date on which this article is ratified.

"SECTION 3. This article shall be valid only if it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within seven years after its submission to the States for ratification."

By Mr. DECONCINI:

S.J. Res. 172. Joint resolution proposing a constitutional amendment to limit congressional terms; to the Committee on the Judiciary.

LIMITATION ON CONGRESSIONAL TERMS

Mr. DECONCINI. Mr. President, I rise today to once again introduce a joint resolution proposing a constitutional amendment to limit congressional terms. I have introduced such an amendment in every Congress since the 95th.

If I may, Mr. President, I would like to consider for a moment how the Constitution came to specify no maximum length of service for Members of the House and Senate. Under the Articles of Confederation, delegates to the national Congress were restricted to serving only 3 out of each 6 consecutive years. The drafters of the articles viewed this scheme of "rotation in office" as a check on the power accrued by veteran legislators. At the Constitutional Convention, the Founding Fathers decided to break from the articles by placing no limitation on the number of terms Members of Congress could serve. The founders believed under the new system they were forging that rotation or other limitations were unnecessary to check legislative power. The biggest check on power was the Constitution itself, under which the founders were certain no legislator had more power than any other citizen.

Although I am reticent to question the wisdom of the Founding Fathers, I must profess that I find the decision to allow unlimited terms of office unsound. In practice, this has allowed individuals to be reelected to the Senate and House for unlimited periods of time. I cannot argue that this has brought us bad government. Nor would I try to make any case which disparaged the superb leadership which both Houses of the legislature have provided the Nation. What I would argue, though, is that the absence of any limitation on service in the legislature has worked against equal and fair representation.

As you are well aware, Mr. President, the need to organize each Chamber in a reasonable and responsible fashion has over the decades evolved into what is now known as the seniority system. Under this rule, responsibilities within the committee structure of the two Houses are allocated on the basis of tenure in office. While the seniority system has in some measure helped Congress operate smoothly, it has in turn diminished equal representation of individuals and States.

If they are so inclined, senior Members, by virtue of the power and influence the seniority system confers upon them, can direct an inordinate amount of congressional time and Federal funds to address the concerns of their home States. I do not suggest, Mr. President, that senior Members exercise their powers perniciously, but rather they simply respond to political pressures; especially those emanating from their home States. States with junior members in either both or a single House are at a distinct disadvantage when competing for either congressional action or Federal dollars.

Mr. President, we are bound by oath to honor the intent of the Constitution. The Constitution clearly and unmistakably mandates that every individual, district and State receive equal treatment within the Halls of Congress. As long as Members of Congress can seek unlimited terms, however, the seniority system will continue to flourish and the intent of the Constitution will be frustrated. By limiting congressional terms, Mr. President, we can honor the intent of the Constitution and ensure that all who serve in Congress do so on equal footing.

In addition to a check against misuse of power, I believe that the amendment I propose will revive the citizen legislator. Limiting terms will open congressional seats to more people, especially the young and old who will undertake a career in public service

during or after another lifelong career. Our theory of democracy suggests that as many members of society as possible should be given the opportunity for such service. I strongly believe, Mr. President, that a constitutional limitation service in the legislature will reaffirm our faith in the representative nature of our political institutions.

On a personal note, Mr. President, I find this whole issue very troubling. When I first ran for the Senate I promised the people of Arizona that I would introduce an amendment to limit congressional terms. As I mentioned earlier, I have done so in every Congress since 1977. During my initial campaign I also promised the people of Arizona that I would limit my own stay in Senate to two terms. Nevertheless, Mr. President, I have recently announced that I would not rule out the possibility of seeking a third term in office.

As you know, Mr. President, my distinguished colleague from Arizona, [Senator GOLDWATER] plans to retire in 1986. If I choose to limit my tenure in office to two terms, forgoing reelection in 1988, Arizona will have two first-term Senators during the 101st Congress. Arizona has only very recently begun to grow and thrive, and many of my Arizona constituents are afraid that if I step down now it will have a detrimental effect on the legislative needs of Arizona well into the next century. It seems, Mr. President, that the very seniority system I oppose may, in fact, force me to retract my two-term promise.

Before I relinquish the floor, Mr. President, I would like to make two final points. First, I would like to remind my colleagues that I am not the first nor likely to be the last to call for a limitation on congressional terms. The first congressional tenure reforms were proposed in 1789. Presidents Truman, Eisenhower, Johnson, and Nixon all sought tenure reform. In 1981, Gallup polls showed 61 percent of the general public in favor of limiting Senators' terms and 59 percent for limiting Representatives' terms. Second, I would note that as a people we have decided that no person should serve as President for more than two terms, or under unusual circumstances, for as long as 10 years.

Last, Mr. President, I ask my Senate and House colleagues not to look upon this proposed amendment as a threat to their political influence, but rather that they look upon it as yet another opportunity to perfect the system of government in which we all have such a stake.

I ask unanimous consent that a copy of the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 172

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution if ratified by the legislatures of three-fourths of the several States within seven years after its submission for ratification:

"ARTICLE —

"SECTION 1. No person shall be elected to the Senate for more than two full terms. No person shall be elected to the House of Representatives for more than seven full terms.

"SECTION 2. Notwithstanding the provisions of section 1 of this article, any person may serve not more than fourteen years as a Senator or not more than fifteen years as a Representative.

"SECTION 3. For purposes of determining eligibility for election under section 1 of this article, no election occurring before the date this article is ratified shall be taken into account. For purposes of determining years of service under section 2 of this article, no service of any part of a term of office by a Senator or a Representative ratified shall be taken into account."

By Mr. EAST (for himself, Mr. BOSCHWITZ, Mr. BURDICK, Mr. DOLE, Mr. EXON, Mr. GRASSLEY, Mr. HATCH, Mr. HEFLIN, Mr. HELMS, Mr. JOHNSTON, Mr. LAUTENBERG, Mr. LEVIN, Mr. LAXALT, Mr. MATSUNAGA, Mr. MCCLURE, Mr. MURKOWSKI, Mr. NUNN, Mr. RIEGLE, Mr. SASSER, Mr. SPECTER, Mr. STAFFORD, Mr. STENNIS, Mr. SYMMS, Mr. THURMOND, Mr. ZORINSKY, and Mr. ABDNOR):

S.J. Res. 173. Joint resolution to designate the month of September 1985 as "National Sewing Month"; to the Committee on the Judiciary.

NATIONAL SEWING MONTH

● Mr. EAST. Mr. President, for the past 3 years I have been the sponsor of a joint resolution designating September as "National Sewing Month." I am pleased that Congress passed previous joint resolutions in 1982, 1983, and in 1984 which were signed into public law by President Ronald Reagan. A similar joint resolution has been introduced each year by my colleague in the House, Congressman BILL BONER of Tennessee.

This year I am proud to reintroduce the "National Sewing Month Resolution" with 25 of my colleagues in the Senate as cosponsors. I thank these gentlemen for their support of this proposal.

Mr. President, I am indebted to the chairman of the Senate Committee on the Judiciary, the Senate majority leader, and the Senate minority leader for bringing last year's joint resolution to the floor and assisting in its passage. I look forward to their continued help in having the Congress pass the resolution to President Reagan for signature.

The support I have received this year from my colleagues on the "National Sewing Month Resolution" is most encouraging, and I believe this support reflects the importance of the sewing industry to our economy.

As you know, Mr. President, "National Sewing Month" is an industrywide promotion designed to increase home sewing interest, consumer education, and family sewing participation under a single sewing theme. This coming September marks the fourth industrywide effort to revitalize the sewing spirit in America.

As my friends in the Senate know, I am a strong supporter of the family and family values. I believe that home sewing has many benefits that add to the strength of the family. It is estimated, for instance, that over 50 million Americans sew at home, and over 40 million sew at least part of their wardrobe. For many, sewing skills acquired at home and in home economics classes of local junior high and high schools, have led to valuable and creative careers in fashion design, retail merchandising, pattern making, and textiles. Home sewing contributes not only to these careers but also to individual enjoyment, pride, and creativity as well.

The home sewing industry contributes greatly to the economic life of the Nation. It employs thousands of people directly in the manufacture, wholesale, retail, and service sectors. In addition, thousands more are associated with the home sewing industry as teachers, mechanics, truckdrivers, and many other professions. The industry generates over $3.5 billion in sales annually and invests millions of dollars of capital in plans and machinery.

This September, the American Home Sewing Association will conduct an extensive nationwide promotion of "National Sewing Month." A wide variety of community groups will be joining that campaign including 4-H Clubs, the Girl Scouts, Future Homemakers of America, home economics teachers, and others.

At this point, Mr. President, I applaud the work of the American Home Sewing Association, and the approximately 19,000 retailers responsible for moving the home sewing sales in the United States to over $3.5 billion each year. AHSA retail members vary in size from small, individually owned stores to major, full-service chains, and their service provides economic benefit to communities across the country in which they work.

Over 45,000 educators, consisting of junior and senior high school teachers, college professors, extension home economists, and retailer-educators, are actively engaged in sewing skill development. This group of educators is important to growth of the home sewing

industry. AHSA, through its teacher service division, works with professional educators to support home sewing activity. In addition, the AHSA, working through a guild network of nearly 8,000 active members in chapters throughout the country, has programs for the 90 million Americans who sew at home.

In conclusion, I urge my colleagues in the Senate to support the "National Sewing Month Resolution" and to urge their constituents to support the sewing industry in the United States.●

By Mr. HEINZ (for himself, Mr. SPECTER, Mr. PELL, Mr. CHAFEE, Mr. KENNEDY, Mr. HATCH, and Mr. BRADLEY):

S.J. Res. 174. Joint resolution to designate November 18, 1985, as "Eugene Ormandy Appreciation Day"; to the Committee on the Judiciary.

EUGENE ORMANDY APPRECIATION DAY

● Mr. HEINZ. Mr. President, it is my pleasure to honor a giant of our times today. Eugene Ormandy, conductor laureate of the Philadelphia Orchestra, passed away earlier this year after 40 years with the orchestra. In that time, as music director and conductor, he brought worldwide acclaim to the Nation and to Philadelphia. Eugene Ormandy was among those responsible for bringing orchestral music out of the music hall and into the daily lives of Americans. In so doing, he earned medals of honor from the United States, France, Italy, Great Britain, and more. Originally from Hungary, Eugene Ormandy helped to bring out the very best in his adopted country.

His creation of a special Philadelphia sound marked his unique style and broadened the range of orchestral playing in this country. The worldwide tours he and the Philadelphia Orchestra performed made them very special goodwill ambassadors for our Nation.

Thus, Mr. President, it is only fitting that we set aside his birthday, November 18, 1985, as a day for him to be remembered. The legislation which Senator SPECTER and I have introduced establishes that day as "Eugene Ormandy Appreciation Day," and will allow the orchestra and the Ormandy family to hold remembrances and special appreciation for this outstanding American artist.

Mr. President, I urge my colleagues to join us in cosponsoring this tribute. It is my hope that we can move this measure through the Congress swiftly, as this outstanding man deserves no less. I ask unanimous consent that the text of the resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 174

Whereas November 18, 1985, marks the anniversary of the birth of Eugene Ormandy;

Whereas Eugene Ormandy was music director and conductor laureate of the Philadelphia Orchestra for over forty years, receiving honorary degrees from eighteen universities and medals of honor from eight nations, including the United States, France, Italy, and Great Britain;

Whereas Eugene Ormandy is known throughout the world for his extraordinary ability and innovation and his unique contribution to orchestral playing, the creation of "The Philadelphia Sound";

Whereas Eugene Ormandy performed invaluable service to the Nation through tours of China, the Soviet Union, Europe, and South America; and

Whereas Eugene Ormandy passed away on March 12, 1985: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That November 18, 1985, is designated as "Eugene Ormandy Appreciation Day" and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe the day with appropriate ceremonies.●

ADDITIONAL COSPONSORS

S. 262

At the request of Mr. BYRD, the name of the Senator from Arkansas [Mr. BUMPERS] was added as a cosponsor of S. 262, a bill to provide for the preservation of the ferroalloy industry in the United States.

S. 361

At the request of Mr. MOYNIHAN, the name of the Senator from Connecticut [Mr. WEICKER] was added as a cosponsor of S. 361, a bill to amend the Internal Revenue Code of 1954 to make permanent the deduction for charitable contributions by nonitemizers.

S. 524

At the request of Mr. ARMSTRONG, the name of the Senator from Maryland [Mr. SARBANES] was added as a cosponsor of S. 524, a bill to recognize the organization known as the Retired Enlisted Association, Inc.

S. 747

At the request of Mr. LAUTENBERG, the names of the Senator from Pennsylvania [Mr. HEINZ], the Senator from New Jersey [Mr. BRADLEY], the Senator from Delaware [Mr. ROTH], the Senator from Connecticut [Mr. DODD], the Senator from Massachusetts [Mr. KERRY], the Senator from New York [Mr. MOYNIHAN], and the Senator from Connecticut [Mr. WEICKER] were added as cosponsors of S. 747, a bill to improve the administration and enforcement of the Magnuson Fishery and Conservation Management Act.

S. 797

At the request of Mr. HATCH, the name of the Senator from Missouri [Mr. DANFORTH] was added as a cosponsor of S. 797, a bill to authorize an employer to pay a youth employment opportunity wage to a person under 20 years of age from May through September under the Fair Labor Standards Act of 1938 which shall terminate on September 30, 1987, and for other purposes.

S. 962

At the request of Mr. COHEN, the name of the Senator from Arkansas [Mr. BUMPERS] was added as a cosponsor of S. 962, a bill to amend chapter 30 of title 38, United States Code, to provide for educational assistance for apprenticeship or other on job-training under the All-Volunteer Force Educational Assistance Program.

S. 987

At the request of Mr. EXON, the names of the Senator from California [Mr. WILSON] and the Senator from Vermont [Mr. LEAHY] were added as cosponsors of S. 987, a bill to recognize the organization known as the Daughters of Union Veterans of the Civil War 1861–65.

S. 1064

At the request of Mr. PELL, the name of the Senator from Oklahoma [Mr. BOREN] was added as a cosponsor of S. 1064, a bill to provide for the continuation of the National Diffusion Network.

S. 1084

At the request of Mr. GOLDWATER, the names of the Senator from Delaware [Mr. ROTH], and the Senator from Arkansas [Mr. BUMPERS] were added as cosponsors of S. 1084, a bill to authorize appropriations of funds for activities of the Corporation for Public Broadcasting, and for other purposes.

S. 1153

At the request of Mr. D'AMATO, the names of the Senator from California [Mr. WILSON], and the Senator from Vermont [Mr. LEAHY] were added as cosponsors of S. 1153, a bill to provide for the distribution within the United States of the U.S. Information Agency film entitled "Hal David: Expressing a Feeling."

S. 1222

At the request of Mr. BRADLEY, the name of the Senator from Rhode Island [Mr. PELL], was added as a cosponsor of S. 1222, a bill to amend the Agricultural Act of 1949 to provide price support for the 1985 and subsequent crops of sugar.

S. 1259

At the request of Mr. THURMOND, the name of the Senator from Kentucky [Mr. FORD], was added as a cosponsor of S. 1259, a bill to correct certain inequities by providing Federal civil service credit for retirement purposes and for the purpose of computing length of service to determine entitlement to leave, compensation, life insurance, health benefits, severance pay, tenure, and status in the case of certain individuals who performed service as National Guard technicians before January 1, 1969.

S. 1276

At the request of Mr. LAUTENBERG, the name of the Senator from Hawaii [Mr. INOUYE], was added as a cosponsor of S. 1276, a bill to provide financial assistance to the States for computer education programs, and for other purposes.

S. 1277

At the request of Mr. BRADLEY, the name of the Senator from Arkansas [Mr. BUMPERS], was added as a cosponsor of S. 1277, a bill to amend title XIX of the Social Security Act to provide that States may provide home or community-based services under the Medicaid Program without the necessity of obtaining a waiver.

S. 1296

At the request of Mr. MATHIAS, the name of the Senator from Virginia [Mr. WARNER], was added as a cosponsor of S. 1296, a bill to amend the Immigration and Nationality Act to modify the requirement for naturalization of an understanding of the English language.

S. 1325

At the request of Mr. HEINZ, the name of the Senator from Arizona [Mr. DECONCINI], was added as a cosponsor of S. 1325, a bill to amend titles XVIII and XIX of the Social Security Act to require second opinions with respect to certain surgical procedures as a condition of payment under the Medicare and Medicaid Programs.

S. 1365

At the request of Mr. ROTH, the name of the Senator from Connecticut [Mr. WEICKER], was added as a cosponsor of S. 1365, a bill to establish as an executive department of the Government, a Department of International Trade and Industry, to establish the National Oceanic and Atmospheric Administration and the Bureau of the Census as independent agencies, and for other purposes.

S. 1373

At the request of Mr. SPECTER, the name of the Senator from Oklahoma [Mr. BOREN] was added as a cosponsor of S. 1373, a bill to amend title 18, United States Code, to authorize prosecution of terrorists and others who attack U.S. Government employees abroad, and for other purposes.

S. 1399

At the request of Mr. DOLE, the name of the Senator from North Dakota [Mr. ANDREWS] was added as a cosponsor of S. 1399, a bill to amend the Rehabilitation Act of 1973 to strengthen the Architectural and Transportation Barriers Compliance Board.

S. 1414

At the request of Mr. BENTSEN, the names of the Senator from New Jersey [Mr. BRADLEY], and the Senator from Louisiana [Mr. LONG] were added as cosponsors of S. 1414, a bill to provide additional funding and authority for the Federal Bureau of Investigation in order to improve the counterterrorist capabilities of the Bureau.

S. 1450

At the request of Mr. HEINZ, the names of the Senator from New York [Mr. MOYNIHAN], the Senator from New Mexico [Mr. BINGAMAN], the Senator from Minnesota [Mr. DURENBERGER], and the Senator from Maine [Mr. MITCHELL] were added as cosponsors of S. 1450, a bill to prohibit the Secretary of Health and Human Services from changing reimbursement levels or methodologies for home health services under the Medicare Program prior to October 1, 1986, or during a freeze period.

S. 1477

At the request of Mr. CHAFEE, the name of the Senator from Arkansas [Mr. PRYOR] was added as a cosponsor of S. 1477, a bill to amend title 38, United States Code, to increase the burial plot allowance for veterans from $150 to $250.

S. 1486

At the request of Mr. DOLE, the name of the Senator from Alaska [Mr. STEVENS] was added as a cosponsor of S. 1486, a bill to amend the Equal Credit Opportunity Act.

SENATE JOINT RESOLUTION 68

At the request of Mr. DODD, the names of the Senator from Wisconsin [Mr. PROXMIRE], the Senator from Massachusetts [Mr. KERRY], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Nevada [Mr. LAXALT], and the Senator from South Carolina [Mr. THURMOND] were added as cosponsors of Senate Joint Resolution 68, a joint resolution to designate November 21, 1985, as "William Beaumont Day."

SENATE JOINT RESOLUTION 132

At the request of Mr. DANFORTH, the names of the Senator from New Mexico [Mr. DOMENICI], the Senator from Rhode Island [Mr. CHAFEE], and the Senator from Oregon [Mr. PACKWOOD] were added as cosponsors of Senate Joint Resolution 132, a joint resolution designating October 1985, as "National Head Injury Awareness Month."

SENATE JOINT RESOLUTION 141

At the request of Mr. SASSER, the names of the Senator from Arizona [Mr. GOLDWATER], the Senator from Kentucky [Mr. MCCONNELL], and the Senator from Tennessee [Mr. GORE] were added as cosponsors of Senate Joint Resolution 141, a joint resolution to designate the week beginning May 18, 1986, as "National Tourism Week."

SENATE JOINT RESOLUTION 155

At the request of Mr. PACKWOOD, the names of the Senator from Hawaii [Mr. MATSUNAGA], the Senator from Nebraska [Mr. ZORINSKY], the Senator from New Mexico [Mr. DOMENICI], the Senator from Illinois [Mr. DIXON], and the Senator from Michigan [Mr. RIEGLE] were added as cosponsors of Senate Joint Resolution 155, a joint resolution to designate the month of November 1985 as "National Hospice Month."

SENATE JOINT RESOLUTION 156

At the request of Mr. MURKOWSKI, the names of the Senator from Massachusetts [Mr. KERRY], the Senator from Kansas [Mr. DOLE], and the Senator from Oklahoma [Mr. BOREN] were added as cosponsors of Senate Joint Resolution 156, a joint resolution authorizing a memorial to be erected in the District of Columbia or its environs.

SENATE JOINT RESOLUTION 158

At the request of Mr. MURKOWSKI, the name of the Senator from Michigan [Mr. RIEGLE] was added as a cosponsor of Senate Joint Resolution 158, a joint resolution designating October 1985 as "National Community College Month."

SENATE JOINT RESOLUTION 159

At the request of Mr. JOHNSTON, the names of the Senator from Illinois [Mr. SIMON], the Senator from South Carolina [Mr. THURMOND], the Senator from West Virginia [Mr. ROCKEFELLER], the Senator from Arizona [Mr. DECONCINI], the Senator from Montana [Mr. BAUCUS], the Senator from California [Mr. CRANSTON], the Senator from Hawaii [Mr. MATSUNAGA], the Senator from West Virginia [Mr. BYRD], the Senator from Kansas [Mr. DOLE], the Senator from Florida [Mrs. HAWKINS], the Senator from Idaho [Mr. MCCLURE], the Senator from Nevada [Mr. HECHT], the Senator from Utah [Mr. HATCH], the Senator from New Mexico [Mr. DOMENICI], the Senator from Washington [Mr. GORTON], the Senator from Washington [Mr. EVANS], the Senator from Tennessee [Mr. SASSER], the Senator from Utah [Mr. GARN], the Senator from Texas [Mr. BENTSEN], the Senator from Rhode Island [Mr. CHAFEE], and the Senator from Mississippi [Mr. STENNIS] were added as cosponsors of Senate Joint Resolution 159, a joint resolution to designate the rose as the national floral emblem.

SENATE JOINT RESOLUTION 166

At the request of Mr. DURENBERGER, the names of the Senator from Michigan [Mr. RIEGLE], the Senator from Missouri [Mr. DANFORTH], the Senator from South Carolina [Mr. THURMOND], the Senator from North Dakota [Mr. ANDREWS], the Senator from Pennsylvania [Mr. HEINZ], and the Senator from Minnesota [Mr. BOSCHWITZ] were added as cosponsors of Senate Joint Resolution 166, a joint resolution to appeal for the release of Dr. Yury Orlov and other Helsinki Final Act monitors.

SENATE JOINT RESOLUTION 168

At the request of Mr. TRIBLE, the name of the Senator from New Jersey [Mr. BRADLEY] was added as a cosponsor of Senate Joint Resolution 168, a joint resolution designating August 13, 1985, as "National Neighborhood Crime Watch Day".

SENATE RESOLUTION 189

At the request of Mr. KENNEDY, the names of the Senator from Massachusetts [Mr. KERRY], the Senator from Rhode Island [Mr. PELL], the Senator from Vermont [Mr. STAFFORD], the Senator from North Dakota [Mr. ANDREWS], the Senator from Connecticut [Mr. WEICKER], the Senator from Hawaii [Mr. MATSUNAGA], the Senator from California [Mr. CRANSTON], the Senator from West Virginia [Mr. ROCKEFELLER], the Senator from Connecticut [Mr. DODD], the Senator from New Jersey [Mr. BRADLEY], the Senator from Tennessee [Mr. GORE], the Senator from Indiana [Mr. QUAYLE], the Senator from Ohio [Mr. METZENBAUM], the Senator from Michigan [Mr. RIEGLE], the Senator from South Carolina [Mr. THURMOND], the Senator from North Dakota [Mr. BURDICK], the Senator from Rhode Island [Mr. CHAFEE], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Kansas [Mr. DOLE], the Senator from Indiana [Mr. LUGAR], the Senator from Maryland [Mr. SARBANES], the Senator from Georgia [Mr. NUNN], the Senator from Pennsylvania [Mr. HEINZ], the Senator from Nebraska [Mr. ZORINSKY], and the Senator from Hawaii [Mr. INOUYE] were added as cosponsors of Senate Resolution 189, a resolution to designate the week of August 18 to 24, 1985, as "Health Care Expo '85 Week".

SENATE RESOLUTION 202—URGING MAJOR LEAGUE BASEBALL OWNERS AND PLAYERS TO WORK TO AVOID A SCHEDULED PLAYERS STRIKE

Mr. FORD submitted the following resolution; which was referred to the Committee on Labor and Human Resources:

S. RES. 202

Whereas baseball is America's national pastime;

Whereas Major League Baseball is an important source of family-oriented entertainment for millions of Americans;

Whereas Major League Baseball teams are a source of local pride for fans in communities across the nation, as well as providers of substantial revenues and employment opportunities in related businesses;

Whereas the Major League Baseball Players Association has voted to strike on Tuesday, August 6, 1985, unless they have reached a new collective bargaining agreement with team owners by then;

Whereas a prolonged players' strike would result in the cancellation of hundreds of baseball games, the loss of millions of dollars to related businesses, and endanger the long-term interests of the sport;

Whereas those who would suffer greatest during a baseball players' strike would be the fans: Now therefore be it

Resolved that it is the sense of the Senate that the Major League Baseball Players Association and team owners have a responsibility to the baseball fans of America to ensure that the current season is not interrupted, and that both parties should do everything in their power to avoid a strike by players.

Mr. FORD. Mr. President, today I am introducing a resolution urging major league baseball owners and players to do everything they can to avoid a scheduled players' strike.

I know that there are crucial issues facing this body—matters of the deficit, of foreign policy, of trade. But, I must say that my heart sank last week when I read that the Major League Baseball Players Association has scheduled a strike for August 6 unless the union has reached a new collective bargaining agreement by then. The prospect for me is as vivid as the memory of those 50 agonizing midsummer days of 1981—no baseball!

It would be a tremendous disappointment to the many millions of baseball fans across this Nation if, on August 6, the gates are closed, the grandstands fall silent, and our great national pastime is put on indefinite hold. Baseball is a tremendous source of family-oriented entertainment for the people of this country. Moreover, it is a source of revenue and jobs in related industries. Most of our Nation's great cities depend greatly on baseball as a cornerstone of economic development and community identity.

Mr. President, I admit that I know very little about the specific issues involved in the current negotiations on a new collective bargaining agreement for major league baseball. In that respect, I suppose I can echo the sentiments of the average fan. We're frustrated—frustrated by the fact that the game we love so much might come to an abrupt halt, and we can't do a thing about it.

So I offer this resolution with hopes that my colleagues will overwhelmingly support it, and that we can communicate to both parties in the current baseball labor-management negotiations that they have a responsibility to the Nation's fans to keep the season going. The resolution urges them to settle their differences and avoid the scheduled August 6 strike.

Remember, without the fans, baseball would not be what it is today. And in the event of a strike, it is the fans who will suffer the most.

SENATE RESOLUTION 203—ORIGINAL RESOLUTION REPORTED WAIVING CONGRESSIONAL BUDGET ACT

Mr. DANFORTH, from the Committee on Commerce, Science, and Transportation, reported the following original resolution; which was referred to the Committee on the Budget:

S. RES. 203

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of H.R. 2796. Such waiver is necessary because H.R. 2796 authorizes the enactment of new budget authority which would first become available in fiscal years before fiscal year 1987, and such bill was not reported prior to the statutory deadline imposed by section 402(a) of the Congressional Budget Act of 1974 for such authorizations.

The authorization contained in H.R. 2796 is necessary to ensure that sufficient funds are available for the Secretary of Transportation to improve security at international airports and aboard commercial passenger aircraft. Recent international events such as the hijacking of Trans World Airlines Flight 847 have demonstrated the necessity and urgency for improving airport and aircraft security. The funds authorized to be apporpriated by H.R. 2796 are to be used by the Secretary of Transportation for research on and development of airport and aircraft security devices and techniques for detecting explosives. These funds are to be derived from the Airport and Airway Trust Fund.

AMENDMENTS SUBMITTED

CONSUMER PRODUCT SAFETY COMMISSION AUTHORIZATION

SIMON (AND OTHERS) AMENDMENT NO. 539

Mr. SIMON (for himself, Mr. LAUTENBERG, Mr. METZENBAUM, Mr. EAGLETON, and Mr. KERRY) proposed an amendment to the bill (S. 1077) to amend the Consumer Product Safety Act (15 U.S.C. 2051 et seq.) to provide authorization of appropriations, and for other purposes; as follows:

At the end of the bill, add the following new title:

TITLE II—AMUSEMENT PARK SAFETY

SEC. 201. SHORT TITLE, REFERENCE.

(a) SHORT TITLE.—This title may be cited as the "Amusement Park Safety Act".

(b) REFERENCE.—Whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Consumer Product Safety Act.

SEC. 202. DEFINITION.

(a) DEFINITION OF AMUSEMENT RIDE.—(1) Section 3(a)(1) (15 U.S.C. 2052(a)(1)) is amended by striking out the first two sentences following subparagraph (I).

(2) Section 3(a) is amended by adding at the end the following:

"(15) The term 'amusement ride' means any device which carries or conveys passengers along, around, or over a fixed or restricted route or course or within a defined area for the purpose of giving its passengers amusement and which is customarily controlled or directed by an individual who is employed for that purpose and who is not a consumer with respect to such device. An

amusement ride which is not permanently fixed to a site is a consumer product for purposes of this Act and an amusement ride which is permanently fixed to a site—

"(A) is not a consumer product for purposes of sections 7 and 8, and

"(B) is a consumer product for the remainder of the Act.

"(16) The term 'amusement ride operator' means the owner of an amusement ride.".

(b) Conforming Amendment.—Section 3(a)(1)(I) is amended by striking out ". The term 'food', as used in this subparagraph means all 'food' ".

SEC. 203. PUBLIC DISCLOSURE OF INFORMATION.

Section 6(b) (15 U.S.C. 2055(b)(1)) is amended—

(1) in the first sentence of paragraph (1) by striking out "the Commission shall" through the end of the sentence and inserting in lieu thereof the following: "the Commission shall, to the extent practicable, notify and provide a summary of the information to—

"(A) each manufacturer or private labeler of the consumer product, and

"(B) to each amusement ride operator who owns the amusement ride

to which the information pertains, if the manner in which such consumer product or amusement ride is to be designated or described in such information will permit the public to ascertain readily the identity of such manufacturer, private labeler, or amusement ride operator and shall provide such manufacturer, private labeler, or amusement ride operation with a reasonable opportunity to submit comments to the Commission regarding such information."; and

(2) in the second and third sentences of paragraph (1) and in paragraphs (2) and (3), by striking out "or private labeler" each place it occurs and inserting in lieu thereof" each place it occurs and inserting in lieu thereof", private labeler, or amusement ride operator".

SEC. 204. NOTIFICATION AND REMEDIES.

(a) Notification of Commission.—Section 15(b) (15 U.S.C. 2064(b) is amended by adding at the end the following: "Each amusement ride operator who obtains information which reasonably supports the conclusion that the amusement ride the operator owns contains a defect which could create a substantial product hazard described in subsection (a)(2) shall provide the information required by the preceding sentence.".

(b) Repair, Replacement, Refund.—Section 15(d) of such Act is amended—

(1) by inserting after "of such product" in the first sentence the following: "or the amusement ride operator if the product is an amusement ride"; and

(2) by inserting before ", or from doing" in the last sentence the following: ", from operating an amusement ride if the product involved is an amusement ride".

SEC. 205. INSPECTION.

Section 16(a) (15 U.S.C. 2065(a)) is amended by striking out "and" at the end of paragraph (1), by striking out the period before the last sentence in paragraph (2) and inserting in lieu thereof "; and", by striking out the last sentence, and by adding after paragraph (2) the following:

"(3) to inspect, at reasonable times and in a reasonable manner—

"(A) amusement rides which are not permanently fixed to a site, and

"(B) amusement rides which are permanently fixed to a site if the State or political subdivision in which the ride is located does not have authority to inspect the ride or if the ride was involved in a fatality or a personal injury requiring hospitalization.

Each such inspection shall be commenced and completed with reasonable promptness.".

SEC. 206. REGULATIONS.

The Consumer Product Safety Commission shall issue regulations for the administration of section 15 of the Consumer Product Safety Act, as amended by section 204, not later than six months after the effective date of this title.

SEC. 207. EFFECTIVE DATE.

The amendments made by this title shall take effect October 1, 1985.

DANFORTH AMENDMENT NO. 540

Mr. DANFORTH proposed an amendment to amendment No. 539 proposed by Mr. SIMON to the bill S. 1077, supra; as follows:

In lieu of the matter proposed to be inserted by amendment No. 539, insert the following:

NATIONAL COMMISSION ON AMUSEMENT RIDE SAFETY

SEC. . (a) The Congress finds that—

(1) the occurrence of amusement ride accidents in recent years has prompted inquiry into the necessity and desirability of Federal legislation to regulate the amusement ride industry;

(2) the regulation of such rides has traditionally been the responsibility of State and local governments and of the amusement ride industry;

(3) it is uncertain whether any Federal agency has sufficient resources or expertise to regulate the amusement ride industry;

(4) Federal involvement in the inspection and regulation of amusement rides could be costly and inefficient;

(5) voluntary comprehensive ride safety standards have been promulgated by the American Society of Testing and Materials and such standards should be evaluated by the Federal Government; and

(6) a temporary Commission to review the scope and adequacy of safety regulations and standards in the amusement ride industry could clarify the need, or lack of need, for Federal legislation regarding amusement ride safety.

(b)(1) There is established a National Commission on Amusement Ride Safety (hereinafter referred to as the "Commission").

(2) The Commission shall be composed of five members as follows:

(A) the Director of the National Bureau of Standards, who shall be chairman of the Commission;

(B) the Chairman of the Consumer Product Safety Commission (or the Chairman's designee), who shall be vice chairman of the Commission; and

(C) three members to be appointed by the President as follows:

(i) one from among State officials who administer State amusement ride safety inspection programs;

(ii) one from among professionals in the amusement ride industry who have education, training, or experience in amusement ride safety matters; and

(iii) one from among persons who represent consumers.

(3) Any vacancy in the Commission shall not affect its powers.

(4) Three members of the Commission shall constitute a quorum.

(c)(1) The Commission shall conduct a comprehensive investigation of the scope and adequacy of safety measures employed to protect the public from unreasonable risks of injury from amusement rides. Such investigation shall include a review of—

(A) Federal, State, and local laws regulating the amusement ride industry;

(B) existing voluntary comprehensive amusement ride safety standards; and

(C) self-regulation mechanisms within such industry.

(2) Such investigation shall determine for each law, standard, and self-regulation mechanism reviewed under paragraph (1)(A) through (C) of this subsection—

(A) the scope of its coverage;

(B) the effectiveness of any available sanctions or enforcement mechanisms; and

(C) the adequacy of powers to investigate violations.

In addition, the investigation shall determine the uniformity of application and quality of enforcement of the reviewed laws, standards, and self-enforcement mechanisms.

(3) As soon as practicable after the date of enactment of this Act, the Commission shall publish in the Federal Register an announcement of the investigation described in paragraph (1) of this subsection, and shall afford an opportunity for any interested persons to submit views on the subject of the investigation.

(4) The Commission may transmit to the President and to the Congress such interim reports as it considers advisable, and shall transmit its final report to the President and to the Congress not later than eighteen months after the date of enactment of this Act. The final report shall contain a detailed statement of the findings and conclusions of the Commission with respect to the adequacy of existing amusement ride safety standards and regulations, together with such recommendations for legislative, administrative, or other action as it considers appropriate.

(d)(1) The Commission may, for the purpose of carrying out this section, hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Commission considers appropriate. The Commission may administer oaths or affirmations to witnesses appearing before it. In holding such hearings, the Commission, upon a vote of a quorum of its members, may—

(A) order any corporation, business, or individual to submit, within a reasonable period, such reports or answers to questions as the Commission may request, in such form and such manner as the Commission may prescribe;

(B) require by subpoena the attendance and testimony of witnesses and the production of any evidence relevant to the execution of its duties; and

(C) order any person to give testimony by deposition to any person designated by the Commission to administer oaths and to take such deposition.

(2) The Commission shall publish notice of any proposed hearing in the Federal Register and shall afford a reasonable opportunity for interested persons to present relevant testimony and data.

(3)(A) If a person issued a subpoena under paragraph (1)(B) of this subsection refuses to obey such subpoena or is guilty of contumacy, any court of the United States within the judicial district within which the hearing is conducted or within the judicial dis-

trict within which such person is found or resides or transacts business may (upon application of the Commission) order such person to appear before the Commission to produce evidence or to give testimony relating to the matter under investigation. Any failure to obey such order of the court may be punished by such court as a contempt thereof.

(B) Subpoenas of the Commission shall be served in the manner provided for subpoenas of a district court under the Federal Rules of Civil Procedure for the district courts of the United States.

(4) The Commission may pay witnesses the same fees and travel expenses as are paid in like circumstances in the courts of the United States.

(5) The Commission may request from any department, agency, or independent instrumentality of the Federal Government any information it considers necessary to carry out its functions under this section. Each such department, agency, or independent instrumentality shall cooperate with the Commission and, to the extent permitted by law, shall furnish such information to the Commission.

(6) The Commission may delegate any of its functions to individual members of the Commission.

(e)(1) Members of the Commission shall serve without compensation.

(2) While away from their homes or regular places of business in the performance of services for the Commission, members of the Commission shall be reimbursed for travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons employed intermittently in the Government service.

(f)(1) The Commission may appoint and fix the compensation of a staff director who shall be paid an amount not to exceed the minimum rate of basic pay payable for level GS-15 of the General Schedule pursuant to section 5332 of title 5, United States Code.

(2) The head of any Federal agency may detail, on a reimbursable basis, any of its personnel to assist the Commission in carrying out its duties under this section.

(3) The Commission shall cease to exist upon submitting its final report required under subsection (c)(4) of this section.

INVESTIGATION OF CERTAIN ACCIDENTS

SEC. 6. (a) The National Bureau of Standards of the Department of Commerce may investigate any accident involving an amusement ride at a fixed site amusement park if—

(1) such accident caused death or serious personal injury, or could have caused death or serious personal injury;

(2) an appropriate authority of State or local government requests, in writing, that the Secretary of Commerce conduct such an investigation; and

(3) the Secretary of Commerce makes a determination to conduct such an investigation.

(b) Upon conclusion of such an investigation, the National Bureau of Standards shall issue a final accident report containing its findings, conclusions, and recommendations. Such report shall include—

(1) findings of the causes of the accident, including a scientific and technological examination of the material, physical, and chemical conditions that contributed to the accident;

(2) recommendations for actions or procedures which could have prevented the accident; and

(3) recommendations for actions or procedures to prevent similar accidents.

(c) The National Bureau of Standards shall transmit a copy of any such report to—

(1) the authority of State or local government which requested such investigation; and

(2) any other appropriate person or organization, as determined by the Secretary of Commerce.

(d) Nothing in this section shall be construed to limit or affect any existing authority of the Secretary of Commerce.

(e) The provisions of section 8 of the National Bureau of Standards Authorization Act for Fiscal Year 1983 (15 U.S.C. 275b) shall not apply to any service performed pursuant to this section.

(f) The provisions of this section shall be effective until Congress enacts legislation regarding amusement ride safety in response to the report submitted by the Commission under section 5 of this Act.

PUBLIC BUILDINGS SERVICE AUTHORIZATION ACT

STAFFORD AMENDMENT NO. 541

Mr. DOLE (for Mr. STAFFORD) proposed an amendment to the bill (S. 1030) to authorize appropriations for the Public Buildings Service of the General Services Administration for fiscal year 1986; as follows:

On page 2, line 19 strike "$2,397,924,000" and insert in lieu thereof "$2,401,868,000".

On page 4, line 9 strike "$124,150,000" and insert in lieu thereof "$128,094,000".

On page 6, insert in alphabetical order in the list:

"Missouri, St. Louis, Mart Federal Building.....	$3,944,000"

NOTICES OF HEARINGS

SUBCOMMITTEE ON OVERSIGHT OF GOVERNMENT MANAGEMENT

Mr. COHEN. Mr. President, I would like to announce that the Subcommittee on Oversight of Government Management, Committee on Governmental Affairs, will hold a markup of S. 1134, the Program Fraud Civil Penalties Act of 1985, and S. 992, the Congressional Reports Elimination Act of 1985, on Wednesday, July 31, at 2 p.m., in room 342 of the Dirksen Senate Office Building.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. McCLURE. Mr. President, I would like to announce for the information of the Senate and the public the scheduling of a public hearing before the Committee on Energy and Natural Resources to continue the consideration of the nomination of Charles A. Trabandt, of Virginia, to be a member of the Federal Energy Regulatory Commission.

This hearing will take place Monday, July 29, 10 a.m., SD366 of the Senate Dirksen Office Building in Washington, DC.

For further information regarding this hearing, please contact Nan Morrison at 202-224-7143.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. DOLE. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Wednesday, July 24, to consider the nominations of Russell F. Miller to be Deputy Inspector General of the U.S. Synthetic Fuels Corporation; and William P. Horn to be Assistant Secretary for Fish and Wildlife, Department of the Interior.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. DOLE. Mr. President, I ask unanimous consent that the Committee on Intelligence be authorized to meet in closed session, during the session of the Senate on Wednesday, July 24, to hold a hearing on the National Intelligence Strategy.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON CIVIL SERVICE

Mr. DOLE. Mr. President, I ask unanimous consent that the subcommittee on Civil Service of the Committee on Governmental Affairs be authorized to meet during the session of the Senate on Wednesday, July 24, to hold a hearing on the GAO report on Pay Equity.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. DOLE. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Wednesday, July 24, 1985, in order to receive testimony concerning the nominations of Douglas H. Ginsburg, to be Assistant Attorney General for the Antitrust Division, and Richard Kennon Willard, to be Assistant Attorney for the Civil Division.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. ANDREWS. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be authorized to meet during the session of the Senate on Wednesday, July 24, between the hours of 3 p.m. and 5 p.m. to mark up S. 616, the farm bill, and related issues.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

TEXTILE IMPORTS

● Mr. CHAFEE. Mr. President, last week, Senators ROTH, DANFORTH, and I wrote to President Reagan to express our outrage over the administration's failure to control the surge of textile imports into the United States.

The import increases have posed a grave situation for the American textile industry, including that of my own State of Rhode Island, and we can no longer sit back and watch our constituents lose their jobs to foreign imports.

I ask that the text of our letter be printed at this point in the RECORD.

The letter follows.

U.S. SENATE,
Washington, DC, July 18, 1985.

The PRESIDENT,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: We are writing to let you know about our personal concerns about the Administration's efforts to control textile and apparel imports and to urge you to give your attention to this matter.

Recently, we received a letter from five members of the Cabinet urging us not to support S. 680. The Administration's opposition to this legislation, we understand, relates to a number of issues, in particular concerns that the legislation would trigger losses in U.S. exports, spur inflation, and violate our international obligations.

These are concerns which we fully appreciate. Moreover, we are also aware of the efforts the Administration has made, particularly in the last two years, to tighten up on the existing import controls on textiles and apparel including greatly increased numbers of calls on imports, easier procedures for demonstrating market disruption, more stringent rules of origin and more restrictive bilateral agreements.

Nevertheless, we are shocked at the failure of the Administration to get this situation under control. For whatever reason, there has been a tremendous increase in textile and apparel imports over the last five years, an increase that was not supposed to have been possible with the Multi-Fiber Arrangement in place. This increase has had a devastating impact on communities in each of our States and is causing great hardship and fears among many of our constituents. Our constituents no longer find the MFA as currently enforced a credible response to the textile and apparel trade issue and frankly, we agree.

A continuation of this situation is simply unacceptable. Either the Administration will seize the initiative immediately and take action to correct this situation or there is no question but that the Congress will act. Though we feel that a negotiated settlement of this situation is preferable to legislative action, time is running out. First, the Administration must act immediately to stringently enforce the current MFA. Second, the MFA renegotiation must be expedited, the U.S. negotiating position must be tough and action must come soon or an increasing number of members will be forced to seek a legislative solution.

As far as we are concerned, an effective control system for this sector must deal with the total trade picture. For too long now, our system has been trying to catch up with production overseas as it moves from country to country, and from product to product. In fact, the system has encouraged this development. When we decide that we want to control imports of a particular product, we need to know that the controls cannot be circumvented.

It has become increasingly obvious to us and many others that to be truly effective our import control system must apply to all countries, including the European Community. Tightening up on the rest of the world, while excluding one region, only forces the production to that weak link in the system. Imports from the European Community rose more than 50 percent between 1983 and 1984 and accounted for about 20 percent of the total increase in imports over the last five years. Besides, how can we support a policy that discriminates against a region of the world that potentially is the most rapidly growing future market for U.S. exports.

Likewise, it is critical that the Multi-Fiber Arrangement be expanded to cover all fibers, not just cotton, wool and man-made fibers. This another major weak link in the current system. Imports of other fibers, namely silk, linen and ramie, accounted for about 20 percent of the growth in imports over the last five years. So long as some fibers, or some countries, fall completely outside the arrangement, the potential for greatly increased imports remains real.

We know you believe very strongly in the merits of an open trading system. So do we. But, it has long been recognized that the textile and apparel sector presents a special circumstance. Action is needed now to restore confidence in the multilateral system for controlling trade in this sector.

This is a matter of very deep concern to us and we appreciate greatly your attention to this issue. We are hopeful that the Administration will move with dispatch on this matter.

Sincerely,

JOHN H. CHAFEE,
JOHN C. DANFORTH,
BILL ROTH, JR.,
U.S. Senate.●

BARRIERS TO ADOPTION

● Mr. SIMON. Mr. President, a few weeks ago the Labor and Human Resources Committee held the second of two hearings on the barriers to adoption. Too many children suffer from the lack of a permanent family because of obstacles such as the lack of cooperation between States, entanglement in the system, and improper tracking or placement in foster care.

Another barrier noted was the lack of effort toward recruitment, especially of black families. In Chicago, however, an extraordinary man spearheads a program called "One Church, One Child." Father George Clements began the program in January of 1981. The success of "One Church, One Child" provides inspiration and demonstrates that obstacles can be overcome. The program now reaches black churches in Kansas, Louisiana, and Missouri.

Father Clements receives a great deal of support from the director of the Illinois Department of Children and Family Services, Gordon Johnson. Under the direction of Mr. Johnson, the department has increased both its efforts and resources in the pursuit of placing special needs children.

I am proud to represent a State which is the leader in finding homes for children. I ask that the testimonies of Father Clements and Mr. Johnson be inserted in the RECORD.

STATEMENT OF FATHER GEORGE CLEMENTS

Some of us at this hearing may be of sufficient vintage that we can recall that hit song of yesteryear, "You Gotta Accentuate the Positive, Eliminate the Negative, Latch on to the Affirmative and Don't Mess With Mr. In-Between."

Those lyrics take on added meaning today as we address "Barriers to Adoption." Child care advocacy is replete with prophets of doom, harbingers of disaster. If there is one facet of child care that all seem to agree on, it is that we are literally besieged with a multitude of problems associated with dependent children.

However, I maintain that the members of this committee need not be continually beaten over the head with these numbing problems. Today I intend to accentuate the positive. Of necessity I must touch on some problems, but I intend to dwell on solutions.

All over America we are blessed with millions of families who would like to open their homes and their hearts to homeless children this morning. Step into virtually any village, town, hamlet, or city, and you are certain to find Americans who would love to adopt children. If we accept this premise of a plethora of families waiting and hoping to adopt, why then does America have so many homeless children?

The answer should be obvious. It is because we still have this bewildering maze of obfuscating regulations and stipulations and guidelines and norms and standards and requirements and ordinances and modifications and statutes and precepts that are strangling our ability of simply placing a homeless child with a family that wants that child.

A further complication is that individual States have established statutes that are peculiar to that particular State. This leads us to the mind-boggling posture of one State's laws flatly contradicting another State's laws. In popular jargon this translates into some States being labeled "enlightened" and other States, "unenlightened." Why should a family be penalized simply because they happen to live in an unenlightened State as opposed to an enlightened State.

Accentuate the positive! The United States of America simply must set up Federal guidelines as definitive norms for every State in the union. After all, we are dealing with the most precious object in the world, a human being. We simply no longer can afford this cavalier attitude of allowing Oregon to go one way, while Florida takes off in the opposite direction. I am willing to allow all kinds of latitude to the States when it comes to credit buying or insurance norms or real estate regulations or utility guidelines. However, I certainly am not willing to grant that same latitude when those States are dealing with the destiny of the most precious objects on the face of the Earth—children.

Once individual States are aligned into sensible Federal guidelines, let us then take the next logical step. A method must be devised whereby we link up the homeless child with the family seeking a child—anywhere in America, any in America! This Nation has created the most sophisticated technology

known to mankind. Let us put that technology to use for homeless children.

I am sounding the call for a national computerization of all adoptable children and all prospective adoptee families throughout this land. If we can computerize airline tickets, surely we ought to be able to computerize homeless children. Not only is this accentuating the positive, but it is also eliminating the negative—eliminating the roadblocks that hinder adoption.

Some will find it vulgar to link the almighty dollar with child advocacy. However, the bitter truth is that cost effectiveness is right at the top of the priority items in America today. Computerization of adoptions on the national level would amount to a resultant savings of millions of tax dollars.

I am hopeful that this Senate committee will promote this national computerization of homeless children. My lone voice crying in the wilderness will never be heard. However, a collective roar from the most august body of parliamentarians in the world will resound all over this land. Let us accentuate the positive with the most sophisticated technology known to mankind, that of the United States of America.

In January of 1981, I founded an organization known as "One Church, One Child." This organization takes cognizance both of the moral sensitivity of America's black church goers as well as their responsiveness to their ministers. "One Church, One Child" asks each church in our black communities to accept the responsibility of at least one family in that church adopting a child.

Specifically, "One Church, One Child" is asking the minister in the congregation to allow our organization to enter that church with a formal presentation advocating adoption. This program consists of addresses by a professional in the field of adoption and a couple that have already adopted. We also provide visual aids, movies, slides, brochures, etc., on adoption. The program is rounded off with a question and answer period. If, as a result of this program, a couple in that particular congregation actually adopts a child, then that church officially becomes a "One Church, One Child" congregation.

When this program began in Chicago, Illinois in 1981, that city had in excess of 700 homeless black children (homeless in the context means a child who is involved in some type of temporary situation). Today we are extremely proud to state that we now have roughly 40 homeless black children in Chicago. Moreover, there were 90 black infants seeking adoption. Today there are none and we have a waiting list of black parents seeking black infants throughout the State of Illinois.

"One Church, One Child" can now be found in Missouri, Kansas, and Louisiana, as well as Illinois. Indeed, "One Church, One Child" accentuates the positive.

STATEMENT BY GORDON JOHNSON, DIRECTOR ILLINOIS DEPARTMENT OF CHILDREN AND FAMILY SERVICES

During the past five years the Illinois Department of Children and Family Services has made tremendous strides in finding permanent homes for children with special needs. The methods used have proven that children with special needs—older children; sibling groups; children who are mentally, physically or emotionally handicapped, and children who belong to minority groups—can be placed with families committed to providing them with understanding, stability, and love.

The Department's commitment to permanency for children and the commitment of financial incentives at the Federal level in the form of 96-272 resulted in an adoption initiative which encompassed specialized services and innovative adoptive family recruitment campaigns for waiting school-age children.

The number of adoption staff has been increased, and intensive training efforts for the adoption staff have been implemented. Greater attention has been given to children in foster care who have been overlooked in the past with regard to consideration for adoption. Adoption statistics are at a higher level than they have been in the past five years. This is largely due to:

A systematic administrative case review system,

Legislative changes governing termination of parental rights,

Establishment of the Adoption Information Center of Illinois with its statewide toll-free adoption hotline number,

Hiring of qualified staff who specialize in adoptions, and

Continuous public service media campaigns,

All of these steps have contributed to the increase in the numbers of childen being adopted in our state.

ILLINOIS ADOPTION STATISITICS

	Fiscal year—				
	1980	1981	1982	1983	1984
Children freed	458	595	677	849	922
Children placed	517	592	847	900	936
Adoptions consummated	475	555	798	933	945
Subsidies initiated	277	293	493	648	670

When we began our adoption initiative, the largest number of children in need of adoptive homes were black children. Black children also waited longer for adoptive homes that white children. An intensive effort has been made to place waiting black children in adoptive homes. With a change in staff attitudes, a change in practices and agency procedures, and the elimination of bureaucratic barriers that prevented black families from considering adoption, this agency has reduced the number of waiting black children. In February, 1980, in Cook County (Chicago) alone there were more than 700 black children waiting for adoptive homes. I am pleased to announce that as of June, 1985, this number has been reduced to 55 black children.

A major factor in the successful reduction of waiting black children in Illinois was the launching of the One Church, One Child recruitment program. This innovative program was the response of Father George Clements, a black priest from Holy Angels Church in Chicago, to the former Director Gregory L. Coler and myself, then serving as his deputy director.

We were convinced that there were many black families who would reach out to adopt black children in need of permanent homes. We carefully reviewed the adoption procedures of the Illinois Department of Children and Family Services and eliminated insensitive and bureaucratic barriers that prevented black families from considering adoption. Revisions were made in agency criteria/policy/procedures to reflect cultural differences in minority adoptions. We let people know that external requirements such as family income and housing were flexible. Adoptive parents were allowed to live in apartments and did not need to own their home. Both parents could work outside the home and still adopt. Single parents could make excellent adoptive parents and provide the attention and nurture children need.

Additional black social workers were hired to help increase the adoptive placement of black children. Adoption services were designed for and located in the black community. To assure that adoptive services were located in the black community, the black church, one of the most important institutions in the black culture, became the base for our recruitment efforts. Training programs designed to educate adoption specialists in all areas relating to minority culture life styles and special recruitment techniques were provided on an ongoing basis.

Finding black families was not the major problem. Keeping families throughout the preparation process was another matter. Some of the best insights our social work staff found for retaining black families were:

An agency staff member must contact the family within 24 hours to schedule an appointment.

An appointment should be scheduled within two weeks of the inquiry. Prolonged waits only discourage prospective adoptive parents.

Only such information as is necessary to begin the process should be taken by phone.

It was imperative that we, as a state agency, assume that any black family who contacted us was interested in providing a home for one of our waiting children. Our experience taught us that our agency staff must build relationships with black applicants that recognize and accept the feelings of these families and respond sensitively and immediately.

Of all children under state guardianship in Illinois who have been adopted in the past two years, more than 40 percent are black youngsters. In Fiscal Year 1983, 374 of 933 total adopted children were black. In Fiscal Year 1984, 395 of 945 adopted children were black.

Our current agency rule recognizes that a child's racial and cultural heritage is an important part of the identity which he brings to any family. The child's needs shall be the primary consideration when exploring adoptive resources. Our agency rules and procedures require that we make a maximum of six months of diligent search for an adoptive resource of the child's own racial background. The diligent search includes listing the child with the Adoptive Listing Service, featuring the child in appropriate newspapers, conducting television media recruitment efforts, and making contacts with other adoption agencies. The purpose of this rule and procedure is to ensure that every effort is made to include black families for adoption consideration.

In Fiscal Year 1984, 40 children out of 936 adoptive placements (4%) were placed transracially for adoption. Our policy permits such placements, and indeed full consideration is given to adoptive applicants who have provided care for a child of a different race, especially when there is strong evidence that bonding has occurred, On the other hand, we have been so successful in finding black families for both foster care and adoption that we seldom find it necessary to consider transracial placements involving black children.

Subsidized adoption, of course, is a key to finding loving homes for waiting children of all races. The projected savings in foster care costs in our state for Fiscal Years 1983

and 1984 has been estimated at more than $14 million.

Children with physical and mental disabilities—developmentally disabled children—wait perhaps the longest for adoptive homes. In 1984, the Governor's Planning Council on Developmental Disabilities funded a project in the Chicago metropolitan area to train our agency staff to assess and place developmentally disabled children for whom adoption was the plan. On October 1, 1984, we received a grant from the Department of Health and Human Services to increase the adoptive placement of developmentally disabled children.

Once again we realized that we had to consider the internal as well as the external barriers to adoption of these children. Our own adoption staff had to be trained in the specialized area. We began by helping staff look at societal and their own personal attitudes toward people with disabilities.

Birth parents and adoptive parents of children with developmental disabilities advised us how services for these children are often fragmented between different agencies and departments and frequently are difficult to find. We are currently linking families to needed services and, in fact, linking the child welfare system to the developmental disability service system. We have found that many of these service agencies are willing to help us find adoptive families for our waiting developmentally disabled children.

Parents also told us that other parents with developmentally disabled children can often be more helpful than agencies. Our current recruitment contracts include monies for hiring adoptive parents to assist us in recruitment and family preparation activities, and for start up costs for parent support groups.

Developmentally disabled children are featured in all of our adoption recruitment efforts. We have made a special effort to reach parents and professionals familiar with the needs of disabled people. We have found that such persons are adopting children with diabilities. The "child" comes first. They see a child before they see a disability.

During the past fiscal year we have identified a total of 117 developmentally disabled children in placement who could benefit from adoption. Of that number, 78 children are in need of adoptive resources. During this same time period, 65 developmentally disabled children have been placed with adoptive families, and 54 developmentally disabled children have had their adoptions finalized.

Illinois is a member of the Interstate Compact and enjoys a reciprocal arrangement with other states. Children being placed for adoption in other states include special needs children.

Finally, we have learned that we do not need "special families" to adopt these "special children". We need families who can love and learn to care for the special needs of these children. This has helped us realize that we simply need to let people know that disabled children are waiting for adoptive homes, and that prospective adoptive parents will receive help in the specialized care a particular child may need.

Thank you for the opportunity to present testimony for consideration by the committee and to present the views of the Illinois Department of Children and Family Services. We stand ready to assist you and this committee in any way we can in providing services to children and their families.●

HUMAN RIGHTS VIOLATIONS IN CHINA

● Mr. HUMPHREY. Mr. President, I wish to bring to the attention of my colleagues a letter sent by me and Mr. HELMS to Mr. Reagan. The human rights violations of China's population policy have been well-documented. We feel it necessary to keep these violations at the fore of public attention, especially in light of the current visit of the Chinese President. The letter follows:

U.S. SENATE,
Washington, DC, July 23, 1985.

President RONALD REAGAN,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: In recent weeks the press has given much attention to human rights violations occurring in South Africa. Congress has seen fit to enact sanctions on economic and military interaction between our two nations.

We are also aware that, coinciding with the visit of Chinese President Li Xiannian, new agreements have been reached with China regarding nuclear proliferation and economic relations.

Mr. President, in the interest of continuing this nation's awareness of human rights violations in foreign countries—as is being done in South Africa—and with the intention of reaching still more agreements with the Mainland Chinese, we bring to your attention once again the abuses of the Chinese population program.

The excesses of the "one child" policy have been well documented by such authors as Aird, Gupte, Mosher, Butterfield and the Washington *Post*'s Weisskopf. The private lives of couples are strictly monitored and menstrual periods are meticulously tracked. Prohibitions on early marriage and second children are strictly enforced. However, the most horrifying violations involve the use of coercion—women are forced to undergo IUD implantation, sterilization and abortion.

Mr. President, you have a unique opportunity to pursue with Li Xianninan appropriate solutions to the abuses of human rights propagated by the Chinese family planning program. We urge you to seek assurances of the Chinese President that rights violations will cease to be officially sanctioned, that violators will be severely punished, and that documentation to this effect be made public.

Sincerely,

Senator JESSE HELMS.
Senator GORDON J. HUMPHREY.●

NATIONAL YOUTH WORK PROGRAMS

● Mr. SIMON. Mr. President, over the last few years we have heard much about the creation, or recreation, of a Youth Conservation Corps. I strongly believe in the concept of national service, and believe that national youth work programs would be an appropriate way to address the dual problems of youth unemployment and training. It would not be magic. We will not do away with the effects of poverty and poor education, the damage of drug abuse and juvenile crime, but we owe own young people a change. A version of a youth corps would help thousands have that chance.

I ask that an article from the New York Times by Ford Foundation President Franklin Thomas be printed in the RECORD. The article describes successful municipal and State programs which enlist young people to provide services which are most needed in the area, ranging from staffing homeless shelters in New York to clearing salmon streams in California. The variety of these programs and their successes show us that the concept is a sound one. The magnitude of the problems of youth unemployment and the need for training and experience make clear that when Congress passed the American Conservation Corps last year, we were responding to a real need in a productive way. We should again consider such a program because the problem has not gone away. We see the problem increasing. A useful service is performed with public service programs for youth and young lives are helped to achieve goals and gain experience. As a nation, we all gain.

The article follows:

NATIONAL SERVICE FOR JOBLESS YOUTH

(By Franklin Thomas)

Despite the economic recovery, the labor market seems to have shut down for young people. While it is estimated that five to six million part-time jobs will become available this summer, this number falls far short of demand and will have only a limited impact on the mounting year-round jobless rate for youth.

While total national unemployment hovers near 7.2 percent, youth joblessness stands at 16 percent for whites, 24 percent for Hispanics, 43 percent for blacks. The reasons for this failure to absorb young workers are familiar: industrial and technological changes generate fewer entry-level jobs; manufacturing has fled the inner city for suburbs and now, increasingly, for other shores; many youngsters are not adequately taught workplace skills and attitudes.

This summer, before more teenagers are abandoned to the ranks of the unemployable, let us renew the idea of national youth service. Proponents of such a program share the conviction that young people represent a vastly underused resource that should be encouraged to offer itself in the service of our society, economy and national defense. They believe a system of youth service might help dampen the incidence among youth of drug and alcohol abuse, crime and vandalism, unwanted pregnancies and other symptoms of alienation. Most important, national service could be more than a repair shop for social damage or a means of keeping youngsters occupied: it could help them sort out their identities, build lifetime principles and develop a greater respect for self and society.

Congress last year passed a bill that would have created an American Conservation Corps to put youngsters to work in parks and public lands. President Reagan vetoed that bill. The strongest leadership on behalf of youth service, however, has come from states and municipalities. Consider these examples:

The New York City Volunteer Corps. Many participants in this city-funded organization are high school dropouts. Members earn $80 a week staffing a shelter for the homeless, rehabilitating city parks and taking oral histories from residents of a geriatric center. Those completing the 12-month program are awarded cash and educational vouchers to provide free schooling.

The California Conservation Corps. Assignments for this $35 million a year program funded by California's Natural Resources Department range from repairing dams to clearing salmon streams to assisting forest-fire brigades.

The Northwest Youth Corps. This summer-only environmental program in Eugene, Ore., has a unique feature: roving crews of young workers are hired directly by private businesses for short-term assignments. The logging industry has used the corps to assist in replanting forests after timber harvests.

In all, more than 30 such programs are taking shape around the country. While some, such as Pennsylvania's year-old Conservation Corps, are targeted at the economically disadvantaged, others, like the California corps recruit members from a wide spectrum of social and educational backgrounds. One notable effort, in the East Harlem section of New York City—the Youth Action Project—specifically seeks society's most difficult youngsters and helps them devise their own community service programs.

Not only do these programs help develop values and attitudes that go with responsible adulthood, studies show that work experience—even part-time jobs—together with education and skill training can significantly improve a young person's long-term employment and earnings prospects.

The Federal Government should study the successful examples of local youth service programs to design a national program. Clearly, a number of concerns would have to be considered: for example, program design, the extra costs imposed on a deficit-burdened budget, the impact on military recruitment, rural vs. urban settings, attitudes of organized labor, etc.

Despite such problems, national service is a compelling idea that merits trying. The important point is making the commitment before youth unemployment rates get even worse.●

RECESSION ON THE RIVER

● Mr. COCHRAN. Mr. President, the inland barge and towing industry continues to suffer in the grip of a severe economic depression. The following July 14 New York Times article notes that 16 barge companies employing more than 1,000 rivermen have gone out of business in Greenville, MS, since 1981 alone.

Many of my colleagues know that this is not a problem unique to my State of Mississippi, but is a national economic problem affecting our entire transportation system from the Great Lakes to Oregon.

I urge my colleagues to read this article by William E. Schmidt in the New York Times, which accurately describes the harsh impact the budget and trade deficits continue to have upon the water carrier industry.

The article follows:

[From the New York Times]

THE RECESSION ON THE RIVER

(By William E. Schmidt)

By almost every measure, these are perhaps the hardest of times along the nation's rivers and waterways. Here, as elsewhere on the Mississippi, the volume of freight crossing the once-bustling docks has plunged 30 percent since its 1978 peak. Hundreds of barges stand idle waiting for cargo.

Many of the towboat operators who earned their living moving grain, petrochemicals and coal down to New Orleans have gone bankrupt or are just barely hanging on. "This industry is on its knees," said Howard Brent, the owner of Brent Towing, a family-owned business that has been working the river out of Greenville, Miss., since 1941. "We're at a one-hundred-year low."

Rivermen whose fathers and grandfathers pushed barges up and down the Mississippi now find themselves out of work and out of hope. That's because the river is the economy in towns like Helena, Ark., and Greenville, where more than 1,000 rivermen have been laid off since 1981. "The small, independent river operator who flourished in a number of small towns is a vanishing breed," said Jack Baskin, who was the president of one of 16 barge companies that have gone out of business in Greenville since 1980.

The pilots and boatmen who work the Mississippi have always known it to be a treacherous river. But the economic currents have not been this turbulent since the late 19th century, when the expansion of the railroads sank most of the major steamboat lines. River business, in fact, did not begin to rebound until the 1930's, when the Federal Government stepped in, not only directing the United States Army Corps of Engineers to invest billions in navigational aids and port improvement projects, but also temporarily running its own barge line to help establish routes and markets that private operators took over and expanded in the 1950's.

But these days, most of the nation's 25,000 miles of inland waterway are facing economic problems, from the Great Lakes to the Mississippi, says Harry Cook, president of the National Waterways Association. "The problem is mainly the world economy, coupled with the strength of the dollar abroad; American industry is off and so are the exports of grain and coal and steel that are moved on the waterways," Mr. Cook said.

Now, however, businessmen, barge owners and port administrators say they have something else to worry about: renewed talk in Washington about requiring local governments and private companies to pay a larger share of the cost of much-needed navigation, channel and port improvements, public works projects which historically have been paid for by the Federal Government.

Cost-sharing agreements were at the center of a compromise reached last month between Senate Republicans and the Administration, aimed at resolving a 10-year-long debate that has effectively frozen hundreds of millions of dollars of Federal money destined for scores of river and port improvement projects, including more than $625 million due to be spent at Memphis and four other ports along the lower Mississippi.

The Carter Administration held back the funds. The Reagan Administration has similarly refused to spend the money, arguing that users who benefit financially from the projects must share anywhere from 20 to 60 percent of the cost of port improvements, lock and dam construction and harbor dredging.

Among other things, the proposal under discussion in the Senate would over 10 years double to 20 cents a gallon the tax on diesel fuel paid by towboat operators, and earmark the revenues for channel and harbor projects. "I'm so far underwater now I'm using a snorkel, and the Federal Government is trying to put another tax on me," complains Mr. Brent, in Greenville. "They're going to drive us out of business."

CONGRESSIONAL RESISTANCE

There is no guarantee that Congress will eventually approve the kind of cost-sharing formulas being considered by the Senate. On the House side, there has been sharp resistance to cost-sharing.

The debate over ending an era of Federal involvement in river commerce comes just as the most expensive public works project in the history of the Army Corps of Engineers has opened. The 234-mile Tennessee-Tombigbee Waterway, a chain of locks and canals in eastern Mississippi and western Alabama, was officially dedicated in June. It is intended to provide inland shippers a shorter and less expensive water route to the Gulf of Mexico, as well as stimulate one of the nation's most economically backward regions.

But after spending some $2 billion on the project, the Administration now would prefer that state and local governments, rather than the Federal Treasury, take the lead in finding the money to help develop ports and harbors. As it turns out, the Tenn-Tom, as it is known locally, couldn't have opened at a worse time. With waterway business down nationally, traffic along the Tenn-Tom is likely to be well short of the expectations that boosters had for it in the 1970's.●

KEY TO LATIN AMERICAN ECONOMIC REVIVAL

● Mr. McCLURE. Mr. President, it is basic to the Marxist philosophy that private property must be abolished. Wealth must then be redistributed. The notion then goes that there will be no classes; no rich, no poor. However, common sense tells us that merely reshuffling meager assets from one group to another will not result in a decent living for those in the impoverished Third World. What good does it do to divide up what is already inadequate? The only economic system that will provide genuine rewards is one that provides for the actual growth of existing wealth. Experience has shown that socialism stifles economic growth. When the marketplace is under the tinkering hand of the bureaucracy, we can expect the bureaucracy to thrive, and the marketplace to languish.

As we view with dismay the turmoil in Central America, we are more and more aware that without economic progress, there can be no political stability. Yet this economic progress seems unlikely without an infusion of capital. During the 1970's, massive amounts of foreign aid, through the

auspices of the World Bank and its ilk, were channeled into the Third World. Yet still more investment will be necessary to stimulate real economic health. We must encourage governments in that part of the world to foster conditions that will encourage private-sector investment. Foremost, I believe, those governments must recognize that private property is essential for economic and social justice, and that the freedom to work, to save, and to invest and see the rewards of this endeavor is essential to human dignity. It also seems clear that investment in a country that threatens confiscation is a fool's bargain.

Our Latin American neighbors are rich in natural resources, and in what is more important, people who are ready to work for their own economic betterment. What will be necessary is an infusion of private sector capital.

J. William Middendorf II, U.S. Permanent Representative to the Organization of American States, in an address before the International Conference on Latin America sponsored by the Center for International Relations in San Jose, Costa Rica, on February 22, 1985, expands on these points. I ask that this address be printed in the RECORD, so my colleagues and their staffs can examine in depth the steps that must be taken to foster economic health and political stability in Latin America.

The address follows.

ADDRESS BY AMBASSADOR J. WILLIAM MIDDENDORF II

It is a pleasure for me to join the illustrious group here in the discussion of the conference theme: "Basic Freedoms in Latin America: Their Past, Present and Future Prospects." The fact that this historic conference is treating both the political and economic aspects of Latin America's situation is indicative of what Secretary of State George P. Shultz stated in his testimony before the Senate Committee on Foreign Relations, entitled "The Future of American Foreign Policy: New Realities and New Ways of Thinking" [Current Policy No. 650], January 31, 1985:

The United States seeks peace and security; we seek economic progress; we seek to promote freedom, democracy, and human rights. The conventional way of thinking is to treat these as discrete categories of activity. In fact, as we have seen, it is now more and more widely recognized that there is a truly profound connection among them. And this has important implications for the future.

Secretary Shultz expanded on these points by saying: . . . it is more and more understood that economic progress is related to a political environment of openness and freedom. It used to be thought in some quarters that socialism was the appropriate model for developing countries because central planning was better able to mobilize and allocate resources in conditions of scarcity. The historical experience of Western Europe and North America, which industrialized in an era of limited government, was not thought to be relevant. Yet the more recent experience of the Third World shows that a dominant government role in developing economies has done more to stifle the natural forces of production and productivity and to distort the efficient allocation of resources. The real engine of growth, in developing as well as industrialized countries, turns out to be the natural dynamism of societies that minimize central planning, open themselves to trade with the world, and give free rein to the talents and efforts and risk-taking and investment decisions of individuals.

PRIVATE AND STATE SECTOR APPROACHES TO DEVELOPMENT

It is becoming more and more obvious throughout the hemisphere that without a dynamic free enterprise system, governments can neither stimulate nor sustain economic growth nor diversify their economies to foster economic development. Too often in the past, one heard the truism that first must come a proper infrastructure, but this has led to vastly overblown bureaucracies of government-owned means of production far beyond such basic infrastructure requirements as roads, utilities, and communications. Without an efficient and limited public sector at a manageable economic cost—and without an overall environment conducive to sound investment—privately owned enterprises are unlikely to make their full contribution to development and commerce.

Economic development can no longer be financed externally through massive amounts of foreign aid or foreign borrowing, which were hallmarks of the 1960s and 1970s. Now growth, if it is to come, must begin with each country's climate to attract and keep in country local savings and to attract foreign savings, i.e., having a set of motivations and attitudes that are concretely expressed in the absence of civil conflict, a system of generally accepted and enforceable property rights, and the ability of individuals to enjoy the fruits of their labor without confiscatory systems of taxaton or arbitrary seizure of property. If government controls too much of the means of production, as is the case in many of the high-debtor countries in our hemisphere, or if it is inefficient and ineffective or all of the above, or if it pursues policies that significantly distort free-market decisionmaking, the overall prospects for economic development suffer, and international commerce with it. As Secretary Shultz noted in the testimony I cited earlier: . . . recent experience has fueled a broad and long-overdue skepticism about statist solutions, central planning, and government directions.

This intellectual shift is partly the product of the extraordinary vigor of the American recovery. The United States has revised its tax system to provide real incentives to work, to save, to invest, to take risks, to be efficient. We have reduced government regulation, intervention, and control. We have opened opportunities for freer competition in transportation, finance, communication, manufacturing, and distribution. Last year's real growth in GNP [gross national product] was the sharpest increase since 1951; inflation was the lowest since 1967. The overall result was the creation of over 7 million new jobs in 2 years.

It is our sincere hope that the factors behind our present success in the United States will be emulated in Latin America because a return to sound economic policies in all of the hemisphere would be mutually beneficial and ultimately create a better standard of living for all. We are all one hemisphere, and what affects the Latin countries affects us all. Clearly, it is in my own country's trading interest, since we are running a $20 billion trade deficit with Latin America, largely as a result of its sharply curtailed imports from us. It is also in the interest of the world's financial institutions which have major loan exposures there. Finally, the ability of the hemisphere to withstand communist adventurism and narco-terrorism depends on sound economic policies for economic recovery.

As one who has worked with the Latins for 30 years, I don't think I can emphasize strongly enough my feeling that Latin America must work toward a better balance between government and free enterprise, which at present is so heavily skewed toward state ownership.

Unfortunately, we seem to be losing the semantic battle for the minds of Latin Americans when we extol the virtues of free enterprise. It is an unfortunate fact that Marxist teachers have infiltrated primary schools in many Latin American countries. From that key position, they take advantage of their young charges' formative years to make them feel that Marxism is the natural state of affairs of any society. Therefore, anyone who opposes it must be against humanity. Foreign private direct investment becomes "economic imperialism" in the Marxist-Leninist lexicon, and this economic imperialism opposes a "new international economic order" which calls for redistribution of the world's wealth. In the Marxist lexicon, we are in a zero-sum game where, if one group is to attain greater wealth (read "the exploiter"), another group must lose it. None of this helps to encourage the much-needed new capital to come in to create the jobs so desperately needed in countries with unemployment levels ranging up to 30% and 40%. In fact, one wonders if Marxists in countries with non-Marxist governments don't hope to keep unemployment levels high, in the hopes that the resulting unrest might help bring them to power.

The trend toward government ownership is clearly seen in Mexico, where, according to trend data, there were only 84 government enterprises in 1972. By 1982, there were 760. During the same period, total government spending as a percentage of gross national product increased from 23% to 46%. By 1982, following the bank nationalization, the great majority of Mexico's major industries were under government control, and the government's share of total capital formation had reached 45%. It is an interesting footnote that in the period 1957-72 (during most of which Dr. Ortiz Mena, now president of the Inter-American Development Bank, was finance minister), Mexico's compound annual rate of GDP [gross domestic product] growth was 6.6%, whereas during the period 1973-83, after the oil boom began, this GDP growth rate averaged 4.7%. Even in Brazil—where in 1979 President Figueiredo created as special ministry with the objectives of (1) selling government-owned enterprises to the private sector, where feasible; (2) restricting the indiscriminate growth of state-owned enterprises; and (3) strengthening the free enterprise system—little progress has been made and the spending of government and its companies approaches 50% of the gross domestic product.

A good sign for positive change is that some of the empirical research which has been conducted on the macroeconomic consequences of the statist "solutions" so long favored in most of Latin America is beginning to receive wider publicity and beginning to affect the thinking of high-level pol-

icymakers. Ke-Young Chu and Andrew Feltenstein, in their paper "Relative Price Distortions and Inflation: The Case of Argentina, 1963-76" (International Monetary Fund, *Staff Papers*, Volume 25, September 1978), for example, estimated that, in Argentina, government transfers to cover public enterprises' losses were proportionately 10 times as inflationary as the financing of private enterprises' losses through commercial bank borrowings, primarily because it is assumed that only in the former case are the losses translated into high-powered money through central bank financing of the government deficit. Because the state in Argentina owns the vast majority of its industrial production, and since most of these state-owned industries operate at enormous losses which only government printing presses can make up, the inflation rate there last year approached 700%.

Other equally devastating findings are discussed in *Public Enterprises in Mixed Economies*, by Robert H. Floyd, Clive S. Gray, and R.P. Short:

For 25 developing countries for which data were available, Short estimates the average (weighted by GDP) overall public deficit, before reduction by government current transfers, at 5.5 percent of GDP during the mid-1970's. He further estimates that the overall deficit in developing countries increased by 2.5 percentage points of GDP between the late 1960s and mid-1970s.

Defining the "budgetary burden" of public enterprises as the residual of government transfers and loans, less loan service payments by the enterprises, Short estimates this burden to average 3.3 percent of GDP for 34 developing countries, compared with a 4.4 percent estimate for the central government's overall budget deficit in these countries. In other words, public enterprises accounted for three-fourths of the central government deficit in the countries in question.

As I have witnessed during the last 30 years, the Latin American countries have suffered ever more stifling bureaucratization of their economies. Government intervention—often buttressed by nationalist and/or socialist ideologies—has resulted in substantial increases in:

State ownership of economic activities in, for example, extractive industries, manufacturing, financing, and international trade and commerce, far beyond the traditional limits of infrastructure and often accomplished through expropriation without adequate compensation;

Regulation of private economic activity via money, credit, and exchange controls, licensing systems, and price and wage controls;

The state's consumption share of gross national product; and

Government investment expenditure—typically more than half of national capital formation.

INFORMAL ECONOMY

In spite of these trends, which amount to a fight for survival on the part of free enterprise in many parts of Latin America, there are several counter-trends. A good example of how the private sector can triumph in spite of governmental restrictions is revealed in the study by Peruvian businessman and economist Hernando de Soto. Because it takes a person 6 months to get government approval to set up a simple business in Peru, an informal economic system has grown to rival the more traditional business. According to de Soto, an informal economy developed and grew despite the tremendous handicap of being illegal.

De Soto's study estimates that the informal economy of Peru now accounts for 90% of Lima's garment industry, 25% of its furniture industry, 60% of housing construction, and even a good part of the automobile and truck industries. The informal Peruvian economy, says the study, has grown so fast that it now accounts for an estimated 60% of the total Peruvian economy, and almost none of this output is counted in the official $22 billion Peruvian gross domestic product. Perhaps most important is the free enterprise system's ability to create jobs: in Peru, an estimated two out of every three jobs are now in the informal sector.

Another factor Mr. de Soto's study points out is that South American economies often have two kinds of private sectors: one that is seriously burdened by excessive regulation and hampered by bureaucratic inefficiency but is officially sanctioned, and a second one which is far more in accord with free market principles but whose existence is barely acknowledged. This difference is made clear by an experiment documented by a study group from Mr. de Soto's Institute for Liberty and Democracy, in which it tried to set up a legal garment firm without easing the way with bribes. Acording to a *Wall Street Journal* article:

It took a lawyer and three others 301 days of full-time work, dealing with 11 government agencies to complete the paperwork—which, when laid end-to-end, measured 102 feet. (One of the researchers then tried the same experiment in Tampa, Florida, and finished it in 3½ hours.)

DEBT CRISIS MANAGEMENT

As we all know, Mexico's extreme illiquidity in August of 1982 precipitated the "debt crisis." The response was a provision of immediate emergency assistance by the U.S. Government and other creditors which led to the development of a rescue package and an IMF [International Monetary Fund] stabilization program. By the spring of 1983, the U.S. Government had developed a strategy designed to deal with the liquidity problems, primarily of the major countries, and to encourage the adoption of needed stabilization measures. What has not been widely understood is that the strategy was not intended to be one of "solution" for the "debt crisis" but rather one of "management" of the crisis with the central purpose of preventing the liquidity problems from developing into a crisis of the entire international financing system.

I think it would be helpful to recall the elements of the U.S. Government strategy for management of the debt crisis as reaffirmed at the Williamsburg summit:

Credible economic stabilization measures to be undertaken by the individual debtor countries;

Sustainable economic growth in the OECD [Organization for Economic Cooperation and Development] countries, combined with the maintenance of open markets;

Support from the IMF and other international financial institutions for economic adjustment; and

The provision of bridge financing by creditor governments when needed.

I think we can all agree that, up to now, the strategy has succeeded in its central purpose of avoiding the development of a systemic crisis while, at the same time, supporting stabilization efforts in the debtor countries.

NOT YET OUT OF THE WOODS

I believe that, with what I have said up to this point, it should be clear that we are not out of the woods. In fact, I would agree with the testimony of Dr. Norman Bailey, former Assistant to the President for International Economic Affairs, before the Subcommittee on Western Hemisphere Affairs of the U.S. House of Representatives on January 29, 1985: ". . . Unfortunately, we have always been in the woods and the path out of them is obscure and easily lost." Agreement with this statement stems not from an attitude of pessimism but rather from an acute recognition that the real world is pregnant with danger—the economists' definition of the real world being "the nominal world minus inflation" notwithstanding.

One is led to this opinion by simple arithmetic. At the end of 1981, the Latin American countries owed approximately $297 billion. At the end of 1984, their external indebtedness amounted to about $371 billion. Despite the high visibility of U.S. banks in this situation, they, nevertheless, only hold one-fourth of this debt, the rest being held by foreign banks, multilateral lending institutions, and governments. After 3 years of crisis and austerity, Latin America, therefore, has increased its indebtedness by about $75 billion on which, by the way, interest is due. About $34 billion of the $75 billion was lent by commercial banks in countries reporting to the Bank for International Settlements, and of the $34 billion, $12.6 billion was lent by U.S. banks, During the period 1981-84, as a result of rescheduling agreements, the debt service ratio—i.e., interest and principle payments as a percentage of foreign exchange earnings (export earnings from goods and services)—of the debtor countries declined from 51.2% to 43.3% of merchandise exports. The ratio of net interest payments to merchandise exports declined somewhat to about 35% in 1984, demonstrating the sensitivity of these economies to both export growth and the changes in world interest rates.

From the point of view of the balance of payments, we have seen Latin America accumulate a $74 billion merchandise trade surplus in the period 1982-84 inclusive, but one which is apparently largely due to tremendous cuts in imports. The most recent estimates indicate that the value of Latin American exports in 1984 was still somewhat below 1981, although export volume showed an increase. During the same 3-year period, debt service payments amounted to $109 billion, and new money and the surplus on the trade balance amounted to about $148 billion, which I read to mean that approximately $39 billion was spent on services, fled the region, or was added to international reserves. Even under optimistic assumptions, the World Bank, the Inter-American Development Bank, and others have concluded that it will be the end of the decade before 1980 prerecession per capita levels of gross domestic product will again be achieved.

MAJOR UNCERTAINTIES

There remain a number of major uncertainties which render the global economic environment pregnant with danger. Highest on my list of uncertainties is the debt crisis, where we are by no means out of the woods, despite a recent spate of news articles to the contrary.

One fact which is often overlooked is that the country with the largest external debt in the world is not Brazil or Argentina, it is the United States of America. By the end of

June last year, foreigners had lent our treasury $171 billion, which was 15.6% of the total. The foreign debt of the American private sector at the end of June 1984 was estimated to be another $299 billion. It has been estimated that, by the end of May this year, the United States will become a net international debtor for the first time since shortly before World War I. Perhaps, when we bemoan the international "debt crisis," we should remember the words of John Donne: "Ask not for whom the bell tolls, it tolls for thee." Nevertheless, the size and growth of our economy, coupled with positive encouragement of free enterprise by President Reagan's policies, give us grounds for more optimism than in those countries where the parastatal, government intervention model predominates.

With regard to international debt prospects, Assistant Secretary of State for Economic and Business Affairs Richard T. McCormack posed two questions in a speech delivered last November ("The Medium-Term Outlook for the World-Economy," November 22, 1984, Current Policy No. 664):

First, is our [worldwide] present success in reducing these [balance-of-payments] deficits based on a draconian depression of activity . . . that is not sustainable either socially or politically?

Second, is the present outlook viable only under the most favorable assumptions and vulnerable to new shocks, such as OECD recession or higher interest rates?

SOLUTIONS

I believe these questions remain valid, but for these questions to be given favorable answers in a historical sense, the "debt crisis" must be genuinely resolved. And for a genuinely favorable resolution, the solution must be sought in the reform of the domestic economies of the debtor countries of the hemisphere themselves.

The economic policies necessary to achieve such a reform are relatively easy to summarize. In terms of monetary policy, there must exist positive inflation-adjusted interest rates, realistic exchange rates, economically sound measures to control inflationary pressures, and measures to induce the return of flight capital. In terms of fiscal policy, the governments of our Latin American neighbors must reign in parastatal enterprises—which, for the most part, are deficit-ridden and a major source of inflation—reform their taxation and tax collection systems, and reduce subsidies. Simply put, they must put their own houses in order by creating clear and stable rules of the game for economic activity—clear rules which encourage productive activity by offering a secure climate for investment, both domestic and foreign.

What is needed was succinctly defined by Secretary of State George P. shultz in his address of December 6, 1984, entitled: "Democracy and the Path to Economic Growth" [Current Policy No. 641].

I am calling here for the reversal of state ownership and anti-import policies. These policies have placed stifling controls on private agriculture and industry. They have made them dependent on restricted markets. They have built costly protectionist barriers at national frontiers. And they have produced inefficient state enterprises that divert resources from more productive activities.

I call, instead, for a development strategy that works through an open economy, one that rewards initiative, investment, and thrift.

MAINTAINING AN OPEN MULTILATERAL TRADING SYSTEM

The world economy continues to be involved in a process of adjustment. Simply put, this adjustment involves converging the levels of consumption and production. During the 1970s, many countries lived beyond their means, as reflected in their unsustainable balance-of-payment positions. This situation must now be corrected by either increasing the "means" of living more modestly or both. While this process is not cost free, it is inevitable and has as its ultimate goal the restoration of sustainable noninflationary global economic growth.

A key element in this adjustment process is the maintenance of an open multilateral trading system, which is essential to position the countries of the hemisphere for servicing their external debt and for enabling the export and import sectors of all our economies to make their contributions to domestic economic recovery and growth. I also want to make three further points.

First, protectionism poses a serious threat to the prospects for a medium-term recovery in the world economy. Virtually all economic projections are predicted on open trade. If the assumption about the maintenance of open trading policies is removed, the medium-term outlook for the world economy becomes bleak.

Second, protectionism poses a fundamental threat to the strategy that has fostered development since 1945. International trade is a powerful engine of growth. The experience of the 1960s and 1970s demonstrated that countries with "inward-looking" development strategies—characterized by liberal import regimes, adequate incentives for producers, and the maintenance of realistic exchange rates and prices as well as positive real interest rate—have performed better than countries with "outward-looking" development strategies. Protectionism would threaten the viability of the "outward-looking" strategies with far-reaching consequences for economic efficiency and world trade.

The postwar strategy in many Latin countries of industrializing through import substitution, with its high tariff barriers, has been disappointing. It has fostered dual economies, crippled development in the agricultural sector, resulted in frequent balance-of-payments crises, and contributed to rapid urban growth and political instability. Studies by the OECD and the World Bank both recognize that a substantial relaxation of import restrictions coupled with moves toward appropriate exchange rates are necessary to expand exports and overcome the shortage of foreign exchange that most developing countries (except for some of the oil exporters) seem to face.

It should not come as a surprise that the development strategies based on import substitution have produced such poor results. Import substitution carried to excess is a little like a soccer team that plays only itself. Competition hones the skills and tactics of a soccer team, and, by definition, Brazil could never have won the world soccer championship if it had not been willing to play against foreign teams. Moreover, import substitution policies often also violate the law of comparative advantage since they amount to a dirigiste attempt to outguess the marketplace.

For these reasons, developing countries are urged to use great caution in applying import-substitution measures, and such countries are encouraged to focus more actively on the possibilities which exports offer their economies, while striving to keep our markets open to those exports. Since the 1970s, many of the more successful developing countries have been pursuing precisely such a strategy. The economic success stories, such as Taiwan, South Korea, and Singapore, have all adopted policies which emphasize exports as a means of promoting rapid industrialization.

In recent years, these and other countries have shifted toward more liberal trade and payment regimens. Often, these moves have not been as rapid nor as encompassing as we might want. But overall, particularly in East and Southeast Asia, there has been a clear tendency of the more economically progressive and successful countries to move in the direction of liberalizing trade barriers and adopting policies aimed at stimulating exports. The U.S. Mission to the OAS has recently chaired meetings of the ambassadors of the ASEAN [Association of South East Asian Nations] countries with the Andean OAS ambassadors, with the thought that fellow "developing countries" along the Pacific rim might compare notes so that the most successful features of each economic system might be examined.

Third, protectionism is, by definition, "anti-adjustment." It is an administrative way of delaying adjustment to changes in competitive positions stemming from changes in technology and productivity. We must jointly and severally rise to the challenge of structural adjustment rather than run away from it. Renewed growth and the reinvigoration of all our economies demand it.

I would like to note here that the U.S. commitment to an open multilateral trading system remains firm, as was demonstrated yet again in President Reagan's call for a new round of trade negotiations under the GATT [General Agreement on Tariffs and Trade] in his State of the Union Address. It has been contended that no country has an entirely open system. In this imperfect world, however, the United States is still the most open market among the major trading nations, as witnessed by our recent horrendous trade deficits. What is needed in the new trade round is a rededication to work toward perfecting the multilateral trading systems so that opportunities for fair trade can be increased for all participants. By fair, we mean that the goal posts should be the same width for each side. If ours is 20 feet wide and our trading partner wants his to be only 2 feet, we're going to lose a lot of games, and nobody believes that's fair.

VAST CAPITAL NEEDS

Latin America still needs vast amounts of capital for progress or, indeed, to maintain present living standards. According to an Inter-American Development Bank study, between now and the year 2000, Latin America and the Caribbean will have to create 100 million new jobs, since half the population is under 20, and birth rates are running at 3% (with Mexico's at 5.8%). The average cost for creating one new job in the region is estimated at $12,500, leading to an approximation that $1.25 trillion in capital will have to be generated in the next 15 years—a figure perhaps twice the amount of all transfers of funds to the hemisphere in the past 15 years, which includes the huge borrowing splurge of the 1970s.

For Latin America, if the decade of the 1960s can be considered as the decade of official aid from the developed countries (including the Alliance for Progress) and the decade of the 1970s as the decade of com-

mercial bank lending (nearly $300 billion), then the decade of the 1980s must be the decade of foreign direct investment. Why? Because, regarding future prospects for official aid, it would be prudent not to expect that support via the International Monetary Fund, the World Bank, and other multilateral lending institutions will be a replacement for private sector lending—and I stress the word replacement—for a number of reasons.

First, the sums needed are simply too large.

Second, virtually all industrialized country governments, including that of the United States, are grappling with the issue of controlling their own government deficits.

Third, it is unlikely that industrialized country central banks will be as accommodating toward these deficits as they were in the 1970s.

Further, it is now widely recognized that Latin America will not receive even remotely the same high level of borrowed capital from the banking systems to which it became accustomed during the 1970s, particularly in light of debt servicing problems on existing loans.

Of course, borrowing is only one of the three types of international monetary transfers—the other two being direct aid, either government-to-government or multilateral, and foreign direct investment. It is obvious to all that foreign direct investment, if it can be gotten, has the advantage over the other two of providing management know-how, technical skills, and technology transfers resulting in a high degree of export potential and, therefore, of being a source for valuable foreign exchange.

In order to attract the scarce and needed capital—in competition with other countries also aggressively seeking it, such as members of the OECD and the Pacific Basin countries—the climate for investment must be much more conducive in Latin America. The best test of this is found where local investors themselves find it attractive to reinvest their own funds and where there is no capital flight.

CAPITAL FLIGHT

Just at the time when Latin America needs so much more new capital, there has been the reverse trend of hemorrhaging capital outflows through flight capital.

Henry C. Wallich, member of the Board of Governors of the U.S. Federal Reserve System, in a recent incisive paper entitled, "Why is Net International Investment So Small?," made the following comments:

There seems little doubt that substantial capital exports have taken place from the countries that were borrowing. Unfortunately, one must assume that in large part this represents capital flight. The assets, thus acquired, probably do not produce income and taxes from the capital-exporting country, and probably are not available to strengthen its foreign exchange position and its economy generally. In other words, given economic and political conditions of the capital-exporting countries, these foreign assets are not likely to play the same constructive role for the home countries that capital exports from developed countries have ordinarily played. To be sure, changes in the politics and economic policies of the respective countries, giving adequate protection to the owners of capital and a positive real return on domestic assets, may change that situation. They may convert what today is flight capital into an important resource for the country.

The irony of this situation is that, in fact, Latin Americans own plenty of capital. It is just not located inside Latin America—the amounts in Swiss and Miami banks and in San Diego condominiums probably far exceed the liquid funds in the home countries. Indeed, generations of Latins claim they have been brought up to get their money out into "safer" havens as soon as they make it. This trend has to be reversed if Latin America is to grow at all.

Henry Wallich further states: For the [world's] eight largest [non-U.S.] borrowers over the years 1974–1982, . . . calculation[s] show an increase in debt (equity and direct investment included) of $317 billion, while the current account deficit adjusted for changes in official reserves, amounts to only $207 billion. Thus, there seems to have been a capital outflow of $110 billion. The degree to which borrowing financed this capital outflow differs among countries. For Brazil, only 12 percent of the inflow was compensated by outflows; for Mexico, 45 percent; for Venezuela, almost the entire inflow was absorbed into outflows.

Nearly 100% capital flight? Clearly, with a change in domestic policies away from the parastatal-import substitution approach to economic development, there is reason to believe that this money could be attracted back to Latin America, which would, of course, be a major contribution to a lasting solution of the debt crisis and job creation.

In his February 8, 1985, address, "The International Debt Situation in an American View: Borrowing Countries and Lending Banks," Henry C. Wallich states further:

Unfortunately, one must assume that a large part of the borrowed money went for consumption in the form of excessive imports of high-priced oil and various consumer goods. Frequently this spending was financed through government budget deficits, caused by subsidies and other unproductive expenditures, including purchase of weapons. A worldwide shift from negative real interest rates to significantly positive real rates, and the consequent rise in debt service, also used up some of the funds borrowed.

In adding up incremental investment, capital flight, and increased outlays (in nominal terms) for consumption, there is a danger of over-explaining the absorption of borrowed funds. The best judgment seems to be that the borrowing countries experienced a substantial increase in their income and debt-carrying capacity and that these benefits of added investment could be enhanced in future, if measures are taken to induce flight capital to return.

It may be that this audience will find itself closer to the Henry Wallich school of thought on flight capital than the point of view expressed to me recently by a prominent Argentine economist that, at least in the Argentine case, the term "flight capital" was misleading and that more accurate terminology would be "portfolio diversification."

OTHER SOLUTIONS

While it is relatively easy to diagnose the ills resulting from excessive government involvement in our economies, it is far more difficult to find constructive solutions. In many of the countries of our hemisphere, the state-owned sector is so large, relative to the domestically owned pool of private capital, that a simple sale of those state enterprises that are running the largest deficits would be difficult (who would want to buy them?), and attracting foreign capital for this purpose also would be difficult, for well-known political reasons. Indeed, there are still many in Latin America who would view selling off parastatals to "transnationals" in the some way as they view foreign direct investment—selling off their "national patrimony." There have been ideas floated that some debt could be exchanged for equity in the parastatals. Brazil considered this for a time, but may have given up on the idea, at least for the present.

However, I believe that there are other potential and feasible solutions over the long term, for, as President Reagan has said, "Developing countries need to be encouraged to experiment with the growing variety of arrangements for profit-sharing and expanded capital ownership that can bring economic betterment to their people."

One such method of expanded capital ownership is advocated by Dr. Louis O. Kelso and Patricia Hetter in their book, La Economia de los Dos Factores: Un Tercer Camino. The plan involves employee stock ownership plans, which are nothing less than having the employees of the corporation also become the stockholders, i.e., owners.

There are now approximately 8,000 corporations in the United States using these plans, and the experience with them has been quite good—productivity goes up, worker income is linked to profitability, etc. While they are only one form of expanded capital ownership, the point I am trying to make is that there are alternatives to state ownership, and they should be explored and adapted to the conditions existing in each of the countries of our hemisphere. Indeed, Costa Rica and Guatemala have rapidly increasing employee stock ownership plans.

But the benefits of expanded capital ownership go far beyond the economic, as has recently been demonstrated in the La Perla project in Guatemala. La Perla is a 9,000-acre coffee and cardamom plantation in northern Guatemala. It has 500 full-time employees, about 1,500 family members, and approximately 4,000 other people dependent on the economy of the estate. In September 1984, the farm's owners set up a trust in which they allocated 40% of the stock. The stock will be paid for out of the future profits of the farm, but upon the signing, full voting rights were passed through to an employee association.

Early this year, 120 insurgents attacked the estate and actually took control of the center. The insurgents, however, were then attacked and driven off the farm by 200 armed workers, and a number of workers and insurgents were killed. In the week following the attack, the estate's 300 unarmed worker-owners petitioned the owners for additional rifles to defend against future insurgent attacks and volunteered to help pay for them through a payroll deduction plan. As Joseph Recinos (a representative of the Solidarity Union of Guatemala, a movement aimed at expanded capital ownership as a means of economic and social reform), has stated:

We can more clearly see what the true message of ownership and of vested interest in the free enterprise system means in viewing the La Perla model. There is no greater significance to the concept of defending the free enterprise system than a worker laying down his life to defend the company in which he is co-owner.

If we want to prevent further Nicaraguas or El Salvadors, the American Government must address the problem of economic and social justice in Central America. Promoting broad capital ownership as an alternative to

Marxist philosophy in Latin America, if they are actively pushed now as foreign policy objectives, can go a long way in giving people a vested interest in protecting the free-enterprise system.

Norman Kurland, one of the founders of the Center for Economic and Social Justice (a group whose goal is the promotion of employee stock ownership plans) stated in a Washington Times interview last September.

To win over Marxism-Leninism you have to go beyond the military. Of course, you have to be militarily strong. On the other hand, there is an ideological battle. Marx and Engels stated that you could sum up the entire philosophy of communism in a single sentence: Abolish private property.

The entire case of Marxism-Leninism disappears if we prove to the world that private property is essential for providing economic and social justice, and for providing human dignity to people in the Third World.

Marx was wrong. However, we cannot simply attack him on the basis of the problems he was focusing on but rather on the basis of the means that he would use. The solution is not to make enemies of the owners but to make owners out of the nonowners.

FOREIGN DIRECT INVESTMENT

Over the past 4 years, it has been made clear to me, in visits to every country in the hemisphere, that private foreign direct investment can play the key role in future trade and commerce. Indeed, it is the catalyst for economic development and international economic integration through the world trading system, as well as being perhaps the only remaining source of capital, technology, and management know-how on a scale needed for economic survival.

It seems intuitively obvious that the high-debtor countries of our hemisphere must take strong steps to court foreign direct investment as the most attractive alternative to new bank financing. Foreign direct investment has the advantage of not requiring fixed interest payments. Earnings are repatriated only if the investment is profitable. Local enterprises are able to sell to multinational companies and often gain access to new markets and distribution channels, both nationally and internationally. Finally, and most importantly, foreign direct investment creates real jobs as opposed to state-funded make-work jobs.

Unfortunately, the trend has been in the other direction. In 1950, U.S. direct investment in Latin America accounted for nearly 50% of the total U.S. investment overseas. By 1970, this figure had dropped 17% in Latin America and was 3% in Asia and the Pacific. At the end of 1982, the stock of U.S. direct investment was down 15% in Latin America and had doubled to 6% in Asia and the Pacific. In a time when total flows of U.S. foreign investment were declining, flows to the Far East rose sharply.

I am encouraged by the increasing recognition of the importance of internal factors for the revitalization of Latin American economies now being expressed by prominent Latin Americans. Brazilian Senator and former Planning and Finance Minister Roberto Campos stated the issues succinctly in his speech, "The New Demonology": "The United States has become the magnet for Euorpean and Japanese investors precisely because they have two things we lack—a strong currency and stable rules of the game."

The prominent Argentine economist, Marcos Victorica, has also addressed these issues. Mr. Victorica estimates that Argentine capital abroad amounts to about $27 billion and that much of this capital left the country during the early 1980s, despite the fact that real interest rates in Argentina amounted to about 20%—double U.S. real interest rates—and he has ascribed these developments to a lack of confidence. Regarding policies affecting foreign direct investment, Mr. Victorica has noted one of the key difficulties (such as exchange controls): "No one will come in [to invest] where a way out is forbidden."

Argentine Presidential Secretary General German Lopez recently spotlighted this problem in comments reported on the Buenos Aires government radio network, when he stated that, "President Alfonsin is determined to modernize the country and that, to this end, there is no alternative but to resort to foreign capital so that the investments that will contribute to Argentine development are made." The only way to make up for the time lost, Lopez states, is to urgently attract investments, adding that:

I want to say that the past 10 years have been very dramatic for Argentina and that I consider that in reviewing, in weighing our responsibilities, we are sometimes unfair. We have made mistake after mistake for virtually 50 years. We have practiced a sort of political cannibalism destroying each other. [Therefore] President Alfonsin is firmly determined to modernize Argentina in order to put it at the level of efficiency asked by public opinion.

Recently, the newly elected President of Uruguay, Julio Maria Sanguinetti, said that "those of us who historically defended a greater role for the State now have to say that we must reestablish equilibrium and that as a result our direction will be to reduce to the maximum extent expenditures of the State, and to encourage as much as we can private production."

I am pleased to see that some leaders of Andean Pact countries are taking a new look at their investment policies. During his recent visit to the United States, President Belisario Betancur of Colombia addressed a number of our business leaders on April 2. He said:

The Latin American experience of the past 10 years shows that self-sustained development is not stable if it is mainly dependent on a growing foreign debt. The development effort should be based on domestic savings and productive investment, supplemented by foreign loans. . . . From these considerations you may well understand why I said that . . . it was better to have more partners and fewer creditors.

We have made a proposal to the member countries of the Cartagena agreement to modify Decision 24 providing more flexible terms in keeping with foreign investment needs. The idea is to allow new investment in certain areas to be 100% foreign when the recipient country decides that its development needs so warrant.

It is now generally recognized by potential investors that one of the difficult impediments to foreign investment in Latin America has been the Calvo Doctrine. Many countries in the hemisphere incorporate the doctrine and other restrictions in their constitutions, in other laws, or in multilateral agreements, such as the Andean Pact decision 24. With regard to decision 24, I am pleased to note that there is increasing recognition on the part of member governments of the pact that more flexibility is required by member governments on foreign investment policies. This was one of the principal causes for Chile's withdrawal from the pact in 1976. Moreover, under the dynamic leadership of Craig Nalen, the Overseas Private Investment Corporation (OPIC) recently signed agreements with Colombia and Ecuador. These agreements were the result of countless hours of patient and persistent negotiation between Lorin S. Weisenfeld, Assistant General Counsel of OPIC, and various officials of Colombia and Ecuador, and it is to be hoped that other Andean Pact countries will follow.

While the United States rejects the Calvo Doctrine on the theory that the investor's government has an independent interest in fair treatment for its nationals, the Calvo Doctrine has unquestionably had a negative impact on the ability of foreign governments to provide diplomatic protection in the event of a miscarriage of justice. This doctrine had its origin in the early part of this century as a reaction to perceived abuses of protection by the United States and European powers on behalf of their investors and traders in the last century.

In countries that subscribe to the Calvo Doctrine, the foreign investor is considered to have agreed that all disputes—including those relating to expropriation—will be definitively resolved through local legal processes, and to have renounced any right to invoke the diplomatic protection of his home government in the event those processes give rise to a miscarriage of justice following expropriation. In the 1960's and 1970's, there were over 300 major expropriations in the hemisphere (excluding the $1.85 billion in thousands of unsettled expropriation claims of former U.S. investors in Cuba) where compensation was not arrived at through international arbitration and was often grossly inadequate or delayed in many cases. Corporate boardrooms around the world have long corporate memories, and as Cicero said to Atticus, "It is the right given to any man to err, but to no one, unless he is a fool, to persist in."

Another negative consequence of this policy is that potential U.S. investors are constrained from obtaining OPIC insurance coverage because of requirements limiting possible litigation to local courts, and of a prohibition of direct subrogation.

The United States has long favored an open international investment system. A major U.S. goal in the 1980s is to reverse the trend toward government-induced distortions in the investment process through international understandings and voluntary guidelines leading to a more open investment climate in which investment flows are able to respond to market forces.

RECENT POSITIVE STEPS

As part of continuing efforts in this area, the U.S. delegation to the 14th annual General Assembly of the OAS introduced a resolution entitled "Promoting Economic Justice Through Strengthening Private Direct and Indirect Investment in Latin America and the Caribbean." The operative part of the resolution reads as follows:

To instruct the General Secretariat to conduct a study of requirements necessary for the creation of economic and regulatory environments conducive to attracting and fostering direct and indirect investment in the countries of Latin America and the Caribbean. This study should identify the various private and official, multilateral and national agencies involved in the promotion of investment while also considering and evalu-

ating the growing variety of arrangements for profit-sharing and expanded capital ownership now available for the promotion of economic justice with a view to identifying operational mechanisms and sources of funding for cooperative efforts with said agencies that may be implemented in the framework of the OAS.

While the resolution did not come to a formal vote, the U.S. delegation was able to secure agreement, as noted in the rapporteur's report, that these topics would be taken up by the Permanent Executive Committee of the Inter-American Economic and Social Committee of the OAS in 1985. I view this agreement as a major achievement and a major step forward for Latin America, not because U.S., Japanese, or other OECD investors have any shortage of opportunities to invest at home or abroad, but because of the potential benefits to our own hemisphere that foreign direct investment brings in terms of improving standards of living.

The Reagan Administration is actively pursuing two programs in Central and South America which aim to improve the investment climate: the Caribbean Basin Initiative (CBI) and bilateral investment treaties. The CBI, by granting various products access to the U.S. market, provides important incentives for the private sector. Bilateral investment treaties offer important protection for investments. The intent of both programs is to stimulate additional foreign investment.

As you know, the key elements of the bilateral investment treaties are:

New and existing investment to be granted national treatment or most-favored-nation treatment, whichever is more favorable, but both sides are allowed to list exceptions to national treatment in specified sectors of economic activity;

Conditions for expropriation which accord with international law principles, including payment of prompt, adequate, and effective compensation;

Unrestricted transfer of capital, returns, compensation, and other payments into and out of the host country; and

Dispute settlement procedures involving third-party arbitration both for disputes between the host country and a national or company of the other country and disputes arising between the governments.

While these treaties are generally reciprocal in their provisions, the major inducement for the developing country is the assurances such a treaty offers a foreign investor.

As a result of the leadership of Bill Brock of USTR [U.S. Trade Representative], several countries have negotiated such agreements with us. In this hemisphere, we signed treaties with Panama in 1982 and with Haiti in December 1983. We are also very close to agreement with Costa Rica, and we have had negotiations with Honduras and El Salvador.

While the treaties mentioned above are laudable achievements for the parties concerned, in all candor, much remains to be done for our hemisphere to realize its full economic potential.

CONCLUSION

I titled my remarks today, "Free Enterprise: Key to Latin American Economic Revival." I would like to end on a positive note. Simon Bolivar said 150 years ago that Bolivia was a beggar sitting on a throne of gold. In an expanded sense, this is still true for resource-rich but extremely poor Bolivia and for several other countries in Latin America. The hemisphere is so rich in natural resources and populated by men and women of such talent and good will that there is no reason that our hemisphere cannot have a bright economic future. All that is needed is for the economic and political leadership of Latin America to reembrace the wisdom of their own founding fathers, Simon Bolivar and San Martin. These men of vision, along with our own Founding Fathers, were swept up with the liberalizing writings of Locke, Rousseau, Hume, and Adam Smith, which called for a separation of political and economic power and emphasized the sanctity of private property. Similar wisdom can be found in the words of Muhammad Ibn Khaldoun, the 14th century Arab jurist, historian, and statesman: "When incentive to acquire and obtain property is gone, people no longer make efforts to acquire any. This leads to destruction and ruin of civilization."●

SALUTE TO BILL CARLSON

● Mr. DURENBERGER. Mr. President, each year, the Mankato Exchange Club honors an individual who has made contributions to the community in the true spirit of the golden rule.

The recipient of this year's Golden Deeds Award is Bill Carlson, founder of Carlson Craft, a company which has grown to become the third largest firm wholesaling wedding and social stationery in the Nation.

At the time that Bill Carlson retired in 1974, his company had 550 employees, many of them students at Mankato State University. When he and his wife Betty founded Carlson Letter Service in their home in 1946, the total assets of the business were $300.

In his retirement, Bill has been active in his church, in Rotary, the United Way, and the Mankato Rehabilitation Center. Because of the outstanding entrepreneurial spirit and civic example set by Bill Carlson, I ask that an article about him be printed in the RECORD.

The article follows:

CARLSON BECAME JOB-GIVER TO THOUSANDS OF STUDENTS

(By Sue Menton)

NORTH MANKATO.—Even after Bill Carlson had made it in the business world, he never forgot what it was like to be a student with only $30 in his pocket.

Carlson, who will receive the Exchange Club's Golden Deeds Award on Thursday, came to Mankato in 1936, the height of the Depression to attend Mankato Commercial College.

"I had $130 in my pocket, and $100 of it went for tuition," Carlson recalled, sitting in the kitchen of his North Mankato home that overlooks the city.

That, he said, is why students were always welcome to apply for part-time jobs at his Carlson Wedding Service, later renamed Carlson Craft. Most of his employees were Mankato State students, and the company was willing to work around their schedules. In return, students "learned to dovetail their schedules with our busy time," printing invitations for spring and summer weddings.

"I remembered my own days as a student. I had to put myself through school, and my $30 didn't last long."

Pressed to name the accomplishment that means the most to him, Carlson cited his association with young people. "The business directly affected the lives of several thousand people, many who either wouldn't have received an education or who would have had to go into debt to get it."

Carlson said his fortuitous choice of Mankato Commercial College over two other schools he had been considering was based on the quality of the school's brochure. That fact, he said, was kept in mind later in his own business, when he stressed quality presentations in his promotional material.

After two years at MCC, he was hired as a bookkeeper at the regional office of National Refining Co. Then World War II broke out. "I saw the handwriting on the wall and joint the National Guard."

His ability to type, a skill most servicemen lacked, gave him a lot of breaks, he said, including desk jobs and early promotions.

After his discharge in 1946, he returned to Mankato, married Betty Hoffman, whom he had met at a church group before enlisting, and went to work as a bookkeeper at Swanson's Wallpaper and Paint.

He also had a little business on the side, mineographing form letters for other businesses, in the couple's home under the name of Carlson Letter Service.

"It was," he says describing the quality of those early efforts, "pretty crude."

Calrson would pick up orders on his lunch break, and his wife would type them in their back bedroom.

Business started slowly—the first month they made a $25 profit—but it steadily expanded.

He stumbled into the printing business when he accepted an old hand printing press and multigraph in exchange for a print job. Included with the printer was an instruction book that showed how to print napkins and stationery.

Carlson Wedding Service traces its actual start to July 1948, when a woman from his church asked if he could print her wedding invitations. The first of the multitude of brides who would send Carlson-printed invitations was LaJean Swan, who married Eugene Hartman, now of rural Madison Lake.

In September of that year, Carlson "took the plunge, quit my job, and went into [the printing business] full time. The relatives thought I was crazy."

Carlson said he likes to tell people, "Nobody told us we couldn't start a business on less than $300, and we were dumb enough not to know it."

At the time Carlson retired and sold the business in 1974, he had 550 employees on the payroll of what was the nation's third largest firm wholesaling wedding and social stationery.

Although only 59, Carlson decided to retire because there were more things he wanted to do.

"I realized that we could do many things in the business, but we couldn't manufacture time."

While he was working, he was involved only in his church, the First Christian Church, and the North Mankato Rotary Club. After retiring, he continued his church work, serving on local, regional, and national posts.

In addition to Rotary and the United Way, he became involved with the Mankato Rehabilitation Center, and was chairman of

the building committee when the new Map Drive facility was undertaken.

The Exchange Club's Golden Deeds Award that he will receive later this week is given to a person who has made "contributions to the community in the true spirit of the Golden Rule."

Carlson said that when he learned he had been chosen to receive the award, he was immediately taken back to his high school graduation where, as the class valedictorian, his speech was based on the theme, "Do unto others."

"It looks like I've come full circle," he observed.●

THE FARM CREDIT RELIEF ACT

● Mr. PRYOR. Mr. President, this morning the Banking Committee held hearings on S. 1151, the Farm Credit Relief Act. As the Senate considers the farm crisis in this country, we cannot neglect the small, rural banker, who is the credit lifeline to the farmer. The interdependence of commercial banks and their customers is especially strong in rural communities, and both are in danger of collapse.

No other sector of the economy is as dependent on credit as the farmer. Land, expensive equipment, seed, fertilizer, and fuel—all must be financed on the basis of what may be produced later that year. Farmers can sometimes put off paying for a new baler or milking equipment, but fertilizer and seed payments cannot be postponed.

There are 4,300 farm banks in the United States, banks with at least 25 percent of their loans in agriculture. These banks, by and large, have a special and unique relationship with the farmers in their areas, a relationship which does not exist in larger, city banks. The banker and farmer have probably grown up together and attend church together. The banker knows if the farmer is a good credit risk and extends credit accordingly. The banker also deals personally with the feed store owner, the farm equipment dealer, and the other businesses who depend upon the health of the agricultural economy.

Typically, these banks are quite small and are are not linked with urban banks or money center institutions. Banks of less than $25 million in assets extend more than 30 percent of the total ag credit from banks, and 70 percent of all ag credit comes from banks of less than $100 million in assets. In my own State of Arkansas, I'm proud to say, out of 252 banks, more than 240 hold agriculture loans. Even if the farmer does not get all of his farm credit from the local bank, he keeps his checking and savings accounts there. Of course, the commercial ag banks hold only 25 percent of the Nation's farm debt, but the portion of the farm debt held by the commercial ag banks represents approximately 50 percent of the short-term, operating loans.

Due to factors largely beyond the farmers control, low commodity prices have left him with little income to pay off money that he borrowed in the late 1970's. What's more, declining land prices have eroded collateral values. The farm debt crisis, therefore, seems to be as much a bank problem as a farm problem.

Traditionally, farm banks have been healthier than other banks. They have had better returns on capital and assets and fewer bad loans. Of the 59 bank failures this year, however, 33 have been ag banks, compared to 25 ag bank failures in 1984, and the Federal regulators have concluded that ag bank troubles will get worse before they get better.

A few facts illustrate the seriousness of today's problem:

Farm debt has nearly doubled in the last 4 years. At the same time farm income fell from $32 billion to $20 billion, and land prices have fallen 15 to 25 percent, or 75 percent in some areas.

The number of classified ag loans in Arkansas has roughly doubled since last year.

Earlier this year the Agriculture Department announced that 360,000 of the Nation's 2.4 million farmers are in serious debt trouble; that is, they have committed up to 70 percent of their available assets as collateral for loans. I suspect the number may be even higher.

Although ag banks make up roughly one-third of our commercial banks, they account for more than half of all recent bank failures.

In January of this year a farm bank consultant told the Wall Street Journal that approximately 20 percent of the $210 billion farm debt—$45 billion—would have to be written off. This is debt held by both banks and production credit associations. In comparison, the total loan losses for the entire banking system in 1983 was a mere $8.4 billion. The FDIC insurance fund now totals $17 billion. The FDIC could probably absorb the several hundred small bank failures predicted by the Independent Bankers Association, but we need to remember that many superbanks have a large agricultural portfolio as well—$2 billion in ag loans by Bank of America.

I believe that the Farm Credit Relief Act is a reasonable approach to this problem. It is not a bank bailout bill or a farm bailout bill. Rather, I prefer to call it the Rural Economy Survival Act.

The essential ingredients of S. 1151, sponsored by Senator DIXON and myself, are as follows:

ADMINISTRATION OF THE ACT

The FDIC would have ultimate power to approve eligibility under the act, but the initial recommendation would come from the State banking commissioners or the Comprtroller of the Currency—depending upon whether State chartered or national banks are involved. A bank would not be declared eligible unless it could clearly show that once given the relief contemplated under the act, it could then show a net profit. There must also be no evidence of fraud or gross mismanagement by the ag bank.

REAPPRAISAL OF ASSESTS

A qualified bank would be allowed to reappraise its buildings, fixed assets and equipment to fair market value and book into the capital accounts of the bank any increase between the current book value and the fair market value.

WRITEOFF OF PROBLEM LOANS

The qualified agricultural bank would be allowed to renegotiate the debt of a problem borrower to a level at which the borrower could assure renewed cash flow. Any loss experienced by the bank could be written off over a 30-year period. Only banks having assets of $200 million or less and which are located in agricultural areas would be eligible to participate.

OTHER REAL ESTATE

The qualified bank would be allowed to reappraise the other real estate carried on its books and charge off any loss between the book value and the fair market value of this real estate over a 30-year period. Any expenses incurred in connection with the ownership of the other real estate could be written off over a 20-year period.

SALE OF INVESTMENT PORTFOLIO

The qualified agricultural bank would be allowed to mark all of its securities in its investment portfolio to market, sell the securities at fair market value, and write off any loss over a 30-year period.

S. 1151 has a number of attractive elements:

Qualified banks would be carefully determined by both local and Federal regulators.

Poorly run banks would be ineligible.

The bill takes a realistic approach to bad debt by using the actual market value of assets.

Bank losses can be spread out over a long period of time.

The writeoff is in line with accepted accounting practices.

There is precedent for this approach in our response to the savings and loan crisis of 1982.

Most important, it does not cost the Government a dime, in contrast to some interest rate buy-down proposals.

Mr. President, I am not a member of the Banking Committee, but as a member of the Agriculture Committee, I am painfully aware that all of our work on production questions will be fruitless unless the agricultural bank stays in business to extend the local credit that our farmers must have.●

THE GROWTH OF FREDDIE MAC

● Mr. HECHT. Mr. President, today I wish to recognize the Federal Home Loan Mortgage Corporation on its 15th anniversary.

The past 15 years have seen many changes in the mortgage finance industry. Fifteen years ago, few people knew that mortgages were sold, that they ever left the shelf of their neighborhood savings and loan. But now, mortgages trade freely, tapping the capital markets for additional sources of funds. Since Freddie Mac's inception, that has been the Corporation's unwaivering mission: To link the Nation's mortgage lenders with its capital market investors—and to do so profitably. For more than a decade Freddie Mac has brought tremendous commitment and constancy to the secondary market for conventional mortgages: Freddie Mac is responsible for building that market from nothing to what it is today.

Freddie Mac has seen the many changes in the mortgage marketplace, and has grown with it. At the time the Corporation was chartered by Congress in 1970, no more than 5 percent of all conventional home mortgages were sold into the secondary market. Largely because of Freddie Mac's pioneering leadership, the secondary market is established and expanding:

Secondary market sales of conventional mortgages have grown from $8 billion in 1974 to $88 billion in 1984—a 1,000-percent increase.

During its first full year of operation, Freddie Mac purchased 21,000 mortgages valued at $778 million. That wasn't a bad start and could have probably maintained its own momentum for years to come. But compare those figures to those purchase figures in 1984: Over 567,000 mortgages valued at $21.6 billion.

Through its leadership in the secondary market for conventional mortgages, Freddie Mac has sought to promote mortgage securities as attractive investments, with high quality, low risk, and competitive yields. The Freddie Mac Participation Certificate, or PC, introduced in 1971 was the Nation's first conventional pass through security. This year, Freddie Mac has over $71 billion of these PC's outstanding. Today, Freddie Mac PC's are widely regarded as benchmark instrument within the conventional mortgage securities market and enjoys widespread investor acceptance.

I think these figures are a telling reflection of Freddie Mac's effective role as a pathfinder in America's housing, financial industry—and it will continue to find even more innovative ways to tap sources of additional mortgage credit for America's homebuyers in the future.●

THE IMPORTANCE OF NURSING EDUCATION AND THE PROPOSED INSTITUTE OF NURSING

● Mr. HEINZ. Mr. President, I am very pleased that the Senate has passed the "Nurse Education Amendments of 1985." This legislation recognizes the Federal Government's responsibility to support the educational activities that are needed to develop a core of nurses with advanced and specialized training—nurses who will then share this expertise with others through teaching activities so that all nurses, and all patients, will benefit from this targeted Federal support.

Shifting economic incentives in today's health care marketplace are creating major expansions in nursing responsibility in all facets of health care. Increasing health care costs, and decreasing financial resources in Federal programs such as Medicare and Medicaid, will lead to a reexamination of decisions on which health practitioners will be reimbursed for providing different types of services. In the future nurses may be counted on to perform more and more of the services that were once performed by physicians. With the mounting evidence that the prospective payment mechanisms may result in hospital patients being discharged "sicker and quicker," thereby imposing a heavier burden on skilled nurses in nursing homes and other settings, members of the nursing profession would become even more critical as caregivers. And as future changes in health care financing mechanisms affect the scope, quality, and costs of services in hospitals, long-term care facilities, and community-based settings, it should be obvious that the need for well-trained nurses will become even more critical.

According to the 1984 HHS Report to the President and Congress on the Status of Health Personnel in the United States, by 1990 this Nation will have fewer than half the nurses with graduate education needed to satisfy the health care needs of our people. Similarly, we will face a shortage of nurses with geriatric training needed to care for the burgeoning elderly population unless efforts to increase geriatric training are continued and expanded. Clearly, the real question to address for manpower policy is "Are there enough personnel with the appropriate and necessary training?"

The Nurse Education Amendments of 1985 recognize our responsibility to ask the right question and target support for areas of nurse training where critical shortages exist. It is consistent with the President's 1984 message calling for more appropriate use of Federal support for health professions and nursing education, and it is consistent with my colleagues' and my own commitment to deficit reduction.

As chairman of the Special Committee on Aging, I am especially aware of the need for well-trained nurses. As the number of elderly nursing home residents increases in the future, nurses and nurses aides with geriatric training will be needed to assure that those homes are sources of quality health care and not just custodial services. Further, since 95 percent of the elderly population resides at home, either independently or with their families, community health nurses must receive training in geriatrics and gerontology in order to help older people maintain their ability to live independently. According to a recent NIA Report on Education and Training in Geriatrics and Gerontology, the minimum target for nursing faculty members in geriatrics is 750 in the year 1990, which will require almost a doubling of the current number, and a doubling again for a total of 1,500 by the year 2000.

Certainly some of the financial support provided by the Nurse Education Amendments of 1985 will go to nurse training programs in geriatrics and gerontology. In the future, however, I would like to see more funding targeted specifically to those programs. In fact, I have introduced a bill, the "Geriatric Research, Education and Training Act of 1985" (S. 1100 or GREAT), which would authorize increased funding for geriatric and gerontological training programs for nurses and other health professionals, and I will be working with the Appropriations Committee to incorporate parts of GREAT into the amounts appropriated for education and into committee language directing these amounts toward geriatric training.

While I unreservedly support the "Nurse Education Amendments" and commend the excellent work that has gone into them at the committee level, I am disappointed that it does not establish a National Institute of Nursing within the National Institutes of Health. The creation of this Institute is the next step needed to complement this bill and to improve Federal support for advanced nurse education. Research has already shown that nurse practitioners can provide high quality primary care at lower costs per patient visit, and that geriatric nurse practitioners can reduce the need for diagnostic tests and shorten hospital stays for elderly patients. A National Institute of Nursing would further promote research into innovative and cost-effective methods of health care delivery. Last year's House version of the Health Research Extension Act contained a provision creating a National Institute of Nursing, and the Senate accepted that provision in conference. I hope that this year's conference committee will once again support the National Institute of Nursing.

Finally, I commend my distinguished colleague, Senator HATCH, and the other members of the Labor and Human Resources Committee for their excellent work in putting together this fine piece of legislation. Nursing personnel are an invaluable national resource and this bill will provide critical support for their efforts to continue providing quality services throughout the health care continuum.●

HUMAN RIGHTS VIOLATIONS IN GUATEMALA

● Mr. SIMON. Mr. President, I would like to express my concern about the recent human rights violations that have occurred in Guatemala against the Apoyo Mutuo Human Rights Group.

Apoyo Mutuo is a group comprised of the friends and relatives of persons who have recently disappeared or been abducted in Guatemala. Early this year, the group staged a public demonstration to protest the Government's lack of action on their case and, with that, Gen. Meija Victores publicly proclaimed that the group was infiltrated by subversives. Shortly thereafter, in early May, two of the group's leaders were found brutally murdered. Since that time, at least four others of the leaders have fled abroad and those that remain within the country have received death threats.

The group met with a governmental commission months ago and provided it with a list of disappeared persons, as well as proof and eyewitness accounts as to the indentity of the abductors, many of whom were members of the Armed Forces. Since that time, no action has been taken.

I urge the Government of Guatemala to take strong action to bring to justice those who are guilty of human rights violations and to guarantee the safety of the courageous members of Apoyo Mutuo.●

PASSIVE EXPOSURE TO CIGARETTE SMOKE

● Mr. STEVENS. Mr. President, the potential health hazards of secondhand, or sidestream, cigarette smoke have received increasing attention from the scientific community. The concentration of known carcinogens found in the smoke released from a cigarette between puffs is, in some instances, more than 52 times that found in the smoke inhaled by the smoker. The health effects of passive exposure to this smoke has become an active research topic among epidemiologists and other public health specialists. Although the results of this scientific inquiry into so-called passive smoke are not yet all in, the conclusions of most completed studies point to significantly increased health risks for those exposed over a period of time to secondhand tobacco smoke.

I ask that excerpts from an article published in the American Journal of Epidemiology concerning a recent study of passive exposure to cigarette smoke be printed in the RECORD.

The material follows:

PASSIVE SMOKING IN ADULTHOOD AND CANCER RISK [1]

(Dale P. Sandler, Richard B. Everson and Allen J. Wilcox)

Sandler, D. P. (National Institute of Environmental Health Sciences, Research Triangle Park, NC 27709), R. B. Everson and A. J. Wilcox. Passive smoking in adulthood and cancer risk. *Am J. Epidemiol* 1985; 121:37-48.

Overall cancer risk from adult passive smoking has been examined using smoking by spouse as the measure of exposure. Information on smoking by spouse was obtained for 518 cancer cases and 518 noncancer controls. Cancer cases were identified from a hospital-based tumor registry in North Carolina. Cases included all sites except basal cell cancer of the skin and were between the ages of 15 and 59 years at the time of diagnosis. Cancer risk among individuals ever married to smokers was 1.6 times that among those never married to smokers ($p < 0.01$). This increased risk was not explained by confounding by individual smoking habits, demographic characteristics, or social class. Elevated risks were seen for several specific cancer sites and were not limited to lung cancer or other "smoking-related" tumors. Risks from passive smoking appeared greater among groups generally at lower cancer risk (females, nonsmokers, and individuals younger than age 50 years), but were not limited to these groups.

NEOPLASMS; RISK; SMOKING; TOBACCO SMOKE POLLUTION

Passive exposure to cigarette smoke has been linked with a variety of health consequences in humans, including bronchitis and pneumonia in infants (1), reduced pulmonary function (2) and acute respiratory disease in children (3-5), and decreased airway function in otherwise healthy adults (6). Several reports have also focused attention on a possible association between passive exposure to cigarette smoke and lung cancer (7-10).

In a case-control study by Trichopoulos and colleagues (7), 51 white females with lung cancer and 163 controls from an orthopedic service were compared with regard to smoking histories of husbands. Women who were not smokers but were married to smokers were at two- to threefold risk for lung cancer compared with nonsmoking women who were not married to smokers. An updated report of this study involving 77 nonsmoking lung cancer cases and 225 nonsmoking controls confirmed the twofold risk among passive smokers (8). In a prospective study from Japan, Hirayama (9) observed 245 lung cancer deaths among 91,000 married women. The lung cancer death rate for nonsmoking women married to smokers was nearly twice that for nonsmoking women married to nonsmokers and was one-half that for women who themselves smoked. Emphysema was the only other cause of death to exhibit such a pattern, although the trend was not statistically significant. Most recently, Correa et al. (10) reported a twofold risk for lung cancer among nonsmokers married to smokers. In contrast, analysis of data from an American Cancer Society study in the United States failed to demonstrate an association between passive exposure to cigarette smoke and lung cancer risk (11).

Many of the constituents of mainstream cigarette smoke which is actively inhaled by the smoker are present in reduced quantity in exhaled smoke (12) which is then passively inhaled by the nonsmoker. These same constituents are also contained in sidestream smoke which is released from the cigarette between active puffs and is also inhaled by the passive smoker. One might expect to find, as did Hirayama (9) for lung cancer, that for smoking-related sites, the cancer risk in individuals passively exposed to cigarette smoke might fall between that for smokers and that for nonsmokers. Risk from passive smoking might also be expected to be much lower than that from direct smoking.

However, some chemicals appear in higher concentration in sidestream smoke than in mainstream smoke, making the exposure from passive smoking qualitatively different (12, 13). The health consequences from passive smoking may, therefore, differ from those of direct smoking. These chemicals, many of which are known carcinogens, might lead to increased risk for cancer at sites not shown to be related to direct exposure to cigarette smoke. In comparing sidestream with mainstream smoke, Brunnemann (in refs. 12 and 13) found 52 times as much dimethylnitrosamine, 16 times as much naphthalene, 28 times as much methylnaphthalene, 3.4 times as much benzoαpyrene, and 5.6 times as much toluene, for example, in sidestream smoke as in mainstream smoke. While the concentrations of these chemicals are higher than in mainstream smoke, actual exposure from passive smoking is heavily influenced by the amount of smoke generated, the volume of ambient air, room ventilation, and the manner in which the cigarettes are smoked.

Differences in the route of inhalation of sidestream and mainstream smoke might also account for differences in site-specific effects. Wynder and Goodman (14), for example, have proposed that if sidestream smoke components are inhaled through the nasal passages, gaseous components but not smoke particulates would reach the lung.

As a preliminary exploration of the hypothesis that passive exposure to cigarette smoke may be carcinogenic, we examined adult passive exposure to cigarette smoke in relationship to cancers of all sites. Since active and passive smokers may differ in the mix of carcinogens to which they are exposed, it is not obvious which sites might be at highest risk of cancer among passive smokers. Since active smokers are also passively exposed, candidate sites might be drawn from those that have been linked with active smoking. However, there may be additional sites whose relationship to smoking has been obscured. In studies comparing smokers with nonsmokers, passive smokers are often included in the nonsmoking group.

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This would make it difficult to detect small differences in risk due to passive smoking. We report here on cancer risk from passive smoking using smoking histories of spouses as a measure of passive exposure to cigarette smoke during adulthood.

DISCUSSION

We have found a significantly elevated overall cancer risk for individuals passively exposed to cigarette smoke. This cannot be readily explained by a number of other factors, including individual smoking habits and two measures of social class: education and broad occupational category. Elevated risks were seen for several specific cancer sites and were not limited to lung cancer or other "smoking-related" tumors. These findings might relate to other factors we have not measured or to deficiencies in study design. However, we have not been able to identify a possible confounder or a bias of selection or recall that could have caused the difference in smoking patterns of spouses between cases and controls. Study subjects and interviewers were told simply that the study was designed to look at smoking patterns in families.

Cases and controls were similar with regard to their own smoking histories. This was partly because of the choice of friend controls who tended to have similar smoking histories and because known smoking-related sites were underrepresented in the case population. Cases included in the study were generally younger than those with smoking-related tumors. Unavoidable delays between case identification and completion of interviews also contributed to the lack of smoking-related cancers. Persons with lung cancer and other smoking-related tumors were more likely to have died before they could be interviewed. In addition, because of the special interests of physicians at the hospital from which cases were identified, breast cancers and gynecologic cancers were overrepresented. As a result of this unintentional matching on smoking status, risks from passive smoking and direct smoking cannot be compared.

The route of exposure for the passive smoker is via inhalation. Reports of effects on upper respiratory tract function (2-6) are consistent with this. There has also been a report of mutagens measured in the urine of passive smokers (17), indicating that components of cigarette smoke enter the bloodstream and are circulated throughout the body of the passive smoker. Another report indicated that enzyme activity can be induced by passive exposure to cigarette smoke (18). These findings are tentative, but do suggest that an overall increase in cancer risk or an increase in risk for specific nonrespiratory sites following passive exposure to cigarette smoke is plausible.

Our study was intended to consider a range of effects similar to what might be measured in a prospective study of a cohort of individuals who are passively exposed. Such an approach serves to single out sites which appear to be important as well as to investigate whether passive exposure might increase susceptibility to additional insults, thereby increasing cancer risk overall. Two reports in the literature use prospectively collected data (9, 11). One of these (11), however, does not provide data on cancer risks at sites other than the lung, and neither report provides data on overall cancer risk from passive exposure to cigarette smoke. Data from the Japanese study recently presented by Hirayama, however, indicate that cancer risk may be increased at sites other than the lung and that risk may not be limited to smoking-related sites (Hirayama, personal communication: presented at Hawaii Cancer Conference, 1984).

For this study, passive exposure during adult life is determined from a questionnaire report of the number of years of married life during which a spouse smoked. Misclassification of exposure status is likely for individuals who never married but have lived with other persons who smoked. Slightly more controls than cases reported never marrying, which might lead to differential misclassification. However, we reanalyzed our data, excluding subjects who never married, and found the results to be the same. When only married subjects were included, the odds ratio for cancers of all sites combined was also 1.6. We made no allowances for multiple spouses, other members of the household who smoke, or passive exposures which occur outside of the home. Quantity smoked, too, is an approximate measure. The reported number of cigarettes smoked per day by the spouse is simply the average daily amount smoked during that time period. No allowance was made for changes in smoking habits of the spouse over time or for time since last exposure if the spouse did not smoke during the entire married interval.

Nonetheless, we found smoking by spouse to be significantly associated with overall cancer risk. The odds ratio of 1.6 was not substantially altered by adjustment for age, race, sex, smoking status, education, or occupation. Risk was limited to individuals younger than age 50 years, who were at approximately twofold risk. Risk was also greatest for females and nonsmokers, although not entirely limited to these groups.

When smokers and nonsmokers are considered separately, the twofold risk among nonsmokers is highly significant and is not altered by adjustment for potential confounding factors. The 30 percent increase in risk among smokers whose spouses also smoke is only of borderline statistical significance, but is also unchanged by adjustment for other factors. The groups for whom risk from passive smoking appeared greatest are those groups generally at lower cancer risk overall. It may be that the small risk imposed by passive exposure during adult life is difficult to detect statistically in individuals at risk from other causes. Also, women who smoke may tend to smoke less, start later, and inhale differently than men. This would allow for a greater impact of passive exposure among women, regardless of their own smoking status. In addition, very few nonsmoking men are married to smokers, making it more difficult to detect a risk among males. In our data, only 10 percent (10/96) of nonsmoking males were married to smokers, whereas 51 per cent (189/370) of nonsmoking females were married to smokers.

The increased cancer risk from passive exposure was not limited to sites generally thought to be smoking-related (12, 13). In fact, because of our case selection procedures and delays in interviewing cancer cases, individuals with cancers of smoking-related sites were only a small proportion of total cases. If cancers of the esophagus, respiratory tract, oral cavity and pharynx, urinary tract, and pancreas are designated smoking-related, the odds ratio for smoking-related tumors is 1.3, whereas the odds ratio for other sites is 1.7 ($p < 0.01$). Evidence is accumulating that cancer of the cervix should also be included among those sites that are smoking-related (19-21). When the cervix is included, the odds ratio for smoking-related sites is 2.0 and for other sites is 1.5, both of which are statistically significant.

Only 22 lung cancer cases are included in this report, with an odds ratio of 1.9 among passive smokers. Although not statistically significant, it is consistent with the level of risk reported in other studies. For women and for nonsmokers, the risk of lung cancer among those passively exposed was significantly increased despite very small numbers. The odds ratio for individuals under age 50 years was of borderline significance. Hirayama (9) reported a two-fold risk for women married to smokers and found that risks were also greatest among younger women (as measured by husband's age). While Garfinkel (11) didn't find an overall relationship of passive exposure to lung cancer risk, the relative risk among women married to smokers was in the same direction. Relatively few women in Garfinkel's cohort were under age 50 years, which might explain these inconsistent results.

In a study reported by Correa et al. (10), a twofold relative risk was seen among nonsmokers married to smokers. The risks were similar for males and females, although the number of nonsmoking males with lung cancer was very small. Among smokers, males who were light smokers with wives who were heavy smokers had a relative risk of 1.5. Trichopoulos et al. (7, 8) also reported an overall twofold lung cancer risk which was statistically significant among nonsmoking women married to smokers.

The studies reported by Trichopoulos et al. (7, 8), Correa et al. (10), and Hirayama (9) all suggest a dose-response relationship, although different measures of dose were employed in the three studies. In our study, there was no apparent dose-reponse using either years married to a smoker or average amount smoked by spouse as the measure of dose, but the number of lung cancer cases may be too small to expect a consistent trend. Evaluation of dose is not straightforward and depends on factors which we did not measure, such as room ventilation and smoking "style" of the spouse.

We found a twofold cervical cancer risk, which persisted after adjustment for level of education, among women whose husbands smoked. We did not collect data on sexual activity of cases or spouses. We also see an increased risk of breast cancer. Since the sociodemographic risk factors for these two sites are not the same, this supports the conclusion that the apparent excess cervical cancer risk is not entirely due to confounding by social class. Buckley et al. (22) reported a fourfold risk of cervical cancer among women whose husbands smoked, but after adjustment for number of sexual partners of the husband, the resulting two fold relative risk was not significant. Similar results were reported by Brown et al. (23). Hirayama (9) did not find elevated cervical cancer risk among women whose husbands smoked. This may relate to differences in the ages of the women studied or to differences in risk from other factors.

No previous study has reported a positive association between breast cancer and either passive or direct exposure to cigarette smoke (24-26). In a recently reported study by Rosenberg et al. (27), the relative risk for breast cancer was approximately 1.0 for ex-smokers, current smokers, and heavy smokers as compared with non-smokers. The crude odds ratio of 2.2 that we report is not reduced by adjustment for a number of potential confounding variables. Risk is not seen among women older than age 50 years

or among women with less than a high school education, but is fairly constant across all other groups. Petrakis (28) has detected nicotine in breast fluid of nonlactating women who smoked, which may lead to alterations in breast tissue. This would support a possible role for passive smoking if passive exposure also caused such an effect.

One other site for which we find an association with passive exposure, endocrine glands, is not generally thought to be smoking-related. The number of tumors here is small, of which 11 are thyroid tumors.

In summary, passive exposure to smoking by spouse is related to an overall risk of cancer in our data. This association persists after adjusting for possible confounding factors. Associations with several specific tumor sites are also statistically significant, including some which are not ordinarily regarded as smoking-related. Further studies are required to confirm this broad spectrum of carcinogenicity by passive smoking and to explore the unexpected site-specific findings.

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TABLE 4.—OVERALL CANCER RISK FROM PASSIVE EXPOSURE TO CIGARETTE SMOKE AMONG SMOKERS AND NONSMOKERS, ADJUSTED FOR POTENTIAL CONFOUNDING FACTORS

Factor	Nonsmokers (n = 466)				Smokers (n = 532)			
	Cases[1]	Controls	Crude OR[2]	Adjusted OR[2] (95 percent CL[3]	Cases[1]	Controls	Crude OR[2]	Adjusted OR[2] 95 percent CL[3]
	Number (percent exposed)	Number (percent exposed)			Number (percent exposed)	Number (percent exposed)		
Crude risk	231(52)	235)34)	[4]2.1	(1.4, 3.0)	278(58)	254(51)	1.3	(0.9, 1.9)
Age:								
<30	45(22)	58(17)	1.4		50(54)	38(34)	2.3	
30–39	36(56)	49(31)	[5]2.8	[4]2.0	51(55)	48(48)	1.3	1.4
40–49	63(68)	48(33)	[4]4.3	(1.4, 2.9)	67(64)	66(58)	1.3	(1.0, 1.9)
50+	87(53)	80(49)	1.2		110(58)	102(55)	1.1	
Sex:								
Male	39(13)	57 (9)	1.5	[4]2.0	128(41)	102(36)	1.2	[5]1.5
Female	192(59)	178(42)	[4]2.0	(1.3, 2.9)	150(73)	152(61)	[5]1.7	(1.0, 2.1)
Race:								
Nonwhite	72(53)	83(31)	[4]2.5	[4]2.0	77(47)	63(48)	1.0	1.4
White	159(51)	152(36)	[4]1.9	(1.4, 3.0)	201(63)	191(52)	[5]1.5	(1.0, 1.9)

[1] Numbers of cases are not equivalent to those shown in table 1 because of missing values for spouse smoking.
[2] OR, odds ratio.
[3] CL, confidence limits.
[4] $p < 0.01$.
[5] $p < 0.05$.

TABLE 5.—CANCER RISK FROM PASSIVE EXPOSURE TO CIGARETTE SMOKE, ADJUSTED FOR AGE AND EDUCATION, ALL SITES COMBINED AND SPECIFIC SITES

Site	Cases—No.[1] (percent exposed)[2]	Crude OR[3]	Adjusted OR[3]	95 percent CL[4] on adjusted OR[3]
All sites	508 (55)	[5]1.6	[5]1.6	(1.2, 2.1)
Lip, oral cavity, and pharynx	22 (55)	1.6	1.1	(0.4, 3.0)
Digestive system	39 (51)	1.4	1.0	(0.5, 2.2)
Respiratory system	32 (50)	1.3	1.0	(0.5, 2.4)
Lung	22 (59)	1.9	1.5	(0.6, 4.3)
Bone, connective tissue, and skin	42 (36)	0.7	0.7	(0.3, 1.5)
Breast[6]	59 (69)	[5]2.2	[7]1.8	(1.0, 3.7)
Female genital system[6]	170 (66)	[5]1.9	[5]1.8	(1.2, 2.8)
Cervix	101 (67)	[5]2.0	[7]1.8	(1.1, 3.2)
Prostate[6]	10 (30)	1.2	0.8	(0.1, 3.9)
Testis[6]	5 (40)	1.9	2.6	(0.2, 49.9)
Urinary tract	6 (50)	1.3	1.1	(0.2, 7.6)

TABLE 5.—CANCER RISK FROM PASSIVE EXPOSURE TO CIGARETTE SMOKE, ADJUSTED FOR AGE AND EDUCATION, ALL SITES COMBINED AND SPECIFIC SITES—Continued

Site	Cases—No.[1] (percent exposed)[2]	Crude OR[3]	Adjusted OR[3]	95 percent CL[4] on adjusted OR[3]
Eye, brain, and other nervous system	38 (32)	0.6	0.7	(0.3, 1.5)
Endocrine	26 (65)	[7]2.5	[5]3.2	(1.4, 9.4)
Hematopoietic	52 (44)	1.1	1.3	(0.7, 2.5)
Other	7 (57)	1.8	1.8	(0.3, 10.4)

[1] Numbers of cases are not equivalent to those shown in table 1 because of missing values for education or spouse smoking.
[2] For comparison, 210 of 489 controls (43 percent) were exposed.
[3] OR, odds ratio.
[4] CL, confidence limits.
[5] $p<0.01$.
[6] Sex-specific comparison. Of 330 female controls, 51 percent were exposed. Of 159 male controls, 26 percent were exposed.
[7] $p<0.05$

TABLE 6.—LUNG CANCER RISK FROM PASSIVE EXPOSURE TO CIGARETTE SMOKE, ADJUSTED FOR POTENTIAL CONFOUNDING FACTORS

Factor	Cases No. (percent exposed)	Crude OR[1]	Adjusted OR[1]	95 percent CL[2] on adjusted OR[1]
Crude risk	22 (59)	1.9		(0.8, 5.0)
Sex:				
Male	15 (40)	1.9		(1.1, 8.4)
Female	7 (100)	[4]∞	[5]3.4	
Smoking:				
Nonsmokers	2 (100)	[5]∞		
Smokers	20 (55)	1.2	1.5	(0.6, 3.9)
Age:				
<50	5 (80)	6.7		
50+	17 (53)	1.0	1.5	(0.6, 3.8)
Education:				
<12 years	15 (47)	0.8		
12 years	4 (100)	[4]∞	1.6	(0.6, 4.4)
>12 years	3 (67)	2.8		
Either parent smoked [3]				
No	6 (50)	1.5	1.5	(0.5, 4.8)
Yes	9 (56)	1.6		

[1] OR, odds ratio.
[2] CL, confidence limits.
[3] Numbers reduced because of missing data on parental smoking.
[4] $p<0.01$.
[5] $p<0.05$.

TABLE 7.—CANCER RISK FROM PASSIVE EXPOSURE TO CIGARETTE SMOKE AMONG SMOKERS AND NONSMOKERS: SELECTED SITES

Site	Nonsmokers			Smokers		
	No. of cases	Odds ratio	(95 percent CL[1])	No. of cases	Odds ratio	(95 percent CL[1])
Lung	2	[2]∞		20	1.2	(0.5, 2.9)
Breast	32	2.0	(0.9, 4.3)	27	[3]2.8	(1.0, 7.6)
Cervix	56	[3]2.1	1.2, 3.9)	45	2.0	(0.9, 4.1)
Endocrine glands	13	[3]4.4	(1.2, 17.4)	13	1.5	(0.4, 5.5)

[1] CL, confidence limits.
[2] $p=0.051$.
[3] $p<0.05$.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER [Mr. DENTON]. Morning business is closed.

S. 1487—EQUAL ACCESS TO JUSTICE

Mr. GRASSLEY. Mr. President, I ask unanimous consent that it be in order to send the enclosed bill to the desk and ask for its immediate consideration.

Mr. BYRD. Mr. President, reserving the right to object, What is the request?

Mr. GRASSLEY. I ask unanimous consent that it be in order to send the enclosed bill, which is the language of the equal access to justice bill that has been worked out, to the desk and ask for its immediate consideration.

Mr. BYRD. Mr. President, reserving the right to object.

Mr. President, I understand that the matter has been cleared on this side. I remove my reservation and have no objection.

Mr. GRASSLEY. Mr. President, I also say to the Senator from West Virginia that I have another unanimous-consent request that deals with the order for the bill.

Mr. President, has the bill been reported yet?

The PRESIDING OFFICER. The bill has not been reported.

The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1487) to amend section 504 of title 5, United States Code, and section 2412 of title 28, United States Code, with respect to awards of expenses of certain agency and court proceedings, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Iowa?

There being no objection, the Senate proceeded to consider the bill.

Mr. GRASSLEY. Mr. President, I further ask unanimous consent that the bill be limited to the following time agreement, to be equally divided: 30 minutes on the bill, to be equally divided between the Senator from Iowa [Mr. GRASSLEY], and the Senator from Delaware [Mr. BIDEN] or their designees; that no amendments be in order; that no motions to commit the bill be in order; and that the agreement be in the usual form.

I further ask unanimous consent that, following the conclusion or yielding back of time on the bill, the Senate proceed to a vote on final passage of the bill, without any intevening action.

Finally, I ask unanimous consent that, following the vote on the final passage of the Grassley bill, the Senate proceed to Calendar Order No. 218, H.R. 2378, the House companion bill to the Equal Access to Justice Act, and the Senate proceed to pass that bill without debate or amendment.

Mr. BYRD. Mr. President, reserving the right to object, would the Senator be willing to leave off the final paragraph of the request just now and we can deal with that when we come to it?

Mr. GRASSLEY. Yes.

The PRESIDING OFFICER. Without objection, the remainder of the request of the Senator from Iowa is agreed to.

Mr. GRASSLEY. Mr. President, I yield myself 7 minutes.

Mr. President, today we finally finish up some unfinished business from the closing days of the 98th Congress. By our action today, we will send to the President for signature, a bill to reauthorize and make permanent the Equal Access to Justice Act [EAJA]. As you know, the purpose of the Equal Access to Justice Act is to allow prevailing private parties the chance to recover litigation expenses in actions against the Federal Government, where the Government cannot prove that its conduct is substantially justified.

Before this landmark legislation was first passed in 1980, small businesses and individuals of limited means who were confronted by arbitrary Government actions faced a "Hobson's choice" they could capitulate in the face of meritless action or they could fight the Government in court with the knowledge that even if they won, the cost of the legal victory would be high. With the enactment of the Equal Access to Justice Act, the legal playing field has been leveled. Now those with modest means have an equal access to the judicial process.

The bill we pass today is a revised version of H.R. 5479 from the 98th Congress. You will recall, that bill passed both houses unanimously last October. Much to our dismay and surprise, the President vetoed it on November 9, 1984. In his veto message, the President objected to a provision that he believed would lead to extensive discovery on how the Government's action under challenge was formulated. He also expressed concern about a provision allowing interest on a fee award.

This bill that we pass here today addresses the President's concerns. The Department of Justice and the Office of Management and Budget support the bill's passage. Thus we are assured the President will sign it. At the same time, this bill remains faithful to its underlying purpose of providing a means of redress for small businesses and individuals against unjustified Government agency actions. The clarifications and revisions we pass today are needed to fill in gaps in the law's coverage. Moreover, we also make this law a permanent regulatory reform.

The bill that we pass today is identical to H.R. 2378, a measure that passed the other body on June 24. It is a bipartisan product of much thoughtful negotiation between Members of Congress, the administration, and interested parties.

This bill makes a most important clarification from prior Equal Access to Justice Act. It states clearly that when deciding whether a prevailing party shall be awarded fees, a court or adjudicative officer shall evaluate both the Government's arguments made in the litigation and the agency action that made it necessary for the private party to seek relief. Thus, if the agency action that led to the litigation is not substantially justified, a prevailing party could be eligible for an Equal Access to Justice Act award, irrespective of the merits of the Government's arguments once they get to court. That is because the purpose of the Equal Access to Justice Act is to make Government bureaucrats think long and hard before they start an enforcement action. The focus of the Equal Access to Justice Act is not on making Government litigators behave once in court.

Consistent with the general rule that successful litigants are ordinarily entitled to fees for their litigation of a fee application, a prevailing Equal Access to Justice Act party is eligible to recover attorney's fees for the fee litigation itself, subject to the Equal Access to Justice Act's terms, in any case in which the Government's position in the case, as defined in the bill, was not substantially justified.

These clarifications are necessary because of a few court opinions that failed to focus on the incentive for careful agency action that we created in 1980. At the same time, this bill responds to the President's stated objections about unbridled discovery of the agency deliberative process. As a safeguard, this bill directs courts considering fee applications to look only to the record developed on the merits of the case. No "fishing expeditions" will be allowed, so as to turn the fees case into a second major litigation.

Among its other provisions, the bill makes the Equal Access to Justice Act applicable to cases litigated before agency boards of contract appeals. The bill also makes the Equal Access to Justice Act's coverage retroactive to October 1, 1984, thus ensuring that no meritorious claimant is left without redress, simply due to last year's failure at Equal Access to Justice Act reauthorization.

Mr. President, with regard to H.R. 2378, to amend section 504 of title 5, United States Code, and section 2412 of title 28, United States Code, with respect to awards of expenses of certain agency and court proceedings, and other purposes, the Committee on the Judiciary does not intend that this measure authorize any additional budget authority for fiscal year 1985 than that already available to the Federal agencies affected by this legislation. The committee intends that any fiscal year 1985 costs incurred from the bill will be absorbed from existing funds.

Mr. President, this bill enjoys the widest possible support. In addition to support from the administration that I already mentioned, and the cosponsorship mentioned, this bill is supported by the Office of Advocacy of the U.S. Small Business Administration, the Administrative Conference of the United States, the American Bar Association, Small Business United, the U.S. Chamber of Commerce, the Small Business Legislative Council, the American Civil Liberties Union, the National Senior Citizens Law Center, and the Alliance for Justice, among others. Special thanks go to the National Federation of Independent Business for their tireless efforts to reenact the Equal Access to Justice Act.

Mr. President, this law has worked well during its 3-year test period and has done so at a minimal cost to the Government. For example, the original act has cost less than $4 million in fees and expenses so far. This amount is dramatically less than the $100 million annual cost estimate of the Congressional Budget Office in 1981 and the even higher original estimate by the Justice Department.

At the same time, there is ample evidence that the Equal Access to Justice Act has had a positive effect on the regulatory and enforcement actions of Federal bureaucrats. When agencies think about this law, as I know they do, they are sure to think twice before acting contrary to a small business person's or an individual's rights. This is even more true with the passage of this bill, which provides for the fees payment out of the offending agency's budget.

Mr. President, I mentioned that the old Equal Access to Justice Act expired on October 1, 1984. Thus parties harmed by arbitrary Government agency actions since that time have not had the benefit of this law's protection. Therefore, time is of the essence. I urge the bill's passage here today.

Mr. President, I retain control of my time, and yield the floor.

Mr. DOMENICI. Mr. President, would the chairman of the subcommittee yield for a question? The House report on H.R. 2378 states that "Agency action found to be arbitrary and capricious or unsupported by substantial evidence is virtually certain

not to have been substantially justified under the act." Does this statement in the House report accord with the subcommittee chairman's understanding of the meaning of the substantial justification standard under the Equal Access to Justice Act?

Mr. GRASSLEY. I would not say it the same way, because I want to make it clear that the EAJA case over the fees issue is a separate and distinct inquiry. Just because an agency loses on the merits of the case doesn't mean that it is automatically going to be liable for a fee award. The EAJA does not provide for automatic fee shifting. However, I would say that where the agency action is found by a court to be arbitrary and capricious or where there is little or no factual support for the agency action, the Government—as a practical matter—has its work cut out for it to prove substantial justification. Indeed, in the case of an arbitrary and capricious finding, I believe the plain meaning of the words strongly suggest that the Government was not substantially justified. I believe that this view is consistent with the committee report on S. 919, a bill we passed unanimously in the closing days of the 98th Congress.

Mr. DECONCINI addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. DECONCINI. Mr. President, on behalf of Senator HEFLIN, who is, I believe, in markup today in a very important committee, I will control the time on the minority side.

Mr. President, I take this opportunity to state my strong support for the Equal Access to Justice bill before us. It is the product of 3 years of experience under the original version of the bill drafted by Senator DOMENICI and myself. In addition, numerous hearings have been held during this and the previous Congress on how to continue to perfect its provisions to insure equal access to our system of justice by all parties aggrieved by actions of the Government. The principles of the equal access law have been successful and the modifications offered by H.R. 2378 extend and clarify the original law which expands the liability of the United States in certain administrative and court proceedings. I want to especially thank Senator DOMENICI, for working so closely on this some years ago when we first started. Of course, I want to thank Senator Grassley of Iowa, who has led a charge here second to none in trying to get this passed. I know his early attempts had even far more far-reaching jurisdiction of this bill which I supported, and I know we both share the belief that the Internal Revenue ought to be included in this. But be that as it may, the best that can be done is the bill we have before us, and without the Senator from Iowa, we would not be here today.

Also, I want to especially thank the Senator from Alabama, the ranking member of the subcommittee, Mr. HEFLIN, who has labored long and hard in the negotiations. Between these two leaders we are presented with a satisfactory bill, one that is important and one that I am very pleaded to see become permanent law. GRASSLEY, and HEFLIN for their sustained efforts to make the original 3-year experiment a part of our permanent law.

Before the Equal Access to Justice Act [EAJA], small businesses, faced with unjustified Federal agency actions, were confronted with a difficult choice—to comply without question to Government regulatory enforcement which they believed improper, or challenge the Government, often at a cost exceeding the fine or penalty imposed. The record under EAJA has proven it to be an important incentive to small businesses facing unjustified Federal agency actions.

Perhaps of greater importance, it has been an incentive to Federal agencies to more carefully select their cases and not pick on small firms because they are easy targets unlikely to defend themselves. During the 3 years that the EAJA was in effect, legitimate agency enforcement policies were not hampered nor were courts and agencies clogged with frivolous claims for relief.

The EAJA as first enacted in 1980 with a sunset of October 1, 1984. H.R. 2378 would permanently reauthorize the statute and was passed by the House on June 24, 1985. The bill now pending before the Senate is widely supported by the small business community and the administration. I urge the swift passage of the bill.

Mr. President, I also would like to thank members of the staff of the various committees: Alice Milder of Senator GRASSLEY's staff; Art Briskman of Senator HEFLIN's staff; Bob Fiedler of my staff, and the very able law assistant that we have with us this summer, Melinda Kelley, who has done a magnificant job in putting this together.

Mr. GRASSLEY. First of all, I want to associate myself with the remarks of the Senator from Arizona, and to the extent to which he complimented many Senators who worked on this. I only add the name of Senator THURMOND because I particularly thank him for waiving the referral of the bill, we are now on, to committee so it could be held at the desk. But Senator DECONCINI and Senator DOMENICI pioneered in this area and they deserve the credit for the origination of the legislation that now brings us to reauthorization. I think the fact that we are reauthorizing a bill that has been tried for 4 years and has not been costly to the taxpayers has brought much discipline to the way the bureaucracy operates against individuals and small businesses in this country speaks for itself. They deserve praise for their pioneering, and in particular, my good friend, Senator HEFLIN from Alabama, who worked very closely with me on this legislation. I want to acknowledge all.

Mr. President, I thank the Senator from Arizona for what he has already said.

Mr. THURMOND. Mr. President, I rise in support of the Equal Access to Justice Act.

In this age of burgeoning government regulation and increasing bureaucratic intrusions into our daily lives, there is a heightened need to provide our citizens a fair chance to challenge unreasonable government actions. This reauthorization of the Equal Access to Justice Act will ensure that individuals will not be deterred from challenging unjustified governmental actions because of the expense involved.

Because of the need to preserve this right, I worked closely with Senator GRASSLEY, other members of the Senate Judiciary Committee, and the administration in the last Congress to obtain passage of a reauthorization bill. Unfortunately because of certain unacceptable provisions in that bill, it was vetoed by President Reagan.

In response to concerns that were raised by the President, I urged the Department of Justice to work diligently with members of the House and the Senate Judiciary Committees to develop acceptable language. Senator GRASSLEY should be commended for his leadership in this body on this matter.

Because of the successful effort to reach a consensus measure, I have agreed to waive the referral of this bill to the Judiciary Committee in order to expedite Senate consideration of this important legislation.

Mr. President, since this is a consensus package, the bill does contain new language on several points. One critical point, which was emphasized by Senator GRASSLEY, is that the award of attorney fees requires an inquiry separate and distinct from the final disposition of the merits in any case. Accordingly, the issues of "substantial justification" relative to the fee award is a separate and distinct inquiry from whatever standard of review has been applied to the merits of the case. Therefore, there could be cases where an agency loses on the merits because a court has found its action to be arbitrary and capricious, but where no attorney fees would be awarded because the Government was substantially justified in the position it had taken.

The application of the provisions of the bill to an administrative agency determination of a fee award occurs as follows: The issue of awarding attor-

ney fees will come after the disposition on the merits. When the awarding of attorney fees is at issue, the burden of proof to be met by the Government is that the Government was "substantially justified" in its position. In a subsequent appeal of the administrative determination of the fee issue, a district court would decide if there was "substantial evidence on the record taken as a whole" that the Government had met this burden.

Mr. HEFLIN. Mr. President, I rise today in strong support of the Equal Access to Justice Act. This act provides that when an individual or small business is involved in litigation against the Federal Government on either the administrative or judicial level and prevails, that individual is entitled to recoup legal expenses and costs, if the Government cannot show that its conduct was substantially justified.

This law provides the average citizen with the resources to fight Government overregulation. It further serves as a strong deterrent to arbitrary Government action.

I have supported the Equal Access to Justice Act since it was first enacted in the 96th Congress and it is my belief that it is now time to make this legislation permanent.

As a former Chief Justice of the Supreme Court of Alabama, I fervently believe that everyone is entitled to his or her day in court. We cannot continuously subject the citizens of this great country to the demands of Government regulations and massive resources of regulators without providing them with the resources to fight regulations which may be unjust. This legislation provides more than a forum—it makes justice more accessible.

It expands the eligibility limitation to include: First, individuals with a net worth of $2 million or less; second, businesses and units of local government with a net worth of $7 million or less; third, certain nonprofit organizations; and fourth, agricultural cooperative associations.

It clarifies confusion caused by the earlier act concerning the meaning of the phrase "position of the United States," this legislation defines "position of the United States" to include the action or failure to act by the Government upon which the administrative proceedings or civil action is based, as well as the litigation position. However, the bill would limit the determination of whether the Government's position was "substantially justified," to the record developed during the administrative hearing or civil action. In effect, the bill limits discovery in E.A.J.A. fee proceedings to respond to earlier concerns raised by the administration. The legislation also allows the agency, rather than the adjudicative officer, to make the final decision on fee awards at the agency level.

Further, this bill will extend coverage of the equal access to justice act to proceedings before an agency board of contract appeals.

This bill makes changes in the original equal access to justice act in the names of fairness. I believe in its purpose and its possibilities. But I am profoundly disappointed that in our attempt to enact this meaningful legislation, the provisions covering proceedings under the Social Security Act, at the administrative hearing level are unable to be incorporated because of institutional opposition.

I realize these provisions raise concerns about the cost to the Government, but these same "fears" were raised before the Equal Access to Justice Act was initially adopted in 1981. The Congressional Budget Office in 1981 estimated that the cost of the legislation would be approximately $150 million annually. The fact is that between the effective date of the act (October 1, 1981) and October 1, 1984, approximately $3.9 million had been awarded under the act.

Under the current provisions of the Equal Access to Justice Act, administrative proceedings where the Government is represented by counsel are covered. However, this provides limited coverage, such as the five pilot adversarial projects relating to social security claims implemented by the Secretary of Health and Human Services. In addition, the Equal Access to Justice Act now covers court proceedings, including appeals from social security cases.

My concern is that the process discourages those who desperately depend on disability payments from protecting that income. Unquestionably, there is abuse in the system but to punish the whole because some take advantage, distorts our concept of justice.

Oftentimes individuals dismissed from disability rolls cannot afford an attorney and they are forced to face a contorted process alone. The initial decision to continue or remove individuals from disability rolls is made at the State level and appeals are made to Administrative Law Judges of the Social Security Administration. In 1980, State agencies were denying 70 percent of the initial claims of which nearly 60 percent were allowed in appeal. In 1982, 67 percent of these cases were allowed on appeal.

In fiscal year 1984, Administrative Law Judges in the Social Security Administration rendered about 337,000 decisions, and of these about 65 percent resulted in an effective reversal of the denial of the claim made at the State level.

In an attempt to ease the burden placed upon these individuals, Congress passed the Social Security Disability Reform Amendments of 1984, providing for payment of benefits to claimants appealing the termination of their eligibility through the Administrative Law Judge appeals level.

I would like to see the proceedings before administrative law judges covered by the Equal Access to Justice Act, because of the importance of the outcome to these individuals.

I can think of no group more worthy of protection than those individuals who depend upon their disability payments on a month-to-month basis.

While I believe this is an area ripe for protection, political realities dictate otherwise. And this seems to be a fight which will have to be fought another day.

I have worked with my colleagues in the Senate and in the House of Representatives to formulate legislation which will be acceptable to all parties. In the spirit of compromise, this legislation is before the Senate today.

I believe very strongly in the overall purpose of the Equal Access to Justice Act—to enable people without the means a chance to fight arbitrary Government action. I lend my support and ask my colleagues to do likewise, because justice without equality is not justice—just a hollow promise.

This is legislation with a history of proven success and it will ensure an even more successful future, with our support.

Thank you, Mr. President.

Mr. DOLE. Mr. President, I am pleased to join Senator GRASSLEY and others in cosponsoring this permanent authorization of the Equal Access to Justice Act. As chairman of the Subcommittee on Courts of the Senate Judiciary Committee in 1980 when the EAJA was first enacted into law, I have a particular interest in seeing this much-needed legislation pass the Senate. Our 4 years of experience under the EAJA have demonstrated that the fears of those who opposed the bill in 1980 have not come to fruition. There has not been a large increase in litigation as a result of the law, nor has there been a heavy financial burden imposed on the Federal Government as a result of attorneys fees awards. What the EAJA has accomplished is what it was intended to accomplish—it has provided the means for small business and individuals to successfully defend themselves against unwarranted and unjustified bureaucratic intrusion by the Federal Government.

I regret that we were unable to enact a permanent reauthorization by last year's October 1 deadline. Nonetheless, there probably were legitimate issues which still needed to be resolved in the bill we passed last year. The prompt negotiations which began at the beginning of this Congress have resulted in a truly consensus authori-

zation which should be supported by all. By allowing attorneys fees for administrative hearings which are adversarial in nature, the bill offers a commonsense solution for an issue which seemed irreconcilable in the last Congress. Moreover, by having the Government's position determined under the EAJA by viewing the record as whole, the parties involved have come up with a sound solution which effectively balances the interests of all.

Mr. President, I would like to commend Senators GRASSLEY, THURMOND, DOMENICI, DECONCINI, HEFLIN, and BIDEN for all the work they put into developing the bill we are passing today. Small businesses and individuals throughout the country who have been, or may become, a victim of unwarranted and unjustified Government actions owe these Senators a special debt of gratitude.

Mr. WEICKER. Mr. President, today is a great day for small business as the Senate proceeds to extend the Equal Access to Justice Act. I rise in support of the bill before us and am confident that all of my colleagues in the Senate will join me in doing so.

The Equal Access to Justice Act [EAJA], first enacted in 1980, represented a major step and accomplishment for the small business community. It provided for the first time that small businesses and individuals could collect attorneys' fees in cases where the Government could not demonstrate that it was substantially justified in the actions it brought against them. Before that, small business had no effective means to fight against abusive and unwarranted intrusions by Federal agencies. Often small businesses were forced to accept, without adequate recourse, objectionable Government actions because the legal costs in fighting back were simply too high. Since the private party in actions against the Government must meet certain financial eligibility requirements, the law is available only to small businesses and individuals for whom financial constraints would otherwise chill their efforts to challenge the Government.

Mr. President, at the time EAJA was enacted, critics expressed doubts about both its merits and costs, and conjectured that it might ultimately cost the Government hundreds of millions of dollars in attorneys' fees awards. No one who supports fair dealing by the Government could legitimately argue then or now with the merits of EAJA. Those who opposed EAJA, citing fear of frivolous claims and projected huge costs to the Government in the award of fees, have clearly been wrong. As Frank Swain, the chief counsel for advocacy at the SBA, has noted, EAJA has proven to be "an important incentive to small businesses facing unjustified Federal agency actions . . . it has been an incentive to Federal agencies to more carefully select their cases and not pick on small firms because they are easy targets unlikely to defend themselves. During the 3 years that the EAJA was in effect, legitimate agency enforcement policies were not hampered nor were courts and agencies clogged with frivolous claims for relief."

Mr. President, virtually every small business person, every small business association and every supporter of small business supports the extension of EAJA. The enactment of EAJA in 1980 represented an historic moment in recognizing the legitimate rights and needs of small business; extension of the act in the bill before us today is a signal to all that those rights and needs are as strong today—if not stronger—as they were in 1980.

Indeed, Mr. President, the bill now before the Senate not only extends EAJA but recognizes that certain adjustments had to be made in the act to ensure that its provisions applied to a greater number of small businesses and extended as well to cases that heretofore had not been subject to compliance. Under the bill before us, parties eligible for reimbursement for individuals is increased from a net worth of $1 million to a net worth of $2 million, and for sole owners of unincorporated businesses, partnerships, and corporations, is increased from a net worth of no more than $5 million to a net worth of $7 million. Perhaps most significant is that the bill extends the coverage of the act to boards of contract appeals cases where abuses against small business are frequently most onerous and costly.

The extension of EAJA to these cases is a major step in permitting small businesses to deter unreasonable government actions in areas most critical to their survival. The bill also clarifies that awards may result when the original agency mistake costs a small business or citizen money to litigate, even when the Government surrenders at the outset of the case. This corrects previous ambiguous language that permitted some courts to rule that fees were not warranted if the Government's conduct in the case were reasonable and it reached the courtroom stage. In addition, all claims paid by the agency will be paid out of agency's annual budget and not from agency requests for additional funds.

Mr. President, I applaud all who worked so diligently to craft this bill which not only makes essential clarifications of EAJA, but most important, reauthorizes and extends its provisions. This bill is vital to small business and I urge my colleagues to support it.

Mr. SASSER. Mr. President, this legislation reauthorizing the Equal Access to justice Act [EAJA] is of critical importance to our small business community. As one who has been actively involved in modifying the EAJA to better serve small business, I am pleased that this matter is once more before the Senate.

As has been noted, the EAJA helps insure that small businesses, in the face of improper government regulatory enforcement, can have their day in court. All to often small business owners who find themselves in such a situation would accept an inequitable out-of-court settlement, solely because they could not afford attorney expenses.

The EAJA has helped turn this situation around. In the words of Frank Swain, chief counsel for advocacy with the Small Business Administration, "The record under EAJA has proven it to be an important incentive to small businesses facing unjustified federal agency actions."

I am particularly pleased that this legislation contains language extending coverage under the EAJA to appearances before agency boards of contract appeal. This section of S. 1487 incorporates legislation I introduced in the 98th Congress to rectify this area of uncertainty in the application of the EAJA.

This issue first came to my attention, Mr. President, when I learned that coverage under the EAJA had been limited through a series of court cases. The upshot of these court rulings was that the EAJA did not apply to appearances before agency boards of contract appeal. Testimony before the Judiciary Committee during the 98th Congress pointed out that this was a "serious misconstruction of the act."

Whether or not this is the case, it is clear that extending coverage of the EAJA to agency boards of contract appeals would make this act a much more valuable tool for small business owners. Indeed, this theme was sounded repeatedly during the Judiciary Committee hearings. The hearing record contains several calls for extending the EAJA along the lines of my legislation.

This change was a part of the EAJA reauthorization bill passed last year which was vetoed by the President. I am pleased that language extending coverage under the EAJA to agency boards of contract appeals has been retained in S. 1487. I urge my colleagues to join in supporting this measure and I express my sincere hope that the President will not veto this measure when it is sent to his desk this year.

Mr. DECONCINI. Mr. President, the Senator from Iowa is generous in his kind remarks in relation to my involvement in this bill. I appreciate it very much.

I want the record to clearly indicate that if it was not for the leadership of

the Senator from Iowa over the past several years—I know it has not been easy for him, and I have seen him struggle—we would not, flatly, be here today passing this bill.

Mr. President, I am prepared to yield back the balance of my time on this side.

The PRESIDING OFFICER. Does the Senator from Iowa yield back his time?

Mr. GRASSLEY. Mr. President, I yield back the balance of my time.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill is before the Senate, and open to amendment. If there be no amendment to be offered, the question is on the third reading and passage of the bill.

The bill was ordered to a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Arizona [Mr. GOLDWATER] is necessarily absent.

Mr. CRANSTON. I announce that the Senator from Mississippi [Mr. STENNIS] and the Senator from Louisiana [Mr. LONG] are necessarily absent.

The PRESIDING OFFICER (Mr. PRESSLER). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 95, nays 2, as follows:

[Rollcall Vote No. 159 Leg.]

YEAS—95

Abdnor	Glenn	Melcher
Andrews	Gore	Metzenbaum
Armstrong	Gorton	Mitchell
Baucus	Gramm	Moynihan
Bentsen	Grassley	Murkowski
Biden	Harkin	Nickles
Bingaman	Hart	Nunn
Boren	Hatch	Packwood
Boschwitz	Hatfield	Pressler
Bradley	Hawkins	Proxmire
Bumpers	Hecht	Pryor
Burdick	Heflin	Quayle
Byrd	Heinz	Riegle
Chafee	Helms	Rockefeller
Cochran	Hollings	Roth
Cohen	Humphrey	Rudman
Cranston	Inouye	Sarbanes
D'Amato	Johnston	Sasser
Danforth	Kassebaum	Simon
DeConcini	Kasten	Simpson
Denton	Kennedy	Specter
Dixon	Kerry	Stafford
Dodd	Lautenberg	Stevens
Dole	Laxalt	Symms
Domenici	Leahy	Thurmond
Durenberger	Levin	Trible
Eagleton	Lugar	Wallop
East	Mathias	Warner
Evans	Matsunaga	Weicker
Exon	Mattingly	Wilson
Ford	McClure	Zorinsky
Garn	McConnell	

NAYS—2

Chiles	Pell

NOT VOTING—3

Goldwater	Long	Stennis

So the bill (S. 1487) was passed, as follows:

S. 1487

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AMENDMENTS TO SECTION 504 OF TITLE 5.

(a) AWARDING OF FEES IN ADVERSARY ADJUDICATIONS.—

(1) DETERMINATION OF "SUBSTANTIALLY JUSTIFIED".—Subsection (a)(1) of section 504 of title 5, United States Code, is amended by adding at the end thereof the following: "Whether or not the position of the agency was substantially justified shall be determined on the basis of the administrative record, as a whole, which is made in the adversary adjudication for which fees and other expenses are sought.".

(2) CLARIFYING AMENDMENT.—Subsection (a)(1) of such section is amended by striking out "as a party to the proceeding".

(3) DECISION OF AGENCY TO BE FINAL ADMINISTRATIVE DECISION.—Subsection (a)(3) of such section is amended by adding at the end thereof the following: "The decision of the agency on the application for fees and other expenses shall be the final administrative decision under this section.".

(b) DETERMINATION OF FEES DELAYED IN CASE OF APPEAL.—Subsection (a)(2) of section 504 of title 5, United States Code, is amended by adding at the end thereof the following: "When the United States appeals the underlying merits of an adversary adjudication, no decision on an application for fees and other expenses in connection with that adversary adjudication shall be made under this section until a final and unreviewable decision is rendered by the court on the appeal or until the underlying merits of the case have been finally determined pursuant to the appeal."

(c) DEFINITIONS.—

(1) PARTY.—Paragraph (1)(B) of section 504(b) of title 5, United States Code, is amended to read as follows:

"(B) 'party' means a party, as defined in section 551(3) of this title, who is (i) an individual whose net worth did not exceed $2,000,000 at the time the adversary adjudication was initiated, or (ii) any owner of an unincorporated business, or any partnership, corporation, association, unit of local government, or organization, the net worth of which did not exceed $7,000,000 at the time the adversary adjudication was initiated, and which had not more than 500 employees at the time the adversary adjudication was initiated; except that an organization described in section 501(c)(3) of the Internal Revenue Code of 1954 (26 U.S.C. 501(c)(3) exempt from taxation under section 501(a) of such Code, or a cooperative association as defined in section 15(a) of the Agricultural Marketing Act (12 U.S.C. 1141j(a)), may be a party regardless of the net worth of such organization or cooperative association;".

(2) ADVERSARY ADJUDICATION.—Paragraph (1)(C) of such section is amended—

(A) by inserting "(i)" before "an adjudication under";

(B) by inserting before the semicolon at the end thereof the following: ", and (ii) any appeal of a decision made pursuant to section 6 of the Contract Disputes Act of 1978 (41 U.S.C. 605) before an agency board of contract appeals as provided in section 8 of that Act (41 U.S.C. 607)"; and

(C) by striking out "and" at the end thereof.

(3) POSITION OF THE AGENCY.—Paragraph (1) of such section is amended—

(A) by striking out the period at the end of subparagraph (D) and inserting in lieu thereof "; and"; and

(B) by adding at the end thereof the following:

"(E) 'position of the agency' means, in addition to the position taken by the agency in the adversary adjudication, the action or failure to act by the agency upon which the adversary adjudication is based; except that fees and other expenses may not be awarded to a party for any portion of the adversary adjudication in which the party has unreasonably protracted the proceedings.".

(d) APPEALS OF FEE DETERMINATIONS.—Subsection (c)(2) of section 504 of title 5, United States Code, is amended to read as follows:

"(2) If a party other than the United States is dissatisfied with a determination of fees and other expenses made under subsection (a), that party may, within 30 days after the determination is made, appeal the determination to the court of the United States having jurisdiction to review the merits of the underlying decision of the agency adversary adjudication. The court's determination on any appeal heard under this paragraph shall be based solely on the factual record made before the agency. The court may modify the determination of fees and other expenses only if the court finds that the failure to make an award of fees and other expenses, or the calculation of the amount of the award, was unsupported by substantial evidence.".

(e) AWARDS PAID FROM AGENCY FUNDS.—Subsection (d) of section 504 of title 5, United States Code, is amended to read as follows:

"(d) Fees and other expenses awarded under this subsection shall be paid by any agency over which the party prevails from any funds made available to the agency by appropriation or otherwise.".

SEC. 2. AMENDMENTS TO SECTION 2412 OF TITLE 28.

(a) CLARIFYING AMENDMENTS.—Section 2412 of title 28, United States Code, (relating to costs and fees) is amended—

(1) in subsections (a) and (b) by striking out "or any agency and any official of the United States" each place it appears and inserting in lieu thereof "or any agency or any official of the United States"; and

(2) in subsection (d)(1)(A) by inserting ", including proceedings for judicial review of agency action," after "in tort)".

(b) DETERMINATION OF "SUBSTANTIALLY JUSTIFIED".—Section 2412(d)(1)(B) of title 28, United States Code, is amended by adding at the end thereof the following: "Whether or not the position of the United States was substantially justified shall be determined on the basis of the record (including the record with respect to the action or failure to act by the agency upon which the civil action is based) which is made in the civil action for which fees and other expenses are sought.".

(c) DEFINITIONS.—

(1) Subparagraph (B) of section 2412(d)(2) of title 28, United States Code, is amended—

(A) in clause (i) by striking out "$1,000,000" and inserting in lieu thereof "$2,000,000"; and

(B) by striking out "(ii)" and all that follows through the end of the subparagraph

and inserting in lieu thereof the following: "or (ii) any owner of an unincorporated business, or any partnership, corporation, association, unit of local government, or organization, the net worth of which did not exceed $7,000,000 at the time the civil action was filed, and which had not more than 500 employees at the time the civil action was filed; except that an organization described in section 501(c)(3) of the Internal Revenue Code of 1954 (26 U.S.C. 501(c)(3) exempt from taxation under section 501(a) of such Code, or a cooperative association as defined in section 15(a) of the Agricultural Marketing Act (12 U.S.C. 1141j(a)), may be a party regardless of the net worth of such organization or cooperative association;".

(2) ADDITIONAL DEFINITIONS.—Subsection (d)(2) of such section is amended—

(A) by striking out the period at the end of subparagraph (C) and inserting in lieu thereof a semicolon; and

(B) by adding at the end thereof the following:

"(D) 'position of the United States' means, in addition to the position taken by the United States in the civil action, the action or failure to act by the agency upon which the civil action is based; except that fees and expenses may not be awarded to a party for any portion of the litigation in which the party has unreasonably protracted the proceedings;

"(E) 'civil action brought by or against the United States' includes an appeal by a party, other than the United States, from a decision of a contracting officer rendered pursuant to a disputes clause in a contract with the Government or pursuant to the Contract Disputes Act of 1978;

"(F) 'court' includes the United States Claims Court;

"(G) 'final judgment' means a judgment that is final and not appealable, and includes an order of settlement; and

"(H) 'prevailing party', in the case of eminent domain proceedings, means a party who obtains a final judgment (other than by settlement), exclusive of interest, the amount of which is at least as close to the highest valuation of the property involved that is attested to at trial on behalf of the property owner as it is to the highest valuation of the property involved that is attested to at trial on behalf of the Government.

(d) PAYMENT OF AWARDS.—Paragraph (4) of section 2412(d) of title 28, United States Code, is amended to read as follows:

"(4) Fees and other expenses awarded under this subsection to a party shall be paid by any agency over which the party prevails from any funds made available to the agency by appropriation or otherwise.".

(e) INTEREST.—Section 2412 of title 28, United States Code, is amended by adding at the end thereof the following:

"(f) If the United States appeals an award of costs or fees and other expenses made against the United States under this section and the award is affirmed in whole or in part, interest shall be paid on the amount of the award as affirmed. Such interest shall be computed at the rate determined under section 1961(a) of this title, and shall run from the date of the award through the day before the date of the mandate of affirmance.".

SEC. 3. AWARDS IN CERTAIN SOCIAL SECURITY PROCEEDINGS.

Section 206 of the Equal Access to Justice Act is amended—

(1) by striking out "Nothing" and inserting in lieu thereof "(a) Except as provided in subsection (b), nothing"; and

(2) by adding at the end thereof the following:

"(b) Section 206(b) of the Social Security Act (42 U.S.C. 406(b)(1)) shall not prevent an award of fees and other expenses under section 2412(d) of title 28, United States Code. Section 206(b)(2) of the Social Security Act shall not apply with respect to any such award but only if, where the claimant's attorney receives fees for the same work under both section 206(b) of that Act and section 2412(d) of title 28, United States Code, the claimant's attorney refunds to the claimant the amount of the smaller fee.".

SEC. 4. REPEAL OF LIMITATION ON PAYMENT OF AWARDS.

Section 207 of the Equal Access to Justice Act (P.L. 96-481) is hereby repealed.

SEC. 5. AWARDS FOR CERTAIN FEES AND OTHER EXPENSES.

Section 208 of the Equal Access to Justice Act is amended by adding at the end thereof the following: "Awards may be made for fees and other expenses incurred before October 1, 1981, in any such adversary adjudication or civil action.".

SEC. 6. TREATMENT OF EXPIRED PROVISIONS OF LAW.

(a) REVIVAL OF CERTAIN EXPIRED PROVISIONS.—Section 504 of title 5, United States Code, and the item relating to that section in the table of sections of chapter 5 of title 5, United States Code, and subsection (d) of section 2412 of title 28, United States Code, shall be effective on or after the date of the enactment of this Act as if they had not been repealed by sections 203(c) and 204(c) of the Equal Access to Justice Act.

(b) REPEALS.—

(1) Section 203(c) of the Equal Access to Justice Act is hereby repealed.

(2) Section 204(c) of the Equal Access to Justice Act is hereby repealed.

SEC. 7. EFFECTIVE DATE.

(a) IN GENERAL.—Except as otherwise provided in this section, the amendments made by this Act shall apply to cases pending on or commenced on or after the date of the enactment of this Act.

(b) APPLICABILITY OF AMENDMENTS TO CERTAIN PRIOR CASES.—The amendments made by this Act shall apply to any case commenced on or after October 1, 1984, and finally disposed of before the date of the enactment of this Act, except that in any such case, the 30-day period referred to in section 504(a)(2) of title 5, United States Code, or section 2412(d)(1)(B) of title 28, United States Code, as the case may be, shall be deemed to commence on the date of the enactment of this Act.

(c) APPLICABILITY OF AMENDMENTS TO PRIOR BOARD OF CONTRACTS APPEALS CASES.—Section 504(b)(1)(C)(ii) of title 5, United States Code, as added by section 1(c)(2) of this Act, and section 2412(d)(2)(E) of title 28, United States Code, as added by section 2(c)(2) of this Act, shall apply to any adversary adjudication pending on or commenced on or after October 1, 1981, in which applications for fees and other expenses were timely filed and were dismissed for lack of jurisdiction.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. DECONCINI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

H.R. 2378—EQUAL ACCESS TO JUSTICE

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 218, H.R. 2378, the House companion bill to the Equal Access to Justice Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill will be stated by title.

The bill clerk read as follows:

A bill (H.R. 2378) to amend section 504 of title 5, United States Code, and section 2412 of title 28, United States Code, with respect to awards of expenses of certain agency and court proceedings, and for other purposes.

Mr. DOMENICI. Mr. President, I rise once again in support of H.R. 2378, the Equal Access to Justice Act. I say once again because I initially introduced the predecessor of this bill in 1977 during the 95th Congress as S. 1001. This body voted overwhelmingly in favor of the Equal Access to Justice Act on five separate occasions prior to approval by the House of Representatives in 1980. When the House approved the bill, they inserted a sunset provision, setting an expiration date of September 30, 1984 on the act, so that Congress could monitor the workings of the legislation. The Members of this Chamber accepted this alteration, and the Equal Access to Justice Act was signed into law.

During the 98th Congress, Senators GRASSLEY and DECONCINI and myself introduced S. 919 to make the Equal Access to Justice Act a permanent part of the law of the United States. Both the Senate and the House unanimously passed this legislation. Included in that bill were provisions to correct judicial interpretations inconsistent with the original intent of the act, to make technical corrections, and to extend the Equal Access to Justice Act uniformly throughout the federal system. The President, however, took exception to the interest provision of the bill and expressed concern that the bill as written could lead to extensive discovery proceedings and lengthy litigation. He also expressed concern about the potential for disparate treatment of litigants. Consequently, he vetoed the bill last November.

At the beginning of the current session I once again introduced, as S. 380, the Equal Access to Justice Act. That marked the fourth time I had done so. A comparable House version is now before us. I rise in support of enactment of H.R. 2378.

We have entered the age of Federal regulation and there are very few elements of life, commercial or otherwise, where the Federal Government does not play some role. Often, this Government action is arbitrary and capricious. The committee hearings over the years are replete with examples of what happens to individuals and small

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business owners who, prior to the Equal Access to Justice Act, challenged such Government action: the man from Oklahoma who spent over $30,000 in legal fees to defend successfully against a Labor Department ruling against him involving $14,000; the small businesswoman from Pennsylvania who was effectively put out of business by a legal dispute with the General Services Administration in which she was eventually exonerated. It is no wonder, therefore, that many individuals and small businesses faced with an unjustified Government action gave up right away and didn't challenge the Government action because the cost of proving that they are right was more than they could afford.

The purpose of the Equal Access to Justice Act is to reimburse individual Americans who successfully litigate against the Federal bureaucracy. This will force Government agencies to be responsible for their conduct and will provide those with modest means with access to the courthouse door.

Generally, under the prevailing "American Rule" regarding the payment of litigation fees and costs, each party is responsible for its own attorney's fees and court costs. Prior to the initial passage of the Equal Access to Justice Act, therefore, each party engaged in litigation involving the Government was largely responsible for the payment of his or her own attorney's fees and other expenses incurred during litigation, even if he or she successfully challenged the Government action. For many citizens, the costs of challenging a Government action precluded taking action against the Government, especially when the cost of contesting the Government action exceeded the amount at stake. In such cases, many individuals perceived that it was more practical to suffer the slings and arrows of outrageous Government action than it was to fight back.

The Equal Access to Justice Act focuses on those individuals for whom the cost of litigation may be a deterrent to redressing their grievances. It seeks to ensure that certain individuals and business entities will not be deterred from seeking review of, or defending against, unjustified governmental action because of the expense involved in securing the vindiction of their rights. It reduces the disparity in resources between individuals and business entities with limited resources and the Federal Government. Under this bill, the Government will be liable to a prevailing party for attorney's fees and certain other adjudication costs unless the position of the Government meaning the action or failure to act by the Government upon which the administrative proceeding or civil action is based, as well as the Government's litigation position—is substantially justified or unless special circumstances would make an award unjust. Additionally, language has been added limiting the scope of the determination of whether the position of the United States was substantially justified in order to respond to some of the concerns raised in the President's veto message. Finally, this bill contains a provision extending the protection to cases pending at the date of its enactment and covering cases filed on or after October 1, 1984, and disposed of before the date of its enactment. These provisions are essential to ensure that no party is denied the protection of the act solely because of the failure of the President to approve the bill last year. It is our intent that the protection afforded by the Equal Access to Justice Act be deemed continuous from the date of its first enactment.

In the 3 years that the Equal Access to Justice Act was in operation, Congress monitored the act to gauge its effectiveness in combating overregulation and in restoring the balance between the regulatory powers of our Federal Government and our citizens, who said that the Government could be arbitrary, capricious, and unresponsive. The Committee on the Judiciary of the Senate concluded that the act in large measure worked as intended. It found that the very existence of the act tended to restrain regulatory activities, which in turn restrained agency actions which go beyond Congress' intent. In addition, it was determined that the cost of the program was only approximately $3.7 million over 3 years, certainly a small price to pay to protect our citizens from governmental excesses.

The success of the program can, to a great degree, be measured by the support it has garnered. During the hearings on S. 919 during the 98th Congress, the Department of Justice, the Small Business Administration, the Administrative Conference of the United States, the National Labor Relations Board, the American Bar Association, the National Federation of Independent Businesses, the Small Business Legislative Council, McQuiston Associates, Small Business United, the Small Business Legal Defense Committee, the Women's Association of Government Contractors, the Alliance for Justice, the Washington Legal Foundation, and the Center for National Labor Policy all testified in favor of making the Equal Access to Justice Act a permanent part of the law of the land. Many of these organizations also testified in favor of H.R. 2378 this year. Not a single witness testifying in regard to either S. 919 or H.R. 2378 opposed the extension of the Equal Access to Justice Act.

Mr. President, the essential concept of the Equal Access to Justice Act is that when a small business or individual citizen prevails in litigation with the Federal Government that was initiated by the Federal Government, then that individual or business entity should be reimbursed for his or her attorney's fees and costs if the Government's position was not substantially justified. By requiring litigants who prevail to be entitled to fees, this bill will prevent spurious suits and will insure the contesting of meritorious disputes with a fair presentation of the issues. They say that "You can't fight city hall," and the prevailing attitude of many today is that even if you do fight the Federal Government and win in court, you still lose because of the cost. We must eliminate the possibility of such Pyrrhic victories. The average American must be made to feel that he or she can question the exercise of the Government's discretionary power as to its reasonableness without incurring large costs if he or she prevails. We are fortunate to live in a society where one has the right to challenge the actions of one's government, but the protection afforded by that right is diluted when the average citizen is deterred from exercising that right because of the fear of incurring a substantial financial loss in the process. We cannot permit such a condition to exist. Equal justice is not available when one cannot afford to fight.

Mr. President, in closing I thank the distinguished Senators from Arizona and Iowa for their efforts on behalf of the Equal Access to Justice Act. Their diligent work on behalf of this bill over the years has ensured its continuation. Without their help, we could not have accomplished this goal.

Mr. BUMPERS. Mr. President, I strongly support H.R. 2378, the House version of the Equal Access to Justice Act amendments.

On March 7, 1985, I introduced S. 615, the provisions of which are reflected in the House bill we vote on today. Much work on this issue has been done since last November when the President vetoed H.R. 5479, which reauthorized the Equal Access to Justice Act. Hopefully the President will reconsider his position on this issue and sign this legislation into law.

As every Member of this body knows, this measure will allow small businesses to be reimbursed for their costs and attorneys fees if they challenge Federal agencies in court and are successful. This measure, for reasons that escape me entirely, was vetoed by the President last year.

The reasoning for this bill, which merely extends a policy which Congress wisely established 5 years ago, is simple. We believe that if a small business successfully challenges the Federal bureaucracy in court, or if an agency unfairly accuses a small business of violating the law and the businessman vindicates himself, he should be able to recover his costs. Every

Member of Congress knows on a personnel level that there are genuine cases of bureaucratic abuse. These cases of injustice are the very reason why many Members are motivated to seek public office in the first place. And there is not a Member of this body who has not found on his or her doorstep citizens who have been wronged by their own Government. At worst, a career or a life may be ruined; at best, the individual has been wrongly accused and has had to incur great expense to clear his name. I do not say this to take a cheap shot at the Federal bureaucracy, but there are certainly those in Government who, from time to time, exercise very poor judgment.

Until the Equal Access to Justice Act, there was little that Members of Congress could really do for people who had suffered such a wrong. As a general rule, the Government is not subject to suit save when Congress says so, and the remedy of a private relief bill is cumbersome and impractical. Equal access to justice made the promise of justice to these people who had gone to great expense to challenge agency wrong, or who had successfully defended themselves against wrongful agency action.

The legislation has wide support from such groups as Small Business United, the Small Business Legal Defense Committee, the Small Business Legislative Council, the Independent Business Association of Wisconsin, the National Federation of Independent Business, the Chamber of Commerce of the United States, the National Association of Manufacturers, the National Tire Dealers and Retreaders Association, the Menswear Retailers of America, the National Small Business Association, the American Bar Association, the ACLU, and the Alliance for Justice.

The PRESIDING OFFICER. The question is on third reading.

The bill was ordered to a third reading, read the third time, and passed.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. DECONCINI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

STATE OF EMERGENCY IN SOUTH AFRICA

Mr. KENNEDY. Mr. President, the Government of South Africa has launched a new attack on its own people.

Last Saturday, State President P.W. Botha issued a formal proclamation announcing the transfer of "emergency powers" to the South African security forces and granting the South African police Draconian powers of search, seizure, and arrest. Since then, the authorities have closed down 36 townships and arrested over 650 people. Not since 1960—in response to the widespread disorders that erupted after the Sharpeville massacre—has such an assault been attempted by the South African Government on its own people.

But even martial law cannot bring order to a society that is so fundamentally disordered. The repression may get worse and the jails may overflow, but the unrest will continue and the discontent will spread—so long as apartheid exists.

The newspapers are now filled with stories of wholesale arrests—of lawyers, union leaders, church workers, and civil rights activists. But there aren't enough jails in South Africa—or on Earth—to hold all the people who oppose apartheid. As one UDF leader put it, "There is a state of terrorism in South Africa. The oppressed people are the enemies of the state."

And the killing continues. Over 500 people have been killed over the past 10 months. Every day, innocent men, women, and children are being struck down by the bullets and truncheons of the South African security forces.

The issues of endemic violence and political reform are not separable. It is a false dichotomy to argue, as the South African Government does, that "First we must restore order and then we can carry on with our reforms." There can be no lasting peace in South Africa without justice, and there will be no justice until apartheid is dismantled. In the absence of significant and fundamental reform, the Government's efforts to impose order by brute force is bound to fail. As President Kennedy said in 1962 on the first anniversary of the Alliance for Progress, "Those who make peaceful revolution impossible will make violent revolution inevitable."

The first step is for the South African Government to lift the state of emergency. The next step is for the Government to release all political prisoners. As Beyers Naude, the Secretary General of the South African Council of Churches has stated, "There can be no solution unless the doors of the jails are opened and political prisoners are released unconditionally." With one stroke, the South African Government can restore order to that troubled land—if only it will release Nelson Mandela and Walter Sisulu and all other political prisoners, and if only it will enter into a dialog with these leaders on the future of the country that belongs to all of them.

White South Africans have it within their power to halt this spiraling descent into more and more violence and to achieve a lasting peace inside their country—but the price for that peace is meaningful change and an end to apartheid. Reverend Naude spoke for all South Africans when he made this plea to State President Botha: "Before the whole country goes up in flames, hear the cries for peace and justice in our land."

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

(Mr. TRIBLE occupied the chair during the quorum call.)

Mr. KASTEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. WEICKER). Without objection, it is so ordered.

CONSUMER PRODUCTS SAFETY COMMISSION AUTHORIZATION

Mr. KASTEN. Mr. President, I ask unanimous consent that the Senate now turn to Calendar Order No. 138, S. 1077, the Consumer Products Safety Commission authorization bill.

Mr. BYRD. Mr. President, reserving the right to object, I do object.

The PRESIDING OFFICER. Objection is heard.

Who yields time?

Mr. KASTEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. KASTEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KASTEN. Mr. President, I ask unanimous consent that the Senate now turn to Calendar Order No. 138, S. 1077, the Consumer Product Safety Commission

Mr. BYRD. Mr. President, reserving the right to object. I would like to inquire as to whether or not an amendment dealing with the legislative veto is going to be brought up against this bill.

Mr. KASTEN. I would say to the Senator that it is not the intention of the leadership on either side to consider this issue. It is a difficult one, a contentious one, one in which a compromise may be reached, and a number of Senators want an opportunity to review it. So it is not my intention and it is not the intention of the Senator from Kentucky to have the consideration of the legislative veto question on this piece of legislation.

Mr. BYRD. Mr. President, I have no feelings one way or the other as to the bill itself. I may not have any problem with the legislative veto language.

However, I was shown the language this afternoon and I had asked if we could have overnight in which I could take a look at that language. I may

not have any problem with it, but I do feel constrained to object unless I can have some understanding with regard to that particular language. I may have no problem with it by tomorrow.

Mr. DOLE. Will the Senator yield to me?

Mr. KASTEN. I am pleased to yield to the majority leader.

Mr. DOLE. Mr. President, I support the legislative veto. I think maybe we have a compromise in the works. I know the distinguished Senator from Michigan, Senator LEVIN, and the Senator from Iowa, Senator GRASSLEY, visited with Senator HATFIELD about the original provision that he was opposed to. That information has now been submitted to the distinguished minority leader. Senator HATFIELD believe it removes some of the real problems he had.

What I would hope is that we would not have it offered to both bills. I am going to support it on the FTC authorization bill.

But I would hope that the distinguished Senator from Iowa would let us bring up the consumer product safety bill without pressing the legislative veto and give the distinguished minority leader overnight to take a look at it. He may discover it is satisfactory or may need some minor change and we would not have a problem. All I am trying to do is get some bills passed so that we can do some things in September that we have discussed.

Mr. GRASSLEY. Will the Senator yield?

Mr. KASTEN. I am pleased to yield to the Senator from Iowa.

Mr. GRASSLEY. Mr. President, along the line of what the distinguished floor leader just said, that he would hope that we would not bring it up on this one as opposed to the FTC bill, we are not talking about a generic legislative veto approach. We are talking about a legislative veto approach that would apply to the FTC, and for whatever good reasons there is that it should be on the FTC are also those very good reasons that it should be on the Consumer Product Safety Commission, as well. So what you are saying is that on a bill that Senator LEVIN and I feel that a legislative veto ought to be applicable to, that I ought to just let that bill leave the Senate without the protection for the Congress and the protection for the people that ought to be in there on the regulations of one as opposed to the regulations for the other. I cannot accept the responsibility for letting that happen. That is what would be happening.

I think, as I tried to plead with the Senator from Wisconsin and as the Senator from West Virginia has just said, we have made considerable progress on this, particularly with Senator HATFIELD, who was a major obstacle, a person who did not like what we were doing, who now, with a rewrite, has signed off to that extent. It seems to me that if the Senator from West Virginia could have the night to study this and whatever his view might be, but let us just postulate that he would like it, it seems to me something would be gained by letting both lay over until tomorrow and have both be taken care of in the same manner.

But I cannot accept the point of view that I should let a bill go that ought to have a legislative veto on it just because maybe it has not gotten the attention that the Federal Trade Commission has gotten.

Mr. KASTEN. Let me just reply to the Senator. As he knows, he would have the choice of designing that amendment as to whether it would be an amendment that would pertain only to the Federal Trade Commission or an amendment that would apply generically. That is a decision that he, as the author of the amendment, along with the cosponsors would have to make.

I, too, support the legislative veto. We have some differences on some of the details. But that amendment could be generic or it could be applied to the FTC. The debate, I believe, would be very similar under any circumstances.

It is my hope that we could work with the leadership, avoid the legislative veto question completely, and discuss and pass the legislation before us, Senate bill 1077, the Consumer Product Safety Commission. It is under those circumstances that I hope we can proceed.

Mr. LEVIN. If the Senator will yield, I think, as a practical matter, the generic amendment option is not a real one. As the person who would be offering that, I think it is unlikely we could get all the people together who would be involved in a generic amendment. I think it is possible, however, that we could pull those forces together relative to the amendment on just a bill or on two bills.

So I do not think the generic amendment is a practical possibility. I do think it is a practical possibility, given Senator HATFIELD's position, as I understand it now, assuming Senator BYRD and others are able to support this or acquiesce in this approach, that we could offer it on a specific bill or bills.

Mr. KASTEN. Mr. President, in reply to the Senator, I understand there may be some differences, but a third option might be to debate or to craft the amendment on the Federal Trade Commission bill, which will be discussed maybe on tomorrow, and simply have the legislative veto amendment apply to both the Consumer Product Safety Commission and the Federal Trade Commission. That would be a third possibility, depending on that amendment.

Mr. LEVIN. I would be willing to offer it in that form if Senator GRASSLEY would be, but that would be something Senator GRASSLEY should give some thought to.

Mr. KASTEN. It could be either way. I, therefore, repeat my unanimous-consent request.

Mr. BYRD. Mr. President, further reserving the right to object, let me make it clear beyond any doubt whatsoever that I have no interest in opposing or supporting either the Federal Trade Commission bill or the consumer product safety bill at this point. Of course, I will vote eventually on both. The only thing I am a little concerned about is the language of an amendment which was shown to me late in the afternoon. I believe the language may entail some expedited parliamentary procedure. I feel that the Senate ought to have a chance overnight to look at what this language would do. Tomorrow morning, I may have no problem at all with it.

The statement that has been make that this would not be a generic legislative veto helps some. But all I want is just an overnight to look at the language.

What would be the position of the manager in the event the legislative veto language is offered?

Mr. KASTEN. I think, in the event the legislative veto language were offered on this piece of legislation, it would be my view that the leadership, either the floor manager of the bill or our leadership, would, in fact, move to table that legislation on this bill.

Mr. BYRD. By tomorrow morning I might not be interested even in supporting a tabling motion. I may have no problem with it. But, in the event I do, then what happens? Will there be a tabling motion made?

Mr. KASTEN. My hope is we will complete the Consumer Product Safety Commission authorization within the next 40 minutes, that we will not have a discussion at all of the legislative veto, and that we would reserve the entire discussion and debate on the legislative veto for the FTC bill, which is following immediately. In case we would, in the next hour or two, have an amendment coming up on the legislative veto question, I am told by the majority leader that he would move to table that legislation or that I would move to table that legislation, because we are going to work to keep this bill clean of the legislative veto argument.

Mr. BYRD. Do I understand that would be the case whether it is introduced today or tomorrow?

Mr. DOLE. Mr. President, let me clarify what I have discussed briefly with the Senator from Michigan.

What the manager would like to do is bring up the consumer product safety bill and there will be an amendment by the distinguished Senator from Illinois, Senator SIMON, and maybe other amendments.

If we could get an agreement, we do intend to bring up the FTC authorization bill tomorrow. And at that time, if the legislative veto were offered—I am a cosponsor—it seems to me it could at that time be made to apply both to the Consumer Product Safety Commission and the Federal Trade Commission.

It would be my hope at that time that we would have disposed of this bill. The distinguished minority leader would have had overnight and beyond to take a look at the so-called Grassley-Levin language and might be willing to suggest, as the distinguished chairman of the Appropriations Committee has, that he has no objection.

Then, the amendment will be offered by Senators GRASSLEY and LEVIN to the FTC authorization bill applying to FTC, and also the Consumer Products Safety Commission. But it would not be generic. It would be limited to those two.

Mr. GRASSLEY. Mr. President, will the Senator yield to me?

Mr. DOLE. If this is offered, I will move to table.

Mr. BYRD. Mr. President, on that assurance by the distinguished majority leader, I have no objection.

Mr. GRASSLEY. Will the Senator yield?

Mr. KASTEN. I am pleased to yield to the Senator from Iowa.

Mr. GRASSLEY. Is there any reason why—if this is the procedure and tomorrow would be the time—you cannot take this bill up today to the point through all of the debate except the final vote, let it lay over to be the first order of business tomorrow, and if there is some sort of agreement on it to add it at that point as a separate item to the FTC when it comes up as a following bill? Is there any reason why that cannot be done? You want to accomplish something between now and 6:30. That is very legitimate.

I would like to have you take into consideration what unknown amount of time might have been accomplished already in shortening the debate on this issue as a result of the work which Senator LEVIN and I have done on this compromise to this point. Whatever unknown amount of time that is, I would like to have that be taken into consideration.

Mr. KASTEN. Mr. President, I will say to the Senator that it is my understanding that we are going to try to finish this bill tonight, because we want to put it behind us. That is the hope of the majority leader. So we will consider the Simon amendment—and I understand the Senator from Missouri may have an amendment to that amendment. We will go in that direction. But it is my hope, too, and the hope of the majority leader, to finish this bill because the debate on the legislative veto amendment is going to be a long and protracted debate. The distinguished Senator from Kentucky, the ranking member of the Consumer Subcommittee, has assured me of that. So it is our hope that we can put the Consumer Product Safety Commission reauthorization issue behind us. Then we can deal with the legislative veto question applying to the Consumer Product Safety Commission and the FTC, if that is the desire—to use the vehicle of the FTC reauthorization bill to do that.

Mr. FORD. Mr. President, will the distinguished Senator yield?

Mr. KASTEN. I am pleased to yield.

Mr. FORD. Mr. President, I will not agree to any time limit as it relates to legislative veto amendments. I will put that up front so that everyone will understand. If you want to go with the legislative veto on this particular legislation tomorrow, unless the majority leader agrees to table it, then I will object to any kind of time agreement.

Mr. GRASSLEY. Mr. President, will the Senator yield?

Mr. KASTEN. I am pleased to yield to the Senator.

Mr. GRASSLEY. What we are also dealing here implicitly is not only letting this bill go through clean as an understanding but there is a commitment made—is there not—that there will be a motion to table, as per the recent statement, any legislative veto?

Mr. FORD. No. The distinguished Senator misunderstood me on this particular piece of legislation. Now, if a move to table comes up tonight—the motion is made to table it—that suits me fine. Otherwise, you do not have a time agreement tonight. You will not get one tomorrow on the Consumer Product Safety Commission as it relates to legislative veto. It is another thing on the Federal Trade Commission. I may take that same position on the Federal Trade Commission legislation as it relates to legislative veto. But tonight, unless the majority leader moves to table, there is no way for you to move it expeditiously.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 1077) to amend the Consumer Product Safety Act (15 USC 2051 et seq.) to provide authorization of appropriations, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Commerce, Science, and Transportation, with an amendment:

On page 2, line 17, strike "adding at the end thereof", and inserting immediately after paragraph (9)"

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Consumer Product Safety Commission Authorization Act of 1985".

DISCLOSURE TO CONTRACTORS

SEC. 2. Section 6(a)(8) of the Consumer Product Safety Act (15 U.S.C. 2055(a)(8) is amended by striking "or employees' and inserting in lieu thereof ", employees or representatives of the Commission (including contractors)".

CHRONIC HAZARD ADVISORY PANEL

SEC. 3. Section 28(b)(1) of the Consumer Product Safety Act (15 U.S.C 2077(b)(1)) is amended by inserting "that may be the subject of the Panel's investigation" immediately after "product".

AUTHORIZATION OF APPROPRIATIONS

SEC. 4. Section 32(a) of the Consumer Product Safety Act (15 U.S.C. 2081(a)) is amended—

(1) by striking "and" at the end of paragraph (8);

(2) by striking the period at the end of paragraph (9) and inserting in lieu thereof a semicolon; and

(3) by inserting immediately after paragraph (9) the following:

"(10) $35,000,000 for the fiscal year ending September 30, 1986; and

"(11) $35,000,000 for the fiscal year ending September 30, 1987.".

Mr. KASTEN. Mr. President, I am pleased to bring before the Senate today, S. 1077, the Consumer Product Safety Commission Authorization Act of 1985, which was reported unanimously by the Senate Commerce Committee on May 16.

The last Consumer Product Safety Commission Authorization Act expired at the end of the 1983 fiscal year. During the last session, the Senate passed a new reauthorization bill, S. 861, but it was later stalled as a result of controversy over the legislative veto. The bill before us today is identical to S. 861, as passed by the Senate, except that this new bill does not contain a legislative-veto provision.

In keeping with efforts to reduce the budget deficit, this bill authorizes the Consumer Product Safety Commission at $35 million for each of the next 2 years—$1 million less than current authorization for the Commission. In addition to the authorization, the bill includes two provisions which will improve Commission procedures. The first change will allow the Commission to disclose product hazard information to Commission contractors without first requiring Commission verification of the accuracy of that information. The second change relaxes the conflict-of-interest criteria for members of the Commission's chronic hazard advisory panels. Neither of these changes was controversial when the Senate approved the last Consumer Product

Safety Commission authorization bill in 1983.

Mr. FORD. Mr. President I support S. 1077, the CPSC Authorization Act of 1985. This bill reauthorizes the CPSC for 2 years—fiscal years 1986 and 1987. The authorization level for both years is $35 million. I am not sure that $35 million is enough, but I am certain that anything less would prevent the CPSC from carrying out its mandate of protecting the American people from death and injury due to unreasonably dangerous consumer products. OMB had originally proposed $25 million for fiscal year 1986, then came back with $33.7 million. The administration wanted to abolish this agency in 1981 and when we defeated that plan it seems that now they decided to starve it to death. I am pleased that Senator KASTEN has decided not to let that happen and is proposing an authorization at the same level as in the last authorization. This amount represents not a freeze, but a $1 million cut from the CPSC's 1985 appropriation.

This agency's budget and staff have been slashed by over one-third in the last 5 years. In fiscal year 1974, the CPSC's first annual budget was almost $31 million. Now 12 years later, the fiscal year 1986 proposed budget represents a decrease in real dollar terms of over 50 percent. No other Federal health and safety agency has sustained cuts of this magnitude—not the EPA, not OSHA, not the FDA, or the FTC.

The CPSC is an agency with an important mission and with many tools available to it to carry out that mission. However, if the agency does not have the money or the staff to use those tools it cannot protect the public adequately from unsafe products. In 1983, the Consumer Federation of America estimated that in the 12 years of the Commission's existence there have been 5 million fewer deaths and disabling injuries in household accidents and a total economic savings of $14.4 billion. A Roper Poll, released in August 1984, showed that the CPSC was one of the most highly regarded Federal agencies covered by the survey. The American public gave the CPSC a positive rating of 78 percent.

Clearly, the Commission has an important role to play in our society. But to serve the American public effectively, it must have the resources to not only investigate accidents after the fact, but to prevent them from happening.

The CPSC has not had authorization legislation since 1981. It is important that we enact such legislation this year.

I urge my colleagues to vote in favor of S. 1077.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

AMENDMENT NO. 539

(Purpose: To provide for amusement park safety)

Mr. SIMON. Mr. President, I send an amendment to the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Illinois [Mr. SIMON] proposes an amendment numbered 539.

Mr. SIMON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following new title:

TITLE II—AMUSEMENT PARK SAFETY

SEC. 201. SHORT TITLE, REFERENCE.

(a) SHORT TITLE.—This title may be cited as the "Amusement Park Safety Act".

(b) REFERENCE.—Whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Consumer Product Safety Act.

SEC. 202. DEFINITION.

(a) DEFINITION OF AMUSEMENT RIDE.—(1) Section 3(a)(1) (15 U.S.C. 2052(a)(1)) is amended by striking out the first two sentences following subparagraph (I).

(2) Section 3(a) is amended by adding at the end of the following:

"(15) the term 'amusement ride' means any device which carries or conveys passengers along, around, or over a fixed or restricted route or course or within a defined area for the purpose of giving its passengers amusement and which is customarily controlled or directed by an individual who is employed for that purpose and who is not a consumer with respect to such device. An amusement ride which is not permanently fixed to a site is a consumer product for purposes of this Act and an amusement ride which is permanently fixed to a site—

"(A) is not a consumer product for purposes of sections 7 and 8, and

"(B) is a consumer product for the remainder of the Act.

"(16) The term 'amusement ride operator' means the owner of an amusement ride.".

(b) CONFORMING AMENDMENT.—Section 3(a)(1)(I) is amended by striking out ". The term 'food', as used in this subparagraph means all 'food' ".

SEC. 203. PUBLIC DISCLOSURE OF INFORMATION.

Section 6(b) (15 U.S.C. 2055(b)(1)) is amended—

(1) in the first sentence of paragaph (1) by striking out "the Commission shall" through the end of the sentence and inserting in lieu thereof the following: "the Commission shall, to the extent practicable, notify and provide a summary of the information to—

"(A) each manufacturer or private labeler of the consumer product, and

"(B) to each amusement ride operator who owns the amusement ride

to which the information pertains, if the manner in which such consumer product or amusement ride is to be designated or described in such information will permit the public to ascertain readily the identity of such manufacturer, private labeler, or amusement ride operator and shall provide such manufacturer, private labeler, or amusement ride operation with a reasonable opportunity to submit comments to the Commission regarding such information."; and

(2) in the second and third sentences of paragraph (1) and in paragraphs (2) and (3), by striking out "or private labeler" each place it occurs and inserting in lieu thereof ", private labeler, or amusement ride operator".

SEC. 204. NOTIFICATION AND REMEDIES.

(a) NOTIFICATION OF COMMISSION.—Section 15(b) (15 U.S.C. 2064(b) is amended by adding at the end the following: "Each amusement ride operator who obtains information which reasonably supports the conclusion that the amusement ride the operator owns contains a defect which could create a substantial product hazard described in subsection (a)(2) shall provide the information required by the preceding sentence.".

(b) REPAIR, REPLACEMENT, REFUND.—Section 15(d) of such Act is amended—

(1) by inserting after "of such product" in the first sentence the following: "or the amusement ride operator if the product is an amusement ride"; and

(2) by inserting before ", or from doing" in the last sentence the following: ", from operating an amusement ride if the product involved is an amusement ride".

SEC. 205. INSPECTION.

Section 16(a) (15 U.S.C. 2065(a)) is amended by striking out "and" at the end of paragraph (1), by striking out the period before the last sentence in paragraph (2) and inserting in lieu thereof "; and", by striking out the last sentence, and by adding after paragraph (2) the following:

"(3) to inspect, at reasonable times and in a reasonable manner—

"(A) amusement rides which are not permanently fixed to a site, and

"(3) amusement rides which are permanently fixed to a site if the State or political subdivision in which the ride is located does not have authority to inspect the ride or if the ride was involved in a fatality or a personal injury requiring hospitalization.

Each such inspection shall be commenced and completed with reasonable promptness.".

SEC. 206. REGULATIONS.

The Consumer Product Safety Commission shall issue regulations for the administration of section 15 of the Consumer Product Safety Act, as amended by section 204, not later than six months after the effective date of this title.

SEC. 207. EFFECTIVE DATE.

The amendments made by this title shall take effect October 1, 1985.

Mr. SIMON. Mr. President, I have offered an amendment which I think is important. It goes to the fundamental issue, and that is whether we are going to be responsive to the public or to a varied private interest. My amendment says that the Consumer Product Safety Commission—which until 1981 had jurisdiction to inspect permanent amusement rides in this country—jurisdiction be restored with the exception that any State that has inspec-

tion or if a local governmental unit has an inspection, then the Federal Government would not get involved. It is no try for Federal power, but it is an intent to protect the public. This summer roughly 200 million people in this Nation are going to go to the permanent amusement parks, and most of the parents are going to assume that those rides are inspected. Unfortunately, in 26 States those rides will not be inspected.

I first got interested because back a couple of years ago three boys were on a ride in the State of Illinois. There was an accident. They were hospitalized, and I discovered there was no inspection. How did we lose inspection? You remember that massive Reconciliation Act of 1981, a monstrous thing that I am pleased to say I voted against, but tacked in that bill without the knowledge of most of us—there were a few people who knew—was the withdrawal of the authority of the Consumer Product Safety Commission to inspect rides. So I want to restore that. I want to see that the public has some protection.

I am pleased to say that my amendment is endorsed by all three major consumer groups: Consumer Federation of America, Consumer Union, and Congress Watch. My amendment does basically three things: No. 1, authorizes inspection; two, there would be a clearing house so that if defects are found in rides anywhere in the Nation, if the defect is found in the State of Kentucky, it will be reported to Washington, and in the State of Wisconsin or any other State they could know about it; third, there be post-accident inspection authority.

What I want is this amusement ride industry treated as any other industry.

Of course, some Senators have received mail from the amusement ride industry that they do not want to be inspected. Of course they do not want to be inspected. No industry wants to be inspected. Every industry from time immemorial has resisted inspection.

This is not an industry that is suffering. This is an industry that is growing.

Let me read a couple of sentences from the Wall Street Journal.

Consumers are in the mood to splurge on fun, says Astrodome in Houston. Traffic has picked up 20 percent at Frontier City, Oklahoma. In California, Disneyland sees an excellent chance of setting its highest yearly attendance record since 1980.

Let me add this: In the last 4 years since we have taken off inspections, injuries have doubled.

I say to this body that here is an area where the issues are clear cut. I do not want to have to say to some paralyzed child somewhere, "Sorry, we did not want to provide inspection protection for you because the industry did not want it."

There are a number of newspaper endorsements of my amendment. I know of not a single newspaper endorsement anywhere on the other side.

Mr. President, I ask unanimous consent that Senator LAUTENBERG, Senator METZENBAUM, and Senator EAGLETON be added as cosponsors.

The PRESIDING OFFICER (Mr. GORTON). Without objection, it is so ordered.

Mr. SIMON. I read from a letter in the Wall Street Journal of July 18, 1984, last year. Nancy Harvey Steorts, who was then the chairman of the Consumer Product Safety Commission, wrote in support of their coverage of amusement rides. Incidentally, she is an appointee of President Reagan. She writes in response to Commissioner Terrence Scanlon, who I regret to say is now the chairman of the Consumer Product Safety Commission, and who has written they should not have that authority.

The mission of the U.S. Consumer Product Safety Commission is directly and clearly related to such problems. Let us look at them.

There were nearly 10,000 amusement-ride injuries treated in emergency rooms last year, almost double the number for 1980.

Ten people have already died as a result of amusement-ride accidents this year, exceeding the annual average for the past 10 years, and, the season is still young.

Some 26 states have no amusement-ride legislation or regulation; and there are wide variations in the 24 states which do have regulations.

I will skip some of it that simply reinforces what she has to say.

The legislation would allow the Commission to work cooperatively with the industry and state and local governments in the development of standards for design, operation and maintenance of amusement rides; investigate accidents and consumer complaints; implement corrective action; require manufacturers to report in a timely fashion any hazards of which they are aware; . . .

The Commission would approach this problem in the cooperative non-confrontational spirit which has characterized its activities under the Reagan administration. If we are permitted to work together with the industry and other levels of government, the problem will be solved—and the consumer will benefit.

That is the Reagan appointee who served as chair of the Consumer Product Safety Commission talking about my amendment.

Incidentally, I also ask unanimous consent that Senator KERRY be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SIMON. Mr. President, I ask unanimous consent to have printed in the RECORD the full letter to which I just referred.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AMUSEMENT RIDES ARE OUT OF CONTROL

Re Commissioner Terrence M. Scanlon's article (editorial page, July 11) on amusement-ride safety regulation:

The mission of the U.S. Consumer Product Safety Commission is directly and clearly related to such problems. Let us look at them.

There were nearly 10,000 amusement-ride injuries treated in emergency rooms last year, almost double the number for 1980.

Ten people have already died as a result of amusement-ride accidents this year, exceeding the annual average for the past 10 years, and, the season is still young.

Some 26 states have no amusement-ride legislation or regulation; and there are wide variations in the 24 states which do have regulations.

The Commission has jurisdiction only over mobile amusement rides such as those in traveling carnivals. Since 1981, it has had no authority over fixed-sites rides at theme and amusement parks.

Because there is no consistency of safety standards for fixed-site rides from state to state, the consumer has no way of knowing the level of safety on any particular ride.

As Chairman of the Commission, I feel strongly that we cannot simply "look the other way" when an apparent hazard such as this presents itself. This is a nation of informed consumers who expect their Federal government to respond to such problems.

Two such responses are bills introduced in Congress this session to restore the Commission's authority over fixed-site rides. If one of these bills were passed, it would not mean that hordes of federal inspectors would suddenly descend on our amusement parks. It would simply set into motion a process leading to implementation of consistent, effective standards.

The legislation would allow the Commission to work cooperatively with the industry and state and local governments in the development of standards for design, operation and maintenance of amusement rides; investigate accidents and consumer complaints; implement corrective action; require manufacturers to report in a timely fashion any hazards of which they are aware; and impose fines up to $500,000 for failure to do so.

The Commission would approach this problem in the cooperative non-confrontational spirit which has characterized its activities under the Reagan administration. If we are permitted to work together with the industry and other levels of government, the problem will be solved—and the consumer will benefit.

NANCY HARVEY STEORTS,
Chairman,
Consumer Products
Safety Commission.

Washington, DC.

Mr. SIMON. The present chairman of the Commission is opposed to this amendment. How he can feel he is protecting the public by opposing this, I do not know. I do not know how many more children have to die, have to be injured, before we do what we should do.

The Consumer Product Safety Commission reported on August 12 of last year that there were 61 deaths on amusement rides from 1973 through 1981.

Right now, under current law, a hazardous amusement ride, which is permanently fixed at an amusement or theme park site is, in many cases, totally without any kind of inspection

whatsoever. No one can convince me that is in the public interest.

Last year there were 10,687 amusement park related injuries that we know about. How many we do not know about I cannot guess. In 1984, 12 people died in permanent amusement parks.

I see my good friend from Missouri, Senator DANFORTH, is on the floor. I have great respect for him. This is one of those occasions where he and I differ slightly. I would point out that one of the newspapers in commenting editorially on this question is the St. Louis Post Dispatch which said,

Mr. Simon's bill supports consumers and insofar as it bolsters consumer confidence in the amusement park industry deserves the support of the industry as well as consumers. Mr. Danforth's bill does not.

I ask unanimous consent that there be printed in the RECORD a list of some of the major accidents that have occurred in the last 4 years in permanent amusement parks.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

AMUSEMENT PARK ACCIDENTS—1980 TO 1984

1984

June 2: NEW JERSEY AMUSEMENT PARK—Fatal fire inspires Pennsylvania lawmakers to tighten reins on thrill rides.

May 30: GURNEE, ILLINOIS—GREAT AMERICA—Three boys plunged 60 feet to the ground on the ride called "The Edge" during the car's ascent to the top. Accident occurred on May 22, 1984.

May 28: ATLANTA, GEORGIA—Miniature airplanes crashed into one another stranding riders aloft. Thirty-three riders experienced bruises and sprains.

May 26: PONTIAC, ILLINOIS—One person died of multiple injuries approximately fifteen minutes after an accident on a carnival ride.

May 14: HERSHEY, PENNSYLVANIA AT HERSHEY PARK—Two children were thrown from the ride, the "Timber Rattler." Park officials claimed that there were no mechanical problems with the ride.

April 27: CONWAY, SOUTH CAROLINA—Magic Harbor Amusement Park—A 13-year old girl was killed when thrown from the "Black Witch" roller coaster ride at Magic Harbor Amusement Park on April 3, 1984.

March 20: SARASOTA FLORIDA—Sarasota County Fair—Fourteen people were hurled off a ride at Sarasota County Fair; they suffered minor injuries.

Feb. 15: SANTA ANA, CALIFORNIA—Disneyland—A 48-year old woman was killed on Disneyland's Matterhorn bobsled ride as it proceeded down the manmade mountain.

Jan. 24: SANTA ANA, CALIFORNIA—Knott's Berry Farm—A boy was crushed beneath the wheels of a stagecoach at Knott's Berry Farm.

1983

Dec. 30: WILD WORLD AMUSEMENT PARK (LARGO, MARYLAND)—Parents filed a suit against operators of Largo Theme Park after their child drowned at Wild World Amusement Park. Park officials denied that the machine that generates waves was not operating at the time of the accident.

Nov. 10: FARMINGTON, UTAH—LAGOON PARK—A teen is suing for $11 million after losing an arm while working on Lagoon Park's ride, "Colossus."

Oct. 31: SANTA ANA, CALIFORNIA—Knott's Berry Farm—A teen climbed out on the safety rail of a "parachute ride" gondola at Knott's Berry Farm Amusement Park and fell more than 100 feet to his death.

Sept. 11: DOSWELL, VIRGINIA—A youth sat alone on the back of a four-seat car of a roller coaster when an accident occurred.

Sept. 6: AGAWAM, MASSACHUSETTS—Riverside Amusement Park—Seven people riding on a roller coaster, called the "Cyclone Coaster," in the Riverside Park suffered minor injuries when a set of cars ran into the rear of the "Cyclone Coaster."

Aug. 28: RYE, NEW YORK—Rye Playland—A woman was slightly injured when she was thrown from a car on a high-speed ride at Rye Playland owned by Westchester County.

July 30: HOUSTON, TEXAS—Astroworld Amusement Park—A roller coaster plummeted backward off its tracks at Astroworld Amusement Park during a safety test killing one person and injuring three others. Cause of accident: a safety mechanism had been bypassed.

May 15: KINGS ISLAND, OHIO—A boy was killed after he fell from the "Eiffel Tower."

April 4: SURFSIDE BEACH, SOUTH CAROLINA—Magic Harbor Amusement Park—A girl fell from a ride and died shortly thereafter.

March 24: SANTA ANA, CALIFORNIA—Disneyland—A young man fell from Disneyland's Space Mountain ride and was seriously injured.

1982

TRENTON, NEW JERSEY—Vernon Valley Action Park—A man was electrocuted last summer in an amusement park water ride. Tests of a pump in the White Water Kyak ride three days after the fatal accident had found an electrical leak of nine amps.

July 23: ANNISTON, ALABAMA—A Jacksonville man was injured in an accident at Six Flags over Georgia. Possibility of broken vertebra and a bruised stomach.

July 21: GRAND PRAIRIE, TEXAS—Whitewater Amusement Park—Thirteen children were treated for exposure to poisonous chlorine gas. Officials at the park installed a safety feature in the children's pool to prevent similar accidents.

June 15: LAKE BUENA VISTA, FLORIDA—Walt Disney World—An 18-month-old child was killed when she fell from a seven-car train.

June 12: SANTA CLARA, CALIFORNIA—Marriott's Great America—The Whizzer roller coaster ride was closed twice when accidents ended in the death of a boy (May, 1980) and injuries to about 24 riders. Worn tires were said to be the cause of the accidents.

May 30: OCEAN CITY, MARYLAND—A man was seriously injured when he fell from high atop an amusement park ride and tumbled via the machinery before landing on the ground.

Feb. 28: ALBUQUERQUE, NEW MEXICO—A 14-year-old boy died in a racing accident while driving one of the cars.

1981

Sept. 8: WILDWOOD, NEW JERSEY—A girl had part of her scalp torn away after her pigtails tangled in the park's machinery on "one of the safest rides" in the amusement part. She and her parents entered a tunnel on the boat before the accident occurred.

Sept. 6: KENOSHA, WISCONSIN—A three-year-old boy died of head injuries he suffered when thrown from an amusement park ride at a county fair.

Aug. 27: CAMDEN, NEW JERSEY—Ocean County Amusement Park—A 20-year-old ride operator fell 42 feet to his death from a roller coaster at Great Adventure, a large Ocean County amusement park.

Aug. 26: SANDUSKY, OHIO—Cedar Point Amusement Park—A young man and woman were treated for minor injuries when the "Corkscrew" ride malfunctioned.

Aug. 11: ORANGE, CALIFORNIA—Seven teenagers suffered minor cuts when a hole developed on a 68 foot water slide.

July 31: ORLANDO, FLORIDA—Disneyworld—A woman drowned in a canal while trying to find her car in a dark parking lot at Disney

July 20: BRISTOL, CONNECTICUT—Lake Compounce Amusement Park—A teenager died from injuries she sustained when she fell from a roller coaster.

July 9: TRAVERSE CITY, MICHIGAN—A 14-year-old deaf boy was critically injured in a freak accident on a ride at a Northern Michigan resort. He went into a coma shortly after the accident.

June 9: GURNEE, ILLINOIS—Marriott's Great America—A gas leak near two "flume rides" sent 53 people to area hospitals.

May 24: IRONDEQUOIT, NEW YORK—Sea Breeze Park—A 14-year old girl was killed when she got off the ride.

1980

Aug. 30: DALLAS, TEXAS—The Swiss Sky Ride fell, killing one person and injuring 17 others.

Aug. 20: SHREVEPORT, LOUISIANA—Failure of a hydraulic valve caused an amusement park ride called the "YO-YO" to drop about 12 riders to the asphalt below.

Aug. 17: DENVER, COLORADO—Elitch Gardens Amusement Park—A coaster train ran into the back of another train that had been stopped by a fallen tree limb.

July 13: AGAWAM, MASSACHUSETTS—Riverside Amusement Park—More than 20 people suffered bumps and scratches when the "Round-up Ride" made a hard landing.

July 2: MEMPHIS, TENNESSEE—East Memphis Amusement Park—A girl was paralyzed after a water slide collapsed. The cause was attributed to too many youngsters crowding onto a flume designed to hold no more than two people at one time.

June 7: ANAHEIM, CALIFORNIA—Disneyland—A young man was killed when he climbed from a moving car of an elevated train and was struck by another car from the opposite direction.

May 28: ST. LOUIS, MISSOURI—Six Flags—A tram collapsed killing a 12-year-old girl.

Mr. SIMON. Let me just add finally, Mr. President, no industry—and let me underline that, no industry—ought to be without inspection. To have an industry where 200 million people, most of them children, will go into those parks this year and next year and to say, "Sorry, we are not going to see that you have any inspection," simply does not make sense. It is inviting abuse.

What about the cost? you may ask. First of all, if you look at the cost in terms of a life or a paralyzed child, something like that, that is one way. But I would point out that CBO has estimated that the cost of this, since you are using personnel that the Consumer Product Safety Commission has already, will be less than $10,000 a year.

I say to my colleagues this is an issue which is fairly clearcut, and I hope we will have the good sense to adopt this amendment and protect the public. I urge its adoption.

Mr. DANFORTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

AMENDMENT NO. 540 TO AMENDMENT NO. 539

(Purpose: To add provision regarding amusement ride safety.)

Mr. DANFORTH. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Missouri [Mr. DANFORTH] proposes an amendment numbered 540 to amendment numbered 539.

Mr. DANFORTH. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In lieu of the matter proposed to be inserted by amendment No. 539, insert the following:

NATIONAL COMMISSION ON AMUSEMENT RIDE SAFETY

SEC. .(a) The Congress finds that—

(1) the occurrence of amusement ride accidents in recent years has prompted inquiry into the necessity and desirability of Federal legislation to regulate the amusement ride industry;

(2) the regulation of such rides has traditionally been the responsibiiity of State and local governments and of the amusement ride industry;

(3) it is uncertain whether any Federal agency has sufficient resources or expertise to regulate the amusement ride industry;

(4) Federal involvement in the inspection and regulation of amusement rides could be costly and inefficient;

(5) voluntary comprehensive ride safety standards have been promulgated by the American Society of Testing and Materials and such standards should be evaluated by the Federal Government; and

(6) a temporary Commission to review the scope and adequacy of safety regulations and standards in the amusement ride industry could clarify the need, or lack of need, for Federal legislation regarding amusement ride safety.

(b)(1) There is established a National Commission on Amusement Ride Safety (hereinafter referred to as the "Commission").

(2) The Commission shall be composed of five members as follows:

(A) the Director of the National Bureau of Standards, who shall be chairman of the Commission;

(B) the Chairman of the Consumer Product Safety Commission (or the Chairman's designee), who shall be vice chairman of the Commission; and

(C) three members to be appointed by the President as follows:

(i) one from among State officials who administer State amusement ride safety inspection programs;

(ii) one from among professionals in the amusement ride industry who have education, training, or experience in amusement ride safety matters; and

(iii) one from among persons who represent consumers.

(3) Any vacancy in the Commission shall not affect its powers.

(4) Three members of the Commission shall constitute a quorum.

(c)(1) The Commission shall conduct a comprehensive investigation of the scope and adequacy of safety measures employed to protect the public from unreasonable risks of injury from amusement rides. Such investigation shall include a review of—

(A) Federal, State, and local laws regulating the amusement ride industry;

(B) existing voluntary comprehensive amusement ride safety standards; and

(C) self-regulation mechanisms within such industry.

(2) Such investigation shall determine for each law, standard, and self-regulation mechanism reviewed under paragraph (1)(A) through (C) of this subsection—

(A) the scope of its coverage;

(B) the effectiveness of any available sanctions or enforcement mechanisms; and

(C) the adequacy of powers to investigate violations.

In addition, the investigation shall determine the uniformity of application and quality of enforcement of the reviewed laws, standards, and self-enforcement mechanisms.

(3) As soon as practicable after the date of enactment of this Act, the Commission shall publish in the Federal Register an announcement of the investigation described in paragraph (1) of this subsection, and shall afford an opportunity for any interested persons to submit views on the subject of the investigation.

(4) The Commission may transmit to the President and to the Congress such interim reports as it considers advisable, and shall transmit its final report to the President and to the Congress not later than eighteen months after the date of enactment of this Act. The final report shall contain a detailed statement of the findings and conclusions of the Commission with respect to the adequacy of existing amusement ride safety standards and regulations, together with such recommendations for legislative, administrative, or other action as it considers appropriate.

(d)(1) The Commission may, for the purpose of carrying out this section, hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Commission considers appropriate. The Commission may administer oaths or affirmations to witnesses appearing before it. In holding such hearings, the Commission, upon a vote of a quorum of its members, may—

(A) order any corporation, business, or individual to submit, within a reasonable period, such reports or answers to questions as the Commission may request, in such form and such manner as the Commission may prescribe;

(B) require by subpoena the attendance and testimony of witnesses and the production of any evidence relevant to the execution of its duties; and

(C) order any person to give testimony by deposition to any person designated by the Commission to administer oaths and to take such deposition.

(2) The Commission shall publish notice of any proposed hearing in the Federal Register and shall afford a reasonable opportunity for interested persons to present relevant testimony and data.

(3)(A) If a person issued a subpoena under paragraph (1)(B) of this subsection refuses to obey such subpoena or is guilty of contumacy, any court of the United States within the judicial district within which the hearing is conducted or within the judicial district within which such person is found or resides or transacts business may (upon application of the Commission) order such person to appear before the Commission to produce evidence or to give testimony relating to the matter under investigation. Any failure to obey such order of the court may be punished by such court as a contempt thereof.

(B) Subpoenas of the Commission shall be served in the manner provided for subpoenas of a district court under the Federal Rules of Civil Procedure for the district courts of the United States.

(4) The Commission may request from any department, agency, or independent instrumentality of the Federal Government any information it considers necessary to carry out its functions under this section. Each such department, agency, or independent instrumentality shall cooperate with the Commission and, to the extent permitted by law, shall furnish such information to the Commission.

(6) The Commission may delegate any of its functions to individual members of the Commission.

(e)(1) Members of the Commission shall serve without compensation.

(2) While away from their homes or regular places of business in the performance of services for the Commission, members of the Commission shall be reimbursed for travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons employed intermittently in the Government service.

(f)(1) The Commission may appoint and fix the compensation of a staff director who shall be paid an amount not to exceed the minimum rate of basic pay payable for level GS-15 of the General Schedule pursuant to section 5332 of title 5, United States Code.

(2) The head of any Federal agency may detail, on a reimbursable basis, any of its personnel to assist the Commission in carrying out its duties under this section.

(3) The Commission shall cease to exist upon submitting its final report required under subsection (c)(4) of this section.

INVESTIGATION OF CERTAIN ACCIDENTS

SEC. 6. (a) The National Bureau of Standards of the Department of Commerce may investigate any accident involving an amusement ride at a fixed site amusement park if—

(1) such accident caused death or serious personal injury, or could have caused death or serious personal injury;

(2) an appropriate authority of State or local government requests, in writing, that the Secretary of Commerce conduct such investigation; and

(3) the Secretary of Commerce makes a determination to conduct such an investigation.

(b) Upon conclusion of such an investigation, the National Bureau of Standards shall issue a final accident report containing its findings, conclusions, and recommendations. Such report shall include—

(1) findings of the causes of the accident, including a scientific and technological examination of the material, physical, and chemical conditions that contributed to the accident;

(2) recommendations for actions or procedures which could have prevented the accident; and

(3) recommendations for actions or procedures to prevent similar accidents.

(c) The National Bureau of Standards shall transmit a copy of any such report to—

(1) the authority of State or local government which requested such investigation; and

(2) any other appropriate person or organization, as determined by the Secretary of Commerce.

(d) Nothing in this section shall be construed to limit or affect any existing authority of the Secretary of Commerce.

(e) The provisions of section 8 of the National Bureau of Standards Authorization Act for Fiscal Year 1983 (15 U.S.C. 275b) shall not apply to any service performed pursuant to this section.

(f) The provisions of this section shall be effective until Congress enacts legislation regarding amusement ride safety in response to the report submitted by the Commission under section 5 of this Act.

Mr. DANFORTH. Mr. President, first, I would like to compliment the Senator from Illinois for his initiative and his leadership in addressing the problem of amusement park accidents. My quarrel with the Senator from Illinois is not that he is not addressing an important subject. He is. Clearly, when people are being injured and lives are being lost, we should be attentive.

The issue between us is not whether we should address this problem, but how we should address this problem.

What I have just sent to the desk is an amendment which would substitute for the Simon amendment and approach this issue in a somewhat different fashion.

The amendment that I have sent to the desk is patterned after a bill which has been introduced in the Senate with the cosponsorship of Senators GORE, BUMPERS, KASTEN and EVANS.

The thrust of the amendment that I have offered is as follows: It establishes a commission which is required to conduct an 18-month study, an investigation of the scope and adequacy of safety measures employed to protect the public from unreasonable risks of injury from amusement rides. The commission would be given the authority to hold hearings and to subpena witnesses. Interested parties would be given the authority to submit their views. At the end of the 18-month period, the commission would present a final report of its findings and recommendations to the President and Congress.

The commission would be composed of five members: the Director of the National Bureau of Standards, who would be the Chairman; the Chairman of the Consumer Product Safety Commission, who would be the Vice Chairman; and three others to be appointed by the President. The three Presidential appointees are to be State officials who administer the amusement ride safety programs, an industry safety expert, and a representative of consumer groups.

During the interim period of time, prior to an analysis by the commission as to the best approach for us to follow, the amendment would provide that the National Bureau of Standards would have authority to investigate serious accidents involving rides at fixed-site amusement parks if such an investigation is requested by the appropriate State or local authority. This authority would remain in effect until Congress enacts ride safety legislation in response to the commission's study.

Mr. President, here is the problem with the Simon amendment: right now, the Consumer Product Safety Commission has the authority to go in and inspect rides in mobile amusement parks—mobile rides. For the past 12 years, the Consumer Product Safety Commission has never, never exercised that responsibility. If the Commission has the authority with respect to mobile rides and has not used it in 12 years, what is the basis for our believing that it will use it for fixed rides?

The Consumer Product Safety Commission and the administration oppose the Simon amendment. The Consumer Product Safety Commission takes the position that it has other matters on its agenda of things that it thinks it should be doing, which it believes should take priority. It says that it does not have the manpower and it does not have the funds to undertake an inspection service for all the fixed-ride programs in the country.

Beyond the practicality, Mr. President, is the basic underlying question of how ready we in Washington should be to dispatch inspectors from a Federal agency throughout the countryside. Some of the States presently have inspection services, regulatory agencies dealing at the State level with the amusement park question.

Mr. SIMON. Will the Senator yield?

Mr. DANFORTH. I shall be happy to yield in just a minute.

Some of the States already provide this service, but how ready should we in Washington be to make the judgment right here, on the floor of the Senate, contrary to the opinion of the Consumer Product Safety Commission, that it should use some of its manpower and it should use some of its resources to provide this roving inspection service? Where possible, Mr. President, where feasible, should not our basic predisposition in Congress be that regulation should be done at the local level and at the State level if it can be effectively done at that place?

The point of the commission which would be set up for the 18-month period of time is not just a dead-letter something by yet another commission study. The point of having the commission is to determine, is this the place for the Federal Government to get into the act? Should we not wait for some expert advice before the Consumer Product Safety Commission or some other agency does this? In the meantime, the amendment that I have just sent to the desk would provide a role for the National Bureau of Standards.

Why the National Bureau of Standards? Mr. President, the Consumer Product Safety Commission has no expertise in the engineering problems dealing with amusement parks, zero. The Consumer Product Safety Commission has no personnel with the kind of expertise necessary to make the engineering analysis on what kinds of rides in amusement parks are dangerous and what are not.

The problem with amusement parks, Mr. President, is unlikely to be fixed by having amateur inspectors, badges on their shirts, combing the countryside for who knows what? The problem in the amusement parks is an engineering problem. It requires expertise to determine what the issue is and what the problem is.

Mr. President, when the Hyatt Regency collapsed in Kansas City, MO, when the skywalks in the Hyatt Regency collapsed, it was not the Consumer Product Safety Commission that was asked to go in and make the study of the engineering cause of that collapse; it was the National Bureau of Standards. The National Bureau of Standards is the place with the expertise. Those are the people who should be called in.

What we are saying is not only should the National Bureau of Standards and not the Consumer Product Safety Commission be called in; we say they should be called in at least during this interim period of time before we hear from the Commission as to what course we should follow, that they should be called in at the invitation of State and local governments. We are saying that, unless proven to the contrary, State and local governments are able to function in this area and that we in Washington should not be dispatching inspectors throughout the countryside.

How many of these fixed sites are there, I am not sure. Somebody on the floor probably has that number. But do we really want the resources of the Consumer Product Safety Commission to be used to send inspectors around to

look at the kinds of problems that probably cannot be detected by the naked eye? I doubt it.

So, Mr. President, again, I compliment the Senator from Illinois for his initiative and his interest in this area. I do think that it deserves attention, but I do not think that we in Washington should be so ready to take over something which may be best done by State and local governments. In the meantime, I think we should at least have a healthy presumption in favor of State and local governments doing the job maybe even better than the job which can be done from Washington.

Now I shall be happy either to yield the floor or yield for a question, whichever the Senator from Illinois would like.

Mr. SIMON. Mr. President, I would like to speak in opposition to the amendment.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. SIMON. Mr. President, I ask for the yeas and nays on the Danforth amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. SIMON. Mr. President, with all due respect to my colleague, with whom I agree on so many issues, this is not a good amendment. Half of the speech of my colleague from Missouri almost was in favor of my amendment, because he said we ought to let State and local governments have the jurisdiction. And that is precisely what my amendment says.

Wherever State and local governments have jurisdiction, let them have it. But look at that map over there that Senator METZENBAUM is looking at right now. Those States in pink have no inspection whatsoever and parents sending their children to amusement rides in those States I believe think those rides are inspected.

Now, the Senator from Missouri offers us a commission of five people but let me point out that two of those five people are already on record as opposed to any Federal inspection or any mandated inspection whatsoever. If one of the three remaining is opposed to it, the public will get no protection whatsoever.

His amendment also says the Bureau of Standards should move in, and frankly I am not opposed to the Bureau of Standards doing it if we give them meaningful power. I tried to work out a compromise amendment with the Senator from Missouri, but we were unable to work out that amendment because I want whatever agency it is to have the authority to go in and inspect and protect the public. This amendment says they go in under two conditions: One, if there is an accident we go in afterwards, not to prevent an accident, and, No. 2, if State and local governments ask the Bureau to come.

Well, that is, with all due respect, an awfully anemic enforcement power. Probably every industry in this Nation would love to have that kind of inspection.

The amendment of the Senator from Missouri requires no report when defects are found in machines. My bill says let us have reports so that if something goes wrong in Missouri, we are going to find out about it in Ohio and Illinois and Wisconsin and Kentucky and the other States represented on this floor. Why not do this very, very simple thing that can provide protection to the public.

The Senator from Missouri says that the Consumer Product Safety Commission presently has jurisdiction over mobile rides, but they are not doing anything about it; why add this other jurisdiction?

There are two answers to that: First, mobile rides are generally inspected by State authorities, though even then, frankly, a lot of them are not safe. But the other part of this is that if people who operate rides know that they are going to be inspected, they are going to do a better job.

Let us face it. Some of these amusement parks are marginal operations financially, and so instead of doing what they should to give safety to the public, they cut corners and the public loses out.

Mr. President, I have the greatest respect for the Senator from Missouri, but this is an amendment that guts the enforcement provisions. It sets up a commission, a commission that is almost predisposed, because of its composition, to report back that the public does not need any more protection. We need another commission like we need a hole in the head. We know the facts right now. We ought to make the decision. My decision is on behalf of the people of this Nation.

I do not know of a single newspaper editorial anywhere that opposes my amendment. The consumer groups are united in support of it.

Mr. President, if you take a poll in your district, I do not care where you live—Kentucky, Wisconsin, Missouri, Ohio, anyplace else—99.9 percent of the people will want some kind of minimum inspection, and that seems to me not to be too much to ask. And again, we are not asking for a lot of Federal authority. We are saying that if any State has inspection authority, we will stay out. But if States do not do anything, the public is entitled to some kind of protection. That is not asking too much. So I urge the defeat of the Danforth amendment and the adoption of the Simon amendment.

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, there are two reasons that to me are preeminent as to why the Danforth amendment should not be adopted. The first one is that I do not think it is the way to solve the problem. If we are going to deal with the issue, we ought to deal with it directly. And second, Lord save me from another commission. I cannot think of anything we need less than a new commission. Every time we have a problem we want to deal with, we appoint a commission to investigate it. I certainly believe, as the Senator from Illinois, that this commission solution is no solution; it ducks the issue.

Mr. President, I am frank to say I am disappointed that my distinguished colleague from Missouri is the author of the amendment, because by and large I see him on the side of moving toward effective Government, not excessive Government, not a waste of Government funds, and yet here he comes with a commission creation that will waste money, do nothing to provide protection, and truly does not meet squarely the issue that concerns us.

There are 200 million people who every year visit the more than 500 amusement parks located throughout the country. I have to be frank and confess there is nothing more that I enjoy than going to an amusement park and riding the rides, as old as I am. And I like to have some feeling that when I am zipping around those corners up there on one of these loop-the-loops somebody is thinking about me. I do not want to think about the fact that there is a commission that is cogitating. I would much rather have the Consumer Product Safety Commission proceed to do that which they should, and if they are not doing that which they should at the present time under the law, that is not the reason to fail to give them additional authority. It is a reason that we ought to prod them and say we expect them to follow through with the law as it is written.

Now, there is a lot of fun and excitement for children and parents alike who visit amusement parks. I am frank to say I wonder how many of those 200 million persons realize that some of the parks they are visiting are not properly checked with respect to the safety of those rides.

I cannot understand why anybody would be opposed to the Simon amendment, of which as I understand I am already a cosponsor. I wonder how many who ride those rides realize that 4 years ago the amusement park industry won an exemption from the Consumer Product Safety Commission jurisdiction. Why? We spend more time providing exemptions from the

laws or repealing decent laws than seeing to it the people of this country obtain adequate protection.

The argument at the time the exemption was provided was that the States, not the CPSC, should regulate fixed site amusement parks. Today, Mr. President, as the Senator from Illinois has so ably pointed out, there are still 26 States where amusement parks are unregulated and uninspected by any public body. More than 50 percent. My State of Ohio has a ride inspection law, and that is reassuring news for thousands of Ohioans and others who come across the country to visit Cedar Point Amusement Park in Sandusky, OH. But what if those same Ohioans travel to another State and they visit an amusement park in one of the 26 States without any such inspection laws? They cannot be reasonably assured that the rides in those parks are safe.

Why the big deal about extending the CPSC jurisdiction in this area? What possible harm can be done by doing that? If the CPSC cannot do it and if they need a few more dollars in order to provide a few more inspectors, we can do that. The budget is out of balance $200 billion. We are not going to worry about a few dollars for a few more inspectors. If that be the case, maybe we should provide for the amusement park to pay, if that is the problem. But I am not advocating that, and I am not suggesting that in my advocating the adoption of the Simon amendment and the defeat of the Danforth amendment.

Over the past decade, 33 senseless deaths have occurred by reason of unsafe rides at fixed-site amusement parks. Twelve of those deaths occurred in the last year alone.

I believe that any person who has enjoyed the excitement of a roller coaster ride—and I include myself in that group—would be shocked to know that 10,687 injuries were reported at amusement parks last year—10,687 injuries and 12 deaths in 1 year.

Do we really want this tragic situation to continue? We owe it to the children of this country to try to make the amusement park rides more safe, and we owe it to those adults who enjoy riding those park rides to see to it that they are more safe.

Some in this body would have us delay this matter, would have us study this issue for another 18 months. My distinguished colleague from Missouri wants to establish a commission. Even if the Senate decides not to adopt the Simon amendment—which I hope will not be the case—please do not saddle us with another commission. We have had enough of those in this country already.

I remember when I was many years younger and I was in the Ohio Legislature and I spoke out against too many bureaucracies, too many bureaucrats. I think we have too many commissions in this country, and I do not believe we should try to solve our problems by appointing commissions to investigate.

We know of the 12 deaths; we know of the 10,687 injuries. It is time for action. We can ill afford a delay of 18 months.

Mr. FORD. Mr. President, will the Senator yield for a question?

Mr. METZENBAUM. I yield.

Mr. FORD. When the Senator says there were 10,687 injuries last year, how many of those injuries occurred in States which have inspection laws?

Mr. METZENBAUM. I do not have the breakdown of that information, but I will be happy to supply it.

Mr. FORD. I just thought that sometimes, even though we have laws, we still have accidents in States that have the inspection laws. The Senator is painting with a broad brush, and he indicates that it is in the "red" States. It could have been in the "green" States, too.

Mr. METZENBAUM. I think the point of the Senator from Kentucky makes has validity. I am not prepared to say that all of them occurred in those States where no inspection exists. I think it is a fact that we do have accidents even where you have safety precautions. But I think we can also stipulate and agree that if you have inspections, if you do the investigations, if it is known that there are Federal Government people concerned about it—or State government people, as the case may be—there is a better chance that you are going to get an element of safety at the amusement park.

Mr. SIMON. Mr. President, will the Senator yield?

Mr. METZENBAUM. I yield.

Mr. SIMON. I thank the Senator for yielding.

This is not a direct response to the Senator from Kentucky, because I do not think anyone has that breakdown, but what we do know is that since we have taken off the Consumer Product Safety Commission authorization for inspection, the number of injuries has doubled. One may say that that is sheer coincidence. I do not believe it. I think there is a relationship, and that is why I want to see these amusement park operators know that somebody is going to stop by and inspect.

I thank the Senator for yielding.

Mr. METZENBAUM. I thank the Senator from Illinois.

If the CPSC cannot provide enough people to do the investigating, at least amusement park operators would understand, with the Simon amendment adopted, that somebody was looking over their shoulder and that a Federal inspector might walk in. I think that would be helpful and a step in the right direction. But if the amusement park operators learn, as of this afternoon's deliberations, that the Senate concluded that all we were going to do was study the issue or have a commission study the issue, I think it is a loud and clear message to them that they need not be concerned yet.

I hope the Senate turns down the creation of a commission, and I say that even if the Senate subsequently decides to turn down the Simon amendment. I believe we should turn down the commission and adopt the Simon amendment. But, under any and all circumstances, I hope we will defeat the Danforth amendment. It would be a meaningless effort, and I do not think it would send the right message out to the amusement ride industry.

Mr. FORD. Mr. President, there is one thing that is in agreement among all the parties who have spoken this afternoon, and it is that safety for the children is vital.

All of us who have spoken—the distinguished Senator from Illinois, the distinguished Senator from Ohio, and myself—represent inspection States. So, really, we are not doing anything to our States so far as imposing the Federal law or regulations on our States is concerned. We are imposing it on others. So it is very easy to stand here and say we want other States to do as we do because we are excluded from the law. That is one thing that kind of grates.

I tried very hard prior to this time to arrive at a compromise, and that was not accepted.

If my information is right, we have had this in place for 12 years before 1981; and effective from 1982 forward, it was taken out on stationary rides, not on mobile rides. That was sort of a compromise. The agreement I tried to put together was that immediately upon passage, and as soon as the Federal Bureau of Standards made their regulations, people would be available on call by the municipalities or by the Sates to come in and inspect. That puts us in the position that if x State wanted their amusement rides inspected, they had the right then to call on them. But for 12 years we have had the law, and nobody ever went anywhere to inspect. If they have not had any inspections and all of a sudden the law goes off, I think it might be circumstances that created the additional injuries. Then we would revisit this particular position from the engineering standpoint.

I think you have to look at any commission and you have to look at any program. It is only as good as its leadership. So a commission will respond, and respond appropriately and adequately and timely, if you have the right kind of leadership as it relates to the commission. If you just appoint a commission and let them go on their own, there is no telling what you will get. But I have a little more faith in

the distinguished Senator from Missouri than some others do.

I think or I believe that he will push this Commission to get the right kind of answers, at least the information for us to make a better decision than we have tonight. We are making an emotional decison rather than a realistic decision.

So we have an opportunity to put the effect the ability of the municipalities and States to call for this team to come in and inspect. But we turned that down.

There is no money appropriated in here. The money is being cut back on the Consumer Product Safety Commission. They will have less money in the next budget than they had in the last one; yet we are putting more responsibility on them and they are not going to accommodate us unless we put them in a position of having to do something.

So, Mr. President, I find myself, as the ranking minority member on this subcommittee, trying to decide which one is right. I do not fault any Senator for trying to get an amendment on a bill but I wish to have an amendment on it that meant something, that we could accomplish, that we could make a step forward as it relates to safety.

But in this instance, if we turn the Danforth amendment down and we turn the Simon amendment down, we have not done anything. If we accept it, we may have accomplished something.

But I want to take this posture, and I agree, generally, with the distinguished Senator from Ohio—no more commissions. But I found even the programs on the national level that received the most national criticism in some places where they had good local leadership the program worked. If we have good leadership for this Commission, it will work.

I believe the distinguished Senator from Missouri will make it work.

Mr. METZENBAUM. Mr. President, will the Senator from Kentucky yield for a question?

Mr. FORD. Always. I may not be able to answer it but I will always yield.

Mr. METZENBAUM. The Senator from Illinois is obviously more familiar with this subject than I. The Senator from Illinois in his remarks made the point that the commission is almost stacked going in against an effective conclusion. Would the Senator from Kentucky and possibly the Senator from Missouri consider changing some of the players which at least would be a step in the right direction? Both the Senator from Missouri and the Senator from Kentucky have bona fides. Their faith is good. Their intensions are good.

The Senator from Illinois is a respected Member of this body and if he says that he thinks that it is a stacked Commission, then would the Senator from Missouri and the Senator from Kentucky not be receptive to changing some of the players which still would not make the amendment acceptable to the Senator from Illinois but if it is going to be accepted, then at least let us get a fair shake?

Mr. FORD. Let me ask the Senator what he considers stacked? Wait just a minute now. Tell me what is stacked about this?

Mr. METZENBAUM. I am going to do this if the Senator does not mind.

Mr. FORD. Did the Senator from Ohio yield?

Mr. METZENBAUM. I am going to yield to the Senator from Illinois to respond in my behalf on that question.

Mr. SIMON. Let me tell the Senator about the stack if my colleague will listen 1 minute.

Mr. FORD. Did the Senator yield the floor or for a question?

Mr. SIMON. The Senator from Ohio yielded the floor to me.

The PRESIDING OFFICER. The Senator from Kentucky has the floor.

Mr. FORD. The Senator from Kentucky has the floor.

Mr. SIMON. I apologize.

Mr. FORD. If he yielded the floor, then I ask for the floor, and it is mine. He did not yield for a question.

Mr. METZENBAUM. I do not want to play any games with the Senator from Kentucky.

Mr. FORD. I yield to the Senator from Ohio for a question.

Mr. METZENBAUM. I will ask the question. Would the Senator from Kentucky permit the Senator from Illinois to respond to his inquiry with reference to stacking of the Commission without in any way losing his right to the floor?

Mr. FORD. The Senator from Kentucky is perfectly willing to do that and I welcome the Senator from Illinois answering the question asked by the Senator from Kentucky of the Senator from Ohio who had no answer.

Mr. METZENBAUM. I indicated originally that he is more knowledgeable than I, and I make no bones about it.

Mr. FORD. Mr. President, let me say this: The Senator was accusing the Commission of being stacked and I merely asked him to explain his accusation as to the stacking of the Commission. He did not have an answer in his saying that the Commission was stacked.

So I wish to yield to the Senator from Illinois to be sure that we understand what a stacked Commission is. And Mr. President, I yield—no, I am not going to yield the floor.

Mr. SIMON. I thank the Senator from Kentucky.

Let me point out there are different members of this Commission. One is the chairman of the Consumer Product Safety Commission who has already come out against any inspection. Then if you go to the next page, there is one from among professionals in the amusement ride industry. I say to my good friend from Kentucky, that means two of the five are already in opposition to any inspection.

I say if you have two of the five already in opposition, that comes pretty close to a stacked deck.

And I apologize for trying to take the time before. I had forgotten that the Senator from Kentucky had the floor.

Mr. FORD. That is perfectly all right.

You have one from the consumer group. Did the Senator mention that?

Mr. SIMON. We have one from the consumer group.

Mr. FORD. And one from the States.

Mr. SIMON. One from the States.

Mr. FORD. All right. And one from the Bureau of Standards.

Mr. SIMON. One from the Bureau of Standards. The administration already announced its opposition to this.

Mr. FORD. The Bureau of Standards announced the opposition.

Mr. SIMON. The administration has and I assume the Director of the Bureau of Standards is going to work for the administration.

Mr. FORD. Well, if you are going to get someone who is knowledgeable that will put these into place, I think if you just blindly pick those people for positions without knowing their personal preference, you would say that the Commission is not stacked. If we are persuasive enough, and I am sure the Senator still testify before that Commission as to how you feel about it, what would be the Senator's proposal that we change the Commission?

Mr. SIMON. This is the proposal of the Senator from Ohio and it is not mine. Frankly, I think we know the facts now. I think we can make a decision. I agree with the Senator from Kentucky that we certainly are not blindly picking a commission. We know exactly where they are going.

Mr. FORD. The only thing that I wish to submit to the Senator is we had an opportunity to put the inspection in place immediately upon the passage of this legislation, subject to the regulations developed by the Bureau of Standards. That should not take too long.

The inspection teams would be on call and be forced to respond to 23 States. They do not have to respond to 27, is that right, or 23 that now have inspections and 27 do not have inspections?

Mr. SIMON. Twenty-six.

Mr. FORD. Twenty-six. So they would immediately respond to 26

States and upon request of the municipalities in those 26 States.

Mr. SIMON. Mr. President, will the Senator yield?

Mr. FORD. I yield.

Mr. SIMON. They will respond to those 26 States after an accident.

Mr. FORD. No, no. That is not the way I understand it. They would respond for an inspection at any time the State or municipality requested it. That was what was in the compromise earlier.

The post-report of accidents was also agreed to and that is exactly what is in the Senator's amendment.

Mr. SIMON. If the Senator will yield again, on page 7 of this amendment, he will read section 6(a) on line 22: "The National Bureau of Standards of the Department of Commerce may investigate any accident involving an amusement ride," and so forth.

Mr. FORD. What I am saying is we had an opportunity prior to the introduction of this to work it out. Now the Senator has put us in the position of saying up-or-down, take it or leave it. What we are going to do is leave it and leave it up to the States to make a decision.

My State has an inspection. The Senator's State has an inspection. We are going to impose it upon 26 other States. Basically, the States of California, Texas, Florida, those along the coast where you have a lot of tourists, the overwhelming majority of vacationers, those States have inspections and they would be excluded now.

Basically, you would have the Midwestern States that would not have inspections and we would be imposing that upon those. Am I correct in that?

Mr. SIMON. If the Senator will yield, the Senator is partially correct.

Mr. FORD. That is better than I have been lately, so I am glad to be partially correct.

Mr. SIMON. If you take a look at the State of California, they are in blue, the State of Texas is in blue, the State of Florida is in blue. That means that there is some kind of a complex of inspections, partial inspections, and virtually none in one or two of the States.

But let me, if I may, also respond to the Senator's suggestion as to why I rejected the compromise that was offered to me. I have been in this legislative business a long time and I recognize you have to compromise and get ahead. But the compromise that was offered to me was a compromise that the National Bureau of Standards would not investigate unless called upon by a State or local jurisdiction. And that is what I rejected, because I want to have some Federal authority that, if there is not a State inspection law, somebody knows out there running an amusement park that a Federal official can stop by and demand an inspection. I want to see some protection for the public.

Mr. FORD. Well, I am not going to argue the point. My dog is not in this fight. Kentucky is in green, so they have a pretty good inspection. My State is taken care of, my constituents are taken care of, and if your family comes to Kentucky our rides are inspected. So I feel very comfortable about that. I worry about going to other States, but maybe they will go to States that are in green and not necessarily those in pink.

Mr. SIMON. Will the Senator yield?

Mr. FORD. I am going to yield the floor and I am going to ask for a vote if the Senator is through. I have no time. I yield the floor.

Mr. DANFORTH. Mr. President, it is my amendment. I would like to proceed for about 2 minutes, then I really think we are ready to vote.

The PRESIDING OFFICER. The Senator from Missouri is recognized.

Mr. DANFORTH. Mr. President, for the Senators who vote for the Simon-Metzenbaum amendment, the idea would be to immediately require the Consumer Product Safety Commission to dispatch inspectors throughout the country inspecting hundreds of amusement parks. Those amusement parks are not small items. They are large amusement parks. They have many rides.

The Consumer Product Safety Commission has no expertise and no personnel to do this. It simply is not going to do the job. It is authorized now to inspect mobile amusement parks. I am told I misspoke slightly before. I said that it has never used that authority in recent years. It has, I am told, on rare occasions, but very rare occasions, for mobile parks. It is not going to do this.

The Metzenbaum-Simon amendment is not going to promote safety. What we are proposing is to have the agency with the technical engineering expertise be on call to local governments to a law the local government is to at least have the say as to where they should be utilized, and for a period of 18 months have a commission established to find out what if anything else we should be doing on the Federal level. That is the difference between the two amendments. I think we are ready to vote.

Mr. SIMON. Mr. President, I will take 2 minutes, also. I simply want to mention a couple of things. Those States in green, we may be protected while we are in those States, but we go to other States, citizens of our State.

Second, the State of Illinois, when I first introduced this, had no inspection. I am pleased to say that they have now.

Finally, I would simply add, the former Chairman of the Consumer Products Safety Commission appointed by President Reagan, Nancy Steorts, has said this legislation is needed. We ought to heed her advice. We ought to protect the public. I hope we will vote "no" on the Danforth amendment.

Mr. LAUTENBERG. Mr. President, I rise to oppose the pending amendment. It would establish a study commission, instead of trying to deal effectively with a matter of public safety. The amendment would defeat the effort of my colleague from Illinois, which I support and I am pleased to cosponsor, to restore some Federal role in assuring the safety of amusement parks.

The State of New Jersey actively inspects the amusement parks and rides in my State. Yet, last year, eight teenagers lost their lives in a tragic fire at the Great Adventure theme park in the Jackson Township. In other States, there is no regulation. And the Nation reaps the grim harvest of the deregulation of amusement parks since 1981. Since deregulation, the number of accidents has doubled.

For those States that have no regulation, the Simon amendment would authorize the Consumer Product Safety Commission to inspect rides. If a State like New Jersey maintains a system for inspection, that system would not be preempted.

Yet, if there is a serious or fatal accident, the CPSC will have the authority to send investigating engineers in, to study the accident, to find the cause, and to provide those findings to the industry. If, for example, a particular ride proves defective in one State, it may well prove defective some place else.

But, more important, when citizens of my State and others travel to other parts of the country, on vacations, and go to an amusement park, their safety should be assured. If a State abdicates that role, the Federal Government should have the power to step in.

Mr. President, I urge my colleagues to oppose the pending amendment and to support the Simon amendment.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Missouri [Mr. DANFORTH]. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SIMPSON. I announce that the Senator from Pennsylvania [Mr. HEINZ] is necessarily absent.

Mr. CRANSTON. I announce that the Senator from Montana [Mr. BAUCUS], the Senator from New Jersey [Mr. BRADLEY], the Senator from Arkansas [Mr. BUMPERS], the Senator from Louisiana [Mr. LONG], the Senator from Arkansas [Mr. PRYOR], and the Senator from Mississippi [Mr. STENNIS] are necessarily absent.

The PRESIDING OFFICER (Mr. EVANS). Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 52, nays 41, as follows:

[Rollcall Vote No. 160 Leg.]

YEAS—52

Abdnor	Goldwater	Nickles
Andrews	Gore	Packwood
Armstrong	Gorton	Pressler
Boschwitz	Gramm	Quayle
Chafee	Grassley	Sasser
Cochran	Hatch	Simpson
D'Amato	Hawkins	Specter
Danforth	Hecht	Stafford
Denton	Helms	Stevens
Dodd	Humphrey	Symms
Dole	Kassebaum	Thurmond
Domenici	Kasten	Trible
Durenberger	Laxalt	Wallop
East	Lugar	Warner
Evans	Mattingly	Wilson
Exon	McClure	Zorinsky
Ford	McConnell	
Garn	Murkowski	

NAYS—41

Bentsen	Hart	Metzenbaum
Biden	Hatfield	Mitchell
Bingaman	Heflin	Moynihan
Boren	Hollings	Nunn
Burdick	Inouye	Pell
Byrd	Johnston	Proxmire
Chiles	Kennedy	Riegle
Cohen	Kerry	Rockefeller
Cranston	Lautenberg	Roth
DeConcini	Leahy	Rudman
Dixon	Levin	Sarbanes
Eagleton	Mathias	Simon
Glenn	Matsunaga	Weicker
Harkin	Melcher	

NOT VOTING—7

Baucus	Heinz	Stennis
Bradley	Long	
Bumpers	Pryor	

So the amendment (No. 540) was agreed to.

Mr. DANFORTH. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. FORD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. KASTEN. Mr. President, it is my understanding that the pending business is the Simon amendment.

The PRESIDING OFFICER. The Senate will be in order.

Mr. KASTEN. Mr. President, it is my understanding that the pending business is the Simon amendment, as amended by the Danforth amendment. I know of no reason for the yeas and nays on our side.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 539), as amended, was agreed to.

Mr. KASTEN. Mr. President, I move to reconsider the vote by which the amendment, as amended, was agreed to.

Mr. DANFORTH. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. KASTEN. Mr. President, I know of no reason for the yeas and nays on final passage. I believe we can proceed to a voice vote.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time the question before the Senate is, Shall the bill pass?

The bill (S. 1077), as amended, was passed, as follows:

S. 1077

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—CONSUMER PRODUCT SAFETY COMMISSION AUTHORIZATION

SEC. 101. This Act may be cited as the "Consumer Product Safety Commission Authorization Act of 1985".

DISCLOSURE TO CONTRACTORS

SEC. 102. Section 6(a)(8)) of the Consumer Product Safety Act (15 U.S.C. 2055(a)(8)) is amended by striking "or employees" and inserting in lieu thereof ", employees or representatives of the Commission (including contractors)".

CHRONIC HAZARD ADVISORY PANEL

SEC. 103. Section 28(b)(1) of the Consumer Product Safety Act (15 U.S.C. 2077(b)(1)) is amended by inserting "that may be the subject of the Panel's investigation" immediately after "product".

AUTHORIZATION OF APPROPRIATIONS

SEC. 104. Section 32(a) of the Consumer Product Safety Act (15 U.S.C. 2081(a)) is amended—

(1) by striking "and" at the end of paragraph (8);

(2) by striking the period at the end of paragraph (9) and inserting in lieu thereof a semicolon; and

(3) by inserting immediately after paragraph (9) the following:

"(10) $35,000,000 for the fiscal year ending September 30, 1986; and

"(11) $35,000,000 for the fiscal year ending September 30, 1987.".

TITLE II—AMUSEMENT RIDE SAFETY

NATIONAL COMMISSION ON AMUSEMENT RIDE SAFETY

SEC. 201. (a) The Congress finds that—

(1) the occurrence of amusement ride accidents in recent years has prompted inquiry into the necessity and desirability of Federal legislation to regulate the amusement ride industry;

(2) the regulation of such rides has traditionally been the responsibility of State and local governments and of the amusement ride industry;

(3) it is uncertain whether any Federal agency has sufficient resources or expertise to regulate the amusement ride industry;

(4) Federal involvement in the inspection and regulation of amusement rides could be costly and inefficient;

(5) voluntary comprehensive ride safety standards have been promulgated by the American Society of Testing and Materials and such standards should be evaluated by the Federal Government; and

(6) a temporary Commission to review the scope and adequacy of safety regulations and standards in the amusement ride industry could clarify the need, or lack of need, for Federal legislation regarding amusement ride safety.

(b)(1) There is established a National Commission on Amusement Ride Safety (hereinafter referred to as the "Commission").

(2) The Commission shall be composed of five members as follows:

(A) the Director of the National Bureau of Standards, who shall be chairman of the Commission;

(B) the Chairman of the Consumer Product Safety Commission (or the Chairman's designee), who shall be vice chairman of the Commission; and

(C) three members to be appointed by the President as follows:

(i) one from among State officials who administer State amusement ride safety inspection programs;

(ii) one from among professionals in the amusement ride industry who have education, training, or experience in amusement ride safety matters; and

(iii) one from among persons who represent consumers.

(3) Any vacancy in the Commission shall not affect its powers.

(4) Three members of the Commission shall constitute a quorum.

(c)(1) The Commission shall conduct a comprehensive investigation of the scope and adequacy of safety measures employed to protect the public from unreasonable risks of injury from amusement rides. Such investigation shall include a review of—

(A) Federal, State, and local laws regulating the amusement ride industry;

(B) existing voluntary comprehensive amusement ride safety standards; and

(C) self-regulation mechanisms within such industry.

(2) Such investigation shall determine for each law, standard, and self-regulation mechanism reviewed under paragraph (1) (A) through (C) of this subsection—

(A) the scope of its coverage;

(B) the effectiveness of any available sanctions or enforcement mechanisms; and

(C) the adequacy of powers to investigate violations.

In addition, the investigation shall determine the uniformity of application and quality of enforcement of the reviewed laws, standards, and self-enforcement mechanisms.

(3) As soon as practicable after the date of enactment of this title, the Commission shall publish in the Federal Register an announcement of the investigation described in paragraph (1) of this subsection, and shall afford an opportunity for any interested persons to submit views on the subject of the investigation.

(4) The Commission may transmit to the President and to the Congress such interim reports as it considers advisable, and shall transmit its final report to the President and to the Congress not later than eighteen months after the date of enactment of this title. The final report shall contain a detailed statement of the findings and conclusions of the Commission with respect to the adequacy of existing amusement ride safety standards and regulations, together with such recommendations for legislative, administrative, or other action as it considers appropriate.

(d)(1) The Commission may, for the purpose of carrying out this section, hold such hearings, sit and act at such times and

places, take such testimony, and receive such evidence as the Commission considers appropriate. The Commission may administer oaths or affirmations to witnesses appearing before it. In holding such hearings, the Commission, upon a vote of a quorum of its members, may—

(A) order any corporation, business, or individual to submit, within a reasonable period, such reports or answers to questions as the Commission may request, in such form and such manner as the Commission may prescribe;

(B) require by subpoena the attendance and testimony of witneses and the production of any evidence relevant to the execution of its duties; and

(C) order any person to give testimony by deposition to any person designated by the Commission to administer oaths and to take such deposition.

(2) The Commission shall publish notice of any proposed hearing in the Federal Register and shall afford a reasonable opportunity for interested persons to present relevant testimony and data.

(3)(A) If a person issued a subpoena under paragraph (1)(B) of this subsection refuses to obey such subpoena or is guilty of contumacy, any court of the United States within the judicial district within which the hearing is conducted or within the judicial district within which such person is found or resides or transacts business may (upon application of the Commission) order such person to appear before the Commission to produce evidence or to give testimony relating to the matter under investigation. Any failure to obey such order of the court may be punished by such court as a contempt thereof.

(B) Subpoenas of the Commission shall be served in the manner provided for subpoenas of a district court under the Federal Rules of Civil Procedure for the district courts of the United States.

(4) The Commission may pay witnesses the same fees and travel expenses as are paid in like circumstances in the courts of the United States.

(5) The Commission may request from any department, agency, or independent instrumentality of the Federal Government any information it considers necessary to carry out its functions under this section. Each such department, agency, or independent instrumentality shall cooperate with the Commission and, to the extent permitted by law, shall furnish such information to the Commission.

(6) The Commission may delegate any of its functions to individual members of the Commission.

(e)(1) Members of the Commission shall serve without compensation.

(2) While away from their homes or regular places of business in the performance of services for the Commission, members of the Commission shall be reimbursed for travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons employed intermittently in the Government service.

(f)(1) The Commission may appoint and fix the compensation of a staff director who shall be paid an amount not to exceed the minimum rate of basic pay payable for level GS-15 of the General Schedule pursuant to section 5332 of title 5, United States Code.

(2) The head of any Federal agency may detail, on a reimbursable basis, any of its personnel to assist the Commission in carrying out its duties under this section.

(3) The Commission shall cease to exist upon submitting its final report required under subsection (c)(4) of this section.

INVESTIGATION OF CERTAIN ACCIDENTS

SEC. 202. (a) The National Bureau of Standards of the Department of Commerce may investigate any accident involving an amusement ride at a fixed site amusement park if—

(1) such accident caused death or serious personal injury, or could have caused death or serious personal injury;

(2) an appropriate authority of State or local government requests, in writing, that the Secretary of Commerce conduct such an investigation; and

(3) the Secretary of Commerce makes a determination to conduct such an investigation.

(b) Upon conclusion of such an investigation, the National Bureau of Standards shall issue a final accident report containing its findings, conclusions, and recommendations. Such report shall include—

(1) findings of the causes of the accident, including a scientific and technological examination of the material, physical, and chemical conditions that contributed to the accident;

(2) recommendations for actions or procedures which could have prevented the accident; and

(3) recommendations for actions or procedures to prevent similar accidents.

(c) The National Bureau of Standards shall transmit a copy of any such report to—

(1) the authority of State or local government which requested such investigation; and

(2) any other appropriate person or organization, as determined by the Secretary of Commerce.

(d) Nothing in this section shall be construed to limit or affect any existing authority of the Secretary of Commerce.

(e) The provisions of section 8 of the National Bureau of Standards Authorization Act for Fiscal Year 1983 (15 U.S.C. 275b) shall not apply to any service performed pursuant to this section.

(f) The provisions of this section shall be effective until Congress enacts legislation regarding amusement ride safety in response to the report submitted by the Commission under section 201 of this title.

Mr. FORD. I move to reconsider the vote by which the bill passed, Mr. President.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, I thank the distinguished managers of the bill [Mr. FORD and Mr. KASTEN] for their expeditious handling of that legislation. I also thank the distinguished Senator from Iowa [Mr. GRASSLEY] and the distinguished Senator from Michigan [Mr. LEVIN] for helping us work out this particular piece of legislation. They did give up a right they had to amend this bill. We will bring up the FTC authorization bill tomorrow and hope they will have an opportunity to present or offer their amendment on legislative veto.

SCHEDULE

Mr. BYRD. Mr. President, if I could ask the majority leader at this point, I would like to ask what the schedule will be for tomorrow, Friday, and as far ahead as he can tell.

The PRESIDING OFFICER. Will the Senate please be in order?

The majority leader.

Mr. DOLE. Mr. President, in response to the distinguished minority leader, we will come in at 10 o'clock tomorrow morning because there are eight special orders on this side.

Following the special orders and allowing some period of time for routine morning business, we hope to get consent to take up the FTC authorization bill. If not, we will move, if possible, to take it up and, if there is real objection, we will have to do something else.

Following that, it is our intention to take up the compact of free association bill, which a number of Members have indicated should be passed before the August recess. The distinguished chairman of the Energy Committee has been working on that measure with members on each side who had some problems. But I would hope we could take that bill up tomorrow.

If we complete action on those two bills, we also have a couple of veterans bills that I understand we may be able to dispose of on tomorrow.

We also have the Conservation Service Reform Act—we believe we can take care of that in wrapup if we can work out one additional problem—and the airport security legislation if the 3-day rule can be waived.

This may seem like a rather long list, but I think maybe three of those we can do in wrapup. If we can dispose of all these tomorrow, then we would not be in on Friday. I could probably give the distinguished Democratic leader a better idea about noon tomorrow.

Next week, it is my hope—I am not certain it is shared by many—that we will have the efforts of the distinguished chairman of the Senate Committee on Agriculture and others on the floor; it is called the farm bill. It is really about 15 different bills, all major bills, wrapped up into one. We have had some difficulty getting it all together. But I hope we will be in a position to take that up, plus two appropriations bills.

I have been asked about genocide. I have been asked about a lot of things. But this is one of the specific things I have been asked about.

The President said he would like to get the farm bill passed, the supplemental appropriations bill, and the defense authorization conference report.

Mr. GOLDWATER. Maybe tomorrow, Mr. President—maybe.

Mr. DOLE. That is about all we will have next week.

Mr. BYRD. Mr. President, I thank the distinguished majority leader.

Mr. DOLE. We would like to get an agreement on the Japanese trade bill. I understand there are a number of Members who would like to offer nongermane amendments. I hope we can take that bill up.

There will be no more votes tonight.

Mr. HELMS. Mr. President, could the Senator give me an idea of about how long we will be able to work on the farm bill tomorrow?

Mr. BYRD. Mr. President, the Senate is not in order.

The PRESIDING OFFICER. The Senate will be in order.

Mr. DOLE. Mr. President, the question of the distinguished chairman of the Agriculture Committee——

Mr. BYRD. Mr. President, there is more noise now than there was when I first asked for order.

The PRESIDING OFFICER. The Senate will be in order.

Mr. DOLE. Mr. President, the question from the distinguished chairman of the Agriculture Committee is very relevant. It is a question of how long we will be able to meet tomorrow to, hopefully, wrap up the agriculture bill from the Senate Agriculture Committee. I indicate that we would like to be able to meet tomorrow afternoon, say, from 2:30 until 5 o'clock or longer.

Mr. HELMS. We would like to meet, frankly, Mr. Leader, while the Senate is in session. I think we could wrap up this bill in a reasonable length of time.

Let me point out that there are over 2,500 provisions in this bill, all of which are debatable and have been debated in the committee over and over again. We have made remarkable progress. We have precisely three titles now out of about 22, as I recall, yet to go. Obviously, one of them is the commodities title.

The distinguished Senator from Kansas and the distinguished Senator from Nebraska [Mr. ZORINSKY] have a proposal which the committee has considered and that is subject to amendment. If we could have time to hear these amendments and vote on them tomorrow, I believe we could complete that; then we will have the food stamp title, and so forth.

Mr. DOLE. Mr. President, let me indicate to the distinguished chairman of the committee that I shall work with the distinguished minority leader tomorrow to see if we can have consent throughout the day. Otherwise, it will terminate at—what, noon?

Mr. HELMS. About noon. If the majority leader will yield to me, would he be willing to propound a unanimous-consent request now for the meeting of the Agriculture Committee?

UNANIMOUS-CONSENT REQUEST FOR COMMITTEE ON AGRICULTURE TO MEET TOMORROW

Mr. DOLE. Mr. President, if the distinguished minority leader would entertain or could advise me, I would like to ask unanimous consent at this time that the Senate Committee on Agriculture be permitted to meet tomorrow afternoon from 2 o'clock until an undesignated time while the Senate is in session.

Mr. BYRD. Mr. President, I shall, of course, have to run the phone on that. If the distinguished chairman of the committee could indicate a precise time period, I might stand a better chance.

Mr. DOLE. Two to six would probably see us through.

Mr. HELMS. Two to six would be very helpful.

Mr. BYRD. I shall be glad to run that out and advise the majority leader in the morning, if I may.

Mr. DOLE. Fine. If we could find out early in the morning, Mr. President, say after we come in at 10 o'clock.

Mr. BYRD. I thank the majority leader.

Mr. HELMS. I thank both leaders.

Mr. FORD. Mr. President, if the majority leader will yield for a quick question, if we come in tomorrow and get through the orders and he has no problem and he moves to bring up the Federal Trade Commission legislation, approximately at what time does he expect that to occur?

Mr. DOLE. It will probably be about 12:30.

Mr. FORD. That is fine. I thank the distinguished majority leader.

Mr. DOLE. It will be after the period of routine morning business.

EXTENSION OF JOINT REFERRAL OF S. 1271

Mr. DOLE. Mr. President, I ask unanimous consent that the joint referral request of June 11, 1985, with respect to S. 1271, the intelligence authorization bill, be extended under the same terms and conditions, until September 11, 1985.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTERNATIONAL SECURITY AND DEVELOPMENT COOPERATION ACT

Mr. DOLE. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 960.

The legislative clerk laid before the Senate the amendment of the House of Representatives to the bill (S. 960) to amend the Foreign Assistance Act of 1961, the Arms Export Control Act, and other acts to authorize appropriations for the fiscal year 1986 for international security and development assistance, the Peace Corps, the Inter-American Foundation, and the African Development Foundation, and for other purposes.

(The amendment of the House is printed in part II of the RECORD of July 11, 1985 beginning at page 18642.)

Mr. DOLE. Mr. President, I move the Senate disagree to the House amendments and agree to the conference requested by the House and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer [Mr. EVANS] appointed Mr. LUGAR, Mr. HELMS, Mr. MATHIAS, Mrs. KASSEBAUM, Mr. BOSCHWITZ, Mr. PELL, Mr. BIDEN, Mr. SARBANES, and Mr. CRANSTON;

As additional conferees, solely for subtitle II of title IV of the House bill, dealing with airport security: Mr. DANFORTH, Mrs. KASSEBAUM, Mr. GOLDWATER, Mr. HOLLINGS, and Mr. EXON;

For title IX of the House bill, dealing with food and agriculture issues: Mr. HELMS, Mr. LUGAR, and Mr. ZORINSKY conferees on the part of the Senate.

PUBLIC BUILDINGS SERVICE AUTHORIZATION ACT, FISCAL YEAR 1986

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate now turn to Calendar No. 149, S. 1030, Public Buildings Authorization Act of 1986.

The PRESIDING OFFICER. Without objection, it is so ordered. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 1030) to authorize appropriations for the Public Buildings Service of the General Services Administration for fiscal year 1986.

There being no objection, the Senate proceeded to consider the bill to authorize appropriations for the Public Buildings Service of the General Services Administration for fiscal year 1986, which had been reported from the Committee on Environment and Public Works, with amendments, as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets, and the parts of the bill intended to be inserted are shown in italics.)

S. 1030

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Public Buildings Authorization Act of 1985".

SEC. 2. No appropriation, including any appropriation from the fund established pursuant to section 210(f) of the Federal Property and Administrative Services Act of 1949, shall be made by Congress or obligated by the Administrator unless it has been authorized by Congress in accordance with this Act.

SEC. 3. (a) No public building construction, renovation, repair, or alteration shall be [commended] *commenced* unless an appropriation has first been made in the same fiscal year for which such appropriation is authorized and for the estimated cost of completion of such construction, renovation, repair, or alteration.

(b) Beginning in fiscal year 1987, no lease shall be entered into unless the authority to enter into contracts has first been made for the maximum cost of such lease over the entire term in such amounts as are specified in annual appropriations Acts and in the fiscal year for which such lease is authorized.

SEC. 4. There is hereby authorized to be appropriated for fiscal year 1986 not to exceed in the aggregate the amount of [$2,351,313,000] *$2,397,924,000* from revenues and collections deposited into the fund pursuant to section 210(f) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 490(f)), for the real property management and related activities of the Public Buildings Service of which:

CONSTRUCTION

(a) Not to exceed [$198,444,000] *$243,419,000* shall be available for fiscal year 1986 as follows:

(1) For construction of public buildings (including funds for sites) at the following locations and maximum construction costs:

California, Los Angeles, Federal Building, Courthouse and Parking Facility	$137,198,000
Idaho, Eastport, Border Station	2,147,000
Missouri, Overland, National Personnel Records Center Extension	48,932,000
New Jersey, Newark, Federal Building	*44,975,000*
Washington, Seattle, Laboratory	9,767,000

(2) $400,000 for construction of public buildings of less than ten thousand gross square feet of space.

RENOVATIONS, ALTERATIONS, AND REPAIRS

(b) Not to exceed $264,096,000 shall be available for fiscal year 1986 as follows:

(1) For renovations, alterations, and repairs of public buildings at the following locations and at the following maximum project costs of $1,000,000 or more:

California, Hawthorne, Federal Building	$2,383,000
California, Los Angeles, Courthouse	2,570,000
Colorado, Denver, Federal Building and Customshouse	8,540,000
District of Columbia, General Accounting Office	16,200,000
District of Columbia, ICC Customs	2,262,000
District of Columbia, Steam Distribution System	13,796,000
District of Columbia, Pension Building	16,700,000
Illinois, Chicago, Kluczynski Federal Building	4,152,000
Illinois, Peoria, Federal Building	1,041,000
Indiana, Ft. Wayne, Post Office, Courthouse	5,275,000
Kentucky, Louisville, Post Office, Courthouse	5,518,000
Kansas, Wichita, Courthouse	4,840,000
Louisiana, Lafayette, Federal Building, Courthouse	2,083,000
Michigan, Detroit, McNamara Federal Building	7,600,000
Missouri, Kansas City, Federal Building	6,569,000
New Hampshire, Manchester, Post Office, Courthouse	1,988,000
New York, Utica, Federal Building, Courthouse	1,764,000
Ohio, Cleveland, Celebrezze Federal Building	6,507,000
Oklahoma, Oklahoma City, Federal Building, Courthouse	2,416,000
Pennsylvania, Scranton, Post Office, Courthouse	3,863,000
Puerto Rico, Hato Rey, Federal Building, Courthouse	1,683,000
Texas, Dallas, Cabell Federal Building, Courthouse	3,943,000
Texas, Dallas, Terminal Annex	4,600,000
Texas, Forth Worth, Warehouse Number 1	1,986,000
Texas, San Antonio, Post Office, Courthouse	6,078,000
Virginia, Richmond, Federal Building	1,125,000

(2) $119,114,000 for renovations and repairs of public buildings at project costs of less than $1,000,000;

(3) $9,500,000 for alterations of leased buildings, the maximum cost for a single building being less than $250,000

DESIGN AND CONSTRUCTION SERVICES

(c) Notwithstanding the provisions of section 3(a) of this Act, not to exceed [$122,514,000] *$124,150,000* shall be available for design and construction services as follows:

(1) $11,984,000 for prior years project to construct public buildings;

(2) $5,915,000 for prior years repair and alteration projects;

(3) $28,737,000 for repair and alteration projects whose maximum costs of construction do not exceed $1,000,000;

(4) $9,300,000 for technical services;

(5) $3,188,000 for transfer of personnel costs from Program Direction;

(6) For design of public buildings to be constructed at the following locations and maximum design costs:

California, Los Angeles, Federal Building, Parking Facility	$12,848,000
California, San Francisco Bay Area Federal Building	5,000,000
Idaho, Eastport, Border Station	326,000
Missouri, Overland, National Personnel Records Center Extension	5,365,000
New Jersey, Newark, Federal Building	*1,636,000*
Washington, Seattle, Laboratory	1,278,000
Small Projects	96,000

(7) For design of repair and alteration projects whose construction phase is authorized to commence in fiscal year 1986 at the following locations and maximum design costs:

California, Hawthorne, Federal Building	$245,000
California, Los Angeles, Courthouse	180,000
Colorado, Denver, Federal Building, Customshouse	470,000
District of Columbia, General Accounting Office Building	891,000
District of Columbia, ICC Customs	158,000
District of Columbia, Pension Building	918,000
District of Columbia, Steam Distribution Plant	759,000
Illinois, Chicago, Kluczynski Federal Building	291,000
Illinois, Peoria, Federal Building, Courthouse	73,000
Indiana, Fort Wayne, Post Office, Courthouse	290,000
Kentucky, Louisville, Post Office, Courthouse	420,000
Kansas, Wichita, Courthouse	339,000
Louisiana, Lafayette, Federal Building, Courthouse	175,000
Michigan, Detroit, McNamara Federal Building	418,000
Missouri, Kansas City, Federal Building	361,000
New Hampshire, Manchester, Post Office, Courthouse	139,000
New York, Utica, Federal Building, Courthouse	166,000
Ohio, Cieveland, Celebrezze Federal Building	358,000
Oklahoma, Oklahoma City, Post Office, Courthouse	169,000
Pennsylvania, Scranton, Post Office, Courthouse	270,000
Puerto Rico, Hato Rey, Federal Building, Courthouse	118,000
Texas, Dallas, Cabell Federal Building, Courthouse	277,000
Texas, Dallas, Terminal Annex	828,000
Texas, Fort Worth, Warehouse Number 1	139,000
Texas, San Antonio, Post Office, Courthouse	334,000
Virginia, Richmond, Federal Building	194,000

(8) For design of additional repair and alteration projects at the following locations and maximum projects costs:

Arkansas, Juneau, Post Office, Courthouse	$371,000
Alabama, Birmingham, Federal Building, Courthouse	429,000
Arizona, Phoenix, Federal Building, Courthouse	88,000
California, Los Angeles, Federal Building	1,064,000
California, Pasadena, Federal Building, Courthouse	433,000
California, San Diego, Federal Building, Courthouse	88,000
California, San Francisco, Federal Building, Courthouse	3,652,000
Colorado, Denver, Denver Federal Building, Courthouse	1,318,000
Colorado, Denver, Denver Federal Center	352,000

Connecticut, Bridgeport, Federal Office Building, Courthouse	208,000
District of Columbia, Federal Office Building, New Post Office	187,000
District of Columbia, State Department	754,000
Florida, Jacksonville, Federal Building	549,000
Florida, Miami, Federal Building	676,000
Illinois, Chicago, Customhouse	99,000
Illinois, Chicago, Railroad Retirement Building	442,000
Illinois, East St. Louis, Post Office, Courthouse	359,000
Massachusetts, Boston, JFK Federal Building	2,154,000
North Carolina, Raleigh, Federal Building, Courthouse	434,000
New Jersey, Newark, Rodino Federal Building	1,371,000
New Jersey, Trenton, Post Office, Courthouse	357,000
New York, Brooklyn, Cellar Federal Building	1,054,000
New York, Brooklyn, Federal Building Number 2	766,000
New York, Buffalo, Federal Building	1,149,000
New York, New York, 201 Varick Street, Federal Building	1,161,000
New York, New York, 26 Federal Plaza	4,719,000
New York, New York, Foley Square Courthouse	797,000
Pennsylvania, Philadelphia, Federal Building, Post Office	893,000
South Carolina, Charleston, Rivers Federal Building	215,000
Texas, Dallas, Federal Building	176,000
Virginia, Arlington, Federal Building Number 2	635,000
Virginia, Arlington, Pentagon	1,743,000
Washington, Spokane, Federal Building, Post Office	496,000
Wisconsin, Milwaukee, Federal Building, Courthouse	308,000

LEASING

(d) Not to exceed $866,000,000 shall be available for fiscal year 1986 as follows:

(1) $18,998,000 for rental increases due to lease expirations, and

(2) $847,002,000 for payments in fiscal year 1986 to provide for space under lease prior to fiscal year 1986, including increases in operating costs and taxes.

REAL PROPERTY OPERATIONS

(e) Not to exceed $709,678,000 shall be available for fiscal year 1986 real property operation.

PROGRAM DIRECTION

(f) Not to exceed $55,481,000 shall be available for fiscal year 1986 program direction.

PURCHASE CONTRACTS

(g) Not to exceed $135,100,000 shall be available for fiscal year 1986 for payment of principal, interest, taxes, and any other obligation for public buildings acquired by purchase contract.

SEC. 5. (a) Funds appropriated under section 4 of the Act for construction, renovation, repair, or alteration shall remain available for obligation and expenditure without regard to fiscal year limitations: *Provided*, That construction, renovation, repair, or alteration has commenced in the same fiscal year which funds are made available.

(b) Commencement of design using funds authorized pursuant to section 4(c) of this Act for projects authorized by sections 4(a) and 4(b) shall be regarded as complying with the provisions of subsection (a) of this section.

SEC. 6. Ten per centum of the funds made available pursuant to this Act to the Public Buildings Service for renovation, alteration, and repair of public buildings and for payment of leases on buildings shall be available for repair or alteration projects and leases, respectively, not otherwise authorized by this Act, if the Administrator certifies that the space to be repaired, altered, or leased resulted from emergency building conditions or changing or additional programs of Federal agencies. Funds for such projects may not be obligated until thirty days after the submission by the Administrator of an explanatory statement to the Committee on Environment and Public Works of the Senate and the Committee on Public Works and Transportation of the House of Representatives. The explanatory statement shall, among other things, include a statement of the reasons why such project or lease cannot be deferred for authorization in the next succeeding fiscal year.

The amendments were agreed to.

AMENDMENT NO. 541

(Purpose: To provide design funds for renovation of the Mart Federal Building, St. Louis, Missouri.)

Mr. DOLE. Mr. President, I send an amendment to the desk on behalf of Senator STAFFORD and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Kansas [Mr. DOLE], for Mr. STAFFORD, proposes an amendment numbered 541.

Mr. DOLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, line 19 strike "$2,397,924,000" and insert in lieu thereof "$2,401,868,000".

On page 4, line 9 strike "$124,150,000" and insert in lieu there "$128,094,000".

On page 6, insert in alphabetical order in the list: "Missouri, St. Louis, Mart Federal Building $3,944,000".

Mr. STAFFORD. Mr. President, my amendment would add $3,944,000 to S. 1030 for the design of renovations to the Mart Federal Building in St. Louis, MO.

Although the Mart Building is structurally sound, only 34 percent of its space is occupied because office space is substandard and mechanical, electrical, and fire safety systems are inadequate. Renovation would permit almost full utilization of this government-owned building. It would allow the General Services Administration to cancel existing leases in St. Louis with cost in excess of $4.5 million a year.

Originally constructed in 1931 as a merchandise mart, this building was purchased by the Federal Government in 1960. Its primary 10 stories provide a gross area in excess of 1 million square feet.

Mr. President, I commend my amendment to the Senate. It would provide for efficient utilization of a substantial Federal building, and it would reduce leasing costs in the St. Louis area.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 541) was agreed to.

Mr. STAFFORD. Mr. President, S. 1030 provides authorizations of appropriations for fiscal year 1986 to the Public Buildings Service of the General Services Administration.

The aggregate authorization level of $2.4 billion represents about a 6-percent increase over the fiscal year 1985 program, but there are substantial differences in program emphasis. For example, the construction program is increased by more than 100 percent while operating accounts—such as utilities, cleaning, guards, administration, and lease payments—are reduced.

The 1986 construction program of $243.4 million is comprised of five projects. In Los Angeles and Newark, new buildings would provide expansion space for the U.S. courts and general purpose office space to reduce leasing requirements. The other three construction projects—Eastport, ID; Seattle, WA; and Overland, MO—would provide special purpose space for a border station, laboratory, and national personnel records storage, respectively.

The repair and alteration activity—which is the other major capital account of the Public Buildings Service—is increased about 20 percent over its 1985 level. The total authorization of $264 million places emphasis on first, basic repair work necessary to prevent deterioration and ensure operational continuity; second, health and safety improvements—particularly firesafety in high-rise buildings and asbestos removal and encapsulation; and third, conversion of Government-owned, vacant space to alleviate lease requirements. Authorizations for funding are also provided for construction of new courtrooms in existing buildings, and—in the case of the Pension Building in Washington—historic preservation.

The authorization contained in the bill for leasing is 6 percent less than the funding level provided for the current fiscal year. This reduction represents a reversal of the trend of ever in-

creasing lease costs. The leasing budget has swelled by almost a thousand percent over about the last 20 years, to a figure approaching $1 billion a year. The consequence, of course, has been an ever escalating leasing budget with obvious benefit to the real estate industry but with only a stack of "rent stubs" for the Government.

In recent years, the Committee on Environment and Public Works has expressed concern about the increasing reliance on leasing as a means of meeting the Government's space needs. GSA has now embarked on several programs to reduce dependence on the leasing market. Some have met with limited success, but hopefully improvements will follow. Through the increase in the capital budget to provide more Government-owned space, direct leasing costs can be reduced in the long run. GSA's program to reduce the average number of square feet per employee should also limit leasing requirements over time.

Mr. President, GSA activities are sometimes regarded as routine, housekeeping functions. In fact, the Public Buildings Service controls 224 million square feet of space which is used to provide office and other work space for 883,000 Federal employees. To discharge the manifold responsibilities associated with this vast real estate inventory and large client population, PBS expends annually almost $2.5 billion. The committee is cognizant of size and importance of the Public Buildings Service and takes seriously its oversight and authorizing responsibilities. Government-owned buildings under GSA's charge must be maintained and when necessary repaired so that their value as Federal assets is preserved and so that the work in them can be conducted efficiently and with safety. Leased buildings must be obtained through cost-effective arrangements and lessors held accountable to the terms of their contracts.

Mr. President, a detailed presentation of the public buildings program and the projects proposed for fiscal year 1986 can be found in the Senate Report 99-68, which accompanies the bill. I commend the bill to my colleagues.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill, S. 1030, as amended, was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 1030

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Public Buildings Authorization Act of 1985".

SEC. 2. No appropriation, including any appropriation from the fund established pursuant to section 210(f) of the Federal Property and Administrative Services Act of 1949, shall be made by Congress or obligated by the Administrator unless it has been authorized by Congress in accordance with this Act.

SEC. 3. (a) No public building construction, renovation, repair, or alteration shall be commenced unless an appropriation has first been made in the same fiscal year for which such appropriation is authorized and for the estimated cost of completion of such construction, renovation, repair, or alteration.

(b) Beginning in fiscal year 1987, no lease shall be entered into unless the authority to enter into contracts has first been made for the maximum cost of such lease over the entire term in such amounts as are specified in annual appropriations Acts and in the fiscal year for which such lease is authorized.

SEC. 4. There is hereby authorized to be appropriated for fiscal year 1986 not to exceed in the aggregate the amount of $2,401,868,000 from revenues and collections deposited into the fund pursuant to section 210(f) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 490(f)), for the real property management and related activities of the Public Buildings Service of which:

CONSTRUCTION

(a) Not to exceed $243,419,000 shall be available for fiscal year 1986 as follows:

(1) For construction of public buildings (including funds for sites) at the following locations and maximum construction costs:

California, Los Angeles, Federal Building, Courthouse and Parking Facility	$137,198,000
Idaho, Eastport, Border Station	2,147,000
Missouri, Overland, National Personnel Records Center Extension	48,932,000
New Jersey, Newark, Federal Building	44,975,000
Washington, Seattle, Laboratory	9,767,000

(2) $400,000 for construction of public buildings of less than ten thousand gross square feet of space.

RENOVATIONS, ALTERNATIONS, AND REPAIRS

(b) Not to exceed $264,096,000 shall be available for fiscal year 1986 as follows:

(1) For renovations, alternations, and repairs of public buildings at the following locations and at the following maximum project costs of $1,000,000 or more:

California, Hawthrone, Federal Building	$2,383,000
California, Los Angeles, Courthouse	2,570,000
Colorado, Denver, Federal Building and Customshouse	8,540,000
District of Columbia, General Accounting Office	16,200,000
District of Columbia, ICC Customs	2,262,000
District of Columbia, Steam Distribution System	13,796,000
District of Columbia, Pension Building	16,700,000
Illinois, Chicago, Kluczynski Federal Building	4,152,000
Illinois, Peoria, Federal Building	1,041,000
Indiana, Ft. Wayne, Post Office, Courthouse	5,275,000
Kentucky, Louisville, Post Office, Courthouse	5,518,000
Kansas, Wichita, Courthouse	4,840,000
Louisiana, Lafayette, Federal Building, Courthouse	2,083,000
Michigan, Detroit, McNamara Federal Building	7,600,000
Missouri, Kansas City, Federal Building	6,569,000
New Hampshire, Manchester, Post Office, Courthouse	1,988,000
New York, Utica, Federal Building, Courthouse	1,764,000
Ohio, Cleveland, Celebrezze Federal Building	6,507,000
Oklahoma, Oklahoma City, Federal Building, Courthouse	2,416,000
Pennsylvania, Scranton, Post Office, Courthouse	3,863,000
Puerto Rico, Hato Rey, Federal Building, Courthouse	1,683,000
Texas, Dallas, Cabell Federal Building, Courthouse	3,943,000
Texas, Dallas, Terminal Annex	4,600,000
Texas, Fort Worth, Warehouse Number 1	1,986,000
Texas, San Antonio, Post Office, Courthouse	6,078,000
Virginia, Richmond, Federal Building	1,125,000

(2) $119,114,000 for renovations and repairs of public buildings at project costs of less than $1,000,000;

(3) $9,500,000 for alternations of leased buildings, the maximum cost for a single building being less than $250,000.

DESIGN AND CONSTRUCTION SERVICES

(c) Notwithstanding the provisions of section 3(a) of this Act, not to exceed $128,094,000 shall be available for design and construction services as follows:

(1) $11,984,000 for prior years project to construct public buildings;

(2) $5,915,000 for prior years repair and alteration projects;

(3) $28,737,000 for repair and alternation projects whose maximum costs of construction do not exceed $1,000,000;

(4) $9,300,000 for technical services;

(5) $3,188,000 for transfer of personnel costs from Program Direction;

(6) For design of public buildings to be constructed at the following locations and maximum design costs:

California, Los Angeles, Federal Building, Parking Facility	$12,848,000
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Idaho, Eastport, Border Station	326,000
Missouri, Overland, National Personnel Records Center Extension	5,365,000
New Jersey, Newark, Federal Building	1,636,000
Washington, Seattle, Laboratory	1,278,000
Small Projects	96,000

(7) For design of repair and alteration projects whose construction phase is authorized to commence in fiscal year 1986 at

the following locations and maximum design costs:

California, Hawthorne, Federal Building	$245,000
California, Los Angeles, Courthouse	180,000
Colorado, Denver, Federal Building, Customshouse	470,000
District of Columbia, General Accounting Office Building	891,000
District of Columbia, ICC Customs	158,000
District of Columbia, Pension Building	918,000
District of Columbia, Steam Distribution Plant	759,000
Illinois, Chicago, Kluczynski Federal Building	291,000
Illinois, Peoria, Federal Building, Courthouse	73,000
Indiana, Fort Wayne, Post Office, Courthouse	290,000
Kentucky, Louisville, Post Office, Courthouse	420,000
Kansas, Wichita, Courthouse	339,000
Louisiana, Lafayette, Federal Building, Courthouse	175,000
Michigan, Detroit, McNamara Federal Building	418,000
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Pennsylvania, Scranton, Post Office, Courthouse	270,000
Puerto Rico, Hato Rey, Federal Building, Courthouse	118,000
Texas, Dallas, Cabell Federal Building, Courthouse	277,000
Texas, Dallas, Terminal Annex	828,000
Texas, Forth Worth, Warehouse Number 1	139,000
Texas, San Antonio, Post Office, Courthouse	334,000
Virginia, Richmond, Federal Building	194,000

(8) For design of additional repair and alternation projects at the following locations and maximum projects costs:

Arkansas, Juneau, Post Office, Courthouse	$371,000
Alabama, Birmingham, Federal Building, Courthouse	429,000
Arizona, Phoenix, Federal Building, Courthouse	88,000
California, Los Angeles, Federal Building	1,064,000
California, Pasadena, Federal Building, Courthouse	433,000
California, San Diego, Federal Building, Courthouse	88,000
California, San Francisco, Federal Building, Courthouse	3,652,000
Colorado, Denver, Denver Federal Building, Courthouse	1,318,000
Colorado, Denver, Denver Federal Center	352,000
Connecticut, Bridgeport, Federal Office Building, Courthouse	208,000
District of Columbia, Federal Office Building, New Post Office	187,000
District of Columbia, State Department	754,000
Florida, Jacksonville, Federal Building	549,000
Florida, Miami, Federal Building	676,000
Illinois, Chicago, Customhouse	99,000
Illinois, Chicago, Railroad Retirement Building	442,000
Illinois, East St. Louis, Post Office, Courthouse	359,000
Massachusetts, Boston, JFK Federal Building	2,154,000
Missouri, St. Louis, Mart Federal Building	3,944,000
North Carolina, Raleigh, Federal Building, Courthouse	434,000
New Jersey, Newark, Rodino Federal Building	1,371,000
New Jersey, Trenton, Post Office, Courthouse	357,000
New York, Brooklyn, Cellar Federal Building	1,054,000
New York, Brooklyn, Federal Building Number 2	766,000
New York, Buffalo, Federal Building	1,149,000
New York, New York, 201 Varick Street, Federal Building	1,161,000
New York, New York, 26 Federal Plaza	4,719,000
New York, New York, Foley Square Courthouse	797,000
Pennsylvania, Philadelphia, Federal Building, Post Office	893,000
South Carolina, Charleston, Rivers Federal Building	215,000
Texas, Dallas, Federal Building	176,000
Virginia, Arlington, Federal Building Number 2	635,000
Virginia, Arlington, Pentagon	1,743,000
Washington, Spokane, Federal Building, Post Office	496,000
Wisconsin, Milwaukee, Federal Building, Courthouse	308,000

LEASING

(d) Not to exceed $866,000,000 shall be available for fiscal year 1986 as follows:

(1) $18,998,000 for rental increases due to lease expirations, and

(2) $847,002,000 for payments in fiscal year 1986 to provide for space under lease prior to fiscal year 1986, including increases in operating costs and taxes.

REAL PROPERTY OPERATIONS

(e) Not to exceed $709,678,000 shall be available for fiscal year 1986 real property operations.

PROGRAM DIRECTION

(f) Not to exceed $55,481,000 shall be available for fiscal year 1986 program direction.

PURCHASE CONTRACTS

(g) Not to exceed $135,100,000 shall be available for fiscal year 1986 for payment of principal, interest, taxes, and any other obligation for public buildings acquired by purchase contract.

SEC. 5. (a) Funds appropriated under section 4 of the Act for construction, renovation, repair, or alteration shall remain available for obligation and expenditure without regard to fiscal year limitations: *Provided*, That construction, renovation, repair, or alteration has commenced in the same fiscal year which funds are made available.

(b) Commencement of design using funds authorized pursuant to section 4(c) of this Act for projects authorized by sections 4(a) and 4(b) shall be regarded as complying with the provisions of subsection (a) of this section.

SEC. 6. Ten per centum of the funds made available pursuant to this Act to the Public Buildings Service for renovation, alteration, and repair of public buildings and for payment of leases on buildings shall be available for repair or alteration projects and leases, respectively, not otherwise authorized by this Act, if the Administrator certifies that the space to be repaired, altered, or leased resulted from emergency building conditions or changing or additional programs of Federal agencies. Funds for such projects may not be obligated until thirty days after the submission by the Administrator of an explanatory statement to the Committee on Environment and Public Works of the Senate and the Committee on Public Works and Transportation of the House of Representatives. The explanatory statement shall, among other things, include a statement of the reasons why such project or lease cannot be deferred for authorization in the next succeeding fiscal year.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDERS FOR THURSDAY

ORDER FOR RECESS UNTIL 10 A.M. TOMORROW

Mr. DOLE. Mr. President, I ask unanimous consent that once the Senate completes its business today, it stand in recess until 10 a.m. on Thursday, July 25, 1985.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR RECOGNITION OF CERTAIN SENATORS TOMORROW

Mr. DOLE. Mr. President, I ask unanimous consent that following the recognition of the two leaders under the standing order, there be a special order in favor of the following Senators for not to exceed 15 minutes each: Senators DANFORTH, HEINZ, PACKWOOD, GORTON, PRESSLER, PROXMIRE, DIXON, and MURKOWSKI.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. DOLE. Mr. President, I ask unanimous consent that, following the special orders just identified, there be a period for the transaction of routine

morning business not to extend beyond the hour of 12 noon, with statements therein limited to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. DOLE. Mr. President, as previously indicated, it will be the intention of the majority leader tomorrow to turn to any Executive or Legislative Calendar items which have been cleared for action, possibly Calendar order No. 179, S. 1078, the FTC authorization bill.

I have already indicated there will probably be a number of other bills tomorrow if we could dispose of this rather quickly. It could be that we will be in late tomorrow evening.

Let me indicate, as I have said, if we could dispose of many of these bills, it will be my intention not to have a Friday session. We will be in session on Monday and hopefully at that time, we could either take up the farm bill as reported by the committee or take a bill from the calendar and amend it with the commodities provisions of the farm bill which is now pending in the Senate.

RECESS UNTIL 10 A.M. TOMORROW

Mr. DOLE. Mr. President, there being no further business to come before the Senate, I move the Senate stand in recess until 10 a.m. Thursday, July 25, 1985.

There being no objection, the Senate, at 7:32 p.m., recessed until Thursday, July 25, 1985, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate July 24, 1985:

DEPARTMENT OF STATE

Frank Shakespeare, of Connecticut, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Portugal.

OFFICE OF PERSONNEL MANAGEMENT

Constance Horner, of the District of Columbia, to be Director of the Office of Personnel Management for a term of 4 years, vice Donald J. Devine, term expired.

WITHDRAWAL

Executive nomination withdrawn from the Senate by the President July 24, 1985:

Donald J. Devine, of Maryland, to be Director of the Office of Personnel Management for a term of 4 years, reappointment, which was sent to the Senate on March 8, 1985.

EXTENSIONS OF REMARKS

ANOTHER WAY TO LOOK AT THE BRAIN

HON. TONY COELHO
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1985

● Mr. COELHO. Mr. Speaker, I would like to take this opportunity to share with my colleagues interested in medical care cost containment, this fascinating article, "Another Way of Looking at the Brain," by Laurence Cherry and Rona Cherry printed recently in the New York Times magazine. As one who has epilepsy, I am particularly interested in developing and expanding medical research to identify what causes seizures. This article explores the new and innovative technology which has permitted researchers to identify for the first time crucial changes in brain activity that signifies epilepsy, brain cancer and Alzheimers disease, raising new hope for understanding and ultimately treating these baffling ailments.

The article also points out that while these new machines offer hope to millions who suffer from some of the most tragic diseases, many hospitals have quietly abandoned plans to purchase these machines because of the expensive pricetag. However, many doctors feel, and I agree, that as the costs of these machines go down as they are produced in quantity, the use of many of the devices will become a routine part of the general physical examination, disclosing vast amounts of information about the health of a person's brain. While we are all concerned with medical care cost containment, I think we can all share the sentiment of one of the physicians quoted in the article:

"The talk of cost containment is all too seductive—until you develop a stroke, a brain tumor, or sustain a head injury," says Dr. La France, "then you want it diagnosed and treated as quickly, painlessly and precisely as possible, exactly what these tools can do."

ANOTHER WAY OF LOOKING AT THE BRAIN

(New computerized technologies have given doctors diagnostic and surgical tools offering a precision that until recently was only a tantalizing dream).

The young man had been driving on a New England road when the car ahead of him stopped short. In the resulting accident, his head was rammed against the windshield. Apparently suffering only minor bruises, he was treated at the emergency room of a nearby hospital and released. But within days he began to hear voices; within months he had lost his job, been diagnosed as schizophrenic and admitted to a mental hospital. None of the usual antipsychotic drugs seemed to help. When he was transferred to a Boston psychiatric hospital, doctors referred him to Dr. Frank H. Duffy, a neurologist at the Harvard Medical School and Children's Hospital.

A metallic device with 20 electrodes was fixed to the man's scalp and attached to a small console. Suddenly, patterns of brilliant shades of blue, red and green appeared on a video screen, revealing a topographic map, or reconstructed cross-section, of the electrical activity of the man's brain. The images suggested a rare form of epilepsy that sometimes develops after head injuries. Dr. Duffy informed the man's psychiatrist; an anticonvulsant drug, Tegretol, was prescribed, and for the first time in four years the man's "voices" were silenced and he was able to return to work.

The device that rescued the man from misdiagnosis, called a Brain Electrical Activity Mapping (BEAM) machine, is only one of an array of new computerized devices that are revolutionizing the diagnosis and treatment of neurological ailments. Researchers using arrays of electrodes placed on patients' scalps and attached to computers can interpret brain electrical activity to determine if they are dyslexic, manic-depressive or even whether they are just feigning symptoms. Other devices, such as the Positron Emission Tomography (PET) scanner, can identify the exact brain region in which a tumor is emerging. Some are being used to save lives during complex neurosurgical operations, and to disprove some old canards about aging and intelligence.

With a precision that until recently was only a tantalizing dream, doctors can now detect minute changes wrought by brain cancer or multiple sclerosis, or spot elipetic lesions so deep in the brain that they could never before be viewed. The techniques have also permitted researchers to identify for the first time crucial changes in brain activity that signifies schizophrenia, Alzheimer's disease and brain cancer, raising new hope for understanding, and ultimately treating, these baffling ailments.

Beyond diagnosis, the new imaging devices are used for active intervention and treatment. At several large medical centers, such as Johns Hopkins Hospital, the Mayo Clinic, Columbia-Presbyterian Medical Center and the University of Pittsburgh, surgeons can now perform operations on the brain and head that once would have been too dangerous to attempt.

The machines can also be used to help healthy people remain well by revailing problems before they become serious, such as detecting the unsuspected narrowing of a blood vessel before it interferes with function and may still be treated with drugs.

But despite the excitement in the medical community over the possibilities raised by the revolutionary improvements, there is doubt whether many of the new devices will be available to more than a handful of hospitals—or patients. The staggering expense—in some cases, about $4 million a unit—has led many government officials to demand sharp limitations on their acquisition. Some of the devices, such as the Magnetic Resonance Imaging machine, are still officially considered to be investigational and new units must receive clearance from the Food and Drug Administration and, often, state departments of health. The Federal Government can also exert pressures through the Medical system by refusing to reimburse hospitals for the scans they perform, making it impossible for them to recoup the cost of their space-age diagnostic machines.

"Our society will soon have to resolve some very thorny questions about the price of medical progress," says Dr. Bennett M. Stein, chairman of the department of neurosurgery at Columbia-Presbyterian. But if it can, many experts agree that the new imaging tools offer nothing less than the hope of liberation from some of the most tragic and baffling diseases that afflict millions.

The unexcelled accuracy of these new windows on the brain is also raising controversial questions about how the information they produce will be used. It may well be, for example, that people whose "brain profiles" hint at sociopathy, premature mental aging or unrecognized intellectual deficits might be penalized by schools or employers.

"The devices have enormous potential for good, and a substantial potential for harm," says Dr. E. Roy John, director of the Brain Research Laboratories at the New York University Medical Center. "We should begin to decide how, exactly, we are prepared to use them."

The best-known of the new imaging devices is the Computerized Axial Tomograph, the CAT scanner. First used experimentally in 1972 in a London hospital to detect a lesion in a woman's brain, the CAT's clarity has all but eliminated several excruciating diagnostic tests, such as pneumoencephalography, which involved removing spinal fluid and allowing air to float up the spine to the ventricles of the brain, often causing blinding pain.

Inside the doughnut-shaped CAT machine, a moving ring rakes X-ray beams in pencil-thin lines around a patient's head, like a planet rotating around the sun. Brain tissue absorbs the radiation in varying amounts depending on its density. Instantly calculating the difference between the total radiation and the absorption of the X-rays as they enter different parts of the head, the device's high-speed computer uses the mathematical difference as the basis for a reconstructed cross-sectional view of the brain, dazzling in its detail.

Beyond its diagnostic use, CAT has also begun to have an important impact on treatment. One of the most successful innovations is CAT-guided stereotactic surgery, developed in 1977 by Dr. Arthur E. Rosenbaum, neuroradiologist-in-chief at Johns Hopkins Hospital. A patient's head is held fast in a sturdy stereotactic frame, while the device's computer plots the best possible strategy for the operation, based on bits of information about the patient's skull and brain that had been fed into it.

This technique can be a crucial aid, as in the case of Kenny Silverberg, age 8. Although apparently in perfect health, the boy suddenly began to complain of nausea and headache one evening last May. When his father, Dr. Lawrence Silverberg, a family practitioner in a Baltimore suburb,

examined the boy, he saw that the area around his son's eyes was swollen. The opthalmologist whom Dr. Silverberg consulted immediately sent the boy to a neurologist, who told the family that there appeared to be a large tumor growing in the boy's brain. That evening, Kenny's parents brought him to the department of neurosurgery at nearby Johns Hopkins Hospital.

"The initial CAT scan was most discouraging," says Dr. Sumio Uematsu, the neurosurgeon in charge of the boy's case. "There was a very large mass in the center of his brain. We knew we had to act at once." By the time Kenny was wheeled into the operating room at 7 P.M. the next day, he was unconscious.

Again, he was examined by a CAT scanner. Using the images it had already stored in its memory bank, and the coordinates of the boy's head as it rested in the frame, the machine plotted out the different angles that might be used to enter the boy's skull and simulated them on its screen.

"It's like a dress rehearsal," says Dr. Rosenbaum. "By the time we go into the skull, we have a good idea of what we'll be doing."

Because the CAT scan supplied such precise information, large parts of Kenny's skull did not have to be removed to determine how best to approach the tumor, as might once have been the case. Dr. Uematsu withdrew large quantities of spinal fluid from the frontal portion of the brain to relieve the pressure on the boy's skull. Then he bored a second, dime-sized, hole in Kenny's head, and slowly slipped a probe through the glistening gray coils of his cortex and, with gentle pressure, advanced deeper into the recesses of the boy's brain. Periodically, Kenny's brain was scanned by the CAT to make sure that no absolutely vital part—such as his breathing center—was being violated.

When Dr. Uematsu reached the center of the mass near the ventricles of Kenny's brain, he withdrew a tiny amount of dark-brownish fluid from the oozing tumor. A pathologist tested the sample, and a grim verdict was pronounced: the mass was a glioma, an insidious kind of cancer that infiltrates the cells that cement the brain together. The CAT scans also showed that the malignancy had twisted among the brain's most crucial areas, and that attempting its removal would be perilous. At 10 P.M. the first phase of the operation was over.

Intensive radiation treatments continued, and several days later Kenny was back in the radiology suite that also doubled as an operating room for the second phase of the operation. Using the stereotactic frame and the CAT scanner as his guide, Dr. Uematsu again opened the boy's skull and drained about one quarter of the tumor. This procedure, along with the radiation therapy, was effective in shrinking the tumor.

"Of course, a brain cancer like this is terribly serious business," says Dr. Uematsu, sitting at his office desk, on which there is a large photo of Kenny and himself. "But children's brains are amazingly resilient; Kenny's prognosis is guarded, but hopeful."

Beyond their role in neurosurgery, CAT machines, about 1,300 of which are currently in operation in the United States, have also begun to be used by plastic and reconstructive surgeons to design new faces. At the University of Pennsylvania School of Medicine, for example, the CAT scanner collects detailed images of patients' skulls, then permits a plastic surgeon to reconstruct them three-dimensionally at any angle he chooses, thereby allowing him to see the effects of subtracting minute amounts of bone or muscle on facial contours.

In a dimly lit subbasement unit at New York Hospital, a young woman lies on a movable table that is slowly being slid backward through the open mouth of a mammoth white square machine by a radiological technician. "You'll be in there for about a half-hour, and you shouldn't move," Tom Callahan tells the woman as he hands her a long string attached to a brass bell hoisted at the side of the device. "Pull on the string if there's any problem," he says.

Callahan returns to the control room, where a sign just inside the heavy glass door warns visitors to leave keys, watches and other metallic objects behind before approaching the device. The magnetic force that drives the machine is so intense that, with a titanic pull, it can rip metal objects from a visitor's hand, erase the codes on the magnetic strips of credit cards and play havoc with magnetized watches.

A loud hum fills the room as Callahan activates the scanner. Within minutes, the young woman's brain is visible on the monitors in the control room and, to trained eyes, the images reveal a tiny lesion responsible for her frequent and uncontrollable-by-medication epileptic attacks.

The machine diagnosing the woman's once-undetectable brain problem is called a Magnetic Resonance Imaging device, or M.R.I.

Using magnetic fields 3,000 to 28,000 times stronger than the Earth's, an M.R.I. pries information from the body's molecules. The huge doughnut-shaped magnet utilized can make the nuclei of hydrogen atoms within the body twirl like tops in the direction of the magnetic field. A radio wave tuned to this frequency can, by the use of process called "resonance," give these wildly spinning nuclei extra energy. When the radio wave is turned off, the energy is released and is translated by computer into a visual image.

Scientists had used devices like M.R.I. to analyze chemicals in the laboratory for more than 30 years, but the first experimental M.R.I. scan of a human being was not performed until 1977. In March 1984, the Food and Drug Administration permitted two American companies to begin commercial sales of the devices to hospitals and physicians. Since then, three additional companies have been approved as suppliers, and today there are 193 M.R.I. systems installed in the United States.

The reason for the enormous popularity of the young M.R.I. is its ability to do many things a CAT scanner cannot. Tumors at the base of the brain, over-shadowed by bone on CAT scans, show up with precise clarity on M.R.I. pictures. A study last year of 40 patients at New York Hospital, one of the first to use M.R.I.'s, showed that in 13 of the subjects brain lesions in a part of the head called the posterior fossa showed up clearly on M.R.I. but not at all on CAT scans. In multiple sclerosis, plaques—areas of hardened tissue that interfere with nerve function—reveal themselves more clearly on M.R.I. than on CAT scans.

Despite its advantages in some areas, M.R.I.'s powerful magnet causes thorny logistical problems. It must be housed in a special part of the hospital and sealed off from outside electromagnetic influences such as FM and CB radio. Its mighty magnetic field can jam heart pacemakers and heat the metal in artificial joints; many patients with such devices are not presently candidates for M.R.I. scans. And it cannot show calcification of tissue, often an important feature of lesions, which CAT can image well.

At Columbia-Presbyterian, says Dr. Sadel K. Hilal, director of neuroradiology, "Patients with stroke, M.S. or spinal-cord diseases are sent for M.R.I. scans, most of those with suspected tumors for CAT."

Where CAT and M.R.I. excel at revealing details of the brain's anatomy, Positron Emission Tomography (PET) shows the brain actually at work, going about its minute-by-minute metabolic business. "CAT and M.R.I. are like road maps, PET shows the traffic moving on the roads," explains Dr. Thomas N. Chase, chief of experimental therapeutics at the National Institute of Neurological and Communicative Disorders and Stroke, in Bethesda, Md.

Since it was introduced 10 years ago, PET has spawned many descendants, each more sophisticated than its predecessor. PET VI looks like an airplane engine with a hollow core, in which a patient is screened. But instead of being bombarded with X-rays or subjected to superstrong magnetic fields, PET utilizes the radiation coming from the patient himself.

Before a scan, the patient is injected with a form of sugar that has been radioactively tagged to enable scientists to watch it as it proceeds along its chemical path. The sugar quickly passes to the always-hungry brain cells, where the glucose is rapidly absorbed—quite literally becoming food for thought. As it is digested, the substance emits particles called positrons, which collide with electrons to produce gamma rays. Computers then add all the information together, producing a picture of something never before seen so accurately: the brain at work. Suddenly an act of intention can be caught in flagrante, captured in the easy-to-identify gaudy blues and psychedelic yellows often used in PET scans. If you listen to a snatch of music uncritically, PET will show, by color, one part of your brain activating: if you analyze the sound, other parts of the brain will function, producing a different image. Decide to raise your hand, and your decision will appear on the scan in different colors and in different areas as your brain makes ready to obey your wish.

Already these glimpses of the brain at work have shown special biological markers for different psychological ills. At New York University Medical Center, in collaboration with the Brookhaven National Laboratory, researchers have used PET to demonstrate that in chronic schizophrenia the frontal parts of the brain consume glucose at a markedly low rate—in striking contrast to the manic phase of manic-depressive illness, in which glucose consumption in the same brain area soars. "People have been hunting for brain correlates of mental disorders like these for years—and now PET is finding them," says Dr. Jonathan D. Brodie, head of the N.Y.U. research team.

But psychiatry is merely the starting point for PET's explorations. "Although a CAT scan may show a tumor, a PET scan can show an area of heightened chemical activity in the brain where no growth has yet been detected," says Dr. Norman D. LaFrance, clinical director of nuclear medicine at Johns Hopkins Hospital. "That's where the next tumor may pop up—where the real action is."

Indeed, at N.Y.U. Medical Center, Dr. Brodie and his colleagues are using PET to study a chemical called putrescine as an

early marker of brain cancer. Dr. Brodie's hope is that it will "help to save many people who otherwise might have been doomed by brain tumors," by early identification and measuring response to treatments. Patients already being treated for an existing brain tumor might be tested with the substance to determine what kind of treatment should be used and to where it would best be directed.

PET has already provided some clues about Alzheimer's disease, an ailment notoriously difficult to separate from others, such as hypertension or "benign" forgetfulness. "PET's showing great promise in establishing an accurate diagnosis," says Dr. Chase, whose national-institute team has discovered that part of an Alzheimer's victim's brain—the temporoparietal cortex—shows striking diminished glucose metabolism. At the N.Y.U. Medical Center, PET scans have accurately diagnosed Alzheimer's in four-fifths of test subjects; when CAT scan information is added, the accuracy rate climbs to almost 100 percent. It now seems possible that the disease is biochemically detectable long before it betrays itself by affecting a person's behavior. "PET shows a 25 percent reduction in metabolic rates in certain brain areas, even in mild cases of Alzheimer's," says Dr. Chase. "Obviously the degeneration has been going on for some time. The important thing is to intervene at an early, crucial time, with drugs."

Although such drugs are not yet available, Dr. Chase says, "Now that PET is giving us clear ideas about what parts of the brain are involved in diseases like Alzheimer's, there's a strong conviction that we can develop drugs to activate or deactivate the system."

One of the most important steps toward that goal occurred in 1983 when Dr. Henry N. Wagner Jr., director of nuclear medicine at Johns Hopkins, became the first human subject to have his brain mapped by PET for neuroreceptors sensitive to dopamine, one of the crucial neurostransmitters that send messages from one nerve cell to another. Abnormal levels of dopamine appear linked to such diverse diseases as schizophrenia, Parkinson's disease, Down's syndrome and Huntington's chorea.

Surprisingly, the PET images showed an uneven distribution of dopamine receptors, which Dr. Wagner thinks may explain a longstanding minor, but persistent, tremor in his right hand that prevented him from becoming a surgeon.

Teams at Washington University in St. Louis and at a research institute in Orsay, France, have since imaged neuroreceptors—the "locks" of brain cells, awaiting the right biochemical "key" to activate them—involved in memory and anxiety.

In May 1984, Dr. Wagner was again the first human subject as his team used PET to image opiate receptors, those parts of brain cells that appear to be involved in the transmission of pain-killing substances, including those analgesics produced by the body itself. By accurately manipulating the receptors, the Johns Hopkins team hopes eventually to be able to block cancer pain and other types of chronic pain.

PET experts also believe the device's scans will help to predict how individuals will react to various drugs, such as the powerful neuroleptic medications that most schizophrenics must take to control their symptoms, and from which almost a sixth of them develop a Parkinsonian-like state called tardive dyskinesia. "By examining the neuroreceptors, we may be able to predict the exact dosage of drugs someone can tolerate without developing that problem," says Dr. Wagner. It might then not be a difficult step to predict the exact tolerable amounts of other drugs that affect the brain—including sleeping pills and tranquilizers.

Ironically, however, the exuberant sense of discovery so noticeable among PET researchers is not widely shared by many clinicians, who applaud its research potential but are impatient with its delay in delivering more numerous applications. The Federal Government, which has invested $27 million in PET research through the National Institutes of Health, including financing most of the 15 PET units now functioning in this country, has begun to reduce its support to all but a handful of centers.

"It's like criticizing the first flying machine because it only went several hundred feet," says Dr. LaFrance.

Other countries seem less troubled by the amount of time PET has taken to provide large-scale clinical applications; in Japan, always a bellwether country in technology, there are eight PET scanners in operation, and experts believe most Japanese medical schools will soon be outfitted with PET units.

In this country, a team at the University of California at Los Angeles is using PET to screen epileptic surgical patients. No matter how deeply the origin of the epileptic seizure is buried, PET is able to show the point of origin, often giving surgeons enough information to accurately remove the tiny malfunctioning part of the brain.

PET researchers insist their machine will continue to prove itself. Its use will grow, says Dr. LaFrance of Johns Hopkins, "because it offers what none of the other imaging devices can—*in vivo* information about the brain's most basic biochemistry."

But the brain is more than an organ in constant chemical ferment; it is also a small generator, its electrical impulses flying from cell to cell. By measuring this continuous electrical turmoil, a new technique called "evoked potential" has enabled researchers to interpret brain-wave patterns in ways never possible before. An electroencephalograph (EEG) carefully tracks how the brain responds to such challenges as sounds or flashes of light. Then a stimulus is repeated dozens of times and a computer, through an averaging process, elicits the responses evoked by the stimulus from the swirl of noise that accompanies the brain's normal electrical activity.

Not long ago at the University of California at San Diego, for example, researchers were able to tell if a person had a reaction of surprise—even if he controlled his facial expression—by looking at his brain waves. Logical sentences produce normal brain waves, but a nonsense sentence—"He spread the warm bread with socks."—produced a different wave. Researchers could also tell if the person was really paying attention, or merely pretending to.

Interestingly, these new devices have also served to contradict old myths about racial differences in intelligence and in aging. They have revealed, for example, that brain electrical activity (often an important index of normal intelligence) is the same among healthy children no matter what their ethnic group, based on data collected by investigators in regions ranging from northern Europe to the Caribbean. And though many researchers had long suggested that senility represented a kind of accelerated normal aging, Dr. Duffy says that his Harvard team's findings proved otherwise: "We've found that, electrically, in the brain, normal aging and Alzheimer's go in opposite directions—which means that if you're medically healthy, you can look forward to maintaining your brain's electrical functioning and most of your mental functioning into old age."

At the opposite end of the life span, BEAM is diagnosing problems among infants—problems that may not be noticed by parents for months. "Many more kids are born with subtle brain injuries than is recognized, because clinical examinations are not sufficiently fine enough to detect them," says Dr. Duffy. For example, the teams at both Harvard and N.Y.U. have found that reading disability has a definite physiological "signature" in the brain—not only in the language area, but in other regions. The Harvard team is trying to detect potential reading disability before children receive formal reading training. The group is testing large numbers of very young children, knowing that, statistically, many are bound to develop learning disabilities. Once they identify a child as a potential future dyslexic by his neurological correlates on the BEAM machine, investigators hope soon to be able to recommend him for extra attention and tutoring that may help to avoid future school failure.

The team at Harvard has also studied several sociopathic adolescents with histories of physically abusing others. Although their CAT scans were normal, as were the results of their standard neurological exams, BEAM detected characteristic abnormalities in their frontal lobes. "There's no question that many forms of sociopathic behavior are organically based," says Dr. Duffy. "Therefore, if we choose, these individuals could be recognized in advance and monitored."

Those investigating this technique readily admit that their work has some troubling ethical implications. Dr. John of N.Y.U., for one, foresees the possibility of "kids being shunted aside academically because their brains don't meet this profile, and older people losing their jobs because their profiles show that their brains are subtly deteriorating."

With cost-containment the concern of regulators everywhere, the devices could hardly have arrived at their present state of advanced development at a less favorable time. Their price tag seems to many to be hopelessly extravagant: approximately $800,000 for a BEAM machine; up to $1 million for a CAT scanner; $1 million to $4 million for an M.R.I. installation and $3 million for a PET scanner, including a cyclotron to produce radioactive material for the unit, and a computer. Moreover, most of the devices require highly skilled, and expensive, personnel to run them. Researchers hope that when manufacturers begin to produce the machines on a larger scale, the costs may decrease. The approximate costs to patients for each use, according to Dr. Joseph P. Whalen, chairman of the department of radiology of New York Hospital, are $1,000-plus for a PET scan, up $850 for an M.R.I. and $350 for a CAT.

Meanwhile, costs continue to mount. The Congressional Office of Technology Assessment recently reports that medical technology—devices such as CAT and M.R.I.—accounted for nearly 30 percent of the increase in Medicare payments between 1977 and 1982.

As a result, the devices have become prime targets for politicians. "Health costs are like a giant Pac-Man consuming . . . funds I'd like to spend on other things—on education

and infrastructure, on decaying roads and bridges," declared New Jersey Gov. Thomas H. Kean at the National Governors' Association meeting in February 1984.

Public health officials have also begun to respond. Dr. David Axelrod, the New York State Health Commissioner, recommended earlier that the Memorial Sloan-Kettering Cancer Center be denied the $4 million M.R.I. installation it sought, the first time that a major teaching hospital in New York City had been prevented from acquiring what it deemed an important medical apparatus. "In limiting the diffusion of N.M.R."—Nuclear Magnetic Resonance, another name for the M.R.I.—"we are attempting," Dr. Axelrod said, "to strike an appropriate balance between the benefits to be gained and the generation of new costs to our health-care system." Although the center eventually won approval for its M.R.I. unit, the number of hospitals in New York State permitted to acquire the devices has been strictly fixed at 13, at least for the present.

"We're concerned about the constraints on the development of beneficial medical technologies," says Robert M. Moliter, manager of government programs operation for the General Electric Company, a leading manufacturer of both CAT and M.R.I. scanners. "The risk is that we'll wait until, with hindsight, we're able to document the horror stories."

Many in medical circles feel that medical technology has been unfairly targeted as a source of the nation's fiscal woes. "This seems to be the only sector in which more is not better," says Dr. James H. Sammons, executive vice president of the American Medical Association. Moreover, many physicians insist that, ultimately, the head-imaging devices are less expensive than the time-consuming and painful neurological tests they replaced. "And that will be true for the other techniques as well," says Dr. Whalen.

Many doctors believe that as the costs of these machines go down as they are produced in quantity, the use of many of the devices will become a routine part of the general physical examination, disclosing vast amounts of information about the health of a person's brain.

Nevertheless, many hospitals have quietly abandoned plans to purchase improved CAT scanners, M.R.I. units, PET and BEAM machines.

Many researchers fear that if the imaging devices are never truly utilized because of prohibitive costs, they will, in effect, be condemned to become mere curiosities of technical wizardry. "The talk of cost containment is all too seductive—until you develop a stroke, a brain tumor, or sustain a head injury," says Dr. LaFrance. "Then you want it diagnosed and treated as quickly, painlessly and precisely as possible, exactly what these tools can do."●

FEDERAL SUPPORT FOR THE ARTS

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1985

● Mr. DOWNEY of New York. Mr. Speaker, today, as the House considers fiscal year 1986 Interior appropriations, I bring to the attention of my colleagues the importance of funding for our Federal cultural programs contained in the bill. In addition, I applaud Chairman SIDNEY YATES for his continuing strong support for these vital programs and his work in rejecting the budget cuts recommended by the administration. On behalf of the nearly 200 members of the congressional arts caucus, I would like to express our appreciation for his efforts.

This year marks the 20th anniversary of the National Foundation of the Arts and Humanities—a time to look back over the past two decades with pride at the tremendous success of our unique American experiment in government cultural support. The National Endowment for the Arts and Humanities—with the addition of the Institute of Museum Services, created in 1976—have not only helped spur an era of cultural growth unprecedented in our country, but have also symbolized our Government's recognition of the value of the arts and humanities to American society.

The commitment of our Federal Government is an essential part of America's cultural support which includes all levels of government, corporations, foundations, and individuals. Each of these components is vital to maintaining America's burgeoning cultural vitality. Over the past year, corporations, foundations, individuals, as well as State and local govenments, have continued to increase their support—all encouraged by the example of our deep Federal commitment. This commitment includes funding which has been a major catalyst for private support. Since 1976, the NEA Challenge Grant Program, for example, has contributed more than $131 million to more than 500 arts groups nationwide, while encouraging almost $1 billion in matching support.

We must not allow our direct support for cultural programs to waiver, particularly when policies attacking our indirect support through the charitable contributions deduction of our tax system are under consideration. This direct support becomes even more important as arts groups cope with continually rising postal rates and potential astronomical rate increase under the administration's fiscal year 1986 budget proposals.

Over the past 20 years, direct Federal cultural support through our national endowments—although a tiny portion of our entire budget—has grown steadily with the encouragement of both Republicans and Democrats. For the first time since the endowments were formed in 1965, this bipartisan congressional commitment was questioned by the Reagan administration, but was reaffirmed early in 1981 by a Presidential task force. The task force report to the President stated: "The strength of America's arts and humanities is essential to the well-being of the Nation." Furthermore, the report stressed that "there is a clear public purpose in supporting the arts and humanities: the preservation and advancement of America's pluralistic cultural and intellectual heritage, the encouragement of creativity, the stimulation of quality in American education, and the enhancement of our general well-being." As we consider the fiscal year 1986 budgets of these essential agencies, let us keep these words in mind.

Although arts support and activities have grown tremendously over the past 20 years, needs and concerns remain. For example, Theatre Communications Group reports that the national survey sample of theaters increased their income by 65 percent over the past 5 years—but their expenses grew by 71 percent. The opera field reports "a difficult financial time," while the total deficit of our Nation's orchestras in 1984 was three times larger than in 1983. Likewise, museums are also struggling to meet increasing demands for services while coping with rising operating costs. Even the Smithsonian—our Nation's premiere museum—has been forced to cut its 1985 summer operating hours because of cuts in the Federal budget.

Mr. Speaker, I find it unbelievable that the administration has proposed to decrease the budgets of NEA and NEH and to eliminate the IMS in the face of the continung needs and concerns of our cultural community.

Cultural support should be considered more of a priority within our entire Federal budget. The administration's fiscal year 1986 budget provides only 0.027 percent for NEA, NEH, and IMS. A shift of one one-hundredth of 1 percent—or even one one-thousandth of 1 percent—taken from the Defense budget would begin to move our priorities in the right direction.

More and more Americans agree that our budget priorities should shift. A January 20, 1985, editoral from the Hutchinson, KS, News stated:

> The National Endowment for the Arts should be exempt from budget problems, no matter how little it may be receiving in federal tax money. But neither the nation's arts nor the nation's poor should be subjected to budget cutting, while the bloated Pentagon budget is given not merely deferential, but reverential treatment.

Mr. Speaker, the Interior Appropriations Subcommittee, under the leadership of Congressman YATES, deserves our highest praise for helping to raise the priority level of cultural funding. I urge all Members to affirm their cultural commitment by supporting the budget levels for our arts and humanities programs contained in the fiscal year 1986 Interior appropriations bill.●

INTRODUCTION OF NATIONAL HOUSING WEEK RESOLUTION

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1985

● Mr. AuCOIN. Mr. Speaker, it is my pleasure today to introduce a resolution designating the week of October 6-13, 1985, as "National Housing Week."

The strength of the housing industry is a bellwether of our Nation's economic health. America's home builders have led the Nation out of every recession in recent memory. Today, they help sustain the engine of economic recovery by generating jobs and bringing revenue back to the Treasury.

If builders realize their expectations of starting nearly 1.7 million homes and apartments in 1985, housing will be responsible for creating the equivalent of $2.4 million jobs, $45.2 billion in wages and $20.7 billion in Federal, State, and local tax revenues. And the benefits extend to thousands of other businesses across the country that are tied to the health of the housing industry. As housing goes, so goes the lumber industry, the appliance business, real estate firms, and furniture makers.

However, the important contribution that housing makes to the economy doesn't tell the whole story. For millions of families, housing represents the opportunity to realize the American dream and get a piece of the rock. Two out of three households own their homes, and even more would like to. Home ownership and the ability to achieve that goal is fundamental to our national character and the foundation of our communities.

Our Nation's public policy has long recognized this plain fact: A strong housing industry means a strong America. But housing's strength continues to be threatened by a rising tide of Federal red ink. For 3 years now, these deficits have sapped the underlying strength of our economy, stifled investment and damaged housing. The Nation's home builders have been among the most vociferous advocates of strong medicine to remedy our sick economy. Housing has willingly borne its fair share—and more—of the cuts in domestic spending to bring the deficit under control. Now, the housing industry faces even deeper cuts in programs like rural housing. New and increased user fees for Federal credit programs are touted as the latest cure. While there's no question that we must address the deficit crisis if we are to avoid another round of killer high interest rates, we must not delude ourselves into believing that the destruction of productive housing programs—that help generate revenues—is the answer.

The future of economic recovery is, in many ways, tied to the future of the housing industry. The crystal ball looks better than it has in years and I am encouraged by the innovative private sector initiatives that builders themselves have developed to make home ownership available to more families. Builder bonds are a perfect example of this. They give builders direct access to Wall Street for the financing of housing. For thousands of middle-income families, it has meant the difference between dreaming about home ownership and realizing that dream.

So, as we tackle the very difficult issues on our agenda from the deficit to tax reform, I urge my colleagues to carefully consider the impacts on housing and all it stands for.

Mr. Speaker, America needs a strong housing industry. I urge my colleagues to join me in recognizing the enormous value of housing and home ownership by supporting this resolution declaring October 6-13, "National Housing Week."

A text of the resolution follows:

H.J. RES. 350

Whereas the combined commitment of the federal government with the strength and ingenuity of private enterprise has brought decent housing to an overwhelming majority of all Americans;

Whereas the opportunity to own a home and live in decent housing strengthens the family, the community and the Nation, giving individual Americans a stake in the local community and stimulating political involvement;

Whereas the housing industry has led the Nation to economic recovery following every recession since World War II by creating millions of productive jobs for the unemployed, generating billions of dollars worth of tax revenue, and creating demand for goods and services;

Whereas shelter is one of the basic needs for all individuals, and the production of affordable housing is an important concern at all levels of government; and

Whereas it is appropriate to reaffirm the national historical commitment to housing and home-ownership and to recognize the economic opportunities created by the present housing recovery: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of October 6, 1985, through October 13, 1985, is designated as "National Housing Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate ceremonies and activities.●

INTRODUCTION OF LEGISLATION H.R. 2846

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1985

● Mr. SCHUMER. Mr. Speaker, I have introduced legislation, H.R. 2846, that establishes a new cause of action for libel. It would allow a public official or public figure who is the subject of a publication or broadcast to sue for a declaratory judgment that the publication or broadcast was false and defamatory. In such an action, the plaintiff would not be entitled to damages and would not need to prove actual malice. The bill would also make significant changes affecting all defamation actions, including those brought by private individuals and brought against nonmedia defendants. It would abolish punitive damages, establish a uniform, 1-year statute of limitations and, with some exceptions, award attorney's fees to the prevailing party. A more detailed description of the bill is provided below.

The legislation is intended to provoke wide-ranging discussion about American libel law and to encourage exploration of various alternatives to it. Many other proposals have been made in recent years to change libel law. Undoubtedly other constructive approaches exist as well. I have chosen the approach embodied in H.R. 2846 because it is simple and concrete yet deals with the heart of the matter in a balanced way. It affords injured plaintiffs an opportunity to clear their names while removing the possibility of almost unlimited damages that threaten the news media. I invite comment from the press and media, lawyers, public officials and figures, academicians, other policymakers, and the public. This bill is an effort to focus comment and exchange of ideas on a topic that is already the subject of widespread discussion.

Since the 1964 Supreme Court decision in New York Times versus Sullivan, first amendment values have played a key part in analysis of virtually all issues relating to libel law. In considering the status of libel law and alternatives of modifications to it, it is essential to understand the interests and requirements of the first amendment. As a nation we are committed to the basic principle that debate on public issues should be uninhibited, robust, and wide open. A free press is a cornerstone of our democratic society. Libel is considered a threat to these fundamental values. On the other hand, we consider the reputation and worth of an individual to be vital as well. There is a general consensus expressed in the common law of libel that people have the right to protect their reputation. It is my hope that hearings will be held to explore all possible ways to best accommodate these sometimes conflicting interests.

The public debate on these issues has been particularly intense since the recent Sharon, Westmoreland, and Tavoulareas trials. This discussion has revealed great dissatisfaction with the present system. While the press,

public figures, constitutional experts, and the general public have different specific concerns, there is widespread agreement that the system isn't working.

First, trying a libel case has become too costly and complex for plaintiffs and defendants alike. News organizations must divert scarce resources to defend libel suits whether or not the claim ultimately has merit—and most judgments against news organizations are reversed on appeal. Libel suits now cost an average of $150,000 to try, with three-fourths of the the cost going for attorneys' fees. In addition, defendants who publish controversial allegations may face millions of dollars in damages if they are sued and lose. This is especially worrisome to small publishers who can be bankrupted defending a single lawsuit. Thus, the cost of protracted litigation and the risk of damages could deter many news organizations from aggressive reporting.

These are precisely the concerns raised recently at the annual convention of the American Newspaper Publishers Association. Many publishers said that the cost of libel suits might create a chilling effect on a newspaper's eagerness to tackle controversial subjects. Evidence of this threat is provided in a recent article by Michael Massing in the Columbia Journalism Review (vol. 24, May/June 1985). Mr. Massing's study documents many instances where the press has been chilled or is increasingly feeling threatened.

At the same time, the high costs of litigation effectively limit an aggrieved plaintiff's opportunity for redress. Under the present system, the only way a plaintiff can vindicate his or her reputation is to bring an action for damages. Many public officials and figures cannot afford the costs of bringing a lawsuit with its attendant pretrial discovery and motion practice, let alone a long and costly trial. Thus, a public figure who is the subject of a single false news report may find a life's work destroyed, with no redress. This is particularly ironic because most plaintiffs claim that what they are interested in is not financial redress but simply a determination of truth or falsity by an independent forum.

In addition to the extraordinary costs, many commentators are concerned that current libel law also damages other important first amendment interests. For example, news organizations are subjected to intrusive inquiries into their editorial process both during the discovery and trial phases of a case. Moreover, the recent decision by a panel of the U.S. Court of Appeals for the District of Columbia reinstating a verdict that the Washington Post had libeled the president of Mobil Oil is likely to increase the risk that investigative reporting may be chilled because of the court's holding that a newspaper's general orientation toward "hard-hitting investigative stories" could, together with other evidence, support an inference that it was inclined to publish reckless falsehoods.

Finally, public confidence in the news media is eroding. A recent poll commissioned by the American Society of Newspaper Editors disclosed that three-fourths of American adults do not trust the credibility of those who—in print or on television—report the news. A senior vice president for Knight-Ridder Newspapers has said that the Nation's press has a "serious credibility problem" fueled by "three sins: inaccuracy, unfairness, and arrogance."

Despite this awareness of the credibility gap by the press, it engages in relatively little self-criticism. Commentators have observed that if news organizations covered themselves as diligently as they do other institutions, there would be far fewer libel suits. First amendment interests might well be best served by such a first amendment solution—encouraging more debate rather than ignoring the problem. In addition, news organizations could regulate themselves in the same manner that the ABA or AMA oversee the practice of law or medicine. An earlier attempt to do this failed—the National New Council—but the idea still seems to have potential.

It is clear there are many possible avenues for change. I believe this is a propitious time to explore all of the options. In introducing my legislation, I look forward to constructive proposals of all types. If we could look ahead 20 years from now, what would we like to see as the ideal scenario for balancing first amendment concerns with concerns for individual reputation? Would we like to see libel law changed by legislative intervention? Arbitration? Self-regulation by the press? Or, would we embrace the current system as the best possible choice?

In sum, these proposals, along with other possible changes that could be made, merit a public airing, and I look forward to receiving comments from all those interested in this important issue.●

A TRIBUTE TO AUBREY BAKER

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1985

● Mr. COELHO. Mr. Speaker, recently, a good friend of mine, Aubrey Baker, was named the Senior Farmer of the Year by the Madera District Chamber of Commerce in California. Aubrey is certainly most deserving of this award, as both he and his wife Georgia have been farming in the Madera area for several decades and have been very active in farming issues at the State and local levels.

Aubrey was born near Atlanta, GA, to a farming family more then 60 years ago. In 1930, his family moved to Madera, and Aubrey grew up helping his father farm their cotton fields. When he turned 21, Aubrey joined the Army, and served with distinction as a pilot in World War II and the Korean war. In 1953, Aubrey returned to the family farm to help his father run their 900 acres of cropland. He began to build his own farm, and since that time has farmed cotton, row crops, and fruit trees, as well as being involved with the beef and dairy industries. Today Aubrey's main holdings are in cotton and vineyards.

Although most people would have been busy enough with the heavy task of trying to manage a farm successfully, Aubrey has also found time over the years to take a leadership position in agricultural organizations across the State. He is a past president of the Madera County Farm Bureau, and a past director of the Madera District Chamber of Commerce. He served as head of the Soil Conservation Service for over 30 years, and has served on the California Fair Board and the Cotton Variety Testing Committee. Aubrey also has served as the California representative on the Agricultural Stabilization and Conservation Service after having been appointed to that position by President Carter. Aubrey presently serves on the Acala Cotton Board and the Mosquito Abatement Board.

I can think of no one who exemplifies the tenacious but caring spirit of California agriculture better than Aubrey Baker. He and Georgia have had to work very hard to build and maintain their farm, but they have been willing to give their land the sweat and tears required to make it fertile and productive. Aubrey's efforts on behalf of the farming industry in Madera County and in fact in all of California have been recognized by his peers, and their respect for him is evident by choosing him as Senior Farmer of the Year. I share in this great respect for Aubrey Baker, and I congratulate him on this honor. I would like to thank Aubrey for all that he has done for the California agriculture industry, and I wish he and Georgia continued success in all their future endeavors.●

BILLY LEE RANSDALL: OUTSTANDING CIVILIAN

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1985

● Mr. SKELTON. Mr. Speaker, I take this time today to inform my colleagues about an outstanding constituent and friend who has recently received the Outstanding Civilian Service Award from the U.S. Army.

Waynesville, MO resident Bill Ransdall was presented the coveted award in a surprise ceremony of the Association for the U.S. Army by Maj. Gen. John Moellering. The citation notes Mr. Ransdall's "unprecedented achievements of local, State, and national impact." The citation further states his work toward "Tremendous individual and corporate growth rates, better than ever service to Fort Leonard Wood soldiers and total community and regional involvement."

To support the soldiers at Fort Leonard Wood, he established the Distinguished Soldier Program, which recognizes service members honored as Soldier of the Year, Non-Commissioned Officer of the Year and Drill Sergeant of the Year.

Mr. Ransdall's civic memberships include: The Waynesville City Council, Rolla Chamber of Commerce, U.S. Chamber of Commerce, Missouri Highway Patrol Benevolent Fund Board, Masonic Lodge Number 375, St. Pat's Board, Scottish Rite and the United Methodist Church of Waynesville.

Mr. Speaker, I feel confident that the Members join me in congratulating this deserving Missourian for his fine work in and around the Fort Leonard Wood area, and in wishing him and his lovely wife Pat all the best in the years to come.●

INTERNATIONAL PLANNED PARENTHOOD FEDERATION

HON. RICHARD J. DURBIN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1985

● Mr. DURBIN. Mr. Speaker, the second amendment by the gentleman from New Jersey [Mr. SMITH], which would end U.S. contributions to the International Planned Parenthood Federation [IPPF], fails to acknowledge several realities.

First, none of the funds provided by the United States to the IPPF can be used to fund abortions. This provision has been in the law for many years, and I support this prohibition.

Second, Mr. SMITH's efforts to cut off all funds to the International Planned Parenthood Federation do not recognize the fact that there are few world-wide organizations available which can provide essential family planning assistance to developing countries.

Third, in the name of ending abortion, Mr. SMITH would cut back on family planning efforts which help avoid the need for abortion.

Although the sponsor concedes that U.S. funds are not used directly for abortion counseling through the IPPF, he would defund the agency to avoid indirect support of the activities. Ironically, neither the sponsor nor the administration apply this same standard to U.S. assistance to governments which promote abortion as national policy.

Recently, I met with the Assistant Administrator at the Agency for International Development [AID]. He advised me that during fiscal year 1985 the administration unilaterally reduced its funding to the IPPF to protest that organization's support of abortion and abortion counseling in countries where abortion is legal.

The Assistant Administrator advised me that AID has proposed to reallocate the funds it took away from IPPF-London to IPPF-Western Hemisphere distribution. In the words of the Administrator, the latter organization was a "wholly owned subsidiary" of the former.

If AID can defund IPPF-London and transfer that funding to a wholly owned subsidiary, we have failed to achieve anything other than an accounting transfer. Giving the administration the authority to shuffle funds between IPPF subsidiaries hardly addresses the issues raised by Mr. SMITH.

I believe that we must continue to be vigilant in making certain that no U.S. funds are used for abortion or abortion counseling. Similarly, we should use our foreign policy to discourage abortion whenever possible. However, the amendment by the gentleman from New Jersey adds nothing to that effort and would only serve to diminish the U.S. funding of family planning assistance worldwide. If women in developing countries are not given the family planning information, I fear that their alternative will be unwanted pregnancies and abortions, which are often performed illegally and damage the health of many women.

In the name of ending the practice of abortion, I am concerned that the amendment by the gentleman from New Jersey will only increase the number of abortions. Although I support the objectives of the gentleman from New Jersey, I cannot support his approach.●

ALLIANCE RESPONSIBILITY

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1985

● Mr. BROOMFIELD. Mr. Speaker, as my colleagues know, Secretary of State George Shultz recently completed a visit to certain Pacific island nations, in order to discuss our common interests and differences. In particular, the Secretary discussed the consequences of New Zealand's refusal to accept port calls of U.S. warships. This decision by the New Zealand Government has altered its position in the ANZUS [Australia, New Zealand, United States] Alliance and has raised important questions in regard to alliance responsibility in that region of the world. In this regard, I commend to my colleagues excerpts from a recent address on alliance responsibility by the Secretary of State.

ON ALLIANCE RESPONSIBILITY

ADDRESS BY HON. GEORGE P. SHULTZ, SECRETARY OF STATE, BEFORE THE EAST-WEST CENTER AND THE PACIFIC AND ASIAN AFFAIRS COUNCIL, HONOLULU, HI, JULY 17, 1985

On February 4 of this year, New Zealand rejected an American request for a visit by the USS Buchanan, a conventionally-powered destroyer that was to participate in an ANZUS naval exercise. The government of New Zealand rejected the request because the United States would neither confirm nor deny the presence of nuclear weapons aboard the ship.

New Zealand's decision followed months of quiet consultations between our two countries, in which we explored an amicable solution. We pointed out that port access for our ships in accordance with our worldwide policy of neither confirming nor denying the presence of nuclear weapons aboard ships was an essential element of the ANZUS security relationship. The implication of New Zealand's decision was that no American ship that could not be identified as unambiguously non-nuclear-armed could ever call in that nation again. Without access to ports, we could not fulfill our treaty obligations in peacetime or in a crisis. Our policy of neither confirming nor denying the presence of nuclear weapons aboard our naval vessels is essential: It prevents adversaries from identifying our most capable ships, thereby enhancing targeting difficulties and reinforcing deterrence.

We did not challange New Zealand's right to choose its own policy. Indeed, several allied, friendly, and neutral countries have special policies regarding nuclear weapons, but nevertheless permit ship visits.

No other ally, however, refuses to permit port visits on the basis of our "neither confirm nor deny" policy as New Zealand has. And if New Zealand's objective was to enhance Pacific security and reduce the nuclear danger, it has acted against its own interest: By adding a new element of risk and uncertainty New Zealand has weakened regional stability, one of the most important links in the efforts to prevent nuclear war. And the erosion of Western unity only weakens the Western position and the chances for success in arms control.

When New Zealand decided to reject the Buchanan, it also decided, in effect, that the basic operational elements of the ANZUS treaty would not apply to it. In a sense, New Zealand walked off the job—the job of working with each other to defend our common security. This made inevitable the cancellation or restructuring of a number of military exercises and exchanges with New Zealand, including the naval exercise in which the Buchanan was to have participated.

We have left the door open, however. The President said on February 7: "It's our deepest hope that New Zealand will restore the traditional cooperation that has existed between our two countries. Allies must work together as partners to meet their shared responsibilities." New Zealand remains a friend.

We hope that our current differences will eventually be overcome, and that further actions which exacerbate our differences can be avoided.

Our differences with New Zealand are specific and immediate; yet they raise the most basic questions about alliances and about alliance responsibilities in the modern world: What is the purpose of our alliances? What qualities are unique to an alliance of democracies? How do we manage our alliances in a new era in furtherance of our common purpose?

The goal of our alliances

After the end of the Second World War, the Western democracies that had united, together with the Soviet Union, to defeat Hitler soon found themselves faced with another threat to peace and freedom. The Soviet Union took advantage of the temporary weakness of nations struggling to recover from the war; it sought to expand its power and control in Europe and in Asia. The West responded by uniting in common defense of its values and of world peace. In 1949, the United States, Canada, and the nations of Western Europe signed the North Atlantic Treaty.

A year later, after the Communist invasion of South Korea, this web of alliances was extended to East Asia and the Pacific, where the United States entered into alliances with Japan, Australia and New Zealand, the Philippines, and later, Korea and Thailand.

The goal of our alliances 35 years ago was to deter aggression sponsored or conducted by the Soviet Union and its proxies against the alliance partners. Soviet power and its expansionist aims were then clear to all. Today they should be even clearer, in light of the massive Soviet military buildup of the past two decades, the Soviet invasion of Afghanistan, and efforts to extend the reach of Soviet power in Africa, Asia, and Central America. The purpose of our alliances, therefore, remains the same today: to deter Soviet aggression in Europe and Asia by making it clear, beyond a shadow of a doubt, that allied nations will resist, repel, and punish the aggressor.

And something else that was true 35 years ago is also true today: It is not enough for allies to agree that when war starts they will come to each other's aid. Words and agreements alone will not deter war.

Allies must work together to ensure that we have the capability to fight and win such a war—and that our adversaries know it. That is the real deterrent.●

ZAMBELLI INTERNATIONALE

HON. JOE KOLTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1985

● Mr. KOLTER. Mr. Speaker, it is my honor today to recognize Zambelli Internationale as the outstanding institution behind the spectacular Fourth of July fireworks exhibition on the Mall this year. Mr. George Zambelli, a constituent of mine and President of the firm which has had its U.S. headquarters in New Castle, PA, since 1893, deserves much praise for the remarkable pyrotechnic displays that he and his family have provided for millions of Americans celebrating our country's great Day of Independence throughout the Nation.

Zambelli Internationale is the world's largest and foremost manufacturer and exhibitor of fireworks, with 95 percent of the displays made in New Castle. The company has designed several hundred fireworks programs in Washington, DC. Also, for over 20 years, it has been in charge of the elaborate display alongside the Washington Monument which is justifiably considered to be the most pestigious show in the Nation.

In addition to thousands of Fourth of July celebrations each year and worldwide events such as the Papal visit to Toronto and the National Portrait Gallery in France, Zambelli Internationale has marked several noteworthy domestic occasions, to name only a few: The 1982 World's Fair, the return of the hostages from Iran, the 50th Anniversary of the Veterans' Administration, the 75th Anniversary of General Motors, the First National Telethon for the March of Dimes, the Inauguration of Jimmy Carter, the Inauguration of President Reagan, and with this past July Fourth, the return of the hostages from Beirut.

I cannot think of a more breathtaking and thrilling experience than the tremendous feeling of national pride possessed by all who witnessed this year's phenomenol three dimensional, audiovisual fireworks exhibit. It honored both the freedom of our Nation and the freedom rights of its citizens. In its 91 years of business, the Zambelli family has so often offered truly brilliant and magnificent tributes to our Nation that I deem it a great honor to bring my colleagues' attention to the fact that the internationally reknown institution is well-established within Pennsylvania's Fourth District.●

A TRIBUTE TO WILLIAM A. "BILL" MARTIN, JR.

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1985

● Mr. DYSON. Mr. Speaker, I rise today to honor the memory of a fellow Marylander, Bill Martin. As editor of the Crisfield Times for more than a decade and a half, Bill brightened the lives and broadened the visions of countless Crisfielders.

Bill was a man who made a difference. It was his calling in life to share ideas with the citizenry of Crisfield, and through Bill's insightful and indefatigable spirit, Crisfield benefited. Yes, Bill was a man of ideas who did much to help human understanding.

Bill masterfully wove homespun features that both captured the essence of his community and accentuated the basic goodness of people. And like the people he so often wrote about, Bill made the world a better place for having lived in it.

Not only by word, but also by deed, did Bill devote himself to Crisfield. Bill was a member of the Immanual United Methodist Church for 41 years where he served as church financial secretary for 31 years. A World War II Army veteran, Bill was a past member of the board of directors of the McCready Memorial Hospital; honorary member of the Crisfield Fire Department; honorary member of the Lower Somerset County Ambulance & Rescue Squad, Inc.; life member of the National Hard Crab Derby Association; honorary member of the Crisfield High School Homemakers of America and in his honor the Crisfield High School Pen and Quill Club was named.

Born in Hampstead, MD, Bill was the son of the late William A., Sr., and Florence Resh Martin. A devoted family man, Bill and his wife, Mary Ruth, spent 45 happy years together and raised two sons, William A. and James E. Martin.

In appreciation of his efforts in organizing Crisfield's national bicentennial celebration, a historical narrative of Bill Martin's many accomplishments was placed in Crisfield's 100-year time capsule pyramid to perpetuate him in memory to Americans of the tricentennial and beyond. It is altogether fitting and proper that this should be done.

And when Bill passed away on this July 4—as people throughout the land celebrated the freedom and democracy that Bill so dearly cherished and did so much to strengthen—he left a rich and enduring legacy of which we can all be proud; for Bill Martin was truly a great American.●

HALTING DRUNK DRIVING—A NEW APPROACH

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1985

● Mr. PORTER. Mr. Speaker, I'd like to take this opportunity to address a serious problem, an epidemic, which continues to plague our society and endanger its members.

The problem of drunk driving was the subject of widespread debate and legislation during the 98th Congress. Thanks in great part to the grassroots efforts of local citizen groups, we have all been sensitized to the tragic results of those who drink and drive. The approximately 25,000 deaths on our Nation's highways, annually, as a result of alcohol related accidents, deserves our continued attention.

I'm quite proud of the Congress and the President for enacting legislation encouraging States to adopt a national uniform drinking age. It was the first step to counter the preponderance of teenage drinking deaths in the United States and the leading cause of death among young adults ages 16 through 21. I personally urge all State governments to adopt such a standard. If they do not, more tragic deaths will occur with the advent of "Blood Borders" between States with age discrepancies.

In addition to our efforts at the Federal level, we must encourage local legislative and judicial bodies to establish new, creative programs to deal with those who are convicted to "driving under the influence." Deterring drunk driving, and enforcing strict laws, is, in the final analysis, the responsibility of local governments. Although we can do much at the Federal level, local officials are in the best position to prevent the continuous drunk driving slaughter.

I recently read about a program which exemplified the creativity and determination needed to deal with the crisis. Ms. Becky Titus, a Sarasota County judge in Florida, authored a program in which convicted drunk drivers were forced to display red lettered bumper stickers on their vehicles which stated: "Convicted DUI: Restricted Liscense." Her program was designed to increase the public's awareness of the costs of drunk driving by making the penalty visible and long standing. It rose out of the realization that simply increasing the fine or term of imprisonment was an ineffective deterrent. Expectedly the plan brought forth cries of privacy invasion and Puritan "Scarlet Letter" tactics. Ironically, however, the chief opponent of Ms. Titus's plan has been her husband, the chief public defender of the county. Both have been quite vocal in support of their opposing positions, and no matter the outcome, it is refreshing to see such energy being put forth into finding the proper response to the selfish life-taker known as the drunk driver.

At this point I would like to submit for the RECORD the article I referred to:

[From the New York Times, June 6, 1985]

IN-HOUSE DISPUTE: DRUNKEN-DRIVER BUMPER STICKER

(By Jon Nordheimer)

SARASOTA, FLA.—When Becky Titus and Elliott Metcalfe made plans to marry this spring they thought the biggest problem facing them was what to do with their pets.

She owned three aging cats and he a 50-pound English bull terrier.

They were married last month and the pets turned out to be the least of their problems. Miss Titus is a Sarasota County judge and the author of a local program to force people convicted of drunken driving to display a red-lettered bumper sticker announcing the conviction to the world.

Her husband is the county's chief public defender, and next week he will move to end his wife's program.

STEP BACKWARD TO SALEM

"Unconstitutional, humiliating and an invasion of privacy," fumed Mr. Metcalfe. "It's a step backward to Salem, the Scarlet Letter, dunking chairs and public stocks."

Not so fast, argued his wife, who has the last word in court but in another venue, a booth in the sandwich shop near the county courthouse, debates on equal footing. "The Scarlet Letter is appropriate if it causes deterrence," she said. "We are not taking an individual and dyeing him green. We are putting this bumper sticker on his vehicle, not him."

The sentencing, which began last week, gives first-time offenders a choice after their licenses are automatically suspended for a year. If they want special driving privileges to get to work or school, they must agree to a plastic strip on the bumper that says, in large reflective lettering: "Convicted DUI. Restricted License."

Others who drive the car are permitted to cover the bumper sticker with a white plastic strip that the court supplies.

SHE ACCUSED HER OPPONENT

Miss Titus took office in January after ousting the incumbent, denouncing him as soft on drunken driving. There were 1,285 drunken driving arrests last year in a county of nearly a quarter million residents.

"There's everything from die-hard alcoholics to older folks who can't cope with retirement," she said. "Most of them have never been in court before and are mortified. The worst part is seeing their names in the paper."

She said she seized on bumper stickers when she heard about their use by a judge in Oklahoma.

"Having the sticker on the car also helps enforce the court order to keep these offenders off the road at night," she said. Violation of the terms could jail the offender for six months, she said.

Rick DeFuria, one of two other county traffic judges, supports the plan. The third, Alan Dakan, appointed after the policy was announced, said he would wait to observe its results. He hears cases with names at the end of the alphabet.

"Names from O to Z get a break but A to N get slapped with a sticker," Mr. Metcalfe said. "That's discriminatory and that's the basis of our challenge."

He said offenders were not given a free choice because they must accept the conditions or face loss of work. "Probation should be rehabilitative and not punitive," he insisted.

Miss Titus's eyebrows danced. "There's nothing in the books that says I can't think of something new," she said. "I can send an offender to jail. I can't think of anything more punitive!"

"That's all provided for by statute," he said "There's nothing that allows you to make someone wear the Scarlet Letter. What's next?"

"I ask your Honor," he said, "are you going to put all the shoplifters into red T-shirts saying 'Convicted Thief'?" Mr. Metcalfe, who was his wife's campaign manager, was chortling.

The judge rolled her eyes. Her face tightened into the sentencing expression. "I knew I should have let you challenge the bumper sticker issue before I married you," she said. But she could not stay stern. "It's late, honey, let's get back to court," the judge said to the public defender.●

CONGRESSIONAL SALUTE TO FLORIN'S "ONCE IN A LIFETIME REUNION"

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1985

● Mr. MATSUI. Mr. Speaker, I rise today to bring your attention to a very special event taking place on July 20 and 21 in the small, rural community of Florin in my Sacramento County congressional district.

For those 2 days, several generations of former Florin residents will gather for a "Once in a Lifetime Reunion." For most, it will be the first time in many decades that they have seen each other. Growth, changing economic conditions, and World War II combined to scatter most of them throughout the country.

And yet there are still remnants of the strong Japanese-American influence this community had prior to the removal and relocation of 2,500 residents in concentration camps as part of the U.S. Government's internment policies. Homes were lost, businesses destroyed, and families torn apart by the massive paranoia and wartime hysteria that gripped the Nation during World War II. All of this was done to American citizens, who had no recourse, no due process or court hearings.

Today, more than 40 years later Japanese-American and Caucasian residents will gather again to renew old acquaintances, share their memories and their experiences. Educational events like this can only help future generations learn from our past mistakes. The tragedy and human suffering that occurred in World War II to Japanese Americans will be mirrored

in the faces and voices of old classmates and coworkers.

A long list of activities is planned to commemorate this historic reunion. A 200-unit parade through the streets of old Florintown and the unveiling of a historic plaque are among some of the events planned for the 2-day program.

Mr. Speaker, I ask that my colleagues join me in commending and thanking the many community groups and organizations, residents of Florin and the Florin Historical Society for their efforts in planning this important reunion.●

THE ISSUE OF ABORTION

HON. RICHARD J. DURBIN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1985

● Mr. DURBIN. Mr. Speaker, I rise today to address an issue which has been confronted by Congress repeatedly over the last decade. The issue is abortion. Today we address that issue from the perspective of family planning assistance to other nations of the world.

Let me say at the outset that I oppose abortion on demand and have consistently voted against its funding. It should go without saying that the allegations of forced abortions and compulsory sterilization in China suggest reprehensible conduct which should be condemned by all civilized nations.

However, we are not faced today with the question of whether we should condone or condemn China's family practices. Not a single Member of this body has risen in defense of China on this subject. Instead, we are asked to choose a policy which the United States can follow in the hopes of discouraging and ending compulsory abortion, sterilization, and infanticide in China.

For many years the United States has supported family planning worldwide as a humane use of our funds to alleviate suffering in underdeveloped countries. We have made it clear that none of our family planning assistance is to be used to fund abortion. I strongly support that position.

The Foreign Affairs Committee took that approach one step further during consideration of the foreign aid bill when it adopted the Snowe amendment prohibiting the use of U.S. family planning funds in China through the United Nations Fund for Population Activities [UNFPA], the international agency that distributes family planning assistance in China and 114 other countries.

The gentleman from New Jersey [Mr. SMITH] originally sought to take an additional step and prohibit the use of any family planning assistance funds from the United States to support UNFPA activities in any of the 115 countries it serves because it gives some funding to China. He proposed this policy change even though the Agency for International Development found no evidence that the UNFPA was involved in any way in coercive activities and the UNFPA contributes only 1 percent of the total cost of China's population program.

Mr. SMITH's amendment caused concern to many of us who are aware of the fact that unless family planning assistance funds are available in many countries, women will be forced to turn to abortion. The practical result of Mr. SMITH's original amendment would have been to increase the number of abortions worldwide in an effort to end compulsory abortion in China. For many of us, this was an unacceptable alternative.

Fortunately, Mr. SMITH altered his amendment considerably in the hours preceding this debate during the House's consideration of the foreign aid bill.

The House was presented with two amendments which were quite similar. An amendment offered by Mr. FASCELL of Florida provides the President with discretionary authority to deny funds to the UNFPA if there is any evidence that they are supporting compulsory abortion in China. Mr. SMITH's modified amendment took a slightly different approach by requiring the President to certify that such funds are not being used by the UNFPA to support compulsory abortions in China before the United States releases them.

The practical impact of both amendments is the same. The administration has the authority to completely remove all funding for the UNFPA if there is any evidence that this agency is supporting compulsory abortions in China. Although the Agency for International Development has concluded that there is no evidence of UNFPA support for compulsory abortions, providing the President with this discretionary authority will serve as a constant reminder in the UNFPA that it should not only refuse to participate in China's objectionable family planning program, but also that we will remain vigilant so as to discourage any indirect assistance by UNFPA to this program.

Through the adoption of either the Fascell or Smith amendments, we will have taken a major step toward establishing a policy in the United States condemning forced abortions in China. We will give the President a new tool to fight this Chinese policy in addition to the myriad of other foreign policies available to the administration to influence China's decisions in this area. I am particularly pleased that both amendments achieve this worthy objective without sacrificing the important contribution of the United States to family planning assistance in other nations.

We cannot and should not walk away from our responsibility to provide family planning assistance to developing nations of the world.●

CALL TO CONSCIENCE VIGIL: THE SLEPAKS

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1985

● Mr. FASCELL. Mr. Speaker, today I take the floor to once again participate in the "Call to Conscience Vigil" organized by our distinguished colleague, Representative LEVIN, from Michigan. It is with great sadness and dismay that I find it necessary to speak for the ninth consecutive year on the plight of the Slepak family, a family which has been separated for 15 years.

Vladimir Slepak, a radio and television engineer; Maria, a physician; and their two sons, Aleksandr and Leonid, applied in 1970 to emigrate to Israel where they would join Maria's mother. Their request was refused and in 1976, Vladimir joined the Moscow Helsinki Monitoring Group which speaks in defense of Soviet citizens whose rights are violated or denied.

In 1977, Aleksandr was finally allowed to emigrate, but the rest of the family could not leave. Thus in 1978, the Slepaks hung a banner from their balcony which said, "Let Us Go to Our Son in Israel." For this action, Vladimir was convicted of "malicious hooliganism" and was sentenced to a 5-year term of internal exile in Siberia. Maria's sentence was suspended, but she chose to join Vladimir. Their son Leonid was allowed to emigrate in 1979.

In December of 1982, Vladimir completed his sentence and returned to Moscow where he and Maria renewed their efforts to reunite with their family in Israel.

It is most important that we, as those who are fortunate enough to have the freedom to exercise our basic human rights, do not forget those who lack that freedom. The Slepaks and other Soviet Jews are prohibited from living freely and from observing their religion as they choose, yet they are prevented from leaving the country. These people must know that the world has neither abandoned them nor forgotten the beliefs for which they stand.

Mr. Speaker, as in all previous years since the "Call to Conscience Vigil" began in 1976, I pledge my continuing support for the freedom of Soviet Jews, and it is my sincere hope that this year, Vladimir and Maria Slepak will emigrate to Israel and that it will

not be necessary for me to speak on their behalf again next year.●

A TRIBUTE TO SUSAN SMITH McKINNEY, M.D.

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1985

● Mr. RANGEL. Mr. Speaker, I rise with great pride to remember the life of Dr. Susan Smith McKinney, New York State's first black female physician, and only the third black woman in the United States to attend medical school.

Susan Smith McKinney's medical career began in 1870, when she began a 24-year practice in Brooklyn, NY. Her tenure in Brooklyn was exceptional, and she immersed herself in all aspects of the medical profession. She was a member of several medical societies, and worked in many local hospitals. Dr. McKinney stood out among her peers, receiving the respect due her. Her community loved her, acknowledging her dedication to her fellow citizens.

On behalf of this fine American, I would like to submit the following article for insertion into the CONGRESSIONAL RECORD.

[From the Journal of the National Medical Association, March 1975]

SUSAN SMITH McKINNEY, M.D., 1847-1918, FIRST AFRO-AMERICAN WOMAN PHYSICIAN IN NEW YORK STATE

(By Leslie L. Alexander, M.D.)

Susan Maria Smith was born in 1847 at the corner of Fulton Street and Buffalo Avenue in Brooklyn, New York. This area, now called Weeksville, was then a farm extending south from Fulton Street. Twenty-three years later in July 1870, she was graduated from the New York Medical College for Women and was valedictorian of her class. One hundred and four years later, on September 25, 1974, Brooklyn's Junior High School No. 265 was named the Dr. Susan Smith McKinney Junior High School in her honor.

Dr. Susan Smith McKinney was the seventh of ten children of Sylvanus and Anne Springsteel Smith. Her father was a successful and prosperous pig farmer who was listed in the directories of the time as a pork merchant. Her mother was the daughter of a Shinnecock squaw and a Revolutionary War French colonel by marriage.

Her oldest sister, (Min) Sarah Tompkins was married to an Episcopal minister and became the principal of Grammar School No. 4 in 1864. After the death of her first husband, this sister married the famous Henry Highland Garnet, the noted anti-slavery orator and later Minister to Liberia. She continued to be a school principal (in Manhattan) at Public School 80 until her retirement in 1901 after a tenure of 37 years.

Another sister, Emma (Thomas) was a school teacher. Clara (Brown) taught piano and Mary was a hairdresser. Two of her brothers died (one at sea) in the Civil War.

As a child Dr. McKinney was a serious student of the organ under the tutelage of two famous organists of New York City, John Zundel of the Plymouth Church, and Henry Eyre Brown of the Brooklyn Tabernacle. This training enabled her to teach in the public school system of Washington, D.C. for two years and later to become, for 28 years, choir director and an accomplished organist of the Bridge Street A.M.E. Church in Brooklyn (during her medical career).

The first Negro women to receive the medical degree were Rebecca Lee, M.D. (New England Female Medical College, Boston, 1864) and Rebecca J. Cole, M.D. (Woman's Medical College, Philadelphia, 1867). Dr. Susan Smith was the first Negro woman physician in Brooklyn and New York State. She was the third in the United States. She practiced 24 years in Brooklyn—as Dr. Susan Smith from 1870-73, and as Dr. Susan McKinney from 1874-1895. Her office was located at 205 DeKalb Avenue which is not too distant from the 101 Park Avenue site of the Dr. Susan Smith McKinney School and also the Bridge Street A.M.E. Church. She also maintained an office in Manhattan.

Dr. McKinney was a member of the medical staff of the New York Medical College and Hospital for Women at 213 West 54th Street, between Broadway and Seventh Avenue, in Manhattan during 1882. She took postgraduate work at the Long Island Medical College Hospital in Brooklyn from 1887-88. She also was one of the organizers and founders, in 1881, and a member of the staff until 1895, of the Brooklyn Woman's Homeopathic Hospital and Dispensary at Myrtle and Grand Avenues (near the Dr. Susan Smith McKinney School). This hospital later was renamed the Memorial Hospital for Women and Children, and was relocated at 808 Prospect Place.

Dr. McKinney was a member of the Kings County Medical Society and the New York State Homeopathic Medical Society. She was official physician to the Brooklyn Home for Aged Colored People and served as a member of its governing board from 1892-1895. This Home is still in operation at the corner of St. Johns Place and Kingston Avenue where a new physical plant is being contemplated.

Dr. McKinney also was a public speaker. On several occasions in Brooklyn and Ohio, she spoke on women in medicine. She addressed the Interracial congress in London, England, in 1911 on Colored Women in America.

Dr. McKinney's kinship can be traced back four generations and forward four generations. Her great, great grandmother, Libby Larkins, was a pure Montauk Indian. Her husband also was of that tribe. His name is not recorded. A great grandfather, Solomon Hubbs, was an African slave ship escapee and was said to be an African prince called "King Solomon." His grandson, Sylvanus, later was to marry the half-breed Shinnecock-French girl, Anne Springsteel, the mother of Dr. Susan Smith McKinney.

Dr. Susan Smith was married to Reverend William Guillard McKinney who was about 20 years her senior. He died in 1895 after fathering two children: Anna McKinney Holly-Carty, a school teacher in Brooklyn for many years, and Reverend William Sylvanus McKinney, a Protestant Episcopal priest.

At the time of the dedication of the Dr. Susan Smith McKinney Junior High School there were 22 direct descendants of Dr. McKinney. William S. McKinney, Jr. of Brooklyn and St. Albans is 74 years of age and was a high school teacher at Thomas Edison Vocational in Queens, New York and at the East New York High School in Brooklyn. His wife, Blanche, retired from elementary school teaching after 31 years of service.

The 22 descendants—all living—include a chemical engineer, seven school teachers, a commercial artist, a piano teacher, a well known actress, an assistant principal, a dentist (Dr. William McKinney of Jamaica), a trial attorney (Charles McKinney, Esq. of Brooklyn), a tennis coach and student, two students at Harvard, a student each at Brown University and Northeastern University, two high school students, and one elementary school pupil.

At the time of her husband's death, Dr. McKinney was 48 years of age. She then married U.S. Army Chaplain Theophilus G. Steward of the 24th Infantry of Fort Missoula in Montana and later at Fort Niobrara, Nebraska. She was licensed and practiced medicine in both of these states. Shortly before Chaplain Steward's retirement she went to Ohio in 1898 and became resident physician and a member of the faculty of Wilberforce University in Xenia, Ohio. Upon his retirement from the Army he joined her there on the faculty as a teacher of history.

Dr. McKinney-Steward remained at Wilberforce until her death in 1918. Her body was brought back to Brooklyn and interred at Greenwood Cemetery. Chaplain Steward survived her for a few years at Wilberforce. There were no offspring from this second marriage.

Dr. Susan McKinney-Steward devoted 48 years to an outstanding medical career. She was honored as a physician, organizer with foresight, churchwoman, community leader, musician, educator, publicist, humanitarian and heroine. In June 1914 President Scarborough of Wilberforce University wrote: "Dr. Susan McKinney-Steward, our resident physican for a number of years, has been faithful in looking after the young people in need of medical attention. I am very glad to commend her and her services, and to say that to have such a woman connected with the institution, where there is a large attendance of girls, is indispensable."

After her death, as part of her eulogy, the Green County (Ohio) Statistics, printed ". . . She was one of the best known women of her race, and for years exerted a remarkable influence for good, in and about Wilberforce, where she had been practicing her profession since 1898. . . ."

To Dr. McKinney-Steward's family one highlight of her career has been recorded as a dramatic and commemorative episode. It was a housecall by train and ship from Ohio to Haiti in 1897 to deliver her first grandson, Louis Holly.

Now after 104 years Brooklyn, her native city, has written its epitaph—the Dr. Susan Smith McKinney Junior High School.

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ENTERPRISE ZONES CAN MAKE A DIFFERENCE

HON. JACK F. KEMP
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1985

● Mr. KEMP. Mr. Speaker, enterprise zones are crucial to the revitalization of our inner cities and other depressed areas across the country. By creating jobs and entrepreneurial opportunities for disadvantaged residents of these zones, we can go a long way toward rebuilding these distressed communities and providing a leg up on the ladder of opportunity.

I would like to share with my colleagues this informative article on enterprise zones that appeared in the May 1985 issue of Business Facilities. As this article points out, many States such as Kansas, Connecticut, Illinois, and Louisiana have been successful in generating new jobs and economic growth through the use of enterprise zones. This Nation has much to gain and nothing to lose by trying them, and I urge my colleagues to pass enterprise zone legislation at the Federal level this year.

[From Business Facilities, May 1985]

ENTERPRISE ZONES: "THERE'S NOTHING TO LOSE BY TRYING THEM. . . ."

(By Eric Peterson, Editor)

Critics say they don't produce, and that the incentives are better used elsewhere. Advocates admit that their success is iffy, but argue that there's nothing to lose by trying them.

"They" is enterprise zones, a concept that, while some solid success stories are being written, remains controversial.

The concept originated in the U.K., and the father of the enterprise zone is generally considered to be Professor Peter Hall of Reading University, England. The concept was adopted by the British government in late 1978; since then a dozen or so zones have been designated in Britain, and the success of several of them led to interest in the U.S. for a similar approach to redeveloping hardcore depressed areas.

The idea behind the enterprise zone is that government doesn't actually spend money for redevelopment. It offers, instead, a variety of incentives (including tax breaks) for private sector companies to locate and expand in the targeted areas. The concept fits well, in that fashion, with the Reagan Administration's goal of placing most of the country's economic development responsibility in the hands of state and local governments, working in conjunction with the private sector.

At the same time, a number of proposals for Federally-sponsored zones have been placed before Congress, and the Reagan Administration soundly supports the concept. But politics and a variety of other factors have stalled the Federal proposal.

But the enterprise zone as an economic development tool is alive and well at the state level, where 24 of the 50 states now have programs of their own. And don't you believe for one minute that enterprise zones are primarily a tool for redeveloping aging Frost Belt cities. Of the two dozen states, the split is exactly 50–50, Sun Belt vs. Frost Belt.

Further, five of the states with enterprise zone legislation are in the Northeast, 10 are in the South/Southwest, seven are in the Mid-west, and two are in the Far West. At the same time, enterprise zones aren't strictly an urban affair—several states have made provision for designating small cities in particular and rural areas in general as enterprise zones, aimed at coping with rural poverty.

In other words, enterprise zones are widely perceived as a tool for dealing with a wide variety of economic woes.

In Missouri, for example, the goal is to create jobs in economically depressed neighborhoods, and to provide for more growth for companies in the state. "We need these tax incentives to attract businesses, so a business can make a profit," says Gene McNary, St. Louis County executive.

In Kentucky, on the other hand, the goals are business and industrial growth, as well as neighborhood revitalization, according to the state's hand-out material. Both the Illinois and Florida enterprise zone programs emphasize increased participation by the business community in community improvement projects.

On the local level, the goals of those communities which have tried to get, or have actually gotten, zone designation range from "attracting new industry and encouraging rehabilitation of retail and residential activities," as is the case in Danville, VA, to redeveloping historic districts, as is the case in Lynchburg, VA, to increasing "the assessed value by 40%," as is the case in Roanoke, VA.

And while a number of the states that have programs have patterned them largely after proposed Federal legislation, there is by no means any "standard" enterprise zone plan of attack. Some of the criteria in particular are kind of repetitive, as a glance at the following listing of what the various states have to offer will show. Indeed, some state programs have more than a casual tie to what the Federal government wants to do.

Rhode Island's program, for example, which passed some three years ago, won't "operate or be implemented independently of Federal enterprise zone legislation," in the words of the bill itself. In other words, no Federal legislation, no Rhode Island enterprise zone program.

Texas, likewise, has a two-year-old law on the books, but the appointed State Enterprise Zone Board won't implement it until the Federal government does.

Nor is there any standard in terms of number of zones. Louisiana has designated some 630 zones in nearly 110 jurisdictions, and up to one-fourth of the entire state's land area is eligible for designation. Georgia, on the other hand, has only designated two zones, and the state's legislation reads that zones can only be designated within the city of Atlanta, nowhere else.

And about half of the states with programs have "competitive" designation; in other words, only a limited number of designations are allowed, and jurisdictions (cities, counties, etc.) have to compete for them. The other states have "non-competitive" programs, with designation on demand as long as a proposed zone meets the appropriate criteria.

And finally, 23 of the 24 with programs went the legislative route; *i.e.* legislation was passed in the statehouse and signed into law by the governor. The 24th, Pennsylvania, has an "administrative" program. There's no specific law on the books, in other words, but a program was developed to target existing programs for use in specific areas that are distressed.

Enterprise zones should "not be considered a panacea for the economic problems facing our cities," feels Howard Wise of the state of Ohio's Business Development Division. "Rather, they should be considered an additional tool to be used to reduce welfare and unemployment costs and to revitalize the cities through encouragement of business expansion."

"Success or failure depends on the local commitment," according to a spokesman for the state of Illinois. "Determination of the specific objectives and day-to-day administration is the responsibility of the local government sponsoring the zone."

A report by the National Council on Urban Economic Development (CUED) points to several factors upon which success depends: Political and bureaucratic support; private sector support; local capacity and ability; changing market conditions; condition of physical plant; and zone management.

And, according to a recent report by the National Association of State Development Agencies (NASDA), "an enterprise zone will have little success if communities and businesses are unaware of its existence. To work, an enterprise zone must have an effective marketing program."

There's the rub. It's tough to market an area with high unemployment, vacant land and empty buildings, and such other urban woes as high crime. The answer, according to Gerald Burgess, manager of the Portsmouth, VA enterprise zone, speaking at a recent NASDA meeting, is to de-emphasize the distress element and emphasize the incentives and benefits.

Finally, Robert Simonds, enterprise zone coordinator for the Missouri Department of Economic Development, feels that success depends on sticking to your original philosophy. In some cases, he explains, "the selective procedure has been opened up to include entire metropolitan areas, and even entire states, and they've found themselves buried in an avalanche of paperwork and bureaucracy. I think some have lost the whole concept and are trying to focus with a

shotgun when they should be looking down a rifle barrel to specific cases they can clearly identify."

The states which have had programs in operation for a long enough time to judge how they've worked must be doing something right, because some of the numbers are impressive. In Virginia, for example, the zone in the community of Saltville has drawn four new businesses. Saltville, a town with 2,400 people in nearly nine square miles (it's one of the state's two rural zones) was devastated more than a decade ago when Olin Chemical's local plant shut down at the cost of more than 1,000 jobs. And the zone in Roanoke has been able to save a Coca Cola bottling facility and 170 jobs, with the added benefit of 89 new jobs.

In Kentucky, on the other hand, for the first full year after the initial zones were designated in Louisville and Hickman, activity in 51 businesses created or retained more than 1,200 jobs. Louisville's zone alone retained or created about 1,000 jobs, and 300 of the new jobs went to people who had been unemployed for at least a year. More recently, the designation of a zone in Covington brought the announcement of a Gibson Greeting Card plant that will create up to 600 jobs.

Kansas attributes a total of more than $200 million in capital investment to its own enterprise zone program. In Topeka, for example, Santa Fe Railway decided to build a $40 million office complex and retain 2,000 jobs rather than move out of state; Frito Lay has undertaken a $30 million expansion adding 100–150 new jobs; and Goodyear has expanded to the tune of $60 million and 300–400 new jobs, with another expansion already planned.

Indiana's first six zones, according to state figures, have seen significant small business activity. Richmond's zone has four new start-ups; Anderson has had a laundry facility expansion that is adding 30–40 jobs; and Anderson's zone has seen considerable activity, including the Anderson Co.'s decision to stay instead of moving out of state. That saved 1,000 jobs and added 100 new ones.

In Illinois, the state's first eight zones created nearly 1,000 new jobs through last fall, saved more than 2,000 more, and have 2,000 additional jobs in the planning stages. Investment during the first year for the eight was more than $40 million. The "Back-of-the-Yards" zone in Chicago has retained, renovated and expanded several companies; Decatur had 90 projects underway, yielding $7.3 million in value added, through last fall; Will County (Joliet, Lockport, Rockdale) had 31 startups and expansions creating more than 500 new jobs; and a $300 million renovation was recently announced for Corn Products Co. in Bedford Park/Summit zone.

Louisiana officials are projecting, based on approved projects under contract, more than 6,600 new jobs, more than 4,500 construction jobs, and some 4,500 retained jobs over the next five years. They also project that for that period, $2.12 will be returned to the state for every $1.00 given up in incentives. Total projected investment approaches the half-billion-dollar mark.

And Missouri estimates that the first three zones added more than 1,200 new jobs and $14 million in investment during the first year (only three had been designated at that point; the state now has 12).

Connecticut's six zones attracted more than $107 million in investment in the first year and 11 months of the program, representing 367 projects and more than 7,100 jobs. Some 3,700 of the latter were new jobs. In the zone in Bridgeport alone, there have been 46 startups in the first two years, and 18 of those are minority-owned. Most impressive of Bridgeport projects include a $5 million industrial park on a former drive-in theatre.

"These are impressive numbers," feels Connecticut Governor Bill O'Neill. "This program is proving to be the most powerful approach yet to rebuilding our urban neighborhoods."

Other support of the enterprise zone concept has been increasing. Last year, for example, the Sabre Foundation, a Washington, DC "think tank," did a study, the results of which indicated that zones already set up in 182 communities (at that time) "have been hugely successful."

The biggest winners? According to the Sabre study, unemployed and low-income workers accounted for some 30% of all hirings related to enterprise zone growth. In addition, local officials reported that more than 4,000 jobs were saved because of businesses that had planned to move but decided to stay because of the new range of incentives suddenly being offered.

In short, growing success is inarguable; the long-term prognosis could probably be considered as "cautious optimism." Undoubtedly, however, the programs in a few states haven't really scored the big one yet.

But all things considered, a solid and improving track record among state-level enterprise zone programs may well prove to the folks on Capitol Hill that they work, and that could help build the pressure for getting Federal legislation off the back burner and onto the books.●

TRIBUTE TO MORMON PIONEERS

HON. RICHARD STALLINGS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1985

● Mr. STALLINGS. Mr. Speaker, I would like to take this opportunity today to pay tribute to Mormon—Church of Jesus Christ of Latter-day Saints—pioneers who entered the Salt Lake Valley on this day in 1847 after a lengthy, difficult trek across the country.

These pioneers, driven from their homes with few possessions, braved harsh weather, sickness and other dangers in search of a place to live and practice their religion in peace.

Hundreds of cities in the West, including many in the Second Congressional District of Idaho which I represent, trace their roots to these pioneers. The histories of these cities reflect the stamina and spirit typical of these pioneers. Many cities bear the names of these pioneers.

Today many residents of my district are honoring this pioneer heritage with parades, picnics, rodeos and other activities.

Wilford Woodruff, a member of the Mormon Church who entered the Salt Lake Valley July 24, 1847, with a body of Mormons including the church's president, Brigham Young, detailed the feelings of many of the pioneers as they looked over the Salt Lake Valley for the first time.

His journal records:

We gazed with wonder and admiration upon the vast fertile valleys which lay for about 25 miles in length and 16 miles in width, clothed with the harvest garb of green vegetation in the midst of which lay a large lake. Our hearts were surely made glad after a hard journey from Winter Quarters of 1,200 miles.

Woodruff said thoughts of orchards, vineyards, gardens and fields, which would soon cover the area, were pleasing to them. Before he cooked dinner that first night, he planted a half bushel of potatoes. This exemplifies the spirit of these early settlers.

Today, 138 years after Woodruff dreamed of the progress to be made in the Salt Lake Valley, we enjoy the heritage of these stalwart pioneers.

I pay tribute to them today.●

NATIONAL LABOR RELATIONS BOARD CELEBRATES 50TH ANNIVERSARY

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1985

● Mr. FORD of Michigan. Mr. Speaker, the National Labor Relations Board celebrates its 50th anniversary this year, but the working people and unions the Board was created to protect have little to celebrate. Under the chairmanship of Donald Dotson, who believes unionized labor relations to be a major contributor to decline and failure of once healthy industries, the Board has adopted an antiunion bias that is totally at odds with the purposes of the National Labor Relations Act, which are to promote collective bargaining, a process which requires unions and unionized labor relations, to eliminate the inequality of bargaining power between companies and workers, and to increase the wages and purchasing power of wage earners.

The major decisions of the Dotson board show a pervasive hostility to collective bargaining. Dotson has written—and refused to repudiate—that "collective bargaining frequently means labor monopoly, the destruction of individual freedom, and the destruction of the market place as the mechanism for determining the value of labor." His hostility to the NLRA's most fundamental goals dominates the Board's decisions, where Dotson and Mr. Reagan's other appointees have narrowed the scope of bargaining, made it easier for employers to move operations from union to nonunion sites, given internal union rights to nonmembers and free riders, and used the Board's injunctive remedies disproportionately to assist employers

while refusing to assist employees. Dotson's board has crippled unions' ability to enforce strike discipline, punished the victims of wrongful discharges while rewarding the wrongdoers, sanctioned the destruction of decades-old bargaining relationships, eliminated protections for whistleblowers and individual employees concerned about health and safety, and sowed confusion and confrontation in industries that were developing cooperative industrial relations.

Mr. Dotson lamely defends his abysmal record by pointing out that the courts have affirmed many of the Board's reversals of precedent and have even led the Board in some instances. In many cases, however, the courts' affirmances say no more than that the Board's interpretation of the law was not plainly irrational—hardly an endorsement. But insofar as Mr. Dotson is right, he makes a strong case for legislative reform of the National Labor Relations Act. The courts cannot be relied on to construct sound labor relations policy or to restrain the Board's excesses. As Congress recognized when it passed the Norris-LaGuardia Act in 1932, the court's role in labor relations should be strictly limited. Historically, the judiciary has shown little sympathy for labor unions or the rights of employees in the workplace. Legislative changes are needed to restore the act's integrity and relevance.

Two unusual sources of concern for the rights of unions and the future of collective bargaining have recently condemned the excesses of Mr. Dotson and the NLRB. The Washington Post recently editorialized that the "Reagan board has gone too far." A Business Week commentary on the emasculation of the labor movement's most important economic weapon, the strike, concludes that the NLRB and the courts have undermined collective bargaining and flouted the intent of Congress.

I ask that both of these commentaries be printed in the RECORD.

[From the Business Week, July 15, 1985]

A HOST OF STRIKEBREAKERS IS TIPPING THE SCALE AGAINST LABOR

(By John Hoerr)

A strikebreaker is a traitor to his God his country, his wife, his family, and his class. Attributed to Jack London.

This was what working-class America believed 75 years ago, or even 30 years ago. But crossing a picket line today carries little of the old social stigma, and people do it with no more feeling of guilt than comes from crossing the street against a red light. Indeed, strikebreaking is occurring so often, and in such highly visible strikes—the pilots' walkout at United Airlines Inc. is a recent example—that it is raising some fundamental questions about federal labor law.

In Chicago, a federal district judge is expected to decide soon whether United violated the law in the way it used strikebreakers to continue operations during the 29-day strike. In Washington, the Supreme Court on June 27 declared illegal a union rule that prohibits members from quitting their union during a strike to return to work. This ruling will have a limited impact, because many unions don't have such a provision. But a 5-to-4 decision was the latest in a series of rulings by courts and the National Labor Relations Board that have reduced labor's strike and bargaining power.

In the wings. There have always been workers willing to take strikers' jobs. But the idea of living with unions dominated management thinking for the first 25 years or so after World War II, and most large unionized companies simply closed their gates during strikes. They didn't want to stir up hatreds by hiring "scabs," thus risking stormy relations with the union after the walkout. But increasing competitive pressures and the existence of what AFL-CIO President Lane Kirkland calls "an army of long-term unemployed" have motivated more and more companies to hire strikebreakers.

Some notable examples include the failed strike in 1981 by air traffic controllers against the federal government, walkouts at Greyhound, Continental Airlines, and Phelps Dodge in 1983, and an eight-month strike last year at Danly Machine Corp. in Chicago. In these cases, management found an abundance of jobless people, or workers who wanted to find better jobs, who were willing to cross the picket line. One counterexample is United, which tried—but failed—to lure some 500 trainees across the Air Line Pilots Assn. picket lines.

Workers gained the right to join a union, engage in collective bargaining, and strike to support their demands in the Railway Labor Act of 1926—which covers railroads and airlines—and the National Labor Relations Act of 1935 [NLRA]. The idea behind both statutes is that the union would pit its ability to shut down a business against the company's ability to withstand a strike, and the outcome would reflect the free play of economic forces.

BROKEN PROMISES

But as far back as 1938 the Supreme Court ruled that management could hire "permanent replacements" for strikers. An employer can keep the strikebreakers on the payroll after the walkout is over, even if some strikers don't immediately regain their jobs. Another Supreme Court decision, in 1983, fosters this practice. If a company promises permanent jobs to strikebreakers and then fires them at the end of a strike, the workers can file suit for damages in state court.

Moreover, under other court decisions and NLRA amendments, permanent replacements have the right to vote in an election to decertify the union. But striking workers lose the right to vote after they have been on strike for more than a year. Thus, strikebreakers last year voted to oust Phelps Dodge's unions.

Some labor law specialists, including Paul C. Weiler of Harvard University and William B. Gould IV of Stanford University, contend that the "permanent replacement" rule was wrong to begin with. They note that one of the NLRA's main goals was to prevent employers from firing workers who went on strike. "The employer can't fire you for striking, but he can replace you," Weiler says. "Workers can be excused for not seeing the difference." Adds Gould: "The increasing number of employers who are willing and able to rely upon permanent strikebreakers seems to me to be completely antithetical to the purposes of the NLRA."

BIG TROUBLE.

Weiler and Gould favor the use of "temporary replacements" who would gain a permanent status only after the strike has lasted a certain period. However, management attorneys argue that companies are merely exercising their economic strength by hiring permanent substitutes. James C. Paras, a San Francisco lawyer who represents companies, says that focusing on the legal issue of replacements obscures what is really happening. "The legal rules have not changed significantly, but the environment has," Paras says. "We live in the era of the individual, not the organization person, and that is causing the unions a great deal of trouble."

It is true, of course, that unions too often ignore their own shortcomings and tend to blame the law or the Reagan NLRB for their decline. Nevertheless, it is hard to avoid the conclusion that the trend of judicial and legislative law is eroding labor's ability to conduct an effective strike. The NLRA's original goal was to eliminate the "inequality of bargaining power" between companies and individual workers by encouraging collective bargaining. To the extent that strikes are no longer viable options, collective bargaining as envisaged 50 years ago by Congress is also diminished.

[From the Washington Post, July 6, 1985]

TILTING AGAINST LABOR

The 50th anniversary of the National Labor Relations Act comes at a time not of celebration but dispute. In a series of decisions mostly freeing employers from past restraints, Reagan administration majorities on the National Labor Relations Board have affected the balance of power in the work place. Even before these decisions labor wanted to amend the act; it tried in 1978 but failed. Now some labor leaders have said—and only in part for the shock value—that they might be better off if the act were repealed. The NLRA is the nation's fundamental labor law; it was written to bring labor disputes off the street. But the largest union in the AFL-CIO, the United Food and Commercial Workers, has now announced it will conduct its organizing drives where possible outside the NLRA framework, which it says is more hindrance than help.

The unions say that the Reagan board has unbalanced the law, taken it to extremes. They offer a long list of examples, some minor, some major. Thus the board has relaxed old rules meant to keep employers from making either threats or special promises to employees during organizing drives. It has weakened rules meant to safeguard the right of pro-union employees to sign up union members on company premises during the work day. It has indicated it will no longer protect against retaliation workers who turn their employers in to public agencies for violating health and safety laws. On a broader issue, it has expanded the right of employers to transfer work from union to non-union plants.

The board and its defenders say that this labor rendering of the record is itself unbalanced, that the Reagan board is simply redressing the tilt of its Carter predecessor and that the current swing is no different from others when the board has changed party hands in the past. They note that on several issues the courts have upheld the Reagan board; the Supreme Court last week upheld a board ruling that unions may not bar members from resigning during or just before a strike.

But many of the precedents the new board has altered date not from the Carter administration but the Nixon-Ford years and before. In routine cases involving charges of unfair labor practices, moreover, the Reagan board has held for management much more than either the Carter or Nixon-Ford boards, whose records were about the same.

We think the Reagan board has gone too far. The issue is not so much labor versus management as it is economic health. The Reagan board's holdings point to continuing low-level labor-management strife that an already burdened economy should not have to bear. Labor unions themselves have done some damage to the economy, taking some U.S. industries out of competitive range; in recent years they have paid for this, in lost work and at the bargaining table. But unions on balance are constructive institutions now in weakened condition, the public policy should not seek to diminish them.●

CLEAN COAL TECHNOLOGY

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1985

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, July 24, 1985 into the CONGRESSIONAL RECORD:

CLEAN COAL TECHNOLOGY

Recent positive developments in energy have been good news for consumers, but they are also lulling us into a false sense of energy security. As oil supplies have increased and domestic consumption has decreased, interest in boosting energy production and in developing alternative domestic energy sources has declined. Construction of new electricity generating plants has slowed, spending on solar energy development is down, and domestic exploration efforts are being reduced. Increased energy demand from a continued economic recovery may result in energy shortages greater than we have experienced in the past. The current energy "breathing period" is not a time for complacency; it presents us an opportunity to ensure our long-range energy security. We must begin to take the necessary steps to develop stable and reliable domestic energy sources.

Coal is a major source of energy we should develop. America's coal resources are enormous. Recoverable reserves total about 300 billion tons, 30 percent of the world's coal reserves and about 90 percent of our domestic fossil fuel supply. Our coal supplies could last for centuries, even in the face of increased demand. Indiana has a significant share of the U.S. supply, ranking among the top ten states in both coal production and coal reserves.

Despite these vast resources and coal's key role in the last four Presidents' energy plans, coal has not lived up to its potential. Events in recent years, including the 1973 OPEC oil embargo, the rising price of natural gas, and the controversy over nuclear power, have given coal a boost. Since 1974, coal's share of our domestic energy supply increased from 18 percent to 23 percent a significant increase, though less than expected.

There are several obstacles to the increased use of coal. Over 80 percent of our domestic coal consumption goes to generate electricity, but electricity demand is down due to conservation and sluggish economic growth. The cost of producing synthetic fuels from coal has turned out to be higher than expected. The decline in oil prices has reduced incentives for conversion from oil-fired units to coal. Deregulation has increased the cost of transporting coal, and new coal slurry pipelines have been blocked. Other countries are boosting coal production, challenging our coal exports and even penetrating U.S. markets. High severance taxes in some western states on coal shipped out of state have increased the price of coal. Federal leasing of coal reserves has been halted since the controversy over former Secretary of Interior James Watt's leasing policies.

However, the main barrier to expanding coal use is environmental: air pollution resulting from burning coal. The major problem is "acid rain", which can result when sulfur oxides from coal combustion mix with chemicals in the atmosphere to produce rainfall with increased acidity. Acid rain may cause trees to die near industrialized areas. High sulfur coal found in Indiana and throughout the east and midwest is a particular concern. Another worry is the so-called "greenhouse effect", the possibility that carbon dioxide produced by burning coal and other fossil fuels could trap the sun's heat in the atmosphere and eventually cause major changes in the world's climate.

Technology is available to burn coal more cleanly, but it is expensive. "Scrubbers" in smokestacks remove sulfur oxides from coal smoke. Wet scrubbing, the most widely-used method, increases the cost of generating electricity by 15-25 percent.

Because a large share of America's coal reserves has high sulfur content, significant attention is being given to developing clean coal technologies. The federal government assists this effort primarily by funding the early stages of research and development. Last year it spent $65 million. Several technologies are promising. One would remove pollutants by using advanced chemical and physical cleaning at the mine-head. Physical deep cleaning of coal could be commercially available in the early 1990s, though it could nearly double the cost of coal. Another involves developing chemicals to be added during combustion to reduce the production of pollutants. Perhaps the most promising technology employs "fluidized bed combustion", in which crushed coal is burned on a bed that is suspended—fluidized—by air blown through it. The bed also contains limestone to capture emissions. This technology is already commercially available for smaller industrial-size boilers, but not for larger utility—size units. Such units could be ready by the early 1990's, generating electricity as much as 100 percent cheaper than electricity from traditional coal plants equipped with scrubbers.

Research is also being done on alternate uses for coal. One approach uses a coal-water mixture, a liquid containing 70 percent pulverized coal with properties similar to fuel oil. In a few years, this mixture could be cheaper than oil. Work is also continuing on the production of synthetic fuels from coal. Liquid synfuels from coal are currently about 3 or 4 times more expensive than crude oil, but more promising coal gasification plants have been built.

Congress should continue to promote clean coal technologies. In a major step last session it created the Clean Coal Technology Reserve, to be funded by money taken from the Synthetic Fuels Corporation. This reserve complements the federal clean coal involvement in research and development with demonstration projects. It seeks to accelerate the commercial use of promising technologies by joint government-private sector funding efforts.

Our ability to expand coal use in the future will depend heavily on the successful introduction of clean coal technology. Indiana has a major stake in the success of this technology. Our nation has the world's largest coal resources. We must ensure that coal, and other domestic sources of energy, bring us a better measure of energy security in an insecure world.●

CONGRESSIONAL SALUTE TO MARY O. AMEMIYA

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1985

● Mr. MATSUI. Mr. Speaker, I rise today to acknowledge and commend the outstanding public service record of one of my most respected constituents Mary Amemiya, who retired June 30 after more than 23 years of employment with a variety of local, State, and Federal agencies. For the past 6 years, she has served as district secretary and office manager for my California congressional office, effectively performing her duties with enthusiasm and determination.

Mary began her government service career with the State of California in 1941 when she went to work for the department of social welfare as a junior stenographer. Her life took a dramatic turn in 1942 when she and her family were sent to a relocation camp in Amache, CO, as part of the U.S. Government's internment of Americans of Japanese ancestry. But being the persistent person that she is, Mary battled against this personal setback, even working for the Department of Interior's War Relocation Authority as a clerk-stenographer for 2 years while in camp.

After the war, Mary worked 2 years as a clerk-stenographer for the War Department's Separation Center at Camp Beale, CA. In 1947, she became the secretary for the regional supervisor of the Bureau of Reclamation in Sacamento. Following a 12-year leave of absence to raise her family, Mary became a legal secretary for Sacramento attorney Henry Taketa. In 1970, she returned to the public sector as secretary to the personnel director for the city of Sacramento. She remained in that job until joining my staff in 1979 as district secretary and office manager.

I know that after 32 years in public and private sector employment, Mary is looking forward to a well-deserved rest and change of pace. She and her husband, George, a longtime pharmacist in Sacramento who is nearing re-

tirement, have been married 38 years and they have three children, Denise, Alan, and Gayle.

Mr. Speaker, I ask that my colleagues join me in expressing our appreciation and thanks to Mary Amemiya for her many years of loyal and dedicated service to the people of Sacramento County, the State of California, and the United States of America. We all owe her a great debt of gratitude for serving as an inspiring role model for the positive and very desirable attributes of dedication, competence, and hard work.●

TURKISH INVASION OF CYPRUS 11 YEARS AGO

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1985

● Mr. FLORIO. Mr. Speaker, on July 20, the international community again mourned the passing of yet another year since the illegal occupation of Cyprus by Turkish troops 11 years ago. Eleven years ago, Turkish troops violated the small nation's territorial integrity by invading the island and wreaking havoc and destruction among the island's inhabitants. Today, 11 years later, 18,000 Turkish troops still occupy over 40 percent of Cyprus and pose an ominous threat to the island's Greek Cypriot population.

And yet, despite the passage of 11 years, a solution of the Cyprus conflict seems far away. For every positive step that has been taken over the years, the Greek Cypriots can recount a number of negative setbacks that have all but canceled out these positive initiatives. Despite the passage of 11 years, Greek Cypriots vividly recall the days when the Turkish army invaded Cyprus and displace 170,000 people. They can vividly recall the rape and pillage of a once prosperous and peaceful island. They can vividly recall the numerous casualties, the desecration of churches and cemeteries, the disregard of public outrage, and the creation of a new class of citizens who became refugees in their own land.

Mr. Speaker, it is past time for recalling these tragedies. It is time that we diligently persevere in negotiating a solution to this problem. Since summit talks between Cypriot President Kyprianou and Turkish Cypriot leader Denktash collapsed this past January, Mr. Denktash has held both parliamentary and presidential elections in his illegally occupied portion of Cyprus. Indications are that the Turkish Government intends to continue to maintain Turkish troops on Cyprus as a part of any settlement. Our Government must continue to emphasize that this situation is unacceptable, and we must continue to press for a just and viable solution.

On February 7, 1985, I was joined by 18 of my colleagues in introducing House Concurrent Resolution 56, a resolution calling for the establishment of a Cyprus Cooperative Development Fund to support projects on the island that would foster cooperation on the island. Currently, both sides remain divided and there is no opportunity for improving relations and for cooperating toward a mutually agreeable settlement. The fund would create a climate conducive for cooperation. I was pleased to see that similar provisions were incorporated in the House foreign aid authorization bill, H.R. 1555, which passed the House on July 11, 1985.

Recently, the U.N. Secretary General reported the preparation of a draft agreement which represents the formula most likely to lead to a just and lasting solution to the Cyprus problem. Though the Greek Cypriots have accepted this agreement, the Turkish Cypriots have yet to reply. I hope that an affirmative reply will be given and I hope that the international community will strengthen efforts for a just and timely settlement.

The situation that currently exists on Cyprus is not acceptable and we are responsible for sending a clear signal to the Turkish authorities that we are convinced that the illegal partition of Cyprus is not only contrary to the interests of the Cypriot people, but also to those of the United States. It is our moral responsibility to work to ensure that the illegal occupation of Cyprus and the tragedy of the division is not prolonged.●

REAGAN TAX REFORM PROPOSAL LOWERS TAXES FOR ALL INCOME GROUPS

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1985

● Mr. KEMP. Mr. Speaker, Warren Brookes' recent column contains figures from an analysis of IRS reports on individual tax returns. Brookes' study shows that nearly 75 percent of the claims for State and local tax deductions went to the highest 20 percent of all taxpayers. That deduction, in short, is an enormous subsidy to the wealthiest people of America, a subsidy that has to be eaten by lower and middle income Americans. Moreover, State and local tax deductibility is being used as a weapon unfairly to stop tax reform.

The column demonstrates, on the other hand, that the reduction in tax rates for everyone will benefit most working Americans in every income category, in New York State and in every State of the Union. In fact, the Greater Washington, DC, Research Center has published a report showing that low-income taxpayers will be getting the largest share of benefits under President Reagan's tax reform plan.

There are refinements in the details of the Reagan proposal that Congress can make to perfect it. But we cannot let tax reform be derailed by a few political leaders and special interest lobbyists who focus on one narrow provision and simply refuse to look at the advantages of reforming our unfair Tax Code and reducing tax rates for the whole family of America.

The article follows:

In 1984, New York Gov. Mario Cuomo was the Democratic Party's brilliant oratorical defender of the poor and downtrodden.

But in 1985 he has become the passionately articulate defender of rich taxpayers and government bureaucracies, in his role as point man in the fight against the Reagan tax reform plan.

While Mr. Cuomo attempts to wrap his rhetoric in the green sackcloth of the politics of envy by arguing that eliminating the state and local tax deduction will force cutbacks in services to the poor, he has in fact put his political clout into defending the rich at the expense of lower-income groups.

Mr. Cuomo's own 1982 campaign finance chairman, William Stern, chided him in a July 1 *Wall Street Journal* article for "demanding the continuance of one of the most indefensible deductions in the federal system. . . ." Mr. Stern is absolutely correct.

We have just completed an anlysis of the IRS summary of 1983 tax returns. And it shows that 74.2 percent of the $97.4 billion claimed in state and local tax deductions—$72.3 billion—went to the top 18.6 percent of income-tax filers: those with incomes greater than $30,000 who also itemized their deductions.

The other 25.8 percent ($25.1 billion) went to the 15.8 percent of all filers whose incomes were less than $30,000 but who also itemized deductions.

The largest group of all, however, the 65.6 percent of all tax filers—mostly earning less than $20,000—who did *not* itemize got *none* of the $97.4 billion claimed.

Since in 1983 Americans paid a grand total of $244.7 billion in state and local sales, property, and income taxes, more than 60 percent of those taxes, $147.3 billion, were not itemized or deducted.

So this may well be the most inefficient, and regressive, tax "loophole" in history—not only because it so heavily favors the top 20 percent—but because 60 percent of the potential deductions are swallowed whole, mostly by the lower-income groups.

To put it bluntly, in Mario Cuomo's New York state, because of this deduction which he is trying to protect, the rich are carrying a tax burden that is at least 30 percent *lower* as a percentage of their income than the average taxpayer's, and at least 50 percent lower than that of the renting poor, who get nothing.

That's Mr. Cuomo's "dirty little secret." He likes rich New Yorkers getting a big tax break, because they keep quiet while he taxes the middle and lower classes at the highest rates in the nation. But those folks who don't itemize are the very ones who

would benefit most from Mr. Reagan's lower tax rates and doubled exemption.

That's why the Greater Washington (D.C.) Research Center's July 1 report said lower-income taxpayers would receive the largest proportional benefits under Mr. Reagan's proposal.

The reason? Of the 58 percent of all federal tax return filers with incomes below $20,000, only 11.6 percent (less than 6.7 percent of all taxpayers) claimed deductions for state and local taxes, and they only got $7.6 billion, or 7.8 percent of the total.

This means the huge lower-income 58 percent of all taxpayers paid at least $65 billion in state and local taxes that they could not or did not deduct from their federal tax. Only lower tax rates could offset that harsh injustice.

Of the 21 percent of all the taxpayers in the $20,000-30,000 group, only 44.4 percent itemized, and this group got only 18 percent of the state and local deductions, or $17.56 billion—meaning that 56 percent of the taxpayers in this group failed to itemize at least another $23 billion in state and local taxes.

In short, the whole argument that removing this deduction would "put a tax on a tax" falls apart when more than 60 percent of all state and local taxes are being taxed by the present system.

This means that by far the fairest way to reduce this "tax on a tax" effect for all taxpayers is to wipe out the deduction completely, and use all of the $35 billion-$40 billion in immediate revenue proceeds *to reduce tax rates for everyone.*

A recent study by California's State Franchise Tax Board shows that President Reagan's tax plan will save individual California taxpayers a net of $3.2 billion. And what they lose in the state and local deduction ($4 billion) is more than offset by what they gain in rate reduction ($6 billion) and the doubled exemptions ($4.8 billion) which also help offset other lost deductions.

The prestigious accounting firm of Arthur Andersen did a study for the Joint Economic Committee of Congress, and found that even high-income, itemizing taxpayers in *every* state with taxable incomes of $50,000 and varying values of homes came out *ahead* with the president's plan. Even in New York City, Mr. Cuomo's home, taxpayers with a median home ($97,000 value) were $600 better off than under current law. And in the great "heartland" states of Ohio and Illinois, the savings were $1,200 to $1,700.

This is why Mr. Cuomo is blowing smoke on this issue. Just don't let that smoke blind you to the value of tax reform.●

THE "JUSTICE" DEPARTMENT

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1985

● Mr. HUBBARD. Mr. Speaker, more and more Americans are becoming aware that the U.S. Justice Department is the most politically conscious, politically active agency in our Federal Government.

Today, in a front page news article in the Washington Post, we read the following written by reporters Ronald J. Ostrow and Robert L. Jackson of the Los Agneles Times:

UNITED STATES TO DROP FRAUD PROBE OF TEAMSTER UNION'S PRESSER—SOURCES SAY CASE LACKS PROSECUTIVE MERIT

(By Ronald J. Ostrow and Robert L. Jackson)

The federal government has decided to drop its 32-month-old labor fraud investigation of Teamsters President Jackie Presser, the Los Angeles Times learned last night.

The politically sensitive case, developed by Department of Labor investigators assigned to a U.S. strike force in Cleveland, is being dropped because the Justice Department has concluded that it lacks "prosecutive merit," sources said.

Ray Maria, the Department of Labor deputy inspector general who oversees labor racketeering investigations, said: "We have no pending investigation of Jackie Presser." He declined to elaborate.

The decision not to prosecute Presser, President Reagan's only supporter among major labor leaders, came six months after federal prosecutors in Cleveland recommended that Presser be indicted on charges of authorizing union payments to "ghost employes."

Presser's alleged status as a source of information for the FBI was a key impediment to prosecution, sources said. it also was learned yesterday that Justice Department officials have ordered a new inquiry into why the FBI did not tell the department for nearly two years that Presser had acted as an informer.

Providing information to the FBI does not usually give a person immunity from prosecution. But in Presser's case, there was unusual concern by FBI officials that information about other investigations might be disclosed in the course of prosecuting the labor leader.

Throughout the course of the investigation, Justice Department officials said politics would play no role in the highly visible case. Administration officials, led by Vice President Bush, were in contact with Presser, who served as cochairman of Reagan's inaugural labor committee in January.

The decision in the Presser case, according to sources, was made by Deputy Attorney General D. Lowell Jensen after conferring with Stephen S. Trott, assistant attorney general in charge of the department's Criminal Division. It appears that Attorney General Edwin Meese III removed himself from the case.

Meese, at his confirmation hearing this year, acknowledged he might have called Presser early in the Reagan administration to inform him that Raymond J. Donovan would be named secretary of labor.

Department officials reportedly advised Stephen H. Jigger, the Cleveland strike force prosecutor, of the decision at a meeting here yesterday.

The Justice Department decision is expected to be controversial because it rejected the recommendation of strike force prosecutors, whom department officials has sent back to the field for more work, delaying the case for nearly a year.

The strike force recommended that Presser be indicted on charges of fraud and conspiracy for putting "ghost employes"—cronies who get paid but do no work—on the payroll of Cleveland Teamsters Local 507, of which Presser is secretary-treasurer.

The decision came less than a week after the grand jury foreman, Robert A. Reading, Jr., confirmed that the jurors had complained to two federal judges in Cleveland that the Justice Department was dragging its feet in the case.

In an effort to resolve the issue surrounding Presser's informer status, Justice Department officials have ordered a full-scale review of the FBI's relationship with Presser.

"There are people in the Department of Justice who feel they were deceived and lied to" by the FBI, said one administration official who is familiar with the investigation.

But sources close to the FBI said officials there contend that the failure to disclose Presser's status as an informer resulted when the Labor Department reportedly did not inform the FBI in 1982 that it was investigating Presser and other Teamster union officials.

"Labor didn't tell them, and they didn't tell Labor," one official said. "In other words, it was a lack of communication."

But another source familiar with the case declared: "There's more to it than that." The question of Presser's status was raised directly early in the investigation, he said, "and the [FBI] categorically denied any relationship whatsoever."

Several months ago, the FBI acknowledged Presser's role as a source of information when prosecutors for the Cleveland strike force urged Justice Department superiors to authorize them to seek a grand jury indictment of the Teamster leader.

In addition to attempting to ascertain what the FBI disclosed about its knowledge of Presser, the FBI's internal inquiry is looking into what information FBI agents got from Presser, a source said.

"Trott and Jensen are very concerned about this case, particularly about the relationship of the agents to the source," one official said.

Mr. Speaker, the politically naive will perhaps be impressed that the net results of the 32-month old Jackie Presser investigation are that the Justice Department has ordered a full-scale review of the FBI's relationship with Mr. Presser and that the FBI will undergo an internal inquiry, looking into what information FBI agents got from Presser.

Those of us familiar with the Justice Department do chuckle when we read: "There are people in the Department of Justice who feel they were deceived and lied to by the FBI."●

TO UNDERSTAND THE UNIVERSE

HON. JOHN E. GROTBERG

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1985

● Mr. GROTBERG. Mr. Speaker, as the Congressman representing the Fermi National Accelerator Laboratory—Fermilab—in Batavia, IL, I would like to bring to the attention of our colleagues the following article written by Dr. Leon Lederman, the Director of Fermilab. This is a well-reasoned article by Dr. Lederman detailing his great quest to unlock new secrets about high-energy physics. At this point, I would like to insert the article in the RECORD:

To Understand the Universe

(By Leon M. Lederman)

Prologue: It is an exciting time for high-energy physics. A tremendous amount has been learned in the last 30 years about elementary particles and fundamental forces, thanks to particle accelerators. Physicists are now on the brink of critically important new knowledge. To uncover that knowledge an expensive new tool is needed, the supercollider.

Leon Lederman, the director of Fermilab, the site of one of the most powerful accelerators now in existence, argues strongly that the supercollider must go forward. He reviews the state of high-energy physics, pointing out what has been learned and how close are the answers to questions that have intrigued mankind for thousands of years. He says that technology now or presently available makes the new accelerator feasible. Finally, Lederman argues that the contributions the supercollider can make to basic science and the resulting benefits to applied sciences and technology make the supercollider a bargain.

Leon Lederman received his Ph.D. from Columbia University in 1951. He has taught and done research at Columbia University. He served as director of Nevis Laboratories from 1962 until 1979 when he became director of Fermilab in Batavia, Illinois, a position that he holds today. Among other honors, he has received the National Medal of Science and the Elliot Cresson Medal, and shared the Wolf Prize in Physics.

In 1983 the high-energy physics community recommended to the Department of Energy that a new accelerator, about 20 times larger than anything existing today, be designed and constructed. The new accelerator, the Superconducting Supercollider (SSC), will cost about $4 billion [1] by the time it is expected to begin operations in 1994.

This extraordinary cost, about four times more expensive than any previous construction project in this field, has provoked a serious debate about priorities in funding basic science and about the proper balance between the federal government's support of scientific research and its other responsibilities. I believe that a close look at the issues involved indicates strongly that the supercollider should be constructed. In particular, the supercollider is critically important to the 2500-year search for the nature of fundamental matter.

The State of the Science. High-energy physics is the current designation of a research discipline that attempts to discover the fundamental laws determining the structure and operation of the physical world. It seeks to understand the nature of matter, energy, space, and time. The history of this discipline may be characterized by the continuing success of the powerful concept of atomism, the belief that matter is composed of ultimate, indivisible components that are too small to be seen directly.

The state of high-energy physics in the 1988s can be described as revolutionary. A tremendous increase in our knowledge has been brought about by experimental results emerging from particle accelerators constructed during the past 30 years in laboratories around the world. Accelerators are designed to produce streams of very energetic particles that are directed at nuclear targets. The collisions release products that are detected by a variety of sensitive instruments. The combination of accelerators of increasing energy and particle detectors of increasing sophistication gives physicists a kind of microscope capable of studying phenomena at ever smaller distances.

Progress in assembling these data into a coherent theoretical structure has also been dramatic. A major synthesis has been formulated over the past dozen years. Such is the power of this radically new insight into the workings of the physical world that it successfully accommodates all the experimental data that have emerged from all the world's laboratories. It includes the two previous revolutionary theories of the twentieth century, the quantum theory and the theory of relativity. It is called the Standard Model. It is in fact the illumination provided by this synthesis that has led to the proposal to build the supercollider, an accelerator with an effective energy 70 times greater than any machine now in operation.

It is useful to recall that the goal of high-energy physics is to identify the most elemental objects whose combinations build up the things of our world in endless variety. Not only must the basic particles be identified but we must understand the forces that act between these particles, causing them to move, vibrate, change species, cluster, and bind to form the higher-order structures.

The Standard Model identifies the candidates for the fundamental building blocks as quarks and leptons. It provides a powerful new mathematical formulation (known as gauge theory) for the four basic forces. It also takes a giant step, the electroweak theory, in the 50-year search for a unifying principle. All of this has brought high-energy physicists to a new level of understanding of the physical laws.

And yet we wish to argue that this synthesis, by its very power, requires the construction of a new accelerator, the supercollider.

The reason for such an assertion is that the Standard Model is logically imcomplete. For example, the model does not account for the masses of the quarks and leptons or for the pattern of families of particles. Why are there three families? Are there more?

There is also a failure of that simplicity that has proved to be so powerful a guide in the history of high-energy physics. There are about 20 parameters contained in the Standard Model. Designing the world this way, the Creator would have to have set 20 dials carefully at seemingly arbitrary values. This has led many of my colleagues to assume or to speculate that another layer of atomism is called for—that the apparent complexity can be accounted for by a smaller number of truly primordial objects, the constituents of quarks and leptons. If this is true, a new force must operate to bind these objects into quarks and leptons. Further significant progress in unification of forces would be impossible without knowledge of this new force.

Over the past five years or so, theorists in quests of unification—of a simpler picture—have generated a vast literature of speculation. The power of the Standard Model serves as a guide and as a strong constraint on new themes. A key task is to define a domain of energies in which experimental facts would resolve current incomplete understanding. Considerable study over the past three years has resulted in a consensus that the new accelerator needs to be a collider that will provide 40 trillion electron volts (TeV) by the head-on collisions of 20 TeV protons.

Support for this proposal comes from a surprising quarter. Astrophysicists have determined that creation of the universe we now observe took place in a primordial explosion called the big bang. After this seminal event the universe expanded and cooled. It follows that the very young universe was hot enough to dismember all composite structures into their irreducible components. Thus, there was a time when all the quarks and leptons in the currently observable universe were compressed into a submicroscopic domain at indescribably high temperatures. If quarks are not basic particles but are composite, then their constituents were also free. The identity and the properties of the basic particles and forces are fundamental to the subsequent history of the universe. The joining of cosmology and particle physics is a major facet of the scientific drive for the supercollider. Clearly, our understanding of the evolution of the universe now depends on the clarifications of the Standard Model that high-energy physicists so urgently seek.

More generally, the supercollider will be the most sensitive probe ever to test our basic understanding of the very nature of space and time.

Accelerators. The experimental measurements that have enabled scientists to reach their current state of knowledge were made possible by new inventions in accelerator and detector technology. On the accelerator side there has been an evolution of the energy of accelerators from the 100 million electron volt (MeV) range in 1950 to the 1000 billion electron volt (GeV) level in the 1980s. At the same time the cost per MeV has been reduced by a factor of 100. Even more dramatic has been the development of colliders, in which counter-rotating beams of high-energy particles collide head-on. In conventional accelerators the accelerated particles (protons or electrons) are made to collide with stationary targets, and much of the energy goes to imparting momentum to the collision products. However, in head-on collisions all of the energy is available to produce new particles or to explore smaller spatial structures. At the European Center for Nuclear Research (CERN) in Geneva, head-on collisions of 300 GeV protons with 300 GeV antiprotons make 600 GeV available, the current world's record.

On the detector side observation and analyses of the collisions have been spurred by the invention of the bubbie chamber and of a sequence of electronic counterparts of increasing resolving power. This progress has included mastery of fast digital electronics for data acquisition and processing and of methods for managing and analyzing vast quantities of data.

Most recently entirely new computer architectures have been developed to cope with the quantity and detail of the information being sought. The results of this continuous evolution have been observations of great sensitivity, which have yielded the data base for the Standard Model. The supercollider will pose a tremendous challenge to the instrument makers as well as to the engineers and industry people who must build this formidable machine.

Building the Supercollider. Acceleration depends on creating a gap between two charged electrodes across which a voltage appears as the particle begins its traverse. The energy gain per gap crossing is typically on the order of 1 million volts. To gain substantial energy, many gaps can be arranged in series. The result is a linear accelerator. Another technique is for the accelerator to

[1] This sum, given in constant 1984 dollars, includes the cost of particle detectors as well as R&D and preoperating costs. It also includes about $0.8 billion set aside for contingency.

employ a single gap and bring the particles back to it many times by forcing them into a circular orbit. Thousands of crossings per second can thereby be achieved. At the 6 kilometer circumference accelerator of the Fermi Laboratory in Batavia, Illinois, particles execute 50,000 orbits per second and can gain 1 TeV in about 20 seconds.

The bending of particles into circular orbits is accomplished by magnetic fields, and the engineering effort is dominated by magnets. The more energetic the particle, the stronger the magnet required to maintian the circular path. Thus, the energy of the accelerator is given by the strength of the magnet and by the radius of the accelerator. Fermilab's Tevatron uses superconducting magnets that can contain a beam of 1 TeV in a radius of 1 kilometer. The supercollider may use improved magnets that are close to the maximum strength that can be confidently produced in the quantities and with the quality required. To contain 20 TeV particles with these magnets, the radius of the machine will have to be about 15 kilometers.

As currently planned the supercollider will consist of two rings containing protons circulating in opposite directions and guided by superconducting magnets. Protons are brought into collision in six places around the rings. Much of the confidence in the technology comes from the successful operation of the Tevatron at Fermilab. There, a 6.3 kilometer ring of superconducting magnets has been operating since mid-1983. The Tevatron has employed large systems of cryogenics, computer controls and diagnostics. Another source of confidence in the SSC design is the success of the European proton/antiproton collider at CERN. Whereas it was not obvious that one could read physics results out of the complex collisions, the spectacular discoveries and amazingly clear patterns of this collider have clearly indicated the appropriate technique for the 1990s. In short, current technological expertise makes the supercollider feasible.

Perspective. The intellectual heritage of particle physics is awesome. The search for a logical and parsimonious description of the physical world forms a continuous road of intellectual history that can be traced backwards in time. It goes back through the founders of the quantum theory, relativity, and the experimental data that called forth these revolutions. It connects Maxwell, Faraday, Newton, Kepler, Galileo, and Copernicus. It joins side roads leading off to new disciplines: quantum chemistry, molecular biology, materials science, electronics, and computer science. The impact of this scientific activity on society is immense. To take only one measure, it seems clear that some significant percentage (10 percent? 30 percent?) of the U.S. $3 trillion gross national product is derived from the technology produced by the forebears and relatives of particle physics.[2] It is conceivable that the discoveries that will emerge from SSC research may never have practical application. If so, however, it will be for the first time in history. Accelerator physics continues to produce technological spin-offs at a rate that defrays much of its cost to the public.[3]

[2] L. M. Lederman, "The Value of Fundamental Science," *Scientific American* (November 1984): 40-47; see also M. Bianchi-Strest, et al., "Economic Utility from CERN Contracts," *CERN* (December 1984) 84-14.

[3] Bianchi-Strest, et al., "Economic Utility from CERN Contracts."

Although it is not possible to predict exactly the scientific outcome of SSC research, it is likely to move the scientific frontier beyond the Standard Model, perhaps toward alternative models already developed by theoretical physicists: Technicolor, Supersymmetry, Grand Unification, Compositeness, and so on. Then again, we may be in for a great surprise. A totally new conception of reality may emerge. There is even the possibility that the supercollider will become an adequate bridge to that great accelerator in the sky, the early universe.

The Real World. Can the United States afford the supercollider, especially at a time when the effort to control the federal deficit is causing cuts in so many government programs? High-energy physics has been supported at an average annual level of about $550 million (in constant 1984 dollars) over the past four years. If the supercollider is approved, it can be assumed that an increasing proportion of this sum will be applied to the new accelerator between now and 1994. Furthermore, supercollider construction costs will require approximately an additional $350 million a year averaged over the period 1987 to 1994. This increment, though, may be reduced somewhat by the results of a vigorous R&D program now proceeding and by international collaboration, which is also being intensely pursued. The high-energy physics community has been reasonably responsible in its 30-year history, closing still-useful accelerators to make funds available to construct and operate essential facilities. Operation of the supercollider, estimated at about $250 million per year, may require further reduction in the number of facilities to keep the operating costs near current levels. The funding problem is made more difficult by an increasing number of scientific disciplines that will require expensive, shared research facilities over the next decade. Some examples are oceanographic vessels, telescopes, plasma devices, and accelerators for materials science and nuclear physics. Small science is an essential component of the total scientific activity and must also be nurtured.

The United States does face a major federal budget deficit crisis. We are also in the midst of rapid change as technology and technological competition increasingly dominate the economy. Particle physicists need the supercollider for the viable continuation of their discipline. In weighing the cost of the supercollider, our decisionmakers must not lose touch with history. If at any stage, for whatever reason, we have abandoned the road to research in particle physics, progress in other sciences and science-based technologies would have been immeasurably more difficult. This applies to semiconductors and transistors, quantum optics and lasers, supercomputers, biotechnology, space science, synchrotron radiation for materials science, and so on.

In my view a supplement of $1 billion to $2 billion a year, implemented over the next five years, with careful review for scientific merit, would fund the highest-priority basic research needs. Over the last several years, we have in fact made a good start towards revitalizing our research capabilities. This added sum would be the wisest possible investment to secure the future of the nation.

One can, of course, ask Why must the United States have the supercollider by 1994? One important reason is the career choices that gifted young scientists will soon be making. Opportunities for significant progress must fit comfortably within a scientific lifetime. In the case of high-energy physics, a much longer delay in the supercollider would surely compromise this requirement as high-energy physicists drown in speculative literature with only distant visas to confronting this speculation with data. In addition, such a delay would threaten the strategy that hopes to make the supercollider an internationally constructed facility located in the United States.

International science is traditionally a mix of collaboration and competition. In 1985 Europe is ahead and is in the midst of a $2 billion construction program. New facilities will be in place by about 1990. Modest but significant U.S. resources are involved there. European scientists continue to be active in U.S. laboratories. Costs and complexity are surely forcing a transition from duplication to complementary facilities. There should be closer collaboration in construction of facilities. We believe the supercollider is the correct scientific step. If we proceed with vigor, we are likely to be joined by Japan, Canada, and Western Europe as they complete their present programs.

What is at issue is the viable pursuit of a concept set forth most clearly in the Greek colony of Miletus in 650 B.C.: The universe is beholden to a rational order and the human mind is capable of comprehending this order. Consider that a scientific instrument, devised by inhabitants of a minor planet, may serve to illuminate the issues of creation, evolution and the mechanisms of the entire physical universe. The supercollider must be one of the most spectacular bargains ever offered to the American public!●

GOLDEN ANNIVERSARY OF SOCIAL SECURITY

HON. LAWRENCE J. SMITH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1985

● Mr. SMITH of Florida. Mr. Speaker, today, Congress celebrates the 50th anniversary of the passage of the Social Security Act. In light of the budgetary decisions now before us, it is particularly important that we remember the history of Social Security and the motivation behind its enactment.

On August 14, 1935, this monumental piece of legislation was signed into law by President Franklin Roosevelt, who stated, "I see one-third of a nation ill-housed, ill-clad, ill-nourished."

In its original form, the Social Security Act had three major components: old age insurance, what we now call Social Security; unemployment insurance; and public assistance.

Old age insurance was designed to help prevent the kind of widespread economic insecurity faced by the elderly during the 1930's. Benefits were to be provided when there was a loss or reduction of work in old age regardless of nonwork income.

Now some 50 years later, Social Security is the basic source of income for

the elderly—42 cents out of every dollar of income that the elderly receive comes from Social Security. Although the poverty rate for the elderly has declined, older Americans are heavily concentrated at very modest income levels.

Social Security is all that stands between a majority of senior citizens and poverty. If Social Security did not exist, the poverty rate among the elderly would be over 50 percent. Social Security keeps 17 million people out of poverty.

Social Security cost-of-living benefit increases were first provided in 1972. Even with an increase in supplemental security income [SSI], skipping the COLA for a year would put 400,000 older Americans into poverty. Even those seniors that would not fall below the poverty level are at income levels where they cannot afford to fall behind inflation.

The Social Security trustees report that Social Security is funded well into the next century. We must not sacrifice our senior citizens and renege on our promise just to achieve a "paper reduction" of the deficit.

As the 99th Congress continues to grapple with the budget, I remind my colleagues on both sides of the aisle of FDR's famous warning: "The American people are quite competent to judge a political party that works both sides of the street." We must make good on our pledge to older Americans. We must uphold our commitment to provide a strong permanent Social Security System for all Americans and full cost-of-living adjustments for today's Social Security recipients.●

OUR NUCLEAR CAPABILITY NOT TRAILING

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1985

● Mr. AuCOIN. Mr. Speaker, I would like to bring to the attention of my colleagues a thoughtful article written by Mr. Bill Siverly in the Oregonian, on July 18, 1985. Mr. Siverly provides a concise and meaningful response to the allegation that the United States is falling behind the Soviets in our nuclear defense capability. As a fellow Oregonian, I commend the following article to my colleagues' attention:

UNITED STATES, SOVIETS HAVE SAME WARHEAD TOTAL: PLENTY

(By Bill Siverly)

Omissions and insufficient context marred a recent Forum column, "Missile critics ignore Soviet strength" (June 18).

The article warns that, "Weighing in at more than 240 tons, this monster (the Soviet SS-18) dwarfs our giant MX, which tips the scale at less than 100 tons."

But what does the weight of the two missiles have to do with anything?

"Throw-weight" has long been cast aside as a meaningful point of comparison in missile weaponry.

This concern for the physical weight or size of the missile reminds me of the Pentagon officials who bring model missiles to Senate hearings; little blue ones representing our missiles, and big red ones representing theirs.

It is true that the Soviets replacing 900-kiloton warheads with 550-kiloton warheads is not the good news that some might think.

If a nuclear warhead of either power should land anywhere near you, the relative kilotonnage will make no difference.

By the nature of nuclear detonation, 900 or 550 kilotons will kill you just as dead. The Hiroshima bomb was only 13 kilotons.

The article shows alarm at the Soviets MIRVing their SS-18s lest it grant them some advantage.

Yet U.S. weapons technology is presently ahead of the Soviets in two areas; miniaturization of warheads and MIRVing, which means providing missiles with multiple independently targetable warheads.

U.S. military planners figured out long ago that smaller warheads in the 300-600 kiloton range distribute more "bang" over a larger area than do large single warheads.

Large warheads, like much of the Soviet arsenal, are necessary when you don't have miniaturization and accuracy; small warheads and MIRVing are possible when you do have those advances.

Consequently, the Soviets are now working to catch up with a technology that the United States already has in place, a procedure accounted for in SALT II.

Accepting that the Soviets are MIRVing, the article's conclusion that they could destroy 73 percent of the U.S. Minuteman missile force by first strike again misses the point; only one-third of the U.S. nuclear force is tied up in land-based Minutemen.

The other two "legs" of the strategic triad are air-based and submarine-based, and in numbers and invulnerability of these, the United States far exceeds the Soviets, who have most of their nuclear forces invested in land-based missiles in Soviet territory.

In 1981, President Reagan utilized a similar narrow perception by referring to the supposed U.S. weakness in the land-based third of the triad as a "window of vulnerability."

Then later, in April 1985, Reagan rejected Soviet leader Mikhail Gorbachev's offer of a moratorium on missile deployment because it would give the Soviets an 8-1 advantage.

No doubt he was referring to land-based missiles, ignoring the American superiority in air- and sea-based missiles.

In reality, the United States and the Soviet Union are about equal in the destructive powers of their respective nuclear arsenals, and this is the only figure that should matter to any citizen contemplating nuclear peril.

The number of warheads, the size and weight of missiles, and whether the missiles were land-, sea- or air-launched will not matter at all to the victims of a nuclear exchange.

With some 50,000 warheads in the world, there's plenty of killing power to go around.

The writer of the Forum article says, "If the Kremlin's choice of weaponry is any indication of Soviet doctrine, then Soviet leaders are obviously getting prepared to launch a first strike."

Apparently he imagines that the Soviet leaders are lunatic enough to launch a first strike against U.S. land-based Minuteman silos, ignoring our undetectable submarine and cruise missile forces.

Perhaps he imagines the Soviets intend to commit suicide—for that would certainly be the result of inevitable U.S. retaliation.

A single U.S. Trident submarine contains enough firepower—24 Trident II's MIRVed at 10 warheads each for a total of 240 per Trident—to annihilate every major Soviet city.

Besides, the Soviet and American planners know full well that even if the other side did not retaliate, the radioactivity released from the detonation of just one side's arsenal would be borne back on the winds to destroy the "victor" who had launched a "successful" first strike.

No matter how you plan to fight it, nuclear war will take care of you, too.

Indeed, all this talk of "first strike" is dangerous, as if it could be a real option sometime.

Traditionally, military men have not felt secure unless they could have the capacity to get there first with the most. "Superiority" would consist not merely of having the capacity to retaliate, but the capacity of destroying the enemy first.

Hence, the whole concept of first strike becomes a basic assumption of military planning, while at the same time it is entirely suicidal in the nuclear era.

At this moment, the United States already assumes first-strike capacity in terms of the Pershing II missile (10 warheads) already deployed in Germany and the Trident II, (10 warheads) aboard the Trident submarine.

What those of traditional military mentality seem to fear is not that the Soviets would have first-strike capacity, but that the United States might not have it—even though a first strike by either side would destroy them both.

I am reminded of Einstein's oft-reprinted remark that "Everything has changed except our mode of thinking, and thus we drift toward unparalleled catastrophe." The mode of thinking that has changed least of all is practiced in the Pentagon.

Finally, there is the widest context of all; that nuclear war between the superpowers would result in the annihiliation of the United States, possibly of humanity, and possibly of most other life on Earth.

In light of this the narrow calculations, the risky military fantasies, the macho posturing and the dependence on armaments is grossly offensive to us "disarmament enthusiasts" who have some hope left for a human future.●

THE CONTINUING TRAGEDY IN SOUTH AFRICA

HON. BERNARD J. DWYER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1985

● Mr. DWYER of New Jersey. Mr. Speaker, it is with a great degree of sadness, as well as anger, that I rise today to share with you and our colleagues my outrage over the abhorrent situation which currently exists in the South Africa.

Many of us in this Chamber have expressed, both publicly and privately, the shock and disgust which we feel

toward the blatant mistreatment of blacks in that country. I do not believe that any Member of Congress feels anything but contempt for a regime which so brutally represses the majority of its citizens.

Earlier this year, the House passed very responsible legislation, authorized by my good friend and colleague from Pennsylvania, BILL GRAY, designed to distance ourselves from South African Government. The Senate has been slow to follow suit, although there are growing indications of disenchantment in that body as well.

Likewise, the administration, which has spent the last 5 years trying to defend its policy of "constructive engagement," has finally begun to evidence a growing impatience with developments there. This is a most welcome sign, Mr. Speaker, because the United States has one recognized voice in foreign affairs and that is the President's.

Unfortunately, in spite of these promising developments, the situation in South Africa has deterioriated dramatically in the past 72 hours. The imposition of a state of emergency by the Pretoria government has resulted in siege-like conditions throughout that country. Violence has occurred and seems likely to spread.

Situations like these challenge America and Americans. It is relatively easy for us to look the other way; to convince ourselves that this is a problem in a far-off nation and that we have more immediate concerns here at home. But, are any of us truly free until all of us are free?

Whether it be blacks in South Africa, Jews in the Soviet Union, Hungarians in Romania, or any other repressed people, Americans have an obligation, rooted in our history and nurtured by our status as the leader of the free world, to speak out forcefully and directly, confronting injustice and seeking it redress.

Mr. Speaker, I hope and pray that a solution to the strife which has gripped South Africa is forthcoming. That solution would have to include the extension of total civil and political rights to every person in that troubled nation—a course of action which would take great courage and statesmanship by the government there. Nothing less, however, will avert a human tragedy of far greater proportions.●

NUCLEAR REACTORS CAN BE MADE INHERENTLY SAFE

HON. MARILYN LLOYD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1985

● Mrs. LLOYD. Mr. Speaker, recent articles in the newspaper U.S.A. Today, June 19, 1985, discussed the pros and cons of nuclear power as a salvageable energy source for this country. One guest columnist, Mr. S. David Freeman, the former Chairman of the Board of the Tennessee Valley Authority, noted that, "What's needed for the future is a reactor design that's safer and more economic." I couldn't agree more with this assessment. As chairman of the Subcommittee on Energy Research and Production of the Committee on Science and Technology, I have been a proponent for the development of innovative reactor designs that are based, not on man-machine interface for their safety, but rather depend on inherent characteristics for the reactor design itself. One of my noted constituents, Dr. Alvin Weinberg, has often stated that reactors can be built with safety features that depend solely on the physical characteristics of the reactor itself, thereby eliminating the need for highly complex and often uncertain man-engineered systems. Our committee recommended, in its authorization deliberations of last year, as well as this year, that the Department proceed with a program aimed at investigating advanced reactor concepts that indeed have these inherently, or passively, safe characteristics. The committee's recommendation has been to accelerate the development of the modular high temperature gas-cooled reactor [MHTGR] which has passively safe characteristics.

Another attractive concept that is under investigation involves the use of the liquid metal reactor design. The liquid metal reactor is, of course, the basis for the breeder reactor, which has been under development for several years. But LMR's do not have to breed fuel in order to generate electrical power. Reactors that use liquid metal as the coolant rather than water offer an attractive alternative to the standard pressurized water reactor designs that are presently in commercial operation. Although liquid metal reactors operate generally at very high temperatures, they do not require the high vapor pressures that must be compensated for in the light water reactors. Also, they have been demonstrated to perform very well even though all backup systems may fail. That is, under conditions in which the pumps that cause the coolant to flow past the hot radioactive core may fail, and even if the automatic shutdown system fails, natural circulation and characteristics inherent in the design of liquid metal reactors are sufficient to cool these reactors down in a normal manner without endangering workers or the reactor itself. Recently, the Argonne National Laboratory performed such tests at the experimental breeder reactor-II [EBR-II] that operates at the Idaho National Engineering Laboratory near Idaho Falls. This reactor, which has operated continuously without any major failure for more than 20 years, underwent a severe test of its failure capabilities recently. A series of six tests were used to show that natural circulation of the coolant within the reactor core area itself was sufficient to satisfactorily cool down the reactor. Mr. Speaker, I would like to include in the RECORD a short article in the Energy Daily, dated June 26, 1985, that describes these tests in some detail.

It should also be noted that similar tests have been performed in Europe, both by the English and the French, on their liquid metal reactors and similar results were found to occur. It is, therefore, within our grasp to design reactors based upon known and documented technology—for example, MHTGR's and LMR's—that are indeed inherently safe.

NO PUMPS, NO SCRAM, NO PROBLEM AT EBR-II

Argonne National Laboratory put one of its experimental nuclear reactors through a severe torture test recently—simultaneously shutting off all coolant flow and bypassing the control system that would normally scram the reactor. The series of six tests took place in Experimental Breeder Reactor II (EBR-II) at the Idaho National Engineering Laboratory, a small sodium-cooled reactor loaded with a metallic fuel (unlike the oxide fuel form used in the Fast Flux Test Facility, the other American metal-cooled breeder reactor). Even with the multiple failures of coolant pumps and reactor shutdown system, EBR-II reduced its power level automatically, cooled itself by natural circulation and did not overheat the fuel. Argonne claims that "the tests give strong support to the position that sodium-cooled reactors of the EBR-II type do not need complicated backup systems for emergency shutdown and emergency cooling. The safety of the plant is guaranteed instead by its basic design, without depending on extra devices that may be subject to failure."

The recent tests in EBR-II were conducted at 16 percent of full reactor power and 19 percent of full coolant flow. Various combinations of failure were tried: first the reactor's two primary pumps were shut down, then the secondary sodium pumps, until Argonne engineers felt confident enough to try shutting off all the pumps simultaneously. "In all these tests the reactor performed as expected and temperatures agreed with predicted levels," Argonne reported. The lab plans similar tests at higher power levels later in the year.●

TRIBUTE TO LES ARENDS

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1985

● Mr. CRANE. Mr. Speaker, I wish to add my name to the many who mourn the death of our former Illinois colleague and House Republican whip, Les Arends.

Few men served their Nation as well as Les Arends served the United

States. None could match his record of serving as House Republican whip for three decades.

Les Arends matched leadership with graciousness. When I first came to the House of Representatives in 1969, Les Arends made himself available for any help he could possibly render to a freshman Congressman. He was a gentleman—kind, considerate, ever-thoughtful.

While House Republicans occasionally voted to turn over their party's House leadership to a new man, they never took the Republican whip post from Les once they had entrusted him with that important role in 1943.

He was fiercely loyal, and never abandoned his House party leader in the face of controversy. That loyalty, of course, extended to each of us on this side of the aisle.

Besides this House of Representatives, another love of Les Arends was the game of golf. It brought a great grin to his face when he boasted his golf score was lower than his age. His score slipped recently, however. When I visited with him earlier this year, my 89-year-old friend told me he was shotting in the low nineties.

Les Arends will be missed by all of us who were privileged to be his friend.●

CHRISTA McAULIFFE, SPACE FLIGHT PARTICIPANT

HON. JUDD GREGG

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1985

● Mr. GREGG. Mr. Speaker, last August President Reagan directed the National Aeronautics and Space Administration to select a teacher to be the first private citizen to be launched into space aboard the space shuttle. Subsequent to reviewing more than 10,000 applications from teachers all across the Nation, the Space Agency narrowed the competition down to 10 finalists from America's elementary and secondary schools. After conducting rigorous medical examinations and numerous evaluations to determine the candidate's overall suitability for space flight, NASA demonstrated its good taste by selecting my constituent, Christa McAuliffe, an accomplished social studies teacher from Concord High School, Concord, NH. The formal announcement was made by Vice President BUSH at the White House last Friday.

In addition to her 12 years of teaching experience and 25 years in the Girl Scout Program as Scout and leader, Christa has found time to act as a host parent for students from innercity schools and raise funds for the YWCA and a local hospital expansion project. She is also a wife and the mother of two young children.

As a space flight participant on a shuttle to be launched next January, Christa plans to compile a personal journal that will help to complete and humanize the technology of the space age. In the classroom, she has created a social history course entitled, "The American Woman," which reveals that much information about the history of the United States has been found in diaries, travel accounts, and personal letters. Just as the personal journals from pioneer travelers of the Conestoga wagon days provide us with historic reality, as a pioneer space traveler, future historians will be able to use her eyewitness accounts to help assess the impact of the space age on the general population. Her journal will be a trilogy which begins at the point of selection and training as the first teacher in space, continues through the actual flight, and ends with her personal thoughts and reflections upon her return. As she has indicated, this will not only provide ideal material for her course on "The American Woman," but for all educators in the field of sociology, American culture, and history.

After my staff and I got acquainted with Christa during her recent visits to Washington, we knew immediately that she was a winner. While we are not at all surprised that her many attributes compelled NASA officials to choose her, like all the citizens of New Hampshire and the Nation we can hardly contain our emotions and we share her enthusiasm over the most exciting field trip she will ever take. I know that my colleagues join with me today in extending hearty congratulations to Christa McAuliffe, the attractive, articulate future teacher-astronaut from Concord, NH, who has all the "right stuff."●

CONGRATULATIONS TO 160TH AIR REFUELING GROUP

HON. CHALMERS P. WYLIE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1985

● Mr. WYLIE. Mr. Speaker, may I extend personal congratulations to the 160th Air Refueling Group and to Maj. Gen. Raymond R. Galloway, the adjutant general for Ohio, Brig. Gen. Robert E. Preston, assistant adjutant general for Air, and Lt. Col. Donald W. Easley, commander of the 160th Air Refueling Group. This unit which is stationed at Rickenbacker Air National Guard Base in my district was judged the best refueling group at the largest military air show in the world held in Fairfield, England. An editorial which appeared in the Columbus Citizen-Journal on July 20, 1985 read as follows:

AIR GUARD UNIT A WINNER

An Ohio Air National Guard unit stationed at Rickenbacker Air National Guard Base brought back top honors from the International Air Show in England.

Lt. Col. Donald W. Easley, commander of the 160th Air Refueling Group, said the unit received best of show honors from a panel of five international judges for the 1956 model KC135E the guard unit entered. The Boeing Stratotanker plane won for authenticity, cleanliness and appearance over aircraft from 32 other countries.

Easley said the group award is a Wilkinson sword, mounted on a plaque. The award, called the Concours d' Elegance, was donated by British Airways and is valued at about $3,100. It will remain with the unit.

Easley said the three top awards at the competition last weekend went to Air National Guard units in Ohio, Pittsburgh and California.

The show, held in Fairfield, England, was sponored by the Royal Air Force Benevolent Fund and ran under the theme Skytanker 85. The show was billed as the largest military air show in the world.

The 14-member crew, after placing first, was congraluated by Jordan's King Hussein.

Easley said the unit will compete again in 1987 in the biannual event.

The aircraft, which passed a white glove inspection, highlights Ohio State colors of scarlet and gray, and crew members were dressed in those colors for the competition.

The plane is now at Rickenbacker.

This is truly an outstanding achievement which demonstrates that any National Guard unit properly trained can compete with the best.

Again, my sincere congraluations to all who made this Concours d' Elegance Award possible.●

GOLDIE HOFFMAN HONORED BY LAUREL VOLUNTEER FIRE DEPARTMENT

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1985

● Mr. HOYER. Mr. Speaker, on Saturday, July 27, 1985, the Laurel Volunteer Fire Department will honor one of its longstanding members, Mrs. Goldie Hoffman.

Mrs. Hoffman has been associated with the department and its auxiliary for more than 54 years. Her dedication to the department is well known throughout the city of Laurel, a community which takes great pride in many volunteer activities and especially its fire department.

During World War II, with many of the volunteer firefighters serving in the Armed Forces, Goldie Hoffman and several other women who had been active in the auxiliary took over, drove the firetrucks and fought the fires in the Laurel area. The Hoffman residence, almost across the street from the fire department, provided Goldie Hoffman with a perfect vantage point to respond to fire calls. In

the postwar period, Mrs. Hoffman has been, to quote another member of the department, "a steadying influence on the auxiliary and one of our department's greatest fundraisers."

Mr. Speaker, we often hear discussion of the collapse of family and community life in our country. Perhaps that is true in some areas, but it is not true in Prince George's County, and it certainly is not true in Laurel. The commitment that Mrs. Goldie Hoffman has shown to her community for more than 50 years, while raising her family of five children, is evidence that she is a very special person and that Laurel is a special community. The Laurel Volunteer Fire Department and the rest of the citizens of Laurel are very fortunate to have had the benefit of Goldie Hoffman's involvement over the last 54 years.

Mr. Speaker, I know the Members of the House will want to join me in wishing Mrs. Hoffman well and congratulating her as the city of Laurel honors her.●

CARGO PREFERENCE: END THE BATTLES—WIN THE WAR

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1985

● Mr. BIAGGI. Mr. Speaker, I rise to address a problem that threatens serious irreparable harm to the American agricultural community and the American maritime community.

This problem is not cargo preference. The problem is the battle over cargo preference that has divided this body and which is now threatening the promotional programs of both industries.

In recent months, bipartisan cross-industry support for maritime and agriculture has eroded. Now, I hear my colleagues from the farm belt condemn cargo perference and argue that maritime interests and seafarers are earning unjust and undeserved profits. Similarly, I hear my colleagues from coastal States talk about greed of farmers who get billions a year in subsidy. It seems we even have a battle raging as to the relative poor health of both industries with maritime and agriculture proponents each arguing that the crisis of the respective industries is more acute.

Well, the fact is that farmers and seafarers are not greedy; they only want fair compensation that recognizes the important contribution they make to the economy. Rather than battling over which industry has the more acute problems, let us resolve to help both industries win their war against subsidized foreign competition.

If we were to eliminate cargo preference, there would be three tragic results.

First, Agricultural appropriations would be reduced since savings from elimination of cargo preference would be deducted from farm spending.

Second, the already troubled merchant marine would suffer severe harm with a possible loss of 39 percent of the total cargo carried on our vessels—a loss representing $560 million in revenue.

Third, maritime industry support for agriculture could be greatly eroded.

The good news is that representatives of maritime and agriculture interests are working together to develop a solution to the perceived problems associated with cargo preference. Though this is just a first step, it is an important first step.

I praise all the parties who are engaged in these quiet negotiations to end the battles, so we can go on to win new markets for our maritime and agricultural industries.●

PIAA CLASS AAA BASEBALL CHAMPIONSHIP

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1985

● Mr. GEKAS. Mr. Speaker, the unexpected sometimes brings us more pleasure than the anticipated and so it was when the high school baseball team from Montoursville, PA, did what no one, including the coach, expected—won the school's first PIAA class AAA baseball championship on June 14, 1985, with an impressive 5 to 0 victory over District 7 champ Bethel Park.

Hustle, good defense and a lot of determination and hard work were the main ingredients that led the Montoursville Warriors baseball team down the road to the State championship. After opening its season with 10 consecutive wins and then falling into a mid-season slump when most teams, including the major baseball teams, would never recover, they sprang back to life with a 13-game winning streak. The team concluded its season with a 23-3 record.

The Montoursville High School Warriors, led by Carter Giles in his 14th year as head coach, shared the Susquehanna Valley League crown with Shikellamy and won over Berwick for the District 4 title, that put the team in the final four for the State championship.

The coaches and players should be congratulated for their outstanding performance as athletes and citizens of their community. The sportsmanship which was displayed throughout their long and gruelling season is a credit to themselves and the fans who enjoyed watching them play.

The assistant coaches and players who contributed to the team's winning effort this year include; assistant coaches Fred Springman, Mike Laychur, and Max Schnieder; players Scott Taylor, Jim Marino. Kimber Watson, Donald Shearer, Ken Miller, Don Kelch, Jim Moore, Ron Beck, Phil Albrect, Jeff Gyurina, Jeff Arnold, Steve Stugard, Steve Sauter, Craig Ashley, Clint Babcock, Bob Brobson, Dan Albert, Joe Betts, Jack McCarthy, Dale Ross, Brian Batkowski, Dan Cristini, Eric Giles, Jim Freezer, Paul Homes, Mike Mussina, Shawn Crawford, Joe Plants, Tory Shimp, and managers Charlene Hannun, Lori Neufer, Megan Bingaman, Amy Kilgus, and Jana Lentz.

I would like the CONGRESSIONAL RECORD to reflect my personal congratulations to the coaches and players for giving the fans of Montoursville a season of unending thrills and showing us the joy of high school baseball at its finest.●

IMPROVING OUR COUNTER-ESPIONAGE CAPABILITIES

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1985

● Mr. EDWARDS of California. Mr. Speaker, the scope and duration of the alleged Walker spy ring suggest that safeguards for our national security secrets may be woefully inadequate.

Unfortunately, the response of some has been to seize on this situation to promote attention-getting proposals, most notably the death penalty and polygraphs, that do nothing to address the underlying effectiveness of our counterespionage program.

In an essay published on the op-ed page of the New York Times on Monday, Morton Halperin outlined an alternative series of measures that could actually improve the protections afforded our militarily vital secrets.

Mr. Halperin, a former staff official at the Defense Department and the National Security Council, directs the Washington office of the American Civil Liberties Union. I urge my colleagues to read his thoughtful and persuasive article:

[From the New York Times, July 22, 1985]

HOW TO STOP THE SALE OF SECRETS: DON'T GO FOR EASY "SOLUTIONS"

(By Morton H. Halperin)

WASHINGTON.—The recent spate of spying cases has generated public pressure to do something. Congress has responded with ill-considered plans—for reinstituting the death penalty and vastly expanding the use of polygraph tests—that do not solve the problem but run the risk of creating the impression that the problem has been solved. More important, these proposals, included in the Defense Department authorization bill now before Congress, could lead to violations of fundamental rights.

Consider the death penalty. Most spies take the risks they do because they believe that they will not get caught—not, certainly, because they know that "only" life imprisonment and not death is the maximum punishment. Thus, clearly, the death penalty would not prevent espionage.

Polygraphs, which are notoriously unreliable, are an unwarranted invasion of privacy and can be deceived by those trained to do so. The Defense Department already has a pilot polygraph program that permits limited testing. Until the results of this experimental program are evaluated, there is no justification for the expanded use of polygraph machines.

If polygraphs and the death penalty would not solve the problem, what will? Most serious students of the issue agree that we should begin by reducing the amount of classified material and the number of clearances. When everything is classified, nothing is; when everyone has a clearance, no one has been adequately cleared. We need to drastically reduce the number of things that we try to keep secret so that we can effectively protect that information. We need to reduce the number of people who are cleared so that we can examine them seriously.

We also need to change the clearance process. When it was put into place just after World War II, it was directed at ferreting out Communists and other "subversives" seeking to enter the Government in order to spy for the Soviet Union. The focus was on the initial clearance process and on learning about the political beliefs and associations of the applicants. In recent years, however, almost all spies are motivated by money and recruited after they are given clearances. Thus, we should be doing periodic reviews of those who have been cleared and examining their finances rather than their politics.

We must also distinguish between the three different problems that are now grouped together and dealt with similarly by "counterintelligence" agencies. These three problems are spying for the Russians, leaking information to the press and working in support of foreign groups, such as the Salvadoran opposition, that the Government considers hostile.

Leaking to the press and working against American policy in places like Central America are naturally subjects of some concern to the Government, but they are not the same as spying, and we must stop treating them as if they were. Certainly, no one who cares seriously about civil liberties will support stricter counterespionage laws unless we can begin to make these crucial distinctions.

Moreover, unless we can clearly isolate spying from other deceptively similar activity, there is little hope that we will catch many spies. The people conducting clearance reviews and investigating possible crimes should be directed by people with a clear understanding of what information is likely to be of greatest value to the Soviet Union and which individuals are likely to have access to it.

Finally, any effective counterespionage measures must be consistent with the mandates of the Constitution and with our values and ideals. If they are not, they will drive the best of our public servants—people who would not, for example, submit to prepublication review requirements or polygraph tests—out of Government.

Congress and the Administration face an all too common choice. They can go with the "solutions" proposed in the Defense authorization—measures that are politically popular but would not work and would violate Constitutional rights. Alternatively, they can work for real changes that would help prevent espionage without trampling on basic principles. Considered in the long view, it shouldn't be a very hard choice.●

WAR ON TERRORISM

HON. WILLIAM W. COBEY, JR.

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1985

● Mr. COBEY. Mr. Speaker, in recent weeks, the United States has experienced increased dangers from terrorist groups around the world. The President has spoken out against these actions in his "war on terrorism" speech. I believe that as Members of Congress we support a strong stance against terrorism and we must continue to search for effective solutions to this serious problem. The United States must join efforts with other nations around the world to combat this growing problem. We need to consider meaningful sanctions against those countries we know to be active in, or support, terrorist acts.

Past American policy has been to ignore these countries who support terrorism. In many ways we have closed our eyes to these activities. Our policy has been to cut off relations or to ban trading with these nations. Terrorism continues to increase, indicating previous steps have not been successful in deterring radical groups.

We must take a stronger stand on this issue. Perhaps, the United States should consider revoking the visas of all citizens and students living in the United States, who are native to proterrorist countries. Why should we grant visas to individuals whose country is actively campaigning against the United States.

This is only one step that can be taken. However, a clear message must be sent, that terrorist activities will not be tolerated. We need to let it be known that strong sanctions will result from any threat to the safety of our Nation or it's citizens.●

PAUL FABRA: CURRENCY REFORM AND STABILITY IS THE KEY TO BUDGET EQUILIBRIUM

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1985

● Mr. KEMP. Mr. Speaker, Paul Fabra, who writes on economic affairs for Le Monde, is in my opinion one of the most astute journalists on monetary matters in the world today.

In this morning's Wall Street Journal, Mr. Fabra critically examines the conventional official wisdom on the moribund international floating-exchange-rate system. He concludes that current efforts to try to manage rather than replace the floating-rate system "amount to an admission of defeat in advance and put the Free World on a dangerous course."

Mr. Fabra shows that unless we reconnect our national paper currencies with an external monetary standard such as gold, it is no longer possible to operate, even loosely, a stable system of exchange rates.

Among the errors which Mr. Fabra exposes is "the notion that floating rates are the genuine product of a free-market system," that floating exchange rates can avoid overvaluation or undervaluation of currencies, and that balance-of-payments discrepancies are the causes rather than the results of monetary instability.

Above all, according to Mr. Fabra, there is: "Another false premise underlying the present consensus in favor of floating exchange rates: the belief that the problem of eliminating budget deficits is merely a matter of adjusting receipts and expenditures. Both logic and experience make it clear that without a broad program of monetary stabilization, there is no chance of coming close to a balanced budget, either in the U.S. or anywhere else."

He quotes the great economist Jacques Rueff:

Stabilize the currency and a balanced budget will take care of itself.

To increase tax revenues, governments need sustained growth and more people employed. The principal obstacle is a general shortage of capital available for economic purposes * * *. The establishment of a sound monetary system is the only way to provide us with what the world most needs: a genuine capitalism—that is, a system able to generate capital.

I commend this excellent article to my colleagues.

The article follows:

[From the Wall Street Journal, July 24, 1985]

GOLD CONVERTIBILITY IS THE KEY

(By Paul Fabra)

PARIS—Let us be clear from the outset: The solutions now being embraced for improving the functioning of the international monetary system, by the Americans as well as the French and the other Europeans, amount to an admission of defeat in advance and put the Free World on a dangerous course.

These solutions are all based on the idea of reinforcing—through consultations organized at the highest levels—the "surveillance" by the International Monetary Fund of economic and monetary policies affecting exchange rates. The fact that the largest countries (starting with the U.S.) now recognize at least in principle the need for some such collective discipline—as evidenced by the June 21 Tokyo communique of the finance ministers of the "Group of 10"—has

been hailed on all sides as representing a philosophical advance that only needs a concrete form. Such an "advance" is anything but. If these proposals were applied, they would constitute a major setback, the logical conclusion of a long series of policy mistakes.

While asserting that the system of floating exchange rates "remains valid and requires no major institutional change," the Tokyo communique admits that it has also "shown weaknesses." These weaknesses are well known: an excessive volatility and instability of exchange rates, which furthermore demonstrate an annoying tendency to be undervalued one moment and overvalued the next. Might not these "dysfunctions" be the result of certain political errors on the part of national governments? Might not a greater "convergence" of their respective policies—to be obtained precisely through a greater coordination of their efforts under the aegis of the IMF—permit the correction of the "mistakes" of the marketplace?

A FALSE PREMISE

The fact is that with or without "surveillance," floating rates will fail to produce what is most desired of a monetary system: an efficient auxiliary to the pricing mechanisms permitting international transactions, both commercial and financial, to be carried out in equilibrium.

It is a false premise of the reigning consensus that floating rates are the genuine product of a free-market system. The economists and the experts have lost sight of the simple fact that floating rates constitute the system normally applicable to nonconvertible currencies, those that were traditionally called "fiat money."

The dollar lost its convertibility into gold on Aug. 15, 1971. During the months following this historic decision by President Nixon, attempts were made to keep alive the Bretton Woods system of fixed parties. Such was the object of the "Smithsonian" accords of December 1971, imprudently characterized by President Nixon as "the most significant monetary agreement in the history of the world." This was an attempt by the Big 10—the U.S., France, West Germany, the United Kingdom, Italy, the Netherlands, Belgium, Sweden, Canada and Japan—to reshuffle the collapsed Bretton Woods accords, and it included the first devaluation of the dollar. Fourteen months later, the Smithsonian agreement sank without a trace, leaving the dollar afloat, where it has remained ever since.

At the time there was a debate between the partisans of fixed and floating rates. Their argument, in reality, was without significance. Both camps had simply forgotten to tell us that we no longer had any choice. Once any connection with an external standard has been severed, it was no longer possible to operate, even loosely, a system of stable exchange rates.

It is this same principle that is forgotten today, in both the U.S. (for example, by Ronald McKinnon of Stanford University) and France (by President Francois Mitterrand and his counselor, Jacques Attali), in proposals for the establishment of a system of "target zones" as a first step toward more stable exchange rates. According to these proposals, monetary authorities would restrict the evolution of the exchange rate of the dollar by establishing a "band" of rates (revisable over time) within which the market would be politely requested to fix the prices of the world's principal currencies.

Behind any proposal of this kind is the idea that there exists at a given moment an area of equilibrium that is not necessarily the same as that determined spontaneously by the market. In other words, it is assumed that one factor or another—such as capital movements—constitutes a "disturbing" influence on the market, and that the "real" area of equilibrium may be identified by discounting for the effects of that factor. This sort of intellectual exercise cannot conceivably form the basis of exchange-rate policies in the real world.

The concept of "convertibility" is both so vital to an understanding of monetary phenomena, and so gravely misunderstood, that it requires some further explanation. It is said that the gold standard is incompatible with the free market because, by definition, it involves a fixed price for gold. This is reasoning backward. The system, in essense, is based on the idea of an initial deposit. I entrust one ounce of gold to a bank, which gives me a receipt. If by convention this receipt is considered to be worth, say, 300 units of account (call them dollars), it will be concluded that the dollar is worth 1/300th of one ounce of gold and such will be the definition of the dollar. The receipt will circulate as money in place of gold.

Put into practice, in a world where gold circulates freely from one country to another and where the various currencies are all freely convertible upon presentation to the various issuers of receipts (the central banks), convertibility produces a remarkable result: Prices expressed in dollars, pounds or francs are all in effect prices expressed in gold. Any danger of "overvaluation" or "undervaluation" is avoided. Our fiat-money currencies, lacking this common standard, must inevitably "float" each in terms of the others.

With a system of convertible currency, the holder of a currency can exchange it (a liability on the ledger of the central bank) for gold (an asset). In our system of fiat-money this exchange is impossible, and the ordinary citizen no longer has access to the assets of the central bank. The central bank, as a result, is free from market discipline. It is fair to say that all of the abuses of which the central banks have been guilty over the past 75 years have been the result of this.

The IMF has followed the same course. Ever since the Jamaica accords of January 1976, which expurgated from its articles of agreement any reference to the rules inspired by the gold standard, the IMF has been unhindered in asserting an increasingly arbitrary authority. If the IMF's managing director, Jacques de Larosiere, wanted to return to the original spirit of Bretton Woods, since so shamelessly betrayed, he would constantly be asking himself: By what means could we reestablish, in the world of today, a full-fledged free-market monetary system?

Reestablishment of the full array of gold-standard mechanisms, nationally and internationally, is all the more urgent because of another delusion afflicting national governments, even more pernicious than the first. This is another false premise underlying the present consensus in favor of floating exchange rates: the belief that the problem of eliminating the budget deficits is merely a matter of adjusting receipts and expenditures. Both logic and experience make it clear that without a broad program of monetary stabilization, there is no chance of coming close to a balanced budget, either in the U.S. or anywere else. This is why the debate in the U.S. between the "supply-siders," who oppose any reduction in the tax-cut program, and those such as Federal Reserve Chairman Paul Volcker, who would give priority to a massive reduction of the deficit, is irrelevant.

"Stabilize the currency and a balanced budget will take care of itself," said Jacques Rueff. Probably the best monetary theorist of the past 60 years, Rueff wrote the French recovery plan of late 1958 that allowed Gen. Charles de Gaulle to establish the Fifth Republic.

Tax revenues in the West are much lower today than they should be because of a new and much large form of "crowding out" than the term is generally used to mean. We are observing a massive diversion of saving resources away from productive investment and toward short-term investments: hot money moving in accordance with speculation over exchange rates.

'FLOATING CAPITAL'

The huge masses of wandering capital have become so much a part of the landscape that their existence is taken for granted. They are even used to justify the system of floating rates. No central bank, the argument goes, could defend its parity against speculation capable of putting in motion amounts exceeding the most comfortable official reserves. The argument appears compelling only because an effect is mistaken for a cause. Balance-of-payments deficits and surpluses do not create monetary instability. Rather, it is this instability that causes the imbalances, notably through discrepancies in national price levels and nominal interest rates. These imbalances lead to the creation of "floating capital," which merely represents an availability of credit whose volume would be immediately reduced in a more stable environment. In the case of the U.S. it is foreign funds invested in U.S. Treasury bills that by the same token finance the balance-of-payments deficit. Internal and external deficits are closely linked.

To increase tax revenues, governments need sustained growth and more people employed. The principal obstacle is a general shortage of capital available for economic purposes, the lack of which is evidenced by the fact that long-term interest rates have declined much less than short-term rates. The establishment of a sound monetary system is the only way to provide us with what the world most needs: a genuine capitalism—that is, a system able to generate capital.●

JACK KISHPAUGH HELPS THE HANDICAPPED

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1985

● Mr. GEKAS. Mr. Speaker, many times I have come to the floor of the House of Representatives to praise the accomplishments of my constituents. At this time, I would like to bring to the attention of my colleagues the work of a man who currently lives in Texas, but who once lived in Hershey, PA. The person I refer to is John S. (Jack) Kishpaugh, Sr., who now works in Arlington, TX, with the Center for

Computer Assistance to the Disabled [C-CAD].

The main goal for C-CAD is to get handicapped men and women out into the work force by the use of computers. Jack Kishpaugh, a quadriplegic injured since 1971, is well qualified to develop training programs in this regard. By combining his firsthand knowledge of the difficulties encountered by disabled persons with his computer experience, Jack Kishpaugh has done marvelous work in Arlington.

As we all too sadly know, many disabled persons find the prospect of entering the work force too imposing, and end up wasting numerous valuable resources that could help society and themselves. By using the ever-expanding computer market, these people have the opportunity to put their brainpower to good use. Their self-esteem grows by leaps and bounds, and everybody benefits by having them work.

For these reasons, it is my sincere hope that Jack Kishpaugh and the Center for Computer Assistance to the Disabled continue their excellent program for many years to come. The service they provide the handicapped community, and in turn, their entire community, should serve as a model across the Nation for cities and towns interested in the same goals.

That is why the residents of the 17th Congressional District of Pennsylvania can point to Jack Kishpaugh with pride as a Hershey boy who has made good. Keep up the good work, Jack.●

CITY DEMONSTRATES NEED FOR FLOOD CONTROL PROJECT

HON. BEAU BOULTER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1985

● Mr. BOULTER. Mr. Speaker, yesterday, the citizens of Wichita Falls, TX, overwhelmingly demonstrated their support for the Lake Wichita-Holliday Creek flood control project. Not only did they demonstrate their support, but they also demonstrated true financial commitment. Yesterday, the citizens voted to issue municipal bonds to fund a "do it yourself" flood control plan in the amount of $9 million. Mr. Speaker, for over 40 years, Wichita Falls has been plagued by severe flooding and the bureaucratic Federal Government has failed to provide any assistance. Even though last week's House passage of the 1986 appropriations for water projects brings funding closer, the citizens of Wichita Falls are tired of waiting. They have said, enough is enough, and are going ahead with a city-financed plan that will provide some, though not all, of the protection they need.

I commend the citizens for their initiative. Wichita Falls has shown both the community spirit to get things done and the necessary commitment to justify their request for Federal assistance to complete this project. With Federal funding to complement the city's input, the citizens will be protected to the level of a 100-year flood. This will enable the city to continue to grow and prosper, thus creating jobs and economic opportunity. I urge my colleagues to act swiftly on legislation to make this project a reality.●

REFLECTIONS OF FRANK BARNETT

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1985

● Mr. MICHEL. Mr. Speaker, on April 30, 1985, Frank Barnett, president of the National Strategy Information Center, addressed a meeting of the American Bar Association's Standing Committee on Law and National Security. His speech is an informed view of the origins, the history, and the possible future of our current relationship with the Soviet Union. I recommend it to all our colleagues.

At this point I wish to insert in the RECORD, "Reflections on Anniversaries, Détente, and Disinformation," by Frank R. Barnett, president of the National Strategy Information Center to a meeting of the ABA Standing Commitee on Law and National Security, April 30, 1985:

REFLECTIONS ON ANNIVERSARIES, DÉTENTE, AND DISINFORMATION

(By Frank R. Barnett)

Ladies and gentlemen, I'm very grateful to Bill Casey, not only for that generous introduction, but for serving as a founding director of NSIC, and even more for being a friend and tutor for over three decades.

While I have the chance, I want to add something: Bill, I have the absolute conviction that if General "Wild Bill" Donovan were with us today, he would be just as happy as the rest of your friends that his shoes fit you so comfortably. And I also would take this opportunity to refute the rumor that General Donovan used to call you "The Mumbling Pimpernel."

I owe other debts of gratitude to a number of men in this room. The ABA Committee on Law and National Security has been my regiment for nearly 25 years. In fact, NSIC owes its genesis to the prompting and support of former and present members of this committee—like Lewis Powell, Morry Leibman, Bill Mott, Jack Marsh, and John Norton Moore—to all of whom I pay deep tribute and thanks.

If NSIC has had some small success in implanting courses on national security policy in universities both here and in Europe, it's partly because we've tried to emulate the modus operandi of this committee. That "m.o.," as I see it, is to build consensus on unimpeachable research; avoid "hardening of the categories" in the body politic; and enlist liberals and conservatives on the same team, animating people who agree to disagree on secondary issues but are willing to stand together against all forms of totalitarian aggression.

One of the few compensations of becoming a senior citizen is that people seem slightly more tolerant of your banalities; or perhaps it's rather that your antennae have atrophied, and you don't really notice the impatience with which your modest gifts of wisdom are really received. In either case, counting on your forbearance, I ask leave to reminisce about World War II anniversaries, detente, and disinformation.

SOVIETS AND UNITED STATES MEET ON THE ELBE

Let me begin with anniversaries: 40 years ago last Thursday, the American 69th Infantry met the First Ukranian Army at the Elbe River, cutting Nazi Germany in two. By random luck, I was there, and by an even more improbable chance, I became the interpreter for the U.S. military government unit that worked with the Red Army to repatriate Soviet displaced persons and POWs. At first, the Russian and American GIs got along famously. The Russians were boisterous and friendly; we sang together, we applauded while they danced, we traded souvenirs, drank too much vodka, and relished those glorious weeks in May following the end of the war in Europe. As the troops from both sides of the Elbe got to know each other better, GIs would pull out sweat-stained wallets, to show a Russian pal photos of home back in Denver or Des Moines. Quite often the pictures would show a small house, a Ford in the driveway, and handsome shoes on the feet of wives and children.

Soviet soldiers were astonished. It was not that great affluence was on display; rather it was that ordinary GIs, the American proletariat, carried visible proof that workers under capitalism were not so oppressed as Stalinist mythology contended. Fraternization began to spread a dangerous virus to the East. And then the picnic ended.

In the first days of June 1945, the Iron Curtain came down on the Elbe. Regular units of the Red Army were withdrawn, and replaced by an MVD detachment, with Mongolian cadres who in effect created a "cordon sanitaire" between Russians and Americans. The Mongolians spoke no German, and didn't even appear to speak Russian. They carried Al Capone-type tommyguns, with which they unpredictably blasted birds and shot up the river. So we stayed prudently on our side. The era of friendship on the Elbe was short-lived. And despite propaganda charades it has never been renewed. The Mongolian machine-gunners have been replaced with barbed wire, minefields and the Berlin wall; but whether we refer to "cold war," or the cosmetics of detente, the reality of protracted conflict remains. In fact, the ceremony on the Elbe last week was overshadowed by the recent murder of Major Nicholson, for which the Kremlin offers neither remorse nor apology.

NAZI GENOCIDE AND THE SOVIET RECORD

No one can doubt the need to honor the victims of Hitler's war and reaffirm the righteousness of the crusade against fascism. We must never forget Dachau. But not every holocaust has been perpetrated by the SS, nor have European Jews been the only objects of state terror. Yet, if "never again" is to have operational meaning today, the world must direct effective outrage against the gauleiters of Lenin and Mao as well. We shall master the fearful lesson that Hitler taught the democracies only when we com-

prehend that the "killing fields" of Cambodia are the moral equivalent of Auschwitz. Thus, in light of communist genocide in Southeast Asia, and the ongoing butchery of Afghan civilians by the Red Army, the relevant lessons of World War II must include anniversaries the Kremlin prefers to forget.

Most historians cite September 1, 1939, the date of Germany's invasion of Poland, as the start of World War II. But on August 23, with the signing of a nonaggression treaty in Moscow between Nazi Germany and Stalin's Russia, the red dictator freed the hands of his Nazi counterpart for the prelude to the Holocaust. The Molotov-Ribbentrop pact had a secret blueprint for the partition of Eastern Europe into Nazi and Soviet spheres of influence. As early as 1935, according to historian Paul Johnson, Stalin privately put out periodic feelers to persuade the Nazis to relinquish their anti-Soviet crusade, and settle for a totalitarian brotherhood of mutual respect and divided spoils.

Not only did the Hitler-Stalin accord loose the dogs of war in Europe; the Soviet Union provided crucial material support to fuel the Luftwaffe in the skies above Britain and drive the Panzers in the invasion of the Low Countries and France. Soviet oil, rubber, zinc, copper, manganese and grain were all supplied to Nazi Germany during the first 22 months of the war. Moscow, to this day, accuses the U.S. and West Germany of "profascism." We should never forget that the first wave of the Nazi "blitzkrieg" was fed with Soviet supplies.

Stalin's designs "metastasized" during the period of Nazi-Soviet collaboration. Soviet armies invaded Galicia on the 17th day of the German-Polish war, attacking Polish troops from the rear. More than a million and a half Poles were deported in 1939 and 1940 by the Red Army. The eastern half of Poland was submerged in the gulag, in the context of fraternal collaboration between the NKVD and the Gestapo. And then thousands of Polish officers were massacred in the Katyn Forest to further Stalin's goal of decapitating Polish nationalism, which would otherwise prove an obstacle to the Kremlin's post-war expansion.

Next came Russia's winter war with Finland—an unprovoked power grab against a peaceful neighbor, frustrated in part by the tenacity of Finnish arms. And then the three Baltic nations, independent since 1918, were smuggled into Soviet dungeons in 1940. The horror of Hitler's "final solution" for the Jews was foreshadowed when Stalin's boxcars transported—by the tens of thousands—the future of Latvia, Estonia and Lithuania to extinction in the Siberian permafrost.

And finally, another neutrality pact—this one between the Soviet Union and Japan in April 1941—stabilized Japan's rear, while the Tojo cabinet completed its plans for Pearl Harbor.

Thus Stalin was either a bumbling broker of World War II, or at least a co-sponsor of many state crimes that led to its outbreak. That he was ultimately betrayed by Hitler, his partner in genocide, scarcely entitles him to our sympathy.

Our sincerest sorrow and gratitude, however, can rightly be reserved for the millions of Soviet citizens who shed their blood fighting Hitler's armies. Humanity also owes compassion to other millions: Russians, Ukrainians, Crimean Tartars and the like, all victims of the Kremlin's internal war against its own people, which continued despite the war against Hitler.

Some may ask if this is "ancient history," with no meaning for today. Well, the Polish nation knows better. The workers who built "Solidarity," only to see it crushed on orders from Moscow, had fathers who were even more brutally betrayed by Russians. to decimate the potential leadership of post-war Poland, Stalin deliberately halted the Red Army offensive outside of Warsaw for two months in 1944, to give the Germans ample time to wipe out the resistance forces in Warsaw. Cordell Hull's memoirs tell us that Stalin refused to grant landing rights to American bombers so they could drop arms and supplies to the Poles. With 200,000 anti-Soviet Poles in their graves, it was easy for Stalin to imprison the handful of pro-Western leaders who returned from exile in London after the war, and install Moscow's puppets in their stead.

THE SOVIET PEOPLE AND THE LENINIST OLIGARCHY

Stalin's crimes do not diminish the bravery and suffering of the Soviet people during the war against Hitler. The Russians are not our enemies. Rather, it is the Leninist oligarchy, which uses Russia as a base for projecting power, which is the enemy of all of us. Thus it would be folly to ignore the legacy of Lenin and Stalin as we celebrate the victory over the Nazis. For while Adolph Hitler's regime was obliterated forever in 1945, Joseph Stalin's political and ideological heirs occupy offices in the Kremlin today.

Some will object to that assertion and will postulate yet again another "thaw," another Prague spring, another helping of goulash communism with a human face. But so far, every detente has resulted in more Soviet throwweight, fresh communist insurrection, more refugees and new bases for the export of subversion.

Some American entrepreneurs, anxious to sell technology to Moscow, still profess to believe that the Russian leaders are simply Slavic-speaking graduates of the Harvard Business School. They are not. They are an ideological "mafia," who control an empire and possess the guts and guile to carry out their ambitions. Our political heritage, as we all know, derives from Magna Carta, Locke and Jefferson. The Soviet legacy is from Genghis Khan, Ivan the Terrible and Lenin, which means that the "culture gap" is wider than the missile gap, and has a bleak impact on policy.

GORBACHEV'S "CAMELOT"

Today, two years after the disinformation about Andropov's penchant for Johnny Walker Black and Jacqueline Susanne, we are now digesting stories describing the off-Kremlin tryout of *Camelot*. We should remember that the Soviet Union has regularly initiated peace offensives, without abandoning ideological warfare, since Trotsky returned from Brest-Litovsk. Gorbachev's political biography suggests little will change in the years ahead, nor does the appointment of an Andropov protege as his patronage chief offer much comfort.

Mikhail Gorbachev was born in 1931 in a village near Stavropol in the Caucasus. After the war he began work at a Machine Tractor Station, the agricultural machinery depots which insure party control of the peasants. Later, at Moscow State University, he was appointed head of the Komsomol apparatus at the University. Gorbachev is said to have participated in the mid-50s "cleansing" of the university of Soviet student elements who were supportive of the Hungarian uprising. Returning to Stavropol. Gorbachev rose in the party ranks due to his patient nurturing of personal ties with vacationing Soviet politicians in the resort areas of the Black Sea coast. In short, he enhanced his career by playing "good old boy" to Moscow's visiting bosses in a holiday mood.

One of the officials with whom Gorbachev developed close links was Suslov, ideological czar and the most inveterate Stalinist of his generation, Suslov became patron and teacher of the younger apparatchik. His fellow countryman in the nomenklatura, Yuri Andropov, also a native of the Stavropol region, became another mentor.

Gorbachev was moved to Moscow in the mid-1970s to take over the agricultural portfolio after the death of Kulakov, an old Brezhnev crony. In spite of repeated Soviet crop disasters, Gorbachev attained full rank in the Politburo, a singular success at age 48. After the death of Andropov, Gorbachev moved to secure control of Party ideology—Suslov's former fiefdom.

Soon after Gorbachev became ideological secretary, *Pravda* and other official organs began to mention the name of Josef Stalin in favorable terms. It was, as the Soviets say, "no accident." The rehabilitation of Stalin is proceeding as the Soviets prepare for the 40th anniversary of Victory Day over Hitler.

Moreover, Gorbachev's first public announcement as General Secretary was a bald threat to Pakistan about the consequences of continued aid to the Afghan rebels. Recently, this well-pressed dictator has tried to blackmail the West into abandoning research on SDI, for fear that otherwise the Kremlin will again abrogate the arms talks. This is scarely a Russian Dubcek or a reborn Kerensky. In fact, given his vitality and the tutoring from Suslov and Andropov, Gorbachev may prove to be a more formidable adversary than Stalin, who after all, had neither ICBMs nor a four-ocean navy at his disposal.

THE TWILIGHT WAR

May I offer one recommendation. Certainly, the Pentagon is justified in expending large resources to avert worst-case scenarios. Yet the most terrible danger may be the least likely to materialize. Hence, while we constantly strive to ward off Armaggedon, we cannot ignore lesser threats that recur with disturbing frequency: terrorism, subversion, insurgency, and the other black arts of the "twilight war," so difficult to counter by a society based on pluralism and the rule of law.

But if we cannot cope with the export of guerrilla war into the resource-rich areas of the world, upon which the economies of Japan, Europe and the United States depend, then eventually even NATO, and an effective SDI may prove to be maginot lines. The Kremlin has crafted a Special Operations cadre that includes East Germans, Cubans, Bulgarians and the PLO, as well as the Soviet Spetsnaz. This conflict consortium is engaged in low-cost, low-visibility warfare. The targets are: the oil of the Middle East; the strategic minerals of Africa; the vital sea lanes of the Caribbean; and within a decade, perhaps even sooner, Mexico. If and when U.S. divisions earmarked for the reinforcement of NATO are pinned to the defense of the Texas and Arizona borders, the current game of dominoes in Central America will not, in retrospect, seem so trivial to many observers.

One reason why the West is muddled in its ability to counter the "twilight war" is

that Soviet covert operations in the Third World are coordinated with a cloud of propaganda and other active measures in Europe and the U.S. In effect, Moscow seeks to interdict the Third World battlefield not with airstrikes, but with political warfare that discrdits anti-communist resistance and dries up its logistical support from natural allies. This tactic is effective against the West precisely because it is so difficult to distinguish Soviet active measures from the quite legitimate dissent and honest doubts that invariably arise among free men.

DISINFORMATION, DISAGREEMENT, DISLOYALTY

Certainly, we do not wish to confuse disagreement with disloyalty. How then do we protect ourselves from Soviet disinformation? I know of no conclusive answer. Perhaps we begin by persuading more leaders in the private sector to emulate the work of this ABA committee—to simply do their homework in geopolitics, comparative ideology, world strategy and national security. Hopefully, from a more professional analysis may emerge a more workable consensus on how to deal with Leninism, without curtailing our own liberties.

I again salute this ABA committee for its elan and finese in the battle of public opinion. In an open society, that struggle is crucial and never-ending—especially now that totalitarian elite have learned how to exploit the customs of fair play and democratic discourse.

May I conclude by repeating some lines I wrote 25 years ago to socialize my own frustrations over the propaganda war. I wish these lines were totally obsolete. I'm afraid they're still partly relevant.

If our nation should ever be pushed into a narrow corner by a combination of Soviet nuclear blackmail and political warfare, then all our affluence, all our stockpile of weapons, might be as impotent as were the walls of Troy, against the cunning of the Greeks. Either we create for ourselves a sophisticated public opinion based on a passion for the facts and responsible dissent—or we may find some parts of our intellectual climate polluted by alien forces, who have borrowed a little bit from Goebbels, Pavlov, Lenin and Mao, and use this witches' brew to sow disinformation and despondency in the national psyche. Should we permit that to happen, the epitaph on America's tombstone might read as follows: "Here lies the only civilization that perished at the peak of its power, with its power unused. Here lies a decent people who wanted love, not empire, and got neither; who tried to trade power for popularity, and lost both; here lies a nation of advertisers who knew how to change consumer tastes in cigarettes, but were themselves manipulated on the issues that really mattered to their salvation. Here died a sort of Lancelot in the court of nations, who, granting all his grievous flaws, was still perhaps the noblest knight of all: except this Lancelot, crippled with an undeserved guilt complex, let his weapons and ideals fall unused, and so condemned all mankind to the thousand year winter of the Russian bear."

Personally, I don't believe that epitaph will ever be written, but whether it's written or not, will depend not exclusively on decisions in the White House or the Pentagon or the Department of State, but on the courage, wisdom and civic commitment of such leadership groups as this ABA Committee on Law and National Security. Thank you.●

POW/MIA RECOGNITION DAY

HON. BILL HENDON

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1985

● Mr. HENDON. Mr. Speaker, as we all know, Friday July 19, 1985 was National POW/MIA Recognition Day. One of the ceremonies I had the honor of attending was the Sons and Daughters ceremony held at Arlington National Cemetery sponsored by No Greater Love. I was deeply moved by the ceremony, and in particular, by the speech given by Dr. Patricia O'Grady Aloot, POW daughter and board member of the National League of POW/MIA Families.

Mr. Speaker, I take this opportunity to share with my colleagues and the American people this very eloquent plea for help:

SONS AND DAUGHTERS OF POWs/MIAs

(By Patricia O'Grady Aloot)

We have come here today, you and I, to rededicate a memorial to the men we left behind in Southeast Asia. In standing with us today, you stand with our fathers and we thank you.

As many of you know, a few weeks ago, I placed Father's Day cards from the Sons and Daughters of our POWs and MIAs at the Vietnam Memorial. At that remembrance, a passerby said to me, "The war is over, why are you here?" I would like to take a few moments to answer that question.

We are here because our fathers cannot be here. We are here so that you will not forget our dads. We are here because for us the war is not over.

The Sons and Daughters gathered here today share an unspoken truth, a powerful and painful memory. We have all known the childhood terror of wondering whether our fathers' spirits had been crippled, minds bruised, bodies tortured, hearts broken. Every day, we wondered if they were crying, or hungry, or cold or hurting, or dying alone. We wondered if they were still alive or already dead. We hoped that they would escape, we fantasized about their return, we imagined we saw them everywhere. Throughout most of our lives, thoughts of our fathers haunted us.

Why are we here? Because we are still haunted. Reliable, intelligence data and sources suggest that some of our fathers may still be alive and in prison. We are here because some of us have pictures of our fathers in captivity. Fathers who never came home. Some of our fathers were lost in Laos or Cambodia. Fathers whose fates are shrouded in secrecy. Some of us know where, in all probability, our fathers are buried. Fathers left in an alien land. Fathers who deserve better.

Why are we here? Because we have faith that the American people will demand the return of our POWs and a full accounting of our MIAs. Because we believe that this country will make Vietnam see it is in their best interest to give us back our living men and repatriate our debt.

A generation of silence has passed. While we shall always remain our father's children, we are children no more. Our past silent terror has become our present resolve that no issue is too difficult to resolve, no group is too powerful to confront, no person is too important to oppose, and no problem is too great to surmount—in the name of our fathers.

So we gather here because we believe that this memorial, this living tree, is perhaps the most fitting symbol of our cause. As it lives and grows, so do we. And through us, the men we honor today, your father and mine, live. With your help, your voice, we can begin to rekindle the conscience of this country so that these invisible will be visible again.

So, to my fellow Sons and Daughters, I say take heart. You are not alone. To this Country I say, do not put our fathers out of your mind to avoid the troubling memories of a past war. We are here to ask you to join us, join us in seeking, no demanding, answers to our question: Where have all our fathers gone?

Do not leave us with our private thoughts and silent memorials. Join us by raising your voice with ours to create a chorus that will echo across the Potomac and be heard across the Pacific: Not another year, not another day let our fathers go . . . let our fathers go.●

YONKERS DESERVES ITS OWN RADIO STATION

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1985

● Mr. BIAGGI. Mr. Speaker, today I am introducing a bill that would end a longstanding inequity by providing the city of Yonkers with its first radio station.

Specifically, my bill would authorize Weiner Broadcasting Co. and Joseph-Paul Ferraro, a Yonkers resident, to own and operate station KPF-941 for noncommercial radio broadcasting to the Yonkers community. Significantly, while Yonkers is New York's fourth largest city, it does not have a radio station of its own.

This bill became necessary when the Federal Communications Commission rejected my request earlier this year to grant Yonkers a radio license through normal administrative procedures. In a February 15, 1985, letter, I informed the FCC that I was concerned that Yonkers did not have its own licensed broadcast radio station and suggested that station KPF-941, which was operating out of Yonkers as a remote pickup base for a station in Maine, should be allowed to broadcast to the city of Yonkers.

The response from James C. McKinney, Chief of the FCC's Mass Media Bureau, said:

Your suggested solution of permitting remote pickup base station KPF-941 to operate as a broadcast station does not comport with the Commission's rules. * * *. Consequently, the only recourse open to interested licensees in Yonkers, NY would be to file proposals for new AM broadcast facilities through our formal application procedures.

Mr. Speaker, it should be pointed out that the formal application process would not help Yonkers since all available broadcast frequencies on the AM and FM dials are already occupied by powerful New York radio stations and neighboring Westchester County stations. My bill would solve this problem by allowing station KPF-941 to continue to operate on its currently assigned auxiliary frequency of 1622 kilohertz. It should be noted that although the AM dial technically ends at 1600, most radios can receive broadcasts on 1622 if they are close to the source of transmission.

Mr. Speaker, Yonkers is the only city of its size in the country without a radio broadcast license. The people of Yonkers deserve their own station, which can focus on Yonkers' issues and interests. I would strongly urge that this legislation receive the prompt and favorable consideration that it merits.

At this time, I insert the text of this legislation:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. (a) Not later than 60 days after the date of the enactment of this Act, the Federal Communications Commission shall modify the license for station KPF-941 of Yonkers, New York, to authorize Weiner Broadcasting Company and Joseph-Paul Ferraro to own and operate such station, on its assigned frequency of 1622 kilohertz, for noncommercial radio broadcasting in service to the Yonkers, New York, area.

(b) Such license shall be granted for a term of 7 years, beginning on the date of modification of the license under subsection (a).

SEC. 2. For purposes of any administrative action by the Commission relating to such station or operations over such frequency, the operations over such frequency before the date of the enactment of this Act, or other activities relating to such station or its facilities, operations, or licensee (including those of any affiliated station or its facilities, operations, or licensee), shall not be taken into account.●

CONGRATULATIONS TO RANNY AND JOHN RIECKER

HON. BILL SCHUETTE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1985

● Mr. SCHUETTE. Mr. Speaker, it is my great pleasure and pride to celebrate the 30th wedding anniversary of Ranny and John Riecker. I can't be there to join them on July 30, but I can at least make a little celebratory noise of my own here in the House of Representatives.

Mr. Speaker, Ranny and John were my neighbors when I was growing up. They gave me one of my first jobs cutting grass and raking leaves. Through them too, I got my start in local politics. They have been good neighbors, good employers, and always good friends to me as long as I have lived. I point this out to the House because of my gratitude at having known them, and because I am so happy and proud as they celebrate their 30th on the 30th!

Ranny and John, congratulations and best wishes for another 50 years!●

LILLIAN FOGEL: A LIVING HISTORIAN

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1985

● Mr. LEHMAN of Florida. Mr. Speaker, I would like to bring to the attention of my colleagues this Newsday article about the efforts of my constituent, Lillian Fogel, to make history come alive for our younger generation.

This article describes how Lillian Fogel recorded her history, and then was willing to share her personal experience with students at the Plainview-Old Bethpage Middle School.

Lillian Fogel has set a wonderful example and I know that her written memoirs are an inspiration to all who read them.

The article follows:

[From Newsday, Friday, May 3, 1985]

SHARING STORIES OF IMMIGRANT LIFE

(By Gwen Young)

Plainview—Like so many other grandmothers, Lillian Mordecai Fogel has family tales to tell. Tales of her life as a child in Russia, her family's struggle to come to the United States and their joy when they finally reached Ellis Island in 1923.

While memories like these are often lost with passing generations, Fogel took steps to make her memoirs permanent. In a white loose-leaf binder encased in clear plastic, the highlights of Fogel's life, from childhood to grandmother, unfold on 59 double-spaced, typewritten pages.

There are tales of arranged marriages, of the boat trip from the Soviet Union, of Sabbath dinners, philosophies of raising children and the loneliness of growing old.

After writing with the help of a friend, Marjorie Wolfe of Syosset, the stories she has told for years, Fogel, 85, decided to share her personal history with others. Yesterday, dressed in a lace-trimmed lavendar dress and black patent pumps, Fogel met 40 fifth-grade students at the Plainview-Old Bethpage Middle School who had read some of her stories. Wolfe, who teaches there, had introduced the manuscript to two other teachers. After reading the stories, the students invited Fogel to their classes.

The stories they read had piqued their curiosity. How long was the boat ride? "Three weeks." What was it like when you came to Ellis Island? "It was a dream that you never dreamed could be true." Her voice was barely audible, so the children leaned forward in their chairs to hear. With the help of her son, Rabbi Daniel Fogel, who presides at the North Shore Synagogue in Syosset, she was able to tell her tales.

Fogel and her family lived in cramped cabins in a section of the boat that had no windows, and she was the only one who didn't get seasick. They were allowed to bring only the barest necessities, and even their beloved Torah was left behind.

Daniel Fogel tried to help the children understand the sacrifices his mother and her family made in traveling to the United States. "Can you imagine leaving your home with almost nothing?"

After the questions and answers, the children gave Fogel a small bouquet of flowers that matched her dress. Encircled by a group of young girls, she gave them all grandmotherly kisses. Before leaving, she donated $18 to Ellen Smyle's and Elinor Froehlich's fifth-grade students for their Statue of Liberty Restoration collection. The amount, chai, the rabbi said, means "life" in Hebrew.

Together, the Fogels urged the children to ask someone in their families to write down the family story. Adam Abzeg, 11, said he would ask his great-grandmother Ida to do that. "Then she could become famous, like Mrs. Fogel, and she could come to the school," he said.●

STATE DEPARTMENT AND CIA "INDULGE THEIR EMPTINESS"

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1985

● Mr. GINGRICH. Mr. Speaker, in my special orders recently, I've been addressing flaws in the way our State Department conducts foreign policy. What I see at stake is the institutional and cultural incapacity of the American State Department in its current form to deal with the realities of power in an effective manner.

The esteemed Senator MALCOLM WALLOP addressed this same issue in his April 19 speech at the Fletcher School of Law and Diplomacy at Tufts University. I'd like to share with my colleagues excerpts from this speech which were printed in the July 23 Wall Street Journal.

I urge my colleagues to review these remarks carefully, so that Congress doesn't fall prey to the confusion and lethargy of the State Department.

STATE DEPARTMENT AND CIA "INDULGE THEIR EMPTINESS"

The following is excerpted from an April 19 speech by Sen. Malcolm Wallop (R., Wyo.) at the Fletcher School of Law and Diplomacy at Tufts University.

The absence of intellectual and moral principles allows tastes and personal considerations to drive American officials into doing some awful things. Today they want to give military aid to the communist government of Mozambique to crush a democratic resistance. Today these officials aid Afghanistan's mujahedeen against the Soviets with the same conviction with which they aided the Kurds against Iraq. Today some of the highest officials is the CIA rejoice that they are finally rid of the burden of supplying arms to Nicaragua's contras. Indeed, for several years they have been discussing with lawmakers who share their tastes at what point they should be "dumped." It is no passion for the Sandinis-

tas at CIA or State, just a dull desire to be rid of the arduous task of confronting them, and to return to routine. Their "reputation," meaning their ease, represents a higher scale of values than their mission.

No wonder that such officials are uncomfortable discussing right and wrong, better and worse as though these terms mean something objectively. Thus last year the CIA refused my request to compile sets of unclassified biographies of the Sandinista leaders and the of contras because, responsible officials said, they did not want to be party to a debate about which side in that civil war is inherently preferable! So much for the words of Christ so proudly carved on the CIA's building: "You shall know the truth, and the truth shall make you free." The biographies of the contras finally compiled, I put them into the CONGRESSIONAL RECORD. This year a few dedicated foreign-service officers expanded the set. But the State Department's Bureau of Public Affairs blocked their publication, until pressure from the White House allowed it to proceed.

There is no reason for surprise here. If the contras are indeed "our brothers," as President Reagan said, if their cause is objectively better than that of their foes, then the duty we have in their regard is both clear and strict. After all is said and done, we simply cannot allow them to be crushed and the worse side to triumph. At last, then, if this be so, there is an objective standard against which the CIA's and the State Department's performance can be judged. That standard makes impossible accommodation with the Sandinistas. But that standard is inconvenient because living by it displeases friends of so many high officials.

For that reason, such officials describe the world as too complex to be painted black and white. Within a standardless spectrum of gray, they can indulge their emptiness. Another manifestation of this emptiness is the ability of so many high officials to give good causes their due in speech, but to betray them in action. Secretary of State George Shultz is as good an example as any of one who rejects the Brezhnev doctrine with eloquent words but has never been known to oppose it with any concrete actions. Such officials have learned from Helmut Sonnenfelt's experience in 1976 that when their words reflect their de facto preference for accommodation with totalitarians, the American political system will produce a Ronald Reagan who will discredit them before the American people, and make it impossible for them to hold public office.

So they talk brave talk, formulate half-baked plans, and present them to the Congress in ways that subtly signal that they would not be so upset if the Congress disapproved. Thus they project upon the Congress and on the American people their own confusion and lethargy. Thus do they bring out the worst in the Congress. Regrettably, that is easy to do.●

AQUILINA HOWELL SERVED EDUCATION FOR 47 YEARS

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1985

● Mr. FUQUA. Mr. Speaker, for nearly half a century, Aquilina Howell has been an effective force for education and for progress in Leon County in Florida. As a result, children for time to come will benefit from the 47 years this distinguished lady has devoted to her profession.

It is not often that we have the opportunity to pause and pay tribute to one whom no words of tribute could be adequate.

Instead let it be said that deeds speak louder than words and in this case there is a chorus of accomplishments. As Aquilina Howell relinquishes her active role in the school system of Tallahassee and Leon County, she can know full well that she has not labored in vain. She and her wonderful family can take pride in having led in a time of testing—and because of that service, we are all richer.

The Tallahassee Democrat recently printed an article on this great and good lady which I commend to the Congress. I ask that it be reprinted in these pages as a reminder to each of us as to how much difference one person can make.

The article follows:

AQUILINA HOWELL: SHAPING SCHOOLS FOR 47 YEARS

(By Marc Brown)

By her own account, Aquilina Howell is entering the home stretch of her career. If that's true, it must be an awfully long track for the Leon County school system's assistant superintendent for instruction and the school district's highest-ranking black administrator.

Howell has been employed by the county school system—or rather, its two school systems—for 47 years.

Her contact with those same schools goes back even further. A Tallahassee native, born in a home on Georgia Street her family still owns, she attended school in Leon County, graduating in 1934 from the old Lincoln High School in what's now the Frenchtown neighborhood.

After college, she returned to Lincoln in 1938 as a social studies, English and Spanish teacher.

Schools have been her home since then, and the career she's carved for herself has been one of self-motivation. For a black woman in the South in the middle of this century, "careers" as we know them today were scarce. But with the guidance of a strong family and the will to succeed, she ignored the hostile environment and forged a career.

The school system in 1938, Howell remembers, was vastly different than the one she works for now. The most obvious difference was segregation. Lincoln was Tallahassee's black high school. The whites went to Leon. In effect, the county school system was actually two school systems, with one vastly poorer than the other.

"The facilities were always unequal," she recalled last week, "and we used hand-me-down textbooks that the white schools no longer wanted. Bus service to the black schools was non-existent."

Blacks were isolated, but that isolation drew them closer together, and in the close-knit situation, schools were a focal point of the community.

"Lincoln was much more than a high school. It was the center of the community. There were dances there, club meetings, plays."

In the late '50s and early '60s, as the long, painful process of integration began to unfold here, some of that close-knit community identification was lost. Lincoln was phased out as a regular high school, and now serves as a neighborhood community center and alternative school in the county system. Most of the county's 47 small, rural black schools were closed.

"As a minority, we realized that we were going to have to give up more to make the process work," Howell said, "but there was some resentment, people saying, 'Why do we have to give up everything?' "

But integration came off far smoother here than in other Southern cities. Howell credits leaders on both sides—the late Rev. C.K. Steele in the black community and former Gov. Leroy Collins in the white—with keeping the pot from boiling over.

As integration began, Howell was appointed director of secondary education, in charge of the county's junior high schools and high schools. Actually, she was one of two secondary-education directors. In the transition to integration, the school system was run by two sets of administrators—one black, one white.

Eventually, Howell became the county's only director of secondary education, a position held until 1981, when she was promoted to assistant superintendent.

Coming from a system that discriminated so much, it might seem ironic that she has spent nearly half a century in education. But Howell comes from a family of educators. Her mother, aunts and uncles all spent time in front of a classroom.

"At that time," she said, "education was about it for blacks as far as professions were concerned."

Of the four children in her family, three went to colleges. The fourth, a brother, died when he was 20.

Colleges were as segregated as the public schools. Howell received her bachelor's degree from the then all-black Florida A&M College (now FAMU). When it came time for a master's, FAMC didn't have a graduate program and the Florida State College for Women (now FSU) didn't admit blacks. Howell had to go first to Boston University, then to New York University on an out-of-state scholarship, a device used by the Florida Board of Regents to keep the state's colleges white.

Did it hinder her to be a high-ranking black administrator in a school system reluctant to accept blacks?

"Actually, I think being a woman hindered me more," she said. Then, after a moment's pause, "No, I take that back. I came equipped to deal effectively with men.

"I was always Daddy's girl. I was always close to him. He was Cuban and taught me Spanish, something the rest of the family wasn't interested in, and we were closer that way. He was also a mechanic, and all his male co-workers were always around. I grew up around men, and I was better able to get along with them once I started working."

With the battle against segregation behind her, one of Howell's biggest concerns is discrimination of another kind—the possibility that new demands for higher educational standards will leave minority students worse off then they were 20 years ago.

"I firmly believe in standards of excellence," she said, "as long as we still provide educational opportunities for *all* children. We have to be careful that we don't sacrifice children in the pursuit of excellence.

"Some say this means duel standards, which I don't believe in, but we can't throw the baby out with the bath water. Students—all students—are going to have to learn to pass the literacy test and others, and we have to be more effective in encouraging children to be more responsible for their own education, to set goals early.

"As a school system, we can't do it all. It's going to take an effort from the students, the family, the community, *and* the system. As a system, though, we have to be sensitive to conditions in the home and provide counseling and work with agencies that can get help to a family."

Howell has a traditional family life. Married to Sam Howell, she has two daughters and has been active for years in Bethel Baptist Church in Tallahassee.

"As chairman of the Tallahassee Housing Authority (in 1983), I saw what kind of effect the community has on what goes on in the schools. Where you live has a big effect on your self-image and what you do."

Howell has worked for 10 years on educational accountability—requiring students to pass a set of standard tests before being advanced to the next grade—and its effect on minority students. It's a problem that probably won't be solved before she retires.

She has plenty of other accomplishments.

Her biggest thrill is seeing children she's worked with accomplish big things in life.

"It never ceases to amaze me," she said, "when people come up to me and tell me what an influence I've been in their lives. I look back, and it never seemed like it at the time."●

IMPORTANCE OF THE SECONDARY MORTGAGE MARKET TO THRIFTS

HON. CHALMERS P. WYLIE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1985

● Mr. WYLIE. Mr. Speaker, I know my colleagues will join me in saying happy birthday to Freddie Mac as it celebrates its 15th anniversary today.

When Freddie Mac was created by Congress in 1970, the role of the secondary mortgage market was primarily to help solve regional differences in cost and availability of mortgage credit. Due to the fact that during the 1960's and 1970's thrifts originated as much as two-thirds of conventional mortgages, the availability of mortgage money depended heavily on their deposit flows.

However, there was a regional mismatch between these deposit flows and the demand for mortgage credit. Through its purchases of mortgages in the faster growing regions and its sales of mortgages in the slower growing regions, the secondary mortgage market redistributed the available mortgage money by transferring funds from capital surplus to capital deficit areas.

Recently, Freddie Mac has aided small or rural lenders who previously did not process the volume or expertise to tap outside capital through the secondary market. By eliminating the minimum delivery requirements, lenders became able to sell one mortgage at a time. In 1984 alone, 659 new lenders sold to Freddie Mac, thus providing mortgage financing to areas of the country which truly needed it. The need for mortgage financing remains and Freddie Mac estimates that in the next 5 years at least $1 trillion in mortgage credit will be needed. Freddie Mac intends to commit itself to providing this financing.

In addition to redistributing funds, the secondary market reduces the degree of lenders' interest rate risk by offering to buy and sell mortgages, and designing mortgage-backed securities that offer prepayment protection, thus reducing the interest premium lenders demanded for holding mortgages loans.

Today, the secondary mortgage market links the capital and mortgage markets more closely through it sales of mortgages in forms that have attracted investment from outside the traditional mortgage investment community. This need for new sources of investment in residential mortgages has increased in recent years as the demand for mortgages credit nationwide has grown more rapidly than the deposit bases of traditional lending institutions.

As the demand for mortgage financing increases, as inflation rises, and as the Government deregulates the interest rate environment, thrift institutions seek only to grant mortgages which they can do so profitably. Without the secondary market purchases of the traditional long term fixed-rate mortgages, thrift institutions would only be able to offer short term, adjustable rate mortgages, that better compensate for interest-rate risks. This would severely restrict the diversity of mortgages today's homebuying public needs.

All in all, from the thrifts perspective, the opportunity to sell loans or securitize mortgages utilizing the secondary market has the principal advnatage of allowing the originators to write new mortgages or reinvest. The role of the secondry market as a link between the capital and mortgage markets, in order to create a market for the sale of conventional mortgages, is critical to the operation of thrift institutions. Freddie Mac has committed itself to keeping the secondary mortgage market alive so that thrift institutions will be able to maintain and expand their role of providing mortgage credit of America's homebuyer.●

TRIBUTE TO LES ARENDS

HON. MELVIN PRICE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1985

● Mr. PRICE. Mr. Speaker, I wish to join my colleagues, and particularly those in the Illinois delegation, in this tribute to the late Les Arends. Also, I wish to thank the distinguished minority leader for taking this special order.

Mr. Speaker, I served with Les through 30 sessisons of Congress. He arrived in the 74th and I arrived in the 79th Congress—and I am proud to say we were warm friends during all those years and throughout his well earned retirement.

Les Arends was dean of the Illinois delegation for a number of years and I was privileged to succeed him when he left Congress in 1974.

Although we were of different political faiths, I have vivid memories of Les as an outstanding minority whip who served his party and constituency with loyalty and devotion. But my fondest recollections spring from our long period of joint service on the House Armed Services Committee. We worked together in perfect harmony over many years in the unique nonpartisan atmosphere of our committee to forge a defense posture that served the national interest of this country extremely well during many difficult years. That record is one for which we owe Les a lasting debt of gratitude, and is a tribute to his life-long devotion to the welfare of our great Nation.

We will miss meeting with Les during his occasional visits to Washington and Gary joins me in our deepest sympathy to Betty and Leslie.●

THE 11TH ANNIVERSARY OF INVASION EVOKES SAD MEMORIES FOR GREEKS

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1985

● Mr. MAVROULES. Mr. Speaker, I address my colleagues today in memory of one of the darker moments in history. This month, Greeks all over the world commemorate the 11th anniversary of the invasion of Cyprus. It is not a memory that is easy to look back upon—indeed, it is a tragic anniversary, not only for Hellenism, but for humanity itself. It is important, however, that we take time to reflect on this occasion. It is important both for the lessons which we can learn from the past, as well as for the inspiration which we need today to continue our efforts to help resolve the crisis.

As we all know, the Republic of Cyprus was invaded and occupied by Turkish troops on July 20, 1974. The invasion resulted in a complete geographical separation of the island, a separation which has not been recognized as legitimate by either the Greek people or the international community. There remains over 1,500

persons who have not been accounted for since this tragic event. Moreover, the occupation resulted in the immediate displacement of some 160,000 Greek Cypriots, all of whom fled for their safety, or were forcefully evicted from the Turkish occupied northern region. An additional 40,000 were displaced because their homes were too near the Turkish army lines, or because their places of employment had become inaccessible. Thousands of these people were crammed into the dwellings of family and friends, while the even less fortunate were forced to reside in shacks or under canvas tents.

Today, Mr. Speaker, 11 years after the invasion, this unfortunate situation has remained largely unchanged. The northern region of Cyrpus is still under Turkish military occupation, marking a continuation of the de facto separation of the island. The people of Cyprus are restricted in their freedom of movement, with the Greek Cypriots living in constant fear of Turkish military intimidation. The refugee problem, for the most part, remains unsettled. Families remain separated, and loved ones unaccounted for. In November of 1983, northern Cyprus illegally declared itself an "independent state," an action which was condemned by U.N. Security Council resolutions 541 and 550. More recently, meetings between President Spyros Kyprianou and Turkish Cypriot leader Rauf Denktash have proven disturbingly unproductive. Finally, international efforts to resolve the dispute have been predominantly unsuccessful.

None of this, of course, is news to any of us. We are all aware of the present stalemate. The purpose of my remarks today is not to elaborate upon the details of this unfortunate situation, for the gravity of the crisis is too obvious to require much documentation. My purpose is to urge my colleagues, and all Americans, to consider the Cyprus question with the attention and concern which it merits. To emphasize, once again, that it is in the best interest of our Nation to work diligently toward a peaceful, acceptable solution to the dispute. For without such a solution, U.S. relations with Greece, Turkey, and Cyprus will never be as cooperative and productive and they could, and should, in fact be.

And finally, perhaps most importantly, there is the humanitarian aspect of this issue. I need not remind any of us of the human suffering which is involved here. It is impossible to forget, when there are thousands of displaced Greek Cypriots to remind us of the tragedy of Cyprus. It is impossible to forget when there are so many families whose loved ones are still among the missing. No, my remarks are not offered as reminders, because we need no reminding. They are, rather, offered both in commemoration and as memorials—memorials to those who have lost their lives in the crisis, and to those who are still today waiting for the return of their loved ones. They are offered as memorials to the thousands of Greek Cypriots who struggle to maintain their faith, and to persevere despite the pain and quiet moments of despair. And they are offered as a source of hope—the hope that someday soon the people of Cyprus will witness and enjoy a peaceful resolution to this crisis.●

BOY SCOUTS CELEBRATE DIAMOND JUBILEE

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1985

● Mr. ROTH. Mr. Speaker, this weekend the Boy Scouts of America will culminate its diamond jubilee year at the 1985 National Scout Jamboree at Fort A.P. Hill, VA. This fine organization has good reason to celebrate its 75 years of dedicated service to American youth and to look ahead toward another 75 of building sound character, fostering personal fitness, and teaching citizenship.

Members of Scout Troops 559, 560, and 561 of the Bay Lakes Council in northeast Wisconsin will be at the scout jamboree, where they will join other scouts and scout leaders nationwide to reaffirm the principles of the scout oath and law. I offer them my best wishes and hope the scout jamboree is a joyful occasion for all.

The members of troops follow:

TROOP 559

Michael Ackeret, Chris Albert, Rick Bartelt, Ken Beres, Cory Daehn, Cory Davis, Greg Esvang, Graham Fownes, Tony Frey, Mark Gehring,

Todd Gehring, Dennis Gruenke, Jeff Gruenke, Tim Gruenke, Michael Hess, Ralph Hess, Stephen Hess, Eddie Huffman, Richard Jenss, Michael Johann Jr.,

Erik Paul Kehl, Edward Krueger, Tim Marquis, Gary Miller, Robert Neill, Bill Petersen, Jim Prom, Phillip Ramthum, Andrew Rikkers, David Rikkers,

Chris Sayles, Richard Scamehorn, James Simmons, Mark Thaves, Ken Thomas, Kevin Tipple, Scott Tipple, John Vandecastle, William Yankus, Thomas Zillmer.

TROOP 560

John Ambrosius, Brain Berriman, David Block, Keith Block, Chad Brecke, Chad Buck, Ben Castner, Timothy Draheim, Gary Eklund, Jamie Forsberg,

Jonathon Hawlish, Wayne Johnson, Jerad Keil, Steve Kickland, John Knapp, Joe Knox, Aaron Kohlman, Bill Ledger, Jeff Ledger, Bradley Linden,

Chris Lyle, Robert Lyle, Orland Marotz, Tony Pfau, Robert Preuhs, Tim Roberts, Doug Rossow, Peter Schiefelbein, Mark Schiller, Ted Schubert,

Edward Shell, Wesley Shell, Robert Smits, Albert Thaves, Bill Turriff, Geoffrey Urbanz, Grant Urbantz, Tim Vertz, Craig Wenberg, Kurt Wendt.

TROOP 561

David Boltz, Douglas Brusse, Timothy DeTroye, Jeffrey Dorsey, Robert Dorsey, Mike Gorges, Tim Gorges, Michael Hermann, David Hirn, John Houk,

Larry Jackson, Seth Klessig, Andy Kober, Brian Lallemont, Brad Larson, Tim Lehmann, Jeff Lochmann, David Mailand, Steve Marsh, Thomas McGrane,

Tyler McGrane, Kevin Minkel, Norman Petersen, Martin Peterson, Scott Phillips, Peter Reynolds, Joseph Saunders, Brian Schroeder, Cory Schultz, Russel Shambeau,

Erik Simonson, Anthony Stoeger, John Thaves, Luke Thaves, John Torinus III, Mark Vanderbloomen, Antonio Villarreal, Justin Welch, Frank Wickham, Bradley Hoffman.●

WAYS AND MEANS AMENDMENTS IMPERIL COMPACT OF FREE ASSOCIATION

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1985

● Mr. SOLARZ. Mr. Speaker, as the House prepares to vote on the Compact of Free Association between the United States and Micronesia, I would like to call to my colleagues' attention two letters that illustrate the importance of rejecting the Ways and Means Committee amendments to the compact that are embodied in the bill before the House and voting in favor of the Udall-Fascell substitute.

The first letter I would like to submit is the communication sent to you, Mr. Speaker, by Adm. W.J. Crowe, who is now Commander in Chief of the U.S. Pacific Command and is about to become Chairman of the Joint Chiefs of Staff. The other letter was sent to President Reagan by Tosiwo Nakayama, president of the Federated States of Micronesia.

In the Compact of Free Association, negotiated over a period of 15 years, the United States was able to protect our security interests by agreeing to tax, trade, and aid provisions designed to foster American investment in the freely associated states. By upsetting this carefully balanced agreement, the Ways and Means Committee amendments undermine the prospects for approval of the compact and thereby jeopardize important security interests of the United States. In addition, the compact is a good deal for the American taxpayer. The administration estimates that over the 15 years of the compact, the total cost to the United States will be $311 million less than a continuation of our current level of payments to Micronesia.

In view of the highly adverse impact of the Ways and Means provisions, as described by Admiral Crowe and President Nakayama, I urge my colleagues to approve the Udall-Fascell substitute.

The letters by Admiral Crowe and President Nakayama follow:

COMMANDER IN CHIEF,
U.S. PACIFIC COMMAND,
Camp H.M. Smith, Hawaii, July 24, 1985.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives, Washington, DC.

DEAR MR. SPEAKER: As Commander of U.S. forces in the Pacific and as someone who has been involved for a number of years in the negotiations to terminate the trusteeship over the islands of Micronesia, I have followed with great interest the Congress' consideration of the proposed Compact of Free Association between the United States and the Marshall Islands and Federated States of Micronesia. I was concerned to learn recently that the Compact Legislation which is expected to be brought to the floor of the House of Representatives is likely to include amendments that would largely eliminate the Compact's favorable trade and taxation provisions.

From my point of view, the security aspects of the Compact are of great importance to our defense posture in the Pacific. The delegation of defense responsibilities and authority to the U.S. together with the provisions that the freely associated states will refrain from any action the U.S. determines to be inconsistent with defense and security requirements, provide the latitude needed to support our security interests. In addition, the Compact forecloses Micronesia to the military forces of third nations, guarantees our military forces unrestricted movement within Micronesia, and ensures continued access to the important missile testing facility at Kwajalein.

In return for these important defense rights, the Compact commits the United States to provide not only significant economic assistance but also favorable trade and tax arrangements. I regard these latter provisions as especially important, as they are designed to assist the Micronesian states to overcome the natural obstacles to development these small islands face and to move toward greater self-sufficiency. For this reason, I believe that they are also of particular importance to the Micronesian leaders. Removal or weakening of those beneficial trade and tax provisions would thus eliminate a key element of our agreement with the Micronesians. I hope that we will not jeopardize the important security benefits of the Compact by taking this step.

I understand that during full House debate, an amendment is likely to be offered that would restore to the Compact Legislation the trade and tax provisions contained in the bill as agreed to by the Interior and Foreign Affairs Committees. In the interests of our security posture in the Pacific, I believe this amendment should receive broad support.

I hope these views can be shared with the members of the House. Please let me know if I can be of assistance to you or other members on this matter.

Warmest regards,

W.J. CROWE, Jr.,
Admiral, U.S. Navy.

FEDERATED STATES OF MICRONESIA,
OFFICE OF THE PRESIDENT, *Kolonia, Ponape, Eastern Caroline Islands,* JULY 23, 1985.

Hon. RONALD REAGAN,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: On September 8, 1983, I had the honor and pleasure of advising you that the people and governments of the Federated States of Micronesia had completed the process of approving the Compact of Free Association signed by our respective representatives on October 1, 1982. I was also proud to have informed you that my people, in a United Nations-observed plebiscite, had voiced their overwhelming support for a continued close relationship with the United States after termination of the 1947 Trusteeship Agreement.

Now, almost two years later, the governments and people of the Federated States of Micronesia are in a state of frustration, shock, and despair. Last Thursday, the House Ways and Means Committee repudiated a fundamental principle of the Compact by eliminating the agreed tax and tariff incentives needed for development of our nation's economy in cooperation with the United States.

We had relied on a concerted effort by the administration to have the Compact approved expeditiously and to achieve accommodation of congressional concerns within the framework of the negotiated Compact without amending, or effectively amending the document itself. Indeed, we must recognize those members and staff of the Foreign Affairs and Interior & Insular Affairs Committees in the House who have achieved a consensus to present to the Full House. While we have not had an opportunity to review this consensus, we understand that the Committees considered carefully our comments on the prior versions of the amendments, and hope that deleterious amendments have been either eliminated or revised.

It is nothing short of tragic that on the very day this consensus was reached, the House Ways and Means Committee approved a set of amendments which would repeal the tax and trade benefit sections of the Compact.

Incredibly, such actions appear to have been taken with no regard for anything other than the parochial considerations of today's U.S. tax policy. It is bad enough that the Ways and Means Committee gave no weight to the broad policy considerations that guided the Compact negotiations, but it is even worse the Committee's action was openly encouraged by the U.S. Treasury Department, an organ of your administration. We are totally at a loss to understand how this could have been allowed to happen, much less explain it to our people. Questions are now being raised about the good faith of the United States Government, even by some of the most ardent advocates of the Compact during the negotiations and FSM approval process.

The trade and tax benefits package in the Compact is essential if U.S. business is to participate significantly in the FSM's development during the next fifteen years, at costs which maximize the value of Compact dollars. It is just as true today as it was on October 1, 1982 that the future stability of the emerging governments in this region cannot be subordinated to overall tax or territorial policy concerns. Nevertheless, the Ways & Means Committee, in forty-five minutes, destroyed a carefully conceived balance between grants and development incentives which took almost twenty years of planning and negotiations to achieve.

We can only hope that during the final stages of congressional consideration your administration will unite to turn aside the Ways and Means action and resolve any outstanding problems in the House Foreign Affairs/Interior consensus. If that cannot be done, we will be confronted by what had been feared most, fundamental and destructive changes in the Compact as approved by our people. We have come too far to turn back now. We cannot continue to live under the Trusteeship, nor can we accept a free association relationship with the United States, which fully protects United States interests, but denies our people genuine hope for future progress and development. We ask that your administration demonstrate, now before it is too late, your commitment to a continued close relationship with the Federated States of Micronesia.

Sincerely,

TOSIWO NAKAYAMA,
President.●

PLIGHT OF SOVIET JEWRY

HON. JOHN McCAIN

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1985

● Mr. McCAIN. Mr. Speaker, I am both proud and honored to once again join with my colleagues in focusing attention on the continued oppression of Soviet Jews through my participation in the Annual Congressional Call to Conscience for Soviet Jews. We must not let our voices falter as we renew our pleas for freedom on behalf of the Jews in the Soviet Union.

Victims of a brutal program of cultural repression, Soviet Jews are systematically persecuted for their religious beliefs and denied the opportunity to emigrate. Many are also presently languishing in labor camps as prisoners of conscience. For the most part, these people are not radicals or subversives, but simple citizens who wish to live out their lives in accordance with their religious and cultural heritage.

The prevailing policy during the 1970's was apparently to let the "undesirable" minorities—such as Jews—go, in the hope that the government would then be free of them. A repressive regime, however, can never be rid of those who wish for liberty. Each person who was permitted to leave inspired countless others to apply. The response was never-ending. In the Soviet Government's eyes, the experiment had failed, and the policy was reversed. During 1984, less than 1,000 Jews were allowed to leave the country. This is in stark contrast to the over 51,000 who left in 1979.

There is still hope that Secretary Gorbachev will reverse, or at least soften, the Government's hard-line policies on emigration with regard to Soviet Jewry. Early this year, there was initial optimism that the emigration levels were indeed increasing under Gorbachev's regime. In the past 3 months, however, the number of Jews permitted to leave the Soviet Union has decreased sharply, from 166 in April, to only 36 in June.

Visas are routinely denied to Soviet Jews, on almost any pretext, one of the most common and convenient reasons for refusal being "regime considerations." The government claims that the person in question—or a relative—has had access to classified information, and that his or her presence abroad would be damaging to national security. This excuse is especially useful in denying visas to those who have served in the Soviet military.

I would like to draw your attention here to one man in particular, a refusenik—one who has been refused permission to emigrate—whom I have "adopted." His experiences are not unusual. His name is Feliks Kochubievsky, and he was once a highly respected member of his community. An electrical engineer who earned the Soviet Order of Merit for Patriotic Work, he lost his job as a senior researcher after he and his wife, Valentina, applied to join their two sons in Israel.

The visa was denied on the grounds of "regime considerations." Kochubievsky, like many others, denies ever having had access to classified materials.

Harassed as a result of his desire to emigrate, and finally arrested in 1982 after several of his literary works were published abroad, he was sentenced to 2½ years in a Soviet labor camp.

Feliks Kochubievsky's sentence expired in April of this year, and fortunately, he was released. An elderly man, his health has deteriorated since his imprisonment. His greatest desire is still to emigrate to Israel and be reunited with his sons, but there is little likelihood of this happening.

The sharp decline in emigration since 1979 has been paralleled by an increase in Jewish cultural awareness and by a resultant increase in cultural persecution. In the 1980's, the Soviets' campaign of antisemitism has intensified. Forbidden to practice or study their religion, Hebrew teachers have been singled out for particularly harsh treatment.

Arrests of teachers and activists have become more frequent, and searches and seizures have become commonplace. The most alarming feature of this crackdown has been the change in the number of political and criminal arrests. Detainees are now more often charged with criminal offenses. Several teachers have been framed on weapons or drug charges.

Still more upsetting are recent reports of police brutality, the most notable case being that of Josef Berenshtein, a Hebrew teacher from the Ukraine, who was almost completely blinded in a knife attack by prison guards. This type of savagery is condoned by a government that has begun to pursue an especially virulent campaign of antisemitism.

Nearly one-fourth of the entire world Jewish population resides in the Soviet Union, approximately 2½ million people who are harassed and deprived of their basic human rights, rights which were recognized by the Soviet Union in the Helsinki accords.

Our efforts to persuade the Soviets to uphold these rights must not weaken, especially now, when a new leader has emerged. Mr. Gorbachev has a golden opportunity to improve relations with the United States by upgrading the Soviet policy on human rights, and I can only hope he will take advantage of it.

As a member of the Congressional Coalition for Soviet Jews, and a participant in the Congressional Call to Conscience, I am glad to have had this occasion to appeal to the Soviet Union to restore to the Jewish people their basic right to live and worship as they please.●

WILLIS CONOVER: AMERICA'S MUSICAL VOICE ABROAD

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1985

● Mr. MICHEL. Mr. Speaker, the Voice of America [VOA], the international radio station of the U.S. Information Agency, has many ways of telling America's story to the world. News, editorial commentary, features—through these and many other means, VOA informs and influences millions. Most observers of VOA through the years agree that perhaps the most influential program on VOA is "Music USA," whose music program conductor, Willis Conover, may well be the best-known American in many areas of the world, although he is relatively unknown in his own country. Recently the Washington Times interviewed Mr. Conover about his career.

At this point I wish to insert in the RECORD "Voice of American Jazz Never Heard Back Home," by Veronica Riddick, in the Washington Times, Wednesday, July 24, 1985.

VOICE OF AMERICAN JAZZ NEVER HEARD BACK HOME

(By Veronica Riddick)

Willis Conover, the fervently followed musicologist who is said to be second only to blue jeans in popularity behind the Iron Curtain, is a man of profound anonymity in the country for which he has become the voice of jazz.

Over the past 30 years, he's hosted "Music U.S.A." for the Voice of America, a jazz program that has not only spread the good news of jazz but has inspired enthusiasts estimated in the millions.

As "music program conductor" for "Music U.S.A.," Mr. Conover takes enormous pains with his show, which is broadcast by a division of the U.S. Information Agency and is prohibited by law from broadcast in this country.

That he is unknown at home, however, bothers Mr. Conover not at all. "There is a price to be paid for fame," he said the other day in that deep, sonorous voice, "Everyone is watching you."

But Willis Conover is a man to be watched. He is tall, graying, distinguished in bearing. He answers questions slowly and methodically, punctuating his sentences with drags from the Marlboros he chain smokes.

Though Mr. Conover's life is filled with the sound of music, remarkably, he does not play a note himself, describing his musical performing ability as "practically non-existent."

The main reason he says he does not play is because "I've heard so many good musicians, I would know how badly I sound."

It is as a listener that Mr. Conover finds his musical niche. To him this is a particular art. "You learn to be selective in your listening," he states. "It is like a muscle that as you use gets stronger."

Music is also an emotional release for him. As he puts it: "I am moved by much of what I hear in music. So when it plays, I am sharing its feelings."

In an effort to perfect his craft, he may spend up to three days preparing for a single show. He does an average of 12 programs a week, most, but not all, of which focus on jazz.

Relating the composition process for his broadcasts to a story formula he notes that it contains a central idea, mood, structure, variations, climax and, finally, the denouement.

His literary reference is not surprising. The written word is among his passions in life. He published his first sonnet at 18. Among his later works is a poem called "May Recessional." Its subject: the death of his close friend Duke Ellington.

Spending a little time with Mr. Conover, it is easy to understand how he became prominent for his radio broadcasts. His rich voice has lost none of its distinctiveness over the years.

This remarkable set of vocal chords initially lured him into broadcasting. He played the part of a radio announcer in a high-school play and was repeatedly told how realistic he sounded. "That put a bug in my ear," he says. By 17, his commitment to broadcasting was firm.

Yet the path eventually leading Mr. Conover to jazz was not direct. In 1942, he was drafted and stationed at Fort Meade, Md. While in the service, he happened upon Washington's famous Stage Door Canteen. Dissatisfied with the music, he went backstage and asked if he could "pick out a few records."

Because his selections were so successful, he was offered a part-time job at a radio station. The spot turned into a full-time position after he was discharged from the service in 1946.

Upon discovering his love for the music characterized as "jazz," Mr. Conover became acquainted with Washington-area musicians. He encouraged some to perform, organized others into bands and promoted a few concerts.

He also arranged a series of midnight concerts at the Howard Theater, bringing many of the present jazz luminaries to the city for the first time. Among these were Charlie Parker, Dizzy Gillespie, Thelonious Monk and Miles Davis. Through his efforts, many of the District's jazz clubs were desegregated.

When Mr. Conover heard that the Voice of America was looking for someone to host a jazz program, he was eager for the opportunity. He got the job and started his broadcasts in January 1955.

However, this music was not received with open arms. Some critics contended that jazz was less than the best that American culture had to offer.

But Mr. Conover was not deeply disturbed. "There are always people who will say, 'What is this noise?' But, it is noise to people who don't listen to it, and don't understand the differences in it," he says.

Mr. Conover has traveled to many parts of the world. But a trip to Poland in 1959 stands out. He received what he describes as a "hero's welcome," and two concerts were given in his honor, in which Polish musicians showed what they learned from his program.

In 1982 he made a trip to Moscow, accompanying two American jazz musicians—Gary Burton and Chick Corea. As in Poland, he received a good deal of praise, but he also notes that the two concerts were by invitation. Therefore, who could and could not attend was controlled.

"I do not discuss politics," he says. "There are some people who might think I should. But the point is, anyone who has been overseas knows the music speaks for itself."

Yet, he sees a structural parallel between jazz and the American system. "There are certain agreed-upon rules, and within that is freedom of expression."

If Mr. Conover had a radio program broadcast in this country, his ideal would be "the kind of music you play for friends when they come around to your home." There would be no categories, just good music.

His music and broadcasting have been constant source of fulfillment. As he says, "I'm not happy if I'm not doing it. I'd be lost without it."

So would many of his fans around the world.●

SOUTH AFRICA'S DECLARATION OF STATE OF EMERGENCY

HON. SANDER M. LEVIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1985

● Mr. LEVIN of Michigan. Mr. Speaker, I rise, to express my dismay over the South African Government's recent declaration of a state of emergency. Now, perhaps more than ever, is the time to declare an end to the Reagan administration's policy of "constructive engagement".

This declaration of emergency gives the police of South Africa broad-sweeping powers. It gives the police the unlimited right to search and seize property without warrants; to arrest individuals without charge or provocation, and deny citizens their most basic legal rights. Since Saturday, over 665 persons have been arrested in South Africa, and 10 killed outright. These actions are not those of a representative democracy, but of a desperate Government whose only method of dealing with dissent is to resort to state-sponsored repression.

Sadly enough, nothing in these recent reports is really news. In South Africa, we have learned, police brutality, imprisonment without charge, and other atrocities are commonplace enough.

The events in South Africa over this past weekend serve to once again underscore the fact that the policy of "constructive engagement" simply has failed. The present Government of South Africa has neither the resolve, nor the desire to bring about meaningful social change in that country.

Mr. Speaker, storm clouds are gathering ominously over South Africa. It is past time for the administration to disassociate itself from President Botha's repressive policies.●

REGIONAL POWER PLANNING AND REGULATORY COORDINATION ACT OF 1985

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1985

● Mr. VENTO. Mr. Speaker, I am pleased to join my colleagues today in introducing the Regional Power Planning and Regulatory Coordination Act of 1985. This legislation responds to the concern in the public and private sectors over the ability of utilities to continue to provide low-cost supplies of electricity in the current regulatory environment. I am convinced that this legislation will establish the means by which States can voluntarily join together to assess least-cost resources, evaluate regulatory changes needed to encourage regional resource acquisition and take advantage of bulk power marketing opportunities.

I believe the legislation introduced today supports several principals that are key to ensuring the Nation's electricity future:

To ensure the provision of adequate, reliable supplies of electricity at the lowest possible cost needed to sustain and encourage economic development;

To assure the future health of the electric utility industry as the primary supplier of electrical services;

To promote the efficient utilization of electricity to cut costs to users, make industrial consumers more competitive in the marketplace, and reduce the need for investment in capital-intensive generation sources;

To increase competition from alternative sources of electricity to meet incremental demand, reduce dependence on oil-fired capacity, and replacement or rehabilitation of older, less efficient units;

To utilize the advantages and potential flexibility provided by development of regional electricity markets;

To reduce environmental impacts in the most cost-effective manner; and

To promote public consensus on plans to meet future electricity needs.

Favorable trends of electricity supply and price during the late 1950's and 1960's have ended. During those decades, construction of larger generating units reduced unit costs of production and lowered electricity prices through economies of scale. Demand for electricity in the United States grew steadily by about 8 percent a year, allowing utilities to safely predict the need for new plants.

More recently, slower population growth and economic uncertainty have made electricity demand growth more difficult to predict. Higher costs of capital and fuel changed price trends in the 1970's. Additional regulation for various governmental agencies at the Federal and State levels in response to safety issues and concern over powerplant emissions affected construction time and costs. As a result of all these factors, experts have argued for policy changes which can improve the Nation's electricity future.

The legislation also could help rationalize public environmental concerns. Congress has, for example, considered several proposals for reducing acid rain by toughening pollution control provisions, particularly affecting coal-fired plants. Through regional planning and increased utility interties, older coal-fired plants lacking adequate pollution control equipment could be placed in the reserve base. In addition, new coal-fired plants with effective pollution controls could be built to sell electricity in regional markets, spreading the costs of the plants over a wider base. No less significantly, a power plan open to public debate would force decisionmakers to weigh environmental benefits and costs against the need to build plants and the subsequent impact on prices. This would increase public support for utility plans to build plants and/or transmission lines in accordance with the plan, lessening the likelihood of expensive confrontation and rate base disagreements in the future. It would encourage the democratization of decisionmaking while spreading responsibility more fairly to State officials and regulators, as well as utilities.

There have been numerous studies of all of these problems and their implications for the provision of future electricity. For instance, the report of the Electricity Policy Project of the Department of Energy expressed concern about the ability and willingness of the electric power industry to undertake capital investments needed to meet future electricity demand. The report concluded that if electricity demand grows at a projected average rate of 3 percent a year, that utilities would need to build 438,000 megawatts of new capacity by the year 2000. This

is estimated to cost $1 trillion in constant dollars, or approximately $2.28 billion per 1,000 megawatts central station generating plant.

In its recent report, "A Perspective on Electric Utility Capacity Planning," the Congressional Research Service reviewed the cost effective potential for what some have called least-cost methods of meeting future demand for electricity, including cogeneration and small power production, conservation, solar generation and load management. The estimates prepared by CRS were not forecasts but a measure of potential contribution.

CRS concluded that these sources could account for 359,000 megawatts of equivalent power by 2000. CRS noted, however:

In considering the above contributions it appears that institutional inertia may prevent full realization of the cost-effective conservation and load management potential.

In a subsequent report, "Gold at the End of the Rainbow?", CRS concluded that higher yearly growth in demand for electricity would probably result in higher prices for electricity compared to the lower growth case. According to CRS, regions with a limited need to build new plants are more likely to experience stable or declining prices. Given the uncertainties surrounding predicted increases in demand, the best strategy would be to minimize risks and costs by developing a flexible electricity generating system able to respond to changing conditions. More specifically, CRS argues that it calls for building smaller plants, rehabilitating older plants, beefing up interties between systems and regions, developing rate structures that help control demand and that permit flexibility in meeting reliability requirements, and developing technologies that will permit utilities to achieve declining costs once again.

CRS concluded that a more tightly intertied utility network with an active spot market in power would achieve significant economies. Interruptible load and purchased bulk power from utilities with surpluses could, for example, provide the major reserves of the system. In order to achieve these goals, however, changes would have to be made in the way utilities operate and in Federal policies that form the framework within which utilities operate.

The National Governor Association's Electric Utility Task Force studied electric utility regulation and considered proposals for regulatory reform and other solutions to problems experienced by the electric industry and its ratepayers. In its review, the task force found that the primary problems stem from limits inherent in regulating a multistate delivery system through a State-by-State regulatory system. The task force concluded that the existing State-by-State system resulted in conflicts between States in establishing the need for facilities, siting them, and setting their rates.

Many States lack the ability and the scope needed to determine the accuracy of load forecasts and resource acquisition plans prepared by utilities. More importantly, States by themselves cannot adequately assess the potential efficiencies resulting from expanded electricity markets. Only through regional cooperation can States effectively implement policies affecting transmission access, the establishment of rate structures designed to encourage bulk power marketing, regional reserve sharing, and placement of plants lacking adequate pollution control equipment in the reserve base.

NGA concluded that a number of opportunities for improved efficiency and cost-savings were available from increased interconnections, pooling and wheeling. NGA worked closely with the National Association of Regulatory Utility Commissioners and Members of Congress to prepare the initial draft of the Regional Conservation and Electric Power Planning and Regulatory Coordination Act, which we are reintroducing today.

There follows a section-by-section summary of the major provisions of the legislation:

SECTION-BY-SECTION SUMMARY OF THE REGIONAL CONSERVATION AND ELECTRIC POWER PLANNING AND REGULATORY COORDINATION ACT OF 1985

Section 1. This section states the title of the bill, "The Regional Conservation and Electric Power Planning and Regulatory Coordination Act of 1985."

Section 2. This section consists of findings that explain the assumptions underlying the legislation.

Section 3. This section states the purpose of the legislation, namely, to permit and encourage two or more States to form compacts for the purpose of conservation and electric power planning and for other purposes and to delegate the authority to regulate certain wholesale electric rates from the Federal Energy Regulatory Commission [Commission], where they are presently regulated, to the States, upon the approval of a State plan for such regulation by the Commission.

Section 4. This section consists of definitions.

TITLE I

Section 101. Section 101 grants the consent of Congress to any two or more states to enter into multi-state compacts for the purposes, and under the conditions, set forth in Title I.

Section 102. Section 102 summarizes the purposes for which states may enter into multi-state compacts under the bill as described in detail in sections 104–106.

Section 103. This section describes the formation of the compacts and the manner of implementation of functions authorized under the legislation. The major provisions of this section are:

Any two or more states may form compacts authorized under the legislation, but membership in any compact must be by unanimous agreement of all states forming the compact;

Once formed, a compact may not be terminated for five years;

Each compact must form a compact governing agency (agency) to implement any of the functions permitted under the bill;

Each state shall have the same number of members of any such agency as any other member state and one member from each state must be a current public utility commissioner.

The federal laws that apply to the Federal Energy Regulatory Commission respecting disclosure of information, administrative procedure, meetings, contracts and other similar matters shall apply to these agencies unless the compact in which an agency is established determines that such application is inappropriate. In such an instance, the compact would be required to come up with other procedures to adequately protect the public interests protected by such federal laws;

Each agency is authorized to levy a fee not to exceed 0.1 mills per kilowatt hour on retail sales of electricity within the region covered by the compact in which the agency is established to fund its operations.

Section 104. Section 104 sets forth certain functions which a compact agency may implement prior to the adoption of a regional energy services plan. These functions are:

The development and implementation of rate standards to govern the ratemaking for certain costs incurred by electric utilities that are unrelated to conservation or electricity supply resources, including the recovery or amortization of the costs of finally abandoned powerplants;

The development and implementation of methodologies to evaluate the cost-effectiveness of resources, including conservation, load management, and central station powerplants;

Emergency outage and shortage plans for the compact region.

Full public involvement is required in the development of any standards, methodologies or plans authorized under the section.

In addition, this section spells out that the agency is not permitted to implement or require the implementation of any standard, methodology or plan except as agreed to by the compact in which the agency is established and except as consistent with law. Section 104 also specifies that the agencies authorized under this bill are not, by the terms of this section, authorized to directly regulate either wholesale or retain electric rates.

These requirements are intended to assure that regional agencies do not use the authority granted them under the legislation to directly regulate the rates for wholesale electricity sales regulated by the Federal Energy Regulatory Commission or to directly regulate retail electricity rates, unless the agency otherwise would have the authority to directly regulate such retail rates without the consent of Congress. However, this section is intended to authorize the establishment of ratemaking standards for costs unrelated to resource acquisition.

In addition these requirements are intended to avoid inconsistent directives by the agency and the Commission with respect to outage and shortage plans. Under section 202(g) of the Federal Power Act, the Commission is given certain, limited authority to impose requirements on electric utilities expecting power shortages. Regional agencies are required to exercise the authority granted them under section 104 of the bill in a

manner consistent with the authority of the Commission under section 202(g).

Finally, section 104 authorizes compact agencies to intervene before the Commission to advocate positions consistent with any standards, methodologies or plans developed under this section. Intervention is the way in which a regional agency could advocate and thereby influence the adoption of ratemaking standards in rates regulated by the Commission.

Section 105. This section of the bill authorizes the development by any compact agency of long-run plans to meet the total demand for electric energy services in the region covered by the compact. The agency is directed to assess the potential for conservation, load management, central station powerplants and other resources to meet such demand cost-effectively and to develop a plan to acquire resources on a cost-effective basis. Full public involvement is required in the development of the plan. The plan is required to be reviewed once every five years.

Section 106. Section 106 permits any regional compact agency to encourage electric utilities, customers and others in the region to acquire resources in accordance with the plan by a variety of means. The agency would be authorized to encourage such acquisition by:

Certifying the need for conservation programs, load management, powerplant and other resources;

Developing and implementing regional conservation programs including building codes, conservation standards, conservation financing, appliance and other rebate programs and any other programs to encourage acquisition of consumer conservation and consumer direct use of renewable resources;

Developing and implementing rate incentives to encourage utilities and others to acquire resources;

Developing and implementing programs and policies to encourage increased power pooling, transmission services and other inter-utility coordination and coordination between utilities and qualifying cogeneration and small power production facilities under Title II of the Public Utility Regulatory Policies Act of 1978, both within the region covered by the compact and between such region and utilities outside the region;

Developing programs and policies to encourage increased power imports and exports;

Developing and implementing a system of rate and other disincentives to discourage resource acquisition inconsistent with the plan.

Full public involvement is also specified in this section in the development of any of the means to encourage resource acquisition according to the plan.

Under Section 106 no compact agency would be permitted to implement or require the implementation of any means described in section 106 except as established in the compact and except as consistent with law. And no state or state regulatory authority is required to implement any such means unless it has agreed to do so by the compact. Section 106 also establishes that the agencies authorized under this bill are not, by the terms of this section, authorized to directly regulate wholesale electric rates regulated by the Commission or to directly regulate retail rates unless an agency otherwise would have the authority to directly regulate such retail rates without the consent of Congress.

This section is intended to enable an agency established under this title to have the tools to encourage acquisition in accordance with a plan adopted under Section 105, if the states that have formed the compact so agree. These tools may extend to the development of region-wide conservation programs to energize building and the markets affecting energy conservation so that more cost-effective conservation resources are acquired. The tools may include region-wide rate base treatment for resources that are part of a plan and region-wide rate structures designed to communicate the cost to utilities of building new resources that can be saved if consumers and customers conserve energy. They also include the development of programs to enable the transmission of power generated by cogeneration and small power production facilities to markets that may be more advantageous to these facilities. They include agency certification of need for conservation programs, powerplants and other resources.

Subsection (d) of Section 106 authorizes compact agencies to intervene in Commission proceedings to advocate positions consistent with a resource plan or means developed in Section 106. As under section 104, intervention is the way in which a regional agency could advocate and thereby influence the adoption of rate incentives and disincentives designed to encourage acquisition of resources consistent with a plan adopted under section 105.

Subsection (e) permits an agency to apply for an order from the Commission to compel the rendering of transmission services consistent with a plan by an electric utility. Any application for such transmission services significantly affecting an electric utility within the United States but outside the area covered by such plan shall be accompanied by a statement of concurrence with the provision of such transmission services by the Governor of a state or, where it exists, compact agency established pursuant to Section 103, in which such electric utility operates. Such application shall also be accompanied by a proposed arrangement for the recovery of costs which would be incurred by an electric utility in the implementation of any such order. Upon receipt of an application under this subsection, and after public notice and notice to each affected electric utility and opportunity for an evidentiary hearing, the Commission shall issue such order unless the Commission finds that the order would unreasonably impair the reliability of an electric utility affected by the order or would impair the ability of such an electric utility to render adequate service to its customers or consumers.

Section 107. This section consists of provisions establishing the judicial review of final compact agency actions and other matters.

Section 108. This section states that nothing in Title I of the legislation shall be construed to amend, modify or otherwise affect the provisions of the Pacific Northwest Electric Power Planning Act of 1980 or other Act of Congress in which Congress has given its consent to the formation of multi-state compacts, and to abridge or otherwise limit the authority granted to the Pacific Northwest Electric Power Planning Council by the 1980 Act.

TITLE II

Section 201. This section is a delegation to the states to regulate the rates for certain wholesale sales of electricity subject to the conditions established under this Title.

Section 202. This section permits any state regulatory authority to file a plan with the Federal Energy Regulatory Commission under which a state could regulate some or all of the rates for the sale of electricity from one electric utility to another provided that the retail sales of electricity of the purchasing utility are completely within the boundaries of such states.

Section 203. This section establishes certain requirements for the plan that states may file under Section 202

Section 204. This section requires the Commission to approve any plan filed under Section 202, within 180 days of its filing, unless the Commission finds that:

The state regulatory authority lacks the authority to regulate the wholesale rates proposed to be regulated by such authority in the plan submitted;

The state regulatory authority is not required by law to regulate such wholesale rates in a manner to avoid undue discrimination between such wholesale rates and retail rates that it regulates; or

The wholesale rate regulation proposed in the plan would likely have a significant, adverse impact on

(1) competition in electricity supply markets or

(2) benefits to consumers resulting from the operation of power pools and other interutility coordination subject to the Commission's jurisdiction.

Section 205. This section specifies that a state regulatory authority may file amendments to the plan submitted under Section 202.

Section 206. This section establishes the method of Commission review of a state's implementation of a plan submitted under Section 202.

Section 207. This section specifies that rehearing and court review of a Commission approval or disapproval of a plan shall be governed by Section 313 of the Federal Power Act.

Section 208. This section specifies that, for purposes of this Title, the term "electric utility" does not include the Tennessee Valley Authority or any of the Federal Power Marketing administrations. It also defines "state regulatory authority," for this title, to exclude municipalities.

TITLE III

Section 301. Section 301 is an amendment to the Federal Power Act to assure that Sections 211 and 212 of that Act do not apply to applications by a regional agency for an order for transmission services under Section 106(e) of this bill.●

THE REGIONAL POWER PLANNING AND REGULATORY COORDINATION ACT OF 1985

HON. JAMES M. JEFFORDS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1985

● Mr. JEFFORDS. Mr. Speaker, the Regional Power Planning and Regulatory Coordination Act of 1985 which I am introducing today with my colleagues enables regions of the country to assess the need for additional electricity and the most cost-effective way to meet that need. It provides a process by which potential electricity resources can be evaluated and a flexible least-cost approach to the future

supply of electricity can be achieved. By allowing States to join together into compacts for these purposes, the legislation provides a public forum for regional debate and agreement on meeting future electricity demand.

There is growing concern that under the present regulatory environment and with current utility trends, the industry will either fail to meet projected demand for electricity in the 1990's or will not meet this demand in the most cost-effective manner.

Governors, State regulatory commissioners, and Members of Congress have noted the limitations inherent in the ability of State government to effectively regulate utilities that cover multi-State areas. Electricity resources vary widely by region and must be assessed on a regional basis; this legislation gives State officials that capability, and allows them to look regionally at such strategies as the expanded bulk power marketing of electricity by those utilities with surpluses. They could also examine efficiencies that might be achieved through comprehensive strategies to promote efficiency investments, cogeneration, load management, reserve sharing and small scale electricity production.

Electricity experts and public officials in the Northeast-Midwest region are concerned about several key electricity trends and their impact on the region's economy: High electricity prices; cost overruns on plants under construction; need for future supply; and older plants that need replacement or refurbishment.

The region currently pays the highest electricity rates in the United States. For example in 1983 residential prices in major U.S. cities ranged from 6.49 cents/kWh in Indianapolis to 15.83 cents/kWh in New York City, compared to a U.S. average of 7.46 cents/kWh and a low of 1.6 cents in Seattle. Moreover, on an average, State electricity prices vary dramatically. In 1982 prices varied by 273 percent between New Jersey and Washington State.

The construction of 26 new nuclear powerplants has caused debilitating cost overruns and financial problems for the region. These plants represent 29,000 megawatts of generating capacity with an estimated completion cost of $67 billion. Putting those plants into the rate base could produce an estimated increase in electricity rates of 9 to 107 percent in the Northeast and 13 to 121 percent in the Midwest.

The increase in rates some utilities would need to recover such costs under current regulation have raised questions of possible financial insolvency for certain utilities and rapid price increases for consumers—what some have called dramatically the death spiral. Under this worst case scenario, higher cost electricity could result in decreased demand and, consequently, lower revenues for those very utilities that have increased their electricity capacity, and which need revenue to repay the debts they incurred by building new plants.

Currently, utilities which are not bringing new plants into generation are in better financial health than those expanding their capacity. Increasingly, utility officials are arriving at the conclusion that the financial risks of constructing new generating capacity greatly outweigh the benefits to the utility.

FUTURE ELECTRICITY NEEDS

Many energy experts project a need to increase electricity generating capacity by the year 2000 to meet rising demand and expanded economic growth. According to some projections, the region's utilities may need to build an additional 79,000 Megawatts of new capacity at an estimated cost of $180 billion in current dollars by the year 2000. In addition, the region has a significant number of older, less efficient generating units—66,000 megawatts will be over 35 years old by the year 2000 and could cost an additional $150 billion to replace.

The Federal Government long has recognized the economic importance of assuring adequate supplied of relatively low-cost electricity. It has sought to provide a regulatory framework designed to maintain a financially sound utility industry which is encouraged and rewarded for assuring adequate and reliable supplies of low-cost electricity. Now, Members of Congress, faced with troubling trends in the region's utility industry, need to reassess this Federal role and provide new tools to assure that adequate, reliable, low-cost electricity is available in the future.

Recent analyses by both the National Governors' Association and Congressional Research Service have concluded that a regional approach to utility issues could help States provide more efficiently for their future. For instance, expanded bulk power sales both within and among subregions could lower costs for both sellers and purchasers of electricity.

However, there is no structure or process by which regions can assess or take advantage of the benefits to be realized from a regional approach to electricity supply. Nor is there any way for States together to remove any of numerous barriers to a number of cost-effective electricity strategies.

ALTERNATE SOURCES OF ELECTRICITY

The Northeast-Midwest Institute recently completed a major research project on the desirability and feasibility of increasing Canadian imports of electricity as one strategy to moderate future electricity prices. The report of that project, "Trading in Power," also identified several other potential sources of least cost electricity, including bulk power sales between utilities in the region, expanded efficiency investments and development of small-scale renewable resources. Conservation, load management and passive solar could contribute up to 59,000 megawatts of power by 2000. Small scale hydro and cogeneration could account for an additional 3,000 megawatts. However, the report pointed out a number of barriers to the development of these resources: a lack of a marketing structure, transmission limitations, wheeling charges, regulatory disincentives, and the lack of a regional approach to address future supply issues.

The most pressing need is removal of impediments to regional electricity market competition. The Regional Power Planning and Regulatory Coordination Act of 1985 allows States to enter into compacts to evaluate these impediments and develop strategies for removing them. Regions would be given the tools to utilize short-term surpluses. They could identify and take advantage of increased diversity of electricity sources and flexibility. In the long term, they would move toward a more competitive market. This would enable these States and region to ensure a least cost supply of future electricity needed for long term economic growth.●

REGIONAL POWER PLANNING AND REGULATORY COORDINATION ACT OF 1985

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1985

● Mr. GEJDENSON. Mr. Speaker, today I am pleased to join my distinguished colleagues Representatives VENTO and JEFFORDS in introducing the Regional Power Planning and Regulatory Coordination Act of 1985. I rise to urge my colleagues to support this legislation. This bill is a significant first step toward ensuring that in the future, our Nation's consumers will continue to pay a reasonable price for electricity.

The next energy crisis that this Nation faces will most likely be an electricity crisis. Ratepayers all across the country are experiencing the trauma of rate shock, the sudden skyrocket of electricity prices as expensive new powerplants come on line. Utilities and State regulators looking for new sources of electricity supply find they have nowhere to turn. Nuclear power has become incredibly expensive, with many plants lying half finished because of tremendous cost overruns and safety problems. Conventional coal generation has become much less attractive because of the problem of acid rain. Energy conservation has a great deal of potential, but

much of this potential lies untapped because of institutional barriers and ignorance. The utility industry and State regulators have been forced into a state of paralysis, unable to effectively plan for our Nation's electricity future.

The Regional Power Planning Act provides a structure for States to begin working together to address the electricity problem. The National Governors Association and the National Association of Regulatory Utility Commissioners have concluded that the current State-by-State system is an obstacle to obtaining the cheapest electricity possible. This legislation gives State officials the option to assess and plan for future electricity needs on a regional basis if they believe it is in their State's best interest. Through regional cooperation and planning the price of electricity in the future can be lowered.

My home State in particular faces an uncertain electricity future. Virtually all of Connecticut's electricity comes from oil and nuclear power, two of the most expensive sources of electricity. The future of nuclear power is in question and oil remains unattractive because of its expense and the instability of foreign sources of supply. Connecticut's electricity prices are much higher than the national average.

When the Millstone III nuclear powerplant comes on line the cost of electricity to Connecticut Light & Power ratepayers in my district could go up by as much as 25 percent. In May of this year the director of the New England Power Pool predicted that an electricity brownout could occur this summer if we have an extended period of extremely hot weather in New England. If we do not act decisively an electricity crisis could develop in Connecticut.

Regional power planning could help keep electricity prices down in Connecticut. Through a regional power organization Connecticut could take full advantage of inexpensive Canadian hydropower, energy conservation opportunities, small-scale hydropower, cogeneration, and other supply options.

Clearly something needs to be done about the electricity problem that is confronting Connecticut and the Nation. Our electricity rates and our economy depend on it. I think this bill is a step in the right direction.●

REGIONAL POWER PLANNING AND REGULATORY COORDINATION ACT OF 1985

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1985

● Mr. MARKEY. Mr. Speaker, I am pleased to join today with my distinguished colleagues, the gentleman from Minnesota [Mr. VENTO] and the gentleman from Vermont [Mr. JEFFORDS] in introducing the Regional Conservation and Electric Power Planning and Regulatory Coordination Act of 1985. The bill represents an important step in encouraging long-term planning to meet the need for electric power services at the lowest possible cost. I congratulate the electric utility task force of the National Governor's Association whose January 1983 report is the basis for this bill. The report concluded that the regionalization of certain regulatory functions, particularly planning, could stimulate the utilization of cost effective measures to meet the demand for electricity.

The legislation authorizes two or more States to enter into compacts to determine on a regional basis how to meet the demand for electricity in the compact area. The bill requires that a compact governing agency be established to implement the functions permitted under the bill. These functions include the development and implementation of regional rate standards for the ratemaking treatment of certain utility costs unrelated to resource acquisition, including the cost of abandoned powerplants. The bill also authorizes the participating States to develop emergency outage and shortage plans for the compact region.

The key feature of the bill, however, is the authority it gives to the compact States to develop long range plans to meet the total demand for electricity in the region covered by the compact. The compact agency is directed to develop plans based on an assessment of the potential for conservation, load management, central station powerplants and other resources to meet regional electricity demand on a cost-effective basis. Full public invovlement is required in the development of the plans.

This planning function is essential. Many States have been unable to assess the potential for conservation and other resources because of limited technical, financial, and staff resources at the State level. The bill we are introducing today would help to resolve these problems through regional councils which shall be funded in a manner determined in the compacts. Through each council, compact members will be able to work together to meet regional needs cost effectively. The bill will help the States increase the quality of data regarding resource planning, develop public support for long-range plans and encourage the development of an electricity conservation market.

The bill is especially important because the planning it encourages is required to give priority to the lowest cost sources of electric power. Effective conservation measures alone, including appliance standards, could produce energy savings reducing growth in peak summer demand by more than 40 percent. We cannot ignore this potential, especially with a price tag of $40 billion or more from abandoned and canceled powerplants threatening electricity consumers.

Finally, the bill is being introduced at the right time. Most areas of the country currently enjoy large electricity surpluses. But, these surpluses will not last forever. By planning today, we can head off future shortages with cost-effective sources of electricity. Without planning, we may be confronted in the near future with meeting such shortages in a crisis-like atmosphere. Wise decisionmaking is almost impossible under such conditions. By beginning today we can fully develop our most cost-effective measures, such as conservation, and eliminate the need to build many expensive central power stations. Importantly, by taking efforts to maximize cost-effective resources, we can be assured that more expensive resources, such as large Central powerplants, will be constructed only when essential. The bill we are introducing today is an important step upon which we must build a secure and cost-effective energy future.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, July 25, 1985, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JULY 26

9:00 a.m.
Judiciary
Immigration and Refugee Policy Subcommittee
To hold hearings to examine certain immigration procedures to gain legal and expeditious entry into the United States by marrying U.S. citizens.
SD-226

JULY 29

10:00 a.m.
Energy and Natural Resources
To resume hearings on the nomination of Charles A. Trabandt, of Virginia, to be a Member of the Federal Energy Regulatory Commission, Department of Energy.
SD-366

Finance
Savings, Pensions and Investment Policy Subcommittee
To hold hearings to examine certain problems encountered by employers in the funding of retiree health benefits.
SD-215

Judiciary
To hold hearings on S. 1300, to provide for antitrust law violators to be subject to individual responsibility for treble the amount of damages attributable to their violations, and to assure fairness in the allocation and award of antitrust damages.
SD-226

1:30 p.m.
Finance
Health Subcommittee
To hold hearings to examine the causes of higher costs experienced by hospitals treating low-income patients.
SD-215

2:00 p.m.
* Environment and Public Works
Business meeting, to consider pending calendar business.
SD-406

JULY 30

9:30 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

10:00 a.m.
Environment and Public Works
Regional and Community Development Subcommittee
To resume hearings to review the programs and policies of the Tennessee Valley Authority.
SD-406

Foreign Relations
To hold hearings on pending treaties.
SD-419

Governmental Affairs
Civil Service, Post Office, and General Services Subcommittee
To hold hearings on S. 1440, to restrict smoking to designated areas in all U.S. Government buildings.
SD-342

Judiciary
To resume oversight hearings on private civil suits which have been filed under the Racketeer Influenced and Corrupt Organizations Act [RICO].
SD-226

Judiciary
Security and Terrorism Subcommittee
To hold hearings on S. 1373 and S. 1429, bills to authorize prosecution of terrorists and others who attack U.S. Government employees abroad.
SD-485

11:00 a.m.
Foreign Relations
Business meeting, to consider pending calendar business.
SD-419

2:00 p.m.
Environment and Public Works
Environmental Pollution Subcommittee
To hold hearings on S. 824, authorizing funds for programs of title I of the Marine Protection, Research, and Sanctuaries Act of 1972, and related measures.
SD-406

Judiciary
Juvenile Justice Subcommittee
To hold hearings on S. 985, to protect the rights of victims of child abuse.
SD-226

JULY 31

9:30 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Labor and Human Resources
To hold hearings to examine certain barriers to health care.
SD-430

Select on Intelligence
To hold closed hearings on counterintelligence.
SH-219

10:00 a.m.
Environment and Public Works
Transportation Subcommittee
To resume hearings on proposed legislation authorizing funds for the Federal Aid Highway Program.
SD-406

Foreign Relations
To hold hearings to reveiw current U.S. financing of foreign military exports.
SD-419

Judiciary
Criminal Law Subcommittee
To hold hearings on S. 1090, to eliminate the use of cable television and interstate telephone service for the transmission of obscene and indecent material.
SD-226

11:30 a.m.
Select on Intelligence
Closed briefing on worldwide intelligence matters.
SH-219

2:00 p.m.
Governmental Affairs
Oversight of Government Management Subcommittee
Business meeting, to mark up S. 992, to discontinue or modify certain requirements for agency reports to Congress, and S. 1134, to permit Federal agencies to impose monetary penalties on individuals or companies which submit certain false claims to the Government.
SD-342

Judiciary
To hold hearings on pending nominations.
SD-226

AUGUST 1

9:30 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

10:00 a.m.
Foreign Relations
To hold hearings on the Supplemental Extradition Treaty between the United States of America and the United Kingdom of Great Britain and Northern Ireland, with Annex (Treaty Doc. 99-8), signed at Washington, DC, on June 25, 1985.
SD-419

Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To hold joint hearings with the House Committee on Education and Labor to examine the scope of illiteracy.
SD-430

SEPTEMBER 5

10:00 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on competitiveness in the long-distance telephone markets.
SR-253

SEPTEMBER 11

10:00 a.m.
Select on Indian Affairs
To hold hearings on S. 1396, to settle unresolved claims relating to certain allotted Indian lands on the White Earth Indian Reservation in Minnesota.
SD-628

1:00 p.m.
Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on competitiveness in the long-distance telephone markets.
SD-253

SEPTEMBER 12

10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To hold hearings on proposed legislation authorizing funds for programs of the Higher Education Act.
SD-430

SEPTEMBER 17

10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To resume hearings and proposed legislation authorizing funds for programs of the Higher Education Act.
SD-430

SEPTEMBER 19

10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To resume hearings on proposed legislation authorizing funds for programs of the Higher Education Act.
SD-430

SEPTEMBER 24

10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To hold hearings on the problem of illiteracy in America.
SD-430

SEPTEMBER 26

10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To resume hearings on the problem of illiteracy in America.
SD-430

OCTOBER 1

11:00 a.m.
Veterans Affairs
To hold hearings to review the legislative priorities of the American Legion.
SD-106

CANCELLATIONS

JULY 25

9:30 a.m.
Environment and Public Works
Nuclear Regulation Subcommittee
To hold hearings on S. 445, to revise certain provisions regarding liability for nuclear incidents, and S. 1225, to compensate the public for injuries or damages suffered in the event of an accident involving nuclear activities undertaken by Nuclear Regulatory Commission licensees or Department of Energy contractors.
SD-406

11:00 a.m.
Foreign Relations
Business meeting, to consider the Protocol Amending the Interim Convention on Conservation of North Pacific Fur Seals Between the United States, Canada, Japan, and the Soviet Union (Treaty Doc. 99-5), signed at Washington, D.C., on October 12, 1984, and the nomination of Thomas M.T. Niles, of the District of Columbia, to be Ambassador to Canada.
SD-419

SENATE—*Thursday, July 25, 1985*

(Legislative day of Tuesday, July 16, 1985)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

They that wait upon the Lord shall renew their strength.—Isaiah 40:31.

Gracious God, our Loving Father, the Senate has been through a very stressful period, and the days ahead promise no relief. Help the Senators and their staffs to realize that one can suffer serious consequences from emotional and mental stress even when unaware of the stressful situation. Grant to the Senators and their staffs the wisdom to find a few minutes daily to relax—to be still—to listen to the silence—to contemplate. Especially we pray for our leaders who are under such great pressure to get things done before the August recess. Help them to lean on Thee and be receptive to Thy grace and strength. Remind all who bear the pressures of office to take seriously their responsibility to themselves to keep physically and emotionally fit. In His name Who said, "Come unto Me, ye who labor and are heavy laden, and I will give you rest." Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The distinguished majority leader is recognized.

SCHEDULE

Mr. DOLE. Mr. President, under the standing order, the leaders have 10 minutes each, to be followed by special orders for Senators DANFORTH, HEINZ, PACKWOOD, GORTON, PROXMIRE, DIXON, and MURKOWSKI.

I ask unanimous consent that the special order for Senator PRESSLER be vitiated.

The PRESIDING OFFICER (Mr. TRIBLE). Without objection, it is so ordered.

Mr. DOLE. Following that, there will be routine morning business, not to extend beyond 12 noon, with statements therein limited to 5 minutes each.

It will then be the intention of the majority leader to proceed to any Legislative or Executive Calendar items which have been cleared for action, possibly starting with Calendar No. 179, S. 1078, the FTC authorization bill.

I expect rollcall votes throughout the day, and it will be a fairly late session this evening.

As I indicated—I do not want anybody to be misled—there is no certainty that there will not be a session tomorrow. In fact, I think the odds are now tilted the other way. There is a chance that we will have the supplemental appropriations bill conference report before us sometime tomorrow; and if we are unable to make progress on a number of legislative matters, they will be dealt with tomorrow. We had a lot of gaps yesterday afternoon, when not much was happening. So I hope we can move rather quickly on the FTC authorization bill, and that it will be completed in fairly short order.

Then, if we can work out a couple of details, the compact of free association bill would probably be the next item to be called up. In addition, we have a couple of other veterans bills, that we can take care of in the wrap-up.

I am advised that there are 52 bills on the calendar, and some probably want to stay there. But we would like to clean up as many of those as possible between now and next week.

It will also be my intention, if there is a Friday session, to at least discuss farm legislation. We will try to take that up early next week, in one way or another, because if somebody wants to block action on the farm bill, I think we should know who the persons may be on the Senate floor, because it is rather important to many farmers that we act before the recess.

I will make a unanimous-consent request that the Senate Agriculture Committee be permitted to meet during the session of the Senate this afternoon. I will not do that now because the distinguished minority leader is not on the floor. It is very important that we be permitted to meet. If we are not going to be permitted to meet, then it is important that we know who does not want us to meet, so that we can advise the farmers of our States that we are being held up because of someone on either side of the aisle who does not want the farm bill to come before the Senate until after the recess, which is a little late for wheat farmers in Oklahoma, Kansas, the Dakotas, Colorado, Texas, and a few other areas.

Mr. President, I reserve the remainder of my time.

RESERVATION OF TIME OF MINORITY LEADER

Mr. DOLE. Mr. President, I ask unanimous consent to reserve the time of the minority leader, Senator BYRD, for his use later during the day.

The PRESIDING OFFICER. Without objection, it is so ordered.

S. 1404—RESPONSE TO JAPANESE TRADE PRACTICES

Mr. DANFORTH. Mr. President, before the Senator yields the floor, may I ask the majority leader a question?

Mr. DOLE. I yield.

Mr. DANFORTH. I wonder if the majority leader can tell me whether he has plans to call up S. 1404, the bill requiring the President to respond to unfair trade practices of Japan.

This bill is fashioned after a resolution that was passed by the Senate last spring by a vote of 92 to 0. The bill, itself was reported by the Finance Committee on a vote of 12 to 4. I would think that we could pass it in fairly short order if we could call it up.

The bill deals with the whole problem of the unfortunate trade situation we are in, particularly with respect to Japan. Some of us have been trying to get it moved forward, and I know that several Senators have morning business time reserved to discuss the bill today.

Before we get into morning business, I wonder if we could be informed as to the intent of the majority leader with respect to S. 1404.

Mr. DOLE. As the chairman of the Trade Subcommittee knows, we would be very happy to take it up today. It could be passed in 30 minutes, it seems to me. The vote was 92 to 0 on the resolution, so there cannot be much controversy about where the other 8 will be on the bill. That will be 92 to 8 if all the others are opposed. It is a fairly substantial margin. I would guess that it would be 100 to 0 if every Member were present.

I believe I share the concerns not only of the distinguished Senator from Missouri [Mr. DANFORTH] but also the chairman of the Finance Committee, the Senator from Oregon [Mr. PACKWOOD], when I say that we do not want to load it up with a lot of other amendments that may be classified as trade amendments at this time.

As I understand it, the Senator from Missouri is conducting hearings on the textile bill. There will be two more

hearings. The chairman, Senator PACKWOOD, has indicated as recently as yesterday that he would then have a markup on that bill.

So I hope that my colleagues on both sides who are concerned about textiles or shoes or other items will let us proceed with the Japanese trade bill and do it today or, if not, do it tomorrow. We will continue to press for that. It is bipartisan. It is not a partisan matter, so I hope we might have a bipartisan request to move forward with that bill if not today or tomorrow, then on Monday.

Mr. DANFORTH. I appreciate the majority leader's assurances. I fully understand the problem of trade bills becoming Christmas trees. They do tend to become that.

The time agreement which has been circulated on this bill would restrict any amendments to those dealing with the subject of the bill itself—namely, Japan-United States trade.

So it would not open up the door to a textile bill or a shoe bill or a steel bill, some of which might be worthy bills, some less than worthy bills.

But I do not think that S. 1404 should be a matter of great controversy; and it is a bipartisan effort.

I know we have been working with Senator CHILES, Senator BAUCUS, and Senator BOREN who have suggested some changes in the bill and they plan to offer amendments and those amendments would probably be acceptable. I think they would improve the bill so it remains truly a bipartisan effort. It has been a bipartisan effort all along and I would encourage the majority leader to press ahead in his efforts to get S. 1404 to the floor.

Mr. DOLE. I also add I do not believe the administration is excited by the legislation, but I have not heard any explicit indication that we should not proceed with the legislation.

The bill will be particularly helpful since a number of us will be visiting Japan in the latter part of August. It seems to me it will be very helpful in our discussions to inform the Japanese of the fact that this bill did pass by a wide margin in the U.S. Senate and it is getting to the point that something will happen unless there is very quickly some voluntary measures adopted that will have a real impact on our trade imbalance.

Mr. DANFORTH. I thank the majority leader.

RECOGNITION OF SENATOR DANFORTH

The PRESIDING OFFICER. Under the previous order, the Senator from Missouri [Mr. DANFORTH] is recognized for not to exceed 15 minutes.

S. 1404—RESPONSE TO JAPANESE TRADE PRACTICES

Mr. DANFORTH. Mr. President, several Senators have requested time in morning business dealing with the subject on which I had the colloquy with the majority leader, namely, S. 1404, and the more general problem of our trade difficulties with Japan.

S. 1404 is patterned after a sense-of-the-Congress resolution which was passed unanimously on the floor of the Senate last March. The vote was 92 to 0.

The bill, which has some more teeth in it than the sense-of-the-Congress resolution, was reported out of the Finance Committee by a vote of 12 to 4. It is not a bill which should evoke too much controversy.

I think it is a very timely bill. What it does is direct the President to eliminate unfair trade practices of Japan or offset those trade practices on a specific time schedule.

The bill in its present form, and there may be some changes in it when it reaches the floor, says that at the very least we should offset unfair trade practices to the extent that the U.S. market has been further opened to Japan by the lifting of voluntary restraints of Japanese automobiles coming into this market.

Mr. President, when S. 1404 comes to the floor of the Senate I would call Senators' attention to the very excellent report of the Finance Committee which has been filed on the bill. It is an excellent report because it not only spells out that the legislation is based on existing trade law, based on Section 301 of the Trade Act of 1974, but also because the committee report spells out in some detail specific unfair trade practices which are being utilized by Japan. Oftentimes people from Japan when they are discussing trade problems with the United States say to us "Be more specific, give us some concrete examples." The committee report does give concrete examples and I commend it to the Members of the Senate.

Mr. President, it seems to me that the enactment of this legislation is timely because I think that Congress now has to assert more initiative in the area of trade, and I say that with some reluctance. I do not think that Congress is very good at implementing day-in/day-out tactics on international trade. We are good at setting general policy. We are good at passing general legislation but not in actually implementing what we pass.

But I think that there are two situations that clearly compel Congress to take a more active role.

The first is that I reluctantly report that the position of Japan is basically more of the same, in spite of a lot of newspaper publicity and a lot of comment about new market opening efforts on the part of the Government of Japan.

I think that Prime Minister Nakasone means well in this regard, but I really believe that what we are going to see is a rerun of what we have seen for the last 5 or 6 years. With great fanfare the Japanese have announced that they are going to undertake what they call an "action program" to remove various barriers to imports from other countries. They call it an action program. It differs I think only in name from previous efforts which were called not action programs but "packages."

Since 1981 or 1982 some seven packages have been unveiled by Japan which purport to open access to the Japanese market. These packages have reduced some specific trade barriers. But when a country wants to keep out the products of another country then any number of specific barriers that are removed just lead to replacement by an infinite number of additional barriers. The real question is the will of Japan. It is not the removal of particular problems for a time but the overall program of Japan that has to be changed. The overall policy of Japan has to be changed.

If a trade package, for example, were to remove 100 particular barriers to trade infinity minus 100 is still infinity and that has been the problem. If the country has the will to keep out the products of another country, it can find a way to exercise that will. That is what Japan has been doing.

I was on a taping of a television program last night with Mr. Saburo Okita who is the former Foreign Minister of Japan, a very distinguished citizen of the country, and he has been designated by Prime Minister Nakasone to be the principal adviser to the Nakasone government on trade policy. It was said that Mr. Okita is a man who understand the problem and generally wants to open up the Japanese market, and yet on that program the position he took was just more of the same. The position he took on that program was that basically while there are some trade barriers which should be removed, the problem is America's problem, that the value of the dollar is too high or that our products are not of an appropriate quality to enter the Japanese market.

Mr. President, if the problem is America's problem it is also a problem of every other country in the world because no country can export freely to Japan. I am concerned that if they are taking the position that they are doing things that are basically right and that we are wrong, then we are never going to get these barriers removed.

I think the second reason, Mr. President, why it is appropriate for Congress to act is the extreme passivity of

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the administration in dealing with our trade problems.

For example, Clayton Yeutter, who is our new U.S. Trade Representative, has written a letter strongly opposing S. 1404.

In that letter, he says the following:

> Our disastrous experience during the 1930's, after passage of the Smoot-Hawley Tariff Act of 1930, shows that protectionist legislation is not the answer to trade problems.

Now, Mr. President, I submit that that sentence has been put on a word processor in the administration and the key is stuck, because every piece of legislation that I can think of is described by the administration as being "a return to Smoot-Hawley and protectionist."

For example, the telecommunications trade bill is described by the administration as a return to Smoot-Hawley and protectionist legislation. The desire for shoe relief is described by some people in the administration as a protectionist proposal and a return to Smoot-Hawley. Everything is described as protectionist and a return to Smoot-Hawley by the administration.

But Mr. President, S. 1404 is not a protectionist bill. S. 1404 says simply enforce the law, enforce the law against unfair trade practices.

Section 301 of the 1974 Trade Act was put in the law for the purpose of providing the possibility of retaliation against unfair trade practices. The law should be enforced and that is what S. 1404 says.

Mr. President, if the law is never enforced negotiations are going to lead to nothing other than more negotiations. Negotiations are never going to lead to action if there is not a credible threat of retaliation. This administration and previous administrations have never utilized section 301 of the Trade Act to retaliate against Japan. We have never retaliated, never retaliated, against Japan for unfair trade practices.

So I believe that the next package or action program to be unveiled by Japan is going to be more of the same. I think negotiations are going to lead to nothing more than more negotiations because I think that the administration has no credibility in dealing with Japan because no threat of retaliation is credible, no retaliation is ever used.

Mr. President, I am told that the majority leader has had some problems clearing S. 1404 in the Senate. I have urged him and he has indicated that he would renew his efforts to try to clear that bill to bring it to the floor, hopefully this week, if not this week, next week. I do think time is of the essence. It is a bipartisan effort. I urge all Senators to work with the majority leader so that this bill could be presented to the Senate for action.

RECOGNITION OF SENATOR HEINZ

The PRESIDING OFFICER. Under the previous order, the Senator from Pennsylvania, Mr. HEINZ, is now recognized for not to exceed 15 minutes.

Mr. HEINZ. Mr. President, I thank the Chair for his recognition and I commend my friend and colleague from Missouri, Senator DANFORTH, for laying out the case quite eloquently for bringing S. 1404 before the Senate at the earliest possible moment.

It would be well worth the time of everybody in this country to take 5 minutes to look at and digest one chart that appears on page 3 of the committee report. That chart analyzes trade flows between Japan and its trading partners between the period 1979 and 1983. If you look at the boxes that describe U.S. trade with Japan, you find, not surprisingly, that U.S. exports to Japan have over that 4-year period not increased very much. They have gone from about $8.2 billion to $11.6 billion, a rather modest increase over a 4-year period.

Japanese exports to the United States, however, have gone up by nearly $17 billion from $25.7 billion to $42 billion, a huge increase over that same period.

You might say, as some people have said, "Well, Americans simply don't know how to do business in Japan. The Japanese do know how to do business here."

You might say, "The U.S. dollar has been much too strong. The yen is too weak. We ought to do something about the dollar, and if we did many of those problems, if not most of those problems, would disappear." And people do say that.

Others say, "Well, maybe the United States just doesn't have the technology, doesn't have the products, doesn't have anything that anybody in Japan wants." That argument has been made more than once, let me assure you. And so you can continue to rationalize the absolutely staggering pattern where we cannot export much to Japan and Japan can export to the United States just about anything it wants to export.

Where the chart gets interesting is when you look at all the other trading blocs in the world, which are conveniently divided into three groups: First, the European Community; second, the less developed countries; and third, a category, a catchall, known as "others." You find, if you look carefully at the chart, that the country that has had, notwithstanding the fact that our currency is strong and the currency of most of these other countries is weak, the greatest success, so to speak, in exporting to Japan is, lo and behold, the United States, which allegedly does not know how to sell anything, does not have any products, and has a strong dollar. And you find, not surprisingly, that Japanese exports to these other trading blocs are booming, but that the European Community, the Koreas, the Taiwans, all the other countries who also are quite successful in exporting here, cannot export into Japan.

Now, we do better, perhaps, because we do try harder, because we do talk a lot about Japan. We may not be much, but we talk a lot. We are a close friend and ally of Japan. We spend a lot of money each year to protect them. We deploy our fleet in significant force in the Far East because we are friends with Japan and because they spend so little on defense. And what we see here, I suspect, in the ability of the U.S. exporters to get fractionally more into Japan than all the others, is the result of that kind of relationship.

But the bottom line is that Japan does not let anybody in very much, even us. Indeed they hardly let anybody in at all. Japan's second largest trading partner is Korea. It is right next to Japan. The Korean currency is weak vis-a-vis the yen. The yen is strong vis-a-vis the Korean currency; yet Korea has exactly the same trading pattern with Japan as most countries, including us. They cannot export much to Japan but Japan can export a lot and does export a lot to Korea.

So, S. 1404 is Japan-specific because we believe that the record clearly shows both on our own behalf and on behalf of all the other countries that are trying to penetrate the Japanese market that Japan is the most protectionist nation in the world.

Why should we be here on the Senate floor trying to get more attention to this issue? Do we not have an executive branch that is supposed to pay attention? Certainly we do. But over the last 4 years we have had six agreements negotiated with Japan. They have been hailed as either good or breakthrough agreements, and the result of them, at least as far as we can see, is marginal improvements in individual sectors, and the bottom line is a huge, growing trade deficit with Japan.

S. 1404 really says it is time to recognize that words simply are not enough. We tried negotiations four times—a seventh or eight is now underway. And at the rate we are going, we will be negotiating sectorally until the cows come home, but by that time I think our trade deficit will be even larger and, if you will excuse the mixed metaphor, the horse will be well out of the barn when those cows come home.

It seems to me, Mr. President, that the longer we postpone telling the administration to take appropriate retaliatory action with the goal of achieving genuine market opening initiatives by Japan, the longer we delay, postpone, or fool around, the more the Japanese conclude that their policy is a successful policy, that there is no

need for them to change it, and that their politicians who, after all, are like politicians everywhere, will see absolutely no reason to bring about change.

Some of us in this body as politicians occasionally are criticized because we take a "get tough" attitude toward opening other markets—in this case, Japan. Maybe the reason our politicians have to do something is that the barriers erected to trade are erected by other politicians in other countries. That is not a remarkable statement but apparently a fact usually overlooked by a lot of observers.

So I think action is a prerequisite for making any progress with the Japanese.

As to the merits of S. 1404, I think it is a good bill. It was reported by a bipartisan majority of the Finance Committee, 12 to 4, as I recollect. It was not a partisan issue of debate. Republicans and Democrats supported it. It responded to carefully constructed hearings. The facts presented in those hearings are well reflected in the report. In short, we have a bill. Of course, some of us might like to change it in some way. There are some people who would seek to weaken it, and some who would seek to strengthen it. But it is a bill which, on its merits, should be considered and, in my judgment, passed just as quickly as possible by the U.S. Senate.

I mention this because there has been, as the Senator from Missouri referred to in his remarks, some delay in obtaining clearance to bring this bill to the floor under a unanimous-consent agreement which would allow all Japanese-related amendments to the bill to be in order but would foreclose the bill becoming a Christmas tree for everything else under the Sun. I think it would be a grave setback in our trade policy with Japan, such as it is, for the Senate to send the message to Japan that we were so little concerned about the huge trade deficit we have with Japan, we were so little concerned about the barriers to exports against us and others erected by Japan and maintained by Japan, that we were so laissez-faire in our attitude toward protectionism by others generally that the Senate was prepared, when it came to doing something meaningful about the issue, simply to do nothing.

If the Senate begins to send that message, if the legislation is precluded from prompt floor consideration, we will be cutting the ground out from under our negotiators; we will be preventing ourselves from taking up a legitimate, meaningful issue on the floor of the Senate; we will be undercutting bipartisan support for the beginnings of a trade policy, and we will be making a big mistake.

It is my hope, therefore, Mr. President, that our colleagues will assist us in bringing this bill to the floor just as quickly as possible. I do not know at this point enough about why it is difficult to obtain the unanimous-consent agreement that we need. I am certain that there are other opportunities for people who want a vehicle, whether it is for Senator DANFORTH's telecommunications legislation or somebody's textile legislation or other trade-related measures; I am certain there will be plenty of other opportunities for those elements of legislation to be considered.

In my best judgment, since we want to send the strongest possible message to Japan, it would be a grave mistake to clutter this legislation which is Japan specific with other measures that are not. That could only confuse the issue. That can only dilute attention. That can only confuse all the people who are looking and waiting to find out whether this country is indeed serious about pursuing and prosecuting a trade policy.

Let me take a moment to make one last comment about the need for a trade policy. Many of us have had plenty of practice over the years being critical of a variety of administrations—this one, the previous one of President Carter, and others—for their lack of any comprehensive, consistent trade policy. The reason that we get critical is that trade policy, when you really define it, means this: It means sticking up for the United States, American economic interests in a world where other people are sticking up for their national economic interests. And if we do not promote this country's economic interests in the interest of a free and fair market, other people will successfully promote their own selfish interests, and you will get pretty much what we have gotten; namely, on the part of virtually all our trading partners, protectionism and rising walls of nontariff barriers that keep everybody else out. Whether you look at the Common Market and the Common Agricultural Policy, whether you look at the piracy of intellectual property rights, whether you look at the performance requirements on services, whether you look at the sophisticated means of the Japanese and others who follow their model by employing a series of phony requirements and tests to keep not just us but other people out of their markets, the fact is that there has been a rising tide of protectionism abroad for far too long. The water is getting deeper. The United States is, at best, an island. If the water gets much higher, we are all going to drown in this sea of protectionism, which we do not want, which we did not start, but which we better do something about.

If we do not defend the free market system by fighting protectionism, whether it is in Japan or anyplace else, there are going to be two consequences, one or the other of which we will face.

The first consequence is that we will no longer be a trading power. We will be accepting everybody's imports but nobody will be accepting our exports.

That is probably, in the final analysis, not where the politicians of this country could let this country come out. The people of this country would not stand for that policy, a one-way street.

Yet, if we do not fight the protectionism of other countries, what is the alternative?

Well, the alternative is probably to do what all the other countries are doing to themselves, which is more and more government involvement in their industries.

I come from the State of Pennsylvania, which has suffered, long before the dollar became strong, from subsidized and dumped foreign steel coming into the United States. The industry has won over 100 cases before the International Trade Commission proving that point beyond any doubt. Why? Because the steel industries of virtually every other country of the world, including a significant part of non-Socialist Canada, all of Great Britain, and so forth, are owned by foreign governments which have deep pockets. The result is that we have seen a steady erosion of our ability to survive, let alone compete.

We have seen, in the so-called Chrysler legislation of some years ago, the political response to an industry that cannot compete on existing terms. What we saw was essentially the partial Government takeover of Chrysler Corp. That is what that legislation did. That is, in a sense, the beginning of nationalizing or Government financial support for troubled industries. The road that it leads us down is long, and it leads to a swamp. What that swamp is, is the end of free enterprise, the American enterprise system, initiative, all the things that we think are extremely important to retain as part of our value system as Americans.

So when we battle against protectionism abroad, what I really think we are battling for is not just the discipline of the market system but for the American enterprise system that has been so much to so many people in this country, which has produced the highest level of opportunities, the highest level of employment, the highest level of productivity of any nation on Earth, and which has allowed us to preserve not only our own freedom but the freedom and human rights of so many other democracies around the globe at times when we have been called upon to do so.

That is what I think we are really talking about here. I hope, therefore, Mr. President, that we could bring our

legislation to the floor, do it promptly, vote the legislation up or down, and get to the business of moving this country ahead.

Mr. President, I yield back the remainder of my time.

Mr. DANFORTH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

RECOGNITION OF SENATOR MURKOWSKI

The PRESIDING OFFICER. Under the previous order, the Senator from Alaska [Mr. MURKOWSKI] is recognized for not to exceed 15 minutes.

Mr. MURKOWSKI. I thank the Chair.

UNITED STATES-JAPAN SERVICES TRADE

Mr. President, on July 18, 1985, the Foreign Relations Committee's Subcommittee on East Asian Affairs held hearings on the subject of United States-Japan services trade. The purpose of the hearing was to determine whether unfair trading practices identified by the Senate Committee on Finance in its report to accompany S. 1404 had spilled into the services area from the merchandise trade. The hearing was limited to one aspect of the United States-Japan services trade. That is in the area of transportation—not transportation of people, but transprotation of goods—between the United States and Japan.

It is interesting to note that we found clear evidence of a pattern of unfair trade practices identified by the Senate Finance Committee, certainly in the manufacturing area. I wish to present the Chair with some examples which appeared in the testimony of a rather respected academic group and private-sector witnesses, as well.

As an example, Northwest Airlines, which is the largest U.S. carrier, serving Japan in many access cities in the United States, including New York, Chicago, Seattle, Los Angeles, and others, was denied access to the Japan Air Lines reservation computer system in Japan, although Japan Air Lines, commonly known as JAL, has had complete and favorable access to all the U.S. airline reservation computer systems. So it is obvious, Mr. President, that Japan Air Lines has the benefit of utilizing our domestic internal airline reservation computer system. This is not available to U.S. carriers in Japan.

The second example was the Japanese Government's tobacco and salt monopoly, which is a Government agency that has denied the U.S. shipping companies the opportunity to ship U.S. leaf tobacco to Japan on grounds that our service was somewhat unreliable during most of the relevant period. One shipping company anxious to enter the trade, Sealand, was owned by the R.J. Reynolds Tobacco Co., one of the largest U.S. corporations. Sealand operates extensive around-the-world service, and to suggest that they are somehow unreliable or inexperienced, of course, is hypocricy.

Another reference was made to the entrance of Nippon Cargo Airlines into the U.S. market and the cooperation agreement signed with Japan airlines raising disturbing parallels to the target industrial structure problems noted in the Senate Finance Committee report.

It is interesting to note the organizational ownership of Nippon Cargo Airlines. It is owned by virtually every major trading company in Japan. Ownership rests with insurance companies, financial institutions that have taken equity in the ownership, and many of the major producers of products that are exported from Japan to the United States. It would be impossible to reproduce such organizational ownership in the United States simply because of prohibitions under our antitrust laws.

The Japanese Government has prevented U.S. shipping companies from offering traditional freight forwarding, trading and warehouse services in Japan, although Japanese shipping companies are not only permitted to do so in the United States but actually engage in such trade.

It is interesting to note that the automobile export business, where currently somewhere in the area of 2, 2 million automobiles being produced in Japan are exported to the United States, everyone was transported on a ship owned or controlled by Japanese interests. At the same time we learned again of the great importance of service trade in the U.S. economy. The Department of Commerce estimated that in 1984 services accounted for about 68 percent of the U.S. gross national product, 57 percent if Government is excluded, and 95 percent of all new jobs created since 1970 were in the service sector.

However, while the United States is the largest trader of services, our longtime surplus is declining. Between 1981 and 1984, U.S. exports of services increased about 5 percent, but imports increased 28 percent. Spokesmen for the maritime unions, AFL-CIO, spoke at our hearing as to the seriousness of the trade problem. It was indicated by one union leader:

> If Congress cannot do something and the administration cannot do something about our lost market share throughout the world, then I believe the workers of America are going to do something.

Mr. President, I would like to think that Congress can do something. We must consider the serious trade legislation before us. When we do, it is my intention to offer amendments to include service trade in the list of significant matters that must be corrected. I will ask my colleagues to join me in addressing the effort to redress the service trade imbalance.

Mr. President, the task before us is significant. I think it fair to say that a vast majority of my colleagues do not support the concept of protectionism. There has been a sense-of-the-Senate resolution offered by this body some months ago, and on a vote, if my recollection is correct, of 92 to nothing the Senate expressed its frustration with the lack of response from Japan toward the trade imbalance.

I should like to cite briefly the trade imbalance. Two years ago the trade imbalance between the United States and Japan was about $21 billion. Last year that trade imbalance had moved up to about $36 billion. And this year it is estimated that the trade imbalance with Japan alone will be about $50 billion. That means there is 50 billion dollars' worth of goods produced in Japan and sold in the United States than U.S. goods sold to Japan.

That is significant in itself, but we have always enjoyed a surplus in the service accounts, and the service accounts constitute a number of trade matters: insurance, billings between our countries as a consequence of services provided, banking, exchange notes, transportation services of all kinds. The United States has always enjoyed a surplus in the service accounts. Last year it was somewhere in the area of $2 billion.

For the first time we have seen the service accounts turn around from a surplus to the United States to a surplus imbalance. It went from about a $2 billion surplus last year to a deficit of about $1.3 billion this year. Japan is selling us more services than we are selling them.

We look upon ourselves as a nation in transition, transition from traditional smokestack industries, producer of raw materials, to a nation of technology where we sell services throughout the world. We have seen our employment base diversify as we move into the service industry, but make no mistake about it; Japan is moving away from their smokestack industries into the service industries and already they have surpassed us on the trade account basis.

Mr. President, it is not my intention to be critical of Japan in the sense of some of the comments that have appeared in the media that were bashing the Japanese. What is a consideration is the reality that Japan must open its markets to the United States. All we ask for, Mr. President, is equity. We ask that the Japanese markets are open to U.S. business in the same manner as our markets are open to them.

Automobiles is an interesting reflection. Japan currently has no restrictions on automobiles exported into that country from the United States,

but the realities are that after an extended period of protecting the Japanese automobile market, we would be foolish to encourage an American automobile manufacturer to go over and establish itself in Japan where there are seven or eight organizations that are well-financed, that serve the market, that make adequate cars. Where you go in as a loss leader, it would be a poor investment as a consequence. We are not doing that. However, it is rather interesting to reflect that Chevrolets exported into Japan cost roughly $27,000 to $32,000, so while the market is open, some of the customs restrictions and requirements simply make it prohibitive.

So my point, Mr. President, is a very simple one. We want equity in trade.

I do not support the protectionist legislation as a whole that is pending before this body, but what I do support is an examination of 8 or 10 specific markets that we feel are closed in Japan, which we would identify, and say, "Japan, you must open these markets. We will give you a reasonable period of time, 6 months or a year, and if you do not open these 10 markets, we are going to identify 6 or 10 markets in the United States that are open to you and indicate that we intend to close them over a period of time."

Again, Mr. President, it is a matter of equity. Look at the automobiles, as an example, and I will come back to that—2.2 million automobiles produced in Japan are coming into this country every year. They are carried on a Japanese vessel or a vessel controlled by a Japanese steamship company.

We have attempted to break into this market; we have not been encouraged. We have one shipping line that has automobile carriers. There has been no encouragement to do that.

Mr. President, our unions and our shipping companies are willing to go to Japan and contract for automobile carriers to be built in Japan, if they can negotiate the contract with a sufficient term to allow them to amortize their investment. So far, they have not met with any encouragement or any success.

I had an opportunity earlier this year, on one of my visits to Japan, to discuss this matter with Prime Minister Nakasone. I am convinced that the Prime Minister is very concerned about the trade imbalance, very concerned about what Congress may do with regard to protectionist legislation. But it is the Japanese business community and the Japanese lower-level government groups that have been working with the private sector since reconstruction which are not about to reduce their exports to the United States. They are not about to buy more from the United States. These ideas are foreign to them. Frankly, I am very disappointed in Japan's private sector in responding to the concerns of the United States.

To get back to the automobile matter: Under a United Nations' informal trade agreement, there is a practice whereby 40 percent of the production is carried in vessels of the country of consumption, 40 percent carried in vessels of the country originating the product, and 20 percent carried under flags of convenience.

Mr. President, I intend to conduct further hearings, and we will have a hearing next Wednesday.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MURKOWSKI. Mr. President, I ask unanimous consent that I may conclude my statement with just a general termination and notice to my colleagues of a hearing next week.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MURKOWSKI. I thank the Chair. I appreciate the opportunity to speak on this subject.

It will be my intent, in the matter of morning business, to have a continuation of statements relative to the loss of market share, the strong dollar, the trade deficit, the service accounts, the fact that we have become a debtor nation, the significance of foreign investment in the United States, the financing of our U.S. debt, and a number of other things that I think are pertinent to the condition of our country and the growing concern I have over the continuing deficit as it affects our inability to recapture our market share overseas.

I thank my colleagues for allowing me additional time.

Mr. GRASSLEY. Mr. President, clearly, the time has come for us to take stock of where we stand on our international trade policies for this country and where we want to go. What is puzzling to me is why this body cannot agree to a time agreement on S. 1404 to address a serious problem on the existence of a complicated and deeprooted lack of access to the Japanese market.

In 1984, our trade deficit with Japan reached the unprecedented level of $37 billion. This year, it is expected to be closer to $50 billion and growing. Failure to deal with this problem can only exacerbate the unmistakable signs in the United States of a developing crisis of confidence in the system.

Mr. President, let no one believe that passage of this legislation will alone solve our trade imbalances. It does, however, go a long way in getting us back on track. We cannot afford to do less than this, unless we are willing to see hundreds of thousands of jobs lost, along with the undermining of the entire range of bilateral relations.

I regret that we have come to this point. I would have preferred to have had an enforceable trade policy in existence, or at least been able to negotiate our differences with the Japanese in a more amicable manner. Unfortunately, it appears we are beyond either of these two conditions, and for Members of this body to further hold up legislation which address a major trade problem head on would be incomprehensible to me.

Mr. President, we have had a great deal of rhetoric about our trade deficit on the floor of the Senate and in the committees. The time has come for us to do a little less talking and do a little more in the way of enacting responsible legislation to put teeth into our trade laws. We can either be a part of the problem or a part of the solution. There are two basic questions we must ask ourselves: The first is, "How do we respond to inequities in our system?" The second is, "If we don't protect our industries, whether commercial, industrial, or agricultural from unfair competition in world trade, who will look out for American interest?"

It should not be our intentions to erect barriers to trade in the United States, but rather to tear down barriers by our foreign trading partners to American commerce. I believe S. 1404 does exactly that! It is not protectionist legislation, and no one should construe it as such. Mr. President, I see no reason to further delay bringing this bill to the floor for consideration.

THE TRADE CRISIS

Mr. BENTSEN. Mr. President, I am frequently asked by my constituents to compare our economy at the same stage last year and today. In mid-1984, the economy was robust. Unemployment was falling steadily to 7.8 percent in April, to 7.5 percent in May, and 7.2 percent in June 1984. Industrial production was rising steadily. The industrial production index of the Federal Reserve System, for example, hit 162 in April, 163 in May, and 166 in July. Productivity was rising handsomely, as well. In the first quarter of 1984, it rose 2.9 percent, and rose another 5.5 percent in the second quarter.

In short, at this time last year, our economy was healthy. Unemployment was falling—production was rising.

Since then, the bottom has fallen out. Unemployment has moved sideways and sits today at the same 7.3 percent we saw 1 year ago. Industrial production is scarcely higher now than it was last summer. And productivity has fallen in two of the last three quarters, to sit at a lower level today than last summer, as well. Real GNP growth has slowed to a scant 1-percent rate since January—compared to a 5.9-percent rate in 1984.

The economy has hit a stone wall. We have been behaving over the last year as though an anchor was increas-

ingly slowing our progress. And we face increasingly stormy weather ahead.

When my constituents ask why the economy has ground to a near halt, I point to our foreign trade account. In the last three quarters, domestic demand has continued to rise at a handsome 5-percent rate or greater. Yet, each month, half or more of that domestic demand has been deflected abroad, spent on foreign goods, not U.S. goods. So, while domestic demand has remained robust, domestic production and GNP has been wallowing sideways. A critical portion of rising domestic demand has gone aboard, creating jobs and producing income for foreign workers, and not here at home.

This diversion of American income abroad has affected economic sectors differently. The service sector, for example, does not compete directly with foreign products and so continues to benefit from robust domestic demand. In fact, over 2 million service sector jobs have been created in the last year. The U.S. manufacturing sector, on the other hand, does compete directly with foreign products. That sector has borne the brunt of the diversion of domestic demand abroad. My constituents asked why American manufacturers are losing sales to foreign producers. There are two major reasons. First, the runaway budget deficits have lured billions of foreign dollars here seeking our high interest rates. These inflows pushed the dollar up far beyond its equilibrium value on foreign exchange markets, and artificially cheapened imported goods. The second reason is more straightforward. American firms have increasingly faced illegal trade barriers across the world, trade barriers which hobble U.S. exports even when they are the cheapest and best available.

These two factors have dramatically affected U.S. and world trade patterns since 1980. Trade, measured by import statistics, has declined in real terms. That grim situation primarily reflects the weak world economy and the growing use of illegal trade barriers. In fact, I believe the United States is just about the only major market still largely open to the free flow of imports and exports. That has made our economy target No. 1 for nations seeking to increase exports and keep the income and jobs thereby produced by not increasing imports at the same time. U.S. imports, for example, have increased $84 billion since 1980, even though the volume of world imports have declined. Because of our free and open markets and trade barriers abroad, imports have gushed ashore while U.S. exports have stagnated. That has meant lost jobs—as many as 3 million jobs transferred abroad—and a diminished ability to compete in world markets.

TRADE DETERIORATION

These trends are reflected most clearly in our sagging merchandise trade balance. Back in 1980, our trade gap was a negative $36 billion; we imported $36 billion more than we exported. By 1984, that gap had soared threefold to $123 billion. And administration officials have projected a deficit this year of as much as $160 billion. All of this increased trade deficit has been in manufactured goods. In fact, we imported $96 billion more manufactured products last year than in 1980—an amount roughly comparable to the deterioration in our trade balance.

So our manufacturing sector has borne the brunt of our deteriorating international trade position and our deteriorating international trade position is the cause of our economic slowdown. With economic growth of only 1 percent occurring since January, our economy is firmly mired in what economists call a growth recession. We are not in a recession yet. But, economic growth has slowed to the point where relatively few jobs on balance are being created.

As I noted earlier, the service sector continues to grow and to produce jobs, although most are relatively low-wage jobs. In contrast, employment in our hard-hit manufacturing sector has declined every month since last January. In fact, there are 1.7 million fewer manufacturing jobs today than in 1979. Without an improvement in our manufacturing sector, it is possible that job creation will slow to the point where unemployment begins rising later this year. I hope that doesn't occur. And the Federal Reserve Board of Governors is certainly doing everything it can to boost the money supply and prevent a further downturn.

REGAINING ECONOMIC GROWTH

There are two steps beyond an expansionary monetary policy which our Government must take to restore economic health. Both steps involve buttressing our manufacturing sector and improving our trade balance. First, the budget deficits must be reined in to permit interest rates to fall. At the same time, a much more aggressive effort must be taken to lower foreign trade barriers.

The world has become increasingly dominated by nations who export and not import. Economic historians call such behavior "mercantilism." I call it "begger-thy-neighbor." It essentially is designed to transfer jobs, income and wealth from their trading partners to the mercantilists. It isn't responsible behavior nor does it promote economic well-being or rising standards of living in all nations. Indeed, it directly contradicts the benefits to all nations of a free and open trading system. It violates the fundamental precepts of free trade. And it is a practice which this Nation has permitted to increase by leaps and bounds in recent years to our distinct and growing disadvantage. The administration, frankly, has stood idly by without a trade policy while mercantilism has spread like wildfire from Japan to its emulators—nations like Korea and Taiwan—hoping to grow at others' expense. Their efforts to make trade a one-way street stand in sharp contrast to nations like Hong Kong, which carries on a vigorous free trade. Other nations have been quick to call these one-way traders to account. Their exports to Europe, for example, increasingly encounter the sorts of hurdles they themselves have thrown up. Indeed, as I said earlier, the United States has been the major recipient of the world's growth in imports in recent years. Japan, for example, has increased its exports by $25 billion since 1980. Fully 80 percent or $20 billion of that export growth has gone to the United States.

A TRADE POLICY

I see two reasons why the United States must adopt an aggressive international trade policy.

First, there is a fundamental need for fairness in trade. Nations which don't play by free trade rules should be brought to account and encouraged to play by those rules. After World War II, we established the General Agreement on Tariff and Trade [GATT]. It was designed to establish a multinational framework and mechanism for the reduction of trade barriers and the promotion of free trade. GATT is a toothless tiger, no longer able to do the job. It needs reform badly. For one thing, its provisions only apply to a scant 5 percent of world trade, according to members of the President's Commission on Industrial Competitiveness. So, GATT must be reformed and expanded to move the world back again towards free trade. And steps by this country, including my recently introduced trade legislation designed to encourage free trade, promote that effort.

The second reason to move the world away from mercantilism is that it distorts growth patterns at the expense of free trading nations. In other words, nations which maintain free and open markets at great expense do not receive the benefits of growth which accrued to their competitor nations running large export surpluses. Let me explain. Serving both protected domestic markets and foreign markets, mercantilist exporters achieve economies of scale in production and marketing which typically result in rising profits and expanded corporate cash-flows. These markets, profits and cash-flows come at the expense of foreign competitors who don't have comparable protective markets in their own economies. Put simply, Japanese semiconductor firms, for example, disproportionately profit from Japanese nontariff barriers against U.S. semi-

conductors. That extra margin enables Japanese firms to undertake research and development and to purchase state-of-the-art production hardware which American firms may well be denied due to their limited export sales and profits. In future years those advantages multiply, enabling foreign firms to increase their productivity and reduce unit labor costs more efficiently than hamstrung American firms. And such advantages, once gained, will almost surely never be relinquished. So foreign trade barriers post a threat not only in terms of fairness but in terms of America's long-term competitiveness.

Table I indicates American industries which have lost their international trade advantage since 1980. The list is extensive, including semiconductors, telephone equipment and electric machinery. And I ask unanimous consent for this table to appear at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE I.—U.S. INDUSTRIES LOSING INTERNATIONAL TRADE ADVANTAGE

[In millions of dollars]

Product	Balance of trade		
	1980	1984	1985 [1]
Semiconductors	140	[2] (2,200)	(3,240)
Electronic components	470	(2,700)	(3,800)
Photography equipment including photocopying	700	(300)	(500)
General aviation aircraft	200	(420)	.....
Shipbuilding/repair	370	(185)	(50)
Confectionary products	60	(74)	(100)
Textiles	450	(2,200)	.....
Leather goods	55	(90)	.....
Household appliances	230	(1,100)	(1,365)
Telephone equipment	140	(450)	(1,700)
Musical instruments	50	(220)	.....
Tool and dies	50	(20)	(60)
Computer controlled machinery centers [3]	6	(150)	.....
Robots [4]	5	(0)	.....
Electrical machinery	2,200	(3,900)	.....

[1] Department of Commerce estimate.
[2] ( ) signifies balance of trade deficit.
[3] 1979 and 1983 data.
[4] 1979 data.

Source: "1985 U.S. Industrial Outlook, Department of Commerce."

Mr. BENTSEN. This table vividly indicates the competitive threat proposed by international trade barriers and the bloated dollar. The industries in this table include high technology, consumer durable and even food production. One thing share in common is tough foreign competition by firms which have become increasingly more efficient in recent years. These industries are on the cutting edge of the competitiveness challenge facing our Nation. It is a challenge most easily understood in terms of the need to maintain a well-run, comprehensive industrial base—a prerequisite for any great economic power. And it is a challenge which directly affected our ability in the future to increase per capita incomes and our standard of living through high levels of productivity growth. Many other factors affect competitiveness, but productivity is perhaps the most important single variable. And in the last 4 years, even including the recovery 1983 and 1984 years, U.S. productivity growth has lagged growth abroad. We are losing the competitive challenge, and we will continue to slip behind our international competitors until we deal with our trade gap.

The legislation I introduced last Wednesday, S. 1449, the Trade Emergency and Export Promotion Act, is designed to move the world back onto the path of free trade. It puts the most egregious mercantilists on alert that the United States will no longer be a trade patsy. We want them to play by the free trade rules just as we do. Nor are we willing any longer to have our long-run competitiveness challenged and eroded, with the risks they carry for the American standard of living in the future.

American competitiveness is the challenge. Regaining a balanced and growing trade system is key to meeting that challenge. It's time to talk softly and begin to reassert our Nation's interest and the world's interest in expanding world trade based on free trade, not managed trade.

UNITED STATES-JAPAN TRADE RELATIONS

Mr. BAUCUS. Mr. President, I was glad to hear the majority leader say he wanted to bring up the Finance Committee Japanese trade bill before the August recess.

As I, the Senator from Missouri, the Senator from Texas, and our colleagues have said frequently, Congress must act on trade policy because the administration has failed to act. This administration has no international trade policy. I say that not to denigrate Ambassador Yeutter—I respect him greatly and I fully expect he will fight aggressively for U.S. interests. Nevertheless, the vacuum exists, and Congress will step in to fill the void.

Congress must also act because it appears that in the face of executive branch passivity, congressional action is necessary to convince the Japanese Government and Japanese businessmen that failure to increase imports will result in retaliation.

We walk a fine line here. We all wish to avoid a trade war. Shrinking the world's markets will not benefit either the United States or Japan—or any other country. At the same time we are unwilling to exempt Japan from the obligations of its position in the world economy.

Japan must accept the responsibilities as well as the benefits of its position as the second largest economic power in the free world. It cannot engage in one-way trade.

I believe it is absolutely critical that Japan increase its imports. I have spoken on this before. Last year I spoke frequently about Japan's barriers to beef imports. Along with the STR I leaned hard on the Japanese about this and we were able to make some small progress.

This year I have spoken—both here and in Japan—about the barriers to forest products. Currently the United States and Japan are engaged in something called MOSS negotiations—negotiations on Japanese barriers to products in four sectors. The forest products negotiations are not going well. The Japanese must understand that three out of four won't do. We expect progress on forest products.

Further, we expect serious market opening. By that I do not mean just formal statements. I mean actual increased imports.

That is why, Mr. President, I along with my colleagues supported S. 1404. That is why I have been working with Senator CHILES and Senator BOREN on an amendment to S. 1404 that would make clear to the Japanese that the action we want is more sales to Japan not fewer exports from Japan. I was glad to hear the Senator from Missouri say he believed our amendment would improve S. 1404.

In conclusion, Mr. President, let me say that our trade problems will require many solutions. We must reduce our budget deficit. We must act to bring down the value of the dollar. But the fact that we bear some of the blame does not—and must not—absolve other countries of their responsibilities. We expect Japan to accept our products. We expect the administration to fight for our interests abroad.

RECOGNITION OF SENATOR GORTON

The PRESIDING OFFICER. Under the previous order, the Senator from Washington [Mr. GORTON] is recognized for not to exceed 15 minutes.

Mr. GORTON. Mr. President, first, I thank the Senator from Wisconsin for deferring to me at this time.

THE HIGHWAY BEAUTIFICATION ACT OF 1985

Mr. GORTON. Mr. President, in the words of William F. Buckley, Jr., "Billboards are an act of aggression against the American landscape." In 1965 the Congress enacted the Highway Beautification Act to rescue the landscape, at least along the Federal highways, from this aggression. Twenty years later, however, we are unable to celebrate the act's success. To the contrary, its results have been exactly the opposite of its original intention. It is riddled with loopholes that allow billboards all along the Federal highways, in rural as well as urban areas. And it prevents our States and local commu-

nities from enforcing their own standards of scenic beauty.

My colleagues and I today are introducing the Highway Beautification Act of 1985. Its purpose is to return to the goals of the 1965 law. We want to protect the enormous investment the taxpayers have made in the Federal highways, by protecting America's scenic beauty along those highways.

The 1965 act required that States enact laws controlling outdoor advertising along the Federal highways. In general, it banned billboards in rural areas and allowed them in urban—commercial or industrial—areas. The States had to pay compensation to billboard and landowners for signs removed under the act, but the law left State and local governments free to impose stricter standards, and free to use the traditional zoning mechanism of amortization rather than cash payments to compensate billboard owners in urban areas.

The act therefore created three classes of billboards: Legal signs, which are exempted from Federal control, and include landmark, real estate signs, and those in commercial or industrial areas—zoned or unzoned; nonconforming signs, which were legal before the act, but now must be removed; and illegal signs, which are erected in areas in which signs are banned. States must pay compensation to remove nonconforming signs, of which the Federal Government must pay 75 percent. No compensation is required for illegal signs.

In 1978 the billboard lobby promoted—successfully—an amendment requiring compensation whenever a nonconforming billboard is removed from the interstate and Federal primary highways under any State or local land use control, environmental, or zoning law. This unprecedented extension of Federal control over local zoning laws was extremely effective in providing a windfall to the billboard industry—it added 259 million dollars' worth of signs to the group requiring compensation—and in preventing communities like Bellevue, WA, and Montgomery County, MD, from removing billboards along the Federal highways crisscrossing their communities.

Two recent Government reports, one by the General Accounting Office and one by the Department of Transportation's Inspector General, document the failure of the Highway Beautification Act of 1965. We have spent over $200 million in taxpayers' money and removed 115,000 billboards. Yet 120,000 nonconforming billboards remain to be removed: More than half, after 20 years. Congress, wisely, is no longer authorizing or appropriating money for this program, and when the small reserve disappears, the Federal Scenic Beauty Program will grind to a halt, freezing standing billboards, despite 20 years' notice that they should be removed.

Is the answer to appropriate more money? The Federal Highway Administration estimates that the cost to the Federal Treasury of removing all currently nonconforming signs is approximately $750 million. Any program of this size would be irresponsible in light of the huge Federal deficit. This program, however, is worse than irresponsible. The inspector general's and GAO reports make it clear that, despite the sign removal that has occurred, in States without stricter laws, the Highway Beautification Act has resulted in little aesthetic improvement.

There are several reasons for this. First, and most importantly, there is an enormous loophole in the act which allows billboards in unzoned commercial or industrial areas. At best, this means a cluster of billboards can stand around a country store or gas station. At worst, billboards are erected around sham commercial buildings—shacks, or a single gas pump standing in a field. This provision results in billboards along stretches of Federal highways in the otherwise beautiful countryside, directly contrary to the spirit of the Beautification Act. According to the GAO, billboard owners put up 4,712 signs in these rural loophole areas in 1983. That is twice as many billboards as the Government paid to remove in the same year.

There are other reasons why the law is ineffective. Many States remove only those billboards volunteered by the industry, which naturally offers its least profitable signs, and uses the Federal dollars gained to build new billboards, sometimes just down the road. Often billboards, although paid for, are not removed, sometimes for years. Some States make no effort to remove even illegal signs, and the Federal Highway Administration's less-than-zealous enforcement of the law poses no threat to those States' highway funds. And, to add insult to injury, billboard owners cut down thousands of dollars' worth of trees and landscaping along the Federal rights-of-way to make their billboards more visible.

The bill we are introducing today is designed to plug the loopholes and fix the defects; to make the Highway Beautification Program work. The bill:

Bans new billboards along the Federal highways in urban areas. Combined with the existing ban in rural areas, this will at least stop the visual pollution from getting worse;

Prohibits tree cutting on the State right-of-way to make signs more visible, except for official signs;'

Closes the rural loophole, which allows signs in unzoned commercial and industrial areas, and provides a 5-year amortization period for these newly nonconforming signs; and

Eliminates all requirements of Federal compensation for billboard removal or relocation. This leaves the States free to use compensation or amortization for existing, nonconforming signs.

Our bill also strengthens the enforcement provision by removing the Secretary of Transportation's discretion to waive penalties, and it requires an annual report of compliance. This annual report will also document the development of standard directional signs for the benefit of roadside businesses. The 1965 act, as amended, encourages the development of standard signs with business logos. These attractive signs inform travelers of the location of roadside businesses, and are being used in Washington, Virginia, Vermont, and other States concerned about scenic beauty and concerned about serving the traveling public. We strongly endorse this system of standard signs with business logos, and intend the reporting requirement to spur the Secretary into action in promoting this system.

Our bill is a comprehensive approach to reforming the Highway Beautification Program. There may yet be problems we need to address, such as the prevalence of phony zoning, that is, commercial zoning in rural areas solely to allow billboards; and the use of legitimate exceptions to the law for directional signs or real estate signs to harbor advertising billboards. I look forward to early hearings on this bill which will clarify the problems in the law. The Highway Beautification Act is complex, and our approach in these amendments is necessarily a flexibile one.

There have been several excellent articles on the failure of the Highway Beautification Act, and I ask unanimous consent that two of them be printed in the RECORD following my statement, together with the bill, followed by a section-by-section analysis.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. GORTON. Mr. President, America spends hundreds of millions of dollars every year to set aside natural and scenic areas that protect our wildlife, our prairies, our forests, and other natural wonders. Our architects and builders create some of the world's most magnificent cities. We clean up water and air pollution and control noise. But we have largely ignored the visual pollution that constantly degrades our lives and jars our senses. The Highway Beautification Act of 1985 will curb the visual pollution of billboards along the Federal highways in our cities and towns, and will eradicate billboards along the Federal highways in the American countryside. It is an aggressive approach, but one that is needed, to counter this "act of

aggression against the American landscape."

EXHIBIT 1

[From the Washington Post, Jan. 9, 1985]

LADY BIRD'S LEGACY LANGUISHES—BILLBOARDS REPORTED BLOSSOMING DESPITE 1965 SIGN-CONTROL ACT

(By Douglas B. Feaver)

The story is that Lady Bird Johnson didn't like the view when she looked out her automobile window and saw a forest of billboards and junkyards. Her interest in improving the vista provided the top-level impetus for the Highway Beautification Act of 1965.

Twenty years later, the General Accounting Office said in a report, part of the program has fallen on hard times, a victim of money shortages, bureaucratic indifference and a 1978 amendment, backed by the billboard industry, that made it more difficult to get the signs down.

The GAO report, officially released today by Senate Environment and Public Works Committee Chairman Robert T. Stafford (R-Vt.), is buttressed by a recent report by the Transportation Department's inspector general, Joseph P. Welsch. He looked at sign-removal programs in the Southeast and said that the "Outdoor Advertising Control Program had not significantly improved the aesthetic quality or the recreational value of the region's primary and interstate highways."

In many states, according to the two reports, more signs are going up than are coming down, the states aren't enforcing the law and the Federal Highway Administration (FHWA) isn't encouraging them to do so, and federal funds to back the program have disappeared.

Furthermore, Welsch reported, an FHWA policy permits sign owners to clear trees and other vegetation in the rights of way along federally supported highways. "If vegetation control was not permitted," Welsch noted, "many nonconforming signs would become obscured from highway view and acquisition would not be necessary." He strongly recommended that the policy be rescinded.

"Nonconforming" and "acquisition" are key words to understanding the federal program. A nonconforming sign is one that was legal when the law was written, but is no more. An illegal sign was and is illegal.

To get a nonconforming sign off the roadside, the state government first must buy it, and technically, it can use federal money to pay 75 percent of the cost. An illegal sign can be removed at any time and does not qualify for reimbursement.

The 1978 amendment extended the requirement for compensation to signs in towns and cities along federally supported highways. Those signs previously had been subject to local zoning laws, which meant nonconforming signs could be removed after a period. In many jurisdiction—Montgomery County was one—tough sign-control laws were having some effect. After the amendment was passed, those laws were preempted.

Congressional enthusiasm for the program declined to the point in fiscal 1984 that no money was appropriated for sign removal. At present, the GAO said, the FHWA estimates there are about 120,000 nonconforming signs across the country that would cost $427 million in federal funds to remove.

Even if the program had money, it doesn't work that well. The GAO found three signs in one Louisiana highway district that were still standing more than two years after being purchased by the state.

Welsch reported that under the present program, sign owners have been able to volunteeer signs for sale and have "received income that could be used to erect new signs."

Under the 1965 law, the transportation secretary is authorized to withhold 10 percent of federal highway aid from any state that has not established an effective sign-control program. South Dakota lost some federal highway money in 1977—the only time such a sanction has been imposed for any reason.

In June 1983, the FHWA recommended new legislation to limit the federal program to rural interstate routes, which would thus restore local zoning laws. It also recommended the elimination of mandatory compensation to sign owners and other actions. Eighteen months later, that proposal resides somewhere in the transportation secretary's review process.

Federal Highway Administrator R.A. Barnhart said yesterday; "I think the program needs some drastic revision. I think that it's more imperative that we do what we can to improve safety on the highway and to save lives more than to worry about whether someone's aesthetic sense is offended by a billboard."

Someone whose aesthetic sense is offended is Georgian Charles Floyd, president of a small group called the Coalition for Scenic Beauty. Floyd, who for years has demanded that the law be enforced, said yesterday that the current law is "not meeting any of its original objectives, to prevent the spread of blight along our highways and to eliminate existing blight."

He is lobbying for legislation that would, among other things, prohibit new signs along highways and "the outrageous practice of cutting trees" to make signs easily visible.

[From Newsweek, Dec. 10, 1984]

HIGHWAYS ARE STILL BUY WAYS

Like it or not, the highway billboard has its place in American folklore and literature. Kids on cross-country trips once delighted in the onrushing lines of Burma Shave doggerel as their parents' hearts sank at the miles remaining to Harolds Club in Reno. In F. Scott Fitzgerald's "The Great Gatsby," crazed car dealer George Wilson identifies the painted eyes of Doctor T. J. Eckleburg, whose retinas are a yard high, with the eyes of God. But a present-day George Wilson might not even notice them among all the other clutter. For every 10 miles of highway there are 14 billboards competing with the scenery—and the other cars on the road—for motorists' attention.

Back in 1956, at the time of Lady Bird Johnson's well-publicized campaign to clean up the countryside, Congress passed the Highway Beautification Act, which required states to remove all billboards within 660 feet of federal highways in noncommercial areas and provided for compensation to billboard and land owners. As of last year, some 587,000 had been removed, and the construction of at least as many new ones had been prevented. But any celebrations marking the law's 20th anniversary next year are likely to be thrown by the billboard industry. There are still some 500,000 free-standing signs on federal highways alone, and the government appears to have lost interest in enforcing the law. The General Accounting Office will soon release a report denouncing the number of illegal billboards still standing, the cutting of trees on the public right of way to render billboards more visible and the Department of Transportation's lax enforcement.

"That law was of absolutely no use," says Marion Fuller Brown of York, Maine, a founding member of the Coalition for Scenic Beauty, a Washington-based conservation group. "It has so many loopholes it became an umbrella to put up more billboards." Indeed, it was supported by the industry's lobbying group, the Outdoor Advertising Association of America. The law implicitly allowed billboards more than 660 feet from federal highways, and advertisers consequently took to building "jumbos"—monster billboards whose average size is about 2,000 square feet—beyond the 660-foot limit. It also permitted billboards in commercial and industrial zones: some counties and states obligingly rezoned rural areas; Wyoming simply classified as commercial all strips adjoining highways in rural areas.

VALUE

The section of the law most favorable to advertisers is that requiring compensation to owners for billboards that are removed. "All we're seeking, really, is to be treated the same as any other legitimate business," says Rob Schmerler of the Houston office of Foster and Kleiser, owner of signs in 12 metropolitan areas. "If you're taking our business, give us the fair value of it." Opponents of billboards say firms are adequately compensated by "amortization": writing off the anticipated losses on taxes over several years before the signs are removed. But a 1978 amendment, pushed by the billboard lobby, requires cash compensation (25 percent paid by the state and 75 percent by the U.S. government) for signs removed under state and local ordinances as well. And Congress has been reluctant to appropriate money: at the 1983 rate of funding, the last billboard covered by the Highway Beautification Act wouldn't come down for another 2,000 years.

Some states haven't been willing to wait. Oregon, Washington, Alaska, Maine and Vermont have nearly eliminated billboards through state legislation; Hawaii outlawed them in 1926. Others, including Virginia and Iowa, have state-maintained systems of uniform signs for restaurants and gas stations. Conservationists are cautiously heartened by the example of Houston, which the Coalition for Scenic Beauty calls the billboard capital of the United States and which local architect and anti-billboard activist Ralph Anderson Jr. says is getting a reputation as "the armpit of Texas." A 1980 sign ordinance set limits on size and proximity, ordered billboards removed from scenic drives and forbade the construction of new ones within the city limits. Anything still goes in unincorporated suburban areas, but the number of billboards in the city has dropped from about 7,000 in 1983 to 5,400. In 1983 the state legislature passed an industry-sponsored bill requiring cash compensation from cities to billboard owners, but it was vetoed—at the urging of Houston Mayor Kathy Whitmire and Dallas Mayor Starke Taylor—by Gov. Mark White, who believed Houston's six-year amortization period was compensation aplenty.

FAILURE

But elsewhere billboards are in little danger: in Florida and Georgia there are actually more now than in 1965. In 1982 the Sierra Club filed a suit charging the Federal

Highway Administration and the Department of Transportation with failure to enforce the Highway Beautification Act in South Carolina, which a club attorney calls "one of the worst states" in terms of visual pollution. A U.S. district court decided in 1983 that a private group can't bring suit to make the government enforce a law; the decision was appealed, and a ruling is expected in the next couple of months.

"The business is stronger today than ever before," says Jean Smith, head of Baltimore's Eastern Outdoor Advertising Co. She has every reason to think so. The billboard lobby, say congressional staffers, is one of the five most effective on Capitol Hill. Environmentalism, especially with an antibusiness taint, is unfashionable in the Reagan era. And it may be hard to arouse a public not only inured to having a quarter of prime-time television usurped by commercials but willing to be used as walking signboards by the makers of T shirts and designer jeans. In 1984, it's not Big Brother but Doctor T.J. Eckleburg who's watching.

S. 1494

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Highway Beautification Act of 1985".

SEC. 2. (a) Section 131 of title 23, United States Code, is amended—

(1) by striking out the last sentence of subsection (b),

(2) by striking out "Subject to compliance with subsection (g) of this section for the payment of just compensation, nothing" in subsection (k) and inserting in lieu thereof "Nothing",

(3) by striking out "or as to unzoned commercial or industrial areas in which signs, displays, and devices may be erected and maintained under subsection (d) of this section," in subsection (1),

(4) by striking out subsections (g), (m), (n), (o), and (p) and redesignating subsections (h), (i), (j), (k), (l), and (q) as subsections (g), (h), (i), (j), (k), and (l), and

(5) by adding at the end thereof the following new subsection:

"(m) By no later than January 15 of each year, the Secretary shall submit to the Congress a detailed, annual report on the extent to which each of the States is complying with the requirements of this section. Such report shall include an analysis of the efforts of the Secretary to promote the use of the signs, displays, and devices providing specific information in the interest of the traveling public in each State which are allowed under subsections (f) and (l).".

(b) Subsections (d) and (e) of section 131 of title 23, United States Code, are amended to read as follows:

"(d) For purposes of this section, a State shall be treated as failing to provide effective control of the erection and maintenance of outdoor advertising signs, displays, and devices if the State allows vegetation located on any land on which the State (or any political subdivision of the State) owns a right-of-way for any highway on the Interstate system or the primary system to be cut, altered, or removed for the purpose of improving the visibility of any outdoor advertising sign, display, or device which—

"(1) does not conform to the requirements of this section, but which is not required to be removed by reason of subsection (e), or

"(2) is described in clause (2), (3), (4), or (5) of subsection (c).

"(e) Notwithstanding subsection (c), for purposes of this section, effective control of the erection and maintenance of outdoor advertising signs, displays, and devices does not require—

"(1) the removal before July 25, 1990, of any sign, display, or device which—

"(A) is lawfully in existence on July 25, 1985, and

"(B) is located in an unzoned commercial or industrial area, or

"(2) the removal of any sign, display, or device which—

"(A) is lawfully in existence on July 25, 1985, and

"(3) is located in an area zoned industrial or commercial.".

SEC. 3. The amendments made by this Act shall apply with respect to each State after the close of the first regular session of the legislature of such State that occurs after the date of enactment of this Act.

SECTION-BY-SECTION ANALYSIS OF THE HIGHWAY BEAUTIFICATION ACT OF 1985

Sec. 2(a)(1) removes the Secretary of Transportation's discretion to suspend the penalty for nonconformance with the Act.

Sec. 2(a)(2) permits the states to have stricter sign laws without a federal requirement of cash compensation for removal of nonconforming signs. State or local laws for compensation or amortization would apply.

Sec. 2(a)(3) is a conforming amendment which removes the loophole in the current law permitting signs in rural areas (unzoned commercial or industrial areas).

Sec. 2(a)(4) strikes all sections of the Act requiring federal compensation for the removal of nonconforming billboards. Retains bonus payment provision.

Sec. 2(a)(5) adds a new subsection requiring an annual report on state compliance with the Act, including information on the extent to which states are developing standard signs for roadside businesses.

Sec. 2(b) eliminates subsection (d) in the current law, which permits signs in both zoned and unzoned commercial or industrial areas. In effect, bans new signs in these areas.

Adds a new subsection (d) which prohibits destruction of vegetation on highway rights-of-way except in front of official signs.

Substitutes a new subsection (e)(1) which provides a five-year amortization period for signs in unzoned commercial or industrial areas made nonconforming by this bill. After five years, signs must come down.

Substitutes a new subsection (e)(2) which allows signs standing in areas zoned commercial or industrial on the date of introduction to remain standing.

Section 3 provides that the law goes into effect in each state after the end of the first regular session of the state legislature after the date of enactment.

● Mr. CHAFEE. Mr. President, I am pleased to join Senator GORTON in sponsoring this legislation to revive the motivating spirit behind the Highway Beautification Act of 1965.

As anyone who uses Federal interstate and primary roadways knows, that act has failed to accomplish the goal set forth in its title. Miles and miles of our highways continue to be cluttered with billboards that assault the vision and block the landscape. Beautification may have been the intent of the 1965 act, but over the years its many loopholes have allowed the construction of thousands of huge, unsightly billboards.

Ironically, the first Highway Beautification Act has almost halted the fight to end the pollution of our highways by new billboards. Despite the $203 million the Federal Government has spent on outdoor advertising control since 1965, the billboard industry continues to add new signs—18,000 in 1983 alone. Currently the law requires that these companies receive compensation for signs removed, according to a formula by which the Federal Government must pay three quarters of the total amount. Since appropriations for this purpose have dwindled in the last few years, State governments attempting to clean up the scenery along their roadways have been stymied.

The legislation we are introducing today addresses this and other problems of the 1965 act by giving new strength to highway beautification laws. It bans construction of new billboards on Federal-aid highways and returns control of existing billboards to the States. The Federal cash-compensation requirement is eliminated under this act, allowing the beautification efforts of State governments to move forward.

To further protect the scenic beauty of our roadways, this bill prohibits the cutting of trees to increase the visibility of billboards. Currently legal under Federal law, this practice has destroyed thousands of trees in a number of States, and clearly demonstrates that the priorities of outdoor advertising control have been subverted in favor of the visual degradation of our highways.

In response to the General Accounting Office recommendations that the Department of Transportation establish stronger policy enforcement, this act also requires the Secretary to report to Congress on an annual basis as to how the States are complying with the act. It also calls for the Secretary to encourage the use of alternatives to billboards, such as official information signs bearings the logos or the names of businesses located on or near highways.

The latter type of signs have proven very successful in States that have taken the lead in highway beautification, and I believe strongly that it is time for the rest of the Nation to follow their example. Advertising has intruded upon the scenic beauty of America's highways for too long. It is time to put teeth into the ideal of highway beautification. This act will do just that and I urge my colleagues to join me in supporting it.●

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER. Under the previous order, the Senator from Wisconsin [Mr. PROXMIRE] is recognized for not to exceed 15 minutes.

WHY SCIENTIST QUIT $1,000 PER DAY JOB IN STAR WARS AND CALLS IT IMPOSSIBLE

Mr. PROXMIRE. Mr. President, on July 11 a computer scientist resigned from a $1,000-a-day job—that is $1,000, not $500, but a $1,000-a-day job—on a "panel on computing in support of battle management" for the administration's strategic defense initiative, or star wars. The scientist is Prof. David Parnas, a U.S. citizen who teaches at the University of Victoria in British Columbia. Professor Parnas provided reasons for his resignation that should give very considerable pause to Congress in response to requests to provide additional multibillion-dollar funding for star wars.

Why did this expert walk away from this $1,000-a-day job? The reason goes right to the heart of the problem with the star wars antimissile defense. Professor Parnas argues that it will never be possible to provide a realistic test of the vast array of computers that would connect and direct the many sensors, the aiming, the guiding devices, and the battle management stations. These would have to work, and work perfectly, the first time in order to provide protection.

In Parnas' letter of resignation, he wrote, "Because of the extreme demands on the system and our inability to test it, we will never be able to believe, with any confidence, that we have succeeded."

First, Mr. President, let us dwell for a long minute on that contention. Obviously Parnas is dead right. We never can test star wars in anything approaching the task of finding and knocking out thousands of incoming nuclear missiles. So as Parnas says we cannot ever believe with any confidence that we have succeeded. He's right. Then he concluded with a short sentence that should shock Members of the Congress prepared to appropriate billions on this project—and I quote: "Most of the money spent will be wasted." Let me repeat that, Mr. President: This computer expert has quit, walked away from this thousand dollar a day job because in his expert view, "Most of the money spent will be wasted."

What Professor Parnas was especially concerned about was one relatively limited phase of the star wars technology but a phase quintessential to the success of the star wars program, that is, the computer technology. Ironically, it is in the computer technology where the frontiers of knowledge have been already most vigorously advanced and especially by the United States.

For more than 10 years virtually 100 percent of American industrial plants that employ 500 or more employees have been using mainframe computers. The computer technology has advanced spectacularly. And Professor Parnas is obviously one of its outstanding experts. This is precisely why the Defense Department hired him for $1,000 a day as a consultant. In a story on July 12, New York Times reporter Charles Mohr quotes Com. James Offutt, an official with the strategic defense office, as conceding that it is "probably true" that current techniques of writing computer programs would not be reliable. Offutt said this is why they hired people like Professor Parnas at skyhigh pay.

Mr. President, this is like a college deciding they want a mile runner who can run the mile not in the present world record time of about 3 minutes and 47 seconds. They want milers who can run a 2-minute mile. So they pay the best track coaches in the world to tell them how to train an athlete who can run the 100-yard dash in 5 seconds, the mile in 2 minutes and pole vault 35 feet. One of the top coaches is honest enough to say: "You can take your huge consulting fees and stuff it. We can't train people to run twice as fast and jump twice as high." The college official might respond like Commander Offutt and say, "Sure it's tough but this is just why we hired you experts and paid you such huge amounts. So forget about this impossible stuff and tell us how to do it."

In his letter to Commander Offutt, Professor Parnas responded to President Reagan's request to work toward making nuclear weapons obsolete and impotent. He wrote, "I believe it is our duty, as scientists and engineers to reply that we have no technological magic that will accomplish that."

Is Professor Parnas perhaps an ideologue? Could his objection be based on some kind of opposition to a nuclear arms race in space? No way. Charles Mohr reports in the New York Times that Professor Parnas worked full time at the Office of Naval Research from 1980–82. He helped develop the battle computer program for the A–7 fighter-bomber and other Navy systems. And he specifically said that his objections were not ideological. He said he had "no objections to weapons development in general."

Mr. President, I ask unanimous consent that the article to which I referred by Charles Mohr in the July 12 New York Times headlined: "Scientist Quits Antimissile Panel, Saying Task Is Impossible" be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SCIENTIST QUITS ANTIMISSILE PANEL, SAYING TASK IS IMPOSSIBLE

(By Charles Mohr)

WASHINGTON, July 11—A computer scientists has resigned from an advisory panel on antimissile defense, asserting that it will never be possible to program a vast complex of battle management computers reliably or to assume they will work when confronted with a salvo of nuclear missiles.

The scientist, David L. Parnas, a professor at the University of Victoria in Victoria, British Columbia, who is a consultant to the Office of Naval Research in Washington, was one of nine scientists asked by the Strategic Defense Initiative Office to serve at $1,000 a day on the "panel on computing in support of battle management."

Professor Parnas, an American citizen with secret military clearances, said in a letter of resignation June 28 and in 17 pages of accompanying memorandums that it would never be possible to test realistically the large array of computers that would link and control a system of sensors, antimissile weapons, guidance and aiming devices, and battle management stations.

Nor, he protested, would it be possible to follow orthodox computer program-writing practices in which errors and "bugs" are detected and eliminated in prolonged everyday use.

MONEY SPENT WILL BE WASTED

"Because of the extreme demands on the system and our inability to test it, we will never be able to believe, with any confidence, that we have succeeded," he wrote. "Most of the money spent will be wasted."

Comdr. James H. Offutt of the Navy, an official with the strategic defense office, said in an interview Wednesday that it was "probably true" that what he called current techniques of writing computer programs would not be reliable, but he added that Professor Parnas and others had been asked to explore new methods to "unlock" workable procedures.

"That is what S.D.I. is all about—it is a research program," said Commander Offutt, who is deputy director for battle management, command, control and communications. He said the goal was a "realistic testing program" and said he was convinced that this could be done through computer simulation of possible events.

In his letter to Commander Offutt, Professor Parnas took note of President Reagan's 1983 request to the scientists to work toward making nuclear weapons obsolete and impotent.

NO TECHNOLOGICAL MAGIC

"I believe," Professor Parnas said, "that it is our duty, as scientists and engineers, to reply that we have no technological magic that will accomplish that. The President and the public should know that."

Professor Parnas, who worked full time at the Office of Naval Research from 1980 to 1982 and helped develop the battle computer program for the A-7 fighter-bomber and other Navy systems, said that his objections were not ideological and that he had no "objections to weapons development in general."

The professor, who grew up in New York City and previously taught at the University of North Carolina, remains a consultant to the Navy. In a telephone interview Tuesday, he said he reached his conclusions about the program, widely known as a "Star Wars" plan, after attending the first meeting of the experts panel and after pondering the scientific dimensions of the antimissile problem.

The strategic defense office is hoping to spend $33 billion over six years for research and testing on components of an antimissile defense, although Congress cut $400 million from the request last year and is likely to cut at least $700 million this year. Work has only begun on a design of a defense.

Computers and the programs, or software, that control them are a vital element in any

defense. They would be used to help space-based sensors detect and count a hostile missile launching, sort decoys from warheads, calculate trajectories and track targets, aim directed energy or high-speed projectile weapons, assess hits and misses and re-aim weapons and for other tasks.

In his memorandums, the professor put forth detailed explanations of his doubts. He argued that large-scale programs like that envisioned for the program only become reliable through modifications based on realistic use.

He dismissed as unrealistic the idea that program-writing computers, artificial intelligence or mathematical simulation could solve the problem.

Some other scientists have recently expressed public doubts that large-scale programs free of fatal flaws can be written. Herbert Lin, a research fellow at the Massachusetts Institute of Technology, said this month that the basic lesson was that "no program works right the first time."

Professor Parnas wrote that he was sure other experts would disagree with him. But he said many regard the program as "a pot of gold" for research funds or an interesting challenge.

MYTH OF THE DAY: THAT DEFENSE SECRETARY WEINBERGER IS A HAWK

Mr. PROXMIRE. Mr. President, my myth-of-the-day today is that the Secretary of Defense, Caspar Weinberger, is a hawk. The fact: He is not. Caspar Weinberger is a dove.

This Senator has frequently disagreed with Secretary Weinberger over procurement policy. I think he is dead wrong in calling for the MX, the B-1-B, the new nerve gas, the additional aircraft carriers, and the fabulously expensive Star Wars Program. The endless and frequently controversial Weinberger shopping list for bigger and more devastating nuclear and conventional weapons has given the impression that the Secretary of Defense is itching for a fight. To the credit of the Secretary of Defense the opposite is true.

This Secretary has been a vigorous and consistent advocate of an ever bigger and more costly Defense Establishment. But he has been very reluctant—far more reluctant than the Secretary of State, for example, to try to send that military force into action to settle international disputes anywhere any time. Secretary Weinberger has his own convictions on how to build a strong American military powerhouse. I agree with this objective. I agree also with the principle animating that objective, that is, that we must negotiate arms control agreements with the Soviet Union from a position of strength. But I disagree with the Secretary in what constitutes a strong military force. Much of the vast array of procurement the Secretary fights for is redundant, wasteful or obsolete.

The Secretary seems to go along with whatever his generals and admirals in the three services feel might bolster their forces. He has been a pushover and a patsy for defense contractors.

But contradicting these serious weaknesses and far more important is the fact that he has favored caution, prudence and great reluctance in committing this country's massive power to combat. For this he deserves our gratitude. The one significant and regrettable exception was in Grenada.

In his constant insistence that this immensely powerful country with its awesome military power avoid combat, the Secretary's behavior reflects another myth: that our military commanders generally favor military action and intervention. Exactly the contrary is true. The fact is that the foremost advocates in this country of arms control and a peaceful world are our ablest and most distinguished military leaders. Many of them cannot speak out fully until they have retired. But again and again, this Senator has been impressed with how frequently the leaders of peace initiatives are former military commanders.

Why is this? Perhaps it is because these men know and know in grim detail the appalling and total destructive capacity of modern military weapons. Sure they have military training and military experience but they are also human beings and they understand better than most of us the terrible human consequence of modern war.

NATIONAL CPR AWARENESS WEEK

Mr. PROXMIRE. Mr. President, today I am introducing a joint resolution to designate the week of August 25 through 31, 1985 as "National CPR Awareness Week." This week would provide a significant boost to the CPR training program in the United States.

As the leading cause of death in the United States, heart attacks pose one of the greatest national health problems. As many as 1.5 million people will suffer a heart attack in 1985, and of these, almost half will die. Cardiopulmonary resuscitation, a simple first aid procedure, could prevent many of these deaths, but tragically, many people do not know how to perform it. With the success that CPR has had in saving lives that would otherwise have been lost due to heart attacks, it is of vital importance to maximize public participation in CPR training.

National CPR Awareness Week is an ideal way to increase public recognition of the importance of CPR training and to encourage people to sign up for CPR training. The media campaign highlighting the week will draw greatly needed attention to the importance of CPR.

Mr. President, I ask unanimous consent that the resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 175

Whereas heart attacks are the leading cause of death in the United States;

Whereas as many as 1,500,000 Americans may be stricken by a heart attack during 1985;

Whereas cardio-pulmonary resuscitation, commonly referred to as CPR, is a first aid procedure which significantly reduces the incidence of sudden death due to a heart attack; and

Whereas the death rate due to heart attacks would be reduced if more Americans received training in CPR: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of August 25, 1985, through August 31, 1985, is designated as "National CPR Awareness Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate programs and activities.

TERROR IN EAST TIMOR

Mr. PROXMIRE. Mr. President, Amnesty International has released an indepth report on human rights violations in East Timor.

For those who follow the sad situation in East Timor, the report brings up to date the 10-year history of violence and extermination on the island. According to the report, Indonesian forces have systematically tortured and killed residents of the former Portuguese colony since the Indonesian invasion in 1975.

The book details allegation of killing of hundreds of civilians, the disappearance of prisoners, the torture of prisoners taken into custody, and the imprisonment of people without charge from 1975 through 1984.

The report claims there is new evidence of beatings, electric shocks, burning with lighted cigarettes, and sexual abuse—including the rape of women prisoners.

This is the first time that Amnesty International has written such an indepth report on East Timor, but it is not the first time that Amnesty has reported on the situation. In the past, Indonesia claimed that the situation on the island was normal, but each time Amnesty investigated they found new evidence of abuse.

It's hard to know the actual extent of the terror because the Indonesian authorities do not permit outsiders on the island, raising the inference that Indonesia does not want outsiders to see the brutal treatment of the predominantly Roman Catholic population.

Mr. President, it has been 10 long years of terror for East Timorians, and it has been 36 long years since the Genocide Convention was brought before the Senate.

It is easy to ignore the continuing brutality on a small island on the other side of the world. Over the past 36 years, it has also proved easy to ignore our responsibility to end this and all other forms of genocide.

Amnesty International has asked Congress to hold hearings on the tragedy in East Timor and the State Department to review Amnesty's data on the violence there.

Mr. President, ratification of the Genocide Convention would permit us to do more than simply discuss the brutality in East Timor. It would enable us to act to stop this terror.

RECOGNITION OF SENATOR DIXON

The PRESIDING OFFICER. Under the previous order, the Senator from Illinois [Mr. DIXON], is recognized for not to exceed 15 minutes.

Mr. DIXON. I thank the Chair.

THE STATE MINIMUM RETURN ACT OF 1985

Mr. DIXON. Mr. President, I rise today to reintroduce the State Minimum Return Act of 1985, along with my colleagues Senators PROXMIRE, GRASSLEY, LEVIN, and RIEGLE. This act will correct imbalances in the amount of Federal spending that certain States receive in return for the tax dollar they send to Washington

Although this bill contains complex language and provisions, I want to assure my colleagues and the taxpayers of the United States, at the outset, that the bill does not require any increases in spending. Rather, the bill reallocates funds among States within existing spending limits, so as not to increase the deficit.

This bill addresses a very important issue which has caused real hardship in my State of Illinois, and in many other States, principally in the Midwest and Northeast. In 1983, Illinois rceived only 75 cents in Federal spending for each tax dollar it sent to the Federal Government. For the past 30 years, this ratio has been similarly low. Losing a quarter on every dollar is not a good deal to begin with. But when you think in terms of the Federal budget, Illinois and other States are sending billions of dollars to Washington every year that they never see again.

Many of these disadvantaged States were among those that suffered most during the recent recession. They can least afford to lose billions of dollars right now. Government policy should not make a bad situation worse. Rather, it should lend a hand to States whose economies have needed the most help in the recent past.

The bill I am introducing will adjust Federal spending in the categories of Government contracts and grant programs. Contracts and grants accounted for $275 billion of the Federal budget in fiscal 1984, and are the chief sources of imbalances among States. These spending categories help stimulate economic growth, creating jobs and spurring private investment. Grants and contracts cause a "ripple effect" in the economy of a community. The award of a government contract not only creates jobs in the company in which the work is performed. It also increases business and creates jobs in local companies supplying goods to the contractor.

Grant programs that will be eligible for this 10-percent adjustment include those administered by the Departments of Interior, Transportation, Agriculture—except farm income supports—the Environmental Protection Agency, and the U.S. Army Corps of Engineers. These are the grants that create jobs and economic growth in States and communities.

For grant programs that require an income test to determine eligibility for assistance, such as Aid to Families with Dependent Children, this bill will require an increase of 1 percent per year in the share of each eligible State. This increase will ease the fiscal burdens on the State governments of eligible States, which share the cost of these programs; let me add that the bill requires that benefit levels for needy individuals in all States may not be reduced as a result of a shift in the Federal share of these program funds among States.

Disadvantaged States will also receive additional moneys in the area of Federal contracts. With respect to competitive procurements and noncompetitive procurements, the head of each Federal agency will be required to award a contract to a firm that will do the work in a disadvantaged State if it submits a bid from a firm that would do the work elsewhere. This means that if a metal cabinet for a Government office or a rubber fuel line for an Air Force plane can be made in Illinois more cheaply, or at the same price, than it can be made in a State that gets more than its fair share of spending from the Federal Government, that cabinet or fuel line is going to be made in Illinois by workers and businesses in Illinois.

What is being suggested here is a reallocation of Federal moneys among the States, rather than the creation of a new Government spending program. In addition, in order not to penalize the needy and other citizens who currently receive direct Government benefits in all States, the bill will not affect payments to individuals by the Federal Government. Such programs as Social Security, food stamps, supplemental security income, Pell grants, low-income housing assistance, veterans assistance, black lung disability, guaranteed student loan interest subsidies, retirement payments for railroad workers, and Federal workers' compensation, retirement, and disability, and employee life and health insurance will not be affected by the bill.

The State Minimum Return Act is an attempt to develop the comprehensive approach we need to end what amounts to a multibillion dollar penalty being paid each year by Illinois and many other States. By any measure, there is every reason that these States should be getting back their fair share of the Federal budget.

I urge my colleagues to join me in this effort to help these disadvantaged States get back a fair share of their tax dollars.

I ask unanimous consent that a summary of the bill, and the bill itself be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE STATE MINIMUM RETURN ACT OF 1985—SUMMARY

The State Minimum Return Act reallocates spending to states that send more money in taxes to the Federal government than they receive in Federal spending.

States that receive an amount of total Federal spending that is less than 90 percent of the amount they pay out in Federal taxes will receive additional funds in the spending categories of grants-in-aid and procurement contracts.

States that receive an amount of Federal spending that is between 90 percent and 100 percent of the amount they pay out in Federal taxes will receive additional funds in the spending categories of procurement contracts.

A state's eligibility will be determined by the Office of Management and Budget, in consultation with the Census Bureau regarding Federal expenditures and the Treasury regarding tax revenues.

All spending categories are included for the purpose of determining eligibility, including subsidies given for water and power programs through Government corporations.

The bill requires that each state must receive an amount of Federal spending that is at least 90 percent of the amount of the state's tax payments by Fiscal 1990.

To meet this requirement, the bill stipulates that each eligible state must receive an annual increase of 10 percent in its share of the national total in the categories of procurement contracts and/or grants-in-aid. This 10 percent increase applies only to those grants that are not allocated based on income tests for individuals. Such grants that are eligible for the 10 percent reallocation include those administered by the Departments of Transportation, Interior, Agriculture (except farm income supports), the Environmental Protection Agency, and the U.S. Army Corps of Engineers.

For grant programs that require an income test, eligible states will receive an annual increase of 1 percent in their share of the national total.

No state shall incur an annual reduction of more than 10 percent in its share of contracts and eligible grants, or an annual reduction of more than 1 percent in its share of income-based grants.

Procurement contracts will be reallocated to firms in eligible states if two conditions are met: (1) if the firm submits a bid that is lower or equivalent to a bid of a firm in an ineligible state, and (2) if the firm will perform the bulk of the contract in an eligible state.

In the event that sufficient contracts are not reallocated each year, the head of the contracting agency that has not met the requirement will have to report to OMB before awarding any contract to a firm in an ineligible state in the following year the reasons why that contract was not awarded to a firm in an eligible state.

The bill requires that the Secretary of the Treasury conduct a study of the impact of Federal spending, tax, and fiscal policies on state economies and the economic growth rate of states and regions.

S. 1496

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "State Minimum Return Act of 1985".

STATEMENT OF POLICY

SEC. 2. It is the purpose of this Act to provide, within existing budgetary limits, authority to reallocate the distribution of certain Federal spending to various States in order to ensure by the end of fiscal year 1990 that each State receive in each fiscal year an amount of Federal expenditures equal to a minimum of 90 percent of the Federal tax burden attributable to such State for such fiscal year.

DEFINITIONS

SEC. 3. As used in this Act—

(1) The term "Director" means the Director of the Office of Management and Budget.

(2) The term "Federal agency" means any agency defined in section 551(1) of title 5, United States Code.

(3) The term "State" means each of the several States and the District of Columbia.

(4) The term "historic share" means the average percentage share of Federal expenditures received by any State during the most recent three fiscal years.

(5) The term "Federal expenditures" means all outlays by the Federal Government as defined in section 3 (1) of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 622 (1)).

(6) The term "Federal tax revenues" means all revenues collected pursuant to the Internal Revenue Code of 1954.

(7) The term "need-based program" means any program which results in direct payment to individuals and which involves an income test to help determine the eligibility of an individual for assistance under such program.

DESIGNATION OF ELIGIBLE STATES

SEC. 4. (a) Any State shall be eligible for a positive reallocation of Federal expenditures described in section 5 and received by such State under section 7(a), if such State, for any fiscal year, has a Federal expenditure to Federal tax ratio which is less than 90 percent.

(b) Any State shall be eligible for a positive reallocation of Federal expenditures described in section 5 and received by such State under paragraph (1) of section 7(a), if such State, for any fiscal year, has a Federal expenditure to Federal tax ratio which is less than 100 percent but greater than or equal to 90 percent.

(c) During each fiscal year, the Director after consultation with the Secretary of the Treasury and the Director of the Census Bureau, shall determine the eligibility of any State under this section using the most recent fiscal year data and estimated data available concerning Federal tax revenues and Federal expenditures attributable to such State. The Secretary of the Treasury shall determine the attribution of Federal tax revenues to each State after consultation with the Comptroller General of the United States.

(d) For purposes of determining the eligibility of any State under subsection (c), any water or power program in which the Federal Government, through Government corporations, provides water or power to any State at less than market price shall be taken into account in computing such State's Federal expenditure to Federal tax ratio by characterizing as an imputed Federal expenditure the difference between the market price and the program's actual price of providing such water or power to such State.

DESIGNATION OF REALLOCABLE FEDERAL EXPENDITURES

SEC. 5. All Federal expenditures in any fiscal year shall be subject to reallocation to ensure the objective described in section 2 with respect to eligible States designated under section 4, except for such expenditures with respect to the following:

(1) Water and power programs which are described in section 4(d).

(2) Compensation and allowances of officers and employees of the Federal Government.

(3) Maintenance of Federal Government buildings and installations.

(4) Offsetting receipts.

(5) Programs for which the Federal Government assumes the total cost and in which a direct payment is made to a recipient other than a governmental unit. Such programs include:

(A) Social Security, including disability, retirement, survivors insurance, unemployment compensation, and Medicare, including hospital and supplementary medical insurance;

(B) Supplemental Security Income;

(C) Food Stamps;

(D) Black Lung Disability;

(E) National Guaranteed Student Loan Interest Subsidies;

(F) Pell grants;

(G) lower income housing assistance;

(H) social insurance payments for railroad workers;

(I) railroad retirement;

(J) excess earned income tax credits;

(K) veterans assistance, including pensions, service connected disability, nonservice connected disability, educational assistance, dependency payments, and pensions for spouses and surviving dependents;

(L) Federal workers' compensation;

(M) Federal retirement and disability;

(N) Federal employee life and health insurance; and

(O) farm income support programs.

REALLOCATION AUTHORITY

SEC. 6. (a) Notwithstanding any other provision of law, during any fiscal year the head of each Federal agency shall, after consultation with the Director, make such reallocations of expenditures described in section 5 to eligible States designated under section 4 as are necessary to ensure the objective described in section 2.

(b) Notwithstanding any other provision of law and to the extent necessary in the administration of this Act, the head of each Federal agency shall waive any administrative provision with respect to allocation, allotments, reservations, priorities, or planning and application requirements (other than audit requirements) for the expenditures reallocated under this Act.

(c) The head of each Federal agency having responsibilities under this Act is authorized and directed to cooperate with the Director in the administration of the provisions of this Act.

REALLOCATION MECHANISMS

SEC. 7. (a) Notwithstanding any other provision of law, for purposes of this Act, during any fiscal year reallocations of expenditures required by section 6 shall be accomplished in the following manner:

(1)(A) With respect to procurement contracts, and beginning in fiscal year 1988 subcontracts in excess of $25,000, the head of each Federal agency shall—

(i) identify qualified firms in eligible States designated under section 4 and disseminate any information to such firms necessary to increase participation by such firms in the bidding for such contracts and subcontracts,

(ii) in order to ensure the objective described in section 2, increase the national share of such contracts and subcontracts for each eligible State designated under section 4(a) by 10 percent each fiscal year, and

(iii) thirty days after the end of each fiscal year, report to the Director regarding progress made during such fiscal year to increase the share of such contracts and subcontracts for such eligible States, including the percentage increase achieved under clause (ii) and if the goal described in clause (ii) is not attained, the reasons therefor.

Within ninety days after the end of each fiscal year, the Director shall review, evaluate, and report to the Congress as to the progress made during such fiscal year to increase the share of procurement contracts and subcontracts the preponderance of the value of which has been performed in such eligible States.

(B) With respect to each fiscal year, if any Federal agency does not attain the goal described in subparagraph (A)(ii), then during the subsequent fiscal year such agency shall report to the Director prior to the awarding of any contract or subcontract described in subparagraph (A) to any firm in an ineligible State the reasons such contract or subcontract was not awarded to any firm in an eligible State.

(C) In the case of any competitive procurement contract or subcontract, the head of the contracting Federal agency shall award such contract or subcontract to the lowest bid from a qualified firm that will perform the preponderance of the value of the work in an eligible State designated under section 4 if the bid for such contract or subcontract is lower or equivalent to any bid from any qualified firm that will perform the preponderance of the value of the work in an ineligible State.

(D) In the case of any noncompetitive procurement contract or subcontract, the head of each Federal agency shall identify and award such contract or subcontract to a qualified firm that will perform the preponderance of the value of the work in an eligible State designated under section 4 and that complete such contract or subcontract at a lower or equivalent price as any qualified firm that will perform the preponderance of the value of the work in an ineligible State.

(E) For purposes of this paragraph, in the case of any procurement contract or subcontract, any firm shall be qualified if—

(i) such firm has met the elements of responsibility provided for in section 8(b)(7) of the Small Business Act as determined by the head of the contracting Federal agency to be necesary to complete the contract or subcontract in a timely and satisfactory manner, and

(ii) with respect to any prequalification requirement, such firm has been notified in writing of all standards which a prospective contractor must satisfy in order to become qualified, and upon request, is provided a prompt opportunity to demonstrate the ability of such firm to meet such specified standards.

(F) In order to reallocate expenditures with respect to subcontracts as required by subparagraph (A), each Federal agency shall collect necessary data to identify such subcontracts beginning in fiscal year 1987.

(2)(A) With respect to need-based programs, any eligible State designated under secton 4(a) shall receive 101 percent of such State's historic share with respect to such programs.

(B) With respect to all other expenditures described in section 5, including all grants administered by the Department of Transportation, the Department of the Interior, the Department of Agriculture, the Environmental Protection Agency, and the United States Army Corps of Engineers, and funds provided under general revenue sharing, any eligible State designated under section 4(a) shall receive 110 percent of such State's historic share with respect to such expenditures.

(b)(1) Except as provided in paragraph (2), no reallocation shall be made under this section with respect to expenditures for any program to any State in any fiscal year which results in a reduction of 10 percent or more of the amount of such expenditures to such State.

(2) No reallocation shall be made under subsection (a)(2)(A) with respect to expenditures for any need-based program to any State in any fiscal year which results in a reduction of 1 percent or more of the amount of expenditures to such State for any such program.

(c) No reallocation shall be made under the provisions of this Act which will result in any Federal expenditure to Federal tax ratio of any State being reduced below 90 percent.

(d) With respect to any need-based program eligible for reallocation under subsection (a)(2)(A), notwithstanding any reallocation of such program funds that may be mandated under this section, no State or eligible governmental unit may reduce program benefits to the ultimate beneficiaries of such program or change such program's eligibility requirements because of such reallocation of funds.

AMENDMENTS

SEC. 8. No provision of law shall explicitly or implicitly amend the provisions of this Act unless such provision specifically refers to this Act.

EXTENSION OF FEDERAL FUNDS REPORT ACT

SEC. 9. Subsection (a) of section 8 of the Consolidated Federal Funds Report Act of 1982 (31 U.S.C. 6102 note) is amended by striking out "and 1985" and inserting in lieu thereof "1985, 1986, 1987, 1988, 1989, and 1990".

STUDY

SEC. 10. (a) The Secretary of the Treasury or a delegate of the Secretary shall conduct a study on the impact of Federal spending, tax policy, and fiscal policy on State economies and the economic growth rate of States and regions of the United States.

(b) The report of the study required by subsection (a) shall be submitted to Congress not later than December 31, 1985.

EFFECTIVE DATE

SEC. 11. The provisions of this Act shall take effect for fiscal years beginning after the date of the enactment of this Act.

Mr. DIXON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. TRIBLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. PRESSLER). Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business.

ANOTHER POINT OF VIEW ON TRADE

Mr. DENTON. Mr. President, over the past several months the Senate has focused considerable attention on our rising trade deficit and the revelation that, for the first time since 1914, the United States has become a net debtor nation. Congressional analyses of the causes for the alarming trade trends have identified a number of problems and advocated certain solutions.

During the recent debate on the foreign aid authorization bill, S. 960, some Senators argued that the administration should intervene aggressively in the exchange markets to weaken the dollar relative to other major currencies. The problem for which that solution was proposed was the apparent overvaluation of the dollar.

Other legislative initiatives have sought to boost the lending authority of the Export-Import Bank in order to provide more competitive financing for U.S. exporters, to reform our trade laws to get at unfair foreign competition, and to criticize and retaliate against some of our trading partners for allegedly blocking American access to their home markets.

Discussion of the American trade deficit has tended, however, to argue—at any given time—only one cause of the problem to the exclusion of all others. Writing in a recent Los Angeles Times article, Senator SYMMS cautioned against such an approach to discussing or solving our trade deficit problem. My distinguished colleague from Idaho particularly points out the dangers of focusing solely on exchange rates and corresponding pressures to intervene in exchange markets.

Mr. President, I ask unanimous consent that the column by Senator SYMMS be printed in the RECORD. I urge my colleagues to consider the Senator's sound observations.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

[From the Los Angeles Times]

HOW CAN U.S. REDUCE HUGE TRADE IMBALANCE: NEED FAIR RULES, NOT JUST WEAKER DOLLAR

(By Steve Symms)

America requires a competitive economy both at home and abroad if it is to remain strong. But the U.S. trade deficit is increasing at a rapid rate; last year it was more than $123 billion, and some analysts say it could reach $160 billion by year's end.

At the same time, the dollar is strengthening against other currencies, exacerbating the trade deficit by continuing to make foreign goods cheaper for Americans to buy and American goods more expensive for foreigners to buy.

Should we conclude that our trade imbalance is the direct result of an overvalued dollar that must, according to conventional logic, be devalued in order to enhance America's competitiveness? I do not believe so.

After all, the super-weak British pound has not helped to improve the competitiveness of England's economy. And, despite the present worries, previous U.S. administrations—both Democratic and Republican—have long recognized that Europe, Japan and a growing number of developing countries pose major competitive challenges to the United States, regardless of whether we have a strong or weak dollar.

Indeed, compared with the exchange rate 15 years ago (when America enjoyed a modest balance-of-payments surplus), today's dollar is actually "weaker" than it was then.

A weak currency is clearly not the answer to the trade deficit problem.

Yet, some analysts continue to think it is, insisting that U.S. trade deficits are $60 billion to $70 billion higher than they would otherwise be with a more realistically valued—or cheaper—dollar.

The inevitable policy conclusion of this reasoning is that the U.S. government, acting alone or in concert with its trade partners, should intervene on the foreign exchange markets on a massive scale to bring down the value of the dollar.

Despite sensational headlines that the dollar is overvalued by as much as 70%, recent testimony before the House and Senate Joint Economic Committee indicates a more modest level of about 30%. Using the 30% figure, perhaps $40 billion to $50 billion of our present deficit is directly tied to the strong dollar.

A more critical question to ask is whether the price of any goods is automatically the dominant consideration in determining international competitiveness. That is certainly the case for advocates of a "weaker" dollar. But price is only one—and in many instances not even the significant—determinant of why goods from one country are preferred over those of another.

It is short-sighted, therefore, to argue that by driving down the dollar, America will be able to significantly reduce its trade deficit.

SHIFTING PREFERENCES

A better approach is to recognize that America's long-term competitive problems stem from a multitude of factors changes in the exchange rate, shifting consumer preferences throughout the world, recessionary conditions in a number of countries and the emergence of unfair trade practices that distort the working of the international marketplace.

Consider the impact of those last two factors on U.S. trade competitiveness:

On the one hand, the U.S. market has been flooded with goods from recession-wracked Third World and European countries that have—thanks to a strong dollar—begun to export their way to economic recovery. And, as they recover, we can expect corresponding jumps in U.S. export sales.

On the other hand, there has been a disturbing growth in unfair trade practices, which has cut into U.S. export sales throughout the world. A good example is Japan's present system of "non-tariff" barriers that continues to discriminate against some of America's most competitive export industries, including new (telecommunications) and traditional (agriculture) sectors by setting up obstacles to U.S. exports to Japan. Another example involves European Economic Community agriculture export subsidies, which have also cut into traditional U.S.-dominated export markets.

In order to significantly improve our competitive position, I advocate prompt Administration and congressional action in four areas:

A new round of trade negotiations should be negotiated in order to combat the kinds of unfair practices that shackle private enterprise and hurt consumers both at home and abroad.

Support should be continued for free market, enterprise-oriented approaches that provide the best guarantee for increasing investment and productivity and expanded U.S. export markets abroad.

Private sector investment in competitive research and development activities should be encouraged so that U.S.-made products are not only state-of-the-art but also truly attractive to foreign markets, regardless of the dollar's value.

Major reductions—if not total elimination—of the federal deficit should be achieved over the next three years in order to foster gradual reductions in long-term U.S. interest rates, which, in part, have attracted the foreign investment capital that has contributed to the rising strength of the dollar.

If we are successful in obtaining meaningful action on these four points, I am confident that the so-called "dollar problem" behind the trade deficit will take care of itself, without requiring intervention on the foreign exchange markets.

Thus, in domino fashion, the rising trade deficit should automatically begin to fall, but in a reasonable manner that enables the United States to continue along the path of robust, non-inflationary growth.

GREAT FRIENDSHIP RUN

Mr. FORD. Mr. President, today marked the end of a long distance run and the beginning of a stronger bond between the United States and the People's Republic of China.

Mr. Stan Cottrell, formerly of Hart County in Kentucky, along with three runners from China, just arrived in Washington, DC, after running from San Francisco. Along the way, they ran through 14 States and hundreds of communities across America.

This run is a continuation of a 2,125 mile great friendship run through China in 1984 by Mr. Cottrell. Mr. Cottrell has stated that in the U.S. run his two objectives were to introduce the Chinese athletes to the "real America" and to "strengthen the bonds between the People's Republic of China and the United States" as they crossed our great country together.

Mr. Cottrell, age 42, is a graduate of Western Kentucky University, and the father of three children. He has received numerous honors for his athletic feats. I understand that today he is receiving an award from the President's Council on Health and Physical Fitness.

Mr. President, I should like to congratulate Mr. Cottrell in this endeavor to break down the barriers between our two countries and to achieve friendship with the people of the People's Republic of China.

We in Kentucky are proud of our former citizen, and would like to take this opportunity to thank him for his great act of humanitarianism in this great friendship run.

CONSOLIDATED FAMILY FARMS

Mr. PRESSLER. Mr. President, last year at this time I chaired a hearing in the Senate Small Business Family Farm Subcommittee on the implications of a plan proposed by a group of Chicago investors known as Consolidated Family Farms. The plan would have originally traded depository units between limited partners and farmers for title of the farmer's land. Farm groups and others were virtually unanimous in their opposition to this plan. The CFF group revised their prospectus and filed with the Securities and Exchange Commission on February 25, 1985. Several changes were made in the prospectus, but the basic problems with the plan were not addressed. CFF is now a corporation and would issue shares instead of depository units. But unfortunately, these changes are not enough to ensure that farmers' rights will be protected.

Theoretically, this plan would enable debt-stricken farmers to increase their cash-flow—allowing them to continue to farm. During the hearing and in further research, this statement became surrounded by numerous questions.

Because of misleading statements made by the group and the plan's failure to adequately protect farmers' rights, I have written the SEC, urging them to postpone approval of the CFF registration until these issues are resolved. I ask unanimous consent that the text of my letter to the SEC be included in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE, COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION,

Washington, DC, July 22, 1985.

Mr. JOHN S.R. SHAD,
Chairman, Securities and Exchange Commission, Washington, DC.

DEAR MR. SHAD: As you may know, I have been concerned about the progress of the Consolidated Family Farms (CFF) issue. A year ago, I chaired a hearing of the Senate Small Business Family Farm Subcommittee on the plan sponsored by CFF of Chicago. This organization filed a registration with your office on June 28, 1984 and refiled on February 25, 1985. The second prospectus included changes that were recommended during the hearing to protect farmers' rights. After reviewing this revised prospectus, my conclusion is that the rights of farmers participating in this venture still would not be adequately protected under this agreement. Some of these problems are listed below.

The securities that would be traded involve a high degree of risk. At this point in time, no public market exists for the common stock and it is possible that no such market will exist at any time in the future. In addition, if an over-the-counter market should develop, it is likely that the company will not have a large number of stockholders and consequently, trading would be sporadic and limited.

The plan still illustrates how CFF will provide administrative, leasing, and property management services, but will inject little capital into this venture. The revised prospectus states that almost all of the financing will be funded by the farmers participating in this project. Farmers would be required to make up-front payments to CFF for appraisal and operating costs, even though there is no guarantee they will be selected to participate in the program. This should be viewed with suspicion.

Once the exchange has taken place, the farmer would have to pay cash rent in order to continue farming. In the event of a crop failure, no allowance is made for any type of extension of rental payment, with the lease being subject to termination if the rent payment is not made within 20 days. The harsh default provision is especially serious because farmers can only raise capital through the sale of shares. With no market available, the results could be devastating. However, even if there was not a natural disaster, the plan still fails to provide any method to liquidate existing debt.

After this simple exchange of farmers' land for paper certificates, the holder of existing mortgages would be asked to accept these shares in CFF in lieu of their security on the land. This is highly unlikely to happen. A number of other problem areas exist and some are outlined in a letter I received from Jeffrey Southard, Deputy Attorney General in the State of Kansas. I am attaching a copy of this letter.

These are just a few of the problems that still remain in the CFF plan. With these points in mind, I urge you to disapprove the registration of Consolidated Family Farms until the rights of farmers, creditors and other investors are protected under the plan.

Unfortunately, agriculture in the United States in suffering through some difficult times, and some farmers will try anything to

hold onto their farms and their way of life. For this reason, some farmers might agree to such an arrangement without understanding all of the details of such a program. Most farmers do not have and cannot afford an attorney who could warn them about the possible disadvantages of such a venture. Thus, it is important for the government to take the lead in clarifying the risks involved.

I hope you will carefully consider all these factors before any SEC ruling is made on the Consolidated Family Farms registration.

Thank you for your cooperation in this important matter. If you have any questions or if I can be of assistance to you, please don't hesitate to contact me.

Sincerely,

LARRY PRESSLER,
U.S. Senator.

STATE OF KANSAS,
OFFICE OF THE ATTORNEY GENERAL,
Topeka, KS, June 6, 1985.

Re: Consolidated Family Farms.

Hon. LARRY PRESSLER,
U.S. Senate, Committee on Small Business, Russell Senate Office Building, Washington, DC.

DEAR SENATOR PRESSLER: This letter is in response to your earlier communication of April 4, 1985, regarding Consolidated Family Farms. In your letter, you requested that I examine the revised prospectus which was issued following the subcommittee hearings last summer which you chaired that examined the company's practices. Due to the press of our legal matters, I have been unable to prepare a response to you until now. However, in reviewing the revised prospectus, I wish to restate a number of concerns which I believe still exist.

An examination of the revised prospectus indicates that a number of changes have in fact been made since last summer. Consolidated Family Farms is no longer a series of interlocking partnerships, but instead has converted to an actual corporation. This has the effect of legally eliminating the company from operation in a number of States which have corporate farming laws such as Kansas, Nebraska, Iowa, Missouri, South Dakota, North Dakota, Minnesota, and Wisconsin. Additionally, for whatever reason, the company has determined not to go into other mid-western states such as Oklahoma, Texas and Montana. This has the practical effect of eliminating the majority of the primary agricultural states in this country, and raises questions at the outset regarding the viability of the entire enterprise.

Other statements made in the revised prospectus cast further doubt on the intent behind the corporation's offer. The prospectus at one point states that the company is interested primarily in acquiring income-producing property which is debt free, a goal which, given current market conditions, indicates either an incredible naivete or a lack of good faith. While the company will consider property subject to mortgage if the payments and expenses do not result in a negative cash flow, even this apparent concession eliminates a good percentage of the farm land in the United States, where heavy debt is the general rule rather than the exception.

Further, the prospectus indicates that operators of farms leased from the company will very probably be unable to qualify for governmental subsidy or entitlement programs. While these programs are not the life blood of many farms in the midwest, they at the very least are an important part of maintaining an adequate cash flow, and even the most efficient and profitable farmers would be hard pressed to relinquish such a source of funds. Since it is the more marginal farmers who are likely to be attracted to this kind of program, this casts further doubt on the ability of Consolidated Family Farms to actually provide anything of benefit to farmers.

Even where the new prospectus contains additional material or changes, such changes or material do not go to the underlying problems which were expressed earlier. For example, it was noted last summer that individuals wishing to participate in the program were required to make up-front payments of appraisal fees, which were then placed in escrow and which provided the company with a source of operating capital. While the escrow feature has been removed, the individual farmer is still liable to pay all the costs of having his property appraised (pages 24-25), which is still an indication that the promoters of this company intend to put as little of their own money as possible into the venture, leaving the individual farmers to bear the brunt of the initial expenses. In short, farmers are being asked to pay for the privilege of relinquishing title to their own land.

A review of the revised prospectus with the original document indicates that the plan proposed by Consolidated Family Farms still has the following problems:

1. The plan continues to require a farmer to relinquish his land in return for getting paper certificates, for which there is no market, and then having to pay cash rent in order to continue farming. In the event of a bad crop year, no allowance is made for any type of extension of rental payment, with a lease being subject to termination if a rent payment is not made within 20 days. This harsh default provision negates the new sections which appear to allow "family farms" to have more freedom to operate. With no source of raising capital but through the sale of the shares, a farmer would appear to be cut off from any means of raising funds to pay such cash rent in the event of a crop failure.

2. The plan continues to fail to provide any method to liquidate existing debt, which as I mentioned above is a reality in almost every parcel of farmland located in this country. Without an injection of capital by the promoters, holders of existing mortgages would be asked to accept shares in CFF in lieu of their security on the land, a prospect which is so remote as to be beyond any reasonable possibility of occurring.

3. The prospectus still emphasizes that a management company will be utilized to provide administrative, leasing, and property management services. As was emphasized in my earlier testimony, this has the effect of skimming off money which is generated by the labor of farmers for services of a questionable nature.

4. The plan is still basically flawed in that it allows ownership of agricultural land with virtually no injection of capital on the part of the persons behind Consolidated Family Farms. As I noted in my previous testimony, farmers would be effectively transformed into 20th century sharecroppers, who would pay a cash rent to farm what was previously their own land. As long as this feature of the plan remains, it must be viewed with the utmost suspicion.

Again, I apologize for the delay in transmitting my remarks to you. Should the subcommittee wish to schedule additional hearings, I would be happy to appear and expound upon the above concerns.

Very truly yours,

ROBERT T. STEPHAN,
Attorney General.
JEFFREY S. SOUTHARD,
Deputy Attorney General.

Mr. PRESSLER. Mr. President, I urge my Senate colleagues to review the Consolidated Family Farms plan and to join me in requesting that their registration not be approved until farmers' rights are adequately protected under any such agreement.

GRAND HAVEN'S FIRST CITIZEN

Mr. RIEGLE. Mr. President, I rise today to pay tribute to a dedicated and hardworking public servant—Marjorie Boon, mayor of Grand Haven, MI. Mayor Boon has dedicated the majority of her adult life to improving the quality of life for all of Grand Haven's citizens and the fruits of her efforts are apparent.

Under her direction, Grand Haven—also known as the "Coast Guard City"—has blossomed. The city's rejuvenated waterfront has become the hallmark for other Great Lakes communities. Mayor Boon has been instrumental in providing assistance to the congressional delegation in our recent victorious fight to keep Coast Guard service on the Great Lakes. In fact, even the Coast Guard recognized her outstanding efforts by awarding her the 1984 "U.S. Coast Guard Distinguished Public Citizen Award" and inviting her to inaugurate the new Coast Guard vessel, the *Escanaba III* this August in Rhode Island.

In addition, the priority she has placed on improving her city's economic climate has led to a strengthened industrial base and more jobs for local residents. The city of Grand Haven has prospered under her able and caring leadership.

Mayor Boon's Grand Haven roots run deep. Her tenure as mayor began in November 1981 and followed 8 years of service on the city council. In addition, Mayor Boon taught in the Grand Haven public school system for 15 years, served as the president of the Tri-Cities League of Women Voters between 1967-69 and has been the recipient of numerous public awards and commendations.

Mr. President, the weekend of August 3-4 is the annual Grand Haven Coast Guard Festival. I can think of no more fitting occasion to pause and pay tribute to an outstanding woman.

THE NINTH COAST GUARD DISTRICT AND MICHIGAN

Mr. RIEGLE. Mr. President, on August 3, 1985, I will attend the Coast Guard Festival in Grand Haven, MI. This event, which coincides with the 195th anniversary of the Coast Guard,

is held annually and honors the tremendous contribution that the Coast Guard makes to the community of Grand Haven and to the entire Great Lakes.

Most people around the Nation have no idea of the size or breadth of the Great Lakes, and hence would not believe that the U.S. Coast Guard is as active and vital to commercial and recreational interests as in any other coastal range. I believe that most Americans would be surprised to learn that the Great Lakes shoreline is 9,400 miles long, with the U.S. portion more than 4,500 miles. This is more territory for the Coast Guard to cover than the Atlantic and gulf coasts combined. Michigan's coastline is 3,200 miles in length which is more than any other State except Alaska. And finally, there are more than 700,000 boats registered in Michigan alone, as well as an active commercial maritime industry, so in all ways the Great Lakes is a seacoast and the challenges facing the Coast Guard are the same as in any other area.

Many thousands of people around the Great Lakes owe their lives to the vigilance and dedication of the Ninth Coast Guard District. Last year, alone, there were more than 4,000 cases and more than 8,000 people assisted by the Coast Guard. Of these one-fourth of the cases and almost one-half of those helped were in Michigan waters. Clearly, the value of this service, which is performed by the Coast Guard under sometimes impossible conditions and at great personal risk by the ninth district personnel, cannot be calculated.

Beyond the search and rescue functions, the ninth district is responsible for aids to navigation and for icebreaking operations. Both of these activities are vital to the commercial shipping lanes which connect the Great Lakes with the world. In addition, critical pollution control functions are performed by the Coast Guard, a fact that is not generally known but which is most important in our common effort to protect the lakes from environmental threats.

Mr. President, for all of this, and for so much more, the people of Michigan and the entire Great Lakes region owe the men and women of the Ninth Coast Guard District their thanks and gratitude. The Great Lakes, which provide all of us beauty, recreation and commercial opportunities are much safer for all of us due to the never ending efforts of the Coast Guard. So, on this day of celebration we should all take a moment to acknowledge what you have done for us, and what you will continue to do to keep these lakes great.

FURTHER INFORMATION ON THE EFFECTS OF PCP

Mrs. HAWKINS. Mr. President, I did not think it was possible to hear anything more grotesque than the things I have already heard about the effects of the drug PCP. But an article which recently appeared in the Washington Post's health section brings new, even more horrifying, revelations to light. To provide an idea of the kind of verifiable information it contains, this article is entitled, "PCP Users Don't Feel Pain When Their Bones Break."

This is how the author, the chief psychologist in the Department of Psychiatry at the District of Columbia General Hospital, begins his remarkable article:

> His mother threatened to sue me. She did not want her son to go to St. Elizabeth's. However, this was the second time in two weeks that he attempted to set the house on fire and assault his family. Now all he would do was remain quiet or sit up in bed staring into space. He had a history of using PCP.

Dr. Brown, the article's author, indicates in this hard-hitting statement of the effects of this manmade drug, that "more than any other substance of abuse, PCP adversely and irreversibly affects our youth." The doctor states that PCP has created an entire new kind of public menace and a whole new population of mentally disturbed individuals. This is due in part to the fact that PCP is easy to make and cheap to buy, but it is also due to the fact that PCP can cause irreversible brain damage. In fact, it is estimated that more than 50 percent of admissions to psychiatric emergency rooms in New York, Los Angeles, Boston, and the District of Columbia are due to the effects of PCP.

This statistic alone attests to the uniqueness of this drug. The difference between PCP and other drugs starts with its history. Phencyclidine was originally developed as a surgical anesthetic; however, after being used for a short time, it was observed that patients recovering from surgery where this narcotic was used displayed bizarre, psychotic behavior. Subsequently, the drug was banned, and now is obtainable only by buying what is manufactured in clandestine laboratories with no control over the ingredients. This makes a substance with unpredictable results even more dangerous.

It is recognized that PCP greatly reduces or eliminates awareness of physical pain and recent memory, and it increases strength. As a result, it has become common to hear of patients who break out of handcuffs or leather restraints, suffering broken bones and serious cuts in the process—all the while totally oblivious to the pain. Additionally, these persons generally do not remember the events that caused the injuries.

PCP can be smoked with marijuana. It can also be ingested by smoking it with tobacco; by mixing and snorting it with cocaine; by swallowing it with alcohol in its liquid form; or by injecting it with heroin. When it is taken in the more extreme forms, for example, injection, it is almost impossible to predict whether the drug will act as stimulant, as a depressant, or as a hallucinogen. Even a one-time use of PCP can trigger an underlying psychiatric problem, or cause irreversible destructive or self-destructive behavior. The doctor gives us two rather common examples of such behavior: Jumping off a building or gouging out eyes.

Another unique feature of this narcotic is that rather than being metabolized or excreted like cocaine, heroin, or marijuana, PCP is absorbed in body and brain fat tissue, where it accumulates. These fat deposits serve as sources of continued PCP toxicity, creating symptoms ranging from recurring psychotic episodes, to those of brain injury. The latter includes: Speech is slow and slurred; certain words become difficult to pronounce; and abilities to concentrate, organize, and think in abstraction become impaired. These symptoms endure for an indefinite period of time after use of the drug is discontinued. One of the most dangerous aspects of abuse of this drug is that discontinued use does not assure that psychotic symptoms will end, or not recur.

Dr. Brown relates another anecdote involving a PCP user:

> A doctor recently requested that handcuffs be taken off a patient who had injured himself as a result of being on PCP. He seemed to be calm, and the officer unlocked the handcuffs. A few seconds later, he attacked the doctor, and with the handcuffs, beat the officer who was trying to restrain him. It took eight men to subdue him. The patient suffered broken ribs but did not feel any pain and did not remember what happened. The officer required surgery.

Mr. President, more medical care is required with PCP abuse than with any other illicit narcotic because use of the drug results in respiratory and cardiovascular disfunctions, seizures, and convulsions. Also, there are many accidents, and self-inflicted injuries. Suicide has become a common problem in chronic PCP users.

What more needs to be said to inform potential PCP users of the incredible danger of even an initial use of this drug? Despite the copious dissemination of information such as what is contained in this article, young minds and young bodies are continuing to be maimed and destroyed through use of this drug. As chairman of both the Senate Subcommittee on Children, Family, Drugs and Alcoholism, and the Senate Drug Enforcement Caucus, I will continue to do all I can to provide for enhanced preven-

tion and education efforts directed at killing the demand for PCP.

DEATH OF MARY ANN DUBS

Mr. DOLE. Mr. President, it is with sadness that I inform the Senate of the death of Mary Ann Dubs, a Foreign Service Officer who served at the American Embassy in Mexico and a former member of the staff of the Office of the Secretary of the Senate.

Mary Ann, who lived in Washington, was the wife of the late Adolph Dubs, the U.S. Ambassador to Afghanistan who was assassinated by terrorist kidnapers in 1976.

She was born in Jackson Township, PA. After graduating from Wilkes College, Mary Ann came to Washington and took a position in the Public Affairs Office of the Department of State. In 1971, she became a member of the staff of the Office of Senate Parliamentarian. In 1972, she joined the staff of the Senate Daily Digest as assistant editor and became editor in 1979.

In 1980, Mary Ann was commissioned in the Foreign Service. Her assignments included Mexico, where she was administrative officer of the U.S. Embassy. She was a founder of the Afghan Relief Committee of Washington and for this work she was honored by the Government of Pakistan.

I am sure that I speak for the entire Senate in expressing sincere condolences to her family and many friends.

ANTI-APARTHEID ACTION ACT OF 1985

Mr. KENNEDY. Mr. President, 2 weeks ago today, on July 11, the Senate passed legislation imposing economic sanctions against South Africa. That legislation passed this body by a vote of 80 to 12. In the course of the debate, there was an effort to delay the legislation with protracted debate, and cloture was invoked by an overwhelming vote of 80 to 8.

Since that legislation passed, the violence in South Africa had escalated and the repression has deepened. The President of South Africa has proclaimed a state of emergency, which has resulted in hundreds of arrests throughout the country.

At least one democratic government has reacted swiftly to the escalation of violence in South Africa. The Republic of France, which aided the American patriots during our revolution, has responded to the struggle for liberation by the black population in South Africa.

The French Ambassador is being recalled from South Africa, no new investent will be permitted by French firms in South Africa, and France has requested an urgent meeting of the United Nations Security Council to condemn the state of emergency proclaimed in South Africa.

And what about the United States? What about our effort to align the United States of America with those who seek to end apartheid?

The administration has deplored the violence in South Africa, but done nothing more. The Senate has not even appointed conferees to meet with the House to resolve the differences in our two versions of the Anti-Apartheid Act.

I know that other conferences are going forward on the foreign aid bill, or the State Department authorization bill, and on Micronesia. But not one of those bills has the importance or the urgency of the South African legislation.

Yet we still have not—here in the Senate—even appointed our conferees.

People are being arrested and are being killed by the hundreds in South Africa, and the U.S. Senate is twiddling its fingers. We must act, and we must act swiftly, or once again, the United States of America will be identified with the wrong side in the struggle in South Africa.

The Anti-Apartheid Act is the most pressing moral issue that confronts us today—and we are silent. The time has come to break that silence to take strong and visible action to express this Nation's opposition to apartheid and the continuing repression in South Africa.

History will judge us harshly if, in the face of such oppression we do nothing; if, in the face of such injustice, we proceed with business as usual.

I was proud to be able to work closely with the majority leader and the chairman of the Senate Foreign Relations Committee in passing the South African legislation 2 weeks ago. I hope that we will be able to work together again—now—to break the current silence and end our current inaction.

I urge the Senate to break the deadlock and end the delay. It is time to stand up for peace and for justice in South Africa.

Therefore, Mr. President, on behalf of Senator WEICKER and myself, I move that the Chair lay before the Senate the message from the House of Representatives on H.R. 1460, the Anti-Apartheid Act of 1985.

The PRESIDING OFFICER. The question is on the motion.

Mr. DOLE. Mr. President, I have discussed this matter with the distinguished Senator from Massachusetts and the distinguished Senator from Connecticut.

I must confess that I was unaware that conferees had not been appointed. So far as I knew, they were working. But I am now prepared to move that the Senate insist on its amendment and agree to the conference requested by the House and that the conferees be appointed on the part of the Senate.

I would expect the conferees to meet in good faith and try to resolve the differences in the two bills. It may not be possible.

I have been assured that that is the procedure that will be followed. Otherwise, the only recourse the leader has, since it is a leadership prerogative, would be to table the motion. But I hope that, with that assurance, the conferees will be appointed in the next few minutes.

It is my expectation that when you have conferees, they meet. They try to work it out. If they cannot, they cannot; but at least I think the Senate and those who supported this bill, the so-called compromise, have a right to expect it.

Mr. KENNEDY. Mr. President, do I correctly understand the statement of the majority leader to be that with the appointment of the conferees, it is his expectation that they will meet prior to the recess and that there will be a conference report before the recess? I understand that the majority leader is not a conferee, and all he can do is give his best judgment and expectation of the outcome.

The Senator from Connecticut and I believe that there are no complex issues to be resolved between the two bodies with respect to the legislation. The conference should not be difficult if the conferees have the will.

Am I correct in my understanding of what the majority leader has said: That the conferees will be appointed now, that it is his expectation that they will meet before the recess, and that it is his hope that there will be some result in the conference and that a conference report will be available for us before we recess?

Mr. DOLE. Let me indicate again that I am not a conferee. I am not certain who would chair this conference, whether it would be the House or the Senate. It may be a very simple conference and it may not, because there is a vast difference between the Senate and the House bills. But I hope there would be an effort to resolve this issue. If it can be done before the recess, that is fine with the leader.

One problem we have is that there are about 8 or 10 conferences going on right now, and everybody is trying to get everything done by the end of next week, before the August recess.

I cannot speak for the Chairman of the Senate Foreign Relations Committee, but I will be happy to consult with him and urge him to go to conference quickly and see if the issues can be resolved.

Mr. CRANSTON. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. CRANSTON. Mr. President, I am delighted that the Senator from

Massachusetts is continuing the effort, as he would, on apartheid. He is very strong in all that has happened on that front, and is very effective.

I have just come from the conference on foreign aid, where I brought up the matter of South Africa, and we have a commitment from Chairman LUGAR and from Chairman FASCELL on the House side that there will be a conference next week on the apartheid legislation, that conferees will be appointed now, and that time will be set for that meeting next week.

I hope, as does the Senator from Massachusetts, that we will be able to resolve all the issues and get that bill done and join France—I wish we had been the leader—but at least join France in taking action against apartheid. There is no guarantee that we can get final action next week. I will do my best as a conferee. We will at least have the opportunity to come to grips with the issue then.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER (Mr. DENTON). The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, the motion I made is a motion which, by tradition, is reserved for the majority leader. This issue is of such enormous importance that I felt it was a matter of moral imperative that this unusual procedure be invoked.

I respect the good faith of the majority leader in appointing the conferees and his desire that there be a conference report by the time we adjourn.

There is a simple procedure by which the Senate could have been asked to accept the House bill and send it directly to the President, and that was the route I had intended to follow this afternoon if we were denied the right to send the bill to conference. There is a sense of immediacy on this issue, and those of us who support this legislation intend to do all we can to see that it is sent to the President before the recess.

So I am grateful for the assurances that have been given by the majority leader, and I therefore withdraw my motion.

ANTIAPARTHEID ACTION ACT OF 1985

Mr. DOLE. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 1460.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the House disagree to the amendment of the Senate to the bill (H.R. 1460) entitled "An Act to express the opposition of the United States to the system of apartheid in South Africa, and for other purposes," and ask a conference with the Senate on the disagreeing votes of the two Houses thereon.

Ordered, That the following are appointed as Conferees.

From the Committee on Foreign Affairs, for consideration of all provisions except section 17 of the Senate amendment, and modifications thereof committed to conference: Mr. Fascell, Mr. Solarz, Mr. Bonker, Mr. Wolpe, Mr. Crockett, Mr. Dymally, Mr. Berman, Mr. Weiss, Mr. Garcia, Mr. Broomfield, Mr. Siljander, Mr. Dornan of California, Mr. DeWine, and Mr. Burton of Indiana.

From the Commmittee on Banking, Finance and Urban Affairs, for consideration solely of section 3, 4, 5, 14(6), and 14(7) of the House bill, and sections 8, 15, and 17 of the Senate amendment and modifications thereof committed to conference: Mr. St Germain, Mr. Gonzalez, Mr. Annunzio, Mr. Mitchell, Mr. Neal, Mr. Barnard, Mr. Morrison of Connecticut, Mr. Wylie, Mr. McKinney, Mr. Leach of Iowa, and Mr. Hiler.

Mr. DOLE. I am going to state the motion and then I will yield to the Senator from Connecticut before it is acted on if that is satisfactory.

Mr. WEICKER. All right.

Mr. DOLE. I move that the Senate insist on its amendment and agree to the conference requested by the House of Representatives and the Chair be authorized to appoint conferees on the part of the Senate.

Before the conferees are appointed, I yield to the Senator from Connecticut.

Mr. WEICKER. I thank the distinguished majority leader and thank him for assisting in this cause.

Mr. President, I point out to my colleagues that this is not some philosophical or academic exercise. What is involved here is the attempt to set into motion forces of moderation before the forces of intemperance plunge South Africa into a bloodbath and no parliamentary maneuvers, no back and forth between the White House and the Senate and the Senate and the House of Representatives can substitute for this Nation making a clearcut statement in furtherance of the ideals that we espouse as a nation and in furtherance of the lives of the blacks in South Africa.

I thank my distinguished colleague from Massachusetts for not letting the issue go away because it will not. We can all cross our fingers and hope. We can all wish that it were going to go away. But it is not.

The body count climbs. The flames leap higher. The tragedy ever escalates.

The time has come for the leadership of this Nation, at least as embodied in the Senate, to stand up and make the position of the Nation known.

It is not just the blacks in South Africa. It is the oppressed all over the world. If democracy will not stand up and make that statement with respect to South Africa, then they look to other philosophies and other forms of government.

So I thank the majority leader and my good friend from Massachusetts, Senator KENNEDY, and my good friend, Senator CRANSTON, from California, for persisting on this issue.

Again, I would hope that not only are the conferees appointed, not only do the conferees meet, but before these two bodies adjourn next week, that bill is on its way to the White House for signature by the President of the United States and then, indeed, the leadership as embodied by the President, Senators, and Representatives alike will have spoken for the United States of America on the subject of apartheid and on behalf of those who suffer and die daily in the nation of South Africa.

Mr. CRANSTON. Mr. President, will the Senator yield?

Mr. WEICKER. I yield.

Mr. CRANSTON. I strongly endorse the remarks of the Senator from Connecticut who has been such an effective leader in this cause from the very beginning and he will be a leader in it until it is over.

Mr. WEICKER. I thank the Senator.

Mr. FORD. Mr. President, this side of the aisle certainly endorses and approves the motion by the majority leader and support his position without objection.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kansas.

The motion was agreed to, and the Presiding Officer [Mr. DENTON] appointed Mr. LUGAR, Mr. HELMS, Mr. MATHIAS, Mrs. KASSEBAUM, Mr. GARN, Mr. HEINZ, Mr. PELL, Mr. SARBANES, Mr. CRANSTON, Mr. PROXMIRE, and for section 15, in lieu of Mr. CRANSTON, Mr. KENNEDY, conferees on the part of the Senate.

OUR ACID RAIN PROBLEM CONSTANTLY INCREASING

Mr. PELL. Mr. President, I recently read an excellent article which described acid rain accurately as "a constantly increasing problem" and detailed the effect acid rain has had on some of Rhode Island's inland waters.

This article by Kenneth E. Borst, a chemistry professor at Rhode Island College, appeared in Watershed, a newsletter published by the Wood-Pawcatuck Watershed Association in Rhode Island.

In his article, Professor Borst notes that "of the 38 sources sampled once a month during the past 14 months, 30 were in the 3 low-quality categories of acidified, critical, and endangered."

He notes, in addition, that even one of the "best" ponds in Rhode Island, Upper Rochambeau in Lincoln, may be very sensitive to acid rain because of a very low capacity to buffer the acid introduced by rainfall.

Professor Borst concludes that the cost of adjustments in water treat-

ment may be "staggering—far more than what the power companies claim it will cost them to decrease emissions."

This article relays a clear message from the natural world around us that we must act quickly.

Early this year, I joined with the senior Senator from Minnesota [Mr. DURENBERGER] in introducing the State and Local River Conservation Act to help develop and implement management strategies for rivers.

Also earlier this year, I joined with the junior Senator from Maine [Mr. MITCHELL] in introducing legislation to require a 10-million-ton reduction of the pollutants linked to acid rain within 10 years.

And earlier this month, I joined with the senior Senator from New Hampshire [Mr. HUMPHREY] and the junior Senator from Massachusetts [Mr. KERRY] in introducing legislation that would eliminate the use of "tall stacks" as a method of avoiding effective pollution control measures.

These three legislative initiatives may appear unrelated but they actually are closely linked. Unless we enact strong legislation like the latter two measures to effectively curb the pollutants linked to acid rain, we will have little to conserve in our acidified rivers and streams.

The evidence of this increasing danger is clear for all to see in thoughtful articles like the one written by Professor Borst.

I ask unanimous consent that his article be reprinted in the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MONITORING ACID RAIN

(By Kenneth E. Borst)

Acid rain is a constantly increasing problem that exists due to the presence of chemical pollutants in our atmosphere. Recent studies have produced evidence that the effects of this pollution are many and varied, ranging from the elimination of aquatic insects, fish, and vegetation, to the destruction of forests and limestone structures. This devastation is particularly high in our New England states, but it is severe in Sweden, Norway, and Western Europe as well.

Rain is "naturally" acid, if one accepts that an increase in the carbon dioxide (CO_2) content of the atmosphere is "natural," because that present concentration of CO_2 in our worldwide atmosphere is approximately 400 ppm (parts per million), up from approximately 320 ppm in 1960. The CO_2 combines with the water or water vapor in the atmosphere and produces showers of carbonic acid, H_2CO_3, that "normally" have a pH[1] of about 5.6. When the precipitation (rain) has a pH lower than 5.6, the term acid rain applies. Lower pH values in RI result from showers of sulfuric acid, sulfates, nitric acid, and nitrates, and are produced primarily by combustion of fossil fuels in power generating plants and steel mills in Ohio,[2] Indiana, Pennsylvania, Missouri, Kentucky, Illinois, and West Virginia. As a consequence of this pollution, the pH of rainfall in Rhode Island has been averaging about 4.2 for the past few years, with episodes of 3.5 (1982) and 3.4 (1983). A pH of 4.2 indicates an acidity that is 25 times greater than "normal" rainfall and 630 times greater than distilled and purified water. It is not encouraging to note that on April 2 of this year, in the midst of our current drought, a pH of 3.8 was recorded for a light shower.

A group of volunteers from the Narragansett Chapter of Trout Unlimited, an organization dedicated to the preservation of quality salmon and trout fishing in America, began a study of the effects of acid rain on some RI waters, with the first samples being taken in March, 1984, a study that was patterned after a similar project in Massachusetts. Lex Wiltrout of Coventry organized the samplers and sampling sites and the author organized the scientific study (pH, alkalinity, and buffer capacity). The lab work was done at Rhode Island College, the URI Soil Lab, and at Cal Chemical, an industrial lab in Conventry. Alkalinity and pH values lead to buffer (beta) values, values that indicate the rate at which the pH changes with increases in acid concentration. Paul Godfrey of the University of Massachusetts Water Quality Control Lab calls the buffering of streams "nature's Alka-Seltzer."

An examination of a water sample begins with a measurement of the initial pH and then a titration, a measure of the volume added, with sulfuric acid, H_2SO_4, to reach a pH of 4.5 and then a pH of 4.2, giving the EPA Alkalinity. The units of alkalinity are mg $CaCO_3$/L (milligrams calcium carbonate[3] equivalent per liter). The sample is then assigned to one of the following categories, listed in order of increasing quality.

Classification: Alkalinity (mg $CaCO_3$/L).

Acidified: Less than or equal to 0 and a pH lower than 5.0.

Critical: Greater than 0 and up to 2.

Endangered: Greater than 2 and up to 5.

Highly sensitive: Greater than 5 and up to 10.

Sensitive: Greater than 10 and up to 20.

Not sensitive: Greater than 20.

Buffer (beta) values are a bit more complicated to calculate, but they give the most reliable measure of how a stream, pond, or lake can survive an acid shower. A beta value of 0 (zero) mans that the sampled water is "dead," unable to prevent an increase in acidity from the acid rain. Of the 38 sources sampled once a month during the past 14 months, 30 were in the three low quality categories of acidified, critical, and endangered. What is more alarming is that even one of the "best" ponds, Upper Rochambeau, sited in Lincoln in a limestone area, has a poor beta value. Beta values of -10×10^{-5} and below are indications that the source is very sensitive to acid rain; it has a low capacity to buffer. The table below gives us an illustration of what our studies can show. The samples were taken on April 21, 1985. Aluminum concentrations are included because aluminum is suspect in some neurological diseases and it is in higher concentrations in sources that are subjected to acid rain and to the leaching process of the soil. Aluminum is not regulated at this time, but values above 0.1 are a cause for alarm.

TABLE 1

Source	pH	Alkalinity
Ponagansett River	4.98	−0.50
Brandy Brook	5.62	.8
Windsor Brook	5.85	.8
Upper Rochambeau	7.16	22.8
Wallum Lake	6.46	3.5
	beta ($X10^{-5}$)	Al (ppm)
Ponagansett River	0	.125
Brandy Brook	−3.11	.171
Windsor Brook	−2.80	.090
Upper Rochambeau	−14.1	
Wallum Lake	−3.06	.030

Before it flows into the Scituate Reservior, the Ponagansett River is joined by several poorly buffered streams, such as Windsor and Dolly Cole, and one wonders what adjustments in the process of water treatment will have to be made in the future. The cost might be staggering; far more than what the power companies claim it will cost them to decrease emissions. The members of Trout Unlimited already know what can happen to salmon and trout and most of that cost cannot be put in terms of dollars.

Mr. TRIBLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. KASTEN. Mr. President, I ask unanimous consent that the order for quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

FEDERAL TRADE COMMISSION ACT AMENDMENTS OF 1985

Mr. KASTEN. Mr. President, I ask unanimous consent that Senate bill 1078, a bill to amend the Federal Trade Commission Act, be brought before the Senate.

Mr. BYRD. Mr. President, reserving the right to object, and I shall not object to going to the bill, but I do have some problems with reference to the legislative veto, which problems will be explained as we go along.

I am not going to object to the bill. I do not think there is an objection to going to the bill on this side of the aisle. Therefore, I do not object.

Mr. FORD. Mr. President, reserving the right to object, and I shall not object, either, I have the same concerns as my distinguished Democratic leader has.

[1] $pH = -\log [H_3O+]$; "minus the logarithm of the hydronium ion concentration."

[2] Major polluters, in order of decreasing SO_2 emissions per year (1981).

[3] Limestone is a form of $CaCO_3$.

I want to say up front that I will not agree to a time certain as it relates to the provision whenever it is presented on the so-called legislative veto.

Everyone is trying to get a new form and trying to put all kinds of gimmicks in, and first thing you know the more gimmickry we put in the more trouble we get into. The harder we try to make it constitutional, the less effective it is going to be.

So, Mr. President, I just want to put myself on record that at the point of the bringing up of the so-called legislative veto, I will object to any time agreement. I thank the Chair and will not object to bringing up the bill.

Mr. LEVIN. Mr. President, reserving the right to object, I am wondering whether or not this has been cleared, the unanimous-consent agreement, with Senator GRASSLEY, because he had a desire to order the amendment. That was raised last night on the floor. I am wondering whether or not the floor manager can tell me whether or not the unanimous consent has been cleared with Senator GRASSLEY.

Mr. KASTEN. The Senator is aware of that fact. I had a personal conversation with him about 15 minutes ago that it was our intention to move to the Federal Trade Commission reauthorization bill at 12:30 this afternoon. The question as to after we move to the bill in what order amendments are considered or how the legislative veto question may be dealt with, worked out, whatever, is something that was not in any way agreed to last night. It was simply that last night we agreed that we would move to the Federal Trade Commission bill. The Senator from Iowa is aware of that fact.

Mr. LEVIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Senator from Wisconsin yield for that purpose? The Senator from Wisconsin has the floor.

Mr. KASTEN. I have the floor. I would like to proceed to the bill.

Mr. LEVIN. I would like an opportunity for a moment to check with Senator GRASSLEY on what is happening.

Mr. KASTEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. KASTEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there objection to the unanimous consent request? without objection, it is so ordered.

The bill will be stated by title.

The bill clerk read as follows:

A bill (S. 1078) to amend the Federal Trade Commission Act to provide authorization of appropriations, and for other purposes, which had been reported from the Committee on Commerce, Science, and Transportation, with an amendment.

The Senate proceeded to consider the bill (S. 1078) to amend the Federal Trade Commission Act to provide authorization of appropriations, and for other purposes, which had been reported from the Committee on Commerce, Science, and Transportation, with an amendment:

On page 11, line 17, strike out "institution' ", and insert "institution,' "

So as to make the bill read:

S. 1078

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Trade Commission Act Amendments of 1985."

UNFAIR METHODS OF COMPETITION

SEC. 2. Section 5 of the Federal Trade Commission Act (15 U.S.C. 45) is amended by adding at the end thereof the following:

"(n) The Commission shall not have any authority to find a method of competition to be an unfair method of competition under subsection (a)(1) if, in any action under the Sherman Act, such methods of competition would be held to constitute State action.".

AGRICULTURAL COOPERATIVES

SEC. 3. The Federal Trade Commission Act (15 U.S.C. 41 et seq.) is amended by redesignating section 24 and section 25 as section 26 and section 27, respectively, and by inserting after section 23 the following new section:

"SEC. 24. (a) For purposes of this section, the term 'Capper-Volstead Act' means the Act entitled 'An Act to authorize association of producers of agricultural products', approved February 18, 1922 (7 U.S.C. 291 et seq.).

"(b) The Commission shall not have any authority to conduct any study, investigation, or prosecution of any agricultural cooperative for any conduct which, because of the provisions of the Capper-Volstead Act, is not a violation of any of the antitrust Acts or this Act.

"(c)(1) Before issuing a complaint under section 5 against any agricultural cooperative on the basis that such cooperative has violated any of the antitrust Acts or has used an unfair method of competition in or affecting commerce, the Commission shall—

"(A) provide the Secretary of Agriculture with a copy of the proposed complaint not less than fifteen days before the complaint is issued; and

"(B) consult with the Secretary of Agriculture regarding the possible applicability of the Capper-Volstead Act to the conduct of the cooperative.

"(2) The Commission shall not issue any such complaint unless—

"(A) it has considered any comments regarding such complaint which have been submitted by the Secretary of Agriculture under this subsection; and

"(B) it has reason to believe that the Capper-Volstead Act does not provide an exemption for the conduct which is the basis of such complaint.

"(3) If the Commission makes a modification to any such complaint after it has provided the Secretary of Agriculture with a copy of the complaint pursuant to (1)(A) of this subsection, the Commission shall not, with respect to such modification, be required to comply with the provisions of paragraphs (1) and (2) of this subsection unless such modification substantially expands the original basis for the issuance of the complaint.

"(4) The Secretary of Agriculture shall designate those officials and employees of the Department of Agriculture who may have access to documents or information received from the Commission under this subsection. Officials and employees of the Department of Agriculture shall be subject to the same requirements and penalties regarding confidentiality of such documents and information and disclosure of the existence of an investigation or consideration of a complaint as apply to officials and employees of the Commission.

"(5) Unless specifically authorized in writing by the Commission (or by any official or employee of the Commission designated by the Commission), no official or employee of the Department of Agriculture may request information relating to such complaint from any proposed respondent or any third party before the issuance of such compliant.

"(6) After any such complaint is issued, the Secretary of Agriculture may file with the Commission a written statement regarding the applicability of the Capper-Volstead Act to the action or method which is the basis of such complaint. The Commission shall include such statement in the record of the proceeding regarding such complaint.

"(7) No decision of the Commission to consult with the Secretary of Agriculture in accordance with the provisions of this subsection shall be construed to imply that the Commission has made a determination that it has reason to believe that any agricultural cooperative has violated or is violating any of the antitrust Acts or has used an unfair method of competition in or affecting commerce.

"(8) The provisions of this subsection shall not create any new basis for direct or collateral challenge to any complaint issued by the Commission.

"(d) The Commission shall not have any authority to conduct any study or investigation of any agricultural marketing orders."

COMPENSATION IN PROCEEDINGS

SEC. 4. (a) Section 18(h) of the Federal Trade Commission Act (15 U.S.C. 57a(h)) is repealed, and subsections (i), (j), and (k) of section 18 are redesignated as subsections (h), (i), and (j), respectively.

(b) Section 18(a)(1) of the Federal Trade Commission Act (15 U.S.C. 57a(a)(1)) is amended by striking "subsection (i)" and inserting in lieu thereof "subsection (h)".

KNOWING VIOLATIONS OF ORDERS

SEC. 5. (a) Section 5(m)(1)(B) of the Federal Trade Commission Act (15 U.S.C. 45(m)(1)(B) is amended by inserting ", other than a consent order," immediately after "order" the first time it appears therein.

(b) Section 5(m)(2) of the Federal Trade Commission Act (15 U.S.C. 45(m)(2) is amended by adding at the end thereof the following: "Upon request of any party to such an action against such defendant, the court shall also review the determination of law made by the Commission in the proceeding under subsection (b) that the act or practice which was the subject of such proceeding constituted an unfair or deceptive act or practice in violation of subsection (a).".

PREVALENCE OF UNLAWFUL ACTS OR PRACTICES

SEC. 6. Section 18(b) of the Federal Trade Commission Act (15 U.S.C. 57a(b)) is amend-

ed by adding at the end thereof the following:

"(3) The Commission shall issue a notice of proposed rulemaking pursuant to paragraph (1)(A) only where it has reason to believe that the unfair or deceptive acts or practices which are the subject of the proposed rulemaking are prevalent. The Commission shall make a determination that unfair or deceptive acts or practices are prevalent under this paragraph only if it has issued cease and desist orders regarding such acts or practices, or any information available to the Commission indicates a pattern of unfair or deceptive acts or practices.".

EFFECTIVE DATE OF ORDERS

SEC. 7. (a) Section 5(g)(2) of the Federal Trade Commission Act (15 U.S.C. 45(g)(2)) is amended to read as follows:

"(2) Upon the sixtieth day after such order is served, if a petition for review has been duly filed, except that any such order may be stayed, in whole or in part and subject to such conditions as may be appropriate, by—

"(A) the Commission:

"(B) an appropriate court of appeals of the United States, if (i) a petition for review of such order is pending in such court, and (ii) an application for such a stay was previously submitted to the Commission and the Commission, within the thirty-day period beginning on the date the application was received by the Commission, either denied the application or did not grant or deny the application; or

"(C) the Supreme Court, if an applicable petition for certiorari is pending; or".

(a) Section 5(g)(3) of the Federal Trade Commission Act (15 U.S.C. 45(g)(3)) is amended to read as follows:

"(3) For purposes of section 19(a)(2) and section 5(m)(1)(B), if a petition for review of the order of the Commission has been filed—

"(A) upon the expiration of the time allowed for filing a petition for certiorari, if the order of the Commission has been affirmed or the petition for review has been dismissed by the court of appeals and no petition for certiorari has been duly filed;

"(B) upon the denial of a petition for certiorari, if the order of the Commission has been affirmed or the petition for review has been dismissed by the court of appeals; or

"(C) upon the expiration of thirty days from the date of issuance of a mandate of the Supreme Court directing that the order of the Commission be affirmed or the petition for review be dismissed; or".

(c) Section 5(g)(4) of the Federal Trade Commission Act (15 U.S.C. 45(g)(4)) is amended to read as follows:

"(4) In the case of an order requiring a person, partnership, or corporation to divest itself of stock, other share capital, or assets, if a petition for review of such order of the Commission has been filed—

"(A) upon the expiration of the time allowed for filing a petition for certiorari, if the order of the Commission has been affirmed or the petition for review has been dismissed by the court of appeals and no petition for certiorari has been duly filed;

"(B) upon the denial of a petition for certiorari, if the order of the Commission has been affirmed or the petition for review has been dismissed by the court of appeals; or

"(C) upon the expiration of thirty days from the date of issuance of a mandate of the Supreme Court directing the order of the Commission be affirmed or the petition for review be dismissed.".

CIVIL INVESTIGATIVE DEMANDS

SEC. 8. (a) Section 20(a) of the Federal Trade Commission Act (15 U.S.C. 57b-1(a)) is amended—

(1) in paragraph (2), by striking "unfair or deceptive acts or practices in or affecting commerce (within the meaning of section 5(a)(1))" and inserting in lieu thereof "act or practice or method of competition declared unlawful by a law administered by the Commission";

(2) in paragraph (3), by striking "unfair or deceptive acts or practices in or affecting commerce (within the meaning of section 5(a)(1))" and inserting in lieu thereof "acts or practices or methods of competition declared unlawful by a law administered by the Commission"; and

(3) in paragraph (7), by striking "unfair or deceptive act or practice in or affecting commerce (within the meaning of section 5(a)(1))" and inserting in lieu thereof "act or practice or method of competition declared unlawful by a law administered by the Commission".

(b) Section 20(b) of the Federal Trade Commission Act (15 U.S.C. 57b-1(b)) is amended by striking "unfair or deceptive acts or practices in or affecting commerce (within the meaning of section 5(a)(1))" and inserting in lieu thereof "any act or practice or method of competition declared unlawful by a law administered by the Commission".

(c) Section 20(c)(1) of the Federal Trade Commission Act (15 U.S.C. 57b-1(c)) is amended by striking "unfair or deceptive acts or practices in or affecting commerce (within the meaning of section 5(a)(1))" and inserting in lieu thereof "any act or practice or method of competition declared unlawful by a law administered by the Commission".

DEFINITION OF UNFAIR ACT OR PRACTICES

SEC. 9. Section 5 of the Federal Trade Commission Act (15 U.S.C. 45), as amended by section 2 of this Act, is further amended by adding at the end thereof the following:

"(o) The Commission shall have no authority under this section or section 18 to declare unlawful an act or practice on the grounds that such act or practice is unfair unless the act or practice causes or is likely to cause substantial injury to consumers which is not reasonably avoidable by consumers themselves and not outweighted by countervailing benefits to consumers or to competition.".

TRADEMARKS

SEC. 10. The Federal Trade Commission Act (15 U.S.C. 41 et seq.) is amended by inserting after section 24, as added by section 3 of this Act, the following new section:

SEC. 25. The Commission shall not have any authority to take any action under section 14 of the Act entitled 'An Act to provide for the registration and protection of trademarks used in commerce, to carry out the provisions of certain international conventions, and for other purposes' (15 U.S.C. 1064), commonly referred to as the Lanham Act, with respect to the cancellation of the registration of any mark on the ground that such mark has become the common descriptive name of an article or substance.".

CREDIT UNIONS

SEC. 11. (a) Sections 5(a)(2), 6(a) and 6(b) of the Federal Trade Commission Act (15 U.S.C. 45(a)(2), 46(a) and 46(b)) are amended by inserting immediately after "section 18(f)(3)," the following: Federal credit unions described in section 18(f)(4),".

(b) The second proviso in section 6 of the Federal Trade Commission Act (15 U.S.C. 46) is amended—

(1) by inserting immediately after "section 18(f)(3)," the following: Federal credit unions described in section 18(f)(4),"; and

(2) by inserting immediately after "in business as a savings and loan institution," the following: ", in business as a Federal credit union,".

(c)(1) The second sentence of section 18(f)(1) of the the Federal Trade Commission Act (15 U.S.C. 57a(f)(1)) is amended by inserting immediately after "paragraph (3))" the following "and the National Credit Union Administration Board (with respect to Federal credit unions described in paragraph (4))".

(2) The last sentence of section 18(f)(1) of the Federal Trade Commission Act (15 U.S.C. 57a(f)(1)) is amended—

(A) by striking "either such" and inserting in lieu thereof "any such";

(B) by inserting "or Federal credit unions described in paragraph (4)," immediately after "paragraph (3)," each place it appears therein; and

(C) by inserting immediately after "with respect to banks" the following: ", savings and loan institutions or Federal credit unions".

(3) Section 18(f) of the Federal Trade Commission Act (15 U.S.C. 57a(f)) is amended by redesignating paragraphs (4), (5), and (6), respectively, and by inserting immediately after paragraph (3) the following:

"(4) Compliance with regulations under this subsection shall be enforced with respect to Federal credit unions under sections 120 and 206 of the Federal Credit Union Act (12 U.S.C. 1766 and 1786).".

COMMERCIAL ADVERTISING

SEC. 12. Section 18(h) of the Federal Trade Commission Act (15 U.S.C. 57a(h)), as so redesignated in section 4(a) of this Act, is amended by adding at the end thereof the following: "The Commission shall have no authority under this section to initiate any new rulemaking proceeding which is intended to or may result in the promulgation of any rule by the Commission which prohibits or otherwise regulates any commercial advertising on the basis of a determination by the Commission that such commercial advertising constitutes an unfair act or practice in or affecting commerce.".

REPORT

SEC. 13. (a) The Federal Trade Commission shall submit to the Committee on Commerce, Science, and Transportation of the Senate and to the Committee on Energy and Commerce of the House of Representatives the information specified in subsection (b) of this section every 6 months during each of the fiscal years 1986, 1987, and 1988. A report containing such information shall be submitted when the Commission submits its annual report to the Congress during each of such fiscal years, and such report may be included in the annual report. A separate report containing such information shall be submitted six months after the date of submission of any such annual report. Each such report shall contain such information for the period since the last submission under this section.

(b) Each report shall list and describe, with respect to instances in which resale price maintenance has been suspected or alleged—

(1) each complaint made, orally or in writing, to the offices of the Commission;

(2) each preliminary investigation opened or closed at the Commission;

(3) each formal investigation opened or closed at the Commission;

(4) each recommendation for the issuance of a complaint forwarded by the staff to the Commission;

(5) each complaint issued by the Commission pursuant to section 5 of the Federal Trade Commission Act (15 U.S.C. 45);

(6) each opinion and order entered by the Commission;

(7) each consent agreement accepted provisionally or finally by the Commission;

(8) each request for modification of an outstanding Commission order filed with the Commission;

(9) each recommendation by staff pertaining to a request for modification of an outstanding Commission order; and

(10) each disposition by the Commission of a request for modification of an outstanding Commission order.

Such report shall include the sum total of matters in each category specified in paragraphs (1) through (10) of this subsection, and copies of all such consent agreements and complaints executed by the Commission. Where a matter has been closed or terminated, the report shall include a statement of the reasons for that disposition. The description required under this subsection shall be as complete as possible but shall not reveal the identity of persons or companies complained about or those subject to investigation that have not otherwise been made public.

AUTHORIZATION OF APPROPRIATIONS

SEC. 14. Section 26 of the Federal Trade Commission Act, as so redesignated by section 3 of this Act, is amended—

(1) by striking "and" after "1981,", and

(2) by inserting immediately before the period at the end thereof the following: "; not to exceed $65,800,000 for the fiscal year ending September 30, 1986; not to exceed $66,800,000 for the fiscal year ending September 30, 1987; and not to exceed $67,800,000 for the fiscal year ending September 30, 1988, and such additional sums for the fiscal years ending September 30, 1987 and September 30, 1988, as may be necessary for increases in salary, pay, and other employee benefits as authorized by law".

BUILDING CONSOLIDATION

SEC. 15. Section 26 of the Federal Trade Commission Act, as so redesignated by section 3 of this Act and as amended by section 14 of this Act, is further amended by adding at the end thereof the following: "In addition, there is authorized to be appropriated during the fiscal years ending September 30, 1986, September 30, 1987, and September 30, 1988, a total amount not to exceed $3,811,000, to carry out the consolidation into not more than three buildings of the Headquarters Offices of the Commission in Washington, District of Columbia.".

EFFECTIVE DATE

SEC. 16. (a) Except as provided in subsections (b), (c), and (d) of this section, the provisions of this Act shall take effect on the date of enactment of this Act.

(b) The amendments made by sections 2, 7, and 9 of this Act shall apply only with respect to cease and desist orders issued under section 5 of the Federal Trade Commission Act (15 U.S.C. 45) or to rules promulgated under section 18 of the Federal Trade Commission Act (15 U.S.C. 57a), after the date of enactment of this Act. These amendments shall not be construed to affect in any manner a cease and desist order which was issued, or a rule which was promulgated, before the date of enactment of this Act. These amendments shall not be construed to affect in any manner a cease-and-desist order issued after the date of enactment of this Act, if such other was issued pursuant to remand from a court of appeals or the Supreme Court of an order issued by the Commission before the date of enactment of this Act.

(c) The provisions of section 24(c) of the Federal Trade Commission Act, as added by section 3 of this Act, shall apply only to complaints issued by the Federal Trade Commission under section 5 of the Federal Trade Commission Act (15 U.S.C 45) on or after the date of enactment of this Act.

(d) The amendments made by sections 6 and 12 of this Act shall apply only to rulemaking proceedings initiated after the date of enactment of this Act. These amendments shall not be construed to affect in any manner a rulemaking proceeding which was initiated before the date of enactment of this Act.

Mr. KASTEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. KASTEN. Mr. President, today I am pleased to bring before the Senate the Federal Trade Commissison Act Amendments of 1985. This measure, which provides a 3-year authorization for the agency and which makes important changes in the agency's authority and procedures, was reported unanimously by the Commerce Committee.

The FTC has an important function—to protect consumers from unfair methods of competition and unfair or deceptive acts or practices. Unfortunately, the last FTC authorization enacted into law was the FTC Improvements Act of 1980, which expired at the end of fiscal 1982. Since then, the FTC has been without a formal authorization, although the Commerce Committee has held numerous hearings and reported several bills to the full Senate.

This bill provides a 3-year authorization of appropriations for the Federal Trade Commission. It freezes funding for fiscal year 1986 at the level of current appropriations—$65.3 million, and it provides for modest increases for fiscal years 1987 and 1988 that are below the Senate Budget Committee marks for the agency.

In addition, this bill contains an authorization for a special appropriation of $3,811,000 for a one-time building consolidation of the headquarters of the FTC in Washington, DC. This consolidation initiative is supported by the GSA and OMB. It also was recommended by the Grace Commission.

S. 1714, the last FTC bill introduced prior to the bill before us today, was reported by the Commerce Committee in the 98th Congress but was not acted upon by the full Senate prior to adjournment. S. 1714 contained a number of important reforms in FTC authority and procedure that were adopted by the committee after extensive hearings in the 97th and 98th Congresses. These reforms addressed such issues as the scope of FTC authority with respect to agricultural cooperatives and the agency's treatment of unfair advertising. The reforms in S. 1714 also included a statutory definition of "unfair acts or practices," the requirement of a showing that challenged conduct is prevalent in an industry as a prerequisite for FTC rulemaking, repeal of the Commission's authority to compensate public participants in rulemaking, and codification of the so-called Braswell standard of review for knowing violation of FTC orders.

All the reforms of S. 1714 are included in the bill before us today—except for the so-called professions compromise language that prohibited the FTC from using its consumer protection authority to invalidate State laws prescribing training, education, or experience requirements for licensure, or the permissible tasks or duties that professionals may perform based on specialized training or education.

Objections to this professions language were an obstacle to floor action on S. 1714. However, at the Consumer Subcommittee hearing on the FTC authorization, earlier this year, the continued need for this provision was questioned. While there were different views expressed as to the meaning of the professions language and its impact on FTC authority, the view was expressed that this provision is no longer necessary in light of recent Supreme Court decisions clarifying the scope of the State action doctrine, and in light of the sensitivity of the FTC to the requirements of professional self-regulation and State concerns in this area.

As a consequence, the professions language has been removed from the bill. This change is supported by such groups as the American Medical Association and the American Bar Association, and it is our hope that we now can move ahead expeditiously to enact this reauthorization of the FTC.

This is a fair, balanced reform bill that embodies years of work by the Commerce Committee. Moreover, this legislation is essential to reaffirm congressional support for the agency and to restore order to the legislative process.

Mr. President, at this time I ask that the committee amendment be agreed to.

The PRESIDING OFFICER. Is there objection?

Without objection, the committee amendment is agreed to.

The committee amendment was agreed to.

Mr. KASTEN. Mr. President, at this time, I yield to the ranking member of the subcommittee for any statement that he may wish to present.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Mr. President, I thank my distinguished colleague from Wis-

consin, the chairman of the Consumer Subcommittee.

Mr. President, I strongly urge the passage of this bill and enactment of a law to reauthorize the Federal Trade Commission [FTC]. S. 1078 would guide the Commission in its efforts to enforce safeguards for business competition as well as the rights of consumers. It would continue the direction to the FTC set out in the FTC Improvement Act of 1980, the last authorization to become law. In the words of Jeffrey Joseph representing the Chamber of Commerce at the April 29, 1985 FTC hearing:

> For several years, the business community and consumers have operated in a climate of uncertainty and confusion with respect to the jurisdiction of the FTC and the standards of behavior deemed appropriate by the FTC. Lack of FTC reauthorization for the past three years has led to confusion over more than just the definition of "unfair or deceptive acts or practices" or the status of FTC improvements which were enacted in 1980; it has created doubt as to the very role of the FTC . . . . Yet, without a FTC reauthorization, without a clarification of the Act, the confusion continues.

Mr. President, it is certaintly time to enact a law. All the issues before us have been debated and studied extensively.

Indeed, the genesis of the most important provisions of S. 1078 occurred over some years ago during the extensive oversight process by the Consumer Subcommittee in the late 1970's. In 1979 alone, the subcommittee held 9 days of oversight hearings which ultimately resulted in the FTC Improvements Act of 1980. As many of my colleagues will remember, that process involved no shortage of ideas, recommendations, and controversy. In those days, we saw the FTC take its broad statutory authority—enforcement and administrative authority under 27 separate acts since 1914—and push it above and beyond the limit. Congress had created the Commission, but the Commission was acting as though it was the lone public policymaker—a development which I thought to be contrary to congressional intent. From my perspective, the proper role for the FTC has always been, as an arm of Congress, to carry out the public policy objectives of that body and to be a strong law enforcement agency to benefit business and consumers.

The oversight hearings revealed the necessity for steps to be taken to put the agency back on the proper cause. The resulting law addressed various problem areas that were identified. Some of these important provisions, however, were tied to the expenditure of agency funds during the authorization period and expired in 1982. Since that time, the annual appropriations have extended these provisions. S. 1078 incorporates these provisions into organic statute.

One of these important provisions included in S. 1078 is the elimination of unfairness rulemaking authority. Under section 12, the FTC shall have no authority to initiate new rulemakings to regulate commercial advertising on the grounds such advertising is unfair. The limitation contained in this section is warranted because the constitutional protection accorded to nondeceptive commercial speech is threatened by the broad grant of unfairness jurisdiction contained in section 18 of the FTC Act. The unfairness standard applied on an industry-wide basis in rule-making proceedings under section 18 has no proper place in the regulation of commercial speech as the standard is too vague to avoid an unacceptable risk of abridging first amendment principles of free speech. The standard does not take into account the mandate that the least restrictive form of regulation must be used consistent with meeting the substantial governmental interest involved.

Moreover, the Commission's use of the unfairness standard has survived litigation in cases dealing with unfair methods of competition or unfair acts of practices, not advertising. Because the unfairness standard in section 18 goes beyond the elimination of misleading or deceptive commercial speech, it raises an unacceptable potential for conflict with first amendment principles.

During the oversight process in the late 1970's, the committee received a report on this issue. This report on FTC rulemaking of the special project of the Administrative Conference of the United States was mandated by the Magnuson-Moss Act and traced the development of the Commission's unfairness theories, which it described as "an extemely plastic, open-ended set of theories." It concluded that if the Commission remains free to frame such broad and novel theories to support its rules, then the procedural safeguards in the statute may not be an adequate substitute for substantive standards. Prof. Robert H. Bork of the Yale Law School, formerly Solicitor General of the United States, submitted a statement to the Consumer Subcommittee in which he endorsed the provision to eliminate the unfairness standard in advertising rulemaking and urged that, because of the important constitutional considerations involved, the unfairness standard be eliminated from section 5 adjudications as well. It is apparent, therefore, that this is an important reform measure supported by thoughtful and disinterested critics.

Another important provision, section 3 of the bill, would make permanent the provision in the 1980 Act which prohibited the Commission from any study or investigation of agricultural marketing orders or prosecution of agricultural cooperatives for conduct which the Copper-Volstead Act exempts from the antitrust laws. A procedure is provided to give the Secretary of Agriculture an opportunity to present views and comments on the applicability of the Copper-Volstead Act.

The 1980 Act clarified the FTC's authority to issue industry-wide trade rules. Section 6 of S. 1078 contains an important rulemaking reform requiring prevalence of unlawful acts and practices. This provision was included in the authorizing legislation that I introduced in 1979 and that passed the Senate. However the provision was later dropped in the House/Senate conference.

The section requires prevalence as a basis for initiating rulemaking proceedings. Under this new standard, the FTC should not initiate a rulemaking where only isolated and insignificant violations have occurred. Rulemaking is permissible only where there have been several cease-and-desist orders or other evidence of a pattern of unlawful conduct. The FTC, of course, retains its authority against an isolated violation.

The 1980 act set up important new procedures to require confidential treatment of commercial or financial information. It also required that all FTC law enforcement investigations in the consumer protection area be conducted pursuant to civil investigative demands procedures very similar to the procedures of the Department of Justice. This required the FTC to be more specific in its investigative demands and attempted to eliminate the issuance of overly broad subpenas. This provision has worked well since its 1980 inception to correct past problems. Section 8 of S. 1078 extends the civil investigative demand procedures to the FTC's antitrust investigations.

Section 9 of S. 1078 would add a new definition to define the FTC's authority over "unfair" acts or practices. After extensive analysis, the Commerce Committee adopted this approach.

The FTC has had authority since the Wheeler-Lea amendment to the FTC act in 1938 to protect consumers against unfair or deceptive acts or practices. The Congress had, through broad, ambiguous language, given five Commissioners the sweeping power to regulate anything they believed to be, in their discretion, unfair, but Congress became increasingly concerned in the 1970's about some FTC actions under this broad mandate. My distinguished colleague from Missouri, Senator DANFORTH and I wrote to request the FTC to develop a statutory definition of "unfair" to put boundaries around this term. The Senate Commerce Committee collected outside views on the issue, held extensive

hearings, and proposed statutory language to better clarify and define the term. This statutory language which is contained in S. 1078, was based on the Commission's December 1980 policy statement on unfairness. The committee also determined, through this process, to decline to further define the term "deceptive acts or practices," since case law had placed limits on the term which were deemed appropriately specific.

Mr. President, the attempt to enact a statutory definition of unfairness has been a slow, tedious approach of reasoned lawmaking. The Congress should more frequently engage in the process of more narrowly defining major statutes.

Section 13 of S. 1078 requires a periodic report on the Commission enforcement of the law against resale price maintenance. This provision was originally offered by my distinguished colleague, Senator LAUTENBERG, on the predecessor bill to S. 1078. The current prohibition on resale price maintenance, the fixing of retail prices by manufacturers, is intended to protect both consumers seeking law retail prices and retailers seeking the right to compete. Information provided by the report may serve as a basis for other appropriate legislative action.

Mr. President, I want to compliment my colleague, Senator KASTEN, for his oversight activities and his effort to bring this legislation before the Senate for its consideration and hope the process of vigorous congressional oversight of the FTC will continue. I urge the passage of S. 1078.

Mr. HOLLINGS. Mr. President, I rise in support of the Federal Trade Commission Reauthorization, and I urge my colleagues to join me in assuring its passage.

The last formal authorization of the FTC was the FTC Improvements Act of 1980. Prior to its passage, then chairman of the Consumer Subcommittee, Senator FORD, presided at many weeks of hearings on the controversial issues of the time.

Under the original FTC Act, the Commission seeks to prevent anticompetitive conduct through its authority over "unfair methods of competition," and protect consumers through its "unfair or deceptive acts or practices" authority. In 1975, Congress acted to provide the agency explicit authority and detailed new procedures for promulgating trade rules to prohibit "unfair or deceptive practices." And in 1980, out of dissatisfaction with the Commission's exercise of its section 18 consumer protection rulemaking authority, Congress redirected some of the agency's rulemaking and added additional rulemaking procedures.

The 1980 act expired in 1982, and since then the FTC has been operating without an authorization. Unfortunately, key provisions of the 1980 Act were tied to the time period of the authorization and expired with the authorization. However, through the appropriations process, my colleagues and I have been able to secure continuation of many of the important provisions of the act through fiscal year 1985. Soon we will again act in an effort to ensure continuation of these provisions in the appropriations bill. The House of Representatives will specifically exclude the continuation of these provisions. Without congressional action, those provisions would expire at the end of this current fiscal year. Certainly, such action through the appropriations process is not as desirable as legislative committee action. The legislative committee for the agency, the Committee on Commerce, Science, and Transportation, is the proper committee for such legislative actions and it is my hope that S. 1078 would become law.

It is now time for an expeditious reauthorization of the FTC. This agency has an extremely important mission to fulfill—the protection of consumers and businesses from unfair, deceptive, or anticompetitive practices.

I do, however, have misgivings about the Commission on several issues. I am concerned that it is no longer fulfilling its core mission as the cop on the beat protecting against deceptive practices. Historically, the FTC's mere existence has had a deterrent effect on practices which are iliegal under the antitrust laws, such as predatory pricing. I am concerned that this is no longer true. And I have been concerned that the Commission has used poor judgment in setting its enforcement priorities. For example, in the recent past, it maintained antitrust actions against our Nation's cities.

These, however, are issues which I believe aggressive congressional oversight should address. I believe that the authorization bill before the Senate today is important to our quest for consumer protection and healthy competition. I urge its approval.

Mr. KASTEN. Mr. President, first of all, I compliment the Senator from Kentucky, the ranking member of the Consumer Subcommittee. He has been chairman of this subcommittee and has had great experience with these issues.

I want to say that his experience with these issues has been tremendously helpful to me.

I also want to point out to the membership that the FTC authorization passed the Commerce Committee unanimously. I think that the fact that we did have a unanimous vote was due in large part to the hard work, the thoughtfulness, and the cooperation of the Senator from Kentucky. It would not have been this way without his work and without his cooperation. I thank him for his stong leadership and his assistance.

AMENDMENT NO. 542

Mr. KASTEN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Wisconsin [Mr. KASTEN] proposes an amendment numbered 542.

Mr. KASTEN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KASTEN. Mr. President, this amendment provides an effective, expeditious, and constitutionally sound legislative veto mechanism for review of rulemaking by the Federal Trade Commission and the Consumer Product Safety Commission.

I am a firm believer in the legislative veto as an essential element in our arsenal of weapons for regulatory reform. Along with congressional and executive branch oversight, legislative veto authority provides Congress with an important opportunity to ensure that an agency's exercise of its delegated legislative power is consistent with congressional intent. I believe that legislative veto is necessary in order to shift the real power of Government away from the bureaucracy and back to the elected Congress.

In the last 50 years, Congress has repeatedly empowered agencies to write rules and regulations having the force and effect of law. The powers delegated are often broad and ill defined. Such agency mandates have been followed by the gradual realization that congressional oversight alone is not adequate to ensure that agency rulemaking comports with Congress' intent.

To improve agency accountability and strengthen congressional oversight, Congress resorted to the legislative veto. Unfortunately, as my colleagues well know, the Supreme Court in Chadha and subsequent decisions concluded that these legislative veto mechanisms were unconstitutional because they altered the legal rights of persons outside the legislative branch without providing for passage of the veto resolution by both Houses of Congress and presentment to the President.

Mr. President, the legislative veto mechanism I am offering today satisfies these constitutional requirements because it provides for the use of a joint resolution of disapproval which must be approved by both Houses of Congress and presented to the President before it can take effect.

The procedures for congressional review and disapproval contained in my amendment are simple. A newly issued FTC or CPSC rule must be sub-

mitted to Congress. The rule becomes effective 90 days later unless a joint resolution of disapproval of the rule is enacted. Procedures for expedited consideration of such disapproval resolutions are also established by my bill. The appropriate House or Senate committee may be discharged from consideration of a joint resolution after 30 days through a privileged motion. The motion to consider a disapproval resolution on the floor of the House or Senate is also privileged and debate on the resolution itself is limited to 2 hours.

Mr. President, committees already conduct or should conduct oversight of regulatory agencies within their jurisdiction. The Senator from Kentucky referred to the work that he and I are doing in oversight hearings on the Federal Trade Commission and the Consumer Product Safety Commission. Passage of my legislative veto amendment strengthens this process with respect to the Federal Trade Commission and the CPSC. Both the House and Senate Commerce Committees will regularly and systematically receive all new FTC and CPSC regulations which are about to take effect. Regulations of particular concern can then be reviewed and, through the expedited procedure provided for in my amendment, Congress can act quickly and decisively to block those regulations it objects to before they take effect.

The executive branch has already recognized the need for systematic presentation of all agency rules in order to effectively oversee agency rulemaking activities. President Reagan's Executive Order No. 12291 requires agencies to submit all proposed and final rules to the Director of the Office of Management and Budget for review. Moreover, publication of these rules can be delayed while the rule is studied and problems are clarified. Surely, Congress can learn from the highly effective example and adopt a similar procedure for overseeing FTC and CPSC rules.

My legislative veto amendment will not create a substantial new workload for Congress because congressional action is not required before rules or regulations take effect. Instead, Congress need take up only those regulations that raise important policy issues or clearly run counter to the intent of Congress. This is the same selection procedure by which Congress chooses which bills it will consider among the thousands that are introduced each year. And let me suggest that some of the bills we do consider are not nearly as significant as some of the regulations we now ignore simply because they are labeled regulations.

Nor will my amendment affect in any way the appropriations process. While, at first blush, requiring the use of appropriations legislation to enforce every legislative veto of an FTC or CPSC rule may appear reasonable, my fear, Mr. President, is that it will result in needless duplication and could prolong debate regarding appropriations bills and continuing resolutions. Congress can ill afford such burdens at a time when we are repeatedly subject to criticism for ineffectiveness due to unnecessary delay.

Moreover, I am not alone in my concerns about linking the legislative veto to the appropriations process. In testimony submitted to the Consumer Subcommittee, the chairman of the Senate Appropriations Committee (Mr. HATFIELD), concluded that a link between appropriations legislation and veto resolutions would impose unwaranted restrictions on appropriations activities and would do nothing to further the interest of legislative veto.

While I share the concerns of those who support using the appropriations process to enforce the legislative veto, I believe that my measure is a more viable means to obtain a common goal.

Mr. President, unelected public officials continue to churn out an unending stream of Federal rules and regulations that are not subject to congressional scrutiny. Congress has created this regulatory monster by delegating authority to administrative agencies. Therefore, it is our duty to take on the further responsibility of reviewing agency actions.

By adding my legislative veto amendment to the FTC authorization bill, Congress will be taking an important step toward assuming that authority.

Mr President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. MCCONNELL). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KASTEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KASTEN. Mr. President, I send a modification of my amendment to the desk.

The PRESIDING OFFICER. The amendment is so modified.

Mr. KASTEN subsequently said: Mr President, I wish to modify my amendment.

I say to the Senate that the modification, the technical change that we made on page 7 we now find should have been made also on page 14, page 22, and page 30. It is exactly the same technical change. It was my intention to modify all of those sections. I ask unanimous consent that my amendment be so modified.

The PRESIDING OFFICER. The Senator has the right to modify his amendment.

The amendment (No. 542), as modified and further modified, is as follows:

On page 16, insert the following immediately after line 2:

CONGRESSIONAL REVIEW OF RULES

SEC. 16. (a) The Federal Trade Commission Act (15 U.S.C. 41 et seq.) is amended by inserting after section 25, as added by section 10 of this Act, the following new section:

"SEC. 26. (a) For purposes of this section, the term—

"(1) 'appropriate committee' means either the Committee on Commerce, Science, and Transportation of the Senate or the Committee on Energy and Commerce of the House of Representatives, as the case may be;

"(2) 'joint resolution' means a joint resolution the matter after the resolving clause of which is as follows: 'That the Senate and the House of Representatives disapprove the rule entitled , transmitted to the Congress by the Federal Trade Commission on , 19 .', the blank spaces being filled with the appropriate title of the rule and the date of transmittal of the rule to the Congress, respectively; and

"(3) 'rule' means any rule promulgated by the Commission pursuant to this Act, other than any rule promulgated under section 18(a)(1)(A) of this Act and any interpretive or procedural rule.

"(b)(1) Except as provided in subsection (g)(1) of this section, on the day the Commission forwards to the Federal Register for publication a recommended rule, the Commission shall transmit a copy of such rule to the Secretary of the Senate and the Clerk of the House of Representatives. The Secretary of the Senate and the Clerk of the House of Representatives are authorized to receive a recommended rule under this subsection whether the appropriate House is in session, stands in adjournment or is in recess.

"(2) On the day on which the Secretary of the Senate and the Clerk of the House of Representatives receive a recommended rule, the Secretary and the Clerk shall transmit a copy of such rule to the appropriate committees.

"(c)(1) Notwithstanding any other provision of law, no recommended rule may become effective until the expiration of a period of ninety days after the date on which such rule is received by the Secretary of the Senate and the Clerk of the House of Representatives, except that such rule may not become effective under this paragraph if within such ninety-day period a joint resolution with respect to such rule has become law.

"(2) For purposes of this subsection—

"(A) the term 'days' means only days of continuous session of Congress;

"(B) continuity of session is broken only by an adjournment sine die at the end of a Congress; and

"(C) the days on which either House is not in session because of an adjournment or recess to a day certain shall be excluded in the computation of days of continuous session of Congress for the ninety-day period referred to in this subsection if the adjournment is for more than five days.

"(d) Notwithstanding any other provision of law, any rule subject to this section shall be considered a recommendation of the Commission to the Congress and shall have no force and effect as a rule unless such

rule has become effective in accordance with this section.

"(e) Whenever an appropriate committee reports a joint resolution pursuant to this section, the resolution shall be accompanied by a committee report specifying the reasons for the committee's action.

"(f) Congressional inaction on, or rejection of, any joint resolution shall not be deemed an expression of approval of the rule involved. The compliance of the Commission with the requirements of this section, including any determination by the Commission under this section, shall not be subject to judicial review of any kind.

"(g)(1) If a recommended rule of the Commission does not become effective because of an adjournment of Congress sine die before the expiration of the period specified in subsection (c)(1) of this section, the Commission may resubmit the recommended rule at the beginning of the next regular session of Congress. The ninety-day period specified in the first sentence of section (c)(1) shall begin on the date of such resubmission, and such rule may only become effective in accordance with this section. The Commission shall not be required to forward such rule to the Federal Register for publication, if such rule is identical to the rule transmitted during the previous session of Congress.

"(2) If a recommended rule of the Commission is disapproved under this section, the Commission may issue a recommended rule which relates to the same acts or practices as the disapproved rule. Such recommended rule—

"(A) shall be based upon—

"(i) the rulemaking record of the recommended rule disapproved by the Congress; or

"(ii) such rulemaking record and the record established in supplemental rulemaking proceedings conducted by the Commission, in accordance with section 553 of title 5, United States Code, in any case in which the Commission determines that it is necessary to supplement the existing rulemaking record; and

"(B) may reflect such changes as the Commission considers necessary or appropriate, including such changes as may be appropriate in light of congressional debate and consideration of the joint resolution with respect to the rule.

"(3) After issuing a recommended rule under this subsection, the Commission shall transmit such rule to the Secretary of the Senate and the Clerk of the House of Representatives, in accordance with subsection (b)(1) of this section, and such rule shall only become effective in accordance with this section.

"(h) The provisions of this subsection, subsection (a)(1) and (2), subsection (e), and subsections (i) through (1) of this section are enacted by Congress—

"(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of joint resolutions, and they supersede other rules only to the extent that they are inconsistent therewith; and

"(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

"(i) Except as provided in subsection (1) of this section, joint resolutions shall, upon introduction or receipt from the other House of Congress, be immediately referred by the presiding officer of the Senate or the House of Representatives to the appropriate committee of the Senate or the House of Representatives, as the case may be.

"(j)(1)(A) Except as provided in subparagraph (B) of this paragraph, if the committee to which a joint resolution has been referred does not report such resolution within 30 days of continuous session of Congress after the date of transmittal to the Congress of the recommended rule to which such joint resolution relates, it shall be in order to move to discharge the committee from further consideration of such resolution.

"(B) If the committee to which a joint resolution transmitted from the other House has been referred does not report such resolution within 30 days after the date of transmittal of such resolution from the other House, it shall be in order to move to discharge such committee from further consideration of such resolution.

"(2) Any motion to discharge under paragraph (1) of this subsection must be supported in the House in writing by one-fifth of the Members, duly chosen and sworn, and in the Senate may be made by one Senator, and is highly privileged in the House and privileged in the Senate (except that it may not be made after a joint resolution has been reported with respect to the same rule); and debate thereon shall be limited to not more than one hour, the time to be divided in the House of Representatives equally between those favoring and those opposing the motion to discharge and to be divided in the Senate equally between, and controlled by, the majority leader and the minority leader, or their designees. An amendment to the motion is not in order.

"(k)(1) Except as provided in paragraphs (2) and (3) of this subsection, consideration of a joint resolution shall be in accord with the rules of the Senate and of the House of Representatives, respectively.

"(2) When a committee has reported or has been discharged from further consideration of a joint resolution, or when the companion joint resolution from the other House has been placed on the calendar of the first House, it shall be in order, notwithstanding the provisions of rule XXII of the Standing Rules of the Senate or any other rule of the Senate or the House of Representatives, at any time thereafter (even though a previous motion to the same effect has been disagreed to) to move to proceed to the immediate consideration of either such joint resolution. The motion is highly privileged in the House and privileged in the Senate and is not debatable. An amendment to the motion is not in order.

"(3) Debate on a joint resolution shall be limited to not more than two hours (except that when one House has debated the joint resolution of that House, the companion joint resolution of the other House shall not be debatable), which shall be divided in the House of Representatives equally between those favoring and those opposing the resolution and which shall be divided in the Senate equally between, and controlled by, the majority leader and the minority leader, or their designees. A motion further to limit debate is not in order. An amendment to, or motion to recommit, the joint resolution is not in order. A motion to reconsider shall be in order only on the day on which occurs the vote of adoption of the joint resolution, and shall not be debatable. Any other motions shall be decided without debate.

"(l) If a joint resolution has been ordered reported or discharged from the committee of the House to which it was referred, and that House receives a joint resolution with respect to the same rule from the other House, the resolution of disapproval of the other House shall be placed on the appropriate calendar of the first House. If, prior to the disposition of a joint resolution of one House, that House receives a joint resolution with respect to the same rule from the other House, the vote in the first House shall occur on the joint resolution of the other House.".

(b) Section 36 of the Consumer Product Safety Act (15 U.S.C. 2083) is amended to read as follows:

"CONGRESSIONAL REVIEW OF RULES

"SEC. 36. (a) For purposes of this section, the term—

"(1) 'appropriate committee' means either the Committee on Commerce, Science, and Transportation of the Senate or the Committee on Energy and Commerce of the House of Representatives, as the case may be;

"(2) 'joint resolution' means a joint resolution the matter after the resolving clause of which is as follows: 'That the Senate and the House of Representatives disapprove the rule entitled , transmitted to the Congress by the Consumer Product Safety Commission on , 19 .', the blank spaces being filled with the appropriate title of the rule and the date of transmittal of the rule to the Congress, respectively; and

"(3) 'rule' means any rule promulgated by the Commission pursuant to this Act.

"(b)(1) Except as provided in subsection (g)(1) of this section, on the day the Commission forwards to the Federal Register for publication a recommended rule, the Commission shall transmit a copy of such rule to the Secretary of the Senate and the Clerk of the House of Representatives. The Secretary of the Senate and the Clerk of the House of Representatives are authorized to receive a recommended rule under this subsection whether the appropriate House is in session, stands in adjournment or is in recess.

"(2) On the day on which the Secretary of the Senate and the Clerk of the House of Representatives receive a recommended rule, the Secretary and the Clerk shall transmit a copy of such rule to the appropriate committees.

"(c)(1) Notwithstanding any other provision of law, no recommended rule may become effective until the expiration of a period of ninety days after the date on which such rule is received by the Secretary of the Senate and the Clerk of the House of Representatives, except that such rule may not become effective under this paragraph if within such ninety-day period a joint resolution with respect to such rule has become law.

"(2) For purposes of this subsection—

"(A) the term 'days' means only days of continuous session of Congress;

"(B) continuity of session is broken only by an adjournment sine die at the end of a Congress; and

"(C) the days on which either House is not in session because of an adjournment or recess to a day certain shall be excluded in the computation of days of continuous session of Congress for the ninety-day period referred to in this subsection if the adjournment is for more than five days.

"(d) Notwithstanding any other provision of law, any rule subject to this section shall be considered a recommendation of the Commission to the Congress and shall have no force and effect as a rule unless such rule has become effective in accordance with this section.

"(e) Whenever an appropriate committee reports a joint resolution pursuant to this section, the resolution shall be accompanied by a committee report specifying the reasons for the committee's action.

"(f) Congressional inaction on, or rejection of, any joint resolution shall not be deemed an expression of approval of the rule involved. The compliance of the Commission with the requirements of this section, including any determination by the Commission under this section, shall not be subject to judicial review of any kind.

"(g)(1) If a recommended rule of the Commission does not become effective because of an adjournment of Congress sine die before the expiration of the period specified in subsection (c)(1) of this section, the Commission may resubmit the recommended rule at the beginning of the next regular session of Congress. The ninety-day period specified in the first sentence of subsection (c)(1) shall begin on the date of such resubmission, and such rule may only become effective in accordance with this section. The Commission shall not be required to forward such rule to the Federal Register for publication, if such rule is identical to the rule transmitted during the previous session of Congress.

"(2) If a recommended rule of the Commission is disapproved under this section, the Commission may issue a recommended rule which relates to the same acts or practices as the disapproved rule. Such recommended rule——

"(A) shall be based upon——

"(i) the rulemaking record of the recommended rule disapproved by the Congress; or

"(ii) such rulemaking record and the record established in supplemental rulemaking proceedings conducted by the Commission, in accordance with section 553 of title 5, United States Code, in any case in which the Commission determines that it is necessary to supplement the existing rulemaking record; and

"(B) may reflect such changes as the Commission considers necessary or appropriate, including such changes as may be appropriate in light of congressional debate and consideration of the joint resolution with respect to the rule.

"(3) After issuing a recommended rule under this subsection, the Commission shall transmit such rule to the Secretary of the Senate and the Clerk of the House of Representatives, in accordance with subsection (b)(1) of this section, and such rule shall only become effective in accordance with this section.

"(h) The provisions of this subsection, subsection (a)(1) and (2), subsection (e), and subsections (i) through (l) of this section are enacted by Congress—

"(1) an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of joint resolutions, and they supersede other rules only to the extent that they are inconsistent therewith; and

"(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedures of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

"(i) Except as provided in subsection (1) of this section, joint resolutions shall, upon introduction or receipt from the other House of Congress, be immediately referred by the presiding officer of the Senate or the House of Representatives to the appropriate committee of the Senate or the House of Representatives, as the case may be.

"(j)(1)(A) Except as provided in subparagraph (B) of this paragraph, if the committee to which a joint resolution has been referred does not report such resolution within 30 days of continuous session of Congress after the date of transmittal to the Congress of the recommended rule to which such joint resolution relates, it shall be in order to move to discharge the committee from further consideration of such resolution.

"(B) If the committee to which a joint resolution transmitted from the other House has been referred does not report such resolution within 30 days after the date of transmittal of such resolution from the other House, it shall be in order to move to discharge such committee from further consideration of such resolution.

"(2) Any motion to discharge under paragraph (1) of this subsection must be supported in the House in writing by one-fifth of the Members, duly chosen and sworn, and in the Senate may be made by one Senator, and is highly privileged in the House and privileged in the Senate (except that it may not be made after a joint resolution has been reported with respect to the same rule); and debate thereon shall be limited to not more than one hour, the time to be divided in the House of Representative equally between those favoring and those opposing the motion to discharge and to be divided in the Senate equally between, and controlled by, the majority leader and the minority leader, or their designees. An amendment to the motion is not in order.

"(k)(1) Except as provided in paragraphs (2) and (3) of this subsection, consideration of a joint resolution shall be in accord with the rules of the Senate and of the House of Representatives, respectively.

"(2) When a committee has reported or has been discharged from further consideration of a joint resolution, or when the companion joint resolution from the other House has been placed on the calendar of the first House, it shall be in order, notwithstanding the provisions of rule XXII of the Standing Rules of the Senate or any other rule of the Senate or the House of Representatives, at any time thereafter (even though a previous motion to the same effect has been disagreed to) to move to proceed to the immediate consideration of either such joint resolution. The motion is highly privileged in the House and privileged in the Senate and is not debatable. An amendment to the motion is not in order.

"(3) Debate on a joint resolution shall be limited to not more than two hours (except that when one House has debated the joint resolution of that House, the companion joint resolution of the other House shall not be debatable), which shall be divided in the House of Representatives equally between those favoring and those opposing the resolution and which shall be divided in the Senate equally between, and controlled by, the majority leader and the minority leader, or their designees. A motion further to limit debate is not in order. An amendment to, or motion to recommit, the joint resolution is not in order. A motion to reconsider shall be in order only on the day on which occurs the vote of adoption of the joint resolution, and shall not be debatable. Any other motions shall be decided without debate.

"(l) If a joint resolution has been ordered reported or discharged from the committee of the House to which it was referred, and that House receives a joint resolution with respect to the same rule from the other House, the resolution of disapproval of the other House shall be placed on the appropriate calendar of the first House. If, prior to the disposition of a joint resolution of one House, that House receives a joint resolution with respect to the same rule from the other House, the vote in the first House shall occur on the joint resolution of the other House.".

(c) Section 17 of the Flammable Fabrics Act (15 U.S.C. 1204) is amended to read as follows:

"CONGRESSIONAL REVIEW OF REGULATIONS

"SEC. 17. (a) For purposes of this section, the term—

"(1) 'appropriate committee' means either the Committee on Commerce, Science, and Transportation of the Senate or the Committee on Energy and Commerce of the House of Representatives, as the case may be;

"(2) 'Commission' means the Consumer Product Safety Commission;

"(3) 'joint resolution' means a joint resolution the matter after the resolving clause of which is as follows: 'That the Senate and the House of Representatives disapprove the regulation entitled , transmitted to the Congress by the Consumer Product Safety Commission on , 19 .', the blank spaces being filled with the appropriate title of the regulation and the date of transmittal of the regulation to the Congress, respectively; and

"(4) 'regulation' means any regulation promulgated by the Commission under section 2(q)(1) or 3(e).

"(b)(1) Except as provided in subsection (g)(1) of this section, on the day the Commission forwards to the Federal Register for publication a recommended regulation, the Commission shall transmit a copy of such regulation to the Secretary of the Senate and the Clerk of the House of Representatives. The Secretary of the Senate and the Clerk of the House of Representatives are authorized to receive a recommended regulation under this subsection whether the appropriate House is in session, stands in adjournment or is in recess.

"(2) On the day on which the Secretary of the Senate and the Clerk of the House of Representatives receive a recommended regulation, the Secretary and the Clerk shall transmit a copy of such regulation to the appropriate committees.

"(c)(1) Notwithstanding any other provision of law, no recommended regulation may become effective until the expiration of a period of ninety days after the date on which such regulation is received by the Secretary of the Senate and Clerk of the House of Representatives, except that such regulation may not become effective under this paragraph if within such ninety-day period a joint resolution with respect to such regulation has become law.

"(2) For purposes of this subsection—

"(A) the term 'days' means only days of continuous session of Congress;

"(B) continuity of session is broken only by an adjournment sine die at the end of a Congress; and

"(C) the days on which either House is not in session because of an adjournment or recess to a day certain shall be excluded in the computation of days of continuous session of Congress for the ninety-day period referred to in this subsection if the adjournment is for more than five days.

"(d) Notwithstanding any other provision of law, any regulation subject to this section shall be considered a recommendation of the Commission to the Congress and shall have no force and effect as a regulation unless such regulation has become effective in accordance with this section.

"(e) Whenever an appropriate committee reports a joint resolution pursuant to this section, the resolution shall be accompanied by a committee report specifying the reasons for the committee's action.

"(f) Congressional inaction on, or rejection of, any joint resolution shall not be deemed an expression of approval of the regulation involved. The compliance of the Commission with the requirements of this section, including any determination by the Commission under this section, shall not be subject to judicial review of any kind.

"(g)(1) If a recommended regulation of the Commission does not become effective because of an adjournment of Congress sine die before the expiration of the period specified in subsection (c)(1) of this section, the Commission may resubmit the recommended regulation at the beginning of the next regular session of Congress. The ninety-day period specified in the first sentence of subsection (c)(1) shall begin on the date of such resubmission, and such regulation may only become effective in accordance with this section. The Commission shall not be required to forward such regulation to the Federal Register for publication, if such regulation is identical to the regulation transmitted during the previous session of Congress.

"(2) If a recommended regulation of the Commission is disapproved under this section, the Commission may issue a recommended regulation which relates to the same acts or practices as the disapproved regulation. Such recommended regulation—

"(A) shall be based upon—

"(i) the regulation-making record of the recommended regulation disapproved by the Congress; or

"(ii) such regulation-making record and the record established in supplemental regulation-making proceedings conducted by the Commission, in accordance with section 553 of title 5, United Stats Code, in any case in which the Commission determines that it is necessary to supplement the existing regulation-making record; and

"(B) may reflect such changes as the Commission considers necessary or appropriate, including such changes as may be appropriate in light of congressional debate and consideration of the joint resolution with respect to the regulation.

"(3) After issuing a recommended regulation under this subsection, the Commission shall transmit such regulation to the Secretary of the Senate and the Clerk of the House of Representatives, in accordance with subsection (b)(1) of this section, and such regulation shall only become effective in accordance with this section.

"(h) The provisions of this subsection, subsection (a) (1) and (3), subsection (e), and subsections (i) through (l) of this section are enacted by Congress—

"(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of joint resolutions, and they supersede other rules only to the extent that they are inconsistent therewith; and

"(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

"(i) Except as provided in subsection (1) of this section, joint resolutions shall, upon introduction or receipt from the other House of Congress, be immediately referred by the presiding officer of the Senate or the House of Representatives to the appropriate committee of the Senate or the House of Representatives, as the case may be.

"(j)(1)(A) Except as provided in subparagraph (B) of this paragraph, if the committee to which a joint resolution has been referred does not report such resolution within 30 days of continuous session of Congress after the date of transmittal to the Congress of the recommended regulation to which such joint resolution relates, it shall be in order to move to discharge the committee from further consideration of such resolution.

"(B) If the committee to which a joint resolution transmitted from the other House has been referred does not report such resolution within 30 days after the date of transmittal of such resolution from the other House, it shall be in order to move to discharge such committee from further consideration of such resolution.

"(2) Any motion to discharge under paragraph (1) of this subsection must be supported in the House in writing by one-fifth of the members, duly chosen and sworn, and in the Senate may be made by one Senator, and is highly privileged in the House and privileged in the Senate (except that it may not be made after a joint resolution has been reported with respect to the same regulation); and debate thereon shall be limited to not more than one hour, the time to be divided in the House of Representatives equally between those favoring and those opposing the motion to discharge and to be divided in the Senate equally between, and controlled by, the majority leader and the minority leader, or their designees. An amendment to the motion is not in order

"(k)(1) Except as provided in paragraphs (2) and (3) of this subsection, consideration of a joint resolution shall be in accord with the rules of the Senate and of the House of Representatives, respectively.

"(2) When a committee has reported or has been discharged from further consideration of a joint resolution, or when the companion joint resolution from the other House has been placed on the calendar of the first House, it shall be in order, notwithstanding the provisions of rule XXII of the Standing Rules of the Senate or any other rule of the Senate or the House of Representatives, an any time thereafter (even though a previous motion to the same effect has been disagreed to) to move to proceed to the immediate consideration of either such joint resolution. The motion is highly privileged in the House and privileged in the Senate and is not debatable. An amendment to the motion is not in order.

"(3) Debate on a joint resolution shall be limited to not more than two hours (except that when one House has debated the joint resolution of that House, the companion joint resolution of the other House shall not be debatable), which shall be divided in the House of Representatives equally between those favoring and those opposing the resolution and which shall be divided in the Senate equally between, and controlled by, the majority leader and the minority leader, or their designees. A motion further to limit debate is not in order. An amendment to, or motion to recommit, the joint resolution is not in order. A motion to reconsider shall be in order only on the day on which occurs the vote of adoption of the joint resolution, and shall not be debatable. Any other motions shall be decided without debate.

"(1) If a joint resolution has been ordered reported or discharged from the committee of the House to which it was referred, and that House receives a joint resolution with respect to the same regulation from the other House, the resolution of disapproval of the other House shall be placed on the appropriate calendar of the first House. If, prior to the disposition of a joint resolution of one House, that House receives a joint resolution with respect to the same regulation from the other House, the vote in the first House shall occur on the joint resolution of the other House.".

(d) Section 21 of the Federal Hazardous Substances Act (15 U.S.C. 1276) is amended to read as follows:

"CONGRESSIONAL REVIEW OF REGULATIONS

"SEC. 21. (a) For purposes of this section, the term—

"(1) 'appropriate committee' means either the Committee on Commerce, Science, and Transportation of the Senate or the Committee on Energy and Commerce of the House of Representatives, as the case may be;

"(2) 'Commission' means the Consumer Product Safety Commission;

"(3) 'joint resolution' means a joint resolution the matter after the resolving clause of which is as follows: 'That the Senate and the House of Representatives disapprove the regulation entitled , transmitted to the Congress by the Consumer Product Safety Commission on , 19 .', the blank spaces being filled with the appropriate title of the regulations and the date of transmission of the regulation to the Congress, respectively; and

"(4) 'regulation' means any regulation promulgated by the Commission under section 2(q)(1) or 3(e); such term does not include any finding by the Secretary that a hazardous substance presents an imminent hazard to the public health under section 2(q)(1) or 3(e)(2).

"(b)(1) Except as provided in subsection (g)(1) of this section, on the day the Commission forward to the Federal Register for publication a recommended regulation, the Commission shall transmit a copy of such regulation to the Secretary of the Senate and the Clerk of the House of Representatives. The Secretary of the Senate and the Clerk of the House of Representatives are authorized to receive a recommended regulation under this subsection whether the appropriate House is in session, stands in adjournment or is in recess.

"(2) On the day on which the Secretary of the Senate and the Clerk of the House of Representatives receive a recommended regulation, the Secretary and the Clerk shall transmit a copy of such regulation to the appropriate committees.

"(c)(1) Notwithstanding any other provision of law, no recommended regulation may become effective until the expiration of a period of ninety days after the date on which such regulation is received by the Secretary of the Senate and the Clerk of the House of Representatives, except that such regulation may not become effective under this paragraph if within such ninety-day period a joint resolution with respect to such regulation has become law.

"(2) For purposes of this subsection—

"(A) the term 'days' means only days of continuous session of Congress;

"(B) continuity of session is broken only by an adjournment sine die at the end of a Congress; and

"(C) the days on which either House is not in session because of an adjournment or recess to a day certain shall be excluded in the computation of days of continuous session of Congress for the ninety-day period referred to in this subsection if the adjournment is for more than five days.

"(d) Notwithstanding any other provision of law, any regulation subject to this section shall be considered a recommendation of the Commission to the Congress and shall have no force and effect as a regulation unless such regulation has become effective in accordance with this section.

"(e) Whenever an appropriate committee reports a joint resolution pursuant to this section, the resolution shall be accompanied by a committee report specifying the reasons for the committee's action.

"(f) Congressional inaction on, or rejection of, any joint resolution shall not be deemed an expression of approval of the regulation involved. The compliance of the Commission with the requirements of this section, including any determination by the Commission under this section, shall not be subject to judicial review of any kind.

"(g)(1) If a recommended regulation of the Commission does not become effective because of an adjournment of Congress sine die before the expiration of the period specified in subsection (c)(1) of this section, the Commission may resubmit the recommended regulation at the beginning of the next regular session of Congress. The ninety-day period specified in the first sentence of subsection (c)(1) shall begin on the date of such resubmission, and such regulation may only become effective in accordance with this section. The Commission shall not be required to forward such regulation to the Federal Register for publication, if such regulation is identical to the regulation transmitted during the previous session of Congress.

"(2) If a recommended regulation of the Commission is disapproved under this section, the Commission may issue a recommended regulation which relates to the same acts or practices as the disapproved regulation. Such recommended regulation—

"(A) shall be based upon—

"(i) the regulation-making record of the recommended regulation disapproved by the Congress; or

"(ii) such regulation-making record and the record established in supplemental regulation-making proceedings conducted by the Commission, in accordance with section 553 of title 5, United States Code, in any case in which the Commission determines that it is necessary to supplement the existing regulation-making record; and

"(B) may reflect such changes as the Commission considers necessary or appropriate, including such changes as may be appropriate in light of congressional debate and consideration of the joint resolution with respect to the regulation.

"(3) After issuing a recommended regulation under this subsection, the Commission shall transmit such regulation to the Secretary of the Senate and the Clerk of the House of Representatives, in accordance with subsection (b)(1) of this section, and such regulation shall only become effective in accordance with this section.

"(h) The provisions of this subsection, subsections (a)(1) and (3), subsection (e), and subsections (i) through (l) of this section are enacted by Congress—

"(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of joint resolutions, and they supersede other rules only to the extent that they are inconsistent therewith; and

"(2) with full recognition of the constitutional rights of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

"(i) Except as provided in subsection (1) of this section, joint resolutions shall, upon introduction or receipt from the other House of Congress, be immediately referred by the presiding officer of the Senate or the House of Representatives to the appropriate committee of the Senate or the House of Representatives, as the case may be.

"(j)(1)(A) Except as provided in subparagraph (B) of this paragraph, if the committee to which a joint resolution has been referred does not report such resolution within 30 days of continuous session of Congress after the date of transmittal to the Congress of the recommended regulation to which such joint resolution relates, it shall be in order to move to discharge the committee from further consideration of such resolution.

"(B) If the committee to which a joint resolution transmitted from the other House has been referred does not report such resolution within 30 days after the date of transmittal of such resolution from the other House, it shall be in order to move to discharge such committee from further consideration of such resolution.

"(2) Any motion to discharge under paragraph (1) of this subsection must be supported in the House in writing by one-fifth of the Members, duly chosen and sworn, and in the Senate may be made by one Senator, and is highly privileged in the House and privileged in the Senate (except that it may not be made after a joint resolution has been reported with respect to the same regulation); and debate thereon shall be limited to not more than one hour, the time to be divided in the House of Representatives equally between those favoring and those opposing the motion to discharge and to be divided in the Senate equally between, and controlled by, the majority leader and the minority leader, or their designees. An amendment to the motion is not in order.

"(k)(1) Except as provided in paragraphs (2) and (3) of this subsection, consideration of a joint resolution shall be in accord with the rules of the Senate and of the House of Representatives, respectively.

"(2) When a committee has reported or has been discharged from further consideration of a joint resolution, or when the companion joint resolution from the other House has been placed on the calendar of the first House, it shall be in order, notwithstanding the provisions of rule XXII of the Standing Rules of the Senate or any other rule of the Senate or the House of Representatives, at any time thereafter (even though a previous motion to the same effect has been disagreed to) to move to proceed to the immediate consideration of either such joint resolution. The motion is highly privileged in the House and privileged in the Senate and is not debatable. An amendment to the motion is not in order.

"(3) Debate on a joint resolution shall be limited to not more than two hours (except that when one House has debated the joint resolution of that House, the companion joint resolution of the other House shall not be debatable), which shall be divided in the House of Representatives equally between those favoring and those opposing the resolution and which shall be divided in the Senate equally between, and controlled by, the majority leader and the minority leader, or their designees. A motion further to limit debate is not in order. An amendment to, or motion to recommit, the joint resolution is not in order. A motion to reconsider shall be in order only on the day on which occurs the vote of adoption of the joint resolution, and shall not be debatable. Any other motions shall be decided without debate.

"(l) If a joint resolution has been ordered reported or discharged from the committee of the House to which it was referred, and that House receives a joint resolution with respect to the same regulation from the other House, the resolution of disapproval of the other House shall be placed on the appropriate calendar of the first House. If, prior to the disposition of a joint resolution of one House, that House receives a joint resolution with respect to the same regulation from the other House, the vote in the first House shall occur on the joint resolution of the other House.".

Mr. KASTEN. For the benefit of the Senate, I simply suggest that the modification I have just made is a technical one, but I think it is an improvement. Senator LEVIN and Senator GRASSLEY worked with me in making this modification, and I thank them and appreciate their help.

The amendment is modified to add—and I will read the words. It is on page 7 of my amendment, "Any motion to discharge under paragraph one of this subsection must be supported in writing by," and we inserted the words "in the House in writing by one-fifth of the Members duly chosen and sworn" and then said, "and in the Senate may be made by one Senator."

Mr. President, this is simply the procedure under which the process will be expedited. This is a better description of the process which, in fact, we meant to have in place. I am also told that the Parliamentarian has reviewed this language and it is consistent with the House and the Senate procedures as they exist today.

Mr. FORD. Will the Senator from Wisconsin answer a question. Does this change the rules of the Senate in any way?

Mr. KASTEN. No, this does not change the rules of the Senate in any way.

Mr. FORD. Has the Parliamentarian agreed that it would not require a rules change?

Mr. KASTEN. It is my understanding in checking with staff that the Parliamentarian has agreed that this would not require any rules change in the procedures of the Senate.

Mr. FORD. Mr. President, I should like to make a parliamentary inquiry, if I may. Does this amendment, submitted by the distinguished Senator from Wisconsin, have any possibility of requiring a rules change of the Senate?

The PRESIDING OFFICER. It in effect sets up a special rule for the consideration of this specific item.

Mr. FORD. So it sets up a special rule for the Senate.

Now, a further parliamentary inquiry, Mr. President. When you set up a special rule, does that automatically make a rules change? Is there any additional vote required to carry out that special rule by the Senate? What are the procedures that are required by the Senate if you make a special rules change?

The PRESIDING OFFICER. Under the precedents of the Senate, unless this is an amendment to the Standing Rules of the Senate, it does not come under the special procedures required for a rules change.

Mr. FORD. I thank the Chair.

Mr. LEVIN. Mr. President, I am delighted that my friend from Wisconsin has offered a significant legislative veto amendment. It does not go quite as far as Senator GRASSLEY and I and a number of our cosponsors would like. Therefore, after the disposition of the Kasten amendment, assuming, of course, it is adopted, Senator GRASSLEY and I will be offering an amendment which would add some additional teeth to the legislative veto. We think it is important that this amendment be voted on first and hopefully approved. So I ask unanimous consent that I along with Senator GRASSLEY be added as cosponsors of the Kasten amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEVIN. Mr. President, back in 1980, on an FTC bill, we voted on a so-called Levin-Boren amendment. That amendment provided for legislative veto very similar to the one which is being offered today by Senator KASTEN and again which I and Senator GRASSLEY have now cosponsored. I know that other of cosponsors would like to cosponsor this amendment, but we will wait to hear word from them.

Senator BOREN, Senator DECONCINI, and others have been extremely supportive of the legislative veto. But back in February 1980, we had a vote on legislative veto on an FTC bill, and the vote was 87 yeas and 10 nays. So we have come a long way over a period of time, but essentially we have come back to where we started. Senator BOREN and I, back in 1980, offered to that FTC bill, as I have indicated, one amendment which is very similar indeed to the one before us, a two-House veto which must be in turn submitted to the President; in other words, a legislative veto by joint resolution. Eighty-seven Senators, an historic number for legislative veto in the Senate, supported that legislative veto amendment.

Mr. President, what is of extreme importance to us today is that the legislative veto which we adopted back in 1980 contained an expedited procedure for consideration of the joint resolution by the Congress, just the way the Kasten amendment before us contains an expedited procedure. There is nothing new about the Senate voting to expedite a vote on a joint resolution of disapproval of a regulation. There is nothing new about it. We have voted for that on a number of occasions—back in 1980, but we also voted on that on S. 1080 in 1982. So in 1980, we voted for an expedited procedure by a vote of 87 to 10, and in 1982, by unanimous vote of the Senate, we voted for an expedited procedure on legislative veto. There is nothing new—let me repeat, nothing new—about expedited procedure on a legislative veto. As a matter of fact, that is the heart of the legislative veto bill.

The Supreme Court told us, in Chadha, that we could not veto by one House. They said one House of Congress cannot veto a regulation. They told us that two Houses of Congress cannot veto a regulation unless the resolution of disapproval is submitted to the President. In other words, it must be a joint resolution of disapproval.

What is left, if we want to have legislative veto in fact, is that we have an expedited process, to be sure that if Congress, by majority vote wants to disappprove a regulation of the bureaucracy because it does not comply with the will of Congress, the majority of Congress will be able to act.

That was the purpose of the expedited procedure in 1980 which passed in the FTC bill by a vote of 87 to 10. That was the purpose of the expedited procedure in 1982, when, on S. 1080, we adopted an expedited procedure. That is the heart of legislative veto.

If we do not have an expedited procedure on a joint resolution of disapproval, we have nothing left. Congress then can be thwarted. The majority of Congress could then be thwarted even though that majority is determined to veto a regu'ation by a bureaucracy because it is not complying with the will of Congress.

What we are deciding today is the same issue we decided in 1980, the same issue we decided in 1982, by overwhelming votes. It is nothing novel; it is nothing new. It is the same expedited procedure vote which is the heart of what legislative veto is now all about.

What we say in this amendment is that Congress should have an opportunity to review the regulations of the bureaucracy. We pass the laws, but this fourth branch of Government administers the laws. Too often, they are distant from the people.

We have constituents who go into these agencies and they are told over and over again, "That is the way it is going to be." Then they come to their elected officials, and their elected officials too often tell them, "Gee, we can't do anything about the regulations. That was done by some agency over 500 miles away from where you live, or 2,000 miles away from where you live. Go and see the agency." That is what our constituents are told, "Go to see that commission. Go to the FTC. Go to some other agency," the name of which is probably unfamiliar to the constituent.

So our constituents tell us, "Wait a minute. We didn't elect the Chairman of the FTC. We elected you. We want you to do something about this regulation."

Too often Congress has ducked. So we have abdicated the legislative responsibility to unelected bureaucrats and agencies who then tell our constituents, "Sorry, that's the way it is." We can no longer hide. In 1980 we had the courage to say, by a vote of 87 to 10 on an FTC bill, that we will not hide, that we are willing to take the responsibility for the regulations of the FTC. We did this generically for all agencies of Government, with few exceptions, back in 1982 when S. 1080 was passed.

Most of us have committed ourselves to this principle—that regulations of agencies which so affect the lives of our constituents should be subject to the review of Congress. That is the fundamental issue on which we are voting again here.

Again I say that it is not new. At least twice before, the Senate, by overwhelming votes, adopted expedited procedures in legislative veto bills. It is not new. The principle is not new either. The principle is as old as democratic government.

Who is accountable to the people of the United States? Is it unelected folks who work in these agencies, who never have to run for election or reelection, or is it the elected officials in Congress and the White House who are responsible to the people?

Let me assure all my colleagues that too often we have been faced with constituents who have come to our office in a fury because they do not know where to turn for democracy to func-

tion in a real way in their lives. They want people accountable to them, who they elected, to stand up on these major regulatory issues and decide whether or not these regulations carry out the congressional will. That is the simple issue: Representative government and democratic government versus the unaccountable, the undemocratic, which is too often represented in the agencies which write these regulations.

We are here today because of Chadha. In June 1983, the Supreme Court decided that Congress would have to act by a joint resolution of disapproval if it wanted to disapprove regulations of the agencies. This amendment complies with Chadha. Of that there is surely no doubt, because it is a joint resolution of disapproval which is at the heart of the matter before us.

So there is no problem as to the constitutionality of the pending amendment. The only problem is whether or not we are going to continue to have the gumption and the will to do what our people want us to do, which is to say, "We are accountable to you. We are responsible."

The question is whether we are willing to stand up and judge whether or not these major regulations, which have such impact over the lives of our constituents, represent the will of the majority of elected officials in the Congress of the United States. It is the fundamental issue which again we are being asked to decide. We are doing it constitutionally.

In closing, I hope this amendment will be adopted by the same kind of large margin by which similar amendments have been adopted before. If that comes to pass, at that point Senator GRASSLEY and I will be offering an additional amendment which will put additional teeth into a legislative veto.

We feel that it is important that this amendment be adopted by an overwhelming vote. It is because this amendment represents much thought over many years that we are happy to cosponsor the amendment with Senator KASTEN, and we hope it receives an overwhelming vote of approval by the Senate.

Mr. FORD. Mr. President, let me state to my distinguished colleagues that it will be some time before we reach a vote on this particular measure. If the distinguished floor manager wishes to move on to other amendments, he might want to set this amendment aside and discuss, and probably adopt, other amendments that have nothing to do with legislative veto or expedited procedures.

I give my distinguished colleague that bit of information so that if he wishes to do that, I will be glad to accommodate him. As long as we do not vote on an amendment that has legislative veto, or a rose by any other name, and expedited procedures, I am willing to agree to that. Otherwise, I would have to object to any procedures.

Mr. KASTEN. Mr. President, will the Senator yield for a question?

Mr. FORD. I am glad to.

Mr. KASTEN. We are talking about a temporary delay of a couple of hours or so this afternoon and we could get off of this debate and switch back on to this. I know it is the intention of the majority leader and I believe the leadership on both sides that we try to proceed as expeditiously as we can with the work of the Senate and not only finish this bill before this evening but also get to work on a couple of other things which the majority leader announced last night. So what we are talking about is a short term.

Mr. FORD. I cannot give the distinguished floor leader a time certain. The only thing I am saying to him is that several committees are meeting this afternoon. The majority leader and minority leader both are required to be in attendance at these meetings. I have been informed by my side that I am to protect the floor as it relates to any consideration of legislative veto or any amendment that might have the expedited procedures.

If the distinguished Senator wants to think about that a while, I will be glad to talk a while. If he wants to set this one aside and move on to another amendment or two we might have, I would be more than pleased to be supportive. Otherwise, I am prepared to talk a while.

Mr. KASTEN. If the Senator will further yield for a question, would he agree with me that we might be able to at least complete part of the debate? I know the distinguished Senator from Iowa would like to speak on this amendment or there may be a couple other Senators here who would like to speak on the amendment. During the time we are speaking on the amendment, we might be able to notify other Senators that their amendments could be coming up in order, and then by unanimous consent we could set this amendment aside after we have completed debate but before we had a vote on final consideration of the amendment. Would that be agreeable to the Senator?

Mr. FORD. It certainly would as long as, if they want to talk, that satisfies my position.

May I ask the distinguished floor leader, I see four amendments that could be considered, my amendment calling for report on predatory pricing; the McClure amendment adding with changes the compromise language agreed to by FTC and AMA on professionals; the Grassley-Levin amendment giving Congress legislative veto over the Consumer Product Safety Commission and FTC rules; and then Senator KASTEN's amendment as it relates to the legislative veto, I presume, over Consumer Product Safety Commission and the FTC rules.

Are there any amendments known to the distinguished Senator beyond those?

Mr. KASTEN. If the Senator will yield, I know of no other amendments.

What I would suggest is that we allow the distinguished Senator from Iowa to complete his presentation on this issue. I then would ask unanimous consent that we go off of the debate on this amendment. We are prepared, as the Senator knows, to cooperate with him on his predatory pricing amendment, although there may be some debate on both sides, and it would be my intention then to try to move to the professions' question and to notify those Senators who are interested in that amendment that they should come to the floor and be prepared.

We will by unanimous consent switch off of this subject, once we complete the debate and try to come back to the other.

Mr. FORD. I have no problems with any of that. Does the Senator anticipate a record vote as relates to predatory pricing?

Mr. KASTEN. I do not at this time.

Mr. FORD. He does anticipate a vote on Senator MCCLURE's amendment as it relates to the professions?

Mr. KASTEN. I believe so.

Mr. FORD. And then we will have votes on the legislative veto and probably then final passage.

Mr. KASTEN. The Evans amendment is still one.

Mr. FORD. What Evans amendment?

Mr. KASTEN. There is an Evans amendment I was just notified of within the last 2 or 3 minutes. It has to do with the CAFE standards.

Mr. FORD. My goodness, we will never get this bill finished this week if we allow that amendment to come up when the committee has already withdrawn it. It did not have enough votes to pass it in committee. If they are going to bring that amendment to the floor as it relates to CAFE, the Senator might as well just bring his sleeping bag or take his trip to Mandalay.

Mr. KASTEN. As the Senator knows, both of us hoped that amendment will not be pressed. I think there is an opportunity it may be debated and not pressed. I was just notified of the intention of the Senator from Washington at least to come forward with an amendment. I would hope also that it not be, because it would involve us in a long, long arduous kind of debate, and I do not think we want that if we can proceed with the work of the Senate.

At this time I yield the floor, and we will go forward.

Mr. GRASSLEY. Mr. President, I wish to address today what I consider to be the "forgotten element" of the economic recovery program we helped set forward in 1981, and that forgotten element, of course, is regulatory reform and keeping bureaucracy under control.

I am sure all Americans are aware of our work in reducing taxes, and even today on the Senate floor, we will be continuing our battle to reduce Federal spending. But after an initial flurry of activity, we seem to have allowed the momentum to slip away on the other priority we set in 1981, and that was regulatory reform.

The dangers to our system of an unfettered Federal regulatory apparatus have long been recognized to be equal to those of growing Federal spending and taxation.

Senator Robert Taft from Ohio back in 1943 said this, and remember that he was one of the five Senators that we recognize as the greatest Senators of all time. His picture is out here with four other Senators in the reception area of the Senate. He warned in 1943 of the dangers about the spreading reach of the Federal Government.

He said:

> In order to prevent tyranny, the founders divided even the limited powers given the Federal Government between the President, Congress, and the courts, in order that no one might have the domination over the individual which would submerge his life in that of the Government. Today, that division is threatened. Administrative boards are established which make their own laws, administer the laws which they make, and then hear the cases which they themselves bring for the violation of their own laws.

Then Senator Taft goes on to say:

> As a result, we have seen * * * a complete elimination of any sense of justice and fairness. Men are coming to shrug their shoulders with helpless indifference, who should be burning with indignation. If continued, it will undoubtedly destroy that cornerstone of American character: a deeply ingrained resentment against injustice.

If Senator Taft had lived until the decade of the 1970's, he would have seen his warning about the tyranny of administrative agencies come to pass through the activities of Commissions like this one we are considering in this legislation, the Federal Trade Commission. And as we consider a new authorization for the FTC and mull the future of regulatory reform efforts, it is important to look back at the late 1970's and to remember what has happened to us.

The FTC was so activist back in those years that the Cincinnati Enquirer editoralized that "If the FTC * * * had had its way, not a sparrow would have fallen to Earth anywhere in America without the FTC's sanction."

In 1980, our former colleague Senator Jack Schmitt pointed out that the FTC was simultaneously considering rulemaking in more than 20 areas. These proposed regulations literally ranged from the cradle, as exemplified by the regulations of children's television advertising, to the grave, as exemplified by rules on funeral homes. And Senator Schmitt, if anything, understated that case; he left out the FTC's interference into insurance, agricultural cooperatives, and trademarks.

It seemed the FTC thought its mission was, to paraphrase "Star Trek's" Captain Kirk, to boldly regulate where no Federal agency has ever regulated before.

But even worse than the FTC's half-cocked, scattershot activism was the agency's employment of methods that would offend anyone's sense of "justice." In instances like the children's advertising investigation, the agency stretched its mandate by investigating practices that were not really unfair—but merely unpopular with its staff of social engineers.

The agency in many cases conducted fishing expeditions in which they harrassed legitimate businesses with subpoenas for volumes of information without discussions or an explanation of the purposes. They often acted in secret, off-the-record, and without a full investigation of the effects of the proposed regulation on the industry involved.

And worst of all, the staff was described as "arrogant" and "indifferent." And the reason for that arrogance is that the staff of the FTC in the 1970's, and to some extent the Commission members, had no regard for the market, for our system of federalism, for the people of our Nation, or for the sense of justice Senator Taft so rightly ascribed to American society in that 1934 speech.

Their only regard was for their own sense of justice and order, and for the imposition of that order on society.

So our experience with the FTC proved Senator Taft right in a sense. But it also proved him wrong. Because our resentment of justice was assailed by the FTC—but it was never destroyed. Thankfully, some truly tenacious Members of Congress—including our former colleagues Jack Schmitt and Elliott Levitas, and Congressman JIM BROYHILL, who is still in the other body—saw what was happening.

They stood up to the FTC and its entrenched supporters, fighting to control that Agency to the extent that at one point the FTC actually closed down for lack of money. And finally, Mr. President, they along with my distinguished colleagues, Senators LEVIN and BOREN, pulled in the reins on this runaway agency in 1980.

Now these gentlemen I have mentioned so far are really pioneers in this area of getting this runaway bureaucracy under control. They limited substantive activity in several areas of proposed regulation. But, even more important, they established for the first time a congressional veto over FTC rulemaking.

This authority has been exercised to review regulations involving games of chance, and the funeral industry. And it has been used to veto proposed FTC regulations involving the used car industry.

The activities of the legislators I mentioned and many others paved the way for later regulatory reform efforts. The FTC legislative veto provided the model for the Schmitt-Grassley-Levin-Boren legislative veto provision that was passed by the Senate as part of a comprehensive regulatory reform bill in 1982 by a vote of 94 to 0, and many of the other provisions of that comprehensive legislation found their genesis in the 1980 FTC amendments.

But our efforts to expand Congress' reaffirmation of its prerogatives to other agencies suffered a setback in 1983, when the Supreme Court—in a really supreme overreaction—declared all legislative veto provisions unconstitutional in the Chadha decision.

However, not giving up, Senator LEVIN and I, along with Senators DOLE, THURMOND, LAXALT, BOREN, DECONCINI, SIMPSON, HATCH, and DENTON, have devised a congressional veto provision which meets the requirements of Chadha—passage by both Houses of Congress, plus that very important approval by the President that the Supreme Court found fault with that did not exist in previous vetoes—but with an added twist. This twist is the only difference between the Kasten approach and the approach that I favor that Senator LEVIN and I have been working on. And I would like to just mention a little bit the uniqueness of this twist. The passage of the joint resolution by both Houses of Congress triggers expedited procedures for an amendment to an appropriations bill which would limit the use of Government funds to implement the disapproved rule.

Today we are proposing an amendment to the FTC authorization that would establish this veto authority over FTC and consumer product safety commission rule-making. The Congress has resolved the issue of whether these agencies' rules should be subjected to a legislative veto. That is legislative history pioneered by Senator LEVIN. Today we will merely be conforming the existing vetoes in these laws to the Supreme Court mandated rules in Chadha.

Allow me also to point out that many of the specific problems I referred to earlier have been corrected under the able leadership of the present Commission chairman, Jim Miller. Under his leadership, the FTC has regained the perspective and sense

of justice sorely lacking prior to the Reagan administration.

But we should not allow personalities to cloud our objectivity on this issue. The fact that Jim Miller is leaving the FTC and, for that matter, Ronald Reagan is not always going to be President. The potential for abuse is going to remain beyond their tenure, and abuse has been evidenced and proven. There has been legitimate reaction to it, legitimate changes made to that abuse, and so it is a certainty in the future. And it is important that we maintain, hence, the precedent of congressional review in anticipation of the day in which it will be needed at that time when there is abuse.

Most importantly, I think it is so important that we keep the bureaucracy subject to the will of the electorate. And that is not going to be done except through the branch that we serve in, the Congess of the United States.

I would like to say that even during their tenure the possibilities exist that rules will be proposed that extend beyond the intent of Congress. I am saying even when you have the best of people there on these commissions, even when people are not purposefully trying to extend the law through regulation, there is a possibility of danger. An example of that is the used car rule that I mentioned earlier. I continue to receive letters warning of continued FTC pressures to regulate the self-regulating professions such as the legal and medical professions, regulations that so historically and so long term have been left to the indidual States. But even beyond those practicalities lies the real issue. As Senator Taft pointed out in 1943, it was to avoid the kind of tyranny that we saw in the late 1970's that the Founding Fathers divided the power among three branches. The American people simply have the right to control the activities of the Federal Government through their elected representatives. And we have that constitutional responsibility to see that is done.

The legislative veto is the only method that I can conceive of that would allow both this measure of control and the delegation of powers Congress has made to agencies such as the FTC and the Consumer Product Safety Commission.

Mr. President, because of the Sensitivities of our Founding Fathers resulting from the injustices perpetrated upon them without due process of representation, our system has always been set up, always to require that the Federal Government meet a large burden before depriving Americans of life, liberty, or property.

If we are to maintain what Senator Taft described as "the cornerstone of American character, a deeply ingrained resentment against injustice"—let me say that again because that is Senator Taft speaking. What he described as "the cornerstone of American character, a deeply ingrained resentment against injustice"—we must ensure that Federal agencies continue to bear the burden of demonstrating the need for new regulation and that Congress continues to bear the burden to protect the public from unjust action reinstating the congressional veto—which Senator LEVIN and I are now cosponsoring with all the other Senators who sponsored the Kasten amendment. Keeping the congressional veto, reinstating it over the FTC and the Consumer Product Safety Commission regulations will be an important, symbolic step in that process.

So the only obvious differences I have with the Senator from Wisconsin as 100 percent right as he is, I guess I feel that the extent to which we can have an expedited procedure through the appropriation process on issues where Congress has, in fact, expressed itself through a veto that we ought to have those expedited procedures. And those are going to be the subject of an improving amendment suggested by myself and Senator LEVIN.

Before I relinquish the floor I want to read a letter that I have, dated today, from the National Federation of Independent Businesses. The same letter has gone to Senator LEVIN as well as to myself. I would like to read from John Motley III who signed it, the Director of Federal Legislation.

On behalf of the more than half million small business owners who belong to NFIB, we would like to express our support for the Grassley-Levin legislative veto amendment to S. 1078, the Federal Trade Commission Reauthorization bill.

For the small business owner, legislative veto offers an avenue of appeal against burdensome and unfair government regulation which does not now exist. Small business owners cannot afford to hire a team of lawyers to fight unwarranted government regulation, but they can appeal to their representatives in Congress. The legislative veto mechanism embodied in your amendent provides an effective and constitutional means of assuring that the Congress, the elected representatives of the people, have the final say over rules and regulations issued by unelected officials in the administrative agencies.

NFIB believes the Grassley-Levin approach is a good alternative in establishing better congressional control over the bureaucracy. It is a good compromise which could break the stalemate which has existed over legislative veto since the 1983 Surpeme Court decision.

For this reason, support for this amendment will be considered as one of NFIB's key small business votes for the 99th Congress.

I hope you will remember that it was just earlier this week this body by a vote of 95 to 2 approved equal access to justice reauthorization, and extension—let me say permanent reauthorization, extension of it to other areas, and important improvements in it. Why? Because we were mostly concerned about small businesses in this country not being able to fight the bureaucracy. The General Motors, the Chryslers, all the defense contractors that are so big with such resources, with a team of lawyers, are right there with all the ammunition and all the resources they need to challenge any regulation at any time in the administrative process or in the courts wherever they see the need to do it. But those same regulations that apply to the General Motors, the Chryslers, and the defense contractors—remember, there are no defense contractors going broke—the same regulation applied to the little mom and pop grocery stores, they apply to the small farmers, and those little operators, those little business people, do not have the resources to fight the bureaucracy.

So the name of the game around Washington when faced with runaway bureaucracy as a result basically from Congress delegating too much authority—at least too much uncontrolled authority—is how do you bring justice to the unequal opportunity of defending that the mom and pop grocery stores do not have versus the General Motors? And equal access to justice is one of them. But surely the congressional veto is even more of an important process. The courts and the adjudicatory bodies in the administrative branch of Government do not often serve the purpose of justice that they ought to.

Mr. FORD. Will the distinguished Senator yield for a question?

Mr. GRASSLEY. Yes.

Mr. FORD. Where does this act that is now before the Senate apply to the farmer?

Mr. GRASSLEY. It would apply in any instance even beyond—talking about the act or the concept of the congressional veto?

Mr. FORD. I am talking about the act. The Senator was awfully strong about how this is doing things to the farmer and the Senator's legislative veto goes to the FTC. It does not go to the agricultural bill. The Senator will have the opportunity on that. I think the Senator ought to narrow his scope instead of painting with a broad brush.

Mr. GRASSLEY. Unless I am violating rules of the Senate, and if I am not, I would like to speak in the generic sense. But the Senator is absolutely right in pointing out that the congressional veto that we are talking about at this point is applicable just to the two agencies—the FTC and the Consumer Product Safety Commission.

Mr. FORD. The only thing I am asking, the Senator is not violating any rules. I am just trying to narrow your debate instead of painting with a broad brush. The legislative veto that

the Senator is proposing now is not generic. It is singular as it relates to FTC.

Mr. GRASSLEY. That is right. But unless I am offending the Senator by the broad brush I am using——

Mr. FORD. I am trying to get the Senator into the perspective of the legislative veto as it relates to FTC.

Mr. GRASSLEY. I am well aware that I am speaking more broadly than I probably should.

Mr. FORD. I thank my colleague.

Mr. GRASSLEY. But I think that it is so necessary that we establish this principle, which we are doing through the congressional veto applicable to these agencies, reestablishing this principle that has been used probably nearly 300 times in legislation since the early 1930's reestablishing this principle for the first time since the Chadha case, which kind of changed the rules. It is in this vein, I say to the Senator from Kentucky, that I am speaking so generically.

It is so important that we bring some opportunity for the small business people and even the farmers to have the capability of fighting. As I said, we did that earlier this week through the Equal Access to Justice Act. We are doing it now through the FTC reauthorization, as the legislative veto might apply to that.

In the case of the FTC affecting farmers, I can suggest to the Senator from Kentucky that the FTC was about ready to get into the whole regulation of farmer's cooperatives. But I think we stopped that in the last few years.

Regulations within that area, subject to a legislative veto, would be helpful to the farmers in Kentucky as well as Iowa.

Mr. FORD. I understand that. But we took care of that by law and we did not have to have a whipping boy downtown cranking out regulations. We wanted to get rid of an agency we created.

Mr. GRASSLEY. I can argue with the Senator from the same point, that sometimes we do not put the proper role on the delegation of authority that we give away.

But there is a process here created in which this body and the other will be able to serve as a more effective referee between the bureaucracy and the people they have tended to hurt, mostly those people who do not have the resources to fight.

In that sense, when I read a letter from the National Federation of Independent Business, that is a very large organization representing the small businesses. They see the importance of this vote on what will later be the Grassley-Levin perfecting amendment. They are willing to list this as one of their key votes for this session. I think that speaks to the importance of what this body is considering at this time.

Mr. President, I ask for the yeas and nays on the Kasten amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is not a sufficient second.

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. LEVIN. Will the Senator yield for a brief correction that I would like to make for the RECORD?

Mr. FORD. I would be delighted to yield without losing my right to the floor, Mr. President.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, I indicated in my statement that in 1980 we approved expedited procedures on the legislative veto. That approval took place on the conference report on FTC rather than the vote in the Senate. I was in error when I said that the Senate voted on that matter separately 87 to 10 in 1980. Its approval came on the conference report on the FTC in 1982. However, I was correct that the Senate specifically on a legislative veto voted 69 to 25 on S. 1080 to approve a legislative veto with the expedited procedures. So both in 1980 and 1982 we approved the expedited procedures on the legislative veto. In 1980 in a conference report to the FTC bill the expedited procedures were added in the House after the Senate voted its amendment. It was 1982 that we did approve expedited procedures on the legislative veto by a vote of 60 to 25.

I thank my friend from Kentucky for allowing me to clarify the RECORD in this matter.

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Mr. President, there are more ways that one to skin a cat. That is what we are trying to do here today. I have been opposed to the legislative veto ever since I arrived in the Senate. In the beginning I was opposed to it because it is unconstitutional. Yet my colleagues went ahead and passed it and on two separate occasions the courts found that our legislative veto was unconstitutional, the Chadha case and then on the Gas Policy Act, more emphatic in July 1983, June or July 1983.

I was somewhat vindicated being opposed to the legislative veto. I was somewhat vindicated when the Supreme Court said that those of us, even though we wound up in a minority, were correct.

What really disturbs me about the legislative veto is the fact that we, the Congress, create an agency that we say will carry out our policy. Then when they do something wrong and our constituents start jumping on us, we just squeal. We run up here and try to find a way to put a cap on that agency that we created. We have the ability to do it now. If you cannot get it passed, you cannot do it anyhow.

How many of these regulations are you going to look at personally? You are not going to look at very many unless your constituents come at you about something. Otherwise, they are going to be cranked out just like they are now.

My distinguished friend from Iowa, Senator GRASSLEY, talked about the problems with the co-ops that we protected through a bill which expired in 1982. The problem is settled in this bill, if it passes. So we have done what we should do about the legislative process.

Now we have to stand up here and say we have to protect little folks down home; we have to get after these agencies; they are in the nooks and crannies over there somewhere just cranking them out on a mimeograph machine, all of these regulations popping out.

Why do we not stop them? No; you want to beat your chest for reelection and say that we are going to stop these agencies from doing anything to mom and pop, that the defense contractors have big sets of lawyers and can do anything they want to, and they go to the agency and fight. Why not worry more, as the Senator from Iowa does, about the cost of our military equipment, the overpricing of all these military parts, $640 for a commode seat and $495 for a screwdriver?

That is where we ought to be putting our attention. If you do not like what the agencies do downtown, change the law.

No; we have to get up here and wiggle around with a little amendment, hoping it will be constitutional. Then we have to pass it here, pass it over there, and send it to the President. It is almost like the line-item veto. Every time you get a regulation you have to make a bill out of it, run it through Congress, and send it to the President who is trying to do other things, who does not have time to fool with a veto of a legislative veto.

Mr. President, I will have more to say about this later, but it bothers me, because we have created an agency and when they do not do what our constituencies what them to do, or they can begin to jump on us, we start trying to find a way to put the brakes on.

We have had the brakes to put on ever since we have been elected. We have had that authority and that ability. That is what this Chamber is all about; that is what our committee meetings are all about. If you do not like what the Executive is going, go talk to your President; tell him to stop them.

I thought it was going to be cleared up when I heard all this beating of chests about how great it was going to

be. Come to find out it is just as bad today as it has ever been, if not worse. And there we are, right out front, wanting to get rid of the legislative veto.

Mr. President, I hope that neither one of these amendments will be passed and that we will begin to do what we should do—oversight. If every committee on the Senate side would have 10 days of hearings, we would clean up a lot of things and spend 10 days at it and not all the money that it is going to cost by trying to develop legislative veto.

What you are doing is abdicating what you were sent here to do; you are abdicating what you were sent here to do when you want to get a legislative veto through.

Mr. President, I shall have more to say about this later. I yield the floor.

Mr. KASTEN. Mr. President, that concludes, I believe, this portion of the debate on legislative veto. We might revisit this subject a little bit later in the afternoon.

I ask unanimous consent that the legislative veto amendment be set aside in order to consider an amendment by the Senator from Kentucky dealing with predatory pricing and that, immediately thereafter, the amendment pending on legislative veto be in order.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

AMENDMENT NO. 543

(Purpose: Add provision requiring report regarding predatory pricing practices)

Mr. FORD. Mr. President, I have an amendment which I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read as follows:

The Senator from Kentucky [Mr. FORD] proposes an amendment numbered 543.

Mr. FORD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 16, insert the following immediately after line 2:

REPORT ON PREDATORY PRICING PRACTICES

SEC. 16. (a) The Federal Trade Commission shall submit to the Committee on Commerce, Science, and Transportation of the Senate and to the Committee on Energy and Commerce of the House of Representatives the information specified in subsection (b) of this section every 6 months during each of the fiscal years 1986 and 1987. A report containing such information shall be submitted when the Commission submits its annual report to the Congress during each of such fiscal years, and such report may be included in the annual report. A separate report containing such information shall be submitted 6 months after the date of submission of any such annual report. Each such report shall contain such information for the period since the last submission under this section.

(b) Each such report shall list and describe, with respect to instances in which predatory pricing practices have been suspected or alleged—

(1) each complaint made, orally or in writing, to the offices of the Commission;

(2) each preliminary investigation opened or closed at the Commission;

(3) each formal investigation opened or closed at the Commission;

(4) each recommendation for the issuance of a complaint forwarded by the staff to the Commission;

(5) each complaint issued by the Commission;

(6) each opinion and order entered by the Commission;

(7) each consent agreement accepted provisionally or finally by the Commission;

(8) each request for modification of an outstanding Commission order filed with the Commission;

(9) each recommendation by staff pertaining to a request for modification of an outstanding Commission order; and

(10) each disposition by the Commission of a request for modification of an outstanding Commission order.

Such report shall include copies of all such consent agreements and complaints executed by the Commission referred to in such report. Where a matter has been closed or terminated, the report shall include a statement of the reasons for that disposition. The discriptions required under this subsection shall be as complete as possible but shall not reveal the identity of persons or companies complained about or those subject to investigation that have not otherwise been made public. The report shall include any evaluation by the Commission of the potential impacts of predatory pricing upon businesses (including small businesses).

Mr. FORD. Mr. President, predatory pricing is an issue which affects small business deeply and has been chosen as a priority issue by the Small Business Legislative Council.

I offer this amendment simply to require a periodic FTC report to Congress on the FTC response to predatory pricing complaints.

This amendment will assist Congress in its oversight function. It has been reported to us in testimony submitted for the FTC hearing record that the National Grocers Association is engaged in a struggle to insure that antitrust law enforcement promotes fair and effective competition. An FTC periodic report will further inform us about this situation.

Mr. President, I ask unanimous consent that letters in support of this amendment by the National Grocers Association, the National Association of Retail Druggists, and the Small Business Legislative Council be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

NATIONAL GROCERS ASSOCIATION,
Reston, VA, July 18, 1985.

Hon. WENDELL H. FORD,
U.S. Senate, Russell Senate Office Building, Washington, DC.

DEAR SENATOR FORD: Your leadership on the issue of Federal Trade Commission (F.T.C.) accountability for its enforcement of laws prohibiting predatory pricing is greatly appreciated. The House of Representatives has already amended H.R. 2385, the F.T.C. Authorization Act of 1985, with language requiring periodic F.T.C. reports to Congress on its response to predatory pricing complaints. Your introduction of a similar amendment on the Senate bill, S. 1078—The Federal Trade Commission Act Amendments of 1985, will help to assure its adoption in conference.

N.G.A. represents the small business sector of the food distribution industry. Our membership includes over 2,000 independent retail grocers, 61 wholesale distributors serving over 28,000 retail food stores, and 60 state and local associations. Our members serve consumers in all fifty states.

For the past two years, we have been engaged in a very important struggle on behalf of retail and wholesale grocers throughout the nation to ensure that antitrust law enforcement promotes fair and effective competition in our industry. We have consistently requested the assistance of the Federal Trade Commission in this process. N.G.A. submitted a detailed statement to the Consumer Subcommittee on April 24 of this year expressing our concerns which is enclosed for your review.

We consider this issue to be of the utmost importance for the continued viability of the independent grocer. So long as the rules of the game are fairly enforced, the small businessman will continue to provide American consumers with products and services at prices that only fair competition can assure.

Your support for the predatory pricing amendment is symbolic of your concern for the American small businessman.

Sincerely,

THOMAS K. ZAUCHA,
President.

NATIONAL ASSOCIATION OF RETAIL DRUGGISTS,
Alexandria, VA, July 20, 1985.

Hon. WENDELL H. FORD,
U.S. Senate, Russell Senate Office Building, Washington, DC.

DEAR SENATOR FORD: Mr. Joe Schutte, P.D., President-Elect of the National Association of Retail Druggists asked that we express to you our strong support of your effort to amend the Federal Trade Commission Authorization Act of 1985. Your amendment, which requires semi-annual FTC reports to Congress on the particulars of predatory pricing complaints received by the agency, as well as investigations underway, and enforcement decisions, will certainly assist the FTC in focusing its limited resources on this inappropriate and illegal conduct which threatens small businesses, especially independent retail pharmacists.

Retail pharmacists worked shoulder-to-shoulder with retail grocers in the late 1920's and early 1930's in the effort which led to the enactment of the Robinson-Patman Act. Although the contemporary context is significantly different than that of the 1930's, the threat to such retailers is no less significant today. A July 10, 1985 report by the Subcommittee on Oversight and Investigations of the House Committee on Energy and Commerce entitled "Drug

Diversion" has focused the nation's attention on predatory pricing practices in the retail pharmacy marketplace. The Committee Report provides extensive documentation of the illegal diversion of prescription drugs from nonprofit institutions which purchase under the protection of the 1938 Nonprofit Institutions Act. Our members pay $9-$10 depending on whether they purchase directly from a manufacturer or from a wholesaler, while a nonprofit hospital pays $1 for the same prescription drug. Unless independent pharmacies purchase prescription drugs that have been illegally diverted from the nonprofit hospitals, such "discounts" are unavailable to them, irrespective of the volume purchased.

The Subcommittee Report sheds light on an extensive subterranean marketplace where purchasers, frequently retail drug chains, are obtaining diverted drug products at an incredible price advantage, against all competitors. Testimony presented to the Committee by Phillip Robinson, a licensed private investigator from the State of New York, indicated that there are several hundred diverters in the prescription drug marketplace "a few large companies appear to handle the majority of the product and seem to have developed a diversion process to the highest art." Mr. Robinson stressed that the goods are resold perhaps several times and that "large chain drug stores and large wholesale distributors are among the frequent customers of diverters."

As Charles M. West, Executive Vice President of The National Association of Retail Druggists, told the Kentucky Pharmacists Association at their annual meeting on July, 20, 1985 in Paducah, Kentucky, "This illegal drug supply network and the perversely low retail prices it makes possible, is being utilized by predators to put independent retail pharmacists out of business." Your amendment will send a clear and necessary signal of Congressional interest in what has been a lackluster law-enforcement effort regarding the predatory practices which threaten small businesses such as the independent retail pharmacies we represent. We will work with you in any way which, in your view, will help to facilitate our mutal objectives.

Once again, on behalf of our officers, Executive Committee, members, especially those in Kentucky such as our President-Elect, Mr. Joe Schutte and Mr. Charles Stone, a member of our Legislation and Government Affairs Steering Committee, and the owners of more than 30,000 independent pharmacies, where over 75,000 pharmacists dispense more than 70 percent of the nation's prescription drugs and provide more than 85 percent of the Medicaid pharmaceutical services, we commend you for your initiative on predatory pricing.

Warm regards,

JOHN M. RECTOR,
Director of Government Affairs.

SMALL BUSINESS LEGISLATIVE COUNCIL,
July 18, 1985.

Hon. WENDELL H. FORD,
U.S. Senate,
Washington, DC.

DEAR SENATOR FORD: Please accept the thanks and appreciation of the Small Business Legislative Council for your initiative in sponsoring a predatory pricing amendment to the Federal Trade Commission Reauthorization bill, S. 1078.

Predatory pricing is an issue which affects small business quite deeply. In fact, this issue has been chosen by the nearly 90 trade and professional associations who belong to our coalition as SBLC's Number 5 priority for the year. Our policy statement on this issue is enclosed as part of our 1985 Issues Report.

We are delighted to learn of your leadership on this issue from one of our most prominent members, the National Grocers Association. SBLC looks forward to working with you during the course of this legislation.

Sincerely,

GERALD P. NAGY,
Managing Director.

Mr. KASTEN. Mr. President, we have had an opportunity to review this amendment. The Senator is correct: Predatory pricing is an issue which seriously concerns small business. In fact, this issue has been chosen by the nearly 90 trade and professional associations which belong to the Small Business Legislative Council as one of their priority issues for 1985. I am pleased to accept the amendment of the Senator from Kentucky.

The PRESIDING OFFICER. Is there any further debate? If not, the question is on agreeing to the amendment of the Senator from Kentucky.

The amendment (No. 543) was agreed to.

Mr. FORD. I move to reconsider the vote by which the amendment was agreed to.

Mr. KASTEN. I move to lay this motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, at an appropriate time, when the distinguished minority leader is on the floor, I hope to propose a unanimous-consent agreement on S. 1404, a bill to require the President to respond to unfair trade practices of Japan. I will then recommend an hour of debate on the bill, equally divided, an hour of debate on all first-degree amendments, 30 minutes on all second-degree amendments, and 10 minutes of debate on any debatable motions in the hopes that we might be able to dispose of this legislation, if not today, tomorrow under some time agreement. We were very close at an earlier point, and I would hope we could move on this legislation.

With reference to the pending legislation, it is my understanding that we are making progress. I hope that Members who have amendments would not be bashful in coming to the floor and offering those amendments because we hope to dispose of additional legislation if at all possible today. If not, we will dispose of it tomorrow.

It is my understanding we may be able to dispose of two or three bills in what we call wrap up by unanimous consent when we complete the business of the day, and I will discuss those measures with the distinguished minority leaders.

Mr. President, I first suggest that Members come to the floor and, secondly, suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. KASTEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. WALLOP). Without objection, it is so ordered.

Mr. KASTEN. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending question is the amendment of the Senator from Wisconsin.

Mr. KASTEN. Mr. President, I ask unanimous consent that my amendment be temporarily set aside in order to consider an amendment from the Senator from Idaho, Mr. MCCLURE, and at the end of the consideration of that amendment that the Kasten amendment once more be the order before us.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. MCCLURE addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. MCCLURE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MCCLURE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 544

(Purpose: To create a rational framework for the regulation of professionals)

Mr. MCCLURE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Idaho [Mr. MCCLURE] proposes an amendment numbered 544.

Mr. MCCLURE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, after line 9, insert the following:

(b)(1) The Federal Trade Commission Act (15 U.S.C. 41 et seq.) is amended by redesignating section 24 and section 25 as section 27 and section 28, respectively, and by in

serting after section 23 the following new section:

"SEC. 24 (a) For purposes of this section:

"(1) The term 'professional' means any person who—

"(A) in the performance of his occupation, is subject to licensure or certification under State law; and

"(B) as a prerequisite for such licensure or certification under State law, has (i) received a degree from an accredited institution of higher learning, or (ii) successfully completed a course of specialized training at an accredited education or training facility for health professions personnel operated as an integral part of a hospital.

"(2) The term 'State law' means a statute of a State and a rule or regulation duly promulgated by a State agency or by a State court of last resort in its capacity as the State authority regulating the admission or licensure of professionals within a State.".

(b) The Commission shall not use its authority under this Act to prohibit unfair or deceptive acts or practices engaged in by professionals if such use of authority would result in the invalidation of a State law or any part of such law if such law or part establishes—

"(1) training, education, or experience requirements for the licensure of professionals; or

"(2) permissible tasks or duties that professionals may perform based on specialized training or education.".

Mr. McCLURE. Mr. President, my amendment is the product of 6 years of negotiations over the proper role of the Federal Trade Commission in regulating professions. It was accepted to my knowledge by all interested Senators at the end of last year's Senate session. I understand that in the hearings before the committee this year it was subject to further and subsequent negotiation and discussion. But at the end of last year's session it was accepted by the interested Senators as the best statement of this issue that could then be devised and agreed upon.

Basically, the amendment would prohibit the FTC from using its unfair or deceptive acts or practices jurisdiction to overruie the States with respect to questions of: First, who shall be licensed for practice in a particular profession; second, what jobs or tasks require a professional license if they are to be performed in a particular State?

This language was negotiated between this Senator and the Senator from New Hampshire [Mr. RUDMAN] and to my knowledge had the acquiescence of the distinguished chairman of the committee, the distinguished chairman of the subcommittee, and all other interested parties.

What has happened since last year? The answer is that one of the outside groups with an interest in the question has decided to change its position. The organized bar has made a determination that a portion of last year's language would adequately protect the legal profession, although it concedes to me that the language might provide considerably less protection for other professional groups.

The dentists, understandably, are not quite as happy in their new role as sacrificial lambs. I would like to read a letter I have just received from the American Dental Association, reiterating that group's support of the negotiated language, in preference to the new language which is being promoted by the organized bar.

The letter is dated July 23, 1985, and is addressed to me.

In response to an inquiry from members of your staff regarding the Association's position on the Federal Trade Commission authorization bill, I am forwarding a copy of our testimony before the Senate Committee on Commerce, Science and Transportation on April 24, 1985. This testimony summarized our position then, and it remains the same today.

At that time, Dr. John Bomba, President of the American Dental Association stated the following:

"We believe it would be much preferable for the Committee to retain the professions' language contained in last year's bill, S. 1714, with a technical amendment making clear that no expansion of FTC authority to invalidate state laws is intended. . . . With these provisions in place Congress and the courts, rather than the FTC, would define the limits of Commission authority to invalidate state laws in these critical areas of public health and safety."

I hope this letter and testimony are helpful in setting forth our position with respect to the need for statutory restraints to clarify that the Commission does not have authority to invalidate state laws relating to the dental and other professions.

Mr. President, I ask unanimous consent that a copy of this letter be placed in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. McCLURE. Mr. President, I have not engaged in negotiations over this issue for 6 years in order to reach a solution which would please one special-interest group or another. My goal was to negotiate a package that would embody good law. I believe my amendment achieves that goal. I also believe that the bill, without my amendment, may please one group, but falls short of the logical consistency necessary for good legislation.

To begin with, the bill applies the State action doctrine to the FTC's jurisdiction to regulate unfair methods of competition, but it does not apply it to the regulation of unfair or deceptive acts or practices. Does anyone really suppose that the FTC's jurisdiction to regulate unfair or deceptive acts or practices is not at least as broad as its jurisdiction to regulate unfair methods of competition?

If this amendment is defeated, we will have spent 6 years negotiating over this issue, and the FTC will still have the authority to declare a State bar examination an unfair act and thereby overturn the results. The FTC will still have the authority to determine whether a particular State licenses a sufficient number of its medical school graduates, or whether a State acts properly in not allowing paralegals to argue motions. The FTC will still be able to review whatever is left of State residency requirements following the Supreme Court's recent decision. In other words, there is nothing the FTC can currently do which it would not be able to do under another name if this amendment is not adopted.

As far as this Senator is concerned, that is not an acceptable result.

Mr. President, the language of my amendment would prohibit the FTC from second-guessing the States on questions of licensure and professional qualifications, whatever authority it chooses to use. Although the organized bar may argue over the necessity of my language, no one has been able to raise a single substantive objection to its terms, so long as it is made clear that my amendment creates no implication with respect to jurisdiction over activities which it does not specifically list.

And so this is the decision which the Senator has before it: It can throw out 6 years of work at the behest of one party in interest. But if this is what we choose to do, we should understand that it may be at the expense of other professions which have an equally valid interest in this legislation.

Alternatively, the Senate can attempt to use its own best judgment as to what appropriate public policy should be in this area. That is what I hope we will do.

EXHIBIT 1

AMERICAN DENTAL ASSOCIATION,
Washington, DC, July 23, 1985.

Hon. JAMES A. MCCLURE,
U.S. Senate,
Washington, DC.

DEAR SENATOR MCCLURE: In response to an inquiry from members of your staff regarding the Association's position on the Federal Trade Commission authorization bill, I am forwarding a copy of our testimony before the Senate Committee on Commerce, Science and Transportation on April 24, 1985. This testimony summarized our position then, and it remains the same today.

At that time, Dr. John Bomba, President of the American Dental Association stated the following: "We believe it would be much preferable for the Committee to retain the professions' language contained in last year's bill, S. 1714. with a technical amendment making clear that no expansion of FTC authority to invalidate state laws is intended. . . With these provisions in place Congress and the courts, rather than the FTC, would define the limits of Commission authority to invalidate state laws in these critical areas of public health and safety."

I hope this letter and testimony are helpful in setting forth our position with respect to the need for statutory restraints to clarify that the Commission does not have authority to invalidate state laws relating to the dental and other professions.

Sincerely,

HAL M. CHRISTENSEN,
Director.

Mr. KASTEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. KASTEN. Mr. President, I rise in opposition to the amendment of the distinguished Senator from Idaho. Let me just begin by describing what we did in committee and what we arrived at.

S. 1714 contained compromise language developed by the FTC and the American Medical Association on the scope of FTC authority to invalidate State law in order to regulate the activities of professions. This language prohibited the FTC from using its consumer protection authority to invalidate State laws prescribing training, education, or experience requirements for licensure, or the permissible tasks or duties that professionals may perform based on specialized training or education.

This compromise language was intended to protect the traditional and important role of the States in establishing criteria which guarantee the quality of professional services, while ensuring that Federal laws against anticompetitive acts, fraud, and deception are fully enforced.

Some groups have objected to any limitation on FTC authority to regulate the professions, while others have expressed the view that this language did not go far enough to restrict FTC authority, and the American Bar Association and the Texas Bar Association argued that by implication the compromise language gave the FTC authority over the other activities of the legal profession that it does not have.

I might point out that on our panel of professional groups, every single group, with the exception of the dentists that had a reservation, came up and said that they believed that the inclusion of this FTC limitation of authority in fact worked against their needs and asked the committee to be silent on this issue.

The Senator from Idaho said, What has happened between last year and this year?

As I have noted, this dispute has been one of the main obstacles to floor action on the FTC authorization. However, at the April 24 FTC reauthorization hearing the continued need for this language was questioned by the AMA and others. While there was disagreement as to the meaning of professions language and its impact on FTC authority, the view was expressed that the professions language was unnecessary and might in fact be counterproductive.

As a consequence, this language has been dropped by the committee, and it has also been dropped on the House side, as well.

To be sure, there may be a very few groups that are not totally satisfied with this approach, but the committee's action is supported by such groups as the ABA, the AMA, the ANA, the National Association of Optometrists and Opticians, and the National Association of Dental Hygienists.

What happened between last year and this year are two very important court cases which describe the situation in a way that the professions feel the courts are now adequately addressing this question and we ought to be silent on it in the legislation because of the possibility of bringing the FTC in. Southern Motor Carriers Rate Conference against the United States and the Town of Hallie against the City of Eau Claire are the two cases which the ABA, the Texas Bar, the Medical Association, and others addressed, saying that the courts are now dealing with this problem, they are working with this problem, and there is no reason for the FTC reauthorization bill to include it. Therefore, on the near-unanimous position of all of the professions, we decided to drop the language. It was dropped by the committee. The minority and the majority agreed.

I would say to the Senate that since this compromise has been reached by dropping all of the language, not one group has come to us to object, even some of those groups which had some reservations at the hearings. Not one group has come to us to object or express disapproval of the way we worked this compromise out.

As a consequence, as I pointed out, the language was dropped because there was disagreement as to the meaning of the professions language and its impact on the FTC authority. The view was expressed that the professions language was unnecessary; in fact, the view was expressed before us that not only was it unnecessary, but it might be counterproductive.

The committee's action is supported by the ABA, the AMA, the ANA, the National Association of Optometrists and Opticians, the National Association of Dental Hygienists, and other groups that have appeared before us.

I see the Senator from New Hampshire is on the floor. I shall have some additional things to say, but he and I and a number of us have worked on this language over the years, and I hope the Senate will support the position the committee has taken. That is that as a consequence of the court decisions and this near-unanimous opinion by all the different groups, the language should be dropped and not included in the FTC authorization bill this year.

Mr. McCLURE and Mr. RUDMAN addressed the Chair.

The PRESIDING OFFICER (Mr. GORTON). The Senator from New Hampshire.

Mr. RUDMAN. Mr. President, if the Senator from Idaho wanted to make a comment on the comments of the Senator from Wisconsin, I shall be perfectly happy to yield, although I am due at a conference.

Mr. McCLURE. Mr. President, I thank the Senator for yielding. I, too, am due at that conference, so I shall not take a long time. I want to comment on a couple of things the Senator from Wisconsin said.

First, it is true that various groups and organizations have supported the committee's compromise, but I think it would be incorrect to say that you can interpret from that support that they oppose the language in this amendment. Quite the contrary is true. There is only one organization of the professions that testified in opposition to the language which I am offering. That is the American Bar Association. All of the rest of the associations, in effect, said, well, if the committee's language is the best we can get, we will take it. But they will say to you privately as well as publicly, I believe, that they would prefer the McClure language, the language which was worked out between myself and the Senator from New Hampshire [Mr. RUDMAN] last year, which all groups had an opportunity to see.

Why did the bar association, among all the professions, decide they would oppose the McClure language? And they are the only ones who have testified in opposition—the only ones of the professions who testified in opposition. It is very easy to say, Mr. President, because they believe that the Supreme Court's decision of State action doctrine, as enunciated by the Supreme Court, clearly applies to a regulated profession such as the bar, which is an instrument of the State courts. But they will admit, at least in private, that they are not certain that that extends to other professions which are licensed and regulated by the States in a different manner.

I think it is very anomalous, frankly, that the bar association comes before the committee and then is represented to the Senate as opposing the McClure language on the basis that it might raise an ambiguity when precisely the same ambiguity is raised by the committee's language. If, as a matter of fact, there is ambiguity because of my language that needs to be clarified, then it needs to be clarified with respect to the committee's language.

Mr. President, I submit to you that the bar association is trying to cover its own tail while leaving everybody else's exposed. That is not the first time they may have done that nor the first time any group has done that, and it may be perfectly legitimate, but let us not be misled as to why they are doing it.

Mr. KASTEN. Mr. President, I want to respond to the points brought up by the Senator from Idaho, but I believe the Senator from New Hampshire ought to be recognized at this time.

Then I shall respond because I have a list of several groups here that goes way beyond the ABA.

Mr. RUDMAN. I thank the Senator from Wisconsin.

Mr. President, let me say that I find myself somewhat between a rock and hard place. I came to the floor from a meeting believing that the Senator from Idaho was offering the language that we had agreed on last year but with an additional paragraph which he thought was rather insignificant and I thought was greatly significant. At any rate, for whatever reason, the Senator from Idaho has dropped that portion of his amendment and the amendment that I find myself confronted with, as he states, is precisely the amendment that the Senator from Idaho and I agreed on last year.

Having said that, I see my friend from South Carolina wondering how I am going to get out of this one.

Mr. HOLLINGS. Amen.

Mr. RUDMAN. I shall say it in this way: It well may be that the Senator from Idaho is correct, that this language which was agreed to last year will do precisely what we intended to do. And, frankly, I must say, to be perfectly intellectually honest, I do not have a major problem with that. I suppose, though, that what we can say is that in the year that has intervened in that time, the various organizations—at least some of them—have now taken a contrary view as to whether they believe any language ought to be in the bill or not, particularly in light of the U.S. Supreme Court decision of 4 months ago which, if I am stating it correctly—at least it is my understanding—the American Medical Association as well as the American Bar Association believes applies to them as well. They believe that that is the Court language, that is the law of the land, that in any subsequent cases that are brought that involve the FTC, they would use that case to support the position that they obviously take.

On that basis, it just seems to me that with the year intervening and with the groups having essentially changed the view that they had at that time, I would probably be very comfortable in seeing this bill passed as it has come to the floor without the amendment offered by the Senator from Idaho.

I would be the first to say, as the Senator from Idaho remembers clearly, that 3 years ago at 3 a.m., what these groups particularly believed or thought is not terribly important to me, nor should it be important to the U.S. Senate. But it seems that since we got them involved in the process 2 years ago and finally worked out language that they all essentially agreed to, but then we did not pass it, now a year has gone by and the Senator from Wisconsin is chairman of this subcommittee and he believes that their understanding is that it would be better with no language, I am going to kind of think about this a bit. But my guess is I shall vote against the amendment offered by the Senator from Idaho.

Mr. McCLURE. Mr. President, will the Senator yield?

Mr. RUDMAN. I shall be happy to yield.

Mr. McCLURE. I asked the Senator to yield—I do not mean to detain the Senator from Wisconsin unduly at all, but the Senator from New Hampshire made one statement which I think we must explore. He says these organizations now, with the passage of a year, have looked at court action and said, We believe the best action to take is to remain silent.

Mr. RUDMAN. I believe what I said, and if I am wrong I shall stand corrected, was that some of the organizations have taken that point of view. I believe there are still some that would like language.

Mr. McCLURE. That is right. But they either like the language we agreed to a year ago or advise us to remain silent. As a matter of fact, the bill before us is not silent. Section 2 attempts to deal with this subject matter. If indeed we are to remain silent, should we not strike section 2?

Mr. RUDMAN. I say to my friend from Idaho that that section I think has pretty well been agreed to for some time by most people. I think that is a bit different than this amendment. At any rate, I congratulate the Senator from Idaho for showing the wonderful good judgment in removing the last paragraph of that amendment which I believe was rather substantial in effect. If the Senate votes on this, I hope it defeats the amendment. But I believe that it certainly is a good deal improved over what I originally thought I was coming to the floor to talk about.

I thank the Chair.

Mr. KASTEN. Mr. President, first of all, I thank the Senator from New Hampshire for his support.

I should like to bring to the attention of the Senate the fact that it is not the ABA or the lawyers who are on this particular side of this issue. I begin with the American Medical Association:

> However, as we noted in our testimony of April 24, 1985, before your subcommittee, "the AMA believes it is no longer necessary to adopt specific language concerning the professions as part of FTC reauthorization legislation."

In other words, they are not only for leaving it out, they are in favor of taking it out. "We believe it is no longer necessary to have it included," the American Medical Association said.

Now, even more specifically, the American Dental Hygienists Association says:

> We oppose Senator McClure's version of last year's bill simply because we prefer Senator Danforth's approach to eliminating any restricting language and because Senator McClure's includes none of the safeguards necessary to protect FTC legitimate intervention in anticompetitive commercial acts or practices.

Also, the American Nurses Association:

> The Commerce Committee has correctly decided that there is no need to place any restrictions on the FTC's activities over professionals.

The Conference of Chief Justices:

> It is our understanding that the ABA and the AMA now take the position that it is no longer necessary to adopt specific language on the professions as part of the FTC reauthorization bill.

I say to the Senate, they are people who are not simply saying they are neutral on this question. They are saying—the Conference of Chief Justices, the American Bar Association, the American Medical Association, and others—that they oppose the inclusion of the language that we had last year and that is why we did what we did in the committee.

Mr. McCLURE. Will the Senator yield for a question?

Mr. KASTEN. I am pleased to yield to the Senator.

Mr. McCLURE. I thank the Senator for yielding.

Mr. President, I guess you can read the English language in several different ways, but the language that says, "We no longer think it is necessary to include it," does not necessarily mean we believe it is necessary to exclude it, am I correct?

Mr. KASTEN. I read, "We oppose Senator McCLURE's version of last year's bill."

Mr. McCLURE. That was in one of the letters, but it was not in the AMA letter and it was not in the Association of Chief Justices' letter.

Mr. KASTEN. I think the Senator is correct, that you can look at these different positions as saying we do not oppose last year's bill. But the point I should like to express to the Senate is that everyone supports this year's version. There has been a court case. There have been a new set of hearings. There has been more going on and now we have together all of these groups which have been competing.

The Senator can argue, whether opposed, to the degree people are hot or cold or lukewarm, but the fact is no one has come to me as chairman of the subcommittee and expressed opposition to the compromise worked out by us. And that was the purpose of the hearings; that was the purpose of this legislation.

Mr. President, I ask unanimous consent to include at this point in the

RECORD letters from Mr. James Ritchie, expressing the opinion of the National Association of Optometrists and Opticians, another from the American Bar Association, another from the American Medical Association, another from the American Dental Hygienists Association, another from the American Nurses Association, and another from the Conference of Chief Justices.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

AMERICAN MEDICAL ASSOCIATION,
Washington, DC, July 25, 1985.

Hon. ROBERT W. KASTEN, JR.,
Chairman, Subcommittee on Consumer, Committee on Commerce, Science and Transportation, U.S. Senate, Washington, DC.

DEAR SENATOR KASTEN: The American Medical Association would like to take this opportunity to comment on S.1078, the Federal Trade Commission reauthorization bill, as reported by the Commerce Committee.

As you know, the AMA has a longstanding interest in the relationship between the FTC and the state regulated professions. We have in the past supported specific language relating to the FTC's jurisdiction over the professions. However, as we noted in our testimony of April 24, 1985, before your subcommittee, "the AMA believes it is no longer necessary to adopt specific language concerning the professions as part of FTC reauthorization legislation." We based this decision on two factors: the Supreme Court's decision in the Southern Motor Carrier case, and the increasingly sophisticated recognition by the FTC of the unique attributes of the professions.

The Committee accepted AMA's recommendation on the professions issue and S.1078 contains no specific language on the professions. We continue to believe that no language is necessary and we support the Committee's decision in this regard.

Sincerely,

JOHN S. ZAPP, *D.D.S.*

AMERICAN DENTAL HYGIENISTS' ASSOCIATION, OFFICE OF FEDERAL AFFAIRS,
Washington, DC, July 25, 1985.

Hon. JOHN DANFORTH,
Chairman, Senate Committee on Commerce, Science and Transportation, Dirksen Office Building, Washington, DC.

DEAR SENATOR DANFORTH: The American Dental Hygienists' Association endorses the provisions of S.1078 dealing with the FTC's jurisdiction over the health professions.

As the national organization for over 30,000 dental health professionals, we are alarmed at efforts to reduce competitiveness in the health care marketplace. We oppose Senator McClure's version of last year's bill simply because we prefer Senator Danforth's approach of eliminating any restricting language and because Senator McClure's includes none of the safeguards necessary to protect FTC legitimate intervention in anticompetitive commercial acts or practices.

Sincerely,

J.H. KENT,
Washington Representative.

AMERICAN BAR ASSOCIATION,
GOVERNMENTAL AFFAIRS GROUPS,
Washington, DC, July 25, 1985.

Hon. BOB KASTEN,
Chairman, Subcommittee on Consumer, Committee on Commerce, Science and Transportation, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: I am writing to restate the position of the American Bar Association with respect to S. 1078, legislation to reauthorize with Federal Trade Commission.

As you are well aware, one of the key controversies surrounding reauthorization of the FTC has centered around the issue of FTC jurisdiction over state-regulated professionals. As we stated in our testimony before your subcommittee earlier this year, the American Bar Association believes that it is not necessary or desirable to include specific language on the professions as part of an FTC reauthorization bill. In light of recent U.S. Supreme Court cases clarifying and widening the applicability of the state action doctrine, we believe questions concerning the nature and extent of FTC jurisdiction over the professions can best be resolved by the courts on a case by case basis.

We hope these views will assist you and your colleagues in considering this legislation.

Sincerely,

ROBERT D. EVANS,
Director.

NATIONAL ASSOCIATION OF OPTOMETRISTS AND OPTICIANS, INC.,
Washington, DC, July 25, 1985.

Senator BOB KASTEN,
Chairman, Consumer Subcommittee, Commerce, Science and Transportation, Committee, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: On behalf of our client, the National Association of Optometrists and Opticians, Inc.; we wish to affirm our support for S. 1978. Stephen C. Fogleman testified before your Committee regarding the proper role of the Federal Trade Commission ("FTC") with regard to the professions.

We continue to believe that the FTC does need to have jurisdiction over the commercial and business practices of professionals. Amendments to S. 1078 at this late hour can only be viewed as counterproductive. We hope that the Senate will realize that the Committee's efforts represent several years of work and that amendments dealing with the professions would negate the progress to date.

Respectfully,

JAMES E. RITCHIE,
Counsel.

AMERICAN NURSES ASSOCIATION, INC.,
Kansas City, MO, July 25, 1985.

Hon. JOHN DANFORTH,
Chairman, Senate Committee on Commerce, Transportation and Tourism, Hart Senate Office Building, Washington, DC.

DEAR SENATOR DANFORTH: On behalf of the 188,000 members of the American Nurses' Association, I would like to express our support of S. 1078, the reauthorization of the Federal Trade Commission. The ANA has spent several years working to protect the jurisdiction of the Commission over the activities of state regulated professionals and this legislation is consistent with that purpose.

The Commerce Committee has correctly decided that there is no need to place any restrictions on the FTC's activities over professionals. Concerns about improper intervention by the Commission into the activities of professionals have proven to lack merit. On the contrary, there is widespread agreement that the FTC's involvement in the health care field has lead to a lessening of price inflation, and an increase in competition. However, unwarranted restrictions on competition among professionals continue to exist. S. 1078 will permit the Commission to continue to address such activities.

The bill also makes the judicially developed "state action doctrine" immunity applicable to the Commission's "unfair methods of competition" authority. This doctrine applies only if, first, the restraint is clearly articulated and affirmatively expressed by the State legislature to supplant competition with regulation, and second, that the State actively supervises such restraint. Therefore, actions by a State licensing board of one professional group attempting to impose restrictions on another professional group would not qualify for the immunity, as such activities are not envisioned by the State legislature in the creation of such boards, and such boards are not intended to supplant competition with regulation. Additionally, we are pleased that the Committee has limited the "state action doctrine" to the "unfair methods of competition" authority of the Commission, and has not applied the state action doctrine to the FTC's "unfair or deceptive acts or practices" authority.

The American Nurses' Association is pleased to support passage of S. 1708. Passage of this legislation will allow the Commission to continue its antitrust and consumer protection activities in the professions area. We stand in opposition of any amendments which would in any way limit the jurisdiction of the Commission over the activities of professionals.

Sincerely,

EUNICE R. COLE, R.N.,
President.

CONFERENCE OF CHIEF JUSTICES,
Williamsburg, VA., April 24, 1985.

Hon. BOB KASTEN,
Chairman, Subcommittee on Consumer, Committee on Commerce, Science and Transportation, Senate Hart Office Building, Washington, DC.

DEAR MR. CHAIRMAN: This is to express the views of the Conference of Chief Justices on reauthorization of the Federal Trade Commission.

We address only that portion of the record relating to the FTC in its relations with state-licensed professionals, specifically the legal profession, an adjunct of the judiciary which functions under carefully crafted rules promulgated by state supreme courts.

As the attached resolution indicates, our official policy urges Congress to "deny authority to the FTC or any other federal agency to preempt the traditional powers of state supreme courts to regulate all lawyers or groups of lawyers in their respective states, especially in the areas of codes of ethics, disciplinary rules, and commercial and business practices." But it should be noted that this position was not adopted until July 27, 1983 when the so-called American Medical Association-Federal Trade Commission compromise was pending in both houses of Congress. Prior to that time the Conference of Chief Justices, like the American Bar Association, had not felt it necessary to seek legislation barring or re-

stricting FTC regulation of the legal profession. However, we were concerned, as was the ABA, that the newly developed compromise would codify an FTC authority over the legal profession that would greatly complicate, and be inconsistent with, the historic role of state supreme courts as regulators of the bar.

It is our understanding that the ABA and AMA now take the position that it is no longer necessary to adopt specific language on the professions as part of an FTC reauthorization bill. We concur in that view and urge the subcommittee to delete the compromise language in H.R. 2970, 98th Congress, from the legislation when reintroduced this year.

As our resolution states, conflicts between regulations of the FTC and state supreme courts would create great uncertainty as to the accepted standards for the practice of law and lead to needless friction and litigation. Judicial control of the legal profession, as evidenced throughout our history, is essential to the American system of justice. It is a complex responsibility, based on hundreds of years of experience in the English and American judicial systems, we exercise with the unmost care.

We also are concerned that federal intrusion on this responsibility historically reserved to the states, will raise constitutional questions not readily resolved. Given the complexity of existing law under the state action doctrine, together with the carefully balanced relationship between courts and the legal profession, we believe the issues addressed through the AMA-FTC compromise can best be left to resolution by the courts on a case by case basis.

We appreciate this opportunity to comment and trust our remarks will be made part of the hearing record.

Sincerely yours,

W. WARD REYNOLDSON,
President.

Mr. McCLURE addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. McCLURE. Mr. President, the American Bar Association has argued that the application of the State action doctrine to the Commission's authority to regulate unfair methods of competition may be parallel to the application of that doctrine to the Commission's authority to regulate unfair or deceptive acts or practices.

If that is true, does not our expressed action in legislatively applying that doctrine to the unfair competition authority create a very strong implication that we do not intend to apply it to the unfair or deceptive acts or practices jurisdiction? I think the answer to that is very clear. In the case of Parker versus Brown, the Supreme Court held that congressional silence under the Sherman Act evidenced an intent not to preempt State action. Some, but not all commentators, have been quick to create a broad principle of law on the basis of this case applying it to the FTC's Sherman Act jurisdiction, the FTC's interstitial antitrust jurisdiction, and the FTC's nonantitrust jurisdiction.

Nevertheless, with respect to quasi-private activities, such as cases in which doctors and dentists administer a licensing exam, the consequences seem to be that the activity must be a two-pronged test: First, it must be pursuant to a clearly articulated and affirmatively expressed State policy and, second, it must be supervised by the State.

I believe that to be true and, if that is true, is not it also true that in the case of medical and dental admissions practices, in some States the supervision nexus may be inadequate to exempt them from FTC jurisdiction under the bill's language.

Mr. President, I attempt to solve that problem by the amendment which I offer, and I attempt at the same time to solve a question that the ABA raises in saying, "Hey, we got our game going pretty good for us. Do not mess up our game by suggesting that." Nothing contained in my amendment shall be deemed to affect the law relating to the existence or nonexistence of jurisdiction by the Federal Trade Commission over activities of professionals other than those delineated in paragraph 1 which shall be governed by the Federal Trade Commission Act and existing and future judicial interpretations thereof, nor shall there be any inference of activities of professionals, other than those delineated in paragraph one of my amendment, be treated similarly for the purpose of determining the existence or nonexistence of jurisdiction over each such activity.

Mr. President, I would have to state that there is absolutely nothing in the bill that guarantees against that interpretation under the language contained in the bill. So if the ABA is worried about my amendment fouling up their little game, then they have got to worry about the language the committee came up with. Yet they are saying to the committee, "Oh, gee, don't let McCLURE foul up this thing by raising some questions, but we don't object to you doing it."

And why? Because the nexus question of the regulation of the bar by the State is so clear and so unambiguous that they say, "We believe we are safe. Don't bother us. Take the language of the law the way it is, with the little reference you got there in the bill and we are protected. You doctors and you dentists and you beauticians and all the rest of those are licensed by the State may be at risk. But we, as your lawyers, will advise you. Don't worry. We can argue it in courts."

I think that is the granddaddy of all conflicts of interest, where the lawyers argue their own case to the disadvantage of the clients they are advising. They are safe, under the committee's language. Everybody else is at risk. And the lawyers say, "But don't worry about it, folks, We're all OK."

Mr. President, it may be that we will not adopt this amendment today. I hope the Senate will. I hope that the Members of the Senate will correctly understand what the record before this body is and what the record before the committee is. The record and testimony before the committee is only one statement of opposition to my amendment—only one—and that statement of opposition is from whom? Guess who. The American Bar Association, covering themselves.

That is not the first time they have done it, as I have said before. It may not be the last time they have done it. They may have gotten some others to write letters since than to say, "You fellows help us out." That is legal advice to whom? To groups that are less knowledgeable in the law than they are, while they are protected adequately by the law and the people to whom they are making the representations are not.

I am a member of the bar association. I practiced law for 16 years before I started trying to make it here; but I do not think it looks very good, from my standpoint, to have the bar association say, "Leave the law the way it is most favorable to us," and then have the Congress of the United States leave it that way, to the disadvantage of the other professional groups, and when the bar association knows that is the case but will not say so.

The PRESIDING OFFICER. The Senate will be in order.

Mr. METZENBAUM. Mr. President, I would like to make a few remarks on the resolution of the "professions issue" and the extent of the FTC's authority. At first, the professions pushed for a total exemption from the FTC. This was rejected.

Then there was an effort to limit the FTC's authority in regard to the professions. This effort has been rejected as well.

The final resolution has been that the FTC's authority to challenge unfair or deceptive acts or practices—by private doctors, lawyers, or dentists or by unfair regulations adopted by professionally dominated State boards—is unchanged.

Under this act the FTC is able to challenge anticompetitive State regulations such as restrictions on the advertising of eyeglasses.

The Reagan administration, like previous administrations, has supported the actions of the FTC in challenging both private conduct and anticompetitive regulations. The challenge to the ban on the advertising of eyeglasses saved consumers millions of dollars.

By deciding against restricting the FTC in tabling this amendment, Congress has indicated its approval of future such actions. This is a good resolution for American consumers.

Mr. LEVIN. Mr. President, I will vote to table Senator McCLURE's

amendment because a statutory restriction is no longer necessary.

In 1982, I voted against an amendment to totally exempt the professions from FTC scrutiny because I felt it would not be wise to provide a blanket exemption from the antitrust and consumer protection laws which apply to everyone else. That amendment was defeated. Subsequent to the Senate's rejection of the amendment stripping the FTC of authority over the professions, the Senate Commerce Committee adopted compromise langauge in the 98th Congress as part of the FTC authorization bill which would have prohibited the Commission from exercising jurisdiction over State laws concerning the education, training, or licensure requirements of professionals. I supported this compromise language but it never became law and it now seems clear even the compromise restrictive language is no longer necessary.

Mr. President, the AMA, the ABA, and other professional associations have now taken the position that langauge restricting the authority of the FTC over the professions is not needed, and, in fact, could cause considerable confusion in this area. The professions are now satisfied that the Federal Trade Commission does not intend to exercise jurisdiction in these areas and that recent court decisions have clarified those professional activities which are exempt from scrutiny by the FTC. Thus, while I do not disagree with the purpose of Senator McCLURE's amendment, I am persuaded that there is no longer a need to legislate in this area.

Mr. KASTEN. Mr. President, I know of no further debate on the McClure amendment.

Mr. President, I move to table the amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Wisconsin to lay on the table the amendment of the Senator from Idaho.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Colorado [Mr. ARMSTRONG] and the Senator from South Dakota [Mr. PRESSLER] are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Louisiana [Mr. LONG] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 71, nays 26, as follows:

[Rollcall Vote No. 161 Leg.]

YEAS—71

Abdnor	Exon	Metzenbaum
Baucus	Ford	Mitchell
Bentsen	Glenn	Moynihan
Biden	Goldwater	Nunn
Bingaman	Gore	Packwood
Boschwitz	Gorton	Pell
Bradley	Harkin	Proxmire
Bumpers	Hart	Pryor
Burdick	Hatfield	Quayle
Byrd	Hawkins	Riegle
Chafee	Heinz	Rockefeller
Chiles	Hollings	Rudman
Cohen	Inouye	Sarbanes
Cranston	Kassebaum	Sasser
D'Amato	Kasten	Simon
Danforth	Kennedy	Simpson
DeConcini	Kerry	Specter
Dixon	Lautenberg	Stennis
Dodd	Leahy	Stevens
Dole	Levin	Thurmond
Domenici	Lugar	Trible
Durenberger	Mathias	Warner
Eagleton	Matsunaga	Wilson
Evans	Mattingly	

NAYS—26

Andrews	Hecht	Murkowski
Boren	Heflin	Nickles
Cochran	Helms	Roth
Denton	Humphrey	Stafford
East	Johnston	Symms
Garn	Laxalt	Wallop
Gramm	McClure	Weicker
Grassley	McConnell	Zorinsky
Hatch	Melcher	

NOT VOTING—3

Armstrong	Long	Pressler

So the motion to lay on the table amendment No. 544 was agreed to.

Mr. KASTEN. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. METZENBAUM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 542

Mr. KASTEN. Mr. President, what is the pending business?

The PRESIDING OFFICER. The question recurs on the Kasten amendment 542.

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, I think all of us would agree that the idea of a legislative veto is very appealing. It sounds like Congress is going to spend a lot of time looking at the details of the regulations.

The legislative veto is wrong from its inception, and it is wrong at every point along the line. The reality is it will not do that at all; it will not provide for Congress to spend time looking at the details of regulations. Instead, we will set up a procedure for all the special interests to descend on the Congress to kill proper consumer rules issued by the FTC and the CPSC.

Now, Mr. President, I am frank to say the FTC is but a shadow of what it once was. But it is still the only agency, other than the Consumer Product Safety Commission, that is concerned about the consumers of the country. And now we want to be sure there is a legislative veto for the FTC and the Consumer Product Safety Commission. What a joke. What a sad day it is. I remember one of the worst votes we ever had in the Senate—maybe it was one of the worst days as well—was when the Congress killed the FTC used-car rule. Thank the Lord for the Congress of the United States. They stood up and took care of the used-car dealers and they forgot about the consumers.

That rule was very simple. It was very modest. As a matter of fact, it was rather radical in a sense—maybe it was not so modest—because it provided that the dealers had to tell the buyers about the serious defects that the sellers knew were in the cars being sold. What a great day it was when we in the Congress raised our mighty voices and killed the FTC's used-car rule providing that the consumers might get adequate information concerning their newly purchased cars.

Now, the rule was killed not because of a serious study of the administrative record or the evidence obtained by the Federal Trade Commission. It was not killed because we did such an exhaustive study and came to a conclusion that the used-car rule was wrong. It was killed because the used-car dealers, with their lobby and their political action funds, had done their job very well, and they put on the heat. The Commission had studied the industry for years. The Commission had taken thousands of pages of testimony and documents and they were in the RECORD. But we in the Congress knew better. We knew better because the auto dealers told us it was better, and indeed it was better—for them—but a lot worse for the consumers of this country, for the people who buy automobiles. We killed them.

Now, let us look at the future and what is going to happen if this legislative veto is added to the FTC bill. Let us say that the FTC passes a rule to inform Congress about what is in their insurance policies.

Mr. President, did you ever try to figure out what is in your insurance policy? Try it someday. Try to comparison shop with your insurance policy. Try to figure what is different in the insurance policy that you buy either on your home, your life, or your car and what you can buy from someone else. Try to figure out what all that small type means. Try to figure out, if you have a life insurance policy, what the yield is on the extra money that you put in as a deposit and what kind of interest they are paying you on that money.

The insurance company does not want you to know that, nor would the Congress. But someday the FTC just

might have the temerity and the courage and the decency to see to it that the American people would know what is happening. It is a terrible thing in this country to let consumers know the facts, and the FTC and the CPSC are two of the few Agencies from which you might hope to get some information. But we are going to have Congress have a legislative veto. When you go back home, you ought to raise some money if you vote for this one, because all the lobbyist groups ought to be pleased about your vote. But the fact is go home and talk to your constituents and see if they really want you to have a veto power over the actions of the Federal Trade Commission and the Consumer Product Safety Commission. The FTC someday might have the temerity to move in and tell you really how bad it is to smoke cigarettes. But if they did that and they came out with some regulations, you may be certain that the tobacco companies would be here, and that Congress would stand up and salute, and we would veto the FTC rule.

Do you really think Congress would study the record and learn the facts? Do you really think that Congress was concerned about the detailed evidence? Of course not. But the industry, regardless of which industry it is, will be here in droves to kill a rule of the FTC.

The sad part is that it is going to pass here, in all probability. It is going to pass, on some kind of theory that Congress has to protect the people. We will not be protecting the people. We will be protecting those who do not need protection, and we will be forgetting about the people who do need protection.

What conceivable risk can there be for us to overrule a rule of the FTC? Congress already can legislate to overturn rules through normal legislative procedures if we do not like them, and we have done that in some instances. I point out the saccharin ban, the seatbelt-interlock rule, and others.

Congress has not done it more often, because it takes too much time, and it is not worth it. We cannot even deal with appropriations bills now. How are we going to find the time to review hundreds of rules of the FTC? The only ones we will review are those which the lobbyists direct us to review. They will come here and tell us what to do and, like good men and women, we will stand up and salute, and we will override the FTC rules.

The bill makes the assumption that Congress will spend the time to look at hundreds of these regulations on an expedited basis, with a few hours for debate. Come on! Who is kidding whom? Does anybody really think we have such a thing as expedited debate here, where there is an issue of this kind, where the auto dealers are pushing us or the real estate lobby is pushing us or the insurance lobby is pushing us or the liquor lobby or the cigarette lobby?

The reality is that the only place the people of this country can turn for protection, the only place that details of certain policies can be worked out through rulemaking, through testimony, and through appropriate appeals to courts is at the FTC level and the CSPC level.

The job of Congress is to set the standards in the first place. We set the overall parameters, and then we expect the agencies of Government to do the job. But be careful. If the two agencies that have some consumer interest do their job too well, we had better be sure we reserve to Congress the right to veto what the are doing.

If the regulations were to be reviewed later, there is a temptation to be even vaguer when we enact the statutes; and, as a consequence, we would be deferring those hard-policy decisions which we should be making.

Even this administration, the Reagan administration—and I emphasize this to my colleagues—no friend of regulations of any sort, has trouble with the legislative veto. The Department of Justice says, "Don't do this for the FTC alone."

Let me quote from the testimony of the Administrative Practice and Procedure Subcommittee hearing:

> The administration's threshold concern is that across-the-board regulatory reform is such an important matter that it should be addressed in a free-standing statute, debated, and voted upon fully on the merits. This means, first of all, that any comprehensive regulatory reform legislation should be considered separately as one law and not as an amendment to some other legislation, such as an authorization or appropriations bill. We therefore would strongly oppose any effort to add S. 1145 to the authorization bill for the Federal Trade Commission.

S. 1145 is the legislative veto.

Why pick on the FTC, anyway? Because the FTC is easy to pick on. Why is that? Because they do not have a powerful lobby behind them. The FTC's constituency are the consumers of the country, not the business interests of the country.

Why have there not been efforts to add legislative veto to the Department of Transportation rules? There are a lot of rules there. No, we do not do that. How about the Department of Commerce? There are lots of rules there, but we do not touch that. No, not the agencies that have to do with the business interests; only the agencies that it is hoped might speak up for the consumers of this country. Let us quit kidding ourselves, this will not lead to better regulations. Better laws might do that. Better regulators perhaps could do that. The legislative veto will not do that.

It is a sad commentary that in all probability it will pass this afternoon, but we will not have been performing a service to the people of this country. We would have been the handmaidens of those who speak the loudest and strongest for industry.

Mr. DANFORTH addressed the Chair.

The PRESIDING OFFICER (Mr. SYMMS). The Senator from Missouri.

Mr. DANFORTH. Mr. President, this, of course, is not the first time the legislative veto has come up on the floor of the Senate. It has been debated many times over the years. It has been watered down over a period of time, largely because of the Supreme Court's Chadha decision. So what we have today are two different approaches, two efforts, to attempt to provide for some sort of legislative veto, even a very watered-down version of the legislative veto, which would pass constitutional muster.

I have never been an enthusiast of legislative veto. I have never thought it was a good idea. I would think that a watered-down version of the legislative veto is even a worse idea than the real thing. I think it is a worse idea than the real thing because it is a trap. It is a trap for Congress.

The idea of a legislative veto, a watered-down legislative veto, provides encouragement to Members of Congress to do a sloppy job of legislating. It is very tempting for us, when we are passing a bill or, for example, when we are in conference on a bill, late at night—2 o'clock or 3 o'clock in the morning—during one of those conference meetings, when everybody wants to go home and their concentration is not what it should be, to say: "Well, let's just put it in. Let's just pass the bill. Let's just provide for more regulation, because we have a second bite at the apple because we have the opportunity for the legislative veto."

We talk a great deal about the excess delegation of power to regulatory agencies. The legislative veto is an invitation to excess delegation of power to regulatory agencies because we believe that we still have control over those agencies because we have a legislative veto.

Mr. President, it is an illusion, it is an illusion of power. We do not have power at all. We have some expedited process. We have some mechanism relating to appropriations bills but after Chadha there is no real legislative veto. It is the illusion of the legislative veto. We are dealing with illusions of control of regulatory agencies. We tell ourselves that we are still in control and we delegate more and more authority to the agencies.

These amendments, both of them, are traps and they should be rejected.

That is not to say that if we enacted such a procedure we would not at least go through the motions. We would go through the motions. We would spin our wheels. We would purport to

review regulations put out by the various agencies. But, Mr. President, ask yourself who would be conducting the reviews?

How many Senators are going to read regulations and read rules? How many Members of the Senate are going to spend their time pouring over the Federal Register on a daily basis, analyzing the rules that are put out by numerous regulatory agencies? How many people, Mr. President, in the Senate can honestly say that they personally read the rules and the regulations of the Federal Trade Commission?

How many people in the Senate even read bills for that matter, much less regulations?

We are not going to be doing the job. At the very best, staff is going to be doing the job.

Mr. President, the Congress of the United States is teeming with staff, and I must say that the staff is a very good staff. But I think that there is a limitation for a Member of the Senate how many staff people he or she can really listen to at any one time. Most of us have difficulties managing our schedules. We are going a hundred different directions at the same time. We are supposed to be on the floor. We are supposed to be in committee meetings. We are supposed to be meeting with constituents. We try to get a few minutes to do a little reading or a little thinking in our office and there is a knock on the door or the staff person comes through the door or the phone rings.

How much more responsibility do we want to give our staffs? How much more staff do we want to conduct reviews of the various rules and regulations promulgated by the various agencies of the Federal Government?

This bill is a trap because it purports to maintain control of regulatory agencies. This bill invites a proliferation of the staff of the Senate and the House of Representatives in order to at least go through the motions of doing the job of reviewing regulations.

Finally, these two amendments are lobbyists' dreams. These are dreams for the lobbyists because they give the lobbyists yet another part of the Government, or they think they can have some influence, come into Senators' offices, come into offices of the House of Representatives and say, "Hey, won't you take on this battle with respect to such-and-such a regulation?"

We are going to be under enormous pressure to conduct these reviews, to introduce the various regulations of disapproval that are called for, to push them along, to bring up privileged matters on the floor of the Senate, because this new tool, not an effective tool, but what purports to be a tool, will be available to us.

Mr. President, I do not think the Congress of the United States is functioning very well today. We might count up bills that have passed or we might count up what we have accomplished in 1985, and it is a pretty short list, I believe.

Many of us have had concerns about how to improve the workings of the Senate and make ourselves a more effective body. The legislative veto is not going to make the Senate a more effective body. The legislative veto is going to make us a less effective body. It is going to give us a powerless weapon. It is going to give us something that does no real good, that creates procedural difficulties, that expands the amount of staff necessary to do our work, that provides yet more grounds for special pleading by various interest groups, and it creates the illusion that we have a second screen, a second method of correcting defects in legislation that would invite us to legislate in a more sloppy fashion than we do right now.

So, Mr. President, I urge all Members of the Senate who are concerned about the process of this body to oppose both of the amendments that are before us now.

Mr. FORD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DANFORTH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DANFORTH. Mr. President, I would like to note that there is no provision in this authorization bill that provides the Federal Trade Commission [FTC] with authority to involve itself in international trade issues, in setting trade policy, or in commenting on trade policy.

The role of judging whether an industry has been injured by imports and recommending appropriate relief is, by statute, exclusively that of the International Trade Commission [ITC]. The ITC has five Commissioners appointed by the President and confirmed by the Senate who have the expertise and statutory responsibility to make determinations under trade law. Earlier this year, the ITC voted 4 to 1 to recommend that quotas on imported footwear be imposed for a period of 5 years.

Mr. President, I raise this issue because on Tuesday, July 23, the FTC issued a lengthy report recommending against the imposition of restrictions on shoe imports. Instead, the FTC took it upon itself to recommend that the Federal Government provide direct financial assistance to workers in the domestic shoe industry who have lost their jobs as a result of imports.

This recommendation reflects the FTC's lack of knowledge and expertise in matters of trade. For instance, the Trade Adjustment Assistance Program is scheduled to expire by September 30, and the administration vociferously opposed its renewal. The footwear industry needs import relief, and it needs it now.

The American shoe industry has taken an incredible beating from imports. In 1968, 233,000 Americans earned their livings in footwear plants. Today, scarcely one-half of these jobs remain.

My State of Missouri is the second largest shoe producer in the Nation. In the late 1960's, we had 24,000 jobs in more than 90 plants. Today, we have fewer than 15,000 jobs. Nearly one-half of our factories have closed their doors. Every week seems to bring the announcement that a plant is going out of business.

The decline of the domestic industry has been caused primarily by imported shoes. In 1968, American workers made four of every five pairs of shoes. Today, imports claim three out of four sales. The situation is getting worse, not better.

Mr. President, the ITC made the right recommendation. Import relief is imperative. The ITC made the wrong recommendation, an ill-informed recommendation, a recommendation on an issue that it had no business examining. Therefore, Mr. President, I reiterate: This bill provides the FTC with no authority to review, examine or comment upon matters of international trade. Moreover, section 201 of the Trade Act provides the FTC with no authority in this area, nor does the Clayton Act, nor does the Federal Trade Commission Act, nor does any other act. Recommendations on import relief are the responsibility of the ITC, not the FTC.

Mr. FORD. Mr. President, I associate myself with the remarks of the distinguished Senator from Missouri, Mr. DANFORTH. I read in the paper, to my chagrin, where the Federal Trade Commission said let all the shoes keep coming in, increase the deficit to try to retrain those people who lose their jobs from the shoe industry who will not be working and paying the taxes to pay themselves to be retrained.

I just thought it was the most horrible decision any commission could make. And it says, "Well, let's just have everybody make all our products overseas and we will just retrain everybody here in this country." For what? For what?

I agree with the Senator from Missouri, the FTC has no international trade authority. They stepped outside of their bounds considerably. It just indicates some of the problems we have in this body and on the Commerce Committee trying to do what is

right as it relates to the Federal Trade Commission.

We think we are making some kind of progress, and then they make some foolish statement like this that creates the problems that we have to live with every day. The FTC has a role to play. It has a very important role to play. But when it thinks it is all things to all people, then the Federal Trade Commission does not have a role.

I am very pleased our distinguished chairman of the committee took the floor to make that kind of statement and I want to associate myself with him.

Mr. DANFORTH. Mr. President, I appreciate the comments of the Senator from Kentucky. He has worked on FTC authorization bills since time immemorial. I think one of the first bills I worked on when I came to the Senate was an FTC authorization bill when Senator FORD was the chairman of the Consumer Subcommittee of the Commerce Committee. He understands the law. He has a great knowledge in it.

My hope is that if the FTC reads the comments that are made on the floor of the Senate, it might get a pretty clear indication of what it is authorized to do and what it is not authorized to do by this legislation. The clear intent of the Congress is that it has no authority whatever to get involved in studies or examinations or putting out reports or analyses on trade matters.

We have a highly expert, really excellent group of people in the International Trade Commission. I am very proud of them. It is an independent arm of Government which was established by the Congress in order to analyze trade problems and to make recommendations after making findings of injury in such matters as the shoe case. And so if the members of the FTC do read these comments on the floor of the Senate—and I hope they will—they will get a very clear idea of the view of the Congress, at least the view of those who have wrestled with this question of the FTC in the Senate for the last number of years, that from our standpoint this question of international trade is wholly outside the jurisdiction of the FTC

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Te bill clerk proceeded to call the roll.

Mr. FORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. Mr. President, as the Senate Commerce Committee is the authorizing committee for many of the regulatory agencies, the members of the committee have been faced with the controversy over the legislative veto for a number of years. The issue, from this perspective, is not how to rein in the executive branch and the President through the War Powers Act or the Budget Act; rather, the issue has been how to control unelected, unaccountable Federal officials in a constitutional and effective manner. Viewing the issue from this perspective as chairman and then ranking Democrat of the Commerce Committee's Consumer Subcommittee, I have been an outspoken opponent of the legislative veto, as I believe this procedure in the past to be not only unconstitional but also ineffective.

Therefore, I was pleased that on July 6, 1983, the Supreme Court gave further breadth to its further June 23, 1983, ruling in the Chadha case declaring the legislative veto unconstitutional, that Court action, affirming lower court decisions striking a one-House veto provisions in the Natural Gas Policy Act of 1978 and a two-House legislative veto in the Federal Trade Commission Improvements Act of 1980—doomed all such legislative vetoes.

Mr. President, I will vote today—if we vote today—against amendments providing congressional review procedures because these procedures like their unconstitutional predecessor the two-House legislative disapproval procedure, provides only for an up or down vote on FTC and CPSC rules and does not provide a substitute for regular and periodic oversight of the agency which is our responsibility as U.S. Senators. These amendments would be ineffective. These congressional review procedures give the false—and I underscore "false impression"—that the agencies are under control and that no more congressional oversight is necessary. In my opinion that is hogwash.

Mr. President, with the Supreme Court's decisions declaring the legislative veto unconstitutional, Congress must revisit the issue of its role in ensuring responsible regulatory agencies. Finding a remedy for the frustrations of a large and oftentimes ineffective Federal Government is an important challenge.

I am convinced, however, that we must refrain from an ill-considered response to the Supreme Court's decision as we look at individual authorizations such as the CPSC authorization we considered yesterday and the FTC authorization bill we are considering today. Rather, we must focus our efforts on strengthening the authorization process. Nor can we reasonably attempt the task of reviewing each and every regulation for sufficient evidence. That in my opinion is the task of the courts.

Mr. President, as Senate floor manager of the last FTC authorization to become law in 1980, I stated during that debate on the legislative veto issue:

> The only way Congress can be assured that this agency—or, for that matter, any agency—is following through, is through regular and vigorous oversight. If it is determined that congressional intent is not being met, then legislative steps must be taken to put the agency back on the proper course.

The following quote from a pamphlet written by John R. Bolton under the auspices of the American Enterprise Institute in 1977 entitled, "The Legislative Veto, Unseparating the Powers" spells out the tasks that Congress must undertake in performing its constitutional and political functions. The veto as a legislative shortcut to these tasks is, as Mr. Bolton points out, an illusion:

> The story of the legislative veto is a depressing story—depressing because, although the goals sought through the use of the device are commendable, the device itself is, almost necessarily, unconstitutional. Moreover, the goals—greater agency accountability and less arbitrary governmental interference in people's lives—might be harder to reach with the legislative veto than without it because it tends to give the false impression that the agencies are under control. In order for those worthy goals to be achieved, Congress must be willing (or be forced) to make difficult political choices. Statutory grants of discretion must be more carefully structured and periodically reviewed. More attention must be paid to specifics, close scrutiny must be given to presidential nominees, and there needs to be greater resistance to calls for "immediate legislative action" from interested pressure groups.

I continue to believe there is no substitute for more carefully considered statutes. I recognize this process imposes more work, some delay, and may be politically difficult. But let me offer as an example of just such a legislative approach, the effort to define the term "unfair" in the FTC Act. The FTC has had authority since the Wheeler-Lea amendment to the FTC Act in 1938 to protect consumers against "unfair or deceptive acts or practices." The Congress had, through broad, ambiguous language, given five commissioners the sweeping power to regulate anything they believed to be, in their discretion, unfair, but Congress became increasingly concerned in the 1970's about some FTC actions under this broad mandate. My distinguished colleague from Missouri, Senator DANFORTH, and I wrote to request the FTC to develop a statutory definition of "unfair" to put boundaries around this term. The Senate Commerce Committee collected outside views on the issue, held extensive hearings, and proposed statutory language to better clarify and define the term. The commission wrote a policy statement clarifying its unfairness authority, on which statutory language was based. The committee also declined through the process to further define the term "deceptive acts or

practices," since case law had placed limits on the term which were deemed appropriately specific.

Though it is not 7 years since this process began, S. 1078, the bill we are considering today, contains this definition of unfair. I will certainly continue to work to see that this definition becomes law.

I contrast this slower, admittedly more tedious approach of reasoned lawmaking to that of the procedure provided by the Kasten amendment. That procedure provides no opportunity for amendment, simply an up or down vote on a rule.

Congress can find some aspects of a rule it likes and some it dislikes, in an absolute way. Congress can say no to what the agency does, but cannot take upon itself to say what the agency should do.

We get unhappy with the agency when they do something, but we do not give them the direction. We have the opportunity to put it into law, but we do not.

Over the years, the Consumer Product Safety Commission's most important authority has been its authority to recall hazardous products and not its rulemaking authority.

Thus, a congressional review amendment as applied to the Consumer Product Safety Commission is largely symbolic in effect. However, a vote for this procedure sets a precedent for other authorizations we will be considering in the near future.

Mr. President, we must work to insure that any new Consumer Product Safety Commission or Federal Trade Commission procedures ultimately enacted in response to the Supreme Court decision strikes a proper balance between improved agency accountability—improved agency accountability—while the traditional regularity process is maintained. However, any legislative response must be coupled with regular and periodic oversight of the agency for there simply can be no legislative substitute for this congressional responsibility.

Several years ago, when we were considering the Federal Trade Commission legislation, I offered a little amendment. I was chairman of the subcommittee at that time. That amendment mandated that the consumer subcommittee hold two oversight hearings on the Federal Trade Commission.

Well, they really laughed at me.

"You do not want to put that in. You are going to have to have oversight."

That indicated to me that oversight was not considered a very good procedure around here. No one really wanted to look at agencies, open them up, see what is inside, make people come and give an accounting of their agency, ask people to come and testify on what they are going to do in the first 6 months of the fiscal year. Then have them here 6 months later and ask, "What have you actually done that you told us you were going to do the first 6 months?" Then have them tell us what they are going to do the final 6 months. We would look at them twice, every year.

That died with the authorization bill, I guess, in 1982. It is not part of the law any more. But what really bothers me here is the legislative veto. One Congressman pressed that as an issue for 10 years. Finally, he got one through.

That is the story around here. If you even stay with a bad piece of legislation long enough, you will get it through.

What are we saying in a legislative veto? That we in Congress have no control over the agencies to which we gave birth. We set up the agency. We directed the policy. All of a sudden, the agency starts meddling in everybody's business. We got our hands caught before I got here. I have been here 10 years. I have been fighting this thing now for at least 9 of them. But when we got our hands caught with an agency getting into too many people's business, then we started to try to figure out a way to curtail regulatory agencies.

What did we come up with? The great unconstitutional idea of legislative veto. If we do not like what they do, the rule has to come to us and we get to veto it.

We have had the authority, we have had the power, and we have had the ability ever since we have had a Senate to change anything we want to change by a majority vote that any agency downtown can do. We have had the authority to abolish an agency if we wanted.

No; we have to run back home and make a speech before the chamber of commerce and say, "We are going to have the legislative veto."

We should have told the chamber of commerce that we did not have the ability or the guts to change the law. So we make a whipping boy. That whipping boy is legislative veto and we walk up and down these aisles proud as punch. We are going to regulate that agency that we gave birth to, that we are giving tens of millions of dollars to every year. And yet we say we cannot control them.

When was the last time we had an oversight of the Federal Trade Commission? When was the last time we had an oversight of the Consumer Product Safety Commission?

They came up and testified and told us how much money they needed. They sure do that. We listen to that. But when was the last time they had real oversight?

We are going to control them with legislative veto? We are going to control them with legislative veto but you know and I know it will not happen. We had legislative veto before it was declared unconstitutional but it did not solve any problems. Further, we did not and do not have the staff to consider all the rules of every agency under expedited congressional procedures.

Sure, I am part of the problem. I do not have time to do everything.

I had a young girl come to my office this afternoon. I took a little time off the floor to go see her. She had her neck broken at the University of Hawaii. Senator INOUYE and I went over and visited with her. She was paralyzed from her armpits down from that accident as a cheerleader for the University of Hawaii. She is from my hometown.

I am going to insert into the RECORD later on the story about her. They said she would never walk again. She walked into my office this afternoon approximately 9 months later.

She was a cross-country runner who had won all kinds of races, a tremendous lady. They said she would never walk again.

But she is walking, and she is going back to school, and she is going to be a cheerleader. She is not going to do the acrobatics a normal cheerleader does, but she had the intestinal fortitude to say, "This is not going to whip me. I am going to walk again."

If we had some of that fortitude in this Chamber and in our committees, we would not be worrying about legislative veto.

Sure, it looks good in the ads for your reelection that we have a legislative veto, that we are putting clamps on these regulatory agency actions.

I guarantee you, the ones who signed the paper to say it is a good deal and those who propose it are generally not even on the committees that look at most of the regulatory agencies. How in the world can they pound their chest and say, "We have done something"? They have not been to a committee hearing. They have not been there to listen to any of the testimony. Yet, they are here trying to change the Federal Trade Commission.

Mr. President, I may be getting a little harsh, but I think I am on the right track. I believe that if we do our job we do not need a legislative veto. We should just exercise the power that we have

I am concerned. They say this will meet the test of the court. That reminds me of a lawyer. I turned around to him one time and said: "What do you think I ought to do?" I was president of a little civic organization. He was our parliamentarian.

He said: "Wendell, I don't know, but whichever way you go, we will make a good case."

That is basically what we have here—whichever way you want to go, we are making a good case for it.

Mr. President, the case, in my opinion, does not have depth. I ask any Senator, when is he going to look at the regulations put out by all these commissions if these precedures are applied to all agencies? When is he going to have personal time even to review those things that are filtered through to him by his staff? How much time will he give to that and how much will he understand the regulations and how it affects people? How often is he going to be asked about one of those regulations? Only when that special-interest group tags him and he starts running and says, "Where is it? Let's look at it."

Mr. President, I think legislative veto in any form is a rose by another name and whatever happens here, we will find someday that there will be some problem with it and we will wish we had not. Because if it is wrong, as the song says, anything you do to improve it makes it worse. If it is wrong, anything we do to improve it makes it worse.

So, if we are trying to correct a wrong here, let us not try to correct it one agency at a time. That is what we are going to get. We are going to get this amendment on every authorization bill that comes down the pike. And once you get into the money bills, wait until you start stepping on other toes; wait until those regulations start coming out and it hurts you some way. You will wish you had your vote back, if you vote for this.

We have the procedure, Mr. President. We can do it on our own.

Mr. President, I would like to say that the distinguished ranking member of the Committee on Commerce also opposes the legislative veto.

I yield to the Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I oppose amendments which would provide congressional review procedures to the Federal Trade Commission authorization bill.

It is important to note that in recent testimony before the Senate Judiciary Committee, the Department of Justice opposed any efforts to attach the Levin-Grassley amendment to the FTC authorization. The administration's concern is that regulatory reform issues such as congressional review of rules is too important a matter to attach to other legislation. Rather, it should be addressed in a freestanding statute, whereby we would have the opportunity to debate this issue and cast our votes fully on its merits.

I have no doubt that the Levin-Grassley amendment would further complicate an already complex appropriations process. Whenever Congress would pass a joint resolution disapproving a rule, Congress would then be required to consider an amendment to an appropriations bill to forbid the agency to spend money to enforce that rule. This would be a tremendous encumbrance to the process. Furthermore, the Appropriations Committee has traditionally acted in similar situations to withhold funding for rules with obvious congressional disapproval—so provisions such as that contained in the Levin-Grassley amendment are unnecessary.

Rulemaking by Federal agencies requires an extensive congressional review role. This is the purpose of congressional oversight. Congress may then respond by presenting legislation to the President for his signature to halt ill-conceived rules. No delay of implementation of particular rules with expedited congressional consideration is necessary.

Mr. President, the framers of the Constitution envisioned that Congress would make laws with reasonable specificity, reflecting policy judgments and decisions that would guide the agencies in execution of those laws. Congress could expand, modify, or repeal enactments that later become unsatisfactory.

The legislative veto mechanism has often been characterized as a substitute for specific congressional direction and policy guidance to agencies—especially in areas which involve tough policy choices. Yet, it is clear that in the past, the legislative veto was not only unconstitutional but was not effective in checking agency abuses. As the Department of Justice testified before the Judiciary Committee:

> . . . we think it is relatively clear that the legislative veto mechanism, in addition to its constitutional infirmities, simply was not effective in checking agency abuses and in fact may have encouraged the passage of vague and overly-broad delegations of authority. Although there has not been any relevant experience with "regulatory veto" mechanisms, . . . substantial questions are presented as to whether widespread use of such mechanisms would be similarly counterproductive and would mask, rather than relieve, the fundamental problem of clearly articulating public policies in law.

It is my belief that passage of a congressional review mechanisms on FTC and CPSC statutes would no doubt result in extension of such legislation to all agencies. It is questionable whether such widespread use of the legislative veto would be productive.

These procedures would impose rigid timetables on Congress and the Committee to introduce, debate, report on, and enact rules. If extended to all agencies, the added work-load would be a tremendous burden on congressional staff, not to mention the delay and possible stalemate that would result. A huge legislative bureaucracy would likely result.

These congressional review procedures are no substitute for narrowly defined statutes. S. 1078, the FTC authorizing legislation we are now considering, as well as the FTC Improvements Act enacted in 1980, stand as evidence that Congress can take on the tough task of oversight with resulting legislation. I urge passage of S. 1078 to further define the FTC's statutory authority and to provide policy direction. However, I urge rejection of both the Kasten and the Levin-Grassley congressional review procedures.

Mr. FORD. Mr. President, I yield the floor.

Mr. KASTEN. Mr. President, I do not know what the schedule at this time is for Senators, but I believe we have very few Senators who wish to speak further on our side. I am prepared to go forward with the vote on this issue. I understand that the distinguished minority leader is interested in speaking on this issue and there may be one or two other people who are.

It is now 5 minutes before 6 o'clock. It would be helpful if we could at least proceed to the point where the Senate could count on an approximate voting time. Maybe we could do this before the dinner hour. Maybe we would want to be discussing part of this through the dinner hour.

I wonder if the distinguished Senator from Kentucky could advise me on what kind of time we might be talking about in terms of the distinguished minority leader.

Mr. FORD. Mr. President, the only thing I can tell the distinguished Senator from Wisconsin is that the distinguished minority leader has said he expects to speak sometime on the legislative veto. I do not intend—I have told the Senator from Wisconsin earlier, privately and it is on the record publicly, that there will not be a quick vote as it relates to legislative veto amendment either of the distinguished Senator from Wisconsin [Mr. KASTEN] or of the distinguished Senators from Iowa and Michigan [Mr. LEVIN and Mr. GRASSLEY].

So, we are going to be here for a while, Mr. President. I say that with all due respect. I am doing the bidding of people on my side and I shall represent them the best I can. If the Senator wants to set this one aside and go to something else, that suits me fine, as long as it is not the legislative veto or expedited procedures. I have no ability to offer the Senator from Wisconsin any promise as to time.

Mr. KASTEN. Mr. President, I am concerned because the Senator from West Virginia said he wanted to speak on this issue, but the last time I understood he wanted to speak was early afternoon. That is what I was hoping for. Now we are out of amendments. As far as I know, there are no further

amendments. There were a couple of amendments that were considered and people have decided to put those amendments off.

Mr. FORD. The Senator has done an excellent job in holding those amendments off. I congratulate him.

Mr. KASTEN. Mr. President, we are ready to talk more, to argue more, to debate more. I am hopeful that, one way or another, we will not lose this time. I think it is important that we use this time.

Mr. FORD. Will the Senator yield for a question from me?

Mr. KASTEN. I am pleased to yield.

Mr. FORD. Did I have the correct understanding on one of the amendments he has been able to prevent coming on this piece of legislation that he has now been assured that they will be able to bring that up tomorrow on another piece of legislation and, as a result, we shall be in tomorrow?

Mr. KASTEN. I can only respond to the first part of the question: I have been successful in dissuading an amendment coming from the Senator from Washington on this bill having to do with the automobile [CAFE] requirements. I am not sure and I cannot really say what agreements have been reached with the leadership, but it is my informal understanding that he intends to bring that amendment up on legislation that is scheduled to occur on tomorrow.

Mr. KASTEN, Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BOSCHWITZ). Without objection, it is so ordered.

Mr. BYRD. Mr. President, I apologize to the managers of the bill, who have been delayed by virtue of the fact that I asked for some time during which I might study the amendment of Mr. KASTEN and an amendment which I understand will be coming along later in the event the Kasten amendment is adopted, which will be offered, I believe, by Mr. LEVIN and Mr. GRASSLEY.

Mr. President, I will attempt not to take long in expressing some concerns that I have.

I would prefer, if others were willing, to have this measure go over until tomorrow, which would perhaps result in some modifications which would relieve some of the concerns that I have.

For the past few days we have fought off attempts to cede away some of the power of Congress—the power of the purse. In this amendment, it seems to me we are talking about taking back the authority and power that Congress has delegated to the Federal Trade Commission and other agencies. I frankly do not see how the U.S. Senate can find the time to add to its present work and agenda.

The Senate is going to become a super Federal Trade Commission, a super Consumer Product Safety Commission. Listen to this paragraph of the amendment—I will read it:

> Notwithstanding any other provision of law, no recommended rule may become effective until the expiration of a period of ninety days after the date on which such rule is received by the Secretary of the Senate and the Clerk of the House of Representatives, except that such rule may not become effective under this paragraph if within such ninety-day period a joint resolution with respect to such rule has become law.

"No recommended rule may become effective," great or small, major or minor. "No recommended rule may become effective," and so on. Can't we modify this to provide some test or threshhold so as to limit ourselves? Surely we don't mean to include every single rule no matter how minor it may be. I am told that Mr. LEVIN and Mr. GRASSLEY will also offer an amendment to provide for procedures to amend appropriation bills to deny funds, in the event the President vetoed the resolution of disapproval, to implement the regulations in question. I don't mind the funds cutoff, but I am concerned about some of the expedited procedures.

Congress has the power of oversight over the Consumer Product Safety Commission and the Federal Trade Commission. If we do not trust them, let us abolish them. If I have staff people whom I cannot trust, I should get rid of them. And if we have an agency that we do not trust, let us get rid of it. If some agencies are running amok, then let the committees call them up here and invoke a moratorium on their issuance of regulations or take away their powers completely—abolish them or put some restrictions on them, or confine their regulations to a certain area.

If we do not want them to regulate funeral homes, then take funeral home regulation out of their hands. If we do not want regulations on the sale of used cars, then take used cars off limits to the regulating agency. Congress is not without adequate resources to deal with runaway agencies if it does not like the regulations they are promoting. But do we want to take on this onerous business of taking a look at every little regulation or rules change, large or small, minor or major? If that is the case, we are going to have to employ a lot more Senate staff people to do that work. I do not think Senators themselves will have enough time to look at every little rule and regulation that is promulgated.

This might even encourage the commissions that we are talking about to issue more regulations. They can say:

> Well, why should we not issue a regulation? If Congress does not like it, Congress can come in with a resolution of disapproval.

It is almost as if we think that the Federal Trade Commission is more powerful than we are. We are going to be a super Federal Trade Commission and not a very good Senate, it seems to me.

There is no de minimis test in the amendment. No, it is any and all rules. "Notwithstanding any other provision of law, no recommended rule may become effective." So the amendment includes any and all regulatory rules.

We can provide oversight for rulemaking. But it seems to me that we are talking about a far more involved process here than any legislative veto. The Senate will become more and more like the House of Representatives. Why do I say that? Well, because of the expedited procedures provided by the amendment. I am not against expedited procedures in some instances. Sometimes there is a need for expedited procedures. Take the moneys for humanitarian aid to Contras. Take the MX. Congress approved funds and attached certain procedures which were necessary to assure that the Congress ultimately would reach a decision one way or the other as to the unfencing of those moneys. But it seems to me that here we are going too far.

Let us take a look at some of the expedited procedures.

The House has different rules than the Senate has. The House can provide for any rule it wants, depending on the circumstances. But we have standing rules in the Senate; we operate by unanimous-consent agreements; and we have precedents. Then there are procedures in the amendment for discharge of the resolution of referral from the committee to which it was earlier referred. There would be only 1 hour of debate on the motion to discharge. Ordinarily that motion would be debatable, but not so in this instance. It would be limited to 1 hour of debate. And when a committee has reported or has been discharged from further consideration of the joint resolution it shall be in order, notwithstanding the provisions of rule XXII of the Standing Rules of the Senate, at any time thereafter to move to proceed to the immediate consideration of such joint resolution. The motion is highly privileged in the Senate and is not debatable. So the motion to proceed, while ordinarily it would be debatable, will, if the Kasten amendment is adopted, not be debatable.

The amendment would eliminate the 1-day rule which requires an item on the calendar to have been there 1 legislative day before it can be called up—except by unanimous consent. The 3-day rule, the 72-hour rule, with re-

spect to committee reports is out of order here also. The 1-day rule, the 3-day rule, and debate on a motion to proceed would all be circumvented by the language of the amendment. The Kasten amendment provides a built-in time agreement limiting the debate on the joint resolution to 2 hours. Ordinarily there is no limitation on the time for debate.

An amendment to or a motion to recommit the joint resolution would not be in order. A motion to reconsider shall be in order only on the day on which occurs the vote of adoption of the joint resolution and shall not be debatable. But normally, the motion to reconsider is debatable, and normally the motion to reconsider can be made on the same day or on any one of the next 2 days of session. So there again the expedited procedure is casting aside the Standing Rules of the Senate. One of the most dangerous of the expedited procedures states that "any other motion shall be decided without debate."

Suppose a Senator rises and moves that the Senate proceed to take up the line-item veto? This amendment language which I hold in my hand says that "any other motion shall be decided without debate."

A Senator could move to proceed to the line-item veto. He could move to take up legislation on acid rain. It would not matter how important or controversial the subject might be, any motion to proceed to it would be without debate. I don't believe Mr. KASTEN really means his amendment to do that.

And even if the Senate were operating under cloture. "It shall be in order, notwithstanding rule XXII of the Standing Rules of the Senate or any other rule, at any time to move to proceed to the immediate consideration of the joint resolution."

I have never seen anything that would quite outdo that particular language. Once cloture is invoked, then the Senate cannot turn to any other business, except by unanimous consent. The amendment or the measure that is clotured must remain the unfinished business of the Senate until it is disposed of under rule XXII, except by unanimous consent. But this language by the distinguished Senator from Wisconsin would provide that even in a cloture situation it would be in order to move to proceed to take up something else.

Mr. President, I see the distinguished majority leader is on the floor. I wonder if the distinguished majority leader would be willing to set this amendment aside for the remainder of the day and possibly do the airport security bill, and resume action on this legislation tomorrow. I ask this because it may be possible, on some of the language that gives this Senator concern—and hopefully should give other Senators concern, to modify the language in Mr. KASTEN's amendment so as to avoid pitfalls I have described.

I do not think that the author of the amendment intends some of the results which I refer to. I am not talking about the bill, itself, which is before the Senate. I share the able Senator's desire to get away from so much regulation, overregulation, by the Federal Government. It is a commendable objective. But I am concerned that the suggested expedited procedures in some instances will lend themselves to mischief. I do not think that is the intention of the distinguished Senator at all. I do not think that is his desire.

His objective is one thing, but it seems to me that some of the procedural language here could create mischief. I am afraid that we more and more and more are getting away from the Standing Rules and precedents of the Senate.

This is supposed to be a deliberative body. That is the difference between this body and the other body. We are getting to the point where we are expediting our procedures so much that the Senate is no longer going to be a deliberative body. That was the genius of its creation by the Founding Fathers.

Perhaps we could have overnight to further look at the amendment by Mr. KASTEN and the Levin-Grassley amendment which I understand will be coming along. I am not interested in attempting to torpedo the amendments. I am interested in removing some of the areas which may do unintended mischief. I would hope that we could slow down a stampede toward expedited procedures on this, that, and everything else.

There are some items, such as the MX I was talking about, which I think are well served by having expedited procedures. The Budget Reform Act is full of expedited procedures. In fact, we expedited procedures under that act so much we have almost choked ourselves to death.

I yield to the distinguished majority leader.

The PRESIDING OFFICER (Mr. CHAFEE). The majority leader.

Mr. DOLE. Mr. President, what the majority leader would like to do is to temporarily set aside the pending legislation and take up the airport security legislation. I understand it is not controversial but a rollcall vote would be required. There are a number of my colleagues, I understand, who have commitments which begin before too long.

Then I would hope that, as the distinguished minority leader has suggested, we go back on this bill tomorrow and there might be some accommodation made to remove what is viewed, I am certain very objectively, as a problem.

Perhaps I better let the manager of the bill respond to that. But it would be my belief that if we could stay on the bill tomorrow, we could complete action. We would also move on to an energy bill, S. 410, tomorrow and complete action on that.

There are a couple of veterans' bills that are important to veterans, but which are not controversial, which we hope we can include tomorrow. I think there would be two or three more.

Mr. KASTEN. Will the Senator yield?

Mr. DOLE. I think the distinguished minority leader has the floor.

Mr. BYRD. I yield to the distinguished author of the amendment.

Mr. KASTEN. Mr. President, I wish to respond to the distinguished Senator from West Virginia.

The expedited procedures to which he referred are the expedited procedures in general that were included in the regulatory reform bill we worked from that was passed by the Senate on March 23, 1982. They are also the same expedited procedures, essentially the same expedited procedures, that are presently in the FTC Act right now. So what we did was try to follow the expedited procedures which, in fact, had already been agreed to by both bodies.

The Senator is absolutely correct when he assured that the Senator from Wisconsin, the author of this legislation, is not trying to create mischief with the Senate rules. I am not.

Mr. BYRD. I am absolutely sure of that.

Mr. KASTEN. What we have picked up here we have tracked from what is present law on the one hand and what has passed the Senate on the other. But without unnecessarily delaying action, it would be my hope that the Senator and I and possibly our staffs, or either or both, could review a couple of these points that were raised today. We would make every effort to accommodate his concerns.

I just hope that this does not mean that we would be unable to complete this legislation, one way or another, tomorrow. It seems to me that we ought to be able to move through. The Senate has, as I say, on two different occasions considered basically this set of expedited procedures and agreed to them.

Mr. BYRD. I share that hope, Mr. President. I certainly have no desire to torpedo action on this legislation.

I again apologize to Mr. KASTEN and others for having caused the delay by some several hours on this amendment. My own delay was not entirely under my control. As all Senators, I have very busy schedules that were set prior to today, and have to live according to those schedules. If we have constituents coming in, we have to see them. I am sorry for the delay.

I just have not had an opportunity until the last 2 hours to concentrate on this amendment and I am sorry.

Mr. President, may I say to the distinguished majority leader before I yield the floor that my side has cleared the airport security legislation. I think we need a little time for some Senators to reach the floor, and suggest we have 20 minutes or some such before a rollcall vote.

Mr. DOLE. Could we do this? I understand it is not controversial. Let the rollcall run. Could we do it the other way? Agree to let the rollcall run to accommodate these Senators?

Mr. BYRD. That is agreeable to me. I yield the floor.

Mr. DOLE. Mr. President, I ask unanimous consent to temporarily set aside S. 1078 and the pending amendments thereto and that we turn to Senate Resolution 203, the budget waiver to accompany H.R. 2796, the airport security standards bill.

The PRESIDING OFFICER (Mr. ANDREWS). Without objection, it is so ordered.

BUDGET ACT WAIVER

The PRESIDING OFFICER. The clerk will state the resolution.

The assistant legislative clerk read as follows:

A Senate Resolution (S. Res. 203): Waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of H.R. 2796.

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of H.R. 2796. Such waiver is necessary because H.R. 2796 authorizes the enactment of new budget authority which would first become available in fiscal years before fiscal year 1987, and such bill was not reported prior to the statutory deadline imposed by section 402(a) of the Congressional Budget Act of 1974 for such authorizations.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the resolution.

The resolution (S. Res. 203) was agreed to.

Mr. DANFORTH. I move to reconsider the vote by which the resolution was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AIR TRAVELER PROTECTION ACT OF 1985

Mr. DANFORTH. Mr. President, I ask unanimous consent that the Senate now turn to Calendar No. 243, H.R. 2796, the airport security bill.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 2796) to improve security standards for international air transportation.

The Senate proceeded to consider the bill, which had been reported from the Committee on Commerce, Science, and Transportation, with an amendment to strike out all after the enacting clause, and insert the following:

That this Act may be cited as the "Air Traveler Protection Act of 1985".

SECURITY STANDARDS IN FOREIGN AIR TRANSPORTATION

SEC. 2. (a) Section 1115 of the Federal Aviation Act of 1958 (49 App. U.S.C. 1515) is amended to read as follows:

"SECURITY STANDARDS IN FOREIGN AIR TRANSPORTATION

"ASSESSMENT OF SECURITY MEASURES

"SEC. 1115. (a)(1) The Secretary of Transportation shall conduct at such intervals as the Secretary shall consider necessary an assessment of the effectiveness of the security measures maintained at those foreign airports being served by air carriers, those foreign airports from which foreign air carriers serve the United States, and at such other foreign airports as the Secretary may consider appropriate.

"(2) Each such assessment shall be made by the Secretary in consultation with the appropriate aeronautic authorities of the concerned foreign government and each air carrier serving the foreign airport at which the Secretary is conducting such assessment.

"(3) The assessment shall determine the extent to which an airport maintains and administers effective security measures. In making an assessment of any airport under this subsection, the Secretary shall use a standard which will result in an analysis of the security measures at such airport based upon, at a minimum, the standards contained in Annex 17 to the Convention on International Civil Aviation, as such standards are in effect on the date of such assessment.

"(4) Each report required by section 315 of this Act shall contain a summary of the assessments conducted pursuant to this subsection.

"NOTIFICATION OF FINDINGS; PROVISION OF TECHNICAL ASSISTANCE

"(b)(1) Whenever, after an assessment in accordance with subsection (a) of this section, the Secretary of Transportation determines that a foreign airport does not maintain and administer effective security measures, the Secretary shall notify the appropriate authorities of such foreign government of such determination, and recommend the steps necessary to bring the security measures in use at that airport up to the standard used by the Secretary in making such assessment.

"(2) The Secretary may, in order to assist a foreign government to take any such steps, provide technical assistance concerning aviation security to that foreign government. Such technical assistance may include the conduct of surveys to analyze the level of aviation security at such airport and the provision of training in aviation security to nationals of that foreign government. Such training in aviation security may be conducted either in the United States or in the involved foreign nation. The Security may provide for the payment of subsistence and expenses for travel within the United States for any foreign national receiving such aviation security training in the United States. The Secretary may require any such foreign government to reimburse the United States for all, part, or none of the cost of providing the technical assistance authorized under this paragraph.

"NOTICE OF INEFFECTIVE SECURITY MEASURES

"(c)(1) Subject to paragraph (2) of this subsection, if the Secretary of Transportation determines pursuant to subsection (a) of this section that an airport does not maintain and administer effective security measures, the Secretary—

"(A) shall publish in the Federal Register the identity of such airport, shall notify the news media of the identity of such airport, and shall cause the identity of such airport to be posted and prominently displayed at all United States airports from which air carriers provide foreign air transportation; and

"(B) may, after consultation with the appropriate aeronautical authorities of such foreign government and each air carrier serving such airport and with the approval of the Secretary of State, notwithstanding section 1102 of this Act withhold, revoke, or impose conditions on the operating authority of any air carrier or foreign air carrier to engage in foreign air transportation utilizing such airport.

"(2) Paragraph (1) of this subsection shall become effective sixty days after the notification required in subsection (b)(1) of this section, if the Secretary determines that the relevant foreign government has failed to bring the security measures at the identified airport up to the standard used by the Secretary in making an assessment of such airport under subsection (a) of this section, except that paragraph (1) of this subsection shall become effective immediately upon such determination if the Secretary determines that a condition exists that threatens the safety or security of passengers, aircraft, or crew traveling to or from such airport.

"(3) The Secretary may cancel the requirements of paragraph (1)(A) of this subsection only if the Secretary determines that effective security measures are maintained and administered at the identified airport. If the Secretary cancels such requirements, the Secretary shall notify the news media and Congress of such cancellation.

"(4) The Secretary shall promptly report to the Congress any action taken under this subsection, including information concerning the attempts made to secure the cooperation of the relevant foreign government in meeting the standard used by the Secretary in making the assessment of such airport under subsection (a) of this section.

"IMMEDIATE SUSPENSION OF SERVICES

"(d) Notwithstanding the provisions of this section and sections 1102 and 1114 of this Act, whenever the Secretary of Transportation determines that—

"(1) a condition exists that threatens the safety or security of passengers, aircraft, or crew traveling to or from a foreign airport, and

"(2) the public interest requires an immediate suspension of services between the United States and such airport,

the Secretary shall, without notice or hearing and with the approval of the Secretary of State, suspend the right of any air carrier or foreign air carrier to engage in foreign air transportation to or from such airport and the right of any persons to operate aircraft in foreign air commerce to or from such airport.

"CONDITIONS OF AUTHORITY

"(e) The provisions of this section shall be deemed to be a condition to any authority issued to any air carrier or any foreign air carrier by the Administrator under title VI of this Act or by the Secretary of Transportation under title IV of this Act.".

(b) Section 315(a) of the Federal Aviation Act of 1958 (49 App. U.S.C. 1356(a)) is amended by adding at the end thereof the following: "Each such semiannual report shall include the information specified in section 1115(a) of this Act.".

(c) That portion of the table of contents contained in the first section of the Federal Aviation Act of 1958 which appears under the center heading

"TITLE XI—MISCELLANEOUS"

is amended by striking

"Sec. 1115. Security standards in foreign air transportation."

and inserting in lieu thereof

"SEC. 1115. SECURITY STANDARDS IN FOREIGN AIR TRANSPORTATION.

"(a) Assessment of security measures.

"(b) Notification of findings; provision of technical assistance.

"(c) Notice of ineffective security measures.

"(d) Immediate suspension of services.

"(e) Conditions of authority.".

AIR MARSHAL PROGRAM

SEC. 3. (a) As soon as practicable after the date of enactment of this Act, the Secretary of Transportation, in consultation with the Secretary of State, shall study the need for an expanded air marshal program on international flights by United States air carriers. The Secretary of Transportation shall, within six months after the date of enactment of this Act, report the results of such study to the Congress, together with such recommendations as the Secretary determines to be necessary or appropriate to implement the result of such study.

(b) Section 316(e) of the Federal Aviation Act of 1958 (49 App. U.S.C. 1357(e)) is amended by adding at the end thereof the following:

"(4) The Administrator, after consultation with the Attorney General and the Secretary of State, may procure firearms for use by persons in connection with the performance of their air transportation security duties, and may authorize such persons to carry such firearms. The Administrator may authorize such persons to make arrests without warrant for any offense against the United States committed in their presence, or for any felony cognizable under the laws of the United States, if they have reasonable grounds to believe that the person to be arrested has committed or is committing a felony.".

RESEARCH ON AIRPORT AND AIRCRAFT SECURITY DEVICES

SEC. 4. Pursuant to section 316(d)(1) of the Federal Aviation Act of 1958 (49 App. U.S.C. 1357(d)(1)), in order to improve security at international airports and aboard commercial passenger aircraft, there are authorized to be appropriated to the Secretary of Transportation from the Airport and Airway Trust Fund, in addition to amounts otherwise available for such purposes, $10,000,000, without fiscal year limitation, for the purpose of research on and development of airport and aircraft security devices and techniques for detecting explosives.

Mr. DANFORTH. Mr. President, on July 16, 1985, Senator KASSEBAUM and I, together with several other distinguished members of the Commerce Committee, introduced S. 1436, the Air Traveler Protection Act of 1985. We did so out of deep concern for international aviation security, in the wake of the TWA hijacking and other recent terrorist acts directed against civil aviation.

The purpose of this legislation is to encourage and assist the administration in taking firm, effective action to counter airport terrorism and aircraft hijacking, anywhere in the world. It does so by directing the Secretary of Transportation to assess security at foreign airports, and to assist foreign governments in correcting any security deficiencies. In the event that any such deficiency is not promptly corrected, the legislation requires that the American people be immediately informed that a security risk may exist at that airport. At airports where lax security represents an immediate threat to travelers, the bill requires U.S. air carriers to cease operations at that airport entirely.

In addition, the legislation calls upon the Secretary to examine the question of whether the Federal Air Marshal Program should be expanded, and also authorizes $10 million for research into and development of procedures and technology for detecting explosives aboard aircraft and in airports.

On July 18, the Commerce Committee unanimously reported this legislation under the number H.R. 2796. I commend my colleagues on the committee—and Aviation Subcommittee Chairman KASSEBAUM in particular—for their quick and responsible action in taking this new initiative to help protect innocent travelers everywhere from violence and terrorism. I urge my colleagues in the Senate to give this bill their fullest support.

Mr. President, this bill is a response to the obvious problem of airport security, brought to the attention of all of us by the hijacking of TWA Flight 827. The provisions of the bill are as follows: The bill would require the Secretary of Transportation to assess security at international airports and identify any deficiencies. Where security is found to be lacking, the Secretary is directed to notify the appropriate foreign government of that determination, recommend steps to remedy the deficiency, and offer technical assistance to help correct the problem.

If, in 60 days after the notification, airport security has not been brought up to standards, the Secretary is directed to advise the traveling public of the risk through notice to the press and appropriate signs in United States airports serving international destinations. Where airport security at a foreign airport poses a serious risk to United States travelers, the Secretary is directed to suspend immediately the authority of our carriers to serve that airport and to suspend the authority of that country's carriers to serve our airports. The Secretary is required to study the need for an expanded Air Marshal Program. The bill does not mandate the deployment of marshals in any location, nor require their use on any flight.

The bill authorizes $10 million without fiscal year limitation from the Airport and Airways Trust Fund for research and development of procedures and technology for detecting explosives aboard aircraft and in airports.

Mr. President, I suggest the absence of a quorum.

Mr. CHAFEE. Before we do that, Mr. President, may I ask the manager of the bill a question?

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. I think everything he is proposing is excellent. I just want to ask, as I understood the provisions, if the Secretary of Transportation found that an international airport is not meeting the standards that she felt was required, we would offer technical assistance to that airport to meet the standards. Does the Secretary have the capability and manpower and finances to meet that requirement?

In other words, it would seem to me that if we set up a standard where we say we are going to help them but we cannot, just due to shortage of people——

Mr. DANFORTH. The answer to that question is yes, the Department of Transportation does have such personnel now, and does provide such advice and assistance now. The portion of the bill in question clarifies the Secretary's authority to do so.

Mr. CHAFEE. Just out of curiosity, and I shall not press if we do not have that information, how many international airports are there that our carriers fly into? Are we talking in the hundreds or are we talking in the scores?

Mr. DANFORTH. Perhaps as many as 100 or 150.

Mr. CHAFEE. Fine. I thank the Senator very much.

Mr. HOLLINGS. Mr. President, in the past several years, we have seen an increase in international terrorism that threatens life itself. And we have seen in the past few months how this wave of terrorism has been directed toward the air traveler through increased hijackings and bombings.

This was brought close to home last month by the hijacking of TWA flight 847 from Athens to Beirut and the holding of some 40 American citizens as hostages. Other recent terrorist actions in aviation have included the bombing of airports in Frankfurt, West Germany, and Narita, Japan. And there remains some speculation as to whether or not 329 Air India passengers died from a terrorist bomb over the Atlantic Ocean.

The need for action has been apparent. To her credit, Secretary of Transportation Elizabeth Dole has taken steps to minimize terrorism in aviation by imposing emergency security measures for baggage and cargo. She has also gone before the International Civil Aviation Organization, urging that its members take steps to inhibit future terrorist activities at international airports.

However, we need much more. The President and the Secretary of Transportation need expanded powers to move against such terrorism. For that reason, I have cosponsored several bills aimed at increasing security at foreign airports such as Athens, as well as to explore the need for an expanded Air Marshal Program.

Last week, the Commerce Committee approved one such measure, H.R. 2796, which is before us today. I am pleased to have joined Senator KASSEBAUM, the chairman of the Aviation Subcommittee in sponsoring H.R. 2796 and believe that it represents a strong, comprehensive approach to enhancing aviation security.

H.R. 2796 takes several important steps toward improving security aboard aircraft and in airports. Specifically, it would:

Require the Secretary of Transportation to conduct assessments of security measures at foreign airports served by U.S. airlines and foreign air carriers serving the United States. The Secretary would then be required to work with foreign authorities to resolve any problems that might be discovered, as well as to provide technical assistance that foreign authorities may need.

If, after 60 days, the security deficiencies are not resolved, the Secretary would be required to publish a list of those problem airports, while posting such a list at U.S. airports having international air service.

Give the Secretary authority to suspend immediately, without notice or hearing, the rights of any air carrier to serve such a security-deficient airport to or from the United States.

Direct the Secretary to study the need for an expanded Air Marshal Program, while authorizing FAA personnel to be used as armed air marshals.

Authorize $10 million from the aviation trust fund for research into enhanced explosives detection devices for aircraft and in airports.

Mr. President, U.S. citizens should not have to fear for their lives any time they board an aircraft bound for a foreign destination. This legislation provides the tools needed to increase aviation safety and to ensure the security of air travelers.

H.R. 2796 will free aviation of the reign of terror which has recently reared its ugly head. I urge my colleagues to support its passage.

Mr. GORTON. Mr. President, I shared the feelings of relief and gratitude of all Americans when the passengers aboard TWA flight 847 were released by their captors several weeks ago. However, we cannot forget that before this happy conclusion came the death of a fine young man and weeks of terror for the people taken hostage by the hijackers. In order to guard against similar incidents in the future, we must step up our efforts to make airports secure around the world.

S. 1436, the Air Traveler Protection Act of 1985, is an appropriate step in that direction. By providing a mechanism whereby the Department of Transportation can evaluate the safety of foreign airports, and then assist in improving safety measures if necessary, the bill takes a positive approach toward stopping hijackings on the ground. By providing for a study of the need for an expanded Air Marshal Program, it also recognizes that we must try to develop effective measures for handling hijackings once they are in motion.

The ability to travel, to move about at will, is one of the most cherished of our freedoms. And yet our citizens are not truly free if they must fear for their safety while traveling abroad. I therefore offer my support for S. 1436, and urge my colleagues to join me in that support.

Mr. LAUTENBERG. Mr. President, I rise in support of final passage of the Air Traveler Protection Act of 1985.

The need to upgrade and modernize existing air security measures has been all too clearly demonstrated in recent weeks. The hijacking of TWA flight 847 revealed again the relative ease with which armed terrorists can board aircraft and take control of innocent lives. The downing of an Air India plane with 329 passengers aboard demonstrated that terrorist need not hold a gun to passengers' throats to place their lives in jeopardy.

These tragedies, so close together and so terrible, have contributed to the fear that international air travel may not be safe. Swift action must be taken to correct this situation. Americans must be able to travel without fear, free from the threat of hijacking or bombs. If one American is threatened by terrorism, no American is safe.

This bill, a combination of many excellent proposals that were the subject of a recent Commerce Committee hearing, takes concrete steps to improve the security of Americans traveling abroad.

It requires the Department of Transportation to conduct an assessment of safety at various international airports and to provide technical assistance and other help to foreign governments to improve security problems at their airports. It also empowers the Department of Transportation to release a list of unsafe airports to the media, to publish that list in the Federal Register, and to post the list at U.S. gateways if no improvements are forthcoming in airports deemed unsafe.

The Air Traveler Safety Act of 1985 also contains two proposals with which I have been particularly involved.

The first authorizes $10 million in additional funds from the Airport and Airway Trust Fund for research on air security by the Federal Aviation Administration [FAA]. This research includes the development of improved methods for detecting explosives, screening baggage and cargo quickly and effectively, and preventing weapons from being stowed aboard aircraft.

The headquarters for the National Air Security Research Program is at the FAA Technical Center in Pomona, N.J. Through recent contacts with the center, I learned of a proposed plan to accelerate the Research Program, and of the need for additional funding to accomplish the accelerated goals. Because of the national importance of this work, I urged Secretary of Transportation Dole to adopt the proposed accelerated plan, and implement it as quickly as possible.

This week, Transportation Department officials have informed me that they intend to implement the accelerated plan. With this bill, the remainder of additional funds necessary to implement this critical research plan will be authorized.

In light of increasing terrorist activity, there can be no doubt that funding for Air Security Research Programs has been inadequate to safeguard airline passengers. The need to devote more resources to protecting air travelers is clear. The number of Americans traveling abroad has been increasing in recent years. As recent events demonstrate, these travelers are highly susceptible to action by terrorists with little or no concern for their own lives, or those of their victims.

New Jersey has a particularly compelling interest in assuring air travelers safe passage as Newark International Airport services a growing number of international passengers each year. In 1984, over 1 million overseas passengers used Newark Airport,

and overseas flights to and from that airport totaled 560. This figure is expected to grow in the coming years.

In order to combat the increasing sophistication of international terrorism, this important area of air security research and development must receive priority attention and funding. The funding provided in this bill will complement increasing efforts in this direction, and ensure adequate funding for this important air security research program.

The second provision which deserves special attention authorizes a study of the need for an expanded Air Marshal Program and permits the Federal Aviation Administration to deputize FAA personnel to act as air marshals. I recently testified before the Senate Commerce Committee in support of consideration of an expanded Air Marshal Program to combat terrorism.

By raising the specter of resistance, the presence of sky marshals could help deter hijackings or lessen their likelihood of success. Putting teams of sky marshals on selected high risk flights could give potential hijackers second thoughts by raising the costs of such an act.

Putting sky marshals on U.S. planes is not a new idea. Sky marshals were used in the late 1960's and early 1970's on domestic flights of U.S. commercial carriers in response to the rash of hijackings to Cuba. At its peak, the program employed 2,500 sky marshals. Today, sky marshals are still in use although the FAA will not disclose their precise functions for security reasons. The Israeli airline El Al, long known for its strict and successful precautions against terrorism, uses counterterrorist personnel on its flights.

Mr. President, it is indeed unfortunate that quick movement on this legislation has been spurred by the spate of hijacking and air bombing incidents that have occurred in the last weeks. American people have a right to travel freely without fear of being taken hostage or killed by terrorists. We in Congress have an obligation to do what is necessary to protect that right and make it a reality.

The measures contained in the Air Traveler Protection Act of 1985 go a long way toward ensuring the safety of millions of innocent airline passengers, and I urge my colleagues to support this bill.

Mr. DANFORTH. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute.

The committee amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the committee amendment and third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read a third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DANFORTH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on final passage of the bill. The clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Colorado [Mr. ARMSTRONG] and the Senator from South Dakota [Mr. PRESSLER] are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Missouri [Mr. EAGLETON] and the Senator from Mississippi [Mr. STENNIS] are necessarily absent.

The result was announced—yeas 96, nays 0, as follows:

[Rollcall Vote No. 162 Leg.]

YEAS—96

Abdnor	Goldwater	McConnell
Andrews	Gore	Melcher
Baucus	Gorton	Metzenbaum
Bentsen	Gramm	Mitchell
Biden	Grassley	Moynihan
Bingaman	Harkin	Murkowski
Boren	Hart	Nickles
Boschwitz	Hatch	Nunn
Bradley	Hatfield	Packwood
Bumpers	Hawkins	Pell
Burdick	Hecht	Proxmire
Byrd	Heflin	Pryor
Chafee	Heinz	Quayle
Chiles	Helms	Riegle
Cochran	Hollings	Rockefeller
Cohen	Humphrey	Roth
Cranston	Inouye	Rudman
D'Amato	Johnston	Sarbanes
Danforth	Kassebaum	Sasser
DeConcini	Kasten	Simon
Denton	Kennedy	Simpson
Dixon	Kerry	Specter
Dodd	Lautenberg	Stafford
Dole	Laxalt	Stevens
Domenici	Leahy	Symms
Durenberger	Levin	Thurmond
East	Long	Trible
Evans	Lugar	Wallop
Exon	Mathias	Warner
Ford	Matsunaga	Weicker
Garn	Mattingly	Wilson
Glenn	McClure	Zorinsky

NAYS—0

NOT VOTING—4

Armstrong	Pressler
Eagleton	Stennis

So the bill (H.R. 2796), as amended, was passed.

The title was amended so as to read: "A bill to improve safety and security of persons who travel in foreign air transportation, and for other purposes."

Mr. DOLE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. DANFORTH. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, I announce that will be the last vote this evening.

ORDER FOR INDEFINITE POSTPONEMENT OF S. 979

Mr. DOLE. Mr. President, I ask unanimous consent that Calendar No. 157, S. 979, the Energy Policy Conservation Act, be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORPHAN DRUG AMENDMENTS OF 1985

Mr. DOLE. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 1147.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 1147) entitled "An Act to amend the orphan drug provisions of the Federal Food, Drug, and Cosmetic Act and related laws", do pass with the following amendment:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Orphan Drug Amendments of 1985".

SEC. 2. MARKET PROTECTION.

Section 527 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 360cc) is amended—

(1) by striking out "and for which a United States Letter of Patent may not be issued" in subsection (a);

(2) by striking out "and if a United States Letter of Patent may not be issued for the drug" in subsection (b); and

(3) by striking out "UNPATENTED" in the title of the section.

SEC. 3. ANTIBIOTIC DRUGS.

(a) DESIGNATION.—

(1) Section 525(a) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 360aa(a)) is amended—

(A) by striking out "or" at the end of paragraph (1), by redesignating paragraph (2) as paragraph (3), and by inserting after paragraph (1) the following:

"(2) if the drug is an antibiotic, it may be certified for such disease or condition under section 507, or";

(B) by striking out "before" in paragraph (3) (as so redesignated);

(C) by inserting after "505" in the last sentence a comma and the following: "certification of such drug for such disease or condition under section 507,"; and

(D) by striking out "licensing under section 351 of the Public Health Service Act for such disease or condition" and inserting in lieu thereof "licensing of such drug for such disease or condition under section 351 of the Public Health Service Act".

(2) Section 526(a)(1) of such Act (21 U.S.C. 360bb(a)(1)) is amended—

(A) by striking out "or" at the end of subparagraph (A) and by striking our subparagraph (B) and inserting in lieu thereof the following:

"(B) if a certification for such drug is issued under section 507, or

"(C) if a license for such drug is issued under section 351 of the Public Health Service Act,"; and

(B) by striking out "the approval or license" and inserting in lieu thereof "the approval, certification, or license".

(3) Section 527 of such Act (21 U.S.C. 360cc) is amended—

(A) by striking out "or" at the end of paragraph (1) in subsection (a), by redesignating paragraph (2) as paragraph (3), and by inserting after paragraph (1) the following:

"(2) issues a certification under section 50, or";

(B) by inserting after "505" in the first sentence of subsection (a) a comma and the following: "issue another certification under section 507,";

(C) by inserting after "holder of such approved application" in subsection (a) a comma and the following: "of such certification,";

(D) by inserting after "approval of the approved application" in subsection (a) a comma and the following: "the issuance of the certification,";

(E) by striking out "or a license" in subsection (b) and inserting in lieu thereof a comma and the following: "if a certification is issued under section 507 for such a drug, or if a license";

(F) by inserting after "application approval" in subsection (b) a comma and the following: "of the issuance of the certification under section 507,";

(G) by striking out, "if the drug is a biological product," in subsection (b);

(H) by inserting after "under section 505" in subsection (b) a comma and the following: ", issue another certification under section 507,";

(I) by inserting after "holder of such approved application" in subsection (b) a comma and the following: "of such certification,";

(J) by inserting after "application" in subsection (b)(1) a comma and the following: "of the certification,"; and

(K) by inserting after "other applications" in subsection (b)(2) a comma and the following: issuance of other certification,".

SEC. 4. NATIONAL COMMISSION ON ORPHAN DISEASES.

(a) ESTABLISHMENT.—There is established the National Commission on Orphan Diseases (hereinafter referred to as the "Commission").

(b) DUTY.—The Commission shall assess the activities of the National Institutes of Health, the Alcohol, Drug Abuse, and Mental Health Administration, the Food and Drug Administration, other public agencies, and private entities in connection with—

(1) basic research conducted on rare diseases;

(2) the use in research on rare diseases of knowledge developed in other research;

(3) applied and clinical research on the prevention, diagnosis, and treatment of rare diseases; and

(4) the dissemination to the public, health care professionals, researchers, and drug and medical device manufacturers of knowledge developed in research on rare diseases and other diseases which can be used in the prevention, diagnosis, and treatment of rare diseases.

(c) REVIEW REQUIREMENTS.—In assessing the activities of the National Institutes of Health, the Alcohol, Drug Abuse, and Mental Health Administration, and the Food and Drug Administration in connection with research on rare diseases, the Commission shall review—

(1) the appropriateness of the priorities currently placed on research on rare diseases;

(2) the relative effectiveness of grants and contracts when used to fund research on rare diseases;

(3) the appropriateness of specific requirements applicable to applications for funds for research on rare diseases taking into consideration the reasonable capacity of applicants to meet such requirements;

(4) the adequacy of the scientific basis for such research, including the adequacy of the research facilities and research resources used in such research and the appropriateness of the scientific training of the personnel engaged in such research;

(5) the effectiveness of activities undertaken to encourage such research;

(6) the organization of the peer review process applicable to applications for funds for such research to determine if the organization of the peer review process could be revised to improve the effectiveness of the review provided to proposals for research on rare diseases;

(7) the effectiveness of the coordination between the national research institutes of the National Institutes of Health, the institutes of the Alcohol, Drug Abuse, and Mental Health Administration, the Food and Drug Administration, and private entities in supporting such research; and

(8) the effectiveness of activities undertaken to assure that knowledge developed in research on nonrare diseases is, when appropriate, used in research on rare diseases.

(d) COMPOSITION.—The Commission shall be composed of twenty members appointed by the Secretary of Health and Human Services as follows:

(1) Ten members shall be appointed from individuals who are not officers or employees of the Government and who by virtue of their training or experience in research on rare diseases or in the treatment of rare diseases are qualified to serve on the Commission.

(2) Five members shall be appointed from individuals who are not officers or employees of the Government and who have a rare disease or are employed to represent or are members of an organization concerned about rare disease.

(3) Four nonvoting members shall be appointed from—

(A) the directors of the national research institutes of the National Institutes of Health; or

(B) the directors of the institutes of the Alcohol, Drug Abuse, and Mental Health Administration,

which the Secretary determines are involved with rare diseases.

(4) One nonvoting member shall be appointed from officers or employees of the Food and Drug Administration who the Secretary determines are involved with rare diseases.

a vacancy in the Commission shall be filled in the manner in which the original appointment was made. If any member of the Commission who was appointed to the Commission as a director of a national research institute or an institute of the Alcohol, Drug Abuse, and Mental Health Administration or as an officer or employee of the Food and Drug Administration leaves that office or position, or if any member of the Commission who was appointed from persons who are not officers or employees of the Government becomes an officer or employee of the Government, such member may continue as a member of the Commission for not longer than the ninety-day period beginning on the date such member leaves that office or position or becomes such an officer or employee, as the case may be.

(e) TERM.—Members shall be appointed for the life of the Commission.

(f) COMPENSATION.—

(1) Except as provided in paragraph (2), members of the Commission shall each be entitled to receive compensation at a rate not to exceed the daily equivalent of the annual rate of basic pay in effect for grade GS-18 of the General Schedule for each day (including traveltime) during which they are engaged in the actual performance of duties as members of the Commission.

(2) Members of the Commission who are full-time officers or employees of the Government shall receive no additional pay by reason of their service on the Commission.

(g) CHAIRMAN.—The Chairman of the Commission shall be designated by the members of the Commission.

(h) STAFF.—Subject to such rules as may be prescribed by the Commission, the Commission may appoint and fix the pay of such personnel as it determines are necessary to enable the Commission to carry out its functions. Personnel shall be appointed subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(i) EXPERTS AND CONSULTANTS.—Subject to such rules as may be prescribed by the Commission, the Commission may procure temporary and intermittent services under section 3109(b) of title 5 of the United States Code, but at rates for individuals not to exceed the daily equivalent of the basic pay payable for grade GS-15 of the General Schedule.

(j) DETAIL OF PERSONNEL.—Upon request of the Commission, the head of any Federal agency is authorized to detail, on a reimbursable basis, any of the personnel of such agency to the Commission to assist the Commission in carrying out its functions.

(k) ADMINISTRATIVE SUPPORT SERVICES.—The Administrator of General Services shall provide to the Commission on a reimbursable basis such administrative support services as the Commission may request.

(l) GENERAL AUTHORITY.—The Commission may, for the purpose of carrying out this section, hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence, as the Commission considers appropriate.

(m) INFORMATION.—The Commission may secure directly from any department or agency of the United States information necessary to enable it to carry out this section. Upon request of the Chairman, the head of such department or agency shall furnish such information to the Commission.

(n) REPORT.—The Commission shall transmit to the Secretary and to each House of the Congress a report not later than Sep-

tember 30, 1987, on the activities of the Commission. The report shall contain a detailed statement of the findings and conclusions of the Commission, together with its recommendations for—

(1) a long range plan for the use of public and private resources to improve research into rare diseases and to assist in the prevention, diagnosis, and treatment of rare diseases; and

(2) such legislation or administrative actions as it considers appropriate.

(o) TERMINATION.—The Commission shall terminate 90 days after the date of the submittal of its report under subsection (n).

(p) FUNDS.—The Director of the National Institutes of Health shall make available $1,000,000 to the Commission from appropriations for fiscal year 1986 for the National Institutes of Health.

SEC. 5. FINANCIAL ASSISTANCE.

(a) QUALIFIED TESTING.—Section 5 of the Orphan Drug Act (21 U.S.C. 360ee) is amended—

(1) in subsection (a) by striking out "clinical"; and

(2) by amending subsection (b)(1) to read as follows:

"(1) the term 'qualified testing' means—

"(A) human clinical testing—

"(i) which is carried out under an exemption for a drug for a rare disease or condition under section 505(i) of the Federal Food, Drug, or Cosmetic Act (or regulations issued under such section); and

"(ii) which occurs after the date such drug is designated under section 526 of such Act and before the date on which an application with respect to such drug is submitted under section 505(b) or 507 of such Act or under section 351 of the Public Health Service Act; and

"(B) preclinical testing involving a drug for a rare disease or condition which occurs after the date such drug is designated under section 526 of such Act and before the date on which an application with respect to such drug is submitted under section 505(b) or 507 of such Act or under section 351 of the Public Health Service Act.".

(b) AUTHORIZATION.—Subsection (c) of such section 5 is amended to read as follows:

"(c) For grants and contracts under subsection (a) there are authorized to be appropriated $4,000,000 for fiscal year 1986, $4,000,000 for fiscal year 1987, and $4,000,000 for fiscal year 1988.".

SEC. 6. TECHNICAL CORRECTIONS.

(a) PUBLIC LAW 98-619.—The paragraph following the heading "education for the handicapped" under title III of the Departments of Labor, Health and Human Services, and Education and Related Agencies Appropriation Act, 1985 (Public Law 98-619) is amended—

(1) by inserting after "shall" the first time it appears a comma and the following: "except for part D of such Act,", and

(2) by adding at the end thereof the following: "The amounts available for such part D shall be available for obligation on October 1, 1984, and shall remain available until September 30, 1985.".

(b) PUBLIC LAW 98-527.—Section 122(b)(4)(C) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6022(b)(4)(C)) is amended by inserting "(i)) after "(C)" and by adding at the end the following:

"(ii) Notwithstanding the requirements of subparagraph (E), upon application of a State, which under section 133(b)(4)(C) of this Act, as in effect on October 18, 1984, was permitted to make expenditures for services without regard to the requirements of section 133(b)(4)(B) of this Act as so in effect, the Secretary pursuant to regulations which the Secretary shall prescribe may permit the portion of the fund which must otherwise be expended under the State plan of such State for service activities in a limited number of services to be expended for the additional services for which expenditure was permitted under section 133(b)(4)(C) as so in effect if the Secretary determines that—

"(I) funds are not otherwise available under this Act for such additional services, and

"(II) the expenditures of such State on service activities in the initially specified services has reasonably met the need for those services in such State in comparison to the extent to which the need for such additional services has been met in such State.".

SEC. 7. EFFECTIVE DATE.

(a) GENERAL RULE.—Except as provided in subsection (b), this Act and the amendments made by this Act shall take effect October 1, 1985.

(b) EXCEPTION.—The amendments made by sections 2, 3, and 6(a) shall take effect on the date of the enactment of this Act. The amendment made by section 6(b) shall take effect October 18, 1984.

Mr. DOLE. Mr. President, I ask unanimous consent that it be in order for me to move that the Senate concur in the House amendment with further Senate amendments on behalf of Senator HATCH and ask that they be considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. I so move.

AMENDMENT NO. 546

Mr. DOLE. Mr. President, I send the amendments to the desk and ask for their immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Kansas [Mr. DOLE], for Mr. HATCH, proposes amendment No. 546.

Mr. DOLE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment follows:

(1) Strike out section 6(b) of the House Engrossed Amendment and insert in lieu thereof the following:

(b) Public Law 98-527.—Section 122(b)(4)(C) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6022(b)(4)(C)) is amended to read as follows:

"(C) Notwithstanding subparagraph (E)(i), upon application of a State, which under section 133(b)(4)(C) of this Act (as in effect on October 18, 1984) was permitted to make expenditures for services without regard to the requirements of section 133(b)(4)(B) of this Act (as so in effect) the Secretary, pursuant to regulations which the Secretary shall prescribe, may permit a portion of the funds which, pursuant to subparagraph (E)(i), must otherwise be expended under the State plan of such State for service activities in the priority services, to be expended in fiscal years 1985, 1986, and 1987 for the additional services for which expenditure was permitted under section 133(b)(4)(C) (as so in effect) if the Secretary determines that—

"(i) such additional services are not priority services;

"(ii) such additional services are not services for which funds are otherwise available under part C, D, or E; and

"(iii) the expenditures of such State on service activities in the priority services has reasonably met the need for those services in such State in comparison to the extent to which the need for such additional services has been met in such State.".

(2) Redesignate section 7 of the House Engrossed Amendment as section 8.

(3) After section 6 of the House Engrossed Amendment insert the following new section:

SEC. 7. AREA HEALTH EDUCATION CENTERS.

Section 781(a)(2) of the Public Health Service Act (42 U.S.C. 295g-7(a)(2)) is amended by redesignating subparagaphs (A), (B), and (C) as clauses (i), (ii), and (iii), respectively, and by striking out all that precedes clause (i) (as so redesignated) and inserting in lieu thereof the following:

"(2)(A) The Secretary shall enter into contracts with schools of medicine and osteopathy—

"(i) which have previously received Federal financial assistance for an area health education center program under section 802 of the Health Professionals Educational Assistance Act of 1976 in fiscal year 1979 or under paragraph (1), or

"(ii) which are receiving assistance under paragraph (1),

to carry out projects described in subparagraph (B) through area health education centers for which Federal financial assistance was provided under paragraph (1) and which are no longer eligible to receive such assistance.

"(B) Projects for which assistance may be provided under subparagraph (A) are—".

(4) In the second sentence of section 8(b) of the House Engrossed Amendment (as redesignated by clause (2) of this motion), strike out "October 18, 1984" and insert in lieu thereof "October 19, 1984".

(5) At the end of section 8(b) of the House Engrossed Amendment (as redesignated by clause (2) of this motion), add the following new sentence: "The amendments made by section 7 shall take effect October 1, 1984 and shall cease to be in effect after September 30, 1985.".

Mr. HATCH. Mr. President, on May 23, the Senate passed the orphan drug amendments without objection. The bill has over 30 Senate sponsors; it is a good bill and a worthy endeavor. The program of orphan product development generated and fostered under the Orphan Drug Act is a joint effort among health researchers, the pharmaceutical industry, voluntary health organizations, and the Government. It is an activity that deserves our support. I, therefore, hope that my Senate colleagues will once again join me and pass S. 1147, as amended by the House, with an amendment.

The House amended S. 1147 by incorporating a technical change in the Food, Drug, and Cosmetic Act to permit the Food and Drug Administration [FDA] to designate antibiotics as orphan drugs. This change is really a

clarification of congressional intent that antibiotics may be designated as orphan drugs and are included within the scope of the Orphan Drug Act. In a recent letter to Representatives MADIGAN and WAXMAN, FDA Commissioner Young wrote, in part:

> . . . Congress should enact a technical amendment to the Orphan Drug Act specifically to include drugs approved under section 507 (antibiotics) of the Federal Food, Drug, and Cosmetic Act. . . . We are not aware of any reason why antibiotics should be distinguished from other drugs for purposes of orphan drug development and have always taken the view that Congress clearly intended that antibiotics be included under the Orphan Drug Act. . . . we have already designated two antibiotics as orphan drugs under that Act. These designations were based on our understanding of Congressional intent. A technical amendment to the Orphan Drug Act to reflect this view is clearly warranted.

The technical change made by the House accomplishes this and clarifies congressional intent. In no way is there any intention that antibiotics already designated as orphan drugs would need to be redesignated.

Several minor changes were also made by the House in language relating to the National Commission on Orphan Diseases established by S. 1147. One change restores language passed by both House and Senate in the 98th Congress to specify that the $1 million to fund the Commission will be provided from funds appropriated for the National Institutes of Health. Because the Commission will deal primarily with NIH research programs and the NIH review system, the House believes it is appropriate for the funds to come from the NIH budget. I am informed that the administration does not find this objectionable, and I therefore do not disagree. It is clearly understood that these funds will not be taken from the important research supported by various NIH institutes in areas relating to rare diseases.

Finally, the House added a provision to amend language in Public Law 98-527, last year's reauthorization of the Developmental Disabilities Assistance and Bill of Rights Act. This provision corrects a drafting error in the law. The Senate amendment to this provision allows States the option to renew previously granted waivers of nationally mandated priorities until September 30, 1987. The language of this provision has been carefully worked out and agreed to by the chairman of our Subcommittee on the Handicapped, Senator WEICKER.

Mr. President, when the Senate originally passed S. 1147, I noted that considerable progress had been made, spurred by the incentives of the Orphan Drug Act, in developing treatments for a number of rare diseases. At that time, I was especially pleased to be able to mention a particular activity that has very personal meaning for me because it relates to what this legislation has meant in my home State of Utah for children suffering from autism. As a followup to that, I would like to share with my Senate colleagues an article sent to me by the Utah Society for Autistic Children. I ask unanimous consent that this article be inserted in the CONGRESSIONAL RECORD immediately following my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AUTISM: PROGRESS AND PROMISE

(By the Utah Society for Autistic Children)

Can you imagine having a family member who shuns affection, who does not communicate with others in the family, who will not talk or play with other children, who is always separate and alone? Can you imagine having a child who does not giggle, does not play games, does not hug? If you can, then you can to a limited extent imagine living with autism.

Autism is an incapacitating, lifelong disease which affects approximately 200,000 Americans. Even though it is a little-known, rare condition, there are actually more autistic children than blind children in this country. Autism occurs in all parts of the country, in all social classes, and in all races. Autistic persons require special education when young and lifelong support from governmental, social, and health care agencies throughout adulthood. In individuals suffering from autism, abnormal brain development is present at birth and produces characteristic problems in communication, sensory processing, social behavior, and learning.

Scientists have postulated several causes for autism, including viruses and heredity. The State of Utah is the site for a major study of the causes of autism. Every autistic person in the state is being identified with the cooperation of families, local professionals, and government personnel. Scientists from the University of Utah and UCLA, headed by Dr. Edward R. Ritvo, are uniformly diagnosing patients and collecting scientific information. To date, over 300 families are enrolled in the study. Dr. Ritvo and his associates are searching for common ancestors among the Utah families to aid in determining whether certain types of autism are due to genetic and/or familial factors. Utah offers a rare and unique opportunity for such a comprehensive epidemiologic study because of its stable population, high level of concern for children with developmental difficulties, supportive attitude of medical and education professionals, and the vast genealogical data provided by the participating families. The goals of this study, which will take five more years, are to pinpoint possible specific causes of autism, discover preventive measures to decrease the number of new cases, and to develop new treatments for persons suffering from this debilitating chronic disease.

Now, can you imagine what it might mean to the family of a seven-year-old autistic boy when for the first time in his life he begins to show interest and concern for family members? Rather than rejecting affection and social interaction, he now responds with a hug and comforts his sister when she is hurt.

Can you imagine what it might mean to the family of this boy when he leaves the isolated world of his own bedroom and for the first time prefers to go out into the neighborhood to play with his peers? Can you imagine the family's excitement when this child's attention span and concentration are improved at school and his language becomes less repetitive and more meaningful?

These dramatic changes are not just wishful thinking. They are not just beautiful scenes from a dream. They are part of a reality made possible because of the Orphan Drug Act.

The changes just described came through the use of the drug fenfluramine, a medication being tested for use in autism under the Orphan Drug Act. Without this legislation and its incentives for research and development of drugs for rare diseases, this first known specific medical treatment for autism would not be possible.

Dr. Edward Ritvo and other researchers at UCLA Medical School obtained support from the FDA Orphan Products Development program and the A.H. Robins Company to treat 200 autistic children at 20 medical centers throughout North America with fenfluramine. This product was originally marketed by A.H. Robins as a weight-loss medication, under the trade name Pondimin. Dr. Ritvo's research on similar chemical compounds and on Pondimin itself indicated that it might beneficially affect a possible chemical imbalance within the brains of autistic children. Clinical studies were proposed and are ongoing. The drug has proven successful, and no serious side effects have been observed in the children tested. Final studies are now under way which can lead to FDA approval in the near future. Fenfluramine, while not a cure, will help many victims of autism to "tune in" to the world around them and live more normal lives.

Now imagine a time when the heartbreaking burden of caring for autistic children can be lifted.

Imagine a time when new treatments can be made available to all autistic persons.

Imagine a time when the nearly one million dollars per patient required for lifetime institutionalization can be saved.

Imagine a time when the children of tomorrow who would have been born autistic will live happy, normal lives.

These are our goals and our dreams. Federal research funds provide the means whereby these dreams may become a reality. We should all be proud that in this country we couple our compassion with commitment—both in good legislation, such as the Orphan Drug Act, and in federal research dollars to alleviate the suffering of our autistic citizens and their families.

Mr. WEICKER. Mr. President, as chairman of the Subcommittee on the Handicapped, I appreciate the support of Senator HATCH, chairman of the full Committee on Labor and Human Resources, regarding the amendment to Public Law 98-527, the Development Disabilities Act which was added to S. 1147, the Orphan Drug Act.

I am offering a substitute amendment to Public Law 98-527 which has been agreed to by Mr. WAXMAN, chairman of the House Subcommittee on Health and the Environment. This amendment will allow States which utilized the waiver provision authorized by the State Grant Program of the Developmental Disabilities Assistance and Bill of Rights Act as of Octo-

ber 18, 1984, to continue to utilize that waiver provision when certain conditions are met. First, the States must have approval from the Secretary. Second, States may only choose the same waivered services which they had chosen as of October 18, 1984. Third, only States which had chosen services which are not currently priority service areas, or funded under parts C, D, or E of Public Law 98-527 are eligible for a waiver. The four States which meet these conditions are Arizona, California, Missouri, and Montana. If those States choose to, they may apply to the Secretary to continue to provide waivered service which they were providing on October 18, 1984.

The final provision of this amendment terminates the Secretary's authority to grant waivers on September 30, 1987.

This amendment represents a compromise between the House and Senate position. It will allow States which have formerly utilized the waiver provision to provide services which are not authorized as priority services or under parts C, D, or E of the act to continue those services for a limited period of time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 546) was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kansas.

The motion was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

ANNUAL REPORT OF THE ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION—MESSAGE FROM THE PRESIDENT—PM 68

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Environment and Public Works:

To the Congress of the United States:

Pursuant to the requirements of Section 10 of the Saint Lawrence Seaway Act of May 13, 1954, I hereby transmit the Saint Lawrence Seaway Development Corporation's Annual Report for 1984.

RONALD REAGAN.

THE WHITE HOUSE, *July 25, 1985.*

ANNUAL REPORT OF THE REHABILITATION SERVICES ADMINISTRATION—MESSAGE FROM THE PRESIDENT—PM 69

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Labor and Human Resources:

To the Congress of the United States:

In accordance with Section 13 of the Rehabilitation Act of 1973, as amended, I am pleased to transmit the annual report of the Rehabilitation Services Administration. The report, prepared by the Department of Education, covers activities supported under the Act in Fiscal Year 1984.

RONALD REAGAN.

THE WHITE HOUSE, *July 25, 1985.*

MESSAGES FROM THE HOUSE

At 12:51 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following joint resolutions, without amendment:

S.J. Res. 57. Joint resolution to designate the week of October 20, 1985, through October 26, 1985, as "Lupus Awareness Week"; and

S.J. Res. 86. Joint resolution to designate the week of July 25, 1985, through July 31, 1985, as "National Disability in Entertainment Week".

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-1535. A communication from the Administrator of Veterans' Affairs transmitting a draft of proposed legislation to clarify the authority of the Chief Medical Director regarding disciplinary actions on certain health care employees; to the Committee on Veterans' Affairs.

EC-1536. A communication from the Under Secretary of Agriculture transmitting, pursuant to law, the annual report on activities of the Department under Public Law 480; to the Committee on Agriculture, Nutrition, and Forestry.

EC-1537. A communication from the Secretary of the Navy transmitting, pursuant to law, a report on the Phoenix program's breach of its unit cost baseline from the previously reported 17 percent to more than 25 percent; to the Committee on Armed Services.

EC-1538. A communication from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Urban Mass Transportation Administration's New Formula Grant Program: Operating Flexibility and Process Simplification"; to the Committee on Banking, Housing, and Urban Affairs.

EC-1539. A communication from the Secretary of the Treasury transmitting, pursuant to law, the annual report on activities of the Depository Institutions Deregulation Committee and the Viability of Depository Institutions; to the Committee on Banking, Housing, and Urban Affairs.

EC-1540. A communication from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Reviews of the Audits of the Trans-Alaska Pipeline Liability Fund's Financial Statements for the Years Ended September 31, 1982 and 1983"; to the Committee on Energy and Natural Resources.

EC-1541. A communication from the Chairman of the Advisory Council on Historic Preservation transmitting, pursuant to law, a copy of Federal Historic Preservation Case Law; to the Committee on Energy and Natural Resources.

EC-1542. A communication from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "The Nuclear Regulatory Commission Should Report on Progress in Implementing Lessons Learned From the Three Mile Island Accident"; to the Committee on Environment and Public Works.

EC-1543. A communication from the Secretary of the Treasury transmitting, pursuant to law, a report on the status and operation of the State and Local Government Fiscal Assistance Trust Fund; to the Committee on Finance.

EC-1544. A communication from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Use of Unaudited Hospital Cost Data Resulted in Overestimate of Medicare's Prospective Payment System Rates"; to the Committee on Finance.

EC-1545. A communication from the Director of the Office of Management and Budget transmitting a draft of proposed legislation to place off-budget items on-budget and restore the U.S. to a unified budget system; to the Committee on Governmental Affairs.

EC-1546. A communication from the Secretary of Transportation transmitting, pursuant to law, a report on the valuation of the U.S. Coast Guard Military Retirement System; to the Committee on Governmental Affairs.

EC-1547. A communication from the Assistant Secretary of the Treasury transmitting, pursuant to law, a report on a change in a Privacy Act system of records; to the Committee on Governmental Affairs.

EC-1548. A communication from the Administrator of the Veterans Administration transmitting, pursuant to law, a report on a computer matching program of physicians and dentists/Federal, State, Local, and Private Income and Payment records; to the Committee on Governmental Affairs.

EC-1549. A communication from the Director of the General Government Division of the General Accounting Office transmitting, pursuant to law, a report entitled "Coordination of Federal Drug Interdiction Efforts"; to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-344. A resolution adopted by the Council of the County of Florence, South Carolina relating to the Soil Conservation Service; to the Committee on Agriculture, Nutrition, and Forestry.

POM-345. A resolution adopted by the Legislature of the State of Florida; to the Committee on Finance.

"MEMORIAL No. 192

"Whereas, at the present time under the Social Security Act, individuals who became eligible for benefits in or after 1979 receive reduced benefit levels compared to individuals who became eligible prior to 1979, due to changes made in 1977 in the benefit computation formula, and

"Whereas, this disparity in benefit levels has been referred to as the "notch" and has resulted in the award of reduced benefits to approximately 1.3 million persons, and

"Whereas, any remedy for narrowing the gap in benefits is complicated because the notch has been in use since 1979, and

"Whereas, H.R. 4093 has been introduced in the 98th session of the United States Congress by Representative Roybal, the Chairman of the House Committee on Aging, in an effort to eliminate the notch, and

"Whereas, it is appropriate that the Legislature of the State of Florida take a stand in support of this legislation to protect the rights of the citizens of our state: Now, therefore, be it

"Resolved by the Legislature of the State of Florida: That the Congress of the United States is urged to adopt H.R. 4093 or similar legislation to eliminate the disparity in benefit levels awarded under the Social Security Act with respect to benefits awarded prior to 1979 and in and after 1979, so as to provide equitable benefits for all retirees.

"Be it further resolved, That copies of this memorial be dispatched to the President of the United States, to the President of the United States Senate, to the Speaker of the United States House of Representatives, and to each member of the Florida delegation to the United States Congress."

POM-346. A concurrent resolution adopted by the Legislature of the State of Texas; to the Committee on Finance.

"CONCURRENT RESOLUTION

"Whereas, The health and stability of the domestic oil and petrochemical industries are of vital importance to the American economy; and

"Whereas, The present world petroleum producing capacity far exceeds the market demand resulting in a price war that threatens the stability of America's oil and petrochemical industries; and

"Whereas, The present import policies have resulted in serious economic decline and escalating unemployment in the domestic oil industry; and

"Whereas, The continuation of these present policies will result in an increasing dependence on foreign oil in contravention of national policy; now, therefore, be it

"Resolved by the House of Representatives of the State of Texas, the Senate concurring, That the 69th Legislature of the State of Texas call on the Congress of the United States to pass and send to the president an Act authorizing and imposing a temporary tariff on all imports of foreign crude oil and foreign petrochemical products; and, be it further

"Resolved, That the secretary of state of the State of Texas forward official copies of this resolution to the president of the United States, to the president of the Senate and the speaker of the House of Representatives of the United States Congress, and to all members of the Texas delegation to the congress with the request that this resolution be officially entered in the Congressional Record as a memorial to the Congress of the United States of America."

POM-347. A resolution adopted by the National Society of the Sons of the American Revolution relating to Trade Policy; to the Committee on Finance.

POM-348. A resolution adopted by the National Society of the Sons of the American Revolution relating to South Africa; to the Committee on Foreign Relations.

POM-349. A resolution adopted by the National Society of the Sons of the American Revolution relating to the Genocide Convention; to the Committee on Foreign Relations.

POM-350. A resolution adopted by the National Society of the Sons of the American Revolution relating to Central America; to the Committee on Foreign Relations.

POM-351. A resolution adopted by the National Society of the Sons of the American Revolution relating to the Prayer Amendment; to the Committee on the Judiciary.

POM-352. A resolution adopted by the National Society of the Sons of the American Revolution opposed to calling a Constitutional convention; to the Committee on the Judiciary.

POM-353. A resolution adopted by the National Society of the Sons of the American Revolution relating to the Northwest Ordinance of 1787; to the Committee on the Judiciary.

POM-354. A resolution adopted by the National Society of the Sons of the American Revolution relating to Captain Robert Gray of Tiverton, Rhode Island; to the Committee on Governmental Affairs.

POM-355. A resolution adopted by the National Society of the Sons of the American Revolution relating to draft registration and government employment; to the Committee on Governmental Affairs.

POM-356. A concurrent resolution adopted by the Legislature of the State of Michigan; to the Select Committee on Indian Affairs.

POM-357. A concurrent resolution adopted by the Legislature of the State of Texas; to the Committee on Labor and Human Resources.

"CONCURRENT RESOLUTION

"Whereas, The Legislature of the State of Texas has acted to promote the health and welfare of its citizens by providing strong, effective insurance equality laws; and

"Whereas, Texas law includes freedom-of-choice provisions affording citizens the opportunity to select the health care provider of their choice; and

"Whereas, The health and welfare of Texans is being jeopardized by the federal Employee Retirement Income Security Act [ERISA], which abridges state law and deprives the citizens of Texas the protection afforded through the insurance laws of this state and thereby leaves many citizens without access to adequate health care benefits; now, therefore, be it

"Resolved, That the 69th Legislature of the State of Texas hereby respectfully request the President of the United States to propose and the United States Congress to enact legislation amending the Employee Retirement Income Security Act (ERISA) to permit the states to regulate fully employee health benefit plans in order to assure that beneficiaries of such plans have the right to receive health care from the providers of their choice pursuant to state law, thereby preventing plans from discriminating against legally qualified health care providers and assuring the solvency of such plans; and, be it further

"Resolved, That the Texas Secretary of State forward official copies of this resolution to the President of the United States, to the President of the Senate and Speaker of the House of Representatives of the United States Congress, and to the members of the Texas congressional delegation as expressions of the sentiment of the Texas Legislature."

POM-358. A concurrent resolution adopted by the Florida Council of Administrators of Special Education urging Congress to defeat the proposed legislation House Bill 1523 and Senate Bill 415 due to the potential detrimental effect on programs and services to handicapped students; to the Committee on Labor and Human Resources.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HATCH, from the Committee on Labor and Human Resources, with an amendment in the nature of a substitute:

S. 974. A bill to provide for protection and advocacy for mentally ill persons (with additional views) (Rept. No. 99-109).

By Mr. THURMOND, from the Committee on the Judiciary without amendment:

S.J. Res. 168. Joint resolution designating August 13, 1985, as "National Neighborhood Crime Watch Day";

S. Res. 189. Resolution to designate the week of August 18 to 24, 1985, as "Health Care Expo '85 Week"; and

H.J. Res. 164. Joint resolution to designate August 4, 1985, as "Freedom of the Press Day".

By Mr. HATFIELD, from the Committee on Appropriations, with amendments:

H.R. 2959. An act making appropriations for energy and water development for the fiscal year ending September 30, 1986, and for other purposes (Rept.No. 99-110).

H.R. 2942. An act making appropriations for the legislative branch for the fiscal year ending September 30, 1986, and for other purposes (Rept. No. 99-111).

By Mr. HATCH, from the Committee on Labor and Human resources, with an amendment in the nature of a substitute and an amendment of the title:

S. 415. A bill to amend the Education of the Handicapped Act to authorize the award of reasonable attorneys' fees to cer-

tain prevailing parties, and to clarify the effect of the Education of the Handicapped Act on rights, procedures, and remedies under other laws relating to the prohibition of discrimination (with additional views) (Rept. No. 99-112).

By Mr. DOMENICI, from the Committee on the Budget, without amendment:

S. Res. 203. Resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of H.R. 2796.

By Mr. DANFORTH, from the Committee on Commerce, Science, and Transportation:

Report to accompany the bill (H.R. 2796) to improve security standards for international air transportation (Rept. No. 99-113).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. THURMOND, from the Committee on the Judiciary: Douglas H. Ginsburg, of Massachusetts, to be an Assistant Attorney General.

(The above nomination was reported from the Committee on the Judiciary with the recommendation that it be confirmed subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. GOLDWATER, from the Committee on Armed Services: Donald Alden Hicks, of California, to the Under Secretary of Defense for Research and Engineering.

Mr. GOLDWATER. Mr. President, from the Committee on Armed Services, I report favorably the attached listing of nominations.

Those identified with a single asterisk (*) are to be placed on the Executive Calendar. Those identified with a double asterisk (**) are to lie on the Secretary's desk for the information of any Senator since these names have already appeared in the CONGRESSIONAL RECORD and to save the expense of printing again.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the RECORD of July 9, July 10, and July 22, 1985, at the end of the Senate proceedings.)

*1. Maj. Gen. Spence M. Armstrong, U.S. Air Force, to be lieutenant general. (Ref. #447)

*2. Maj. Gen. John A. Shaud, U.S. Air Force, to be lieutenant general. (Ref. #448)

*3. Maj. Gen. Robert D. Springer, U.S. Air Force, to be lieutenant general. (Ref. #449)

*4. Col. Carmelita Schimmenti, U.S. Air Force, to be brigadier general (Ref. #450)

*5. Col. Dulaney L. O'Roark, Jr., U.S. Army, to be brigadier general. (Ref. #451)

**6. In the Air Force Reserve there are 21 promotions to the grade of lieutenant colonel (list begins with John H. Boles). (Ref. #455)

**7. In the Air Force Reserve there are 3 appointments to the grade of lieutenant colonel (list begins with Roger D. Mathews). (Ref. #456)

**8. In the Army Reserve there are 163 promotions to the grade of colonel and below (list begins with Henry Robinson). (Ref. #457)

**9. In the Navy Reserve there are 158 permanent promotions to the grade of captain (list begins with David William Billharz). (Ref. #458)

**10. In the Navy Reserve there are 292 permanent promotions to the grade of commander (list begins with Harvey C. Aaron). (Ref. #459)

**11. In the Marine Corps there are 208 transfers from the Marine Corps Reserve to the grade of major and below (list begins with Philip C. Knapik). (Ref. #460)

Total 850.

*1. Maj. Gen. Leonard H. Perroots, U.S. Air Force, to be lieutenant general. (Ref. #414)

*2. Lt. Gen. James A. Williams, U.S. Army, to be placed on the retired list. (Ref. #415)

*3. Maj. Gen. Hugh R. Overholt, U.S. Army, to be The Judge Advocate General; and Brig. Gen. William K. Suter, U.S. Army, to be The Assistant Judge Advocate General and major general. (Ref. #416)

**4. In the Air Force Reserve there are 35 promotions to the grade of colonel (list begins with Lawrence B. Anderson). (Ref. #417)

**5. In the Army there are 247 appointments to the grade of second lieutenant (list begins with Francis E. Algermissen). (Ref. #418)

**6. In the Navy Reserve there are 591 promotions to the grade of commander (list begins with Charles Llewellyn Adams). (Ref. #419)

*7. Gen. John W. Vessey, Jr., U.S. Army, to be placed on the retired list. (Ref. #421)

*8. Vice Adm. Harry C. Schrader, Jr., U.S. Navy, to be placed on the retired list. (Ref. #422)

**9. In the Navy there are 879 promotions to the permanent grade of lieutenant commander (list begins with William S. Adsit). (Ref #423)

Total 1,758.

By Mr. PACKWOOD, from the Committee on Finance: S. Bruce Smart, Jr., of Connecticut, to be Under Secretary of Commerce for International Trade.

(The above nomination was reported from the Committee on Finance with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

● Mr. PACKWOOD. Mr. President, I am pleased to report the recommendation of the Committee on Finance that the Senate confirm the nomination of Bruce Smart, of Fairfield, CT, who has been nominated for Under Secretary of Commerce for International Trade. Following the pattern or recent nominations considered by the committee, President Reagan again has chosen a person of fine qualifications to carry out the Government's responsibilities in the very important position for which he has been nominated.

Mr. Smart has been with the Continental Group for 32 years. He has risen through the ranks first in various sales and general management positions, then as vice chairman of U.S. operations, later as president and chief operating officer, and finally in 1981 as chairman and chief executive officer. Mr. Smart also has held corporate directorships with such groups as the Celanese Corp., Chase Manhattan Bank N.A., and the GTE Corp. He is a member of the business council and the business roundtable.

In the Department of Commerce Mr. Smart will be supervising one of the most important agencies of the department, the International Trade Administration. As such he will have jurisdiction over the United States and foreign commercial service, the development of industry specific analysis, the formulation of international economic policy and the administration of our antidumping and countervailing duty functions.

I hope that the Senate may act expeditiously in approving Mr. Smart's nomination.●

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. HEINZ (for himself, Mr. MOYNIHAN, Mr. MITCHELL, and Mr. COHEN).

S. 1493. A bill to provide comprehensive reform of the trade laws, and for other purposes; to the Committee on Finance.

By Mr. GORTON (for himself, Mr. CHAFEE, Mr. EVANS, Mr. HATFIELD, Mr. MATSUNAGA, Mr. MOYNIHAN, and Mr. WILSON):

S. 1494. A bill to amend title 23; United States Code, to limit outdoor advertising adjacent to Interstate and Federal-aid primary highways; to the Committee on Environment and Public Works.

By Mr. MURKOWSKI (by request):

S. 1495. A bill to amend title 38, United States Code, to enhance recruitment and retention by the Veterans' Administration of graduate and student nurses; to the Committee on Veterans Affairs.

By Mr. DIXON (for himself, Mr. PROXMIRE, Mr. GRASSLEY, Mr. LEVIN, and Mr. RIEGLE):

S. 1496. A bill to correct imbalances in certain States in the Federal tax to Federal benefit ratio by reallocating the distribution of Federal spending, and for other purposes; to the Committee on Governmental Affairs.

By Mr. DOLE (for himself, Mr. ZORINSKY, Mr. HELMS, Mr. LEAHY, Mr. LUGAR, Mr. MELCHER, Mr. COCHRAN, Mr. PRYOR, Mr. BOSCHWITZ, Mr. BOREN, Mrs. HAWKINS, Mr. DIXON, Mr. ANDREWS, Mr. HEFLIN, Mr. WILSON, Mr. HARKIN, Mr. MCCONNELL, and Mrs. KASSEBAUM):

S. 1497. A bill to establish a National Commission on Agricultural Policy to study the structure, procedures, and methods of formulating and administering agricultural policies, programs, and practices of the United States; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. WEICKER (for himself, Mr. D'AMATO, Mr. DURENBERGER, Mr. STEVENS, Mr. COCHRAN, Mr. KERRY, Mr. SPECTER, and Mr. PELL):

S. 1498. A bill to amend the Internal Revenue Code of 1954 to provide tax incentives for the issuance of small business participat-

ing debentures; to the Committee on Committee on Finance.

By Mr. DECONCINI:

S. 1499. A bill to establish an antiterrorist training academy, to increase security at international airports, and for other purposes; to the Committee on Governmental Affairs.

By Mr. KERRY:

S. 1500. A bill to provide for a comprehensive bilateral and verifiable freeze between the United States and the Soviet Union on the testing, production, and deployment of nuclear weapons systems; to the Committee on Foreign Relations.

By Mr. QUAYLE:

S. 1501. A bill to amend part B of title IV of the Higher Education Act of 1965, relating to the guaranteed student loan program, to permit the deferment of payment of principal for 1 year for students who are on maternity leave if the students are enrolled in institutions of higher education; to the Committee on Labor and Human Resources.

By Mr. CHAFEE (by request):

S. 1502. A bill to amend and extend title I of the Marine Protection, Research, and Sanctuaries Act, as amended, for two years; to the Committee on Environment and Public Works.

By Mr. LAXALT (for himself, Mr. HECHT, Mr. CRANSTON, and Mr. WILSON):

S. 1503. A bill to clear title to certain lands along the California-Nevada boundary; to the Committee on Energy and Natural Resources.

By Mr. ROCKEFELLER (for himself, Mr. BYRD, Mr. MCCONNELL, Mr. DIXON, Mr. HEINZ, Mr. DECONCINI, Mr. FORD, Mr. METZENBAUM, Mr. BURDICK, Mr. BUMPERS, Mr. GRASSLEY, Mr. RIEGLE, Mr. HARKIN, Mr. TRIBLE, Mr. BINGAMAN, Mr. PRYOR, Mr. HART, Mr. GORE, Mr. BRADLEY, Mr. INOUYE, Mr. SASSER, Mr. SIMON, Mr. HOLLINGS, Mr. MELCHER, and Mr. SPECTER):

S. 1504. A bill to assure that administrative law judges making determinations under the Black Lung Benefits Act receive compensation at a rate not less than that prescribed for GS-16 under section 5332 of title 5, United States Code; to the Committee on Finance.

By Mr. MOYNIHAN:

S. 1505. A bill to require the President to take action in response to the reports on barriers to foreign market access; to the Committee on Finance.

By Mr. PROXMIRE (for himself, Mr. CHAFEE, Mr. ANDREWS, Mr. DURENBERGER, Mr. HEINZ, Mr. MCCLURE, Mr. GRASSLEY, Mr. PACKWOOD, Mr. WEICKER, Mr. KASTEN, Mr. THURMOND, Mr. DOMENICI, Mr. HATCH, Mr. HATFIELD, Mr. BURDICK, Mr. MATSUNAGA, Mr. NUNN, Mr. HOLLINGS, Mr. INOUYE, Mr. ZORINSKY, Mr. RIEGLE, Mr. GORE, Mr. EXON, Mr. BRADLEY, Mr. BAUCUS, Mr. CRANSTON, and Mr. BENTSEN):

S.J. Res. 175. Joint resolution to designate the week of August 25, 1985, through August 31, 1985, as "National CPR Awareness Week"; to the Committee on the Judiciary.

By Mr. D'AMATO:

S.J. Res. 176. Joint resolution to provide that a special gold medal honoring George Gershwin be presented to his sister, Frances Gershwin Godowsky, and a special gold medal honoring Ira Gershwin be presented to his widow, Leonore Gershwin, and to provide for the production of bronze duplicates of such medals for sale to the public; to the Committee on Banking, Housing, and Urban Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HEINZ (for himself, Mr. MOYNIHAN, Mr. MITCHELL, and Mr. COHEN):

S. 1493. A bill to provide comprehensive reform of the trade laws, and for other purposes; to the Committee on Finance.

COMPREHENSIVE TRADE LAW REFORM ACT

● Mr. HEINZ. Mr. President, in November 1983, Senators MOYNIHAN, MITCHELL, and I introduced major trade reform legislation in cooperation with TRAC—the Trade Reform Action Coalition. That bill, S. 2139 in the 98th Congress, was in response to the failure of the Trade Agreements Act of 1979 to implement adequately the international trading rules revised during the multilateral trade negotiations.

Our 4 years of experiences with the 1979 act demonstrated numerous difficulties, unexpected consequences, and vaguenesses of definition that needed to be addressed. Overall we concluded, as I stated in 1983, that we need to make U.S. trade laws "less complex, less expensive, less arbitrary, more certain, more expeditious, more fair, and more effective for all petitioners."

We attempted to achieve those objectives in the 1983 TRAC bill, which contained some 54 amendments to the antidumping, countervailing duty, escape clause—section 201—and section 301 provisions of then-existing law.

A number of the 1983 TRAC provisions were enacted into law through an amendment I offered last year to the Trade and Tariff Act of 1984. Even though some of the more important elements of that amendment were modified or dropped in conference—in one case in violation of House and Senate rules—we nevertheless made some substantial progress through provisions that, among other things, provided for cumulation of imports by the International Trade Commission and brought "upstream" subsidies clearly within the parameters of our countervailing duty law.

In part as a result of that success, this year's TRAC bill is less complex than the original version. The antidumping and countervailing duty amendments have been reduced from more than 30 to 10, and the section 201 and 301 amendments are identical to those in the so-called LICIT bill which Senator BAUCUS and I introduced on June 25 (S. 1356). Those provisions were discussed in some detail at that time, and I will not repeat that discussion at this point, although the summary of the TRAC bill that will be printed at the conclusion of these remarks will cover those titles of the bill as well as titles I and IV.

Of particular note in title I of the TRAC bill are the provisions relating to diversionary dumping and critical circumstances. The diversionary dumping provision, which replaces last year's "downstream dumping" proposal, has been significantly narrowed in scope. Originally intended to reach products imported into the United States benefiting from factor inputs sold to the manufacturer of the end product at less than fair value, the provision this year would apply only in cases where the input itself is subject to an outstanding antidumping duty order or a suspension agreement or other restraint. As a result it would no longer be necessary for the Government to undertake a complex investigation in at least two foreign countries to determine if an input is dumped, and, if so, at what margin. In this year's version of the bill the fact of dumping and the margin will have been previously determined via an earlier investigation and will be embodied in either the duty order or the suspension or other restraint agreement. This change should eliminate most of the administrative problems the Commerce Department had with last year's version.

The second major element of title I is the changes in the critical circumstances provisions of our unfair trade practices laws. This provision is particularly important for import-impacted industries because it offers the possibility of relief before the statutory completion of the case. Since an antidumping case will commonly take a year and a countervailing duty case nearly that long, serious damage is an inevitability in any meritorious case before it is concluded and before the preliminary determination—the earliest point when any potential liability is imposed. Indeed, the filing of a petition is often a signal to the foreign producer to send in as much as he can over the next several months before the preliminary determination. Only a declaration of critical circumstances—under current practice erroneously delayed until the preliminary date—would provide for retroactive suspension of liquidation to an earlier point in the process.

In an effort to deter import surges and impose an offsetting liability, the TRAC bill would reverse the presumption of current law and require suspension of liquidation 90 days before the preliminary and an "import surge" determination by the Commerce Department and the International Trade Commission. If the determination were negative, then entries would be liquidated normally. Otherwise the additional duty would be imposed from the 90th day prior to the date of the

preliminary determination. In this way we can make our unfair trade practice laws both more effective and more timely.

Other provisions of title I as well as descriptions of the other titles are contained in the summary that follows my remarks.

Before concluding, however, Mr. President, I want to say a word about a provision in title IV of the bill relating to nonmarket or State-controlled economies. This provision requires the U.S. Government to try to secure an international agreement on how to deal with the trading practices of nonmarket economies.

In including this section in the bill, however, I want to make it clear that I have not abandoned my earlier legislation to amend our unfair trade practice laws to deal unilaterally with nonmarket economy problems. That proposal was approved by the Senate last year but dropped in conference. I plan to reintroduce this legislation later in the year, following the outcome of some pending litigation on an aspect of the issue—Continental Steel Corp., Georgetown Steel Corp., Raritan River Steel Co., and Atlantic Steel Co., against United States.

Mr. President, this is an important bill that will correct some major deficiencies in our trade laws. I hope that the Finance Committee will act on it promptly, along with the LICIT bill. Mr. President, I ask that a summary of the provisions of the bill, along with its text, be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1493

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Comprehensive Trade Law Reform Act of 1985".

SEC. 2. TABLE OF CONTENTS.

Sec. 1. Short title.
Sec. 2. Table of contents.

TITLE I—COUNTERVAILING AND ANTIDUMPING DUTIES

Sec. 101. Limitations on acceptance of country under the Agreement.
Sec. 102. Critical circumstances determinations.
Sec. 103. Persistent dumping and subsidization.
Sec. 104. Suspension of investigations.
Sec. 105. Limited application of 90-day review authority.
Sec. 106. Countervailable subsidy definition.
Sec. 107. Industry and labor associations producing component parts treated as interested parties.
Sec. 108. Diversionary dumping.
Sec. 109. Upstream subsidies.
Sec. 110. Disclosure of confidential information.

TITLE II—RELIEF FROM INJURY CAUSED BY IMPORT COMPETITION

Sec. 201. Investigations under section 201 of Trade Act of 1974.
Sec. 202. Provisional relief upon finding of critical circumstances.
Sec. 203. Consultations with foreign governments.
Sec. 204. Industry assessment and competitiveness strategy.
Sec. 205. Import relief.

TITLE III—RELIEF FROM INJURIOUS INDUSTRIAL TARGETING AND UNFAIR TRADE PRACTICES

Sec. 301. Enforcement of United States rights under trade agreements and response to injurious industrial targeting and other foreign trade practices.
Sec. 302. Investigations under title III of the Trade Act of 1974.
Sec. 303. Mandatory action in cases of injurious industrial targeting.

TITLE IV—NEGOTIATING OBJECTIVES

Sec. 401. Foreign market access; state-owned or controlled enterprises.

TITLE I—COUNTERVAILING AND ANTIDUMPING DUTIES

SEC. 101. LIMITATIONS ON ACCEPTANCE OF COUNTRY UNDER THE AGREEMENT.

Section 701 of the Tariff Act of 1930 (19 U.S.C. 1671) is amended—

(1) by inserting "which meets the requirements of subsection (c) and" after "means of country" in subsection (b),

(2) by redesignating subsection (c) as subsection (e), and

(3) by inserting after subsection (b) the following new subsections:

"(c) ADDITIONAL REQUIREMENTS.—

"(1) IN GENERAL.—A country meets the requirements of this subsection if such country has made a commitment under the General Agreement on Tariffs and Trade to—

"(A) eliminate its export subsidies within one year (or within five years in the case of least developed countries),

"(B) not increase, extend, or add export subsidies, and

"(C) eliminate immediately export subsidies on those products in which such country is competitive.

"(2) For the purpose of determining the competitiveness of merchandise, the Commission, at the request of the administering authority, shall conduct an investigation of whether the merchandise is already competitive in the United States market and whether the merchandise would be competitive in the absence of export subsidies. The Commission shall submit a final report on such investigation to the administering authority by no later than the date that is 60 days after the date on which the administering authority requested such investigation.

"(d) REVIEW OF COMPLIANCE; TERMINATION OF STATUS.—

"(1) REVIEW.—The administering authority shall review the current status of, and compliance with, the agreements described in subsection (b) or (c) at least once during each 12-month period following the date on which the agreement becomes effective.

"(2) PUBLICATION OF DETERMINATIONS.—The administering authority shall determine whether each foreign country has honored each term of the agreements described in subsection (b) or (c) that such country entered into and shall publish such determinations in the Federal Register by no later than the date that is 45 days after the anniversary of the effective date of the agreement.

"(3) TERMINATION OF STATUS; SUSPENSION OF LIQUIDATION.—

"(A) IN GENERAL.—If the administering authority determines that a foreign country has failed to honor any term of an agreement described in subsection (b) or (c) that such country entered into—

"(i) such country shall cease to be treated as a country under the Agreement for purposes of this Act on and after the day that is 30 days after the date on which such determination is published in the Federal Register, and

"(ii) the administering authority shall—

"(I) order the suspension of liquidation of all entries, and withdrawals from warehouse, for consumption after such day of all merchandise of such country that has, at any time, been the subject of an affirmative determination under section 705(a), and

"(II) initiate investigations under section 303 with respect to such merchandise on such day.

"(B) NEGATIVE PRELIMINARY DETERMINATION.—If the preliminary determination of the administering authority described in section 703(b) in an investigation conducted under section 303 is negative, the administering authority shall terminate on the day of such preliminary determination any suspension of liquidation ordered under subparagraph (A)(ii)(I) with respect to the merchandise that is involved in such investigation.".

SEC. 102. CRITICAL CIRCUMSTANCES DETERMINATIONS.

(a)(1) Section 702 of the Tariff Act of 1930 (19 U.S.C. 1671a) is amended by adding at the end thereof the following new subsection:

"(e) SURGE OF IMPORTS.—

"(1) MONITORING AND SUSPENSION OF LIQUIDATION.—If the determination under subsection (c) is affirmative and the petition alleges that a subsidy is inconsistent with the Agreement, or if an investigation is commenced under subsection (a) and the administering authority has reason to believe that a subsidy is inconsistent with the Agreement, the administering authority shall immediately—

"(A) notify the United States Customs Service of such determination and direct customs officers to collect and forward to the administering authority (at least once every 7 days until a final determination is made under section 705(a) or the investigation is terminated) information on the volume and value of entries of the class or kind of merchandise which is the subject of the investigation,

"(B) shall order the suspension of liquidation of all entries of such merchandise which are entered, or withdrawn from warehouse, for consumption on or after the date of publication of the notice of such determination in the Federal Register, and

"(C) begin monitoring (until a final determination is made under section 705(a) or the investigation is terminated) the volume of imports of such merchandise to determine whether the volume of such imports has significantly increased over the volume of such imports prior to the date on which the petition is filed under subsection (b)(1) or on which the investigation is commenced under subsection (a).

"(2) PUBLICATION OF DETERMINATION.—The administering authority shall publish in the Federal Register notice of any affirmative determination made under paragraph (1)(C) as soon as practicable.

"(3) LIMITATION ON DETERMINATION.—No determination may be made under para-

graph (1)(C) prior to the date that is 60 days after—

"(A) the date on which the petition that initiated the investigation is filed under subsection (b), or

"(B) the date on which the investigation is commenced under subsection (a).".

(2)(A) Subsection (b) of section 703 of the Tariff Act of 1930 (19 U.S.C. 1671b(b)) is amended by adding at the end thereof the following sentence: "If the determination of the administering authority under this subsection is negative, the administering authority shall terminate any suspension of liquidation ordered under section 702(e)(1)(B) with respect to the merchandise that is the subject of the investigation.".

(B) Paragraph (1) of section 703(d) of the Tariff Act of 1930 (19 U.S.C. 1671b(d)(1)) is amended by inserting ", if suspension of liquidation has not been ordered under section 702(e)(1)(B)," after "shall".

(C) Paragraph (1) of section 703(e) of the Tariff Act of 1930 (19 U.S.C. 1671b(e)(1)) is amended by striking out "If a petitioner alleges critical circumstances in its original petition, or by amendment" in paragraph (1) and inserting in lieu thereof "If the administering authority has made an affirmative determination under section 702(e)(1)(C)".

(D) Paragraph (2) of section 703(e) of the Tariff Act of 1930 (19 U.S.C. 1671b(e)(2)) is amended to read as follows:

"(2) SUSPENSION OF LIQUIDATION; POSTING OF BOND.—If the determination of the administering authority under paragraph (1) is affirmative—

"(A) the administering authority shall order the posting of a cash deposit, bond, or other security under subsection (d)(2) for, and

"(B) any suspension of liquidation ordered under this subtitle shall apply to, or, if notice of such suspension of liquidation is already published, be amended to apply to, unliquidated entries of merchandise entered, or withdrawn from warehouse, for consumption on or after the date which is 90 days before the date on which the notice of the preliminary determination made under subsection (b) is published in the Federal Register.".

(3)(A) Section 704 of the Tariff Act of 1930 (19 U.S.C. 1671c) is amended by adding at the end thereof the following new subsection:

"(l) EFFECT OF TERMINATION OF INVESTIGATION.—If an investigation under this subtitle is terminated, the administering authority shall—

"(1) terminate any suspension of liquidation ordered under this subtitle with respect to entries of the merchandise which was the subject of the investigation, and

"(2) release any cash deposit, bond, or other security required under this subtitle with respect to such entries.".

(B) Paragraph (2) of section 704(f) of the Tariff Act of 1930 (19 U.S.C. 1671c(f)(2)) is amended—

(i) by striking out "section 703(d)(1)" each place it appears and inserting in lieu thereof "this subtitle",

(ii) by striking out "section 703(d)(1)" in subparagraph (A)(iii) and inserting in lieu thereof "section 703(d)(2)", and

(iii) by striking out "pursuant to a previous affirmative preliminary determination" each place it appears and inserting in lieu thereof "under this subtitle".

(C) Paragraph (3) of section 704(h) of the Tariff Act of 1930 (19 U.S.C. 1671c(h)(3)) is amended by striking out "section 703(d)(1)" and inserting in lieu thereof "this subtitle".

(D) Subsection (i) of section 704 of the Tariff Act of 1930 (19 U.S.C. 1671c(i)) is amended by striking out "under section 703(d)(1)" in paragraph (1)(A).

(4)(A) Paragraph (2) of section 705(a) of the Tariff Act of 1930 (19 U.S.C. 1671d(a)(2)) is amended to read as follows:

"(2) CRITICAL CIRCUMSTANCES.— If the final determination of the administering authority under paragraph (1) is affirmative and the administering authority has made an affirmative determination under section 702(e)(1)(C), such final determination shall also contain a finding as to whether—

"(A) the alleged subsidy is inconsistent with the Agreement, and

"(B) there have been massive imports of the class or kind of merchandise which is the subject of the investigation over a relatively short period.

Such findings may be affirmative even though the preliminary determination under section 703(e)(1) was negative.".

(B) Paragraph (4) of section 705(b) of the Tariff Act of 1930 (19 U.S.C. 1671d(b)(4)) is amended to read as follows:

"(4) ADDITIONAL FINDING IF THREAT OF INJURY FOUND.—If the final determination of the Commission under paragraph (1) is that there is no material injury but that there is threat of material injury, such determination shall include a finding as to whether material injury by reason of imports of the merchandise with respect to which the administering authority has made an affirmative determination under subsection (a) would have been found but for any suspension of liquidation of entries of that merchandise.".

(C) Subparagraph (B) of section 705(c)(1) of the Tariff Act of 1930 (19 U.S.C. 1671d(c)(1)(B)) is amended by striking out "under paragraphs (1) and (2) of section 703(d) the suspension of liquidation and" and inserting in lieu thereof "the suspension of liquidation of all entries of the merchandise that is the subject of the investigation and shall order under section 703(d)(2)".

(D) Paragraph (2) of section 705(c) of the Tariff Act of 1930 (19 U.S.C. 1671d(c)(2)) is amended—

(i) by striking out subparagraphs (A) and (B), and

(ii) by striking out "and the administering authority shall—" and inserting in lieu thereof a period.

(E) Paragraph (3) of section 705(c) of the Tariff Act of 1930 (19 U.S.C. 1671d(c)) is amended to read as follows:

"(3) EFFECT OF CERTAIN DETERMINATIONS ON SUSPENSIONS OF LIQUIDATION AND COLLECTION OF BOND OR CASH DEPOSIT.—If the determination of the administering authority under subsection (a)(2) is negative or the determination of the Commission under subsection (b)(1) is that there is no material injury but that there is a threat of material injury or that the establishment of an industry in the United States is materially retarded, the administering authority shall—

"(A) terminate any suspension of liquidation ordered under this subtitle of entries of the merchandise entered, or withdrawn from warehouse, for consumption before the date on which the preliminary determination made under section 703(b) was published in the Federal Register, and

"(B) release any bond or other security and refund any cash deposit required under section 703(d)(2) with respect to such entries.".

(F) Paragraph (4) of section 705(c) of the Tariff Act of 1930 (19 U.S.C. 1671d(c)(4)) is amended—

(i) by inserting "or 702(e)(1)(B)" after "section 703(d)" in subparagraph (B),

(ii) by striking out "suspension of liquidation was first ordered" in subparagraph (B) and inserting in lieu thereof "the preliminary determination made under section 703(b) was published in the Federal Register", and

(iii) by striking out "suspension of liquidation is first ordered" in subparagraph (C) and inserting in lieu thereof "the preliminary determination made under section 703(b) was published in the Federal Register".

(5) Subsection (b) of section 303 of the Tariff Act of 1930 (19 U.S.C. 1303(b)) is amended by striking out paragraph (3) and redesignating paragraph (4) as paragraph (3).

(b)(1) Section 732 of the Tariff Act of 1930 (19 U.S.C. 1673a) is amended by adding at the end thereof the following new subsection:

"(e) SURGE OF IMPORTS.—

"(1) MONITORING AND SUSPENSION OF LIQUIDATION.—If the determination under subsection (c) is affirmative, or if the investigation is commenced under subsection (a), the administering authority shall immediately—

"(A) notify the United States Customs Service of such determination and direct customs officers to collect and forward to the administering authority (at least once every 7 days until a final determination is made under section 735(a) or the investigation is terminated) information on the volume and value of entries of the class or kind of merchandise which is the subject of the investigation, and

"(B) begin monitoring (until a final determination is made under section 735(a) or the investigation is terminated) the volume of imports of such merchandise to determine whether the volume of such imports has significantly increased over the volume of such imports prior to the date on which the petition is filed under subsection (b)(1) or on which the investigation is commenced under subsection (a).

"(2) PUBLICATION OF DETERMINATION.—The administering authority shall publish in the Federal Register notice of any affirmative determination made under paragraph (1)(B) as soon as practicable.

"(3) LIMITATION ON DETERMINATION.—No determination may be made under paragraph (1)(B) prior to the date that is 60 days after—

"(A) the date on which the petition that initiated the investigation is filed under subsection (b), or

"(B) the date on which the investigation is commenced under subsection (a).

"(4) SUSPENSION OF LIQUIDATION.—On the date that is 70 days after the date on which a petition is filed under subsection (b), or on which the investigation is commenced under subsection (a), the administering authority shall order the suspension of liquidation of all entries of the merchandise that is the subject of the investigation which are entered, or withdrawn from warehouse, for consumption on or after the date on which such order is issued. Notice of such suspension shall be published in the Federal Register on the date on which such order is issued.".

(2)(A) Paragraph (1) of section 733(b) of the Tariff Act of 1930 (19 U.S.C. 1673b(b)) is amended by adding at the end thereof the following sentence: "If the determination of

the administering authority under this paragraph is negative, the administering authority shall terminate the suspension of liquidation ordered under section 732(e)(4).".

(B) Subsection (d) of section 733 of the Tariff Act of 1930 (19 U.S.C. 1673b(d)) is amended by striking out paragraph (1) and redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively.

(C) Paragraph (1) of section 733 of the Tariff Act of 1930 (19 U.S.C. 1673b(d)(1)), as redesignated by subparagraph (B), is amended to read as follows:

"(1) shall order the posting of a cash deposit, bond, or other security, as it deems appropriate, for each entry of the merchandise subject to the investigation which is entered, or withdrawn from warehouse for consumption on or after the date of publication of the notice of such determination in the Federal Register in an amount equal to the estimated average amount by which the foreign market value exceeds the United States price, and".

(D) Paragraph (1) of section 733(e) of the Tariff Act of 1930 (19 U.S.C. 1673b(e)(1)) is amended by striking out "If a petitioner alleges critical circumstances in its original petition, or by amendment" in paragraph (1) and inserting in lieu thereof "If the administering authority has made an affirmative determination under section 732(e)(1)(B)".

(E) Paragraph (2) of section 733(e) of the Tariff Act of 1930 (19 U.S.C. 1673b(e)(2)) is amended to read as follows:

"(2) SUSPENSION OF LIQUIDATION; POSTING OF BOND.—If the determination of the administering authority under paragraph (1) is affirmative—

"(A) the administering authority shall order the posting of a cash deposit, bond, or other security under subsection (d)(1) for, and

"(B) any suspension of liquidation ordered under this subtitle shall apply to, or, if notice of such suspension of liquidation is already published, be amended to apply to, unliquidated entries of merchandise entered, or withdrawn from warehouse, for consumption on or after the date which is 90 days before the date on which notice of the preliminary determination made under subsection (b) is published in the Federal Register.".

(3)(A) Section 734 of the Tariff Act of 1930 (19 U.S.C. 1673c) is amended by adding at the end thereof the following new subsection:

"(l) EFFECT OF TERMINATION OF INVESTIGATION.—If an investigation under this subtitle is terminated, the administering authority shall—

"(1) terminate any suspension of liquidation ordered under this subtitle with respect to entries of the merchandise which was the subject of the investigation, and

"(2) release any cash deposit, bond, or other security required under this subtitle with respect to such entries.".

(B) Paragraph (2) of section 734(f) of the Tariff Act of 1930 (19 U.S.C. 1673c(f)(2)) is amended—

(i) by striking out "section 733(d)(1)" each place it appears and inserting in lieu thereof "this subtitle",

(ii) by striking out "section 733(d)(2)" each place it appears and inserting in lieu thereof "section 733(d)(1)", and

(iii) by striking out "pursuant to a previous affirmative preliminary determination" each place it appears and inserting in lieu thereof "under this subtitle".

(C) Paragraph (3) of section 734(h) of the Tariff Act of 1930 (19 U.S.C. 1673c(h)(3)) is amended—

(i) by striking out "section 733(d)(1)" and inserting in lieu thereof "this subtitle", and

(ii) by striking out "section 733(d)(2)" and inserting in lieu thereof "section 733(d)(1)".

(D) Subsection (i) of section 734 of the Tariff Act of 1930 (19 U.S.C. 1673c(i)) is amended by striking out "under section 733(d)(1)" in paragraph (1)(A)".

(4)(A) Paragraph (3) of section 735(a) of the Tariff Act of 1930 (19 U.S.C. 1673d(a)(3)) is amended to read as follows:

"(3) CRITICAL CIRCUMSTANCES.—If the final determination of the administering authority under paragraph (1) is affirmative and the administering authority has made an affirmative determination under section 732(e)(1)(B), such final determination shall also contain a finding as to whether—

"(A) either—

"(i) there is a history of dumping in the United States or elsewhere of the class or kind of merchandise which is the subject of the investigation, or

"(ii) the person by whom, or for whose account, the merchandise was imported knew or should have known that the exporter was selling the merchandise which is the subject of the investigation at less than its fair value, and

"(B) there have been massive imports of the class or kind of merchandise which is the subject of the investigation over a relatively short period.

Such findings may be affirmative even though the preliminary determination under section 733(e)(1) was negative.".

(B) Paragraph (4) of section 735(b) of the Tariff Act of 1930 (19 U.S.C. 1673d(b)(4)) is amended to read as follows:

"(4) ADDITIONAL FINDING IF THREAT OF INJURY FOUND.—If the final determination of the Commission under paragraph (1) is that there is no material injury but that there is threat of material injury, such determination shall include a finding as to whether material injury by reason of imports of the merchandise with respect to which the administering authority has made an affirmative determination under subsection (a) would have been found but for any suspension of liquidation of entries of that merchandise.".

(C) Paragraph (2) of section 735(c) of the Tariff Act of 1930 (19 U.S.C. 1673d(c)(2)) is amended—

(i) by striking out subparagraphs (A) and (B), and

(ii) by striking out "and the administering authority shall—" and inserting in lieu thereof a period.

(D) Subparagraph (B) of section 735(c)(1) of the Tariff Act of 1930 (19 U.S.C. 1673d(c)(1)(B)) is amended by striking out "under paragraphs (1) and (2) of section 733(d) the suspension of liquidation and" and inserting in lieu thereof "the suspension of liquidation of all entries of the merchandise that is the subject of the investigation and shall order under section 733(d)(1)".

(E) Paragraph (3) of section 735(c) of the Tariff Act of 1930 (19 U.S.C. 1673d(c)) is amended to read as follows:

"(3) EFFECT OF CERTAIN DETERMINATIONS ON SUSPENSIONS OF LIQUIDATION AND COLLECTION OF BOND OR CASH DEPOSIT.—If the determination of the administering authority under subsection (a)(2) is negative or the determination of the Commission under subsection (b)(1) is that there is no material injury but that there is a threat of material injury or that the establishment of an industry in the United States is materially retarded, the administering authority shall—

"(A) terminate any suspension of liquidation ordered under this subtitle of entries of the merchandise that is the subject of the investigation which were entered, or withdrawn from warehouse, for consumption before the date on which the preliminary determination made under section 733(b) was published in the Federal Register, and

"(B) release any bond or other security and refund any cash deposit required under this subtitle with respect to such entries.".

(F) Paragraph (4) of section 735(c) of the Tariff Act of 1930 (19 U.S.C. 1673d(c)(4)) is amended—

(i) by inserting "previously ordered under this subtitle" after "suspension of liquidation" in subparagraph (B),

(ii) by striking out "section 733(d)" in subparagraph (B) and inserting in lieu thereof "section 733(d)(2)",

(iii) by striking out "suspension of liquidation was first ordered" in subparagraph (B) and inserting in lieu thereof "the preliminary determination made under section 733(b) was published in the Federal Register", and

(iv) by striking out "suspension of liquidation is first ordered" in subparagraph (C) and inserting in lieu thereof "the preliminary determination made under section 733(b) was published in the Federal Register".

(5) Paragraph (1) of section 736(b) of the Tariff Act of 1930 (19 U.S.C. 1673e(b)(1)) is amended by striking out "section 733(d)(1)" each place it appears and inserting in lieu thereof "this subtitle".

(6) Subsection (a) of section 737 of the Tariff Act of 1930 (19 U.S.C. 1673f(a)) is amended by striking out "section 733(d)(2)" in the heading and in the text and inserting in lieu thereof "section 733(d)(1)".

SEC. 103. PERSISTENT DUMPING AND SUBSIDIZATION.

Section 703 of the Tariff Act of 1930 (19 U.S.C. 1671b) is amended by adding at the end thereof the following new subsection:

"(i) WAIVER OF PRELIMINARY DETERMINATION BY COMMISSION.—If the Commission has made an affirmative determination under section 703(a), 705(b), 733(a), or 735(b) with respect to the merchandise which is the subject of the investigation during the 1-year period ending on the date on which such investigation is initiated—

"(1) the Commission shall not be required to make a preliminary determination under subsection (a), and

"(2) subsection (b) shall be applied without regard to the requirement that an affirmative determination under subsection (a) be obtained.".

SEC. 104. SUSPENSION OF INVESTIGATIONS.

(a) Paragraph (1) of section 704(b) of the Tariff Act of 1930 (19 U.S.C. 1671c(b)(1)) is amended to read as follows:

"(1) to eliminate the subsidy completely with respect to that merchandise exported directly or indirectly to the United States after the date on which the investigation is suspended, or".

(b) Subsection (b) of section 704 of the Tariff Act of 1930 (19 U.S.C. 1671c(b)) is amended by striking out "OR OFFSET COMPLETELY" in the heading.

SEC. 105. LIMITED APPLICATION OF 90-DAY REVIEW AUTHORITY.

(a) Paragraph (1) of section 736(c) (19 U.S.C. 1673e(c)(1)) is amended to read as follows:

"(1) CONDITIONS FOR WAIVER OF DEPOSIT OF ESTIMATED DUTIES.—The administering authority may permit, for not more than 90 days after the date of publication of an order under subsection (a), the posting of a bond or other security in lieu of the deposit of estimated antidumping duties required under subsection (a)(3) if—

"(A) the investigation has not been designated as extraordinarily complicated by reason of—

"(i) the number and complexity of the transactions to be investigated or adjustments to be considered,

"(ii) the novelty of the issues presented, or

"(iii) the number of firms whose activities must be investigated,

"(B) the final determination in the investigation has not been postponed under section 735(a)(2)(A);

"(C) on the basis of information presented to the administering authority by any manufacturer, producer, or exporter in such form and within such time as the administering authority may require, the administering authority is satisfied that a determination will be made, within 90 days after the date of publication of an order under subsection (a), of the foreign market value and the United States price for all merchandise of such manufacturer, producer, or exporter described in that order which was entered, or withdrawn from warehouse, for consumption on or after the date of publication of—

"(i) an affirmative preliminary determination by the administering authority under section 733(b), or

"(ii) if its determination under section 733(b) was negative, an affirmative final determination by the administering authority under section 735(a),

and before the date of publication of the affirmative final determination by the Commission under section 735(b);

"(D) the person described in subparagraph (C) provides credible evidence that the amount by which the foreign market value of the merchandise exceeds the United States price of the merchandise is significantly less than the amount of such excess specified in the antidumping duty order published under subsection (a); and

"(E) the data concerning the foreign market value and the United States price apply to sales in the usual commercial quantities and in the ordinary course of trade and the number of such sales are sufficient to form an adequate basis for comparison.".

(b) Subsection (c) of section 736 (19 U.S.C. 1673e(c)) is amended by adding at the end thereof the following new paragraph:

"(4) PROVISION OF CONFIDENTIAL INFORMATION; WRITTEN COMMENTS.—Before determining whether to permit the posting of bond or other security under paragraph (1) in lieu of the deposit of estimated antidumping duties, the administering authority shall—

"(A) make all confidential information supplied to the administering authority under paragraph (1) available under a protective order described in section 777(c)(1)(B) to all interested parties described in subparagraph (C), (D), (E), or (F) of section 771(9), and

"(B) afford all interested parties an opportunity to file written comments on whether the posting of bond or other security under paragraph (1) in lieu of the deposit of estimated antidumping duties should be permitted.

SEC. 106. COUNTERVAILABLE SUBSIDY DEFINITION.

Subparagraph (B) of section 771(5) of the Tariff Act of 1930 (19 U.S.C. 1677(5)) is amended—

(1) by striking out clauses (i) and (ii) and inserting in lieu thereof the following new clause:

"(i) The provision of capital, loans, loan guarantees, goods, or services at preferential rates or on terms inconsistent with commercial considerations.", and

(2) by redesignating clauses (iii) and (iv) as clauses (ii) and (iii), respectively.

SEC. 107. INDUSTRY AND LABOR ASSOCIATIONS PRODUCING COMPONENT PARTS TREATED AS INTERESTED PARTIES.

(a) Subparagraph (C) of section 771(9) of the Tariff Act of 1930 (19 U.S.C. 1677(9)(C)) is amended to read as follows:

"(C) a manufacturer, producer, or wholesaler in the United States of a like product, or of—

"(i) major parts,

"(ii) materials,

"(iii) components, or

"(iv) assemblies or subassemblies,

which, due to inherent characteristics, are intended to be incorporated into a like product.".

(b) Paragraph (9) of section 771 of the Tariff Act of 1930 (19 U.S.C. 1677(9)) is amended by striking out "like product" in subparagraphs (D), (E), and (F) and inserting in lieu thereof "like product or of a major part, material, component, assembly, or subassembly described in subparagraph (C)".

SEC. 108. DIVERSIONARY DUMPING.

(a) Section 771 of the Tariff Act of 1930 (19 U.S.C. 1677) is amended by adding at the end thereof the following new paragraph:

"(18) DIVERSIONARY DUMPING.—

"(A) IN GENERAL.—Diversionary dumping occurs when any material or component which—

"(i) is incorporated into the merchandise under investigation, and

"(ii) has been the subject of a previous investigation under subtitle B,

is purchased by the manufacturer or producer of such merchandise at a price that is less than the foreign market value of such material or component.

"(B) DETERMINATION OF FOREIGN MARKET VALUE.—

"(i) ANTIDUMPING DUTY IN EFFECT.—If an antidumping duty order is in effect with respect to the material or component described in subparagraph (A) at the time a determination of the existence of diversionary dumping is made, the foreign market value of such material or component used in determining the amount of such duty shall be used in determining the existence of diversionary dumping.

"(ii) NO ANTIDUMPING DUTY IN EFFECT.—If the previous investigation under subtitle B has been terminated or suspended because of the entry in force of any arrangement, agreement, or understanding entered into or undertaken by the United States and any foreign country or foreign customs union containing quantitative limitations, restrictions, or other terms relating to the importation into the United States of the material or component described in subparagraph (A), the determination of the foreign market value of such material or component which is used in determining the existence of diversionary dumping shall be based upon the best available evidence, including the allegations contained in any petition filed with respect to any previous investigation of such material or component under subtitle B and any information gathered in such previous investigation.".

(b) Paragraph (4) of section 773(a) of the Tariff Act of 1930 (19 U.S.C. 1677b(a)(4)) is amended—

(1) by striking out "or" at the end of subparagraph (B),

(2) by striking out the comma at the end of subparagraph (C) and inserting in lieu thereof "; or", and

(3) by inserting after subparagraph (C) the following new subparagraph:

"(D) diversionary dumping;".

(c) Section 773 of the Tariff Act of 1930 (19 U.S.C. 1677b) is amended—

(1) by inserting "(including such adjustments as may be appropriate to take into account the effects of diversionary dumping on such costs)" after "in question" in the first sentence of subsection (b), and

(2) by inserting "or components, as appropriately adjusted for diversionary dumping," after "the cost of materials" in subsection (e)(1)(A).

SEC. 109. UPSTREAM SUBSIDIES.

(a) Subsection (a) of section 771A of the Tariff Act of 1930 (19 U.S.C. 1677-1(a)) is amended by inserting "or is paid or bestowed under the authority of any statute, regulation, policy, or practice of the customs union or any of its members" after "provided by the customs union" in the second sentence.

(b) Subsection (b) of section 771A of the Tariff Act of 1930 (19 U.S.C. 1677-1(b)) is amended by adding at the end thereof the following new paragraph:

"(3) DIVERSION.—

"(A) DETERMINATION.—If—

"(i) a countervailing duty order is in effect with respect to an input product, or

"(ii) an input product is subject to any arrangement, agreement, or understanding entered into, or undertaken by, the United States and any foreign country or foreign customs union which contains quantitative limitations or restriction on, or other terms relating to, the importation of such input product into the United States,

and a subsidy continues to be paid or bestowed on such input product after the date on which such countervailing duty order was issued or on which such agreement took effect, the administering authority shall determine whether an increase in imports of the merchandise under investigation has occurred since such date.

"(B) PRESUMPTION.—If the determination made under subparagraph (A) is affirmative, the administering authority shall presume that a competitive benefit is being bestowed on the merchandise under investigation.".

SEC. 110. DISCLOSURE OF CONFIDENTIAL INFORMATION.

(a) Subparagraph (A) of section 777(c)(1) of the Tariff Act of 1930 (19 U.S.C. 1677f(c)(1)(A)) is amended to read as follows:

"(A) IN GENERAL.—Upon receipt of an application (before or after receipt of the information requested) which describes in general terms the type of information sought and sets forth reasons for the request, the administering authority and the Commission shall make confidential information submitted by any other person to the investigation available under a protective order described in subparagraph (B), unless the person who submitted such information establishes that substantial harm to the business operations of such person would result from such disclosure.".

(b) Clause (ii) of section 777(b)(1)(B) of the Tariff Act of 1930 (19 U.S.C.

1677f(b)(1)(B)(ii)) is amended to read as follows:

"(ii) a statement that the information should not be released under an administrative protective order, a statement of the reasons why the information should not be so released, and a statement of whether the person submitting the information will withdraw the information if the administering authority or the Commission determines to release the information under subsection (c).".

(c) Paragraph (1) of section 777(c) of the Tariff Act of 1930 (19 U.S.C. 1677f(c)(1)) is amended by adding at the end thereof the following new subparagraph:

"(C) TIME LIMITATION.—The determination of whether to make information available under this paragraph, and the availability of such information under a protective order if such determination is affirmative, shall occur not later than 5 days (or 10 days if the statements described in subsection (b)(1)(B)(ii) are submitted with such information) after the later of—

"(i) the date on which such information is requested under subparagraph (A), or

"(ii) the date on which such information is submitted to the Commission or the administering authority.".

TITLE II—RELIEF FROM INJURY CAUSED BY IMPORT COMPETITION

SEC. 201. INVESTIGATIONS UNDER SECTION 201 OF TRADE ACT OF 1974.

(a)(1) Chapter 1 of title II of the Trade Act of 1974 (19 U.S.C. 2251, et seq.) is amended—

(A) by striking out "President" each place it appears and inserting in lieu thereof "Administering Authority", and

(B) by striking out "presidential" in the heading of section 202 and inserting "by the administering authority" after the word "action".

(2) Section 601 of the Trade Act of 1974 (19 U.S.C. 2481) is amended by adding at the end thereof the following new paragraph:

"(11) The term 'Administering Authority' means the United States Trade Representative or any officer of the United States to whom the responsibility for carrying out the duties of the Administering Authority under this Act are transferred by law.".

(b) Paragraph (1) of section 201(a) of the Trade Act of 1974 (19 U.S.C. 2251(a)(1)) is amended by inserting "or to enhance competitiveness" after "alternative uses" in the second sentence.

(c) Subsection (b) of section 201 of the Trade Act of 1974 (19 U.S.C. 2251(b)) is amended—

(1) by striking out "to the domestic industry producing an article like or directly competitive with the imported article" in paragraph (1) and inserting in lieu thereof "to any domestic industry that produces an article like or directly competitive with the imported article or that produces materials, parts, components, or subassemblies irrevocably destined for incorporation in an article like or directly competitive with the imported article.";

(2) by striking out "substantial cause" in paragraphs (1), (2)(C), and (2)(D) and inserting in lieu thereof "cause";

(3) by inserting "domestic production facilities" after "operate" in paragraph (2)(A);

(4) by amending paragraph (2)(B) to read as follows:

"(B) with respect to the threat of serious injury—

"(i) a decline in sales or market share in the domestic industry concerned;

"(ii) a higher and growing inventory in the domestic industry concerned;

"(iii) a downward trend in production, profits, wages, or employment (or increasing underemployment) in the domestic industry concerned;

"(iv) any combination of coordinated government actions, whether carried out severally or jointly, that—

"(I) are bestowed on a specific enterprise, industry, or group thereof the effect of which is to assist the beneficiary to become more competitive in the export of any class or kind of merchandise, and

"(II) causes, or threatens to cause, serious injury to the domestic industry concerned; and

"(v) the extent to which the United States market is the focal point for diversion of exports of the article concerned by reason of restraints on exports of such article to, or on imports of such article into, third country markets; and";

(5) by striking out "may" in paragraph (3)(A) and inserting in lieu thereof "shall";

(6) by amending paragraph (4) to read as follows:

"(4) For purposes of this section, the term 'cause' means a cause which is important. A cause may be important even though other causes, such as a general economic recession, are of equal or greater importance."; and

(7) by adding at the end thereof the following new paragraph:

"(8) For purposes of this section, imports of like or directly competitive articles by domestic producers in an industry shall not be considered a factor indicating the absence of serious injury, or threat thereof, to such industry.".

(d) Paragraph (1) of section 201(d) of the Trade Act of 1974 (19 U.S.C. 2251(d)(1)) is amended—

(1) by striking out "or" at the end of subparagraph (A) and inserting in lieu thereof "and", and

(2) by striking out "remedy" in subparagraph (B) and inserting in lieu thereof "assist in remedying".

SEC. 202. PROVISIONAL RELIEF UPON FINDING OF CRITICAL CIRCUMSTANCES.

Section 201 of the Trade Act of 1974 (19 U.S.C. 2251) is amended by adding at the end thereof the following new subsection:

"(g)(1) If, during the course of an investigation initiated under this title, the Administering Authority finds that critical circumstances exist, the Administering Authority shall impose provisional measures consisting of any actions authorized under section 203(a). Such provisional measures shall remain in effect until the later of—

"(A) the date on which the measures are revoked by the President,

"(B) the date on which the Commission makes a negative determination under subsection (b)(1), or

"(C) the date that is 60 days after the date on which the Commission makes an affirmative determination under subsection (b)(1).

"(2) For purposes of this subsection, critical circumstances exist if a significant increase in imports (absolutely or relatively) over a short period of time has led to circumstances in which a delay in the imposition of relief would cause damage that would be difficult to repair.".

SEC. 203. CONSULTATIONS WITH FOREIGN GOVERNMENTS.

(a) Subsection (d) of section 201 of the Trade Act of 1974 (19 U.S.C. 2251(d)) is amended by adding at the end thereof the following new paragraph:

"(3) If the Commission makes an affirmative finding or recommendation under this paragraph, the Commission shall also determine (for purposes of section 203(l))—

"(A) whether trade in the article concerned has been affected by any combination of coordinated government actions, carried out severally or jointly, that—

"(i) are bestowed on a specific enterprise, industry, or group thereof, and

"(ii) assist the beneficiary in becoming more competitive in the export of any class or kind of merchandise, and

"(B) the extent to which the United States market is the focal point for diversion of exports of such article by reason of restraints on exports of such article to, or on imports of such article into, third country markets.

Such determinations shall be included in the report submitted under paragraph (1).".

(b) Section 203 of the Trade Act of 1974 (19 U.S.C. 2253) is amended by adding at the end thereof the following new subsection:

"(l) If—

"(1) the Administering Authority determines to provide import relief under section 202(a)(1), and

"(2) the Commission has made an affirmative determination under section 201(d)(3) with respect to an article,

the Administering Authority shall, in addition to the actions taken under section 202(a)(1), consult and negotiate with other countries that produce or consume such article to seek the establishment of a multilateral framework for the maintenance and development of fair, equitable, and nondisruptive patterns of trade in such article.".

SEC. 204. INDUSTRY ASSESSMENT AND COMPETITIVENESS STRATEGY.

(a) Chapter 1 of title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 204. INDUSTRY ASSESSMENT AND COMPETITIVENESS STRATEGY.

"(a) After the Commission commences an investigation under section 201(a) on the basis of a petition filed by—

"(1) firms,

"(2) a certified or recognized union, or

"(3) a group of workers,

which represent a significant portion of the industry, the Administering Authority shall establish an advisory group for the industry if such representatives of the industry request, in the petition, that such an advisory group be established.

"(b) Each advisory group established under this section shall consist of—

"(1) individuals appointed by the Administering Authority from among the petitioners who are representative of the firms and of the workers in the domestic industry, and

"(2) officials of the Department of Labor, the Department of Commerce, and the Administering Authority.

"(c)(1) Each advisory group established under this section shall prepare for the industry concerned an assessment of current problems and a strategy to enhance competitiveness that sets forth objectives and specific steps that workers and firms could usefully undertake to improve the ability of the industry to compete or to assist the industry to adjust to new methods of competition.

"(2) Each advisory group established under this section shall include in the assessment and strategy prepared under paragraph (1) a determination of the ability of producers in the industry concerned to generate adequate capital to finance the modernization of plant and equipment or to oth-

erwise enhance competitiveness (including any associated research and development) specified in such assessment and strategy. Such determination shall include an estimate of the overall capital requirements of such industry.

"(3) The assessment and strategy prepared under paragraph (1) shall set forth those actions which may be taken by the appropriate Federal agencies under existing authority, or under new legislation, to assist in achieving the objectives set forth in the assessment and strategy.

"(4) Each advisory group shall submit copies of the assessment and strategy prepared under paragraph (1) to the Commission, the Administering Authority, the Secretary of Labor, and the Secretary of Commerce, within 120 days after the date on which the Commission commences the investigation with respect to the industry under section 201.

"(d) After an assessment and strategy is submitted by an advisory group under subsection (c)(4) and before the close of the period referred to in section 202(b), the Administering Authority shall seek to obtain, on a confidential basis, information from the individual members of such advisory group regarding—

"(1) how such members intend to act upon the recommended objectives and actions specified in such assessment and strategy, and

"(2) any other actions such members intend to take which will foster the objectives described in subsection (c)(1).

The Administering Authority shall transmit such information to the Commission, the Secretary of Labor, and the Secretary of Commerce on a confidential basis. The Administering Authority shall include in the transmission of such confidential information any other information obtained by the Administering Authority on the capital requirements of the industry referred to in section 201(b)(2)(B).

"(e) The Administering Authority, the Secretary of Commerce, and the Secretary of Labor shall provide such staff, information, personnel, and administrative services and assistance to advisory groups established under this section as such advisory groups may deem necessary to enable such advisory groups to carry out their responsibilities under this section. The Administering Authority may request other Executive branch agencies which administer programs that may contribute to enhancing the competitiveness of the domestic industry concerned to assist such advisory groups in carrying out their responsibilities under this section.

"(f)(1) If an assessment and strategy is submitted under subsection (c), the Administering Authority, the Commission, the Secretary of Labor, and the Secretary of Commerce shall consider such assessment and strategy in making any determination, or taking any action, under the provisions of this title.

"(2) Neither the failure of the representatives of an industry to request the establishment of an advisory group under subsection (a) nor the failure of an advisory group to submit an assessment and strategy under subsection (c) shall be taken into account in making any determination, or taking any action, under the provisions of this title.".

(b)(1) Subsection (a) of section 201 of the Trade Act of 1974 (19 U.S.C. 2251(a)) is amended by adding at the end thereof the following new paragraph:

"(3) Firms and workers representing a significant portion of an industry may request in the petition that an industry advisory group be established under section 204 for the purpose of preparing an assessment of current problems of the industry and a strategy to enhance competitiveness for the industry.".

(2) Subparagraph (B) of section 201(b)(2) of the Trade Act of 1974 (19 U.S.C. 2251(b)(2)(B)), as amended by section 201(b)(4) of this Act, is amended—

(A) by striking out "and" at the end of subclause (II) of clause (iv), and

(B) by adding at the end thereof the following new clause:

"(vi) in the case of an industry that has developed an assessment and strategy under section 204, the inability of producers in the domestic industry to generate adequate capital to finance the modernization of plants and equipment, or to otherwise enhance competitiveness, including any associated research and development, as set forth in such assessment and strategy for enhanced competitiveness; and"

(3) Subsection (d) of section 201 of the Trade Act of 1974 (19 U.S.C. 2252(d)) is amended by adding at the end thereof the following new paragraph:

"(4) If an assessment and strategy for the domestic industry is submitted under section 204(c)(2), the Commission shall take into account in developing its recommendations under paragraph (1) the objectives and actions, including the nature and extent of import relief, specified in such assessment and strategy.".

(c)(1) Paragraph (1) of section 202(a) of the Trade Act of 1974 (19 U.S.C. 2252(a)(1)) is amended—

(A) by striking out "and" at the end of subparagraph (A),

(B) by redesignating subparagraph (B) as subparagraph (C), and

(C) by inserting after subparagraph (A) the following new subparagraph:

"(B) shall, if an assessment and strategy has been prepared under section 204, evaluate any objectives and actions specified in such assessment and strategy, and".

(2) Paragraph (3) of section 202(c) of the Trade Act of 1974 (19 U.S.C. 2252(c)(3)) is amended to read as follows:

"(3) the probable effectiveness of import relief as a means of promoting adjustment or modernization in order to improve competitive abilities, the efforts being made or to be implemented by the industry concerned (including actions specified in the assessment and strategy prepared under section 204) to adjust to import competition, and other considerations relative to the position of the industry in the United States economy;".

(d) Section 203 of the Trade Act of 1974 (19 U.S.C. 2253) is amended by adding at the end thereof the following new subsection:

"(m)(1) If the Administering Authority determines to provide import relief under section 202(a)(1) and an assessment of current problems and strategy to enhance competitiveness was submitted under section 204(c) for the industry concerned, the Administering Authority shall publish in the Federal Register, on the same day on which action is taken under subsection (a), notice of the availability to the public of the text of such assessment and strategy and a summary thereof. Upon publication of a summary of the assessment and strategy under the preceding sentence, the Administering Authority shall be entitled to rely upon the actions outlined in such competitive assessment and strategy, and in the confidential information obtained under section 204(d), as one basis for granting relief.

"(2)(A) If a summary of an assessment and strategy is published under paragraph (1), a review committee consisting of the Administering Authority, the Secretary of Labor, and the Secretary of Commerce shall—

"(i) monitor, on a continuing basis, actions taken by the petitioners to improve the competitive position of the industry, including actions specified in any confidental information obtained under section 204(d);

"(ii) make such recommendations for administrative action under existing statutory authority as may be necessary to achieve the objectives specified in such assessment and strategy; and

"(iii) submit to Congress such recommended legislation as the review committee considers necessary or appropriate for the purpose of achieving the objectives specified in such assessment and strategy.

Any proposed legislation submitted under clause (iii) shall be subject to the same rules applicable to an implementing bill under section 151.

"(B) If the review committee described in subparagraph (A) determines that the firms or workers in the domestic industry are not implementing, or are implementing in an unsatisfactory manner—

"(i) the recommended objectives and actions specified in the assessment and strategy published under paragraph (1), or

"(ii) the actions declared in the confidential information obtained under section 204(d),

the review committee shall consult with the advisory group members on an individual or joint basis, as appropriate.

"(C) If, after consultations are held under subparagraph (B) and after taking into account such other relevant information as may be available, the review committee determines that the failure to implement, or failure to implement satisfactorily, the actions described in clause (i) or (ii) of subparagraph (B)—

"(i) is not justified by changed circumstances, and

"(ii) has adversely affected overall implementation of the objectives specified in the assessment and strategy published under paragraph (1),

the Administering Authority shall request the Commission to issue a report under section 203(i)(2) within 60 days of the date of such request. After taking such report by the Commission and the determination of the review committee into account, the Administering Authority shall determine whether all import relief provided to the industry under this section should be terminated or modified.".

(e) The table of contents of the Trade Act of 1974 is amended by inserting after the item relating to section 203 the following new item:

"Sec. 204. Industry assessment and competitiveness strategy.".

SEC. 205. IMPORT RELIEF.

(a) Subsection (a) of section 203 of the Trade Act of 1974 (19 U.S.C. 2253(a)) is amended—

(1) by striking out "or" at the end of paragraph (4),

(2) by redesignating paragraph (5) as paragraph (6), and

(3) by inserting after paragraph (4) the following new paragraph:

"(5) consult with petitioners and representatives of workers and firms in the affected industry as to the advisability and de-

sirability of taking appropriate action under section 303 or title VII of the Tariff Act of 1930, or title III of this Act, if, pursuant to any investigation under this title, the Administering Authority has reason to believe that any foreign government or firm is engaged in any action or practice for which relief is available under such section or title; or".

(b) Subsection (j) of section 203 of the Trade Act of 1974 (19 U.S.C. 2253(j)) is amended by inserting "good cause is shown or" after "unless".

TITLE III—RELIEF FROM INJURIOUS INDUSTRIAL TARGETING AND UNFAIR TRADE PRACTICES

SEC. 301. ENFORCEMENT OF UNITED STATES RIGHTS UNDER TRADE AGREEMENTS AND RESPONSE TO INJURIOUS INDUSTRIAL TARGETING AND OTHER FOREIGN TRADE PRACTICES.

(a)(1) Paragraph (1) of section 301(a) of the Trade Act of 1974 (19 U.S.C. 2411(a)(1)) is amended to read as follows:

"(1) IN GENERAL.—If the Administering Authority determines that action by the United States is appropriate—

"(A) to enforce the rights of the United States under any trade agreement; or

"(B) to respond to any act, policy, or practice of a foreign country or instrumentality that—

"(i) is inconsistent with the provisions of, or otherwise denies benefits to the United States under, any trade agreement,

"(ii) is unjustifiable, unreasonable, or discriminatory and burdens or restricts United States commerce, or

"(iii) constitutes injurious industrial targeting;

the Administering Authority may, to the extent necessary to enforce such rights, or to obtain the elimination of, or offset or otherwise respond to, such foreign act, policy, or practice, take the actions described in subsection (b).".

(2) Paragraph (2) of section 301(a) of the Trade Act of 1974 (19 U.S.C. 2411(a)(2)) is amended by striking out "President" and inserting in lieu thereof "Administering Authority".

(b) Subsection (b) of section 301 of the Trade Act of 1974 (19 U.S.C. 2411(b)) is amended to read as follows:

"(b) AUTHORIZED ACTIONS.—If the Administering Authority determines to take action under subsection (a), the Administering Authority may—

"(1) suspend, withdraw, or prevent the application of benefits of trade agreement concessions to carry out a trade agreement with the foreign country or instrumentality involved;

"(2) direct customs officers to—

"(A) assess duties or impose other import restrictions on the products of, or

"(B) assess fees or impose restrictions on the services of,

such foreign country or instrumentality for such time, in such an amount, and to such a degree as the Administering Authority determines appropriate;

"(3) negotiate agreements (including, but not limited to, orderly marketing agreements) with foreign countries or instrumentalities to fully offset the burden or restrictions on United States commerce;

"(4) submit to the President proposed administrative actions, and if necessary, legislation to implement any other government action which would restore or improve the international competitive position of the industry that has been injured or threatened with injury;

"(5) notwithstanding any other provision of law, recommend to the President action respecting service sector access authorization; or

"(6) any combination of the actions described in the preceding paragraphs.".

(c) Subsection (c) of the Trade Act of 1974 (19 U.S.C. 2411(c)) is amended—

(1) by striking out "President" each place it appears and inserting in lieu thereof "Administering Authority",

(2) by striking out "United States Trade Representative (hereinafter in this chapter referred to as the 'Trade Representative')" in paragraph (2)(B) and inserting in lieu thereof "Administering Authority", and

(3) by striking out "Trade Representative" in paragraph (3) and inserting in lieu thereof "Administering Authority".

(d) Section 301 of the Trade Act of 1974 (19 U.S.C. 2411) is amended by striking out subsection (d) and redesignating subsection (e) as subsection (d).

(e) Subsection (d) of section 301 of the Trade Act of 1974 (19 U.S.C. 2411(e)), as redesignated by subsection (d) of this section, is amended—

(1) by adding at the end thereof the following new paragraph:

"(7) INJURIOUS INDUSTRIAL TARGETING.—The term 'injurious industrial targeting' means any combination of coordinated government actions, whether carried out severally or jointly—

"(A) which are bestowed on a specific enterprise, industry, or group thereof,

"(B) which assist such enterprise, industry, or group to become more competitive in the export of any class or kind of merchandise, and

"(C) which cause, or threaten to cause, material injury (within the meaning of section 305(c)).", and

(2) by striking out "For purposes of this section" and inserting in lieu thereof "For purposes of this title".

(f) Section 302 of the Trade Act of 1974 (19 U.S.C. 2412) is amended—

(1) by striking out "United States Trade Representative (hereinafter in this chapter referred to as the 'Trade Representative')" in subsection (a)(1) and inserting in lieu thereof "Administering Authority",

(2) by striking out "President" in subsection (a)(1) and inserting in lieu thereof "Administering Authority",

(3) by striking out "Trade Representative" each place it appears and inserting in lieu thereof "Administering Authority", and

(4) by striking out "in order to advise the President concerning the exercise of the President's authority under section 301" in subsection (c)(1).

(g) Section 303 of the Trade Act of 1974 (19 U.S.C. 2413) is amended—

(1) by striking out "Trade Representative" each place it appears and inserting in lieu thereof "Administering Authority",

(2) by striking out "section 304" in subsection (b)(1)(B) and inserting in lieu thereof "sections 304 and 305",

(3) by striking out "section 306" in subsection (b)(2)(B) and inserting in lieu thereof "section 310",

(4) by adding at the end thereof the following new subsection:

"(c) DOMESTIC FIRMS AND WORKERS.—The Administering Authority shall consult with representatives of domestic firms and workers that may be affected by any investigation initiated under section 302, including the appropriate advisory committees established under section 135, regarding any determination which is required to be made by the Administering Authority under this title.", and

(5) by striking out "upon initiation of investigation" in the heading.

(h)(1) Sections 305 and 306 of the Trade Act of 1974 (19 U.S.C. 2415; 2416) are each amended by striking out "Trade Representative" each place it appears and inserting in lieu thereof "Administering Authority".

(2) Subsection (c) of section 305 of the Trade Act of 1974 (19 U.S.C. 2415(c)) is amended to read as follows:

"(c) CONFIDENTIAL BUSINESS INFORMATION.—

"(1) IN GENERAL.—Upon receipt of a written request for confidential business information obtained by the Administering Authority in connection with any investigation initiated under this title, including any information submitted by foreign governments, the Administering Authority shall make such information available (other than customer names and the identity of market research organizations) under a protective order described in paragraph (5).

"(2) NATIONAL SECURITY.—No information classified for national security reasons shall be made available under this section.

"(3) PROCEDURES.—The Administering Authority shall act upon requests for access to confidential business information within 10 days after receiving such request.

"(4) CONTINUING REQUEST.—A request for confidential business information shall be treated as continuing for the period of the investigation.

"(5) PROTECTIVE ORDER.—The protective order under which confidential business information is made available under this subsection shall contain such requirements as the Administering Authority may prescribe by regulation. The Administering Authority shall prescribe regulations that provide such sanctions for violations of protective orders as the Administering Authority determines to be appropriate, including disbarment from practice before the Administering Authority.".

(i) The table of contents of the Trade Act of 1974 is amended by striking out "upon initiation of investigation" in the item relating to section 303.

SEC. 302. INVESTIGATIONS UNDER TITLE III OF THE TRADE ACT OF 1974.

Section 304 of the Trade Act of 1974 (19 U.S.C. 2414) is amended to read as follows:

"SEC. 304. INVESTIGATIONS BY THE ADMINISTERING AUTHORITY.

"(a) COLLECTION AND VERIFICATION OF INFORMATION.—

"(1) FOREIGN GOVERNMENTS AND ENTERPRISES.—

"(A) QUESTIONNAIRES.—In conducting any investigation initiated under section 302, the Administering Authority shall present detailed questionnaires to the foreign governments and the foreign enterprises involved in such investigation in order to obtain information concerning the allegations contained in the petition.

"(B) VERIFICATION.—The Administering Authority shall verify all information provided by any foreign government or foreign enterprise in the course of any investigation initiated under section 302 which is relied on by the Administering Authority in making any determinations under this title.

"(2) USE OF BEST INFORMATION.—If—

"(A) any foreign government or foreign enterprise fails to provide information requested by the Administering Authority concerning any acts, policies, or practices of

such government or enterprise which are under investigation, or

"(B) the information provided by any foreign government or foreign enterprise is not sufficient or is otherwise unsatisfactory,

the determinations of the Administering Authority under this title shall be based on the best information otherwise available, which may be the allegations and information contained in the petition.

"(b) PRELIMINARY DETERMINATIONS.—

"(1) IN GENERAL.—By no later than the date that is 5 months after the date on which an investigation is initiated under section 302, the Administering Authority shall make a preliminary determination based upon such investigation as to whether there is reason to believe that—

"(A) the rights of the United States under any trade agreement are not being enforced, or

"(B) any act, policy, or practice of a foreign county or instrumentality—

"(i) is inconsistent with the provisions of any trade agreement or otherwise denies benefits to the United States under any trade agreement,

"(ii) is unjustifiable, unreasonable, or discriminatory and burdens or restricts United States commerce, or

"(iii) constitutes injurious industrial targeting.

"(2) PROVISIONAL ACTION.—If the preliminary determination of the Administering Authority under paragraph (1) is affirmative, the Administering Authority may take any action described in paragraph (1), (2), or (3) of section 301(b), or any combination of such actions, pending completion of the investigation.

"(c) FINAL DETERMINATION.—

"(1) IN GENERAL.—By no later than the date that 11 months after the date on which an investigation is initiated under section 302, the Administering Authority shall make a final determination based upon such investigation as to whether any of the circumstances described in subparagraph (A) or (B) of subsection (b)(1) exists.

"(2) ACTIONS AFTER FINAL DETERMINATIONS.—

"(A) AFFIRMATIVE FINAL DETERMINATION.—

"(i) IN GENERAL.—Except as provided in section 306, if the final determination under paragraph (1) is affirmative, the Administering Authority shall, by no later than the date that is 30 days after the date of such final determination, make a determination as to what action, if any, the Administering Authority will take under section 301(a).

"(ii) CONSULTATION.—If the final determination made under paragraph (1) is affirmative, the Administering Authority shall consult with the petitioner, if any, and representatives of the affected domestic firms and workers regarding the action, if any, which is to be taken under section 301(a).

"(iii) REPORT ON FAILURE TO TAKE ACTION.—If the final determination made under paragraph (1) is affirmative and the Administering Authority declines to take any action under section 301(a), the Administering Authority shall submit to the Congress a written statement which specifies—

"(I) the reasons why the Administering Authority decided to take no action under section 301(a), and

"(II) the views of representatives of the affected domestic firms and workers regarding such decision.

"(B) NEGATIVE FINAL DETERMINATION.—If—

"(i) the final determination under paragraph (1) is negative, and

"(ii) the Administering Authority took any action under subsection (b)(2),

the Administering Authority shall terminate such action and refund any duties or fees paid by reason of such action.

"(d) PUBLICATION.—Notice of the determinations made under subsections (b)(1) and (c)(1) of this section and of any determination to take action under section 301(a) shall be published in the Federal Register.".

SEC. 303. MANDATORY ACTION IN CASES OF INJURIOUS INDUSTRIAL TARGETING.

(a) Title III of the Trade Act of 1974 is amended by redesignating sections 305 and 306 as sections 309 and 310, respectively, and by inserting after section 304 the following new sections:

"SEC. 305. INVESTIGATIONS OF INJURIOUS INDUSTRIAL TARGETING.

"(a) INVESTIGATIONS BY ADMINISTRATIVE AUTHORITY.—If the Administering Authority makes a preliminary determination under section 304(b)(1) that the circumstances described in section 304(b)(1)(B)(iii) exist, the Administering Authority—

"(1) shall establish an advisory committee composed of—

"(A) representatives of domestic firms and workers in the industries which are affected by such targeting, and

"(B) appropriate Federal officials, and

"(2) by no later than the date on which a final determination is required to be made under section 304(c)(1) with respect to such targeting, shall formulate, in consultation with such advisory committee, proposals which would restore or improve the competitive position of such domestic industries in both domestic and foreign markets.

"(b) INVESTIGATIONS BY INTERNATIONAL TRADE COMMISSION.—

"(1) NOTICE OF INVESTIGATION.—On the day on which the Administering Authority initiates an investigation under section 302 of injurious industrial targeting, the Administering Authority shall submit to the United States International Trade Commission (hereafter in this title referred to as the 'Commission') a copy of—

"(A) if the investigation is initiated under section 302(a), the petition, or

"(B) if the investigation is initiated under section 302(b), a written statement describing the issues under investigation.

"(2) PRELIMINARY DETERMINATION.—By no later than the date that is 60 days after the date on which notice of an investigation is submitted to the Commission under paragraph (1), the Commission shall make a preliminary determination, based upon the best information available to the Commission at the time of the investigation, of whether there is a reasonable indication that—

"(A) an industry in the United States—

"(i) is materially injured, or

"(ii) is threatened with material injury; or

"(B) the establishment or growth of an industry in the United States is materially retarded;

by reason of sales or likely sales in the United States or other foreign markets of the merchandise which is the subject of such investigation.

"(3) FINAL DETERMINATION.—The Commission shall make a final determination of whether any of the circumstances described in paragraph (2) exist with respect to the merchandise that is the subject of an investigation initiated under section 302 by no later than the date that—

"(A) if an affirmative preliminary determination under section 304(b)(1) was made with respect to such investigation, is 45 days after the date on which an affirmative final determination is made under section 304(c)(1) with respect to such investigation, or

"(B) if the Administering Authority mad a negative preliminary determination unde section 304(b)(1) with respect to such inves tigation, is 75 days after the day on whic an affirmative final determination is mad under section 304(c)(1) with respect to suc investigation.

No final determination shall be require under this subsection with respect to an in vestigation if the final determination unde section 304(c)(1) is negative.

"(4) JUDICIAL REVIEW.—Any determinatio made by the Commission under this sectio shall be subject to review by the Unite States Court of International Trade as i such determination were made under eithe section 703(a) or 705(b) of the Tariff Act o 1930, as the case may be.

"(c) MATERIAL INJURY AND THREAT OF MA TERIAL INJURY.—

"(1) MATERIAL INJURY.—

"(A) IN GENERAL.—For purposes of this sec tion, the term 'material injury' means harr which is not inconsequential, immaterial, o unimportant.

"(B) VOLUME AND CONSEQUENT IMPACT.—I making determinations under this sectio the Commission shall consider, among othe factors—

"(i) the volume of sales of the merchan dise which is the subject of the investiga tion,

"(ii) the effect on sales of that merchan dise on prices in the United States or othe foreign markets for like products, and

"(iii) the impact of sales of such merchan dise on domestic producers of like product

"(C) EVALUATION OF VOLUME AND PRICE E FECTS.—For purposes of this section—

"(i) VOLUME.—In evaluating the volume o sales of merchandise, the Commission sha consider whether the volume of sales of th merchandise, or any increase in tha volume, either in absolute terms or relativ to production or consumption in the Unite States or other foreign markets, is signif cant.

"(ii) PRICE.—In evaluating the effect o sales of the merchandise on prices, th Commission shall consider—

"(I) whether there has been significan price undercutting by the foreign merchan dise as compared with the price of like pro ucts of the United States, and

"(II) whether the effect of sales of th merchandise otherwise depresses prices to significant degree or prevents to a signif cant degree price increases that otherwi would have occurred.

"(iii) IMPACT ON AFFECTED INDUSTRY.—In e amining the industry involved in the inves gation, the Commission shall evaluate a relevant economic factors which have bearing on the state of the industry, inclu ing, but not limited to—

"(I) actual and potential decline in outpu sales, market share, profits, productivit return on investments, and utilization of c pacity,

"(II) factors affecting domestic and fo eign prices,

"(III) actual and potential negative effec on cash flow, inventories, employmen wages, growth, ability to raise capital, an investment, and

"(IV) displacement of United States e ports of like products in third country ma kets.

"(2) THREAT OF MATERIAL INJURY.—

"(A) IN GENERAL.—In determining wheth an industry in the United States is threa ened with material injury, the Commissi

shall consider, among other relevant economic factors—

"(i) any increase in production capacity or existing unused capacity in foreign countries under investigation that is likely to result in increased exports from such country,

"(ii) any rapid increase in United States market penetration and the likelihood that the penetration will increase to an injurious level,

"(iii) the probability that imports of the merchandise under investigation will enter the United States at prices that will have a depressing or suppressing effect on domestic prices of like products,

"(iv) the probability that exports from foreign countries under investigation will enter third country markets at prices that will have a depressing or suppressing effect on prices for United States exports of like products or will decrease sales of like products of the United States in such third country markets,

"(v) any substantial increase in inventories of the merchandise in the United States or in third country markets,

"(vi) the extent to which the United States market is the focal point for exports of such merchandise by reason of restraints on exports of such article to, or on imports of such article into, third country markets, and

"(vii) any other demonstrable adverse trends that indicate that the importation or sale for importation of such merchandise, or sales of such merchandise in third country markets, will be the cause of actual injury.

"(B) BASIS FOR DETERMINATION.—Any determination by the Commission under this section that an industry in the United States is threatened with material injury shall be made on the basis of the evidence that the threat of material injury is real and that actual injury is imminent. Such a determination may not be made on the basis of mere conjecture or supposition, but can be made on the basis of official statements of intended action by foreign governments.

"(3) STANDARD FOR DETERMINATION.—The presence or absence of any factor which the Commission is required to evaluate under paragraph (1)(C) or (2) shall not necessarily give decisive guidance with respect to the determination of material injury by the Commission.

"SEC. 306. MANDATORY ACTION IN CASES OF INJURIOUS INDUSTRIAL TARGETING.

"(a) PROVISIONAL ACTION.—If—

"(1) the Administering Authority makes a preliminary determination under section 304(b)(1) with respect to an investigation that an act, policy, or practice of a foreign country or instrumentality constitutes injurious industrial targeting, and

"(2) the Commission makes an affirmative preliminary determination under section 305(b)(2) with respect to such investigation,

the Administering Authority shall, pending conclusion of such investigation, take at least one of the actions described in paragraph (1), (2), or (3) of section 301(b), or any combination of such actions, in order to prevent further injury, or threat of injury, from such injurious industrial targeting.

"(b) ACTION IN RESPONSE TO FINAL DETERMINATION.—

"(1) IN GENERAL.—Except as provided in subsection (c), if—

"(A) the Administering Authority makes a final determination under section 304(c)(1) with respect to any investigation that an act, policy, or practice of a foreign country or instrumentality constitutes injurious industrial targeting, and

"(B) the Commission makes an affirmative final determination under section 305(b)(3) with respect to the merchandise that is the subject of such investigation,

the Administering Authority shall take at least one of the actions described in section 301(b) in order to fully offset the material injury, or threat of material injury, from such injurious industrial targeting.

"(2) PROPOSALS.—

"(A) IN GENERAL.—If the requirements of subparagraphs (A) and (B) of paragraph (1) are met, the Administering Authority shall submit to the President—

"(i) any proposed administrative action, and

"(ii) any proposed legislation,

which the Administering Authority determines is necessary to restore or improve the competitive position of any industry that is materially injured, or threatened with material injury, by the injurious industrial targeting.

"(B) SPECIAL CONSIDERATION OF PROPOSED LEGISLATION.—The President may submit to the Congress a bill that consists of the legislative proposal described in subparagraph (A)(ii). Such bill shall be subject to the same rules applicable to an implementing bill under section 151, except that in applying paragraphs (1) and (2) of section 151(e) with respect to such bill "15th day" shall be substituted for "45th day".

"(3) REPORT TO CONGRESS.—If the requirements of subparagraphs (A) and (B) of paragraph (1) are met, the Administering Authority shall submit a written statement to the Congress which specifies the actions that the Administering Authority will take under paragraph (1) to offset the material injury, or threat of material injury, from the injurious industrial targeting.

"(c) SETTLEMENT AGREEMENTS.—In lieu of taking action under subsection (b)(1), the Administering Authority may enter into an agreement with the foreign country or instrumentality involved if—

"(1) such agreement completely eliminates the material injury, or threat of material injury, from the injurious industrial targeting, and

"(2) in the case of an investigation initiated under section 302(a), such agreement is approved by the petitioner.

"(d) PUBLICATION.—Notice of any action taken by the Administering Authority under this section, and of any agreements entered into under subsection (c), shall be published in the Federal Register.

"SEC. 307. TERMINATION AND COMPENSATION UPON GATT DISAPPROVAL.

"If the contracting parties to the General Agreement on Tariffs and Trade disapprove of any action taken by the Administering Authority under section 301 or 306, the Administering Authority may take such other action as the Administering Authority determines appropriate to compensate any foreign country or instrumentality that is adversely affected by such action, including, but not limited to—

"(1) modification or termination of the action taken under section 301 or 306, or

"(2) modification or continuance of any existing duty or any duty-free or excise treatment.

"SEC. 308. REMEDIES UNDER TARIFF ACT OF 1930.

"If, in the course of an investigation conducted under this title, the Administering Authority has reason to believe that a foreign government is engaged in any action or practice for which relief is available under section 303 or title VII of the Tariff Act of 1930, the Administering Authority shall consult with the petitioner, if any, and the representatives of the domestic firms and workers that may be affected by such action or practice regarding the advisability and desirability of taking action under the appropriate provisions of section 303 or title VII of the Tariff Act of 1930.".

(b) The table of contents of the Trade Act of 1974 is amended by striking out the items relating to sections 304, 305, and 306 and inserting in lieu thereof the following:

"Sec. 304. Investigations by the Administering Authority.
"Sec. 305. Investigations of injurious industrial targeting.
"Sec. 306. Mandatory action in cases of injurious industrial targeting.
"Sec. 307. Termination and compensation upon GATT disapproval.
"Sec. 308. Remedies under Tariff Act of 1930.
"Sec. 309. Requests for information.
"Sec. 310. Administration.".

TITLE IV—NEGOTIATING OBJECTIVES

SEC. 401. FOREIGN MARKET ACCESS; STATE-OWNED OR CONTROLLED ENTERPRISES.

(a) Chapter 1 of title I of the Trade Act of 1974 is amended by adding at the end thereof the following new section:

"SEC. 110. FOREIGN MARKET ACCESS; STATE-OWNED OR CONTROLLED ENTERPRISES.

"Principal United States negotiating objectives under section 102 shall be—

"(1) to obtain and preserve maximum access to international markets for United States manufactured products;

"(2) to obtain the elimination of foreign government acts, policies, or practices identified under section 181 with particular consideration given to measures which deny to United States industries national treatment in all respects;

"(3) to obtain internationally agreed upon rules and procedures to evaluate and respond to the maintenance and operation of enterprises owned or controlled by any government which engages in international trade in goods and services; and

"(4) to establish procedures which—

"(A) assure that the sale of goods and services in international commerce by such enterprises are on commercial terms,

"(B) provide standards for the operation of such enterprises pursuant to commercial considerations, and

"(C) provide special rules under the trade agreements approved under section 2 of the Trade Agreements Act of 1979 for the treatment of goods and services of such enterprises that are not operated according to commercial considerations.".

(b) The table of contents of the Trade Act of 1974 is amended by inserting after the item relating to section 109 the following new item:

"Sec. 110. Foreign market access; state-owned or controlled enterprises.".

[Section-by-Section Analysis]

THE COMPREHENSIVE TRADE LAW REFORM ACT OF 1985

TITLE I—COUNTERVAILING AND ANTIDUMPING DUTY LAWS

Section 101. Limitations on acceptances of country under the agreement:

This section amends Section 701 of the Tariff Act of 1930 by requiring that countries "under the Agreement" must commit themselves under the General Agreement on Tariffs and Trade to eliminate export

subsidies within one year; not to increase existing export subsidies; not to extend such subsidies to new merchandise or introduce new export subsidies; and to eliminate immediately export subsidies on merchandise which the ITC finds is already competitive in the U.S. market and would be competitive without such subsidization. Least developed countries, as defined in Section 124 of the Foreign Assistance Act of 1961, as amended, are allowed a transitional period of five years to phase out export subsidies, as opposed to higher income developing countries that must eliminate the subsidies promptly.

The Administering Authority would be required to review compliance with the commitments once a year. If noncompliance were found, the designation would be withdrawn. If the withdrawal occurred after the Commission had made a negative injury determination or after an order has been revoked, the negative determination of revocation would be voided.

Section 102.—ITC review of critical circumstances:

This section revises the procedural aspects of antidumping and countervailing duty law in four ways:

(1) Instead of requiring a petitioner to allege critical circumstances, the ITA would be required to begin a critical circumstances investigation on the date that it initiates the dumping or subsidies investigation. It would publish a "notice of import surge" whenever it found evidence that imports have increased significantly in response to the filing of the petition.

(2) The ITC would be required to make an affirmative critical circumstances determination if the ITA has made an affirmative critical circumstances determination and if the ITC has made an affirmative material injury determination (not a threat only or retardation of establishment only determination).

(3) The ITA would direct Customs to suspend liquidation of entries under investigation entered 90 days before the anticipated date of the preliminary determination. If no critical circumstances determination is made, Customs would be ordered to liquidate all imports entered before the date of the preliminary determination.

(4) Countries that are not "countries under the Agreement" would be made subject to the critical circumstances provisions of the countervailing duty law.

Section 103.—Persistent dumping and subsidization:

This section amends Sections 703 and 733 to waive the requirement of a preliminary determination by the Commission in any instance where the Administering Authority determines that, during the year preceding the filing of a petition, the Commission had made a preliminary or final affirmative determination with respect to the same product. This section therefore dispenses with the requirement of a preliminary determination in those instances where successive petitions are filed to deal with imports of the same product from many different countries. In addition, it provides for the waiver of preliminary injury determinations in such instances, without regard to whether the preceding injury determination was made under antidumping or countervailing duty law with respect to investigations of that product.

Section 104.—Suspension of investigations:

This section amends Section 704(b) to prevent the Commerce Department from suspending a CVD investigation based on a promise by a foreign government to apply an export tax equal to the determined net subsidy (otherwise known as an "offsetting" export tax), thus eliminating the export tax as a basis for suspending a CVD investigation.

Section 105.—Limited application of 90-day review authority:

This section amends Section 736(c) by adding three new criteria for the institution of expedited reviews of AD orders, and allows for written comments by interested parties before the decision is made to conduct such a review. The additional criteria include: (1) normal AD time lines; (2) evidence of a significant anticipated margin differential; and (3) representative sales as the basis for review.

Section 106.—Countervailable subsidy definition:

This section amends the definition of subsidy to make countervailable the provision of goods or services which are on terms inconsistent with commercial considerations (as well as on preferential terms). In addition, it make countervailable loans, loan guarantees and equity infusions which are on preferential terms (as well as on terms inconsistent with commercial considerations). At present, only the provision of goods or services or preferential terms and/or loans, loan guarantees and equity infusions on terms inconsistent with commercial considerations are countervailable.

Section 107.—Component part producers treated as interested parties:

This section defines "interested party" to permit participation in AD & CVD proceedings by those associated with the production of major parts and components intended to be incorporated into the imported article.

Section 108.—Diversionary dumping:

This section does the following:

(1) It establishes a new Section 771(18) definition of "Diversionary Dumping" that permits a less than fair value dumping analysis to be applied to an input which is the subject of an outstanding antidumping order against the manufacturer or producer of the material or component, as well as to an input which is the subject of a suspension agreement or other arrangement affecting the material or component.

(2) It amends Section 773(a) to include an adjustment amount for diversionary dumping in determining foreign market value.

(3) It amends Section 773(b) to include an adjustment amount for diversionary dumping in determining sales at less than cost of production.

(4) It amends Section 773(e) to include an adjustment amount for diversionary dumping in determining the constructed value of components as well as materials.

Section 109.—Upstream subsidies:

This section does the following:

(1) It amends Section 771A(a) to enlarge the third-country application of the upstream subsidy provisions to subsidies paid or bestowed under the authority of a customs union or its members.

(2) It establishes a new Section 771A(b)(3) "special diversion" rule creating a presumption of competitive benefit for an input product where there is a prior subsidy finding or the input product is subject to an arrangement which results in increases in imports of the investigated product.

Section 110.—Disclosure of confidential information:

This section amends Section 777 to make clear that continuing disclosure is to take place pursuant to one application that describes, in general terms, the type of information sought. The initial application may be filed before any information is submitted by any party and may list and request all of the types of information that may be submitted in the case. This application would operate as an ongoing request for release. In addition, this section specifies strict time lines for the release of information under APO, to ensure that current procedures are improved. With regard to those parties that oppose release, such parties would be required to state at the time the information is submitted both why they oppose release and whether they want to withdraw the information should the Commerce Department decide release is justified. Finally, this section requires disclosure of confidential information submitted under a properly filed APO, unless the submitter proves disclosure will cause substantial harm to its business operations, and that such harm outweighs the requester's need for the information.

TITLE II—RELIEF FROM INJURY CAUSED BY IMPORT COMPETITION

Section 201.—Investigations under section 201 of Trade Act of 1974:

This section amends Chapter 1, Title II of the Trade Act of 1974, dealing with authority to grant temporary import relief to injured industries following investigations by the International Trade Commission. In the past, the ultimate decision to grant import relief has rested with the President. This section transfers that authority to the Administering Authority.

This section includes enhancement of an industry's competitiveness as a purpose for which import relief can be sought.

Standing is given to an industry that produces materials, parts, components or subassemblies irrevocably destined for incorporation in an article like or directly competitive with an imported article.

This section replaces the requirement that imports be the "substantial cause" of injury with the requirement that they be merely "the cause of injury." The term "cause" is defined as a cause which is important, even through another cause or other causes, such as a general economic recession, may be of equal or greater importance.

This section also lists additional factors for the International Trade Commission (ITC) to consider in making a determination of threat of injury. These include (1) a decline in market share; (2) higher and growing domestic inventories; (3) a downward trend in production, profit, wages or employment; (4) foreign industrial targeting and (5) the extent to which diversion of exports to the U.S. market occurs because other markets are closed. The section also provides that imports by domestic producers shall not be considered a factor indicating the absence of serious injury, or threat thereof. If injury is found to exist, the ITC must recommend relief, even if the relief will only assist in remedying the injury. The ITC may also recommend adjustment assistance in addition to increased duties or import restrictions.

Section 202.—Provisonal relief upon finding of critical circumstances:

This section adds a new subsection to Section 201 of the Trade Act of 1974, permitting the Administering Authority to impose provisional measures should it find that critical circumstances exist. Critical circumstances are defined as instances where a delay in inhibiting a significant increase in imports which occurred over a short period of time would cause damage difficult to repair. Provisonal measures may consist o

duty imposition, tariff-rate quotas, quantitative restrictions, orderly marketing agreements or any combination thereof. These measures would remain in force until the President revokes them, the ITC makes a negative determination, or 60 days after the ITC makes an affirmative determination.

Section 203.—Consultations with foreign governments:

This section amends Section 201 of the Trade Act of 1974 to provide that when the ITC makes an affirmative recommendation to the Administering Authority, it shall determine whether the foreign government concerned engaged in actions to expand export markets or to restrict imports of the article, and whether diversion of exports to the United States has occurred because other markets are closed. If the ITC determines that either of these conditions has occurred, and the Administering Authority decides to impose import relief, the Administering Authority must consult and negotiate with other producing and consuming countries to seek to establish a multilateral framework for the maintenance and development fo fair, equitable and non-disruptive patterns of trade.

Section 204.—Industry assessment and competitiveness strategy:

This section adds a new Section 204, entitled "Industry Assessment and Competitiveness Strategy." The section accords firms and workers representing a significant portion of the industry the right to request the establishment of an ad-hoc industry advisory group to prepare an assessment of current problems and a strategy to enhance competitiveness for the industry. The assessment and strategy is to set forth objectives and specific steps which workers and firms could usefully undertake to improve the industry's ability to compete or to assist the industry to adjust to new methods of competition. The advisory group is to include in its report a determination of the ability of producers in the industry to generate adequate capital to finance the modernization of plant and equipment, or to otherwise enhance competitiveness, including an estimate of the overall capital requirements of the industry. Copies of the assessment and strategy are to be submitted to the ITC, The Administering Authority, and the Secretaries of Commerce and Labor within 120 days after the ITC began the investigation. The membership of the group is to include appointees of the Administering Authority who are representative of workers and the industry, and employees of the Departments of Commerce and Labor. Staff is to be provided by the Secretaries of Commerce and Labor.

After the assessment and strategy is completed, the Administering Authority will seek to obtain, on a confidential basis, information from individual members of the advisory group concerning how they intend to act upon the recommended objectives and actions in the assessment and strategy, or other actions they intend to take to enhance competitiveness. Such information will be shared, on a confidential basis, with the ITC and the Secretaries of Labor and Commerce.

Failure to prepare an assessment and strategy for the industry may not be a factor considered by the ITC in making either its injury determination, or its relief recommendation, nor may it be a factor in the relief decision of the Administering Authority. The ITC is, however, required to take account of such assessment and strategy in making its recommendation regarding the appropriate relief.

The ITC is also to consider, as a factor in evaluating threat of substantial injury, the inability of producers in the industry to generate adequate capital to finance plant and equipment modernization or enhance competitiveness, as provided in the assessment and strategy.

This section requires the Administering Authority, in determining what, if any, relief to provide an injured industry, to evaluate the assessment and strategy and take account of the probable effectiveness of import relief as a means to improve competitive abilities. The Secretaries of Labor and Commerce are also required to take account of the assessment and strategy in developing their advice.

This section also provides that when import relief is granted and an assessment and strategy for the industry has been prepared, the Administering Authority is entitled to rely upon the actions outlined in the assessment and strategy, and individual confidential submissions, as one basis for granting relief. The Administering Authority is also to establish a review committee, comprised of itself and the Secretaries of Commerce and Labor, to monitor actions taken to improve the competitive position of the industry, including actions described in the confidential submissions. If, after consultation with the advisory group, the review committee considers that recommended actions and objectives in the assessment and strategy or intended actions described in confidential submissions are not being implemented, or are being unsatisfactorily implemented, and that the failure to implement them is not justified by changed circumstances and has adversely affected the overall implementation of the objectives in the assessment and strategy, then it must so notify the Administering Authority. The Administering Authority will then ask the Commission to report under Section 203(i)(2) on the effects of removing relief. After receiving the Commission report, the Administering Authority will immediately consider whether import relief to the industry should be terminated or modified.

Section 205.—Import relief.

This section provides that if the Administering Authority determines that import relief is appropriate, the Administering Authority shall consult with petitioners and industry representatives as to the advisability of taking action under the countervailing duty provisions of U.S. trade laws or under Title III of the Trade Act of 1974, where there is reasonable cause to believe that such actions would be appropriate.

TITLE III—RELIEF FROM INJURIOUS INDUSTRIAL TARGETING AND UNFAIR TRADE PRACTICES

Sections 301.—Enforcement of United States rights under trade agreements and response to injurious industrial targeting and other foreign trade practices:

This section transfers all Section 301 authority from the President to the Administering Authority, and authorizes the Administering Authority to act in response to injurious industrial targeting. This practice is defined as any combination of coordinated government actions, whether carried out severally or jointly which: (a) are bestowed on a specific enterprise industry or group thereof, (b) assist such enterprise, industry or group to become more competitive in the export of any class or kind of merchandise, and (c) cause, or threaten to cause, material injury. In addition, this section requires the Administering Authority to consult with representatives from industry and labor prior to reaching any determination; authorizes various actions (including duties, restrictions and negotiated agreements) to restore or improve the international competitive position of the affected domestic industry; and requires that confidential information submitted during an investigation be available for disclosure under administrative protective order.

Section 302.—Investigations under title III of the Trade Act of 1974:

This section requires written questionnaires and verification of all information submitted by foreign governments and corporations; specifies strict time lines in regard to preliminary and final determinations; and requires submission of a written statement to the Congress if the final determination was affirmative and the Administering Authority declines to take any ion.

Section 303.—Mandatory action in cases of injurious industrial targeting:

This section establishes a separate track for investigations of injurious industrial targeting and, upon an affirmative ITC material injury finding and an affirmative determination by the Administering Authority, requires that the Administering Authority take at least one of a number of described actions to offset the material injury or the threat of material injury from such targeting. In addition, when the Administering Authority determines preliminarily that targeting has occurred, it requires establishment of an advisory committee (composed of representatives of affected domestic firms and workers as well as appropriate federal officials) to develop proposals to improve the competitive position of the industry affected by such targeting.

TITLE IV—NEGOTIATING OBJECTIVES

Section 401.—Foreign market access for all products.

This section amends Section 104 of the Trade Act of 1974 to clarify that the United States objective of securing maximum access to international markets extends to all products, not just high-technology products. In addition, it clarifies, as a principal U.S. negotiating objective, the elimination of those acts, policies, or practices identified in Section 181 which deny national treatment to U.S. industries.

STATE-OWNED OR CONTROLLED ENTERPRISES

This section amends Sections 102 and 121 of the Trade Act of 1974 to require that the United States undertake efforts to secure an international agreement on rules and procedures to evaluate and respond to the maintenance of state-owned or controlled enterprises. This section also specifies the desirable terms of such an agreement and urges the United States to negotiate on the expansion and revision of Article XVII of the GATT (relating to state-controlled enterprises).●

● Mr. COHEN. Mr. President, I am pleased to join my colleagues today in introducing the Comprehensive Trade Law Reform Act of 1985. Last year, the Congress took the first steps toward the rationalization of our trade laws with enactment of the Trade and Tariff Act of 1984. The legislation we are introducing today builds upon the framework laid down last year, and moves the United States closer to a fair trade relief mechanism that will effectively deal with the complexities of the international trading system.

In my own State of Maine, the lumber, fishing, potato, textile, shoe and paper industries have been under siege by government-subsidized imports from a great number of our trading partners. Many of these industries are currently pursuing unfair trade complaint cases before the Commerce Department and the International Trade Commission. To date, their collective track record has not been good—which is more a reflection on the inadequacy of our existing trade laws than on any deficiency in the merits of their petitions. The legislation we are introducing today will correct many of these flaws in our current trade laws which have prevented a significant number of U.S. industries from obtaining the relief they so clearly deserve.

As my colleague, Senator HEINZ, has detailed the various provisions of this comprehensive trade law revision, I will not repeat him. However, let us serve notice to our trading partners that the United States will no longer be the marketplace for subsidized and dumped foreign products, nor the object of foreign government targeting.

We are committed to rationalizing the system by which we control our borders to ensure that our domestic producers do not unjustly suffer from the illegal trading practices which have become more prevalent in this increasingly merchantilistic world. I urge my colleagues to join us in supporting this important initiative.●

By Mr. GORTON (for himself, Mr. CHAFEE, Mr. EVANS, Mr. HATFIELD, Mr. INOUYE, Mr. MATSUNAGA, Mr. MOYNIHAN, and Mr. WILSON):

S. 1494. A bill to amend title 23, United States Code, to limit outdoor advertising adjacent to Interstate and Federal-aid primary highways; to the Committee on Environment and Public Works.

(The remarks of Mr. GORTON and the text of the legislation appear earlier in today's RECORD.)

By Mr. MURKOWSKI (by request):

S. 1495. A bill to amend title 38, United States Code, to enhance recruitment and retention by the Veterans' Administration of graduate and student nurses; to the Committee on Veterans' Affairs.

RECRUITMENT AND RETENTION OF NURSES

Mr. MURKOWSKI. Mr. President, I rise to introduce, by request, a bill which would improve and enhance the ability of the Veterans' Administration to recruit and retain graduate and student nurses.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1495

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4114(a)(3) of title 38, United States Code, is amended—

(A) by striking out "shall not exceed one year" in the second sentence of paragraph (A) and inserting in lieu thereof "may exceed one year, but shall not exceed two years"; and

(B) by inserting after paragraph (B) the following new paragraph:

"(C) A student who is pursuing a full course of nursing in a recognized school of nursing approved by the Administrator may be reappointed for one year. Other personnel whose appointments are limited by this section to one year may not be reappointed.".

By Mr. DIXON (for himself, Mr. PROXMIRE, Mr. GRASSLEY, Mr. LEVIN, and Mr. RIEGLE):

S. 1496. A bill to correct imbalances in certain States in the Federal tax to Federal benefit ratio by reallocating the distribution of Federal spending, and for other purposes; to the Committee on Governmental Affairs.

(The remarks of Mr. DIXON and the text of the legislation appear earlier in today's RECORD.)

By Mr. DOLE (for himself, Mr. ZORINSKY, Mr. HELMS, Mr. LEAHY, Mr. LUGAR, Mr. MELCHER, Mr. COCHRAN, Mr. PRYOR, Mr. BOSCHWITZ, Mr. BOREN, Mrs. HAWKINS, Mr. DIXON, Mr. ANDREWS, Mr. HEFLIN, Mr. WILSON, Mr. HARKIN, Mr. MCCONNELL, and Mrs. KASSEBAUM):

S. 1497. A bill to establish a National Commission on Agricultural Policy to study the structure, procedures, and methods of formulating and administering agricultural policies, programs, and practices of the United States; to the Committee on Agriculture, Nutrition, and Forestry.

NATIONAL AGRICULTURAL POLICY COMMISSION ACT

Mr. DOLE. Mr. President, it is my pleasure to introduce today the National Agricultural Policy Commission Act of 1985. I ask that the following Senators be listed as original cosponsors: Senator DOLE, Senator ZORINSKY, Senator HELMS, Senator LEAHY, Senator LUGAR, Senator MELCHER, Senator COCHRAN, Senator PRYOR, Senator BOSCHWITZ, Senator BOREN, Senator HAWKINS, Senator DIXON, Senator ANDREWS, Senator HEFLIN, Senator WILSON, Senator HARKIN, Senator MCCONNELL, and Senator KASSEBAUM. This legislation is in response to a call by the National Governors' Association, chaired by Kansas Gov. John Carlin, for an impartial and bipartisan forum to evaluate and make recommendations for improvements in the way U.S. agricultural policies, programs, and practices are developed and implemented. As such, the National Commission on Agricultural Policy would have no direct policy making authority, but would serve as a sounding board for the administration and for the Congress on these issues.

AGRICULTURE COMMITTEE ACTION

During this morning's markup on the 1985 farm bill in the Senate Agriculture Committee, every member joined in a unanimous 17 to 0 vote to add this legislation to the other provisions already approved. Due to the uncertain date for completing the farm bill, however, I am introducing this act at this time as a separate piece of legislation.

QUALITY OF COMMISSION MEMBERS IS KEY

In recommending the establishment of such a panel, the National Governors' Association has stressed the importance of choosing individuals who will place the welfare of our agricultural system and its role in U.S. society and the national economy above parochial concerns. As an advisory group, the Commission would serve little purpose and could lose the respect and attention of both the administration and congressional committees if it were seen to be dominated by special interests competing for their own piece of the pie.

One of the basic reasons for the establishment of this Commission is the well-recognized fact that our national policy development process for agricultural issues is not working very well. We are also fully aware of the crisis conditions that seem to have become an almost permanent feature across the landscape of rural America. These difficult times call for agricultural statesmanship—not politics as usual.

I believe, Mr. President, that the quality of the Commission and its work will depend in large part on how its members are selected. I have the greatest regard for the private sector representatives who are active in policy issues at the national level. Nonetheless, I also recognize the need to involve agricultural leaders recognized for their leadership and judgment at the grassroots level. Accordingly, I have provided for the various State Governors to nominate from two to four candidates each, and for the President to select 15 Commission members from this list.

THE KANSAS WORKING GROUP MODEL

In making their nominations, Governors would do well to consider appointing selection committees or working groups similar to the one which Governor Carlin established in Kansas 3 years ago. I recently met with the group and its chairman, State Secretary of Agriculture Harland Priddle, to discuss the problems facing our farmers and ranchers. I am very much impressed by the balanced and broa

perspective they have been able to achieve among individuals representing a range of different interests. I would point out that the proposal to create this Commission grew directly from their work, and from Governor Carlin's efforts to promote it within the NGA. I am confident he will turn to the Kansas agriculture working group for recommendations on who our State should nominate to the Commission, if this legislation is enacted. I would wholeheartedly recommend the Kansas model to other States.

THE VALUE OF COMMISSIONS

Mr. President, I share the suspicions of other Members of the Senate about the value and purpose of setting up new Commissions. The number which have made substantive and lasting contributions to the policy development process are unfortunately in a distinct minority.

Nonetheless, I am convinced that we need to provide for some continuity in assessing and proposing new solutions to our agricultural problems, which will not end with enactment of the 1985 farm bill later this year. We will need to have constant feedback and input at the grassroots level, and we must remain flexible in responding to these constituencies. It is my great hope that the National Commission on Agricultural Policy will develop into a nonpartisan, balanced and impartial forum that commands the respect of both political parties and all sectors of the national economy. If this goal can be attained, U.S. agriculture will have an effective new way to make its concerns and needs known at the national level.

I ask unanimous consent that the text of this act and the accompanying section-by-section summary be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1497

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Agricultural Policy Commission Act of 1985".

DEFINITIONS

SEC. 2. As used in this Act:

(1) The term "Commission" means the National Commission on Agricultural Policy established under section 3.

(2) The term "Governor" means the chief executive officer of a State.

(3) The term "State" means the fifty States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, American Samoa, or the Trust Territory of the Pacific Islands.

ESTABLISHMENT OF COMMISSION

SEC. 3. (a) There is established a National Commission on Agricultural Policy to study the structure, procedures, and methods of formulating and administering agricultural policies, programs, and practices of the United States.

(b) In addition to the members referred to in subsection (c), the Commission shall be composed of fifteen members appointed by the President and selected as follows:

(1) The President shall request Governors of States to nominate members representing individuals and industries directly affected by agricultural policies, including—

(A) producers of major agricultural commodities in the United States;

(B) processors or refiners of United States agricultural commodities;

(C) exporters, transporters, or shippers of United States agricultural commodities;

(D) suppliers of production equipment or materials to United States farmers;

(E) providers of financing or credit for agricultural purposes; and

(F) consumers of United States agricultural commodities.

(2) The Governor of a State may submit to the President a list of not less than two, nor more than four, nominees to serve on the Commission who represent individuals and industries referred to in paragraph (1).

(3)(A) Except as provided in subparagraphs (B) and (C), the President shall appoint fifteen individuals from a total of, to the extent practicable, not less than sixty individuals nominated by States under paragraph (2)(C) to serve on the Commission.

(B) The President may appoint to the Commission not more than—

(i) one individual nominated by a particular State; and

(ii) seven individuals of the same political party.

(C) If the President determines that the individuals nominated by States under paragraph (2)(C) are not broadly representative of the individuals and industries referred to in paragraph (1), the President may substitute no more than three other individuals to serve on the Commission who represent such individuals and industries.

(c)(1) The chairman and ranking minority members of the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate shall—

(A) serve as ex officio members of the Commission; and

(B) have the same voting rights as the members of the Commission appointed under subsection (b).

(2) The chairman and ranking minority members may designate other members of the respective committees to serve in their stead as members of the Commission.

(d) A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

(e) The Commission shall elect a Chairman from among the members of the Commission appointed under subsection (b).

(f) The Commission shall meet at the call of the Chairman or a majority of the Commission.

CONDUCT OF STUDY

SEC. 4. The Commission shall study the structure, procedures, and methods of formulating and administering agricultural policies, programs, and practices of the United States, including—

(1) The effectiveness of existing agricultural programs in improving farm income;

(2) the manner in which such programs may be improved to retain a family-farm system of agricultural production;

(3) the effect of legislative and administrative changes in agricultural policy on planning and long-term profitability of farmers;

(4) the effect on farmers of the existing system and structure of formulating and implementing agricultural policy;

(5) the effect on national and international economic trends on United States agricultural production;

(6) the means of adjusting the agricultural policies, programs, and practices of the United States to meet changing economic conditions;

(7) potential areas of conflict and compatibility between the structure of making agricultural policy and long term stability in policy and practices;

(8) changing demographic trends and the manner in which such trends affect agriculture and agricultural policy consistency; and

(9) the role of State and local governments in future agricultural policy.

REPORTS

SEC. 5. Not later than twelve months after the date of enactment of this Act, and each twelve months thereafter during the existence of the Commission, the Commission shall submit an annual report to the President and Congress containing the findings and recommendations of the Commission with respect to the matters referred to in section 4. The Commission shall not comment on legislation pending before Congress unless specifically requested to do so by the Chairman of an appropriate Committee.

ADMINISTRATION

SEC. 6. (a) The heads of executive agencies, the General Accounting Office, the International Trade Commission, and the Congressional Budget Office shall, to the extent permitted by law, provide the Commission with such information as the Commission may require in carrying out the duties and functions of the Commission.

(b)(1) Except as provided in paragraph (2), members of the Commission or the selection committees appointed under section 3(b) shall serve without any additional compensation for work performed on the Commission or such committees.

(2) Such members who are private citizens of the United States may be allowed travel expenses, including a per diem in lieu of a subsistence expense, as authorized by law for persons serving intermittently in the government service under sections 5701 through 5707 of title 5, United States Code.

(c) Subject to the availability of funds appropriated in advance and such rules as may be adopted by the Commission and without regard to the provisions of title 5, United States Code, governing appointments in the competitive service or the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, the Chairman of the Commission may appoint and fix the compensation of a director and such additional staff personnel as the Commission determines are necessary to carry out duties and functions of the Commission.

(d)(1) Upon the request of the Commission, the Secretary of Agriculture shall furnish the Commission with such personnel and support services as are necessary to assist the Commission in carrying out duties and functions of the Commission.

(2) Upon the request of the Commission, the heads of other executive agencies and the General Accounting Office may furnish the Commission with such personnel and support services as the heads of the agency or office and the Chairman of the Commission agree are necessary to assist the Commission in carrying out duties and functions of the Commission.

(3) The Commission shall not be required to pay or reimburse an agency or office for personnel and support services provided under this section.

(e)(1) In accordance with section 12 of the Federal Advisory Committee Act (5 U.S.C. App. 2), the Secretary of Agriculture shall maintain records of—

(A) the disposition of any funds that may be at the disposal of the Commission; and

(B) the nature and extent of activities of the Commission.

(2) The Comptroller General of the United States shall have access to such records for the purpose of audit and examination.

(f) The Commission shall be exempt from sections 7(d), 10(e), 10(f), and 14 of the Federal Advisory Committee Act and sections 4301 through 4308 of title 5, United States Code.

AUTHORIZATION OF APPROPRIATIONS

SEC. 7. (a) There are authorized to be appropriated such sums as are necessary to carry out this Act.

(b) To the maximum extent practicable, expenses of the Commission shall be carried out using funds available to the Secretary of Agriculture.

TERMINATION

SEC. 8. This Act and the Commission shall terminate on the date which is four years after the date of enactment of this Act.

NATIONAL COMMISSION ON AGRICULTURAL POLICY

SEC. 2 Definitions.

SEC. 3 Establishes a National Commission on Agricultural Policy composed of 19 members, including 15 members nominated by State Governors and appointed by the President, and the chairmen and ranking minority members of the agriculture committees of the Senate and House of Representatives, or their designates.

Commission members appointed by the President shall represent individuals and industries directly affected by agricultural policies, including producers, processors, merchandisers, input suppliers, lending institutions, and consumers. If the state nominees do not fully represent these sectors, the President may substitute up to three members to provide for balanced representation.

No more than one individual nominated by a particular state may serve on the commission. No more than seven members of the commission may be from the same political party.

The Congressional members of the commission shall be ex officio, and shall have the same voting rights as other members. The commission shall elect its own chairman.

SEC. 4 Describes the conduct of study of the commission, including the structure, procedures, and methods of formulating and administering agricultural policies, programs, and practices for the United States.

SEC. 5 Requires the commission to report its findings and recommendations to the President and the Congress no later than 12 months after the date of enactment, and each 12 months thereafter during its existence.

SEC. 6 Provides for executive agencies, the General Accounting Office, the International Trade Commission, and the Congressional Budget Office to make available such information as the commission may require.

Commission members shall serve without compensation, with travel expenses defrayed. Provides for the appointment of a director and other staff, as determined necessary by the chairman of the commission.

The Secretary of Agriculture is required to make personnel and support services available to the commission upon request, and without reimbursement.

Authorizes the heads of other executive agencies and the General Accounting Office to make personnel and support services available to the commission upon request, and without reimbursement.

SEC. 7 Authorizes appropriation of such sums as are necessary to carry out this act.

SEC. 8 Provides for the termination of the commission four years after the date of enactment.

By Mr. WEICKER (for himself, Mr. D'AMATO, Mr. DURENBERGER, Mr. STEVENS, Mr. COCHRAN, Mr. KERRY, Mr. SPECTER, and Mr. PELL):

S. 1498. A bill to amend the Internal Revenue Code of 1954 to provide tax incentives for the issuance of small business participating debentures; to the Committee on Finance.

TAX INCENTIVES FOR ISSUANCE OF SMALL BUSINESS PARTICIPATING DEBENTURES

● Mr. WEICKER. Mr. President, today I am introducing legislation along with Senators D'AMATO, DURENBERGER, STEVENS, COCHRAN, KERRY, SPECTER, and PELL to amend the Internal Revenue Code to permit the creation of a small business participating debenture [SBPD], a new hybrid financing instrument designed to open up new sources of external capital for our Nation's small businesses.

It is well documented that small businesses historically have had an extremely difficult time raising affordable capital. Crucial growth financing to expand or purchase new equipment and facilities at a critical stage of the development of many small firms—particularly those struggling to make it in their early years—is simply not available to most small businesses.

This issue is one that has been addressed time and time again by small business groups. In 1980, the 1,600 delegates to the White House Conference on Small Business devoted a large part of that historical meeting to the discussion of small business capital formation needs. Since 1982, the congressionally mandated annual SEC Government-Business Forums on Capital Formation have brought together small business persons and professionals from every segment of the public and private sectors for multiday conferences to examine possible solutions to the capital formation problems facing small business. In each of these forums the creation of an SBPD—a concept I first introduced in 1979—was listed by the conferees as one of their top recommendations for stimulating small business capital formation.

Simply put, an SBPD is a cross between a stock and bond. It is designed specifically for the small business organized as a corporation which seeks to expand, but while, for any number of reasons, does not wish to go public. Small businesses, administering the SBPD themselves, would directly issue the instrument as a general obligation with a fixed maturity date. An SBPD would carry a fixed, nominal rate of interest, but also would offer the investor some specified share of, or participation in, the company's profits for the period the SBPD is in effect. However, the SBPD would not award any voting or conversion rights in the company.

The advantages to both the small business owner and the small business investor would be many. Small business owners retain total ownership and management control of their business, while at the same time receiving much-needed low-cost, external capital. And too, the owner would be entitled to deduct as a business expense both the basic interest payments and the share of earnings paid out. Interest paid to an SBPD investor would be taxable as ordinary income, but their participation share of the company's earnings would be taxed at the preferential long-term capital gains rate.

Mr. President, particularly in this time of acute sensitivity to budget deficits, revenue impact is clearly an overriding consideration for any legislation proposing to amend existing tax laws. While there is a disparity of views on the question of the potential revenue cost of the SBPD, it seems to me that any large negative revenue loss estimated would show a fundamental misunderstanding of the inherent nature of the SBPD. Under this proposal, the only changes to existing law which could have an adverse impact on Treasury revenue, (that is both the issuer deductibility of the profit participation share paid out and the investor capital gains treatment of this same profit participation share would become operative only if and when the borrowing business earns a profit. Thus, this legislation, by its inherent nature, would trigger a tax expenditure (or revenue impact) only when a business earns a profit, a profit on which tax would be paid. These same businesses are the ones most likely to spend, to expand, to improve facilities, and purchase new equipment, and to hire new tax-paying employees. Therefore, although I can appreciate the difficulty of assessing the impact in dollars and cents of the cost of any piece of legislation, it seems to me that the reflow of revenue back to the Government automatically generated by the SBPD makes it a money maker for the Government.

I would also like to point out that in drafting this legislation, great care has been taken to minimize any potential negative revenue impact. The size of the issuing company has been limited to a firm with up to $1 million of pai

in capital and the firm must be incorporated. Issuers must also be active and domestic businesses that do not rely on "passive" investments.

Mr. President, the Joint Committee on Taxation recently completed a revenue impact estimate of the SBPD legislation I introduced last Congress and determined a revenue loss of $3.7 billion over a period of 5 years. At the same time, the Joint Tax Committee performed a comparable estimate on legislation incorporating the reforms I have already noted are included in my current bill—except for the provision that the issuer must be incorporated—and determined that revenue loss would be reduced by $1.2 billion to $2.5 billion over a 5-year period. This was due primarily to the fact that the maximum size of the issuer was decreased from $10 million of equity capital to $1 million "paid in" capital.

Mr. President, dialog with Joint Tax Committee staff indicated that this revenue estimate could be reduced even further—another 35 percent to 40 percent—if the eligible borrowing small business entities were restricted only to entities organized as corporations. And, because of my strong desire to minimize to the maximum extent practicable any potential revenue loss, this incorporation limitation has been included in the legislation I am introducing today. Thus, the revenue impact over 5 years could be reduced another billion dollars to approximately $1.5 billion, or about a 60-percent saving over the revenue impact of the SBPD legislation I introduced last Congress. But again, I must emphasize that this calculation does not include the reflow of revenue back to the Government automatically generated by the use of the SBPD, which should make it a money maker, rather than a revenue loser.

In addition, it was never contemplated that the SBPD would be used economy-wide. Indeed, given its unique nature and limited appeal—it requires a business owner to "offer"—though to the borrowing small business the operative word here might be "give away"—to a complete stranger a right to participate in the borrowing business's profits—any small business resorting to such financing obviously would not have access to conventional fixed-rate financing through more usual lending channels. Immediately coming to mind are new, emerging businesses which have not yet had sufficient time to establish dependable, or even reliable, income streams to satisfy the typical bank's understandably conservative required debt service projections. Small businesses with a track record, which need long-term, growth financing not readily available from banks and other financial institutions under reasonable terms, would also benefit substantially from the use of the SBPD.

Mr. President, I hope my colleagues will give careful consideration to this legislation. If we are going to continue to shore up the economy, we must first make sure that its small business foundation is strong. That will never take place as long as this Nation's small firms are kept starving for affordable capital. The jobs we so desperately need, the innovations and economic growth that we must have if we are to maintain the current recovery and regain our former strength, are largely dependent on the health of our smaller businesses.

This legislation will help to ensure that our small businesses, at little or no cost to the Government, will have access to affordable private capital necessary to expand and create new jobs.

The SBPD, I believe, is a concept uniquely suited to these times when Federal economic development and loan programs are being cut back, and alternatives to traditional forms of financing must be found. I urge my colleagues to join me in supporting this important legislation.

Mr. President, I ask unanimous consent that the legislation I am introducing today be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1498

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TREATMENT OF INCOME, GAINS, LOSSES, ETC. ON SMALL BUSINESS PARTICIPATING DEBENTURES.

(a) CAPITAL GAINS TREATMENT OF EARNINGS.—Part IV of subchapter P of chapter 1 of the Internal Revenue Code of 1954 (relating to special rules for determining capital gain and loss) is amended by adding at the end thereof the following new section:

"SEC. 1257. EARNINGS DISTRIBUTIONS UNDER SMALL BUSINESS PARTICIPATING DEBENTURES.

"(a) IN GENERAL.—For purposes of this subtitle, amounts actually paid during the taxable year to a taxpayer with respect to any small business participating debenture which constitute the distribution of a share of the earnings of the issuer shall be treated as long-term capital gain.

"(b) SPECIAL RULES FOR PAYMENT.—For purposes of this section and section 163(h)—

"(1) TIME FOR PAYMENTS.—Payments under subsection (a) shall be deemed to have been made on the last day of a taxable year if the payment is on account of such taxable year and is not made later than the time prescribed by law for the filing of the return for such taxable year (including extensions thereof).

"(2) ORDER OF PAYMENTS.—Any payment with respect to a small business participating debenture shall be treated—

"(A) first, as a payment of interest until all interest required to be paid under the debenture for the taxable year is paid, and

"(B) then, as a payment of earnings.

"(c) SMALL BUSINESS PARTICIPATING DEBENTURE DEFINED.—For purposes of this section—

"(1) IN GENERAL.—The term 'small business participating debenture' means a written debt instrument issued by a qualified small business which—

"(A) is a general obligation of the qualified small business,

"(B) bears interest at a rate not less than the rate prescribed by the Secretary under section 7872(f)(2)(A),

"(C) has a fixed maturity,

"(D) grants no voting or conversion rights in the qualified small business to the purchaser, and

"(E) provides for the payment of a share of the total earnings of the issuer.

"(2) QUALIFIED SMALL BUSINESS.—

"(A) IN GENERAL.—The term 'qualified small business' means, with respect to any small business participating debenture, any domestic trade or business which is incorporated—

"(i) the paid-in capital of which does not exceed $1,000,000 immediately before the small business participating debenture is issued,

"(ii) with respect to which, at the time the small business participating debenture is issued, the face value of all outstanding small business participating debentures issued (including such debenture) does not exceed $1,000,000,

"(iii) which has not securities outstanding which are subject to regulation by the Securities and Exchange Commission on the date of issuance of the small business participating debenture,

"(iv) during the 5-year period ending on such date, derived more than 50 percent of its aggregate gross receipts from sources other than royalties, rents, dividends, interest, annuities, sales and exchanges of stocks or securities, and transactions in real estate, and

"(v) which is not under foreign control on such date.

"(B) CONTROLLED GROUPS.—For purposes of determining under subparagraph (A) the paid-in capital and outstanding small business participating debentures of any member of a controlled group of corporations, the paid-in capital and outstanding debentures of all members of such group shall be taken into account.

"(C) PAID-IN CAPITAL.—For purposes of this paragraph, the term 'paid-in capital' means the aggregate amount of—

"(i) money, and

"(ii) the adjusted basis of the corporation in all other property, received by the corporation for stock, as a contribution to capital, or as paid-in surplus.

"(D) ADJUSTED BASIS OF PROPERTY.—For purposes of applying subparagraph (C), the adjusted basis of the corporation in any property shall be reduced by any liabilities—

"(i) to which the property was subject at the time the corporation received the property, or

"(ii) which were assumed by the corporation in connection with the receipt of the property.

"(E) SECURITIES SUBJECT TO REGULATION BY THE SECURITIES AND EXCHANGE COMMISSION.—For purposes of this paragraph, the term 'security subject to regulation by the Securities and Exchange Commission' means a security—

"(i) registered on a national securities exchange under section 12(b) of the Securities Exchange Act of 1934;

"(ii) registered or required to be registered under section 12(g) of such Act (or which would be required to be so registered except for the exemptions in subparagraphs (B) through (H) of such section); or

(iii) issued by a company subject to the reporting requirements of section 15(d) of such Act.

"(F) TRADE OR BUSINESS UNDER FOREIGN CONTROL.—A trade or business shall be treated as being under foreign control if more than 20 percent of—

"(i) the total combined voting power of all classes of stock of the corporation entitled to vote, or

"(ii) the total value of shares of all classes of stock of the corporation, is owned (or treated under section 318 as owned) by persons who are not United States persons.

"(3) EXCLUSION OF DEBENTURES ACQUIRED IN REORGANIZATIONS OR REDEMPTIONS.—The term 'small business participating debenture' shall not include any debt instrument acquired in a transaction described in section 302, 351, 361, or 371 to the extent that the basis of the debt instrument received by the taxpayer in such transaction is determined by reference to the basis of the taxpayer in the property exchanged for such debt instrument.

"(d) RELATED PARTIES.—

"(1) DEBENTURES ISSUED BY A RELATED PARTY.—Subsection (a) shall not apply to amounts paid in respect of a small business participating debenture issued by a small business in which the taxpayer has an interest.

"(2) INTERESTED TAXPAYER.—For purposes of this subsection, a taxpayer shall be considered as having an interest in the issuer of a small business participating debenture if the taxpayer is considered, under section 318, to own 10 percent or more of—

"(A) the total value of shares of all classes of voting stock, or

"(B) the total combined voting power of all classes of voting stock,

in such corporation or in a corporation which is a member of the same controlled group of corporations.

"(e) CONTROLLED GROUP OF CORPORATIONS.—For purposes of this section, the term 'controlled group of corporations' has the meaning given to such term by section 1563(a), except that 'more than 50 percent' shall be substituted for 'at least 80 percent' each place it appears in section 1563(a)(1).".

"(b) INTEREST DEDUCTIBLE AS INTEREST EXPENSE.—Section 163 of such Code (relating to interest) is amended by redesignating subsection (h) as (i) and by inserting after subsection (g) the following new subsection:

"(h) INTEREST AND OTHER AMOUNTS PAID ON SMALL BUSINESS PARTICIPATING DEBENTURE.—For purposes of this section (other than subsection (d)), amounts paid as a share of earnings on a small business participating debenture (as defined in section 1257(c)) shall be treated as interest.".

"(c) LOSSES ON SMALL BUSINESS PARTICIPATING DEBENTURES TREATED AS ORDINARY LOSS.—Section 1244 of such Code (relating to losses on small business stock) is amended by adding at the end of subsection (d) the following new paragraph:

"(5) SMALL BUSINESS PARTICIPATING DEBENTURES TREATED SAME AS SECTION 1244 STOCK.—For purposes of this section, any loss on a small business participating debenture (as defined in section 1257(c)) issued to an individual or partnership shall be treated as if it were a loss on section 1244 stock issued to that individual or partnership.".

(d) CONFORMING AMENDMENT.—The table of sections for such part is amended by adding at the end thereof the following new item:

"Sec. 1257. Earnings distributions under small business participating debentures.".

SEC. 2. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsection (b), the amendments made by this Act shall apply to small business participating debentures acquired after the date of enactment of this Act in taxable years begining after December 31, 1984.

(b) PROCEEDS USED TO REPAY LOANS.—The amendments made by this Act shall not apply to any small business participating debenture issued during calendar year 1985 if the proceeds of such debenture are used to repay any loan of the issuing small business other than a loan—

(1) with a stated rate of interest in excess of the prevailing rate of interest for businesses in the area in which such small business is located, and

(2) secured by the inventory or accounts receivable of such small business.●

● Mr. D'AMATO. Mr. President, I rise today to support passage of the small business participating debenture [SBPD] legislation championed by my dear friend, the distinguished senior Senator from Connecticut. I do so because SBPD's can provide smaller businesses with an attractive financing instrument without burdening them with oppressive debt or requiring the businesses to give up management control or ownership. This would allow smaller firms to take their new ideas and have them reach fruition, acquiring the needed financing without losing control of the business.

An SBPD is a hybrid security which offers investors both nominal interest and a negotiated percentage of the annual profits of the borrowing small business. Chairman WEICKER has done a superlative job of crafting legislation which minimizes any potential negative revenue impact.

Chairman WEICKER has reintroduced this bill with several minor revisions to limit potential abuses. The size of the business permitted to issue an SBPD has been reduced from $10 million of equity capital to $1 million in paid-in capital, and issuers now must be incorporated. These revisions allow for a reduction in revenue loss to the Treasury of over 60 percent from the bill introduced in the last Congress.

I am pleased to have supported this bill in the past and I continue to support it. I urge its adoption.●

● Mr. KERRY. Mr. President, today I am joining with Senator WEICKER and others as a cosponsor of a proposal to create a new capital formation tool for small businesses; the small business participating debenture. I support this measure because I believe that encouraging the growth of small business, entrepreneurship, and risk-taking is essential to the economic and social well-being of the United States, and because I believe that this incentive will effectively advance these goals.

It is no exaggeration to say that this country, Mr. President, was built by small entrepreneurs, by people who began with ideas and motivation and little else, by people willing to take risks and make something of themselves. Today, small firms account for 40 percent of the Nation's GNP, for 48 percent of the Nation's nonfarm, nongovernment employment, and for about two-thirds of all new jobs created by the economy. I am cosponsoring this bill because it encourages such entrepreneurship and risk-taking and gives small business a chance to grow and compete in an economy that is sometimes unfairly stacked against them.

Now, as a general rule, I am not a believer in tampering with the free market when it's working properly; and I'm not a believer in subsidizing business just for the sake of subsidizing business. But I do believe there are times when markets fail to operate efficiently; when without some kind of incentives, valuable opportunities for economic growth will be lost. For example our Nation's Tax Code has since 1981 contained a tax credit for research and development. In an age when our international competitiveness is critically dependent upon our economy's technological leading edge, and at a time when government's around the world are subsidizing their own industry's research needs, the measurable increase in R&D spending as a result of the tax credit is sufficient justification for this kind of approach.

As with the R&D tax credit, there is an obvious need for tax incentives to promote small business and entrepreneurship. It is no secret that small businesses have difficulty raising capital in this country—much more difficulty than medium- or large-sized businesses which have been in operation for a long time. The main reason for this difference is that private investors, be they financial institutions or individual investors, cannot completely diversify their risk, and so without government incentives, often will not lend to small business or buy their stock even when doing so may be justified from the standpoint of the whole economy.

In other words, small business face an inherent disadvantage in private capital markets, which thwarts their growth, and which, I am sorry to say, seems to be growing worse.

This situation is undesirable for several reasons. First, a small business may be able to produce more efficiently and at lower cost than a larger competitor but cannot obtain the capital needed to begin operation. Second, the entrance of a small business into a particular market makes that market more competitive. Third—and this is less of an economic reason than it is value judgment—I think there's an element of individuality, creativity, and self-expression in a small business that you're just not going to find in a giant corporation. A small business is a

creation, a product of years of hard work and, often, years of sacrifice; but it is also a source of hope for the future for millions of individual Americans.

This piece of legislation, by offering tax incentives for investment in small business, represents a cost-effective way to raise capital and encourage this kind of entrepreneurship. The small business participating debenture [SBPD] is a security issued by a small business, which would offer investors both nominal interest and a negotiated percentage of the business' annual profits. An SBPD would offer two tax incentives: The profit share paid to investors would be treated preferentially under the Tax Code, as long-term capital gains, and the small business could deduct both interest and the profit share paid out to investors.

This particular approach to stimulating investment in small business has two main advantages. First, small business people who wish to retain control of their enterprises could raise capital without giving up management or ownership, yet without having to take on the risk of the high debt service associated with traditional debt instruments. The other advantage of the SBPD is that by using the Tax Code to provide an incentive for small business capital formation, the Government can assist small business through the capital markets, without setting up an elaborate bureaucracy and incurring administrative costs to the Government.

The concept of the small business participating debenture is not a new one—it was among the top five recommendations of the 1980 White House Conference on Small Business and was the top recommendation of two subsequent Securities and Exchange Commission government-business forums on small business capital formation.

In an age of $200 billion deficits, some people are going to object, regardless of the merits of the bill, that we can't afford it. In response, I wish to point out that the original bill has been modified to prevent possible abuse and to limit the size of qualifying businesses, so that the Joint Tax Committee's first-order estimate of revenue loss is now just $1.5 billion over 5 years, compared to the $3.7 billion estimate for the original bill. And I want to emphasize that $1.5 billion over 5 years is a first-order estimate, and, in fact, is likely to be an overestimate, because it takes no account of the fact that the proposal will stimulate the growth of small business and thereby enlarge the tax base.

The point is this: If we wish to encourage entrepreneurship in this country, if we wish to help small firms gain access to capital markets, if we wish to create an economic environment in which small businesses can compete on equal footing with larger firms, then SBPD's are a cost-effective way to go about it.●

By Mr. DECONCINI:

S. 1499. A bill to establish an anti-terrorist training academy, to increase security at international airports, and for other purposes; to the Committee on Governmental Affairs.

ANTI-TERRORIST TRAINING AND ENFORCEMENT ACT

Mr. DECONCINI. Mr. President, the act of terrorism against the 40 American hostages this summer has triggered understandable feelings of shock and anger and generated calls for both retaliation and long-term solutions. The President has reacted to this national outrage with a call for resurrection of the Sky Marshal Anti-Hijacking Program and other measures aimed at improving security at airports. All of these proposals are appropriate responses to the growing threat of hijacking and other international terrorist attacks on our interests and our people, both at home and abroad.

Mr. President, the bill that I am introducing today, however, offers a plan to bring to bear all of the law enforcement and security muscle the U.S. Government can muster to prevent terrorist attacks and investigate terrorist threats before rather than after they occur. The Federal Bureau of Investigation—FBI—cannot and should not have to go it alone in the battle against terrorists. There are a number of other Federal law enforcement agencies that have both existing statutory jurisdiction and the skills to investigate and interdict terrorist threats at our international airports and the southwest border where the threat of terrorist intrusions are most acute. The intent of my legislation is to tap all of these law enforcement resources, to enlist them into the war against terrorism, and to improve their capabilities to assist the FBI and the President to stop terrorism before it starts.

Mr. President, let me quickly add what my legislation is not intended to do. It is not intended to usurp the clear jurisdiction of the Federal Bureau of Investigation as our lead agency in anti-terrorist investigations. Nothing in this bill changes or diminishes the statutory authority of the Bureau to conduct their anti-terrorist business. To the contrary. The clear intent of this legislation is to supplement the role of the FBI and to bring all of our Federal enforcement resources into the battle against terrorism as quickly and effectively as possible. Here is what the "Anti-Terrorist Training and Enforcement Improvement Act of 1985" will do.

First, the bill establishes a national anti-terrorist training academy at the Federal Law Enforcement Training Center (FLETC) for all Federal law enforcement agencies except the FBI and the Drug Enforcement Administration (DEA) which will continue to be trained at the FBI academy at Quantico, VA. The new anti-terrorist training academy would become a permanent training element at the existing Federal Law Enforcement Training Center at Glynco, GA—a bureau of the Department of the Treasury. This important national training facility would have its mission expanded to perform basic and/or advanced counterterrorist training for all law enforcement agencies that are currently trained at FLETC plus State and local law enforcement agencies; foreign law enforcement officials involved in counterterrorist and security activities, from nations determined to be friendly to the U.S. and willing to tackle this important mission; security personnel of the major U.S. commercial air carriers; and private sector security officials on a space available basis.

This legislation would make counterterrorist training mandatory for all Federal law enforcement officers, with the exception of the FBI and the DEA which will continue their current levels of training at the FBI academy. An appropriation of $18,700,000 would be authorized for establishment of the new Anti-Terrorist Training Academy at the Federal law Enforcement Training Center, including approximately $13,000,000 for construction of new facilities on the center campuses.

Second, the bill directs the Secretary of Transportation, in cooperation with other Cabinet officers, to develop comprehensive, mandatory security and anti-terrorist safety standards for all international airports, including those overseas, and gives the Secretary of Transportation the authority to deny landing rights to commercial air carriers originating flights at international airports that do not comply with these new standards. The bill also authorizes the Secretary of Transportation to require the installation of x-ray equipment in international airports to examine baggage and cargo after it is checked-in in the terminals, but before it is finally placed in the baggage or cargo compartment of the aircraft. Current, x-ray equipment only examines carry-on bags. This provision would require one additional screening of baggage and cargo before the international flight is actually loaded.

Third, the bill authorizes an additional $3,000,000 for the Bureau of Alcohol, Tobacco, and Firearms (BATF) to accelerate development of a portable system of explosives detection devices to be available to airport security authorities by no later than fiscal year 1987. This additional funding will speed up bringing to market these explosive detection devices that are currently undergoing research and development.

Fourth, the bill authorizes an additional $3,000,000 to develop an international explosive incident data base at BATF—a computerized data base that this country currently does not have, but should have in order to track such incidents. This data base will be of significant use to both the BATF and the FBI.

Fifth, the bill authorizes additional appropriations of $71.1 million to beef up Federal enforcement staff at the international airports and along the southwest borders of the United States—the two areas where the terrorist threats are most likely to occur. Specifically, the bill provides:

That $21.1 million for 160 additional U.S. Customs inspectors and 16 canine enforcement teams to improve anti-terrorist interdiction at international airports; 100 additional inspectors to improve security at the southwest borders; and associated equipment;

$6.1 million for 150 additional trained and equipped Immigration and Naturalization inspectors at the ports of entry along the southwest border;

$29.0 million for 384 additional special agents; uniformed officers; and support positions and associated equipment for the U.S. Secret Service to improve the Service's anti-terrorist investigation capability within their existing statutory protective mission in the United States and overseas; and

$14.9 million for 216 additional Bureau of Alcohol, Tobacco, and Firearms agents and equipment to establish an enhanced capability within the Bureau to conduct anti-terrorist investigations under BATF's existing statutory authorities in the area of weapons and explosives.

Sixth, the bill authorizes reimbursement to State and local law enforcement agencies that are engaged in cooperative anti-terrorist activities with the Department of Justice; the Department of Transportation; the Department of the Treasury; or the Department of State.

Finally, the bill establishes an Anti-Terrorist Law Enforcement Coordinating Council within the Executive Office of the President and under the chairmanship of the Attorney General. The Council will serve to review and coordinate all Federal anti-terrorist enforcement activities and promote cooperation and coordination of the same. The Secretary of the Treasury; the Secretary of State; the Secretary of Transportation; the Director of the FBI; the Director of the U.S. Secret Service; and the Director of the Federal Law Enforcement Training Center and its newly formed National Anti-Terrorist Training Academy, or their designees shall be members of this important coordinating council.

Mr. President, this bill does not change any Federal law enforcement agency's statutory jurisdiction. It does not pit one agency against another in the fight against terrorism. What it does do is establish a mandatory training program for all Federal law officers to better prepare them to prevent, interdict, or investigate any terrorist incident or threat within their existing jurisdictions. The bill also provides much-needed law enforcement staffing improvements at the most vulnerable ports of entry in the United States—the international airports and the southwest border. The Customs Service; the Immigration and Naturalization Service [INS]; the Bureau of Alcohol, Tobacco, and Firearms, and the Secret Service have had their budgets either cut back sharply or virtually frozen for the past 4 years. Only the Border Patrol within INS has enjoyed an increase among these important Federal law enforcement agencies. This bill will allow these agencies to gear up for a major, permanent, preventive, anti-terrorist campaign in the airports and at the land borders.

Mr. President, this bill, coupled with the other anti-terrorist measures being brought forward by the President and the Congress, will go hand in glove in our effort to counter the terrorist threat in this country and overseas.

It is true that this bill does call for increased spending for law enforcement. At a time of budget deficits hovering at $200 billion, I am cognizant of the need to save every tax dollar and spend the taxpayers money only on those activities that are essential to the Nation's well-being. I strongly believe that establishing a strong, national anti-terrorist security program in the United States is as important as our traditional national defense programs. Furthermore, of the $95.8 million in new funding authorized in this bill, nearly $39 million or 41 percent of it is for nonrecurring equipment or research and development costs that will not have to be annualized year after year. I hope that the Senate will move quickly to pass this bill and others that will set the framework for an effective, tough gameplan to halt the terrorist threat from reaching our shores.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1499

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—ESTABLISHMENT OF AN ANTITERRORIST TRAINING ACADEMY AT THE FEDERAL LAW ENFORCEMENT TRAINING CENTER OF THE DEPARTMENT OF THE TREASURY

ESTABLISHMENT OF ACADEMY

SEC. 101. (a) There is established within the Department of the Treasury at the Federal Training Center at Glynco, Georgia and its satellite facility at Marana, Arizona, the National Antiterrorist Training Academy (hereafter in this title referred to as the "Academy").

TRAINING OF FEDERAL LAW ENFORCEMENT OFFICERS

SEC. 102. (a) The purpose of the Academy shall be to perform basic and specialized antiterrorist training for Federal law enforcement officers, both existing personnel and new employees, subject to the provisions of this title.

(b) All Federal law enforcement officers subject to the provisions of this title shall receive mandatory antiterrorist training.

(c) An exception to the mandatory antiterrorist training provisions of this section shall only be granted if the appropriate officer or agency head determines and the President concurs that such training is inconsistent with the statutory responsibilities of the department, agency, or office and is not in the best interests of the United States.

(d) The training requirements of this section shall not apply to personnel and new employees of the Federal Bureau of Investigation and the Drug Enforcement Administration. Such personnel and employees shall continue to receive their current levels of training at the Federal Bureau of Investigation Academy, Quantico, Virginia.

TRAINING FOR OTHER LAW ENFORCEMENT OFFICERS

SEC. 103. (a) In addition to the mandatory antiterrorist requirements provided in section 102, the Academy shall also provide basic and specialized antiterrorist training, on a reimbursable basis, for—

(1) State and local government law enforcement officials as requested;

(2) law enforcement officials of a foreign country involved in international counterterrorist and security activities, as requested, if the Attorney General, the Secretary of State, and the Secretary of Defense determine that the foreign country has shown a demonstrated willingness to cooperate fully with the United States in combating terrorist activities outside the boundaries of the United States;

(3) security personnel of the major United States commercial air carriers;

(4) United States airport authority security officials; and

(5) private sector security officials.

(b) The antiterrorist training provided for in this section shall be mandatory for all personnel described in paragraphs (3) and (4).

AUTHORIZATION OF APPROPRIATIONS

SEC. 104. There are authorized to be appropriated for fiscal year 1986, $18,700,000, to establish the Academy at the Federal Law Enforcement Training Center and for all other necessary expenses of the Federal Law Enforcement Training Center required to fully implement the establishment of such Academy, including construction of facilities at Glynco, Georgia and Marana, Arizona. Sums appropriated under this section for construction at the Federal Law Enforcement Training Center and its satellite facilities shall be available until expended.

REPORT OF THE SECRETARY

SEC. 105. No later than 90 days after the date of enactment of this title, the Secretary of the Treasury shall report to the Committees on Appropriations of the House of Representatives and the Senate describing the plans of such Secretary for implementing the provisions of title I.

TITLE II—INTERNATIONAL AIRPORT SAFETY ACT OF 1985

SHORT TITLE

SEC. 201. This title may be cited as the "International Airport Safety Act of 1985".

ANALYSIS OF SECURITY STANDARDS

SEC. 202. Within 90 days after the date of enactment of this title, the Secretary of State and the Secretary of Transportation, in consultation with the Attorney General and the Secretary of the Treasury, shall publish in the Federal Register and distribute through appropriate international channels, a comprehensive analysis and outline of mandatory security, antiterrorist, and related safety standards for international airports.

(b) The purpose of these standards shall be to reduce the risk of terrorist attacks at international airports. The standards shall confirm in substance to Federal Aviation Administration requirements for preventive safety and security measures at domestic airports in the United States.

INSTALLATION OF NEW X-RAY EQUIPMENT

SEC. 203. (a) Notwithstanding any other provision of law, the Secretary of Transportation, in consultation with the head of the Federal Aviation Administration, the Attorney General, and the Secretary of the Treasury, shall require that appropriate new x-ray equipment be installed in all international airports located in the United States to examine all passenger baggage and cargo after it has been checked in at the appropriate passenger and cargo terminals but prior to its actual placement in the baggage or cargo compartments on any commerical aircraft prior to the departure of such aircraft on an international flight.

(b) Notwithstanding any other provision of law, the Secretary of Transportation shall require the commercial air carriers conducting international flights from international airports in the United States, airport authorities, and other private, municipal, and governing bodies or entities responsible for providing security at such international airports, to adequately staff such new x-ray equipment installations at all international airports in the United States.

(c) Within 90 days after the enactment of this title, the Secretary of Transportation shall publish regulations in the Federal Register governing applicability and implementation of the provisions contained in this section.

DENIAL OF LANDING RIGHTS

SEC. 204. Notwithstanding any other provision of law, the Secretary of Transportation is authorized to deny landing rights in the United States to any commercial air carrier originating flights at international airports if such carrier does not comply with the regulations issued under sections 201 and 202 within 180 days after the publication of such regulations in the Federal Register.

TITLE III—AUTHORIZATION OF ADDITIONAL APPROPRIATIONS

PART A—BUREAU OF ALCOHOL, TOBACCO, AND FIREARMS, DEPARTMENT OF THE TREASURY

AUTHORIZATION FOR DEVELOPMENT OF EXPLOSIVES IDENTIFICATION AND DETECTION DEVICES

SEC. 311. (a) There are authorized to be appropriated to the Bureau of Alcohol, Tobacco, and Firearms for the fiscal year ending September 30, 1986, an additional $3,000,000 for the development and implementation of a portable system of explosives identification and detection devices. Funds appropriated under this section shall be available until expended.

(b) The Director of the Bureau of Alcohol, Tobacco, and Firearms shall take whatever steps are practicable to accelerate the development and production of such devices in order to have explosive identification and detection devices available to the appropriate Federal, State, and local law enforcement agencies, offices, and airport authorities by no later than the fiscal year ending on September 30, 1987.

AUTHORIZATION FOR EXPLOSIVES INCIDENT DATA BASE

SEC. 312. There are authorized to be appropriated to the Bureau of Alcohol, Tobacco, and Firearms for the fiscal year ending September 30, 1986, an additional $3,000,000 for the development and maintenance of an international explosives incident data base.

AUTHORIZATION FOR ADDITIONAL EMPLOYEES

SEC. 313. There are authorized to be appropriated to the Bureau of Alcohol, Tobacco, and Firearms for the fiscal year ending September 30, 1986, $14,879,000 to provide for the salaries and expenses for 216 additional full-time, permanent agent positions and related and necessary equipment to establish an enhanced capability within the Bureau to conduct antiterrorist investigations under the existing statutory authorities of the Bureau of Alcohol, Tobacco, and Firearms.

REPORT ON USE OF FUNDS APPROPRIATED UNDER THIS TITLE

SEC. 314. The Director of the Bureau of Alcohol, Tobacco, and Firearms shall report to the appropriate legislative committees of the House of Representatives and the Senate of the United States and the Committees on Appropriations of the House and the Senate on a quarterly basis regarding progress made in accelerating the development of the devices as provided in section 311 and the international explosive incident data base as provided in section 312. The Director shall also report on a periodic basis to the Committees on Appropriations of the House and Senate regarding the Bureau's hiring, training, and deployment of the additional 216 agents authorized in section 313.

PART B—UNITED STATES CUSTOMS SERVICE, DEPARTMENT OF THE TREASURY

AUTHORIZATION FOR ADDITIONAL DRUG ENFORCEMENT AND COUNTERTERRORIST ACTIVITIES

SEC. 321. (a) There are authorized to be appropriated to the United States Customs Service for the fiscal year ending September 30, 1986, $21,100,000 for additional salaries and expenses to carry out increased security, drug enforcement, and counterterrorist activities at international airports within the United States and at the ports of entry and between the ports of entry along the southwest border of the United States.

(b) The authorization of additional appropriations under this section includes the authorization of funding of—

(1) $6,800,000 for 160 additional full-time, permanent inspectors and 16 canine enforcement teams to establish additional Contraband and Enforcement Teams (C.E.T.) and other enforcement teams at the international airports in the United States;

(2) $6,100,000 for additional equipment to support the personnel and canine enforcement teams in paragraph (1);

(3) $4,200,000 for 100 additional full-time permanent inspectors to establish enhanced counterterrorist and other security capabilities at the ports of entry and between the ports of entry along the southwest border of the United States; and

(4) $4,000,000 for additional equipment to support the personnel and the activities in paragraph (3).

PART C—IMMIGRATION AND NATURALIZATION SERVICE, DEPARTMENT OF JUSTICE

AUTHORIZATION FOR INCREASED ANTITERRORIST SECURITY ALONG THE SOUTHWEST BORDER OF THE UNITED STATES

Sec. 331. There are authorized to be appropriated to the Immigration and Naturalization Service, Department of Justice, for the fiscal year ending September 30, 1986, $6,100,000 for salaries and expenses for an additional 150 full-time, permanent inspector positions to be located at the ports of entry along the southwest border of the United States. Such funding shall be used to recruit, train, hire, and equip additional inspectors to improve antiterrorist security at the ports of entry along the southwest border of the United States.

PART D—UNITED STATES SECRET SERVICE, DEPARTMENT OF THE TREASURY

AUTHORIZATION FOR ANTITERRORIST ACTIVITIES OF THE SECRET SERVICE

Sec. 341. (a) There are authorized to be appropriated to the United States Secret Service, Department of the Treasury, for the fiscal year ending September 30, 1986, $29,000,000 for salaries and expenses for additional personnel and equipment to conduct counterterrorism activities under the existing statutory authorities of the United States Secret Service.

(b) The authorization of additional appropriations under this section includes the authorization of funding of—

(1) $19,894,000 for an additional 384 full-time, permanent positions, including 129 Special Agents, 137 Uniformed Officers, and 118 Support Positions;

(2) $4,253,000 for an increase in the United States Secret Service law enforcement vehicle fleet; and

(3) $4,853,000 for additional ADP equipment, security systems, research and development, and technical security supplies and equipment.

ADVANCE PAYMENT AUTHORITY

Sec. 342. Notwithstanding any other provision of law, the Attorney General, the Secretary of Transportation, the Secretary of the Treasury, or the Secretary of State may make advance payments for expenses arising out of contractual and reimbursable agreements with State and local law enforcement agencies while engaged in cooperative antiterrorist activities.

TITLE IV—ESTABLISHMENT OF ANTITERRORIST LAW ENFORCEMENT COORDINATING COUNCIL

ESTABLISHMENT OF COUNCIL

SEC. 401. There is established within the Executive Office of the President an "Antiterrorist Law Enforcement Coordinating Council" (hereafter in this title referred to as the 'Council").

PURPOSE

SEC. 402. The purpose of the Council shall be to regularly review all Federal antiterrorist law enforcement activities and facilitate the coordination of such antiterrorist law enforcement activities, including such new activities mandated by this Act, among the various Federal, State, and local departments, agencies, offices, and authorities.

MEMBERSHIP

SEC. 403. The Council shall be chaired by the Attorney General of the United States and membership on the Council shall include—

(1) the Secretary of the Treasury or his designee;

(2) the Secretary of State or his designee;

(3) the Secretary of Transportation or his designee;

(4) the Director of the Federal Bureau of Investigation or his designee;

(5) the Director of the United States Secret Service; and

(6) the Director of the Federal Law Enforcement Training Center.

MEETINGS AND REPORTS

SEC. 404. The Council shall meet on a quarterly basis to review the antiterrorist law enforcement activities of the Government and shall make periodic written reports on such activities to—

(1) the President;

(2) the House and the Senate Select Committees on Intelligence;

(3) the House and the Senate Committees on Appropriations; and

(4) other appropriate legislative committees of the House and the Senate.

By Mr. QUAYLE:

S. 1501. A bill to amend part B of title IV of the Higher Education Act of 1965, relating to the guaranteed student loan program, to permit the deferment of payment of principal for 1 year for students who are on maternity leave if the students are enrolled in institutions of higher education; to the Committee on Labor and Human Resources.

STUDENT AID ASSISTANCE AMENDMENTS

● Mr. QUAYLE. Mr. President, I am introducing a bill to amend the Guaranteed Student Loan [GSL] Program to provide for the deferment of payment on a loan for students who are on maternity leave.

Under the GSL Program, students and former students can apply for a deferment of payment on their loans under certain conditions. If a student qualifies for a deferment, he or she does not have to pay the interest on the loan, rather the Government will resume payment of the interest and principal to help the student through a particular period. The Government ultimately prevents defaults in the program by providing deferments to students that are serious about repayment who are faced with a difficult economic situation for a limited amount of time.

The current deferments in law include the period the student is in school; up to 3 years for military service or service in the Public Health Service Corps; up to 3 years for service as a Peace Corps or VISTA volunteer; up to 2 years for a professional internship; up to 12 months for a period of unemployment; and up to 3 years for a temporary, total disability.

The last deferment, for a temporary, total disability, can and does include periods of illness. However, the law does not provide a deferment for pregnancy, and women who have sought a deferment for pregnancy have been rejected by the Department of Education.

Women who become pregnant should receive treatment equal to that received by individuals who are accorded a deferment for a period of illness or disability. I believe we send the wrong signal by saying that pregnancy is not an appropriate or legitimate reason for a break in education.

The bill I am introducing today could add a new category for deferments in the GSL Program for maternity leave. The deferment would be for no longer than 12 months and only women who are enrolled at institutions of higher education would be eligible. This deferment, therefore, would not apply to a student already out of school and in repayment who then became pregnant.

The reauthorization of the Higher Education Act will be before the Senate this Congress, and I believe that we need to look at changes such as the one I am proposing to ensure that women are not discouraged from pursuing a higher education and that maternity leave is accorded equitable treatment with other deferment categories.

Mr. President, I look forward to the support of my colleagues on this issue and ask that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1501

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Student Aid Assistance Amendments of 1985".

SEC. 2. (a) Section 427(a)(2)(C) of the Higher Education Act of 1965 (hereinafter referred to in this Act as the "Act") is amended by striking out "or (viii)" and inserting in lieu thereof the following: "(viii) not in excess of 12 months during which the borrower is on maternity leave if the borrower is an enrolled student at an eligible institution; or (ix)".

(b) Section 428(b)(1)(M) of the Act is amended by striking out "or (viii)" and inserting in lieu thereof "(viii) not in excess of 12 months during which the borrower is on maternity leave if the borrower is an enrolled student at an eligible institution; or (ix)".

SEC. 3. The amendments made by section 2 of this Act shall take effect with respect to loans made after the date of enactment of this Act.●

By Mr. CHAFEE (by request):

S. 1502. A bill to amend and extend title I of the Marine Protection, Research, and Sanctuaries Act, as amended, for 2 years; to the Committee on Environment and Public Works.

MARINE PROTECTION, RESEARCH, AND SANCTUARIES ACT AUTHORIZATION

● Mr. CHAFEE. Mr. President, today I am introducing legislation at the request of the Administration to reauthorize title I of the Marine Protection, Research, and Sanctuaries Act for 2 years.

This legislation reauthorizes the existing program at an increased authorization level of $8,863,800 for fiscal year 1986 and such sums as may be necessary for fiscal year 1987.

The Subcommittee on Environmental Pollution will be holding hearings on title I of the MPRSA on July 30, 1985 at 2 p.m. The hearings will focus on this bill as well as S. 824 which was introduced by Senator LAUTENBERG.

Mr. President, I ask unanimous consent the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1502

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 111 of the Marine Protection, Research, and Sanctuaries, Act, as amended (33 U.S.C. 1420), is amended by striking "and" immediately following "1981," and inserting "and not to exceed $8,863,800 for fiscal year 1986, and such sums as may be necessary for fiscal year 1987," immediately following "1982".●

By Mr. LAXALT (for himself, Mr. HECHT, Mr. CRANSTON, and Mr. WILSON):

S. 1503. A bill to clear title to certain lands along the California-Nevada boundary; to the Committee on Energy and Natural Resources.

CALIFORNIA-NEVADA BOUNDARY LANDS

● Mr. LAXALT. Mr. President, I introduce, with my distinguished colleagues from Nevada and California, a bill to quiet title to certain lands which were involved in the California-Nevada border dispute litigation resolved by the Supreme Court in 1980.

The purpose of this bill is to remove any cloud on title to these particular lands and to avoid further costly litigation as the means of resolving title. This legislation will impact only those lands which have been transferred to third parties over the years from lands originally granted to the States. Portions of the land involved in the border litigation decision are now in a different State from their original location, and title to that land is now under a cloud. Some 12,000 acres are threatened to be involved in this title-clouded situation.

The State attorney generals of California and Nevada support passage of this measure, as do the State lands commissions and land title associations.

I want to make clear that only land formerly in Federal ownership, transferred to the States and then to third parties, is covered by the provisions of this bill. Any remaining disputes about State land selections in either State are not addressed.

Mr. President, it is important that land title impacted by litigation between the States be cleared to avoid ongoing hardship to landowners not party to the suit and to also avoid hardships to the two States. This bill will do that without any impact on the Federal Government. I hope the bill can be considered expeditiously and favorably.●

● Mr. HECHT. Mr. President, today I am pleased to join my colleague Senator LAXALT in introducing a bill to correct possible land title problems for private landowners in Nevada and California.

In 1980 and 1982, the U.S. Supreme Court fixed a permanent boundary line between California and Nevada. In doing so, the Court inadvertently placed a cloud on the title to some 12,000 acres of privately owned land. The cloud resulted from the fact that some lands that the U.S. Government had once conveyed to the States of Nevada and California, and which the States later conveyed to private parties, were determined by the Court to be situated in the other State. This fact technically invalidates the title to these privately owned lands. Our bill validates these land titles for the private landowners.

The bill is simple and does not involve public lands. It protects and secures the private property rights of individual private land owners, who, through no fault of their own, might otherwise have future difficulty exercising their normal property rights.

This measure has been developed in cooperation with the State and Federal land management agencies, and the attorneys general of Nevada and California.

I urge my colleagues to join with me in supporting this bill and thereby solving this technical land title problem.●

By Mr. ROCKEFELLER (for himself, Mr. BYRD, Mr. MCCONNELL, Mr. DIXON, Mr. HEINZ, Mr. DECONCINI, Mr. FORD, Mr. METZENBAUM, Mr. BURDICK, Mr. BUMPERS, Mr. GRASSLEY, Mr. RIEGLE, Mr. HARKIN, Mr. TRIBLE, Mr. BINGAMAN, Mr. PRYOR, Mr. HART, Mr. GORE, Mr. BRADLEY, Mr. INOUYE, Mr. SASSER, Mr. SIMON, Mr. HOLLINGS, Mr. MELCHER, and Mr. SPECTER):

S. 1504. A bill to assure that administrative law judges making determinations under the Black Lung Benefits Act receive compensation at a rate not less than that prescribed for GS-16 under section 5332 of title 5, United States Code; to the Committee on Finance.

BLACK LUNG BENEFITS AMENDMENTS ACT

Mr. ROCKEFELLER. Mr. President, along with my distinguished colleagues, Senate Minority Leader ROBERT C. BYRD and Senators MCCONNELL, DIXON, HEINZ, DECONCINI, FORD, METZENBAUM, BURDICK, BUMPERS, GRASSLEY, RIEGLE, HARKIN, TRIBLE, BINGAMAN, PRYOR, HART, GORE, BRADLEY, INOUYE, SASSER, SIMON, HOLLINGS, MELCHER, and SPECTER, today I am introducing a bill to eliminate a thoroughly unnecessary but significant barrier to the effort to speed up the processing of black lung claims. This bill would enable the Department of Labor to assign as many of its administrative law judges as are needed and available to decide upon appeals pending at this level of the system. The result would be that the agency would be applying its maximum resources to resolving the intolerable problem of a backlog now totalling over 21,000 cases.

I was incredulous when I first learned about what currently prevents the Department of Labor from using all of its ALJ's to settle black lung cases. For years, the Office of Personnel Management has continued to insist on an age-old policy that says only administrative law judges in the GS-15 pay grade category are supposed to hear and decide upon black lung cases. This means that out of the 90 administrative law judges now working in the Department of Labor, only 28 of them—the number of GS-15 ALJ's—can settle black lung claims.

The reason this is so astonishing is that the rest of the administrative law judges—the other 62 who are GS-16's—have far fewer cases to deal with. The ALJ office has a backlog of 30,000 cases. Of those 30,000, 21,000 are black lung cases and 9,000 are cases dealing with other programs under DOL's jurisdiction. Who would believe that DOL can use only its 28 judges to decide upon 21,000 cases and its 26 judges to decide upon 9,000 cases?

I have thoroughly checked the history behind this inefficient distribution of DOL's caseload. I am including in my statement for the CONGRESSIONAL RECORD several documents that state, in no uncertain terms, administrative law judges assigned to hear black lung cases should be GA-16's. I refer my colleagues, in particular, to the analysis of Mr. Alan McKean, a former chief examiner for OPM, that concludes the work involved in determining black lung appeals is at a level of difficulty and complexity "at least equal to that of other administrative law judge positions which the OPM has classified at GS-16."

At various times in the past 4 years, the DOL has asked OPM for the change in the latter's policy which is called for in my bill being introduced today. Two different letters from the agency's Assistant Secretary for Administration and Management are included with my statement—both ask OPM to classify DOL's administrative law judges into one grade, that is, GS-16's.

Thus, my bill is an effort to make the change legislatively that historically has been sought out by the Department of Labor through administrative channels. Now that we have a new Secretary of Labor, William Brock, I am hopeful that he will be successful in achieving the change. The bill being introduced today is meant to send a signal from Congress to OPM, in particular, that we want this change to be enacted expeditiously.

I urge all of my colleagues to join me by cosponsoring this bill. Miners afflicted with the crippling black lung disease should not have to wait the 3 to 5 years it now takes for the administrative law judges to decide whether they will be provided some relief. Everyone, in fact, involved in the black lungs appeal process—the miners, their families, the lawyers, coal companies, and the administrative law judges—are frustrated with the backlog and want it addressed. This problem reminds me of the phrase "justice delayed is justice denied."

My bill calls for a change that should have been made long ago. The Department of Labor should have the ability to use all of its existing resources to break the black lung logjam and settle claims efficiently and cost-effectively. By placing all of the agency's administrative law judges into the GS-16 pay grade category which corresponds to the complicated nature or black lung cases, we will surely find that justice will be restored and rendered more quickly and fairly.

I ask unanimous consent that the bill and before-mentioned documents be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1504

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Black Lung Benefits Amendments Act of 1985".

SEC. 2. The seventh sentence of section 428(b) of the Black Lung Benefits Act (30 U.S.C. 938(b)) is amended by inserting after "section" a comma and the following: "under the other provisions of this title,".

SEC. 3. The amendment made by section 2 shall apply to determinations for benefits pending before the Department of Labor on the date of enactment of this Act as well as to claims brought after the date of enactment of this Act.

U.S. DEPARTMENT OF LABOR,
OFFICE OF ADMINISTRATIVE LAW JUDGES,
Washington, DC, March 18, 1982.

Memorandum to: Alfred M. Zuck, Assistant Secretary for Administration and Management.

From: Nahum Litt, Chief Judge.

Subject: Single grade for judges.

As part of an independent law suit brought by one of our judges, the Office of Personnel Management (OPM) has supplied, for the first time, copies of all actions which it has taken in classifying and grading Administrative Law Judge's in government [1]. These records which are reported to be complete go back 35 years.

Attached is a copy of a decision of the Civil Service Commission dated February 19, 1963 stating that it was the policy of the Civil Service Commission to have only one grade at any agency. I would call to your attention the fourth paragraph on page 5, which states: [2]

We have not been able to find any sound and defensible basis for distinguishing among the various regulatory agencies which have hearing examiners in grade GS-15 so as to recommend that the hearing examiners in some of these but not others be upgraded. Neither have we been able to find any sound and defensible basis for determining that some hearing examiners positions in some agencies be upgraded to grade GS-16, while leaving others in the same agency in grade GS-15.

I was amazed to find that in 1963 the Civil Service Commission not only addressed the issue of multi-grade for judges at single agencies, but had decided that it was indefensible as well as poor policy to have more than one grade at an individual agency. Apparently, by the time the Department of Labor sought additional grades for its judges in the mid-1970's, the personnel had changed and the administrative history had been lost. We have found no document that OPM has ever reconsidered or readdressed the issues decided by it in 1963. The imposition by OPM of the dual grade structure on the Department, therefore, contravenes OPM's policy, rationale, and decision.

Interestingly, two other agencies also have been subjected in the mid-1970's to a bifurcated structure—the Department of Interior and the Evironmental Protection Agency have returned to a single grade system. DOL is the only agency left.

I believe we may have already convinced Director Devine on the merits, since I understand that the Office of Administrative Law Judges at OPM had been directed to come up with an "options paper" looking towards ending the grade split. Nonetheless finding this memorandum is a ground for immediate action.

EXHIBIT 4.—C.A. No. 83-0354

Hon. DONALD J. DEVINE,
Director, Office of Personnel Management, Washington, DC.

Re reclassification of remaining DOL judges to the grade 16 level.

DEAR MR. DEVINE: The Department of Labor respectfully requests that OPM reconsider its recent classification by Judge Marvin Morse of cases arising under the Federal Black Lung Benefits Reform Act. Judge Morse determined that administrative law judges assigned to hear those cases be classified at the Grade GS-15 level, instead of GS-16, which the Department believes to be the grade required by the level of difficulty of that work.

As you are aware, the dual grade structure of administrative law judges assigned to DOL, has not only created an inequitable situation among judges who, essentially are performing the same function, but has become a management nightmare. Under the present structure, judges must be sent to distant cities to hear a few grade GS-16 cases there, even though we may have an office of GS-15 judges in those cities who are fully competent to hear the cases.

Apart from our own belief that there is not a sufficient difference in the responsibility as well as the level of difficulty in most any case before a judge, we have attached a memorandum based upon a classification study by Mr. Alan McKean, a highly respected former OPM classifier, who subscribes to the same opinion.

We urgently require this relief in order for the Office of Administrative Law Judges to function in an efficient and economical manner. The costs are minimal and would be more than offset by savings in administrative and travel costs which would be realized by a prompt approval of this request. Your prompt attention will be appreciated.

Sincerely,

ALFRED M. ZUCK,
Assistant Secretary for Administration and Management.

ANALYSIS TO SUPPORT CLASSIFICATION OF THE DEPARTMENT OF LABOR "BLACK LUNG" ADMINISTRATIVE LAW JUDGES TO GS-935-16

This paper presents an analysis relating to the proper classification grade for Department of Labor Administrative Law Judges who may be engaged entirely in proceedings arising from Title IV of the Federal Mine Safety and Health Act of 1977. (For convenience, these Judges are hereinafter referred to as the "Black Lung ALJ's.") A description of the Black Lung ALJ positions is attached.

This analysis will, we believe, demonstrate the appropriateness of the GS-16 grade for these positions on the following grounds:

1. First and foremost, by comparison with published OPM position classification standards. While standards have not been published specifically for "Administrative Law Judges," the published standards for Attorney positions provide a clear basis for supporting GS-16 when proper recognition and weight is given to the level of responsibility inherent in the genuinely judicial function of these positions.

2. Secondly, we will show that these positions involve work of a level of difficulty and complexity, and a level of responsibility, which is clearly at least equal to that of other Administrative Law Judge positions which the OPM has classified at GS-16.

3. By law,[1] one type of case involving "black lung" (discharge or discrimination in employment against miners because of pneumoconiosis) must be heard by GS-16 ALJ's. Such cases cannot be given to the "Black Lung ALJ's" who, clearly, possess the most appropriate qualifications for adjudicating them, unless they are classified to GS-16.

4. Finally, while not a directly valid classification argument, we would point out that these positions equal or exceed in complexity and responsibility other ALJ positions which have been placed in GS-16 by action of the Congress. While Congressional actions are not technical classification decisions, we believe they reflect a sense of worth of ALJ positions which merits consideration, and that equity cries out for equal classification grades for positions of clearly comparable difficulty and responsibility.

MARCH 23, 1982.

Hon. DONALD J. DEVINE,
Director, Office of Personnel Management, Washington, DC.

Re single grade for Department of Labor judges.

DEAR MR. DEVINE: Attached is a memorandum from Chief Judge Nahum Litt to me stating that his office has just been supplied with a copy of the 1963 decision of the Civil Service Commission which determined that there should be only one grade for judges at each department or agency. I believe that the finding of this decision, if it still represents OPM's policy on multi-grade levels for judges within the same agency, should be sufficient cause for you to direct that appropriate actions be taken consistent with this OPM policy. I know that you have taken a personal interest in ending this issue and I am most appreciative.

Sincerely,

ALFRED M. ZUCK,
Assistant Secretary for Administration and Management
(For Betty Bolden).

By Mr. MOYNIHAN:

S. 1505. A bill to require the President to take action in response to the reports on barriers to foreign market access; to the Committee on Finance.

INCREASED MARKET ACCESS PROMOTION ACT

● Mr. MOYNIHAN, Mr. President, I rise today to introduce the Increased Market Access Promotion Act of 1985. The purpose of this bill is quite simple: To increase access for U.S. products, services, and investment in foreign markets.

Trade barriers in foreign countries which limit exports of U.S. goods, services and investment present a real problem for us. Japan is the nation most frequently cited—but other countries in the Far East and other areas of the world are guilty of acts, policies and practices that constitute significant trade barriers.

Our representatives have tried to remove these barriers through negotiations—too often, to no avail. In part, this reflects the fact that foreign countries have little incentive to reduce their trade barriers because they believe—correctly—that the United States will do nothing in response.

This has to change. We need to convince foreign countries that it is in their interest to eliminate their trade barriers.

I believe that requiring the President to use his existing authority under section 301 of the Trade Act of 1974, as amended, to retaliate against a country that persists in maintaining trade barriers by limiting that country's access to our markets, can provide the much needed leverage.

However, Mr. President, legislative proposals advanced in the last few months would restrict imports from

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[1] This action was supplied under a Freedom of Information request pressed in the U.S. District Court by a DOL judge. No other material was supplied on this issue.

[2] An article by the Chairman of the Civil Service Commission, John W. Macy, Jr., also sets out this policy. The APA and the Hearing Examiner: Products of a Viable Political Society, 27 Fed Bar J. 351 (Fall 1967), at 377 (attached).

[1] Sec. 428(b) of Federal Mine Health and Safety Act of 1977.

foreign countries without regard to the existence and extent of those countries' trade barriers, or to their success in eliminating those barriers.

Take for example, S. 1404, Senator DANFORTH's bill approved by the Finance Committee on April 3 by a vote of 12 to 4—I voted against the bill. S. 1404 was drafted in response to the anticipated exports of $4.5 billion more Japanese autos to the United States following the expiration of the Japanese Voluntary Restraint Agreement. S. 1404 requires the President to take action to ensure that U.S. exports to Japan increase by the amount of the additional autos Japan will export to the United States. To the extent the Japanese do not open their markets and U.S. exports do not increase by this amount, the President would be required to restrict Japanese imports.

The problem with this bill, is that the President is required to retaliate against the Japanese based on the value of the additional autos they send us, rather than the value of U.S. exports they keep out of their markets. The premise of the bill, in other words, is "enough is enough": the message to the Japanese is "from now on, you can't send us any more than we send you."

A similar objection applies to bills offered by Senators GORTON, MURKOWSKI, HEINZ, and BENTSEN, to impose surcharges on imports from countries—that is, Japan—with which we have large trade deficits—even if those deficits reflect not trade barriers but rather such factors as relative competiveness, economic growth, fiscal and monetary policies, saving behaviour, or exchange rates rather than trade barriers.

What we should be saying instead is:

You have trade barriers that keep out our exports. Unless you eliminate those barriers, we will keep out of our markets as much as you keep out of your markets. On the other hand, if you eliminate your trade barriers and let our exports into your markets, then we will let your products into our markets—even if, as a result, you end up sending us more goods than we send you."

That is what my bill will do.

The bill would require:

First, USTR to submit to Congress on March 31 of each year a report identifying "acts, policies, or practices which constitute significant barriers to, or distortions of" U.S. exports of goods and services an investment abroad and to provide a quantitative estimate of the amount by which U.S. exports or investment would have increased in the previous year absent each barrier.

Second, the President to negotiate the elimination of those barriers as soon as possible—with the expectation that the barriers will be at least half removed after 1 year and completely eliminated after 2 years—so that in the first year following initiation of the negotiations, U.S. exports will increase 50 percent of the amount that USTR estimated they would have increased absent the barrier, and in the second year 100 percent.

Third, the President to immediately limit imports from countries with trade barriers—and large trade surpluses with the United States—by half the amount that U.S. exports would increase if the country eliminated its barriers—to create incentives for the foreign country to negotiate.

Fourth, the President to continue to limit imports from countries that have large trade surpluses with the United States and fail to eliminate their barriers as we expect—with the President limiting imports by the amount that U.S. exports would increase if the country had eliminated its barriers as expected—that is 50 percent after the first year, and 100 percent after 2 years—less the amount by which the foreign country does reduce its barriers and U.S. exports increase.

Permit me to illustrate with an example.

USTR estimates that if Japan eliminated its barriers to U.S. telecommunication exports, U.S. exports would be $2 billion greater. The President immediately limits Japanese imports by $1 billion. Negotiations to eliminate the barriers also commence. As a result of negotiations, Japan reduces its barriers and after a year U.S. exports increase $800 million. Since we expect that Japan would have reduced its barriers by one-half after 1 year, so that U.S. exports would have increased by $1 billion, the President would be required to limit $200 million of Japanese imports. If, after 2 years the Japanese had further reduced, but not eliminated, their barriers so that telecommunications exports were $1.6 billion higher than when USTR first reported the trade barriers, then the President would be required to limit Japanese imports by $400 million (since we expect that with the elimination of the barriers U.S. exports would have increased $2 billion).

I might note that, under the provisions of my bill, if a foreign country does not reduce its trade barriers, but instead maintains or increases them, then the President would be required to limit imports from that country in the full amount that U.S. exports would have increased absent that barrier.

Let me further add, Mr. President, that the retaliation provisions would only be used as leverage in those cases in which: First, the country had trade barriers; and second, our trade imbalance with that country had deteriorated to a significant extent—which is to say, in those cases where our bilateral trade deficit with that country exceeded 5 percent of our total trade deficit. Thus in 1984, the retaliation provisions would have applied to Japan, Canada, Taiwan, West Germany, and Mexico—which together accounted for 68 percent of our $123 billion trade deficit.

Mr. President, my approach builds on existing law. Under section 301, the President is already authorized to "take all appropriate and feasible action within his power" to enforce U.S. rights under trade agreements and to eliminate trade barriers to U.S. exports or direct foreign investment, if these barriers are "unjustifiable, unreasonable or discriminatory" and burden or restrict U.S. commerce.

Under section 301, the President may deny a foreign country the benefits of a prior trade agreement with the United States or impose duties or other import restrictions.

My bill simply requires the President to take action in order to obtain the leverage necessary to eliminate foreign trade barriers.

Moreover, the Trade and Tariff Act of 1984 directed the USTR to submit a report to Congress identifying significant foreign barriers to U.S. exports and estimating the "trade-distorting impact on United States commerce * * *" of those barriers. The bill simply requires USTR to go one step further and estimate the amount by which U.S. exports (or investment) would increase absent those barriers.

Mr. President, we need to take action to improve access to foreign markets. Yet at the same time, we need to reject proposals that would restrict imports without justification.

I hope my colleagues will agree and cosponsor this bill, and I ask unanimous consent that the text of the bill be printed at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1505

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Increased Market Access Promotion Act of 1985".

SEC. 2. REPORTS ON BARRIERS TO FOREIGN MARKET ACCESS.

Section 181 of the Trade Act of 1974 (19 U.S.C. 2241) is amended—

(1) by striking out "Not later than the date on which the initial report is required under subsection (b)(1)," in subsection (a)(1) and inserting in lieu thereof "For calendar year 1985, and for each succeeding calendar year,",

(2) by inserting "of each foreign country or instrumentality" after "or practices" in subsection (a)(1)(A),

(3) by striking out "and" at the end of subsection (a)(1)(A)(ii),

(4) by striking out the period at the end of subsection (a)(1)(B) and inserting in lieu thereof"; and",

(5) by adding at the end of subsection (a)(1) the following new subparagraph:

"(C) make an estimate of—

"(i) the value of additional goods and services of the United States, and

"(ii) the value of additional foreign direct investment by United States persons,

that would have been exported to, or invested in, each foreign country or instrumentality during such calendar year if each of such acts, policies, and practices of such country or instrumentality did not exist.",

(6) by striking out "and" at the end of subsection (a)(2)(C),

(7) by striking out the period at the end of subsection (a)(2)(D) and inserting in lieu "; and",

(8) by adding at the end of subsection (a)(2) the following new subparagraph:

"(E) the actual increase in—

"(i) the value of goods and services of the United States exported to, and

"(ii) the value of foreign direct investment made in,

the foreign country or instrumentality during the calendar year for which the estimate under paragraph (1)(C) is made.

(9) by striking out "the date which is one year after the date of the enactment of the International Trade and Investment Act, and" in subsection (b)(1) and inserting in lieu thereof "March 31 of 1986, and of",

(10) by inserting "for the calendar year preceding such calendar year to the President," after "under subsection (a)" in subsection (b)(1), and

(11) by striking out "ACTIONS" in the section heading and inserting in lieu thereof "REPORTS".

SEC. 3. ACTIONS IN RESPONSE TO REPORTS ON BARRIERS TO MARKET ACCESS.

(a) Chapter 8 of title I of the Trade Act of 1974 (19 U.S.C. 181) is amended by adding at the end thereof the following new section:

"SEC. 182. ACTIONS BY THE PRESIDENT IN RESPONSE TO REPORTS ON BARRIERS TO MARKET ACCESS.

"(a) NEGOTIATIONS.—Upon receipt of the report submitted under section 181, the President shall take action to initiate negotiations between the United States and each foreign country which is identified in such report as having acts, policies, or practices described in section 181(a)(1)(A) for the purpose of eliminating such acts, policies, and practices within 2 years.

"(b) ACTION UNDER SECTION 301.—If—

"(1) a foreign country is identified in a report submitted under section 181 as a country that has acts, policies, or practices described in section 181(a)(1)(A), and

"(2) the amount of the trade deficit between the United States and such country for the calendar year preceding the calendar year in which such report is submitted exceeds an amount equal to 5 percent of the amount of the trade deficit between the United States and the world for such calendar year,

the President shall, by no later than April 15 of the calendar year in which such report is submitted, take all actions authorized under section 301 against such county which are necessary to meet the applicable objective described in subsection (c) for such calendar year.

"(c) OBJECTIVES.—

"(1) FIRST YEAR SUBSECTION IS APPLICABLE.—If a foreign country was not described in paragraph (1) and (2) of subsection (b) for the calendar year preceding the current calendar year, the objective of the actions that are required to be taken against such country under subsection (b) for the current calendar year shall be the reduction of the aggregate value of the goods and services of such country that the President estimates would (but for this section) be exported to the United States during the current calendar year by an amount equal to 50 percent of the sum of the amounts described in clauses (i) and (ii) of section 181(a)(1)(C) that the United States Trade Representative estimates in the report submitted under section 181 during the current calendar year would have exported to, or invested in, such country if the acts, practices, and policies of such country identified in such report did not exist.

"(2) SECOND YEAR IF REDUCTION OF BARRIERS HAS BEEN MADE.—

"(A) IN GENERAL.—If paragraph (1) applied with respect to a foreign country during the calendar year preceding the current calendar year, the objective of the actions that are required to be taken against such country under subsection (b) for the current calendar year shall be the reduction of the aggregate value of the goods and services of such country that the President estimates would (but for this section) be exported to the United States during the current calendar year by an amount equal to the excess, if any, of—

"(i) the sum of the amounts described in clauses (i) and (ii) of section 181(a)(1)(C) that the United States Trade Representative estimates in the report submitted under section 181 during the current calendar year would have been exported to, or invested in, such country if the acts, policies, and practices of such country identified in such report did not exist, over

"(ii) an amount determined by multiplying—

"(I) 50 percent, by

"(II) the sum of the amounts described in clauses (i) and (ii) of section 181(a)(1)(C) that the United States Trade Representative estimates in the report submitted under section 181 during the calendar year preceding the current calendar year would have been exported to, or invested in, such country if the acts, policies, and practices of such country identified in such report did not exist.

(2) by inserting after the item relating to section 181 the following new item:

"Sec. 182. Actions by the President in response to reports on barriers to market access.".

"(B) EXCEPTION.—This paragraph shall not apply if the amount determined under subparagraph (A)(i) exceeds the amount described in subparagraph (A)(ii)(II).

"(3) OTHER YEARS.—If paragraph (1) and (2) do not apply, the objective of the actions that are required to be taken against a foreign country under subsection (b) for the current calendar year shall be the reduction of the aggregate value of goods and services of such country that the President estimates would (but for this section) be exported to the Untied States during the current calendar year by an amount equal to the sum of the amounts described in clauses (i) and (ii) of section 181(a)(1)(C) that the Untied States Trade Representative estimates in the report submitted under section 181 during the current calendar year would have been exported to such country if the acts, policies, and practices of such country identified in such report did not exist.

"(d) FOREIGN COUNTRY.—For purposes of this section, the term 'foreign country' includes foreign instrumentalities.".

(b) The table of contents of the Trade Act of 1974 is amended—

(1) by striking out "Actions" in the item relating to section 181, and inserting in lieu thereof "Reports", and●

By Mr. PROXMIRE (for himself, Mr. CHAFEE, Mr. ANDREWS, Mr. DURENBERGER, Mr. HEINZ, Mr. MCCLURE, Mr. GRASSLEY, Mr. PACKWOOD, Mr. WEICKER, Mr. KASTEN, Mr. THURMOND, Mr. DOMENICI, Mr. HATCH, Mr. HATFIELD, Mr. BURDICK, Mr. MATSUNAGA, Mr. NUNN, Mr. HOLLINGS, Mr. INOUYE, Mr. ZORINSKY, Mr. RIEGLE, Mr. GORE, Mr. EXON, Mr. BRADLEY, Mr. BAUCUS, Mr. CRANSTON, and Mr. BENTSEN):

S.J. Res. 175. Joint resolution to designate the week of August 25, 1985, through August 31, 1985, as "National CPR Awareness Week"; to the Committee on the Judiciary.

(The remarks of Mr. PROXMIRE and the text of the legislation appear earlier in today's RECORD.)

By Mr. D'AMATO:

S.J. Res. 176. Joint resolution to provide that a special gold medal honoring George Gershwin be presented to his sister, Frances Gershwin Godowsky, and a special gold medal honoring Ira Gershwin be presented to his widow, Leonore Gershwin, and to provide for the production of bronze duplicates of such medals for sale to the public; to the Committee on Banking, Housing, and Urban Affairs.

GOLD MEDALS HONORING GEORGE AND IRA GERSHWIN

● Mr. D'AMATO. Mr. President, I rise today with tremendous pride to honor two Americans and their music. The joint resolution I offer today provides for a special gold medal honoring George Gershwin to be presented to his sister, Frances Gershwin Godowsky, and a gold medal honoring Ira Gershwin to be presented to his widow, Leonore Gershwin. My joint resolution also would provide for the creation of bronze duplicates of such medals to be sold to the general public, in turn raising the revenues to reimburse Treasury for the production of the medals.

In the past, only two American composers have received the Congressional Gold Medal: George M. Cohan for his patriotic songs "Over There" and "A Grand Old Flag" and Irving Berlin for "God Bless America" and other songs. It is time that we now honor the composers who epitomize America and its music. These creative artists have immortalized Americana and served it to the international community with the universal style that makes George and Ira Gershwin composers of the world.

Let us take a moment to review some of George and Ira's works. George Gershwin's first major hit came in 1919 with "Swanee"—truly an American classic. Even after George and Ira started working together in 1924, George did some musical pieces for concert halls. To note a few of George's compositions for the concert hall, there was "Rhapsody in Blue,"

"Concerto in F," "An American in Paris," and "Three Preludes"—need I say more. George's influence has been so pervasive that it left its mark on the following three films made after his death: "An American in Paris" (1951), "Funny Face" (1957), and "Manhattan" (1979). The remarkable creations of George Gershwin bring George and his works melodiously to mind when we least expect it.

Ira is no less a presence in American music. Ira Gershwin composed some of the greatest lyrics known to all ages. This immortal lyricist wrote such songs as "Summertime" with George; with other musicians he did "The Man That Got Away" and "Long Ago and Far Away." He also did the Broadway musicals "Lady in the Dark" and "A Star Is Born."

But there was never such harmony and feeling as when the two brothers created together. While colleagues, Ira and George wrote the Broadway musicals "Oh Kay!," "Strike Up the Band," "Funny Face," "Girl Crazy," and "Of Thee I Sing." This last one was the first musical comedy to receive a Pulitzer Prize and displayed the virtuoso talent of these gentlemen as musicians, writers, and folk philosophers.

However, there is one musical form which challenges even the most talented composers: opera. America has produced little to succeed internationally in this field, and the 20th century has been sorely lacking as well. In a world of Wagner and Bizet, George and Ira Gershwin, in perhaps their crowning achievement, have placed America on the opera stages of the world, and they have done so in such a common poetic fashion as to capture the hearts of divas and the everyday worker as well. I speak of "Porgy and Bess" of course. This masterpiece is celebrating its 50th anniversary this year, and we salute it and the two Americans who made it possible.

I ask my colleagues to join me as cosponsors of this fine tribute to the living memory of Ira and George Gershwin.

I also ask unanimous consent that my joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 176

Whereas George and Ira Gershwin, individually and jointly, created music which is undeniably American and which is internationally admired;

Whereas George Gershwin composed works acclaimed both as classical music and as popular music, including "Rhapsody in Blue", "An American in Paris", "Concerto in F", and "Three Preludes for Piano";

Whereas Ira Gershwin won a Pulitzer Prize for the lyrics for "Of Thee I Sing", the first lyricist ever to receive such prize;

Whereas Ira Gershwin composed the lyrics for major Broadway productions, including "A Star is Born", "Lady in the Dark", "The Barkleys of Broadway", and for hit songs, including "I Can't Get Started", "Long Ago and Far Away", and "The Man That Got Away";

Whereas George and Ira Gershwin collaborated to compose the music and lyrics for major Broadway productions, including "Lady Be Good", "Of Thee I Sing", "Strike Up the Band", "Oh Kay!", and "Funny Face";

Whereas George and Ira Gershwin collaborated to produce the opera "Porgy and Bess" and the 50th anniversary of its first performance will occur during 1985;

Whereas George and Ira Gershwin collaborated to compose the music and lyrics for important contributions to the American song, including "I Got Rhythm", "Summertime", "Love is Here to Stay", "Fascinating Rhythm", "Let's Call the Whole Thing Off", "I Got Plenty of Nuttin", and "Someone to Watch Over Me"; and

Whereas George and Ira Gershwin have made outstanding and invaluable contributions to American music, theatre, and culture: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AUTHORIZATION TO PRESENT GOLD MEDALS.

The President is authorized to present on behalf of the Congress a gold medal honoring George Gershwin to his sister, Frances Gershwin Godowsky, and a gold medal honoring Ira Gershwin to his widow, Leonore Gershwin.

SEC. 2. PRODUCTION OF GOLD MEDALS AND PRODUCTION AND SALE OF BRONZE DUPLICATE MEDALS.

(a) PRODUCTION OF GOLD MEDALS.—The Secretary of the Treasury shall coin one gold medal honoring George Gershwin and one gold medal honoring Ira Gershwin and shall deliver such medals to the President for presentation under section 1. Each gold medal shall contain suitable emblems, devices, and inscriptions to be determined by the Secretary.

(b) PRODUCTION AND SALE OF BRONZE DUPLICATE MEDALS.—The Secretary of the Treasury shall coin and sell bronze medals which are duplicates of each gold medal coined pursuant to subsection (a) under such regulations as the Secretary may prescribe, at a price sufficient to cover the cost of the gold medals and such duplicates, including the cost of labor, materials, dies, use of machinery, and overhead.

SEC. 3. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated for the fiscal year beginning October 1, 1985, such funds as may be necessary to carry out the purposes of this Act.

SEC. 4. EFFECT ON OTHER LAW.

The medals provided for in this Act are national medals for the purpose of section 5111 of title 31, United States Code, and are coins for the purposes of sections 331 and 485 of title 18, United States Code.●

ADDITIONAL COSPONSORS

S. 104

At the request of Mr. THURMOND, the name of the Senator from Kentucky [Mr. FORD] was added as a cosponsor of S. 104, a bill to amend chapter 44, title 18, United States Code, to regulate the manufacture and importation of armor-piercing bullets.

S. 274

At the request of Mr. DENTON, the names of the Senator from Texas [Mr. GRAMM], the Senator from Kansas [Mrs. KASSEBAUM], the Senator from New Hampshire [Mr. RUDMAN], and the Senator from Arkansas [Mr. PRYOR] were added as cosponsors of S. 274, a bill to provide for the national security by allowing access to certain Federal criminal history records.

S. 676

At the request of Mr. BENTSEN, the name of the Senator from Texas [Mr. GRAMM] was added as a cosponsor of S. 676, a bill to establish the title of States in certain resources.

S. 721

At the request of Mr. BOREN, the name of the Senator from Idaho [Mr. MCCLURE] was added as a cosponsor of S. 721, a bill to amend the Commodity Credit Corporation Charter Act regarding the export of agricultural commodities.

S. 827

At the request of Mrs. HAWKINS, the names of the Senator from Rhode Island [Mr. PELL], and the Senator from Maryland [Mr. SARBANES] were added as cosponsors of S. 827, a bill to amend the Public Health Service Act to provide for the compensation of children and others who have sustained vaccine-related injuries, and for other purposes.

S. 961

At the request of Mr. SARBANES, the names of the Senator from Maryland [Mr. MATHIAS], the Senator from Indiana [Mr. LUGAR], the Senator from Rhode Island [Mr. CHAFEE], and the Senator from Wisconsin [Mr. PROXMIRE] were added as cosponsors of S. 961, a bill to authorize the Alpha Phi Alpha Fraternity to establish a memorial to Martin Luther King, Jr., in the District of Columbia.

S. 1084

At the request of Mr. GOLDWATER, the name of the Senator from Pennsylvania [Mr. HEINZ] was added as a cosponsor of S. 1084, a bill to authorize appropriations of funds for activities of the Corporation for Public Broadcasting, and for other purposes.

S. 1153

At the request of Mr. D'AMATO, the names of the Senator from Florida [Mr. CHILES], the Senator from Illinois [Mr. DIXON], the Senator from New Mexico [Mr. BINGAMAN], the Senator from New Mexico [Mr. DOMENICI], and the Senator from New York [Mr. MOYNIHAN] were added as cosponsors of S. 1153, a bill to provide for the distribution within the United States of the U.S. Information Agency film entitled "Hal David: Expressing a Feeling."

S. 1223

At the request of Mr. ARMSTRONG, the name of the Senator from Massa-

chusetts [Mr. KENNEDY] was added as a cosponsor of S. 1223, a bill authorizing the erection of a memorial on Federal land in the District of Columbia or its environs to honor members of the Armed Forces of the United States who served in the Korean war.

S. 1259

At the request of Mr. THURMOND, the name of the Senator from South Dakota [Mr. PRESSLER] was added as a cosponsor of S. 1259, a bill to correct certain inequities by providing Federal civil service credit for retirement purposes and for the purpose of computing length of service to determine entitlement to leave, compensation, life insurance, health benefits, severance pay, tenure, and status in the case of certain individuals who performed service as National Guard technicians before January 1, 1969.

S. 1371

At the request of Mr. LEVIN, the names of the Senator from Massachusetts [Mr. KERRY], the Senator from Pennsylvania [Mr. HEINZ], the Senator from Alaska [Mr. MURKOWSKI], the Senator from Connecticut [Mr. DODD], and the Senator from Massachusetts [Mr. KENNEDY] were added as cosponsors of S. 1371, a bill to designate the portion of 15th Street SW, Washington, DC, located between Maine and Independence Avenues as "Raoul Wallenberg Avenue."

S. 1380

At the request of Mr. GLENN, the name of the Senator from Arkansas [Mr. BUMPERS] was added as a cosponsor of S. 1380, a bill to reform certain regulatory procedures governing the export of banned and severely restricted substances.

S. 1406

At the request of Mr. DECONCINI, the name of the Senator from Utah [Mr. GARN] was added as a cosponsor of S. 1406, a bill to make permanent the formula for determining fees for the grazing of livestock on public rangelands.

S. 1430

At the request of Mr. MOYNIHAN, the name of the Senator from Hawaii [Mr. MATSUNAGA] was added as a cosponsor of S. 1430, a bill to require the Secretary of Health and Human Services to make grants to eligible State and local governments to support projects for education and information dissemination concerning acquired immune deficiency syndrome, and to make grants to State and local governments for the establishment of programs to test blood to detect the presence of antibodies to the human T-cell lymphotrophic virus.

S. 1434

At the request of Mr. WILSON, the names of the Senator from Kansas [Mrs. KASSEBAUM] and the Senator from Nebraska [Mr. ZORINSKY] were added as cosponsors of S. 1434, a bill to amend the Fair Labor Standards Act of 1938 to exclude the employees of States and political subdivisions of States from the provisions of that act relating to maximum hours.

S. 1479

At the request of Mr. SASSER, the name of the Senator from Ohio [Mr. GLENN] was added as a cosponsor of S. 1479, a bill to amend the Public Safety Officer's Death Benefits Act.

S. 1487

At the request of Mr. GRASSLEY, the name of the Senator from Nevada [Mr. LAXALT] was added as a cosponsor of S. 1487, a bill to amend section 504 of title 5, United States Code, and section 2412 of title 28, United States Code, with respect to awards of expenses of certain agency and court proceedings, and for other purposes.

SENATE JOINT RESOLUTION 48

At the request of Mr. LEVIN, the name of the Senator from West Virginia [Mr. ROCKEFELLER] was added as a cosponsor of Senate Joint Resolution 48, a joint resolution to designate the year of 1986 as the "Year of the Teacher."

SENATE JOINT RESOLUTION 117

At the request of Mr. LEVIN, the names of the Senator from Alabama [Mr. DENTON], the Senator from Maine [Mr. MITCHELL], the Senator from Oklahoma [Mr. NICKLES], and the Senator from Maine [Mr. COHEN] were added as cosponsors of Senate Joint Resolution 117, a joint resolution designating the week beginning September 22, 1985, as "National Adult Day Care Center Week."

SENATE JOINT RESOLUTION 132

At the request of Mr. DANFORTH, the names of the Senator from Louisiana [Mr. JOHNSTON], and the Senator from Texas [Mr. BENTSEN] were added as cosponsors of Senate Joint Resolution 132, a joint resolution designating October 1985, as "National Head Injury Awareness Month."

SENATE JOINT RESOLUTION 141

At the request of Mr. SASSER, the names of the Senator from Alabama [Mr. DENTON], and the Senator from South Carolina [Mr. THURMOND] were added as cosponsors of Senate Joint Resolution 141, a joint resolution to designate the week beginning May 18, 1986, as "National Tourism Week."

SENATE JOINT RESOLUTION 149

At the request of Mr. DIXON, the names of the Senator from North Dakota [Mr. BURDICK], the Senator from Nebraska [Mr. ZORINSKY], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Oklahoma [Mr. NICKLES], and the Senator from South Carolina [Mr. THURMOND] were added as cosponsors of Senate Joint Resolution 149, a joint resolution to designate the week of September 15, 1985 through September 21, 1985, as "National Dental Hygiene Week."

SENATE JOINT RESOLUTION 150

At the request of Mr. BRADLEY, the names of the Senator from Wisconsin [Mr. PROXMIRE], the Senator from Nevada [Mr. LAXALT], and the Senator from New York [Mr. MOYNIHAN] were added as cosponsors of Senate Joint Resolution 150, a joint resolution to designate the month of March 1986 as "National Hemophilia Month."

SENATE JOINT RESOLUTION 156

At the request of Mr. MURKOWSKI, the names of the Senator from South Dakota [Mr. PRESSLER], and the Senator from Mississippi [Mr. COCHRAN] were added as cosponsors of Senate Joint Resolution 156, a joint resolution authorizing a memorial to be erected in the District of Columbia or its environs.

SENATE JOINT RESOLUTION 158

At the request of Mr. MURKOWSKI, the name of the Senator from Iowa [Mr. GRASSLEY] was added as a cosponsor of Senate Joint Resolution 158, a joint resolution designating October 1985 as "National Community College Month."

SENATE JOINT RESOLUTION 161

At the request of Mr. DOLE, the name of the Senator from Colorado [Mr. ARMSTRONG] was added as a cosponsor of Senate Joint Resolution 161, a joint resolution to appeal for the release of Soviet Jewry.

SENATE JOINT RESOLUTION 166

At the request of Mr. DURENBERGER, the names of the Senator from Oregon [Mr. HATFIELD], the Senator from Colorado [Mr. ARMSTRONG], and the Senator from Maine [Mr. COHEN] were added as cosponsors of Senate Joint Resolution 166, a joint resolution to appeal for the release of Dr. Yury Orlov and other Helsinki Final Act monitors.

At the request of Mr. MOYNIHAN, the names of the Senator from Indiana [Mr. QUAYLE], the Senator from South Dakota [Mr. PRESSLER], the Senator from Oklahoma [Mr. NICKLES], and the Senator from North Dakota [Mr. BURDICK] were added as cosponsors of Senate Joint Resolution 166, supra.

SENATE JOINT RESOLUTION 168

At the request of Mr. TRIBLE, the names of the Senator from Minnesota [Mr. BOSCHWITZ], the Senator from California [Mr. WILSON], and the Senator from Mississippi [Mr. COCHRAN] were added as cosponsors of Senate Joint Resolution 168, a joint resolution designating August 13, 1985, as "National Neighborhood Crime Watch Day."

SENATE RESOLUTION 37

At the request of Mr. PRYOR, the names of the Senator from Iowa [Mr. GRASSLEY], the Senator from Alabama [Mr. HEFLIN], the Senator from Montana [Mr. MELCHER], and the Senator from South Dakota [Mr. ABDNOR] were added as cosponsors of Senate

Resolution 37, a resolution regarding small business and agricultural representatives on the Federal Reserve Board.

SENATE RESOLUTION 186

At the request of Mr. D'AMATO, the name of the Senator from Illinois [Mr. DIXON] was added as a cosponsor of Senate Resolution 186, a resolution expressing the sense of the Senate that the President should call for negotiations with those democratic nations plagued by terrorism for a treaty to prevent and respond to terrorist attacks.

SENATE RESOLUTION 202

At the request of Mr. FORD, the names of the Senator from Arizona [Mr. DECONCINI], and the Senator from Maine [Mr. COHEN] were added as cosponsors of Senate Resolution 202, a resolution to urge negotiators for major league baseball owners and players to quickly settle their differences and avoid a scheduled players' strike.

AMENDMENTS SUBMITTED

FEDERAL TRADE COMMISSION AUTHORIZATION

KASTEN (AND OTHERS) AMENDMENT NO. 542

Mr. KASTEN (for himself, Mr. GRASSLEY, and Mr. LEVIN) proposed an amendment, which was subsequently modified, to the bill (S. 1078) to amend the Federal Trade Commission Act to provide authorization of appropriations, and for other purposes; as follows:

On page 16, insert the following immediately after line 2:

CONGRESSIONAL REVIEW OF RULES

SEC. 16. (a) The Federal Trade Commission Act (15 U.S.C. 41 et seq.) is amended by inserting after section 25, as added by section 10 of this Act, the following new section:

"SEC. 26. (a) For purposes of this section, the term—

"(1) 'appropriate committee' means either the Committee on Commerce, Science, and Transportation of the Senate or the Committee on Energy and Commerce of the House of Representatives, as the case may be;

"(2) 'joint resolution' means a joint resolution the matter after the resolving clause of which is as follows: 'That the Senate and the House of Representatives disapprove the rule , entitled transmitted to the Congress by the Federal Trade Commission on , 19 .', the blank spaces being filled with the appropriate title of the rule and the date of transmittal of the rule to the Congress, respectively; and

"(3) 'rule' means any rule promulgated by the Commission pursuant to this Act, other than any rule promulgated under section 18(a)(1)(A) of this Act and any interpretive or procedural rule.

"(b)(1) Except as provided in subsection (g)(1) of this section, on the day the Commission forwards to the Federal Register for publication a recommended rule, the Commission shall transmit a copy of such rule to the Secretary of the Senate and the Clerk of the House of Representatives. The Secretary of the Senate and the Clerk of the House of Representatives are authorized to receive a recommended rule under this subsection whether the appropriate House is in session, stands in adjournment or is in recess.

"(2) On the day on which the Secretary of the Senate and the Clerk of the House of Representatives receive a recommended rule, the Secretary and the Clerk shall transmit a copy of such rule to the appropriate committees.

"(c)(1) Notwithstanding any other provision of law, no recommended rule may become effective until the expiration of a period of ninety days after the date on which such rule is received by the Secretary of the Senate and the Clerk of the House of Representatives, except that such rule may not become effective under this paragraph if within such ninety-day period a joint resolution with respect to such rule has become law.

"(2) For purposes of this subsection—

"(A) the term 'days' means only days of continuous session of Congress;

"(B) continuity of session is broken only by an adjournment sine die at the end of a Congress; and

"(C) the days on which either House is not in session because of an adjournment or recess to a day certain shall be excluded in the computation of days of continuous session of Congress for the ninety-day period referred to in this subsection if the adjournment is for more than five days.

"(d) Notwithstanding any other provision of law, any rule subject to this section shall be considered a recommendation of the Commission to the Congress and shall have no force and effect as a rule unless such rule has become effective in accordance with this section.

"(e) Whenever an appropriate committee reports a joint resolution pursuant to this section, the resolution shall be accompanied by a committee report specifying the reasons for the committee's action.

"(f) Congressional inaction on, or rejection of, any joint resolution shall not be deemed an expression of approval of the rule involved. The compliance of the Commission with the requirements of this section, including any determination by the Commission under this section, shall not be subject to judicial review of any kind.

"(g)(1) If a recommended rule of the Commission does not become effective because of an adjournment of Congress sine die before the expiration of the period specified in subsection (c)(1) of this section, the Commission may resubmit the recommended rule at the beginning of the next regular session of Congress. The ninety-day period specified in the first sentence of section (c)(1) shall begin on the date of such resubmission, and such rule may only become effective in accordance with this section. The Commission shall not be required to forward such rule to the Federal Register for publication, if such rule is identical to the rule transmitted during the previous session of Congress.

"(2) If a recommended rule of the Commission is disapproved under this section, the Commission may issue a recommended rule which relates to the same acts or practices as the disapproved rule. Such recommended rule—

"(A) shall be based upon—

"(1) the rulemaking record of the recommended rule disapproved by the Congress; or

"(ii) such rulemaking record and the record established in supplemental rulemaking proceedings conducted by the Commission, in accordance with section 553 of title 5, United States Code, in any case in which the Commission determines that it is necessary to supplement the existing rulemaking record; and

"(B) may reflect such changes as the Commission considers necessary or appropriate, including such changes as may be appropriate in light of congressional debate and consideration of the joint resolution with respect to the rule.

"(3) After issuing a recommended rule under this subsection, the Commission shall transmit such rule to the Secretary of the Senate and the Clerk of the House of Representatives, in accordance with subsection (b)(1) of this section, and such rule shall only become effective in accordance with this section.

"(h) The provisions of this subsection, subsection (a)(1) and (2), subsection (e), and subsections (i) through (l) of this section are enacted by Congress—

"(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of joint resolutions, and they supersede other rules only to the extent that they are inconsistent therewith; and

"(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

"(i) Except as provided in subsection (1) of this section, joint resolutions shall, upon introduction or receipt from the other House of Congress, be immediately referred by the presiding officer of the Senate or the House of Representatives to the appropriate committee of the Senate or the House of Representatives, as the case may be.

"(j)(1)(A) Except as provided in subparagraph (B) of this paragraph, if the committee to which a joint resolution has been referred does not report such resolution within 30 days of continuous session of Congress after the date of transmittal to the Congress of the recommended rule to which such joint resolution relates, it shall be in order to move to discharge the committee from further consideration of such resolution.

"(B) If the committee to which a joint resolution transmitted from the other House has been referred does not report such resolution within 30 days after the date of transmittal of such resolution from the other House, it shall be in order to move to discharge such committee from further consideration of such resolution.

"(2) Any motion to discharge under paragraph (1) of this subsection must be supported in the House in writing by one-fifth of the Members, duly chosen and sworn, and in the Senate may be made by one Senator, and is highly privileged in the House and privileged in the Senate (except that it may not be made after a joint resolution has been reported with respect to the same rule); and debate thereon shall be limited to not more than one hour, the time to be di-

vided in the House of Representatives equally between those favoring and those opposing the motion to discharge and to be divided in the Senate equally between, and controlled by, the majority leader and the minority leader, or their designees. An amendment to the motion is not in order.

"(k)(1) Except as provided in paragraphs (2) and (3) of this subsection, consideration of a joint resolution shall be in accord with the rules of the Senate and of the House of Representatives, respectively.

"(2) When a committee has reported or has been discharged from further consideration of a joint resolution, or when the companion joint resolution from the other House has been placed on the calendar of the first House, it shall be in order, notwithstanding the provisions of rule XXII of the Standing Rules of the Senate or any other rule of the Senate or the House of Representatives, at any time thereafter (even though a previous motion to the same effect has been disagreed to) to move to proceed to the immediate consideration of either such joint resolution. The motion is highly privileged in the House and privileged in the Senate and is not debatable. An amendment to the motion is not in order.

"(3) Debate on a joint resolution shall be limited to not more than two hours (except that when one House has debated the joint resolution of that House, the companion joint resolution of the other House shall not be debatable), which shall be divided in the House of Representatives equally between those favoring and those opposing the resolution and which shall be divided in the Senate equally between, and controlled by, the majority leader and the minority leader, or their designees. A motion further to limit debate is not in order. An amendment to, or motion to recommit, the joint resolution is not in order. A motion to reconsider shall be in order only on the day on which occurs the vote of adoption of the joint resolution, and shall not be debatable. Any other motions shall be decided without debate.

"(1) If a joint resolution has been ordered reported or discharged from the committee of the House to which it was referred, and that House receives a joint resolution with respect to the same rules from the other House, the resolution of disapproval of the other House shall be placed on the appropriate calendar of the first House. If, prior to the disposition of a joint resolution of one House, that House receives a joint resolution with respect to the same rule from the other House, the vote in the first House shall occur on the joint resolution of the House.".

(b) Section 36 of the Consumer Product Safety Act (15 U.S.C. 2083) is amended to read as follows:

"CONGRESSIONAL REVIEW OF RULES

"SEC. 36. (a) For purposes of this section, the term—

"(1) 'appropriate committee' means either the Committee on Commerce, Science, and Transportation of the Senate or the Committee on Energy and Commerce of the House of Representatives, as the case may be;

"(2) 'joint resolution' means a joint resolution the matter after the resolving clause of which is as follows: 'That the Senate and the House of Representatives disapprove the rule entitled , transmitted to the Congress by the Consumer Product Safety Commission on , 19 .', the blank spaces being filled with the appropriate title of the rule and the date of transmittal of the rule to the Congress, respectively; and

"(3) 'rule' means any rule promulgated by the Commission pursuant to this Act.

"(b)(1) Except as provided in subsection (g)(1) of this section, on the day the Commission forwards to the Federal Register for publication a recommended rule, the Commission shall transmit a copy of such rule to the Secretary of the Senate and the Clerk of the House of Representatives. The Secretary of the Senate and the Clerk of the House of Representatives are authorized to receive a recommended rule under this subsection whether the appropriate House is in session, stands in adjournment or is in recess.

"(2) On the day on which the Secretary of the Senate and the Clerk of the House of Representatives receive a recommended rule, the Secretary and the Clerk shall transmit a copy of such rule to the appropriate committees.

"(c)(1) Notwithstanding any other provision of law, no recommended rule may become effective until the expiration of a period of ninety days after the date on which such rule is received by the Secretary of the Senate and the Clerk of the House of Representatives, except that such rule may not become effective under this paragraph if within such ninety-day period a joint resolution with respect to such rule has become law.

"(2) For purposes of this subsection—

"(A) the term 'days' means only days of continuous session of Congress;

"(B) continuity of session is broken only by an adjournment sine die at the end of a Congress; and

"(C) the days on which either House is not in session because of an adjournment or recess to a day certain shall be excluded in the computation of days of continuous session of Congress for the ninety-day period referred to in this subsection if the adjournment is for more than five days.

"(d) Notwithstanding any other provision of law, any rule subject to this section shall be considered a recommendation of the Commission to the Congress and shall have no force and effect as a rule unless such rule has become effective in accordance with this section.

"(e) Whenever an appropriate committee reports a joint resolution pursuant to this section, the resolution shall be accompanied by a committee report specifying the reasons for the committee's action.

"(f) Congressional inaction on, or rejection of, any joint resolution shall not be deemed an expression of approval of the rule involved. The compliance of the Commission with the requirements of this section, including any determination by the Commission under this section, shall not be subject to judicial review of any kind.

"(g)(1) If a recommended rule of the Commission does not become effective because of an adjournment of Congress sine die before the expiration of the period specified in subsection (c)(1) of this section, the Commission may resubmit the recommended rule at the beginning of the next regular session of Congress. The ninety-day period specified in the first sentence of subsection (c)(1) shall begin on the date of such resubmission, and such rule may only become effective in accordance with this section. The Commission shall not be required to forward such rule to the Federal Register for publication, if such rule is identical to the rule transmitted during the previous session of Congress.

"(2) If a recommended rule of the Commission is disapproved under this section, the Commission may issue a recommended rule which relates to the same acts or practices as the disapproved rule. Such recommended rule—

"(A) shall be based upon—

"(i) the rulemaking record of the recommended rule disapproved by the Congress; or

"(ii) such rulemaking record and the record established in supplemental rulemaking proceedings conducted by the Commission, in accordance with section 553 of title 5, United States Code, in any case in which the Commission determines that it is necessary to supplement the existing rulemaking record; and

"(B) may reflect such changes as the Commission considers necessary or appropriate, including such changes as may be appropriate in light of congressional debate and consideration of the joint resolution with respect to the rule.

"(3) After issuing a recommended rule under this subsection, the Commission shall transmit such rule to the Secretary of the Senate and the Clerk of the House of Representatives, in accordance with subsection (b)(1) of this section, and such rule shall only become effective in accordance with this section.

"(h) The provisions of this subsection, subsection (a) (1) and (2), subsection (e), and subsections (i) through (l) of this section are enacted by Congress—

"(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of joint resolutions, and they supersede other rules only to the extent that they are inconsistent therewith; and

"(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

"(i) Except as provided in subsection (1) of this section, joint resolutions shall, upon introduction or receipt from the other House of Congress, be immediately referred by the presiding officer of the Senate or the House of Representatives to the appropriate committee of the Senate or the House of Representatives, as the case may be.

"(j)(1)(A) Except as provided in subparagraph (B) of this paragraph, if the committee to which a joint resolution has been referred does not report such resolution within 30 days of continuous session of Congress after the date of transmittal to the Congress of the recommended rule to which such joint resolution relates, it shall be in order to move to discharge the committee from further consideration of such resolution.

"(B) If the committee to which a joint resolution transmitted from the other House has been referred does not report such resolution within 30 days after the date of transmittal of such resolution from the other House, it shall be in order to move to discharge such committee from further consideration of such resolution.

"(2) Any motion to discharge under paragraph (1) of this subsection must be supported in the House in writing by one-fifth of the Members, duly chosen and sworn, and in the Senate may be made by one Senator, and is highly privileged in the House and privileged in the Senate (except that it

may not be made after a joint resolution has been reported with respect to the same rule); and debate thereon shall be limited to not more than one hour, the time to be divided in the House of Representatives equally between those favoring and those opposing the motion to discharge and to be divided in the Senate equally between, and controlled by, the majority leader and the minority leader, or their designees. An amendment to the mention is not in order.

"(k)(1) Except as provided in paragraphs (2) and (3) of this subsection, consideration of a joint resolution shall be in accord with the rules of the Senate and of the House of Representatives, respectively.

"(2) When a committee has reported or has been discharged from further consideration of a joint resolution, or when the companion joint resolution from the other House has been placed on the calendar of the first House, it shall be in order, notwithstanding the provision of rule XXII of the Standing Rules of the Senate or any other rule of the Senate or the House of Representatives, at any time thereafter (even though a previous motion to the same effect has been disagreed to) to move to proceed to the immediate consideration of either such joint resolution. The motion is highly privileged in the House and privileged in the Senate and is not debatable. An amendment to the motion is not in order.

"(3) Debate on a joint resolution shall be limited to not more than two hours (except that when one House has debated the joint resolution of that Hoiuse, the companion joint resolution of the other House shall not be debatable), which shall be divided in the House of Representatives equally between those favoring and those opposing the resolution and which shall be divided in the Senate equally between, and controlled by, the majority leader and the minority leader, or their designees. A motion further to limit debate is not in order. An amendment to, or motion to recommit, the joint resolution is not in order. A motion to reconsider shall be in order only on the day on which occurs the vote of adoption of the joint resolution, and shall not be debatable. Any other motions shall be decided without debate.

"(1) If a joint resolution has been ordered reported or discharged from the committee of the House to which it was referred, and that House receives a joint resoluiton with respect to the same rule from the other House, the resolution of disapproval of the other House shall be placed on the appropriate calendar of the first House. If, prior to the disposition of a joint resolution of one House, that House receives a joint resolution with respect to the same rule from the other House, the vote in the first House shall occur on the joint resolution of the other House.".

(c) Section 17 of the Flammable Fabrics Act (15 U.S.C. 204) is amended to read as follows:

"CONGRESSIONAL REVIEW OF REGULATIONS

"SEC. 17. (a) For purposes of this section, the term—

"(1) 'appropriate committee' means either the Committee on Commerce, Science, and Transportation of the Senate or the Committee on Energy and Commerce of the House of Representatives, as the case may be;

"(2) 'Commission' means the Consumer Product Safety Commission;

"(3) 'joint resolution' means a joint resolution the matter after the resolving clause of which is as follows: 'That the Senate and the House of Representatives disapprove the regulation entitled , transmitted to the Congress by the Consumer Product Safety Commission on , 19 .', the blank spaces being filled with the appropriate title of the regulation and the date of transmittal of the regulation to the Congress, respectively; and

"(4) 'regulation' means any regulation promulgated by the Commission under section 2(q)(1) or 3(e).

"(b)(1) Except as provided in subsection (g)(1) of this section, on the day the Commission forwards to the Federal Register for publication a recommended regulation, the Commission shall transmit a copy of such regulation to the Secretary of the Senate and the Clerk of the House of Representatives. The Secretary of the Senate and the Clerk of the House of Representatives are authorized to receive a recommended regulation under this subsection whether the appropriate House is in session, stands in adjournment or is in recess.

"(2) On the day on which the Secretary of the Senate and the Clerk of the House of Representatives receive a recommended regulation, the Secretary and the Clerk shall transmit a copy of such regulation to the appropriate committees.

"(c)(1) Notwithstanding any other provision of law, no recommended regulation may become effective until the expiration of a period of ninety days after the date on which such regulation is received by the Secretary of the Senate and the Clerk of the House of Representatives, except that such regulation may not become effective under this paragraph if within such ninety-day period a joint resolution with respect to such regulation has become law.

"(2) For purposes of this subsection—

"(A) the term 'days' means only days of continuous session of Congress;

"(B) continuity of session is broken only by an adjournment sine die at the end of a Congress; and

"(C) the days on which either House is not in session because of an adjournment or recess to a day certain shall be excluded in the computation of days of continuous session of Congress for the ninety-day period referred to in this subsection if the adjournment is for more than five days.

"(d) Notwithstanding any other provisions of law, any regulation subject to this section shall be considered a recommendation of the Commission to the Congress and shall have no force and effect as a regulation unless such regulation has become effective in accordance with this section.

"(e) Whenever an appropriate committee reports a joint resolution pursuant to this section, the resolution shall be accompanied by a committee report specifying the reasons for the committee's action.

"(f) Congressional inaction on, or rejection of, any joint resolution shall not be deemed an expression of approval of the regulation involved. The compliance of the Commission with the requirements of this section, including any determination by the Commission under this section, shall not be subject to judicial review of any kind.

"(g)(1) If a recommended regulation of the Commission does not become effective because of an adjournment of Congress sine die before the expiration of the period specified in subsection (c)(1) of this section, the Commission may resubmit the recommended regulation at the beginning of the next regular session of Congress. The ninety-day period specified in the first sentence of subsection (c)(1) shall begin on the date of such resubmission, and such regulation may only become effective in accordance with this section. The Commission shall not be required to forward such regulation to the Federal Register for publication, if such regulation is identical to the regulation transmitted during the previous session of Congress.

"(2) If a recommended regulation of the Commission is disapproved under this section, the Commission may issue a recommended regulation which relates to the same acts or practices as the disapproved regulation. Such recommended regulation—

"(A) shall be based upon—

"(i) the regulation-making record of the recommended regulation disapproved by the Congress; or

"(ii) such regulation-making record and the record established in supplemental regulation-making proceedings conducted by the Commission, in accordance with section 553 of title 5, United States Code, in any case in which the Commission determines that it is necessary to supplement the existing regulation-making record; and

"(B) may reflect such changes as the Commission considers necessary or appropriate, including such changes as may be appropriate in light of congressional debate and consideration of the joint resolution with respect to the regulation.

"(3) After issuing a recommended regulation under this subsection, the Commission shall transmit such regulation to the Secretary of the Senate and the Clerk of the House of Representatives, in accordance with subsection (b)(1) of this section, and such regulation shall only become effective in accordance with this section.

"(h) The provisions of this subsection, subsections (a) (1) and (3), subsection (e), and subsections (i) through (l) of this section are enacted by Congress—

"(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of joint resolutions, and they supersede other rules only to the extent that they are inconsistent therewith; and

"(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

"(i) Except as provided in subsection (l) of this section, joint resolutions shall, upon introduction or receipt from the other House of Congress, be immediately referred by the presiding officer of the Senate or the House of Representives to the appropriate committee of the Senate or the House of Representatives, as the case may be.

"(j)(1)(A) Except as provided in subparagraph (B) of this paragraph, if the committee to which a joint resolution has been referred does not report such resolution within 30 days of continuous session of Congress after the date of transmittal to the Congress of the recommended regulation to which such joint resolution relates, it shall be in order to move to discharge the committee from further consideration of such resolution.

"(B) If the committee to which a joint resolution transmitted from the other House has been referred does not report such resolution within 30 days after the date of transmittal of such resolution from the other House, it shall be in order so move to

discharge such committee from further consideration of such resolution.

"(2) Any motion to discharge under paragraph (1) of this subsection must be supported is the House in writing by one-fifth of the Members, duly chosen and sworn, and in the Senate may be made by one Senator, and is highly privileged in the House and privileged in the Senate (except that it may not be made after a joint resolution has been reported with respect to the same regulation; and debate thereon shall be limited to not more than one hour, the time to be divided in the House of Representatives equally between those favoring and those opposing the motion to discharge and to be divided in the Senate equally between, and controlled by, the majority leader and the minority leader, or their designees. An amendment to the motion is not in order.

"(k)(1) Except as provided in paragraphs (2) and (3) of this subsection, consideration of a joint resolution shall be in accord with the rules of the Senate and of the House of Representatives, respectively.

"(2) When a committee has reported or has been discharged from further consideration of a joint resolution, or when the companion joint resolution from the other House has been placed on the calendar of the first House, it shall be in order, notwithstanding the provisions of rule XXII of the Standing Rules of the Senate or any other rule of the Senate or the House of Representatives, at any time thereafter (even though a previous motion to the same effect has been disagreed to) to move to proceed to the immediate consideration of either such joint resolution. The motion is highly privileged in the House and privileged in the Senate and is not debatable. An amendment to the motion is not in order.

"(3) Debate on a joint resolution shall be limited to not more than two hours (except that when one House has debated the joint resolution of that House, the companion joint resolution of the other House shall not be debatable), which shall be divided in the House of Representatives equally between those favoring and those opposing the resolution and which shall be divided in the Senate equally between, and controlled by, the majority leader and the minority leader, or their designees. A motion further to limit debate is not in order. An amendment to, or motion to recommit, the joint resolution is not in order. A motion to reconsider shall be in order only on the day on which occurs the vote of adoption of the joint resolution, and shall not be debatable. Any other motions shall be decided without debate.

"(l) If a joint resolution has been ordered reported or discharged from the committee of the House to which it was referred, and that House receives a joint resolution with respect to the same regulation from the other House, the resolution of disapproval of the other House shall be placed on the appropriate calendar of the first House. If, prior to the disposition of a joint resolution of one House, that House receives a joint resolution with respect to the same regulation from the other House, the vote in the first House shall occur on the joint resolution of the other House.".

(d) Section 21 of the Federal Hazardous Substances Act (15 U.S.C. 1276) is amended to read as follows:

"CONGRESSIONAL REVIEW OR REGULATIONS

"SEC. 21. (a) For purposes of this section, the term—

"(1) 'appropriate committee' means either the Committee on Commerce, Science, and Transportation of 0 the Senate or the Committee on Energy and Commerce of the House of Representatives, as the case may be;

"(2) 'Commission' means the Consumer Product Safety Commission;

"(3) 'joint resolution' means a joint resolution the matter after the resolving clause of which is as follows: 'That the Senate and the House of Representatives disapprove the regulation entitled , transmitted to the Congress by the Consumer Product Safety Commission on , 19 .', the blank spaces being filled with the appropriate title of the regulation and the date of transmittal of the regulation to the Congress, respectively; and

"(4) 'regulation' means any regulation promulgated by the Commission under section 2(q)(1) or 3(e); such term does not include any finding by the Secretary that a hazardous substance presents an imminent hazard to the public health under section 2(q)(1) or 3(e)(2).

"(b)(1) Except as provided in subsection (g)(1) of this section, on the day the Commission forwards to the Federal Register for publication a recommended regulation, the Commission shall transmit a copy of such regulation to the Secretary of the Senate and the Clerk of the House of Representatives. The Secretary of the Senate and the Clerk of the House of Representatives are authorized to receive a recommended regulation under this subsection whether the appropriate House is in session, stands in adjournment or is in recess.

"(2) On the day on which the Secretary of the Senate and the Clerk of the House of Representatives receive a recommended regulation, the Secretary and the Clerk shall transmit a copy of such regulation to the appropriate committees.

"(c)(1) Notwithstanding any other provision of law, no recommended regulation may become effective until the expiration of a period of ninety days after the date on which such regulation is received by the Secretary of the Senate and the Clerk of the House of Representatives, except that such regulation may not become effective under this paragraph if within such ninety-day period a joint resolution with respect to such regulation has become law.

"(2) For purposes of this subsection—

"(A) the term 'days' means only days of continuous session of Congress;

"(B) continuity of session is broken only by an adjournment sine die at the end of a Congress; and

"(C) the days on which either House is not in session because of an adjournment or recess to a day certain shall be excluded in the computation of days of continuous session of Congress for the ninety-day period referred to in this subsection if the adjournment is for more than five days.

"(d) Notwithstanding any other provision of law, any regulation subject to this section shall be considered a recommendation of the Commission to the Congress and shall have no force and effect as a regulation unless such regulation has become effective in accordance with this section.

"(e) Whenever an appropriate committee reports a joint resolution pursuant to this section, the resolution shall be accompanied by a committee report specifying the reasons for the committee's action.

"(f) Congressional inaction on, or rejection of, any joint resolution shall not be deemed an expression of approval of the regulation involved. The compliance of the Commission with the requirements of this section, including any determination by the Commission under this section, shall not be subject to judicial review of any kind.

"(g)(1) If a recommended regulation of the Commission does not become effective because of an adjournment of Congress sine die before the expiration of the period specified in subsection (c)(1) of this section, the Commission may resubmit the recommended regulation at the beginning of the next regular session of Congress. The ninety-day period specified in the first sentence of subsection (c)(1) shall begin on the date of such resubmission, and such regulation may only become effective in accordance with this section. The Commission shall not be required to forward such regulation to the Federal Register for publication, if such regulation is identical to the regulation transmitted during the previous session of Congress.

"(2) If a recommended regulation of the Commission is disapproved under this section, the Commission may issue a recommended regulation which relates to the same acts or practices as the disapproved regulation. Such recommended regulation—

"(A) shall be based upon—

"(i) the regulation-making record of the recommended regulation disapproved by the Congress; or

"(ii) such regulation-making record and the record established in supplemental regulation-making proceedings conducted by the Commission, in accordance with section 553 of title 5, United States Code, in any case in which the Commission determines that it is necessary to supplement the existing regulation-making record; and

"(B) may reflect such changes as the Commission considers necessary or appropriate, including such changes as may be appropriate in light of congressional debate and consideration of the joint resolution with respect to the regulation.

"(3) After issuing a recommended regulation under this subsection, the Commission shall transmit such regulation to the Secretary of the Senate and the Clerk of the House of Representatives, in accordance with subsection (b)(1) of this section, and such regulation shall only become effective in accordance with this section.

"(h) The provisions of this subsection, subsections (a) (1) and (3), subsection (e), and subsections (i) through (l) of this section are enacted by Congress—

"(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of joint resolutions, and they supersede other rules only to the extent that they are inconsistent therewith; and

"(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

"(i) Except as provided in subsection (l) of this section, joint resolutions shall, upon introduction or receipt from the other House of Congress, be immediately referred by the presiding officer of the Senate or the House of Representatives to the appropriate committee of the Senate or the House of Representatives, as the case may be.

"(j)(1)(A) Except as provided in subparagraph (B) of this paragraph, if the committee to which a joint resolution has been referred does not report such resolution

within 30 days of continuous session of Congress after the date of transmittal to the Congress of the recommended regulation to which such joint resolution relates, it shall be in order to move to discharge the committee from further consideration of such resolution.

"(B) If the committee to which a joint resolution transmitted from the other House has been referred does not report such resolution within 30 days after the date of transmittal of such resolution from the other House, it shall be in order to move to discharge such committee from further consideration of such resolution.

"(2) Any motion to discharge under paragraph (1) of this subsection must be supported in the House in writing by one-fifth of the Members, duly chosen and sworn, and in the Senate may be made by one Senator, and is highly privileged in the House and privileged in the Senate (except that it may not be made after a joint resolution has been reported with respect to the same regulation); and debate thereon shall be limited to not more than one hour, the time to be divided in the House of Representatives equally between those favoring and those opposing the motion to discharge and to be divided in the Senate equally between, and controlled by, the majority leader and the minority leader, or their designees. An amendment to the motion is not in order.

"(k)(1) Except as provided in paragraphs (2) and (3) of this subsection, consideration of a joint resolution shall be in accord with the rules of the Senate and of the House of Representatives, respectively.

"(2) When a committee has reported or has been discharged from further consideration of a joint resolution, or when the companion joint resolution from the other House has been placed on the calendar of the first House, it shall be in order, notwithstanding the provisions of rule XXII of the Standing Rules of the Senate or any other rule of the Senate or the House of Representatives, at any time thereafter (even though a previous motion to the same effect has been disagreed to) to move to proceed to the immediate consideration of either such joint resolution. The motion is highly privileged in the House and privileged in the Senate and is not debatable. An amendment to the motion is not in order.

"(3) Debate on a joint resolution shall be limited to not more than two hours (except that when one House has debated the joint resolution of that House, the companion joint resolution of the other House shall not be debatable), which shall be divided in the House of Representatives equally between those favoring and those opposing the resolution and which shall be divided in the Senate equally between, and controlled by, the majority leader and the minority leader, or their designees. A motion further to limit debate is not in order. An amendment to, or motion to recommit, the joint resolution is not in order. A motion to reconsider shall be in order only on the day on which occurs the vote of adoption of the joint resolution, and shall not be debatable. Any other motions shall be decided without debate.

"(1) If a joint resolution has been ordered reported or discharged from the committee of the House to which it was referred, and that House receives a joint resolution with respect to the same regulation from the other House, the resolution of disapproval of the other House shall be placed on the appropriate calendar of the first House. If, prior to the disposition of a joint resolution of one House, that House receives a joint resolution with respect to the same regulation from the other House, the vote in the first House shall occur on the joint resolution of the other House.".

FORD AMENDMENT NO. 543

Mr. FORD proposed an amendment to the bill S. 1078, supra; as follows:

On page 16, insert the following immediately after line 2:

REPORT ON PREDATORY PRICING PRACTICES

SEC. 16. (a) The Federal Trade Commission shall submit to the Committee on Commerce, Science, and Transportation of the Senate and to the Committee on Energy and Commerce of the House of Representatives the information specified in subsection (b) of this section every 6 months during each of the fiscal years 1986 and 1987. A report containing such information shall be submitted when the Commission submits its annual report to the Congress during each of such fiscal years, and such report may be included in the annual report. A separate report containing such information shall be submitted 6 months after the date of submission of any such annual report. Each such report shall contain such information for the period since the last submission under this section.

(b) Each such report shall list and describe, with respect to instances in which predatory pricing practices have been suspected or alleged—

(1) each complaint made, orally or in writting, to the offices of the Commission;

(2) each preliminary investigation opened or closed at the Commission;

(3) each formal investigation opened or closed at the Commission;

(4) each recommendation for the issuance of a complaint forwarded by the staff to the Commission;

(5) each complaint issued by the Commission;

(6) each opinion and order entered by the Commission;

(7) each consent agreement accepted provisionally or finally by the Commission;

(8) each request for modification of an outstanding Commission order filed with the Commission;

(9) each recommendation by staff pertaining to a request for modification of an outstanding Commission order; and

(10) each disposition by the Commission of a request for modification of an outstanding Commission order.

Such report shall include copies of all such consent agreements and complaints executed by the Commission referred to in such report. Where a matter has been closed or terminated, the report shall include a statement of the reasons for that disposition. The descriptions required under this subsection shall be as complete as possible but shall not reveal the identity of persons or companies complained about or those subject to investigation that have not otherwise been made public. The report shall include any evaluation by the Commission of the potential impacts of predatory pricing upon businesses (including small businesses).

McCLURE AMENDMENT NO. 544

Mr. McCLURE proposed an amendment to the bill S. 1078, supra; as follows:

On page 2, after line 9, insert the following:

(b) (1) The Federal Trade Commission Act (15 U.S.C. 41 et seq.) is amended by redesignating section 24 and section 25 as section 27 and section 28, respectively, and by inserting after section 23 the following new section:

"SEC. 24 (a) For purposes of this section:

"(1) The term 'professional' means any person who—

"(A) in the performance of his occupation, is subject to licensure or certification under State law; and

"(B) as a prerequisite for such licensure or certification under State law, has (i) received a degree from an accredited institution of higher learning, or (ii) successfully completed a course of specialized training at an accredited education or training facility for health professions personnel operated as an integral part of a hospital.

"(2) The term 'State law' means a statute of a State and a rule or regulation fuly promulgated by a State agency or by a State court of last resort in its capacity as the State authority regulating the admission or licensure of professionals within a State.".

"(b) The Commission shall not use its authority under this Act to prohibit unfair or deceptive acts or practices engaged in by professionals if such use of authority would result in the invalidation of a State law or any part of such law if such law or part establishes—

"(1) training, education, or experience requirements for the licensure of professionals; or

"(2) permissible tasks or duties that professionals may perform based on specialized training or education.".

ANTITRUST DAMAGES

GORTON (AND OTHERS) AMENDMENT NO. 545

(Ordered to be referred to the Committee on the Judiciary.)

Mr. GORTON (for himself, Mr. RUDMAN, Mr. BINGAMAN, Mr. STAFFORD, and Mr. METZENBAUM) submitted an amendment intended to be proposed by them to the bill (S. 1300) to provide for antitrust law violators to be subject to individual responsibility for treble the amount of damages attributable to their violations, and to assure fairness in the allocation and award of antitrust damages; as follows:

At p. 1, strike line 4, and insert in lieu thereof, "the following: Title I".

At p. 1, line 4, before "Sec. 4I(a)" add "SEC. 1. After Section 4H of the Clayton Act, add the following new section:".

At the end of the bill add the following:

"TITLE II

"SEC. 1. Section 4 of the Clayton Act (15 U.S.C. 15) is amended by adding at the end thereof a new section 4(J) to read as follows:

"SEC. 4(J)(a)(1). An action brought by the Attorney General of a State on behalf of the State or a political subdivision thereof, pursuant to section 4 of this Act to secure monetary relief as provided for injury sustained by such State or political subdivision by reason of any violation of section 1 of this title, by the United States pursuant to section 4(A) of this Act for injury sustained by the United States by reason of any violation of section 1 of this title, or by an Attorney General pursuant to Section 4(C) of

this Act, may be maintained when such State, political subdivision, the United States or such natural persons on whose behalf the action is brought has or have purchased indirectly from the defendant: *Provided*, That, nothing in this section shall preclude any existing right of any State, political subdivision, the United States, or an Attorney General on behalf of natural persons, to sue under sections 4, 4(A) or 4(C).

"(2) In any action arising out of indirect purchases by the United States, any State or political subdivision thereof or by any natural person, permitted by paragraph (a)(1) of this section, the court shall award to the United States, State or political subdivision, threefold that amount which constitutes the damage which would have been sustained by any direct purchaser with respect to purchases, directly or indirectly, by the United States, State or political subdivision or natural persons, had the damage not been passed on by the direct purchaser to any other person; *Provided, however*, There shall be excluded from the amount of monetary relief awarded in such action any amount of monetary relief which (1) duplicates amounts which have been awarded for the same injury to another person who has proven, in fact, such injury in a previous action in which the defendant has asserted a defense under section 9(J)(b) against said other person and in which notice has been properly given pursuant to said section, or (2) is properly allocable to any person who purchased directly from the defendant, upon proof, in fact, in such action that the damage was not passed on by such person. The court shall also award to the Attorney General the cost of suit, including a reasonable attorney's fee.

"Section 4(J)(b)(1). In any action brought under section 4 of this Act, the defendant shall be entitled to allege, as a partial or complete defense, that some of all of what would otherwise constitute plaintiff's damages were passed on by plaintiff to any other person and that with respect to such damages an action may be brought by the United States or any Attorney General of a State pursuant to paragraph (a)(1) of this section. The defendant shall set forth, in asserting such defense, with as much particularity as is reasonable, the identity of those to whom the defendant asserts the plaintiff has passed on, directly or indirectly, some or all of plaintiffs damages.

"(2) In the event that a defendant has pleaded the defense permitted by paragraph 1 of this subsection, the plaintiff shall have the burden of proving that all or part of the damages, as the case may be, have not been passed on by the plaintiff.

"(3) In the event that the defendant asserts the defense permitted by paragraph 1 of this subsection, the defendant shall provide written notice, by certified or registered mail, return receipt requested, to any Attorney General who may be entitled to maintain an action against the defendant under paragraph (a)(1) of this section.

"(4) Upon receipt of such notice, the Attorney General of the United States, or of any State, in addition to any other remedy, may, upon motion made within one hundred and twenty (120) days, intervene in such action and shall be joined pursuant to Rule 24 of the Federal Rules of Civil Procedure with respect to any issue arising under paragraph (1) of this subsection."

"(5) In any case in which the defendant has asserted a defense pursuant to this subsection and in which the court awards monetary relief, there shall be excluded from the amount of monetary relief awarded any amount which (1) duplicates amounts which have been awarded for the same injury to another person who has proven, in fact, such injury in a previous action, or (2) is properly allocable to the United States, any state or political subdivision or any natural person based on the application of this subsection to any action."

"SEC. 2. This Act may be cited as "The Taxpayer Antitrust Enforcement Act of 1985.".

ORPHAN DRUG ACT

HATCH AMENDMENT NO. 546

Mr. DOLE (for Mr. HATCH) proposed an amendment to the amendment of the House to the bill (S. 1147) to amend the orphan drug provisions of the Federal Food, Drug, and Cosmetic Act and related laws; as follows:

(1) Strike out section 6(b) of the House Engrossed Amendment and insert in lieu thereof the following:

(b) PUBLIC LAW 93-527.—Section 122(b)(4)(C) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6022(b)(4)(C)) is amended to read as follows:

"(C) Notwithstanding subparagraph (E)(i), upon application of a State, which under section 133(b)(4)(C) of this Act (as in effect on October 18, 1984) was permitted to make expenditures for services without regard to the requirements of section 133(b)(4)(B) of this Act (as so in effect) the Secretary, pursuant to regulations which the Secretary shall prescribe, may permit a portion of the funds which, pursuant to subparagraph (E)(i), must otherwise be expended under the State plan of such State for service activities in the priority services, to be expended in fiscal years 1985, 1986, and 1987 for the additional services for which expenditure was permitted under section 133(b)(4)(C) (as so in effect) if the Secretary determines that—

"(i) such additional services are not priority services;

"(ii) such additional services are not services for which funds are otherwise available under part C, D, or E; and

"(iii) the expenditures of such State on service activities in the priority services has reasonably met the need for those services in such State in comparison to the extent to which the need for such additional services has been met in such State.".

(2) Redesignate section 7 of the House Engrossed Amendment as section 8.

(3) After section 6 of the House Engrossed Amendment insert the following new section:

SEC. 7. AREA HEALTH EDUCATION CENTERS.

Section 781(a)(2) of the Public Health Service Act (42 U.S.C. 295g-7(a)(2)) is amended by redesignating subparagraphs (A), (B), and (C) as clauses (i), (ii), and (iii) respectively, and by striking out all that precedes clause (i) (as so redesignated) and inserting in lieu thereof the following:

"(2)(A) The Secretary shall enter into contracts with schools of medicine and osteopathy—

"(i) which have previously received Federal financial assistance for an area health education center program under section 802 of the Health Professionals Educational Assistance Act of 1976 in fiscal year 1979 or under paragraph (1), or

"(ii) which are receiving assistance under paragraph (1),

to carry out projects described in subparagraph (B) through area health education centers for which Federal financial assistance was provided under paragraph (1) and which are no longer eligible to receive such assistance.

"(B) Projects for which assistance may be provided under subparagraph (A) are—".

(4) In the second sentence of section 8(b) of the House Engrossed Amendment (as redesignated by clause (2) of this motion), strike out "October 18, 1984" and insert in lieu thereof "October 19, 1984".

(5) At the end of section 8(b) of the House Engrossed Amendment (as redesignated by clause (2) of this motion), add the following new sentence: "The amendments made by section 7 shall take effect October 1, 1984 and shall cease to be in effect after September 30, 1985.".

NOTICES OF HEARINGS

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. ROTH. Mr. President, the Senate Committee on Governmental Affairs will hold a hearing on the nomination of Constance J. Horner to be the Director of the Office of Personnel Management on Tuesday, July 30, at 2 p.m. in SD-342.

For further information, please contact Carol Fox at 224-4751.

COMMITTEE ON RULES AND ADMINISTRATION

Mr. MATHIAS. Mr. President, I wish to announce that the Committee on Rules and Administration will meet on Tuesday, July 30, 1985, at 9:30 a.m., in SR-301, to consider legislative and administrative business currently pending on its agenda, including resolutions to authorize printing, gratuities, and the purchase of wall calendars.

For further information regarding this meeting, please contact Beth Cady of the Rules Committee staff at 224-0287.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. GORTON. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be authorized to meet until 12:30 p.m. during the session of the Senate on Thursday, July 25 to mark up S. 616, the farm bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON CIVIL SERVICE

Mr. TRIBLE. Mr. President, I ask unanimous consent that the Subcommittee on Civil Service of the Committee on Governmental Affairs be authorized to meet during the session of the Senate on Thursday, July 25, to hold a hearing on the GAO report on pay equity.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. TRIBLE. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet in closed session, during the session of the Senate on Thursday, July 25, to hold a hearing on the national intelligence strategy.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. TRIBLE. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Thursday, July 25, to hold an oversight hearing, to continue consideration of the fundamental problems facing our Nation's electric utility industry.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON LABOR

Mr. TRIBLE. I ask unanimous consent that the Subcommittee on Labor of the Committee on Labor and Human Resources be authorized to meet during the session of the Senate on Thursday, July 25, to hold a hearing on the Supreme Court decision of Garcia against San Antonio Metropolitan Transit Authority, under the Fair Labor Standards Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON INVESTIGATIONS

Mr. TRIBLE. Mr. President, I ask unanimous consent that the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs be authorized to meet during the session of the Senate on Thursday, July 25, to hold an oversight hearing on money laundering in Puerto Rico.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. HELMS. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be authorized to meet during the session of the Senate on Thursday, July 25, 1985, between the hours of 3:30 and 5 p.m. to continue the markup on S. 616, the farm bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

STATE AND LOCAL RIVER CONSERVATION EFFORTS

● Mr. DURENBERGER. Mr. President, last week the Subcommittee on Public Lands, Reserved Water and Resource Conservation held an oversight hearing on the National Park System.

The purpose of the hearing was to provide a forum to debate issues and threats facing the National Park System. The Conservation Foundation presented their new report, "National Parks for a New Generation," and Bill Mott, the new Director of the National Park Service, presented his 12 point plan. As a participant in that hearing, I would like to commend and compliment the chairman, Senator WALLOP, for an outstanding hearing.

Two themes came out during the course of the morning. The first is that we are in a transition period in how we manage our natural resources in order to protect and preserve for present and future generations. The second is that it is time to find alternatives to Federal management by encouraging State and local governments as well as the private sector to get involved in resource planning and management.

The second is one that I have advocated for quite a few years now. It is an area that I have personal experience in, as we have an outstanding example in Minnesota of how well local governments and interested persons can manage a local resource. The Mississippi Headwaters Board has an outstanding record in their management of the Upper Mississippi River.

Based on the Minnesota experience, I have introduced legislation, S. 317—the State and Local River Conservation Act of 1985—to encourage State and local governments as well as private citizens to manage their valuable river resources.

The Conservation Foundation just published a wonderful "how-to" book to complement this legislation. "A Citizen's Guide to River Conservation" is designed to encourage and help anyone to organize an effective river conservation program.

Mr. President, it is my intention to move S. 317 this fall. I ask that a commentary by the Conservation Foundation on local river conservation be printed in the RECORD.

The material follows:

LOCAL GROUPS WORK TO SAVE WILD RIVERS

Recent proposals by the Reagan Administration for several significant additions to the national Wild and Scenic Rivers System—like the Manistee in Michigan and the Cache Le Poudre in Colorado—have hartened some conservationists. But recent magazine articles with titles like "Heat on the River," "The Damming of America," and "The Small Hydro Invasion," tell a different story of a deeply troubled program.

The Wild and Scenic Rivers Act was enacted in 1968 with high hopes that by 1990 over 200 rivers would constitute a federally protected system somewhat akin to our national parks. As of today, only 65 rivers have been protected. Most of the "easy" candidates on publicly owned lands are already in the system, and a cumbersome study process coupled with a virtual moratorium on federal land acquisition do not auger well for any significant expansion.

Even in good times, the federal system is likely to protect only the best of the best, even though many other rivers are eligible for inclusion. Rivers of regional reputation—what I call "home waters"—like the Rappahannock in Virginia or the Brandywine in Pennsylvania are unlikely ever to receive federal designation.

But it is on these rivers that the threats are growing daily in a quiet, inexorable way. Some face booming development along their banks. Others are being choked slowly by soil and chemicals running off farmland. Such whittlings may in the long run be just as devastating as losing a nationally known river to dam builders.

The precarious state of many home waters might be a cue for despair among river lovers. But in the absence of federal initiative, state and local governments and grassroots conservation groups are achieving protection by using innovative conservation techniques that the federal government has eschewed. These programs have not taken hold everywhere, to be sure, but they are widespread enough to strike a note of optimism. Among the most promising are:

Private nonprofit conservation action like that taken by the Brandywine Conservancy in Pennsylvania, a land trust that has acquired easements along this scenic river as well as developing a water quality monitoring scheme and local government technical assistance program.

River corridor commissions such as the Mississippi Headwaters Board in Minnesota that rely on cooperative zoning regulations and management by local governments to protect lengthy river segments.

State river conservation programs such as those in Massachusetts and Maine that inventory state rivers and utilize special regulations and financial and technical assistance to promote local protection efforts—instead of state scenic river designation which has met with limited success in other places.

The Wild and Scenic Rivers System will continue as the linchpin in federal efforts to protect the most outstanding rivers in the United States, but greater attention needs to be paid these state and local initiatives. The National Park Service has a small, but important technical assistance program for local governments that deserves continued support, but it has been targeted by budget cutters. The importance of state and local action is also recognized in legislation introduced in Congress by Senator David Durenburger (R., Minn.) that would provide federal seed grants for local river protection programs. Although this bill enjoys bipartisan support, it has been opposed by the Administration. Yet whether the future holds brighter waters will depend in large part on support for innovative state and local river conservation efforts.●

OUTSTANDING FLORIDIANS

● Mr. CHILES. Mr. President, I would like to take this opportunity to recognize nine outstanding citizens from Florida. These fine individuals are the 1985 electees to the Dr. Nan S. Hutchinson Senior Hall of Fame. Founded in 1978, this prestigious award is bestowed upon a select group of Broward County elders. These citizens have proven—through continued service, active involvement, and compassionate devotion—their voluntary dedication to the betterment of the country and her people.

Their names are: Annie Mae Dailey, 72, of Fort Lauderdale; Philip Hale, 77, of Plantation; Lillian Hargan, 72, of

Cooper City; Lynn Hariton, 72, of Tamarac; Ethel Jacobs, 76, of Hollywood; Murray Kirschbaum, 67, of Margate; Irving Mendelson, 67, of Lauderdale Lakes; Morris Sher, 70, of Tamarac; Elliott Shernoff, 68, of Tamarac.

I hope my colleagues will join me in extending appreciation and congratulations for their outstanding service.●

PROPOSED ARMS SALES

● Mr. LUGAR. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $50 million or, in the case of major defense equipment as defined in the act, those in excess of $14 million. Upon such notification, the Congress has 30 calendar days during which the sale may be reviewed. The provision stipulates that, in the Senate, the notification of proposed sales shall be sent to the chairman of the Foreign Relations Committee.

In keeping with the committee's intention to see that such information is immediately available to the full Senate, I ask to have printed in the RECORD at this point the notification which has been received. The classified annex referred to in the covering letter is available to Senators in the office of the Foreign Relations Committee, room SD-423.

The notification follows:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, DC, July 24, 1985.

In reply refer to: I-03694/85ct.

Hon. RICHARD C. LUGAR,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 85-45 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Army's proposed Letter of Offer to Korea for defense articles and services estimated to cost $53 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

PHILIP C. GAST,
Director.

[Transmittal No. 85-45]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Korea.

(ii) Total Estimated Value:

	Million
Major Defense Equipment [1]	0
Other	$53
Total	53

[1] As defined in section 47(6) of the Arms Export Control Act.

(iii) Description of articles or services offered: Modification kits for 28 Battery Sets of the HAWK Product Improvement Program (PIP) PHASE II, concurrent spare parts, training and services to install the kits.

(iv) Military department: Army (XUM).

(v) Sales commission, fee, etc., paid, offered, or agreed to be paid: None.

(vi) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: See Annex under separate cover.

(vii) Section 28 report: Included in report for quarter ending 31 March 1985.

(viii) Date report delivered to Congress: July 24, 1985.

POLICY JUSTIFICATION

KOREA—MODIFICATION KITS

The Government of Korea has requested the purchase of modification kits for 28 Battery Sets of the HAWK Product Improvement Program (PIP) PHASE II, concurrent spare parts, training, and services to install the kits. The estimated cost is $53 million.

This sale will contribute to the foreign policy objectives of the United States by helping to improve the security of a key friendly country in Eastern Asia. The sale of this equipment and support will enhance deterrence and contribute to the preservation of peace and stability on the Korean peninsula.

The product improvement program modification kits proposed in this sale will upgrade the I-HAWK batteries used in the Republic of Korea (ROK) for air defense. Since the North Korean Air Force enjoys more than a 2:1 numerical advantage in combat aircraft, this sale is vital to offset this quantitative disadvantage.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor will be the Raytheon Corporation of Andover, Massachusetts.

Implementation of this sale will not require the assignment of any additional U.S. Government personnel; however, 25 contractor representatives will be required for 24 months in Korea.

There will be no adverse impact on U.S. defense readiness as a result of this sale.●

THE LINE-ITEM VETO

● Mr. LEVIN. Mr. President, the most difficult challenge which sometimes confronts us in the Congress is to avoid focusing our attention on and relying on superficially attractive solutions which really serve to distract us from addressing the more fundamental issue at hand. This is the case with S. 43, the line-item veto legislation.

Under this legislation, each "item" of any appropriation bill would be enrolled as a separate bill and sent to the President for his signature. The legislation defines "item" as any and all paragraphs and numbered sections contained in appropriations bills. There is a sunset provision in this legislation under which the line-item veto authority would expire in 2 years unless specifically renewed by Congress.

The line-item veto has been praised as an important step in bringing spending under control. It has been condemned as a significant shift in the balance of power from the legislative branch to the executive branch. I, very much doubt that it is the former, and recognize its potential for being the latter. But most of all, it is simply a distraction.

As for its impact on restraining spending, it is interesting to note the comments of OMB Director, David Stockman, who when asked about its effect on the Federal deficit responded by saying, "marginal, if at all." Similarly, in this year's Annual Report of the President's Council on Economic Advisers, the following comment on the line-item veto appeared:

> Approval of a line item veto may not have a substantial effect on total federal expenditure. The experience of the states indicates that per capita spending is somewhat higher in states where the governor has the authority to line item veto, even when corrected for the major conditions that affect the distribution of spending among the states.

In addition, as a practical matter in the near term, the line-item veto would only apply to a small percentage of the budget. President Reagan has clearly indicated that he believes that the focus of spending restraint should be on domestic spending. Only 11 percent of the Federal budget falls into the category of discretionary domestic spending, which would be subject to the line-item veto. If the President used this line-item veto authority to cut this spending by 50 percent, the deficit would still be over $160 billion.

Some might argue that in spite of the "marginal," to use Mr. Stockman's word, impact which the line-item veto would have on the Federal deficit, we should try it because "every little bit helps." That argument only has merit, however, if the little bit of help is not outweighed by negative side effects. I believe that the negative side effects of the line-item veto could easily outweigh any marginal positive effect.

The line-item veto threatens a significant shift in the balance of power from the legislative branch to the executive branch. Right now, in the process of practical legislating, Members of Congress are presented with bills which frequently have some elements in them which they like and some which they oppose. When asked to vote on a bill, they have to balance the pros and cons. Under current law, the President must do exactly the same analysis in deciding when to sign a bill. With the line-item veto, the President would be put in a preferred position in the legislative process. He, alone, would not have to compromise. He, alone, could pick and choose what would be enacted into law.

Furthermore, the President would be in a much better position to isolate the particular concerns of a Member of Congress and use his potential veto as leverage with that member on other issues of importance to the President. In fact, some of those Presidential interests may require a net increase in spending. The President could exercise

this line-item veto with much greater confidence that his veto would be sustained because the provision he is vetoing may relate primarily to only one State or one region. Let me make clear that I am not personalizing this concern. I am not arguing that President Reagan would use this new power unfairly as leverage. But it is naive to think that having granted this power to the Presidency, it would never be used in such a manner.

The proponents of this legislation respond to this concern by noting in the committee report that "Congress in passing the original bill may combine into single sections any of a number of disparate parts and in fact could enact a lengthy and complex measure in one numbered section or one unnumbered paragraph comprising the entire bill." A strange response, isn't it? What the proponents seem to be saying is "Don't worry about a shift of power from the legislative branch to the executive branch—Congress can easily circumvent the new power given to the President.

The proponents of this legislation cannot have it both ways. Either this line-item veto is a significant new power granted to the President—in which case it is inconsistent with the constitutional structure of coequal branches of Government, or this line-item veto is a power with the force of paper mache—in which case what is the point of it all?

Unfortunately, the effect of it all may be to distract our attention from the real issue at hand, which is substantive deficit reduction. The danger is that Members of Congress and the President may say, "Well, we missed our original deficit reduction targets, but things may yet come under control because there is now a line-item veto."

If the proponents of the line-item veto are correct in arguing that any constitutional concerns are mitigated by the fact that this new Presidential power can be circumvented by clever legislative drafting, then how much, if anything, has this new power added to the goal of deficit reduction? A time when meaningful action is required is not a time for the passage of measures which may only serve to mask inaction. The line-item veto may do too much violence to our constitutional framework, or may actually prove counterproductive to deficit reduction. Neither are goals which Congress should seek to achieve, and for that reason I oppose this legislation.●

CONGRESSMAN STEVE SOLARZ: A LEADING DEMOCRATIC VOICE FOR MEANINGFUL ARMS CONTROL

● Mr. HART. Over the Independence Day recess, I went to Geneva as a member of the arms control talks observer team. I regret to say that we seem to be very far from an agreement and the goals we hope to achieve.

The history of arms control negotiations has shown us that if the United States and the Soviet Union hope to forge a successful arms control agreement, each side must be willing to engage in compromise, and to make equitable concessions in areas of particular concern to the other. In this case, however, we are facing a fundamentally new stumbling block: One side wants to change developments of the past the other wants to avert developments of the future. In this instance, the United States seeks substantial reductions in long-range Soviet offensive weapons, and the Soviet Union wants the United States to terminate the Star Wars Program.

Unless both sides begin demonstrating some flexibility, it is evident that the current round of negotiations will be doomed to failure. And the Geneva talks will become nothing more than a dangerous prelude to an escalation of the arms race both on Earth and in the heavens.

Mr. President, the Baltimore Sun recently published an important and insightful statement on the arms control process, and the prospects for meaningful reductions in offensive nuclear weapons. The author is Congressman STEVE SOLARZ, a senior member of the House Foreign Affairs Committee, and a leading voice in the Democratic Party on arms control issues.

Congressman SOLARZ returned from Moscow recently, where he met with Col. Gen. Nickolai F. Chervov, the arms control chief for the Soviet General Staff. Based on his experiences in the Soviet Union, and my observations in Geneva, the Congressman and I came to the conclusion that a new approach was needed to restore some hope for progress in the arms control negotiating process. We believe that such an approach must include a commitment by the Soviet Union to reduce sharply its arsenal of offensive strategic weapons. Under this circumstance, the United States would agree to restrictions on the development of star wars defenses. This formula, we believe, represents a reasonable framework for an arms control agreement in the interests of both nations.

Earlier this month, Mr. SOLARZ and I introduced concurrent resolutions which embody this negotiating framework. Congressman SOLARZ, however, has gone one step further and has established a compelling case for the adoption of our legislation in his Baltimore Sun article. His statement describes not only the resolution but the conversations he had in Moscow which led him to conclude that a new step was required to break the deadlock.

Mr. SOLARZ, a prodigious writer and legislator, has written an extremely effective piece. I ask, Mr. President, that the full text of his article appear in the RECORD.

The article follows:

[From the Baltimore Sun, July 22, 1985]

ARMS CONTROL: NEW TRADEOFFS MAY BE POSSIBLE

(By Stephen J. Solarz)

Now that the second round of arms control talks in Geneva has concluded without any progress whatsoever, it is becoming increasingly clear that a new approach will be needed to break the deadlock in these critical negotiations. If the arms control process is to succeed, we will have to put forward proposals that are not based on a demand for unilateral concessions or the desire for unconditional surrender, but that protect the security and self-interest of both sides. The Soviets, after all, are no more likely to make one-sided concessions to us than we are to them.

The best opportunity to achieve an arms control agreement lies in a trade-off involving significant reductions in the number of offensive nuclear weapons and restrictions on the development, testing and deployment of defensive systems, known as "Star Wars."

Recently, Senator Gary Hart and I introduced a resolution in Congress advancing this concept of a trade-off between offensive weapons and defensive systems.

The resolution should provide a useful focus for our country's debate over Star Wars. It will help to set the stage for an expression of congressional opinion on the arms control talks. And it can contribute to a change in the American negotiating posture which is a necessary, if not sufficient, condition for a breakthrough in these vital negotiations.

Unless we are prepared to link the two overriding arms control issues of offensive weapons and defensive systems, which we have so far been unwilling to do, there will be no possibility of a meaningful agreement in the Geneva negotiations. Without a willingness to forego development, testing and deployment of Star Wars, the arms control process will be doomed to failure and the stage will be set for a tragic escalation of the arms race in space and on earth.

An American decision to proceed with an unrestrained Star Wars program would simply result in an unrestrained Soviet effort to develop more offensive weapons to overwhelm our potential defenses. Rather than having increased our own security, we would have increased the arms race. Instead of bringing the arms race under control, we would have helped to set in motion a dangerously destabilizing and extraordinarily expensive new competition to offensive weapons and defensive systems.

Our resolution does not call for a ban on research into Star Wars. It is simply not realistic for the Soviet Union to insist, as they have, on prohibitions on research into strategic defensive systems as a condition for an agreement on offensive nuclear weapons. The Soviets have long been engaged in a significant Star Wars research program of their own, and they are well aware there is no way such a ban could be verified.

If the Soviet Union continues to demand a prohibition on research into Star Wars defensive systems, knowing that such a ban is neither feasible nor verifiable, it will be clear that the Soviets have no interest in pursuing a meaningful arms control agreement.

Over the last several weeks, however, we have seen intriguing and potentially impor-

tant signs of Soviet flexibility on arms control issues.

Earlier this month, I met in Moscow with Col. Gen. Nikola F. Chervov, the arms control chief for the Soviet General Staff. General Chervov took a more flexible position than the standard Soviet line on several key questions.

He said that the Soviet offer to cut strategic nuclear forces by 25 percent included warheads as well as missiles. He also indicated that the Soviet demand for a prohibition on Star Wars research did not encompass work in laboratories, but was only intended to preclude the production of prototypes and the testing of technologies emanating from them.

Unless and until General Chervov's statements are embodied in the official Soviet position in Geneva. It remains to be seen whether his comments constitute a significant change in the Soviet stance or merely an exercise in propaganda. But if the general's statements are utlimately reflected in a new Soviet proposal, it would indeed represent a significant step forward.

Restrictions on development, testing and deployment of defensive systems are verifiable and desirable and should be sufficient to satisfy the expressed Soviet concerns, which our country should share, in preventing the development of defensive systems that could be destabilizing.

There are some who argue that because the conduct of the Geneva negotiations is the responsibility of the executive branch, Congress has no meaningful role to play in the arms control process. But for those of us who believe the administration's present posture is a formula for failure and a prescription for paralysis in the arms control talks, our resolution represents an essential effort to begin the process of formulating a more realistic and viable American negotiating position at Geneva.

The resolution Senator Hart and I have introduced is realistic and responsible.

It offers a realistic opportunity for agreement as it allows each side to accomplish its main objective: for the United States, reductions of offensive strategic weapons; for the Soviet Union, restrictions on the development of "Star Wars" defenses.

It is a responsible approach because it prescribes a pattern of mutual and verifiable reductions and restrictions that add up to meaningful arms control.

Over two decades ago, President Kennedy warned that unless we end the nuclear arms race, sooner or later the arms race will end us. Since that time, the Soviet Union and the United States have added to their respective nuclear arsenals at a frightening pace. The current arms control negotiations represent what may be the last best chance to bring the nuclear arms race under control. Whether or not we succeed in that effort will depend on the willingness of the United States and the Soviet Union to come forward with new and more realistic approaches at Geneva.

MICHIGAN'S OLDEST SYNAGOGUE

● Mr. LEVIN. Mr. President, on the weekend of August 2-4, people from all over Michigan—and well beyond—will gather in a modest house of worship in Traverse City to celebrate a remarkable occasion, the 100th anniversary of the oldest synagogue in continuous use in Michigan. It is the synagogue of Congregation Beth El, which was established by immigrants from Russia and Poland in the 1860's and 1870's. These immigrants in most cases were refugees from oppression in their native lands. It was not easy to be a Jew in those lands 100 years ago. Nor was it easy to come to a strange country, and especially to a relatively undeveloped part of the country, a veritable frontier, where comforts were few, and fellow Jews were even fewer. But these newcomers exulted in the freedom they found in America, inhaling deeply the exhilirating freshness of democracy and tolerance. At the same time, they preserved their faith, their commitment to the religious values of their ancestors. Even before they built a synagogue they came together, few and far between, on the Jewish holy days, to keep alive their ancient worship. Indeed, they made the most of their newfound opportunity to both practice their Judaism fully and openly, and to be active, contributing citizens of their adopted country. Often these actions went hand in hand. In 1884, for example, Congregation Beth El—still without a synagogue—bought land for a cemetery. Part of that land the congregation later donated to the city, for its own burial ground. And in 1885, coincidentally, both Traverse City and Congregation Beth El became incorporated, each thus sinking roots that later often intertwined, as both grew, congregation and community, flowering in fellowship. That fellowship was wonderfully symbolized at the very outset by the fact that the land on which the congregation built its now-historic synagogue, was donated to it by Perry Hannah, a non-Jewish lumber magnate.

Today, a century later, the shared experience of Traverse City and Congregation Beth El represents what is truly great about America: Freedom and opportunity, tolerance and cooperation, the chance to be what you are, to make the most of your talents, to join with your neighbors in building a new world—not just for yourself, but for your children and their children. There are hundreds of communities across this country with congregations like Beth El. We all have them in our home States. We all can imagine the joy the pioneers in those communities felt when they dedicated their first synagogue, their first church, their first school or town hall or firehouse. And we can all share today the pride and satisfaction that the descendants of those pioneers feel as they observe the landmark anniversaries that represent the fruit of their ancestors' commitment and hard work.

In Traverse City, on the upcoming centennial weekend, the entire community will be joining the members of Congregation Beth El to celebrate a dream come true—the dream of a handful of immigrants 100 years ago to establish, in the words of the congregation's president, Judith Carnick, "a Jewish community in the lifeblood of a small midwestern town." Today, that Jewish community remains small—only 25 member families. Yet the congregation maintains a religious school for children 5 to 18 years old, provides bar and bat mitzvah instruction, offers adult education courses, conducts a range of holy day services, maintains facilities for Jewish life—cycle rituals, offers counseling and guidance according to Jewish tenets, and participates in community interfaith programs. And the congregation serves not only its own members but also the growing number of vacationers in its area, and students at nearby schools.

In sum, Mr. President, Congregation Beth El has a lot to be proud of as it celebrates its 100th anniversary. And as its members celebrate what they and their ancestors have accomplished, they will be reaffirming the great potential that this Nation continues to offer its citizens, and holds out for future generations. That commitment—again in the words of Judith Carnick—is "that all Americans have the opportunity to pursue their own religious beliefs, and contribute to the community in which they live."

To that, Mr. President, we all can say "amen."⊖

PRODUCTIVITY FIGURES: A BAD OMEN FOR THE FUTURE

● Mr. BAUCUS. Mr. President, the Bureau of Labor Statistics today issued the latest figures on productivity growth in the United States. They were nothing to celebrate.

Nonfarm business productivity grew an anemic 0.5 percent during the second quarter of this year. This does not even come close to compensating for the 3.1-percent decline during the first quarter. Let there be no confusion, productivity has actually been falling the first half of 1985.

This trend is ominous for our future. And make no mistake, trend is the right word. This year's figures are not a single aberration in an otherwise healthy progression. Our rate of productivity growth has been heading in the wrong direction.

Between 1948 and 1967, productivity in the United States grew at an average of more than 3 percent per year. That growth rate fell to just over 2 percent between 1967 and 1973. It then plummeted to less than 1 percent for the duration of the 1970's.

These figures tell us two important things: That the administration's economic policies have not worked; that we, in the United States, face a major problem.

In 1981, President Reagan said his program would "revive our lagging productivity" and "restore our competitiveness in world markets." It is an understatement to say he has failed.

Our trade deficit grows by leaps and bounds. While productivity always turns up during every recovery, the current recovery ranks dead last in productivity growth compared to all postwar recoveries.

The productivity statistics tell us two things: that the President's economic policies have not worked and that we, in the United States, face a major problem.

THE IMPORTANCE OF PRODUCTIVITY GROWTH

What is the problem?

Productivity is not just a statistical artifact. Productivity growth is the engine that drives our living standards.

It is productivity growth—increases in output per worker—that leads to increases in real income. Unless we can reaccelerate productivity, nothing else we do—lowering inflation, cutting the deficit, bringing down the dollar, or reducing unemployment—will guarantee us a rising standard of living.

Every generation of Americans has sought to pass on to the next a brighter economic future and a higher standard of living. Our parents did it for us. If we are to do the same for our children, we must restart the engine of productivity growth.

CONCLUSION: WHAT NEXT?

This administration's policies have failed. Yet the President persists in wearing rose-colored glasses. What will it take to wake him up? If the administration will not act, we, in the Congress, may have to step into the breach.

We have a big job to do in this country to restore healthy balanced growth and competitiveness. We must bring down the deficit. We must try a thousand small things and experiments to restore our productivity growth. We must try new styles of labor-management arrangements. We must improve the education and preparation of our work force. We must be sure our tax laws are consistent with our efforts.

Mr. President, I call today's figures to the attention of my colleagues because they should be kept in mind when we consider legislation. We act against the background of dismal productivity growth; we must act to turn it around.●

HISTORY OF AGRICULTURE IN CALIFORNIA

● Mr. WILSON. Mr. President, nearly 150 years ago, luckless miners wandered out of the hills of California's gold rush country to discover that the real riches came not from what was buried in the soil but from the soil itself. These rugged pioneers began clearing small plots of fertile valley land and grazing cattle in foothill pastures in an attempt to build a strong future for themselves and their families.

Today these modest farms and ranches have grown into a multibillion-dollar industry that provides food and fiber to the Nation and the world. This is an industry that has evolved from simple farms to the most sophisticated, diverse, and productive agricultural region in the world.

Mr. President, this is California agribusiness.

California's rise to agricultural prominence is the result of natural good fortune as well as human industry. Geographically, the State has been blessed with a Mediterranean climate that provides long, warm growing seasons and mild winters. This moderate climate allows an enormous variety of crops to flourish in a relatively small area.

Major mountain ranges provide the snow that forms the basis for the State's massive irrigation needs. These mountains further moderate the weather and produce the rich alluvial soil that has made the Central Valley the State's most productive agricultural region.

Perhaps the key element of the State's agricultural success has been the tenacity and drive of the individual farmer, coupled with a successful partnership with big business and Government. All three have worked together to enhance the State's natural assets and develop efficient and effective means of production and distribution.

One of the earliest alliances was formed to supply a rapidly growing demand for water. By the beginning of the century, the increase in the variety and number of new crops made irrigation a vital necessity. Power companies built hydroelectric plants and developed an extensive rural electrification program that allowed farmers to pump water whenever it was needed.

In addition, production demands quickly depleted individual ground water supplies. To meet this new demand, individuals and the Government worked together to develop and build a network of dams and canals that became one of the most extensive and sophisticated irrigation systems in the world.

This constant demand for water also created a new industry to supply the technology and equipment needed to make the system as efficient as possible. Companies which started as small family concerns have grown to multinational corporations to meet the irrigation needs of the world.

Increased production created demands for a more efficient distribution system. Again, agriculture and industry worked together to form a mutually beneficial alliance. By the late 1800's the railroads had criss-crossed the State's agricultural regions and special refrigerator cars were developed to transport fresh produce to the Eastern States.

As demand for California farm products increased, so did the need for more extensive transportation systems. A handful of private entrepreneurs began meeting this need with a few small trucks, the results of this effort being that today thousands of trucks move California farm products to every corner of the Nation.

With demand for increased quantities of California farm products came the public's demand for increased quality. In response to these demands, California farmers found a partnership with education and private industry in the search of superior products. The University of California had developed and maintains a strong reputation as a leader in scientific agricultural research and development, including the Davis campus, which is at the leading edge of technological advancements in every aspect of agribusiness. From theory to harvest, advancements pioneered by the University of California system have strongly influenced the course of agricultural production throughout the world.

From the reduction of harmful pests to improved packaging, California agriculture has helped spawn and build a multitude of industries dedicated to meeting the ever changing needs of agribusiness. The success of these agricultural related industries is again based on their ability to work closely with California farmers.

As California agribusiness has become larger and more sophisticated, so has its financial needs. To meet these very special needs, some of the Nation's leading public and private financial institutions have taken an active role in maintaining the economic stability of local agribusiness. As with so many other industries, bankers have formed a strong partnership with California farmers to insure that farmers will be able to prosper in the good years and survive the bad. This relationship has helped build one of the most comprehensive banking networks in the Nation.

To compete successfully abroad in an increasingly competitive national and world market, California farmers have worked together to develop some of the largest and most sophisticated agricultural cooperatives in the Nation. As the marketing arm of California agribusiness, these groups are constantly searching out new markets for their products. Informing, convincing, and improving the image of California farm products both in this Nation and abroad, California cooperatives are competing successfully not only with foreign growers but also foreign governments.

Mr. President, the California farmer has come a long way from the frustrated miner who threw down his gold pan and picked up a plow. Today's California farmer has to be part tractor mechanic, part scientist, part banker, and part multinational corporation executive. But there is one thing that has not changed—he is still a survivor. Like his predecessors, today's California farmer is committed to the land and to what he does best—producing some of the finest farm products in the world.

Mr. President, in an effort to portray the history and success of California agriculture, the Tulare County Fair has developed and constructed a special display. It is with great pride and pleasure that I have the opportunity to share this exhibit with Washington, DC, before its premier this fall at the Tulare County Fair in California. The display consists of 20 beautifully crafted, hand-painted murals which span 80 feet in length and tell a unique and miraculous story. The exhibit itself begins with a western geographical and biological development in the 20th century. The mural will be on display this week in the Senate Russell rotunda. As one who has viewed this exhibit, I can assure you it is a spectacular sight and I urge my colleagues and their staff to view the "History of Agriculture in California" mural.●

FOREIGN STUDENTS

● Mr. SIMON. Mr. President, Edward B. Fiske had an article about foreign students in the New York Times the other day that merits careful consideration by Congress.

In it, he points out that there are 50,000 foreign students in the Soviet Union who are there as guests of the Soviet Government.

While we have more foreign students in the United States, we have only 7,500 who are here on U.S. Government scholarships.

What is happening is that the Soviets are appealing increasingly to the young people who want to change their society, rather than those who are satisified with the status quo. We tend to appeal to students who are wealthier and who are satisfied with the status quo.

The Kissinger Commission recommended changes; AID recognizes the need; and Charles Wick, who heads the U.S. Information Agency, has been providing excellent leadership in this area.

But what we have done has not been enough. We ought to be dramatically increasing these scholarships.

I will, from time to time, have amendments to do that.

I ask that the Edward B. Fiske article be printed in the RECORD at this point.

FOREIGN STUDENTS MUST PAY THE FREIGHT

(By Edward B. Fiske)

At the Patrice Lumumba People's Friendship University on the outskirts of Moscow, 5,000 students from 105 countries study alongside young Russians training for positions as third-world advisers. The non-Russians are among an estimated 50,000 foreign students in the Soviet Union, most of them from developing countries and virtually all on Soviet Government scholarships.

American colleges and universities have far more foreign students—340,000 of them—but they are a different lot. Only 7,500 are here on United States Government scholarships. The rest are supported by their families, home governments or private scholarships. "Even those from developing countries tend to come from relatively affluent families," said Elinor Barber, director of reseach for the Institute of International Education.

Since the education of foreign students is supposed to be, among other things, a means of building good will and extending American influence, these statistics are attracting attention in Washington.

According to a recent United States Information Agency study, current policies bring members of "ruling elites" who are "not necessarily representative of the forces of change in their native countries."

Steps are being taken to open things up. Following a recommendation of the Kissinger Commission, the Agency for International Development recently announced a new program that will bring 1,200 undergraduates from Central America to this country this fall. The number will in time reach 10,000 a year.

Legislation has been introduced in both the House and the Senate that would open this program to "financially deserving and academically promising students" from other developing countries.

According to the House majority leader, Jim Wright, a principal sponsor of the so-called U.S. Scholarship Program for Developing Countries Act, this would spur economic development and stability and broaden America's "base of popular support" in the third world.

"By targeting low-income students in developing countries," he said, "the program we propose will send the world a clear message—America is a friend not just of the economically well-off, but of those who come from poor families."

CUTTING RED TAPE

College officials are worrying about the heavy paperwork required by the Immigration and Naturalization Service regarding students who want to study here.

The problem goes back to the Iranian hostage crisis of 1979-1980, when immigration officals were embarrassed to admit to Congress that they did not know the whereabouts of many of the 51,000 Iranian students in this country at the time. Red faces gave way to red tape, as the service imposed new regulations. For example, colleges must now complete elaborate official forms every time a foreign student seeks to change his or her academic program.

The National Association for Foreign Student Affairs is campaigning to roll back some of the requirements on the grounds that many are unnecessary and improperly involve immigration officers in educational decisions.

"We did a survey of 35 universities and found that they are now spending an average of $44,000 apiece, or one-third of their foreign student budgets, on compliance," said Marvin J. Baron, outgoing president of the organization. "For the country as a whole, this means $50 million that could be spent on substantive programs."

GOING WHERE THE STUDENTS ARE

Some universities are leapfrogging the problems of bringing foreign students to this country by sending their teachers to the students. On the initiative of the Malaysian Government, several land-grant universities in the Middle West have formed a consortium to send 18 American faculty members to set up a college in Shah Alam, west of Kuala Lumpur. It will provide two years of general education to 2,400 Malaysians, who will complete the last two years of their education at various American colleges. The new program begins this week with the first 554 students.●

THE CHILDREN'S MUSEUM OF INDIANAPOLIS

● Mr. QUAYLE. Mr. President, should any of our colleagues or friends find themselves in Indianapolis with some spare time, I would like to let them know about a unique museum I hope they will take the time to visit. The Children's Museum of Indianapolis has the largest collection of any children's museum in this country, and is visited by more than 1.3 million people a year. It is a true delight, and the museum is successful in combining learning and fun. Recently the Wall Street Journal ran an article about the Indianapolis Children's Museum that describes several of the exhibits and shows at the museum. I am certain that after you read the article, you will find yourself planning a trip to the Indianapolis Children's Museum, with or without children.

Mr. President, at this point, I submit the attached article for the RECORD, and I encourage everyone to visit the Indianapolis Children's Museum.

The article follows:

HOOSIER TOTS PLAY AND LEARN IN THEIR OWN MUSEUM

(By Meg Cox)

INDIANAPOLIS.—When the Children's Museum of Indianapolis opened in 1925 without a collection of anything, grade-school kids were urged to go home and root around in the attic for displayable memorabilia. The fledgling museum's curator later followed housewreckers around town to unearth relics, and the most popular exhibits included an embalmed monkey and a two-headed calf.

Today, the Indianapolis museum has the largest collection of any children's museum in the country, even before counting a recent donation of 50,000 international folk toys. More than 1.3 million visitors a year come to the modern brick building that the museum is outgrowing after less than 10 years. The museum's leaders also like to think they run the best children's museum in the country. It doesn't matter whether they are right: The place is a marvel.

"We want kids to know that learning is more than someone else's words in a book," says Peter Sterling, the museum's director. "We don't want them just to know who Ein-

stein is, but to think: 'Hey. I could be a scientist.' "

Many museums slanted to children emphasize participation and "please touch" displays and don't have many traditional artifacts: Indianapolis has 130,000 objects, including dinosaur skeletons, American Indian artifacts, a popular Egyptian mummy, and the biggest toy train collection in captivity. Mr. Sterling argues that the "creative play" theme of some children's museums is limiting, and he likens them to "a big sandbox where kids just play aimlessly." What makes his institution special is the sophisticated and consistent attempt to combine fun and learning.

The best way to see this is to take a peek at an unusual and ambitious exhibition set to open here June 29, Called "Mysteries in History," the exhibit uses artifacts from several centuries of Indiana history, computers and constumed human "interpreters" to show kids how people figure out what the past was like.

Entering the gallery, children will find themselves at an archeological dig, where they will be invited to excavate on hands and knees for beads, jug handles and other "clues." There will be a guide there to explain the process, plus two computer stations that will simulate digging. Merely by touching grids on the screen, kids will expose layers of objects, and then they will be asked to choose from a list of possible conclusions, such as "There was a fireplace here."

Next, children will walk under an arch into the past, and see that the 1750 building they've been trying to decipher was a French fur trading post. A museum volunteer in period dress will greet them in French, then, in English, will explain barter.

Other exhibits in the enormous room similarly lead from artifacts into full-blown historical sets, with costumes, props and human actors. In a present-day attic, a guide will read from a diary written in the 1840s, and pass out bonnets and shawls for the kids to act out the family scene described. Under the nearby arch, kids can then wander through an Indiana log cabin and see a young girl writing the diary. They can also try a computer program that gives them $400 to load a covered wagon for the journey west: Should they forget to buy rope at the general store, they'll be in big trouble later if they get stuck in a stream.

At the last stop, dealing with oral history, "We're trying to say to kids that living people are a source of history, and they should ask questions," says Mr. Sterling, the director. Circulating storytellers will pass on legends to the kids, and they can pick up telephones at five glassed-in "time capsule" booths and hear a person describe life during the Depression, or soldiering in Vietnam. Authenticity will be added by pumped in manufactured smells: A 1930s kitchen scene will reek of apple pie.

But "Mysteries in History" fills just one of eight galleries on the five floors of the Childern's Museum of Indanapolis, which include forays into Eskimo and American Indian life, geology, and natural history (with flashlight-guided cave tours). The cherry-red Indianapolis 500 retired race car on the fourth level is a favorite stop to take behind-the-wheel family pictures, on the way to the tuneful turn-of-the-century carousel, where there's always a line for rides.

The museum's staff of 180, helped by more than 500 volunteers, ran an exhaustive 3,000 programs last year, providing so much to do that some children spend as many as 100 days a year there. An 18-foot totem pole just went up on the grounds. It was designed and carved over three months by swarms of kids led by a woodworker from Alaska. In a month long music program coordinated with local schools this spring, 200 students built their own instruments, wrote music, met professional musicians, and made music, as part of a living exhibit in the museum.

Little tots under seven in the Playscape gallery recently memorized their addresses and phone numbers, and adults were offered a Friday lunch-hour introduction to computers called "Take a Byte."

On a recent Saturday morning, the Science Spectrum gallery buzzed with giddy children spinning around in circles on platters in the "angular momentum" exhibit. They also learned about fulcrums by walking across a long wooden board till it came crashing down from their own weight. A 12-year-old junior volunteer, Matt Wright, showed other children how to look through a microscope to observe the shapes of crystals. "I want to be a chemist," he told visitors. "Science Spectrum was always my favorite room."

In the museum's basement, curators are already preparing for the next big show: a 1986 display of the folk-art toys donated by Theresa and Frank Caplan, cofounders of Creative Playthings Inc. A linear mile of steel shelving is slowly being filled as 30 giant crates disgorge 50,000 toys, masks, dolls and puppets. The two people hired just for this task won't finish unpacking until September. When it opens, the new Caplan gallery will probably include "interactive video" technology, says John Vanausdall, the museum's computer expert. "If a mask is too delicate to handle, you can type in its number and a videodisk will show an African ritual in progress using the mask," he says.

Despite its growing sophistication, the Indianapolis museum remains a warm, accessible place that kids feel belongs to them. When a turtle was recently "kidnapped" from an outdoor exhibit and held for ransom by neighborhood children, their peers quickly raised the money and returned the turtle to its home. And then there was the child who wrote to the staff: "I like the mummy best. Will you do me a favor? Keep an eye on that mummy and let me know if anything strange happens."●

UNITED STATES-JAPAN: SAVINGS, TAX AND TIME HORIZONS

● Mr. BAUCUS. Mr. President, this morning's Wall Street Journal carried a story about the contrasting savings rates in the United States and Japan.

The story focused in a way that cold statistics often do not on several very real problems: our savings rate and our focus on the short term.

SAVINGS

Our low national savings is not a moral problem—it's an economic one. Funds for investment must come from savings. If the government runs a huge deficit—which economists call dissaving—and citizens do not save, there are inadequate resources for investment. And it is investment that builds future economic growth.

What can we do? We in the Congress look at the dismal savings rate in this country, at the high savings rate in Japan, at other contrasting economic indicators, and our immediate reaction is to ask what we can do to increase U.S. savings. We are given pause, however, when we look at historical statistics. The personal savings rate in the United States has remained almost unchanged for as long as statistics have been collected.

Perhaps we have used the wrong policy tools when we have tried to change savings behavior. The Finance Committee has received some testimony that "carrots" to encourage savings haven't worked—and that they won't work without "sticks" to discourage consumption. Today's article amply describes the "sticks" in the Japanese system. They make clear how different our two societies are.

I do not suggest we adopt another country's tax system. I do believe, however, that we have to consider how we treat savings and borrowing.

SHORT-TERM PERSPECTIVE

We must also consider the charge that our business leaders—and indeed our society as a whole—focus too much on the short term. Does a focus on next quarter's earnings prevent investments that yield dividends far down the road? Do we place too high a value on tomorrow in the way we look at compensation, time, and organization? How do we encourage the long-term view without reducing the flexibility and quick response that has benefited our society and our economy?

These are questions we must consider as we look toward the restoration of our competitiveness and our productivity growth.

I urge my colleagues to read this informative article. I ask that it be printed in the RECORD.

The article follows:

AS AMERICANS SPEND, WARY JAPANESE SAVE, AND TAXES ARE A CAUSE

(By Bernard Wysocki, Jr., and Christopher J. Chipello)

The 10 Americans at the table in Florham Park, N.J., are swapping stories about home buying. The talk of borrowing down payments, of "trading up" to bigger houses, of buying houses they can't really afford. They nod knowingly as Abe Ash, a 38-year-old systems analyst, says he got a mortgage in 1976, right after he and his wife had lost their jobs. "Only in America," he says, "can you buy a house when the husband and wife are both unemployed."

Halfway around the world in Tokyo, a group of Japanese consumers are telling radically different home-buying stories. They speak of saving for 10 or 15 years, of making big down payments, of buying their first and perhaps only housing when they are on the brink of middle age. At 35, Sachiko Fukagawa is a bit younger than that, but otherwise she fits the pattern. She pulled $32,000 out of savings last year and put it down on a $72,000 condominium.

The two groups have been assembled by the Gallup Organization and the Nippon Research Center on behalf of this newspaper to explore the saving and spending habits of middle-class American and Japanese consumers. Both groups include men and women, married and single people, the young, the middle-aged and the elderly. But as the two conversations flow their separate ways, the differences grow wider and deeper.

OPTIMISM AND WORRY

The Americans are generally optimistic about the future and willing to take risks. They like to spend, so they have trouble saving. On the average they save only 7% of their after-tax income, slightly more than the U.S. average of 6%, the lowest in the developed world. By contrast, the Japanese are generally worried about the future and wary of risk. They are cautious about spending and save like crazy, giving Japan prolific savings rates averaging more than 17% of after-tax income.

At first glance, these American spenders and Japanese savers appear to exist in splendid isolation from each other. But many economists see an important, disturbing relationship. "The United States and Japan are like an old married couple. We like to spend and they like to save," said former Commerce Secretary Peter Peterson in a speech to the Japan Society a few months ago. "It is unclear, however, how long this complementary, if slightly neurotic, relationship can persist.

Mr. Peterson and others warn of a future in which Americans save so little, and American budget deficits run so large, that huge amounts of capital will have to be imported from overseas to fund those deficits, pushing up interest rates and the dollar. In fact, the large-scale importation of capital has already begun, and much of the money coming in is from the Japanese. Last year Japan exported over $50 billion in capital, much of it to the U.S. By contrast, Japan has financed its own large budget deficits rather easily and cheaply—tapping its large pool of domestic savings by selling its debt securities to banks and investors.

Furthermore, according to several economists, the low savings rate in the U.S. has left the corporate sector unprepared for the future. "We're entering a new age of technology, and we need money for those capital projects," says Thomas F. Cargill, professor of economics at the University of Nevada and recently a visiting scholar in Japan. "The level of saving is insufficient."

ENGINE OF PROSPERITY

Japan's huge savings pool has been a driving engine of postwar prosperity, serving as a cheap source of capital as banks and individuals invest much of the money in Japanese corporations. "The bottom line is, Japan's household sector bears a lot of the responsibility—and the credit—for Japanese economic growth," Prof. Cargill says. Thus, the enormous disparity in U.S. and Japanese savings rates operates in Japanese companies' favor in their competition with American companies.

Why the enormous disparity? Radically different tax policies are certainly part of the reason. Interest income on savings of up to $58,000 is tax-free in Japan, but such income is taxable in the U.S. Capital-gains taxes in Japan are nonexistent in many cases, inconsequential in others. Interest payments on home mortgages aren't tax-deductible in Japan, so Japanese have far less incentive than Americans to look for the biggest house, the biggest mortgage and the biggest tax shelter they can possibly find.

"I think everybody we know buys more house than they can really afford," says William McCormick, 31, dairy-company salesman and member of the group gathered in New Jersey. (He recently bought a bigger house.) Those who have small mortgage payments seem almost ashamed. Andrew Bruner, a retired schoolteacher whose mortgage is only $200 a month, says, "We could have bought more house, and we should have. I wish we had."

The mentality is different in Japan, where richer and poorer are more likely to be side by side, and where being conspicuous is unforgivable. "I'm the managing director of a bank," explains Hiroshi Takeuchi, chief economist of the Long-Term Credit Bank of Japan. "You might expect that I'd wear a fancy tiepin or something. Not in Japan. If I wore a diamond tiepin or diamond cuff links, people would despise me. That's why even most rich people don't build grand homes."

Other cultural constraints may also keep Japanese savings rates high. Pensions are relatively low by Western standards. Many Japanese still work six days a week, with correspondingly small amounts of leisure time. Some economists believe that the economic hardships of World War II and its aftermath have left today's adult Japanese with an ineradicable strain of frugality.

The tradition of semiannual bonuses, which account for nearly 20% of the average worker's annual salary, also appears to encourage the Japanese propensity for thrift: Surveys show that the overall savings rate leaps to more than 40% during the June and December bonus seasons.

More important, perhaps, land in Japan is expensive, house and apartment prices are high, and down payments average 32% of the purchase price. As a result, the Japanese spend many years saving the down payment. Ms. Fukagawa, who bought her $72,000 condominium with a $32,000 down payment, is unusual only because she bought her first real estate at age 35 while the median age in Japan for such purchases is 40. In the meantime, the would be homeowner spends many years piling up savings.

"Between the age of 30 and 40, a typical Japanese head of household has very heavy incentives to save," according to John Makin, head of fiscal studies at the American Enterpirse Institute in Washington. "He works six days a week. Interest income is largely untaxed, while interest expense isn't tax deductible. At age 40, he will buy a house costing 10% more than his American counterpart, given per-capita income two-thirds as large." Mr. Makin adds that with mandatory retirement looming at age 55—the standard retirement age for below-top-echelon people in large Japanese companies—that is additional incentive to save.

First-time home buyers in the U.S. have a median age of 30. A fair number are like Barbara Eadie, 29, the calm, articulate wife of a computer programmer in New Jersey. She and her husband borrowed down-payment money from her parents, and are paying off that bill, the first mortgage, and a loan for an addition. When an Internal Revenue check for $1,000 arrived recently, the tax refund went to pay bills. Says Mrs. Eadie, "We don't save very much money."

PLUNGING FEARLESSLY

Some of the New Jerseyans say they plunge fearlessly into debt because of a basic optimism about the future. Mr. Ash, the man who bought his house while unemployed, came out a winner. He says he was offered a chance to sell his house at a profit, just two weeks after he bought it. He didn't sell. Today, nine years later, the house has tripled in value.

Members of the Tokyo group are much less confident of rising values. Condominiums, particularly small ones, are seen as risky purchases. "You can't sell them," says Mitsumasa Amari, a 61-year-old physician. "For the first few years, it's OK. But after five years or so, you can't find a buyer." Dr. Amari, who built his house on a patch of old farm land in a southwest suburb of Tokyo, says the value of the lot has risen tenfold to more than $400,000 since he bought it about 12 years ago. But he says he has no desire to sell.

The Americans were far more tolerant of building up credit-card debt than their Japanese counterparts. Asked what they would do if $5,000 fell out of the sky, several of the Americans said they would use the money to reduce their credit-card balances. None of the Japanese said they would use $5,000 that way. The ones who use credit cards normally wipe the slate clean after the end of each month.

THE JAPANESE WAY

Of the eight people gathered around the table in Tokyo, Dr. Amari and Kozo Hirata, a 51-year-old accountant, are the only ones who use credit cards very much. The younger members of the group generally shun cards. They buy electronic goods and appliances through friends who work in such companies and who get them discounts. Or they head for a Tokyo neighborhood called Akihabara, where everything is routinely sold at 20% discount. "There are advantages to credit cards," says Masatoshi Takahashi, 26, an employee in the marketing department of the J. Osawa trading company. "But there are a lot of other ways to get things cheaply."

Mr. Takahashi is easily the most outgoing member of the Tokyo group, cracking jokes and wolfing down sandwiches while other participants nibble self-consciously at their food.

He is also the sort of person who makes many older Japanese worry about their country's future. He rarely works overtime—"because I don't like to," he explains. Unlike many Japanese, he takes his full week of annual vacation. And he spends money on recreation—"my car, traveling, clothes." For the younger generation, Mr. Takahashi says, saving is secondary to "enjoying life."

* * * that he is nevertheless something of a saver: He earns $14,000 a year, including his annual bonuses. He lives with his parents and pays them $120 a month for room and board. He uses $400 a month for pocket money. Yet he still manages to save $2,700 a year, more than 19% of his pay.

RATE HAS DECLINED

It is true that Japan's saving rate has slowly declined, from more than 20% in postwar years to 17% or so today. A recent Sanwa Bank report predicted a drop to 15% by 1995, basing the prediction on the growing number of elderly in Japan, who tend to save relatively little.

Some economists familiar with Japan don't see much change in Japan's savings rate, though. "I don't think it will decline much," says Edward Lincoln of the Brookings Institution in Washington. He believes that the fear of a rapidly aging population will itself keep savings rates high: People who worry that the nation may not be able

to support so many old people may well decide to save at a high rate to make sure that they will be able to support themselves if necessary.

Nor does Mr. Lincoln hold much hope for rising levels of savings in the U.S. "Nothing seems to move it out of that 4% to 7% range," he says.

During the past few years, some steps have been taken that can stimulate savings, from the expansion of the individual retirement account in 1982 to current Reagan-administration proposals to remove the tax benefits on second homes and rental properties. But neither these changes nor the rise in real interest rates since the late 1970s seems to ignite the savings impulses of the people sitting around the table in Florham Park.

IRA accounts aren't very popular with this group. Says William Carpenter, a 55-year-old engineer, thinking about all the publicity over IRA accounts: "I'm wondering if there's a little hype in there." Adds Joseph Steitz, 42, a construction worker: "I don't particularly care for IRAs. It just restricts you too much."

LIVING FOR TODAY

Then, after several people attack the provisions that call for penalties if you remove money from an IRA before age 59½, Mr. Steitz says his real problem is that he wants to live for today, whereas the IRA account keeps pushing people's thoughts into the distant future.

"I just lost a brother who was 39 years old," he says, "and he worked all the overtime and he would never take a day off to go fishing with me. And he'll never make up those days, and I don't care about one more day at 60 years old. It's not as important as tomorrow if I want to go fishing. That's the way I feel about it, and that's why I don't like the 59½-year-old thing."

Several people in the room nod in agreement. One man says, "You've got something there." Then Mr. Steitz continues: "I might have to sacrifice something for taking the day off to go fishing, but at least I did it and enjoyed it. My friend has a charter boat and he's got a bumper sticker that says, 'Even a bad day of fishing is better than a good day at work.' "

SEVEN AMERICANS ARE STILL BEING HELD HOSTAGE IN LEBANON

● Mr. SIMON. Mr. President, I rise today to remind my colleagues of the seven Americans who remain in captivity in Lebanon.

The families of these seven men were given hope during the TWA hijacking negotiations that their loved ones would be safely returned. They have met with their Senators, their Representatives, Department of State officials, and some have even met with their President. They have been plummeted through depression, anger, fear, and frustration. They have committed their family resources, their days and nights to the safe release of their loved ones. Let us not forget our commitment to them.

Let us not forget that today:

Benjamin Weir has been held hostage for 444 days—a measure of time that is engrained in our hearts and minds; William Buckley remains in captivity after 496 days; marks the 238th day since the disappearance of Peter Kilburn; Father Lawrence Martin Jenco is still a prisoner after 199 days; is the 132d day of the captivity for Terry Anderson; David Jacobsen has been held hostage for 59 days; marks day 47 for Thomas Sutherland.

Let us not forget that seven Americans are still held hostage in Lebanon.

Let us not forget our commitment to these men and their families.●

SUPERFUND EXPIRATION DRAWS NEAR

● Mr. LAUTENBERG. Mr. President, Superfund is set to expire on September 30. If Congress fails to act before this date, the hundreds of Superfund cleanup projects planned or underway across the Nation will be put in jeopardy.

Last week, Senator DURENBERGER and I circulated a letter in the Senate urging the majority leader to schedule S. 51, the Superfund Improvement Act of 1985, as soon as possible and certainly before the August recess. Within 2 days, 64 Senators had signed the letter. This is a tremendous show of support, not only for bringing the bill up for consideration, but for the program as well.

Every State has a vital stake in the reauthorization of the Superfund Program. EPA expects the fund to be virtually bankrupt by the end of September, with perhaps as little as $15 million remaining from a $1.6 billion fund. With its expiration date rapidly approaching and the funds nearly depleted, the Senate should take up this bill before we recess in August to permit careful consideration of the program and adequate time for conference with the House.

There is little need to emphasize the importance of the Superfund Program. Sites containing hazardous wastes and substances are being added to the national priority list [NPL] at an astounding rate. There are currently 812 sites proposed to or listed on the NPL. EPA has identified more than 20,000 additional sites for consideration. Ninety-seven of these sites are in my home State of New Jersey, the highest number of sites in any State. Clearly, we need to move quickly and effectively to tackle this tremendous number of sites.

In addition, the disaster in Bhopal and other serious incidents in this country in recent months have underscored the importance of effective emergency response to spills and releases of these substances.

Mr. President, I ask that the letter to Senator DOLE requesting prompt consideration of Superfund be printed in the RECORD.

The letter follows:

JULY 15, 1985.

Hon. ROBERT DOLE,
Majority Leader, U.S. Senate,
Washington, DC.

DEAR BOB: We urge you to bring S. 51, the Superfund Improvement Act of 1985, to the floor for full Senate consideration as soon as possible and certainly before the August recess. Expedited consideration of this bill is essential if the Congress is to take final action on reauthorization before the program expires on September 30 of this year.

S. 51 enjoys strong bipartisan support. The Committee on Environment and Public Works reported S. 51 by a vote of 14 to 1 on March 1. This action was followed by expeditious consideration by the Committee on Finance and the Committee on the Judiciary. The Committee on Finance reported S. 51 by a vote of 18 to 1 on May 16. The Committee on the Judiciary has also considered S. 51. The bill, which is now pending on the Senate calendar, was the subject of extensive review by these Committees and should be scheduled for consideration by the Senate this month.

We understand that Senator Stafford, Chairman of the Environment and Public Works Committee, and Senator Packwood, Chairman of the Finance Committee, are working with you to accomplish this goal. We fully support these efforts. Differences of opinion about specific provisions should be debated on the floor and should not be allowed to delay consideration of the bill. The program is too important to the health and welfare of the American public.

The tragedy at Love Canal, New York, and growing knowledge of other hazardous substance spills and disposal sites spurred Congress to approve Superfund in 1980. The current inventory of over 20,000 suspected sites around the country, as well as recent incidents threatening catastrophic release of hazardous substances, underscore the need to reauthorize a strong superfund program.

It is imperative that you make consideration of S. 51, and final Congressional approval of a reauthorization of the Superfund program, a top legislative priority this year. With the expiration date rapidly approaching and the funds for cleanup nearly depleted, we urge you bring the bill to the floor for consideration before the August recess.

Sincerely,

James Abnor, Mark Andrews, Max Baucus, Lloyd Bentsen, Jeff Bingaman, Rudy Boschwitz, Bill Bradley, Dale Bumpers, Quentin Burdick, John Chafee, Lawton Chiles, William Cohen, Alan Cranston.

John Danforth, Dennis DeConcini, Alan Dixon, Christopher Dodd, David Durenberger, Thomas Eagleton, Daniel Evans, J. James Exon, Wendell Ford, John Glenn, Albert Gore.

Tom Harkin, Gary Hart, Mark Hatfield, Paula Hawkins, John Heinz, Ernest Hollings, Gordon Humphrey, Daniel K. Inouye, J. Bennett Johnston, Nancy Kassebaum, Bob Kasten, Edward Kennedy, John Kerry.

Frank Lautenberg, Patrick Leahy, Carl Levin, Charles McC. Mathias, Jr., Spark Matsunaga, Mitch McConnell, John Melcher, Howard Metzenbaum, George Mitchell, Daniel Patrick Moynihan, Sam Nunn, Claiborne Pell, Larry Pressler, William Proxmire, David Pryor.

Donald Riegle, Jay Rockefeller, Warren Rudman, Paul Sarbanes, Jim Sasser,

Paul Simon, Arlen Specter, Paul Trible, John Warner, Lowell Weicker, Pete Wilson, Edward Zorinsky.●

TECHNOLOGY ADDRESSING NEEDS OF THE DISABLED

● Mr. STEVENS. Mr. President, I would like to draw the attention of the Senate to programs underway in the Federal Government to use available and developing technology to address the needs of individuals with disabilities. The National Aeronautics and Space Administration [NASA], the Department of Defense [DOD], and the Department of Health and Human Services [HHS], through Secretary Heckler's National Initiative on Technology and the Disabled, have been instrumental in this important effort.

New development in a variety of fields hold promise for the millions of individuals with disabilities in this country and around the world. The technological resources of the aerospace and defense industries are immense, and the transfer of these developments, so-called technological spinoffs, are occurring at a rapid pace. One such spinoff device is the Jarvik-7 artificial heart, currently the "gift of life" for three human beings. I doubt many Americans realize that the pumps and metal valves used in the Jarvik-7 heart originated in the aerospace program and the development of jet engine technology.

By congressional mandate, NASA is responsible for promoting multiple uses of its technological discoveries. The purpose of NASA's Technology Utilization Program is to broaden and accelerate technology transfers from NASA, providing links between the new developments and those who might be able to apply them productively. NASA technological spinoffs can be found in the fields of medicine, public safety, transportation, industrial processes, pollution control, energy systems, construction, law enforcement, home appliances, and farm machinery, to name a few. In the health field particularly, byproducts of space technologies have led to major developments in advanced hearing devices, programmable pacemakers, and other new medical devices for the disabled.

One technological spinoff which may prove of special benefit in rural States like my own is the Lixiscope. A classic example of a spinoff application of NASA technology, in this instance the need for an x-ray astronomy device in space exploration led to the development of a handheld x-ray imaging system. Unlike conventional x-ray devices found in medical settings and industry, this new device is portable. This is of great advantage to bedridden persons, or to those assessing injuries in the field. Furthermore, it provides physicians with an instant x-ray view while they operate, without the delays or problems often associated with chemical developers.

Mr. President, the establishment of the National Initiative on Technology and the Disabled by Secretary Margaret Heckler and the Department of Health and Human Services reflects President Reagan's commitment to private sector volunteerism as the path to travel in taking care of our most needy citizens. In addition, the initiative is consistent with the congressional requests made in House Concurrent Resolution 39 for the administration to encourage opportunities for our citizens with disabilities to attain the independence and dignity that are their due. The National Initiative on Technology and the Disabled demonstrates the executive branch's commitment to the goals set forth in that congressional resolution.

Secretary Heckler is to be commended for pointing out how aerospace and defense technologies can address the needs of disabled individuals, and for reminding all of us that a little creativity can go a long way.●

COMPREHENSIVE TRADE REFORM ACT OF 1985

● Mr. MOYNIHAN. Mr. President, I rise today to cosponsor the bill offered by my distinguished colleague from Pennsylvania, Mr. HEINZ, to significantly reform and improve our trade laws.

Mr. President, on July 23, 1979, during the floor debate on the Trade Agreements Act of 1979, I urged the Congress to do more to protect American companies and workers from unfair competition. I said then,

> I am here to say that I altogether support [the Trade Act of 1979], but I support it on the condition that the pledges made by the administration that American workers' jobs will be protected from unfair and often dishonest dealings will be kept.

The promises to American workers and industries to enforce our countervailing duty, antidumping and other trade statutes, have not been kept by the current administration. But we in Congress also have neglected our responsibilities to amend our trade laws to account for fundamental changes taking place in the international trading system.

It is undisputed that State-directed economies play an increasingly important role in international trade. The emergence of State-directed economies poses serious problems for American workers and industries that compete in the international marketplace. By deliberate choice, we do not use the government-directed strategies of other nations. As the patterns of world trade have changed, so too have the mechanisms pursued by foreign governments to expand their shares of the world market.

In this context, it has become clear that our own trade statutes must be amended to take account of the changing nature of world trade in general and, in particular, of the sophisticated mechanisms used by our trading partners to unfairly claim a greater share of international markets, at the expense of American workers and industries.

Mr. President, last year many Members of this body worked long and hard to see that our "fair trade" laws were expanded, so American industries and workers could gain relief for injury from unfair trade practices. On November 18, 1983, I introduced with Senators HEINZ and MITCHELL comprehensive legislation (S. 2139) designed to: (1) Expand coverage of our fair trade laws; and (2) improve the administration of those laws to ensure that effective relief would be forthcoming.

This bill was endorsed by the Trade Reform Action Coalition, a broad-based group of labor and industry representatives from the textile, apparel, steel, leather, chemical, television and footwear industries, and others. These industries employ 4.5 million American workers and produce goods and services valued at almost $270 billion—almost 10 percent of the Nation's gross national product.

Many of the provisions of S. 2139 were adopted, some in modified form, in the Trade and Tariff Act of 1984. However, many important provisions were not enacted. The need to conform our fair trade laws to changing international conditions continues.

Mr. President, among other changes, the legislation we introduce today addresses the unfair practices of diversionary dumping, upstream subsidization, and industrial targeting; would allow companies and workers who make major components of final products to file and participate in antidumping, countervailing duty, and section 201 escape clause proceedings involving those final products; would clarify the definition of "subsidies" which are countervailable and the factors the ITC must consider in determining injury; would provide that imports need only be a cause of serious injury in order to obtain relief under section 201; and would make the USTR the administering authority in section 201 and section 301 cases.

The United States must continue to affirm its commitment to a free and open trading system, reflecting the notions of trade embodied in the General Agreements on Tariffs and Trade and our other international agreements. It is beyond dispute that a free trade system has served this Nation and the world well. But a free trade system that Americans have access to relief from unfair trading practices.

I urge my colleagues to support this important and necessary piece of legislation.●

THE 197TH ANNIVERSARY OF NEW YORK RATIFYING THE CONSTITUTION

● Mr. D'AMATO. Mr. President, I rise today in honor of New York ratifying the U.S. Constitution on July 26, 1788. This critical moment in our history still has relevance today. At the crux of this political metamorphosis in our country's life story, there were a myriad of philosophical and pragmatic questions to be answered. Could the States survive foreign enemies without a fully unified national force? Would a Federal Government strangle the State and local governments? Could there be a national economic policy without the power to tax?

Within the answers and arguments attached to these issues, one may find some of the same concerns that are raging in such modern debates as tax reform. But before proposing any modern analogies, let us look at the drama that unravelled in Poughkeepsie, NY, 197 years ago.

On June 17, 1788, the New York convention met in the courthouse to determine the fate of New York and the Union. At that time, eight States had already given the nod—only one more was required, but for a young, struggling, vulnerable Nation, they would need the full support of all the States. Virginia and New York were essential to the Union, and they were both diligently pursuing ratification and simultaneously watching the actions of one another.

However, New York was wary of the consequences of relinquishing so much of the State's power; as a result, New York remained as intrepid as it was when its two official delegates to the Philadelphia constitutional convention, Robert Yates and John Lansing, Jr., voted in opposition to key sections of the Constitution and never signed the finished document. Yet, New York's shining beacon who illuminated the virtues of the new system, Alexander Hamilton, signed the Constitution as an individual and returned to New York to become a moving force in swaying cautious New Yorkers.

New Yorkers opposing the new system of government were led by Gov. George Clinton, who had both real concerns over the erosion of State sovereignty and a great deal to lose by becoming a subordinate to the President. His majority leader, Melancton Smith, joined him in his belief that New York could swiftly dispose of this new folly. However, at the start of the convention Hamilton and Robert R. Livingston successfully pushed through an amendment that would prevent the swift disposal of the Constitution. The motion specified that the document should be reviewed article by article with no votes taken until the end. This would prove to be the downfall of the opposition's strategy. Though Clinton and his crowd wanted to appear as though they were not providing a cursory consideration of the document, their acquiescence to long consideration gave Hamilton, Livingston, and others a chance to explain away the fears of opponents.

Melancton and others in opposition argued that the central government would tax when, in their opinions, requisitions from the States were sufficient—even though that method had been a failure in the confederal system. Smith worried that this power would allow the National Government to strangle State and local governments. However, Livingston and his colleagues were swift to point out case after case in which the Confederation Government had been unable to raise the funds via requisition that it needed. Constitutionalists stated that New York might be hard pressed to protect itself from Indians and British Canada if it were attacked, and it also appeared unlikely that the confederate form would be capable of financing a continual national defense force.

This was not the only concern of New Yorkers. There was controversy over the representation of slaves in the House of Representatives and State's accountability of Senators. To the advantage of Hamilton and his friends, time dragged on.

On June 24, 1788, New Hampshire became the ninth State to ratify and, in so doing, the old confederation was dissolved. Now the two power States remaining were Virginia and New York—North Carolina was expected to follow Virginia and even the obstinate Rhode Islanders were likely to come around. Governor Clinton was speaking on July 2 when a hurried messenger stormed into the room. The messenger brought urgent news to Alexander Hamilton that Virginia had now ratified the Constitution.

New York delegates were still concerned about a few points regarding Federal powers and States rights, yet now things were more serious. Not only were supporters of the Constitution undermining Smith and the Governor, but now New York was faced with whether or not it could stand alone outside the Union. In the end, constitutionalism won—fears were allayed and New York joined the Union.

In retrospect, New York, along with other States, asked some serious questions which are of constant concern to those who wish to protect State sovereignty. Even today, we strive to preserve balance in the Union that brought us from a colonized wilderness to leader of the free world.

New York, I salute you.●

THE IMPORTANCE OF SEPARATING CHURCH AND STATE

● Mr. SIMON. Mr. President, the debate over prayer in our public schools is emotional and one that appears to be far from over. But history shows us that society's freedoms are best protected when there is a healthy separation of organized religion and government. In a column I write for newspapers in my State, I call attention to the pitfalls and abuses of too much entanglement of church and state. I ask that it be reprinted in the CONGRESSIONAL RECORD.

The article follows:

THE IMPORTANCE OF SEPARATING CHURCH FROM STATE

Senator Sam Ervin, the wise old man from North Carolina who died a few months ago, wrote in his autobiography: "If religious freedom is to endure in America, the responsibility for teaching religion to public school children must be left to the homes and churches of our land, where this responsibility rightfully belongs. It must not be assumed by the government through the agency of the public school system."

Why would he say that? Why do most of the organized churches of this country oppose a constitutional amendment to have organized prayer in the schools—either spoken or unspoken?

Neither Sen. Ervin nor the churches oppose prayer.

But those who have studied the history of governments know the dangers to both religious freedom and to governments of too much government entanglement with religion.

Government can best encourage religious institutions when it is neutral. An example would be the tax exempt status of nonprofit organizations. It applies to the Catholic church, the Jewish synagogue, the Lutheran church—but it also applies to the Society of Atheists.

Government can assist religious activity when consenting adults voluntarily use the services. We have chaplains in the armed forces and we open the House and Senate with prayer. But those who do not wish to participate in the opening prayer can skip it. Those in the armed forces who do not want to attend chapel can avoid it.

But third-graders ordered to pray, silent or spoker, have no choice.

If we believe that by government ordering them to pray we are helping either government or religion, we fool only ourselves.

Why did Thomas Jefferson and James Madison and the other founders of our nation feel so strongly about keeping government from fostering religion?

Because they had seen the abuse.

For example, a few decades before our Declaration of Independence, Chief Justice George Jeffreys of England made this statement in a trial of a Presbyterian woman charged with sheltering two men who shared that same religious affiliation.

Chief Justice Jeffreys noted: "There is not one of those lying, sniveling, canting Presbyterians but in one way or another has a hand in the rebellion. Presbytery has all manner of villainy in it. Show me a Presbyterian and I'll show thee a lying knave."

In Thomas Jefferson's colony of Virginia, a Quaker was not permitted to live within the state. If he came back three times, he would automatically be executed.

Many other abuses of too much government and religion working together could be cited from our nation's earliest days.

In nations that have official religions, where that religious belief is backed by government pressure, their people generally are

not as active religiously as are the people in the United States.

Both government and religious leaders should think long and carefully before we discard the wisdom of those who founded our country.●

NON-SMOKERS RIGHTS ACT

● Mr. STEVENS. Mr. President, when most of us think of air pollution, images like city buses' exhaust fumes, and smokestacks belching plumes of black smoke come to mind. However, a recent study completed by the Environmental Protection Agency [EPA] concludes that tobacco smoke is the Nation's most dangerous airborne carcinogen, responsible for up to 5,000 lung cancer deaths per year. To give my colleagues a sense of how great a hazard tobacco smoke is, the next most dangerous carcinogenic pollutant, coke oven emissions, cause up to 150 deaths per year, as compared to tobacco smoke's 500 to 5,000. Clearly, we must begin to take some action to protect nonsmokers from this dangerous pollutant, and I hope for this reason that S. 1440, the Non-Smokers Rights Act of 1985, will receive favorable consideration from this body.

I ask that the following article from the New York Times summarizing EPA's study of tobacco smoke be printed in the RECORD.

The article follows:

[From the New York Times, Nov. 3, 1984]

E.P.A. STUDY LINKS DEATHS OF NONSMOKERS TO CIGARETTES

(By Irvin Molotsky)

WASHINGTON.—A study by the Environmental Protection Agency estimates that 500 to 5,000 nonsmokers die each year of lung cancer caused by others' cigarettes.

The study says that "passive" tobacco smoke is the country's most dangerous airborne carcinogen, even if the lower figure of 500 deaths is used. Coke oven emissions, the No. 2 carcinogenic pollutant, are said to cause up to 150 lung cancer deaths a year.

The agency is involved in the investigation of the question because it determines the health hazards caused by air pollutants.

The study's findings are based on an analysis of lung cancer mortality rates uncovered by other researchers. It was conducted over the past three years by James L. Repace, a physicist and policy analyst in the environmental agency's Office of Air and Radiation, and Alfred H. Lowrey, a research chemist in the Laboratory for the Structure of Matter at the Naval Research Laboratory.

The question of whether nonsmokers are harmed by the smoke of others in the home, on the job and in such public places as restaurants has been hotly debated for years. Recent attempts to require the segregation of smokers from nonsmokers have been made in such widely separated places as Suffolk County, L.I., and San Francisco.

In his annual report on the health effects of smoking, the Surgeon General of the United States, Dr. C. Everett Koop, said last May that there was "very solid" evidence that nonsmokers suffered from lung diseases caused by exposure to others' cigarette smoke. Dr. Koop did not provide any supporting evidence for his assertion at that time. He was reported to be out of the country today and not available for comment on the new study.

The study has been reviewed by a panel of scientists for the journal Environment International, which Mr. Repace said had asked for some wording changes but not any alteration of figures. He said he expected the journal to publish it shortly.

It has also been subject to review by a carcinogenic assessment panel of the environmental agency. The head of the panel, Herman J. Gibb, an epidemiologist, said in a report that the lower figure of 500 deaths was "better supported" than the 5,000.

Dr. Elizabeth Anderson, director of the agency's Office of Health and Environmental Assessment, said of the Gibb assessment. "It should be noted that even this risk, given the size of the population exposed to passive smoking, translates into a significant population risk in comparison to other environmental carcinogens."

For his part, Mr. Repace said in an interview that the 5,000 figure "must be pretty close to being correct."

LINK TO 85 PERCENT OF DEATHS

In 1982, the last year for which figures are available, 116,270 deaths from lung cancer were reported in the United States. The Surgeon General has estimated that 85 percent of lung cancer deaths are caused by cigarette smoking.

Although the Repace-Lowery study has not yet been published, copies of a draft have begun to circulate, one of them reaching the Tobacco Institute, which represents the cigarette industry.

William D. Toohey Jr., a spokesman for the institute, said his organization was studying the report. "The initial glance at it indicates it has a major problem in that it relies on data that have been seriously questioned," Mr. Toohey said.

"It is totally unsupportable," the industry spokesman said. "Even the Surgeon General has not made the assertion in his reports that cigarette smoke in the air causes disease to nonsmokers. I tend to think that this study is like a house of cards; when the underpinning is pulled out, the whole paper falls apart."

In their report, Mr. Repace and Mr. Lowery seem to suggest that the conclusive proof to which Mr. Toohey referred is not necessary before action is taken. "Because society is risk-aversive, public health agencies assess and control carcinogenic risks despite incomplete evidence," they wrote.

Spokesmen for health and antismoking groups who have seen the report praised it. Robert G. Weymueller of the American Lung Association called it another study that "points in the direction of serious health effects from passive smoke."

An important part of the Repace-Lowery study was an epidemiological sssessment of previous investigations that included Mormons and Seventh-day Adventists, religious groups that proscribe smoking and whose members generally associate with co-religionists. The study cited in 1980 report in The Journal of the National Center Institute, which compared findings concerning Mormons and Seventh-day Adventists with those for nonsmokers who were more likely to associate with smokers.

The E.P.A. study said, "The non-Seventh-day Adventist group of nonsmokers who never smoked (but who were more likely to suffer involuntary exposure to tobacco smoke) had an average lung cancer mortality rate of 2.4 times that of never-smoked Seventh-day Adventists (the group less likely to have suffered such exposure by virtue of their way of life)."

The Seventh-day Adventists study involved 50,216 nonsmokers who were not members of that religion and 25,264 who were.

The study also cited T. Hiramyama's reports in the The British Medical Journal that nonsmoking women in Japan whose husbands smoked had a lung cancer mortality rate ranging from 5.3 to 9.4 per 100,000 depending on the degree of the husband's smoking.

Both the Japanese and the Seventh-day Adventists studies concluded that among nonsmokers in the susceptible age group of over 35 years, there was a risk of cancer deaths on the magnitude of 8 per 100,000 a year. The E.P.A. report applied these conclusions to population figures to reach the estimate of 5,000 deaths a year among nonsmokers.

The lower estimate of 500 deaths annually was calculated by extrapolating the risk for smokers themselves, which was estimated at about 316 deaths per 100,000 each year.

Citing a study reported in The New England Journal of Medicine by J. R. White and H. F. Froeb, Mr. Repace and Mr. Lowrey said, "Chronic exposure to tobacco smoke in the work environment is deleterious to the nonsmoker and significantly reduces small airways functions to the same extent as smoking 1 to 10 cigarettes per day."

Pipe and cigar smokers who try not to inhale smoke do not escape the dangers of smoking, they said, because they are exposed to passive smoke from their own pipes and cigars.

"Pathologic findings show lung abnormalities in such smokers which are intermediate between those of nonsmokers and cigarette smokers," they said, citing two other studies.

In conclusion, the authors wrote that their "quantitative estimates should be regarded as preliminary and subject to confirmation by further research," but that "passive smoking appears to pose a public health risk larger than the hazardous air pollutants from all industrial emission combined."●

MEXICO SHOULD ENHANCE INTELLECTUAL PROPERTY PROTECTION

● Mr. LAUTENBERG. Mr. President, today Secretary of State Shultz and U.S. Trade Representative Yuetter are in Mexico for a meeting of the United States-Mexico Binational Commission.

One issue that needs to be addressed in these talks is the level of intellectual property right protection provided by Mexico. Unfortunately, Mexico has failed to provide adequate protection of patents, copyrights, and trademarks which are essential to encourage investment in technological innovation, and to ensure that those who do in invest in innovation enjoy the fruits of their labor.

Mr. President, nine of my colleagues and I have asked the Secretary of State and the U.S. Trade Representative to raise our concerns that Mexico enhance protection of intellectual property rights.

I ask that the letters be printed in the RECORD.

The letters follow:

U.S. SENATE,
Washington, DC, July 24, 1985.

Hon. GEORGE P. SHULTZ,
Department of State,
Washington, DC.

DEAR MR. SECRETARY: We are writing to urge that, during the forthcoming meeting of the U.S.-Mexico Bi-national Commission, you convey our concern that Mexico provide improved protection of intellectual property. We suggest that you emphasize the positive role that sound protection of intellectual property can play in advancing economic growth and facilitating investment, technology transfer and trade. Greater protection of intellectual property than Mexico now provides would be in keeping with Mexico's emergence as an industrial power and an important trading partner of the United States.

The current state of Mexican patent and technology laws has inhibited trade and investment with our neighbor. Mexico's patent law, passed in 1976, has several troublesome provisions. One completely eliminates traditional patent protection for innovations in such fields as alloys, agricultural chemicals and pharmaceuticals. Another lapses patents in all fields if they are not worked within four years, normally too short a time for technically complex innovations.

Also, Mexico has no trade secret protection law. Mexico allows Mexican companies to freely use costly technical data submitted by U.S. companies in attaining product registrations. Confidentiality of technical information, normally protected by private contract, is impaired under Mexico's technology rules. The integrity of trademarks is threatened. Intellectual property rights are difficult to enforce.

Recently, Mexico has quietly shown willingness to review some of these issues. Middle-level Mexican officials appear in need of a signal from their senior level people. Your visit could exert a useful stimulus to this end. It would also support the efforts of U.S. trade officials working at the technical level in their discussions with their Mexican counterparts.

Effective action must be taken to protect American intellectual property abroad. In so many cases, America's strength in world markets is its technology, and our nation's ability to reap the benefits of its technology depends upon effective protection of patents, copyrights, trademarks and trade secrets. In the absence of such protection, competitors can enjoy the benefits of research without the costs or the risks. The incentive to innovate suffers and so do the efforts of nations like Mexico to develop their own domestic research base.

Congress has expressed growing support for making the protection of intellectual property rights a key part of our trade policy. The Trade and Tariff Act of 1984 makes protection of intellectual property an explicit negotiating objective, links treatment under the Generalized System of Preference with such protection, and mandates a comprehensive study of the current state of intellectual property right protection around the world.

We seek your support in encouraging an improvement in intellectual property right protection in Mexico. We would appreciate learning of the results of your visit.

Sincerely,

Frank R. Lautenberg, John J. Chafee, Bill Roth, Alan Cranston, Alan J. Dixon, Bill Bradley, Daniel Inouye, Edward Kennedy, John F. Kerry, J.J. Exon.

U.S. SENATE,
Washington, DC, July 24, 1985.

Hon. CLAYTON K. YEUTTER,
Office of the U.S. Trade Representative,
Washington, DC.

DEAR MR. AMBASSADOR: We are writing to urge that, during the forthcoming meeting of the U.S.-Mexico Bi-national Commission, you convey our concern that Mexico provide improved protection of intellectual property. We suggest that you emphasize the positive role that sound protection of intellectual property can play in advancing economic growth and facilitating investment, technology transfer and trade. Greater protection of intellectual property than Mexico now provides would be in keeping with Mexico's emergence as an industrial power and an important trading partner of the United States.

The current state of Mexican patent and technology laws has inhibited trade and investment with our neighbor. Mexico's patent law, passed in 1976, has several troublesome provisions. One completely eliminates traditional patent protection for innovations in such fields as alloys, agricultural chemicals and pharmaceuticals. Another lapses patents in all fields if they are not worked within four years, normally too short a time for technically complex innovations.

Also, Mexico has no trade secret protection law. Mexico allows Mexican companies to freely use costly technical data submitted by U.S. companies in attaining product registrations. Confidentiality of technical information, normally protected by private contract, is impaired under Mexico's technology rules. The integrity of trademarks is threatened. Intellectual property rights are difficult to enforce.

Recently, Mexico has quietly shown willingness to review some of these issues. Middle-level Mexican officials appear in need of a signal from their senior level people. Your visit could exert a useful stimulus to this end. It would also support the efforts of U.S. trade officials working at the technical level in their discussions with their Mexican counterparts.

Effective action must be taken to protect American intellectual property abroad. In so many cases, America's strength in world markets is its technology, and our nation's ability to reap the benefits of its technology depends upon effective protection of patents, copyrights, trademarks and trade secrets. In the absence of such protection, competitors can enjoy the benefits of research without the costs or the risks. The incentive to innovate suffers and so do the efforts of nations like Mexico to develop their own domestic research base.

Congress has expressed growing support for making the protection of intellectual property rights a key part of our trade policy. The Trade and Tariff Act of 1984 makes protection of intellectual property an explicit negotiating objective, links treatment under the Generalized System of Preferences with such protection, and mandates a comprehensive study of the current state of intellectual property right protection around the world.

We seek your support in encouraging an improvement in intellectual property right protection in Mexico. We would appreciate learning of the results of your visit.

Sincerely,

Frank R. Lautenberg, John H. Chafee, Bill Roth, Alan Cranston, Alan J. Dixon, Bill Bradley, Daniel Inouye, Edward Kennedy, John F. Kerry, J.J. Exon.●

THE QUEST FOR FREEDOM

● Mr. LEVIN. Mr. President, today we remember the people of captive nations around the world.

The brave and freedom-loving people of Soviet-dominated nations have not known true independence for over 40 years. Every day of those 40 years, they have struggled to keep alive their dreams of freedom—freedom which we take for granted: adherence to personal religious beliefs, the preservation of cultural and historical traditions which are centuries old, the right to travel freely and to any land, the right to emigrate to another country.

Members of this Chamber speak on behalf of these oppressed people every year. Every year, I am afraid their quest for freedom remains unfulfilled. While there often seems little to give these people hope that their countries will break free of the strong grip of the Soviet Union, we can do our part by letting them know they are not forgotten.

With the release of American hostages from Lebanon, we are reminded of how precious liberty and safety is. We must not forget those for whom such personal freedom is still a dream.●

ORDERS FOR FRIDAY

RECESS UNTIL 9:30 A.M.

Mr. DOLE. Mr. President, I ask unanimous consent that once the Senate completes its business today it stand in recess until 9:30 a.m. on Friday, July 26, 1985.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF CERTAIN SENATORS

Mr. DOLE. Mr. President, I further ask unanimous consent that, following the recognition of the two leaders under the standing order, there be special orders in favor of the following Senators for not to exceed 15 minutes each: Senators PROXMIRE, NUNN, and MOYNIHAN.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. DOLE. Mr. President, I ask unanimous consent that, following the special orders just identified, there be a period for the transaction of routine morning business not to extend beyond the hour of 11 a.m. with statements limited therein to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I ask unanimous consent that the time available to the leaders under the standing order be reduced from 10 minutes each to 3 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. DOLE. Mr. President, following routine morning business, the Senate will resume S. 1078, FTC authorization, with the pending Kasten amendment No. 542, and also it will be the intention of the majority leader to turn to S. 410, the Conservation Service Reform Act. A number of amendments are expected during Friday's session. It is the hope of both the majority leader and minority leader that we can move rather quickly on the amendments to work out some accommodation to some very real concerns the distinguished minority leader has. If that can be done, I hope we could complete legislative action tomorrow by 2 p.m., 2:30, 3 o'clock, or later, more or less.

It may be possible that we could reach some time agreement on some of the amendments tomorrow, but I think I will wait to pursue that tomorrow morning. It may not be necessary.

I regret some Members have other ideas for tomorrow, but this is the last weekend before a rather extensive recess and we do have a number of items that we would like to take care of. There is still some hope we will have a budget resolution by next week, supplemental appropriations, and the defense authorization conference report. We are getting very close to what could be an agreement on farm legislation, bipartisan agreement. We are not there yet. So there are a number of possibilities for next week, none of which are certain.

RECESS UNTIL 9:30 A.M.

Mr. DOLE. Mr. President, there being no further business to come before the Senate, I move that the Senate stand in recess until 9:30 a.m., Friday, July 26, 1985.

There being no objection, the Senate, at 7:43 p.m., recessed until Friday, July 26, 1985, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate July 25, 1985:

DEPARTMENT OF JUSTICE

Vinton DeVane Lide, of South Carolina, to be U.S. attorney for the district of South Carolina for the term of 4 years, vice Henry Dargan McMaster, resigned.

THE JUDICIARY

David Bryan Sentelle, of North Carolina, to be U.S. district judge for the western district of North Carolina, vice Woodrow W. Jones, retired.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

Subject to qualifications provided by law, the following for permanent appointment to the grades indicated in the National Oceanic and Atmospheric Administration:

To be captain

Thomas E. Gerish
Donald E. Nortrup
John T. Atwell
Lowell J. Genzlinger
Jimmy A. Lyons
John D. Stachelhaus
John C. Albright

To be commander

Melvyn C. Grunthal
Wayne L. Perryman
Daniel S. Eilers
Alan D. Anderson
Harold B. Arnold

To be lieutenant commander

Herbert M. Kirch
Kent A. Doggett
Warren T. Dewhurst
David M. Goodrich
Virginia E. Newell
Donald R. Rice
Gerald E. Wheaton
Patrick J. Rutten
E. Scott Varney
Charles E. Gross
Eric S. Davis
Howard A. Jemison III
David H. Minkel
Walter P. Latimer
Susan J. Ludwig

To be lieutenant

Perry N. Glickman
Robert D. Henegar
Frank A. Wood
Steven R. Barnum
James R. Morris
Arthur E. Francis
Jeffrey L. Robinson
Stephen M. Bacon
James W.F. Wallace IV

To be lieutenant (junior grade)

Carolyn J. Reid
Nancy L. Crews
Janet L. Paeth
Debra M. Davis
Kenneth W. Barton
Jeffrey F. Salmore
Mark P. Ablondi
Michael F. Cholko
Wayne E. Mitchell
Paul X. Burt
Jason H. Maddox
Randal J. Shruell
David A. Hodges
Eric D. Gardner
Duane A. Timmons
Kenneth J. Cirillo
Clifford C. Wilson
Timothy J. Clancy
David W. Moeller
Gregg LaMontagne
Cy R. Oggins
Victoria A. Barnum
John S. Griffin
Lee M. Cohen
Kay L. Miller
Mark H. Pickett
William V. Flanagan
Evelyn D. Lempriere

To be ensign

Elizabeth A. Lake
Matthew J. Wellslager
Margaret H. Sano
Paul L. Schattgen
Lillian J. Cone
John C. Damm
Peter M. Hudelson
Michael S. Gallagher
Nicholas A. Lesnikowski
Mary T. Foran
Todd C. Stiles

IN THE ARMY

The following-named officers for appointment in the Regular Army of the United States to the grade indicated under the provisions of title 10, United States Code, sections 611(a) and 624:

To be brigadier general

Col. Arvid E. West, Jr., [redacted], U.S. Army.
Col. Robert A. Harleston, [redacted], U.S. Army.
Col. Peter W. Lash, [redacted], U.S. Army.
Col. George C. Ogden, Jr., [redacted], U.S. Army.
Col. Rhoss C. Lomax, Jr., [redacted] U.S. Army.
Col. Virgil A. Richard, [redacted], U.S. Army.
Col. Robert L. Dilworth, [redacted], U.S. Army.
Col. John R. Piatak, [redacted], U.S. Army.
Col. James W. Ball, [redacted], U.S. Army.
Col. Carmen J. Cavezza, [redacted], U.S. Army.
Col. David J. Allen, [redacted], U.S. Army.
Col. Eugene C. Renzi, [redacted], U.S. Army.
Col. James H. Johnson, Jr., [redacted], U.S. Army.
Col. Peter D. Hidalgo, [redacted], U.S. Army.
Col. David A. Nydam, [redacted], U.S. Army.
Col. Carl W. Tipton, [redacted], U.S. Army.
Col. Evelyn P. Foote, [redacted], U.S. Army.
Col. Peter M. McVey, [redacted], U.S. Army.
Col. Roland Lajoie, [redacted], U.S. Army.
Col. David L. Funk, [redacted], U.S. Army.
Col. Paul L. Greenberg, [redacted], U.S. Army.
Col. William A. Stofft, [redacted], U.S. Army.
Col. Jere H. Akin, [redacted], U.S. Army.
Col. Jerry A. White, [redacted], U.S. Army.
Col. Ira C. Owens, [redacted], U.S. Army.
Col. Joseph Pratt, [redacted], U.S. Army.
Col. Theodore Vander Els, [redacted], U.S. Army.
Col. Melvin L. Byrd, [redacted], U.S. Army.
Col. Patrick J. Kelly, [redacted], U.S. Army.
Col. James H.B. Peay, [redacted], U.S. Army.
Col. Jerome H. Granrud, [redacted], U.S. Army.
Col. Caryl G. Marsh, [redacted], U.S. Army.
Col. Jack C. Wheeler, [redacted], U.S. Army.
Col. William G. Pagonis, [redacted], U.S. Army.
Col. Cloyd H. Pfister, [redacted], U.S. Army.

Col. James E. Bickford, xxx-xx-xxxx, U.S. Army.
Col. Joseph S. Laposata, xxx-xx-xxxx, U.S. Army.
Col. Charles H. Armstrong, xxx-xx-xxxx, U.S. Army.
Col. William S.C. Chen, xxx-xx-xxxx, U.S. Army.
Col. Samuel A. Leffler, xxx-xx-xxxx, U.S. Army.
Col. William H. Forster, xxx-xx-xxxx, U.S. Army.
Col. Edward R. Baldwin, Jr., xxx-xx-xxxx, U.S. Army.
Col. Donald M. Lionetti, xxx-xx-xxxx, U.S. Army.
Col. Bruce W. Hall, xxx-xx-xxxx, U.S. Army.
Col. Wiliam N. Farmen, xxx-xx-xxxx, U.S. Army.
Col. Richard J. Mallion, xxx-xx-xxxx, U.S. Army.
Col. Lynn C. Hooper, xxx-xx-xxxx, U.S. Army.
Col. Domenic P. Rocco, Jr., xxx-xx-xxxx, U.S. Army.
Col. John D. Robinson, xxx-xx-xxxx, U.S. Army.
Col. Malcolm R. O'Neill, xxx-xx-xxxx, U.S. Army.
Col. Timothy J. Grogan, xxx-xx-xxxx, U.S. Army.
Col. Charles E. St. Arnaud, xxx-xx-xxxx, U.S. Army.
Col. James A. Guest, xxx-xx-xxxx, U.S. Army.
Col. William C. Page, Jr., xxx-xx-xxxx, U.S. Army.
Col. Guy A.J. Laboa, xxx-xx-xxxx, U.S. Army.
Col. Stephen Silvasy, Jr., xxx-xx-xxxx, U.S. Army.
Col. William W. Crouch, xxx-xx-xxxx, U.S. Army.
Col. Sherman H. Williford, xxx-xx-xxxx, U.S. Army.
Col. Fred F. Marty, xxx-xx-xxxx, U.S. Army.
Col. Paul E. Funk, xxx-xx-xxxx, U.S. Army.
Col. John C. Heldstab, xxx-xx-xxxx, U.S. Army.
Col. David A. Armstrong, xxx-xx-xxxx, U.S. Army.
Col. Barry R. McCaffrey, xxx-xx-xxxx, U.S. Army.

IN THE NAVY

The following-named commodores of the U.S. Navy for promotion to the permanent grade of rear admiral, pursuant to title 10, United States Code, section 624, subject to qualifications therefor as provided by law:

MEDICAL CORPS

Cassells, Joseph Samuel
Eske, Louis Henry

IN THE AIR FORCE

The following officers for appointment in the Regular Air Force under the provisions of section 531, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform duties indicated with grade and date of rank to be determined by the Secretary of the Air Force provided that in no case shall the following officers be appointed in a grade higher than that indicated:

MEDICAL CORPS

To be colonel

Herrera, Christian Y., xxx-xx-xxxx
Kabo, Robert D., xxx-xx-xxxx

To be lieutenant colonel

Cohen, Daniel J., xxx-xx-xxxx

To be major

Dickerson, Michael J., xxx-xx-xxxx

To be captain

Carrier, David A., xxx-xx-xxxx

DENTAL CORPS

To be major

Osborne, Paul B., xxx-xx-xxxx

To be captain

Andren, Neal A., xxx-xx-xxxx
Hoyt, Richard A., xxx-xx-xxxx
Nelson, Elizabeth A., xxx-xx-xxxx
Swierenga, Donald J., xxx-xx-xxxx

The following students of the Uniformed Services University of the Health Sciences class of 1985, for appointment in the Regular Air Force, effective upon their graduation under the provisions of section 2114, title 10, United States Code, with date of rank to be determined by the Secretary of the Air Force provided that in no case shall the following officers be appointed in a grade higher than that indicated:

MEDICAL CORPS

To be captain

Narkun, Deborah M., xxx-xx-xxxx
Samples, Tracy L., xxx-xx-xxxx

The following-named officer for reappointment to the active duty list of the Regular Air Force in the grade indicated under the provisions of sections 1210 and 1211, title 10, United States Code:

LINE OF THE AIR FORCE

To be major

Brown, Joseph R., Jr., xxx-xx-xxxx

The following individuals for appointment as Reserve of the Air Force, in the grade indicated, under the provisions of section 593, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated:

MEDICAL CORPS

To be lieutenant colonel

Epstein, Gerald E., xxx-xx-xxxx
Goodwin, Stanley L., xxx-xx-xxxx
McCuiston, Alvin C., xxx-xx-xxxx
Salaymeh, Muhammad T., xxx-xx-xxxx
Villa-Real, Lucio S., xxx-xx-xxxx
Twedt, Gordon H., xxx-xx-xxxx

The following individual for appointment as Reserve of the Air Force (ANGUS), in the grade indicated under the provisions of sections 593 and 8351, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform duties as indicated:

MEDICAL CORPS

To be lieutenant colonel

Howard, Robert G. xxx-xx-xxxx

The following Air Force officers for permanent promotion in the U.S. Air Force, in accordance with section 624, title 10, United States Code, with date of rank to be determined by the Secretary of the Air Force:

LINE OF THE AIR FORCE

To be colonel

Hennessey, John B., xxx-xx-xxxx

To be lieutenant colonel

Bangs, Geoffrey E., xxx-xx-xxxx

IN THE AIR FORCE

The following cadets, U.S. Air Force Reserve Officers Training Corps, for appointment in the Regular Air Force in the grade of second lieutenant under the provisions of section 531, title 10, United States Code, with dates of rank to be determined by the Secretary of the Air Force:

Agness, William J., xxx-xx-xxxx
Alderink, Scott F., xxx-xx-xxxx
Allen, Jim S., xxx-xx-xxxx
Alt, Ronald D., xxx-xx-xxxx
Amato, Anthony C., xxx-xx-xxxx
Apel Timothy G., xxx-xx-xxxx
Archer, Stuart K., xxx-xx-xxxx
Arend, Mark R., xxx-xx-xxxx
Armstrong, Richard W., xxx-xx-xxxx
Attebury, John H., xxx-xx-xxxx
Ayres, Christopher B., xxx-xx-xxxx
Bach, Tyler J., xxx-xx-xxxx
Baker, Andrew G., xxx-xx-xxxx
Banks, Robert E., xxx-xx-xxxx
Bargery, Brett E., xxx-xx-xxxx
Bass, Amy L., xxx-xx-xxxx
Bays, Alex J., xxx-xx-xxxx
Beasley, Kristin D., xxx-xx-xxxx
Beavers, Michael B., xxx-xx-xxxx
Beers, Michael D., xxx-xx-xxxx
Bennett, Garland J., xxx-xx-xxxx
Benton, Robin N., xxx-xx-xxxx
Bergey, Dana J., xxx-xx-xxxx
Berndt, Gregory P., xxx-xx-xxxx
Blackburn, Robert E., xxx-xx-xxxx
Blankenbeker, Dean R., xxx-xx-xxxx
Bobbitt, Allen B., xxx-xx-xxxx
Bongiani, Robert J., xxx-xx-xxxx
Bossert, David E., xxx-xx-xxxx
Bowe, James E., xxx-xx-xxxx
Boyle, Daniel, xxx-xx-xxxx
Boyles, Bryan M., xxx-xx-xxxx
Bradshaw, Jeffrey S., xxx-xx-xxxx
Brown, Charles Q., Jr., xxx-xx-xxxx
Brown, James D., xxx-xx-xxxx
Brown, Mathew S., II, xxx-xx-xxxx
Bruce, Robert A., xxx-xx-xxxx
Burke, Christopher J., xxx-xx-xxxx
Burns, Barbara A., xxx-xx-xxxx
Bushey, Dian M., xxx-xx-xxxx
Bussiere, Thomas A., xxx-xx-xxxx
Butkus, Lawrence M., xxx-xx-xxxx
Butler, Brett L., xxx-xx-xxxx
Cabo, Diane S., xxx-xx-xxxx
Carter, James P., xxx-xx-xxxx
Carter, Theresa C., xxx-xx-xxxx
Cary, Lyle W., xxx-xx-xxxx
Caudle, Mark D., xxx-xx-xxxx
Cicchetto, Brent A., xxx-xx-xxxx
Clawson, Deborah M., xxx-xx-xxxx
Clayton, Max A., Jr., xxx-xx-xxxx
Click, Allan K., xxx-xx-xxxx
Clingenpeel, Clark A., xxx-xx-xxxx
Cole, Carlton D., xxx-xx-xxxx
Cooler, Jonathan B., xxx-xx-xxxx
Cothrel, Timothy J., xxx-xx-xxxx
Critchlow, Robert D., xxx-xx-xxxx
Cross, Michael D., xxx-xx-xxxx
Cruz, Reyes III, xxx-xx-xxxx
Dagostino, Paul A., xxx-xx-xxxx
Dahnke, Lida M., xxx-xx-xxxx
Davidson, Peter D., xxx-xx-xxxx
Davis, Julia K., xxx-xx-xxxx
Deas, Crystal Y., xxx-xx-xxxx
Deckard, Anthony K., xxx-xx-xxxx
Delgrande, Joseph M., xxx-xx-xxxx
Demers, Stephen R., xxx-xx-xxxx
Deporter, Christopher, xxx-xx-xxxx
Dickson, Bryan S., xxx-xx-xxxx
Donnelly, Brian P., xxx-xx-xxxx
Downey, Jack R., Jr., xxx-xx-xxxx
Doyle, Tara A., xxx-xx-xxxx
Drummond, Gentner F., xxx-xx-xxxx
Duckworth, Richard L., xxx-xx-xxxx
Dukat, Robert J., xxx-xx-xxxx
Dykes, Katherine M., xxx-xx-xxxx
Edwards, Jon D., xxx-xx-xxxx
Egan, Robert P., xxx-xx-xxxx
Eisenstein, David J., xxx-xx-xxxx
Eldridge, Darren J., xxx-xx-xxxx
Ellis, Curtis D., xxx-xx-xxxx
Ellis, Robert D., Jr., xxx-xx-xxxx
Emmert, Christopher T., xxx-xx-xxxx
Engelson, William L. Jr., xxx-xx-xxxx
Erickson, Elizabeth A., xxx-xx-xxxx

Evans, Myra L., xxx-xx-xxxx
Faber, James A., xxx-xx-xxxx
Feldman, Steven I., xxx-xx-xxxx
Figliola, Joseph G., xxx-xx-xxxx
Fisher, Maureen G., xxx-xx-xxxx
Flaherty, Michael E., xxx-xx-xxxx
Flick, Andrew M., xxx-xx-xxxx
Foster, David L., xxx-xx-xxxx
Francisco, Terrence H., xxx-xx-xxxx
French, Lawrence C., xxx-xx-xxxx
Ganger, Todd A., xxx-xx-xxxx
Geithner, Paul H., xxx-xx-xxxx
Gillis, Christina M., xxx-xx-xxxx
Golden, Liesel A., xxx-xx-xxxx
Gossett, Laura J., xxx-xx-xxxx
Granado, Jose, xxx-xx-xxxx
Greene, Scott B., xxx-xx-xxxx
Griffith, Paul A., Jr., xxx-xx-xxxx
Groux, Matthew J., xxx-xx-xxxx
Grove, Kevin S., xxx-xx-xxxx
Groves, Gabrial J., xxx-xx-xxxx
Guidry, Michael J., xxx-xx-xxxx
Haaland, Ryan K., xxx-xx-xxxx
Hackett, Robert D., xxx-xx-xxxx
Handy, William S., xxx-xx-xxxx
Hardin, Jeffrey W., xxx-xx-xxxx
Harding, William A., xxx-xx-xxxx
Harnagel, Vicki D., xxx-xx-xxxx
Harrel, Dane E., xxx-xx-xxxx
Harrington, Lisa M., xxx-xx-xxxx
Harris, Keith D., xxx-xx-xxxx
Harris, Kevin T., xxx-xx-xxxx
Harrison, Harry M., xxx-xx-xxxx
Harvey, Craig M., xxx-xx-xxxx
Hays, Kathleen M., xxx-xx-xxxx
Heideman, David W., xxx-xx-xxxx
Heirigs, Joseph S., xxx-xx-xxxx
Heisler, Marina G., xxx-xx-xxxx
Henning, Stephen E., xxx-xx-xxxx
Herndon, Michael D., xxx-xx-xxxx
Hertel, Clifton G., xxx-xx-xxxx
Hetzel, Norman B., xxx-xx-xxxx
Hickman, Rollings G., xxx-xx-xxxx
Hill, Christopher V., xxx-xx-xxxx
Hobday, Benjamin P., xxx-xx-xxxx
Hockman, Andrew M., xxx-xx-xxxx
Hodgkiss, William R., xxx-xx-xxxx
Hogan, William E., xxx-xx-xxxx
Hohol, Teresa S., xxx-xx-xxxx
Holden, Lewis L., Jr., xxx-xx-xxxx
Holmberg, John B., II, xxx-xx-xxxx
Horton, Kirk G., xxx-xx-xxxx
Huizenga, Thomas D., xxx-xx-xxxx
Hundscheid, Mark J., xxx-xx-xxxx
Hyland, Richard T., xxx-xx-xxxx
Jelonek, Mark P., xxx-xx-xxxx
Johnstone, Bruce E., xxx-xx-xxxx
Jones, Frank E., xxx-xx-xxxx
Karsch, Erich S., xxx-xx-xxxx
Kelly, Kevin P., xxx-xx-xxxx
Kennedy, Keith E., xxx-xx-xxxx
Kennedy, Michael W., xxx-xx-xxxx
Kilcher, David A., xxx-xx-xxxx
Kimball, Lawrence E., xxx-xx-xxxx
King, Kelly A., xxx-xx-xxxx
Kalabunde, Gary W., xxx-xx-xxxx
Knutson, Kimberly R., xxx-xx-xxxx
Koch, Laura J., xxx-xx-xxxx
Kok, John M., xxx-xx-xxxx
Kovac, James C., xxx-xx-xxxx
Kovarovic, Paul C., xxx-xx-xxxx
Krigel, Sandy J., xxx-xx-xxxx
Kroper, Robert D., xxx-xx-xxxx
Kulikowski, Martin F., xxx-xx-xxxx
Kundrot, Matthew W., xxx-xx-xxxx
Kuxhaus, James A., xxx-xx-xxxx
Labovitz, Stuart L., xxx-xx-xxxx
Laing, John S., xxx-xx-xxxx
Latham, Mary K., xxx-xx-xxxx
Lawlor, Philip J., xxx-xx-xxxx
Lee, Ann K., xxx-xx-xxxx
Lengyel, Gregory J., xxx-xx-xxxx
Leslie, William P., xxx-xx-xxxx
Lewis, Timothy H., xxx-xx-xxxx
Lewitt, Robert A., xxx-xx-xxxx
Linch, Edward H., xxx-xx-xxxx
Ling, Stephen T., xxx-xx-xxxx
Linski, David M., xxx-xx-xxxx
Lipinski, John, xxx-xx-xxxx
Litton, Leonard G., III, xxx-xx-xxxx
Long, Steven A., xxx-xx-xxxx
Loreman, Lynn A., xxx-xx-xxxx
Loyd, Brett A., xxx-xx-xxxx
Lundy, Patrick M., xxx-xx-xxxx
Lyle, Janet R., xxx-xx-xxxx
Lynch, Kevin M., xxx-xx-xxxx
Lynn, Dale W., xxx-xx-xxxx
Lyons, Bobby J., Jr., xxx-xx-xxxx
Mackin, Robert W., Jr., xxx-xx-xxxx
Maloney, David M., xxx-xx-xxxx
Mancuso, Vincent M., xxx-xx-xxxx
Marcotte, Jeffrey N., xxx-xx-xxxx
Marks, Dale R., xxx-xx-xxxx
Marks, James A., Jr., xxx-xx-xxxx
Mason, Barbara J., xxx-xx-xxxx
Mathias, Terry S., xxx-xx-xxxx
Matos, William A., xxx-xx-xxxx
Mazur, Kim M., xxx-xx-xxxx
McGee, Donald W., Jr., xxx-xx-xxxx
McMillan, Adam J., xxx-xx-xxxx
McPharlin, Timothy E., xxx-xx-xxxx
Mead, Barry T., xxx-xx-xxxx
Medlin, Darren D., xxx-xx-xxxx
Metz, John E., xxx-xx-xxxx
Migyanko, Barry S., xxx-xx-xxxx
Millander, John C., xxx-xx-xxxx
Miller, Michael D., xxx-xx-xxxx
Milroy, James W., xxx-xx-xxxx
Montross, Jay H., xxx-xx-xxxx
Moring, Robert K., xxx-xx-xxxx
Mueller, Reinhard B., xxx-xx-xxxx
Murphy, Mark, xxx-xx-xxxx
Murray, James E., xxx-xx-xxxx
Myers, Gregory J., xxx-xx-xxxx
Newton, Harry N., xxx-xx-xxxx
Niiya, Craig K., xxx-xx-xxxx
Nogay, Justine M., xxx-xx-xxxx
Norris, Christopher C., xxx-xx-xxxx
Northerner, Kenneth W., xxx-xx-xxxx
O'Benaus, Branton J., xxx-xx-xxxx
O'Connor, Thomas K., xxx-xx-xxxx
O'Liszewicz, Robert E., xxx-xx-xxxx
O'Naga, Lisa Ann H., xxx-xx-xxxx
Owens, Scott A., xxx-xx-xxxx
Page, Frederic C., xxx-xx-xxxx
Patterson, Brian P., xxx-xx-xxxx
Paulukaitis, Robert A., xxx-xx-xxxx
Pelkey, Elizabeth A., xxx-xx-xxxx
Pelletier, Michael E., xxx-xx-xxxx
Petrequin, Gregory J., xxx-xx-xxxx
Petruzzelli, Russell, xxx-xx-xxxx
Phillips, Julie A., xxx-xx-xxxx
Pinkerton, David A., xxx-xx-xxxx
Piscitelli, Michael A., xxx-xx-xxxx
Pollack, Jeffrey N., xxx-xx-xxxx
Pond, Richard J., xxx-xx-xxxx
Popovich, Michael G., xxx-xx-xxxx
Porterfield, Gary T., xxx-xx-xxxx
Pulfer, Jack M., xxx-xx-xxxx
Ramsey, Todd S., xxx-xx-xxxx
Rappa, Michael P., xxx-xx-xxxx
Re David J., xxx-xx-xxxx
Redus, Robert H., xxx-xx-xxxx
Reed, Barry L., xxx-xx-xxxx
Reed, Henry M., III, xxx-xx-xxxx
Reineke, Mark D., xxx-xx-xxxx
Respass, Keith D., xxx-xx-xxxx
Rivera, Brigitte A., xxx-xx-xxxx
Roberts, David A.J., xxx-xx-xxxx
Roberts, David T., xxx-xx-xxxx
Roberts, Glenn T., xxx-xx-xxxx
Rocco, Caroline S., xxx-xx-xxxx
Rogers, Stanley, xxx-xx-xxxx
Ross, Mark A., xxx-xx-xxxx
Rosson, Kenneith R., xxx-xx-xxxx
Rouse, Douglas M., xxx-xx-xxxx
Rowland, Michael S., xxx-xx-xxxx
Rurup, Lee M., xxx-xx-xxxx
Russick, Marc D., xxx-xx-xxxx
Ruland, Craig A., xxx-xx-xxxx
Sanders, Mark S., xxx-xx-xxxx
Santicola, Henry J., Jr., xxx-xx-xxxx
Sargeant, William M., xxx-xx-xxxx
Savage, Baron L., xxx-xx-xxxx
Schneider, John F., xxx-xx-xxxx
Schoen, Kevin L., xxx-xx-xxxx
Schuldt, Bradley R., xxx-xx-xxxx
Seketa, Paul S., xxx-xx-xxxx
Serafino, Karen M., xxx-xx-xxxx
Seres, Michael A., xxx-xx-xxxx
Sexton, Thomas J., xxx-xx-xxxx
Shoaf, Thomas P., xxx-xx-xxxx
Short, Dawn E., xxx-xx-xxxx
Slotness, Ann M., xxx-xx-xxxx
Slupecki, Mark J., xxx-xx-xxxx
Smith, David R., xxx-xx-xxxx
Smith, Karen J., xxx-xx-xxxx
Smith, Robert P., xxx-xx-xxxx
Souza, Lorraine M., xxx-xx-xxxx
Spangenberg, Jill M., xxx-xx-xxxx
Sparks, Thomas R., xxx-xx-xxxx
Stamaria, Manolo James, xxx-xx-xxxx
Stewart, David A., xxx-xx-xxxx
Swanson, Timothy K., xxx-xx-xxxx
Sward, Mark L., xxx-xx-xxxx
Sward, Ricky E., xxx-xx-xxxx
Takacs, Theresa M., xxx-xx-xxxx
Tantillo, John, xxx-xx-xxxx
Taylor, Julie R., xxx-xx-xxxx
Taylor, Robert G., xxx-xx-xxxx
Thomas, Barbara J., xxx-xx-xxxx
Thompson, Robert K., xxx-xx-xxxx
Thompson, Stephen K., xxx-xx-xxxx
Thompson, Terrace B., xxx-xx-xxxx
Till, Bruce A., xxx-xx-xxxx
Tobin, David M., xxx-xx-xxxx
Topham, Douglas L., xxx-xx-xxxx
Tremper, Michael J., xxx-xx-xxxx
Tymofichuk, Randy B., xxx-xx-xxxx
Uhrich, David C., xxx-xx-xxxx
Valdez, Stephen W., xxx-xx-xxxx
Velasquez, Ellen R., xxx-xx-xxxx
Viani, Roger, xxx-xx-xxxx
Vonasek, Nancy A., xxx-xx-xxxx
Walden, Michael P., xxx-xx-xxxx
Walker, Robert H., xxx-xx-xxxx
Wanningman, David L., xxx-xx-xxxx
Warack, Christopher A., xxx-xx-xxxx
Ward, Michael P., xxx-xx-xxxx
Warner, Jeffrey L., xxx-xx-xxxx
Warren, Jonathan C., xxx-xx-xxxx
Watson, Gregory C., xxx-xx-xxxx
Weaver, Paul M., xxx-xx-xxxx
Webb, Kathy L., xxx-xx-xxxx
Wells, Michael D., xxx-xx-xxxx
Welzyn, Kenneth J., xxx-xx-xxxx
West, Stephanie K., xxx-xx-xxxx
Whittington, Danny C., xxx-xx-xxxx
Wilson, Caroline D., xxx-xx-xxxx
Wilson, Scott A., xxx-xx-xxxx
Wolf, Michael K., xxx-xx-xxxx
Wolford, Dean A., xxx-xx-xxxx
Wood, William D., xxx-xx-xxxx
Wright, Richard N., Jr., xxx-xx-xxxx
Zimmerman, Sondra K., xxx-xx-xxxx

IN THE ARMY

The following-named officers for appointment in the Regular Army of the United States, in their active duty grades, under the provisions of title 10, United States Code, sections 531, 532, and 533:

To be Major

Cully, Raymond J., Jr., xxx-xx-xxxx
Pankey, Kenneth D., xxx-xx-xxxx

To be Captain

Ball, Danny L., xxx-xx-xxxx
Barnes, Gary D., xxx-xx-xxxx
Barnhill, Jack V., xxx-xx-xxxx
Barto, Michael T., xxx-xx-xxxx
Bell, Harlen L., xxx-xx-xxxx

Berry, James K. xxx-xx-xxxx
Best, Carole N. xxx-xx-xxxx
Bozeman, Joseph C., Jr. xxx-xx-xxxx
Bray, James D. xxx-xx-xxxx
Brent, William A. xxx-xx-xxxx
Briggs, Steven J. xxx-xx-xxxx
Brown, Elmer G. xxx-xx-xxxx
Brown Michael W. xxx-xx-xxxx
Burleson, Bruce B. xxx-xx-xxxx
Campbell, Roy E. xxx-xx-xxxx
Champion, Walter W. xxx-xx-xxxx
Clarke, Donald L. xxx-xx-xxxx
Collins, Boyd D. xxx-xx-xxxx
Comish, James H. xxx-xx-xxxx
Curtis, Dwight D. xxx-xx-xxxx
Dalinsky, Thomas J. xxx-xx-xxxx
Danielsen, John E. xxx-xx-xxxx
Davis, Glen L., Sr. xxx-xx-xxxx
Demarse, George G. xxx-xx-xxxx
Desmond, Patrick C. xxx-xx-xxxx
Dietz, Leonard F., III xxx-xx-xxxx
Dillard, Frank T. xxx-xx-xxxx
Dilworth, Ernest M. xxx-xx-xxxx
Dorazio, Donald H. xxx-xx-xxxx
Dyer, Duane A. xxx-xx-xxxx
Edinger, Timothy P. xxx-xx-xxxx
Engebretsen, Harold G. xxx-xx-xxxx
Ennis, Ned B. xxx-xx-xxxx
Evans, Bryan, III xxx-xx-xxxx
Fant, Michael A. xxx-xx-xxxx
Farris, John C. xxx-xx-xxxx
Flick, Ronald V. xxx-xx-xxxx
Flowers, Ricky G. xxx-xx-xxxx
Flynn, Thomas J. xxx-xx-xxxx
Fullerton, Brent H. xxx-xx-xxxx
Gonzales, Felix O. xxx-xx-xxxx
Grand, Frank xxx-xx-xxxx
Green, Steven L. xxx-xx-xxxx
Griffith, Harry A. xxx-xx-xxxx
Grooms, Harold Y. xxx-xx-xxxx
Harrelson, Stephen R. xxx-xx-xxxx
Harrington, Sion H., III xxx-xx-xxxx
Harris, Robert G. xxx-xx-xxxx
Hatch, Richard G. xxx-xx-xxxx
Henderson, Larry D. xxx-xx-xxxx
Hennessee, Tommy G. xxx-xx-xxxx
Herrick, James M. xxx-xx-xxxx
Holloway, Judith A. xxx-xx-xxxx
Holman, James W., Jr. xxx-xx-xxxx
Ifflander, David F. xxx-xx-xxxx
Jackson, Dorsey xxx-xx-xxxx
Janes, Foid K. xxx-xx-xxxx
Jette, Bruce D. xxx-xx-xxxx
Jordan, Stephen T. xxx-xx-xxxx
Juskowiak, Earl K. xxx-xx-xxxx
Keena, John F. xxx-xx-xxxx
Keys, Matthew L. xxx-xx-xxxx
Knapp, Thomas A. xxx-xx-xxxx
Koedding, Bruce J. xxx-xx-xxxx
Lacroix, Richard W. xxx-xx-xxxx
Lang, Robert L., Jr. xxx-xx-xxxx
Leigh, Robert E. xxx-xx-xxxx
Macon, Tommy M. xxx-xx-xxxx
Manning, Michael G. xxx-xx-xxxx
Mastin, William H. xxx-xx-xxxx
Mathews, Roger F. xxx-xx-xxxx
McQuaig, Scott H. xxx-xx-xxxx
Merrifield, David L. xxx-xx-xxxx
Mills, Michael xxx-xx-xxxx
Morris, Brett E. xxx-xx-xxxx
Murphy, Kevin A. xxx-xx-xxxx
Neill, Andrew L. xxx-xx-xxxx
Ochs, Daniel C. xxx-xx-xxxx
Oman, James R. xxx-xx-xxxx
Padgett, Michael G. xxx-xx-xxxx
Palmer, Robert A. xxx-xx-xxxx
Parker, Octavia L. xxx-xx-xxxx
Parsons, Billy G. xxx-xx-xxxx
Payne, Jerome F. xxx-xx-xxxx
Pruitt, David N. xxx-xx-xxxx
Pryor, Larry R. xxx-xx-xxxx
Rainey, James B. xxx-xx-xxxx
Reed, Donald J. xxx-xx-xxxx
Retherford, Samuel B. xxx-xx-xxxx
Risse, William J. xxx-xx-xxxx
Rogers, Larry B. xxx-xx-xxxx
Ruffin, John A., Jr. xxx-xx-xxxx
Salerno, Dennis P. xxx-xx-xxxx
Saunders, James H. xxx-xx-xxxx
Scott, Dale F. xxx-xx-xxxx
Sheaffer, Albert A. xxx-xx-xxxx
Smith, Bradley E. xxx-xx-xxxx
Smith, Earl Jr. xxx-xx-xxxx
Sorrell, Vernon D. xxx-xx-xxxx
Stefan, William F. xxx-xx-xxxx
Stratman, Cortney J. xxx-xx-xxxx
Striegel, Conrad J., Jr. xxx-xx-xxxx
Suppe, Glen A. xxx-xx-xxxx
Taylor, Michael R. xxx-xx-xxxx
Taylor, Randy J. xxx-xx-xxxx
Unnever, Fulton S., Sr. xxx-xx-xxxx
Wargny, David B. xxx-xx-xxxx
Weaver, Michael T. xxx-xx-xxxx
Wells, Jimmie J. xxx-xx-xxxx
White, Steven P. xxx-xx-xxxx
Williams, Daniel J. xxx-xx-xxxx
Williams, Rickey K. xxx-xx-xxxx
Wilson, Brendan L. xxx-xx-xxxx
Wilson, Gregory J. xxx-xx-xxxx
Wilson, Raymond C. xxx-xx-xxxx
Wolff, Robert A. xxx-xx-xxxx
Woodard, Marvin W., Jr. xxx-xx-xxxx
Wright, Alexandro M. xxx-xx-xxxx
Yingling, Robert W., II xxx-xx-xxxx
Yde, Timothy, N. xxx-xx-xxxx

To be first lieutenant

Abernathy, William L., Jr. xxx-xx-xxxx
Bowman, Daniel M. xxx-xx-xxxx
Brooks, Dale E. xxx-xx-xxxx
Calderon, Dave xxx-xx-xxxx
Cataldi, John F. xxx-xx-xxxx
Cholek, Clement xxx-xx-xxxx
Cory, Timothy L. xxx-xx-xxxx
Delap, John T. xxx-xx-xxxx
Dever, Jeffrey J. xxx-xx-xxxx
Dowlen, David L. xxx-xx-xxxx
Eyler, Tim S. xxx-xx-xxxx
Famulari, Ann M. xxx-xx-xxxx
Frear, Kevin W. xxx-xx-xxxx
Gadberry Debbie L. xxx-xx-xxxx
Hall, John H. xxx-xx-xxxx
Hayes, Michael F. xxx-xx-xxxx
Higgins, John P. xxx-xx-xxxx
Horstman, Randi L. xxx-xx-xxxx
Jumper, Charles A. xxx-xx-xxxx
Kuklish, Kathryn E. xxx-xx-xxxx
Lindamood, Brain S. xxx-xx-xxxx
Luce, William J. xxx-xx-xxxx
Mackoul, James M. xxx-xx-xxxx
Meddaugh, Steven G. xxx-xx-xxxx
Mullins, Freddy W. xxx-xx-xxxx
Nail, Thomas L., III xxx-xx-xxxx
Nolde, Bart D. xxx-xx-xxxx
Onesi, Mark A. xxx-xx-xxxx
Pierce, William A. xxx-xx-xxxx
Pitts, Martin B. xxx-xx-xxxx
Rakow, Mark P. xxx-xx-xxxx
Reeder, Edward M. xxx-xx-xxxx
Regan, Michael D. xxx-xx-xxxx
Rivas, Richard R. xxx-xx-xxxx
Schneider, David A. xxx-xx-xxxx
Schrote, James D. xxx-xx-xxxx
Smith, John J. xxx-xx-xxxx
Smith, John R. xxx-xx-xxxx
Spelman, Stephen E. xxx-xx-xxxx
Styles, Frank W., Jr. xxx-xx-xxxx
Summerall, Albert M. xxx-xx-xxxx
Toye, John G. xxx-xx-xxxx
Wagner, Steven A. xxx-xx-xxxx
Wilcox, John A. xxx-xx-xxxx
Zillmer, Victor B. xxx-xx-xxxx

To be second lieutenant

Cox, Robert C. xxx-xx-xxxx
Kramer, Ronald D. xxx-xx-xxxx
Manso, Alfred P. xxx-xx-xxxx
White, Michael A. xxx-xx-xxxx

IN THE NAVY

The following-named Naval Reserve Officers Training Corps Program candidates to be appointed permanent ensign in the line or staff corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:
Baity, Valeree
Barich, Kurt W.
Belcher, George M.
Bellit, Thomas P.
Bottenberg, John A.
Cook, Lisa D.
Fleischman, Paul A.
Rebrovich, Victor E.
Wilson, Edward M.

The following-named Navy Enlisted Commissioning Program candidates to be appointed permanent ensign in the line or staff corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:
Callender, Deborah J.
Farwell, Elizabeth R.

The following-named Navy Reserve officers to be appointed permanent ensign in the line or staff corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:
Duhnke, William D., III
Egbert, Larry M.
Henston, Douglas R.
Neely, Thomas E.
Norwood, John S.
Wauer, Brian, D.

The following-named Navy enlisted candidates to be appointed permanent chief warant officer, W-2, in the U.S. Navy, pursuant to title 10, United States Code, section 555:
Baggett, Stanley K.
Elliott, Jeffrey L.
Erquhart, Barbara J.
Fosbenner, Franklin D.
Fraser, Glenn D.
Frick, Robert O., Jr.
Gregg, Marion A.
Hammock, Leonard W.
Harvey, Stanford D.
Himes, Gary L.
Marshall, Alan R.
Rasco, Calvin P.
Rocha, Quirino C.
Stubblefield, Stephen G.

The following-named U.S. Navy officers to be appointed permanent captain in the Medical Corps of the U.S. Naval Reserve, pursuant to title 10, United States Code, section 593:
Correa-Coronas, Rafael
Zel, Gerald

The following-named U.S. Navy officers to be appointed permanent commander in the Medical Corps of the U.S. Naval Reserve, pursuant to title 10, United States Code, section 593:
Block, William A.
Galentine, Paul G.
Moriarty, Richard P.
Simmons, Leo B., Jr.
Widman, Larry A.

The following-named U.S. Navy officers to be appointed permanent commander in the Dental Corps of the U.S. Naval Reserve, pursuant to title 10, United States Code, section 593:
Dollard, Wayne J.
Walker, William A., Jr.

HOUSE OF REPRESENTATIVES—*Thursday, July 25, 1985*

The House met at 10 a.m.

Rabbi Mordekai Shapiro, Young Israel of Jackson Heights, Jackson Heights, NY, offered the following prayer:

Father in Heaven:

We beseech Thee at this hour with gratitude and in prayer as we invoke Thy blessing upon all assembled in this shrine of freedom. Thou hast inspired men of courage and vision who are Thy messengers to lay the principles upon which this great Nation has grown and flourished for over two centuries. We are ever grateful for Thy divine scheme which has brought us to the shores of these United States of America.

O Sovereign of the Universe, we humbly ask that Thou guide the deliberations of these legislators, statesmen, and all the members of our Government, who toil by Thy grace, to guide the destiny of our Nation and inspire its citizenry to serve with loyalty and devotion. May Thy spirit encourage us all to faithfully and courageously adhere to the cherished ideals of our Founding Fathers.

Gracious Guardian, open Thy storehouses of loving kindness so that all inhabitants of this planet can share Thy bounty, realize their dreams of freedom, and bask in the unspoiled splendor of Thy universe.

Grant Thee, O Father of Mercy, a full and speedy recovery to our President as we pray for the continued good health of all the leaders of our democracy that they may lead with vigor and strength.

Hasten Thou the era of universal peace when all humanity will share Thy blessings with selfless friendship and fraternity, when justice, equality, and prosperity will reign swiftly in our day. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

SUNDRY MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Saunders, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 2378. An act to amend section 504 of title 5, United States Code, and section 2412 of title 28, United States Code, with respect to awards of expenses of certain agency and court proceedings, and for other purposes.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 960), "An act to amend the Foreign Assistance Act of 1961, the Arms Export Control Act, and other acts to authorize appropriations for the fiscal year 1986 for international security and development assistance, the Peace Corps, the Inter-American Foundation, and the African Development Foundation, and for other purposes," and agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon.

The message also announced that the following are appointed as conferees on the part of the Senate: Mr. LUGAR, Mr. HELMS, Mr. MATHIAS, Mrs. KASSEBAUM, Mr. BOSCHWITZ, Mr. PELL, Mr. BIDEN, Mr. SARBANES, and Mr. CRANSTON.

Additional conferees solely for subtitle II of title IV of the House amendments dealing with airport security: Mr. DANFORTH, Mrs. KASSEBAUM, Mr. GOLDWATER, Mr. HOLLINGS, and Mr. EXON.

For title IX of the House amendments dealing with food and agriculture issues: Mr. HELMS, Mr. LUGAR, and Mr. ZORINSKY.

ANNOUNCEMENTS BY THE SPEAKER

The SPEAKER. The Chair at this time would like to announce that he wishes to extend the Chaplain of the House, our lovable Chaplain Ford, a happy birthday.

The only 1-minute recognition at this time will be the gentleman from New York [Mr. ACKERMAN] until after the HUD appropriation bill is completed.

RABBI MORDEKAI SHAPIRO

(Mr. ACKERMAN asked and was given permission to address the House for 1 minute.)

Mr. ACKERMAN. Mr. Speaker, I ask my colleagues to join me this morning in welcoming Rabbi Mordekai Shapiro as our guest chaplain.

Seventeen years ago this month, Rabbi Shapiro's father, Rabbi Solomon Shapiro, stood at the same place his son stood this morning to deliver the opening prayer for the House of Representatives.

Rabbi Mordekai Shapiro is a valued resident of the Seventh Congressional District in New York, not only as the spiritual leader of the Young Israel of Jackson Heights for the past 10 years, but also as a true friend of the entire community. He has instilled pride, creativity, and vision within his congregation and within our city.

Since his ordination at the Rabbi Jacob Joseph Yeshiva, Rabbi Shapiro has been active in all facets of community life. He is the immediate past president of the Vaad HaRabonim of Queens, the governing body of the orthodox rabbinate in the borough. For the past 6 years, he has taught at the Samuel H. Wang Yeshiva High School, fulfilling a most important obligation of his calling, the education of children.

Rabbi Shapiro is a member of the Union of Orthodox Rabbis of the United States and Canada, an executive member of the Rabbinical Council of America, and affiliated with its high court.

Mr. Speaker, I am, indeed, proud that Rabbi Mordekai Shapiro is with us today. I know that we are all inspired by his invocation.

PERMISSION FOR SUBCOMMITTEE ON MINING AND NATURAL RESOURCES OF THE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS TO MEET TODAY DURING 5-MINUTE RULE

Mr. RAHALL. Mr. Speaker, I ask unanimous consent that the Subcommittee on Mining and Natural Resources of the Committee on Interior and Insular Affairs be permitted to meet today during the 5-minute rule.

This matter has been cleared with the ranking minority member of the subcommittee, the gentleman from Idaho [Mr. CRAIG].

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

PERMISSION FOR CHAIRMAN OF COMMITTEE ON HOUSE ADMINISTRATION TO REPORT COMMITTEE ORDER NO. 37, PROVISION OF FTS SERVICE

Mr. ANNUNZIO. Mr. Speaker, I ask unanimous consent to report a committee order from the Committee on House Administration.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ANNUNZIO. Mr. Speaker, at the direction of the Committee on House Administration and under the authority granted in Public Law 94-184 and Public Law 94-440, the committee yesterday issued Committee Order No. 37, which will become effective on October 1, 1985. I will be sending each Member a "Dear Colleague" letter within the next few days describing the administration of this change.

I include at this point in the RECORD the text of Committee Order No. 37:

Resolved, That effective October 1, 1985, until otherwise provided by order of the Committee on House Administration, each Member is entitled to three FTS lines for use in district office(s) without charge to the official expenses allowance.

Furthermore, the Committee on House Administration shall promulgate regulations to implement this order and to ensure adequate telecommunications service where FTS is not available.

"Member" shall mean Representative in, or Delegate or Resident Commissioner to, the U.S. House of Representatives.

ANNUAL REPORT OF ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION FOR 1984—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Public Works and Transportation.

(For message, see proceedings of the Senate of today, Thursday, July 25, 1985.)

ANNUAL REPORT OF REHABILITATION SERVICES ADMINISTRATION FOR FISCAL YEAR 1984—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Education and Labor.

(For message, see proceedings of the Senate of today, Thursday, July 25, 1985.)

PERMISSION FOR COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO HAVE UNTIL MIDNIGHT, FRIDAY, JULY 26, 1985 TO FILE A REPORT ON H.R. 6, WATER RESOURCES CONSERVATION, DEVELOPMENT, AND INFRASTRUCTURE IMPROVEMENT AND REHABILITATION ACT OF 1985

Mr. ROE. Mr. Speaker, I ask unanimous consent that the Committee on Public Works and Transportation may have until midnight Friday, July 26, 1985 to file a report on H.R. 6, the Water Resources Conservation, Development, and Infrastructure Improvement and Rehabilitation Act of 1985.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

Mrs. MARTIN of Illinois. Reserving the right to object, Mr. Speaker, has this matter been cleared with the ranking minority member?

Mr. ROE. Mr. Speaker, will the gentlewoman yield?

Mrs. MARTIN of Illinois. Under my reservation, Mr. Speaker, I yield to the gentleman from New Jersey.

Mr. ROE. I thank the gentlewoman for yielding.

Mr. Speaker, this matter has been cleared.

Mrs. MARTIN of Illinois. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

GENERAL LEAVE

Mr. BOLAND. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 3038.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT-INDEPENDENT AGENCIES APPROPRIATION ACT, 1986

Mr. BOLAND. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 3038) making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1986, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Massachusetts [Mr. BOLAND].

The motion was agreed to.

□ 1008

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 3038, with Mr. PANETTA in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on July 24, 1985, all time for general debate had expired.

The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1986, and for other purposes, namely:

TITLE I

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HOUSING PROGRAMS

ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING (INCLUDING RESCISSION)

The amount of contracts for annual contributions, not otherwise provided for, as authorized by section 5 of the United States Housing Act of 1937, as amended (42 U.S.C. 1437c), and heretofore approved in appropriation Acts, is increased by $925,000,000: *Provided*, That the budget authority obligated under contracts for annual contributions shall be increased above amounts heretofore provided in appropriation Acts by $10,690,902,781: *Provided further*, That of the budget authority provided herein, $2,143,800,000 shall be for assistance in financing the development or acquisition cost of public housing, of which $163,800,000 shall be for assistance in financing the development or acquisition cost of housing for Indian families; $735,295,000 shall be available as an appropriation of funds, to remain available until expended, for modernization of existing public housing projects pursuant to section 14 of such Act (42 U.S.C. 1437l); $1,616,640,000 shall be for assistance for projects developed for the elderly or handicapped under section 202 of the Housing Act of 1959, as amended (12 U.S.C. 1701q); $2,468,160,000 shall be for the section 8 existing housing program (42 U.S.C. 1437f); $1,286,100,000 shall be for the section 8 moderate rehabilitation program (42 U.S.C. 1437f); $75,000,000 shall be available as an appropriation of funds, to remain available until September 30, 1986, only for rental rehabilitation grants pursuant to section 17(a)(1)(A) of the United States Housing Act of 1937, as amended (42 U.S.C. 1437o); $75,000,000 shall be available as an appropriation of funds, to remain available until September 30, 1986, only for development grants pursuant to section 17(a)(1)(B) of the

United States Housing Act of 1937, as amended (42 U.S.C. 1437o); and $672,177,500 shall be available for the housing voucher program under section 8(o) of the United States Housing Act of 1937, as amended (42 U.S.C. 1437f): *Provided further,* That $500,000,000 shall be deferred and shall not become available until January 1, 1986: *Provided further,* That any balances of authorities made available prior to the enactment of this Act which are or become available for obligation in fiscal year 1986 shall be added to and merged with the authority approved herein, and such merged amounts shall be made subject only to terms and conditions of law applicable to authorities becoming available in fiscal year 1986: *Provided further,* That none of the merged amounts available for obligation in 1986 shall be subject to the provisions of section 213(d) of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 1439): *Provided further,* That all amounts of budget authority (and contract authority) equal to the amounts of such budget authority (and contract authority) which are recaptured during fiscal year 1986 shall be rescinded: *Provided further,* That the United States Housing Act of 1937 is amended as follows:

(1) Section 6(b) is amended by striking out the period at the end of the first sentence and inserting in lieu thereof: "except, in cases where the Department cannot demonstrate that the prototype cost sought to be imposed reflects fully costs for public housing units of comparable size and type of building for which contracts were let in the area within three months of the effective date of the prototype, the Department shall approve commitments and enter annual contributions contracts, without reference to prototype cost; instead, the Department shall approve the lowest responsible bid received by the public housing authority through a competitive process.".

(2) In the third sentence of section 6(b) there shall be inserted after the word "determination" the phrase "or in approving plans, commitments and funding for projects excepted herein from prototype costs".

(3) The last sentence of section 6(b) is amended by striking out the period and inserting in lieu thereof: "; no prototype costs for any area shall become effective unless the proposed prototype costs, together with the data on which such costs are based, shall have been published for notice and comment in accordance with section 553 of title 5, United States Code, and the relevant rulemaking regulations of the Department.".

(4) Section 6(j) is amended by striking out "three or more bedrooms" and inserting in lieu thereof: "a mix of two and three or more bedrooms".

:*Provided further,* That up to 20 per centum of the $1,980,000,000 provided herein for assistance in financing the development or acquisition cost of public housing shall be made available for major reconstruction of obsolete public housing projects.

AMENDMENT OFFERED BY MR. BARTLETT

Mr. BARTLETT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BARTLETT: Page 3, strike out the proviso beginning on line 17.

□ 1010

Mr. BARTLETT. Mr. Chairman, what this amendment would do, and it is the first in a series of amendments to bring us to a freeze level for fiscal year 1986, would be to delete the $500 million item in the appropriations bill which provides for a fund, unspecified as to programs, for new programs that may be created at a later time.

I would call to the Committee's attention the line item in the appropriations bill that is entitled "Program Reserve," and I have in front of me a chart showing fiscal year 1985 and fiscal year 1986, and it is very apparent of course to the committee that in fiscal year 1985 there was no such item known as Program Reserve, and in fiscal year 1986 we would then be adding to the appropriations $500 million for unspecified, new, unauthorized programs that had never even been considered by this House.

Now I want to begin by reminding the House why it is necessary to adopt each of these three amendments, beginning with this $500 million deletion. It is necessary in summary to reduce the totality of the assisted housing program's appropriations bill; some $10 billion in the appropriations bill, back to the fiscal year 1985 appropriated level. That level is $8.9 billion. As you recall from the debate, that requires a $1.7 billion reduction, and $1.7 billion of new spending in this section of the bill was achieved in two methods.

First, by changing accounting methods under modernization in which we do the same amount of modernization from one year to the next, but we call it $900 million in reductions, and so in essence, we spend that $900 million twice.

The second is $800 million from a conversion program to section 8 of purchasing contracts; the conversion is now completed, and in fiscal year 1985 we left $800 million unspent in the appropriations bill for 1985, but the committee bill would take that $800 million and add it to or include it in the baseline for fiscal year 1986.

Thus the need to reduce the total spending bill, appropriations bill for this portion of the appropriations, down to $8.9 billion.

I offer this amendment for two reasons. First on procedure and second on substance. First on procedure: These new programs which are unspecified in the appropriations bill have never been authorized by the Congress; indeed they have never even been debated on the floor of the House.

Mr. VENTO. Will the gentleman yield?

Mr. BARTLETT. I yield to the gentleman.

Mr. VENTO. I just want to clue the gentleman in that in fact the Emergency Shelter Program has been passed this House on three separate occasions. So it is not—perhaps not in this magnitude, but——

Mr. BARTLETT. Reclaiming my time, I appreciate the gentleman bringing that up, because in the appropriations bill, there is no specification as to whether that program or any other program would be in this new program reserve. It is simply a reserve in the bill for unspecified programs. That may or may not turn out to be one of them.

The programs have never been authorized by the Congress. That is the one thing that they have in common and the one thing that we know about them is they are unspecified and they are as yet unauthorized, and may well never be authorized.

Mr. SCHUMER. Will the gentleman yield?

Mr. BARTLETT. I yield to the gentleman.

Mr. SCHUMER. I would just ask the gentleman a question. Is it not true that if none of those programs are authorized, that that amount of money could be spent on existing programs?

Mr. BARTLETT. Reclaiming my time, the gentleman is correct, and that is one of the difficulties of this bill.

This provision is a proviso that says that $500 million is simply deferred until January 1, 1986, for unauthorized and unspecified programs.

Let me finish my point and then I will be happy to yield to the gentleman as I know he will to me during the debate.

Now on the substance, there are a large number of Members of this body who have concluded that this is the year to at least freeze spending in the aggregate. The difficulty is you cannot freeze spending in food nutrition, in defense, in NASA, in education of the handicapped, in disability rehabilitation in other areas while you at the same time create new programs where none had existed before.

Mr. GREEN. Will the gentleman yield?

Mr. BARTLETT. I yield to the gentleman.

Mr. GREEN. I thank my friend from Texas for yielding to me, and I really do find it passing strange that a member of the Banking Committee should be criticizing us for using this reserve approach.

Essentially what we have done is to try to protect the interests of your committee, the authorizing committee on this housing legislation, by creating the reserve.

Mr. BARTLETT. Reclaiming my time, and we had a portion of that debate yesterday, and I think that is what the Appropriations Committee has done.

(By unanimous consent, Mr. BARTLETT was allowed to proceed for 2 additional minutes.)

Mr. BARTLETT. That is precisely what the Appropriations Committee has done, to defer a $500 million item to another committee of Congress. I would suggest it would be far preferable to defer to the will of the House in total by creating a new program reserve today, we in essence short-circuit the debate when the authorization comes up, because Members on both sides of the aisle will stand up and say, we have already set aside the money; it is already in appropriations, so why should not we go ahead and authorize it to be spent?

Mr. GREEN. If the gentleman will yield further.

Mr. BARTLETT. I further yield to the gentleman.

Mr. GREEN. I do appreciate what he is saying, but the fact of the matter is, I think we are being honest with the House. We are saying that it is the intention of the Appropriations Committee to have an additional $500 million for housing; and we are spelling that out in this bill.

We will not deny the House the opportunity to pass on that. The fact of the matter is this is not some new device that is on the floor for the first time this year; a couple of years ago we had a very similar device, and we came back to the House and got approval of the specific allocation of those funds, as we would this year.

Mr. BARTLETT. Reclaiming my time, the correct way to do it, the correct way to create new programs, would be to decide that those new programs are more important than old programs, and to take them out of other appropriated items or other authorized items.

My point would be that the committee ought to allow the House to work its will without first spending the money and then deciding whether to authorize.

Mr. MACK. Will the gentleman yield?

Mr. BARTLETT. I yield to the gentleman.

Mr. MACK. I thank the gentleman for yielding, and I do not think there is any question about the honesty of the committee. I think that what we are really concerned about here is that a time when we are—every area of spending, at least people are coming forward and saying we ought to be freezing and in this particular case to be saying that we are going to set aside half a billion dollars for programs to be worked out in the future, and I think the gentleman is absolutely correct.

We will be reminded, on a day-to-day basis when we deal with authorization, that the Appropriations Committee has already allowed for the money, so why should not we go through with the program?

I just want to compliment the gentleman for bringing this information to us, and making us aware of it.

Mr. BARTLETT. I thank the gentleman.

I yield to the gentleman from New York [Mr. GREEN].

Mr. GREEN. I thank the gentleman for yielding again. I think the precedent is very clear that this subcommittee did not assume, when it established one of those reserves 2 years ago, that we were then free on our own to see that money allocated. We came back to the House with a specific schedule on how the money should be allocated among the HODAG and the rental rehabilitation program, the voucher program, the rehab program and the existing section 8 program.

We got the House's approval before any of that money was spent, and I think it is misleading to suggest that we are spending any of that money today.

We are not spending the money; we are simply putting the House on notice that we feel that housing is a priority, and that we are, therefore, reserving half a billion dollars while we defer to the Banking Committee to decide what sort of a housing bill we should have. I think the House ought to know that we are trying to establish a priority.

(On request of Mr. GREEN and by unanimous consent, Mr. BARTLETT was allowed to proceed for 3 additional minutes.)

Mr. BARTLETT. I yield to the gentleman from New York.

Mr. GREEN. I thank the gentleman for yielding again, and I think we are trying to establish a priority. We are saying that the housing programs are important in the midst of all the programs that this subcommittee has to deal with.

We are saying that we ought to establish the priority for this funding. I can assure the gentleman that if the funds are not reserved for housing purposes, there would be plenty of other Members standing in the wings with amendments to use this money for other purposes.

We are saying we want to establish a priority; we want to establish a priority for housing, but we want the gentleman's committee, the authorizing committee, to have the opportunity to set policy in the housing area.

Mr. BARTLETT. Reclaiming my time, as the gentleman knows, these are new programs; these are programs that do not now exist and that is the difficulty with it; some may be good, some may be bad, but in the context of the $230 billion deficit, in the context of this House, freezing NASA, freezing defense, freezing education for the handicapped, freezing disability rights, freezing school nutrition, this is not the year nor the place nor the time nor the bill to be creating new programs.

Mr. PURSELL. Will the gentleman yield?

Mr. BARTLETT. I yield to the gentleman.

Mr. PURSELL. I want to congratulate the gentleman from Texas. As a member of the committee, my excellent colleagues here; Mr. BOEHLERT, Mr. GREEN, and our outstanding members of the committee that provide a lot of leadership over the years in housing development, which I have supported in the past, but I think in respect to the deficit and people would like to read the editorial in the Washington Post today that addressed the issue, how severe this is nationally. I congratulate the gentleman for an outstanding amendment.

□ 1020

I think we ought to continue the housing program but at the freeze level. As I understand it, these are new additional programs, and in this particular amendment you are trying to ask the House to restrain themselves at least until they get authorized; and, as I understand it, the program at this point has not been authorized. Is that correct?

Mr. BARTLETT. Reclaiming my time, the gentleman is correct. And there is no way to characterize, as the gentleman knows, brand new programs that are not yet authorized, that were not appropriated last year. There is no way to characterize $500 million in new programs as anything approaching a freeze.

Like the gentleman, I have the greatest respect for the Housing Subcommittee, the chairman and the ranking minority member, and I do not have a quarrel with them individually. I think the House does have a quarrel with the $1.7 billion increase in one year and a half a billion dollars of it in new programs.

Mr. MACK. Mr. Chairman, will the gentleman yield?

Mr. BARTLETT. I yield to the gentleman from Florida.

Mr. MACK. I just want to follow up on a point that several Members have made here this morning, and that is that at least the picture that is beginning to be developed is if the $500 million—let us say there was no authorization that came through itemizing either the new program or new programs. What happens to that $500 million at that time?

Mr. BARTLETT. Well, I would call the gentleman's attention to page 5 of the bill. What I am deleting is a proviso or a provision that simply sets aside $500 million and defers it until January 1, 1986.

The CHAIRMAN. The time of the gentleman from Texas [Mr. BARTLETT] has expired.

(By unanimous consent, Mr. BARTLETT was allowed to proceed for 1 additional minute.)

Mr. BARTLETT. And defers that until January 1, 1986. So if the House does not act—and it may well not—on authorizing these new programs, or the Congress as a whole does not, well, then, that $500 million is freed up to go back on top of the fiscal year 1985 freeze level of $8.9 billion. So the taxpayers lose, in any event, is the gentleman's point.

Mr. MACK. That was really the question. The $500 million, then, could be used for other aspects of the housing program?

Mr. BARTLETT. The gentleman is correct.

Mr. GREEN. Mr. Chairman, will the gentleman yield?

Mr. BARTLETT. I yield to the gentleman from New York.

Mr. GREEN. I thank the gentleman for yielding so that I can respond to the gentleman from Florida.

We shall have to come back to the House with a program for using this money. We want to use the money for housing. We have produced a bill which is a freeze bill and below a freeze bill in terms of last year's appropriation, and we are below our 302(b) allocation. We have increased some programs, we have decreased others, we have kept others level. That is what the appropriation process is supposed to accomplish.

We have decided that we have a priority for a certain amount of spending for housing. We are trying to alert the House to the fact that we have that priority but to defer to the——

The CHAIRMAN. The time of the gentleman from Texas [Mr. BARTLETT] has again expired.

(On request of Mr. GREEN and by unanimous consent, Mr. BARTLETT was allowed to proceed for 1 additional minute.)

Mr. GREEN. To defer to the Banking Committee so that it can set policy and come to the House with its recommendations, and we can then come back with appropriate action to earmark this money for specific housing programs. If the House does not act on the housing bill, we will have to come back to the House and earmark this for specific housing. We are simply trying to set the priority in this bill.

Mr. BARTLETT. Reclaiming my time, what the House would prefer that the appropriations and the authorizing committee do is to first adopt a freeze budget at the $8.9 billion level, which was the amount that we spent last year. It is true that in some areas the Appropriations Committee made some modest reductions in some programs. But on a net basis, we would be increasing this budget by $1.7 billion.

I yield further to the gentleman from New York.

Mr. GREEN. I do not call a cut in general revenue sharing of over $1 billion as a minor cut. We have taken very painful cuts in order to be able to establish these priorities. And I think it is wrong for the gentleman to say that we are violating any sort of freeze because we have taken those painful cuts in other places in order to fund what we consider our priorities.

Mr. BARTLETT. Reclaiming my time, the $10.6 billion in 1986 compares to $8.9 billion in 1985 from year to year. This is the wrong place and the wrong time and the wrong bill and the wrong year to be creating new programs.

The CHAIRMAN. The time of the gentleman from Texas [Mr. BARTLETT] has again expired.

(On request of Mr. PURSELL and by unanimous consent, Mr. BARTLETT was allowed to proceed for 5 additional minutes.)

Mr. BARTLETT. I yield to the gentleman from Michigan.

Mr. PURSELL. I think it is appropriate to know here that most housing people that I have talked to, at least in our area, are concerned mostly with, No. 1, the deficit and, No. 2, rising interest rates, or at least a control and hopefully a decline of interest rates, at least 1 or 2 or 3 percentage points, so that housing can get back on track.

As I understand it, this is not necessarily a low-income type project. It is mostly addressed as moderate-level housing programs, and I think it is appropriate for us, who do want to help in the area of low income, to address the safety net that we have tried to provide here over the years, but I think it is important that housing people are not looking for more Government expenditures to build moderate-type housing in light of the Federal national debt as we see it today.

Mr. BARTLETT. The gentleman is correct. And I want to make crystal clear to every Member of the House who is at this debate and listening to this debate that this $10 billion item entitled "Assisted Housing Programs," this aggregate, is not that portion that actually goes to low-income tenants. That is an additional $12 billion that is off budget, that is entitled by the creation of these 100,000 new units. All these assisted housing programs do is create new units or to repair existing units. But the actual transfer dollars, the actual money that goes to low-income tenants is not being affected by this amendment or by this section of the bill. This is, in essence, to create 100,000 new units in the totality of the bill and not in any way to affect the month-to-month subsidies.

I would be happy to yield to the gentleman from New York.

Mr. GREEN. I am a little puzzled at the gentleman's statement that the creation of the 100,000 additional housing units is off budget. That just is not so. The fact of the matter is that the numbers look very large in the housing accounts because these things are on budget and because we have to lay out the budget authority that gets paid year after year, often over 20 and 30 years, and that very much inflates the size of these programs in terms of the amount of budget authority required, as contrasted to the amount of actual housing we are going to be adding to the housing stock.

Mr. BARTLETT. If the gentleman is saying that we are in this section of the budget or this section of the appropriations bill creating $10.6 billion worth of new or repaired units so as to create an additional entitlement on top of the $12 billion of off budget nonappropriated entitlements for additional transfer payments to some 4 million units of existing housing that already exists, then the gentleman is correct. The point is, this portion of the budget does not affect those ongoing monthly payments that are made month to month to the 4 million assisted housing units that exist in this country as a whole.

Mr. GREEN. Those 4 million units are on budget. They were on budget last year and the year before and the year before that. The fact that you have a $10 billion account in this bill is because we are covering payments that are going to be made 20 and 30 years hence, just as the payments that are being made this year were in last year's budget and in the budget the year before that and in the budget the year before that. That budget authority was all appropriated. It is not off budget.

Mr. BARTLETT. I would call to the gentleman's attention page 80 of his conference report, which lists the $12 billion of additional payments that are required to support every single year the existing units.

Mr. GREEN. If the gentleman will yield further, that money was all on budget. That budget authority was appropriated. None of this is off budget.

Mr. ROEMER. Mr. Chairman, will the gentleman yield?

Mr. BARTLETT. I yield to my colleague, the gentleman from Louisiana.

Mr. ROEMER. I thank my colleague for yielding.

"On budget," "off budget," it is money we do not have. As I understand the gentleman's amendment, you are trying to save $500 million in what is called new program reserve. Could you explain to the Members of this body what these programs are? Have we debated them? Have we spelled them out? Are they part of the national commitment? Just what is the $500 million to be used for?

Mr. BARTLETT. The gentleman asks a penetrating question. What these programs have in common is

that they are unspecified in the appropriations bill, number one, so we do not know what they are in reading the bill or the conference report. We speculate what they may or may not be. Number two, what they have in common is that they are new. They have never been authorized by the Congress. They do not exist today. They did not exist in 1985 and they do not exist in 1986. And the third thing they have in common is that we have refused to take that $500 million out of other existing programs in order to pay for them.

So I would ask for an honest debate on authorizing those programs and say if those additional programs, whatever they are, are all that good, well, then, we can take the money out of a program that is not so good.

The CHAIRMAN. The time of the gentleman from Texas [Mr. BARTLETT] has again expired.

(On request of Mr. ROEMER and by unanimous consent, Mr. BARTLETT was allowed to proceed for 2 additional minutes.)

□ 1030

Mr. ROEMER. I thank the gentleman for yielding.

Would the gentleman characterize the $500 million that his amendment would delete as a real savings? Would the gentleman characterize the $500 million, whether it be on budget or off budget, being important in and of itself?

Mr. BARTLETT. The gentleman is correct. If this amendment passes, the taxpayers will be liable for $500 million of less spending in 1986 than they would be if the amendment does not pass.

Mr. ROEMER. Then I think the gentleman has an excellent amendment. I thank him for offering it.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. BARTLETT. I yield to the gentleman.

Mr. VENTO. I think the gentleman says that he wants a fair debate, but I think he sets up a tenet which is most unfair with regards to his justification in terms of what he is asking for. He seems to want to make it everything to everyone, but yet I think has provided no clarity to this House with regard to this appropriation.

I am saddened by the gentleman's remarks. This particular amendment goes beyond a freeze. This lowers and takes away from programs and goes below a freeze; that is what the gentleman is attempting to do. This committee should be commended for the action it has taken in staying under the budget and within a freeze with regards to the program by virtue of the types of accounting that has been done here.

The gentleman goes back and looks at appropriations that have been made for the past years in terms of the contracts that shoot 25 and 30 years ahead and then the gentleman puts that burden on here suggesting that that is off budget. It is not off budget. It was all appropriated in past years. In fact, these housing programs have had to deal with a very stringent type of appropriation process, and then the gentleman comes to this House floor and suggests that the ongoing programs that we have appropriated money for in the past have to be added in to what we are proposing to do this year.

By any standard, what is being proposed in this particular bill in terms of public housing and programs in community development are about half the level that they were in 1980. Almost half the level that they were in 1980. The modifications and changes this year to keep it within budget I believe are entirely appropriate in terms of and below a freeze. The gentleman takes to task the Appropriations Committee.

The CHAIRMAN. The time of the gentleman from Texas [Mr. BARTLETT] has expired.

(On request of Mr. VENTO and by unanimous consent, Mr. BARTLETT was allowed to proceed for 2 additional minutes.)

Mr. BARTLETT. If the gentleman would restate his question, I will yield to the gentleman from Minnesota [Mr. VENTO].

Mr. VENTO. The point is that this particular budget as I said is at least within the budget and certainly we should not be held to task for appropriations that have gone in the past in terms of off budget funding.

Mr. BARTLETT. I thank the gentleman for his question and I reclaim my time.

The fact of the matter is that there is no way to have a budget freeze if you create $500 million, a half a billion dollars of new programs that did not exist last year, and you do not take it out of existing programs, and that is what this bill does.

Mr. PENNY. Mr. Chairman, will the gentleman yield?

Mr. BARTLETT. I yield to the gentleman.

Mr. PENNY. I thank the gentleman for yielding.

Mr. Chairman, that is precisely the point. You cannot say that we are cutting housing programs by $500 million by adopting this amendment. These are new programs; this is new spending. What the committee had in its fiscal year 1985 budget was an $11-billion appropriation level, but that money was not all spent on housing projects and other housing programs. There was money in that budget to pay interest on the debt in the housing area; that has now been moved to another budget category. That interest payment will still be made. But they treat it as a $1 billion savings in this budget, even though it is still going to be spent elsewhere, and they are now going to spend it twice.

Additionally, there was a one-time appropriation last year to buy out some housing projects. That money was not to recur; it was not to be spent again, but they have kept it in the budget, and they are now going to spend it this year.

We have a series of amendments; this is just one of three. What we are achieving by these amendments is taking out additional expenditures and additional housing projects over and above the number and the dollars appropriated in fiscal year 1985. So if we want a true freeze on housing programs, which is what this House is trying to accomplish, we must adopt these 3 amendments and start with this one.

Mr. BARTLETT. The gentleman is precisely correct in reminding us why this amendment is necessary.

The CHAIRMAN. The time of the gentleman from Texas [Mr. BARTLETT] has expired.

Mr. PENNY. Mr. Chairman, I ask unanimous consent that the gentleman be given 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

Mr. VENTO. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. SCHUMER. The Chairman, I move to strike the requisite number of words.

Mr. Chairman, if this amendment passes, we will, ironically, by removing this reserve, move the House backward in the process of trying to cut the budget. I would ask all Members to please heed my words. The Housing Authorization Committee has struggled over the last 5 years. We have borne a disproportionate amount of cuts. We have receded from $31 billion in authorized money and that is including, I remind the gentleman from Texas, I remind him that is including out-year expenditures, that is not an off-budget item. It is totally incorrect to state that it is.

We have gone down to approximately $15 billion. Half. Every year there has been a struggle on the Housing Authorizing Committee. Some Members say that we must try to ask for more, because we will be cut, let us ask for more and exceed the budget resolution, and then we will be cut and we will come out ahead. Every year a good number of members of the Housing Authorization Committee, including this gentleman from Brooklyn, have said "no." We want to live within the budget resolution, because that is the only way to be responsible and it is the only way to do something.

We did that this year. We are not above a freeze in this resolution. We are $60 million below a freeze in this resolution. Now, it has been brought up by the gentleman from Texas that the $500 million is a reserve. It is indeed. Is it new money? It is not. It is money that has been taken from old programs, programs that have existed for years and put into reserve in case some of the new programs will pass the authorization. That is what it is. Nothing more, nothing less.

Now, you say that we should not authorize a new program. That was originally the gentleman on the Appropriation Committee's view too. And we went to him on the Housing Subcommittee, and we have said we have come up with some newer, cost-efficient programs. We have come up with some programs that will build six units of housing for every dollar spent where the old programs only built one unit of housing. Do not put in a huge amount of money for those new programs, we said to him but, God, please let us have a little bit of that money to see if these programs work.

The gentleman from Texas—and I have worked with him on one of these new programs and he is a supporter of it—The gentleman from Florida, the gentleman from Louisiana, and even, yes, the gentleman from Massachusetts, the chairman of this subcommittee, has constantly urged us to do is get more cost efficient in housing because we do not have money like we did in the old days. And we did. So we went to the gentleman from Massachusetts and we said take $500 million out of some of the existing programs which many people in this House have said have not worked and put it in a reserve. That is what we did.

Now, to cut this $500 million out now tells the Housing Authorization Committee, tells everybody in this country—and we know there is a desperate need for housing, although, as my friend, the gentleman from Michigan has stated, we cannot afford to solve those needs right now, given the deficit—and it says two things: It first says to the Housing Authorizing Committee, do not try to be responsible. Do not try to live within the budget resolution, because we will cut you further anyway. It should be noted that a freeze would actually give us more money if you define a freeze as the Budget Committee has.

Such an act would say, "Go back to your old game. When the Budget Committee says $15 billion, authorize $18 or $19 billion, and it will be cut some." That is the first lesson that it says.

It says in the second lesson, it says to people like myself who have been trying to find cost-efficient ways to build housing, "Do not do it," because the minute you try, you will be attacked for coming up with a new program and they will say, "Do not do it."

So let us keep the status quo, ladies and gentlemen. Let us keep the status quo. Let us tell the good gentleman from Massachusetts.

The CHAIRMAN. The time of the gentleman from New York [Mr. SCHUMER] has expired.

(By unanimous consent, Mr. SCHUMER was allowed to proceed for 2 additional minutes.)

Mr. SCHUMER. When the House Authorization Committee does what it is supposed to do, does a little better on housing, does not spend hundreds of thousands of dollars for one unit, and instead finds a way to spend only tens of thousands of dollars to build one unit we should not discourage them.

□ 1040

If it was new money, if we had not lived within the budget resolution, I would be on the floor supporting the amendment offered by the gentleman from Texas, but it is not new money. It is money that the Appropriations Committee originally had in old programs, and took it out at our request.

Ladies and gentlemen of this House, it is an easy vote to vote and say cut housing some more. We all know that housing does not have the constituency that, say, agriculture or water pollution or so many of the other programs do. But it is not a fair vote, it is not a right vote, and it says once and for all, "Do not try to innovate." Go to the old, established ways of doing housing that have been discredited, and do not dare try to stick your big toe in the water and do something new because we will chop it off.

Mr. BARTLETT. Mr. Chairman, will the gentleman yield?

Mr. SCHUMER. I yield to the gentleman from Texas.

Mr. BARTLETT. I thank the gentleman for his comments, and also for his arguments and his work on the Housing Subcommittee.

At least one of the programs that may be included in this unspecified reserve may have some merit, and it is a program that I think has a lot of merit. But I have pled with the gentleman from New York to actually use that program to replace an existing program, and that has not happened.

We still have in this bill HODAG, which would spend $75 million to create 3,000 new units, of which 20 percent will be for low income at a cost of $22,000 per unit.

The CHAIRMAN. The time of the gentleman from New York [Mr. SCHUMER] has again expired.

Mr. BARTLETT. Mr. Chairman, I ask unanimous consent that the gentleman be allowed to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. MCKINNEY. Mr. Chairman, reserving the right to object, and I shall not, and I certainly appreciate what the gentleman from New York has had to say, and the gentleman from Texas, but I do think that this is a deliberative body where we need to spread ourselves around a little bit more.

So I would state that I will object next time if the time is extended.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The gentleman from New York [Mr. SCHUMER] is recognized for an additional 5 minutes.

Mr. BARTLETT. If the gentleman would yield further, I would ask the gentleman from New York one specific question.

I have a chart here, and the wall chart I used a minute ago of the appropriations items which were eliminated.

Mr. SCHUMER. My eyesight is not good enough to see that chart.

Mr. BARTLETT. I will give the gentleman a copy.

If the gentleman could just tell us which existing programs were eliminated to create the new programs the gentleman is trying to achieve.

Mr. SCHUMER. The program the gentleman says we should eliminate, the HODAG Program, is the other cost-efficient program in the budget. What was done was that larger programs such as existing section 8, such as public housing, were appropriated at $500 million less to indeed then put the new money in this program.

Mr. GREEN. If the gentleman will yield on that point, I think that is a very important point. If one takes the HODAG and the rental rehab program, 2 years ago we made a 2-year appropriation for those programs, following the Banking Committee and following our reserving the money to accommodate the Banking Committee, to the tune of $615 million, or more than $300 million per year. We did not fund it last year for that reason.

In this year's bill, we have funded those programs only to the tune of $150 million, or at a rate per year less than half of what we provided for 2 years ago. That is how we came up, along with a whole page full of other cuts below last year that I can show the gentleman, with the money for that $500 million.

So the gentleman in the well is exactly right. This is money that we have saved elsewhere.

Mr. BARTLETT. Mr. Chairman, if the gentleman will yield further, I

think it is important to get it on the record. I have the list of those programs in front of me. The gentleman mentioned two: public housing and section 8. Public housing, the committee would increase the expenditures from $945 million to $1.9 billion. Section 8, four different categories of section 8, and every single one of them was increased: with one exception that was decreased slightly. Section 202, $1.7 billion to $1.9 billion. Housing vouchers were the only one decreased.

Mr. SCHUMER. Section 202 is not section 8, neither is housing vouchers.

Mr. BARTLETT. Section 202 is section 8.

Mr. SCHUMER. Mr. Chairman, if I may reclaim my time, the gentleman is not being fair. My basic point is, the gentleman is saying eliminate one new program that is working for another new program that is working that are little bitty programs, drops in the bucket.

What we have done to live within this budget resolution is take money out of the larger, more mammoth programs. We have also put money into vouchers, which the administration supports. What we are doing in the housing field, if the gentleman from Texas would allow me, and I know indeed that the gentleman is trying to innovate with programs because we have worked on one together that would be wiped out if the reserve is eliminated, is try and see what other kinds of programs work.

There has been a suggestion from HUD. That is incorporated in the appropriation; small, but there. There is a suggestion from this gentleman which is incorporated. There is a suggestion from a few other gentlemen. That is incorporated. All of these are itty-bitty programs, but again, I remind the gentleman, as he responded last time, we are within the budget resolution. We have lived within the budget resolution. We will continue to live within the budget resolution, and that should be the sine qua non of this body, because otherwise the budget resolution will fall apart.

Mr. MORRISON of Connecticut. Mr. Chairman, will the gentleman yield?

Mr. SCHUMER. I would be happy to yield to the gentleman from Connecticut.

Mr. MORRISON of Connecticut. I thank the gentleman for yielding.

Mr. Chairman, I just want to commend the gentleman on his statement. I think to underscore one of the real-life dynamics of what is going on here, we all recognize the difficulty of the Appropriations Committee, faced with a situation in which the authorizing committees have not been able to bring and have acted upon on the floor all of their measures.

We hear regularly from members of authorizing committees that they feel frustrated that their measures and new measures are not being considered, and we hear the same frustration from the Appropriations Committee, that they have to act in the absence of authorizations.

Here is an appropriation measure where that has been accommodated, and it has been accommodated by discussions over the year to try to strike the proper balance. If one votes to strike this $500 million out of this appropriation, the message that is sent is, "Do not bother. Do not bother the Appropriations Committee to listen to the authorizing subcommittee, and do not bother with respect to the authorization process to even try to work within the process and get something constructive to happen."

The gentleman from New York is absolutely correct. This $500 million reserve accommodates new programs within the authorization that ought to be funded.

Mr. PORTER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have been speaking out to all who would listen for this entire year about the pernicious effect of huge deficits upon our economy and upon the future of our children and our society.

One thing I have said from the very start is that we have to begin with a freeze on all spending categories, and I have previously on this floor commended the chairman of the subcommittee and the ranking minority member of this subcommittee for reaching that level in terms of this spending bill. But there is more to achieving budget savings than simply a freeze, and I have said repeatedly that we have to eliminate uneconomic or wasteful programs, and most importantly, we must not in the face of these huge deficits, create any new spending programs or expand existing ones.

We have to hold the line in each of these ways if we are going to get this deficit under control. The comments of the gentleman from New York about the budget are irrelevant. The budget is dead, let us face it. The budget is not going anywhere.

What we have to do is establish standards apart from the budget because there is no budget, that will bring down this deficit. One such standard is that we cannot create new programs.

What this amendment does is attempt to eliminate a program reserve. The gentleman from New York said the money involved here is taken from old programs and set aside in case new programs are authorized. I want to say this morning that what we want to do is not fund any new programs, authorized or not. We want to take the money from old programs that don't work or are wasteful and put that money toward reducing the deficit, not new programs. That is exactly what the amendment offered by the gentleman from Texas attempts to do, and I commend him for offering it.

□ 1050

Mr. BARTLETT. Mr. Chairman, will the gentleman yield?

Mr. PORTER. I yield to the gentleman from Texas.

Mr. BARTLETT. Mr. Chairman, I thank the gentleman for yielding.

A minute ago we had in the debate the allegation that existing programs had been reduced out of public housing and section 8. I would want on the record that both section 8 and public housing were vastly increased under the appropriation bill, and in addition to that, we added this $500 million on for new programs.

There were no reductions, as the gentleman knows. We merely add on. That is what is wrong with the budget process, and that is what is causing the deficit today.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. PORTER. I yield to the gentleman from Minnesota.

Mr. VENTO. Mr. Chairman, I thank the gentleman for yielding.

I respectfully disagree with the gentleman from Texas with regard to the reductions. That is a debatable point as to whether or not the old programs have been reduced. I would say indeed that they have.

I would further point out to the gentleman that on this block of $500 million, he can say that the Banking Committee has authorized some of these programs in the past and they could very well flow back in, but what the gentleman has suggested to us is that we ought to cut back the old inefficient programs, maybe the section 8 and others that the gentleman feels are inappropriate. But he leaves us with really no alternative as to whether or not we are willing to address the housing needs of the homeless or the housing needs of the poor, the inner city folks, or rural housing. That is really what is at stake here, and we are trying to create an alternative to meet these needs.

All we are asking is to have an opportunity to permit these new ideas to compete so that we can meet these particular housing needs, the homeless needs, in a more efficient manner, and what the gentleman's amendment would do is to wipe out that opportunity to take money out of the old programs, in my judgment and in my argument, is to put some dollars into the new programs.

As I said to the gentleman, I think we are under budget. I do not think we ought to measure housing dollars with an 11-inch foot ruler. That is what is happening here. We are saying this

program is an easy one; we are dealing with the poor and the program is imperfect. I would hope that the gentleman would look into this.

The problem with not having a budget is that we have a dozen experts in this House who set themselves up as experts as to what a freeze or the budget constitutes. I would just tell the gentleman that this is below a freeze in terms of spending. This appropriation measure does take the money and permit the new ideas to compete, which I think we ought to be doing. This is a creative effort to try to deal with the housing and shelter problems.

Mr. ROEMER. Mr. Chairman, will the gentleman yield?

Mr. PORTER. I yield to the gentleman from Louisiana.

Mr. ROEMER. Mr. Chairman, I thank the gentleman for yielding, and I thank him for his statement.

Whether it is on budget, off budget, over budget, or under budget, the fact is that this amendment takes $500 million in new and yet-to-be-authorized programs and eliminates it. If we cannot do this, we cannot do anything.

Mr. PORTER. Mr. Chairman, I thank the gentleman for his excellent statement.

I think the difference lies in priorities. Some of the gentlemen have talked about the need for new housing programs. In a time of surplus, we should discuss that need. But what must be our highest priority now is to address a deficit that is pernicious to economic growth and our children's future. Unless we get the deficit under control, we are not going to have the ability to build any houses in the future. As I've said over and over again, and attempted to address in opposing a new chemical weapons program this year, now is not the time to be addressing new programs in any area. I urge the adoption of this responsible amendment.

Mr. McKINNEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the gentleman from Texas [Mr. BARTLETT] showed me this amendment yesterday as ranking member of the Housing Subcommittee, and I have studied it. I said to my good friend, the gentleman from Texas, "I really don't think I will try to help you by not speaking against it." But having studied it over the evening, I can do nothing but speak against it.

As a member of the 92 Group, for instance, we pledged ourselves to a freeze. The authorization committee has frozen housing. The Appropriations Committee has frozen it and come in, in fact, below fiscal year 1985. They have taken money from community development block grants, UDAG, the American Battle Monuments Commission, almost everything—you name it—so that we could set aside $500 million to try some new ideas.

I have heard a lot said today that "we can't afford this" and "we can't afford that," but what we really cannot afford is not getting some new ideas in housing. With Government housing programs as they presently stand, we have more of what I call the Builders and Contractors Relief Act, the section 8 program. What a wonderful deal that is. Those programs are inefficient, wasteful, and costly. We have tried to put some new programs in the authorization bill which we think will work better, which we think will produce more, and which we think will be cheaper.

But what has happened? Mr. Chairman, I would suggest to the Members that this is the tragedy of taking up an appropriation bill before an authorization bill. I can tell the Members right now that our authorization bill will be a freeze, it will be within the budget, and it will in fact have some new ideas.

Do you mean to tell me that we are not going to be allowed to have a new program if it is a better idea? Are we going to be like General Motors and Ford back in the 1970's and stay with the gas-guzzlers, that we are not going to try to improve?

What are we here for? What is this blanket "no new programs"? What is this thing? Why have an authorization committee? We, who study housing day in and day out, should we not or do we not have to come forth with some better idea? But you put the word, "new," in front of it, and suddenly it is evil.

I would suggest that we probably need a new Social Security system. I know we need a new management system in the Pentagon. I could suggest that we need a new agricultural production system. They are all bad. They do not work in 1985. We ought to be looking for new ideas. But instead we are going to run with this ideological claptrap of "new is bad." I do not think "new" is bad. I think that the Nehemiah project, for instance, which my friend, the gentleman from Texas, likes, is probably the best idea that has come across in housing in a long, long time. It has its rough spots.

What are we doing? Are we saying that we are going to throw everything in the Nehemiah pool? No. We are saying we are going to take a very small amount of money and look at it.

For the first time, we talk about HHS and HUD talking to each other. Health and Human Services, through rental income payments, puts more money on a day-to-day basis into low-income housing than HUD does for new housing. And what happens? They never talk about housing quality. The Government in fact becomes the biggest rent-payer for slums, decrepit, substandard housing that you can possibly find.

There is nothing wrong with the word, "new." This housing authorization that we will get in September—we should have had it already—is under budget. It is a freeze. This appropriation has carefully taken $500 million out of other programs and set it aside and said, "Let's try something that may work better." The Appropriations Committee has done an excellent job. They have done an incredible job.

Mr. ROEMER. Mr. Chairman, will the gentleman yield on that point?

Mr. McKINNEY. Certainly, I yield to the gentleman from Louisiana.

Mr. ROEMER. Mr. Chairman, we do not disagree about "new." What we disagree about is more. More is the bad idea here, not new. If you want to take new programs and substitute them for the old programs that you say are not working, like section 8, which are up in this budget, let us do it, I say to the gentleman from Connecticut [Mr. McKINNEY]. It is not new; it is more that is bad.

Mr. McKINNEY. Mr. Chairman, I will reclaim my time and say that I think the gentleman is wrong. Right here is a list of every single program that has been cut by the Appropriations Committee in order to put that money aside.

Mr. SCHUMER. Mr. Chairman, will the gentleman yield?

Mr. McKINNEY. I yield to the gentleman from New York.

Mr. SCHUMER. Mr. Chairman, I think the gentleman from Connecticut is exactly on point. What we have done, I would tell the gentleman from Louisiana, is we have done more with less. We have spent less money than we did last year, and yet we are going to be able to build more units than last year because we have some of these new programs. That is what it is about. If the issue is more, then the gentleman from Louisiana should vote against this amendment. But we have done it with less.

The CHAIRMAN. The time of the gentleman from Connecticut [Mr. McKINNEY] has expired.

Mr. VENTO. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, we have been discussing this, and I think that last quote especially epitomizes what is at stake in this particular debate, and that is the debate that somehow the Housing Subcommittee is not within the House-passed budget and not within the mythical freeze. Whatever that freeze is, I do not know. We have 12 different experts, and we have to try to satisfy all of them with regard to what the freeze is. That is the worst type of discipline, the most unfair type of discipline, I submit to this House,

that could possibly occur with regard to judging these bills.

This bill contains less money than we spent last year. That seems to me to be better than a freeze. It is better than a freeze.

That fact of the matter is, though, that I think the heart of the matter gets to another fight. It certainly serves the interest of those who would like to eliminate a national housing program across this Nation. We need that national housing program. Our States and local governments need that type of assistance today, and I think they are going to need it into the future with regard to housing for low-income and moderate-income individuals.

The fact of the matter is that it serves that interest by simply saying this: It simply says that you cannot change any of the existing housing programs that you have. That is what the discipline of this particular amendment suggests. It suggests that you cannot make any changes and you cannot add to the program or modify it, because if you do, you are going to be accused of having a new program.

□ 1100

The new program, the claptrap of new programs, that has occurred here is mindless. It does not look at the facts. It is not interested in the facts. It is only interested in sacrificing them in the name of budget austerity, and that is the problem, I think, with the type of arguments that have been presented here, very hard argument, frankly, to address in the sense that there is the concern about the deficit; but I think it is an unfair argument. I think it is a wrong-headed argument. It is a blind argument that does not address itself to the real concerns and needs of housing across this Nation. Keep the programs static. Do not modify them, and under those circumstances we can see the demise of those housing programs. It is unfair.

The fact is this proposal is within the budget. These particular programs we are talking about, the Nehemiah Program, the programs for the homeless, the programs for the intermediate type of housing needs are important needs across this country. They provide opportunities for nonprofits and they provide opportunities for cities and States to get involved meaningfully in meeting housing needs.

The old programs are expensive. Housing is expensive. We are not going to make a significant contribution to that unless we are willing to stand up for the types of costs that we face in this appropriation bill.

But no one should vote for this amendment with the assumption that these new programs are adding to the commitments. In fact, they are a retreat from that commitment.

Questions have been brought up about the rent supplemental program. They are going to be brought up later. Frankly, the Rent Supplement Program was based on taking money out of the section VIII program and coverting the Rent Supplement Program, so we lost new section VIII units in the past when we were doing that. In other words, that authority was granted. Last year that was accelerated somewhat. Last year the Director of the Budget decided on another parallel, to go out and borrow all the money at Treasury rates and pay the interest rates on them to buy out various types of contracts. In the process of doing so, he spent an extra $2.5 billion. Someone says maybe we should count that toward the budget last year.

The fact of the matter is, there are all kinds of rules, all sorts of experts around here as to what constitutes a freeze. I would just suggest that this budget and the inclusion of this $500 million that is sought to be eliminated is killing new ideas, killing any opportunity to address the types of housing needs that low income and poor peopled have in this country. I think it is wrong.

Mr. Chairman, I think the Bartlett amendment should be defeated on that basis.

Mr. WYLIE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Barlett amendment. I want to commend the gentleman for his knowledge and persistence in putting this amendment together.

During the markup of H.R. 1, I offered an amendment which was adopted to establish a congressional policy regarding aggregate budget authority that said:

Findings: The Congress hereby finds that the congressional budget process for fiscal year 1986 has not yet been completed"—and everybody knows that—"and in its consideration of this Act the Committee on Banking, Finance and Urban Affairs of the House of Representatives has been required to operate under new principles of budget accounting, including the inclusion of off-budget items. It is, therefore, the policy of the Congress that the aggregate amounts of funds authorized in this Act for any fiscal year not exceed the total amount of funds approved in the Appropriation Act for similar programs for fiscal year 1985.

Now, the point was made a little earlier that we can talk about budget authority, budget outlays, or how much money is being spent, but in terms of a freeze amendment, and I did think in terms of offering a freeze amendment on this appropriations bill, I find that the amount appropriated is actually less than the amount which was appropriated last year; but the point I would make here is that the Appropriations Committee through appropriating $500 million into this reserve fund has, in effect, appropriated money for five new programs which have not yet been authorized. They are not yet in place, and that is the point the gentleman from Texas would make by his amendment.

I offered an amendment in committee which would delete all new program authorizations and that amounts to about $325 million.

When H.R. 1 comes up on the floor, and I am setting the stage for it right now, I intend to offer a substitute which would comply with this policy statement and freeze the 1986 authorizing level at the 1985 appropriation level.

So what this does, it suggests that we do not want to spend money today for programs which have not yet been authorized. I think as a general proposition that this is not the time to initiate new costly and untried programs.

Now, to suggest that there is no money in here for housing is very misleading. This appropriation bill appropriates $16.4 billion for housing, so it is not as if all the housing programs are going to come to a halt if this amendment is adopted; but I think this is a bad time, as I say, to start new programs. It gives the impression that we have money that we do not have, given the size of the Federal budget deficit, which is now over $200 billion and growing every day.

When our fiscal situation looks better, then I think it is time to look at new programs and suggest new programs be authorized.

In the meantime, I think that additional funds should not be appropriated for programs which have not been authorized and we ought to let the authorizing committee and the Housing Subcommittee work its will here on the House floor.

Mr. SCHUMER. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from New York.

Mr. SCHUMER. Mr. Chairman, I thank my good friend and colleague from Ohio for yielding. I know that his intentions and integrity are highest. We have worked together on so many things.

But I would just like to ask the gentleman to reiterate a point that he made, one point in his statement that I agree with. Is it true, as the gentleman said, that the appropriation this year is less than last year; is that correct?

Mr. WYLIE. The appropriation level in this bill is less than it was last year.

Mr. SCHUMER. Mr. Chairman, I thank the gentleman.

Mr. WYLIE. But the point I wanted to make is that there are five new programs being authorized in effect with $500 million reserve fund, which is set aside for there use.

Mr. BARTLETT. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from Texas.

Mr. BARTLETT. Mr. Chairman, I appreciate the gentleman's answer on that. Of course, as the gentleman so well knows, that nominal same amount comes from two items. One is from a change in accounting, which we have debated endlessly on the authorizing committee. The accounting change is not necessarily bad, but it counts as savings, a $980 million savings that the CBO and everyone has looked at and concludes it is not a savings at all. In fact, we are doing the same amount of modernization from one year to the next. You cannot do the same amount of work for half the amount of money.

I would ask the gentleman one additional question. Our colleague, the gentleman from Connecticut, a little while ago described section VIII as inefficient, costly, outmoded—I am paraphrasing—yet this appropriations bill adds on a net basis $950 million to section 8. It does not cut it at all. There are no cuts being made.

Mr. WYLIE. That is correct. We are shifting money around. It is sort of a shell game in a way; but the point I really want to make again is that I do not think we should be authorizing new programs in an appropriation bill, which is what this does.

The gentleman made another point, which I think is important.

The CHAIRMAN. The time of the gentleman from Ohio [Mr. WYLIE] has expired.

(At the request of Mr. GREEN, and by unanimous consent, Mr. WYLIE was allowed to proceed for 3 additional minutes.)

Mr. WYLIE. Mr. Chairman, I will yield to the gentleman from New York in just a minute.

The other point which the gentleman from Texas made is that there is an accounting proposition here someplace. We are establishing a new Direct Capital Grant Program to finance public housing which in effect amounts to a savings, according to the accounting procedure. I am not sure whether it does or does not.

The point the gentleman is making is that those programs will continue, so that there is a cost to them. I see the gentleman from New York nodding his head affirmatively and I assume he wants to speak to that.

Mr. GREEN. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from New York.

Mr. GREEN. Mr. Chairman, I do thank the gentleman for yielding.

First, I should point out that the section 8 new construction program and the section 8 substantial rehabilitation program were repealed in the 1983 Housing Act. Those were the big ticket section 8 items. All we have left is the section 8 existing program and moderate rehabilitation program, which is roughly half the cost per unit per year and a much shorter number of years than the programs that we repealed, so in a very real way the 1983 act solved that problem of the expense of section 8.

On the question of whether a so-called change in the accounting method results in a change in cost and whether you can buy the same amount of modernization for less, I think the answer plainly is correct. Anyone who goes out and buys a car on credit instead of paying cash for it knows that at the end of 4 years he has put out more dollars than if he had paid cash up front. You go and tell a finance company that that is just an accounting change and you are not going to pay any interest on that, and you will not have your car very long. That is more than an accounting change.

This is saving the Government money, because we are not buying on time.

Mr. HILER. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from Indiana.

Mr. HILER. Mr. Chairman, I thank the gentleman for yielding.

The Government is running a $200 billion deficit, so what the Government says, instead of in the housing account showing it up as borrowing the money and loaning the money and then putting the accrued interest cost in, we will just now chalk it up as a direct grant.

The Government still has to go out and borrow that money. We are not sitting on huge reserves that we do not have to borrow. What we have done is transferred the cost to another function of Government out of the HUD and independent agencies appropriation bill, so that we can come in with this very nice freeze looking level, all the while just transferring a billion in costs.

Mr. WYLIE. Well, the point here is that the two very articulate, knowledgeable gentlemen, have made different points about the same subject. There is confusion on that as to whether it does or does not amount to a savings.

I guess the point I really want to make again is that I would have some pride of authorship when it comes to new housing programs. I think our authorizing committee and the Subcommittee on Housing ought to have more to say about it than to say that if the money is appropriated, we are going to have these new programs.

□ 1110

We do not know how much these new programs are going to actually cost when it comes to down-the-pike costs as far as budget authority or budget outlays or spending or whatever. And for that reason, I think that the Bartlett amendment should be adopted.

Mr. GREEN. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from New York.

Mr. GREEN. I would like to respond to two points. First, your most recent point.

We are agreeing that the authorizing committee ought to have the right to work its will. What you are telling us, if you adopt this amendment, and what every authorizing committee in this House will be telling us if their Members vote for this amendment, is to ignore the authorizing committees and ignore their work in process.

The CHAIRMAN. The time of the gentleman from Ohio [Mr. WYLIE] has expired.

(On request of Mr. GREEN and by unanimous consent, Mr. WYLIE was allowed to proceed for 2 additional minutes.)

Mr. GREEN. Will the gentleman yield further?

Mr. WYLIE. I yield to the gentleman from New York.

Mr. GREEN. You will be saying you go appropriate under the old programs and forget what the authorizing committees are trying to do.

Mr. WYLIE. I beg to differ because what I am suggesting is that we do go back to the old process perhaps by this amendment, that we suggest that the authorizing committee work its will here on the House floor, that we decide what new programs ought to come into being. Then we come back through the appropriations process and appropriate the money for those to see what the level of spending should be.

But in this new budget procedure, we supposedly set ceilings for these programs, but we do not have a budget this year, and we have not had a budget. So what I am saying is that I think we ought to go back to the procedure which I thought was tried and found true in the first year of my service here in the Congress.

Mr. GREEN. If the gentleman will yield further, I could not agree with him more. We would love to have authorizing legislation in place when we have to start the appropriation process and bring our bill to the floor. It is a great tragedy in the way this House works that we have to come to the floor with a bill well over 50 percent of which has not been authorized.

Mr. WYLIE. We appreciate your generosity, but we think we would like to defer it until a little later time.

Mr. GREEN. If the gentleman would yield further, I would just like to respond to the gentleman from Indiana [Mr. HILER] to whom the gentleman

yielded a moment ago, and that is we have to borrow the money under the traditional system for the modernization program. We have to borrow about twice as much money to do the same amount of modernization, and we have to pay the interest on that money when we borrow it because the local housing authorities first borrowed the money, we paid the principal; we paid the interest. And over 20 years, that more than doubled the amount we pay.

And then we pay the interest on the national debt when we borrow the money to pay not only the principal, but the interest.

Mr. HILER. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I will be glad to yield to the gentleman from Indiana.

Mr. HILER. Mr. Chairman, the Congressional Budget Office, certainly not a right-winged radical operation, sent a letter or a memorandum, and I will read a couple of clauses from it, although I will be happy to read the entire letter into the RECORD. But they are talking about the change in accounting procedures.

"However, there are no net savings in outlays to the Federal budget as a whole since the proposed financing methods would simply cancel a host of intergovernmental transfers which occur under the current direct loan system."

The CHAIRMAN. The time of the gentleman from Ohio [Mr. WYLIE] has again expired.

(On request of Mr. HILER and by unanimous consent, Mr. WYLIE was allowed to proceed for 2 additional minutes.)

Mr. HILER. It goes on a couple of sentences, and then finally the last sentence says "Finally, the elimination of interest payments from HUD to the Treasury which constitute the ultimate savings in outlays in function 600 is completely offset by a reduction in income in function 900."

There are no outlay savings to the Federal budget overall, and yet we chalk up $1 billion of savings and then we use half of that $1 billion in savings to fund $500 million in new programs. We are dealing with funny money. It is not real money.

Mr. WYLIE. The gentleman makes an excellent point, and I think with all of the sand in the air on this amendment that this is not the time to appropriate $500 million when we do know where it is going to be spent.

I yield back the balance of my time.

Mr. BOLAND. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I wonder if we can get some agreement on the time here. We have now been on this amendment for more than an hour, an hour and almost 15 minutes.

I ask unanimous consent that all debate on this amendment and amendments thereto close at 11:30.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

Mr. ROEMER. Mr. Chairman, reserving the right to object, I wonder if our chairman would yield for a question.

Mr. BOLAND. Surely.

Mr. ROEMER. The Members, Mr. Chairman, that I see on the floor now, are as many as eight or nine. I wonder if we might extend the limit to 10 minutes longer than the gentleman suggested, having those on their feet now with a chance to speak?

Mr. BOLAND. Mr. Chairman, I ask unanimous-consent that on this amendment and all amendments thereto that debate close at 20 minutes to 12.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

Mr. FRENZEL. Mr. Chairman, reserving the right to object, under my reservation I would observe that so far the players have been members of only two committees. Amateurs apparently have to register somewhere else to play. And I think there are a few of us who would like to express our opinions as well.

Now members of the Appropriations Subcommittee and members of the Committee on Banking, which includes the excellent Subcommittee on Housing, have had a wonderful time this morning in the first hour. But it was my impression that the House of Representatives also consisted of elected officials from other parts of the world and other committee jurisdictions. If this is what is going to happen here, that we are going to be excluded from the debate, then I am going to be constrained to object.

I have had some marvelous ideas that I would like to give to the distinguished chairman for consideration. But, under his suggestion, I am going to be limited to only 2 minutes. That is hardly enough time to get warmed up.

Mr. BOLAND. Will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from Massachusetts.

Mr. BOLAND. Mr. Chairman, I would be the last person in the world to restrict the time of the gentleman from Minnesota. He is not from any other part of the world. He is from a great State, and he is a great Member, and he is a very active Member of this body.

Would the gentleman be willing to take an additional 10 minutes, if I added 10 minutes more to the request? Incidentally, let me say this is not the only business of the day. There will be some other business following this. It is an important item of business, as I understand it, dealing with Micronesia that must be resolved today. I hope we can finish this bill in about 2½ hours. I think the gentleman from Texas [Mr. BARTLETT] indicated that the next two amendments will probably take another hour on each. I think that was what he indicated to me yesterday.

But we have been at it for some time now, and it has been an interesting debate. And as the gentleman from Minnesota has pointed out, practically everybody who has been in on the debate so far comes from the authorization committee. But I am delighted they have, because they probably know more about the subject matter than anyone else.

But in any event, it would appear to me that all of the arguments have been aired on this particular amendment.

Would the gentleman object if I extended the time another 10 minutes?

Mr. FRENZEL. Further reserving the right to object, my problem with this thing is that most of the people who are standing up have already had 10 minutes to play. Some of us poor folk have not had an opportunity to participate at all, and whenever you go into these unanimous consent requests, all of the folks here freeze out the free agents.

I can stand your request, but I do want to tell the gentleman that we have made these kinds of bills clubhouse affairs. And I will eventually release my objection to the gentleman's new suggestion, but I do want to tell the gentleman that in the future, I will object if I find the committee dominating the debate to the exclusion of all other participants, which has, in fact, been the situation this morning.

With that, Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

Mr. SCHUMER. Mr. Chairman, reserving the right to object, and I will not object, but since I am bereft of marvelous ideas, I would, having stood up and having spoken, yield my time to the gentleman from Minnesota in an effort of expediting debate.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

Mr. ROEMER. Mr. Chairman, reserving the right to object, it seems to me that our colleague from Minnesota has raised a good point under the time constraints, and I will not object to the 10 minutes to 12 time limit, except that those who have already gotten their 5 minutes, I think, should be excluded from the division of time. I am asking could the gentleman make that

a part of his recommendation. If so, I will not object.

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. ROEMER. I will be glad to yield.

Mr. BOLAND. Mr. Chairman, I hesitate to suggest that type of a restriction, because I do not want to bar those who have important points to make from speaking, simply because they may have already spoken.

I do not know whether there are many other Members that want additional time besides those who have already spoken on the amendment.

Mr. ROEMER. Mr. Chairman, I see more than one Member on his feet who has had the 5 minutes.

Mr. BARTLETT. Mr. Chairman, will the gentleman yield?

Mr. ROEMER. I will be glad to yield.

Mr. BARTLETT. I thank the gentleman for yielding. I have had my 5 minutes, and I think most of the people who have had their 5 minutes would be content to let others then lead it.

□ 1120

Obviously there may be questions which would cause one Member to yield to another, but I would concur with the gentleman from Louisiana's suggestion.

Mr. ROEMER. I thank the gentleman.

Mr. Chairman, I am not asking that we exclude anyone in the questions and answers. We have been good within and without the committee, of yielding. I mean that. I am just saying that for purpose of moving this off center, I agree with the gentleman from Massachusetts' limitation but I ask only that the original 5 minutes be given to those who have not exercised that right before.

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. ROEMER. Further under my reservation, Mr. Chairman, I yield to the gentleman from Massachusetts.

Mr. BOLAND. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, there seems to be an agreement on what the gentleman from Louisiana is trying to do. I would have no objection to that particular procedure.

Mr. ROEMER. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Would the gentleman from Massachusetts [Mr. BOLAND] please restate his unanimous-consent request?

Mr. BOLAND. Mr. Chairman, I ask unanimous consent that debate on this amendment and all amendments thereto close at 12 o'clock.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. BOLAND. Mr. Chairman, may I amend that to include the procedure that Members who have not spoken for 5 minutes be given preference during that period of time? Is that a proper request?

The CHAIRMAN. The Chair will seek to accord that preference in recognizing Members.

Members standing at the time of the unanimous-consent request will be recognized for 3 minutes each.

The Chair recognizes the gentleman from Michigan [Mr. LEVIN].

Mr. LEVIN of Michigan. I thank the Chairman.

Mr. Chairman, I think it is time to talk some commonsense on this. The proponents of the amendment I very much oppose, they shift their grounds.

First it is pointed out to them that this bill is within the budget resolution. Well, they say, the budget resolution is dead. Well it is not dead here in the House. We just passed a resolution Tuesday and hopefully it is not dead between the House and the Senate.

Well, then they raise the banner of the freeze. Well, it is pointed out that this is below the freeze level.

Then what do they say? And by the way, there was discussion of the freeze when we did not have a budget resolution. Now we have one. So let us live within it.

Then it is said, well, all right, it is within the budget resolution, it is within the freeze level, but there are new programs, there are new programs. But there is no moratorium on new programs within this Congress. I think everybody who here is raising the new program notion has voted for some new ones. In foreign policy, the Cambodia amendment, for example, I could name 10 or 15.

And by the way, within this $500 million there is an administration proposal for a new program. At least one of the people who is urging support of this amendment voted for that new program in the authorizing committee.

We are for a sober budget, not an absolutely stagnant one. This notion that there can be no new programs is absolutely absurd. We are living in this bill within a budget resolution, and if you want, within a freeze. There is nothing worse, it seems to me, than carrying a good idea to an absurd degree and that is what this amendment really is. It is a mindless kind of amendment.

It is said, well, there has not been an authorization of these new programs. I think the gentleman from New York has made it very clear what they did in the Appropriations Committee. They are providing for our acting hereafter on new programs through the authorizing process. If these programs are stricken down, then the appropriating committees and the conference committee can take care of elimination of the $500 million. What is happening is that the proponents of this amendment are yelling "fire" when there is no fire. That is exactly what they are doing.

I hope very much that this House will not bite on this apple when it does not exist.

Let no one raise the banner of a freeze or raise the banner of excess over the budget when it is not true. This House has enough sense to know when to march behind a banner and when not to.

Mr. Chairman, I strongly urge defeat of this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Indiana [Mr. HILER].

Mr. HILER. My colleagues, Mr. Chairman, I am not sure the question is whether or not we should favor a stagnant approach or whether we should favor a dynamic budget approach. I do not think any of us are opposed to replacing programs that do not work with programs that do work. I think that is part of the congressional process. We ought to be a dynamic institution which recognizes our mistakes and which tries to correct those mistakes.

But it seems to me that when we are faced with $200 billion deficits, if the way we decided to try to create the new programs is to use funny money to come up with alleged savings that we transfer to new programs, that is when we make the mistake. And wem are getting $500 million for new program reserve out of $989 million in funny money savings from an accounting change.

I would like to read from a memorandum from the Congressional Budget Office:

> The administration's refinancing proposal would forgive all direct loans to public housing authorities as well as the associated borrowing from Treasury. Activity authorized from 1986 on would be financed with direct grant.
>
> This financing method would affect both function 600—income security—and function 900—interest on the public debt.
>
> Adoption of the administration's proposal would result in a reduction in budget authority for new activity, because of the elimination of the need to appropriate funds for interest payments. However, there are no net savings in outlays to the Federal budget as a whole, since the proposed financing methods would simply cancel a host of intra-governmental transfers which occur under the current direct loan systems.

So there are no savings from the modernization effort. Yet we use $500 million from that change in accounting method and put it into a new program reserve. We are not making the critical choice between old programs that do not work and new programs that might. What we are saying is we will keep the old and we will add the new, too, and because of an accounting change we will chalk it up as even-steven, as if we somehow have obtained the mythical level of a freeze. I think it is perfect hypocrisy on the

part of this House to say that we are somehow making the tough choice between the old that does not work and new that might work. We are keeping both and adding $500 million. I think at a time of $200 billion deficits when critical discussions are taking place as to how to attain a budget, for us to go along merrily on our way chalking up this accounting savings as real money is being shortsighted and we are committing a hoax and a fraud on the budget process and on the American people.

So I would encourage my colleagues to vote for this amendment, not because you are opposed to new programs but because you are opposed to creative financing in order to finance those new programs.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. COLEMAN].

□ 1130

Mr. COLEMAN of Texas. I thank the chairman, and I say to my colleagues we are also losing sight of the real issue: Budget deficits are certainly important, and I want to commend the committee, the ranking minority member and the chairman from Massachusetts for their very fine effort in keeping this bill within the House-passed budget. In fact this bill freezes spending at last year's level.

So the deficit is not the only issue, though, to be debated here today. A hoax and a fraud on the American people? The statement from my good friend from Louisiana, if we cannot do this, we cannot do anything—that is not even the right question. The right question is:

Do we want to do this—not whether we can or we cannot; the question is whether we want to. The question is also whether we want to work a hoax and a fraud on those who need public housing.

There are people in the southwest who cannot even get water in their homes; there are people all over America that cannot get housing. I suggest that we not lose sight, after all, of what it is that we are about with programs of this kind. It is right that the Government care about the people and their right to live with some dignity.

Make no mistake about it; the administration has taken some very strong positions about housing as an issue—they do not like it. This administration is opposed to housing bills and housing programs for the elderly and the poor, all across America.

I think it is time that some of us stood up and told the administration that there is another view, coming from at least the Democratic side, and from the debate here, certainly some Members of the other side of the aisle as well.

We should remember that that administration's proposal placed a 2-year freeze on assisted housing programs. The administration has requested a moratorium on new housing starts.

So what this committee has done I think is absolutely appropriate. They have attempted to find new ways to save money; they have attempted to find new programs that will work better than those old programs. It is not whether we can or cannot do something, I say to my colleague from Louisiana; it is whether or not we want to try something new and whether or not we have got the wherewithal to stand up to an administration that does not like housing programs, and whether or not we have got what it takes to come up with new ideas and a new dynamism.

I think we do; I think this House does. So I say to my colleagues, let us not really miss the overall issue. It is not the deficit in this bill; we have stayed within the budget resolution. We have all tried to make serious cuts in the runaway deficits of this administration by freezing expenditures in this bill.

I think that what we have to understand is that we cannot turn our backs on the poor and the elderly people of America who need this Congress to represent them in the way that we should. This bill has already addressed the deficit with a freeze. I urge opposition to this amendment which unnecessarily cuts housing funds so desperately needed in these United States.

The CHAIRMAN. The Chair recognizes the gentlewoman from New Jersey [Mrs. ROUKEMA].

Mrs. ROUKEMA. I thank the Chair. I strongly support Mr. BARTLETT's amendment.

I have heard Members refer to this as a "mindless" amendment, others have said something about "deficit or budget fetishes." The fact of the matter is that this Congress seems to be making a fetish out of creating new programs and funding them without even authorizing them! That is the fetish that I think Mr. BARTLETT is dealing with.

I yield to my colleague.

Mr. BARTLETT. I thank the gentlewoman for yielding. The gentlewoman is correct. What we have had on the floor today under the guise of an appropriations bill is in fact a debate over authorizing programs; and yet the debate is never focused on the merits or demerits of these programs.

In addition, it is important for all of us to remember that the amendment before us simply deletes new and unauthorized programs that are unspecified before the authorization process has had an opportunity to work its will.

Mrs. ROUKEMA. Reclaiming my time, I think our colleagues should also note that in committee some of these issues were very heavily debated. They are by no means without controversy, and this Congress is going to have the right and the responsibility to debate these issues when the authorization bill comes up.

Mr. BARTLETT. If the gentlewoman will yield further, the gentlewoman is correct; these are controversial programs; it is controversial in and of itself as to whether in a year in which we are freezing education of the handicapped, freezing disability payments and vocational rehabilitation, freezing school nutrition programs, freezing defense, freezing NASA, that we should be creating new programs.

I think it is also important to note from the gentlewoman's remarks that many of us on the committee, as we may support a new program, a new way of doing things, we beg the proponents on the other side to please delete existing programs, or to reduce existing programs as a way to fund new programs; that has not been done; the appropriations bill in these sections are higher than ever—$940 million in section 8, for example.

All that has been done, as the gentlewoman knows, is an accounting method change which shifts costs to another portion of the Federal budget.

All we are attempting to do is to freeze that totality of the Housing Assisted Programs budget at last year's level of $8.9 billion.

One other point that I know the gentlewoman agrees with, and that is we are not cutting people off assistance; these are the programs for new construction or repair. This is nothing to do with the day-to-day or month-to-month existing payments that go to some 3.9 million families who are receiving payments and subsidies under these housing programs.

In fact, if you look at fiscal year 1982, the first year of this administration's budget, and compare it to this year, you see a 680,000-unit increase from 1982; 3.2 million to 3.9 million units in those years.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. GONZALEZ].

Mr. GONZALEZ. First, Mr. Chairman, of course I rise in opposition of what I consider to be a mischievous amendment to say the last, but mostly to congratulate the chairman and the members of the Subcommittee on Appropriations.

The way we have been operating here the last few years, we have had a sort of a reversal of the processes. We have had appropriations committees acting before the authorization committees, or the substantive committees, have had a chance to work.

In this case this year, however, we have completed the authorization processes in the authorizing subcommittee, in the full committee, and

absent was the ability to get priority from the leadership to bring it up on the floor, even before this Appropriation Committee.

The reason being that the leadership has taken a position that they will give priority to all of the appropriation bills by the time we break up for the August recess.

Now this amendment is really a very mischievous thing, for the reason that on the subcommittee level, we had a most historic experience. We had a total of 95 amendments offered during markup, 95 amendments. Of that number, two-thirds were offered by the minority, and of that two-thirds, 30 percent were offered by the gentleman author of this amendment.

They ran with this in subcommittee; they ran with this in the very beginning. We had to decide whether or not we could have a consensus on the budgetary question; that was first and foremost.

Now, if this amendment, which is mischievously offered because even in its presentation, the gentleman from Texas was contradictory. He is offering it for one fundamental reason, he is against housing for the poor and moderate income. The question of new programs are offered as if these are brand new programs that are calling for a new appropriation; this is not true. We had decided at the outset of the markup proceedings, that eve would stay within budget resolution and we have.

Now, if we accept this amendment today, let me tell you what we will be doing. This would mean that there will be absolutely no funding for the question of housing the homeless, which today by all accounts is a national crisis situation.

The very innovative program, such as a Nehemiah Program, that the gentleman author of this amendment himself says he is for—why? Because it provides for home ownership for the moderate income and the poor, based on a very ingenious formula that has originated in a destroyed section of the Bronx.

Mr. VENTO. Mr. Chairman, I ask unanimous consent to grant my time, my 3 minutes, to the chairman of the Housing Subcommittee.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The CHAIRMAN. The gentleman from Texas [Mr. GONZALEZ] is recognized for an additional 3 minutes.

□ 1140

Mr. GONZALEZ. There would be no authorization, that is, it would be in vain that we have worked as diligently and, by all accounts, as fairly as ever a bill as comprehensive as the Housing Authorization Act of 1985 has been worked out. In fact, I am really surprised that my colleague from Texas would be offering this because he had a big hand in our success in guiding what we call H.R. 1 through the subcommittee and through the full committee.

Now, I think that this is an effort at this time on this level of appropriation to try to do what could not succeed in the normal substantive authorization process, and for that reason I believe that it is the wisest thing of all to defeat this amendment. I urge my colleagues to defeat it.

Mr. MORRISON of Connecticut. Mr. Chairman, will the gentleman yield?

Mr. GONZALEZ. I yield to the gentleman from Connecticut.

Mr. MORRISON of Connecticut. I would like to thank the chairman of our Housing Subcommittee for yielding, and I want to commend him on his statement and on his leadership in laying the basis, the groundwork, that has been built upon so well by the Appropriations Committee.

We have a spending level here that is within a freeze, as the gentleman knows, and we fought hard to get to that point. This is below the budget.

And, finally, the statements that are being made about false savings are just plain false. This money that is being used in the appropriation is real savings. It was recommended by the administration, and it involves paying cash instead of borrowing. And by paying cash, there are real savings. We should be turning those savings to constructive use, and that is exactly what the Appropriations Committee has done. I think it is to be commended for doing, so, because we need all of the housing that we can get in these times of budget constraint because the needs are overwhelming, as the gentleman from Texas has reminded the committee time after time.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. GONZALEZ. I yield to the gentleman from Minnesota.

Mr. VENTO. I thank the gentleman for yielding.

Mr. Chairman, we keep talking about a budget outlay, in terms of the Congressional Budget Office statement, but this is budget authority we are talking about in the amendment. When we talk budget authority with housing, we are committing money for as long as 40 years. And the fact is, CBO report comment on budget outlays, there may not be any savings, but there is significant savings in budget authority, and that is what is included in the appropriation measures. This amendment would cut unfairly and eliminate any opportunity to creatively assist in the housing area.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. FRENZEL].

Mr. FRENZEL. Mr. Chairman, this committee well knows my feelings about our deficit, about the way we appropriate, about the way we budget. For those who believe the budget resolution is alive, I hope that they will be waiting in a sincere pumpkin patch along about Hallowe'en because who knows what will come by and give them a sack of candy.

Clearly, we are at a budget impasse. And even if we were to get a budget resolution, if it bore any resemblance of the cream-puff budget passed in the House, it is not going to save any appreciable amount of money.

Here we are talking about a little segment of our total budget. The first point of debate is how much housing do we want for the country, how much should the Federal Government spend? That is an interesting part of the debate, and even though I have strong feelings others are more qualified to speak on that question.

The second part is, are we alleging some kind of a freeze here on the basis of accounting legerdemain. That is a more important part of the debate, as far as I am concerned, because that is how we have done this scam for the last 10 years. Accounting tricks have put us into deep deficit trouble.

The third problem is what I call the point of order problem. That is the one that says, "Here, you guys are appropriating money for unauthorized projects." Under normal rules we could not do this, but because of special rules it is being done here.

And then woven through all of those 3 points is the question of new spending versus old spending.

Now, in my judgment, Mr. Chairman, if we pass this, we have simply given the authorizers a blank check, we have setup a nice target for the special interests, another place for heroic Congressmen to build more monuments to themselves.

That is how we got here in the first place. We have blindly funded new programs. We did not know if they would work, we did not know much about them. That is how they got us into this $200 billion difficulty.

New programs are always welcome, improvements on old programs are welcome. But new spending is not welcome under the current deficit emergency.

I am really nervous about our scorekeeping. The Appropriations Committee every year brings in great feats of magic which tell us that somehow we are not exceeding our budget, and yet every year we increase our appropriations by large amounts. Last year, the Members will recall, we managed to spend 11 percent more than the year before. Already the Appropriations Committee for this fiscal year has exceeded its own 302(b) target, which it did not reveal to us until February.

We do not know how they made them or how they did them.

I see no other recourse if this House is ever going to redeem its virtue than to vote for the Bartlett amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Florida [Mr. McCOLLUM].

Mr. McCOLLUM. Mr. Chairman, I think the gentleman from Minnesota who just spoke has made the telling point in this entire debate, if you strip everything else away from it, and that is what we are discussing today is a question of whether or not we are going to get serious about reducing these enormous deficits and talk about it in terms of reality.

We are talking about $200 billion deficits. We are talking about here a very small sum of money relative to that—$500 million seems like a lot to me, but it is very small—we are talking about the fact that we have in this bill over $10 billion for housing for this next year already. We are talking about the fact that in addition to that $10 billion there is permanently obligated another $12 billion that is going to be spent next year that we could not do anything about if we wanted to.

That is not good for housing for low-income Americans. And, as a matter of fact, right here in this bill, H.R. 1, there is language that has come out of committee that acknowledges that fact, "that continued large Federal Government deficits are antihousing and such large Federal Government deficits tend to keep interest rates high, thereby denying many otherwise eligible home buyers the opportunity to own a home."

It is very simple. We have a chance to say "no" to any new programs today; we have a chance to say we do not want any more new ones until we have sufficiently cutback on those that are there, to make sense in the marketplace, so that all Americans of all income levels but particularly those at the lower end are given a fair shake to get the right chance to be able to live on an economy again instead of having the runaway deficits create higher unemployment, another recession, and so forth. It will not do them any good, it will not do us any good, and it certainly will not do the housing effort any good to let our debt continue to runaway unchecked.

In the strongest of terms I urge the Members to vote for the Bartlett amendment and the following amendments of the gentleman from Texas that will do nothing more than pare this back a little bit and get us on the right track.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. GREEN].

Mr. GREEN. Mr. Chairman, first, just so the record is clear, I think that it should be understood that the letter from the Congressional Budget Office refers to an interim method of financing public housing which has been necessitated by an ambiguity in a recent revenue bill which has threatened the tax exempt status of local housing authority bonds. But there is no question that as compared with the traditional method of financing the modernization program, which is not referred to in that letter, which is the guarantee of local housing authority loans by the Federal Government and the payment of the debt service on them by the Federal Government, there is real saving in the new method.

Second, even if you want to take the other view on the question of financing of the modernization program, the fact of the matter is that this bill is a billion dollars under last year's bill, and we got there through cuts that anyone must acknowledge are real and painful cuts. We took $347 million out of the Community Development Block Grant Program. We took $110 million out of the UDAG Program. We took $1,142,000 million out of the Revenue Sharing Program. And I could go on, because we have a page full of such cuts. Those are real cuts in anyone's book, and they are painful cuts. And we did that because we place a higher priority on housing than we did on these other areas where we made these cuts.

So I think the issue really is: Do you place a priority on trying to do something to keep going the housing programs in this country when the need is so desperate? That is the priority we addressed. I do not think anyone can say that we did not make difficult choices in addressing it.

The other point that has to be made is that this amendment is a real test of whether the House is sincere about wanting the Appropriations Committee to defer to the authorizing committees.

□ 1150

This $500 million represents a sincere effort by the Appropriations Committee to defer to the work in progress that the Banking Committee has completed through the committee process, and, when the calendar permits, will be bringing to the floor of this House.

We in the Appropriations Committee wish that we were not in a situation where not only the housing part of this appropriations bill has largely not been authorized, but other large chunks of this bill have not been authorized. Unless the House wants to do all of its appropriations work in a single continuing resclution at the end of the Congress, it is going to have to live with that.

I have to say to the House that, if you pass the Bartlett amendment, you are telling this Member of the Appropriations Committee not to try to make this kind of accommodation in the future; just go ahead and run with the ball because then you are not going to be subject to this kind of amendment on the floor of the House. If that is what the Members of the authorizing committees in this body want, let them vote for the Bartlett amendment and we will know next year what we have to do on the Appropriations Committee.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. COUGHLIN].

Mr. COUGHLIN. Mr. Chairman, I rise as a member of the subcommittee and as the former ranking minority Member of the subcommittee, and I rise with great, great reluctance indeed to oppose my dear friends, the distinguished chairman of the subcommittee and the ranking minority Member.

But the gentleman from Texas has a point. What the gentleman from Texas is saying, and those who support this amendment are saying, is how can you double the number of new public housing starts, double them; how can you increase the number of modernization public housing starts by half, and increase the number of section 8 units by 4,500 over last year, and still have a freeze in spending? You cannot do it.

You can do it with great difficulty, I should say. You can do it only by some accounting changes, supported by the administration, but in a way that then makes the freeze something done by mirrors.

The number of assisted housing units in the United States during the course of this administration has increased by 600,000 units. That is a real increase in the number of additional units of assisted housing that are available. What we are saying with this amendment is that you will simply freeze the increases, freeze the increases, not freeze the number of assisted housing units, freeze the increases at last year's level. That is the factual matter of this.

When you look at what has been done, the transfer of almost a billion dollars of interest from one account to another, the inclusion of a nonrecurring program in the accounting for the calculation of a freeze level, all of that then means that we are not at a level that freezes the increases at last year's level. It comes right back to the point that the gentleman from Texas makes, that is that you cannot say that you are at freeze level if you are doubling the number of new start public housing units, if you are increasing by half the number of new modernization units, and you are increasing the section 8 program. You cannot say that you are freezing them. In order to do so, you have to support this amendment of the gentleman from Texas and his subsequent amendments. I say

that with great reluctance and I hate opposing my chairman and my ranking minority member, but those are the facts.

I think the House should know them and be aware of them and support the amendment of the gentleman from Texas.

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana [Mr. ROEMER].

Mr. ROEMER. I thank the Chair.

Mr. Chairman, I would like to join with my colleague from Pennsylvania in pointing out that often our budget conversations are nonsensical. We do not live in the realities of the numbers. This is not a freeze on housing. This appropriations bill is not a freeze on housing. The cut some other programs and give back to housing.

Now, some of my colleagues think that is a good idea, and I respect them for that, because they feel deeply that we need to do more in housing. I have no problem with that. I tell you, though, that this is not a freeze. I tell you that there are times in our lives when two great principles run headlong. One is the need for more housing for those who need it, and the other is the need to help America by reducing the deficit.

This amendment forces us to make a choice. The choice we ought to make is to join with Mr. BARTLETT and take a section in this bill, specifically set up for new programs, untested and unauthorized, totally $500 million and exorcise it from the bill. That does not mean we are against new. That does not mean we are opposed to innovation; we need more of it. We are just concinced that we cannot have it both ways. We cannot spend more money on the old, and new money on the new. In both cases, we are short of funds.

Simply put, my colleague and I serve on the Banking Committee and the Housing Subcommittee. I congratulate him for the work that he has done. I do not believe that he is antibanking or antihousing. I think he is progressive toward reducing the deficit.

Five hundred million might not seem like much to you, but where I come from, it is a lot of money. It is a step we ought to take. If we could do this a couple of times a day, next year housing would be a lot better in America. For the rich, for the middle class and for those who need it worst of all, who can afford least of all to pay high interest rates, the very poor.

Support Mr. BARTLETT; he is doing the right thing.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. BOLAND] to conclude debate.

Mr. BOLAND. Mr. Chairman, first of all, let me highlight a few points that have been made in this debate. It has been, let me say, an instructive debate. I am delighted that members of the Subcommitte on Housing of the Banking, Finance and Urban Affairs Committee have been so active today. Obviously, it is a subcommittee that is an active subcommittee within the large committee, and I think this debate clearly indicates that.

At the start of this debate, one of the remarks made was that there was no program reserve in fiscal year 1985. That was simply because there was an authorization for HUD last year.

In fiscal year 1984, a reserve of $1.5 billion was established to protect the Banking Committee and whatever efforts they would authorize. This was something that the Banking Committee wanted, it is something that the Appropriations Committee agreed to—that if new programmatic thrusts were finally adopted by the House in a housing authorization bill, then the $1.5 billion reserve would be released. And it was released for some very important housing programs and some new programmatic thrusts contained in that bill.

But in 1986, we have the same situation as we had in 1984. We do not have a housing authorization bill. It has been approved and reported, incidentally, by the Banking Committee. It might very well be that we will have an authorization bill this year. Or, it might very well be that we may not have one.

The bill that we report today carries a January 1, 1986, date with respect to availability of the $500 million reserve. That is all we are talking about in this amendment. The distinguished gentleman from Texas is a knowledgeable Member in this area, and I understand a very valued member of the Banking Committee. His particular amendment is attuned to the $500 million reserve that the Appropriations Committee has set aside in the event that the authorization bill, H.R. 1, is passed. But that date is not magic. That date can be moved, that date can be moved back, and probably will be.

In any event, if there is no authorization bill, if H.R. 1 never sees the light of day, then the recommendations made in that bill might very well be carried in a continuing resolution. And we may have one, two, or three continuing resolutions before the expiration of this session.

□ 1200

But in any event, Mr. Chairman, this committee will have an opportunity to get a look at those programs if there is an authorization bill by that time, and if we are in agreement with the budget resolution.

I think it is safe to say, and I think I can speak for the members on this side of our committee, and also for the members on the minority side, that we will take a close look at it. If there is no authorization bill, then I think it is safe to say whatever new programmatic thrusts that are envisioned for the $500 million reserve will probably not be approved.

It is that simple. Mr. Chairman, I trust that this committee will vote down the amendment offered by the distinguished gentleman from Texas.

● Mr. RODINO. Mr. Chairman, I strongly oppose this amendment to eliminate the provision allocating budget authority for a $500 million reserve fund for housing programs pending enactment of a fiscal year 1986 housing authorization bill.

Federally subsidized housing programs have already been drastically cut during the past 4 years. For example, as recently as fiscal year 1981, a total of almost $25 billion was provided for assisted housing. In fiscal year 1985, the comparable appropriation was only $10.8 billion. This severe decline is aggravated by the fact that a 1985 housing dollar buys approximately 15 percent less than a 1981 dollar.

Yet the administration's budget proposes a 2-year freeze on all assisted housing programs. Fortunately, our House committee rejected this unrealistic abandonment of Federal responsibility for housing, believing it is not fair or equitable to forego all subsidized housing efforts while other activities throughout the Government are maintained at or near the current rate of expenditure. Moreover, such a 2-year moratorium would have a crippling impact on the ability of HUD to resume provision of subsidized housing units after the freeze is lifted.

Ongoing funding for Federal housing assistance programs is critical if we are even to begin to meet the mounting need for housing for the most vulnerable members of our society. We cannot in wisdom or good conscience add a freeze on housing assistance to the cuts already suffered by our low-income citizens, the elderly, disabled, and our children, in health and nutrition programs. I urge defeat of this amendment to prevent us from funding essential housing programs that may be recommended in an authorization bill.●

● Mr. GARCIA. Mr. Chairman, this amendment represents a further cut in much needed housing programs. As it stands now, H.R. 1 authorizes 10,000 new units nationwide. We could use those units in the Bronx alone. This $500 million is intended for new programs. We need new ideas, we need innovation in order to meet the ever-growing housing needs of our lower income population. We have about 2 million homeless nationwide, and in New York City, the waiting lists for public housing grow longer every day as the housing stock dwindles. Since 1980, there has been a 60 percent reduction in housing assistance—our housing programs have been gutted in the last few years—we need housing,

we need programs that represent new ideas, and these programs should be given the opportunity to work and to help. The House is committed to cutting the deficit, and the Committee on Banking, Finance and Urban Affairs has shown that spending cuts can be made without jeopardizing much needed programs. Too many Americans are homeless, and living below the poverty level.

Neighborhood development groups have been a major source of economic development in distressed areas. They have for the most part done a wonderful job in pulling together and renovating or rebuilding their areas. There are several such groups in my district, and I cannot put into words the heartening effect their work has on the residents of the Bronx. Everyone is pulling together to better their environment because they do not believe in the policy of "If you don't like it—move!" These groups raise private sector funds, but this money is generally raised because matching funds are provided by the Government. Areas like the Bronx, "high risk" areas, generally depend on some Government backing in order to be able to complete for private funds.

We spend billions on foreign assistance because we believe in helping our friends. Let's show that we also believe in helping our citizens, and let's continue to give them the opportunity to help themselves.●

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Texas [Mr. BARTLETT].

The question was taken; and on a division (demanded by Mr. BARTLETT) there were—ayes 20, noes 14.

RECORDED VOTE

Mr. BOLAND. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic vote, and there were—ayes 236, noes 172, not voting 25, as follows:

[Roll No. 256]

AYES—236

Andrews	Burton (IN)	DeLay
Annunzio	Byron	DeWine
Applegate	Callahan	Dickinson
Archer	Campbell	DioGuardi
Armey	Carney	Dorgan (ND)
AuCoin	Carr	Dornan (CA)
Badham	Chandler	Dowdy
Barnard	Cheney	Dreier
Bartlett	Clinger	Duncan
Barton	Coats	Dyson
Bateman	Cobey	Eckart (OH)
Bates	Coble	Eckert (NY)
Bentley	Coleman (MO)	Edwards (OK)
Bereuter	Combest	Emerson
Bilirakis	Cooper	English
Bliley	Coughlin	Evans (IA)
Boner (TN)	Courter	Fawell
Bosco	Craig	Fiedler
Boulter	Crane	Fields
Breaux	Daniel	Fish
Broomfield	Dannemeyer	Frenzel
Brown (CO)	Darden	Gallo
Broyhill	Daub	Gaydos
Bryant	Davis	Gekas
Gibbons	Mack	Saxton
Gingrich	MacKay	Schaefer
Glickman	Madigan	Schneider
Goodling	Marlenee	Schuette
Gordon	Martin (IL)	Schulze
Gradison	Mazzoli	Sensenbrenner
Gregg	McCain	Sharp
Grotberg	McCandless	Shaw
Gunderson	McCollum	Shumway
Hall, Ralph	McCurdy	Shuster
Hamilton	McDade	Siljander
Hammerschmidt	McEwen	Sisisky
Hansen	McGrath	Skeen
Hartnett	McMillan	Skelton
Heftel	Meyers	Slattery
Henry	Michel	Slaughter
Hiler	Miller (OH)	Smith (NE)
Hillis	Miller (WA)	Smith (NH)
Holt	Molinari	Smith, Denny
Hopkins	Monson	Smith, Robert
Hubbard	Montgomery	Snowe
Huckaby	Moody	Snyder
Hughes	Moore	Solomon
Hunter	Moorhead	Spence
Hutto	Morrison (WA)	Spratt
Hyde	Murphy	Stallings
Ireland	Myers	Stangeland
Jacobs	Neal	Stenholm
Jeffords	Nielson	Strang
Jenkins	O'Brien	Stump
Johnson	Olin	Sundquist
Jones (OK)	Oxley	Sweeney
Jones (TN)	Packard	Swindall
Kasich	Parris	Tallon
Kemp	Pashayan	Tauke
Kindness	Pease	Tauzin
Kolbe	Penny	Taylor
Kolter	Petri	Thomas (CA)
Kostmayer	Pickle	Thomas (GA)
Kramer	Porter	Valentine
Lagomarsino	Pursell	Vander Jagt
Latta	Ray	Vucanovich
Leach (IA)	Regula	Walker
Leath (TX)	Ridge	Weber
Lent	Rinaldo	Whitehurst
Lewis (CA)	Ritter	Whittaker
Lewis (FL)	Roberts	Wilson
Lightfoot	Robinson	Wise
Lipinski	Roemer	Wolf
Livingston	Rogers	Wylie
Lott	Roth	Yatron
Lowery (CA)	Roukema	Young (AK)
Lujan	Rowland (CT)	Young (FL)
Luken	Rowland (GA)	Zschau
Lungren	Russo	

NOES—172

Ackerman	Dellums	Kennelly
Addabbo	Dicks	Kildee
Akaka	Dingell	Kleczka
Alexander	Dixon	LaFalce
Anderson	Donnelly	Lantos
Anthony	Durbin	Lehman (CA)
Aspin	Dwyer	Leland
Atkins	Dymally	Levin (MI)
Barnes	Edgar	Levine (CA)
Bedell	Edwards (CA)	Lloyd
Beilenson	Erdreich	Long
Bennett	Evans (IL)	Lowry (WA)
Berman	Fascell	Lundine
Bevill	Fazio	Manton
Biaggi	Feighan	Markey
Boehlert	Flippo	Martinez
Boggs	Florio	Matsui
Boland	Foglietta	Mavroules
Bonior (MI)	Foley	McCloskey
Bonker	Ford (MI)	McHugh
Borski	Ford (TN)	McKernan
Boucher	Frank	McKinney
Boxer	Fuqua	Mica
Brooks	Garcia	Mikulski
Brown (CA)	Gephardt	Miller (CA)
Bruce	Gonzalez	Mineta
Burton (CA)	Gray (IL)	Mitchell
Bustamante	Gray (PA)	Moakley
Carper	Green	Mollohan
Clay	Guarini	Morrison (CT)
Coelho	Hatcher	Mrazek
Coleman (TX)	Hayes	Murtha
Collins	Hertel	Natcher
Conte	Horton	Nelson
Conyers	Hoyer	Nowak
Crockett	Kanjorski	Oakar
Daschle	Kaptur	Oberstar
de la Garza	Kastenmeier	Obey
Ortiz	Seiberling	Vento
Owens	Shelby	Visclosky
Panetta	Sikorski	Volkmer
Pepper	Smith (FL)	Walgren
Perkins	Smith (IA)	Watkins
Price	Smith (NJ)	Waxman
Quillen	Solarz	Weaver
Rahall	Staggers	Weiss
Rangel	Stark	Wheat
Reid	Stokes	Whitley
Richardson	Stratton	Whitten
Roe	Studds	Williams
Rose	Swift	Wirth
Rostenkowski	Synar	Wolpe
Roybal	Torres	Wright
Sabo	Torricelli	Wyden
Savage	Towns	Yates
Scheuer	Traficant	Young (MO)
Schroeder	Traxler	
Schumer	Udall	

NOT VOTING—25

Chappell	Gejdenson	Loeffler
Chappie	Gilman	Martin (NY)
Coyne	Hall (OH)	Nichols
Derrick	Hawkins	Rodino
Downey	Hefner	Rudd
Early	Hendon	St Germain
Fowler	Howard	Wortley
Franklin	Jones (NC)	
Frost	Lehman (FL)	

□ 1210

The Clerk announced the following pairs:

On this vote:

Mr. Rudd for, with Mr. Rodino against.

Mr. Chappie for, with Mr. Hawkins against.

Mr. Hendon for, with Mr. Gejdenson against.

Mr. Franklin for, with Mr. Lehman of Florida against.

Messrs. ASPIN, FASCELL, and VOLKMER changed their votes from "aye" to "no."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Mr. BONER of Tennessee. Mr. Chairman, I erroneously cast a vote in favor of the first amendment offered by Mr. BARTLETT of Texas. In fact, I am opposed to this and the other Bartlett amendments.

Cloaking these amendments in terms of budget freezes or reductions to fiscal year 1985 funding levels ignores the substantive merits of the program funding recommendations presented by the Appropriations Committee.

The Appropriations Committee recommendations were not arrived at lightly. They reflect the committee's considered review of all of the programs within the committee's jurisdiction. The fact that some of the recommendations do not match last year's funding levels demonstrates that the members of the committee have carefully looked at these programs and have asked the House to accept the changed priorities set forth in the bill.

The bill in its entirety is below the appropriated levels passed for fiscal year 1985. To claim that the Bartlett amendments are necessary to keep the bill at freeze levels is clearly not the case. The bill is nearly a billion dollars below the level of appropriations provided last year for the same agencies

and programs. The committee has made the difficult choice of reducing other programs so as to fund the increases recommended in the assisted housing program.

Opponents of the committee's recommendations should be truthful in acknowledging that they disagree with the committee's funding priorities.

□ 1220

AMENDMENT OFFERED BY MR. BARTLETT

Mr. BARTLETT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BARTLETT: Page 2, line 18, strike out "$2,143,800,000" and insert in lieu thereof "$1,153,800,000".

Page 5, line 16, strike out "$1,980,000,000" and insert in lieu thereof "$990,000,000".

Mr. BARTLETT. Mr. Chairman, this is likewise a very straightforward amendment. It follows on the heels of the amendment which was just adopted and in which the House made its will known on a true appropriations freeze by a vote of 237 to 171.

Mr. Chairman, what this amendment would do is in the same context of attempting to achieve an appropriations freeze at fiscal year 1985 levels. The background of this amendment is the further attempt of the House to reduce the total or aggregate level of assisted housing programs in the appropriations bill down to $8.9 billion which was the total amount spent in last year's appropriations for fiscal year 1985.

Again, that is the background and the context of what the House is now attempting to do.

This amendment is very straightforward. This amendment merely freezes the level of new units of public housing at last year's level.

The committee bill, and I would call to the attention of the floor the item entitled "New Construction of Public Housing," the committee bill would have us increase from fiscal year 1985 at a construction pace of 5,000 new units. The committee bill would increase that to 10,000 units, a 100-percent increase in 1 year, or increase it from $945 million to $1.5 billion.

This amendment is essentially a freeze. It does not propose to eliminate units or reduce the number of new units to less than last year's level. It merely says that in the face of this Congress freezing NASA, freezing defense, freezing education for the handicapped, freezing school nutrition, freezing vocational rehabilitation for handicapped persons, that this House ought to also at least freeze the number of new units of public housing and we should not adopt a 100-percent increase in the construction of new units.

Now, Mr. Chairman, this amendment likewise does not affect existing units of public housing; so if each of you would think of the public housing complexes in your district, there are some 3.9 million units of total assisted public housing, or 1.3 million units of public housing units in this country as a whole. I would ask you to remember that this amendment does not affect those at all.

This amendment says that we will only build 5,000 new units instead of 10,000 new units, as the committee would propose.

Now, I have some concern about the wisdom of constructing large numbers of new units of public housing. I think in particular the House has concern about doubling the number of units or increasing the construction.

These new units of public housing, Mr. Chairman, will cost in the bill alone $6,600 per unit. But do not be mislead. That is $6,600 per unit per year for 30 years.

It is undoubtedly one of the most expensive ways that we could ever provide assistance to low-income persons in helping to provide housing. There are better ways. There are more rational ways. There are more compassionate ways.

One low-income resident of New York City in testifying before our committee told us in response to the question as to whether we should build any more public housing units, she took the microphone and said, "Perhaps, gentlemen, you did not understand. We don't want any more public housing. We want the chance to own our homes."

There is another issue, and the other issue is the repair——

Mr. GARCIA. Mr. Chairman, will the gentleman yield?

Mr. BARTLETT. I am happy to yield to the gentleman from New York.

Mr. GARCIA. Mr. Chairman, I really think that the statement made by the gentleman from Texas is so misleading. We presently have today in the city of New York 173,000 people on a waiting list for public housing. That one women should say that she wants to own a home, as opposed to cutting back on all the public housing, I think is really a disservice to this Congress.

Mr. BARTLETT. Reclaiming my time, Mr. Chairman, I have heard that same statement from residents of public housing throughout Texas, through other States. At every meeting of public housing residents that I have attended, anyway, they say, "Don't construct more units of public housing. Repair the ones you have. Bring them up to decent, safe and sanitary standards, but we are not asking for more units."

□ 1230

Last year we built 5,000 new units of public housing. This coming year, in light of the deficit, we ought to agree to build the same 5,000 units, but not a 100-percent increase.

Mr. GARCIA. Will the gentleman yield?

Mr. BARTLETT. I am happy to yield to the gentleman from New York.

Mr. GARCIA. There is no question that everybody's dream is to own their own home, whether you live in Texas or in the city of New York or in California.

But until you get to that point in your life where you can own your own home, we as a Congress, as a Government, have a responsibility. And to come again to this floor and to say that somebody, somebody someplace in Texas wants to own a home as opposed to public housing, I would just say to my colleague from Texas that we are dealing today with one of the most essential ingredients of many of America's urban centers.

The CHAIRMAN. The time of the gentleman from Texas [Mr. BARTLETT] has expired.

(On request of Mr. GARCIA and by unanimous consent, Mr. BARTLETT was allowed to proceed for 2 additional minutes.)

Mr. GARCIA. Some of you may not understand what is happening in the South Bronx, but I would wish that you would come to the South Bronx and talk to the people there.

Mr. BARTLETT. Reclaiming my time, I would suggest to the gentleman that the purpose of the housing appropriation bill in the Federal Government, what we should concentrate on is repairing the thousands, and the tens of thousands, and perhaps hundreds of thousands of units that are now vacant and in need of repair, and not decent, and not safe, and not sanitary as opposed to constructing new units of public housing.

Mr. ROTH. Mr. Chairman, will the gentleman yield?

Mr. BARTLETT. I yield to the gentleman from Wisconsin.

Mr. ROTH. I thank my friend from Texas for yielding. I think the gentleman from Texas has a good amendment.

I have been following what the gentleman has done in our subcommittee and in committee, and I think he is on the right track. We want people to have decent housing, but by driving up the deficits like we are going to do, we are going to do precisely the opposite of what we are intending. By destroying the economy in the long run through high deficits and interest rates we are hurting most the people who need the most help. Any economist you talk to will tell you that high deficits mean high interest rates. And if we are ever going to get these interests rates down, we have to take a look at legislation such as we are debating here today. We have to take a look at amendments like this. We can cut this

budget by a billion dollars by adopting this amendment.

We had 5,000 new units last year. In a country like this 5,000 or even 10,000 units means nothing and we aren't going to meet our housing needs by taking the most expensive approach to housing our people.

You have got problems in New York, yes. I love New York. But you drive through New York, at times it looks like it is bombed out in some areas. We have untold thousands of vacant units in New York, yet the Appropriations Committee would have us build still more new units of housing.

Let's disabuse ourselves of the notion that new is better. The $250 billion we have spent on housing has bought enough to house one-fourth of the people who are eligible for assisted housing. These 5,000 additional units the committee wants to build at a cost of $6,600 for the next 30 years won't solve the problem. Let's get our deficit down. Let's get interest rates down then we'll see some housing built. I thank the gentleman for yielding.

Mr. BARTLETT. I thank the gentleman for his comments.

The purpose of this amendment is, whether you believe that we ought to be constructing new units of public housing or not constructing new units of public housing, to say that it is not a priority of this Government to increase by 100 percent that construction pace while we are freezing NASA, while we are freezing education of the handicapped, while we are freezing disability rights, and freezing virtually every other program.

The CHAIRMAN. The time of the gentleman from Texas [Mr. BARTLETT] has again expired.

(On request of Mr. HILER and by unanimous consent, Mr. BARTLETT was allowed to proceed for 2 additional minutes.)

Mr. HILER. Mr. Chairman, will the gentleman yield?

Mr. BARTLETT. I yield to the gentleman from Indiana.

Mr. HILER. I thank the gentleman for yielding.

Will the gentleman who is a member of the Housing Subcommittee answer the question, In the authorization bill which will get to the floor hopefully in September, how many units were authorized in the authorization bill?

Mr. BARTLETT. The gentleman is correct in asking the question. The number was 5,000 units. The authorizing committee has concluded that a 100-percent increase is not the correct approach to the needs of public housing in this country.

Mr. HILER. So the Appropriations Committee would be appropriating money for 100 percent again as many units as what the full Banking Committee thought might be appropriate?

Mr. BARTLETT. The gentleman is correct. The authorizing committee has concluded that 5,000 new units is the correct number of new units. And to do different in the appropriations process is to essentially obviate the process.

Mr. HILER. Will the gentleman yield further?

Mr. BARTLETT. I yield to the gentleman from Indiana.

Mr. HILER. On the last amendment there was a great deal of discussion over the $500 million of new programs, and the $500 million of new programs had a great deal of debate within the authorizing committee. But does the gentleman recollect whether or not there was a great deal of debate in the full Banking Committee or the Housing Subcommittee on whether we should have 5,000 or 10,000 or more?

Mr. BARTLETT. I thank the gentleman for his question and, of course, that is why I had to search my mind a little bit, to determine, to try to remember how many we had authorized, because I attended every hearing, as you know, and I attended every markup and there was no debate over increasing the number of new units of public housing.

Mr. HILER. If the gentleman will yield further, the question of going to 10,000 was not really in the ball game. There was 5,000, and that was pretty generally agreed that it would be the equivalent number of new units as there were new units in 1985.

Mr. BARTLETT. The gentleman is correct, and the question has not been debated by the subcommittee, nor by the full committee, nor so far as I know by an informal group, but perhaps it has been.

Mr. KASICH. Mr. Chairman, will the gentleman yield?

Mr. BARTLETT. I yield to the gentleman from Ohio.

The CHAIRMAN. The time of the gentleman from Texas [Mr. BARTLETT] has again expired.

(On request of Mr. KASICH and by unanimous consent, Mr. BARTLETT was allowed to proceed for 30 additional seconds.)

Mr. KASICH. Mr. Chairman, all the gentleman from Texas is trying to do is to have an appropriation bill that matches what we authorized; is that not correct? And in fact, what the Appropriations Committee is trying to do at this point is double what the authorizing committee said we ought to do on this floor; is that correct?

Mr. BARTLETT. The gentleman is correct. The amendment is to say if we built 5,000 new units last year, we ought to build 5,000 new units next year, no more, no less. It is a straightforward freeze in the new construction of public housing units, and I yield back the balance of my time.

Mr. GREEN. Mr. Chairman, I move to strike the last word.

It is not permissible under the rules of this House for me to discuss what may happen in the other body when this bill gets there.

But I think it might be instructive to look at what happened to this appropriation bill last year. When this appropriation bill left the House last year, it had a 10,000-unit public housing appropriation. The other body voted zero for public housing.

We went to conference and we wound up with 5,000 units, and that is where the gentleman gets his 5,000-unit figure.

All this amendment is doing is chopping the legs out from under the House conferees when we go to conference with the other body.

Mr. GARCIA. Mr. Chairman, I rise in opposition to the amendment.

I would just like to ask my colleague from Texas a couple of questions, if I may. One of the things that really troubles me about all of this is that I guess that is what this country is all about, some of us represent the poor and we care, and some of you represent the fairly wealthy, and maybe you have a difference of opinion.

I do not know if you have any public housing projects in your district, and you may or may not. But if my assumption is correct, the gentleman represents one of the richest districts in America.

Mr. BARTLETT. Mr. Chairman, will the gentleman yield briefly?

Mr. GARCIA. I yield to the gentleman from Texas.

Mr. BARTLETT. I have public housing units in my district. I have a 10- to 15-year record of working on behalf of the residents in public housing in the Dallas area.

Mr. GARCIA. OK, but if I may continue the question, you also represent one of the wealthiest congressional districts in America, do you not?

Mr. BARTLETT. And if the gentleman will yield further, yes, and in representing that district, we take the view that we all live in that town together, and thus my working with HUD, and with the Dallas Housing Authority, and with the residents of public housing, some of whom live in my district and some of whom do not.

Mr. GARCIA. Well, I would just like to say, if I may, that I represent the poorest congressional district in all America. And for those of you who may not be aware, during the battles over housing in the subcommittee, led by our chairman, the gentleman from Texas, HENRY GONZALEZ, who has done an outstanding job, and who understands the plight of the poor, and understands what we need in housing, I would ask you gentlemen if you ever travel, if you care enough to travel through those parts of the country where there is a need.

For those of you who may not know, to give you an example of some of the problems we have, not too long ago my

wife and I were about to board a train for Albany, NY, from Grand Central Station, and we had about 1½ to 2 hours before the train departed. So we decided to go find a locker in Grand Central Station and check our bags so that we can go to a local store close by to look at whatever it is we were interested in at the time.

We looked high and low throughout Grand Central Station for one locker. There was not one locker to be found.

What has happened is that every one of those lockers have been taken up by the homeless, each one of those lockers. And I ask any one of you to go into Grand Central Station, or Penn Station right now and find a locker to put your suitcase, and you will find that you will not be able to get one locker because the homeless in New York are growing by leaps and bounds, and they use those lockers to keep their belongings.

□ 1240

To go beyond that, you stand outside of Grand Central Station at about 9 or 10 o'clock at night on Vanderbilt Avenue between 43d and 42d Street and you see the long line of homeless waiting to get into Grand Central Station or waiting to find a place that is warm.

Now I believe in deficits. I believe we have a responsibility to cut deficits. But I believe that this country was founded on the faith that all persons in this country should at least have an opportunity for decent housing. That is the part that really troubles me in this debate; yes, we have to represent our consitutents and I try to do the best I can as you try to do the best you can, but I will be gosh-darned if from time to time I can see your point of view. I would hope from time to time you can see the plight of the poor. That troubles me. It troubles me greatly because if there is any need we have in this country today it is housing.

Mr. BARTLETT. Mr. Chairman, will the gentleman yield?

Mr. GARCIA. I would yield to my colleague.

Mr. BARTLETT. I thank the gentleman for yielding.

Mr. Chairman, I have a great deal of respect for the gentleman from New York City. On housing issues we sometimes agree and sometimes we disagree. I believe that the gentleman does set out to represent the plight of the poor, as do I. But the point is there are homeless in New York, there are homeless programs in this bill. New construction of public housing is not one of those programs for homeless in New York City. New construction of public housing is for public housing new construction. I would suggest there are better ways of accomplishing this.

Mr. GARCIA. Reclaiming my time, I ask my colleague a question: Did you support the rehabilitation of those under the section 8(a) program? Did the gentleman support that? That would be rehabilitation of structures that are standing, that need rehabilitation. I would ask the gentleman did he support that because he mentioned that two or three times, that that is what we should be doing.

Mr. BARTLETT. Mr. Chairman, will the gentleman yield further?

Mr. GARCIA. I yield to the gentleman from Texas.

Mr. BARTLETT. I thank the gentleman for yielding further.

Mr. Chairman, I did, I have, I will continue to support funds to repair the existing units of public housing.

Mr. GARCIA. Repair or rebuild?

The CHAIRMAN. The time of the gentleman from New York has expired.

(By unanimous consent, Mr. GARCIA was allowed to proceed for 2 additional minutes.)

Mr. GARCIA. I would ask my colleague, is he talking about repairing or rebuilding?

Mr. BARTLETT. Repairing.

Mr. GARCIA. Repairing? Well, there is a big difference between repairing and rebuilding. Repairing can be anything from a doorknob on a door to the entrance of a building to changing a window. Rehabilitation means gutting that building and making an apartment in there, making something livable.

Mr. BARTLETT. If the gentleman would yield further, since the gentleman continues to ask me what I have supported and what I have not supported, I have supported the repair, rehabilitation, and modernization of existing units of public housing. There are 1.3 million units of public housing in the country today, of which we believe there could be as much as a $10 billion need for repair.

It may be that the gentleman from New York does not think that a new doorknob on a front door is very important, but for the person who is living there trying to provide some security for his family, it becomes terribly important.

Mr. GARCIA. Sure. Reclaiming my time, reclaiming my time and making it very clear to my colleague from Texas: I would hope, he sounds very good and I applaud what he says, but I think the terms of deed as opposed to action are two different things in terms of what we are saying.

I am troubled by this amendment. I was troubled by the last amendment. I am troubled by this amendment because I think the gentleman understands as a member of our Housing Committee the needs that we have in America. I would hope that the gentleman would just do one favor, come into my district and talk to the people. Do not listen to me. Talk to the people and ask them what the need is. I would appreciate that. I think it would give the gentleman a sense of where we are going.

There are a lot of good things happening, a lot of good things to build on. It would seem to me that that is what we have to be doing. I would be delighted to go to the district of the gentleman to talk to his constituents and tell them about my needs. I have no problem in doing that.

Mr. MARKEY. Mr. Chairman, will the gentleman yield?

Mr. GARCIA. I yield to the gentleman from Massachusetts.

● Mr. MARKEY. Mr. Chairman, I would just like to state for the record that as chairman of the Energy Conservation and Power Subcommittee, I do not agree with the report language on pages 37-38 of the Appropriations Committee's report with respect to the Federal Emergency Management Agency. It is significant to note that the subcommittee which I chair and the full Energy and Commerce Committee have also considered the matter of offsite emergency planning for nuclear powerplants and chose not to enact or suggest any new authority or responsibilities.

The appropriations report implies that FEMA should presume that State and local governments will participate in emergency planning even when those governmental agencies have stated to the contrary. This is an insult to all State and local governments. We should be asking ourselves what are the concerns of these governmental entities rather than suggesting that the Federal Government should simply override their legitimate authority in these matters. The fact is that public health and safety can only be protected if these local governmental entities participate fully in the planning and the preparedness process. It is wrong to presume they will be able to act to protect the public in an emergency if they have not participated in the planning and preparedness process.

The committee report might be read by some to suggest that as a last resort FEMA should preempt State and local government authority. A report prepared for me by the American law division of CRS shows that under current law and regulations only State and local governments are empowered to implement an emergency preparedness plan. Even the Director of FEMA has acknowledged in a letter to the National Governors Association that his agency does not have the authority to implement a nuclear powerplant emergency plan. Report language simply does not confer any new authority to FEMA. I might add that any involvement by FEMA in actually implementing an emergency plan

would raise serious conflict of interest questions since FEMA is in the position of independently evaluating emergency plans for the Nuclear Regulatory Commission.

Significantly, the Director of FEMA has also repeatedly stated that FEMA should not have the power to implement an emergency plan as a last resort because it could not adequately protect public health and safety. There are significant safety questions involved here and I do not think that Congress should be suggesting that FEMA—or other Federal agencies—should take actions which FEMA—the Nation's experts on emergency planning—have identified as being problematic from a safety perspective.

On a policy level, the President and the Secretary of Energy have made it clear that this administration does not support the imposition of Federal authority over the objections of a State and local government in this arena. I don't believe the Congress does either. And, if Congress wished to consider this matter, then the appropriate manner would be through a separate legislation, a process that would entail public hearings and debate among members. Significantly, Congress has not done this. Further, the likely policy ramification of Federal preemption in this area would be to encourage State and local governments with a financial incentive to refuse to participate in emergency planning measures since they would be led to believe that the Federal Government is offering bailouts.

Clearly then, whether this issue is looked at from a legal, safety or policy perspective, FEMA should not be considered as a last resort to implement emergency plans for commercial nuclear power plants.

Any effort by FEMA to act in such a manner and to usurp the legitimate authority and responsibility of local and State governments will be vigorously challenged.●

Mr. GARCIA. Mr. Chairman, I yield back the balance of my time.

Mr. HILER. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I will not take a long time. This is a very straightforward amendment. The question in this amendment is not whether or not we will have any funds for new public housing units. The question is not between 10,000 units and zero units. The question is whether or not we will authorize 5,000 new units for 1986 as we authorized 5,000 new units for 1985. The question is not between all or nothing; the question is whether we have a 100-percent increase or whether we have the same amount of new construction as we had in the last Congress.

I think it is a very responsible amendment. The fact that the gentleman from Texas [Mr. BARTLETT] recognizes that there continue to be needs for new public housing authority, he recognizes that and says that 5,000 units, the same number of units that were authorized in the housing authorization bill which will eventually get to this floor, the number of units that there was no discussion about in the subcommittee markup or in the full committee markup, where it was generally agreed that 5,000 units was the proper number of units.

So the gentleman from Texas' amendment would say to the Appropriations Committee and have it as a policy of this Congress that we will go forward with 5,000 new units. We will not double the number of new units, we will simply go with the same number of new units as we did in the last Congress.

Mr. Chairman, I yield back the balance of my time.

Mr. HOYER. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I rise to congratulate Chairman BOLAND for a responsible and impressive piece of legislation for housing and urban development. There is a critical need for this legislation which addresses the continuing shortage of housing which affects many Americans. In the Washington area this problem has increased dramatically in the past 4 years.

Last month, the Metropolitan Washington Council of Governments [COG] completed a housing needs assessment for the Washington area. COG found that 12 percent of all Washington area households, or 134,135 households, are still in need of housing assistance because of low income, substandard housing conditions, and lack of affordable housing resources in the area. Further, the COG study found that in 1984, 33,619 households were on lower income housing waiting lists which was a 110-percent increase over the number which were waiting in 1974.

In response to this great need, the administration proposed a 2-year moratorium on all subsidized housing programs with no funding provided for any additional housing units in fiscal year 1986. In the face of high interest rates, escalating housing costs and a documented need for housing by a significant proportion of our population the administration asks us to wait. Further, the President asked over 33,000 people in the Washington area to continue to wait for 2 full years before considering their needs.

Mr. Chairman, luckily, the chairman and his distinguished subcommittee recognized that the need is now and we cannot wait to meet it. In the Washington area, as elsewhere in this Nation, our elderly population is growing. The COG report documents a 32-percent increase in the elderly population in the Washington area, to over 225,000 people in 1980. This growth rate is triple the growth rate of the 18- to 54-year-old working population; 47 percent of these elderly have incomes below $15,000 and are unable to withstand the pressure of rising housing costs. These elderly, particularly senior, females living alone increasingly rely on housing assistance not only because of financial necessity but because of the need for social and medical support as well. We cannot ask them to wait for 2 years. This legislation does not ask them to wait, but rather acts to appropriate $1.6 billion for the support of 12,000 additional units of elderly and handicapped housing and sets a $631 million limit on direct loans for this group as well.

Compassionately, and wisely, Chairman BOLAND rejected the President's request by restoring funding for various housing assistance programs, including essential public housing and elderly and handicapped housing. Prudently, the chairman appreciated the need to address our most pressing national problem, that is, our bloated deficit, by keeping the fiscal year 1986 appropriation below the fiscal year 1985 appropriation. In keeping this delicate balance, the chairman and the subcommittee has shown this Congress that our concern for the deficit need not eclipse our concern for our Nation's social needs. I congratulate him and all the members of his subcommittee and urge support for this important appropriation.

Mr. KASICH. Mr. Chairman, I move to strike the requisite number of words and I rise in support of the amendment.

Mr. Chairman, we are greeted every day by article after article in our morning papers about the deadlock in Congress over deficit reduction, the deadlock in the Congress over budget problems, about trying to pull ourselves together, either here in the House or in the Senate, within both Houses, to put a budget together.

When you read the New York Times, or the Wall Street Journal, or the Washington Post, you find the bond market and the stock market reacting to our seeming inability to come to grips with the problem of the deficit. Now if you turn on the television set at 10 o'clock every morning to watch our proceedings, there is no question that you will see people from the left and people from the right making 1-minute speeches about the the deficit problem particularly people on the left who stand up and scream and shout about deficits.

Now I want to tell you that for those people who are Congress watchers, in the last couple of weeks we have had a

couple of votes up here that in my opinion were simple votes to try to trim the budget and trim the deficit.

Let me tell you about two of them. One of them was the vote on the EDA. Most of the people, most of our colleagues in this Congress, if you speak to them off this floor, will tell you that this is one program that we could have done without.

Then we come back and, of course, did not vote to end the program. We did not vote to eliminate or reduce the EDA. We voted for more spending just like an addict who has to have more every day. We shoot more money into our arms because we cannot control ourselves in this House.

□ 1250

Then just a couple of days later we had the water bill before us. Everybody in this House knew that we could all do with a little less pork; and we had an effort to try to freeze the appropriation at last year's level. The great freeze program. We lost that one, too.

There are a lot of people on my side of the aisle who look to the chairman of the Budget Committee, and look to my colleagues like the gentleman from Connecticut [Mr. MORRISON], and many others on this side who we believe are trying to make a good-faith effort to get this deficit under control.

We must make a good-faith effort to prioritize programs in the Federal budget, so that we can do what we hear every morning during these 1-minute speeches; and try to trim deficits.

We all know how critical it is; you just have to pick up the newspaper, or pick up the Journal of the House or the Senate.

Keeping that in mind, what is the gentleman from Texas [Mr. BARTLETT] trying to do? Mr. BARTLETT is simply trying to keep the increase in housing and public housing at last year's level. We are not trying to reduce anything; we are trying to restrain the increase to last year's level, and as the gentleman form Indiana [Mr. HILER] says, rather than having 10,000 new units, we simply want to have 5,000 more units; not a freeze; that is not a zero; that is a 5,000-unit increase.

To cut 5,000 of the increase will save about $1 billion over the life of this program, I am told by committee staff.

When you watch the Congress and you see the votes on EDA, and you see the votes on the water renewal bill, and you see the Congress have a seeming inability to control its spending, and then you take a look and you see Mr. BARTLETT's first amendment that passed here this morning, it gives you reason to be encouraged. It gives you reason to believe that maybe, when the going gets tough, the Congress will get tough and sensibly prioritize programs; and actually address the deficit.

Because if we do not, this Congress is driving an automobile at 100 miles an hour, and we are driving this automobile right into a brick wall, and we all know it.

Now, as a strong proponent of defense, and my colleagues on the Democrat side know that I support the defense programs; this time I supported a freeze in defense spending at the 1985 level. I thought we should do it; I was one of the first Republicans to say that.

I think that defense spending has to play a part in deficit reduction, but as I pointed out last week on the floor when Mr. WALKER had his amendment before us, defense spending as a percentage of our gross national product is 6.6 percent; a full 2 percentage points less than what John Kennedy and Lyndon Johnson spent on defense, while we spend 15 percent of GNP on nondefense programs. We cannot solve our deficit by relying on programs that represent essentially a quarter of the budget of the United States to play 50 percent of the part in deficit reduction.

We have to make responsible program changes. This amendment is not some wild-eyed scheme to devastate anybody; it is a program that says, let us have 5,000 new units. Let us do what the authorization committee said we ought to do. Let us save $1 billion and still provide more homes, more units, and move forward, and give those people who watch this Congress a reason to be optimistic about our ability to come to grips with our spending problem.

(On request of Mr. PURSELL and by unanimous consent, Mr. KASICH was allowed to proceed for 2 additional minutes.)

Mr. PURSELL. Will the gentleman yield?

Mr. KASICH. I yield to the gentleman.

Mr. PURSELL. The gentleman mentions other authorization bills; yes, we have won some, we have lost one, so I congratulate you for consistency; especially being on the Armed Services Committee, and that takes a lot of courage on your part.

I just suggest that it is a matter of discipline in the House. The gentleman has mentioned the freeze, and I would just like to remind all of us that that only gets us $32 billion. We are trying to set a goal of at least $50 billion this year, irrespective of the budget resolution.

Now let us suggest that the budget conferees falls apart on us. All right, we come back and continue to discipline the House, so we can still achieve that goal with or without a budget.

Just in case we do not, it does not mean that the House can come back here and just say: Well, the budget conference fell apart, so we are going to fall apart. We cannot afford to lose the discipline that we are attempting to achieve at least a $32 billion savings. If we can't achieve that goal, then how do we get the next $18 billion to attain a $50 billion objective?

I support Mr. BARTLETT's amendment.

Mr. KASICH. I appreciate the gentleman's contribution.

I would be glad to yield to my friend from Connecticut.

Mr. MORRISON of Connecticut. I thank the gentleman for yielding, and I commend the gentleman for his support of the various attempts to freeze spending, and I think we, especially with respect to his role as a member of the Committee on Armed Services, in taking that position.

Frankly, this amendment is, as if within the Armed Services budget, we have done weapon system by weapon system and said: Well, now wait a minute; you are buying twice as many of those this year, or 50 percent more; now, we would like you to cut that down in the name of a freeze.

The fact is that the overall spending level in this appropriation is at or below last year's level; it is below the budget level, and we ought not to be using the name of the freeze or the idea of controlling spending in support of this amendment.

If the gentleman from Texas believes that this allocation of priorities, spending money on public housing, is the wrong one; that is one argument. But to talk about this as if it were a fiscal matter is really misdefining what we have got here.

Mr. KASICH. I appreciate the gentleman's comments. My concern about this, for those that are watching this debate is——

(On request of Mr. WILLIAMS and by unanimous consent, Mr. KASICH was allowed to proceed for 2 additional minutes.)

Mr. KASICH. My concern is, as I understand it, and the gentleman from Texas [Mr. BARTLETT] may want to comment on this, we had a bookkeeping change. We had smoke and mirrors in trying to say that we were not going to make expenditures; we took $1 billion that was funded out of this Housing Program, but we took the billion and we put it in another pocket.

Then we said that we reduced housing by $1 billion; and the gentleman from Connecticut [Mr. MORRISON] knows that when you are shifting money from one pot to another, you're not cutting it, you're still spending it. It does not matter whether you spend it in housing or whether you spend it in NASA; the $1 billion is flowing out.

I wonder if the gentleman from Texas would comment on that.

Mr. BARTLETT. The gentleman is correct. In order to get to a freeze

level at fiscal year 1985 levels, we have to reduce this appropriation of the assisted housing programs down to $8.9 billion.

It is not an across-the-board freeze; it aggregates all of those assisted housing programs to an aggregate level of $8.9 billion.

Further, of course, as the gentleman knows, it is impossible to freeze the budget if you are increasing that section by 5,000 units, or if you are doubling the number of new units; that is patently not a freeze.

Mr. KASICH. Let me just say to the gentleman from Texas, and let me ask him this question again so there is no confusion.

The authorizing committee said we ought to have 5,000 new units. Is that correct?

Mr. BARTLETT. If the gentleman will yield, that is what the authorizing committee has so far said, and will be bringing the bill to the floor.

Mr. KASICH. The Appropriations Committee said we have got to spend more; we have got to bust the budget; we want 10,000 new units; which is twice as many as what the authorizing committee said we ought to do. Is that correct?

Mr. BARTLETT. The Appropriations Committee has put 10,000 new units in its budget. I will leave it to the gentleman to characterize how they did that.

Mr. KASICH. Let me say this: What the gentleman from Texas wants to do is only to create the new number of units that is authorized.

Mr. BARTLETT. If the gentleman will yield, that is correct; there is sentiment in the House as the gentleman knows, for a moratorium for no new units. This amendment does not do that; this amendment would build the same number of new units next year as we built last year.

Mr. KASICH. Let me complete my statement. Mr. Chairman, we cannot keep going home and blaming the President; we cannot keep going home and blaming somebody else. We have got a deficit in this country of $213 to $214 billion. We have got to face up to this, ladies and gentlemen, and this amendment is very, very reasonable and I would suggest we support it.

□ 1300

Mr. WILLIAMS. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, just very quickly, to respond to some of what was said accurately by the last speaker in the well. We indeed, those of us on the Budget Committee, commend the members of the Armed Services Committee who found it within themselves to support the freeze; my colleagues and folks need to understand that there is a freeze and then there is a programmatic freeze, and what they supported, what most Members of this House supported, was not a true freeze, not a freeze at last year's dollar level, but rather a programmatic freeze. And it is critical to understand that a programmatic freeze means that the American taxpayers are being asked to spend between $18 and $20 billion more next year than they spend this year on the Pentagon.

Now, with regard to associating defense spending to the gross national product as a ratio. To do that, indicates that the richer this Nation becomes, the more that it automatically needs for defense. If we are going to use that ratio, then Afghanistan is perhaps the strongest military power in the world. Gross national product is not related to how much you spend on defense. Our Nation's defense needs are what we have to take into account in determining how much you need to spend on defense. Those needs are not directly related to our gross national product.

Mr. GONZALEZ. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, again I rise, first, to congratulate the Appropriations Committee. I never thought, Mr. Chairman, that I would hear the day that you were accused of being liberal and profligate, when you have been hearing the very opposite from us, even to this day, the authorization committee component. But I rise in opposition to the amendment because, first, I agree with the gentleman from New York when he charged that the presentation offered by the author of the amendment, my colleague from Texas, was, in my words, mischievous, because it is, it has been.

Let me tell you why: The impression has been given that this is an unauthorized increase of 5,000 new units of public housing. There is no such thing. As a matter of fact, the budget obligation authority within which we work, the overall budget figure, to conform with the then Budget Committee action as approved by the House of Representatives, and as of yesterday's action, certainly in conformity with what we consider to be, even by liberal interpretations, a freeze.

Now, the trouble stems that this is basically a philosophic fight that has been ongoing since the beginning of public housing. It is no different.

When the gentleman from Texas refers to public housing tenants who are begging him not to have new public housing, I do not know wherein he bases that statement or what public housing resident is urging that in Texas, because the district he represents and the county in which his district is located was one of the last to accept public housing in Texas. My district and the original district, which was the entire county, was the first in Texas. We have been fighting because even now in San Antonio, TX, my home city, we have over 11,000 pending requests and applications for public housing. It so happens that I represent that particular section of this county that has the lowest per capita family income in the State of Texas, so that we are used to Texas having big "D" come in and tell us that we ought to raise ourselves by our bootstraps when we do not even have huaraches. We are barefoot. Now, when you are barefoot and when you are homeless and shelterless, you do not worry about falling out of bed because you are already sleeping on the ground.

I want to say that, in the case of shelter, why, the gentleman from Dallas would not even have us build adobe huts if we could in San Antonio. If we were allowed in San Antonio to use the building standards that they do in northern Mexico, we would take care of our housing problems just with adobe and mud structure. But I think the responsibility here is plain. Every single hearing we had—and our subcommittee was the first to bring to national attention the question of homelessness. Every single hearing we had, and we had the most comprehensive—the gentleman said he was present at every one of them, but he did not go with us to the field, he was not with the subcommittee when we went to see the horrible plight 1 hour and 15 minutes from here of the migrant farmers' housing in Maryland, Delaware, and Virginia, in the Eastern Shore; he was not with us when we went to the Bronx; he was not with us when we went to the south or southeast Bronx; he was not with us when we went to north Texas, to the labor camps up in Deaf Smith County; he was not with us when we went to California. So what I am saying is that public housing is an absolute need, that, if anything, the Subcommittee on Appropriations ought to be complimented for a responsible and responsive position which is certainly in keeping with frugality, within the freeze limits, within the budget limits and, as the chairman has well pointed out, it is contingent on action taken by the House on a housing authorization bill.

So if the House works its will when we bring the housing authorization—the only reason we do not have it is because the leadership has made a decision to give priority to the Appropriation Committees on their bills for the balance of this month. We have been ready. The housing authorization was approved by the subcommittee, it was approved by the full committee, and we are ready for the full House committee.

Mr. ROTH. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I know time is at a premium, but I wanted to mention something that I think the entire House knows. There is no one who works harder on this, more diligently, than the gentleman from Texas [Mr. GONZALEZ]. But, quite frankly, I think we are losing perspective.

One of the gentlemen from the other side of the aisle got up and said, "In my congressional district we need 133 housing units." We are talking about 5,000 units here, not 133. How many do we need nationwide? Millions.

But the Government cannot supply all of these units. It can't build new units of housing for everyone. What we are saying by adopting amendments like this is that we are going to keep Federal spending under control. And if we keep Federal spending under control or try to get it under control, we are going to have interest rates come down. And if we have interest rates come down, we are going to have more housing units produced. It is the private sector that can produce these units; $6,600 per year for a unit of new public housing? That is unconscionable. Or $200,000 up in Massachusetts to rehabilitate each of 350 units? That is unconscionable. The Government cannot possibly do as good a job as private enterprise is what we are saying. We are also saying you can rehabilitate old housing for a lot less than it costs to build new housing.

What we are saying here is that if we can save $1 billion, let us save $1 billion. We are still going to be even with last year where new construction is concerned.

We have people come up and talk about the budget and the deficits. You know what I think the problem is? We have got too many "yes but-ers" in this body. "Yes, I am concerned about the deficit, but not on this amendment; yes, I am concerned about the deficit, but not in this bill; yes, I am concerned about deficits, but not this week." And by the time we get through with all of you "yes but-ers" we have $250 billion deficits as far as the eye can see, and we are going to reap an economic whirlwind. That is what I am concerned about. We all ought to be concerned about it. But some of us are crying crocodile tears.

Mr. McCOLLUM. Mr. Chairman, will the gentleman yield?

Mr. ROTH. I yield to the gentleman from Florida.

Mr. McCOLLUM. I think the gentleman is right on point. What we need to recognize is that this is exactly the same issue on this amendment as it was on the last amendment of the gentleman from Texas. We need to get the budget under control, we need to get the deficits under control. It is in the best interest of low income persons and housing to have that happen. If you voted "yes" on the previous one, you should vote "yes" on this amendment. I strongly urge, with my colleagues, that there be a "yes" vote on this amendment by the gentleman from Texas.

Mr. ROTH. I thank the gentleman for his contribution, and I think it is time to vote.

Mr. MORRISON of Connecticut. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to take issue with the characterization of this vote by the gentleman from Florida that somehow this is the same vote as the last vote. We are hearing in this debate all about how the authorizing committee recommended 5,000 units and the appropriating committee recommended 10,000, therefore we should knock it back to 5,000.

Now, some of us in the last vote thought it was important that the Appropriations Committee had left some room to adjust its appropriation to the level of the authorization. Apparently that argument was good enough for the last vote, but now that that vote is over we are going to throw that one in the basket and now all of a sudden the authorizing committee is king.

Well, I do not think either the appropriating committee or the authorizing committee has the last word. I think it is a cooperative process. It is unfortunate that some people felt inclined to remove that degree of freedom in the appropriation bill on the last vote, but they certainly should not use that as a precedent to be in lock step and vote "yes" for this amendment.

The fact is that this amendment is a direct attack on the poorest of our people in this country who have a need for housing. The people who live in public housing in this country are desperate people. They have very few choices. Many of them would like to live in areas other than where this housing is provided. But there are huge waiting lists. I know in one town in my district there are 1,500 people waiting on a waiting list for a public housing authority that only has 4,500 units total. How many units could be expected to be built in that housing authority from this appropriation? A small amount more. But many more units are needed.

Now, is it a wrong thing for the Appropriations Committee, operating within the budget and within a freeze level, to have provided these units? No, I do not think so.

□ 1310

We keep hearing about how the freeze level is some lower amount. Well, I think that when this is done it is a misuse of a good idea and a fair idea. Apparently, savings do not count. Removing money from one category to another, that does not count. We do not want the Appropriations Committee to set any priorities, apparently. We want them to be locked in. If we did 5,000 units of public housing last year, we have got to do 5,000 units of public housing this year and call it a freeze, line by line by line. I think that is making a fetish out of a freeze, and I do not think that is what we ought to be doing.

The idea is what we accomplished in the budget, and yes, maybe we can accomplish more. But in the budget we found a way to save over $50 billion, and we should do so. The Appropriations Committee is right in line with those numbers. There is no budget justification for this amendment. This is a policy suggestion. Less public housing; less for the poorest Americans. Our budget resolution here in the House was a proud one because it said even in these desperate times, we are going to care about the poorest Americans; we are going to do what we can with limited resources. Right in keeping with that spirit and with that resolution, this Appropriations Subcommittee has come forward with something that worries about the poorest American, the Americans who are being attacked by this amendment.

I think it would be a shame and a disgrace if masquerading as a budget amendment, this attack on those needy people were to succeed. Maybe there were arguments for that last amendment, but they certainly do not apply here. The need for public housing is overwhelming. It will not be met with 10,000 units much less 5,000. But let us not let the budget argument be used to undermine fair and decent priorities within the budget and within the freeze.

Mr. McCOLLUM. Mr. Chairman, will the gentleman yield?

Mr. MORRISON of Connecticut. I yield to the gentleman.

Mr. McCOLLUM. I thank the gentleman for yielding.

Mr. Chairman, I think the gentleman has made my point. That is, this is a vote on the same basic issue as the previous vote. It is a budget vote. We have $10 billion for housing in this bill. Some of us would like to see this radically cut, but we are not going to have significantly impaired reduction of that amount no matter what amendments are adopted today. We have $12 billion more in permanent obligation that is going to be spent on housing regardless of this bill. What we are attempting to do in this is make one more step toward some kind of fiscal sanity in regaining control of the budget which is the only way the poorest in America can hope to survive without us going into another recession, more unemployment and so on.

The gentleman has made my point for me. It is the same vote as the last one. We have got to vote "yes" again if we voted "yes" before.

Mr. MORRISON of Connecticut. Reclaiming my time, I think the gentleman would like to think this is a budget vote, but this is a priority vote, and it seems to me the priorities that have been set by the Appropriations Subcommittee are reflective of the priority that was set by this House when we passed the budget resolution.

I would hope people would see this vote as one of protecting the people most in need of housing.

Mr. SCHUMER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, on listening to the arguments from the other side, I feel like I got hit one way and then another way. The last amendment we were told we should not have new programs. Do not put money into new programs. The gentleman from Wisconsin, my good friend on the committee, talked about $200,000 for this unit and $70,000 for that unit. It is a very high price to pay for the dear need of housing a poor person. I tend to agree with him it is a high price to pay.

Thus, working with the gentleman from Texas, we try to come up with new programs. What happens? It is new program; cut it out. So we do not have any new programs any more because we voted in the last amendment to knock them out, and now, what are we saying? Cut the old programs.

The gentleman from Connecticut is correct. Let us not hide behind budget. This amendment I would say to my friend, the gentleman from Texas, is mean-spirited. This amendment simply takes the very poorest of the poor, and says to them, "We are not going to help you."

To respond to the gentleman from Florida, it does not take any courage up here to say that the low-income housing, and I have hardly any of it in my district, it does not affect my constituents, it does not take any courage to say, "Cut them another 5,000." It takes courage for many people to cut the agriculture bill below budget, but we did not. It takes courage to actually have a freeze on the defense bill, but we did not. It takes courage to cut some of the programs that affect your district and affect your voters, but you did not.

Now, we are up here beating our breasts saying we can cut from the very poorest of the poor. Yes, we are concerned with the homeless. Yes, we are concerned with people who have no roof over their heads. Well go ahead, cut them. But do not tell me you are being courageous, and certainly, do not tell me that you are helping the very people when you do not vote to freeze below budget for defense, for agriculture, for roads, for water projects, but now you will vote to go below the budget resolution when it comes to poor people.

I think it is a disgrace; I am sorry I am getting excited, but this is a mean-spirited amendment. This is an amendment that says, "You are down, you have got no political power, you have got no weight; kick."

Every member of our Budget Committee, Democrat or Republican, Mr. GRAY, Mr. LATTA, and everyone in between had one agreement. The only agreement we were able to reach at the beginning was that the poor peoples' programs were not going to be slashed any further. This amendment undoes that; it will be a sad day on the floor of this House if this mean-spirited amendment passes.

Mr. PENNY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the assertion has been made that this amendment is a cut in housing programs. It is not a cut in housing programs. We authorized the start of 5,000 new housing units in fiscal year 1985. This bill, if it is not amended, would authorize 10,000 housing unit starts in 1986. What we are doing is reducing the number of housing units back to 5,000, back to the same number that we are allowed in fiscal year 1985, so it is not fair to say that this is a cut in housing programs. It is not fair to say that this is taking away from those who might have access to those housing units. We are just continuing the same funding level for the same number of units that we approved for fiscal year 1985.

Mr. MORRISON of Connecticut. Mr. Chairman, will the gentleman yield?

Mr. PENNY. I yield to the gentleman.

Mr. MORRISON of Connecticut. I thank the gentleman.

Mr. Chairman, I think the gentleman is using a microscope when it we looked at the whole picture it would look somewhat different.

Last year, we had 100,000 new units of housing; this year, we have 100,000 new units of housing. That, if one looks at the entire picture, is a freeze. If you are concerned about using units, although I do not think that is necessarily the way to measure. But now you have taken down with your microscope and you have got one piece.

The committee thinks it can do a better job in addressing the need by moving some of those units around so it has got 10,000 units of public housing and it has reduced units in other categories in order to have a total of 100,000.

Now, if you are focused on units, this bill is a freeze. If you are going to say to the committee the only way that it holds things constant is in each and every category, then what are we really doing with respect to the committee?

Mr. PENNY. If I may reclaim my time, the concept of an overall budget freeze for this program and for other programs is exactly the point we are trying to make today. I commented on this earlier when I described the amount that we set aside for housing programs in fiscal year 1985. It was $11 billion. But there were $2 billion in there that had nothing to do with the construction of new housing units. That money should not have recurred in this year's budget because $1 billion was moved to another budget category and will be spent there, and another billion dollars was a nonrecurring expenditure that should not have been put in fiscal year 1986 appropriations. So if we are going to hold the total funding level at the same level that actually went to housing programs in fiscal year 1985, then that level should be $9 billion rather than $11 billion. You have to find some way to get back to $9 billion. What we have done is zeroed in on new housing programs, a half-a-billion dollars, taken them out by the previous amendment. Now in this amendment we have another area where we can make a reduction that will get out an additional portion of that $2 billion that should not be spent. We will be spending more on housing programs in fiscal year 1986 than we did in fiscal year 1985 unless these amendments are adopted.

Mr. BARTLETT. Mr. Chairman, will the gentleman yield?

Mr. PENNY. I yield to the gentleman.

Mr. BARTLETT. I thank the gentleman for yielding.

Mr. Chairman, I thank the gentleman for his comments, and specifically I would thank the gentleman from Minnesota for his consistent advocacy of budget and fiscal responsibilities in every program of the Federal Government across the board. Whether it is defense or child nutrition or housing or any of the other issues, the gentleman from Minnesota has been consistent in advocating that we return to some fiscal sanity.

This is no different. In order to achieve a freeze level in fiscal year 1986, we have to adopt this amendment, as we adopted the last amendment, and then there is one additional amendment that will be required to bring it to a freeze level, which has been the consistent position of the majority of this House, and the gentleman from Minnesota's position specifically.

Mr. BOLAND. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment. The gentleman from Connecticut, of course, is exactly right. Last year we had 100,000 incremental units, by that I mean new housing units. We arrived at that

figure through an informal agreement with the Office of Management and Budget. Over the past 3 years we have added approximately 100,000 incremental units to the housing program each year.

We have to do that every year. If we do not add incremental units, of course, we are not providing housing for people who are looking for it, particularly for those in the very low income brackets.

I see the gentleman from Illinois [Mr. YATES], sitting here. Public housing came into being back in 1937, almost 50 years ago. At that time, it was the conscious decision of the Congress and the administration that there was an obligation and a responsibility on the part of the Government and the American people to provide safe, sound, and decent housing for those who could least afford that kind of housing.

□ 1320

So we embarked on the public housing program, and we have been engaged in that program ever since that time. I have been sitting on this committee now for 34 years. That is a long time. When I first came here I had some concern about public housing, just as a lot of Members are expressing some concern today. The gentleman from Illinois [Mr. YATES] was a member of that committee, and the chairman of that committee was the distinguished gentleman from Texas [Mr. Thomas]. I know of no Member of Congress who was more of a giant in intellect and a giant in size than he, and I know of no Member who was more persuasive on the floor of this House than Chairman Thomas.

I remember he used to oppose public housing, but slowly, imperceptibly, he changed his opinion. I came, not slowly but more rapidly, to supporting this program.

Today, there are 1,300,000 public housing units in this Nation. These units shelter almost 4 million people—4 million people, the poorest of the poor as has been said here, those in the lowest income brackets, those sometimes without any income at all except welfare.

What we are doing here is reducing what the Appropriations Subcommittee has proposed—reducing the 10,000 units recommended by this committee to 5,000 recommended by the gentleman from Texas.

I do not quarrel with the gentleman's knowledge on public housing, because he is pretty well attuned to it. He had a public housing project in Dallas named Lake West, with 3,500 units about 30 years old. It was something like Pruitt-Igoe in St. Louis. It never really worked properly because it was badly planned, and he knows it better than I, just as Pruitt-Igoe was. As a matter of fact, they had to dynamite Pruitt-Igoe.

The gentleman from Dallas who supported the Lake West project came before our committee a couple of years ago looking for some modernization funds. He testified that the only way, really, that we could improve public housing in that particular project was to provide modernization funds, and we did.

There is approximately $735 million contained in this bill for modernization of public housing—about the same level as last year. The gentleman from Texas is right when he says that this is one of the areas in which we should be expending our money to improve public housing, to get away from the high density, to give these people an opportunity to enjoy the sunlight and not to intensify the problems that have existed over the years. Slowly but surely over the years we have provided public housing, we have met that need. The great problems of the past that afflicted public housing have been resolved, or at least they have been dissipated to some extent.

I stand here as one who is really concerned about this amendment. I have a feeling also that those who supported the last amendment want to have their cake and eat it, too. They were concerned about the fact that we had a reserve of $500 million for programs that have not been authorized. This program has not been authorized. The administration requested no new units for fiscal year 1986.

Let me tell you why the Appropriations Committee put in 10,000 units. We put in 10,000 units last year and the Senate bill had none. We went to conference and we finally wound up with 5,000 units. Why not give us a chance to do the same thing this year. It might very well be, and the gentleman from Texas knows it as well as I do, that the Senate will take the same position as it did last year with respect to public housing.

This is not a popular program with everybody in America.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. BOLAND] has expired.

(By unanimous consent, Mr. BOLAND was allowed to proceed for 3 additional minutes.)

Mr. BOLAND. It has been a program that has been highly criticized because of the problems of some of the public housing projects in this Nation. But that is something of the past. There are 2,400 public housing authorities in the United States, and let me repeat, 1,300,000 public housing units.

I think there is a constant and growing need for public housing. As a matter of fact, it is the only program that I am aware of within the incremental units that will provide the necessary housing for the poor. We cannot hand someone a voucher under the Voucher Program or the section 8 Assisted Housing Program and realistically expect that they are going to go out and find a unit.

That is one of the big problems. That is the reason we need this program. I know the gentleman from Texas supports the program, but his amendment is doing it in the wrong way today, let me say. Give us the 10,000 units. Give us an opportunity to march over to the other side of this building and provide at least what we did last year, 5,000 units.

The ability to provide for public housing units without that kind of leverage is nil, let me say, or almost nil.

So, Mr. Chairman, I think this committee ought to vote down this amendment. I can count. I looked at the last vote. This is not the easiest program to handle budgetwise. It is the kind of a situation where a lot of these programs are not popular with a great many of the American people. There is no popular interest in a great number of these programs. So the responsibility rests upon us, all of us who are in this Chamber, and particularly upon the housing authorization committee and this Appropriations Committee to provide those kinds of housing projects that benefit the lowest in our society.

I hope that this amendment will not be adopted. I hope that those on that side who supported the $500 million reduction in the first amendment will vote against this amendment. Give us an opportunity to move this program ahead. It is a good program, and the bottom line is, again, that we are providing housing for the poorest of the poor, and it is awfully difficult for them to get housing under any other program.

I have been dealing with these housing programs now for some 30 years or better, and let me tell my colleagues, in my judgment this is one of the most important housing programs to deal with the problems of the poor.

□ 1330

Mr. COUGHLIN. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. DREIER of California. Mr. Chairman, will the gentleman yield?

Mr. COUGHLIN. I yield to the gentleman from California.

Mr. DREIER of California. Mr. Chairman, I thank my friend, the gentleman from Pennsylvania, for yielding.

With over 70,000 vacant units in this country, it seems ludicrous that we would in any way consider a 100-percent increase as we face this deficit crisis.

Mr. Chairman, I urge support of the Bartlett amendment.

You know, I hear a great deal of talk in this Chamber about the need for deficit reduction, but when we finally have the opportunity to do something about it, those voices all of a sudden become conspicuously silent. This Congress is currently preoccupied with a serious national dilemma: How to reduce a $200 billion-plus yearly deficit.

I think most of my colleagues will agree that, throughout the process of debate on the budget this year, a consensus has developed that the least we should do is freeze Federal programs at 1985 levels. That consensus prevailed in the Housing Subcommittee, when my colleagues adopted an amendment establishing the proposition that aggregate funding for programs in H.R. 1, the housing authorization bill, should not exceed 1985 levels.

The combined 1985 annual and supplemental appropriations for housing programs totaled $15.9 billion. But the appropriated levels contained in H.R. 3038 are $1.7 billion over that level—a 6-percent increase. We are adding new housing programs in this bill while the budget conferees are bashing their heads against the wall trying to find additional program cuts. In essence, what we are saying here today is that the time and effort those conferees have given us in the name of deficit reduction is irrelevant. We are also setting a precedent which will allow every other appropriations bill that comes to this floor to come in over budget.

The gentleman's amendment is not only a fair and sensible one, it is absolutely necessary. I urge my colleagues to support the Bartlett amendment.

Mr. COUGHLIN. Mr. Chairman, let me just say that I think in going on 14 years on this subcommittee this is the first time I have stood here and opposed the distinguished chairman of the subcommittee. I know the distinguished chairman believes in public housing, and I believe in public housing and the need to house people.

I also believe that we have to keep some control on the rate of growth of these programs and the rate of growth in Federal spending, and that is what this is all about.

This is part of the same package of amendments that the last amendment referred to, so those Members who were watching in their offices on television should know that this is part of the same package and a vote of "yes" before should be a vote of "yes" now.

I have watched the very distinguished chairman of the subcommittee in conference with the Senate over the years, and I might say that I have never known him to be bettered by the other body in those conferences. He does a fantastic job of representing the House, and I know he will in this instance.

What we are asking for in this amendment is simply that we retain the number of new starts, the number of new units of public housing, at the same level that was proposed last year. Purely and simply, that is what this amendment does.

Mr. Chairman, I yield back the balance of my time.

Mr. TRAFICANT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I was over watching the debate, and I just have a few comments I would like to make.

We have a $200 billion-plus deficit, and every time we start to talk about cutting that back we talk about programs that bear on the very existence of many of the people who are left with no other recourse. We are reaching the record levels of poverty of the early 1960's. I have one of the highest unemployment rates in all of America in my district. What we are talking about is housing.

I did not hear one Member of the House get up on that foreign aid bill and talk about the deficit, and a $13 billion bill passed on a voice vote.

If we are talking about housing, let us talk just for a minute about the deficit. The tragedy of $200 billion deficits is not that we continue to have them but what we are doing in spending while we still have that deficit. You may not like that, and I am sure we are opposed on philosophical grounds. But I think the matter of the deficit has been beaten to death, and I think there are some areas where the deficit would have been a better argument in this House, not on housing. I think we should all take a look at that.

Mr. Chairman, I think a vote on this amendment should be looked at very carefully before we go ahead and pass this amendment. That is all I have to say.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. BARTLETT].

The question was taken; and on a division (demanded by Mr. BARTLETT) there were—ayes 27, noes, 23.

RECORDED VOTE

Mr. BOLAND. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 213, noes 204, not voting 16, as follows:

[Roll No. 257]

AYES—213

Andrews	Bentley	Byron
Annunzio	Bereuter	Callahan
Applegate	Bilirakis	Campbell
Archer	Bliley	Carper
Armey	Bosco	Carr
AuCoin	Boulter	Chandler
Badham	Breaux	Cheney
Barnard	Broomfield	Clinger
Bartlett	Brown (CO)	Coats
Barton	Broyhill	Cobey
Bateman	Bryant	Coble
Bedell	Burton (IN)	Coleman (MO)
Combest	Ireland	Quillen
Cooper	Jenkins	Ray
Coughlin	Jones (TN)	Regula
Courter	Kasich	Ridge
Craig	Kemp	Ritter
Crane	Kindness	Roberts
Daniel	Kolbe	Roemer
Dannemeyer	Kramer	Rogers
Darden	Lagomarsino	Roth
Daub	Latta	Roukema
Davis	Leach (IA)	Rowland (CT)
DeLay	Leath (TX)	Rowland (GA)
DeWine	Lent	Russo
Dickinson	Lewis (CA)	Saxton
DioGuardi	Lewis (FL)	Schneider
Dorgan (ND)	Lightfoot	Schuette
Dornan (CA)	Lipinski	Sensenbrenner
Dreier	Livingston	Sharp
Dyson	Lott	Shaw
Eckart (OH)	Lowery (CA)	Shumway
Eckert (NY)	Lujan	Shuster
Edwards (OK)	Luken	Siljander
Emerson	Lungren	Sisisky
English	Mack	Skeen
Evans (IA)	MacKay	Slattery
Fawell	Madigan	Slaughter
Fiedler	Marlenee	Smith (NE)
Fields	Martin (IL)	Smith (NH)
Fish	Martin (NY)	Smith, Denny
Flippo	McCain	Snyder
Frenzel	McCandless	Solomon
Gallo	McCollum	Spence
Gekas	McCurdy	Spratt
Gibbons	McDade	Stallings
Gingrich	McEwen	Stangeland
Glickman	McGrath	Stenholm
Goodling	McKernan	Strang
Gordon	McMillan	Stump
Gradison	Meyers	Sundquist
Gregg	Michel	Sweeney
Grotberg	Miller (OH)	Swindall
Hall, Ralph	Miller (WA)	Tauke
Hamilton	Monson	Tauzin
Hammerschmidt	Montgomery	Taylor
Hansen	Moody	Thomas (CA)
Hartnett	Moore	Thomas (GA)
Heftel	Moorhead	Vander Jagt
Hendon	Nichols	Volkmer
Henry	Nielson	Vucanovich
Hiler	Olin	Walker
Hillis	Oxley	Weber
Holt	Packard	Whitehurst
Hopkins	Parris	Whittaker
Hubbard	Pashayan	Wilson
Huckaby	Pease	Wolf
Hughes	Penny	Wortley
Hunter	Petri	Wylie
Hutto	Porter	Young (FL)
Hyde	Pursell	Zschau

NOES—204

Ackerman	Crockett	Gonzalez
Addabbo	Daschle	Gray (IL)
Akaka	de la Garza	Gray (PA)
Alexander	Dellums	Green
Anderson	Derrick	Guarini
Anthony	Dicks	Gunderson
Aspin	Dingell	Hall (OH)
Atkins	Donnelly	Hatcher
Barnes	Dowdy	Hawkins
Bates	Duncan	Hayes
Beilenson	Durbin	Hertel
Bennett	Dwyer	Horton
Berman	Dymally	Howard
Bevill	Edgar	Hoyer
Biaggi	Edwards (CA)	Jacobs
Boehlert	Erdreich	Jeffords
Boggs	Evans (IL)	Johnson
Boland	Fascell	Jones (OK)
Boner (TN)	Fazio	Kanjorski
Bonior (MI)	Feighan	Kaptur
Bonker	Florio	Kastenmeier
Borski	Foglietta	Kennelly
Boucher	Foley	Kildee
Boxer	Ford (MI)	Kleczka
Brooks	Ford (TN)	Kolter
Brown (CA)	Fowler	Kostmayer
Bruce	Frank	LaFalce
Burton (CA)	Franklin	Lantos
Bustamante	Frost	Lehman (CA)
Clay	Fuqua	Lehman (FL)
Coelho	Garcia	Leland
Coleman (TX)	Gaydos	Levin (MI)
Collins	Gephardt	Levine (CA)
Conte	Gilman	Lloyd

Long	Ortiz	Stark
Lowry (WA)	Owens	Stokes
Lundine	Panetta	Stratton
Manton	Pepper	Studds
Markey	Perkins	Swift
Martinez	Pickle	Synar
Matsui	Price	Tallon
Mavroules	Rahall	Torres
Mazzoli	Rangel	Torricelli
McCloskey	Reid	Towns
McHugh	Richardson	Traficant
McKinney	Rinaldo	Traxler
Mica	Robinson	Udall
Mikulski	Rodino	Valentine
Miller (CA)	Roe	Vento
Mineta	Rose	Visclosky
Mitchell	Rostenkowski	Walgren
Moakley	Roybal	Watkins
Molinari	Sabo	Waxman
Mollohan	Savage	Weaver
Morrison (CT)	Scheuer	Weiss
Morrison (WA)	Schroeder	Wheat
Mrazek	Schumer	Whitley
Murphy	Seiberling	Whitten
Murtha	Shelby	Williams
Myers	Sikorski	Wirth
Natcher	Skelton	Wise
Neal	Smith (FL)	Wolpe
Nelson	Smith (IA)	Wright
Nowak	Smith (NJ)	Wyden
O'Brien	Smith, Robert	Yates
Oakar	Snowe	Yatron
Oberstar	Solarz	Young (AK)
Obey	Staggers	Young (MO)

NOT VOTING—16

Carney	Downey	Rudd
Chappell	Early	Schaefer
Chappie	Gejdenson	Schulze
Conyers	Hefner	St Germain
Coyne	Jones (NC)	
Dixon	Loeffler	

□ 1350

The clerk announced the following pair:

On this vote:

Mr. Carney for, with Mr. Gejdenson against.

Mr. JEFFORDS and Mr. ROBINSON changed their votes from "aye" to "no."

Mr. HUTTO changed his vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. BARTLETT

Mr. BARTLETT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BARTLETT: Page 2, line 14, strike out "$925,000,000" and insert in lieu thereof "$756,897,547".

Page 2, line 17, strike out "$10,690,902,781" and insert in lieu thereof "$9,200,902,781".

Mr. BARTLETT. Mr. Chairman, this amendment is a technical and conforming amendment. I have cleared it with the chairman and the ranking member of the committee.

This amendment labeled 3A conforms the total appropriations in the housing bill to the first two amendments passed.

After this amendment is adopted, and I assume it will be because it simply conforms the bill to the two amendments we have already adopted, then I will be offering an across-the-board reduction of 2½ percent.

So, Mr. Chairman, this is a technical and conforming amendment to conform the bill to the two amendments that have just passed.

Mr. BOLAND. Mr. Chairman, I move to strike the last word.

We have no objection to the amendment. As the author of the amendment has said, this is a technical amendment.

However, I will have some problems with the 2.5-percent reduction amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. BARTLETT].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. BARTLETT

Mr. BARTLETT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BARTLETT: Page 5, after line 19, insert the following:

Notwithstanding any other provision of this Act, each dollar amount specified under this heading (annual contributions for assisted housing) hereby is reduced by 2.5 percent.

Mr. BARTLETT. Mr. Chairman, this amendment is the third of the three amendments that this House is required to pass in order to achieve a true freeze level for fiscal year 1986 appropriations at the fiscal year 1985 levels.

I would remind the House of the need to achieve that freeze. It relates only in the assisted housing program and it has been achieved in three ways:

First, we reduced or eliminated the new program reserve of $500 million. Second, we just reduced the number of public housing units by 5,000 units, or another $990 million.

Now, Mr. Chairman, that leaves this bill still very close, but a sum of $231 million short from achieving the $8.9 billion in appropriated spending that was appropriated for fiscal year 1985. I think it is terribly important for this House, as it has been all year, to be consistent, to be consistent in adopting a freeze level of appropriations.

I would comment that in order to achieve the freeze level of appropriations, the House has chosen to do it two ways. First, to reprioritize, and we have done that with the first two amendments. We have discussed and made a conclusion on two specific areas of the bill.

Now then with $231 million still short, this amendment would reduce across the board for all programs in assisted housing, by the same equal amount of 2.5 percent. That reduces the total $231 million.

Now Mr. Chairman, this task is made much easier, with only a 2½-percent reduction, by the fact that the House did the right thing and prioritized the issues we have already faced. But the 2½-percent across-the-board reductions still remains to be made.

If this House is going to say to NASA that we are going to freeze spending from 1 year to the next, as we have; if this House is going to say to Defense we are going to freeze spending from 1 year to the next, as we have; if this House is going to say that to education of the handicapped, and disability, school nutrition, and virtually every other program, then I think we ought to have the guts, as we do, to do an across-the-board reduction or freeze spending for assisted housing programs.

One other point, Mr. Chairman. This amendment does not affect those month-to-month payments to low-income families who are now on section 8 or in public housing units. Those payments are in another section from the appropriated items.

□ 1400

Those payments amount to an additional $12 billion, which is not anywhere in this bill. It is mentioned in the bill as a $12 billion commitment, as an entitlement. This amendment makes no changes in those commitments that we have to existing poor people. This amendment would merely bring into compliance an across-the-board budget freeze for assisted housing programs.

Mr. ROEMER. Mr. Chairman, would the gentleman yield?

Mr. BARTLETT. I yield to the gentleman from Louisiana.

Mr. ROEMER. I thank the gentleman for yielding.

Two questions quickly. One, we have made some reductions in programmatic spending in the last few hours on the House floor. Is your amendment in addition to those cuts? And if so, how did you choose the 2½ percent?

Mr. BARTLETT. I chose the 2½ percent very, very precisely. It is the calculation to achieve a $231 million budget reduction, which is the amount required to bring this appropriations bill back to the level that we spent last year. So it is an exact calculation of a freeze level, a freeze at fiscal year 1985.

Mr. ROEMER. Would that mean program by program then we will spend only as much in 1986 as we do in 1985? The reason I ask that question of the gentleman from Texas was that some good Members of this Congress who serve on the Banking Committee and the Housing Subcommittee objected to our earlier amendment. How would the gentleman respond to that? Why the 2½ percent more?

Mr. BARTLETT. The 2½ percent more is required to get it to a true freeze level or a level calculated at the exact amount appropriated and spent last year. The true freeze requires $1.7 billion reduction of the House appropriations bill. But that merely brings it back to fiscal year 1985. It came in two areas the gentleman knows.

The CHAIRMAN. The time of the gentleman from Texas [Mr. BARTLETT] has expired.

(On request of Mr. ROEMER and by unanimous consent, Mr. BARTLETT was allowed to proceed for 2 additional minutes.)

Mr. BARTLETT. One area was an accounting fund change which we have discussed all day. The Congressional Budget Office, chairman of the Budget Committee, and others have said that accounting change does not save any money. This amendment would back that accounting change back out so we would calculate modernization using the same accounting method from 1 year to the next. The second area is simply not to count in the 1985 baseline that $800 million that was left unspent for a conversion program that was nonrecurring, that does not exist anymore. This amendment does reduce each program by 2½ percent, but the programs themselves still have been prioritized by the Subcommittee on Appropriations. We are still allowing the committee process to work. We are saying the final product is 2½ percent short so we will do an across-the-board reduction of 2½ percent to bring it down to last year's levels.

Mr. ROEMER. I thank the gentleman.

Mr. GREEN. Mr. Chairman, I move to strike the last word.

I rise to oppose the amendment. I think that the amendment that the gentleman from Texas has offered now really puts in the clearest possible light the issue of whether the House and the Appropriations Committee are simply slavishly to follow every last line in the previous year's appropriation bill or whether we still reserve for ourselves the right to make some choices among programs and to shift priorities from year to year.

What the gentleman is essentially suggesting is that if we get the defense appropriation bill on the floor and last year's defense appropriation bill provided we should procure 500,000 rifles, then if the Defense Appropriations subcommittee thinks we can do with 400,000 new rifles this year and uses the savings from those 100,000 rifles to improve some other higher-priority defense program, we should not be able to do it. We have made cuts. There have been arguments about one of the cuts we made, but no one can argue that $1.142 billion out of revenue sharing is a real cut; no one can argue that $347 million out of the community development block grant is not a real cut. No one can argue that $110 million out of UDAG is not a real cut. There are a whole page full of those I can give any Member who wants all of those details.

So we are down to the question, having made those cuts in other line items in this bill, is the House now to deny itself the right to use those clear real savings to try to keep the housing programs going? The gentleman has already cut the assisted housing programs from 100,000 units down to 95,000 units by dint of the amendment that just passed.

But the effect of this amendment will now be to reduce the public housing program below the 5,000 units that he was just arguing for a moment ago. It will reduce the programs for the elderly and the handicapped below the ongoing level that the committee has sought to provide. We will wind up with something like 92,500 units rather than 100,000 units.

Mr. ANTHONY. Mr. Chairman, will the gentleman yield?

Mr. GREEN. I yield to the gentleman from Arkansas.

Mr. ANTHONY. I would like to associate myself with the gentleman's comments. I think what he has adequately pointed out is that the committee, utilizing its own discretion, is operating within well-defined constraints, but the gentleman's amendment will go right after a program for assisted housing that has been basically emasculated since 1981. I think that is something that this Congress needs to be made aware of. Do not compare it with last year, compare it with the total of 1981, 1982, 1983, and then 1984, and then say you do not want to assist the elderly, handicapped, and rural people to have adequate housing because that is really what this amendment is all about.

Mr. GREEN. I thank the gentleman for making that valid point. I would like to dwell a bit on it. At one point this Congress was approving funding at levels of 400,000, 500,000, 600,000 units of additional housing every year. At the end of the Ford administration, for example, the budget request from the administration approved by this House provided for 400,000 units of section 8 housing. Two-thirds of that was going into the very expensive new construction and substantial rehabilitation programs.

By the end of the Carter administration we were down around 200,000 units per year.

We then went down to 100,000 units per year. So we are now somewhere about 25 percent in terms of number of units where we were but a few years ago and 50 percent of where we were at the start of this administration.

Now the gentleman is saying 100,000 is too much, we have got to go down to 92,500. The point that was just made that even this drop from last year is obviously a hurtful one, but if you look at where the housing programs were but a few years ago, this program has taken worse cuts than just about any other program that you can find.

The CHAIRMAN. The time of the gentleman from New York [Mr. GREEN] has expired.

(By unanimous consent, Mr. GREEN was allowed to proceed for 2 additional minutes.)

Mr. GREEN. The assisted housing programs, which in fiscal year 1981 were at the $30,169,000,000 level are at less than half of that at the present time. And so the committee in its discretion took some cuts from other programs that we like, other programs that we think are important, but we thought it was most important to try to redress the balance a little bit for the housing programs. And if the amendment that the gentleman proposes passes, you are saying to the House you cannot make any adjustment of that kind within an appropriation bill because of the freeze concept. As I say, I just ask the gentleman to think what that will mean for the defense appropriation bill when it comes on the floor if each line item in that bill is to be frozen year by year. I would say to the gentleman he is putting the House in an intolerable straitjacket if this amendment carries, and I hope the House will reject it.

Mr. BARTLETT. Mr. Chairman, will the gentleman yield?

Mr. GREEN. I yield to the gentleman from Texas.

Mr. BARTLETT. Just briefly, I do want the House to understand, and the record to be clear. This amendment would accept those changes in priorities that the appropriation bill makes from program to program. This bill would then take all of those changes and reduce the total amount by 2½ percent to get it into line with what we spent last year.

Mr. GREEN. Reclaiming my time, I do not think the gentleman is accepting the priorities that our subcommittee has. Yes, this strikes the housing assistance funding across the board, after he rejected our priorities and cut 5,000 units of public housing, but he has not respected our priority of saying that these housing programs are something to which we want to give a little more money this year and we are willing to cut general revenue sharing, willing to cut UDAG, willing to cut the community development block grant, and willing to cut another page full of programs in order to give this little bit of additional help to a housing program that has been badly cut these last 4 years. That priority the gentleman is not respecting. I urge the House to respect it.

□ 1410

Mr. MOORE. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I am not on the Committee on Appropriations; I am not an expert on what they appropriate, and why; I do not serve on the banking and currency committee, and am not an expert on housing programs and what we need there.

I do serve on the Budget Committee, and I am now a budget conferee, and I think I have some notion of the problems we are having in trying to reduce spending, and that is what I would like to address.

I have been listening to this debate, and with all due respect to the gentleman from New York for whom I have great respect, we can say what he has just said about every appropriations bill to come to this floor. We ought to have the right to make some changes and increase spending in programs we think ought to be increased in spending.

I say to the gentleman, I do not disagree; if we had a balanced budget, I agree with you fully, we would vote for what you are doing, but we do not, and I simply ask: Where is the money going to come from?

Where does the additional money come from?

Mr. GREEN. Will the gentleman yield?

Mr. MOORE. I yield to the gentleman.

Mr. GREEN. The money is coming from the $1,142,000 we took out of the Office of Revenue Sharing. It is coming from the $347 million we took from the Community Development——

Mr. MOORE. If I can reclaim my time, I understand, but you are still coming out with more spending than you had last year.

Mr. GREEN. If the gentleman would yield; no, I would deny that, and that is because we have made these other painful cuts, and certainly after the cuts that the previous two amendments have made, there is no way that we are providing more spending than last year.

It is true that we are providing more money in the assisted housing section of the bill, but we are doing that through a series of other cuts and very painful cuts, and cuts in programs which I feel deeply about, but we thought that this priority ought to be given a little higher priority, and that we would therefore cut these other programs in order to permit that to happen.

Mr. MOORE. I would say to the gentleman, what is the net effect for the country? The committee has provided more housing, but what about spending? What have you done for the spending net effect for the country in this bill?

Mr. GREEN. Net effect, we are under our section 302(b) allowance now by a very large amount, and as a result of the cuts that the gentleman has made at this point, I would guess we are somewhere like $2 million under last year's bill.

Mr. BARTLETT. Will the gentleman yield?

Mr. MOORE. I yield to the gentleman.

Mr. BARTLETT. The House has examined the arguments as to whether we are going to count an accounting change as part of savings and whether we are going to count $800 million that was unspent in a nonrecurring program as part of the fiscal year 1985 baseline.

The House has on two prior votes concluded no; that does not count; you cannot increase the budget in virtually every category; and then come back and claim that you are spending the same amount of money.

The fact is, that if you voted for the first two amendments, this amendment brings it right back down into line for the $8.9 billion in Assisted Housing Programs.

I thank the gentleman for his assistance.

Mr. MOORE. I appreciate the comments of the gentleman from Texas [Mr. BARTLETT].

I will make the same comment again: You cannot come in here and give us smoke and mirrors; you cannot come in here without programmatic changes and then increase the appropriations bill to boot and expect to ever do anything on spending.

The authorization bill for housing has not come before us yet. From what I read in the paper, when it does, it will call for more spending; not less. You have got to have programmatic changes, my colleagues, to ever address the spending problems we have before this country.

You cannot do it; you cannot do it with a freeze. When we adopt the amendment of the gentleman from Texas and freeze you at last year's levels, even that will not address the country's spending problems, but certainly that is better than increasing spending on an appropriations bill, and until we can make the programmatic changes, we cannot ever show the people that one of these days we are going to balance the budget.

One of these days we are going to get spending under control. Until you begin to change the authorizations for the spending, you cannot do that. In the meantime, all we can do is try to hold the appropriations at least to last year's level and get the second best solution to our spending problem—which is a freeze.

Let me tell you something. If you really want to help people have housing; if you really want to help people get into better housing, cut down your spending so we can reduce the deficit and lower interest rates.

We have been told time and time again that if in our budget conference we can ever come up with a budget and then implement that budget to save something on the order of $272 to $280 billion over the next 3 years, long-term interest rates will drop 3 full percentage points.

I submit to you, with all due respect to this committee for which I have great respect, that is a far better housing program than you can ever come up with in new spending, or new authorizations, or increased spending. Just lower those long-term interest rates.

So I am not going to argue with you about how you have reshuffled the money. I am looking at the big picture. You are still spending more money than you spent last year; we are not going to be able evidently to lower programmatically the housing program, so the only defense we have got is to try to freeze you on the appropriations bill; and if we do not do this, then you are telling the American people we are not going to change the programs and we are not going to freeze spending; we are just going to talk about it, and talk the problem to death. My colleagues, that is not going to work.

(On request of Mr. PURSELL and by unanimous consent, Mr. MOORE was allowed to proceed for 3 additional minutes.)

Mr. MOORE. I yield to the gentleman from Michigan.

Mr. PURSELL. Neither one of us served on the authorization or the appropriation subcommittee; so a colloquy is appropriate:

I understand our obligation with respect to housing as far as paying the interest rate is concerned, it is an obligation of the general fund but that obligation has been moved from this function to Function 0900, and if that is correct, it is almost a $1 billion general fund obligation.

Now, if that is the case, it complicates our budget efforts. Since these dollars have been moved off this budget function to another budget function, it is still an obligation of the general fund; it increases our indebtedness in our general fund. We are borrowing 20 percent of our revenue, this year, just to pay our bills. Does the committee include this $1 billion cost? No! Therefore we again use accounting practices to hide actual true costs of this spending bill. Any appearance to look like we are under budget—that is those of us who are using the spending levels of 1985 as our freeze guideline for no additional spending in 1986.

Mr. MOORE. I thank the gentleman from Michigan. The gentleman has been following the budget process and contributing very significantly. Your comments today do the same thing, and that points up again the problem; we are not really being totally honest with the American people in our efforts to reduce spending.

The problem is, we in the Congress have loved the American people to the point of bankruptcy. Every dollar we have spent has been because we love

the American people, we want to help them, whether it is education or housing, or no matter what it is, we have helped them to the point now we have bankrupted them, and we have to step back and say, as a parent must do when they spoil the child, we have simply got to take back now some of those things we were giving you, or certainly not give you any more than we gave you last year.

I urge the passage of the amendment of the gentleman from Texas. That is going to be the only way many of us can support this bill. Without it, we are going to have to vote against it; because it is continued excessive spending of funds we do not have; and I am not even satisfied with a freeze, but that is the best, evidently, we can do this day.

Mr. MORRISON of Connecticut. Mr. Chairman, I move to strike the last word.

I think it is about time that we got a little honesty into this debate, about the famous interest savings here that we keep hearing about being moved over to another account.

I wonder whether, when the defense appropriation bill comes to the floor, the interest costs for borrowing the money to buy weapons systems are going to be brought back in and charged against the defense bill, thereby cutting down on the level available to spend with respect to that account.

The fact is, that finally now we have a situation in this housing budget where what ought to be bought for cash is being bought for cash. The interest costs are only those created by the budget deficit we are financing for all Federal expenditure. It is a question of whether we are going to pay the interest twice in our budget, or whether we are going to pay it once. The new payment system limits interest payment to the overall deficit and does not include the past folly of also paying interest on none, if authority borrowing.

The budget process has solved the problem of figuring out what a reasonable allocation of all the resources are for this function, and the appropriation bill is within that budget.

Now, there may be Members who do not like the budget and think it is not appropriate, but that does not change the fact that this appropriation is within the budget and calling this a budget-conforming amendment is wrong.

It is exactly the reason that we have a budget process that we allow priority choices to be made; and if we approve this amendment we are saying again, we reject those priorities.

I think the gentleman from New York was completely correct when he said that this series of amendments is an attack on the priorities; we have asked this Appropriations Subcommittee to make some deep cuts. There are deep cuts in community development block grants and in the UDAG program; there are deep cuts in revenue sharing.

Those cuts were made to provide resources to stay within the budget resolution. Housing has been the subject of the deepest cuts in social spending over the last 5 years.

□ 1420

They have been brutal cuts, I would say, from a 200,000-unit level in 1980 to a 100,000-unit level now. Over and over again we hear Members on both sides of the aisle concerned about homeless people wandering on our streets. Does no one recognize the connection between the decimation of our housing programs and our homeless people? The fact is that we do not have the money to do what we need to do in the area of housing, but the last thing we ought to be doing is denying the appropriation process the flexibility to respond within the resources that we do have.

This appropriation is within the budget. Arguments about where the dollars come from really do not take us anywhere. The fact is that this is an irresponsible further cut for housing programs. It is an irresponsible attack on the neediest Americans in their need for housing. Those who support the budget overall, who think that the way to get at the deficit problem is to have some sense of priorities within what is available, will reject this amendment.

I yield to the gentleman from Minnesota [Mr. VENTO].

Mr. VENTO. I thank the gentleman for yielding.

I think the gentleman has put it just right. This afternoon we have not really discussed any of these particular issues or programs on the merits. Rather, we have shrouded them in a debate with regard to budget functions and have never really addressed the issue. The issue, of course, is that there is a different way to fund some of these programs. That has been engaged. And then instead of commending the Subcommittee on Appropriations, the administration, for finding a creative and less expensive way to meet these programs, we have torn away that dollar commitment in terms of priorities in the program. We have not dealt with the issue at all. Rather, we have raised the deficit as a red flag and dismissed the needs of the poorest of the poor with regard to these programs. They are the beneficiaries of these particular programs. I think it is the wrong priority. I think it is the wrong group to take it out of, and I think you are playing by the wrong rules. The fact of the matter is, whether it is rent supplement programs, which took units out of section 8, whether it is the capitalization program, the modernization program in terms of grants, or whether it is the funds that were set aside for the homeless that has been stripped from this bill today, we have not done well, I do not think, by dealing with housing and shelter needs for low-income Americans in this bill so far.

We have got one chance left here to save some of the fabric that meets these needs so that it is not left lying on the ground, and I hope that the committee will reject this final amendment, which I think does destroy housing needs for the poor.

Mr. LEVIN of Michigan. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I am very much opposed to this amendment. You know, we have worked on the budget, and we have said this a number of times. I hope the entire House, if we say it enough, will hear it. We have worked on the budget process, we passed a budget resolution. Then the Appropriations Committee acts within that budget resolution. An appropriations bill comes out here, and then what happens? There is a move to go beneath the budget resolution.

If it makes sense substantively to go beneath the budget resolution, we ought to do it. But we should not do it by throwing slogans around here. We are not writing a budget this year that is a carbon copy of last year, and it is hypocritical for people on either side to argue, "Cut it this year because allegedly it would be the same as last year." And I am going to go through everybody's votes who votes for this and point out how many times they have voted for changing around programs. We voted on the foreign authorization bill just a few weeks ago, and there were substantial changes this year from last year. And I will bet that virtually everybody who voted "yes" on the last amendment voted for one or more of those changes.

Our function in 1985 again, is not to be a carbon copy of 1984.

Now, I want to make another point. This money goes for low-income families. It also goes for other families in America. For example, there is section 202 housing that is covered by this proposed amendment. And within a lot of areas of this country there are long waiting lists for 202 housing, far more than has been provided by programming, far more. And these in many cases are applications that have gone through the mill, through the hoops, and the Department says they are eligible, they are not only eligible, they are ripe for funding. And why not? Why not fund them? The reason is because there have not been adequate appropriations.

Section 202 is for the elderly throughout America. And what this amendment does is to take another pound of flesh out of that program. And why? Because a banner has been

raised and it has "f-r-e-e-z-e" on it. I thought our policy was to squeeze this budget, not to mindlessly freeze it, to squeeze it to make savings wherever possible and to take note of this emergency situation we have in this country but not to say because this year there are some bucks more than last year it is automatically bad. That does not make any sense at all.

In my judgment, this is a cheap shot at programs of need. I would like somebody to get up on the floor and say that 202 housing for the elderly, for example, and the handicapped is needed less than has been provided in this appropriation. I would like you to say that.

Mr. BARTLETT. Mr. Chairman, will the gentleman yield?

Mr. LEVIN of Michigan. I yield to the gentleman from Texas.

Mr. BARTLETT. I will say this: I join with the gentleman in an amendment to terminate the less productive and less compassionate programs, such as HODAG, and take that same amount of money and put it in section 202, which is a program deserving of more funds. I would join with the gentleman in making that kind of a priority. The committee, has not done that. This amendment takes the committee's priorities, as amended by the House in the last two votes, and simply says we still have to bring it down by 2½ percent across the board.

Mr. LEVIN of Michigan. Because you take two steps does not mean blindly you take a third. One should argue the merits. And your statement, my friend and colleague from Texas, exposes the danger and the falseness of this amendment. What you say is, "Yes, if it were pinpointed, I would join you." What I say to this House is: Do not take the meat ax that hangs from the sky and just grab it.

Mr. BARTLETT. Will the gentleman yield?

Mr. LEVIN of Michigan. I yield to the gentleman from Texas.

Mr. BARTLETT. I repeat my question: Would the gentleman join me in an additional prioritizing amendment to eliminate HODAG? That way we would not have to take so much out across the board.

Mr. LEVIN of Michigan. Let me just say that we argued priorities within the Housing Subcommittee, and what you are now trying is an end run on this, and everybody should understand that.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. LEVIN] has expired.

(By unanimous consent, Mr. LEVIN of Michigan was allowed to proceed for 1 additional minute.)

Mr. LEVIN of Michigan. We are going to have the housing authorization up here. But you essentially acknowledge that you would be cutting from needed programs by this kind of an across-the-board proposal. It is bad public policy, it is inconsistent with the budget resolution, it is putting the blinders on this House. And I think that we are beyond that. I think we have the intelligence in this House to pick and choose, and that is not what this amendment is about.

I soundly urge, regardless of how you voted on the previous two amendments, that we join together to defeat this amendment.

Mr. ROEMER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I will say that occasionally in the House you come to a point where one person can make a difference. It does not happen often. I mean we are a large body, a diverse body, and we work together and apart, right and wrong, and usually we are part of a crowd, sometimes losing, sometimes winning. But occasionally, every now and then, one person can make a difference. BARTLETT from Texas has made a difference.

Now, whether you like it or not, whether you are happy with it or not, if we had a BARTLETT on every committee in this Congress, we would be stronger. We would be stronger. He has done his homework. And those of you who serve on the Housing Subcommittee know it. Like it or not, he has done his homework. Like it or not, he has put in the time that many of us are not willing to do.

And my colleagues on my side of the aisle are so right. We hide beyond cliches, we do hypocritical things, we say one thing and often do another. It is tough business. I am not pointing my finger at anybody. I just rise to say that I support the gentleman. It is not easy to do. You can make a good case. I have heard it. I have heard people get up and say we have got to help the farmers, they feed America; do not cut their programs. I have heard people get up and say we have got to give a blank check to the generals, they defend America; do not cut their programs. I have heard it program after program. And there is truth there. There is truth there. I am proud to be a Democrat, the kind of a party that believes in a government that sets priorities and helps its people, and you cannot do enough, you cannot do enough. We do not do enough in this bill to help people. I know it, and you know it. The question is: Can we together take a step back, taking from defense, taking from housing, taking from all these programs, so that together, by giving up a little, we might have a lot more?

□ 1430

Now, I do not want to burden you with my beliefs, but in the 5 years I have been here, I have hated the fact that day after day I have had to stand up on the House floor and say "no." I dislike the fact that I could not be for something; for program A or program B and build something.

To the gentleman from Texas, I just want to say this in front of the world, if I could: I have enjoyed serving with you on that Housing Subcommittee and on the Banking Committee and we often work together. I hope the guys on my side will agree: We often work for innovative ideas and I think genuine concepts. Occasionally, one person can make a difference. Whether you win on this amendment or not, Mr. BARTLETT, you have made a big difference in this House.

Mr. BARTLETT. Mr. Chairman, will the gentleman yield?

Mr. ROEMER. I yield to the gentleman.

Mr. BARTLETT. I thank the gentleman for yielding.

I so much thank the gentleman for his kind words. It will require all of us, of course, on the next vote because each Member will also be that one person that will make a difference. I think the vote will be close, and I am urging everyone who saw the wisdom in reducing the level of spending at fiscal year 1986 will take that third step and make sure we do it right and we bring it all the way down to the fiscal year 1985 levels.

Mr. ROEMER. I thank my colleague.

Mr. Chairman, I ask my colleagues, left and right, Democrat and Republican: Let us do the freeze. It is not great, it is not perfect; I do not like it. But it is about all we have got. Let us join with Mr. BARTLETT and take the final step.

Mr. TRAXLER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, perhaps unlike the other Members, I am slightly confused between the freeze movement and what we do in the Budget Committee and what we do with the budget resolution. I hope someone can assist me in reconciling the efforts on the part of the Budget Committee and the budget resolution and the efforts on the Appropriations Committee and all of its subcommittees to follow the budget resolution adopted by the House and what the proponents of these housing amendments are doing.

Are they saying that the Appropriations Committee has abandoned the House budget resolution on housing?

Mr. BARTLETT. Mr. Chairman, will the gentleman yield?

Mr. TRAXLER. I yield to the gentleman.

Mr. BARTLETT. No, we are not saying that the Appropriations Committee has abandoned the budget resolution. What we are saying is that there are two items in the Appropriations Committee's bill which were accounting changes rather than real

changes. Now, whether or not they conformed or did not conform with the budget resolution, the fact is that they turned out to be $1.7 billion more than in fiscal year 1985. So this is the third of a series of amendments to back out that $1.7 billion of increases.

Mr. TRAXLER. Let me reclaim my time. I would like to have a dialog with the gentleman if I may.

So it is the gentleman's contention that through some "Chinese arithmetic" there was some $1.5 billion that did not show up in the committee's work?

Mr. BARTLETT. If the gentleman would yield, that is correct. It has taken several weeks to identify those accounting changes. The way it became apparent was that virtually all of the items in assisted housing were increased, and yet the total stayed about the same. So then you had to look at the item of modernization and the item of rent supplement RAP, those are the two areas in which the creative accounting was done.

Mr. TRAXLER. But the gentleman would also agree that there is a dispute about whether or not this was creative accounting? The gentleman would also agree that the committee does not agree with his analysis?

Mr. BARTLETT. The gentleman is correct.

Mr. GREEN. Mr. Chairman, will the gentleman yield?

Mr. TRAXLER. I yield to the gentleman.

Mr. GREEN. I think the gentleman raises a most important question. I think it is worth taking a look at the numbers, and I hope the House will be in with me on this, because I know numbers are not easy to follow.

Mr. TRAXLER. What I would like you to do is educate me; I think the other Members have got their own problems. I am just trying to sort through where we are in relationship to the House-adopted budget. Would you please tell me, sir, as one of my leaders on the subcommittee, are we following the House-adopted budget?

Mr. GREEN. If the gentleman would yield, we are, but let me take it a step further.

Let us assume for the moment that the gentleman from Texas is right that we should not count $1.7 billion of the cuts we made. Then, under the gentleman's theory, we started out $700 millon over last year's bill, rather than $1 billion under as our theory would provide. His amendments, as I count them, have already not only dealt with the $700 million, they have created $1,590 million of extra budget authority for this committee.

The gentleman is now saying that despite that, we have got to make still further cuts in the housing programs because he wants us not just to freeze the overall bill, but to freeze each and every item in the bill, in this case the housing assistance account within the bill. For some reason, in his eyes, only if we do that are we blessed from above.

Mr. TRAXLER. I thank the gentleman.

I yield to the gentleman from Texas [Mr. BARTLETT].

Mr. BARTLETT. I appreciate the gentleman yielding because it does help to clarify the issues.

Amendment No. 1, which the House adopted, reduced the appropriations level by $990 million. Amendment No. 1 by $500 million; amendment No. 2 by $990 million. That is still $231 million short of the $8.9 billion that we spent in fiscal year 1985. The $231 million was not created; it did not come out of thin air. It is a matter of addition and subtraction.

Mr. GREEN. Mr. Chairman, will the gentleman yield?

Mr. TRAXLER. I yield to the gentleman.

Mr. GREEN. Again, I think it ought to be made very clear that the gentleman from Texas is not talking about the bill as a whole, and that, as a result of his amendment, in the bill as a whole we are now hundreds of millions of dollars below last year's bill, even using his version of the accounting.

The CHAIRMAN pro tempore. The time of the gentleman from Michigan [Mr. TRAXLER] has expired.

(On request of Mr. GREEN and by unanimous consent, Mr. TRAXLER was allowed to proceed for 5 additional minutes.)

Mr. TRAXLER. I continue to yield to the gentleman from New York [Mr. GREEN].

Mr. GREEN. The objection of the gentleman from Texas is that it is not enough that we get the whole bill below a freeze as it now is, by any method of calculation, but that we must take this one portion of the bill, the assisted housing portion, and get that below its last year's level, even though we are already hundreds of millions of dollars below a freeze in the overall bill. To me that is an unnecessary and unwise requirement.

Mr. TRAXLER. I appreciate the gentleman's explanation.

Mr. Chairman, I yield to the gentleman from New York [Mr. SCHUMER].

Mr. SCHUMER. I thank the gentleman for yielding to me.

Mr. Chairman, if I might also try to help clarify for the gentleman. The gentleman from Texas maintains that there are two programs that have brought us $1.7 billion above the resolution last year. One of those programs, in terms of public housing modernization, is being financed differently and there has been a great deal of discussion on that. Let us assume, just for the sake of argument, that the gentleman from Texas is right. The other program is an $800 million program whereby certain moneys were converted into a different program. Those $800 million that were in last year's budget were spent. Every single one of those $800 million was spent, and I am sure the gentleman from Texas will not dispute that.

Those moneys do not have to be spent this year. Just as there will be no more money for certain water projects this year, there will be no more moneys for certain defense programs this year, that they are finished. Those moneys were spent again. That $800 million was spent, and now what the gentleman is saying is because that program terminates this year, because it is a nonrecurring expenditure, we must bring the amount further down. It is not fair, it is not right to treat the housing portion of the budget that way and treat all the others another way.

□ 1440

To give the gentleman an example, if we had spent $200 billion on defense and $4 billion on the C-5A and that terminated this year, in other words, there was going to be no money for C-5A's in the next budget, we would say a freeze would not be the $200 billion they spent last year but the $196 billion minus the C-5A.

If we did that for defense, if we did that for mass transit, if we did that for agriculture, we should do it here. But we are having a different standard for housing than we have for the rest of the budget.

Mr. HILER. Mr. Chairman, will the gentleman yield?

Mr. TRAXLER. I yield a few seconds to the gentleman from Indiana.

Mr. HILER. I thank the gentleman for yielding.

Mr. Chairman, we are not talking about the $800 million that was spent; we are talking about the $800 million that was not spent, because in last year's appropriation bill there was $1.6 billion, give or take a few dollars, that was appropriated in this particular account.

HUD has said that only $800 million will be spent, so there is $800 million that will not be spent, and what the gentleman from Texas is doing is backing out the $800 million that will not be spent and saying let us not include that as the baseline for this year. Subtract out the $800 million that was never spent.

Mr. SCHUMER. If the gentleman from Michigan would yield further, I would make that point. The chairman of our Committee on Armed Services has said that in terms of budget authority there was $16 billion last year that was not spent. I am sure, I would assure the gentleman from Indiana, if we looked at every other program in this budget there was certain moneys not spent.

I have not seen the gentleman from Indiana, the gentleman from Texas, or any of the gentlemen on either side of the aisle in this House offer amendments saying that is not a real freeze; what is a real freeze is to take those unspent moneys and deduct them from the ceiling.

Mr. HILER. Mr. Chairman, if the gentleman will yield further, now you are making another argument. The first argument you were making was that this is $800 million that was spent so why should we back it out? Now we are talking about the $800 million that was not spent. If the gentleman wants to take one argument or the other——

Mr. SCHUMER. Which one will the gentleman take? I will take either one.

Mr. HILER. I will take either one.

Mr. SCHUMER. Great. Then we should agree and withdraw the amendment.

Mr. TRAXLER. Mr. Chairman, I will take my time back.

I want to sincerely thank my colleagues for the participation in this dialog. It has been most helpful to me, and I guess where I have to come down is that I have made my choice now and I am going to go with the Budget Committee and the budget resolution as adopted by the House.

I appreciate the gentleman's comment about the arithmetic. In doing some of these accounts, perhaps we become creative and there may be room for questions on that point. I yield that issue, not conceding the amount, but I yield on the issue and say that there is some room here for doubt.

But I do want to suggest this: That as we approach these amendments, and as we look at the bill, that we do so not only in terms of the grand plan called the freeze, which many of us examined in our own minds months ago and support in concept, but then in the application we yield to the budget resolution.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. TRAXLER] has again expired.

(By unanimous consent, Mr. TRAXLER was allowed to proceed for 1 additional minute.)

Mr. TRAXLER. So in working our way through this exercise of how to deal with the deficit, my own impression, in having listened to my colleagues, my own decision is that I am going to follow the House Budget Committee and the House budget resolution for the reason that it is a rational process and my estimation is that we are not exceeding last year's total expenditures in areas where we have discretionary choices. In the areas where there are, of course, the built-ins, the entitlements, that is a separate issue, and none of the amendments coming to the floor will deal with any of that kind of an issue.

So I have to make the choice that the budget process is a rational one, that I do not want to abandon the Budget Committee, that I do not want to abandon the House budget resolution, that in my judgment, by and large these totals were within the allocations approved in the budget resolution, so my baseline is that. We have not exceeded that baseline.

In all due respect for the authors of the amendment, I must respectfully vote against it and support the bill.

Mr. BOLAND. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I must say that I am disappointed in the amendment offered by the gentleman from Texas. Yesterday when we were discussing his amendments, the clear indication to me was that if the first two amendments were adopted, he probably would not offer the 2.5-percent reduction across the board.

Mr. BARTLETT. Mr. Chairman, if the gentleman would yield, if I conveyed that impression, that is distinctly incorrect from what I have conveyed consistently. My consistent position is that it was going to require three amendments. I said that in my floor statement publicly, and privately. I apologize if the gentleman received an erroneous impression.

Mr. BOLAND. I suppose this is a day of success for those who want to really stab the housing programs. Somebody told me a long time ago that if you are ever in Las Vegas and you are on a roll, keep on going. So he threw a seven on the first one and reduced it by $500 million. He threw an 11 on the next one and reduced the assisted housing program by $1,490 million.

The bill came to the floor with sufficient funds to provide 100,000 incremental units, and I have debated that before. That number has already been reduced to 95,000 units by the amendment offered by the gentleman from Texas.

The effect of the 2.5-percent reduction amendment would be to reduce the public housing program below 5,000 units. It will reduce housing for the elderly below 12,000 units. It will reduce all programs further, so that we will have only 92,500 incremental units. That is really not acceptable for providing safe, sanitary, and decent housing for those who need it most in America.

So I suppose one of the questions is, and it was asked by the gentleman from Michigan [Mr. LEVIN] who serves on the authorizing subcommittee, "How much of a pound of flesh do you want here?" You have taken a substantial one now—one that is not lethal to the programs, but one that will affect the program substantially.

I guess that most of the cuts in the assisted housing program will affect the people who are looking for housing. All of us would hope they could find it, but they are not able to find it.

So, Mr. Chairman, I am disappointed in this particular amendment. I would hope that the House would stick by the position of this committee. As has been pointed out, the reductions in the assisted housing program since 1981 have been dramatic, have been incredible. As a matter of fact, as has been pointed out here a number of times, the budget authority back in 1981 was around $30 billion for the assisted housing programs, and later on it was reduced, I think to about $25 billion.

We now are carrying a figure of less than $10 billion. I do not know of any other programs of the Government that have been reduced that dramatically and that are really attuned, really targeted to those who need housing the most.

So I would hope, Mr. Chairman, that this particular reduction would not be accepted. I have been around here for a few years and I can understand when the gloss of success touches the minds of people who enjoy it. But I oftentimes hope and believe that it really ought to touch the hearts of those who are concerned about these programs.

Mrs. BOGGS. Mr. Chairman, will the gentleman yield?

Mr. BOLAND. I yield to the gentlewoman from Louisiana.

Mrs. BOGGS. I thank the gentleman for yielding.

Mr. Chairman, I should also like to ask the gentleman if, during the 1981 appropriations of approximately $33 billion, there was a provision made within that for some 300,000 units of public housing, new housing or rehabilitated housing. At the time, the estimate of need was for 400,000 units a year.

So even in that year when there was $33 billion in the budget for new and substantially rehabilitated housing, we were really not meeting the needs at that time. With 100,000 units, is it not true that we will be meeting only a fourth of the need that was estimated in 1981?

Mr. BOLAND. The gentleman, of course, is correct. The number of units which were provided 4 to 5 years ago was around 250,000 units. Now we are only providing 100,000 incremental units in an area and a program where we ought to be providing more.

We have tried our best here, and I think this committee has done its best to do the right thing. My own judgment is that this across-the-board cut really is one that the Committee of the Whole House on the State of the Union should not accept, and I would hope the House would not do it.

□ 1450

Mr. HILER. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, the question that we are faced with here is whether or not, by passing this 2½ percent, across-the-board reduction, we bring assisted housing in line with the amount that we spent in fiscal year 1985. There was nearly $1 billion that has been chalked up as alleged savings from accounting changes, and there was $800 million that was appropriated last year that HUD said they will not spend. So the total is about $1.7 billion to $1.8 billion that was in last year's appropriation that, for a variety of reasons, ought to be backed out of the accounting procedures for this year.

The gentleman's amendment for a 2½-percent, across-the-board cut, in combination with the first two amendments that have been passed by the full House, would bring the fiscal year 1986 level in line with the fiscal year 1985 level, and I think that would in fact be a true freeze.

Mr. Chairman, I encourage my colleagues to support the amendment.

Mr. BARTLETT. Mr. Chairman, will the gentleman yield?

Mr. HILER. I yield to the gentleman from Texas.

Mr. BARTLETT. Mr. Chairman, I thank my colleague for yielding.

I think we are about ready for a vote. I feel compelled, out of the respect I have for the chairman of the subcommittee, the gentleman from Massachusetts [Mr. BOLAND], to say a few words about heart and compassion, and assisting low-income residents of this Nation.

I have been involved in housing issues and low-income housing issues for a long, long time, and I have watched a lot of things come and go. One of the things I have noticed is that in the last 4 years, unlike what has been characterized here, in fact this Congress has appropriated and this Federal Government has built 680,000 new units of assisted housing. There has not been a freeze in terms of units; there has been an increase since fiscal year 1982.

Mr. GREEN. Mr. Chairman, will the gentleman yield on that point?

Mr. HILER. I yield to the gentleman from New York.

Mr. GREEN. Mr. Chairman, I do think that we ought to set the history of these programs straight.

The gentleman is claiming credit for the construction of units in the 1980's that were appropriated in the 1970's, and as we know, public housing projects take some time to get under way, with environmental clearances, the drawing of the plans and all that. But plainly, if one looks at the number of units we have funded, the final Ford budget called for 400,000 units in the section 8 program alone. We can argue what the final Carter budget called for. I would have placed it at around 200,000; they would claim 220,000 units.

In this last budget we were down to 100,000 units. As a result of the gentleman's amendment, we are already down to 95,000 units. This amendment is going to knock off 3,000 more units when the bill as a whole is now way below the freeze level by any calculation, yours as well as mine.

Mr. BARTLETT. Mr. Chairman, will the gentleman yield further?

Mr. HILER. I yield to the gentleman from Texas.

Mr. BARTLETT. Mr. Chairman, the fact is that what we are debating today is the number of incremental new units, not the number of total units of existing assisted public housing.

The other thing I have noticed is that in many ways it was the big appropriations, both in housing and elsewhere in this country throughout the 1970's, that seemed to cause a lot more persons to fall into poverty. The fact is that this Congress has overspent and overpromised, and the result of the cumulative effect of those programs and that spending has been that we have had an increase in the despair and the poverty levels that has then required us to come back and ask for more programs. It has been the deficits themselves that push and drive people into poverty.

Now, H.R. 1, in the housing authorization preamble, says a little bit about something to do to help with low-income families. It says in paragraph 8: "Continued large Federal Government deficits are antihousing. Such large Federal deficits tend to keep interest rates high, thereby denying many other eligible homebuyers the opportunity to own a home."

Now, it is true that a freeze is not perfect, but a freeze is all we have left. We have frozen defense, NASA, education to the handicapped, school nutrition, and everything else. The true compassionate vote would be to bring the deficits down. This 2½-percent, across-the-board reduction is necessary in order to achieve that freeze in assisted housing programs.

Mr. Chairman, I thank the gentleman for yielding.

Mr. HILER. Mr. Chairman, I thank the gentleman for his comments, and I yield back the balance of my time.

Mr. SCHUMER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I compliment the gentleman from Texas and the Members on his side of the aisle. They have found a weak program that does not have much of a constituency and they have managed to kick the heck out of it today.

But let me say that we have a crisis in this country. It is a quieter crisis. We do not have Soviets at the gate, as we do in defense, we do not have farmers pleading for help, as we do in agricultural areas across the country, and we do not have mayors and Governors knocking at our door, coming in and talking about the need for revenue sharing, but we have a housing crisis indeed. We have hundreds and thousands of poor and very poor people who are wandering our streets and sleeping on subway grates. We have millions of middle-class people, young people, newly, married, who do not have the money to buy a home and live in absence of the American dream. We have hundreds of thousands of elderly who have no place to go because they cannot afford the prevailing rents if they were fortunate enough to own a home.

This bill makes a small dent in that crisis. It does it responsibly. It does it within the budget limitations. I can assure the gentleman as a member of the Budget Committee that the original cuts that we made were painful, indeed painful, given this crisis.

We do indeed have a housing crisis. Five years from today we will rue the day when we cut another 2 percent out of this progam, $1.7 billion out of a $10 billion program that, even when it was $30 billion and admittedly less efficient than it is today, did not solve the needs of the people in this country.

We need this money. Americans from one end of the country to the other need the money that is here.

We are within the budget resolution. Let us not, as the good gentleman from Massachusetts said, exact that extra pound of flesh when the amount of dollars we will save will not do as much good as the amount of dollars we will spend.

So again I compliment the gentleman on that side of the aisle. He is sincere, and he believes this money is better off not spent than spent, but I would remaind my colleagues in the House that the housing crisis is creeping up, is coming upon us. It will make this body do all sorts of things in the next decade that we could have prevented by not being penny-wise and pound-foolish today.

Mr. Chairman, I urge the defeat of this amendment and support for the responsible within-the-budget provision of the Appropriations Committee.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. BARTLETT].

The question was taken; and on a division (demanded by Mr. BARTLETT) there were—ayes 25, noes 29.

RECORDED VOTE

Mr. BARTLETT. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 203, noes 213, not voting 17, as follows:

[Roll No. 258]

AYES—203

Andrews	Gunderson	Packard
Applegate	Hall (OH)	Parris
Archer	Hall, Ralph	Pashayan
Armey	Hamilton	Penny
AuCoin	Hammerschmidt	Petri
Badham	Hansen	Porter
Barnard	Hartnett	Pursell
Bartlett	Heftel	Ray
Barton	Hendon	Regula
Bateman	Henry	Ridge
Bennett	Hiler	Ritter
Bereuter	Holt	Roberts
Bilirakis	Hopkins	Roemer
Bliley	Hubbard	Rogers
Boulter	Huckaby	Roth
Broomfield	Hughes	Rowland (CT)
Brown (CO)	Hunter	Rowland (GA)
Broyhill	Hutto	Russo
Burton (IN)	Hyde	Savage
Callahan	Ireland	Saxton
Campbell	Jeffords	Schaefer
Carney	Jenkins	Schuette
Carper	Johnson	Sensenbrenner
Carr	Jones (OK)	Sharp
Chandler	Kasich	Shaw
Cheney	Kemp	Shelby
Coats	Kindness	Shumway
Cobey	Kolbe	Shuster
Coble	Kramer	Siljander
Coleman (MO)	Lagomarsino	Skeen
Combest	Latta	Slattery
Cooper	Leach (IA)	Slaughter
Coughlin	Leath (TX)	Smith (NE)
Courter	Lent	Smith (NH)
Craig	Lewis (FL)	Smith, Denny
Crane	Lightfoot	Smith, Robert
Daniel	Livingston	Snowe
Dannemeyer	Lott	Snyder
Darden	Lujan	Solomon
Daub	Lungren	Spence
DeLay	Mack	Staggers
DeWine	MacKay	Stallings
Dickinson	Madigan	Stangeland
DioGuardi	Marlenee	Stenholm
Dorgan (ND)	Martin (IL)	Strang
Dornan (CA)	Martin (NY)	Stump
Dreier	McCain	Sundquist
Duncan	McCandless	Sweeney
Eckert (NY)	McCollum	Swindall
Edwards (OK)	McCurdy	Tauke
Emerson	McEwen	Tauzin
English	McKernan	Taylor
Evans (IA)	McMillan	Thomas (CA)
Fawell	Meyers	Thomas (GA)
Fiedler	Michel	Vander Jagt
Fields	Miller (OH)	Vucanovich
Fish	Miller (WA)	Walgren
Flippo	Monson	Walker
Frenzel	Montgomery	Weber
Gallo	Moore	Whitehurst
Gekas	Moorhead	Whitley
Gibbons	Morrison (WA)	Whittaker
Gingrich	Myers	Wolf
Glickman	Neal	Wortley
Goodling	Nielson	Wylie
Gradison	O'Brien	Young (FL)
Gregg	Olin	Zschau
Grotberg	Oxley	

NOES—213

Ackerman	Boggs	Clinger
Addabbo	Boland	Coelho
Akaka	Boner (TN)	Coleman (TX)
Alexander	Bonior (MI)	Collins
Anderson	Bonker	Conte
Annunzio	Borski	Conyers
Anthony	Bosco	Crockett
Aspin	Boucher	Daschle
Atkins	Boxer	Davis
Barnes	Breaux	de la Garza
Bates	Brooks	Dellums
Bedell	Brown (CA)	Derrick
Beilenson	Bruce	Dicks
Bentley	Bryant	Dingell
Berman	Burton (CA)	Donnelly
Bevill	Bustamante	Dowdy
Biaggi	Byron	Durbin
Boehlert	Clay	Dwyer
Dymally	Levine (CA)	Rodino
Dyson	Lewis (CA)	Roe
Eckart (OH)	Lipinski	Rose
Edgar	Lloyd	Rostenkowski
Edwards (CA)	Long	Roukema
Erdreich	Lowery (CA)	Roybal
Evans (IL)	Lowry (WA)	Sabo
Fascell	Luken	Scheuer
Fazio	Lundine	Schneider
Feighan	Manton	Schroeder
Florio	Markey	Schumer
Foglietta	Martinez	Selberling
Foley	Matsui	Sikorski
Ford (MI)	Mavroules	Sisisky
Ford (TN)	Mazzoli	Skelton
Fowler	McCloskey	Smith (FL)
Frank	McDade	Smith (IA)
Franklin	McGrath	Smith (NJ)
Frost	McHugh	Solarz
Fuqua	McKinney	Spratt
Garcia	Mica	Stark
Gaydos	Mikulski	Stokes
Gephardt	Miller (CA)	Stratton
Gilman	Mineta	Studds
Gonzalez	Moakley	Swift
Gordon	Molinari	Synar
Gray (IL)	Mollohan	Tallon
Gray (PA)	Moody	Torres
Green	Morrison (CT)	Torricelli
Guarini	Mrazek	Towns
Hatcher	Murphy	Traficant
Hawkins	Murtha	Traxler
Hayes	Natcher	Udall
Hertel	Nelson	Valentine
Horton	Nowak	Vento
Howard	Oakar	Visclosky
Hoyer	Oberstar	Volkmer
Jacobs	Obey	Watkins
Jones (TN)	Ortiz	Waxman
Kanjorski	Owens	Weaver
Kaptur	Panetta	Weiss
Kastenmeier	Pease	Wheat
Kennelly	Pepper	Whitten
Kildee	Perkins	Williams
Kleczka	Pickle	Wilson
Kolter	Price	Wirth
Kostmayer	Quillen	Wise
LaFalce	Rahall	Wolpe
Lantos	Rangel	Wyden
Lehman (CA)	Reid	Yates
Lehman (FL)	Richardson	Yatron
Leland	Rinaldo	Young (AK)
Levin (MI)	Robinson	Young (MO)

NOT VOTING—17

Chappell	Gejdenson	Nichols
Chappie	Hefner	Rudd
Coyne	Hillis	Schulze
Dixon	Jones (NC)	St Germain
Downey	Loeffler	Wright
Early	Mitchell	

□ 1510

The Clerk announced the following pairs:

On this vote:

Mr. Chappie for, with Mr. Mitchell against.

Mr. Rudd for, with Mr. Gejdenson against.

Mr. FLIPPO changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there other amendments to the pending paragraph?

If not, the Clerk will read.

The Clerk read as follows:

RENTAL HOUSING ASSISTANCE

(RESCISSION)

The limitation otherwise applicable to the maximum payments that may be required in any fiscal year by all contracts entered into under section 236 of the National Housing Act (12 U.S.C. 1715z-1) is reduced in fiscal year 1986 by not more than $2,000,000 in uncommitted balances of authorizations provided for this purpose in appropriation Acts.

HOUSING FOR THE ELDERLY OR HANDICAPPED FUND

In 1986, $631,033,000 of direct loan obligations may be made under section 202 of the Housing Act of 1959, as amended (12 U.S.C. 1701q), utilizing the resources of the fund authorized by subsection (a)(4) of such section, in accordance with paragraph (C) of such subsection: *Provided*, That such commitments shall be available only to qualified nonprofit sponsors for the purpose of providing 100 per centum loans for the development of housing for the elderly or handicapped, with any cash equity or other financial commitments imposed as a condition of loan approval to be returned to the sponsor if sustaining occupancy is achieved in a reasonable period of time: *Provided further*, That the full amount shall be available for permanent financing (including construction financing) for housing projects for the elderly or handicapped: *Provided further*, That the Secretary may borrow from the Secretary of the Treasury in such amounts as are necessary to provide the loans authorized herein: *Provided further*, That, notwithstanding any other provision of law, the receipts and disbursements of the aforesaid fund shall be included in the totals of the Budget of the United States Government: *Provided further*, That, notwithstanding section 202(a)(3) of the Housing Act of 1959, loans made in fiscal year 1986 shall bear an interest rate which does not exceed 9.25 per centum, including the allowance adequate in the judgment of the Secretary to cover administrative costs and probable losses under the program.

CONGREGATE SERVICES

For contracts with and payments to public housing agencies and nonprofit corporations for congregate services programs in accordance with the provisions of the Congregate Housing Services Act of 1978, $2,700,000, to remain available until September 30, 1987.

PAYMENTS FOR OPERATION OF LOW-INCOME HOUSING PROJECTS

For payments to public housing agencies and Indian housing authorities for operating subsidies for low-income housing projects as authorized by section 9 of the United States Housing Act of 1937, as amended (42 U.S.C. 1437g), $1,210,600,000.

HOUSING COUNSELING ASSISTANCE

For contracts, grants, and other assistance, not otherwise provided for, for providing counseling and advice to tenants and homeowners—both current and prospective—with respect to property maintenance, financial management, and such other matters as may be appropriate to assist them in improving their housing conditions and meeting the responsibilities of tenancy or homeownership, including provisions for training and for support of voluntary agencies and services as authorized by section 106(a)(1)(iii) and section 106(a)(2) of the Housing and Urban Development Act of 1968, as amended, $4,000,000.

TROUBLED PROJECTS OPERATING SUBSIDY

For assistance payments to owners of eligible multifamily housing projects insured, or formerly insured, under the National Housing Act, as amended, in the program of operating subsidies for troubled multifamily housing projects under the Housing and Community Development Amendments of 1978, all unobligated balances of excess

rental charges and any collections after September 30, 1985, to remain available until September 30, 1987: *Provided*, That assistance payments to an owner of a multifamily housing project assisted, but not insured, under the National Housing Act may be made if the project owner and the mortgagee have provided or agreed to provide assistance to the project in a manner as determined by the Secretary of Housing and Urban Development.

FEDERAL HOUSING ADMINISTRATION FUND

For payment to cover losses, not otherwise provided for, sustained by the Special Risk Insurance Fund and General Insurance Fund as authorized by the National Housing Act, as amended (12 U.S.C. 1715z-3(b) and 1735c(f)), $239,762,000, to remain available until expended.

During 1986, within the resources available, gross obligations for direct loans are authorized in such amounts as may be necessary to carry out the purposes of the National Housing Act, as amended.

During 1986, additional commitments to guarantee loans to carry out the purposes of the National Housing Act, as amended, shall not exceed $50,900,000,000 of loan principal.

During fiscal year 1986, gross obligations for direct loans of not to exceed $89,222,000 are authorized for payments under section 230(a) of the National Housing Act, as amended, from the insurance fund chargeable for benefits on the mortgage covering the property to which the payments made relate, and payments in connection with such obligations are hereby approved.

NONPROFIT SPONSOR ASSISTANCE

During 1986, within the resources and authority available, gross obligations for the principal amounts of direct loans shall not exceed $500,000.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

GUARANTEES OF MORTGAGE-BACKED SECURITIES

During 1986, new commitments to issue guarantees to carry out the purposes of section 306 of the National Housing Act, as amended (12 U.S.C. 1721g), shall not exceed $68,250,000,000 of loan principal.

SOLAR ENERGY AND ENERGY CONSERVATION BANK

ASSISTANCE FOR SOLAR AND CONSERVATION IMPROVEMENTS

For financial assistance and other expenses, not otherwise provided for, to carry out the provisions of the Solar Energy and Energy Conservation Bank Act of 1980 (12 U.S.C. 3601), $20,000,000, to remain available until September 30, 1987.

COMMUNITY PLANNING AND DEVELOPMENT

COMMUNITY DEVELOPMENT GRANTS

For grants to States and units of general local government and for related expenses, not otherwise provided for, necessary for carrying out a community development grant program as authorized by title I of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5301), $3,124,800,000, to remain available until September 30, 1988: *Provided*, That not to exceed 20 per centum of any grant made with funds appropriated herein shall be expended for "Planning and Management Development" and "Administration" as defined in regulations promulgated by the Department of Housing and Urban Development.

During 1986, total commitments to guarantee loans, as authorized by section 108 of the aforementioned Act, shall not exceed $225,000,000 of contingent liability for loan principal.

URBAN DEVELOPMENT ACTION GRANTS

For grants to carry out urban development action grant programs authorized in section 119 of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5301), pursuant to section 103 of that Act, $330,000,000, to remain available until September 30, 1989.

REHABILITATION LOAN FUND

During 1986, collections, unexpended balances of prior appropriations (including any recoveries of prior reservations) and any other amounts in the revolving fund established pursuant to section 312 of the Housing Act of 1964, as amended (42 U.S.C. 1452b), after September 30, 1985, are available and may be used for commitments for loans and operating costs and the capitalization of delinquent interest on delinquent or defaulted loans notwithstanding section 312(h) of such Act.

URBAN HOMESTEADING

For reimbursement to the Federal Housing Administration Fund for losses incurred under the urban homesteading program (12 U.S.C. 1706e), and for reimbursement to the Administrator of Veterans Affairs and the Secretary of Agriculture for properties conveyed by the Administrator of Veterans Affairs and the Secretary of Agriculture, respectively, for use in connection with an urban homesteading program approved by the Secretary of Housing and Urban Development pursuant to section 810 of the Housing and Community Development Act of 1974, as amended, $12,000,000, to remain available until expended.

POLICY DEVELOPMENT AND RESEARCH

RESEARCH AND TECHNOLOGY

For contracts, grants, and necessary expenses of programs of research and studies relating to housing and urban problems, not otherwise provided for, as authorized by title V of the Housing and Urban Development Act of 1970, as amended (12 U.S.C. 1701z-1 et seq.), including carrying out the functions of the Secretary under section 1(a)(1)(i) of Reorganization Plan No. 2 of 1968, $16,900,000, to remain available until September 30, 1987.

FAIR HOUSING AND EQUAL OPPORTUNITY

FAIR HOUSING ASSISTANCE

For contracts, grants, and other assistance, not otherwise provided for, as authorized by title VIII of the Civil Rights Act of 1968, as amended, $6,700,000, to remain available until September 30, 1987.

MANAGEMENT AND ADMINISTRATION

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For necessary administrative and nonadministrative expenses of the Department of Housing and Urban Development, not otherwise provided for, including not to exceed $4,000 for official reception and representation expenses, $592,831,000, of which $251,404,000 shall be provided from the various funds of the Federal Housing Administration: *Provided*, That in the Department of Housing and Urban Development not to exceed sixteen full-time permanent positions and eighteen staff years shall be available for the Office of Public Affairs.

TITLE II

INDEPENDENT AGENCIES

AMERICAN BATTLE MONUMENTS COMMISSION

SALARIES AND EXPENSES

For necessary expenses, not otherwise provided for, of the American Battle Monuments Commission, including the acquisition of land or interest in land in foreign countries; purchases and repair of uniforms for caretakers of national cemeteries and monuments outside of the United States and its territories and possessions; rent of office and garage space in foreign countries; purchase (one for replacement only) and hire of passenger motor vehicles; and insurance of official motor vehicles in foreign countries when required by law of such countries; $10,954,000: *Provided*, That where station allowance has been authorized by the Department of the Army for officers of the Army serving the Army at certain foreign stations, the same allowance shall be authorized for officers of the Armed Forces assigned to the Commission while serving at the same foreign stations, and this appropriation is hereby made available for the payment of such allowance: *Provided further*, That when traveling on business of the Commission, officers of the Armed Forces serving as members or as Secretary of the Commission may be reimbursed for expenses as provided for civilian members of the Commission: *Provided further*, That the Commission shall reimburse other government agencies, including the Armed Forces, for salary, pay, and allowances of personnel assigned to it: *Provided further*, That section 409 of the general provisions carried in title IV of this Act shall not apply to the funds provided under this heading.

□ 1520

AMENDMENT OFFERED BY MR. FRENZEL

Mr. FRENZEL. Mr. Chairman, I offer amendments, and I ask unanimous consent that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was objection.

The Clerk read as follows:

Amendments offered by Mr. FRENZEL: Page 13, line 20, strike out "$10,954,000" and insert in lieu thereof "$10,779,000".

Page 15, line 7, strike out "$7,759,000" and insert in lieu thereof "$7,635,000".

Page 34, line 10, strike out "$9,368,694,000" and insert in lieu thereof "$9,218,795,000".

Page 34, line 15, strike out "$195,840,000" and insert in lieu thereof "$192,707,000".

Page 34, line 21, strike out "$61,119,000" and insert in lieu thereof "$60,141,000".

Page 35, line 7, strike out "$760,547,000" and insert in lieu thereof "$748,378,000".

Page 35, line 20, strike out "$516,160,000" and insert in lieu thereof "$507,901,000".

Page 37, line 15, strike out "$144,400,000" and insert in lieu thereof "$142,090,000".

Page 38, line 8, strike out "$22,000,000" and insert in lieu thereof "$21,648,000".

Page 38, line 13, strike out "$3,000,000" and insert in lieu thereof "$2,952,000".

Page 38, line 20, strike out "$500,000" and insert in lieu thereof "$492,000".

Page 39, line 8, strike out "$235,000,000" and insert in lieu thereof "$231,240,000".

Mr. FRENZEL (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. FRENZEL. Mr. Chairman, the amendments which I have proposed, in effect a series of amendments, all relate to discretionary spending amounts for veterans.

The House budget resolution which we passed in June, and which was ratified by the House this week, included a ceiling of $27.45 billion for veterans' benefits and services under function 700. This bill before us contains a total of $26.52 billion for the Veterans' Administration, the Battle Monuments Commission and cemeterial expenses.

It also contains $1.5 billion in entitlement expenses. All of these expenses for veterans' programs are detailed in the table on page 81 of the committee report.

There are also deductions for receipts and fund transfers which CBO totals at $586 million. These are not shown in the table on the committee report. The absence of receipts and transfers from the report does tend to confuse things a little bit.

Therefore, the total appropriation and entitlement authorized in the bill are a little over $27.4 billion. That is just barely under the budget ceiling of $27.45 billion.

However, Mr. Chairman, there is more entitlement spending that must come under this ceiling, and that is the Veterans' Educational Benefit Fund, and the Soldiers, Sailors and Airmen's Home, which cost, between them, $194 million. Those two items will come up in the DOD appropriation.

Adding up all of what is going to be appropriated and what is in this appropriation bill we will be appropriating about $182 million over the House budget ceiling of $27.45 billion.

My amendment caps spending for the veterans at the House budget level. It reduces spending for discretionary programs only by 1.6 percent or $180 million.

My amendment does not reduce any pension compensation, burial benefits, readjustment benefits, insurance, or indemnity. It only changes the discretionary spending. It also does not freeze discretionary spending at last year's levels, since the House budget resolution accommodated a small increase of about 2 percent.

My amendment preserves that increase in veterans' functions. Mr. Chairman, we have had a lot of Members talk about freezes. Today, for the first time, the House has indicated some seriousness about living up either to a freeze or to its own budget resolution.

I must say that I have been rather outspoken in indicating that I think the House budget resolution is in fact a cream puff and will not develop much savings. Nevertheless, my amendment is not structured to a freeze, it is structured to the higher level of the House budget resolution.

It is confusing, because there are offsetting fund transfers and receipts which are in the bill and which are taken into account in the bill's total—but not shown in the committee report, and also by the fact that there are items charged to this function which are going to occur in a following appropriation.

There will be, under the resolution we passed this week, a direction to the authorizing committee, to reduce $300 million. I know the committee will carry out that responsibility. However, a COLA expense which is going to exceed $300 million is left out of this bill. So, even if my amendment is passed, we may spend a little more than the limits of our budget resolution.

I appreciate that no person in this House wants to vote for a reduction to veterans, just as we do not want to vote for reductions to anybody else. Nevertheless, this amendment is in my judgment, and in the opinion of the Congressional Budget Office, as close to fitting the House budget resolution as is possible under the circumstances.

Mr. Chairman, I hope the amendment will be supported.

□ 1530

Mr. HAMMERSCHMIDT. Mr. Chairman, I rise in opposition to the amendment offered by Mr. FRENZEL.

The amendment reduces discretionary programs in the Veterans' Administration by $180 million. The only spending of this nature at VA is in the general operating expenses and in the medical program. The vast majority of employees in VA are in this latter category. The net result therefore of the amendment would be to adversely affect the medical care of veterans.

Mr. Chairman, over 80 percent of VA expenditures are for salaries. The sum of $180 million equates to several thousand employees. The loss of that number of individuals when added to others already being absorbed would be devastating to VA medicine. It would lower the quality of care. And this would occur at a time when VA is facing an ever-increasing workload brought on by the great number of veterans advancing into their aging years.

Mr. Chairman, the appropriations subcommittee, under the able leadership of the gentleman from Massachusetts [Mr. BOLAND] and the gentleman from New York [Mr. GREEN] have done a good job on the bill before us. The job was most difficult. In my view, the VA has been treated fairly. The amendment before us would damage the agency and the veterans it serves. It ought not to pass.

Mr. FRENZEL. Mr. Chairman, will the gentleman yield?

Mr. HAMMERSCHMIDT. I yield to the gentleman from Minnesota.

Mr. FRENZEL. Mr. Chairman, I do not disagree with the gentleman's opinion. The gentleman is a distinguished expert in the House on this subject. If, in his opinion, the program would be damaged, that opinion has to carry great weight in the House.

I did want to point out, however, that the reduction in medical care under my amendment is a reduction from the Appropriation Committee bill, not a reduction from last year.

After giving full effect to my amendment, the House bill would still provide for a 4.9-percent increase over medical care from last year.

Mr. HAMMERSCHMIDT. I appreciate the fine work of the gentleman and the good intentions of his amendment. However, let me say that there are some 50, 53, or so new services being opened up in the Veterans' Administration, and filling positions for them would have to come out of the hide of existing programs; even now, they have to move employees around without adding any additional personnel to make those programs function.

So, therefore, in my opinion, the amendment would damage the medical program of the VA.

I yield to the distinguished ranking minority member of the subcommittee.

Mr. GREEN. I want to commend the distinguished ranking minority member of the Veterans' Affairs Committee for his statement. He is absolutely right that the bulk of this money is involved in the medical program; that is a labor-intensive program. The number of veterans reaching senior years is increasing very rapidly, to a point where it really threatens to overwhelm the system, and if we allow the number of employees in the VA medical system to shrink, we are going to reach a very dangerous situation there, in terms of the quality of care that is offered.

The VA hospitals currently have a lower staffing-to-patient ratio than hospitals generally in this country, which I think should be a cause for concern, and to go still further in that direction I think would be very dangerous, so I join the gentleman in opposing this amendment.

Mr. ROBINSON. Will the gentleman yield?

Mr. HAMMERSCHMIDT. I yield to my distinguished friend from Arkansas [Mr. ROBINSON].

Mr. ROBINSON. I would like to commend my colleague and ranking

minority member of our Veterans' Affairs Committee, and I also want to state that I think, in my opinion, you are the expert in this House, and, due to the fact that you have as much expertise if not more than anyone in this House, we should vote down this amendment, and I commend the gentleman.

Mr. HAMMERSCHMIDT. Mr. Chairman, I thank the gentleman, and I yield back the balance of my time.

Mr. BOLAND. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I oppose it for all the reasons that were detailed by the distinguished gentleman who sits on the Veterans Affairs Committee, and for some additional reasons. As the gentleman from Minnesota [Mr. FRENZEL] has indicated, this amendment would reduce the veterans' function by about $181 million, and $150 million of that is in the Medical Care Program.

If we made that kind of reduction in the Medical Care Program, it would force a reduction in personnel from the 193,941 ceiling that we require for medical care. It would reduce staffing by about 3,500 employees. That, of course, is unacceptable to the VA. It is unacceptable to those who believe that the medical care system ought to have sufficient personnel to handle the growing demand. That reduction creates a great deal of problem for medical care in the VA.

So for those reasons, Mr. Chairman, I oppose the amendment.

Mr. EDGAR. Mr. Chairman, the House-passed budget resolution authorized $27.45 billion in budget authority and $26.8 billion in outlays. This bill, H.R. 3038, is well within those figures. The gentleman from Minnesota has now asked that we vote for additional spending cuts for other functions not covered by the resolution. However, in doing so, he chooses to ignore that these other expenditures are offset by receipts. There is no significant net change in budget authority or outlays as a result of these items. For example, although there is budget authority of $162 million associated with the DOD-education benefits fund, this amount is offset by $171 million in receipts for this same account. I refer the gentleman to the Congressional Budget Office for a more complete explanation of these offsets.

Mr. Chairman, the budget resolution passed by the House contains funds for a minimum current services budget for medical care for our Nation's veterans. The budget also requires the Committee on Veterans' Affairs to provide $300 million in savings for fiscal year 1986. It is very likely that this savings will have to be realized from the medical care account since medical care is the only account which is not an entitlement account. An additional cut of the magnitude proposed in this amendment would make it impossible to maintain even current services since reduction in hospital medical staffing would undoubtedly be required.

This Nation has maintained the medical services for our country's veterans as an obligation which must be met. It is important to defeat this amendment and reffirm our commitment.

Mr. Chairman, I strongly urge my colleagues to defeat this amendment.

Mr. Chairman, I rise today in support of H.R. 3038, the HUD and Independent Agencies appropriations bill for fiscal year 1986.

Mr. Chairman, let me first assure you and my colleagues that I understand the dilemma that we face as a nation and particularly as Members of Congress as we again undertake to disburse our country's human and material wealth. The budget deficit is a very serious problem and scrutinizing each Federal program and activity is an arduous and sometimes painful exercise of our individual and collective intellects. Yet we must do it and we are doing it. The great risk is that we might forget our obligations.

High among the obligations we as a society and we here in the Congress have observed over the years is providing for our Nation's veterans. Mr. Speaker, I want to commend the members of the Appropriations Committee and the Appropriations Subcommittee on HUD and Indepdendent Agencies on the bill that is before us today. Their actions again reflect that long-held obligation.

I speak today in my capacity as chairman of the Subcommittee on Hospitals and Health Care of the Committee on Veterans' Affairs. I want to thank the members of the Appropriations Committee and the Appropriations Subcommittee on HUD and Independent Agencies for acting on my recommendations which were approved by the subcommittee I chair and by the full Committee on Veterans Affairs.

My recommendations were based on the anticipated great increase in need for medical care as our veteran population ages, and the requirement to provide care for those eligible veterans who are not yet old. The increase is expected to include both acute and long-term care. The extent of the increased need is well documented in private sector research and reports, in the VA's own report called "Caring for the Veteran," and in testimony before several committees of the Congress. Clearly the response to this set of needs must be a combination of cost effective delivery of current kinds of services and the implementation of alternative and innovative ways to address medical needs.

The members of the Committee on Veterans' Affairs were quite concerned that the budget proposed by the administration for fiscal year 1986 seemed to ignore the urgent requirements stated so clearly in the credible VA aging report and other sources by maintaining the status quo on most geriatic programs, such as adult day health care services and geriatic evaluation units.

It is patently obvious that resources must increase over the next 20 years to meet the anticipated demand for services by the aging veteran population while still providing care to other eligible veterans.

So, I was especially pleased to learn that the Appropriations Committee did not allow hospital staffing to be reduced as requested in the President's budget. As I had recommended, the Veteran's Affairs Committee approved, and now the Appropriations Committee has reported out increased funding of $75,720,000 to maintain a staffing level of 193,941, the 1985 average employment level. This is the "current services" level that my Veterans' Affairs colleagues and I recommended. I am also very pleased to see a restoration of the proposed 5-percent reduction in pay proposed by the administration. This is so vitally needed to maintain the quality and quantity of VA health care employees.

It is also good to see an increase over the President's proposed budget for medical and prosthetic research. The additional $8.76 million for a total of $195.84 million will enhance the VA's ability to conduct and support medical, rehabilitative and health services research. These are important aspects of the VA Medical Program which provides complete medical and hospital services for veterans. The Prosthetic Research Program is also essential in the development and testing of prosthetic, orthopedic and sensory aids for the purpose of improving the care and rehabilitation of eligible disabled veterans, including amputees, paraplegics and blind. The health services research and development projects at VA medical centers provide unique opportunities to improve the economy of delivery of health services and the accessibility of such services.

Last, let me talk about the medical construction budget. The Appropriations Committee has recommended a budget for major construction projects, those costing $2 million or more, of $516,160,000. This would include construction of new facilities and the modernization, alteration, and improvement of others. This amount provides an additional $98.4 million in fiscal year 1986 for the clinical addition project at Philadelphia. Last year we provided $17.7 million for design funds for the project. The amount requested by the administration for fiscal year 1986 was $12 million. The result of the Appropriations Commit-

tee's addition means that this project will now be fully funded at $128.1 million, which is the current estimated cost of the project. My recommendations over the years have been to do just this. The physically connected and operationally tied parts of this project, the clinical addition, nursing home, and parking facility have been considered a singular project until February of this year. That change, if accepted by the Congress would add time, costs, and inefficiencies to the project. I am pleased that my committee and now the Appropriations Committee have seen fit to recommend full funding to keep the project on track for next year.

I am also pleased that the project at Houston has been fully funded this year also. Funding for design, site acquisition, and site preparation was also recommended for Allen Park in the amount of $26,760,000. While an additional $167,840,000 will be required, the design and site funds will provide a good start for the future.

In summary, Mr. Chairman, I am generally pleased with the action of the Appropriations Committee and urge support of their recommendations. I wish to give my special thanks to the chairman of the HUD and Independent Agencies Subcommittee, Mr. BOLAND and the ranking minority member, Mr. GREEN, and the chairman of the full Appropriations Committee, Mr. WHITTEN, and the ranking minority member, Mr. CONTE. It is an honor and privilege to serve in the House with such dedicated men.

Mr. MONTGOMERY. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Minnesota. I haven't had a lot of time to look at the gentleman's amendment. As I understand it, his amendment would reduce veterans discretionary programs by $180 million. The gentleman indicates that his amendment would not reduce pension, compensation, burial benefits, readjustment benefits, or insurance. That is true because they are entitlements. Therefore, since the amendment is limited to discretionary spending, $180 million would have to come out of the veterans health care budget or general operating expenses.

The VA's health care budget is the major discretionary program. If we reduce VA's Hospital Program by $180 million it would require a reduction of some 6,000 personnel, unless the cut is to be taken by closing existing wards or closing hospitals. I can tell you that a 6,000 reduction in staff across the board would have an adverse impact on the quality of care.

I would remind the gentleman that the VA's health care budget has not contributed a penny to the deficit; that fact has been documented by our committee as well as the Appropriations Committee. In constant dollars, we are spending no more for veterans health care today than what we were spending in 1975.

To the credit of Mr. BOLAND and Mr. GREEN and other members of the Appropriations Committee, the reduction of personnel in VA hospitals proposed by the administration in fiscal year 1986 was not accepted. It was not accepted because Congress will fulfill its commitment to take care of the health care needs of our World War II veteran population.

Mr. Chairman, when we have approximately 11 million World War II veterans approaching the average age of 65 years, this is not the time to be cutting back on the VA's health care system. Many are already being turned away, and if we are to fulfill the pledge we have made over the years to take care of the health care needs of the World War II veteran population, we can't do it by reducing the VA's health care budget. I urge the Members to oppose the amendment of the gentleman from Minnesota.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Minnesota [Mr. FRENZEL].

The amendments were rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

CONSUMER PRODUCT SAFETY COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Consumer Product Safety Commission, including hire of passenger motor vehicles, services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for GS-18, and not to exceed $500 for official reception and representation expenses, $37,000,000, of which $1,000,000 shall be available only for activities authorized by the Cigarette Safety Act of 1984 (Public Law 98-567).

DEPARTMENT OF DEFENSE—CIVIL

CEMETERIAL EXPENSES, ARMY

SALARIES AND EXPENSES

For necessary expenses, as authorized by law, for maintenance, operation, and improvement of Arlington National Cemetery and Soldiers' and Airmen's Home National Cemetery, $7,759,000, to remain available until expended: *Provided*, That reimbursement shall be made to the applicable military appropriation for the pay and allowances of any military personnel performing services primarily for the purposes of this appropriation.

ENVIRONMENTAL PROTECTION AGENCY

SALARIES AND EXPENSES

For necessary expenses, not otherwise provided for, including hire of passenger motor vehicles; hire, maintenance, and operation of aircraft; uniforms, or allowances therefor, as authorized by 5 U.S.C. 5901-5902; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for GS-18; purchase of reprints; library memberships in societies or associations which issue publications to members only or at a price to members lower than to subscribers who are not members; construction, alteration, repair, rehabilitation, and renovation of facilities, not to exceed $25,000 per project; and not to exceed $3,000 for official reception and representation expenses; $690,176,000: *Provided*, That none of these funds may be expended for purposes of Resource Conservation and Recovery Panels established under section 2003 of the Resource Conservation and Recovery Act, as amended (42 U.S.C. 6913).

RESEARCH AND DEVELOPMENT

For research and development activities, $223,400,000, to remain available until September 30, 1987: *Provided*, That $6,000,000 of the funds provided under this heading shall be available only for a full scale demonstration of limestone injection multistage burner technology in a tangentially fired boiler on an equal cost sharing basis with the electric power industry.

ABATEMENT, CONTROL, AND COMPLIANCE

For abatement, control, and compliance activities, $577,600,000, to remain available until September 30, 1987: *Provided*, That none of these funds may be expended for purposes of Resource Conservation and Recovery Panels established under section 2003 of the Resource Conservation and Recovery Act, as amended (42 U.S.C. 6913), or for support to State, regional, local and interstate agencies in accordance with subtitle D of the Solid Waste Disposal Act, as amended, other than section 4008(a)(2) or 4009: *Provided further*, That $50,000,000 of the funds provided under this heading shall be available for the purposes of the Asbestos School Hazards Abatement Act of 1984, including $5,000,000 for administrative expenses: *Provided further*, That the $45,000,000 available for grants and loans for school asbestos abatement may be obligated only for projects conducted by contractors who are State-certified or by employees who have successfully completed a training program approved by the Environmental Protection Agency.

BUILDINGS AND FACILITIES

For construction, repair, improvement, extension, alteration, and purchase of fixed equipment for facilities of, or use by, the Environmental Protection Agency, $5,000,000, to remain available until expended.

EXECUTIVE OFFICE OF THE PRESIDENT

COUNCIL ON ENVIRONMENTAL QUALITY AND OFFICE OF ENVIRONMENTAL QUALITY

For necessary expenses of the Council on Environmental Quality and the Office of Environmental Quality, in carrying out their functions under the National Environmental Policy Act of 1969 (Public Law 91-190), the Environmental Quality Improvement Act of 1970 (Public Law 91-224), and Reorganization Plan No. 1 of 1977, including not to exceed $500 for official reception and representation expenses, and hire of passenger motor vehicles, $700,000.

OFFICE OF SCIENCE AND TECHNOLOGY POLICY

For necessary expenses of the Office of Science and Technology Policy, in carrying out the purposes of the National Science and Technology Policy, Organization, and Priorities Act of 1976 (42 U.S.C. 6601 and 6671), hire of passenger motor vehicles, services as authorized by 5 U.S.C. 3109, not to exceed $1,500 for official reception and representation expenses, and rental of conference rooms in the District of Columbia, $2,343,000: *Provided*, That the Office of Science and Technology Policy shall reimburse other agencies for not less than one-half of

the personnel compensation costs of individuals detailed to it.

FEDERAL EMERGENCY MANAGEMENT AGENCY

DISASTER RELIEF

For necessary expenses in carrying out the functions of the Disaster Relief Act of 1974, as amended (42 U.S.C. 5121 et seq.), $194,000,000, to remain available until expended.

SALARIES AND EXPENSES

For necessary expenses, not otherwise provided for, including hire and purchase of motor vehicles (31 U.S.C. 1343); uniforms, or allowances therefor, as authorized by 5 U.S.C. 5901-5902; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for GS-18; expenses of attendance of cooperating officials and individuals at meetings concerned with the work of emergency preparedness; transportation in connection with the continuity of government program to the same extent and in the same manner as permitted the Secretary of a Military Department under 10 U.S.C. 2632; and not to exceed $1,000 for official reception and representation expenses, $118,746,000, of which not to exceed $95,771,000 shall be available for obligation in the personnel compensation and benefits object classifications: *Provided*, That of the funds provided herein for personnel compensation and benefits (object classifications 11, 12, and 13), not to exceed $24,839,000 shall become available on October 1, 1985, and that amount shall be increased by (1) $23,644,000 on January 1, 1986, (2) $23,644,000 on April 1, 1986, and (3) $23,644,000 on July 1, 1986: *Provided further*, That of the funds provided under this heading, not to exceed $30,079,000 shall be available for headquarters management and administration activities: *Provided further*, That the funds provided herein for headquarters management and administration activities shall be used to support 42 full-time equivalent employment (FTEE) in the Office of Inspector General and not to exceed (1) 8 FTEE in the Office of the Director, (2) 18 FTEE in the Office of General Counsel, (3) 2 FTEE in Special Programs, (4) 5 FTEE in the Executive Administrator's Office, (5) 8 FTEE in the Office of Public Affairs, (6) 6 FTEE in the Office of Congressional Relations, (7) 2 FTEE in the Office of International Affairs, (8) 5 FTEE in the Office of Equal Opportunity, (9) 11 FTEE in the Office of Security, (10) 31 FTEE in the Office of Acquisition Management, (11) 41 FTEE in the Office of Personnel, (12) 74 FTEE in the Office of the Comptroller, (13) 7 FTEE in the Office of Program Analysis and Evaluation, (14) 60 FTEE in the Office of Administrative Support, (15) 64 FTEE in Automatic Data Processing, and (16) 6 FTEE in the Office of Regional Operations.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE

For necessary expenses, not otherwise provided for, to carry out activities under the National Flood Insurance Act of 1968, as amended, and the Flood Disaster Protection Act of 1973, as amended (42 U.S.C. 4001 et seq.), the Disaster Relief Act of 1974, as amended (42 U.S.C. 5121 et seq.), the Earthquake Hazards Reduction Act of 1977, as amended (42 U.S.C. 7701 et seq.), the Federal Fire Prevention and Control Act of 1974, as amended (15 U.S.C. 2201 et seq.), the Strategic and Critical Materials Stock Piling Act, as amended (50 U.S.C. 98 et seq.), the Federal Civil Defense Act of 1950, as amended (50 U.S.C. App. 2251 et seq.), the Defense Production Act of 1950, as amended (50 U.S.C. App. 2061 et seq.), section 103 of the National Security Act (50 U.S.C. 404), and Reorganization Plan No. 3 of 1978, $248,910,000.

AMENDMENT OFFERED BY MR. CARNEY

Mr. CARNEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CARNEY: On page 20, line 23, strike the period and insert a semicolon and add the following new proviso: ": *Provided*, That none of the funds made available may be expended for the purpose of the preparation, testing or implementation of an emergency radiological response plan without the consent of the appropriate State and/or local authorities.".

Mr. GREEN. Mr. Chairman, I reserve a point of order with respect to the amendment.

The CHAIRMAN. The gentleman reserves a point of order on the amendment.

The Chair recognizes the gentleman from New York [Mr. GREEN].

Mr. CARNEY. Mr. Chairman, this amendment is quite simple. It does not delete any money; it just gives some guidance; and basically what you might want to call this amendment is a "State's rights" amendment.

We are not trying to prevent FEMA from cooperating and working with local governments in the implementation of emergency radiological response plans, but what we are trying to do is to preserve the localities' rights to determine their own destination.

It is quite simple, and I would hope that it would enjoy the support of my colleagues in the House.

POINT OF ORDER

Mr. GREEN. Mr. Chairman, I very much regret that I must press my point of order, that the amendment constitutes legislation on an appropriation bill, particularly insofar as it imposes additional duties on the agency by requiring them to ascertain the views of State and local government officials, local government officials indeed to be quite numerous in the area around a nuclear generation plant, and that would therefore be a substantial additional duty imposed on the agency.

The CHAIRMAN. Does the gentleman from New York desire to be heard?

Mr. CARNEY. Mr. Chairman, I regret that a point of order was made on my amendment; I think it is an amendment that would be germane, and I also believe it is an appropriate amendment at this time in the bill.

The CHAIRMAN. The question is one, not of germaneness, but obviously whether it abides by the rules of the House.

Does the gentleman have a specific response to the point of order that this constitutes legislation on an appropriations bill?

Mr. CARNEY. Mr. Chairman, I thought I had written the amendment in a narrow enough sense that it would stand up to parliamentary consideration.

The CHAIRMAN (Mr. PANETTA). Is there further discussion on the point of order?

If not, the Chair is prepared to rule on the point of order.

The amendment states at the conclusion that it demands that this response plan not be concurred in without the consent of the appropriate State and/or local authorities.

In the view of the Chair, that constitutes legislative direction on an appropriation bill not shown to be required by existing law and therefore violates clause 2, rule XXI which prohibits legislation on an appropriations bill and therefore the point of order is well taken.

□ 1540

The Clerk will read.

The Clerk read as follows:

NATIONAL FLOOD INSURANCE FUND

(INCLUDING TRANSFERS OF FUNDS)

For repayment under notes issued by the Director of the Federal Emergency Management Agency to the Secretary of the Treasury pursuant to section 15(e) of the Federal Flood Insurance Act of 1956, as amended (42 U.S.C. 2414(e)), $92,852,000, of which $8,760,000 shall, upon enactment of this Act, be transferred to the Salaries and expenses appropriation for administrative costs of the insurance programs and $45,750,000 shall, upon enactment of this Act, be transferred to the Emergency management planning and assistance appropriation for flood plain management activities, including $4,778,000 for expenses under section 1362 of the National Flood Insurance Act of 1968, as amended (42 U.S.C. 4103, 4127), which amount shall be available until September 30, 1987. In fiscal year 1986, no funds in excess of (1) $40,750,000 for operating expenses, (2) $67,591,000 for agents' commissions and taxes, and (3) $9,160,000 for interest on Treasury borrowings shall be available from the National Flood Insurance Fund without prior notice to the Committees on Appropriations.

EMERGENCY FOOD AND SHELTER PROGRAM

There is hereby appropriated $70,000,000 to the Federal Emergency Management Agency, to remain available until September 30, 1986, to carry out an emergency food and shelter program. Notwithstanding any other provision of this or any other Act, such amount shall be made available under the terms and conditions of the following paragraphs:

The Director of the Federal Emergency Management Agency shall, as soon as practicable after enactment of this Act, constitute a national board for the purpose of determining how the program funds are to be distributed to individual localities. The national board shall consist of seven members. The United Way of America, the Salvation Army, the National Council of Churches of Christ in the U.S.A., the National Conference of Catholic Charities, the Council of Jewish Federations, Inc., the American Red Cross, and the Federal Emergency Management Agency shall each designate a repre-

sentative to sit on the national board. The representative of the Federal Emergency Management Agency shall chair the national board.

Each locality designated by the national board to receive funds shall constitute a local board for the purpose of determining how its funds will be distributed. The local board shall consist, to the extent practicable, of representatives of the same organizations as the national board except that the mayor or appropriate head of government will replace the Federal Emergency Management Agency member.

The Director of the Federal Emergency Management Agency shall award a grant for $70,000,000 to the national board within thirty days after enactment of this Act for the purpose of providing emergency food and shelter to needy individuals through private voluntary organizations and through units of local government.

Eligible private voluntary organizations should be nonprofit, have a voluntary board, have an accounting system, and practice nondiscrimination.

Participation in the program should be based upon a private voluntary organization's or unit of local government's ability to deliver emergency food and shelter to needy individuals and such other factors as are determined by the local boards.

Total administrative costs shall not exceed 2 per centum of the total appropriation.

As authorized by the Charter of the Commodity Credit Corporation, the Corporation shall process and distribute surplus food owned or to be purchased by the Corporation under the food distribution and emergency shelter program in cooperation with the Federal Emergency Management Agency.

Mr. PASHAYAN. Mr. Chairman, I want to address myself to the committee's report language on emergency planning for nuclear facilities. This is an issue with which I have some familiarity as a result of my activities on the Interior Committee. In fact, I sponsored an amendment on this subject in this year's Nuclear Regulatory Commission authorization bill. The amendment would extend a provision of existing law authorizing the NRC to consider utility emergency plans for nuclear facilities when affected States and localities decline to submit their own plans.

Last year, when we included that provision in the NRC authorization, I spoke on the floor regarding its significance. I noted that the reason that it is, in fact, significant is that, once utility emergency plans are submitted and approved in the face of State and local opposition to a plant, those plans can be implemented by Federal authorities. States and localities are thus denied a veto of nuclear facilities. They cannot veto a facility by failing to submit a plan, because the current NRC authorization, and indeed the NRC's underlying authority, permit the Commission to consider a utility plan in the licensing process. They cannot veto by failing to exercise or to carry out a plan, because of the authority in Federal agencies to conduct those activities.

The report language before us today underscores the latter point. It makes clear that the Federal Emergency Management Agency is authorized to exercise and implement emergency plans and to coordinate the efforts of other Federal agencies with regard to those activities. That authority derives primarily from the Civil Defense Act of 1950 and the Disaster Relief Act of 1974. More important, the report directs that the authority actually be used. I am delighted to see the committee take this step, since it is one that will benefit both the nuclear power industry and those who live in the vicinity of nuclear plants.

I should like to elaborate on the authority of FEMA under the two relevant acts. The Civil Defense Act directs the Federal Government to provide the necessary direction, coordination and guidance for a system of civil defense. Through a reorganization plan and a subsequent delegation, FEMA has become the lead agency under the act. The resulting responsibility in FEMA to provide for a civil defense system must of necessity include the reponsibility to fill in the gaps in any system that is provided. If States and localities fail to exercise their own responsibilities under that system, FEMA would appear to have not only the authority but also the obligation to compensate for their inadequacies. That is true not only for actions in response to a nuclear attack, but it also applies to responses to natural and manmade disasters—including nuclear powerplant accidents.

Thus, when I hear, as I occasionally do, statements that FEMA does not have the authority to carry out emergency evacuation plans for nuclear facilities, I have difficulty understanding them. When I hear that FEMA lacks the authority to exercise such plans, I have even more difficulty. To repeat—and I think it bears repeating—responsibility for a system simply must include the authority to intervene directly on behalf of the system when it would otherwise fail. And that authority must in turn include the authority to conduct exercises so that such intervention, when called for, will be effective.

The authority granted under the Disaster Relief Act was originally conferred on the President and was then delegated to the Director of FEMA by executive order. Under that act, at the request of the Governor of any State, the President can declare an emergency. Federal agencies are then authorized, on the direction of FEMA, to provide assistance by "utilizing * * * equipment, supplies, facilities, personnel, and other resources." In short, once an emergency is declared, whether it relates to a natural disaster, a nuclear accident, or whatever, FEMA has broad and far-reaching powers to deal with the situation.

It is true that FEMA can exercise those powers only after a Governor of the affected State requests it to do so. It must be assumed, however, that, in the event of any emergency in which the State or an affected locality does not assume control of the situation, the Governor would request Federal action. In such a case, FEMA would be the agency that exercised command and control, unless it chose another agency to assume that role.

If FEMA has that command and control responsibility, it must be prepared to use it at the appropriate time. It therefore unquestionably has the authority to participate in any exercise that is designed to ensure adequate preparation. Emergency planning exercises for nuclear facilities have percisely that function. FEMA is thus clearly authorized to participate in those exercises.

The authority is made explicit by 42 U.S.C. 5131. The section authorizes FEMA to establish a program of disaster preparedness that utilizes the services of all agencies, including FEMA. The program is to include, among other things, "preparation of disaster preparedness plans for mitigation, warning, emergency operations * * * and recovery," and "training and exercises." The message, once again, could hardly be clearer: The authority is there.

The committee adopted language similar to this report language in its report accompanying the energy and water appropriation bill. The language directs the Department of Energy to participate in emergency preparedness exercises and emergency plan execution when States and localities refuse to do so. Thus, both FEMA and DOE have now been so directed. At the time of our consideration of the energy and water bill, Mr. MARKEY stated that DOE has no authority to perform those activities. As a final matter, I should like to address myself briefly to his remarks.

First of all, it should be noted that the Department of Energy Organization Act is ambiguous in this area. It is, therefore, a close question whether, without the action of any other Federal agency, DOE would be authorized on its own to exercise or carry out an emergency plan. There is no question whatever, however, that FEMA is capable of delegating its own authority to perform these functions to DOE. Short of delegating the authority, FEMA may also use the services of DOE, while retaining responsibility for the activity in question. FEMA's authority to delegate is explicit under section 201 of the Civil Defense Act. Section 401(c) of that act further provides that FEMA may utilize the services of Federal agencies in exercising its own authority. Beyond that, Executive Order 11490 provides that the civil

defense authorities delegated by that order can be transferred from one agency to another with the concurrence of FEMA. Finally, the Economy Act authorizes all Federal agencies to perform certain services for other Federal agencies subject to very modest constraints.

It is thus clear that DOE can play a critical role in emergency plan exercises and execution, should FEMA authorize it to do so. It is less clear, but still arguable, that the Department's role can be significant even if FEMA takes no such action. The Energy and Water report language simply directs the Department to make full use of its authority in either event.

In essence, the committee has told FEMA and DOE that a serious problem exists in nuclear power regulation and that the two agencies are obligated to work it out together. That, it seems clear, was the appropriate path to take. I congratulate the committee for taking the lead in this troublesome area, and I welcome the opportunity to support its effort.

AUTHORITY OF THE FEDERAL EMERGENCY MANAGEMENT AGENCY TO EXERCISE AND IMPLEMENT EMERGENCY PLANS FOR NUCLEAR FACILITIES AND TO USE THE SERVICES OF THE DEPARTMENT OF ENERGY OR OTHER AGENCIES IN CONNECTION WITH SUCH ACTIVITIES

I. AUTHORITY UNDER THE FEDERAL CIVIL DEFENSE ACT OF 1950

The Federal Civil Defense Act of 1950 was adopted "to provide a system of civil defense" for protection from enemy attack and from natural and man-made disasters. 50 U.S.C. App. §§ 2251 and 2252(b). The relevant authority under the act has been delegated to the Director of the Federal Emergency Management Agency (FEMA). Executive Order 12148, § 4-103, reprinted in 50 U.S.C. App. § 2251 note. The authority "to provide a system" of necessity includes the authority to intervene directly to compensate for deficiencies in that system.

Section 201 of the Act authorizes the Director of FEMA "to delegate, with the approval of the President, to the several departments and agencies of the Federal Government appropriate civil defense responsibilities." 50 U.S.C. App. § 2281(b).

In addition, section 401(c) of the Act provides that the Director may "utilize the services of Federal agencies." 50 U.S.C. App. § 2253(c). Indeed, the Director is instructed to use existing resources of the federal government to the maximum extent possible. 50 U.S.C. App. § 2257. The Director is authorized to reimburse assisting departments for expenditures or for compensation of their personnel. 50 U.S.C. App. § 2253(e).

II. AUTHORITY UNDER THE DISASTER RELIEF ACT OF 1974

The Disaster Relief Act of 1974 authorizes the President to declare an emergency or major disaster and to provide assistance at the request of the Governor of the affected state. 42 U.S.C. § 5141. Authority to declare an emergency or major disaster remains with the President, but all other relevant authority has been delegated to the Director of FEMA. Executive Order 12148, § 4-203, reprinted in 50 U.S.C. App. § 2251 note.

Once an emergency or major disaster has been declared, Federal agencies are authorized, at the direction of FEMA, "to provide assistance by (1) utilizing * * * their equipment, supplies, facilities, personnel, and other resources." Federal agencies are also authorized to perform "emergency work or services essential to save lives and to protect and preserve property, public health and safety, including but not limited to * * * movement of supplies or persons, clearance of roads," etc. 42 U.S.C. § 5146(a).

Moreover, regardless of existing emergencies or disasters, the Director of FEMA is "authorized to establish a program of disaster preparedness that utilizes services of all apprporite agencies * * * and includes (1) preparation of disaster preparedness plans for mitigation, warning, emergency operations, rehabilitation, and recovery; [and] (2) training and exercises." 42 U.S.C. § 5131.

III. AUTHORITY UNDER EXECUTIVE ORDER 11490

Executive Order 11490, as amended, reprinted in 50 U.S.C. App. § 2251 note, delegates numerous civil defense authorities to various federal agencies and departments. The order provides that these authorities are to be exercised under the guidance and coordination of FEMA. Section 3013 of the order provides:

"Transfer of Functions. Any emergency preparedness function under this order, or parts thereof, may be transferred from one department or agency to another with the consent of the heads of the organizations involved and with the concurrence of the Director, FEMA. Any new emergency preparedness function may be assigned to the head of a department or agency by the Director, FEMA by mutual consent."

IV. AUTHORITY UNDER THE ECONOMY ACT

The Economy Act authorizes federal departments and agencies to perform services for other federal departments and agencies. 31 U.S.C. § 1535. The act is implemented by letters of agreement between such departments and agencies. Id. The agreement must be in the best interests of the U.S. government; the department or agency must be able to provide the services; and the services must not be available as conveniently or cheaply from a commercial source. Id.

The Clerk read as follows:

GENERAL SERVICES ADMINISTRATION

CONSUMER INFORMATION CENTER

For necessary expenses of the Consumer Information Center, including services authorized by 5 U.S.C. 3109, $1,249,000, to be deposited into the Consumer Information Center Fund: *Provided*, That the appropriations, revenues and collections deposited into the fund shall be available for necessary expenses of Consumer Information Center activities in the aggregate amount of $5,200,000. Administrative expenses of the Consumer Information Center in fiscal year 1986 shall not exceed $1,631,000. Appropriations, revenues and collections accruing to this fund during fiscal year 1986 in excess of $5,200,000 shall remain in the fund and shall not be available for expenditure except as authorized in appropriation Acts.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

OFFICE OF CONSUMER AFFAIRS

For necessary expenses of the Office of Consumer Affairs, including services authorized by 5 U.S.C. 3109, $1,988,000.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

RESEARCH AND DEVELOPMENT

For necessary expenses, not otherwise provided for, including research, development, operations, services, minor construction, maintenance, repair, rehabilitation and modification of real and personal property; purchase, hire, maintenance, and operation of other than administrative aircraft, necessary for the conduct and support of aeronautical and space research and development activities of the National Aeronautics and Space Administration; $2,756,800,000, to remain available until September 30, 1987: *Provided*, That of the funds provided herein, not to exceed $200,000,000 shall be available for a space station, except that the Administrator of the National Aeronautics and Space Administration may increase the aforementioned amount by the $10,000,000 made available herein for the orbital maneuvering vehicle.

AMENDMENTS OFFERED BY MR. HENRY

Mr. HENRY. Mr. Chairman, I offer a series of seven amendments, and I ask unanimous consent that they be considered as read, printed in the RECORD, and considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The texts of the amendments are as follows:

Amendments offered by Mr. HENRY: Page 24, line 23, strike out "$2,756,800,000," and insert in lieu thereof "$2,700,561,000,".

Page 25, line 15, strike out "$3,402,900,000," and insert in lieu thereof "$3,333,481,000,".

Page 25, line 23, strike out "$139,300,000," and insert in lieu thereof "$136,845,000,".

Page 27, line 6, strike out "$1,367,000,000," and insert in lieu thereof "$1,339,113,000,".

Page 28, line 19, strike out "$1,347,205,000," and insert in lieu thereof "$1,327,670,500,".

Page 30, line 6, strike out "$115,100,000," and insert in lieu thereof "$113,431,000,".

Page 30, line 17, strike out "$60,550,000," and insert in lieu thereof "$59,698,500,".

Mr. HENRY. Mr. Chairman, of the seven amendments involved here four deal with the NASA appropriation and three with the National Science Foundation appropriation. The intent of each of the amendments is simply to bring the appropriated level down to the authorized amount, to bring the appropriations language into concurrence with the authorization that was passed by this House in April by an overwhelming margin.

There has been objection to this amendment raised, quite frankly. A letter was circulated, a "Dear Colleague" letter, bearing the signatures of some 31 of our colleagues, suggesting that this was an attempt to slash funding for NASA and slash funding for the NSF.

I would point out that, so far as the NASA freeze amendments go, we are talking, roughly, about 2 percent pro rata reduction, and with regard to the National Science Foundation amendments, a pro rata reduction of 1.5 percent, in keeping with the language adopted by this body several months ago when we first began discussing the freeze issue.

Now, we have had a lot of discussion of what is a freeze and what is a freeze

and what are we freezing against. And when this discussion began on the floor of this House, Mr. Chairman, the effort in this case was to freeze discretionary spending across the board other than nonentitlement programs and other than programs that affect the needy, poverty-needs directed programs, to hold them consistent with the spending levels of 1985 fiscal year.

These amendments, Mr. Chairman, do nothing more than that but freeze each of these items at the 1985 level, including the 1985 supplemental.

Each of us supports efforts to cut the deficit. All too often, and, unfortunately, on a regular basis, Mr. Chairman, we come round and round, saying, "But let's begin somewhere else." We fought that battle on several occasions here today. Sometimes these amendments have prevailed; sometimes they have not. But in this case, Mr. Chairman, the House is solidly on record for a freeze, in this case, Mr. Chairman, when we debated the authorization bill, an authorization freeze with the overwhelming support of this body and the overwhelming support of the Members of this body from both sides of the aisle. It is argued, Mr. Chairman, that increased spending in this area, particularly in the NASA area, for example, gives us returns of $7 to $14 for every additional dollar we invest.

Mr. Chairman, the same argument is made relative to almost every program. Jobs Corps supporters, which I support, argue that every dollar returns $8 on the dollar in terms of revenues saved. WIC supporters, a program I support, argue that for every dollar invested there is a $6 return on the dollar. Were it that simple, Mr. Chairman, we ought to spend more in order to save more. But, alas, it is not so.

I have no argument with the merit of the NASA programs, the programs of the National Science Foundation. The goals of both these programs are important. Their work is vital to our future. But, likewise, Mr. Chairman, I share the concern that has been expressed so often today and throughout these last months with the deficits we are amassing. These amendments are simple, across-the-board-freeze, based on 1985 spending levels.

Mr. FUQUA. Mr. Chairman, I move to strike the last word.

Mr. Chairman, the amendment that is offered by the gentleman from Michigan I am sure is well intended. I would like to point out to the membership of the committee that this bill as presented by the distinguished gentleman from Massachusetts, with the able leadership of the distinguished gentleman from New York [Mr. GREEN], is within the budget resolution as passed by the House. It is also below the budget request of this administration.

Now, what do we do in the National Science Foundation if we reduce those funds?

At the direction of the Congress in the last budget year, we recognized the need to develop supercomputer research and training at various institutions of higher education in this country, and that program is beginning to be initiated at the present time at four distinguished universities throughout this country and hopes to be expanded in later budgets.

What would this do? It would severely impact those programs, programs that are very vital to this country.

Where else would it impact? In repeated hearings that we have had in our science policy task force there has been the crying need in this country to turn out more and more engineers and scientists to meet the demands of not only Government but of industry in this country. Those are very critical programs. Only this morning we had some very distinguished individuals from a broad section of this country testify before our panel about the critical need for this.

This House in 1983 passed one of the first major pieces of legislation dealing with science and math education as a result of a study called Crisis in Education in America. We responded, and it was enacted into law and signed by President Reagan last year, to be directed by the National Science Foundation.

It would impact high schools and elementary schools in trying to upgrade the teaching capabilities of their teachers and provide stronger programs in science and math education.

That program would be severely impacted if this amendment were to pass, the very things that are investments in the future, investments that we as responsible Members and elected Members of this House must look at. This is not dead-end spending. This is an investment in the future of the country.

Now, let us look at the Aeronautics and Space Administration and to some events that have happened since the authorization bill was on the floor.

First of all, the NASA bill is 15 percent below the 1973 NASA budget request in terms of purchasing power. The NASA employees are down over 5,000 from what they were in 1973. And I might add that was after the Apollo Program. The first thing we realize is that these are programs in which we have already made large investments. Those include the Galileo mission to Jupiter, the space telescope, both of which are due to be launched in 1986; the Upper Atmosphere Satellite Program, which has been in development for several years, cutting this program would be very wasteful. We would not save any money. We would stretch the programs out and they would cost the taxpayers considerable more money. The Centaur modification that is going to be necessary to fly in the space shuttle has been underway for some time and the modification to Centaur to fly the Galileo as well as the international solar polar mission which is an international mission.

□ 1550

Therefore cutting the Centaur Program would have a domino effect on many other programs. Then we had hoped to have the tracking and data relay satellite system which needs to be implemented so that we can close some very expensive ground stations that we have to use around the world. There has been some technical problems with that TDRSS satellite, and to cut funds in NASA, they just cannot be cut because we must have the tracking ground stations in order to insure the safety and the information that we need from our space missions.

So this would not be in the best interest.

The CHAIRMAN. The time of the gentleman from Florida [Mr. FUQUA] has expired.

(By unanimous consent, Mr. FUQUA was allowed to proceed for 3 additional minutes.)

Mr. FUQUA. So if we agree to this amendment, we then have to look at the new programs that we have to cut. What is the biggest new program? It is the space station. Here again, the Europeans have signed on, the Canadians have signed on, the Japanese have signed on for a program. The space station would have to be cut if this amendment passes.

Our Science programs would have to be cut. We would have to cut the Mars Orbiter, which has been highly recommended by the scientific community. We would have to cut our gravity probe experiment which the President's science advisor has recommended as being very much needed. The solar optical telescope would probably have to be eliminated. In the area of space transportation, we would have to cut the orbiter maneuvering vehicle that would be used in connection with retrieval of sattelites for the space station so that they could be serviced. We would have to look at other cuts in NASA personnel.

From all the examples that we see, it is clear that we simply cannot have a freeze and have a vigorous Civilian Space Program. I know that many Members support certain items in the NASA and the NSF budget, but they may not support the bottom line figure. I might point out that this budget is below the President's request.

About 3 years ago, the gentleman from Massachusetts and the gentleman from New York are very familiar

with this, there was agreement made between NASA and the OMB that the NASA budget would increase by inflationary growth plus 1 percent. So they perceive to get involve and commit to programs based on this budget assurance. Now, we ran into tight budget considerations. We are below the President's budget request. We are some $220 million below what the President requested in his tight budget. These are his priorities.

Mr. LEWIS of California. Mr. Chairman, will the gentleman yield?

Mr. FUQUA. I yield to the gentleman.

Mr. LEWIS of California. I thank the gentleman for yielding.

I was not quite sure if I clearly understood what the gentleman was saying. I consider myself to be among the real budget cutters around here, but did the gentleman say that this NASA budget is some $220 million below the President's request?

Mr. FUQUA. The gentleman is absolutely correct.

Mr. LEWIS of California. And did you say that it was $220 million below the original authorization committee's recommendation?

Mr. FUQUA. That is correct.

Mr. LEWIS of California. If the gentleman would yield further, it strikes me as amazing that there would be a suggestion that we ought to cut even further in a program that has support on both sides of the aisle, that is recognized as the horizon of the future of our Nation. The real hope for the expansion of industry, for breakthroughs in health care. It is incredible that those figures are accurate as you have outlined them. Indeed, I think the gentleman is making a very important point, and I hope that our colleagues will listen.

Mr. FUQUA. I might point out to the gentleman that it has been proven by several economic studies, not Government studies, but private studies, that for every $1 that we spend in these high technology programs that they generate approximately $7 to $14 back into generated income from that investment. That is better than we get from many water works projects or many other projects.

This is a money-making project for the Federal Government, for our technological advancement and for keeping our competitive edge that we have in the world markets today.

Mr. LEWIS of California. Mr. Chairman, will the gentleman yield?

Mr. FUQUA. I yield to the gentleman.

Mr. LEWIS of California. I would suggest to my chairman that in this very critical subject area, we indeed must deal with the budget crisis with great care. There is not a program around, it seems to me, that gives more hope in terms of future expansion of our economy, and that is really the way to go about affecting the deficit problems that we face.

I think the chairman is making a very important point and I appreciate it.

Mr. FUQUA. I might further amplify on the gentleman's point. In the National Science Foundation, as the gentleman knows, we have a critical need for science and math in this country, and we are having a technologically illiterate society developed. When you look at the SAT scores, when you look at the number of engineers that we are producing, we are not producing the number of engineers that we need to meet the demands that we have. We need to further move in other directions in the scientific base.

This also, in the National Science Foundation, is a very, very important investment that we are making.

The CHAIRMAN. The time of the gentleman from Florida [Mr. FUQUA] has expired.

(On request of Mr. LEWIS of California and by unanimous consent, Mr. FUQUA was allowed to proceed for 5 additional minutes.)

Mr. HENRY. Mr. Chairman, will the gentleman yield?

Mr. FUQUA. I yield to the gentleman.

Mr. HENRY. I thank my distinguished chairman. He knows I have listened to his words seriously and with great respect. I know this comes very hard, because this is his committee upon which I have requested to serve because I believe in everything the gentleman has said.

I do not question the fiscal facts as have been presented. I do not question the fact that the authorization level, the appropriation level is substantially below the administration's request. I do simply say this: As we set out on this long and arduous path of trying to get ahold of the deficit, I remember taking the well of the House and saying, quite frankly with a bit of fear and trepidation, given my side of the aisle and being a newer Member, saying I would be ready to step in and vote for a freeze on defense. I was going to vote for a freeze on this, and I was going to ask on the other side of the aisle to deal with the same kind of disciplines that are necessary on some of the social and human service programs. But we get caught in the middle here. We are all caught because we ourselves voted to impose this discipline upon ourselves, when we voted overwhelmingly on both sides of the aisle only 3, 4 months ago to freeze the authorizations. This is all I am asking to do.

Mr. FUQUA. Let me tell the gentleman that he well knows that the time the authorization bill was on the floor we had not adopted a budget resolution. Now, since that time there has been a budget resolution adopted. This bill is well below the figures and the function 250, which is a category that carries these two funds, it is well below the budget resolution.

So I feel as though the House has spoken. And where their priorities are in trying to support those things that they feel are necessary for the advancement of this Nation. So we are in a different situation now and we are not comparing apples and apples; we are comparing apples and prunes.

Mr. NELSON of Florida. Mr. Chairman, will the gentleman yield?

Mr. FUQUA. I yield to the gentleman.

Mr. NELSON of Florida. I want to underscore what my chairman has said. The circumstances in which we are dealing is considerably different than when the NASA authorization and the NSF authorization bills were on this floor. I said at that time in my capacity as chairman of the gentleman's Subcommittee on Space, that I felt like that NASA ought to take its licks with everybody else if indeed there was going to be a freeze. But that freeze, everybody ought to be willing to get in the barrel and share in the sacrifice. Obviously, the freeze is unraveling and has unraveled. We have seen votes that have occurred. We have seen votes that have taken place down in the Senate; we have seen votes that have taken place in the Conference Commitee on the Budget, and there is no true freeze.

But even if we came, as the gentleman from Michigan says, still articulating the freeze idea, let me tell you, this gentleman right here, the chairman of the HUD Independent Agencies appropriations; the gentleman over there from New York, the gentleman from California on his committee has done a terrific job, because not only did they freeze the agencies within their jurisdiction, they actually brought a bill to this floor that was a billion dollars less than fiscal year 1985 appropriations level, and with the two amendments just adopted, that brings it down another billion and a half, so they are below in the posture that we sit here on this floor, $2.5 billion below the appropriations for 1985 of the agencies in his jurisdiction.

□ 1600

I served on the Budget Committee for the maximum 6 years allowed, and let me tell my colleagues there is a constant dog and cat fight between the Appropriations Committee and the Budget Committee about who is going to set the economic policy. It is clear over the wrangling of the years that the Budget Committee, in the adopted budget resolution, sets the macro policy.

I want the gentleman from Michigan to hear this.

The macro policy is set by the budget that is passed. We adopted a resolution that gives the force of law to the House-passed budget yesterday, since it is stalled in conference. The right of the Appropriations Committee to crosswalk the figures in the macro policy out of the budget into their individual appropriations subcommittees is jealously guarded.

The CHAIRMAN. The time of the gentleman from Florida [Mr. FUQUA] has expired.

(On request of Mr. NELSON of Florida and by unanimous consent, Mr. FUQUA was allowed to proceed for 2 additional minutes.)

Mr. NELSON of Florida. If the gentleman will yield further, the gentleman from Massachusetts has done that, has done it admirably, done it not only at a freeze level but less than a freeze. So if we want to talk freeze, let us talk freeze. He has done it, and he has done it in the crosswalk of the figures out of the budget resolution.

Mr. FUQUA. I might say to the gentleman, and to my colleagues, that in the purest sense we are within a freeze in the overall category of this bill, $1 billion below the budget resolution that we have, and there is nothing in that that says we cannot remove and move figures around within that budget. But the overall bill is below the fiscal year 1985 appropriated level.

Mr. HENRY. Mr. Chairman, will the gentleman yield?

Mr. FUQUA. I would be glad to yield to my friend, the gentleman from Michigan.

Mr. HENRY. I thank the gentleman for yielding.

Mr. Chairman, I would simply point out that I do not contest that this section of this bill is within the budget resolution. Obviously there is a great deal of debate in this body as to whether the remaining parts of the bill were. Those are questions of judgment, of interpretation.

Mr. FUQUA. Would the gentleman admit that it is below the fiscal year 1985 appropriation level, this total bill?

Mr. HENRY. I will not concede that, Mr. Chairman, because there are all kinds of questions unanswered, the way in which the interest functions, particularly in the housing portion, were rearranged and transferred to other lines. But that is a different section of the bill that is past and we are finshed with it.

Mr. FUQUA. Let me yield to the gentleman from New York [Mr. GREEN] who is a member of the committee. I think he can answer that question.

Mr. GREEN. By way of explanation, there was a dispute, and a legitimate dispute, about two items totaling $1.7 billion. Because the bill was $1 billion under, as we calculated it, the most that those who offered the amendments earlier claimed that we were over could be $700 million because $1 billion from $1.7 billion leaves $700 million.

The amendments that have been adopted have taken $1½ billion additional out of this bill, so we are plainly, at this point, on anyone's method of calculation, hundreds of millions of dollars below last year's bill and also below our section 302(b) allocation.

The CHAIRMAN. The time of the gentleman from Florida [Mr. FUQUA] has again expired.

(On request of Mr. GREEN and by unanimous consent, Mr. FUQUA was allowed to proceed for 3 additional minutes.)

Mr. GREEN. Mr. Chairman, if the gentleman will yield further, this is the point that ought to be emphasized.

It has never been the theory in this House that every item, every line item, within a bill ought to be held at last year's level and that there can be no adjustment of priorities from year to year. The theory has been that these bills ought to meet the budget targets, and there is now no question, however you calculate the numbers, that we are below our 302(b) allocation. There is no question that we are below last year's bill.

I think it is wrong to try to force these bills into a straightjacket of having every item within the bill below last year's.

Mr. FUQUA. Let me commend the gentleman, because the gentleman hit a very good point.

In a freeze in the purest sense, you penalize good programs and reward poor programs. In the overall context of the freeze contained in this bill and in the broader context, then you can set priorities of these programs that are deserving and trim those that we feel have a less high priority.

I think the committee has done a very excellent job in that, and I support the bill. We have extenuating circumstances, like the Veterans' Administration, which has a tremendous problem right now. We have to recognize that and cannot ignore it. We cannot ignore the technological leadership of this country and the committee has recognized that and they have addressed those issues within this bill so that we can, as a country, move forward and meet the challenges that we have.

Mr. PACKARD. Mr. Chairman, will the gentleman yield?

Mr. FUQUA. I would be glad to yield to my friend, the gentleman from California, a member of the Committee on Science and Technology.

Mr. PACKARD. I appreciate my distinguished chairman yielding.

Mr. Chairman, there is no one who has been more supportive of the concept of holding the line on spending than I have. I voted for budget freezes in all categories, and I voted last time for this when I saw the trend of the House moving in that direction. But I do not see that trend remaining, and I see now that we are no longer freezing all programs and on important concepts.

There is no program that the American people are more committed to than our space program. It is one of the most popular spending program we have, and I certainly do not think now is the time to send a message out to the American people that it is taking a lesser position in terms of its importance.

The spin-offs that are available to the average American that have come from the space program are incalculable. Surely now is not the time to cut back our commitment to the space program. I totally support the position that our chairman is taking on this budget issue and recommend to my colleagues a no vote on this amendment.

Ms. OAKAR. Mr. Chairman, will the gentleman yield?

Mr. FUQUA. I would be delighted to yield to the gentlewoman from Ohio.

Ms. OAKAR. I thank the gentleman for yielding.

Mr. Chairman, I want to associate myself with the eloquent remarks of the distinguished chairman about values and vision, the values of being concerned about the fact that we want our children to have the proper education in the sciences, because we know for some time now that we have neglected this area and now we are starting to refocus on this area.

The CHAIRMAN. The time of the gentleman from Florida [Mr. FUQUA] has again expired.

(On request of Ms. OAKAR and by unanimous consent, Mr. FUQUA was allowed to proceed for 3 additional minutes.)

Ms. OAKAR. This would be devastating to programs that relate to the sciences and education, research, and those areas.

The idea of vision, and especially because this is $220 million less than what the conservative President of the United States asked for, the vision is that as the greatest country in the world, we have never stood for the status quo. We have always been interested in furthering and advancing the quality of life and the adventures of life of our people. That is one of the wonderful things about the space program.

But it is not just some ethereal kind of program. The spin-offs, as the gentleman from California, the gentleman from Florida, and others have mentioned, are tremendous. I know that at the center in Ohio, and so that no one thinks this is just a regional issue, this is a national issue, at the center in Ohio, beyond doing fantastic work in

the area of energy conservation and in the whole area of electrical energy research, that so many industries have valued and are using right now, I know beyond that they have done fabulous work in conjunction with cataract surgery. Now one can go and have surgery on an outpatient basis, and we could never do that. It was thanks to the research in conjunction with the medical community down at my very own center.

In addition to that, the research they are doing about drugs. Do we not want to find a vaccine for cancer? I am convinced that it is the kind of research that they are doing when they indeed take those space station explorations that have never gotten a lot of national attention, but the fact is, that is the kind of thing they are doing.

I think it would be a very pointless thing to cut any further. We have already cut enough, and we are within the budget limitations. We are $220 million beyond the President. What more can we do? Are we going to be a nation that is backward or are we going to be forward looking, a nation that has values and visions?

I want to say to my friends from my region, Ohio and Pennsylvania and Indiana and other areas, in terms of your State's economy, the fact that you have one of those centers in our region is a tremendous asset and it also stimulates the economy as well.

So let us soundly vote down this amendment once and for all and say to America that we really do not want to be a country that exists for the status quo.

□ 1610

The CHAIRMAN. The time of the gentleman from Florida [Mr. FUQUA] has expired.

[On request of Mrs. BOGGS, and by unanimous consent, Mr. FUQUA was allowed to proceed for 1 additional minute.)

Mrs. BOGGS. Mr. Chairman, will the gentleman yield?

Mr. FUQUA. I am delighted to yield to my good friend, the gentlewoman from Louisiana.

Mrs. BOGGS. Mr. Chairman, I rise to commend the gentleman in the well for pointing out to us in this House that the programs of NASA and the National Science Foundation that are being funded in this bill are totally necessary to the technological and scientific literacy, to the commercial viability, and to the national security of this Nation. I thank the gentleman for all of his work in these regards.

Mr. FUQUA. Mr. Chairman, I thank the gentlewoman for her words, and I think she said it very eloquently. If Members are for science and math improvement and trying to move this country forward, they should vote no this amendment.

Mr. LEWIS of California. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, let me say to my colleagues on both sides of the aisle that I think it is important to make note of the fact that the author of the amendment, the gentleman from Michigan [Mr. HENRY], was kind enough to point carefully to a "Dear Colleague" which was shared with the Members of the House and which was signed by 31 of our Members from both sides of the aisle. I think it is important to make note of his referring in detail to our "Dear Colleague" which I had the privilege of helping to craft, for this "Dear Colleague" is most unusual in its form. It is a "Dear Colleague" that is signed by such esteemed conservatives in the House as my colleague, the gentleman from New York [Mr. BILL GREEN], and my friend, the gentleman from California [Mr. TONY COELHO], and by such liberals in the House as my friend, the gentleman from New York [Mr. JACK KEMP], my friend, the gentleman from Pennsylvania [Mr. BOB WALKER], my friend, the gentleman from Texas [Mr. TOM LOEFFLER]—and I see the gentleman from Texas [Mr. WILSON] is raising his hand—and other Members on both sides of the aisle who recognize that indeed we have got a very, very tough political year as well as a very, very tough budget here in the House.

Everybody wants to be proud of cutting and squeezing and trimming. It is an old tradition around here. But the fact is that when a broad variety of opinion and a broad reflection of the spectrum around here comes together in support of programs like NASA, there is a reason for it. To attempt to use the term, "freeze," in this case, to take the heart out of the most important program that involves the future of our Nation, it is recognized that such action would be a grave mistake.

Those 31 "wild people" who signed this "Dear Colleague" suggested such things as this: If we should amend this bill to take another $154 million out of NASA, for example, we would in the process be amending the bill to the point of taking it $375 million below the President's request for NASA. Indeed we would be $375 million below the very careful work of the authorizing committee before they brought the bill to the floor. It is important for us to realize that at that point in time, when the bill came to the floor, we did not yet have a budget, so the House was looking at the package in a different way. Since that time, the subcommittee of the Appropriations Committee on which I have the privilege to serve has looked very, very carefully at this package. That appropriations subcommittee has gone a lot further than I would have in terms of cutting back NASA—$220 million below the President's request.

Nonetheless, after careful examination, we have come to the conclusion that within that budget of the Appropriations Committee, NASA can go forward on a healthy track. Space station will not be disrupted. The shuttle will not be axed. The space telescope will be able to go forward effectively.

This so-called freeze, which really would only cut 2.3 percent, but a vital 2.3 percent, would take us off track and perhaps would undermine the future of the NASA program, the space program, as those who are visionaries within this administration and the Congress would have it.

Mr. PURSELL. Mr. Chairman, will the gentleman yield?

Mr. LEWIS of California. I yield to the gentleman from Michigan.

Mr. PURSELL. Mr. Chairman, I am frankly a little shocked today on this particular amendment. Of all the amendments that this House passed, the authorization bill for NASA was considered on April 3 of this year.

Mr. LEWIS of California. This year, yes.

Mr. PURSELL. That was 90 days ago. It was passed by a vote of 369 to 36. Those of us who wanted some freeze listened intently to the committee chairman who offered the freeze amendment. Not outsiders outside the committee but the authorization committee itself offered that amendment, and it was adopted on a major vote here in the House. Now, 90 days later, Members want to change their opinion of what the authorization level and the appropriation level should be.

Now, I think that is totally inconsistent and does not suggest any discipline in this House, irrespective of how great NASA is, or clean water or veterans; programs.

Mr. LEWIS of California. I will reclaim my time.

Mr. PURSELL. So I am suggesting that we are not consistent today. We ought to stay with the authorized level that passed this House by an overwhelming vote.

Mr. LEWIS of California. Mr. Chairman, reclaiming my time, let me respond to the gentleman.

I must say that the point he is making is that the House considered the first freeze amendment on the floor before we had a budget in the House.

The CHAIRMAN. The time of the gentleman from California [Mr. LEWIS] has expired.

(By unanimous consent, Mr. LEWIS of California was allowed to proceed for 3 additional minutes.)

Mr. LEWIS of California. When the idea came to the floor, it looked like that piece of magic that sometimes we like to dance to around here, and there was not the broad form of consideration on the part of the Appro-

priations Committee that now has taken place.

Suddenly, the Members are looking again at that concept as some Members come to the floor and selectively freeze one program and blithely ignore another. In this case we take a look at what has been done by the authorizing committee in detail and by the Appropriations Committee, and what we have done in attempting to respond to the budget, dealing with a program that the public distinctly supports; nonetheless, we have cut that program $220 million below the president's request. We have done that because we believe we can go forward in a responsible way with the appropriated amount. But this freeze could clearly take us off track in terms of the kind of program we are all hoping for in this very critical space program.

Mr. HENRY. Mr. Chairman, will the gentleman yield?

Mr. LEWIS of California. I yield to the gentleman from Michigan.

Mr. HENRY. Mr. Chairman, it kind of pains me to talk about who is a visionary around here and who is not a visionary.

If I understood the gentleman's comments, he suggested that those who are trying to get spending under control lack vision. I suggest it is just the opposite.

When we dealt with the NASA freeze, there were only 36 no votes. Were the no votes the visionaries?

When we dealt with the National Science Foundation, there were four no votes. Were those the only visionaries?

Mr. LEWIS of California. I will reclaim my time to respond to the gentleman.

Mr. HENRY. Mr. Chairman, let me make one quick comment.

On the letter that was sent out, with 31 signatures on the "Dear Colleague," 16 out of those 3 months ago voted for a freeze. Now, when were they a visionary? When they were trying to get some meaningful way to grasp at the deficit problem or when they were trying to find some meaningful way to get around it?

Mr. LEWIS of California. Mr. Chairman, let me respond to the gentleman.

It is very important for the Members to know what we are about here. In a difficult year, when we are faced with budget deficits, all of us look for a tune that we can dance to that evidences our concern. That first vote for a freeze on the floor happened to hit this authorization bill when there had been very little in-depth and across-the-aisle discussion, so lots of Members voted for a freeze then, but then they began to look at the depth of impact it would have on this critical program. So Members have thought through the process, and indeed many have changed their minds.

The fact is that we are doing the best we can to hold this budget deficit down, but the NASA program is so critical to our future and so important in terms of creating jobs that this is a place where we cannot cut any further than the $220 million we have cut from the President's request.

Mr. PACKARD. Mr. Chairman, will the gentleman yield?

Mr. LEWIS of California. I am happy to yield to my colleague, the gentleman from San Diego, CA.

□ 1620

Mr. PACKARD. Mr. Chairman, I would like to associate myself with the remarks of the gentleman in the well.

The vote on the NASA budget was the very first budget vote. There were many of us at that time that were willing to go along with this.

The CHAIRMAN. The time of the gentleman from California [Mr. LEWIS] has again expired.

(At the request of Mr. PACKARD, and by unanimous consent, Mr. LEWIS of California was allowed to proceed for 3 additional minutes.)

Mr. PACKARD. Mr. Chairman, will the gentleman continue to yield?

Mr. LEWIS of California. I am happy to yield.

Mr. PACKARD. Mr. Chairman, I think it is important to recognize that there were many of us who voted to set in pattern the freeze concept, because many of us supported the freeze concept, but that freeze concept has not stayed true in all programs and therefore of all programs that ought not to be frozen, if there are any that are not going to be, it would be in my judgment the NASA budget.

So those of us who voted to freeze in the first budget vote of this year, I think voted for a different reason than what we are voting on now.

I agree with the gentleman in the well.

Mr. LEWIS of California. Mr. Chairman, I compliment the gentleman on his vision and appreciate his reconsideration.

Mr. LOWERY of California. Mr. Chairman, will the gentleman yield?

Mr. LEWIS of California. I yield to another gentleman from San Diego.

Mr. LOWERY of California. Mr. Chairman, I wish to associate myself with the comments of my colleague from the Appropriations Committee and try to recreate for my colleagues the atmosphere that existed on the day we considered NASA's authorization, April 3. There was very little that this House had accomplished in 4 months of being in session. It was on the eve of a recess for Easter.

It was, indeed, the first authorization bill brought to the floor. Poor little defenseless NASA, having all the warts and liabilities of the defense budget from some of our liberal brethren and none of the protections of the defense budget from some of my conservative colleagues, went down in flames.

I said at the time, and I was one of the 36 who voted against that freeze, if this House had the courage to freeze all spending measures across the board, including entitlements, then indeed NASA should pony-up and take its fair share of cuts.

But let us look at the record since April. We are freezing darn little, darn little! We have not come to grips with the budget, and thus failed to consistently freeze each authorization.

Mr. LEWIS of California. Mr. Chairman, I will reclaim my time.

Mr. Chairman, I was very, very pleased just the other day when two particular people that I would point to decided almost at the same moment to join our "Dear Colleague" in opposing such an amendment. Among those who joined at the very same moment were the honorable gentleman from Florida, CLAUDE PEPPER. We all know the priorities of the distinguished gentleman from Florida [Mr. PEPPER] in this country. He is concerned about our retired citizens and he is concerned about our future.

At the same moment, the distinguished gentleman from New York, Mr. JACK KEMP, suggested that NASA was not the place to cut any further.

That combination of vision is very interesting. It should be contemplated carefully by our colleagues. The reason they came together in that fashion, in my judgment, is because for every $1 invested in NASA research and development, $7 to $14 have been returned to our economy.

It is estimated that in the very near term we are going to develop at least 5 million new jobs as a direct result of the work of these space programs.

It is fundamental to recognize that if indeed we are going to do what we must do with our budget and our deficit in the future, we have got to have a healthy economy and a healthy future. That future is a part of this NASA program.

Mr. BROOKS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I yield to the gentleman from California [Mr. LEVINE].

Mr. LEVINE of California. Mr. Chairman, I rise in strong opposition to the proposed NASA freeze amendment. Any move to reduce further the NASA budget would undermine our Nation's leadership role in space and would discourage sound investment in our economic future.

The Appropriations Committee has already reduced NASA funding by $220 million below the President's fiscal year 1986 budget request. This year's NASA budget does not permit enough funding for space agency programs to keep up with inflation. More-

over, the HUD-independent agencies aggregate spending level is fully consistent with the House budget resolution.

We all support efforts to reduce the deficit. However, I fear that additional cuts in NASA funding will ultimately stifle profitable investment in space activities which would eventually flow back to the U.S. Treasury. For every dollar invested in NASA research and development $7 to $14 have been returned to our economy. The transfer of NASA technology to the private sector has spawned new industries and created 5 million jobs. More encouraging, it is estimated that by the end of the century, U.S. space operations will generate more than $200 billion in industry revenue, returning more than $50 billion in taxes to the Treasury.

Mr. Chairman, should Congress further reduce the NASA budget, our nation's space agency will be forced to alter development of space shuttle operations, space commercialization projects, and space station deployment. I am particularly concerned about delayed development of the space station, America's next great technological venture in space. Once deployed, the space station will promote a new generation of space experimentation, commercialization, and international cooperation.

Our Nation has gone to great lengths to include Japan, Canada, and the European Space Agency in on the space station project and any funding delays will discourage future foreign participation and investment. Moreover, stretching our space station development and other space projects will only drive up overall program costs by breaking up research teams and deferring necessary tests of integrated systems.

Mr. Chairman, let us not be deceived into thinking that freezing the NASA budget at last year's level will not force significant cutbacks in America's space program. Already competing space-faring nations such as Germany and Japan invest a greater percentage of their GNP in civilian space research. We cannot afford to lag further behind.

Therefore, let a vote against a NASA spending freeze signify a vote for maintaining American leadership in space development and a vote for a proven investment in our Nation's technological advancement.

Mr. BROOKS. Mr. Chairman, I rise in opposition to the amendment.

A freeze of NASA appropriations at last year's level will stall America's progress in space research and development.

The NASA Space Program is one of the most attractive investments we have made in America's future. The United States is presently experiencing a massive trade deficit of over $130 billion a year. The space industry is one of the most promising industries we have in our effort to recover trade superiority. This is not the time to be cutting back on that program.

The House Appropriations Committee has recommended a modest increase in funding for NASA Research and Development programs for fiscal year 1986. It has offset most of this increase by reducing funding in other areas. It is below the House budget level.

I think the American people are willing to put public funds into investment programs which historically have paid such handsome dividends to our Nation.

NASA will not be able to carry out its planned programs if funds are frozen at last year's level. I hope my colleagues will join me in supporting full funding for this important program.

Mr. PURSELL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I know these have been trying days. We are starting the process of passing appropriation bills, 13, many of which we will not complete until we come back after the August recess.

I suggest that we will be back to a concurrent resolution, which means that the whole process will not be on the President's desk by October 1. It means that the House and the Senate have lost their sense of discipline in respect to the budget and the deficit that we face.

We are in a critical period of time now. It appears that the House Budget Committee and the Senate Budget Committee are having a difficult time trying to achieve some targets which are agreeable to the respective bodies and the White House.

There is much talk here that the budget has fallen apart and that we are going back to our House budget resolution and the Senate to their respective budget resolution. This means the message is clear: All bets are off. It does not matter whether it is clean water or housing or veterans' programs or the defense budget or the MX. The flood gates are open.

Many of us back in February started to establish some sense of discipline, knowing that it is not a true-blue professional effort day by day because of the variance of the committees and the leadership within those committees. Some members of the authorization committees took the responsibility to say that we will offer those amendments to keep at the 1985 level so that we could accomplish at least a $32 billion savings; to attack the deficit, just $32 billion out of an almost $1 trillion total budget.

Now, it is incredible that the authorization committee chairmen are speaking against their own committees this week and saying, "We have changed our minds, folks," within the last 90 days. "We want to add $155 million to this because maybe we will have a new standard of measurement here"—not the 1985 current appropriation levels, but the new House Budget Committee.

Now, all of this could suggest great programs. I serve on Labor-HEW and I can think of student aid, nurses' programs, and I can come in here and offer amendments and the rest of us could, too; but we had a sense of discipline here and we started to achieve that. We have accomplished seven out of eight victories in the last few weeks, but as of this week when it looks like things are going to fall apart, we appear to go right back to square one, right back historically to where this House has been—spend the tax.

In my 9 years in the Congress, we end up with continuing resolution and we ignore fiscal discipline and so the deficit is out of control.

Now, if we have a heart for programs, let us have a heart for the taxpayer, who says every day, "Get that deficit under control. I don't care what you do."

So we have tried to set a pattern, a balance of fairness across the board.

I can remember the good Congressman standing over here, GEORGE BROWN, who came to the well and said, "If we freeze on social programs, will you freeze defense?"

And we said yes, and a lot of us stood up and said no to the defense increases and we came out with a freeze on defense, which is now part of the budget resolution.

Now we get into social programs and each authorization committee, a power unto itself, begins to say, "Well, let's make some changes. Let's not follow those guidelines."

Well, I think we ought to be very careful here.

Mr. Chairman, this train is moving pretty fast and I am afraid the train is about ready to leave the track and if it does, it is going to be a head-on collision, not only with the taxpayers, but with the sense that I have hoped and achieved for this Nation finally in the House of Representatives, irrespective of the Senate, irrespective of what the President has in his priorities, that we had a sense of discipline here to say no, to try to achieve some fairness and a balance across the board, knowing that it is not true-blue every day, knowing that there are variances here, but our committee chairmen again, our authorizing chairmen, offered those amendments in good faith less than 90 days ago and 369 Members said yes to that good-faith offer. Let us hold to that. Let us keep some degree of consistency here today, or if we do not, as far as I am concerned, all bets are off and we are right back to fiscal irresponsibility. The decision is yours.

51-059 O-86-21 (Pt. 15)

□ 1630

Mr. KANJORSKI. Mr. Chairman, will the gentleman yield?

Mr. PURSELL. I am happy to yield to the gentleman from Pennsylvania.

● Mr. KANJORSKI. Mr. Chairman, I rise to explain my vote on final passage of H.R. 3038, the HUD-independent agencies appropriations bill for fiscal year 1986.

I want to commend Chairman BOLAND and the members of his subcommittee for the generally excellent job they have done in preserving essential housing and veterans programs. I particularly appreciate their willingness to support a full 4.1 percent cost-of-living adjustment for veterans' pensions, and to direct the VA to proceed with the design of a $4.1 million 60-bed nursing home in Wilkes-Barre, PA. This nursing home project is badly needed by the aging veterans in northeastern Pennsylvania.

While I support the vast majority of the subcommittee's work I cannot vote for final passage of H.R. 3038 because it contains major cuts in several important programs which are essential to the 11th District. In particular, the bill cuts both the Federal Revenue Sharing Program and the Urban Development Action Grant Program [UDAG] by 25 percent.

UDAG is important to the economic recovery of the 11th District which is still suffering from double-digit unemployment and the last recession. The UDAG program can help to get a number of northeastern Pennsylvania's priority economic development projects off the ground. Projects like the Eberhard-Faber project which would create 111 new jobs, the All-Steel project which would create 151 new jobs, and Magee Industries project which would create about 150 new jobs.

Revenue sharing is important to the 11th District because if the cities, townships and boroughs of the district have to increase their local property taxes in order to replace revenue-sharing funds, it will require an average 87 percent in property taxes. In 25 percent of revenue sharing is eliminated, property taxes may have to increase by an average of 22 percent. Mr. Chairman, more than a third of my constituents are either senior citizens living on fixed incomes or unemployed. These individuals cannot afford this kind of a major hike in their local property taxes. I cannot vote for legislation which would impose this kind of a burden on those who are already struggling to make ends meet.

As the Congress continues its consideration of legislation in this area I will continue to work for more adequate levels of funding for these programs. If their funding is cut, I will work to target the remaining funds toward areas like the 11th District which are still working to recover from the recent economic recession. ●

Mr. MINETA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise today to express my opposition to the gentleman's amendment to freeze the NASA appropriations. The bill which was reported to us by the House Appropriations Subcommittee on HUD and Independent Agencies is, I believe, a very prudent and carefully crafted approach to the NASA budget.

The Appropriations Committee has already reduced NASA funding by $220 million below the President's own request for fiscal year 1986 funding, and the overall HUD-independent agencies appropriations is consistent with the House budget resolution.

Regrettably, budget considerations have already forced us to pare the NASA budget to the bare minimum. Many very exciting and dynamic programs have been scrapped due solely to a shortfall in adequate funding levels. What begins as highly speculative scientific ventures in space do end up enhancing our understanding of our environment, the laws of nature, and vastly improves our technological base.

The kinds of experiments currently performed on the space shuttle include work on galium arsenide crystals which will one day replace silicon as the main component of computer chips. One day, as a result of work in space, we will have newer and faster computers. Indeed, this is likely to affect the daily lives of almost everyone in this country.

In addition, experiments are being conducted today which will have an enormously beneficial effect on medical care—undoubtedly leading to the creation of brand new pharmaceuticals and cures for debilitating illnesses.

While it is true that over the years, space exploration has engendered a pioneering spirit and a sense of adventure in this country. But, let us not believe for a second that space exploration is just a luxury—it is critically important as well. We are fortunate to have before us today a sound appropriations bill. The committee has balanced a very difficult budget climate with the pressing needs of NASA and we have no reason at this juncture to arbitrarily undo their fine work with a freeze.

Let me also indicate, Mr. Chairman, that our Science and Technology Committee has, under the chairmanship of the gentleman from Florida [Mr. FUQUA], conducted a series of hearings through the Science Policy Task Force, a number of hearings on ths issue of graduate education. In those hearings, we have heard a great deal about the work of the National Science Foundation, and it is my hope that we do not further cut the work of the National Science Foundation.

So therefore, Mr. Chairman, I urge my colleagues to vote against this amendment and to uphold the package that is presented to us by the very able members of the Subcommittee on HUD and independent agencies of the Appropriations Committee.

I yield back the balance of my time.

Mr. BATEMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the pending amendment, and in doing so recognize the fact that I, and those who share my point of view on this amendment, are somewhat burdened by the fact that what we would have the House do in its vote on this amendment is inconsistent with the action taken by the House at an earlier time in this session. And, in fact, I am burdened myself by the fact that what I would ask the House to do today, and what I propose to do today is inconsistent with that vote in April to freeze the NASA authorization. I think that was a regrettable action on the part of the House.

Let me say that I do not approach this issue as one who is unconcerned or soft on the subject of deficit reduction. It is a major, the major national challenge facing this session of Congress.

But a mindless freeze that freezes everything without regard to the implications on our body politic is not the way to achieve budget reduction. By freezing the NASA budget, disregarding that which the authorizing committee has felt was necessary in terms of national priorities, disregarding now what the Appropriations Subcommittee has regarded as in keeping with paramount national priorities, is not the way we ought to go about being fiscally responsible.

There are things that we approve by way of appropriation and authorization in this Congress which represent investments in the future of America. In no instance is that more clearly demonstrable than with reference to NASA. There is no agency of Government that has broadened the frontiers, the horizons of the American people, done more to create technology which created jobs, which have made us more competitive in an increasingly competitive world. This investment in America's future is absolutely critical.

I hope, notwithstanding the seriousness of the deficit problem, that we will seize on other opportunities which have been abundant, and should be even more so than we have availed ourselves of to restrain our spending habits. But let us not do it in a mindless way. Let us invest in the future of America. Let us make sure that we are competitive in technology. Let us

make sure that American aeronautics, which is the leading source of our meager exports that reduce our balance of trade, does not flounder in the face of increasing competition, but that we flourish in our ability to compete in aeronautics, just as we must be able to do so in the world of space and in the world of computers, and these projects and programs which have been inspired by and are the natural offshoot of the remarkable things which have been accomplished by NASA.

Mr. LEWIS of California. Mr. Chairman, will the gentleman yield?

Mr. BATEMAN. I will be happy to yield to the gentleman from California.

Mr. LEWIS of California. Mr. Chairman, I interrupt my colleague's train of thought to make a point on the very thought he was expressing himself.

Frankly, the spinoff from NASA is critical to the interests of the House in terms of the future of space and the application that space might have upon the benefits of the poorest of the poor in our society, of those who are hungry, those who are disabled, people who are looking for major breakthroughs in health care.

If you would just glance at this booklet that is available to all of the Members; there are endless items illustrating efforts in space like the programmable pacemakers that will dramatically affect the health of people who have heart problems; research in the field of eye surgery and space weightlessness, and the effect upon a person's ability to balance oneself, to help the disabled who are having difficulty in that sense. There are endless values that are reflected here.

It is suggested that at least 7, some people suggest as many as 23 times the actual investment is coming back not just in terms of industry, but in terms of the health care of those people in the country who most desperately need it.

Mr. BATEMAN. I appreciate very much my colleague's comments. He certainly makes much better than I the point that needs to be made here.

You can have mindless amendments suggesting or requiring a freeze in appropriation levels if you choose to be mindless. If you choose to be thoughtful, perceptive, and to really separate out our national values, and what the contributions of the dollars appropriated mean to American, then you will defeat this amendment.

Mr. TRAXLER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am going to rise in opposition to the amendment, and that is with some great pain because my two distinguished colleagues from Michigan generally enjoy my support, and they are both very valuable Members of this body, and I treasure their wisdom, common sense.

I think the difficulty we are having this afternoon is that we are using different measuring sticks as we approach the question of achieving the balanced budget down the road and the idea of fiscal integrity. The problem is some are using an apple, which is a definition of freeze, which nowhere is in the House rules or the Senate rules or in the Budget Act.

□ 1640

Some of us are looking at something called the 302(a)/302(b) allocations, provided for in the Budget Act, which the subcommittee and the full committee both work on and perhaps there are one or two out there still talking about the President's budget recommendations. As we speak it is sort of a Tower of Babel because we are talking in different languages using different rules and yardsticks. We are together on the concept that we want to restrain spending. We are in somewhat of a disagreement because we fail to appreciate that what the Budget Committee and what the Appropriations Committee have done under the Budget Control and Impoundment Act is to follow some clear statutory guidelines or mandates.

Regretfully we are all frustrated because the budget process has not culminated in a final product. Now we all hope and pray that that will occur, we all want it to occur. In the absence of that conference report coming to us we are operating under the House 302(a) allocations as modified by the 302(b) Appropriations Committee allocations.

There is a budget system here and it is rational in concept.

It means that the House—both the Budget Committee and the Appropriations Committee—has said this is the yardstick which we are going to use. They have conducted, and I do not have to go into details because my colleagues know much more about this than I—the Budget Committee spent days, weeks, months of meetings and the Appropriations Committee did the same thing. We took their broad directive, further divided by the 13 subcommittees of appropriations, and we have a system that says, when we are all done and finished, here is what the total is going to be. The total expended is $568 billion, $117 million, and that is less, in my judgment, but I believe that comes in at less than last year's total appropriations figure.

So there is an order here and method.

Now my colleagues from Michigan and my friends are disturbed, and I suppose I am putting that mildly, when they say we are not following the authorization bill. To that I have to plead guilty. That is true. And the reason for that—and there is reason here—again is that the authorization bill was the first one out of the chute. Like most other people, I was then, as I am now, committed to fiscal solvency, accountability, and responsibility and I said that we are going to do something here and it is called a freeze. That is the yardstick I was using at that time. Subsequently and since that time the Budget Committee has come forward with their 302(a) allocations; the Appropriations Committee, following on that, as required by the statute, had done their 302(b) allocations. The appropriations for NSF and NASA is different from the authorization.

The authorization committee is not offended by that. In fact, they encourage us and they support it because they think they were treated unfairly in their authorization bill, and in my judgment they were.

So there have been some corrections. But we have not abandoned a rational, intelligent approach to budgeting in my judgment. And the process that was at work here, 302(a) and 302(b), is leading us to the promised land, not by the same road as what my colleagues want to take, but we're going to the same place.

Mr. Chairman, I hope the Members vote "no" on the amendment.

Mr. WALKER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it has been said by someone that for every complicated problem there is a simple answer and it is probably wrong. Well, in this case I am afraid that the freeze may have fallen into exactly that category. It is true, as has been brought out during this debate, that when the authorization bill was on the floor that we did attempt to move with the freeze because it was one of those concepts that was floating around Congress at that point, it was an idea for trying to control our budgetary problem. The budgetary problem is a complicated one. The deficit problem is a complicated one. This appeared to be an answer that everybody could buy into at that point. And you may want to go back and reference the debate, some of you who have referred to it, because I think what you will find members of the committee said all along there is, if this simple solution to a complicated problem works, we are willing to buy into it. But if this simple solution to a complicated problem does not work then we have got to take a look at how we prioritize things. The problem here is that makes, it seems to me, a case that in aggregate the Federal Government can probably get along on what we spent in 1985. You can probably even look at overall budget categories and say in aggregate within those categories we can get along with what we spent in 1985.

I think it becomes a simple idea that goes the route of lunacy of you begin to suggest that in every spending category you are going to say that 1985 priorities should be reflected. I was able to put together the 1985 appropriation and the 1985 budget and we were not perfect. We did some pretty stupid things at that point. Now to say that we can make no corrections, do nothing about the 1985 priorities does not seem to me to make any sense.

What I would suggest is that the 1985 budget should not become the sacred document upon which we base everything. I think what we need to be doing is make judgments in this body and that we ought to be willing to cut programs where those programs are not working, abolish programs not meeting true needs; but where you have programs that are going to contribute to economic growth in the future, we need to have some kind of way of making certain that those programs move forward.

In the case of the space program you have one of those programs going to contribute to economic growth. I would say there is nobody's scenario, nobody's that does not include economic growth as the main way we are going to reduce budget deficits. You have got to have economic growth to bring deficit figures down. You cannot have it any other way.

Now here is a program that not according to me and not according to some social scientist or a bunch of people looking around for ways to justify programs, according to Chase Econometrics, here is a program that pays back 23 to 1, 23 to 1 in terms of GNP growth for every billion dollars of expenditure. Here is a program that pays back, then, at the kind of rates, according to a 1977 Chase Econometrics study that would say that the first $150 million we are talking about here, would in fact lead to about $5 billion in GNP growth and in turn that $5 billion GNP growth would lead to about $100 million a year of additional taxes falling into the Treasury. That is what we are dealing with here. It seems to me that you cannot expect to deal with deficits unless you allow some of those programs to move forward and allow economic growth to take place.

So while I am one who has regularly come to the floor asking for whole programs to be abolished, I have sponsored amendments where I do not think programs are not working. I also think it is time to define priorities in this case along the lines of economic growth. Here is a growth program that needs to be supported.

Mr. HENRY. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Michigan.

Mr. HENRY. I thank the gentleman.

You know, sometimes the rhetoric gets a little exaggerated. We have heard it said that a simple approach of freezing across the board was mindless. I have to think that may be all but four of us were mindless. I have to think that maybe all but four of us were mindless when we dealt with the NSF bill. Now it is said we are verging on lunacy when we adopted this approach.

Mr. WALKER. No, the gentleman is not listening carefully because I do not think that was the point. The point is if you take an approach that virtually every line item in the 1985 appropriations bills is in fact a sacred item, that that becomes almost lunacy. That is the point that this gentleman made and I will contend that that is true.

□ 1650

Mr. ANDERSON. Mr. Chairman, I rise in opposition to the amendment.

I rise in opposition to this amendment, which would decrease the appropriations for NASA by over $150 million, and this would represent a small reduction in the budget deficit.

However, the termination of certain new start NASA programs would most certainly be harmful to the national economy in long-range terms.

In the funding originally requested, $7.88 billion represented a very modest level to carry out the goals of maintaining world leadership to aerospace technology, development, and supporting research on new materials and processes in space for beneficial use on Earth.

Although we all must be concerned with deficit reduction, I would point out that the overall HUD-independent agencies appropriation total is more than $1 billion below that which was appropriated for fiscal year 1985; adequate funding for NASA represents an investment in the future whose returns will be much greater than the funds invested; for every dollar invested in NASA research and development, $14 has been returned to our economy.

The potential benefit from new operations in space by the end of this century has been estimated at $240 billion in industry revenue. These activities should create over 4 million new jobs and return $60 billion in taxes to the Treasury.

It seems to me it is penny-wise and pound-foolish to cut the NASA budget; and I urge my colleagues to join in opposition to this amendment.

Mr. SCHUMER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, as I sit here and listen to the debate, in certain ways I think I am the dumbest patsy in this whole place; because you could take the words of the gentleman from Pennsylvania and take the words of so many of the other gentlemen and substitute the word "NASA" for the word "housing program" and get the exact same arguments.

So one toys with the argument and toys with the idea, well, why not get up and oppose this amendment; because they did it to us; why do not we do it to them? Because there are a good number of people; in this Chamber who did vote for staying within the budget, and yet with this committee on housing, and there are a good number of people who are there are a good number of people in this room who voted against us on housing, and yet now are making the same arguments we were trying to make on NASA.

So one is tempted to just get up and say, Well, we will show those folks something; and we, too, will vote against NASA, because the argument is identical. Yes, there is more money in there than 1985, but yes, also, we are within the range of the budget resolution.

But when one thinks about that argument, one realizes it is not correct; and it is not correct for a very simple reason. We all have our priorities in this place; we all have things, as the gentleman from Pennsylvania said that are more important to some of us than others of us; but we still have a budget process.

We have a process that thus far even if the other body does not come to an agreement with itself, can because of the rule and resolution we passed 2 days ago, bring some sense to us.

Are we going to reduce the deficit tomorrow? No. But are we starting a downward slope? Yes. So I would appeal to my colleagues that the budget process is the one sensible way we can go about trying to restrain rapid growth and trying to reduce the deficit.

We ought to stick with that budget process; we ought not to change our parameters depending on the differences between one program and another; unspent money applies in this, and unspent money does not in that; a freeze is one thing for one program and a different thing for another.

Since this committee has stayed within the budget resolution, I think we can support the programs, mindful of the fact that yes, it is some increase above last year, but overall in the budget process it is not damaging to it.

So I would say to my colleagues, I wish that they would think of those arguments when we talk about programs that may not affect them as directly as the previous programs affected some of us.

Certainly this NASA appropriation, in terms of a parochial interest, does not affect me and many others. If we could all think of those arguments, this body will reduce the deficit in the

long run by a lot more than by pursuing individual initiatives, however meritorious the initiatives might be; we will reduce the deficit a lot more by sticking within the confines of the process, by not exceeding it but also by not taking pot shots and undercutting it, and we will indeed, at the end of this year, no matter what the other body does, reduce the deficit by a significant amount.

I support the committee; I oppose the amendment.

Mr. NELSON of Florida. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it is late in the day; the arguments have all been made and made well, and I will merely attempt to summarize.

If you are talking about the politics and the strategy of the situation, indeed the Appropriations Committee has come, not only within the budget resolution which as a result of the resolution we passed yesterday has the force of a passed budget resolution; but indeed, they have done better than freeze.

Within their jurisdiction allocated to them by the budget, they are under the 1985 spending figures, the appropriation figures. Under it as they came out of committee by a billion dollars; under it as this vehicle is before us now by approximately $2½ billion.

Now, that is the politics and the strategy. The fact of how the whole process has unraveled; the fact that this Member from Florida was the only person that spoke when the NASA authorization bill was here, that spoke in opposition to the freeze amendment; and yet I did so by saying that I would be willing to do that if the freeze concept were the way that we were to get the fiscal budgetary deficit problem under wraps.

It has not worked that way. I hope that it will in the future, and today I would still be willing to vote for a freeze across the board on everything, but it has not worked that way, so we have got to work in a different way.

All right. That is the politics and that is the strategy. Now quickly, a summary of the merits.

The Members have to give deference to the gentleman from Massachusetts, the chairman. All of his ranking members—you have to give deference to the chairman of the Committee on Science and Technology, deference to my ranking member on the Space Subcommittee who work in these programs day in and day out and we know what is happening on the merits.

We know that funds to NASA and the National Science Foundation, which is a part of this amendment, is perfecting an excimer laser right now that could render moot open heart surgery, if perfected. We know that they are just ready to implant a device called "PIMS' into a body cavity at Johns Hopkins Hospital that will do away with daily injections of insulin, because space researched microcomputers will release prescribed doses of medicine on a daily basis.

We know, for example, the potential of materials processing in the zero gravity of space can produce more perfect crystals that might be able to help us understand that complication of cancer, and we can design the key because we better understand that protein crystal of cancer. That is a possibility.

We know that the electrophoresis experiment that has been on the shuttle several times is having excellent results, and soon we will be seeing a drug coming forth because of the purity that can be achieved in zero gravity in space will attack a dread disease here on Earth.

That is the merits of the argument in trying to cut the figures that the Appropriations Committee has come out with on the National Science Foundation and NASA. I urge the Members to oppose the amendment.

Mr. MONSON. Will the gentleman yield?

Mr. NELSON of Florida. I yield to my colleague on our Space Subcommittee, the gentleman from Utah [Mr. MONSON].

□ 1700

Mr. MONSON. Mr. Chairman, I think what we are seeing here is the flaws of a freeze approach. The freeze concept started out a good idea with seemingly strong support. The further we go, however, the less it is we adhere to it. The freeze was flawed from the start because it never did get us the amount of savings and deficit reduction that we needed. The one great advantage the freeze offered was an opportunity to bring everyone together, to each give something for the good of the country, and feel good about.

Now we see that that process has not held together. The feature that brings that home most vividly is that a freeze approach does not allow for priorities to be set.

In the bill before us we have seen savings made, overall beyond a freeze approach, yet priorities established.

NASA and NSF both present opportunities for the future. Opportunities that will better enable us to meet the demands and needs of the citizens. Not all programs do that. Some cost us now with little if any significant future benefit.

We should support those programs that will bring benefit to us. This bill accomplishes that goal. We should defeat this amendment with good feelings and knowledge that overall we are still going to spend less than we did in 1985.

Mr. BOLAND. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Most of the arguments I think have been solid arguments against this amendment, but let me make a few final points that I believe are important. I respect the gentleman's position in supporting a freeze for NASA at the 1985 level. Frankly, with the kinds of deficits that we face in this country, freezing agencies at the 1985 level appears to be attractive, and it is terribly difficult to oppose them. But the problem I have with those who want to freeze these agencies is that they do not tell us where the programs will be cut. When we stand up here and we vote for a freeze for NASA, what we are really doing is surrendering Congress' role in making decisions about where these cuts ought to be made. What we are doing is turning that decision totally over to NASA or, worse, to the OMB. I cannot believe that is what we want to do with the programs that are as important as those carried in this bill. I think we ought to have the strength of our own convictions and say, "OK, NASA will be frozen in 1985, and these are the programs that are going to be cut or reduced." And, Mr. Chairman, that is exactly what we did in the HUD Subcommittee. We said, "OK, let us see how close we can come to a 1985 freeze, by either eliminating or reducing new starts and preserving funding for those programs that have already been started." So we cut nearly all of the funding for the solar optical telescope—$25 million. We reduced the orbital maneuvering vehicle to $10 million. We cut the space station by $30 million. And I should say—that was not a popular cut. And we cut the scatterometer, which is a joint program with the Navy, from $31 million to $6 million. But at the same time, we tried to protect programs already underway. And a good example is pointed out by the distinguished chairman of the Science and Technology Committee—the upper atmospheric research satellite. We only reduced it by $5 million. The 1986 request for UARS is $134 million. We could just as well have cut the program another $20 million, but do you know what that would mean? If we were to do that, we would be cutting the program right at its midstream funding point. If we are not going to cancel the program entirely, that kind of reduction would cost NASA $50 million, $60 million, or $70 million additional in fiscal years 1987 and 1988. That does not make any sense, particularly if NASA is going to be frozen again next year.

So when we took a look at where we could cut, to avoid ending up costing the Government ultimately more money, we came up with a number that reduces NASA by about $220 million below the budget request. The

point is, it is easy to come out here and vote for a freeze, but it is not so easy to identify where that money is going to come from. That is why you have subcommittees on appropriations to point out the specific areas in which those cuts can be made and made logically.

We all seem to be for attacking the deficit in generalities. But when it gets down to specific cuts, nobody wants to do that except the subcommittees on appropriations. That is the problem. But I think at least the HUD Subcommittee made a real effort to tackle that problem, and I think the bill includes a very credible and a realistic funding level for NASA.

Mr. LEWIS of California. Mr. Chairman, will my chairman yield?

Mr. BOLAND. I yield to the distinguished gentleman from California, who serves on the Subcommittee on Appropriations dealing with NASA.

Mr. LEWIS of California. I know that the day is growing late and we want to get on to a vote on these important matters, but I wanted to take a moment to express my deep appreciation for the chairman's work, particularly on this portion of the bill. It is a very, very tough subject area to deal with. The gentleman has been tough on me, in terms of wanting to expand this funding even more. Nonetheless, the chairman has made the point time and again that if we become even more inconsistent in our funding, we are going to push people like the Japanese into this business, and they are going to steal a big part of the value of it.

I must tell the Members that Chairman BOLAND from Massachusetts, as well as my ranking minority member from New York, have done an outstanding job of balancing this bill. In terms of NASA, they have pushed us to see that we have cut as far as we could but insisted at the same time that we have some sense of balance, and I appreciate the chairman's work in that regard.

Mr. BOLAND. I thank the gentleman from California.

Mr. NIELSON of Utah. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I am really amazed at this House. We have heard from the Appropriations Committees at various times along the way that the authorization committee has not done its work and therefore the Appropriation Committee has to proceed with an appropriations bill without waiting for the authorizing committee. Now we have a clear case where the authorizing committee did its work and the chairman of that authorizing committee himself recommended a freeze at last year's levels. His amendment was supported by almost all of the members of the Science and Technology Committee. All this amendment does, as I see it, is to have the Appropriations Committees stick to the parameters that were given to them by the authorizing committee. It requires a 2-percent cut in NASA, a 1½-percent cut in NSF, returning them to the levels we adopted in this House 369 to 36 on April 8 on NASA, and 407 to 4 on April 17 on NSF. I think it is a very clear mandate that we wanted things frozen at the 1985 level. The fact that these were the first bills so amended and frozen is irrelevant. Many of us would like to freeze every bill, and we have tried to do so on many bills.

Mr. FUQUA. Mr. Chairman, will the gentleman yield?

Mr. NIELSON of Utah. I yield to the distinguished gentleman from Florida, the chairman of the Science and Technology Committee.

Mr. FUQUA. My friend from Utah—and he is my friend—I think not intentionally somewhat misstated my position. At the time that the bill came to the floor, there had not been any budget resolution, and the mood of the House was to freeze, and I said if that is the mood, then that is the way it will be. But since that time, there have been circumstances in NASA that have happened that changed that, plus the fact that the House has since passed a budget resolution. The subcommittee of the gentleman from Massachusetts has come in with a bill that is substantially below the 1985 funding level. So while at that particular time we had no budget resolution, we had no guidelines to go by, it was an expression by the House, as the gentleman knows—it was the first authorization bill that reached the floor—so in addition to circumstances that have caused increased funding necessary in NASA that is beyond their control, and the fact that we have had a budget resolution does not necessarily mean that I think a freeze is the most appropriate thing under the current circumstances that we find ourselves.

Mr. NIELSON of Utah. I understand the chairman's position. He did it somewhat reluctantly in the spirit of having everything frozen. Everything has not been frozen, I agree. However, in this instance the margin was extremely large, over 10 to 1, in the NASA case, and 100 to 1 in the NSF case. The House said emphatically that it did want to freeze the appropriations of these two agencies at last year's levels. In fact, if we had done this on other bills and had had the same resolve, we would have been much better off as far as the budget is concerned. I criticize the Budget Committee also for recommending an amount above that of the authorization bill. I think the Budget Committee did the wrong thing and I think the Appropriations Subcommittee did the wrong thing. When the authorizing committee speaks and this House accepts it emphatically, then I think we ought to stick with what we have done in the authorizing committees just 3 months ago.

I hope the Members will vote for the amendment.

Mr. LOWERY of California. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment. This amendment, to cut NASA funding, is both shortsighted and ill advised.

Not that the intentions of my colleagues from Michigan [Mr. HENRY and Mr. PURSELL], are without merit. On the contrary, I appreciate their efforts to contain Federal spending so that we might make real reductions in our burgeoning deficit.

But we can't eliminate or hamper those Federal endeavors which serve to enhance our Treasury, bolster our economy, or improve our balance of trade. Clearly, this is not the kind of program we want to diminish in a deficit environment. My statistics may be a little more conservative than my colleague from Pennsylvania [Mr. WALKER], but for every $1 invested in NASA research and development, $7 to $14 is returned to our economy—a 700- to 1,400-percent return on investment. It is safe to say that reductions in the NASA account are counterproductive to solving our budget problem—or to use a tired phrase, cutting NASA is penny-wise and pound-foolish. Indeed, to cut NASA, a national treasure, is simply not fiscally responsible.

At a time when we see American industry straining to meet the challenges of foreign competition on a variety of fronts, we should strive to ensure the continuity of U.S. superiority in the field of space technology. We cannot afford to do otherwise.

As you know, the Appropriations Committee has already reduced NASA by $220 million below the President's request. Both the gentlemen from Massachusetts, our distinguished subcommittee chairman, and the gentleman from New York, the ranking member, are to be commended for their diligent efforts in bringing this House a good bill. The measure before us today is entirely consistent with the House budget resolution and last year's bill. Certainly, this Congress should not be in the business of rubberstamping budgets or should across-the-board freezes without weighing the consequences. We must not abdicate our responsibility to our constituents and our country, to assess our needs and balance our priorities.

One final point. During this debate over NASA funding, the appropriations minority staff checked with the Office of Management and Budget to ascertain the official administration

position on the Henry-Pursell Amendment. When asked if the administration supported or opposed the Henry-Purcell amendment, they were told the administration was opposed. The answer we have received is that the amendment will take NASA too far below President Reagan's request. We then asked OMB's position on the HUD and independent agencies appropriations bill. Their response was the bill as amended by Bartlett is acceptable.

Mr. Chairman, I urge defeat of this amendment and support for our country's economic future.

□ 1710

Mr. JACOBS. Mr. Chairman, will the gentleman yield?

Mr. LOWERY of California. I yield to the gentleman.

Mr. JACOBS. How much did the gentleman say we get back for each $1 we spend with this appropriation?

Mr. LOWERY of California. The estimates are some $7 to $14.

Mr. JACOBS. How much would we have to spend in order to wipe out the whole deficit?

Mr. LOWERY of California. Well, it does not work that way. There are a number of programs you spend money on where there is no return. Research and development dollars——

Mr. JACOBS. No, no, no, no, no, I want to know, if it is a money maker, how much would we have to spend to wipe out the deficit on the Space Program?

Mr. LOWERY of California. Well, I think you reach a point of diminishing return, and we are no where near there with the NASA budget.

Mr. JACOBS. Are we at the dew point?

Mr. LOWERY of California. No. We are not even close to the dew point.

Mr. JACOBS. How much more could we make by doubling the appropriation?

Mr. LOWERY of California. We could probably, absolutely insure America's technological superiority in the world and we would not have to worry about the encroachment on our trade from our European and Japanese trading partners.

Mr. JACOBS. Well, I am more mundane than that; I want my $7 from my $1 invested. How much more can I invest to get $7 back?

Mr. LOWERY of California. You just vote for this bill for R&D and an investment in the future of America, and our cutting edge technologies, and we will continue to stay competitive in the world.

Mr. JACOBS. It sounds real good.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Michigan [Mr. HENRY].

The question was taken; and the chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. HENRY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 112, noes 300, not voting 21, as follows:

[Roll No. 259]

AYES—112

AuCoin	Henry	Pursell
Bartlett	Hertel	Ray
Bedell	Hiler	Ridge
Bennett	Hopkins	Ritter
Bereuter	Hubbard	Roberts
Bliley	Huckaby	Roemer
Boulter	Hughes	Roth
Breaux	Hyde	Roukema
Brown (CO)	Jacobs	Schaefer
Broyhill	Jeffords	Schuette
Carper	Johnson	Schulze
Chandler	Kaptur	Sensenbrenner
Coats	Kasich	Sharp
Coble	Kindness	Shumway
Combest	Kolbe	Shuster
Cooper	Kramer	Slattery
Coughlin	Latta	Smith (NE)
Craig	Leach (IA)	Smith, Denny
Crane	Lightfoot	Smith, Robert
Daniel	Livingston	Snowe
Dannemeyer	MacKay	Solomon
Daschle	McKernan	Spratt
Daub	McMillan	Stenholm
DioGuardi	Meyers	Strang
Dorgan (ND)	Michel	Stump
Dreier	Miller (OH)	Swindall
Eckert (NY)	Miller (WA)	Tauke
Evans (IA)	Moore	Tauzin
Fawell	Morrison (WA)	Taylor
Fields	Myers	Thomas (CA)
Frenzel	Neal	Visclosky
Glickman	Nielson	Weaver
Gradison	O'Brien	Whittaker
Grotberg	Oberstar	Wolf
Gunderson	Olin	Wylie
Hamilton	Oxley	Zschau
Hartnett	Penny	
Hendon	Petri	

NOES—300

Ackerman	Campbell	Fascell
Addabbo	Carney	Fazio
Akaka	Carr	Feighan
Alexander	Cheney	Fiedler
Anderson	Clay	Fish
Andrews	Clinger	Flippo
Annunzio	Cobey	Florio
Anthony	Coelho	Foglietta
Applegate	Coleman (MO)	Foley
Archer	Coleman (TX)	Ford (MI)
Armey	Collins	Ford (TN)
Aspin	Conte	Fowler
Atkins	Conyers	Frank
Badham	Courter	Franklin
Barnard	Coyne	Frost
Barnes	Crockett	Fuqua
Barton	Darden	Gallo
Bateman	Davis	Garcia
Bates	de la Garza	Gaydos
Beilenson	DeLay	Gekas
Bentley	Dellums	Gephardt
Berman	Derrick	Gibbons
Bevill	DeWine	Gilman
Biaggi	Dickinson	Gingrich
Bilirakis	Dicks	Gonzalez
Boehlert	Dingell	Goodling
Boggs	Dixon	Gordon
Boland	Donnelly	Gray (IL)
Boner (TN)	Dornan (CA)	Green
Bonior (MI)	Dowdy	Gregg
Bonker	Duncan	Guarini
Borski	Durbin	Hall (OH)
Boucher	Dwyer	Hall, Ralph
Brooks	Dymally	Hammerschmidt
Broomfield	Dyson	Hansen
Brown (CA)	Eckart (OH)	Hawkins
Bruce	Edgar	Hayes
Bryant	Edwards (CA)	Heftel
Burton (CA)	Edwards (OK)	Holt
Burton (IN)	Emerson	Horton
Bustamante	English	Howard
Byron	Erdreich	Hoyer
Callahan	Evans (IL)	Hunter
Hutto	Mikulski	Sikorski
Ireland	Miller (CA)	Siljander
Jenkins	Mineta	Sisisky
Jones (OK)	Moakley	Skeen
Jones (TN)	Molinari	Skelton
Kanjorski	Mollohan	Slaughter
Kastenmeier	Monson	Smith (FL)
Kemp	Montgomery	Smith (IA)
Kennelly	Moody	Smith (NH)
Kildee	Moorhead	Smith (NJ)
Kleczka	Morrison (CT)	Snyder
Kolter	Mrazek	Solarz
Kostmayer	Murphy	Spence
LaFalce	Murtha	Staggers
Lagomarsino	Natcher	Stallings
Lantos	Nelson	Stangeland
Leath (TX)	Nichols	Stark
Lehman (CA)	Nowak	Stokes
Lehman (FL)	Oakar	Stratton
Leland	Ortiz	Studds
Lent	Owens	Sundquist
Levin (MI)	Packard	Sweeney
Levine (CA)	Panetta	Swift
Lewis (CA)	Parris	Synar
Lewis (FL)	Pease	Tallon
Lipinski	Pepper	Thomas (GA)
Lloyd	Perkins	Torres
Long	Pickle	Torricelli
Lott	Porter	Towns
Lowery (CA)	Price	Traficant
Lowry (WA)	Quillen	Traxler
Lujan	Rahall	Udall
Luken	Rangel	Valentine
Lundine	Regula	Vander Jagt
Lungren	Reid	Vento
Mack	Richardson	Volkmer
Madigan	Rinaldo	Vucanovich
Manton	Robinson	Walgren
Markey	Rodino	Walker
Marlenee	Roe	Watkins
Martin (IL)	Rogers	Weber
Martin (NY)	Rose	Weiss
Martinez	Rostenkowski	Wheat
Matsui	Rowland (CT)	Whitley
Mavroules	Rowland (GA)	Whitten
Mazzoli	Roybal	Williams
McCain	Russo	Wilson
McCandless	Sabo	Wirth
McCloskey	Savage	Wise
McCollum	Saxton	Wolpe
McCurdy	Scheuer	Wortley
McDade	Schneider	Wyden
McEwen	Schroeder	Yates
McGrath	Schumer	Yatron
McHugh	Seiberling	Young (AK)
McKinney	Shaw	Young (FL)
Mica	Shelby	Young (MO)

NOT VOTING—21

Bosco	Gray (PA)	Obey
Boxer	Hatcher	Pashayan
Chappell	Hefner	Rudd
Chappie	Hillis	St Germain
Downey	Jones (NC)	Waxman
Early	Loeffler	Whitehurst
Gejdenson	Mitchell	Wright

□ 1730

Messrs. VENTO, MOODY, SMITH of New Hampshire, PORTER, and Mrs. MARTIN of Illinois changed their votes from "aye" to "no."

Ms. KAPTUR and Messrs. SCHAEFER, LIVINGSTON, WOLF, VISCLOSKY, MORRISON of Washington, and SWINDALL changed their votes from "no" to "aye."

So the amendments were rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. PASHAYAN. Mr. Chairman, on rollcall 259, I was unavoidably detained. Had I been present, I would have voted "no."

Mr. MRAZEK. Mr. Chairman, I move to strike the last word.

Mr. Chairman, first I wish to compliment Chairman BOLAND on preparing

a superb bill dealing with the 1986 appropriations for HUD and independent agencies.

However, I also wish to clarify for the record, language which appears in the committe report accompanying the bill. This at pages 37 and 38 of report No. 99-212.

Mr. Chairman, this particular section is clearly misleading. The report states that where State and local cooperation in establishing emergency plans is inadequate, the committee intends that the Federal Emergency Management Agency, as a last resort, coordinate supplemental assistance of Federal agencies that are expected to provide requisite resources "within their authority." The report goes on to say that the committee believes it is "clear" that the Federal Emergency Management Agency has the authority to perform this function and intends that it be exercised.

Mr. Chairman, there is no statutory authority which confers upon FEMA or any other Federal agency the power to impose upon any State or local government an emergency plan, no matter how simple or workable that plan may be. Clearly, Congress has yet to pass legislation which allows any Federal bureaucrat to implement an emergency evacuation plan upon an unwilling State or local government, nor has any judicial decision been found which construes the charter of any Federal agency to allow this type of instrusion.

Not only is such legal authority conspicuous by its absence but this administration and the President of the United States are on record as opposing any effort to impose the Federal will over that of the State and local governments who fail or refuse to develop effective evacuation plans.

In a letter to the National Governors Association, Louis O. Giuffrida, the Director of FEMA, had this to say on the desire of the administration to preempt State and local governments, and I quote:

> FEMA does not support the idea that the Federal Government should be empowered as the "last resort" to develop a plan even if all other responsible entities fail to do so. The role of the Federal Government is to enhance, not supplant, State and local government capabilities to prepare for and respond to radiological and other types of emergencies.
>
> * * * * *
>
> The Federal Government is not in position in terms of policy, authority, or resources to assume the responsibilities of State and local governments for protecting the health and safety of citizens in the event of an accident at a commerical nuclear power facility.

If anything is clear and real in discussing this entire matter, it is that our executive branch of Government lacks the authority, the motivation, the capability, and the expertise either to act in the place of, or to impose its wishes upon, State and local governments when it comes to emergency evacuation plans. No amount of report language should ignore this reality.

Mr. Chairman, I would like to ask the chairman of the authorizing subcommittee responsible for determining congressional intent in this area for off-site plans, my distinguished colleagues, the gentleman from Massachusetts [Mr. MARKEY], if my understanding of that language is correct.

Mr. MARKEY. Mr. Chairman, will the gentleman yield?

Mr. MRAZEK. I yield to the gentleman from Massachusetts.

Mr. MARKEY. Mr. Chairman, the gentleman has in fact accurately stated the law covering the ability of the Federal Government to preempt the State and local police powers with regard to an off-site emergency plan.

Mr. MRAZEK. I would also ask the subcommittee chairman if in fact this report language is binding on anyone.

Mr. MARKEY. This report language is not binding since there is no explicit statutory provision which is placed on the books that would preempt or override existing law.

Mr. MRAZEK. Mr. Chairman, I would also say to the gentleman from Massachusetts [Mr. MARKEY] that I am also concerned that this language may be construed by some as a congressional license allowing State and local governments to actually refuse to exercise or implement an emergency plan on the belief that the Federal Government would bail them out. I guess the reasoning of some may be that if our Government can bail out Chrysler, why not uncooperative State and local governments who refuse to come up with a good evacuation plan.

Does the gentleman believe that FEMA is authorized to implement an evacuation plan over the objections of the State and local governments?

Mr. MARKEY. No; that is in fact not the existing law.

Mr. MRAZEK. Mr. Chairman, does the gentleman agree that this might set in motion those kinds of bailout syndromes for a lot of other plants?

Mr. MARKEY. It does have that potential if a misconception would in fact be interpreted that way, if this kind of report language is misconstrued.

Mr. MRAZEK. Mr. Chairman, I thank the gentleman.

□ 1740

Mr. GREEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I do understand the concern of my friend, the gentleman from New York [Mr. MRAZEK], about the situation regarding the Shoreham plant in Long Island. The gentleman has expressed those concerns very vociferously in the Appropriations Committee on consideration and in similar language in the energy and water bill a couple years ago, so that the gentleman is very clearly on record in this issue; but I must respectfully disagree with the position the gentleman is taking with respect to the authority that exists in the law with respect to FEMA. Since the gentleman has chosen to try to make legislative history, I do feel that I have to respond as to what those are.

First of all, the Federal Civil Defense Act of 1950 was adopted "to provide a system of civil defense" and that covers not only enemy attacks, but natural and man-made disasters.

The relative authority has been delegated to the Director of the Federal Emergency Management Agency by Executive Order 12-148 and the authority "to provide a system" of necessity includes the authority to intervene when necessary to compensate for deficiencies in existing systems.

Section 201 of that act authorizes the Director of the FEMA "to delegate, with the approval of the President, to the several departments and agencies of the Federal Government, appropriate civil defense responsibilities."

In addition, section 401(c) of the act provides that the Director may utilize the services of Federal agencies and the Director is instructed to use existing resources of the Federal Government to the maximum extent possible to reimburse the departments for expenditures and compensation for their personnel.

The Disaster Relief Act of 1974 does authorize the Director of FEMA to establish a program of disaster preparedness that utilizes the services of all appropriate agencies and includes preparation of disaster preparedness plans for mitigation, warning, emergency operations, rehabilitation and recovery as well, and it specifically refers to training exercises in that legislation.

There is other authority I believe under Executive Order 11-490 under the Economy Act which authorizes Federal departments and agencies to perform services for other Federal departments and agencies.

In short, there is a very substantial body of law in this area that I think the gentleman overlooks.

Mr. MRAZEK. Mr. Chairman, will the gentleman yield?

Mr. GREEN. I am happy to yield to my good friend, the gentleman from New York.

Mr. MRAZEK. Mr. Chairman, I would simply ask the gentleman, as I recall during the Korean war it was President Harry Truman who determined under the same law that there was a national emergency as a result of a steel strike and he sent troops in to work in the steel mills and the U.S.

Supreme Court ruled that in fact he did not have the power to do so.

Is the gentleman suggesting that if one nuclear powerplant has a problem that that constitutes a national emergency or would be interpreted that way by any court in this land?

Mr. GREEN. I would suggest that the analogy to the steel case is wrong, because obviously there is no taking of private property contemplated in this circumstance at all.

Second, obviously if there were a major leakage from a plant, it would constitute an emergency under the relevant legislation and that there is very considerable authority in the law for FEMA, and in fact direction in the law to FEMA, to prepare for that kind of emergency and specifically to hold training exercises.

Mr. MRAZEK. Mr. Chairman, if the gentleman will yield further, is it the gentleman's belief that FEMA has the authority to implement an evacuation plan over the objections of a State or local municipality?

Mr. GREEN. Again, if I may reclaim my time, the statute provides that the evacuation plan may be by a State government, it may be by a local government, it may be a utility, so I would say to the gentleman the plan in the first instance has to be drawn under the authorizing legislation by a State, by a local government, or by a utility. If there is such a plan, then I think that FEMA can use its good offices to make that plan a workable one.

Mr. MARKEY. Mr. Chairman, will the gentleman yield?

Mr. GREEN. I am happy to yield to the gentleman from Massachusetts.

Mr. MARKEY. Mr. Chairman, last year our subcommittee when notified that both the Department of Energy and FEMA were looking into this issue, we posed the question to the Congressional Research Service as to whether or not in fact the laws which the gentleman is referring to would in fact confer upon any Federal agency the power to usurp State or local authority with respect to policing.

We posed the question to the Congressional Research Service to give us their recommendation as to whether or not the statutes, the laws, which the gentleman is referring to, do in fact confer upon the Federal Government the right to usurp local and State police authority.

The response the committee received I think cannot be clearer. It said to us, the Congressional Research Service:

> A court would be unlikely to infer congressional authorization of such a substantial Federal intrusion into a traditional area of State authority without the clearest of statutory indications. If no clear authority for the aforementioned command and control emerges, it is unlikely that any FEMA claim of command and control authority would be sustained by a court in the absence of unequivocal statutory indications.

The CHAIRMAN. The time of the gentleman from New York [Mr. GREEN] has expired.

(By unanimous consent, Mr. GREEN was allowed to proceed for an additional 5 minutes.)

Mr. MARKEY. Mr. Chairman, will the gentleman continue to yield?

Mr. GREEN. I yield to the gentleman.

Mr. MARKEY. Mr. Chairman, I thank the gentleman very much.

The Director of FEMA himself has repeatedly stated that he is opposed to FEMA usurping the traditional role of State and county and local agencies in the planning and implementation of emergency offsite plans, because FEMA has neither the authority nor the resources to implement such a plan.

Last year President Reagan in a letter to another Congressman from New York issued a statement saying that he was opposed to the Federal preemption of traditional State and local powers.

In fact, what would happen here is that this would establish bad policy because it would basically send a signal to local and to State officials to back out of the kind of planning and implementation of emergency offsite planning that are absolutely essential to ensure that people are protected in the event of an accident.

Mr. GREEN. Mr. Chairman, if I may reclaim my time, I do not think the language in our report contemplates any usurping of State or local police powers. It assumes that the State and local police will do their sworn duty; so I do not think when the gentleman talks about usurping police powers that he is talking about anything contemplated by our amendment.

Mr. PASHAYAN. Mr. Chairman, will the gentleman yield?

Mr. GREEN. I am happy to yield to the gentleman from California.

Mr. PASHAYAN. Mr. Chairman, I hope it is not the intention of the gentleman, it is certainly not the intent of Congress in any way, including in any legal way, to permit a State or local entity to prevent a nuclear installation from being constructed and operated simply because the State or local entity does not plan for an emergency and prepare to execute the plan. I hope the gentleman is not making the contention with that proposition.

Mr. MARKEY. Mr. Chairman, will the gentleman yield?

Mr. GREEN. I am happy to yield to the gentleman from Massachusetts.

Mr. MARKEY. Mr. Chairman, the proposition that the gentleman now states that simply because a local and State governmental entity argues that they cannot protect their people in the event of an accident is not such a simple proposition. That goes to the fundamental responsibility of State and local governmental organizations and Federal preemption in this area across the board traditionally for 200 years in this country has been something which has been very rarely transgressed.

Mr. GREEN. Mr. Chairman, if I may reclaim my time, with all due respect to all parties, this is not the place to have an extended debate on nuclear power. The report language obviously cannot be addressed in any meaningful manner on the floor of the House.

I did just simply want to say in response to my friend, the gentleman from New York, that there are obviously, as I have indicated, other views of the statutory situation from those he has expressed. I do not think we are trying to usurp State and local police powers. Quite the contrary, our language specifically says that we expect they will perform their duties as they are sworn to do.

Mr. Chairman, with that, I yield back the balance of my time.

Mr. MARKEY. Mr. Chairman, I move to strike the requisite number of words.

I yield to the gentleman from New York [Mr. MRAZEK].

Mr. MRAZEK. Mr. Chairman, I think there are two points actually that are very important to make in the context of this particular debate. The gentleman asks if a State and local government can prevent the construction or the opening of a nuclear powerplant if they decide they cannot safely evacuate from that plant.

I would submit that this represents a significant problem; however, there is no way that the Federal Government has the authority to override that decision by the State and local government if they say they cannot safely evacuate a plant. The only option, the only alternative, is to set up some kind of Federal SWAT team which would be designed to be sent in in the event of an emergency to actually execute an evacuation plan, if that local government says that the police will not participate in it, the emergency people will not participate in it and if the gentleman is contemplating setting up some massive SWAT team to be camped out here on the Mall in tents waiting for the next 30 years for a nuclear accident to take place so that they can fly in to try to find the Long Island Expressway in the town of Riverhead and evacuate people, then I think that is far more than the U.S. Congress ever intended.

□ 1750

Mr. MARKEY. If I can reclaim my time again, the point is that in the Appropriations Committee report, the statement is basically made that the Federal Government has the right to presume that State and local governments have, in fact, afforded protection to their citizens in the event of a

nuclear powerplant accident when, in fact, the State and local officials are telling the Federal Government that they have not.

The role traditionally of FEMA has not been to make that kind of presumption, but in fact to make a determination as to whether or not the plan can be implemented. Not to do the planning itself. The planning has traditionally been placed in the hands of the State and local officials.

To make a presumption that State and local governments have done something which they are affirmatively saying they have not is to insult and to, in fact, abrogate and to preempt the rights of those States and local governments to make decisions for themselves. And, in fact, the report itself is inherently contradictory in its language. There are only three paragraphs dealing with the issue.

Early on they say the concern of the committee is because of the problem of unnecessary expenditure of Federal funds and personnel time by FEMA, and that the committee is now recommending that FEMA, as the last resort, coordinate and supplement assistance to Federal agencies across the board in the planning and implementation of all of these programs, which means essentially that you are going to dramatically increase the costs, the expenditures that this agency is going to have to put out in order to provide these functions. So you run totally contradictory to the initial spirit you say you are trying to achieve in involving the FEMA agency into these kinds of activities.

Mr. PASHAYAN. Mr. Chairman, will the gentleman yield?

Mr. MARKEY. I yield to the gentleman from California.

Mr. PASHAYAN. If the next Director of FEMA, and there is going to be another Director because, as we all know, this Director is on his way out, if the next Director of FEMA says he does have the manpower, would the gentleman then yield on this point and accept his opinion?

Mr. MARKEY. The question is not one of assertion by the head of FEMA, but rather of a constitutional law which reserves traditionally the rights of police power at the State and local level to those entities. And I think that any statement by the Director of FEMA to the contrary would have no constitutional effect.

Mr. PASHAYAN. There are several Supreme Court cases that have found an inherent police power in the U.S. Government, as in any government, judiciously applied, and here in the U.S. Government. And I cannot see that the gentleman should stand and make a sweeping statement.

Mr. MARKEY. If I may reclaim my time, in the one case where the issue was litigated, the courts found that the actions of the State and local government were lawful. That is a 1984 case, in fact, referring to the Shoreham nuclear powerplant.

So I think the legal grounds upon which the gentleman is speaking are very shaky. And if it is going to be resolved, it will have to be resolved in the courts and not here on the floor of the Congress.

Mr. PASHAYAN. Is the gentleman in favor then of this body and the other body developing language that is clear and more direct on the point?

Mr. MARKEY. The point I am trying to make to the gentleman is even if we do, there will still be a substantial legal question that will have to be resolved, and I am sure any local or State entity will take it to the highest court of the land before they will allow any law in this country to preempt the traditional authority at that level.

I would like before yielding back my time to compliment the gentleman from Long Island, Mr. MRAZEK, for his leadership on this issue. He has, in fact, identified an issue that clearly needed to have some further clarification, and I compliment him for it, and I yield back the balance of my time.

Mr. STRATTON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have been for a substantial number of years interested in the development of nuclear energy, not only as the chairman of the Procurement and Nuclear Military Systems Subcommittee of the Armed Services Committee, but also as a resident of Schnectady where the General Electric Co. has in past years developed a good deal of ability in producing nuclear power generation, and had expected that as a result of our experiences in World War II we would continue that. Unfortunately, largely because of obscurantist views on the part of many people concerning nuclear power and a good deal of misunderstanding, the promise of nuclear energy has largely evaporated. But it will come back because the energy crisis is not yet over.

I want to congratulate the Appropriations Committee for addressing in their report for the third year now an extremely serious national problem and one that has very largely been focused in my own State of New York, I regret to say. That problem is that the States and localities are failing to participate in the emergency preparedness process, as a way of exercising an otherwise illegal veto over such projects as nuclear powerplants that require such things as evacuation plans. Mr. Chairman, these States and localities are using the refusal to cooperate as an extra legal veto of nuclear powerplants that have survived the entire complex licensing process—which has been even more complicated as a result of many unwise measures enacted in this Chamber, passed through the entire inspection process, and have finally been built. These plants are sitting there ready to operate, and are being held up solely by the refusal to cooperate on the part of the States and localities.

In my home State of New York, in Suffolk County—and I am sure reference has been made to this already—the local county executive held up the start of the Shoreham nuclear plant for over a year now merely by refusing to cooperate in the formulation of an evacuation plan in case of an accident.

Mr. Chairman, this effective veto by a local government came after all legal remedies had been exhausted. After that the Governor of the State, Governor Cuomo, went even farther, by taking the matter into the State court.

I completely agree with the committee report that it is not in the power of local Governments or of local State Governors, for that matter, to overthrow projects approved and licensed by the Federal Government in this fashion. The adoption of the Atomic Energy Act at the end of World War II indicates very clearly that the basic responsibility for nuclear power lies in the Federal Government not in the States or the counties.

The committee states what I think to be an effective remedy; namely, that in those cases where local authorities fail to participate adequately in this necessary process for emergency preparedness that FEMA has the authority and should not hesitate to use it, and should be required to use it to participate in the exercise and implementation of emergency plans, and to pull together the participation of other Federal activities.

Actually, the issue that shut down the Shoreham plant was that there was not an opportunity to get a 10-mile radius for air evacuation plan. But the interesting fact that apparently was never recognized very clearly was at Shoreham that the 10-mile radius had been prescribed because of the belief that when an accident occurred, iodine would be vaporized and become radioactive and that would spread out over this 10-mile radius and contaminate the population. The fact of the matter, however, was that the Three Mile Island disaster demonstrated that when there is an accident, iodine does not vaporize. Instead it sinks to the bottom of the containment vessel.

So with the authority that FEMA has under the Civil Defense Act of 1950, and the Disaster Relief Act of 1974, they have the capability of assuming this role, the expediting of these unused power stations. And as a member of the Armed Services Committee that has produced that legislation, and has oversight over the Civil Defense Act, I am very familiar with

the provisions of that act, and I believe that the Federal Government should be directed to provide the necessary leadership and coordination in situations of this kind.

The CHAIRMAN. The time of the gentleman from New York [Mr. STRATTON] has expired.

(On request of Mr. MCCAIN and by unanimous consent, Mr. STRATTON was allowed to proceed for 2 additional minutes.)

□ 1800

Mr. McCAIN. Mr. Chairman, will the gentleman from New York yield?

Mr. STRATTON. I would be happy to yield to the gentleman from Arizona.

Mr. McCAIN. Mr. Chairman, I want to associate myself with the remarks of the gentlemen from New York [Mr. GREEN and Mr. STRATTON].

Mr. Chairman, I want to congratulate the committee on its report language regarding emergency planning for nuclear facilities. The committee has performed a useful service in constructing a way out of a difficult problem for the nuclear power industry. For years that industry and its supporters have been concerned about the prospect of State or local vetoes of nuclear powerplants. The committee's language, if dutifully followed by the Federal Emergency Management Agency, will finally remove that prospect.

What the committee is essentially saying is that FEMA has the authority to step into the breach whenever States and localities fail to participate in the exercise or implementation of emergency plans. The committee then goes on to direct that FEMA use this authority whenever States and localities shirk their responsibilities by failing to participate adequately in the process.

The report language does not create new authority, but that is unnecessary since two statutes clearly provide FEMA with the means to go forward in this area. I would like to say a few words about the Civil Defense Act of 1950 and the Disaster Relief Act of 1974, both of which are directly applicable.

The Federal Civil Defense Act of 1950 was adopted "to provide a system of civil defense" for protection from enemy attack and from natural and manmade disasters. Nuclear plant accidents clearly fit into the last category. The relevant authority under the act has been delegated to the Director of FEMA by Executive Order 12148. It seems clear that the authority to "provide a system" of necessity includes the authority to intervene directly to compensate for deficiencies in that system. Thus, the act provides the authority both to exercise and implement emergency plans when States and localities create deficiencies by failing to participate in those activities.

The Disaster Relief Act of 1974 authorizes the President to declare an emergency or major disaster and to provide assistance at the request of the Governor of an affected State. Again, the emergencies envisioned by the statute, are broad enough to encompass nuclear powerplant accidents. While the authority to declare an emergency or major disaster remains with the President, all other relevant authority has been delegated to the Director of FEMA.

Once an emergency or major disaster has been declared, Federal agencies are authorized, at the direction of FEMA, "to provide assistance by * * * utilizing * * * their equipment, supplies, facilities, personnel, and other resources." Federal agencies are also authorized to perform "emergency work or services essential to save lives and to protect and preserve property, public health and safety, including but not limited to * * * movement of supplies or persons, [and] clearance of roads." In other words, once an emergency is declared, FEMA has extremely broad powers to deal with the situation. These powers are certainly sufficient to allow it to implement an emergency plan in response to a nuclear incident.

Since FEMA must be adequately prepared to implement such a plan at all times, it follows that it must be able to take whatever measures are necessary to assure such preparedness. Such measures would necessarily include participation in nuclear powerplant emergency exercises.

The authority to engage in such exercises is also explicitly provided. Under the act the Director is "authorized to establish a program of disaster preparedness that utilizes services of all appropriate agencies * * * and includes (1) preparation of disaster preparedness plans for mitigation, warning, emergency operations, rehabilitation, and recovery; [and] (2) training and exercises."

In sum, there is no doubt about FEMA's authority to carry out the directive provided by this report language. The language makes a valuable contribution to our system of nuclear regulation, to the protection of those who live in the vicinity of nuclear powerplants, and to the future of the nuclear industry. Again, I commend the committee for including it in its report.

Mr. MRAZEK. Mr. Chairman, will the gentleman yield to me?

Mr. STRATTON. I yield to the gentleman from New York.

Mr. MRAZEK. I thank the gentleman for yielding.

Mr. Chairman, the gentleman raised the issue of the accident at Three Mile Island and the question of iodine.

I think there is also another important element of that accident that has to be taken into account. If we are to rely entirely to FEMA and perhaps the deputizations of the employees of the utility to resolve the question of an evacuation plan, we could run into the same problem that existed at Three Mile Island. That is that they never informed the citizenry around them from that utility that an accident was taking place. Hour after hour after hour went by; they were 35 minutes away from a possible meltdown and they never informed the citizenry that there was a problem there.

Mr. STRATTON. Let me reclaim my time because I think the important fact is, as has been pointed out, even on bumper stickers, that nobody died at Three Mile Island. As a matter of fact, nobody got any excess radiation as a result of that action beyond what they would have received had they found that there was no snow to ski in in upstate Pennsylvania and went out to Aspen, CO, to ski. That is the extent of any excess radiation they received. For us to try to pretend that this was some serious problem in Three Mile Island the fact is that, the fact, as I have already indicated, not only was there no serious radiation received by the people of the Harrisburg area, but instead the local courts had to dream up something about what the psychological feelings were of those who lived in the Harrisburg area, in order to put an injunction that would further delay the opening of the undisturbed Three Mile Island reactor. On nuclear matters, we ought to deal with facts, not with myths.

I commend the committee's frank statements.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SPACE FLIGHT, CONTROL AND DATA COMMUNICATIONS

For necessary expenses, not otherwise provided for; in support of space flight, spacecraft control and communications activities of the National Aeronautics and Space Administration, including operations, production, services, minor construction, maintenance, repair, rehabilitation, and modification of real and personal property; tracking and data relay satellite services as authorized by law; purchase, hire, maintenance and operation of other than administrative aircraft; $3,402,900,000, to remain available until September 30, 1987.

CONSTRUCTION OF FACILITIES

For construction, repair, rehabilitation and modification of facilities, minor construction of new facilities and additions to existing facilities, and for facility planning and design not otherwise provided, for the National Aeronautics and Space Administration, and for the acquisition or condemnation of real property, as authorized by law, $139,300,000, to remain available until September 30, 1988: *Provided*, That, notwithstanding the limitation on the availability of funds appropriated under this heading by this appropriation Act, when any activity

has been initiated by the incurrence of obligations therefor, the amount available for such activity shall remain available until expended, except that this provision shall not apply to the amounts appropriated pursuant to the authorization for repair, rehabilitation and modification of facilities, minor construction of new facilities and additions to existing facilities, and facility planning and design: *Provided further,* That no amount appropriated pursuant to this or any other Act may be used for the lease or construction of a new contractor-funded facility for exclusive use in support of a contract or contracts with the National Aeronautics and Space Administration under which the Administration would be required to substantially amortize through payment or reimbursement such contractor investment, unless an appropriation Act specifies the lease or contract pursuant to which such facilities are to be constructed or leased or such facility is otherwise identified in such Act.

RESEARCH AND PROGRAM MANAGEMENT

For necessary expenses of research in government laboratories, management of programs and other activities of the National Aeronautics and Space Administration, not otherwise provided for, including uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901-5902); awards; lease, hire, maintenance and operation of administrative aircraft; purchase (not to exceed thirty for replacement only) and hire of passenger motor vehicles; and maintenance and repair of real and personal property, and not in excess of $100,000 per project for construction of new facilities and additions to existing facilities, repairs, and rehabilitation and modification of facilities; $1,367,000,000: *Provided,* That contracts may be entered into under this appropriation for maintenance and operation of facilities, and for other services, to be provided during the next fiscal year: *Provided further,* That not to exceed $35,000 of the foregoing amount shall be available for scientific consultations or extraordinary expense, to be expended upon the approval or authority of the Administrator and his determination shall be final and conclusive.

ADMINISTRATIVE PROVISION

Notwithstanding any other provision of this Act, the space shuttle pricing policy for commercial and foreign users for the period beginning on October 1, 1988, and ending on September 30, 1991, shall be in the manner provided for in title II of H.R. 1714, the National Aeronautics and Space Administration Authorization Act of 1986, as reported to the House of Representatives on March 28, 1985.

AMENDMENT OFFERED BY MR. WALKER

Mr. WALKER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WALKER: On page 27 strike lines 14 through 21.

Mr. WALKER. Mr. Chairman, I think that we have an agreement with the committee on this amendment so I shall not take very long. What the Appropriations Committee had done is put in the bill language with regard to pricing policy for the shuttle. This is a matter that was debated by the House, has been extensively looked at by the authorization committee, will be debated further in the conference committee where the resolution of the matter is really a very important policy matter, but where we feel that the authorizing committee is well onboard in attempting to make goodfaith efforts to see to it that the matter is resolved in an appropriate way.

I think it would be unfortunate to go forward with an Appropriations Committee provision when in fact there is much activity taking place on the authorization front.

So my amendment is to strike this language so that we can proceed forward in trying to come up with a rational policy for the country. The policy that was developed by the House is a policy of flexible pricing which would allow a pricing by NASA of anywhere from $45 million of marginal costs up to $106 million for mature technologies.

The advantage of flexible pricing is that it does give some leeway, some competitive advantage and also, under that amendment, the NASA Administrator would be required to make certain that two-thirds of all the business being done would be aboard U.S. craft.

So that his pricing would have to reflect what is necessary to meet foreign competition.

Mr. GREEN. Mr. Chairman, would the gentleman yield?

Mr. WALKER. I would be glad to yield to the gentleman from New York.

Mr. GREEN. I thank the gentleman for yielding.

Mr. Chairman, frankly my main concern as I have explored this issue, it appears to me that the marginal cost of a shuttle flight for commercial purposes, assuming no additional shuttle is needed, is probably somewhere in the $40 million range. If an additional shuttle is needed by reason of the level of activity to conduct a commercial flight so that we have to go on to a fifth orbiter, then it would be my impression that the marginal cost would rise to something in the order of $70 million or $80 million per flight.

From a fiscal point of view it is obviously advantageous if necessary in order to get the business, so long as we can at least recover something over the marginal cost, that we charge accordingly because that does start to absorb some of the NASA overhead and therefore reduces the amount that the House and Senate have to appropriate in order to cover NASA overhead.

I think there are many who had billed the gentleman's effort in the authorizing committee as one designed to get a necessarily high price on NASA flights which would discourage the marginal cost analysis in setting pricing.

The gentleman today seems to be assuring me that that is not his intention, that is not the case, in offering this amendment.

Mr. WALKER. Let me reply to the gentleman by telling him that there has been some focus on the fact that the flexible pricing policy would allow prices to go up as high as $106 million in practical terms. There is no money specification in the policy itself. It says all the way from marginal cost to essentially an add-on cost kind of concept. However, what we have not focused on very much is the fact that it also allows the marginal pricing policy which the gentleman and I might disagree whether it is $40 million or $45 million, but nevertheless, language in the bill says marginal pricing.

So it allows the flexibility and I think the additional advantage of the policy is that it tells the Administrator of NASA that it has to have two-thirds of the business aboard NASA craft. So that it does pressure him to keep the costs competitive within the world market.

I certainly agree with the gentleman that ultimately what we do want to do is to recover some appropriate kind of costs. So in mature technologies it may well be that a higher price is sustainable in the market and I simply want to have that kind of market flexibility available.

Mr. GREEN. I thank the gentleman for his comments.

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I will be glad to yield to the gentleman from Massachusetts.

Mr. BOLAND. Mr. Chairman, I am delighted to accept the amendment offered by the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania.

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

NATIONAL CREDIT UNION ADMINISTRATION

CENTRAL LIQUIDITY FACILITY

During 1986, obligations of the Central Liquidity Facility for new loans to member credit unions as authorized by the National Credit Union Central Liquidity Facility Act (12 U.S.C. 1795) shall not exceed $600,000,000: *Provided,* That administrative expenses of the Central Liquidity Facility in fiscal year 1986 shall not exceed $850,000.

NATIONAL SCIENCE FOUNDATION

RESEARCH AND RELATED ACTIVITIES

For necessary expenses in carrying out the purposes of the National Science Foundation Act of 1950, as amended (42 U.S.C. 1861-1875), title IX of the National Defense Education Act of 1958 (42 U.S.C. 1876-1879), and the Act to establish a National Medal of Science (42 U.S.C. 1880-1881); services as authorized by 5 U.S.C. 3109; maintenance and operation of aircraft and purchase of flight services for research support; acquisition of one aircraft; hire of passenger motor vehicles; not to exceed $2,500 for official reception and representation expenses; uniforms

or allowances therefor, as authorized by law (5 U.S.C. 5901-5902); rental of conference rooms in the District of Columbia; and reimbursement of the General Services Administration for security guard services; $1,347,205,000, to remain available until September 30, 1987: *Provided*, That of the funds appropriated in this Act, or from funds appropriated previously to the Foundation, not more than $71,743,000 shall be available for program development and management in fiscal year 1986, including $3,300,000 for expenses of travel: *Provided further*, That contracts may be entered into under the program development and management limitation in fiscal year 1986 for maintenance and operation of facilities, and for other services, to be provided during the next fiscal year: *Provided further*, That receipts for scientific support services and materials furnished by the National Research Centers and other National Science Foundation supported research facilities may be credited to this appropriation: *Provided further*, That to the extent that the amount appropriated is less than the total amount authorized to be appropriated for included program activities, all amounts, including floors and ceilings, specified in the authorizing Act for those program activities or their subactivities shall be reduced proportionally: *Provided further*, That not to exceed $8,000,000 shall be available for the very long baseline array: *Provided further*, That the Foundation is hereafter authorized to indemnify grantees, contractors, and subcontractors associated with the ocean drilling program under the provisions of section 2354 of title 10 of the United States Code, with all approvals and certifications required thereby made by the Director of the National Science Foundation.

UNITED STATES ANTARCTIC PROGRAM ACTIVITIES

For necessary expenses in carrying out the research and operational support for the United States Antarctic Program pursuant to the National Science Foundation Act of 1950, as amended (42 U.S.C. 1861-1875); maintenance and operation of aircraft and purchase of flight services for research and operations support; maintenance and operation of research ships and charter or lease of ships for research and operations support; hire of passenger motor vehicles; not to exceed $1,000 for official reception and representation expenses; $115,100,000, to remain available until expended: *Provided*, That receipts for support services and materials provided to individuals for non-Federal activities may be credited to this appropriation: *Provided further*, That no funds in this account shall be used for the purchase of aircraft.

SCIENCE EDUCATION ACTIVITIES

For necessary expenses in carrying out science education programs and activities pursuant to the purposes of the National Science Foundation Act of 1950, as amended (42 U.S.C. 1861-1875), including award of graduate fellowships, services as authorized by 5 U.S.C. 3109, and rental of conference rooms in the District of Columbia, $60,550,000, to remain available until September 30, 1987: *Provided*, That to the extent that the amount of this appropriation is less than the total amount authorized to be appropriated for included program activities, all amounts, including floors and ceilings, specified in the authorizing Act for those program activities or their subactivities shall be reduced proportionally.

SCIENTIFIC ACTIVITIES OVERSEAS

(SPECIAL FOREIGN CURRENCY PROGRAM)

For payments in foreign currencies which the Treasury Department determines to be excess to the normal requirements of the United States, for scientific activities, as authorized by law, $1,000,000, to remain available until September 30, 1987: *Provided*, That this appropriation shall be available in addition to other appropriations to the National Science Foundation for payments in the foregoing currencies.

Mr. SABO. Mr. Chairman, I ask unanimous consent that we return to page 10, line 9 of the bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

Mr. WALKER. Mr. Chairman, reserving the right to object, can the gentleman tell me for what purpose he wants to revisit a section of the bill?

Mr. SABO. Certainly. Will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Minnesota.

Mr. SABO. Earlier today the House in its wisdom reduced the budget authority by $500 million for projected new programs within the HUD bill.

Mr. Chairman, I would propose an amendment that simply uses 70 percent of those funds, to restore the Community Development Block Grant Program to its freeze level.

Mr. BARTLETT. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The Clerk will read.

The Clerk read as follows:

NEIGHBORHOOD REINVESTMENT CORPORATION

PAYMENT TO THE NEIGHBORHOOD REINVESTMENT CORPORATION

For payment to the Neighborhood Reinvestment Corporation for use in neighborhood reinvestment activities, as authorized by the Neighborhood Reinvestment Corporation Act (42 U.S.C. 8101-8107), $17,669,000.

SELECTIVE SERVICE SYSTEM

SALARIES AND EXPENSES

For necessary expenses of the Selective Service System, including expenses of attendance at meetings and of training for uniformed personnel assigned to the Selective Service System, as authorized by law (5 U.S.C. 4101-4118) for civilian employees; and not to exceed $1,000 for official reception and representation expenses; $27,780,000: *Provided*, That during the current fiscal year, the President may exempt this appropriation from the provisions of 31 U.S.C. 1341, whenever he deems such action to be necessary in the interest of national defense: *Provided further*, That none of the funds appropriated by this Act may be expended for or in connection with the induction of any person into the Armed Forces of the United States.

DEPARTMENT OF THE TREASURY

PAYMENTS TO LOCAL GOVERNMENT FISCAL ASSISTANCE TRUST FUND

For payments to the Local Government Fiscal Assistance Trust Fund, $4,566,700,000: *Provided*, That, notwithstanding the provisions of 31 U.S.C. 6701-6724, payments to local governments from this appropriation shall not exceed $3,425,025,000 and this appropriation is hereby reduced by $1,141,675,000 through a 25 per centum reduction in each quarterly payment.

AMENDMENT OFFERED BY MR. HORTON

Mr. HORTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HORTON: On page 32, lines 15 and 16, strike out "through a 25 per centum reduction in each quarterly payment" and insert in lieu thereof "through the elimination of the payment for the final quarter of the entitlement beginning October 1, 1985 and ending September 30, 1986".

□ 1810

Mr. HORTON. Mr. Chairman, I offer this amendment on behalf of myself, the gentleman from New York [Mr. WEISS] and the gentleman from Pennsylvania [Mr. WALKER].

Mr. Chairman, this is a very simple technical amendment. It does not make any change in the dollar figures of any of the appropriations contained in the bill. It simply restructures the timing of the 25-percent cut made in the funding for the General Revenue Sharing Program.

General Revenue Sharing is a program which provides general-purpose funds to 39,000 local governments all over the country. It is authorized through the end of fiscal year 1986. Because of the entitlement nature of this program, all those local governments have made their own budget plans on the very reasonable assumption that revenue-sharing funds would be given to them in predictable amounts at preditable times.

I want to emphasize again that this is an entitlement program. We are not talking about a typical grant program in which recipients do not know from one year to the next how much money will be available to them. When Congress reauthorized general revenue sharing back in 1983, it made a commitment to 39,000 local governments that $4.6 billion would be forthcoming in each of the next 3 years.

The bill before us today does something which is extremely unusual—it makes a substantial reduction in an entitlement program. It says to those local governments, we are going back on a commitment we made to you; we are going to give you only three-quarters of the money we promised for fiscal year 1986.

Mr. Chairman, I realize that this reduction is included in the House-passed budget resolution, and that the provision in today's bill is consistent with that resolution. Even though I believe that the General Revenue Sharing Program should be continued at its currently authorized levels—and have introduced a bill to accomplish this goal—I accept the principle that we should not appropriate more

money for the program than the latest budget resolution provides.

The amendment does not affect the total amount appropriated. It merely changes the timing of the distribution of funds to the local governments. The bill before us would cut each of four quarterly payments by 25 percent. The amendment would leave the first three payments at current levels, and eliminate the fourth payment.

This amendment would not increase Federal Government appropriations, but it would greatly ease the burden of local governments in coping with the reduction in revenue-sharing funds. By keeping payments at expected levels throughout most of the year, we would give localities substantially more time to plan how to adjust their own spending practices to this change.

For that reason, numerous organizations of local governments have endorsed my amendment. These groups include the National League of Cities, U.S. Conference of Mayors, National Association of Counties, National Association of Towns and Townships, and American Federation of State, County, and Municipal Employees.

Mr. Chairman, I urge my colleagues to support the amendment.

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. HORTON. I yield to the gentleman from Massachusetts.

Mr. BOLAND. I will accept the gentleman's amendment. I am conscious of the fact that he is the ranking minority member on the Government Operations Committee. Out of that committee, of course, came the General Revenue Sharing Program; and he is familiar with it. So I will be delighted to accept the amendment.

But I want to put the House on notice, if there is no budget resolution, or if there is a budget resolution that includes a 25-percent reduction for revenue sharing in fiscal year 1986, I will oppose any effort to restore the last quarter payment for revenue sharing.

We should not adopt a budget resolution that assumes a 25-percent cut in such a major program, and then come back in a supplemental and restore the funds.

Mr. HORTON. I would agree with the gentleman. I would also ask the gentleman, and I would like to engage him in a colloquy.

In the event, as the gentleman knows, the House budget did provide for a 25-percent cut in revenue sharing for fiscal 1986, the Senate budget provides for full funding in 1986.

In the event that the Budget Committee adopts the Senate position of full funding, I would hope that the committee then would be willing to provide full funding for the last fiscal year, which is what is now contained in the entitlement program.

Mr. BOLAND. Will the gentleman yield?

Mr. HORTON. I yield to the gentleman.

Mr. BOLAND. If the House and Senate adopt that kind of budget resolution, then the fourth quarter would be fully funded.

Mr. GREEN. Will the gentleman yield?

Mr. HORTON. I yield to the gentleman.

Mr. GREEN. I thank my friend from New York for yielding, and I think his amendment has the great merit of giving the local governments additional time in which to adjust to the situations so they will not find themselves on relatively short notice facing a 25-percent cut in their checks later this year.

So I think the gentleman's amendment does have merit. I am happy to accept it.

Mr. WEISS. Will the gentleman yield?

Mr. HORTON. I yield to the gentleman.

Mr. WEISS. I thank my distinguished friend and colleague from New York for yielding to me, and I want to express my appreciation to him for offering the amendment, and I wholeheartedly support it, and I simply want to state for the record that I fully appreciate the intention stated by the distinguished chairman of the Appropriations Subcommittee on HUD and Independent Agencies, I am sure that if the House works its will, and decides in fact to fund fully for fiscal 1986 that the distinguished chairman will of course bow to the will of the House majority if in fact there should be such, and I am sure the gentleman from New York would have no objection to that.

Mr. HORTON. I would have no problem with that, and I want to thank the gentleman for his support for revenue sharing, and for his efforts in this matter.

Mr. BROOKS. Mr. Chairman, title 2 of H.R. 3038 as reported by the Committee on Appropriations decreases the payments to the local government fiscal assistance trust fund—better known as the General Revenue Sharing Program—by $1.14 billion for fiscal year 1986. This 25-percent retrenchment is in agreement with the assumptions in the House-passed budget resolution.

Mr. Chairman, even though general revenue sharing falls within the jurisdiction of the Committee on Government Operations, I am certain the Members are aware that I have long regarded the program as a mistake. I opposed it when it was enacted in 1972 and I have repeated my opposition each time the program was up for reauthorization.

One feature of revenue sharing to which I have objected most strongly is the idea that it should be locked into statute as an entitlement, placed in an untouchable status above ordinary programs funded by the Federal Government. Nevertheless, the Congress has seen fit to enact revenue sharing as an entitlement, and the local government recipients of revenue-sharing funds have done their fiscal planning in line with the assumption that those funds would be forthcoming through the expiration of the current authorization in September 1986.

The serious deficit problems that we face, and their impact on the formulation of a budget for fiscal year 1986, has changed this situation. The budget leadership of this Chamber has wisely determined that, given the shape we're in, this program cannot be regarded as untouchable and must be on the table for consideration of reductions. Accordingly, the House-passed budget resolution assumed a retrenchment of 25 percent in the revenue-sharing allocation for fiscal year 1986. Even with that retrenchment, the House treated revenue sharing much more generously than President Reagan did in his budget proposal for fiscal year 1986—he called for killing off the program completely, 1 year before its authorization was to expire.

As I noted earlier, the Appropriations Committee has made this retrenchment in revenue sharing in order to comply both with the spirit and specific assumptions of the House-passed budget resolution. It is my understanding that the chairman of the subcommittee, the gentleman from Massachusetts, will consider additional funding for this program if a final budget agreement between the House and Senate includes a higher figure than is in the current House budget resolution for this program for fiscal year 1986.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. HORTON].

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

OFFICE OF REVENUE SHARING, SALARIES AND EXPENSES

For necessary expenses of the Office of Revenue Sharing, including hire of passenger motor vehicles, $8,000,000.

VETERANS ADMINISTRATION

COMPENSATION AND PENSIONS

For the payment of compensation, pensions, gratuities, and allowances, including burial awards, plot allowances, burial flags, headstones and grave markers, emergency and other officers' retirement pay, adjusted-service credits and certificates, and other benefits as authorized by law; and for payment of premiums due on commercial life insurance policies guaranteed under the provisions of article IV of the Soldiers' and Sailors' Civil Relief Act of 1940, as amended, $14,160,800,000, to remain available until expended.

READJUSTMENT BENEFITS

For the payment of readjustment and rehabilitation benefits to or on behalf of veterans as authorized by law (38 U.S.C. chapters 21, 31, 34-36, 39, 51, 53, 55, and 61), $1,026,000,000, to remain available until expended.

VETERANS INSURANCE AND INDEMNITIES

For military and naval insurance, national service life insurance, servicemen's indemnities, and service-disabled veterans insurance, as authorized by law (38 U.S.C. chapter 19; 70 Stat. 887; 72 Stat. 487,) $9,750,000, to remain available until expended.

MEDICAL CARE

For necessary expenses for the maintenance and operation of hospitals, nursing homes, and domiciliary facilities; for furnishing, as authorized by law, inpatient and outpatient care and treatment to beneficiaries of the Veterans Administration, including care and treatment in facilities not under the jurisdiction of the Veterans Administration, and furnishing recreational facilities, supplies and equipment; funeral, burial and other expenses incidental thereto for beneficiaries receiving care in Veterans Administration facilities; repairing, altering, improving or providing facilities in the several hospitals and homes under the jurisdiction of the Veterans Administration, not otherwise provided for, either by contract or by the hire of temporary employee and purchase of materials; uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901-5902); aid to State homes as authorized by law (38 U.S.C. 641); and not to exceed $2,000,000 to fund cost comparison studies as referred to in 38 U.S.C. 5010(a)(5); $9,368,694,000, plus reimbursements.

MEDICAL AND PROSTHETIC RESEARCH

For necessary expenses in carrying out programs of medical and prosthetic research and development, as authorized by law, to remain available until September 30, 1987, $195,840,000, plus reimbursements.

MEDICAL ADMINISTRATION AND MISCELLANEOUS OPERATING EXPENSES

For necessary expenses in the administration of the medical, hospital, nursing home, domiciliary, construction and supply, research, employee education and training activities, as authorized by law, $61,119,000, plus reimbursements.

GENERAL OPERATING EXPENSES

For necessary operating expenses of the Veterans Administration, not otherwise provided for, including uniforms or allowances therefor, as authorized by law; not to exceed $3,000 for official reception and representation expenses; cemeterial expenses as authorized by law; purchase of ten passenger motor vehicles, for use in cemeterial operations, and hire of passenger motor vehicles; and reimbursement of the General Services Administration for security guard services, and the Department of Defense for the cost of overseas employee mail; $760,547,000: *Provided*, That in the Veterans Administration not to exceed 40 full-time equivalent employment shall be available for the Office of Planning and Program Evaluation.

CONSTRUCTION, MAJOR PROJECTS

For constructing, altering, extending and improving any of the facilities under the jurisdiction or for the use of the Veterans Administration, or for any of the purposes set forth in sections 1004, 1006, 5002, 5003, 5006, 5008, 5009, and 5010 of title 38, United States Code, including planning, architectural and engineering services, and site acquisition, where the estimated cost of a project is $2,000,000 or more or where funds for a project were made available in a previous major project appropriation, $516,160,000, to remain available until expended: *Provided*, That, except for advance planning of projects funded through the advance planning fund and the design of projects funded through the Design Fund, none of these funds shall be used for any project which has not been considered and approved by the Congress in the budgetary process: *Provided further*, That funds provided in the appropriation "Construction, major projects" for fiscal year 1986, for each approved project shall be obligated (1) by the awarding of a working drawings contract by September 30, 1986 and (2) by the awarding of a construction contract by September 30, 1987: *Provided further*, That the Administrator shall promptly report in writing to the Comptroller General and to the Committees on Appropriations any approved major construction project in which obligations are not incurred within the time limitations established above; and the Comptroller General shall review the report in accordance with the procedures established by section 1015 of the Impoundment Control Act of 1974 (title X of Public Law 93-344): *Provided further*, That no funds from any other account may be obligated for constructing, altering, extending, or improving a project which was approved in the budget process and funded in this account until one year after substantial completion and beneficial occupancy by the Veterans Administration of the project or any part thereof with respect to that part only: *Provided further*, That the final proviso under this heading in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1984 (Public Law 98-45) and the penultimate proviso under this heading in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1985 (Public Law 98-371) are hereby repealed: *Provided further*, That prior to the issuance of a bidding document for any construction contract for a project approved under this heading (excluding completion items), the director of the affected Veterans Administration medical facility must certify that the design of such project is acceptable from a patient care standpoint.

AMENDMENT OFFERED BY MR. WORTLEY

Mr. WORTLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WORTLEY: Page 35, line 20, strike out "$516,160,000," and insert in lieu thereof "$524,060,000,".

Mr. WORTLEY (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WORTLEY. Mr. Chairman, my amendment is simple and to the point. It will restore $7.9 million for a much needed parking garage for the VA Medical Center at Syracuse, NY.

Congress first recognized the need for additional parking for the Syracuse VA Medical Center in the 1970's. At that point, additional parking would have been helpful. Now it is a necessity.

The Syracuse VA Medical Center leased parking space from Syracuse University for many years. That arrangement expires on December 31, 1985, because the university is enlarging its law school and building a new school of management, on what had, until now, been a parking lot.

The Syracuse VA Medical Center serves 250,000 veterans in an 18-county area. It is equipped to handle all sorts of emergencies as well as routine cases. It has been deemed a tertiary care facility and has recently entered into a sharing arrangement with Fort Drum, a newly expanded military base as well as the Seneca Ordnance Depot.

But as of December 31, 1985, the Syracuse VA Medical Center will have approximately 167 parking spaces to accommodate its patients and medical and support personnel. That's 106 slots for both inpatients and outpatients and 61 for the 848 medical and support personnel. An independent study concluded that the Syracuse VA medical facility needs 800 parking spaces—167 spaces is not even close. The facility is faced with a crisis situation.

That's why the House Veterans' Affairs Committee as well as the Veterans' Administration support funding this much needed project. In fact, the Syracuse situation has been called one of two of the worst situations in the entire VA hospital system with regard to parking.

On July 1, 1985, Harry Walters, Administrator of the Veterans' Administration wrote to Chairman BOLAND to reiterate his strong support for the construction of a parking facility.

In that letter he said:

The parking situation at the Medical Center in Syracuse is deplorable. The Medical Center has a severe parking shortage, which causes undue hardship to veterans currently using the facility. I have visited the Medical Center and personally reviewed this intolerable situation. During my visit, I met with local officials and the Chancellor of the University of Syracuse in order to review all the possible alternatives that could solve this long-standing problem. Based upon meetings with these officials, a comprehensive analysis conducted by my staff, and my personal observation, the most effective solution is to build a proposed parking structure.

This is not a frivolous request on my part. I recognize the need for restraint but I also recognize the real need that exists for our veterans.

The money for the working drawings for the construction of the parking garage has been released. The VA has announced it will advertise for bids to construct the facility. What is needed now is funding so that construction can begin. If we fail to appropriate the funds in this bill, we will do a tremendous disservice to the quarter of a million veterans who need and depend on

the Syracuse VA Medical Center as well as the 848 employees who serve those veterans. I urge adoption of my amendment.

□ 1820

Mr. BOLAND. I am delighted to have the gentleman from New York bring this matter to our attention. I recognize that the gentleman from New York presents a valid problem in connection with the garage at Syracuse. I understand that Syracuse will not renew its agreement regarding parking for the VA.

Mr. WORTLEY. Syracuse University.

Mr. BOLAND. Which, of course, leaves that particular hospital with a very bad parking situation.

Let me assure the gentleman I will do everything I can. Hopefully, we will be able to help. We will give the problem very serious consideration in conference with the Senate, and I will do my best to assist him in getting this funded so that it will go to conference. We will make a judgment on it there.

Mr. WORTLEY. I appreciate the efforts of the chairman.

Mr. GREEN. Mr. Chairman, will the gentleman yield?

Mr. WORTLEY. I yield to the gentleman from New York.

Mr. GREEN. I just want to give my friend from New York the same assurance on this side of the aisle.

Mr. WORTLEY. I appreciate it very much.

That being the case, Mr. Chairman, I ask unanimous consent to withdraw my amendment.

Mr. BOLAND. Mr. Chairman, I appreciate the gentleman's position.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

CONSTRUCTION, MINOR PROJECTS

For constructing, altering, extending, and improving any of the facilities under the jurisdiction or for the use of the Veterans Administration, including planning, architectural and engineering services, and site acquisition, or for any of the purposes set forth in sections 1004, 1006, 5002, 5003, 5006, 5008, 5009 and 5010 of title 38, United States Code, where the estimated cost of a project is less than $2,000,000, $144,400,000, to remain available until expended along with unobligated balances of previous Construction, minor projects appropriations which are hereby made available for any project where the estimated cost is less than $2,000,000: *Provided,* That not more than $36,313,000 shall be available for expenses of the Office of Construction: *Provided further,* That funds in this account shall be available for (1) repairs to any of the nonmedical facilities under the jurisdiction or for the use of the Veterans Administration which are necessary because of loss or damage caused by any natural disaster or catastrophe and (2) temporary measures necessary to prevent or to minimize further loss by such causes.

GRANTS FOR CONSTRUCTION OF STATE EXTENDED CARE FACILITIES

For grants to assist the several States to acquire or construct State nursing home and domiciliary facilities and to remodel, modify or alter existing hospital, nursing home and domiciliary facilities in State homes, for furnishing care to veterans, as authorized by law (38 U.S.C. 5031-5037), $22,000,000 to remain available until September 30, 1988.

GRANTS FOR THE CONSTRUCTION OF STATE VETERANS CEMETERIES

For grants to aid States in establishing, expanding or improving State veterans' cemeteries as authorized by law (38 U.S.C. 1008), $3,000,000, to remain available until September 30, 1988.

GRANTS TO THE REPUBLIC OF THE PHILIPPINES

For payment to the Republic of the Philippines of grants, as authorized by law, (38 U.S.C. 632), for assisting in the replacement and upgrading of equipment and in rehabilitating the physical plant and facilities of the Veterans Memorial Medical Center, $500,000, to remain available until September 30, 1987.

DIRECT LOAN REVOLVING FUND

During 1986, within the resources available, not to exceed $1,000,000 in gross obligations for direct loans is authorized for specially adapted housing loans (38 U.S.C. chapter 37).

LOAN GUARANTY REVOLVING FUND

(INCLUDING TRANSFER OF FUNDS)

For expenses necessary to carry out Loan guaranty insurance operations, as authorized by law (38 U.S.C. chapter 37, except administrative expenses, as authorized by section 1824 of such title), $235,000,000, to remain available until expended.

During 1986, the resources of the Loan guaranty revolving fund shall be available for expenses for property acquisitions, payment of participation sales insufficiencies, and other loan guaranty and insurance operations, as authorized by law (38 U.S.C. chapter 37, except administrative expenses, as authorized by section 1824 of such title): *Provided,* That the unobligated balances, including retained earnings of the District loan revolving fund, shall be available, during 1986, for transfer of the Loan guaranty revolving fund in such amounts as may be necessary to provide for the timely payment of obligations of such fund, and the Administrator of Veterans Affairs shall not be required to pay interest on amounts so transferred after the time of such transfer.

During 1986, with the resources available, gross obligations for direct loans and total commitments to guarantee loans are authorized in such amounts as may be necessary to carry out the purposes of the "Loan guaranty revolving fund".

ADMINISTRATIVE PROVISIONS

(INCLUDING TRANSFER OF FUNDS)

Not to exceed 5 per centum of any appropriation for 1986 for "Compensation and pensions", "readjustment benefits", and "Veterans insurance and indemnities" may be transferred to any other of the mentioned appropriations, but not to exceed 10 per centum of the appropriations so augmented.

Appropriations available to the Veterans Administration for 1986 for salaries and expenses shall be available for services as authorized by 5 U.S.C. 3109.

No part of the appropriations in this Act for the Veterans Administration (except the appropriations for "Construction, major projects" and "Construction, minor projects") shall be available for the purchase of any site for or toward the construction of any new hospital or home.

No part of the foregoing appropriations shall be available for hospitalization or examination of any persons except beneficiaries entitled under the laws bestowing such benefits to veterans, unless reimbursement of cost is made to the appropriation at such rates as may be fixed by the Administrator of Veterans Affairs.

One or more pilot programs shall be conducted to determine the effectiveness of utilizing private contractual services to assist in the administrative collection of various types of delinquent debts or other funds due the government.

AMENDMENT OFFERED BY MR. NIELSON OF UTAH

Mr. NIELSON of Utah. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. NIELSON of Utah: Page 41, after line 4, insert the following new section:

GENERAL PROVISIONS

No part of any funds appropriated or otherwise made available in this title may be obligated or expended for any multiyear contract or any contract exceeding $1,000,000, unless the appropriate independent agency, board, commission, corporation, or office submits a report to the appropriations committees of the Congress indicating whether competitive bidding and second-source contracting were used in awarding such contract.

Mr. BOLAND. Mr. Chairman, I reserve a point of order on the amendment.

Mr. NIELSON of Utah. Mr. Chairman, this amendment that I propose to the independent agencies in this particular appropriation is an amendment similar to but not as extensive as one attached to the DOD authorization bill. The amendment would assure that the funds appropriated under the bill would be spent in the most efficient way possible. It makes certain that competition for all major procurement program contracts entered into by independent agencies will have been a key factor in awarding those contracts.

The amendment would apply only to procurement contracts in excess of $1 million in which the procurement of the items occur in excess of 1 year, therefore not promoting a paperwork overload.

A written review would be available for future use and increased budget control of independent agencies.

The amendment does not mandate competitive bidding. It only ensures that competitive bidding has been considered.

Congress must show taxpayers they are concerned about overpriced parts, poorly built weapons, contractor malfeasance and bureaucratic incompetence. This amendment would show taxpayers that all Federal agencies

should be held responsible to achieve this goal.

Furthermore, it does show that we are interested in competitive bidding in other areas, not just in the defense area.

For that reason, I recommend support of the amendment.

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. NIELSON of Utah. I yield to the chairman of the committee.

Mr. BOLAND. I thank the gentleman for yielding.

Mr. Chairman, let me say that the gentleman's amendment concerns an important issue within the NASA organization. The issue is: Should there be a second source for the shuttle solid rocket boosters. That is an issue that is being carefully studied now by NASA. I have maintained a strict neutrality on the subject. We will let the NASA Administrator make this decision absent any amendments.

Mr. NIELSON of Utah. I thank the chairman for those remarks. I would like to indicate this applies to all independent agencies in the bill, not just the NASA approach.

I wanted to make sure that I made that point.

Second, I appreciate the fact that this condition is being considered in the case of the NASA shuttle. I also think it should be applied to the bill. I realize that we did not waive a point of order against this particular one in preparing this amendment, and perhaps we were a little late on that. However, I do think it does bear scrutiny, I do think it needs to be looked at very carefully. If not in this bill, in every other authorization bill that comes from this point on.

● Mr. LEVINE of California. Mr. Chairman, I rise in support of the Nielson-Carper amendment which requires Federal independent agencies to inform Congress whether or not they are engaging in competitive bidding and second source contracting for contracts exceeding $1 million. This amendment proposes a simple and modest reporting requirement which I hope will inject more competition into the Federal procurement process.

Only weeks ago, the House overwhelmingly adopted my amendment to the defense authorization bill requiring that the Defense Department procure all new major weapons on a competitive basis. The House is equally justified today in voting to promote increased competition and dual sourcing in all independent agencies.

Increased competition encourages private contractors to hold down prices and improve the quality of their products. Additionally, it would provide the various agencies with greater flexibility in determining what bidders should receive future contracts.

Dual sourcing has also proven itself efficient and cost-effective in Federal procurement and I would like to see more agencies adopt the practice. Furthermore, dual sourcing protects the Federal Government from a single source contractor that overcharges the Government for its work or produces a shoddy product. With the participation of more than one producer on major contracts, the Government always has access to backup research, testing, and production teams.

Mr. Chairman, this amendment only asks Congress to monitor the procurement practices of independent agencies. It does not mandate competition and dual sourcing. However, once Congress reviews whether or not the various departments have adopted the most efficient, cost-saving procurement measures, it can determine where competition is lacking and necessary.

Once again, I urge my colleagues to support this reasonable proposal which could result in saving the Government and taxpayers billion of dollars.●

● Mr.CARPER. Mr. Chairman, I rise in strong support of the amendment offered by the gentleman from Utah. This amendment would require the independent agencies to Congress that competition and second-sourcing have been considered for major contracts. The use of single sources for important products is fraught with problems from shoddy workmanship to production delays and excessive costs. The American taxpayer want and deserve more for their money.

This is not a novel effort. The gentleman from California [Mr. LEVINE] won overwhelming support from the House for his amendment to the Department of Defense authorization bill to require competitive procurement practices for major weapon systems. The wisdom of such practices is no less for these independent agencies than it is for the Defense Department.

Indeed, this amendment is a rather mild statement on the issue of competitive bidding—it does not require such bidding, only that agencies report to Congress indicating whether competitive bidding and second-source contracting were used in awarding constracts.

Serious consideration should be given to fostering competition and second-sourcing through all Federal agencies. This amendment takes a small steps in that direction, and which allow us to see just how much more ecouragement may be needed.

Whereas common sense would recommend a yes vote on this amendment, our current budget morass demands it. Millions, even billions of tax payer dollars are at stake. I urge my colleagues to support this amendment.●

POINT OF ORDER

The CHAIRMAN. Does the gentleman from Massachusetts [Mr. BOLAND] wish to assert the point of order?

Mr. BOLAND. I do, Mr. Chairman.

The CHAIRMAN. The Chair will hear the gentleman on his point of order.

Mr. BOLAND. Mr. Chairman, I make a point of order against the amendment offered by the gentleman from Utah [Mr. NIELSON].

The amendment would violate clause 2, rule XXI. The limitation contains a condition. This will require additional duties on the part of the administering official and is not in accord with existing law.

The CHAIRMAN. Does the gentleman from Utah [Mr. NIELSON] wish to respond?

Mr. NIELSON of Utah. Yes, Mr. Chairman.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. NIELSON of Utah. Mr. Chairman, first of all, we have many examples of direct language in appropriations bills, legislative approach in appropriations bills. For example, page 4 of this particular bill does have similar provisions as referring to HUD, and I quote on page 4, line 17:

> * * * the Department shall approve commitments and enter annual contributions contracts without reference to prototype costs; instead, the Department shall approve the lowest responsible bid received by the Public Housing Authority through a competitive process.

Further, on page 5, it also indicates that these costs, "together with the data on which such costs are based, shall have been published for notice and comment in accordance with section 553 * * *."

Both of these are certainly legislative intent in the appropriations bill.

I might point out in the supplemental appropriations bill we have restrictive language in the case of the appropriation for Egypt, we have restrictions on the MX in the appropriations bills in fiscal year 1984, 1985, and also 1986. We also had restrictions on various recipient countries in the foreign aid bills, authorization bills, and also the supplemental appropriations bill, and we also have restrictions in the EPA bill adopted last year. If I could quote Congressman WAXMAN on that point, he said if a State failed to submit an adequate plan for meeting air quality standards, then it might make sense to cut off funding. But if a State had implemented an approved plan but failed to meet the standards, a cutoff would virtually guarantee that the standards would not be achieved.

The Congress accepted the Dannemeyer amendment, as supported by Congressman WAXMAN, as saying that they did not have the authority in the appropriations bills. So that was definitely changing things in a legislative fashion.

Now, I recognize that the point of order has some merit to it. I also say we have violated that point of order on many, many occasions, and the point has not been raised when we have made these kinds of changes in the bills.

The CHAIRMAN (Mr. PANETTA). Is there further discussion on the point of order? If not, the Chair is prepared to rule.

The issue that has been raised here is whether or not the amendment violates clause 2, rule XXI, constituting legislation on an appropriations bill.

The gentleman from Utah [Mr. NIELSON] has cited portions of this bill and provisions in other bills. The portion of this bill cited by the gentleman from Utah had a waiver under the rule, but the waiver did not apply to amendments.

Other bills either involved a waiver, or no point of order was made to those provisions.

The amendment itself includes the following, on line 5:

"* * * unless the appropriate independent agency, board, commission, corporation, or office submits a report to the Appropriations Committees of the Congress * * *."

The view of the Chair is that that constitutes a new duty in the requirement to submit that report and therefore constitutes legislation on an appropriation bill and violates clause 2, rule XXI.

Therefore, the Chair sustains the point of order.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE III

CORPORATIONS

Corporations and agencies of the Department of Housing and Urban Development and the Federal Home Loan Bank Board which are subject to the Government Corporation Control Act, as amended, are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Act as may be necessary in carrying out the programs set forth in the budget for 1986 for such corporation or agency except as hereinafter provided: *Provided*, That collections of these corporations and agencies may be used for new loan or mortgage purchase commitments only to the extent expressly provided for in this Act (unless such loans are in support of other forms of assistance provided for in this or prior appropriation Acts), except that this proviso shall not apply to the mortgage insurance or guaranty operations of these corporations, or where loans or mortgage purchases are necessary to protect the financial interest of the United States Government.

FEDERAL HOME LOAN BANK BOARD

LIMITATION ON ADMINISTRATIVE EXPENSES, FEDERAL HOME LOAN BANK BOARD

Not to exceed a total of $26,213,000 shall be available for administrative expenses of the Federal Home Loan Bank Board for procurement of services as authorized by 5 U.S.C. 3109, and contracts for such services with one organization may be renewed annually, and uniforms or allowances therefor in accordance with law (5 U.S.C. 5901-5902), and said amount shall be derived from funds available to the Federal Home Loan Bank Board, including those in the Federal Home Loan Bank Board revolving fund and receipts of the Board for the current fiscal year: *Provided*, That members and alternates of the Federal Savings and Loan Advisory Council may be compensated subject to the provisions of section 7 of the Federal Advisory Committee Act, and shall be entitled to reimbursement from the Board for transportation expenses incurred in attendance at meetings of or concerned with the work of such Council and may be paid in lieu of subsistence per diem not to exceed the dollar amount set forth in 5 U.S.C. 5703: *Provided further*, That not less than $500,000 shall be available only for purposes of training State examiners: *Provided further*, That not to exceed $1,500 shall be available for official reception and representation expenses: *Provided further*, That notwithstanding any other provision of law, and in connection with the Board's delegation of certain functions to the Federal home loan banks, the Board may transfer title of related furniture, fixtures and equipment property of record as of the date of the delegation to the banks: *Provided further*, That, notwithstanding any other provisions of this Act, except for the limitation in amount hereinbefore specified, the expenses and other obligations of the Board shall be incurred, allowed, and paid in accordance with the provisions of the Federal Home Loan Bank Act of 1932, as amended (12 U.S.C. 1421-1449).

LIMITATION ON ADMINISTRATIVE EXPENSES, FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

Not to exceed $1,404,000 shall be available for administrative expenses, which shall be on an accrual basis and shall be exclusive of interest paid, depreciation, properly capitalized expenditures, expenses in connection with liquidation of insured institutions or activities relating to section 406(c), 407, or 408 of the National Housing Act, liquidation or handling of assets of or derived from insured institutions, payment of insurance, and action for or toward the avoidance, termination, or minimizing of losses in the case of insured institutions, legal fees and expenses and payments for expenses of the Federal Home Loan Bank Board determined by said Board to be properly allocable to said Corporation, and said Corporation may utilize and may make payments for services and facilities of the Federal home loan banks, the Federal Reserve banks, the Federal Home Loan Bank Board, the Federal Home Loan Mortgage Corporation, and other agencies of the government: *Provided*, That, notwithstanding any other provisions of this Act, except for the limitation in amount hereinbefore specified, the administrative expenses and other obligations of said Corporation shall be incurred, allowed, and paid in accordance with title IV of the Act of June 27, 1934, as amended (12 U.S.C. 1724-1730f).

TITLE IV

GENERAL PROVISIONS

SEC. 401. Where appropriations in titles I and II of this Act are expendable for travel expenses and no specific limitation has been placed thereon, the expenditures for such travel expenses may not exceed the amounts set forth therefor in the budget estimates submitted for the appropriations: *Provided*, That this section shall not apply to travel performed by uncompensated officials of local boards and appeal boards of the Selective Service System; to travel performed directly in connection with care and treatment of medical beneficiaries of the Veterans Administration; to travel performed in connection with major disasters or emergencies declared or determined by the President under the provisions of the Disaster Relief Act of 1974; to site-related travel performed in connection with the Comprehensive Environmental Response, Compensation, and Liability Act of 1980; or to payments to interagency motor pools where separately set forth in the budget schedules.

SEC. 402. Appropriations and funds available for the administrative expenses of the Department of Housing and Urban Development and the Selective Service System shall be available in the current fiscal year for purchase of uniforms, or allowances therefor, as authorized by law (5 U.S.C. 5901-5902); hire of passenger motor vehicles; and services as authorized by 5 U.S.C. 3109.

SEC. 403. Funds of the Department of Housing and Urban Development subject to the Government Corporation Control Act or section 402 of the Housing Act of 1950 shall be available, without regard to the limitations on administrative expenses, for legal services on a contract or fee basis, and for utilizing and making payment for services and facilities of Federal National Mortgage Association, Government National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Financing Bank, Federal Reserve banks or any member thereof, Federal home loan banks, and any insured bank within the meaning of the Federal Deposit Insurance Corporation Act, as amended (12 U.S.C. 1811-1831).

SEC. 404. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 405. No funds appropriated by this Act may be expended—

(1) pursuant to a certification of an officer or employee of the United States unless—

(A) such certification is accompanied by, or is part of, a voucher or abstract which describes the payee or payees and the items or services for which such expenditure is being made, or

(B) the expenditure of funds pursuant to such certification, and without such a voucher or abstract, is specifically authorized by law; and

(2) unless such expenditure is subject to audit by the General Accounting Office or is specifically exempt by law from such audit.

SEC. 406. None of the funds provided in this Act to any department or agency may be expended for the transportation of any officer or employee of such department or agency between his domicile and his place of employment, with the exception of the Secretary of the Department of Housing and Urban Development, who, under title 5, United States Code, section 101, is exempted from such limitation.

SEC. 407. None of the funds provided in this Act may be used for payment, through grants or contracts, to recipients that do not share in the cost of conducting research resulting from proposals not specifically solicited by the government: *Provided*, That the extent of cost sharing by the recipient shall reflect the mutuality of interest of the

grantee or contractor and the government in the research.

SEC. 408. None of the funds provided in this Act may be used, directly or through grants, to pay or to provide reimbursement for payment of the salary of a consultant (whether retained by the Federal government or a grantee) at more than the daily equivalent of the maximum rate paid for GS-18, unless specifically authorized by law.

SEC. 409. No part of any appropriation contained in this Act for personnel compensation and benefits shall be available for other object classifications set forth in the budget estimates submitted for the appropriations.

SEC. 410. None of the funds in this Act shall be used to pay the expenses of, or otherwise compensate, non-Federal parties intervening in regulatory or adjudicatory proceedings. Nothing herein affects the authority of the Consumer Product Safety Commission pursuant to section 7 of the Consumer Product Safety Act (15 U.S.C. 2056 et seq.).

SEC. 411. Except as otherwise provided under existing law or under an existing Executive order issued pursuant to an existing law, the obligation or expenditure of any appropriation under this Act for contracts for any consulting service shall be limited to contracts which are (1) a matter of public record and available for public inspection, and (2) thereafter included in a publicly available list of all contracts entered into within twenty-four months prior to the date on which the list is made available to the public and of all contracts on which performance has not been completed by such date. The list required by the preceding sentence shall be updated quarterly and shall include a narrative description of the work to be performed under each such contract.

SEC. 412. Except as otherwise provided by law, no part of any appropriation contained in this Act shall be obligated or expended by any executive agency, as referred to in the Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.) for a contract for services unless such executive agency (1) has awarded and entered into such contract in full compliance with such Act and the regulations promulgated thereunder and (2) requires any report prepared pursuant to such contract, including plans, evaluations, studies, analyses and manuals, and any report prepared by the agency which is substantially derived from or substantially includes any report prepared pursuant to such contract, to contain information concerning (A) the contract pursuant to which the report was prepared and (B) the contractor who prepared the report pursuant to such contract.

SEC. 413. No part of any appropriation contained in this Act shall be available to implement, administer, or enforce any regulation which has been disapproved pursuant to a resolution of disapproval duly adopted in accordance with the applicable law of the United States.

SEC. 414. Except as otherwise provided in section 406, none of the funds provided in this Act to any department or agency shall be obligated or expended to provide a personal cook, chauffeur, or other personal servants to any officer or employee of such department or agency.

SEC. 415. None of the funds provided in this Act to any department or agency shall be obligated or expended to procure passenger automobiles as defined in 15 U.S.C. 2001 with an EPA estimated miles per gallon average of less than 22 miles per gallon.

This Act may be cited as the "Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1986".

Mr. BOLAND (during the reading). Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

□ 1830

Mr. HILER. Mr. Chairman, reserving the right to object, under that particular unanimous-consent request, would that allow amendments to be offered further back in the bill going back to the original titles?

I yield to the gentleman for his response.

The CHAIRMAN. No; it would not. As the Chair understands it, it would only apply to the remaining portion of the bill.

Mr. HILER. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

● Mr. BONKER. Mr. Chairman, I rise in support of H.R. 3038, the HUD-independent agencies appropriation legislation for fiscal year 1986. I commend Chairman BOLAND for his efforts on this legislation which reflect a continued congressional commitment to federally assisted housing programs in this country. The bill before us today will maintain funding of public housing, the section 202/8 program for the elderly and handicapped, and the Congregate Housing Services Program, all of which have been of vital assistance to our Nation's poor and older citizens.

As chairman of the Subcommittee on Housing and Consumer Interests of the Select Committee on Aging, I have a particular concern regarding the shelter needs of older persons. When the administration submitted its fiscal year 1986 budget to Congress, it had proposed a number of fairly harsh cuts in the housing assistance areas.

This budget prompted a hearing by our subcommittee to examine the impact it might have on the elderly. Testimony presented at that hearing consistently supported the need to maintain—and in many cases—expand the availability of affordable housing for low-income older citizens.

Mr. Speaker, I am certainly not naive in recognizing that we have a serious budget deficit problem on our hands. When the administration proposed cuts in housing assistance, it did so justifying that these steps were necessary to reduce Federal spending. Certainly the record shows that we in Congress are concerned about reducing the deficits—and believe tough measures will be necessary. But the simple facts show that over the past 4 years, the assisted housing programs of HUD have already undergone substantial cuts, and remain far below both need as well as the levels supported back in 1980.

I am gratified to see that the fiscal year 1986 HUD appropriations bill will—at the very least—maintain our present commitment to these vital programs. I am especially pleased that it will continue support for programs which benefit older people.

I commend the committee for continuing funding which recognizes the value of the section 202 program and will provide support for 12,000 units in 1986.

Over the years the section 202 program has become the most visible Federal financing vehicle for building rental housing for older persons that will enable them to remain self-sufficient and independent in our society. The program has been targeted to the unique needs of the elderly and handicapped by incorporating congregate services and design features which offer a supportive environment where social, physical, and emotional needs are met without jeopardizing independence.

The section 202 program has been remarkably successful. Since its inception in 1974, it has produced over 95,000 units of housing for the elderly at 1,458 projects nationwide. In its 11-year history there has been only one instance of foreclosure.

The HUD appropriation will also include 10,000 new units of public housing, as well as funding for modernization, and rehabilitation. This program also serves the needs of a large number of older people. Over 45 pecent of this Nation's more than 1.2 million public housing units are currently occupied by the elderly. It is important that we maintain this commitment. Additionally, the bill recognizes the need to maintain efforts to improve both modernization and rehabilitation. The National Association of Housing and Redevelopment Officials estimates that 350,000 newly constructed or substantially rehabilitated units will be needed each year until the end of the decade just to address problems of deterioration and overcrowding in the Nation's public housing stock.

Finally, I join my colleagues in support of continued appropriations for the Congregate Housing Services Program [CHSP]. The Congregate Housing Services Program recognizes that the shelter needs of older people extend beyond just brick and mortar. This demonstration project provides meals, transportation, and simple home and personal care that can mean the difference between independence and institutionalization for many of our frail elderly citizens.

Preliminary reports received by our subcommittee from the CHSP sites indicate that the program has been successful in preventing premature institutionalization and in providing these services in a cost effective manner. Program costs which include rental subsidies, remain well below the average Medicare or Medicaid reimbursements for a long-term care facility.

This Government has a 50-year commitment to the goal of affordable housing and a decent living environment for every American. Even at current funding levels, we will be unable to fulfill the need for federally assisted housing for all needy elderly. According to a study recently completed by the Senate Special Committee on Aging roughly 2 million of the 3.2 million low income elderly renters eligible for Federal housing assistance are currently not served by Federal housing programs. The bill before us today, while recognizing fiscal constraints, nonetheless will help us maintain this commitment. I commend Chairman BOLAND for his efforts and urge my colleagues in the House to join me in support of this important legislation.●

● Mr. MANTON. Mr. Chairman, I rise in strong opposition to the amendments offered by the gentleman from Texas [Mr. BARTLETT] which would dramatically cut funding for assisted housing programs.

Earlier this month, the Banking Committee, of which I am a member, approved a major housing bill, H.R. 1, authorizing roughly $10.3 billion for the Department of Housing and Urban Development's assisted housing programs. The HUD appropriations bill, as reported by the Appropriations Committee, stays within the guidelines of H.R. 1. Furthermore, this appropriations measure stays within the guidelines established by the House-passed budget resolution which provides for a 2.6-percent increase in low-income housing programs.

H.R. 3038 provides more than $10 billion for the production of an additional 100,000 assisted housing units in fiscal year 1986. This legislation also provides funding for new housing initiatives designed to assist the homeless and create homeownership opportunities for low and moderate income families. I strongly support this legislation which totally rejects the draconian cuts proposed by the Reagan administration to eliminate all funds for low income housing programs for 2 years.

Mr. Chairman, the cuts proposed by the administration would have had a devastating impact on the ninth congressional district of New York which I represent. New York City suffers from a severe shortage of safe, decent, affordable housing. The estimated number of homeless in the city range between 30,000 and 40,000. Thirty-two percent of those fortunate enough to find housing pay more than 40 percent of their income in rent. The vacancy rate for apartments which rent for less than $400 is well under 1.5 percent.

The amendments offered by the gentleman from Texas would further aggravate the serious housing crisis facing New York City and many other communities across the Nation. First, Mr. BARTLETT will offer an amendment to reject the recommendations of the House Banking Committee and the House-passed budget resolution by eliminating the 2.6 percent funding increase provided for in the bill for assisted housing programs.

Mr. Chairman, over the past 4 years the Reagan administration has cut Federal housing assistance by roughly 60 percent, more than any other Federal program. During this period, the housing problems of this Nation and New York City have grown dramatically worse. Mr. BARTLETT's amendment seeks to eliminate the modest attempt of the appropriations committee to reverse this dangerous trend.

Second, Mr. BARTLETT will offer an amendment to cut the number of new public housing units to be constructed in fiscal year 1986 from 10,000 units to 5,000 units. In New York City alone, close to 180,000 families and individuals are on the waiting list for public housing and rental assistance. This waiting list is concrete evidence as to the need for additional low income housing; a need that is not being met by the private sector. Yet despite this dramatic evidence, the amendment offered by the gentleman from Texas would cut in half the effort of the Appropriations Committee to increase the number of available public housing units.

The third amendment offered by Mr. BARTLETT would eliminate $500 million set aside by the Appropriations Committee for new housing programs which would be authorized under H.R. 1. I am hopeful that H.R. 1 will soon be considered on the floor so that these new programs can be authorized. However, in the meantime, I believe it is prudent to include funding for these programs in the FY86 HUD appropriations bill.

One of these new initiatives is a homeownership program for low and moderate income families. The program is based on the highly renowned Nehemiah project in Brooklyn, NY, where 2,000 affordable single family homes are being constructed in a previously desolate neighborhood. A group of local parishes raised the funds necessary to build the homes. With the help of innovative construction techniques and the assistance and cooperation from State and local officials in the form of tax abatements and mortgage financing, the dream of homeownership was made a reality for hundreds of moderate- and low-income families in New York City. The Banking Committee incorporated legislation I have cosponsored into H.R. 1 to establish a national program based on the Nehemiah experience.

At a time when Federal resources are becoming more scarce, it is crucial to establish programs that fulfill the commitments of the Federal Government in a more efficient and cost effective manner. Affordable housing is one of those commitments and Nehemiah is one of those cost effective programs that would fall victim to the Bartlett amendment.

A second program the Bartlett amendment would kill is a $100 million second stage demonstration housing program for the homeless. The demonstration program would determine the effectiveness in assisting nonprofit organizations in providing long-term housing and support services for the homeless. We must do more than simply provide shelter for homeless individuals and families. We must begin to address the causes and develop permanent solutions to this serious and growing program.

The Banking Subcommittee on Housing and Community Development recently held a field hearing in my congressional district in New York City. The committee received deeply troubling testimony on how the city is paying exhorbitant sums to house a woman and her four children in a crowded hotel room with one bathroom and no kitchen facilities. It is an environment in which no one, especially children, should be forced to live. Regrettably, it is a commonplace occurrence in New York City. For some, it is the only alternative to living in the street. Mr. BARTLETT's amendment would eliminate funding for a modest program designed to address this problem in a less costly and more humane manner.

Mr. Chairman, Federal housing programs have been cut to the bone over the last 4 years. Yet, during this same period the Federal deficit was tripled largely due to a bloated and wasteful Pentagon budget and an unfair tax system that socked it to the middle class to pay for the tax shelters of the well-to-do.

Federal housing programs have not caused our fiscal problems. However, a lack of support for these programs have resulted in a serious housing crisis. We must reject further cuts that seek to place the burden of balancing the budget on the poor and elderly. I urge my colleagues to defeat the amendments offered by the gentleman from Texas.●

● Mr. BROWN of California. Mr. Chairman, I rise in support of the Housing and Urban Development-independent agencies appropriation bill, H.R. 3038. I feel that the Appropriations Committee has reported a very good bill in many respects. I commend

the efforts of the subcommittee chairman, Mr. BOLAND, for reporting out a bill which is both forward looking and fiscally responsible.

I would like to focus on one aspect of H.R. 3038, the NASA budget, which is of particular interest to me. I can think of few programs that have proved themselves to be more beneficial to America than the space program. Estimates vary, but as much as $14 have been returned to the economy for every dollar committed to NASA. A recent study on the processing, products, and profits of space for 1983 to 1990 states that the relay satellite business is estimated at world sales of $2 billion for space and ground hardware and that a $10 billion market is estimated for communication services by satellite.

Telecommunications satellites, however, are just the tip of the iceberg in terms of opportunities in space for commercial expansion. On the horizon we can expect to see advanced communications and remote sensing satellites. Space manufacturing of pharmaceuticals, electronics, ultrapure crystals, and special metals are likely to dwarf the satellite industry with limitless possibilities. McDonnell Douglas, the leader in the field of space pharmaceuticals, expects sales of over $1 billion annually by the mid-1990's for a new space drug. And the $1 billion would be for only the initial drug. The aerospace company expects to manufacture up to 10 new drugs by the late 1990's.

The return on the dollar is something that is of concern to us all, but space development goes beyond economics. Space has clearly improved the quality of life and has spun off a host of humanitarian benefits. There is little in modern medicine that hasn't been enhanced by techniques and technologies developed for the space program. It will be fascinating to see the space pharmaceutical industry blossom, providing life-giving drugs never before available to millions of chronically ill patients. From the CAT scan for safely seeing inside the human skull, to the autocuer, a special pair of glasses to aid the hearing impaired in lipreading, NASA has time and again transferred its scientific knowledge to improve the quality of life.

While I am not in complete agreement with all aspects of H.R. 3038, I believe that it has many good points. In the spirit of controlling the deficit, compromises must be struck at every level. In this respect I feel that the NASA portion of this bill has been represented very well. An across-the-board freeze requiring a restructuring of NASA's budget and effecting important initiatives, such as the space station, would be counterproductive. H.R. 3038 outlines a rational alternative for reducing the budget while still maintaining NASA continuity.

Mr. Chairman, H.R. 3038 asks for an overall decrease in requested funds for NASA of $220 million for fiscal year 1986. The Appropriations Committee proposal is $155 million above the 1985 freeze of $7.51 billion—not even enough of an increase to adjust for inflation. With these cuts, NASA has more than done its part to reduce the deficit. Any more reductions in its budget would reduce our national commitment and pride in the space program.

The Appropriations Committee's request for $200 million for the space station is well below the administration's budget request of $280 million, but this is an acceptable level of funding as long as no further cuts are experienced. The bill also provides for new starts such as the orbital maneuvering unit. In addition, important space science projects, such as the Mars observer and advanced communications technology satellite, will be allowed to continue at reduced, but sufficient, funding levels. If the NASA budget isn't maintained at a reasonable level, cutbacks will have to be made in the space shuttle's operations. Two or more shuttle flights a year would be canceled in the event of a freeze.

I would like to remind my colleagues that the HUD-independent agencies appropriations bill is consistent with the House-passed budget resolution, and it actually $350 million below last year's level. I view this as responsible legislation and no further reduction is warranted at this time. Again, I urge my colleagues not to support amendments to further cut NASA funding.●

● Mr. SCHEUER. Mr. Chairman, I rise in support of H.R. 3038.

The distinguished chairman of the subcommittee, Mr. BOLAND, and the ranking minority member, Mr. GREEN, have brought to the floor a bill that provides funding for important EPA research initiatives.

Indeed, I am pleased to note that this bill contains appropriations for many of the activities which were highlighted by the Committee on Science and Technology's EPA research and development authorization bill—H.R. 2319.

I would like to note a few of these areas.

The bill before us provides $6 million for a full-scale demonstration of limestone injection multistage burning technology [LIMB].

LIMB is an extremely promising technology for reduction of acid rain percursors.

The bill also provides funding for Great Lakes research.

The EPA Great Lakes Research Station at Grosse Isle, MI, plays an important role in fulfilling our treaty obligation with Canada to conduct research in assessing and measuring the sources and effects of pollutants in the Great Lakes.

I commend the committee's support of this important activity.

Finally, I note that the bill contains $2.5 million for research into indoor air pollution.

In the last few years, many eminent scientists have concluded that the most significant public health threat from hazardous air pollutants may not come from the outside air at all.

Instead, our most significant exposures to these toxic substances may well be in our familiar and comfortable indoor environments—our homes, our schools, and our workplaces.

To what extent are we at risk from the types of exposures which we experience every day?

The answer to that question is: We don't know.

Furthermore, the administration does not want us to find out.

In March of this year, an administration witness told the Subcommittee on Natural Resources, Agriculture Research and Environment, which I chair, that OMB vetoed EPA proposals to conduct a modest research program because EPA would not be regulating indoor air.

Apparently, OMB, takes the position that, since we already know EPA won't do anything even if further evidence confirms a significant health risk, there's obviously no need to do any more research to find out if indeed there are harmful effects.

The bill we are considering today will overcome the barriers OMB has placed in the way of the scientific research needed to get the answers to these questions.

It provides the EPA with the funds and explicit congressional direction to conduct research on the indoor air issue.

I commend the Appropriations Committee for their fine work on this bill and I urge its adoption.●

● Mr. BRUCE. Mr. Chairman, I rise today to thank the chairman of the committee for bringing H.R. 3038 before the House of Representatives. I also want to commend the committee for recognizing the vital role that the National Science Foundation [NSF] plays in keeping our basic sciences moving forward, and the critical role that NSF plays in fostering economic growth and this Nation's international prominence.

In particular, I would like to draw my colleagues attention to the high priority the committee has placed on NSF's advanced scientific computing projects, the supercomputer. This is an area within NSF that truly enhances all research disciplines supported by the Foundation.

A little more than a year ago, an NSF "working group" on computers in research documented the need for

greater access to high speed computers. In February, NSF named five sites around the country to serve as hub locations for the national supercomputer network. One of these locations is in my district, the University of Illinois at Champaign-Urbana. Through the hard working of scientific researchers, like Dr. Larry Smarr and Dr. David Kuck who direct supercomputing facilities at the University of Illinois, we have begun a unique partnership among scientists, the academic community and industry and Government in the use of supercomputers.

The use of supercomputers in the basic sciences as well as in other areas, such as high energy physics, will move us forward in the development of technological initiatives that will keep this country in the forefront of high technology leadership. This expertise will also increase our economic development at home and abroad. In testimony before the House Science and Technology Committee, Dr. Smarr from the University of Illinois said that supercomputers are essential tools for building new industry and for providing new and better jobs for thousands of people.

The Washington Post recently reported that our Nation's top scientists and administrators made "dazzling" predictions about the potential for supercomputers. They noted that the power of supercomputers is so much greater than anything previously available, that revolutionary changes in they way we design automobiles, airplanes, power tools as well as computers themselves, is imminent. I request that a copy of that article appear in the RECORD immediately following my statement.

Mr. Chairman, I believe that the importance of supercomputers to our competitive position is clear. At a time when our Nation is searching for ways to increase our competitive edge—in research as well as in economic development—we must maintain, at the highest priority, the strength and well being of our technology research base.

Mr. Chairman, I urge my colleagues to grant their continued support for this critical field and to pass H.R. 3038.

[From the Washington Post, June 2, 1985]

CAMPUS SUPERCOMPUTERS MAY BOOST U.S. INDUSTRY—MIDWEST STATES STAKE MILLIONS ON EFFORT

(By Kevin Klose)

CHAMPAIGN, IL.—After years under wraps in nuclear-weapons labs and private industry, the supercomputer, crunching a blistering 500 million numbers a second, is surfacing at U.S. universities, where professors say it could radically alter American industrial competitiveness in the 21st century.

Although a state-of-the-art supercomputer is not scheduled to arrive here at the University of Illinois until summer, enthusiasm for the ultrafast calculating machines is as high on this science-oriented campus as anywhere in the nation.

Few Illini scientists have experience on the new computers, but state officials and educators already consider them indispensable to hopes of reviving the Rust Belt's beleaguered economy.

"We can survive only if we compete more effectively, becoming more productive and efficient, and the supercomputer can help us to do this," said physicist Larry L. Smarr, a leader among young scientists spearheading a costly nationwide effort to bring supercomputers to campuses.

Smarr, 36, helped persuade the National Science Foundation to earmark $200 million early this year to establish supercomputer centers here and at Cornell University, Princeton University and the University of California at San Diego. Linked by satellite for rapid information exchange, the centers will apply the supercomputers to such vital but time-consuming industrial research as metallurgical analysis, fluid dynamics, materials stress, bioengineering and three-dimensional design.

The new facilities also will conduct pure scientific research, including subatomic physics, astrophysics, molecular structural analysis, geophysics and computer modeling of weather systems.

Computers operate by breaking problems down into a set of smaller problems. A regular computer treats those problems as a series, solving them one at a time. A supercomputer solves many problems simultaneously, dramatically reducing the time involved in calculations.

Nearly a dozen universities or college consortia are using or buying supercomputers. These include Purdue University, the University of Texas, Colorado State, University, the University of Georgia and the University of Minnesota. Just five years ago, the exotic machines were virtually unknown outside government-run weapons-research programs or major oil firms, where they are used to analyze geological data.

Smarr and other scientist-administrators make dazzling predictions about the centers impact on industrial innovation and development. They foresee communities of theoreticians, engineers and programmers from many different academic and industrial disciplines gathering at the high-speed processing centers to exchange information on how to best use the supercomputers to speed industrial change.

The supercomputers' power, they say, is so much greater than anything previously available that there may be revolutionary changes in the time needed to design and produce such items as cars, airplanes, power tools, even computers.

"These tools are crucial to building new industry, providing new jobs, better jobs for thousands of people," Smarr said. "In a car, for example, safety, airflow, weight, comfort, fuel economy—all can be simulated by these machines. In the old days, it could take three months to build a clay scale model of a new car and test it in a wind tunnel. But a supercomputer can do 15 different models in a single week. That means fantastically improved efficiency."

Thomas Putnam, manager of computer-user services at Purdue, said that by learning to use Purdue's two-year-old CDC Cyber-205 supermachine, biologists have reduced from six weeks to one hour the time needed to model the structure of a simple vegetable virus.

Such feats are possible because supercomputers, depending upon what tasks are to be accomplished, process information up to 20 times faster than the largest mainframe computers now in use.

Most of the machines are built by Cray Research Inc. of Chippewa Falls, Wis., and Control Data Corp. (CDC) of Minneapolis. Their cost, which can exceed $20 million, has sharply limited their use to well-heeled federal or private agencies.

Once the University of Illinois $20 million Cray X-MP model is installed, in a nondescript building on Springfield Avenue in the heart of the campus, Smarr's National Center for Supercomputing Applications is likely to become a mecca for some of the nation's best programmers.

Already, according to George Badger, director of Illini computer services, more than 200 programmers around the country have asked him about jobs. The university plans to add only 35 full-time professionals to help run the X-MP, but that is just a start.

"We are going to produce better grad students by training them in using this new tool," Badger said. "For the first time, supercomputers are being put in very wide-open environments that will encourage interaction across many scientific disciplines.

"There will be experimenting with a lot of new ideas, and this will have a very important effect on the general technology of the country. Grad students will be able to experiment in many ways, and that will encourage their professors to learn about these new machines as well. As people become more familiar, the number of applications will increase.

"If we are going to attract high tech to the Midwest, we must have a high-tech work force," Badger said.

"These computers can do a very good simulation of a structure crashing into a wall," said Tom Walsh, head of the University of Minnesota's supercomputer operation. "Soon, it will be possible to do an auto crash solely by computer. This in turn makes it possible, in principle, to set up a design bureau, from top to bottom to simulate car crashes."

The knowledge gained will result in better, safer design at lower cost, he said.

There is growing demand from engineers to learn how to use this machine as a daily tool. They won't be productive if they don't know their way around it." Walsh said. "If you look around the Twin Cities [Minneapolis-St. Paul], you will see how it reached a point that new technology began creating new jobs. I think this probably will happen with the new supercomputer centers."

Midwestern states have staked millions in the supercomputer effort. Indiana pledged $8 million to bring the machine to Purdue. Illinois Gov. James R. Thompson (R) has backed the state university with more than $10 million in direct state aid.

Thompson intervened personally to persuade Smarr's colleague, David J. Kuck, to stay in Champaign to found a supercomputer center devoted to the design of Fifth-Generation computers, machines with so much speed and power that they could be said to have synthetic powers of thinking artificial intelligence.●

The CHAIRMAN. Are there further amendments to the bill?

If not, are there any points of order?

The Chair recognizes the gentleman from Massachusetts.

Mr. BOLAND. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amend-

ments be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having assumed the Chair, Mr. PANETTA, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3038) making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending september 30, 1986, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. FRENZEL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 340, nays 73, not voting 20, as follows:

[Roll No. 260]

YEAS—340

Ackerman	Bliley	Cobey
Addabbo	Boehlert	Coble
Akaka	Boggs	Coelho
Alexander	Boland	Coleman (MO)
Anderson	Boner (TN)	Coleman (TX)
Andrews	Bonior (MI)	Collins
Annunzio	Bonker	Combest
Anthony	Borski	Conte
Applegate	Boucher	Cooper
Aspin	Breaux	Coughlin
Atkins	Brooks	Courter
AuCoin	Broomfield	Coyne
Barnard	Brown (CA)	Crockett
Barnes	Bruce	Daniel
Bartlett	Bryant	Darden
Bateman	Burton (CA)	Daschle
Bates	Bustamante	Davis
Beilenson	Byron	Dellums
Bennett	Callahan	Derrick
Bentley	Campbell	Dickinson
Bereuter	Carper	Dicks
Berman	Carr	Dingell
Bevill	Chandler	DioGuardi
Biaggi	Clinger	Dixon
Bilirakis	Coats	Donnelly
Dorgan (ND)	Lent	Rogers
Dowdy	Levin (MI)	Rose
Duncan	Levine (CA)	Rostenkowski
Durbin	Lewis (CA)	Roth
Dwyer	Lewis (FL)	Roukema
Dymally	Lipinski	Rowland (CT)
Dyson	Livingston	Rowland (GA)
Eckart (OH)	Lloyd	Roybal
Edgar	Long	Sabo
Edwards (CA)	Lowery (CA)	Savage
Emerson	Lowry (WA)	Saxton
English	Lujan	Scheuer
Erdreich	Lundine	Schneider
Evans (IL)	MacKay	Schroeder
Fascell	Madigan	Schuette
Fawell	Manton	Schulze
Fazio	Markey	Schumer
Feighan	Martin (NY)	Seiberling
Fiedler	Martinez	Sharp
Fields	Matsui	Shaw
Fish	Mavroules	Shelby
Flippo	Mazzoli	Sikorski
Florio	McCain	Siljander
Foglietta	McCloskey	Sisisky
Foley	McCurdy	Skeen
Ford (MI)	McDade	Skelton
Ford (TN)	McGrath	Slattery
Fowler	McHugh	Slaughter
Frank	McKernan	Smith (FL)
Franklin	McKinney	Smith (IA)
Frost	McMillan	Smith (NJ)
Fuqua	Meyers	Smith, Robert
Gallo	Mica	Snowe
Gaydos	Michel	Snyder
Gekas	Mikulski	Solarz
Gephardt	Miller (CA)	Spence
Gibbons	Miller (OH)	Spratt
Gilman	Miller (WA)	Staggers
Gingrich	Mineta	Stallings
Glickman	Moakley	Stangeland
Gonzalez	Molinari	Stark
Goodling	Mollohan	Stokes
Gordon	Monson	Strang
Gradison	Montgomery	Stratton
Gray (IL)	Morrison (CT)	Studds
Gray (PA)	Morrison (WA)	Sundquist
Green	Mrazek	Sweeney
Gregg	Murphy	Swift
Grotberg	Murtha	Swindall
Guarini	Myers	Synar
Hall (OH)	Natcher	Tallon
Hall, Ralph	Neal	Tauzin
Hamilton	Nelson	Taylor
Hammerschmidt	Nichols	Thomas (GA)
Hawkins	Nowak	Torres
Hayes	O'Brien	Torricelli
Heftel	Oakar	Towns
Hiler	Oberstar	Traficant
Holt	Obey	Traxler
Horton	Olin	Udall
Howard	Ortiz	Valentine
Hoyer	Owens	Vander Jagt
Huckaby	Packard	Vento
Hutto	Panetta	Visclosky
Hyde	Parris	Volkmer
Ireland	Pashayan	Walgren
Jeffords	Pease	Walker
Jenkins	Penny	Watkins
Johnson	Pepper	Waxman
Jones (OK)	Perkins	Weiss
Jones (TN)	Petri	Wheat
Kaptur	Pickle	Whitley
Kasich	Porter	Whitten
Kastenmeier	Price	Williams
Kemp	Pursell	Wilson
Kennelly	Quillen	Wirth
Kildee	Rahall	Wise
Kleczka	Rangel	Wolf
Kolbe	Ray	Wolpe
Kolter	Regula	Wortley
Kostmayer	Reid	Wright
Kramer	Richardson	Wylie
LaFalce	Ridge	Yates
Lantos	Rinaldo	Yatron
Leach (IA)	Ritter	Young (AK)
Leath (TX)	Robinson	Young (FL)
Lehman (CA)	Rodino	Young (MO)
Lehman (FL)	Roe	
Leland	Roemer	

NAYS—73

Archer	Boulter	Carney
Armey	Brown (CO)	Cheney
Badham	Broyhill	Conyers
Barton	Burton (IN)	Craig
Crane	Jacobs	Russo
Dannemeyer	Kanjorski	Schaefer
Daub	Kindness	Sensenbrenner
DeLay	Lagomarsino	Shumway
DeWine	Latta	Shuster
Dornan (CA)	Lightfoot	Smith (NE)
Dreier	Lott	Smith (NH)
Eckert (NY)	Luken	Smith, Denny
Edwards (OK)	Lungren	Solomon
Evans (IA)	Mack	Stenholm
Frenzel	Marlenee	Stump
Gunderson	Martin (IL)	Tauke
Hansen	McCandless	Thomas (CA)
Hartnett	McCollum	Vucanovich
Hendon	McEwen	Weaver
Henry	Moody	Weber
Hertel	Moore	Whittaker
Hopkins	Moorhead	Wyden
Hubbard	Nielson	Zschau
Hughes	Oxley	
Hunter	Roberts	

NOT VOTING—20

Bedell	Downey	Jones (NC)
Bosco	Early	Loeffler
Boxer	Garcia	Mitchell
Chappell	Gejdenson	Rudd
Chappie	Hatcher	St Germain
Clay	Hefner	Whitehurst
de la Garza	Hillis	

□ 1850

Mr WHITTAKER changed his vote from "yea" to "nay."

Messrs. SAVAGE, FISH, and WHEAT changed their votes from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

TIJUANA SEWAGE PROJECT

(Mr. BOLAND asked and was given permission to address the House for 1 minute.)

Mr. BOLAND. Mr. Speaker, I yield to the distinguished gentleman from California [Mr. LOWERY].

Mr. LOWERY of California. Mr. Speaker, I appreciate the distinguished chairman of the HUD-Independent Agencies Subcommittee yielding to me for the purpose of a brief but sweet colloquy on the issue of Tijuana sewage.

Mr. Speaker, let me say to the distinguished subcommittee chairman that you and your subcommittee have exercised considerable patience in addressing one of San Diego's most critical and pressing problems, that of sewage emanating from Tijuana, Mexico.

Earlier this year, your subcommittee provided an important language change to the EPA section, thereby freeing up the previously appropriated $5 million for planning and design of the Tijuana sewage treatment project. This change was in recognition of the progress made with Mexico over the scope of the project and the resultant U.S. position.

In the bill before us today, though the subcommittee has indicated in prior legislation that this project would be funded at $32 million, there is nothing beyond the initial $5 million installment. My understanding is that

the committee is prepared to fund the Tijuana sewage project up to a total of $32 million when it is determined that the project is ready for construction. Is that a correct assessment?

Mr. BOLAND. Mr. Speaker, the gentleman's assumption and understanding is absolutely correct.

Mr. GREEN. Mr. Speaker, will the gentleman yield?

Mr. BOLAND. I yield to the gentleman from New York.

Mr. GREEN. Mr. Speaker, I thank my subcommittee chairman for yielding.

I would simply like to give assurances from our side of the aisle also that we understand the gentleman's problem, and we have that understanding with the gentleman.

Mr. LOWERY of California. Mr. Speaker, I thank the subcommittee chairman and the ranking minority member.

PERSONAL EXPLANATION

Mr. GILMAN. Mr. Speaker, I was unavoidably detained in a meeting today and unable to cast my vote on rollcall No. 256, relating to an amendment to the Department of Housing and Urban Development—independent agencies appropriation bill of 1986, deleting $500 million in the program reserve account appropriated for new and unauthorized programs. Had I been present at that time, I would have voted no.

REPORT ON HOUSE RESOLUTION 230, ACCURACY IN HOUSE PROCEEDINGS RESOLUTION

Mr. FOLEY, from the Committee on House Administration, submitted a privileged report (Rept. No. 99-228) on the resolution (H. Res. 230) providing that for the remainder of the 1st session of the 99th Congress there should be a substantially verbatim account of House proceedings in the CONGRESSIONAL RECORD which should be clearly distinguishable by different typeface from remarks not spoken but inserted under leave to extend, which was referred to the House Calendar and ordered to be printed.

APPEAL FOR THE RELEASE OF SOVIET JEWRY

Mr. FASCELL. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs be discharged from further consideration of the Senate joint resolution (S.J. Res. 161) to appeal for the release of Soviet Jewry, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 161

Whereas President Reagan recently stated that "Soviet Jewry suffers from persecution, intimidation, and imprisonment within Soviet borders";

Whereas President Reagan stated further that "We will never relinquish our hope for their freedom and we will never cease to work for it," and that "If the Soviet Union truly wants peace, truly wants friendship, then let them release Anatoly Scharansky and free Soviet Jewry.": Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That, in support of the President's position, the Congress calls on the Soviet Union, as an initial gesture—

(1) to release immediately Anatoly Scharansky, Yosef Begun, and all other Prisoners of Conscience, and allow them to leave the Soviet Union;

(2) to issue immediately exit permits to the many known long term "Refuseniks" such as Ida Nudel and Vladimir Slepak; and

(3) to allow those thousands of Jews who wish to emigrate to join their relatives abroad, or to be repatriated to their historic homeland, to leave this year and pledge that such cases shall be dealt with expeditiously and in a humanitarian way during the next three years, thus enabling those who have requested exit permits to leave.

● Mr. FASCELL. Mr. Speaker, I rise in support of Senate Joint Resolution 161, to appeal for the release of Soviet Jewry. This important joint resolution is in support of President Reagan's recent statements calling on the Soviet Union to release Anatoly Shcharansky and to end the imprisonment and persecution of Soviet Jewry if it truly wants peace and friendship. Senate Joint Resolution 161 calls on the Soviet Union to immediately release Anatoly Shcharansky, Yosef Begun, and all other prisoners of conscience and to allow them and thousands of other Jewish refuseniks, such as Ida Nudel and Vladimir Slepak, to emigrate immediately to join their relatives abroad.

I believe it is absolutely critical that the U.S. Congress go on record, as forcefully as possible to deplore the treatment of Jews imprisoned in the Soviet Union and to urge that, in the interest of basic human decency, these long-suffering people be freed immediately. It is imperative that all those who have requested exit permits from the Soviet Union should be permitted to leave. Allowing them to do so would demonstrate to the world that the Soviet Union is truly interested in peace and friendship.

Yesterday, our hearts were touched by the testimony before the Committee on Foreign Affairs of Anatoly Shcharansky's wife, Avital, who urged us to take prompt action on behalf of her husband and the thousands of Soviet Jews who have been denied the right to be reunited with their families abroad. It is high time for the Soviet Union to release Anatoly Shcharansky and the hundreds, perhaps thousands of prisoners of conscience, Helsinki monitors, religious believers, and many others who are guilty of nothing more than seeking to claim their rights under international law, the Helsinki Final Act and even the Soviet Constitution.

This resolution sends a clear message to the Soviet Union that the issue of human rights, including the plight of Anatoly Shcharansky and other Prisoners of Conscience is still very much on the agenda of United States-Soviet relations. It will demonstrate to the Soviet Union and the world that this vital issue of Soviet Jewry has the support of a broad coalition of Republicans and Democrats in both the House and the Senate. It will show them clearly and unequivocally that the U.S. Congress will not give up the struggle for human rights and freedom, and will keep fighting for the freedom of all those unjustly persecuted and harassed in the Soviet Union and throughout the world.

Mr. Speaker, I urge the adoption of Senate Joint Resolution 161.●

● Mr. BROOMFIELD. Mr. Speaker, I offer my strong support of the resolution before us.

This joint resolution, in support of the President's effort, calls upon the Soviet Union to immediately release Anatoly Shcharansky, Yosef Begun, and all other prisoners of conscience. The resolution also calls on the Soviet Union to issue exit permits to refuseniks including Ida Nudel and others.

Also included is a request that the Soviet Union rapidly allow thousands of Jews to leave that country so that they can rejoin their relatives.

I am particularly distressed by the terrible treatment of Mr. Shcharansky. His untold sufferings must be made known to all people from all countries around the world. The treatment which he has been subjected to is more than a violation of human rights. It is a classic example of how a police state treats a decent human being who wants to speak the truth.

Yesterday, Mrs. Shcharansky testified eloquently before the House Foreign Affairs Committee about how the Kremlin is using her husband for political advantage.

Also, Congressman KEMP of New York, a leading congressional critic of the Soviet Union's treatment of Soviet Jews, testified as to the inhumane treatment of Mr. Shcharansky by Soviet authorities, lauded the personal courage of Mrs. Shcharansky, and strongly supported the resolution before us.

President Reagan has said on many occasions that Soviet Jewry suffers from persecution and imprisonment in that country. He has pledged that America will never abandon those suf-

fering people. I am confident that the President will place this vital issue high on the agenda when he meets with Soviet leader Gorbachev in November.

This important piece of human rights legislation deserves our support. I call upon my colleagues to join me in supporting this resolution.●

● Mr. KEMP. Mr. Speaker, first of all, I would like to thank Chairman FASCELL and Senate Majority Leader DOLE for their leadership in moving this important resolution forward as quickly as possible. And to express appreciation to my colleague from Georgia, WYCHE FOWLER, with whom I have the honor of serving as cochair of the Congressional Coalition for Soviet Jewry, and to all the Members on both sides of the aisle in both Houses of Congress who have given their support to this measure.

Senate Joint Resolution 161 calls attention to President Reagan's statements affirming our commitment to freedom for Soviet Jews and calls upon the Soviet Union to make a show of good faith by:

Releasing Jewish Prisoners of Conscience, including Anatoly Shcharansky and Yosef Begun;

Granting exit visas to all known long-term refuseniks, such as Vladimir and Maria Slepak and Ida Nudel; and

Permitting family reunification and repatriation.

Yesterday I had the honor of sitting next to Avital Shcharansky when we both testified before the House Foreign Affairs Committee. I said then that Avital was one of the most courageous women in the world. She is also the most tireless. Her efforts on behalf of her husband, Anatoly, and the issue of Soviet Jewry are ceaseless, and she has become the international symbol for the struggle.

In March of this year, Senator MOYNIHAN and I were joined by 196 of our colleagues in the House and 67 of our colleagues in the Senate in writing to President Reagan and stressing the crisis situation of Jews in the Soviet Union. We urged the President to call for separate talks on the issue of free emigration, and to demand that the Soviets comply with the mandate of the Helsinki accords as a show of good faith before entering into any further agreements.

The resolution currently before us is important because it establishes this point through legislation. It strongly reiterates the U.S. position that if the Soviets want improved relations with the United States, they must honor their human rights commitments under the Helsinki accords. President Reagan has said "If the Soviet Union truly wants peace, truly wants friendship, then let them release Anatoly Shcharansky and free Soviet Jewry."

Today, on the threshold of the 10th anniversary of the signing of the Helsinki accords, shortly before a United States-Soviet summit meeting, with Avital's eloquent voice still ringing in my ears, these words of our President are particularly significant. We must establish and require linkage in all our dealings with the Soviets, in trade negotiations as well as arms agreements. This resolution takes a big step in that direction by calling attention to the President's affirmation of our commitment to Anatoly Shcharansky, Yosef Begun, Ida Nudel, Vladimir and Maria Slepak, Vladimir Felstman, and all the other Prisoners of Conscience, refuseniks, and Jews desiring repatriation and family reunification, as is their basic right as human beings and legal right under the Helsinki accords. We must demand a show of good faith from the Soviets on their previous commitments before we enter into new ones, not on a quid pro quo basis but as a unilateral action.

I urge my colleagues in the House to pass this resolution without delay.●

● Mr. GILMAN. Mr. Speaker, I would like to take this opportunity to thank the gentleman from Florida, the distinguished chairman of our House Foreign Affairs Committee, Mr. FASCELL, for expediting consideration of the measure before us today. Although we considered an almost identical version of Senate Joint Resolution 161 only a few days ago on the floor of the House as part of the foreign aid bill, logistical problems which threaten swift adoption of that bill have caused us to act on this important Soviet Jewry measure separately. Senate Joint Resolution 161, introduced only a few weeks ago, garnered the support of over 62 cosponsors and was quickly passed by the other body. The bill appeals for the release of Soviet Jews now held unjustly in Soviet prisons and labor camps, many of whom has been incarcerated only for expressing a desire to practice their religion and to study the Hebrew language. This measure goes on to further assert that the thousands of refuseniks who have been waiting for exit permits for so long, be allowed to emigrate to Israel to join their relatives, or in the case of those who have no family there, repatriation to their historic homeland.

Earlier this week, the Foreign Affairs Committee held a hearing, in which moving testimony was presented by Avital Shcharansky on behalf of her husband, Anatoly, who has become a symbol of the Soviet human rights movement throughout the world, suffering stoically through a 13-year prison term that falsely charged him with being an agent of the United States.

Senate Joint Resolution 161 calls for Anatoly Shcharansky's immediate release, as well as the release of Yosef Begun, who is now serving an unprecedented third prison term for his "crime" of teaching Hebrew. Ida Nudel, the "guardian angel" and Vladimir Slepak, both individuals of great human courage and dignity, need only exit permits for their personal ordeals to end. They have waited to join their families in Israel for such a long time, and dispite numerous appeals on their behalf, the Soviet authorities refuse to comply.

These victims or Soviet oppression were contributing citizens to their communities and were catapulted into the limelight when they had the audacity to apply for exit visas. They were refused, and were subsequently caught up in the web of the Soviet's oppressive bureaucracy that labels them parasites for not having jobs upon losing employment as a result of their having applied to emigrate. This catch-22 situation makes them vulnerable targets for arrest. The Soviet authorities even go the extent of filing blatantly false drug possession charges in a growing number of cases.

During our hearing, Avital Shcharansky, a courageous woman of great commitment, emphasized the need for continued action on the part of the House of Representatives and the Western world. The action we must take, in part evidenced by consideration of the bill today, was underscored by our colleagues, the gentleman from New York [Mr. KEMP], the gentleman from Maryland [Mr. HOYER], and the gentleman from Georgia [Mr. FOWLER], who accompanied her.

As we approach the 10th anniversary of the signing of the Helsinki accords, which will be the subject of a special order next week, it is imperative that we continue our vigilance on behalf of Soviet Jewry. In June, only 36 individuals were granted emigration visas, a pitifully low number that continues to be discouraging. Although the first 2 weeks of this month saw 153 men and women allowed to leave, this will probably be the final total for the entire month. The Soviets have a habit of clearing the refuseniks out of Moscow several weeks prior to and following any major event. On July 27, and continuing through August 2, the Soviets will be holding a youth festival in Moscow. No emigration permits will be granted for the period preceding this festival, and even Soviet Jews residing in other cities will not be allowed to visit Moscow. House consideration of this bill comes at an opportune moment, on the eve of this festival and the anniversary of the Helsinki accords.

I urge my colleagues to join us in adopting this important human rights legislation, as a signal to Soviet Jews who continue to suffer and to the Government that prolongs their oppression.●

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FASCELL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate joint resolution just passed.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

MAKING IN ORDER AT ANY TIME AFTER TUESDAY, JULY 30, 1985, CONSIDERATION OF CONFERENCE REPORTS ON S. 960, INTERNATIONAL SECURITY AND DEVELOPMENT COOPERATION ACT OF 1985, AND H.R. 2068, DEPARTMENT OF STATE, UNITED STATES INFORMATION AGENCY, AND BOARD FOR INTERNATIONAL BROADCASTING AUTHORIZATION ACT, 1986 AND 1987

Mr. FASCELL. Mr. Speaker, I ask unanimous consent that it may be in order at any time after Tuesday, July 30, 1985, to consider in the House the conference reports on the Senate bill (S. 960) to amend the Foreign Assistance Act of 1961, the Arms Export Control Act, and other acts to authorize appropriations for the fiscal year 1986 for international security and development assistance, the Peace Corps, the Inter-American Foundation, and the African Development Foundation, and for other purposes, and on the bill (H.R. 2068) to authorize appropriations for fiscal years 1986 and 1987 for the Department of State, the United States Information Agency, the Board for International Broadcasting, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

REPORT ON RESOLUTION WAIVING CERTAIN POINTS OF ORDER AGAINST CONSIDERATION OF H.R. 3036, TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATION BILL, 1986

Mrs. BURTON of California, from the Committee on Rules, submitted a privileged report (Rept. No. 99-229) on the resolution (H. Res. 236) waiving certain points of order against consideration of the bill (H.R. 3036) making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending September 30, 1986, and for other purposes, which was referred to the House Calendar and ordered to be printed.

PROVIDING FOR CONSIDERATION OF HOUSE JOINT RESOLUTION 187, TO APPROVE THE "COMPACT OF FREE ASSOCIATION"

Mrs. BURTON of California. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 235 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 235

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (H.J. Res. 187) to approve the "Compact of Free Association", and for other purposes, and the first reading of the joint resolution shall be dispensed with all points of order against the consideration of the joint resolution for failure to comply with the provisions of section 401(b)(1) of the Congressional Budget Act of 1974 (Public Law 93-344) are hereby waived. After general debate, which shall be confined to the joint resolution and shall continue not to exceed three hours, thirty minutes to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, thirty minutes to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, thirty minutes to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, thirty minutes to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, thirty minutes to be equally divided and controlled by the chairman and ranking minority member of the Committee on Merchant Marine and Fisheries, and thirty minutes to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the joint resolution shall be considered as having been read for amendment under the five-minute rule. No amendment to the joint resolution shall be in order except an amendment in the nature of a substitute consisting of the text after the resolving clause of H.J. Res. 343, which shall be considered as pending and as having been read and shall be debatable for not to exceed thirty minutes, to be equally divided and controlled by Representative Rostenkowski of Illinois or his designee and a Member opposed thereto, and all points of order against said amendment for failure to comply with the provisions of clauses 5(a) and 5(b) of rule XXI are hereby waived. Said amendment shall not be subject to amendment except a substitute therefor consisting of the text after the resolving clause of H.J. Res. 344, if offered by Representative Udall of Arizona, said amendment shall be considered as having been read, shall not be subject to amendment but shall be debatable for not to exceed thirty minutes, to be equally divided and controlled by the proponent of the amendment and a Member opposed thereto, and all points of order against said amendment for failure to comply with the provisions of clauses 5(a) and 5(b) of rule XXI are hereby waived. At the conclusion of the consideration of the joint resolution for amendment, the Committee shall rise and report the joint resolution to the House with such amendment as may have been adopted, and the previous question shall be considered as ordered on the joint resolution to final passage without intervening motion except one motion to recommit with or without instructions.

□ 1900

The SPEAKER. The gentlewoman from California [Mrs. BURTON] is recognized for 1 hour.

Mrs. BURTON of California. Mr. Speaker, for the purposes of debate only, I yield the customary 30 minutes to the gentleman from Mississippi [Mr. LOTT], pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 235, is a modified closed rule providing for the consideration of House Joint Resolution 187, the compact of free association. This rule allows 3 hours of general debate, with 30 minutes to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, 30 minutes to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, 30 minutes to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, 30 minutes to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, 30 minutes to be equally divided and controlled by the chairman and ranking minority member of the Committee on Merchant Marine and Fisheries, and finally 30 minutes to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means.

Section 401(b)(1) of the Congressional Budget Act, which prohibits consideration of new entitlement authority effective prior to October 1 of the year in which it is reported, is waived.

This measure is in violation of section 401(b)(1) because new entitlement authority in House Joint Resolution 187 would be effective in fiscal year 1985 and this joint resolution was reported during calendar year 1985. However, both substitutes made in order by this rule provide that no funds will be made available prior to October 1, 1985. Therefore, this waiver is purely technical, since the substitutes cure the Budget Act violation.

Under this rule, Joint Resolution 187 is amendable only by a substitute amendment consisting of the text following the resolving clause of House Joint Resolution 343, which shall be considered as pending and as having

been read. Debate on this amendment is not to exceed 30 minutes to be equally divided and controlled by Mr. ROSTENKOWSKI and a Member opposed to the substitute.

Points of order against this amendment for failure to comply with clause 5(a) of rule XXI are waived. Clause 5(a) prohibits appropriations in a legislative bill. There are a number of instances in this measure where funds are made available to fulfill the provisions of this agreement between the United States and these two governments of the Trust Territory of the Pacific Islands, and thereby constitute appropriations.

Clause 5(b) of rule XXI, which prohibits tax and tariff legislation in a measure over which the Ways and Means Committee does not have primary jurisdiction, is waived. This is necessary since the Ways and Means Committee was only given sequential referral of this measure, but Ways and Means recommended tax and tariff provisions which are included in this amendment.

Mr. ROSTENKOWSKI's substitute is not subject to amendment except by a substitute to be offered by Mr. UDALL of Arizona, consisting of the text following the resolving clause of House Joint Resolution 344, which shall be considered as having been read. Debate on this amendment is not to exceed 30 minutes to be equally divided and controlled by Mr. UDALL and a Member opposed to the substitute.

Clauses 5 (a) and (b) of rule XXI are also waived against the Udall amendment since this substitute, like the Rostenkowski amendment, contains appropriations and tax and tariff provisions. Mr. UDALL's amendment is not open to amendment.

Finally, Mr. Speaker, one motion to recommit, with or without instructions, is made in order by this rule.

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is a modified closed rule providing for the consideration of House Joint Resolution 187, approving the compact of free association with the Marshall Islands and the Federated States of Micronesia.

The rule waives section 401(b)(1) of the Budget Act against consideration of the joint resolution. That section prohibits the consideration of new entitlement authority which takes effect prior to October 1 in the year it is reported. Since the bill does provide for payments to the Pacific Islands which would be made in fiscal 1985, and since this bill was reported this year, it is in violation of section 401(b)(1). However, the Committee on Interior has amended the original resolution to insure that no payments will be made prior to October 1 of this year, thereby curing the budget violation.

As a result of that corrective action, the chairman of the Budget Committee has indicated that he has no objection to this waiver.

Mr. Speaker, this rule provides for 3 hours of general debate, to be equally divided between the six committees of jurisdiction over this legislation; that is, one-half hour each for the Committees on Foreign Affairs, Interior and Insular Affairs, Armed Services, Judiciary, Merchant Marine and Fisheries, and Ways and Means.

Following general debate, the joint resolution shall be considered as having been read for amendment under the 5-minute rule. No amendment shall be in order except one amendment in the nature of a substitute which shall be the Ways and Means Committee version, and it shall only be subject to one amendment—a compromise developed by two other committees. Both amendments shall be subject to one-half of debate, with debate time on the first divided between Chairman ROSTENKOWSKI and a Member opposed, and on the second between Chairman UDALL and a Member opposed.

The rule further waives clauses 5(a) and (b) of rule XXI against both substitutes. Clause 5(a) prohibits appropriations in a legislative bill, and 5(b) prohibits consideration of revenue matters in a bill not reported by a revenue committee. Finally, after the amendments have been disposed of and the committee rises, the joint resolution will be subject to one motion to recommit, with or without instructions.

Mr. Speaker, before I go into the provisions of the joint resolution, I would like to speak briefly to the controversy surrounding this rule. The Ways and Means Committee had asked for a closed rule on its tax and trade provisions. As I have indicated, this rule instead makes in order a substitute for the Ways and Means version that contains different tax and trade provisions. I can understand and sympathize with the legitimate concerns of our tax committee over a procedure which allows for the consideration of a tax amendment not reported from Ways and Means.

Mr. Speaker, the Rules Committee does not lightly waive clause 5(b) of rule XXI which prohibits the consideration of tax measures not reported from our Tax Committee. However, in this instance we are not only faced with controversial and complex tax and trade issues, but a delicate foreign policy issue as well. The Ways and Means Committee has legitimate concerns that the tax and trade benefits in the original and compromise bills are too liberal. The Foreign Affairs and Interior Committees, on the other hand, feel just as strongly that without these provisions the compact would be unacceptable to the Micronesians, and 15 years of negotiations would go down the drain.

So, this is a close call procedurally, and I regret that we have not been able to resolve these jurisdictional differences before bringing this matter to the floor. But there is some urgency about completing action on this now since we must notify the United Nations by the end of August for the trusteeship termination issue to be put on the agenda for approval.

Mr. Speaker, House Joint Resolution 187 essentially approves and implements a compact arrived at between the U.S. Government and the Federated States of Micronesia and the Marshall Islands. This is the result of some 15 years of negotiations by four administrations—both Democratic and Republican—to end our trusteeship status over these islands which we have held since 1947. The compact would replace our U.N. trusteeship with a new political status of "free association." Under this new status, the Freely Associated States would have sovereignty over their domestic and foreign affairs, but would continue to receive certain assistance and new tax and trade benefits from the United States. In return, our country would receive the right, in perpetuity, to deny adversaries access to the territory, airspace, and waters of the Freely Associated States. We would also receive access, for 30 years, at a fixed price, to the lands comprising the Kwajalein Missile Range.

Mr. Speaker, I don't know of anyone who is completely ecstatic about either the procedures provided for in this rule, or all the provisions contained in either of the principal substitutes we will be considering. That is probably because we are dealing both with compromises reached between our Government and the trust territories, and compromises reached between our various committees of jurisdiction. Politics is the art of compromise, but no one ever said political artwork was pretty. This is messy; it's not aesthetically pleasing. But the fact remains that it's probably the best we can do under the circumstances, and it's something we must act on now. While I sympathize with the legitimate jurisdictional concerns involved, I think we must move forward with this procedure and pass a measure that will be acceptable to all the parties involved in this compact of free association. I therefore urge adoption of this rule.

Mr. Speaker, before I yield back my time, I would like to yield to a couple of colleagues who still have some concerns.

Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota [Mr. FRENZEL].

Mr. FRENZEL. Mr. Speaker, I am not going to object to the rule. I think it is the best that can be done under the circumstances, but I do want at

this time to express my objection to the entire procedure under which this bill is being handled. It has been moved with intemperate speed and insufficient notification to a number of Members and committees of this House, Perhaps it is absolutely necessary. In my judgment, it is simply dereliction of duty that we have not moved in the proper way.

The Committee on Ways and Means has had very short notice on a very complicated section of the tax law which other committees have tried to write for us. We have in concert with them fashioned an uneasy compromise, the total repercussions of which are not known by anyone.

The bill will go forward, I am convinced, but I would like to put the House on notice that as in every case when we breach the regular order around here, we lay ourselves open for difficulties in the future, for complaints in this case from other possessions and inhabitants thereof, both civilian and corporate, that they are being put upon or given treatment which is in some way inferior.

We never can operate this House exactly the way we would like to under the regular order, but this particular case was a flagrant disruption of that order and the Members should at least know that they are dealing, at least in my judgment, with a jerry-rigged compromise, the results of which are not totally known.

Mr. LOTT. Mr. Speaker, I yield 5 minutes to the gentleman from Nebraska [Mr. BEREUTER].

Mr. BEREUTER. Mr. Speaker, I thank the distinguished gentleman from Mississippi for yielding me time.

This Member has been very heavily involved in matters related to the Pacific Trust Territories for over 3 years, the subject area of the rule for Micronesian compact legislation we are expecting to very shortly consider.

I am also a member of the Asian and Pacific Subcommittee of the Foreign Affairs Committee, after having been involved in this subject area through my former membership on the Committee on Interior and Insular Affairs.

□ 1910

During the last week, I have been specifically excluded from discussions between the Committee on Interior and Insular Affairs and the Committee on Foreign Affairs in their effort to find a compromise between the versions of the legislation from the two committees. I am upset with that process. I resent it. It is the first time in 7 years of service in the House that I have been precluded from a full participation in the proceedings of the House when I have a committee spot that seems to suggest such an active role is appropriate.

I also object to the rule for while it seems to allow adequate time, with 30 minutes of personal debate allocated to each of six committees, I am not at this point assured of having adequate time to engage in a colloquy with Members of at least three different committees that have been involved in the deliberations on this legislation. I also know that there is an intention to try to expedite the discussions of the bill once the rule is completed.

I can be very reasonable, I would say to my colleagues, depending on the discussions and the colloquy that we might have during the debate on the bill, House Joint Resolution 187, or the substitute, House Joint Resolution 344. But I am prepared to stay here all night, until the exhaustion of the time, objecting to any unanimous consent to shorten the amount of time unless I am assured that I am allocated at least 10 minutes of time for serious colloquy with Members of the three committees.

Mr. MAZZOLI. Mr. Speaker, will my friend yield?

Mr. BEREUTER. I yield to the distinguished gentleman from Kentucky.

Mr. MAZZOLI. I thank my friend for yielding, and just let me salute him for the work he did, lonely work at that, dealing with the immigration issues that I have some interest in myself. Let me assure the gentleman that since the gentleman from Kentucky controls under the rule a certain period of time, that he will get adequate time from my time, if necessary, in order to make clear his concerns and his observations, wise observations about this bill. And I can assure that the gentleman will not be closed out at that juncture.

Mr. BEREUTER. I thank the gentleman for that comment and very much appreciate it. I accept that offer, and I particularly appreciate it from the gentleman because of his demonstrated expertise in the subject area of immigration.

Mr. LAGOMARSINO. Mr. Speaker, will the gentleman yield?

Mr. BEREUTER. I yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Speaker, I too want to assure the gentleman that I will yield 5 minutes to him of my very limited 15 minutes, and I do so not just because the gentleman has said what he might do if that would not occur, but because he has had a great input in this legislation. He is one of the few Members of the House who has actually been to Micronesia. He and I were out there together. He knows what the situation is like there firsthand.

The gentleman made very valuable contributions to this bill in the Foreign Affairs Committee, and I can assure the gentleman that the things and the amendments he proposed, and which were accepted at that committee, have been protected, and I would say, if anything, enhanced and improved in the further negotiations that took place in the Committee on Interior and Insular Affairs and in the negotiations between the two committees.

Mr. BEREUTER. I thank the distinguished gentleman from California for that comment, and I am particularly pleased to hear it from the gentleman, since the gentleman has certainly been much more involved in Micronesian affairs for a longer period of time than myself or practically any Member of the Congress in history. And I would say to the gentleman that the gentleman from New York [Mr. SOLOMON] and myself share some very specific concerns about the certainty of lease payment to the landowners at Kwajalein Atoll by the Government of the Republic of the Marshall Islands that will be created. I would hope that the distinguished gentleman from New York [Mr. SOLOMON], might also have an opportunity to engage in a colloquy on that subject if the gentleman could find a way to provide for such time.

Mr. LAGOMARSINO. Surely.

Mr. BEREUTER. I thank the gentleman.

Mr. SOLARZ. Mr. Speaker, will the gentleman yield?

Mr. BEREUTER. I am pleased to yield to the distinguished gentleman from New York [Mr. SOLARZ], the chairman of the Subcommittee on Asian and Pacific Affairs.

Mr. SOLARZ. Mr. Speaker, I thank the gentleman for yielding. I think the gentleman makes a mistake if he feels that in any way he has been excluded from this process. I think there are very few other Members of the House who have left more of a mark on this legislation than my good friend from the other side of the aisle. Your concerns were incorporated, as you know, to a large extent in the Foreign Affairs Committee bill.

To be sure, you were not among those that participated in the effort to resolve the differences between the Committee on Interior and Insular Affairs and the Committee on Foreign Affairs, but there were a limited number who were, and that was determined on the basis of seniority.

But I think when you look at the final product, you will find that virtually all of the concerns you had expressed in the Foreign Affairs Committee, which led to the adoption of the amendment in our committee, were included in the compromise version that the House will be voting on later tonight.

Mr. BEREUTER. I thank the gentleman. I understand that most of the things I am concerned with are indeed in that compromise version of the legislation. I have only a few questions as to why certain approaches have been taken. That is the purpose of my intended colloquy.

But I would say to the chairman that I was specifically excluded from the negotiation process between the Committee on International Insular Affairs and Foreign Affairs, and that is a fact.

I yield back the balance of my time.

Mrs. BURTON of California. Mr. Speaker, for purposes of debate only, I yield 2 minutes to the gentleman from Ohio [Mr. SEIBERLING].

Mr. SEIBERLING. Mr. Speaker, I thank the gentlewoman for yielding this time to me.

First of all, let me say I rise in strong support of this rule.

Second, I would like to respond to the gentleman from Nebraska [Mr. BEREUTER]. I share the interests that the gentleman has, as he knows, and when the late Phillip Burton asked me to assume the jurisdiction dealing with this Micronesian problem in the subcommittee I chair, I did it with his mandate that he wanted to make sure that we protect the rights of the people out there. That has been one of my main concerns in dealing with this whole matter. So I share the gentleman's interest.

I am sorry the gentleman was not in the negotiations that combined the Foreign Affairs Committee and the Interior and Insular Affairs Committee bills. But I assure the gentleman that at all times we were anxious to make sure that we did not sell out the essential interest of either the people of Micronesia or the people of the United States.

I think we protected them. However, I will be happy to engage in a colloquy with the gentleman.

Mr. BEREUTER. Mr. Speaker, will the gentleman yield at that point?

Mr. SEIBERLING. I yield to the gentleman from Nebraska.

Mr. BEREUTER. I thank the gentleman for his comments. The gentleman is a leader on this and many subjects, and I have been benefited greatly from service with him, and specifically as a part of the codel that visited the Marshall Islands, Palau, the Federated States of Micronesia, and the Commonwealth of the Northern Mariana Islands. I thank him for his assurance.

GENERAL LEAVE

Mr. UDALL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on House Joint Resolution 187.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. LOTT. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. SOLOMON].

Mr. SOLOMON. I thank the gentleman for yielding this time to me. I will tell my colleagues that I will be very brief. We do have to go back into a conference on the foreign aid bill. But I think a couple of things need to be said.

First I would like to commend the gentleman from New York [Mr. SOLARZ], for the outstanding job that he has done on this compact legislation. This legislation that has very little interest to many Members of this body, yet it has a great deal of interest to the security of this country. And the gentleman from New York [Mr. SOLARZ], has been most helpful in working out the compromise that we have come up with. I personally, representing maybe the conservative view, and certainly be representing the liberal view, have come to an understanding as far as national security is concerned that this is a good piece of legislation and that it is also supported by the administration.

I do have some reservations about the way my colleague from Nebraska was perhaps treated, whether intentional or unintentional, because I do not think he did have his day in court. He has been extremely helpful to me.

I did go with the gentleman from New York [Mr. SOLARZ] to the other side of the world to look at this situation because I was concerned about the national security, and certainly the gentleman from Nebraska [Mr. BEREUTER], has been so helpful in educating me to the overall issue of this major issue.

But again I want to apologize to the gentleman from Nebraska [Mr. BEREUTER] perhaps for the way he was treated, but to heap praise on the gentleman from New York [Mr. SOLARZ], and the gentleman from Ohio [Mr. SEIBERLING], and many others that have sort of brought this legislation along in a timely fashion. It must be acted on, and I would certainly urge the entire House to act on it favorably tonight.

Mrs. BURTON of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, my husband, Phillip, worked for many years as Chair of the Interior Subcommittee on Insular Affairs to perfect this document before us today.

This final product is a result of careful examination over the past 14 years by many authorities who have reached agreement of its very extensive provisions involving the Micronesian Islands.

The compact, among its wide-ranging provisions, protects our security interests in the Pacific, provides for economic development and addresses health and educational needs, including the Burton Healthcare Program for the Northern Marshall Islands.

Health care provisions also include victims of our Pacific atomic testing, settles claims relative to this issue and meets our obligation of the Trusteeship Council of 1947, agreeing to the self-determination of these people.

I urge my colleagues to support this rule.

□ 1920

Mr. LOTT. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mrs. BURTON of California. Mr. Speaker, I have no further requests for time and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. As the Chair stated previously, the Chair will recognize members for 1-minute speeches at this time.

Hearing none, the Chair recognizes the gentleman from Illinois [Mr. ROSTENKOWSKI].

REQUEST TO SUBSTITUTE HOUSE JOINT RESOLUTION 355 FOR HOUSE JOINT RESOLUTION 343 DURING CONSIDERATION OF HOUSE JOINT RESOLUTION 187, "COMPACT OF FREE ASSOCIATION"

Mr. ROSTENKOWSKI. Mr. Speaker, I ask unanimous consent that House Joint Resolution 355 be considered in lieu of House Joint Resolution 343 under the terms of the rule just adopted.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

COMPACT OF FREE ASSOCIATION

The SPEAKER. Pursuant to House Resolution 235 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the joint resolution, House Joint Resolution 187.

□ 1922

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (H.J. Res. 187) to approve the "Compact of Free Association," and for other purposes, with Mr. SABO in the chair.

The Clerk read the title of the joint resolution.

The CHAIRMAN. Pursuant to the rule, the first reading of the joint resolution is dispensed with.

Under the rule, the gentleman from Florida [Mr. FASCELL] will be recognized for 15 minutes, the gentleman from Iowa [Mr. LEACH] will be recognized for 15 minutes, the gentleman from Arizona [Mr. UDALL] will be recognized for 15 minutes, the gentleman from California [Mr. LAGOMARSINO] will be recognized for 15 minutes, the gentleman from California [Mr. DELLUMS] will be recognized for 15 minutes, the gentleman from Colorado [Mr. KRAMER] will be recognized for 15 minutes, the gentleman from Kentucky [Mr. MAZZOLI] will be recognized for 15 minutes, the gentleman from California [Mr. LUNGREN] will be recognized for 15 minutes, the gentleman from North Carolina [Mr. JONES] will be recognized for 15 minutes, the gentleman from New York [Mr. LENT] will be recognized for 15 minutes, the gentleman from Illinois [Mr. ROSTENKOWSKI] will be recognized for 15 minutes, and the gentleman from Tennessee [Mr. DUNCAN] will be recognized for 15 minutes.

The Chair recognizes the gentleman from Arizona [Mr. UDALL].

Mr. UDALL. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois [Mr. ROSTENKOWSKI].

Mr. ROSTENKOWSKI. Mr. Chairman, for purposes of clarification under the proceedings we are now following, it is my understanding that pursuant to the agreement between the Committee on Ways and Means and the Committee on Interior and Insular Affairs and the Committee on Foreign Affairs that the changes embodied in House Joint Resolution 355 are sufficient to obviate the need for the Interior substitute made in order under the rule. I would further add that changes embodied in House Joint Resolution 355 have been approved by the full Committee on Ways and Means unanimously.

Mr. Chairman, I would ask the gentleman from Arizona [Mr. UDALL] if that is his understanding of the procedure.

Mr. UDALL. The gentleman has stated the matter correctly. We did have some important negotiations today. I am glad to say that I am in agreement and that the mechanical way to handle it best seems to be through the offer of a revised resolution, House Joint Resolution 355.

Mr. ROSTENKOWSKI. I thank the gentleman.

Mr. UDALL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the legislation before you today would approve a compact of free association and thereby establish unprecedented relationships for our Nation with two parts of the Trust Territory of the Pacific Islands. Under this legislation the Federated States of Micronesia and the Marshall Islands would both become sovereign states freely associated with the United States.

The United States has administered these islands for the United Nations since 1947. The compact of free association proposed by the President would not grant them most powers of independence, decreasing but guaranteed financial assistance over a 15-year period and economic development incentives.

The Compact would also preserve United States strategic interests over a vast expanse of the central Pacific. The United States would be able to deny other nations strategic access to these areas and would obtain vital military base rights. These base rights are critical to the U.S. Missile Testing Program. Denial of strategic access takes on even greater importance in view of the new Soviet and Soviet bloc activity in some of the island nations near the Federated States of Micronesia and the Marshall Islands.

WHERE IS MICRONESIA?

What is commonly referred to as Micronesia consists of over 2,100 islands in the central and western Pacific 2,000 miles southwest of Hawaii. Altogether, they cover a portion of the globe slightly larger than the continental United States, although their land mass itself is minuscule. There are approximately 111,000 people living in this area.

Held by Japan, these islands were the scene of some of the bloodiest battles of World War Two—Truk, Yap, the Marshall Islands, and the Northern Marianas to name a few. Afterwards, they were assigned to the United States as one of 11 United Nations trusteeships. The only trusteeship still remaining—this trusteeship—was also the only one designated as strategic vesting jurisdiction in the Security Council rather than the General Assembly.

The trusteeship agreement approved by Congress in 1947 committed the United States to help develop Micronesia politically, economically, socially, and educationally toward self-determination. Since that time, the Committee on Interior and Insular Affairs has had sole jurisdiction over all matters regarding the trust territory, paralleling its jurisdiction over matters regarding all U.S. territories.

It is in this area that the U.S. Nuclear Weapons Testing Program has left a sad legacy which the committee that I chair believes must be addressed in this legislation.

In the early 1960's, President Kennedy, who had been shipwrecked in the islands, proposed that the United States live up to its commitment to develop Micronesia.

In preparation for an eventual end to the trusteeship, executive branch officials in 1969 began negotiations with Micronesian representatives on a future political status for the islands.

NORTHERN MARIANAS

Negotiations with one part of the trust territory, the Northern Mariana Islands, led to a covenant to make those islands a U.S. commonwealth which was approved by Congress in 1976.

FSM, MARSHALLS AND PALAU

The Federated States of Micronesia and the Marshall Islands—and a third entity, Palau—decided to become sovereign states on their own but closely associated with the United States through a unique free association relationship provided for by the United Nations.

A compact of free association was drafted during the previous administration and was flushed out with details set forth in subsidiary agreements during the Reagan administration. By large majorities, the Federated States of Micronesia and the Marshall Islands approved the agreement in plebiscites in 1983.

While these votes approved the proposed Compact in the Federated States of Micronesia and the Marshall Islands, a similar vote in Palau failed to obtain the 75 percent majority required by Palau's constitution, so a Compact for Palau was not submitted to Congress.

President Reagan proposed last year that the Congress approve a Compact for the Federated States of Micronesia and the Marshall Islands. Since then, our Public Lands Subcommittee has held an extensive series of 14 subcommittee hearings on the proposal and we held a full committee hearing on the impacts upon the territories, Commonwealths, and States of the United States.

In these hearings, the Committee found that many of the concerns that both Republican and Democratic members of the Committee had expressed over the years regarding the Compact had not been addressed and many deficiencies remained.

First. The compact did not adequately meet and discharge U.S. legal and moral obligations to the peoples of the Federated States of Micronesia and the Marshall Islands; and

Second. The compact was not drafted in such a way as to adequately take into account its potential adverse impacts on U.S. territories, Commonwealths, and States, and on the United States generally.

The U.S. obligations to these areas include providing essential infrastructure and ensuring educational opportunities, a decent place to live, and health care, particularly for individuals whose health has been adversely affected by our nuclear testing.

The legislation had other deficiencies with respect to trade and tax pro-

visions which were of concern to the Interior and Insular Affairs Committee as well as other committees. Additionally—

It would have either implicitly suggested that the U.S. territories could expect similar treatment in the future—at much greater costs—or it would have been fundamentally unfair to them by placing the FAS's in a status which was arguably preferable to territorial status.

It would have made possible a legal means of entry to the United States for citizens of other nations who cannot legally enter now.

It would have given the freely associated states authority and funds to regulate tuna fishing within 200 miles of their shores, authority the United States neither claims for itself, nor recognizes for other nations.

It would have created a potential tax haven where U.S. corporations and residents could get tax breaks that they could not get anywhere else in the world.

It would have offered manufacturers the cost advantages of being outside the United States, but with the trade benefits of being a U.S. territory that could undercut U.S. industries.

These problems have been resolved by our compromise substitute which is now incorporated into the bill which has been agreed to by Mr. UDALL and Mr. ROSTENKOWSKI.

KWAJALEIN

It is the Kwajalein lease which creates much of the pressure for expeditious action on this legislation. The current lease expires at the end of the fiscal year and would be renewed by the compact. It would be exceedingly difficult and costly to replace. Not renewing it would severely undermine our Nation's defense.

For all of these reasons, the Interior and Insular Affairs Committee sought to correct the compact's deficiencies without amending the compact itself. The bill we reported would provide conditional approval, requiring that additional bilateral agreements be negotiated, adding supplemental provisions, and including clarification of Federal policy that would control implementation of the compact.

Last week, members of the Interior and Insular Affairs Committee met with members of the Foreign Affairs Committee, which was the other committee to which the legislation was initially referred, over the course of several days, to attempt to resolve differences in the resolutions as reported by the two committees. These meetings led to the introduction yesterday of House Joint Resolution 344, with the cosponsorship of the chairmen of the Committees on Interior and Insular Affairs, Foreign Affairs, Armed Services, Merchant Marine and Fisheries, and other Members who had been instrumental in the consideration of this legislation, including several ranking Republicans.

The legislation we have before the House tonight is of great importance to this Nation and to the people of the Federated States of Micronesia and the Marshall Islands. The bill is the product of extensive hearings in the Committee on Interior and Insular Affairs and represents a compromise worked out between my committee and the Foreign Affairs Committee. In addition, this compromise includes a key provision from the Merchant Marine Committee and a number of important provisions which we attempted to work out which takes into consideration concerns of the Judiciary Committee.

A key disagreement which was remaining between our compromise substitute and the concerns expressed by the Ways and Means Committee in the bill offered by Mr. ROSTENKOWSKI has been resolved as best we can at this time. Our agreement reached late today regarding tax and trade matters assures that the FAS would receive the following benefits:

First. That U.S. citizens living and working in the FAS would receive the $80,000 exemption on their income that U.S. citizens living in any other foreign nation would receive.

Second. Freely associated state trade treatment would be equal to the general system of preferences [GSP] except that like under the Caribbean Basin Initiative they will be able to include U.S. components as a part of the 35-percent local content required under GSP.

Third. Section 936 of the Internal Revenue Code would be available to the FAS. In addition, if the Congress changes section 936 benefits, the FAS would continue to receive such benefits for 1 year after the effective date of such a change in the law regarding 936 benefits.

During that period of time the Secretary of the Treasury would be directed to negotiate with FAS an agreement which would provide the FAS substantially equivalent benefits to those they would have previously been receiving under section 936. The agreement resulting from such negotiations would be transmitted to the Congress for enactment into law. If the Congress has not enacted such a law by the time that the 936 benefits would cease for the FAS, they would, under appropriate provisions of the compact of free association, have a legitimate remedy of taking the matter to arbitration.

In addition, the chief sponsors of the Interior Committee/Foreign Affairs compromise substitute have agreed that they would yield to the Ways and Means Committee on the remaining tax matters in dispute which would include accepting the Ways and Means passive income provision, the Ways and Means estate and gift tax provision, the Ways and Means generation-skipping transfer tax provision, the Ways and Means information sharing provision, and the required reports provision.

Additionally, we would agree to drop sections 103, 170, 48 of the Internal Revenue Service Code from the compact.

I am one of the overwhelming majority of this House who have the highest regard for the leadership of the chairman of the Committee on Ways and Means on tax and trade matters. I do not differ with him on a solution to tax and trade problems casually.

In fact, the gentleman from Illinois and I agree on the tax and trade problems which the compact of free association—as it was originally proposed by the administration—would create.

The compact, as originally proposed to us, would have created a foolproof, low-rate tax haven for Americans seeking to avoid U.S. income taxation. It would have created the potential of unfair competition for U.S. industries from low-cost, passthrough manufacturers of foreign goods. It would have guaranteed loopholes in the tax laws for U.S. investors that were shut by the tax reforms of recent years.

The chairman of the Ways and Means Committee has been concerned about these problems since March 7. I ask unanimous consent to include in the RECORD at this point an excellent letter to you from him on the compact's tax and trade deficiencies.

COMMITTEE ON WAYS AND MEANS,
U.S. HOUSE OF REPRESENTATIVES,
Washington, DC, March 7, 1985.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, U.S. House of Representatives, Capitol Building, Washington, DC.

DEAR MR. SPEAKER: It has come to my attention that House Document 99-29, a Message from the President of the United States transmitting a draft of a joint resolution to approve the Compact of Free Association for the Federated States of Micronesia and Marshall Islands, has been referred to the Committees on Foreign Affairs and Interior and Insular Affairs in the House of Representatives. The Compact of Free Association sets forth the anticipated future political relationship between the United States and the two mentioned political jurisdictions of the Trust Territory of the Pacific Islands.

Among its numerous provisions, the Compact includes major modifications to the Federal income tax laws. Article V of the proposed compact would provide that any individual, including a citizen of the United States, who is physically present in the Marshall Islands or the Federated States of Micronesia for a period of 183 days or more during the taxable year could be relieved of all U.S. tax liability. Such a provision would cause grave concern for potential U.S. tax avoidance. In addition, the Compact would provide that provisions of the Internal Revenue Code which were applicable to possessions of the United States on January 1, 1980, will be treated as applying to the Mar-

shall Islands and the Federated States of Micronesia. Since 1979 the Congress has adopted major amendments to at least one provision, the possessions tax credit, which was being utilized to avoid much U.S. tax and causing a major drain on the Federal revenue. Providing that this and other similar provisions will be reinstated in these territories would be directly opposite to actions taken by the Congress in the last few years. The Compact also provides that if the United States modifies any of the provisions in effect on January 1, 1980, an agreement would be negotiated to provide benefits substantially equivalent for the islands.

Mr. Speaker, I respectfully request sequential referral to the Committee on Ways and Means of any Joint Resolution to approve the Compact of Free Association. The Federal income and transfer tax provisions included in the Compact of Free Association are clearly within the jurisdiction of the tax-writing committees of this Congress.

Thank you for your consideration of this issue.

Sincerely yours,

DAN ROSTENKOWSKI,
Chairman.

Mr. Chairman, after our staffs brought to us draft language which was meant to reflect the agreement reached this afternoon with the Ways and Means Committee.

Unfortunately, there was a misunderstanding between the parties involved which led to the inclusion of a sentence which would effectively amend section 255(c) of the compact. That sentence reads, "Any decision of such Board in the matter when approved by law shall be binding on the United States." Our intention was not to require that decisions of the arbitration board be subject to approval by Congress. It was also our intention that a decision of the board should not be construed as changing the tax laws of this Nation. That obviously is a matter for action only by the Congress. The concept we were attempting to incorporate was that the arbitration provisions of the compact were to be employed if an agreement between the Department of the Treasury and the FAS's could not be reached by the end of 1 year from the effective date of the tax change.

Rather than attempting to correct this misunderstanding in the agreement at this time, I have agreed that it should be accomplished in conference with the Senate.

Another key aspect of the overall approach which we are discussing here today is to keep faith with our U.S. territories and commonwealths with respect to the economic incentives which they need to continue to develop economically. Members of my Committee and I feel very strongly that as deeply as we feel about our obligation to provide economic incentives to the people of the FAS, we also feel that this Nation should treat its own territories essentially as well as it is willing to treat the FAS with respect to taxation.

I certainly am strongly opposed to any abuses under the existing law and would support ways of correcting any abuses. However, I am also fully committed to do everything in my power to assist the territories which are under the jurisdiction of the Committee on Interior and Insular Affairs continue to have equitable treatment in terms of investment incentives under the Tax Code.

In particular, I hope that others of my colleagues will join with me in the future at such a time as the Congress considers any changes to section 936 and other benefits for territories and commonwealths of the Untied States to continuing, if not 936 as it is today, fair and equitable taxation treatment, including investment incentives, of our members of the American political family. I believe that the consideration process should provide our territories and commonwealths with an opportunity to fairly state their case and receive an individual decision on it in this House.

It is my hope that the chairman and members of the Committee on Ways and Means will give careful and sympathetic consideration to the concerns and interests of our U.S. territories and commonwealths to assure that they are treated fairly in relation to these new freely associated states in terms of tax benefits and other economic development incentives. We agreed to compromise our language on this issue only because we felt that the justice of this position would ultimately be realized.

Aside from these few provisions regarding tax and trade matters, the great extent of the bill is a blend of the Interior and Insular Affairs and Foreign Affairs Committees bills and is the basis of what I believe is a fair and equitable resolution of fulfilling our responsibilities to the people of the Federated States and the Marshall Islands and to the citizens fo the United States.

I urge my colleagues to join me in approving the compromise of the Interior and Insular Affairs and Foreign Affairs Committees together with the provisons I outlined which have been worked out this afternoon with the Ways and Means Committee.

U.S. PACIFIC COMMAND,
CAMP H.M. SMITH, HAWAII,
24 July 1985.

Hon. THOMAS P. O'NEIL, Jr.

DEAR MR. SPEAKER: As Commander of U.S. forces in the Pacific and as someone who has been involved for a number of years in the negotiations to terminate the trusteeship over the islands of Micronesia, I have followed with great interest the Congress' consideration of the proposed Compact of Free Association between the United States and the Marshall Islands and Federated States of Micronesia. I was concerned to learn recently that the Compact Legislation which is expected to be brought to the floor of the House of Representatives is likely to include amendments that would largely eliminate the Compact's favorable trade and taxation provisons.

From my point of view, the security aspects of the Compact are of great importance to our posture in the Pacific. The delegation of defense responsibilities and authority to the U.S. together with the provisions that the freely associated states will refrain from any action the U.S. determines to be inconsistent with defense and security requirements, provide the latitude needed to support our security interests. In addition, the Compact forecloses Micronesia to the military forces of third nations, guarantees our military forces unrestricted movement within Micronesia, and ensures continued access to the important missile testing facility at Kwajalein.

In return for these important defense rights, the Compact commits the United States to provide not only significant economic assistance but also favorable trade and tax arrangements. I regard these latter provisions as especially important, as they are designed to assist the Micronesian states to overcome the natural obstacles to development these small islands face and to move towards greater self-sufficiency. For this reason, I believe that they are also of particular importance to the Micronesian leaders. Removal or weakening of those beneficial trade and tax provisions would thus eliminate a key element of our agreement with the Micronesians. I hope that we will not jeopardize the important security benefits of the Compact by taking this step.

I understand that during full House debate, an amendment is likely to be offered that would restore to the Compact Legislation the trade and tax provisions contained in the bill as agreed to by the Interior and Foreign Affairs Committees. In the interests of our security posture in the Pacific, I believe this amendment should receive broad support.

I hope these views can be shared with the members of the House. Please let me know if I can be of assistance to you or other members on this matter.

Warmest regards,

W.J. CROWE, JR.,
Admiral, U.S. Navy.

THE SECRETARY OF STATE,
Washington, DC, July 25, 1985.

Hon. THOMAS P. O'NEILL, JR.,
Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: The House of Representatives is about to take a historic vote on the Compact of Free Association. We sincerely appreciate your efforts and those of the Chairmen and members of the Committees with primary and sequential jurisdiction in securing a compromise version of the Compact joint resolution and in agreeing to schedule it for early floor action. The painstaking hours spent particularly by the members of the Subcommittees on Asian and Pacific Affairs and Public Lands are a tribute to Congressional commitment to self-determination for the peoples of the Marshall Islands and the Federated States of Micronesia.

The Administration believes that the version of the Compact legislation to be offered as a substitute (H.J. Res. 344) by the Foreign Affairs and Interior Committees is a compromise that preserves the important national security elements of the Compact, and we urge its approval. However, a number of provisions, principally those that would continue or create expensive federal programs, go beyond what was negotiated in

the Compact. Further, the inclusion of reference to the United States territories in the investment incentives section is inconsistent with the President's tax reform proposal.

It would be particularly dangerous and unwise for the House to enact the Ways and Means Committee bill (H.J. Res. 343), which eliminates from the Compact critical and carefully negotiated development incentives designed to encourage U.S. economic activity in these resource-poor areas—favorable tariff treatment for goods imported into the United States and the exclusion of certain amounts of earned income from U.S. tax if earned by a U.S. citizen residing in Micronesia. The Micronesian states have advised us in writing that they cannot accept the Ways and Means version. This in turn would prevent termination of the Trusteeship Agreement and would place at risk our present defense and security operations at the Kwajalein Missile Range and throughout the area.

We look forward to recommending Presidential approval of the Compact of Free Association, as enacted by Congress, at an early date in order to allow for implementation by the beginning of the next fiscal year. The Office of Management and Budget has no objection to this letter and concurs in the views expressed herein.

Sincerely,

GEORGE P. SHULTZ,
Secretary,
CASPAR W. WEINBERGER,
Secretary of Defense,
DONALD PAUL HODEL,
Secretary of the Interior.

THE SECRETARY OF COMMERCE,
Washington, DC, July 25, 1985.

Hon. THOMAS P. O'NEILL,
Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Recognizing the long-range national security and fiscal benefits of the Compact of Free Association [H.J. Res. 187] for the United States, the Administration was pleased to learn that an agreement has been reached by the Committee on Interior and Insular Affairs and the Committee on Foreign Affairs with respect to this legislation.

The Committee on Ways and Means has also reported a version of H.J. Res. 187. This version would eliminate the development incentives which were included in the Compact to encourage economic growth in Micronesia and reduce dependence on United States Government spending. These incentives for development constitute an important part of the value of the negotiated package to the Micronesian governments. While recognizing the need to conform these provisions to the President's tax reform proposal, the Administration supports enactment of the Compact with trade and tax incentives consistent with the development goals of the negotiated Compact.

The earliest possible approval and implementation of the Compact in a form which can be implemented promptly is essential in achieving our goal of reducing the cost of government and promoting domestic and international economic growth. Above all, however, the Compact is essential to our national security and foreign policy interests in the Pacific. I hope that H.J. Res. 187 is passed in a form consistent with the concerns I have expressed above.

Sincerely,

MALCOLM BALDRIGE,
Secretary of Commerce.

FEDERATED STATES OF MICRONESIA,
KOLONIA, PONAPE, EASTERN CAROLINE ISLANDS,
July 23, 1985.

Hon. RONALD REAGAN,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: On September 8, 1983, I had the honor and pleasure of advising you that the people and governments of the Federated States of Micronesia had completed the process of approving the Compact of Free Association signed by our respective representatives on October 1, 1982. I was also proud to have informed you that my people, in a United Nations-observed plebiscite, had voiced their overwhelming support for a continued close relationship with the United States after termination of the 1947 Trusteeship Agreement.

Now, almost two years later, the governments and people of the Federated States of Micronesia are in a state of frustration, shock and despair. Last Thursday, the House Ways and Means Committee repudiated a fundamental principle of the Compact by eliminating the agreed tax and tariff incentives needed for development of our nation's economy in cooperation with the United States.

We had relied on a concerted effort by the administration to have the Compact approved expeditiously and to achieve accommodation of congressional concerns within the framework of the negotiated Compact without amending, or effectively amending the document itself. Indeed, we must recognize those members and staff of the Foreign Affairs and Interior & Insular Affairs Committees in the House who have achieved a consensus to present to the Full House. While we have not had an opportunity to review this consensus, we understand that the Committees considered carefully our comments on the prior versions of the amendments, and hope that deleterious amendments have been either eliminated or revised.

It is nothing short of tragic that on the very day this consensus was reached, the House Ways and Means Committee approved a set of amendments which would repeal the tax and trade benefit sections of the Compact.

Incredibly, such actions appear to have been taken with no regard for anything other than the parochial considerations of today's U.S. tax policy. It is bad enough that the Ways and Means Committee gave no weight to the broad policy considerations that guided the Compact negotiations, but it is even worse the Committee's action was openly encouraged by the U.S. Treasury Department, an organ of your administration. We are totally at a loss to understand how this could have been allowed to happen, much less explain it to our people. Questions are now being raised about the good faith of the United States Government, even by some of the most ardent advocates of the Compact during the negotiations and FSM approval process.

The trade and tax benefits package in the Compact is essential if U.S. business is to participate significantly in the FSM's development during the next fifteen years, at costs which maximize the value of Compact dollars. It is just as true today as it was on October 1, 1982 that the future stability of the emerging governments in this region cannot be subordinated to overall tax or territorial policy concerns. Nevertheless, the Ways and Means Committee, in forty-five minutes, destroyed a carefully conceived balance between grants and development incentives which took almost twenty years of planning and negotiations to achieve.

We can only hope that during the final stages of congressional consideration your administration will unite to turn aside the Ways and Means action and resolve any outstanding problems in the House Foreign Affairs/Interior consensus. If that cannot be done, we will be confronted by what had been feared most, fundamental and destructive changes in the Compact as approved by our people. We have come too far to turn back now. We cannot continue to live under the Trusteeship, nor can we accept a free association relationship with the United States, which fully protects United States interests, but denies our people genuine hope for future progress and development. We ask that our administration demonstrate, now before it it too late, your commitment to a continued close relationship with the Federated States of Micronesia.

Sincerely,

TOSIWO NAKAYAMA,
President.

THE MARSHALL ISLANDS,
July 24, 1985.

Hon. RONALD W. REAGAN,
President, United States of America, White House, Washington, DC.

DEAR MR. PRESIDENT: We in the Marshall Islands are pleased that progress is being made by the House Committee on Foreign Affairs and the House Committee on Interior and Insular Affairs in their consideration of the Compact of Free Association. Although we continue to have serious objections to, and reservations concerning, amendments to the Compact which infringe upon our internal affairs, we are encouraged by the progress which is being made.

In view of such progress, we are deeply disappointed by the amendments to the Compact which were adopted last Thursday by the House Committee on Ways and Means. The Ways and Means amendments would, if finally adopted, substantially diminish the value of the economic assistance package provided under the Compact. The amendments eliminate important trade and tax provisions which are needed to encourage United States individuals and companies to invest in the Marshall Islands. Without these provisions, or their equivalent, we will not be able to obtain the economic self-sufficiency we seek. We would become no more than a welfare state, dependent upon the United States for hand-outs. This is not in the best interest of either of our two countries, nor is it acceptable to my people.

We were particularly disappointed to learn that at the Ways and Means hearing, the administration witness from the Department of the Treasury did not support the trade and tax provisions of the Compact. These provisions were carefully negotiated over the course of several years. The failure of the Treasury witness to support the trade and tax provisions of the Compact raises serious doubts in the minds of my people as to the willingness of the United States to honor its Compact commitments.

If we can, we wish to assist you achieve a more efficient tax system and so strengthen the economy of the United States. However, we must also have the benefit of the trade and tax provisions that we negotiated. These benefits are essential to our economic development.

We in the Marshall Islands wish to ally ourselves with the United States. We are

prepared to enter into a long term relationship with your country which accommodates your defense and security needs. This would include your continued use of the Kwajalein Missile Range beyond 30 September of this year. However, my people and my government will not, as some in Washington, D.C., suggest, take whatever we are given by the United States. We must have a relationship which recognizes the sovereignty and integrity of our government and which assists us attain greater economic self-sufficiency.

Sincerely yours,

AMATA KABUA,
President.

Mr. UDALL. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. SEIBERLING].

Mr. SEIBERLING. Mr. Chairman, the compact of free association is a legislative proposal of a most unusual nature. This is not an ordinary bill, but rather is a document which establishes the fundamental political relationship between the American people and the people of two areas in Micronesia who have been closely linked to the United States since the end of the Second World War.

The two Micronesian areas involved here are the Federated States of Micronesia and the Marshall Islands. These areas are part of the strategic Trust Territory of the Pacific Islands. The United States administers the trust territory now, and has done so since 1947, under a trusteeship agreement with the United Nations. In fact, this trusteeship is the last one remaining in the world.

The compact of free association before us today is the indispensable prerequisite for moving toward ending the trusteeship. It would put our relationship with these Micronesian areas on an entirely different footing, for it would move them toward full sovereignty and independence, while still assuring them of a continued special relationship with the United States, with whom they have such important links.

Mr. Chairman, other speakers will explain in detail the importance of the compact in terms of the defense and security interests of the United States. The compact does indeed protect those interests. But as proposed by the administration, the compact was deficient in another area which I submit is equally important—that is, the area of responsibilities of the United States toward the people of Micronesia.

It was because of these deficiencies that the Committee on Interior and Insular Affairs—and in particular the Subcommittee on Public Land which I Chair—believed it necessary to supplement the provisions of the compact as proposed to make sure that our responsibilities were as well discharged as our security interests were protected.

Similarly, the Interior Committee recognized that the compact as proposed would have been detrimental to U.S. interests and especially of the territories and commonwealths of the United States, and so we acted to make sure that the United States and its territories and commonwealths would be protected.

I am happy to be able to say, Mr. Chairman, that the essential features of the version of the compact reported by the Committee on Interior and Insular Affairs are in the Udall-Fascell substitute to be offered by the distinguished chairman of our committee, Mr. UDALL, a substitute which I very strongly support and which I urge all our colleagues to support.

However, there are some differences between the provisions of the Udall substitute—House Joint Resolution 344—and the bill as reported by the Committee on Interior and Insular Affairs, and I will now include in my remarks an explanation of some of the parts of the compromise which differ from the reported version.

UJELANG/EJIT

During the U.S. nuclear testing program in the Marshall Islands in the 1940's and 1950's, the people of Enewetak were deported to the small atoll of Ujelang, some 125 miles southwest of Enewetak. They lived there for 33 years. The atoll, which had been abandoned because it was so inhospitable, was vacant at the time the Enewetak people were settled there. The United States, as administering authority for the Trust Territory of the Pacific Islands, granted the people of Ujelang a quitclaim deed to the atoll as a form of partial compensation for the U.S. use of Enewetak. The purpose of section 3(d) of the resolution is to reaffirm the right of the Enewetak people who live on Ujelang to remain there and to impose on the Government of the United States and the Marshall Islands an obligation to make certain that the people involved are permitted to remain on Ujelang or are otherwise adequately cared for.

The same principle applies to the Bikinians who are presently living on Ejit Island. These 100 or so Bikini people are those who were prematurely moved to Bikini Island in the late 1960's after President Johnson announced that Bikini was again safe to inhabit. In 1978, it was discovered that the radiation levels in these Bikinians were above what was considered an acceptable level. They were therefore once again removed from Bikini, and the Trust Territory of the Pacific Islands government—part of the Interior Department—settled these people in Ejit. In the event legal impediments to such continued use arise out of a judicial determination by a Marshallese court of competent jurisdiction, the United States will cooperate with the government of the Marshall Islands in assisting those persons adversely affected to remain on Ejit or to locate suitable and appropriate alternative land elsewhere. Should the latter occur, it is expected that the Marshalls government will both consult with and obtain the approval of the Bikini people.

KWAJALEIN PAYMENTS

The Interior and Insular Affairs Committee has long been deeply concerned about the displaced Kwajalein people living on Ebeye. The United States has removed these people from their islands in Kwajalein Atoll in order to use the land for military purposes. In the compact of free association, the United States has provided funds to pay the Kwajalein people for use of their land and to continue to help improve the conditions on Ebeye.

Subsection 103(d) deals with the payments to be made to the landowners of Kwajalein Atoll. Under this subsection, the United States shall make payments to the government of the Marshall Islands for payment to the Kwajalein landowners, as contemplated by the land use agreement between the government of the Marshall Islands and the Kwajalein Atoll Corp. dated October 19, 1982. The subsection specifies the amounts to be paid annually while the compact and the military use and operating rights agreement [MUORA] are in force.

The subsection provides that if the government of the Marshall Islands fails to make the required payments within 14 days of receipt of funds and the United States determines the failure is not justified, the United States shall deem such failure to make payments a material breach of the U.S. security and defense authority under the compact. While the subsection does not define the circumstances under which failure to pay would be justified, it is implicit that only very extraordinary circumstances, such as a court order requiring the government of the Marshall Islands to withhold payment, would constitute justification for failure to pay.

Under this subsection, a failure to pay dispute shall be resolved pursuant to the provision of section 313 of the compact. If the United States determines that the government of the Marshall Islands has materially breached the compact, the United States shall take all steps necessary, including—but not limited to—withholding funds, to ensure that the government of the Marshall Islands meets its obligation to make payments under this subsection.

The subsection also authorizes the Secretary of the Treasury to make interest free loans secured by future payments—in effect, advances against future payments—to the government of the Marshall Islands only for use by the Kwajalein Atoll Development Authority for the benefit of the Kwajalein landowners. It is implicit in this section that any failure on the part of

the government of the Marshall Islands to make timely request of the Secretary of the Treasury or to make timely payment of loan funds to the Kwajalein Atoll Development Authority will be of grave concern to the Govrenment of the United States, because such a failure would be contrary to the intent of Congress in including the loan authorization provision in this subsection. Accordingly, the Congress certainly expects that the appropriate U.S. officials would act vigorously to prevent or remedy such obstacles to smooth implementation of this subsection, and thus to fulfill their responsibilities under the law.

SECTION 177 AGREEMENT

The compromise version's provisions—in section 103(e)—regarding the mechanism for start-up of the fund established by article I of the subsidiary agreement for implementation of section 177 of the compact differ in a few regards from the similar provisions of the version reported by the Interior Committee. However, the compromise's changes do not reflect any lessening of the intention that the fund be managed only by a competent fund manager meeting the requirements specified in the subsidiary agreement.

AGRICULTURAL AND FOOD PROGRAMS

For the first 5 years after the effective date of the compact, the Secretary of Agriculture shall provide technical and other assistance to: First, continue the planting and agricultural maintenance program on Enewetak; second, continue the food programs of the Bikini and Enewetak people described in section 1(d) of article II of the section 177 subsidiary agreement; and third, provide for continued waterborne transportation of agricultural products to Enewetak including operations and maintenance of the vessel used for such purposes.

The resettlement of Enewetak continues to require on an interim basis, that the United States provide a food supplement program until such time as the food-bearing trees planted after the cleanup begin bearing in sufficient quantity to support the local population. To date, despite the fact that there is an extensive replanting program on Enewetak, the locally produced food is insufficient to feed the Enewetak people. This is why both the USDA food and the fresh food transported to Enewetak by the Enewetak boat are essential to the health and well-being of the Enewetak people. Like the Enjebi Community Trust Fund, continuation of this program is necessary if the United States is to make good on its promises to allow the people displaced by the nuclear testing program to return to a life style as close as possible to the one they had before the nuclear testing.

Similarly, the food program for the Bikini people, some of whom live on Kili and some of whom are located on Ejit, must be continued for the near future. Additionally, for those Bikinians who eventually move back to Bikini, once the cleanup has been completed, a food supplement program may be necessary for many years to come.

For this reason, it is the intent of Congress that before the 5 years provided for in this subsection have ended, the food situation as regards the Bikinians and the Enewetak people must be reexamined to see if the food program, the planting program and the support of the Enewetak boat should be continued and if so, for what period of time.

While the intent of this provision on Rongelap has not changed in the compromise bill before us, it is now the Marshalls government that is responsible for seeing that funds from section 1(e) of article II of the section 177 subsidiary agreement shall be used to determine if Rongelap Island is safe for the Rongelap people to live on. From this section, which provides a total of $1 million annually for each of 3 years, it is expected by the Congress that the Marshalls government shall use such funds as are necessary—not to exceed $500,000—to contract with a qualified U.S. scientist or group of scientists—such as the National Academy of Scientists—to review data collected by the Department of Energy relating to radiation levels and other conditions. The purpose of the review is to determine habitability of Rongelap Island, as set forth in a DOE report cited in House Report 99-188, part 2, are adequate and whether the conclusions are fully supported by them. All of this of course, is to be done in consultation with the people of Rongelap.

Should the review conclude that the DOE data is inadequate to support such conclusions or that such conclusions as to habitability are not fully supported by the data, the Marshalls government shall then contract with an appropriate U.S. scientist or group of scientists, not connected with any government agency, to undertake a complete survey of radiation and other effects of the nuclear testing program relating to the habitability of Rongelap Island. The legislation authorizes such sums as are necessary for such survey and report to be made available to the Marshalls government.

Finally, this subsection (103(i)) expresses the intent of the Congress to take whatever steps are necessary to restore the habitability of Rongelap Island and return the Rongelap people to their homeland.

FOUR ATOLL HEALTH CARE PROGRAM

Section 103(j) of the compromise deals with the four atoll health care program in the Marshall Islands. The subsection provides that money provided to the Marshall Islands under section 1(a), article II, of the subsidiary agreement for implementing section 177 of the compact is to be used only for services provided by the U.S. Public Health Service or any other U.S. agency to the peoples from the four atolls of Bikini, Enewetak, Rongelap, and Utirik and their descendants pursuant to Public Laws 95-134 and 96-205. Only if other individuals are identified through the means contained in those statutes, would they be eligible for this health care program.

In the meantime, the inauguration of the four atoll health care plan under Public Law 96-205 is about to formally begin in the Marshalls. A contract of $3.8 million was awarded by the Interior Department to the firm of John Short & Associates, Inc., earlier this year and a contract between the two parties was signed on March 13, 1985. The program should be in operation shortly and continue for 3 or 4 years until the money runs out.

Operating simultaneously is the Department of Energy program that provides special medical care and logistical support thereto for the Rongelap and Utirik people who suffered the consequences of direct radioactive fallout. Under the subsection 103(h), this program would continue to operate for another 11 years. At the end of the 11 years, funding for its continuation should come from section 1(a), article II, of the subsidiary agreement to implement compact section 177 unless the U.S. Congress extends the Department of Energy program.

At the end of the 15-year period when section 177 of the compact ends, it is expected that both the four atoll health care program, which provides primary, secondary and tertiary care for the peoples from the four atolls as well as their descendants, and the Department of Energy special medical program for the fallout victims from Rongelap and Utirik will continue to be funded indefinitely from the trust fund being built up by the fund manager. That is why it is important that the money provided under the subsidiary agreement be allowed to remain in the trust fund with the fund manager until such time as the John Short program expires. Congress did not intend to have two programs providing the same services to the same people at the same time, and certainly it would be in the interests of the Marshall Islands to instruct the fund manager to avoid such needless expenditures by delaying disbursements for this purpose until the present contract runs its course.

ENJEBI COMMUNITY TRUST FUND

Section 103(k) of the compromise establishes the Enjebi Community Trust Fund, which is to be used to complete the resettlement and rehabilitation of Enewetak Atoll, the site of over 40 nuclear tests in the late 1940's and 1950's. In the late 1970's, the United

States conducted a massive cleanup of Enewetak Atoll and built new homes and community facilities for the Enewetak population on the islands of Enewetak, Medren, and Japtan in the southern part of the atoll. The only major residential island which has not been rebuilt and resettled is Enjebi, ground zero for many of the tests, which is located in the northern part of the atoll. At the time of the cleanup, and at a number of times since, the United States has told the people of Enjebi that they could return to their island once it was safe for them to do so. The question as to whether it is now safe for them to return, and if so, under what circumstances, are matters of ongoing discussion and investigation. Since it appears unlikely that the question of when the people can return will be decided before the compact becomes effective, the sum of $7.5 million has been included in the compact to carry out the often announced intention of the United States to fund the resettlement. This money, together with $2.5 million for the initial installment of the resettlement fund contained in the fiscal 1986 Interior Department appropriations bill, will be adequate, when properly invested, to provide the funds necessary to build the houses and community facilities—a dock, school, dispensary, meeting place and other buildings—essential to community life.

Included in this subsection is a provision authorizing the United States to provide, at the request of the Marshall Islands government, technical assistance to enable the Marshalls government to monitor the radiation and other conditions on Enjebi Island. We would note that there is nothing here that would prevent the Marshalls government from also requesting technical assistance from the United States to help in the construction of the Enjebi community facilities, houses, and whatever else will be needed for the people of the island. We would therefore urge the Marshalls government generally to take advantage of this offer of technical assistance for all phases of work involved in returning the Enjebi people to their homeland.

In addition to the community facilities and the agricultural maintenance program which are explicitly provided for, it is the committee's view that the funds appropriated may be used to provide a food supplement program until such time as the locally produced foods are found to be completely safe for incorporation into the local diet.

Enjebi resettlement, like the Bikini resettlement, is one of two major outstanding items of unfinished U.S. business from the nuclear testing perod. In our view the United States has an obligation to complete the resettlement of these places. With the advent of the compact, and the period of free association, it is necessary that the government of the Marshall Islands take some responsibility for completion of these projects. Nevertheless, it is our intention to monitor these projects and to make sure that our expectations for the resettlement of Enjebi and Bikini are realized. The committee expects the government of the Marshall Islands to work closely with the Enjebi people in bringing about the successful conclusion of this project. With this in mind, we encourage the members of the Enewetak Council and their representatives as well as the Marshalls government to keep us informed as to the progress of the resettlement project.

BIKINI ATOLL CLEANUP

Subsection 103(1) ensures that the legacy of the U.S. nuclear testing program at Bikini—which comprised 23 announced tests, or devices, as they were called—will not be forgotten. First, it reinforces with Federal legislation the terms of a March 13, 1985, settlement agreement terminating the Bikinians' lawsuit against the United States, pursuant to which the United States will provide funds under article VI, section 1 of the section 177 agreement for the radiological cleanup of Bikini Atoll. A plan for the use of the cleanup funds will be developed by the U.S. Government in consultation with the government of the Marshall Islands and, in accordance with its authority under the Marshall Islands Constitution—especially article IX—the Bikini/Kiki/Ejit Local Government Council. The cleanup funds will be technically appropriated to the government of the Marshall Islands, but the clear understanding of Congress, the executive board, the Marshall Islands government and the Bikini/Kiki/Ejit Local Government Council is that these funds will be passed through directly to a trustee, in the form of a U.S. financial institution, which will hold the funds in trust on behalf of the Bikini/Kili/Ejit Local Government Council for the cleanup. This passthrough mechanism will be the subject of an agreement or protocol to be negotiated between the government of the Marshall Islands and the Bikini/Kili/Ejit Local Government Council and will be similar, in an accounting and fiscal sense, to the October 19, 1982, land use agreement between the government of the Marshall Islands and the Kwajalein Atoll Corp.

FISHERIES MANAGEMENT (AND RELATED MATTERS)

The compromise includes the provisions dealing with fisheries management recommended by the Committee on Merchant Marine and Fisheries discussed—under the heading "Section 4"—on pages 12 through 15 of that committee's report—House Report 99-188, part 3. These provisions are very similar to those which had been included as section 4(i) in the version reported by the Committee on Interior and Insular Affairs. The compromise also includes the provisions dealing with the U.S. Fish and Wildlife Service, the U.S. Coast Guard, and user fees recommended by the Committee on Merchant Marine and Fisheries and discussed—under the heading "Section 5"—on pages 15 through 17 of that committee's report. The fisheries management provisions are section 105(f) of the compromise and the Fish and Wildlife, Coast Guard, and user fee provisions are sections 105(x), 105(y), and 105(z) of the compromise, respectively.

RELATIONS WITH THE FEDERATED STATES OF MICRONESIA AND THE MARSHALL ISLANDS

The Interior Committee's reported version assigned the major responsibilities for implementation of the compact and associated legislation to the Secretary of the Interior. The compromise provides that the Secretary of State shall be responsible for the government-to-government relations between the United States and the Mirconesian governments, while the Secretary of the Interior shall be responsible for the program assistance provided to the Micronesian areas.

REGISTRATION OF U.S. CITIZENS WORKING FOR MICRONESIAN GOVERNMENTS

The compromise language reflects changes made to make even clearer the intent of the Interior Committee's version; namely, that U.S. citizens, acting on behalf of the Mirconesian governments in ways that are covered by the Foreign Agents Registration Act, must comply with the requirements of that act to the same extent as U.S. citizens carrying out the same activities on behalf of other foreign governments.

NONCOMPLIANCE AND FULL FAITH AND CREDIT

The compromise does not extend the pledge of full faith and credit of the United States to the additional portions of the compact to which such a pledge would have been extended by the version reported by the Interior Committee. The compromise also does not include an explicit prohibition of lawsuits aimed at blocking or overturning the President's imposition of sanctions after a duly constituted arbitration board has found either or both of the Micronesian governments to be guilty of a material breach of the compact. However, neither this revision nor anything in the compromise is intended to enlarge the scope of judical review currently applicable to any such decision of an arbitration board under existing law or established doctrines, policies, or practices of the U.S. courts.

COLLEGE OF MICRONESIA; EDUCATION PROGRAMS

Subsection 105(j) now provides for specific levels of funding for the 3 years during which U.S. Federal education programs will be extended to the FSM and the Marshalls. For the

fiscal year in which the compact becomes effective, programs totaling $13 million shall be provided; for the next fiscal year a total of $8.7 million will be available; and in the third year $4.3 million is the sum total. After the 3-year period is up, these governments may request that any of these education programs be made available to them, on a reimbursable basis.

The committee encourages the FSM and Marshalls government to use a good percentage of the 3-year funding for postsecondary education needs since there are already plans to use portions of the annual grants for elementary and secondary education.

PRIOR SERVICE BENEFITS PROGRAM

The Prior Service Benefits Program, continuation of which is provided for in section 105(r) of the compromise, was established to provide monthly benefits for services rendered to the U.S. Navy or the Trust Territory of the Pacific Islands government prior to July 1, 1968. The number of beneficiaries in 1983 numbered 661—this is a closed group therefore ever declining—and the average monthly benefit at that time was $32.

Because this was a program created by the U.S. Government for the benefit of people who had worked for the U.S. Government, it was felt by this committee that the U.S. Government should continue to fund the program.

Because the Interior appropriations bill for fiscal 1986 contains $142,000 in funding for the program in that fiscal year, no money under the compact shall be available for it until the following year, fiscal 1987. At that time, the Appropriations Committees, in consultation with the Department of the Interior, shall determine the method by which this program shall continue to be funded by the U.S. Government, whether by annual payments, as have occurred to date, or by establishing a trust fund in the U.S. Treasury.

We are informed by the former Chief Actuary of the U.S. Social Security system that in his opinion the:

Best procedure would be the immediate payment of $15 million into a Prior Service Benefits Funds newly established within the U.S. Treasury and operated in the same manner as the U.S. Social Security trust funds. Because such operation would be within the U.S. Unified Budget, the budgetary effect of such action in. . . (a fiscal) Budget would be increased expenditures of only about $300,000, not $15 million.

However it is done, we are hopeful that some practical plan will be put into effect by fiscal 1987 so that the benefits of this program will flow uninterruptedly to the recipients.

LIMITATIONS—SECTION 107

The compromise alters the "revolving door" provisions of the Interior Committee version by providing that persons who have served as the President's personal representative for Micronesian status negotiations—and the other officials of the Office of Micronesian Status Negotiations—will be subject to the restrictions of existing law, except that the prohibition against certain appearances or actions specified in the Ethics in Government Act (18 U.S.C. 207(b)) will continue for 5—rather than 2—years after the end of the relevant period of employment. Also, OMSN is to be abolished only when the trusteeship is terminated with respect to Palau.

BUILDING OF CAPITOLS

The provision in the bill reported out of the Interior and Insular Affairs Committee to provide money for the building of the capitols in the FSM and the Marshalls has been deleted. This does not in any way indicate a change of mind on the part of this committee. What it does is recognize the fact that the Interior appropriations bills for fiscal year 1986, reported out of the House Appropriations Committee the week of July 15, contains the remainder of the money committed by the U.S. Government for the FSM capitol as well as that owed to the Marshalls for theirs. It is assumed by this committee that this money will remain in the appropriations bill until signed into law and be available to these governments for their use in fiscal 1986, thus eliminating the need for the provision in the compact legislation.

CONSULTATION ON FOREIGN AFFAIRS

Also deleted from the compromise was the provision of the Interior Committee version dealing with the procedures to be followed by the Micronesian governments in complying with the compact's requirement that they consult with the United States in the conduct of their foreign affairs. The deletion was agreed to because of assurances by the executive branch that there were adequate tools available to see to it that the compact requirements would be complied with.

Mr. YOUNG of Alaska. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from Alaska.

Mr. YOUNG of Alaska. Mr. Chairman, I would like to engage the gentleman from Ohio in a colloquy.

Mr. Chairman, we have included in this bill a requirement that construction projects aggregating $1 million or more be awarded only to bona fide U.S. and local Micronesian and Marshalls contractors, provided that the lowest U.S. or local bid is within 20 percent of the Government estimate for the project. Along those lines, we expect the United States to provide to those governments such technical assistance as is necessary to enable them to make accurate estimates of the cost of such projects.

To protect against the undesirable possibility of foreign contractors fronting as U.S. or local firms to secure these construction contracts, we have included definitions of U.S. and local contractors.

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For instance, a local contractor's assets must be at least 60 percent owned or controlled in fact by citizens of the Federated States of Micronesia and the Marshalls.

I wonder whether the Chairman could provide a clarification here. I am wondering whether the phrase "owned or controlled in fact" will prevent foreign firms from forming shell corporations by means of two-tiered stock ownership schemes or the liberal citizenship requirements in the Freely Associated States for the purposes of disguising themselves as local companies?

Mr. SEIBERLING. Yes; I believe we have acted to limit foreign firms from qualifying as local companies. Any effort to get around this through creative stock structure or the like would be a clear circumvention of the intent of the legislation. In developing definitions of U.S. and local firms, we borrowed heavily from the policies of the Agency for International Development [AID]. AID defines asset ownership as ownership of each class of stock or partnership interest and that is what we mean here.

Mr. YOUNG of Alaska. I thank the Chairman for that clarification because I don't want any loopholes in the contract preference provision through which a creative foreign company could get these contracts. We have directed the President to issue regulations to implement this preference, and I want to be sure the regulations prevent foreign firms from passing themselves off as Americans or local firms.

PARLIAMENTARY INQUIRY

Mr. MAZZOLI. Mr. Chairman, would it be in order at this point to yield myself 2 minutes of the time which I control in order to engage the gentleman in a colloquy?

The CHAIRMAN. The gentleman from Kentucky is recognized for 2 minutes.

Mr. MAZZOLI. Mr. Chairman, would the gentleman from Ohio engage the gentleman from Kentucky in a brief colloquy?

Mr. SEIBERLING. I would be happy to do that.

Mr. MAZZOLI. As you know, my subcommittee has jurisdiction over immigration-related provisions of the compact. The subcommittee held a hearing July 18, 1985, to explore the various issues relating to Freely Associated States admission to the United States and naturalization requirements in the FAS territories. As a result of these hearings I would like to clarify with the Chairman the intent of Congress as to some of these provisions.

Under section 141, FAS citizens may enter the United States to establish residence and engage in occupations. There has been some concern that groups of individuals might migrate to the islands and then naturalize in order to gain free entry to the United States by virtue of this compact.

The Deputy General Counsel of INS during our hearings states:

It is our view that any use of naturalization provisions in the Federated States of Micronesia or the Marshall Islands for the sole or primary purpose of obtaining immigration privileges * * * would not conform to the compact.

Is it your understanding that obtaining Freely Asociated States citizenship for such purposes would contravene the intent of the compact?

Mr. SEIBERLING. Yes; that is my understanding. Our committee explored that same issue and shared the same concern, and as a result adopted an amendment which we worked out with your subcommittee specifying that such rights of free entry to the United States extends only to bona fide naturalized FAS citizens.

Mr. MAZZOLI. Mr. Chairman, is it your opinion then that the Attorney General under the Immigration and Nationality Act could deny admission to those who naturalize primarily to gain entry to the United States.

Mr. MAZZOLI. Mr. Chairman, under the rule, can I yield myself 2 additional minutes?

The CHAIRMAN. The gentleman is recognized for 2 additional minutes.

Mr. MAZZOLI. I thank the Chair.

Mr. Chairman, in this regard, the aforementioned INS witness, the Deputy General Counsel, stated during our hearing that "It is our position that we could"—the Justice Department, that is—"refuse to recognize a naturalization in such circumstances."

Mr. Chairman, would you agree with that statement?

Mr. SEIBERLING. If the gentleman would yield, yes, I certainly share the view that the Attorney General has authority under the act to exclude such persons on that basis.

Mr. MAZZOLI. Lastly, Mr. Chairman, there are various reporting requirements which you have, in your wisdom, written into the bill, and would take effect upon implementation.

In view of the very unique situation of what we call the Freely Associated States, it seems advisable to the gentleman from Kentucky and to our subcommittee that from an immigration standpoint, we should have detailed information on the admission of FAS citizens who, after all, will be granted free entry into the United States under the terms of the compact.

I would certainly hope that reports on immigration could be submitted yearly and could include such data as how many FAS citizens enter the United States, what status they enter under; whether students, visitors, et cetera; how long they reside here, what employment occupations they enter, and in particular to what states they are destined.

Also, information on any changes in the naturalization laws of the islands and numbers of persons obtaining citizenship in the FAS would assist the Congress, it seems to me, in monitoring the impact of the legislation.

Therefore, Mr. Chairman, would you intend that such information as this would be gathered under the terms of House Joint Resolution 187?

Mr. SEIBERLING. If the gentleman would yield, I believe information on the naturalization laws of the islands and on the characteristics of the population that would be entering the United States would be extremely helpful to the Congress in reviewing the impact of the compact.

Let me say, these citizens are free now to enter the United States, and nevertheless there are 160,000 of them still in Micronesia.

The CHAIRMAN. The time of the gentleman from Kentucky has again expired.

Mr. MAZZOLI. Mr. Chairman, the gentleman wishes, again if it is within the rule and in the order, I would like to yield under time that the gentleman from Kentucky controls 2 minutes to the gentleman from Nebraska [Mr. BEREUTER].

The CHAIRMAN. The gentleman from Kentucky is recognized for an additional 2 minutes.

Mr. MAZZOLI. I yield to the gentleman from Nebraska.

Mr. BEREUTER. I thank the gentleman for yielding, and I ask for this time at this moment since the subject I would like to discuss first is one that has just been covered, and I would like to address my comments to the gentleman from Ohio [Mr. SEIBERLING], perhaps the gentleman from New York, and the gentleman from Kentucky [Mr. MAZZOLI].

In the original Foreign Affairs Committee bill, I believe that the language was much stronger in this area. It expresses the understanding that immigration benefits extended by the U.S. Government to the citizens of the Freely Associated States are contingent upon the maintenance of the Freely Associated States of the citizenship requirements which are currently in effect, and that those requirements shall not be appreciabiy diminished.

Now, there are two points I would like to bring up. In the compromise version between the two committees, it seems to me when the language now reads, "shall not extend any such naturalized citizen with respect to whom circumstances associated with the acquisition of the status of naturalized citizen are such as to allow a reasonable inference on the part of appropriate officials of the United States, and subject to United States procedural requirement that such naturalization status is acquired primarily in order to obtain such rights."

That places a very substantial burden on the United States to make that determination. I understand that in the compact itself there is a 5-year residency requirement, but what can the gentleman from Kentucky [Mr. MAZZOLI] and the gentleman from Ohio [Mr. SEIBERLING] do to assure me that we are not asking for an extraordinary burden of proof which, by the change to this compromise language?

Mr. MAZZOLI. Let me assure my friend under this time that to the extent the gentleman from Kentucky continues to chair the Subcommittee on Immigration or remain in the Congress to be concerned about it, that it would be his definite intention, first of all, to require these various reports which my friend from Ohio had said.

The CHAIRMAN. The gentleman's time has again expired.

Mr. MAZZOLI. Mr. Chairman, the last yield for the moment would be 1 additional minute, if I might.

The CHAIRMAN. The gentleman is recognized for 1 additional minute.

Mr. MAZZOLI. I would just quickly respond to my friend, it would be first my intention to demand these reports and, second, to be alert, very much, to the fact that the Attorney General could deny U.S. citizenship to someone who would mischievously acquire freely associated State citizenship in order to really get into the country.

Mr. BEREUTER. I thank the gentleman.

I would ask the gentleman from Ohio, in your original language you had a reciprocity section, and that was dropped in the deliberations between Interior and the Foreign Affairs Committee. That concerns me a bit, and I would like to have the gentleman's explanation for why you dropped what I though was a good section.

Mr. SEIBERLING. Well, I would suggest that since the initiative to drop it came from the Committee on Foreign Affairs, the subcommittee chairman, that maybe he is in a better position to respond to that.

Let me say I feel that what we finally ended up with here is fair and does protect the United States as well as maintain the residence right of Micronesian citizens.

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Mr. LAGOMARSINO. Mr. Chairman, I yield 3 minutes to the gentleman from Nebraska [Mr. BEREUTER].

Mr. BEREUTER. I thank the gentleman for yielding.

Mr. Chairman, I would yield to the gentleman from New York [Mr.

SOLARZ] for a response to why the reciprocity section was eliminated.

Mr. SOLARZ. I thank the gentleman for yielding.

I am sure the gentleman recognizes, first of all, it is in the nature of compromises that concessions are made and that there is a give and take, and some of the provisions contained in the interior bill were altered, some of the provisions contained in the foreign affairs bill were altered, and it was obviously impossible to get two different bills into one bill unless there were compromises made.

In this particular instance, I think the feeling of those who participated in this exercise—this really was an extraordinary effort to resolve some fundamental philosophical differences between the two committees, and for which the gentleman from Ohio [Mr. SEIBERLING] and the gentleman from Arizona [Mr. UDALL], in particular, deserve great credit, as well as the gentleman from California [Mr. LAGOMARSINO].

The feeling was that, while as a general principle the notion of reciprocity made some sense, it was also possible to conceive of circumstances under which the United States, the superpower, with 240 million people, might have justification for somewhat different immigration requirements than Micronesia, an entity of some 200 small islands with only 133,000 people. I think the bottem line here was the feeling that an absolutely worst-case scenario, if all 133,000 of the Micronesian people came to the United States, which nobody expects and which is virtually inconceivable, given their cultural tradition and their attachment to their own land, that would have an infinitesimal impact on the population composition of our country. But if only a relatively small number of Americans decided to go over to Micronesia, it could fundamentally alter the ethnic and population composition of those islands. So one could conceive of a situation where they would be entitled to have somewhat more restrictive immigration requirements than the United States. That is the reason.

Mr. BEREUTER. I understand the basic point the gentleman is making, but I would make two points in response. One, this was not a subject of controversy discussed within the Foreign Affairs Committee, and yet it was stripped from the Interior Committee version, and I do believe I understand the logic of the gentleman's argument, but I would like to say on the record at this point that I have great concerns about the immigration flows from the Federated States of Micronesia and the Marshall Islands to the United States. It has been said, I think accurately, for example, that there are more American Samoans living in California today than there are in American Samoa. And I am quite concerned that we not do something to drain the talent and human resources from these islands to Hawaii and other parts of the United States. I think we are opening the door wide to that possibility.

Mr. SOLARZ. If the gentleman will yield further, I think there are two separate questions here. One is the extent to which people using Micronesia might use their residence there to come here. That is one problem. I think the gentleman from Kentucky [Mr. MAZZOLI] made it clear and the gentleman from Ohio made it clear that there are provisions to deal with that. With respect to the other question of reciprocity, I know of no other government in the world with which we have a requirement for absolutely reciprocal immigration legislation.

Mr. LAGOMARSINO. Mr. Chairman, I yield such time as he may consume to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Chairman, I rise in support of the measure pending before us, and urge our colleagues to pay specific attention to the important provisions contained in House Joint Resolution 187 which relate to law enforcement efforts in the control and prevention of illicit narcotics activities. This compact is presented before us at a time when additional narcotic enforcement efforts in all parts of the globe are greatly needed, and it is heartening to note that much prominence to these efforts has been raised in the drafting of the compact of free association for the Federated States of Micronesia and the Marshall Islands.

Specifically, the legislation notes the requirement for the negotiation of two additional agreements; the first concerns mutual assistance in law enforcement activities, which is expected to encompass investigations of crimes and deterrence of illegal drug-related activity between the two nations at all levels of their interfacing, whether it be through use of lands, waters, or facilities in the cultivation, production, smuggling, trafficking, or abuse of any controlled substance. Furthermore, this agreement provides for mutual cooperation in the areas of prevention and prosecution of violations relating to securities transactions and other uses of illegal moneys by narcotics traffickers. I find it particularly important that this section has focused on the various money-laundering techniques used by narcotics traffickers at a time when the House of Representatives is actively considering legislation dealing with this problem on a domestic scale. I am pleased to see that the many and diverse aspects of illicit narcotics are being responded to in this particular case, which I consider preventive medicine.

Because the Select Committee on Narcotics Abuse and Control, of which I am pleased to serve as the ranking minority member, disclosed last year that an extremely high percentage of mail and parcels being sent from Hawaii to the west coast, and from the Far East to both Hawaii and the west coast contain illicit substances. I am gratified that this compact further notes the need for technical and training assistance to the Federated States of Micronesia for postal inspection of illegal drugs and other contraband. This assistance is financially nonreimbursable, though I am certain that we will be reimbursed a thousandfold through capable interdiction on the part of the governments of the Marshall Islands and Micronesia.

The second agreement concerns the economic development plans required by the compact, whose 5-year plans will no doubt aid, both directly and indirectly, the inherent need to combat drug smugglers and producers on a global scale. Mr. Chairman, I find these sections of the legislation to be comprehensive in nature as they pertain to the situations in these two island groups, and endorse their law enforcement and naroctics approaches.

And, in serious acknowledgement of the continued need for oversight, I am pleased that House Joint Resolution 187 includes the Rangel-Gilman-Hawkins amendments (section 481(e) of the Foreign Assistance Act). This specific requirement of reporting to Congress all relevant information relating to illicit drug production and trafficking in the affected states of this compact will greatly enhance our ability to coordinate an effective narcotics strategy, and the select committee has found these reports to be of great assistance in carrying out its legislative responsibilities.

Mr. Chairman, having reviewed this compact of free association, I find House Joint Resolution 187 to be yet another valuable tool in our war against illicit narcotics producers and traffickers, and accordingly urge my colleagues' support in its adoption.

Mr. LAGOMARSINO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, as a member of both the Committee on Interior and Insular Affairs and the Committee on Foreign Affairs I have participated in over 20 hearings on the compact of free association. As a result of the conscientious work of the members of both committees, we have achieved bipartisan consensus on legislation approving the compact.

Based on several years of involvement with this issue, I am convinced that this compromise worked out with the Interior/Foreign Affairs Committees and now Ways and Means is the best possible legislative vehicle for going to conference with the Senate and finally enacting legislation which

can be implemented in accordance with our vital national interests in the Pacific.

Several years ago, while the Micronesian status negotiations were still going on, I joined the late Phil Burton and several other colleagues in a bipartisan study and analysis of the compact as it was being developed. We decided to request that the executive branch undertake a review of the compact during the transition after President Reagan's election. The Reagan administration complied with that request and in April 1981 initiated a comprehensive policy review. Former Under Secretary of State James L. Buckley was appointed chairman of a senior interagency group that consulted extensively with concerned Members of the House and Senate.

In that policy review the Reagan administration approved the fundamental concept of free association as it had evolved during three administrations. In concluding negotiations with the Micronesians, President Reagan's chief negotiator, Fred Zeder, achieved final agreement on several key provisions specifically included to satisfy congressional requirements. These include the strategic denial and defense veto provisions, the scaled down but mutually beneficial Federal programs arrangements, sustantial spending reductions, and the establishment of a program to meet the long-term needs of Marshall Islanders affected by nuclear testing.

While the negotiated compact submitted by the President is an excellent document, the Interior and Foreign Affairs compromise substantially revises the agreement to address concerns raised during our comprehensive review of this historic document.

Those revisions included substantial changes to the trade and tax provisions to ensure that the compact's development incentives cannot be abused. To this end we took the following steps:

Possible tax loopholes in the negotiated compact were closed so that U.S. citizens in Micronsesia will be taxed the same as U.S. citizens living in other countries.

Corporate tax incentives were tied to those which Congress has provided for the territories, with specific provisions recognizing that Congress may change those provisions. To accommodate future changes, substitute benefits will be negotiated in light of whatever changes Congress might make.

Trade benefits in the negotiated compact were adjusted to protect the interests of the U.S. territories.

It is important to understand that the tax and trade incentives in the compact are part of the quid pro quo for U.S. defense rights and spending reductions. The Micronesian governments are not entirely happy with the compromise, but we think we have tightened the package up without depriving them of the value of the negotiated deal.

If any of my colleagues doubt that this agreement is important to the United States, I ask them to look closely at what is occurring in the Pacific today. As indicated in the letters we have before us today from Admiral Crowe, who has been serving as Commander in Chief of the Pacific, the compact secures peace and stability for Micronesia at a time when our resolve and ability to influence events in the surrounding region is being challenged. The compact is a good deal for the United States, and it would be a grave mistake to delay approval any longer.

I urge you to vote "yes" on the compact in the name of spending reduction, national security, sound tax policy for the United States, and self-determination for the people of Micronesia.

Mr. Chairman, I reserve the balance of my time.

Mr. UDALL. Mr. Chairman, I yield such time as he may consume to the gentleman from Georgia [Mr. ROWLAND].

● Mr. ROWLAND of Georgia. Mr. Chairman, I rise in support of this bill to approve the compact of free association with Micronesia and the Marshall Islands.

I want to address my remarks specifically to the nuclear claims settlement provisions. Under this measure, a $150 million trust fund will be established to settle all claims against our Government resulting from U.S. nuclear testing in the Marshall Islands. I understand there are about $5 billion in nuclear claims pending at this time, and that the interest accumulated on this trust fund will eventually provide for $270 million over a period of some 15 years.

These claims, Mr. Chairman, are the inevitable result of the tests conducted during the late 1940's. Prior to the takeover of the administration of these islands in 1951 by the Department of the Interior, the Department of the Navy conducted more than 90 atomic and hydrogen bomb tests.

The Bikini Atoll was the first site for operations crossroads where tests Able and Baker were conducted. On the Enewetak Atoll, Bravo was exploded with a force that was 750 times as powerful as the blast at Hiroshima. Many islanders were exposed both during the blasts and from a contaminated food and water chain afterward.

In fact, 75 percent of the exposed Marshalese suffered beta skin burns. Whole body counts were performed and showed that blood platelets fell to about 50 percent after 25 days, while white blood cell counts fell to their lowest point about 50 days after irradiation. More than 90 percent of the people who were under the age of 12 when they were exposed have contracted thyroid disease.

In short, the usual and expected health problems have been evidenced in those islanders exposed to ionizing radiation resulted from nuclear testing in the South Pacific.

However, in the studies conducted on these islanders by the Brookhaven National Laboratories, an interesting phenomenom has been seen. Of the various groups of islanders, those who were exposed to less than one-tenth of the amount of radiation that those receiving the highest external doses were deemed to have experienced, have a much higher incidence of thyroid cancer. This presents a perplexing question about the previously accepted theory of low-level exposure. There seems to be evidence to suggest that in some cases higher levels of radiation may in fact destroy cells instead of altering the cells so that a malignancy is initiated. In fact, there may be groups to postulate that low-level radiation is not necessarily harmeless but is responsible for the long latency periods for manifestation of malignant neoplasms.

In any event, I did what to bring to the attention of my colleagues the serious health problems that have been experienced by the islanders we are addressing in this compact of free association. These health problems are of the same type that many of the veterans who were involved with these same tests are experiencing. These veterans who currently have no access to receiving compensation for their problems as do the Marshalese. These veterans who no longer have access to the judicial system in this country because of a combination of an amendment to last years' DOD authorization bill and the prohibitions of the Feres Doctrine. These veterans who are still waiting after almost 40 years for some acknowledgment of the relationship of their radiogenic disorders to their exposure. These veterans who have patriotically served their country are at least as deserving as the people of the Marshall Islands whose claims we are recognizing by our action tonight.

I urge my colleagues to in the process of remembering those who were unwittingly harmed through our military activities, to not forget those who participated in our military defense—atomic veterans.●

Mr. UDALL. Mr. Chairman, I yield 2 minutes to the gentleman from the Virgin Islands [Mr. DE LUGO].

□ 1950

Mr. DE LUGO. I thank the gentleman for yielding to me.

Mr. Chairman, I rise to engage in a brief colloquy with the distinguished chairman of the Interior Committee. I have in my hands letters from the Commander in Chief, U.S. Pacific

Command, Hawaii, who was in line to be the next Chairman of the Joint Chiefs of Staff, and also letters endorsing the Udall-Fascell substitute from the Secretary of State and Secretary of Interior and also from the Secretary of Commerce and numerous other letter.

My understanding is that the substitute will not be offered today. I understand that certain commitments have been received. As you know, Mr. Chairman, a great number of concerns were raised regarding the impact of this action on the U.S.-flag territories. I am wondering at this time what encouragement is the chairman prepared to give to this member that the concerns of my constituents, the U.S.-flag territories will be protected.

Mr. UDALL. If the gentleman will yield, I would say to him that in order to get the overall benefits of this legislation, this compromise, we felt it necessary not to take care of the territories insofar as we could do it at this time in this event.

I am well aware of the vital importance of this matter to the gentleman's constituents. I want to assure him that when and if changes are considered in the trade and tariff and tax matters that we will do everything we can in our committee to see that his views are represented and that he has a chance to be heard and his peoples' concerns are noted carefully and heeded wherever we can.

I congratulate the gentleman on the virgorous way his has represented the interest of the Virgin Islands and his work on territories generally. He is an extremely valuable member of our committee, and I want to back him up.

Mr. DE LUGO. I thank the chairman.

Mr. LAGOMARSINO. Mr. Chairman, I yield 2 minutes to the gentleman from Alaska [Mr. YOUNG].

Mr. YOUNG of Alaska. I thank the gentleman for yielding.

Mr. Chairman, I would like to take this time to express my appreciation to the chairman of the subcommittee, Mr. SEIBERLING; the chairman of the full committee, Mr. UDALL; STEVE SOLARZ; and Mr. LAGOMARSINO; FOFO SUNIA; RON DE LUGO, and BEN BLAZ. I say this because I was one that did not like this compact as it came down and was negotiated by two administrations. I believe strongly that it was a giveaway of Americans' rights and not really considering the effect upon the American Treasury.

Through these committees, we worked out, I believe, an acceptable solution, an agreeable package, and although I think the tax provision as adopted by the Ways and Means Committee previously by unanimous consent, is one that does not do service to the territories. We hope to address that issue later.

Again, I urge the Members to consider this legislation as proper at this time and it should be passed.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Alaska. I yield to the gentleman.

Mr. SEIBERLING. I thank the gentleman.

Mr. Chairman, I want to commend the gentleman as well as Mr. LAGOMARSINO for the exceptional effort that they made to try to work out something that we could all agree on here and it would protect the United States and protect also the rights and interests of the people who have been our wards for 40 years. I think it is an outstanding job, and I think both the gentleman from Alaska and the gentleman from California deserve great credit for the work they have put in on this.

Mr. YOUNG of Alaska. I thank the gentleman.

Mr. UDALL. Mr. Chairman, I reserve the balance of my time.

Mr. LAGOMARSINO. Mr. Chairman, I yield 2 minutes to the gentleman from Nebraska [Mr. BEREUTER].

Mr. BEREUTER. I thank the gentleman for yielding.

Mr. Chairman, I have three other points that I would like to raise this evening for answers during a colloquy. The first is rather simple. If I could address it to the gentleman from Ohio [Mr. SEIBERLING] and the gentleman from New York [Mr. SOLARZ].

On the reports to Congress on the required economic development plans, one of the two versions of the proposed legislation by the Committee on Interior and Insular Affairs or the Committee on Foreign Affairs indicated that these plans would be referred to the House Foreign Affairs Committee and the House Committee on Interior and Insular Affairs. The final compromise version of the legislation now under consideration makes no reference to these two committees. What is the expectation or explanation of either of the two gentlemen with respect to that change?

Mr. SEIBERLING. If the gentleman would yield, the difficulty that we would have was that we cannot bind a future Congress as to how it is to handle its internal affairs, and so we simply provided that they would be referred to the Congress, and then the Congress would have to decide whom the appropriate committee would be.

Mr. BEREUTER. But am I correct in affirming that this change shows no prejudice toward the ultimate disposition of the required plans within the U.S. House of Representatives.

Mr. SEIBERLING. It does not.

Those two committees would then still be logical ones to receive these required plans for review.

Mr. BEREUTER. I thank the gentleman.

Now on the second of my three additional points, I would say that I think that one of the most important sections of this legislation concerns the provision on the nonalienation of land in the Marshall Islands and the Federated States of Micronesia. I was disappointed, frankly, even though I understand that compromises are necessary, that the original version reported by the House Foreign Affairs Committee was not retained.

As you know, nonalienation of land is the case in the Commonwealth of the Northern Marianas, a former trust territory of the United States. The original version in the Foreign Affairs Committee said "the Congress explicitly expresses its understanding that these two Freely Associated States will continue to regulate in accordance with their constitutions and laws the alienation of permanent and long-term interests in real property as to restrict the acquisition of such interests to persons of Marshall Island descent (the) Federated States of Micronesia descent—respectively."

The compromise legislation simply provides a sense-of-Congress provision of a similar nature. I would, therefore, welcome any kind of reassurances from either of the two gentlemen on the importance of our concern that land in these two freely associated states will have a continuing nonalienation status.

I yield to the gentleman from Ohio [Mr. SEIBERLING].

Mr. SEIBERLING. I felt the same way the gentleman did, but it was the sense after we discussed it with Mr. SOLARZ that it would be inconsistent with the sovereignty of these new states if we, in effect, tried to tell them how to handle their internal laws, so that is why we put it in the form of a sense of Congress, but a very strong sense of Congress.

The CHAIRMAN. The time of the gentleman from Nebraska [Mr. BEREUTER] has expired.

Mr. LAGOMARSINO. Mr. Chairman, I yield 1 additional minute to the gentleman from Nebraska.

Mr. BEREUTER. I understand the gentleman's comment. I think that the alienation of land in these two Freely Associated States is extremely important and that questions of sovereignty should not be the controlling factor on this crucial matter. In short, I think that the sovereignty argument should not have prevailed in this instance and that the people in these Freely Associated States in the future would have thanked us if we had held to the original strong language which was in reality a prohibition against change in the nonalienation status of their land resources.

My third point relates to the subject of the lease payment to the current owners of the Kwajalein Atoll. Both

the gentleman from New York, my distinguished colleague on the Subcommittee on Asian and Pacific Affairs, Mr. SOLOMON and I have substantial concerns about the future payment of the Marshalese Government and to the landowners of the U.S. Government lease payment funds destined for these landowners. I am authorized to say for the gentleman of New York, even though he is here that we are concerned that the option of direct payment provisions by the U.S. Government, once found in the bill approved the Foreign Affairs Committee bill are no longer a part of this compromise legislation. Neither are alternative strong language of the Committee on Interior and Insular Affairs the version in this legislation.

The CHAIRMAN. The time of the gentleman from Nebraska [Mr. BEREUTER] has again expired.

Mr. LUNGREN. Mr. Chairman, I yield 3 minutes of my time to the gentleman from Nebraska.

Mr. BEREUTER. I thank the distinguished gentleman from California for yielding this time to me.

Mr. Chairman, the provisions of the bill indicate that we establish a specific period of time in which the U.S. Government can bring action if in fact the U.S. funds meant to pass through to the landowners are not forthcoming. But as I understand it, and I would ask the gentleman from Ohio, there no longer is provision for direct payment by the U.S. Government to the landowners. Is that correct?

I yield to the gentleman for his response.

Mr. SEIBERLING. That is correct in the versions now before us; in all the versions.

Mr. BEREUTER. Does the gentleman feel uncomfortable about that change?

Mr. SEIBERLING. If the gentleman would yield, I certainly do. Personally, I supported having direct payments from the Treasury of the United States to the landowners. I realize that could create complications for the Treasury in determining who had a right to the payment, and so forth. I know the landowners felt very strongly about that, and I feel it was very important to the security of our base at Kwajalein because they are the ones that own that land.

However, the argument prevails that this is going to be a sovereign government; that the agreement was to pay them directly, and they will pay the landowners, and that we have no base anywhere else in the world where we pay directly to the landowners, and therefore, we put the most protective language we could to make it clear that it would be a breach of the compact, a material breach, if they fail to make payment which would give us the right to invoke our protective provisions.

Mr. BEREUTER. I thank the gentleman for his comments. I share, certainly, his concern about our potential loss of use or impeded use of the Kwajalein Atoll for a missile range, and I note the language in the compromise bill that, "The United States shall deem such failure to make a payment a material breach of U.S. security and defense authority under the compact." We have had landowner "sail in" actions in the past to protest the failures of the Marshallese government. Therefore, I hope and strongly urge for this Congress that there is no reluctance whatsoever on the part of the U.S. Government to expeditiously exercise the leverage provisions that are in the bill with respect to the lease payments to the Kwajalein Atoll landowners.

□ 2000

Mr. SEIBERLING. If the gentleman would yield further, if there is any reluctance on the part of the U.S. Government, as long as I am on this subcommittee I would hope that we would have oversight hearings to overcome such reluctance.

Mr. BEREUTER. I thank the gentleman.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. BEREUTER. I would be pleased to yield to the gentleman from California.

Mr. LAGOMARSINO. I thank the gentleman for yielding.

Mr. Chairman, I would just like to say that I think that if the Kwajalein government, if the Marshall government, were to withhold a payment it would be a very silly thing for them to do, because for a very small amount of this payment, and they make it quarterly as I recall, they could have all of their payments withheld under the provisions of the bill.

I would echo what the chairman of the subcommittee just said. I would feel we had been had, also, and would do everything I could in my power, as long as I have anything to do with this issue, to make sure that they are paid.

Mr. BEREUTER. I thank the gentleman from California for yielding me time.

The CHAIRMAN. The gentleman from Arizona has 7 minutes remaining, and the gentleman from California [Mr. LAGOMARSINO] has 2 minutes remaining.

Mr. LAGOMARSINO. Mr. Chairman, I reserve the balance of my time.

Mr. UDALL. Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. The Chair recognizes the gentleman from Florida [Mr. FASCELL].

Mr. FASCELL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of House Joint Resolution 344, to approve the Compact of Free Association with the Federated States of Micronesia and the Marshall Islands.

House Joint Resolution 344 is the product of countless hours of hard work and negotiations between the Foreign Affairs Committee and the Committee on Interior and Insular Affairs. It also contains amendments supported by the Committee on Merchant Marine and Fisheries, and addresses the concerns of the Armed Services Committee.

This legislation is a very complicated document, covering a broad range of subjects. You may hear a lot of talk about this provision or that provision. But to me, it comes down to this basic issue: Will we approve legislation which will set the Micronesians free, in a manner which is acceptable to them, or will we continue to hold them in a U.N. trusteeship status which is an international embarrassment to us?

This is the last trusteeship in the entire world. It is an anachronism which should have been resolved long ago. Over the last 15 years, we have carefully crafted the basis for a new relationship with the Micronesians. They have freely voted to approve this agreement. They have waited patiently for a chance to enter the international community. It is up to us to ratify this agreement and let them govern themselves.

The only other issue at hand concerns some tax and trade incentives we have agreed to provide to the Freely Associated States. The compromise, addresses the concerns some people had about the possibility of tax avoidance and an adverse impact on the U.S. territories, while still encouraging U.S. investment in the area. These incentives are crucial to attract U.S. business to an underdeveloped area, and to maintain the special relationship we have established with them. With only 100,000 plus people in the Federated States and the Marshall Islands combined, I sincerely doubt that they will pose much of an economic threat to the United States.

A tremendous amount of work has been done. Let me, because of my association on the Committee on Foreign Affairs, extend my congratulations and commendations to the chairman of the subcommittee, the gentleman from New York [Mr. SOLARZ] and his ranking member, the gentleman from Iowa [Mr. LEACH] for the tremendous amount of work they have put in to cooperate with the Committee on Interior and Insular Affairs and the other committees in order to bring this legislation to the floor of the House as promptly as has been done.

In short, I think it is time, Mr. Chairman, that we fulfill our commitment and I urge all of my colleagues to vote "aye" on this legislation.

Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. DYMALLY].

Mr. DYMALLY. I thank the gentleman for yielding time to me.

Could I get either the gentleman from Florida [Mr. FASCELL] or the gentleman from New York [Mr. SOLARZ] to respond to a concern of the people of Kwajalein?

What assurances do they have, if the Marshall Islands government does not pay them forthwith, that they will be able to receive their funds?

Mr. SOLARZ. If the gentleman will yield, under the terms of the resolution before us, a failure on the part of the Marshall Islands government to make such payments would trigger the defense authorities of the United States, which are provided in other sections of the compact, and we would deem that to be, on their part, if the payments were withheld for clearly unjustified reasons, to be a material breach of the compact, which would then throw into question their ability to receive the payments we are obligated to give them.

I think the feeling of those of us who have been involved in this is that that provision guarantees that the Kwajalein landowners will be paid in a timely fashion and that moneys will not be withheld from them without justification.

Mr. DYMALLY. I thank the gentleman.

Mr. FASCELL. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. SOLARZ].

Mr. SOLARZ. I thank the gentleman for yielding this time to me.

Mr. Chairman, this is really a historic moment. It is not every day or evening that Members of this House have an opportunity to personally participate in an act of formal decolonization, and that is exactly what we are doing at this time. With the possible exception of Namibia, I know of no other quasi-colonial territory in the world awaiting its independence.

The adoption of this compact will finally provide the people of Micronesia with a new political status, which is the functional equivalence of independence and sovereignty within the framework of the restrictions agreed upon in this compact.

It also represents an extraordinary achievement. It is the culmination of 14 years of intensive negotiations between Micronesia and the United States, which have been conducted and carried forward by four administrations, Democratic and Republican alike. It also represents a remarkable achievement here in the House inasmuch as we have been able to reconcile the conflicting concerns and perspectives of several different committees, each of which had jurisdiction over this measure.

I want to pay particular tribute here to our very able and distinguished chairman of the Committee on Interior and Insular Affairs, the gentleman from Arizona [Mr. UDALL], his equally able and distinguished chairman of the relevant Subcommittee on Interior, the gentleman from Ohio [Mr. SEIBERLING] who bent over backward to try to reconcile their very profound differences with the Committee on Foreign Affairs in the meetings we had on this issue last week.

I know how deeply felt their concerns are, and I think it was a tribute to them that they were willing to invest the degree of effort and energy that they were in this legislation. There was no political mileage in it for them at all. They have no expatriate Micronesians in their districts. They were animated solely by a concern for the national interests of the United States and the welfare and well being of the Micronesian people.

I also want to pay tribute to our very able and distinguished chairman of the Committee on Ways and Means, the gentleman from Illinois [Mr. ROSTENKOWSKI]. I know he felt that, given the rush to judgment on this issue, his committee did not have the time to give it the kind of careful consideration which it ordinarily gives to any tax legislation before the Congress. But in spite of that, he was willing to cooperate in an effort to meet the timetable established by the Speaker. We met with him today and we were able to hammer out an agreement which we believe is fundamentally compatible with the concerns of the Committee on Foreign Affairs and the Committee on Interior and Insular Affairs and, I might say, the administration, which has given its blessing to the compromise. So I want to pay tribute to Mr. ROSTENKOWSKI for a genuine act of parliamentary statesmanship on his part.

Last, let me say to my colleagues in conclusion that this is an agreement which is very much in the interest of the United States. Strategically, this agreement gives us the right of strategic denial, so that we are in a position for the rest of time to prevent any foreign power from establishing a military presence in Micronesia without our consent. That is an extraordinary concession made by the Micronesians and a very real achievement for the United States. It also gives us a 30-year lease agreement at the Kwajelein missile range, which is the single most important missile range we have in the entire world.

Without the compact, both the right of strategic denial and the lease on the Kwajelein missile range would be placed in jeopardy.

It is very much in our economic interest, because this compromise would provide an authorization for $2.4 billion over the next 15 years to the Micronesians, which is $300 million less than we would otherwise be giving to the Micronesians if the present trust territory status was maintained.

Finally, it is in our political interest to liquidate this trusteeship, the last surviving trusteeship in the world, in a way which reflects the will and wishes of the Micronesian people. This compact was submitted to a referendum of the people of the Marshall Islands and the people of the Federated States of Micronesia. By overwhelming margins in both entities, the people voted to approve this new status of free association with the United States in which we have exclusive control over their security but they are exclusively responsible for their domestic affairs, and where they consult with us on foreign policy.

It is a unique arrangement. There is nothing like it anywhere else in the world. But the fundamental fact is that it was acceptable to them and hopefully it will be acceptable to us.

Mr. FASCELL. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Florida [Mr. SMITH].

Mr. SMITH of Florida. I thank the gentleman for yielding this time to me.

Mr. Chairman, as chairman of the Foreign Affairs Committee's Task Force on International Narcotics Control, I want to call the committee's attention to certain provisions of this resolution that, in my estimation, improve the Compact of Free Association. In its haste to negotiate this compact, the executive branch may have overlooked some important matters, namely crime and narcotics control. This resolution corrects that oversight.

Law enforcement officials with firsthand knowledge have expressed to me their concern about current problems with law enforcement in Micronesia, particularly in the areas of drug production and trafficking, money laundering, and Japanese organized crime. These concerns seem to have been borne out by local press reports.

In a report on the prevention and control of alcohol and drug abuse in the Republic of Palau, a World Health Organization consultant noted that—

[i]t is understandable that Palau is on the way to becoming a centre for illicit traffic in narcotics considering its geographic location and other features, such as clandestine shipping activities.

The report's recommendations included the following:

The law enforcement system as well as training of officers should be strengthened in Palau. The law enforcement sector should increase its efforts to combat international syndicates of narcotic drugs.

I want to emphasize that this is a report on just one part of the territory covered by this compact. The potential

problem may exist—if it does not already exist—elsewhere in Micronesia.

In my estimation, the following items, among others, could create future problems for the United States:

A direct Manila-Palau air route is increasing the potential for the movement of heroin.

The compact neither commits the Freely Associated States to controlling narcotics production and trafficking nor makes clear that they would become signatories to the Single Convention on Narcotics Drugs.

Section 141 of the compact permits Micronesians to enter the United States from as nearby as Guam—as a nonimmigrant without regard to immigration requirements on travel documents and nonimmigrant visas. This could make it difficult to keep track of possible money launderers or smugglers.

The Micronesian police chiefs themselves have concluded that drug production and trafficking and also organized crime are on the increase. Without a commitment from the FAS governments and the United States, local law enforcement officials may not be able to cope with these issues.

The extradition and judicial assistance provisions may not be state-of-the-art. Consequently, the Freely Associated States may not be able to prosecute drug traffickers, and the United States may not be able to obtain extradition of individuals wanted for crimes committed here.

DEA has no offices in Micronesia now. Given the size of Micronisia, handling the issue even from Guam would be unworkable.

Some of these concerns have been allayed in this resolution. In the Foreign Affairs Committee, I offered an amendment expressing the sense of Congress that each Micronesian government shall commit its best efforts to prevent cultivation, production, and trafficking of drugs and shall take legal measures to enforce all laws against those drugs, and to suppress organized crime and to prevent improper financial transactions. The amendment also would require that Micronesia be included in the State Department's narcotics reports.

The Interior Committee directed the President to negotiate agreements on narcotics and law enforcement. The resolution before the committee today contains the best of both versions.

It is unclear, however, whether these provisions will be retained in when this resolution completes its way through the legislative process. I, for one, hope that all parties will recognize the importance of these provisions and accept them.

Another issue seems to rest solely with the Attorney General. As the chief law enforcement officer of the United States and the coordinator of executive branch drug enforcement activities, he is in a position to respond.

I am convinced that the United States must maintain FBI and/or DEA liaison in Micronesia itself. The Trust Territory of the Pacific covers 3 million square miles and contains over 2,000 islands. Coming from south Florida. I know the problems that our drug enforcement officials have in dealing with drug trafficking through the Bahamas, which cover a far smaller area. The drug trafficking potential in Micronesia—unless the United States and the FSM cooperate—is mind boggling. Both societies stand to lose a lot if they do not work together.

We cannot expect adequate drug enforcement intelligence and assistance without an agent assigned to Micronesia. Let's face it—an agent will have to spend enough time in the air just to maintain liaison with the FAS. A liaison office in Micronesia will emphasize our commitment to drug enforcement and should bolster local efforts. I hope the administration will respond appropriately.

Mr. Chairman, the peoples of the United States and Micronesia are being presented with an opportunity to eradicate the scourge of illicit drugs before those drugs become an insurmountable problem. This resolution contains the tools. Let's use them.

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Mr. FASCELL. Mr Chairman, I reserve the balance of my time.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. LEACH].

Mr. LEACH of Iowa. Mr. Chairman, I yield myself such time as I may consume.

Mr. LEACH of Iowa. Mr. Chairman, as the ranking minority member of the Subcommittee on Asian and Pacific Affairs, I would like to urge the support of my colleagues for the legislation implementing this vital compact.

The legislation before us is unprecedented. Rarely does this body have the opportunity to work on agreements which are treaty-like in nature and which, if amended in substantive ways may spell disaster. All agreements negotiated between Governments involve quid pro quos. This agreement is no different. In this compact, the United States could have offered financial assistance or tax and trade breaks, and it chose to negotiate an agreement which provides for a combination of both in return for certain provisions vital to U.S. security. Should we now decide to renege on the tax and trade benefits, as this compromise legislation partially does, we may well risk breaching the word of the President or spending much more in taxpayers' money in the years to come.

The gentleman from Minnesota [Mr. FRENZEL] mentioned earlier that procedures of the House have been breached in the process of consideration of this measure and that a great deal of uncertainty exists as to the precise content and implications of the current compromise language. Problems are of such proportion that as of 10 minutes ago the White House informed this Member that it could not express a formal position on the measure before us. Informally, members of the Administration have opined that it may be the most effective vehicle to go to conference on a timely basis. On this basis I can support this legislation, but I do believe further changes may be in order in conference to bring the legislation more precisely in line with the compact as negotiated by the administration.

The problem of procedures relates to the time sensitivity of the agreement and the urgency for prompt congressional action. If the compact is not approved by October 1, important U.S. national security interests, including U.S. operation of the Kwajalein Missile Range in the Marshall Islands, could be put at risk. The Interim Land Use Agreement for that facility, which is due to expire on September 30, 1985, will—if the compact has not been enacted by that date—have to be renegotiated, raising a myriad of concerns about our future access to and ability to operate this key missile testing facility. Since the House will be in recess from the end of next week until September, any undue delay in House action could prove detrimental to the interests of this country.

Not only is action on this legislation important to the protection of vital U.S. national security interests in the region, timely action is also incumbent on us as the trustees of this territory. For the last 38 years, the citizens of these Pacific island states have lived under U.S. administration pursuant to a U.N. trusteeship agreement. Today, the Trust Territory of the Pacific Islands, as this region is officially called, is the last remaining U.N. trusteeship. Failure by the United States to provide for a fair and just termination of this trusteeship relationship, in response to the freely expressed will of the people of this area would not only be an international embarrassment to this country but a travesty of our international responsibilities and the very principles upon which this Nation was founded. The peoples of the Federated States of Micronesia and the Marshall Islands approved the Compact of Free Association in 1983 in democratically conducted plebiscites. We must not today—in this body—deny them the fulfillment of their internationally recognized human right of self-determination.

We should also remember that it was 40 years ago that men and women of this Nation shed their blood for just such principles as these in the battles

to control the Pacific. Thus, this region not only has contemporary strategic value to the United States, it represents a region of the world where this Nation has a profound historical investment and commitment.

In a very symbolic way, the negotiation of a compact involving the democratically expressed will of the peoples of the freely associated states underscores a foreign policy tradition that contrasts the commitment of the United States to the rule of law in a world in which other parties too frequently ascribe to the principle of the rule of force.

As we in this Congress freely suggest that self-determination be granted to the peoples of the freely associated states, might we not ask the Soviet Union to apply the same principle to the four northern islands of Japan which have been held since World War II, as well as the States of Eastern Europe and Afghanistan?

Mr. Chairman, I urge adoption of the compact without further substantive revision.

Even if the desirability for modification of one or another parts appears abstractly persuasive to Members, it must not be forgotten that this is a negotiated document and that while it is reasonable, proper, and, indeed, important for Congress to make subtle adjustments where particularly merited, it would be a dagger's blow to the diplomatic process, in instances of this nature, for Congress to make fundamental changes in the basic components of the compact.

It would be more prudent, in my judgment, for Members to express dissent by voting "no" on the compact, if that is indeed their position, than for this body to throw so much pepper into the soup that it becomes unpalatable to all parties. Greater wisdom is to recognize that this agreement is in the interest of both parties and deserves strong support in this, the people's House.

In this context, Mr. Chairman, I yield 5 minutes to our distinguished colleague, the former admiral and Senator-to-be, the gentleman from Arizona [Mr. MCCAIN].

Mr. MCCAIN. Mr. Chairman, I appreciate those kind words from the gentleman from Iowa [Mr. LEACH]. I also would like to echo my appreciation that has been so amply stated here to the gentleman from New York [Mr. SOLARZ], to the gentleman from California [Mr. LAGOMARSINO], to the gentleman from Nebraska [Mr. BEREUTER], and others who have labored literally for years on this issue.

Indeed this agreement is in the best interests of the people of Micronesia. Indeed it will be of great benefit to them. It is also, I would like to point out to my colleagues, particularly on this side of the aisle, a vital and extremely important step forward to ensure the future security of our Nation.

I would like to read very briefly a quote from Admiral Crowe, the Commander in Chief of the U.S. Forces in the Pacific, and who has recently been nominated to be the chairman of the Joint Chiefs of Staff. He states in his letter:

> The missions of the Pacific Command are to deter aggression, to insure access to critical resources, and should deterrence fail, to defend the interests of the United States and its allies and friends. To do this I must have the capability to project military power as far forward as possible and at the same time prevent a potential enemy from seizing areas from which attacks against the United States, its territories and allies and friendly nations could be launched.

What is Admiral Crowe speaking of? He is speaking of an area that is larger than the continental United States. He is speaking of an area which sits, as we can see, strategically in the center of where over 30 percent of the U.S. trade, which is larger than Western Europe, flows. It is sitting in the center of the Straits of Malacca on which our Japanese allies and our Far Eastern allies are so dependent for the flow of oil from the Middle East. It sits not that far from Cam Ranh Bay which, much to our dismay, has been turned into a reconnaissance and naval base of first-class order.

It also sits, of course, near the Philippines, in which we now use bases both at Clark and Subic. All of us here fervently hope that the Philippine Government will remain strong and our bases in the Philippines will remain for the foreseeable future. Unfortunately, all of us know that there is not only a distinct possibility of their not being there very long but, unfortunately, as events unfold which we are unable to affect, it may lead to the dissolution of the government there and the immediate loss of our base capability.

Also I would like to point out to my colleagues that there are two areas down where it says "Soviet inroads." This area is Kiribati, with which the Soviet Union has recently signed a fishing agreement. Those of you who have not seen a Soviet trawler, I would commend it to your attention. It does a lot of things besides fishing.

In the area of Vanuata here, the Soviet Union is seeking further fishing agreements with them. The Soviets are attempting to penetrate this part of the world. They are doing it cleverly. With their change in leadership, they are doing a good job of it. They are showing sophistication from their embassy in Australia, and I believe that we have to be on our guard, particularly in light of the fact that the Soviet fleet is now their largest, containing roughly one-third of all Soviet submarines, one-fourth of all principal service combatants, including two of their aircraft carriers.

This part of the world is strategic. This part of the world is vital. We have an opportunity by the prompt enactment of this compact to secure in virtual perpetuity an area of ocean, as I mentioned, that is large and geographically important.

This compact gives us the right of strategic denial. We have the absolute right to exclude from this area vessels which may be hostile to our interests or to Micronesian security interests. And as has been mentioned, we have a 30-year lease on the Kwajalein Missile Range, which is vital to a number of our strategic programs. I would like to point out that one of the reasons for urgency is that that lease agreement is about to expire.

In closing, I would like to say that we have an opportunity from a strategic viewpoint to be on the brink of accomplishing something which eluded us in Vietnam, which eluded us in Iran, which seems to be eluding us in Nicaragua, and which may well have eluded us in the Philippines. We have a key element, and that is foresight backed up by the necessary action to prevent a crisis situation developing. We have an opportunity to act and not react and secure United States vital national security interests well into the next century.

Mr. Chairman, I strongly urge my colleagues to approve this bill.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. LEACH].

Mr. LEACH of Iowa. Mr. Chairman, I will yield 1 minute to the gentleman from Nebraska [Mr. BEREUTER], but before doing that, I would simply like to state that with regard to the whole development of this bill, the bipartisan nature of the Democratic leadership has been impressive from a number of perspectives, both with respect to working with our administration and insuring that the well-being of the people in the freely associated states is maintained.

Mr. Chairman, I yield 1 minute to the gentleman from Nebraska [Mr. BEREUTER].

Mr. BEREUTER. Mr. Speaker, I want to thank the distinguished gentleman from Iowa [Mr. LEACH] the ranking minority member of the Subcommittee on Asian and Pacific Affairs, for his assistance and encouragement during the course of our work on this legislation. I also wish to pay a special commendation to the gentleman from Ohio [Mr. SEIBERLING] for his extraordinary concern and leadership on this subject, the especially knowledgeable gentleman from California [Mr. LAGOMARSINO], the distinguished gentleman from Alaska [Mr. YOUNG] whose counsel and knowledge have been of special benefit to me, and the gentlewoman from California [Mrs. BURTON]. I commend her for her

own concern and effort and for continuing her late husband's long-term interest and leadership in matters relating to the U.S. trust territories. And I would also commend my subcommittee chairman, the gentleman from New York [Mr. SOLARZ], for his very skillful and able work on this legislation and for his demonstrated ready grasp of the salient issues on this broad subject area. It is true that I have disagreed with him in certain respects, but he has accommodated many of my concerns and accepted most of my initiatives. I particularly have disagreed on the emphasis that he and others have placed on the issue of the importance or protecting of Micronesian States' sovereignty, but that is a matter of legitimate debate or disagreement.

I also want to suggest that I am quite willing as one Member of the Congress to assist the Committee on Interior and Insular Affairs in any attempt to address possible adverse impacts upon the territories in the commonwealth by further legislative changes.

With the comments, Mr. Chairman, I announce my support for this legislation and urge my colleagues to vote for it.

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Mr. LEACH of Iowa. Mr. Chairman, I reserve the balance of my time.

Mr. DELLUMS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the legislation before us this afternoon was also referred to the Armed Services Committee. Due to the brief nature of the time constraints with respect to our capacity to review this legislation, we did not have that opportunity, Mr. Chairman, because we have been locked in significant negotiations with the other body regarding the DOD authorization for fiscal year 1986.

I might just add for my colleagues, the conference just momentarily ended; however, we have attempted to follow the legislation before the body and we would like in that regard to make the following statement:

Mr. Chairman, a concern of the House Armed Services Committee regarding House Joint Resolution 187, as amended, is whether the compact sufficiently provides for the prompt payment to the land owners of Kwajalein for United States access to their property. We on the committee believe that the compromise resolution 355 which will be offered later as a substitute to House Joint Resolution 187 is a workable resolution to this issue. It provides for the following payment procedure:

During the initial 15 years after the effective date of the compact the United States will make annual payments of $9 million, to be adjusted for inflation each year, to the government of the Marshall Islands which is obligated to forward these payments to the land owners of the Kwajalein Atoll.

Should the government of the Marshall Islands fail to forward the U.S. payments to the Kwajalein land owners within 14 days after receiving such funds, the United States may withhold further payment of compact funds to the Marshall Islands until that government meets its obligations in the matter.

After the 15th year of the agreement, the United States may exercise an option to continue use of Kwajalein for another 15 years by making a $2.5 million payment to the Marshall Islands.

During the second 15-year period, annual payments will be adjusted for inflation and the Marshall Islands Government will be obligated to make prompt payments to the Kwajalien land owners under the same terms as in the initial 15-year period.

Also, it should be noted that two other important issues are resolved by the compact. First, it brings to settlement once and for all the outstanding claims resulting from the U.S. nuclear weapon testing program on Bikini and Enewetak Atolls in the Northern Marshall Islands between 1946 and 1958. And second, the United States is forbidden from testing or disposing of any nuclear, toxic chemical or biological weapons in the Marshall Islands or the Federated States of Micronesia. Additionally, the United States may not store in these new States any toxic chemical or nuclear weapons.

Mr. Chairman, this briefly summarizes the interests of the House Armekd Services Committee relative to this historic compact. The concerns we had over some issues in implementing the compact have been resolved in the compromise resolution that we will be voting on shortly. I urge its adoption.

Mr. KRAMER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I will be extraordinarily brief in the interest of my colleagues.

Let me just say that I believe both the compact and the legislation clearly protects the security interests of the United States and from the point of view of the minority on the Armed Services Committee, we fully support the legislation as it presently stands.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. Does the gentleman from Colorado reserve the balance of his time or does he yield back the balance of his time?

Mr. KRAMER. Well, Mr. Chairman, I just wanted to check to make sure there are not any other quarterbacks here who would like to be heard.

The CHAIRMAN. The gentleman from Colorado reserves the balance of his time.

Mr. DELLUMS. Mr. Chairman, I have no further requests for time and at this point I yield back the balance of my time.

Mr. KRAMER. Mr. Chairman, I yield back the balance of my time.

Mr. UDALL. Mr. Chairman, I yield such time as he may consume to the distinguished Delegate from American Samoa.

Mr. SUNIA. Mr. Chairman, this day belongs to the history books out in Micronesia and the Marshalls, for at the end of these discussions this House will have approved the Compact of Free Association for Micronesia and the Marshalls.

In its 15 years of development, this compact has gone through many different processes and has received the benefit of many great minds reflecting on the important issues that it involves. Like good wine, this aging has improved its taste and increased its value.

I commend the administrations, past and present, for their fine work on this compact, and I congratulate our colleagues in this House who have taken the lead in this undertaking. Mr. Chairman, I believe that we should approve this document with the Udall-Fascell substitute, and I urge that action upon the Members of this body.

I am aware that our friends in Micronesia and in the Marshalls are watching our actions today and evaluating very, very carefully the meaning of every word we are saying. Let me say to you, my friends, that I believe you have a good document, a solid framework for a viable sovereign existence in your part of the Pacific. I know you asked for more, but I urge your acceptance of this amended version and recommend you put faith in the promises of this Nation and this Congress, as contained in the compact, that there will be opportunities in the life of the compact to review and revise as future circumstances may require. If I were opting for sovereignty, as you have, I would certainly be pleased with a document of this nature. Sovereignty, as you will find, is priceless exactly because it is very, very expensive. The compact provides you with a basis to solidify that sovereignty—to enjoy your free association while preserving your self-respect.

Mr. Chairman, this compact was negotiated and written with all that in mind, but equally important, if not more so, the defense and the very security of our country.

Once again my congratulations to the chairmen of the Interior and Foreign Affairs Committees, Mr. UDALL and Mr. FASCELL, and to the subcommittee chairmen who have been point

men on this undertaking, Mr. SEIBERLING and Mr. SOLARZ, as well as the ranking members. We have worked hard, and we have a fine product. I urge its passage with the Udall-Fascell substitute.

Mr. UDALL. Mr. Chairman, I yield 4 minutes to the gentleman from Ohio [Mr. SEIBERLING].

Mr. SEIBERLING. Mr. Chairman, I wonder if the gentleman from New York [Mr. SOLARZ] would join me for a brief colloquy.

First of all, let me commend the gentleman for the tremendous leadership he has shown in working out the solution that is before us today. I think it is safe to say that without the efforts he has made we would not have been able to do it and I want to thank him personally.

The Interior and Insular Affairs Committee believes it is essential that there be full and close consultation between the Marshall Islands government and the various Marshallese population groups who were affected by the U.S. nuclear testing program. Is that also the view of the Foreign Affairs Committee? I yield to the gentleman.

Mr. SOLARZ. Yes, it is.

Mr. SEIBERLING. Would the gentleman agree that the Marshalls government, in implementing any of the provisions affecting the nuclear victims, should take great care to see that these people are actively involved in all decisions that will have an impact on their health, their community, the cleanup of any of their islands, and so forth.

Mr. SOLARZ. I certainly do think that is very important.

Mr. SEIBERLING. Our view was and is that while the already-funded contract is in effect, money that would otherwise be used for the program for caring for the health care of the four atolls that were affected by nuclear fallout should be held and invested by the fund manager, so that later there will be more money to run the four-atoll health care program in the years after the section 177 agreement terminates. Does that seem to be a sound financial approach to the situation?

Mr. SOLARZ. Yes, it does.

Mr. SEIBERLING. So would the gentleman agree with me that Congress hopes that the Marshall Islands will direct the fund manager to act so that duplication of funding and programs for the same people is avoided?

Mr. SOLARZ. Yes, of course.

Mr. SEIBERLING. I thank my colleague, and I ask his indulgence in a further brief colloquy.

My colleague will recall that we spent much time working out the part of the compromise dealing with the way payments will go to the Kwajalein landowners for the vital U.S. missile range there. As part of that compromise, the landowners or their designees can seek loans against their future paymemts. Loans of this sort are very important for the improvement of living conditions in the area, so they can engage in major projects. However, under the compromise, the requests for the loans must be channeled through the Marshall Islands government. Does the gentleman agree with me that the compromise language clearly expresses an intent that such loan requests be forwarded by the Marshall Islands to the U.S. Treasury without delay?

Mr. SOLARZ. Yes, the language is quite clear that the requests will be forwarded within 2 weeks.

Mr. SEIBERLING. And does the gentleman agree that failure of the Marshall Islands to forward the requests in a timely way would be contrary to the applicable provisions, and thus would be a matter the United States would have to regard as less than full compliance with the compact and the implementing legislation?

Mr. SOLARZ. Yes, and the United States would resort to the dispute resolution provisions of the compact under those circumstances.

Mr. UDALL. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. LAGOMARSINO. Mr. Chairman, I yield back the balance of my time.

Mr. MAZZOLI. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. BRYANT].

Mr. BRYANT. Mr. Chairman, I thank the gentleman from Kentucky for yielding.

Mr. Chairman, I rise to express my concern about the serious constitutional questions surrounding the claims provisions in section 177 of the Compact of Free Association.

Under section 177 of the compact, the United States accepts responsibility for compensating citizens of the Marshall Islands for losses and damages suffered as the result of U.S. atmospheric testing of nuclear weapons. My particular concern centers on the separate agreement referred to in section 177 which was signed in 1983 and goes into effect upon approval of the compact. Article X of that agreement provides for espousal of all claims of Marshallese citizens against the United States by the government of the Marshall Islands.

Article XII provides that all pending claims are to be terminated and the courts of the United States are not to have jurisdiction of any such claims.

The U.S. Court of Claims has determined that the Marshallese citizens are today entitled to protection under the fifth amendment of the Constitution. In spite of that determination, the Government of the United States in this separate agreement provided that all these claims be settled through this espousal provision and terminated all pending claims. The Marshallese now have claims pending in the U.S. Claims Court for $5 billion.

Mr. Chairman, I question whether the elimination of the rights of these citizens to press their claims is constitutional. I wish the record to reflect that this serious concern about this portion of the compact has been raised.

Mr. Chairman, I insert at this point the Congressional Research Service study on the question of the constitutionality of the taking over of these claims, as follows:

CONGRESSIONAL RESEARCH SERVICE,
THE LIBRARY OF CONGRESS,
Washington DC, April 2, 1985.

From: American Law Division.

Subject: Espousal of Claims Under the Compact for Free Association.

This memorandum is submitted to response to your request for a legal analysis of the espousal of claims provisions in the proposed Compact of Free Association, by which the Marshallese Nuclear Test claims would be settled. In spite of the relatively simple language used in section 177 and its implementing agreement, the procedure set forth is highly complex in its effects from a strict legal perspective. It would seem that many of the legal problems or issues discussed here may eventually have to be resolved by the courts even if the Compact is approved.

The first problem that arises from a purely legal analysis is that while the descriptive term "espousal" is used to describe the mechanism provided for, it is not a true espousal procedure as is generally practiced in international relations and is in fact quite a different procedure with respect to United States participation. From a United States action stance, espousal usually refers to the practice of the United States representing the claims of its nationals against foreign sovereigns. Here, in effect, the nuclear claims are against the United States itself, and they have been brought by individuals who, although not strictly its own nationals in the sense that the United States has complete sovereignty over them, yet who arguably cannot rightfully be classifiable for the purpose of bringing claims against the United States except as quasi-nationals, since the territory that they inhabit is under a strategic trusteeship administered by the United States. Thus, the term "espousal", if it is to be used at all, really refers only to the possible relationship between such individual claimants and the Government of the Marshall Islands when and if it is ever established as a true sovereign in international law. Until such time, there would not seem to be any possibility of an espousal of claims within an international law categorization. It is also possible that a court might hold under proper challenge that the foreign affairs provisions of the Compact prevent such entity from ever becoming a sovereign, particularly in the area of foreign affairs and especially with respect to its relations with the United States. It might be relevant that the foreign affairs authority is the one upon which espousal of claims rests. Thus, it would seem that an analysis of a legal nature would have to approach the issues presented here on two tiers. First, from the issue of whether the Government of the Marshall Islands can in law ever espouse the claims of such claim-

ants. Second, as to whether the United States has the authority to establish and entity of its own creation to settle claims, claims which may be based on violations of constitutional rights.

IS THERE AN ESPOUSAL

An argument could be made that might persuade a court that there cannot be an espousal of claims by the Government of the Marshall Islands in the situation here. Interestingly, this tact would involve looking at two complexities of the same international law doctrine, the so-called "nationality of the claim". Both aspects revolve around the fact that the claimants here were not nationals of the Government of the Marshall Islands because that Government was not in existence at the time that the claims arose.

First, it might be argued that the claimants under the doctrine of "nationality of the claim" were not citizens of that Government. "The variety of situations which may arise in practice makes the interpretation and application of the principle not an easy, mechanical task. . . . (S)pecial situations certainly make the admissibility of the international claim a difficult determination from the standpoint of the nationality requirement. There is, however, a general rule which seems to prevail both in diplomatic practice and in international caselaw. Such rule was formulated by the Preparatory Committee of the Hague Codification Conference (1930) in its Basis of Discussion No. 241, in its first paragraph, 'A state may not claim a pecuniary indemnity in respect of damage suffered by a private person in the territory of a foreign State unless the injured person was the national at the moment when the damage was caused and retains its nationality until the claim is decided.' " F.V. Garcia-Amador, "The Changing Law of International Claim," Vol. II (1984), at 503.

Second, since the Government of the Marshall Islands did not exist as a foreign sovereign at the time the claims arose, it might be asserted that it cannot represent the claimants. A claimant state neither represents the national who has sustained the injury nor gives effects to his "right", but rather the claimant state represents its own right to have its own citizens treated by other states in accordance with international law. Note, "The Nature and Extent of Executive Power to Espouse the International Claims of United States Nationals," 7 VAND. J. TRANSN'L L. 95, 97 (1973). This contention appears to be bolstered by the unique facts in this instance that the claimants were more akin to nationals of the United States at the time of the injury, and that if a change of nationality for the purpose of bringing claims could be effectuated in the manner as attempted here, such would amount to an attempted grant of retroactive sovereignty. Further, considering the confusion and disagreement on where or who presently has sovereign rights in the Trust Territory (see, e.g., *People of Saipan* v. *United States Department of Interior*, 356 F. Supp. 645 (D. Haw. 1973), aff'd as modified on other grounds, 502 F. 2d 90 (9th Cir. 1974), cert den. 420 U.S. 1003 (1975)), it would seem especially difficult for the purposes of nationality of claim requirements to establish that the Marshall Islands is or was foreign territory for the purpose of an international claim and that the Government of the Marshall Islands is the proper successor to sovereign rights for the purpose of asserting such claims. Legal complexity is added by the fact that it is possible for the Compact to become effective prior to the actual termination of the Trust Territory.

CAN THE U.S. CONGRESS CREATE SUCH A SETTLEMENT MECHANISM

While the Congress can settle claims by legislation (a notable example might be legislative enactments settling Indian land claims, see, e.g., 25 U.S.C. Secs. 1701 and 1721), the nature and extent of such legislative prescription is not clearly defined. In fact, a case is now pending decision in the Supreme Court in which the high court is being asked to pass on a legislative scheme which calls for a mandatory arbitration procedure in which there is limited judicial review (see, *Thomas* v. *Union Carbide Agricultural Products*, No. 84-497). Likewise, even the power of the President is not unlimited in this respect. While *Dames & Moore* v. *Reagan*, 453 U.S. 654 (1981) is often cited to represent that contention, the Supreme Court was careful to state therein that it does "not decide that the President possesses plenary power to settle claims, even as against foreign governmental entities. * * * '(t)he sheer magnitude of such a power, considered against the background of the diversity and complexity of modern international trade, cautions against any broader construction than is necessary.' "

Assuming that this settlement procedure is rightfully not classifiable as an espousal commonly practiced under international relations, and is merely an attempt to create a body to determine the validity of claims and the amount of compensation, if any, to be given to an individual claimant, at least two aspects seem troublesome from a constitutional overview. First, unlike some mixed bodies in which the United States had or has representation, such as the Iran-United States International Claims Tribunal, here there is to be established a totally "foreign" Claims Tribunal which presumably will be able to determine any legal issue based on the law of the Marshall Islands, international law, or law of the United States. Not only is this arguably a delegation to settle claims without any standards to be applied but also seems to be a grant of judicial authority by bestowing it upon a private body in violation of separation of powers. Further, it might be considered an overreaching of the foreign affairs power by bestowing such an authority totally on a foreign entity. Second, is the absolute bar to seeking relief in United States courts. The fact that there may be a bar to judicial relief for arbitrary actions of the established Claims Tribunal itself, or the termination of certain suits that are based on violations of constitutional rights, might have problems possibly running afoul of the Constitution. Apparently, a February 1985 Claims Court decision has held that the claimants have a right to seek just compensation under the Fifth Amendment (Los Angeles Daily Journal, March 7, 1985).

DANIEL HILL ZAFREN,
Specialist in American Public Law, American Law Division.
APRIL 2, 1985.

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Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. BRYANT. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Let me say to the gentleman if it is unconstitutional, we have protected the rights of all of these people and suspended the statute, and hold the statute of limitations pending any litigation that would result in such a declaration.

Mr. BRYANT. I thank the gentleman and I yield back the balance of my time.

Mr. LUNGREN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the only subject matter that was before our subcommittee dealt with the question of immigration. I know that has been brought up already, and the gentleman from Nebraska has referred to it, and I would say that my only apprehension about this whole agreement, and one which I believe was shared by the chairmen of both the full Judiciary Committee and the Subcommittee on Immigration and International Law, is that the citizenship in the Freely Associated States not be used at some later time as a shortcut to permanent residence in the United States. I know there are some that wish that it be limited, and the ability under this compact be only to those who were actually born in those areas as opposed to those who were naturalized.

That is not the case, however. I do think we have language in here which will avoid the problem of taking advantage of that situation.

I know, for example, that section 141 of the compact specifically outlines the various means by which citizens of the FAS may enter this country, and I am aware that the Committee on Interior and Insular Affairs, during its deliberations, added an amendment offered by the gentleman from Ohio [Mr. SEIBERLING] which would have limited entry to bona fide citizens of the FAS.

A number of departments, Department of State, Justice, and Interior collectively believe that amendment to be redundant. But if redundancy is necessary in order to make the position of the House clear, then so be it.

I think one thing that ought to be clear to all Members is when we are talking about permanent residence, it is a unique type of residence. It does not grant them permanent residence that leads to citizenship, nor does it grant citizenship. It does allow them the right to come to the United States, and basically to live here permanently, but in a very, very unique way.

So we are not talking about allowing people to come here in a way that would allow them citizenship ultimately.

The point has been made that there is approximately 130,000, 137,000 people, that if all of them came here, as we do not think they will, that that would not terribly inundate the situation in California and other parts of the country. I would just suggest that the concerns raised by the gentleman from Nebraska are serious concerns. Those of us on our subcommittee ex-

pected to have the ability to perhaps have some amendments which would have clarified some of the legitimate concerns that were raised. I would just suggest that we were not party to any agreement, that agreement that was made by the principals involved here. I regret that. I think we could have drafted some language that may have clarified some of the problems that a number of Members have.

Be that as it may, I think that with the colloquy that took place a little bit earlier with the gentleman from Kentucky and the gentleman from Ohio, we have resolved the problem. I would just suggest I normally think it is better to resolve them in legislation rather than colloquy, and I hope we will do that in the future.

With that comment, Mr. Chairman, I would suggest that we would support this compact.

Mr. Chairman, I applaud the successful culmination of negotiations between this country and the Federated States of Micronesia which led to the compact before us today. It is an exceptional example of the kind of relationship which we can have with people and cultures whose future was entrusted to us following World War II. Unlike the Soviet Union, which has never granted a scintilla of independence to the countries over which it exercised influence during the postwar period, this compact is a reflection of our dedication to self-determination. I would hope that this body will wholeheartedly endorse it.

My only apprehension, and it is one which is shared by chairman of both the full Judiciary Committee and the Subcommittee on Immigration and International Law, is that citizenship in the Free Associated States [FAS] not be used at some later time as a shortcut to permanent residence in the United States. I know, for example, that section 141 of the compact specifically outlines the various means by which citizens of the FAS may enter this country, and I am aware that the Interior Committee, during its consideration, added an amendment offered by Mr. Seiberling which would have limited entry to "bona fide" citizens of the FAS. I know, too, that witnesses who appeared before us from the Departments of State, Justice, and Interior collectively believe the Seiberling amendment to be redundant.

If redundancy is necessary in order to make a position of the House clear, then so be it. It is imperative, though, that this new relationship between the United States and the FAS begin without distrust on either side, and that the people of Micronesia retain their strong ties to the people of the United States. The Soviet Union has already begun to stick its omnipresent nose inside the reefs which surround this archipelago of over 2,000 islands, and its presence raises a potential risk to our Pacific security. This compact will help speed the way to independence for these islands, and it will underscore the continuing relationship between this country and the trust territories of the Pacific. I urge the adoption of the bill.

Mr. Chairman, since I have no requests for time, I yield back the balance of my time.

Mr. MAZZOLI. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, just briefly, I would tell our colleagues in the House that I share the regret expressed by my colleague from California, the ranking member of the Subcommittee on Immigration, that the committee did not indeed have an opportunity to craft the sorts of amendments that should have been crafted for this kind of legislation. We are creating a brandnew immigration right, the opportunity of a person who is a citizen, or even a naturalized citizen of these Freely Associated States to come into the United States permanently, without having any intention to become a citizen of the United States.

They can come in nowadays, but they have to come in for periods of time. They have to come in as a tourist, or as a student. But they will be able to freely enter in the future, and it is a right which could be abused. That is why I salute the gentleman from Ohio, [Mr. SEIBERLING], my friend, for as chairman of that Interior subcommittee, having put the language in the measure that does guard against most abuse. And I thank him for the colloquy in which we engaged earlier this evening which generally allays the many fears about the misuse of the opportunities of transiting, passing through for a brief period of time the Freely Associated States for the basic purpose of coming into the United States.

I would have preferred that the language of my friend from Nebraska, [Mr. BEREUTER], had been adopted as it was adopted by the Foreign Affairs Committee, and put in the final package which we have before us tonight. However, for reasons that are inexplicable to me, it is not in this version.

But I again pledge to my friend that so long as I am in this particular position, and so long as I have anything to do with immigration, we will carefully monitor and oversee the unreeling of this drama. We will demand the kind of data which will give us some idea of who is using this newly created nonimmigrant right of nonresidency in the United States. And I would certainly hope that we would have advance notice.

Mr. Chairman, having said that, I believe the measure is worth supporting, and I yield back the balance of my time.

Mr. FASCELL. Mr. Chairman, I yield back the balance of my time.

Mr. LEACH of Iowa. Mr. Chairman, I would simply indicate that the White House has just informed us that they can now support the compact as a move to go to conference, and I would yield back the balance of my time.

The CHAIRMAN. The gentleman from Illinois [Mr. ROSTENKOWSKI] is recognized for 15 minutes.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, today this body is faced with a rather complicated procedural situation, which we hope will result in successful completion by the House, of legislation to implement the compact of free association with Micronesia and the Marshall Islands. I am hopeful that the compromise which has been worked out by the committees of relevant jurisdiction will be accepted by our colleagues.

However, I would like to take this opportunity to express some concerns, on behalf of the Committee on Ways and Means, about the process which was utilized to negotiate this compact, and about the expedited congressional review which mandated hasty action by our committee. I would like my colleagues to know that we are hopeful this will not serve as precedent for future legislation. In particular, our committee was not consulted by the State Department during the 14-year period of negotiations on the compact. This was a gross oversight by the administration. Clearly, the Committee on Ways and Means has jurisdiction over tax and tariff laws, which this compact seeks to change. It will not be acceptable in the future for the administration to negotiate on its own without more thorough consultations with the appropriate committees of the Congress on matters that the Constitution entrusts to us.

The committee is also concerned that the expedited schedule for its consideration which gave us limited time to make appropriate changes in this legislation, not become a precedent. The very complex tax provisions in this bill and the sensitive issue of tariff provisions deserve more thorough analysis than the 1 week available to the Committee on Ways and Means, under this procedure.

Having stated my reservations about the procedures by which this bill has come to us today, I believe that we have been able to reach an acceptable compromise which recognizes the desires of the Micronesians for tax and trade related concessions while also recognizing the concerns of the members of the Committee on Ways and Means that we create neither a tax haven in the Pacific nor an open pipeline by which goods can flow through Micronesia to this country duty free.

Section 401 as amended would continue present tariff treatment for the freely associated states, rather than the far more liberal treatment proposed in the compact. The states could continue to be designated by the President as beneficiaries of duty-free preferential tariff treatment under the generalized system of preferences, as proposed by the Committee on Ways and Means. As amended, however, section 401 would increase incentives for economic development in these islands beyond GSP by permitting up to 15 percent of U.S. materials to be counted toward the minimum 35 percent local content required for duty-free treatment. The amendment preserves present requirements for substantial transformation and significant local content to ensure that economic benefits actually accrue to these islands and that U.S. tariff laws are not circumvented.

The compromise treats Micronesia and the Marshall Islands as if they were possessions for purposes of the possessions tax credit of Code section 936. If Congress amends section 936, that amendment will apply in Micronesia and the Marshall Islands 1 year after the enactment of the amendment. The compromise requires the Secretary of the Treasury to negotiate substantially equivalent benefits with Micronesia and the Marshall Islands. The negotiated agreement allowing benefits will not become effective unless and until an act of Congress implements it. To assure an agreement between the United States and the Freely Associated States, the compromise would allow those states to submit the matter to arbitration under the compact if not resolved within 1 year. The decision of the arbitration board would, when approved by law, be binding on the United States. The amendment does not extend to Micronesia and the Marshall Islands any of the other possession tax benefits.

The compromise follows the Ways and Means Committee's reported bill in preventing these islands from becoming tax havens. The compromise allows American individuals working in the Freely Associated States the foreign earned income exclusion of Internal Revenue Code section 911.

Importantly, the compromise does not freeze any of the existing possessions tax benefits, as suggested by the Interior Committee's amendment, leaving this important tax policy issue of possessions tax treatment to be considered in the context of comprehensive tax reform this fall.

Mr. FRENZEL. Mr. Chairman, will the gentleman yield?

Mr. ROSTENKOWSKI. I yield to the gentleman from Minnesota.

Mr. FRENZEL. Mr. Chairman, you directed my attention by your remarks to the section of the bill relating to the arbitration board.

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This section allows the Micronesians to come back, should section 936 be deleted from the law, to negotiate with the Secretary of the Treasury for some kind of welfare payment to replace the tax concession.

It seems to me to be clear that whatever the arbitration board decides, that must be approved by law and that would mean an action in both Houses of the Congress.

Is that the chairman's impression?

Mr. ROSTENKOWSKI. My understanding is similar to what the gentleman stated.

Mr. FRENZEL. I thank the chairman.

Mr. DUNCAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of the gentleman from Illinois [Mr. ROSTENKOWSKI]. Chairman ROSTENKOWSKI has accurately described both the tax and trade provisions of the compact as they would exist under the modified Committee on Ways and Means version. I will not describe them again other than to indicate that I believe they represent a fair balance between all the important competing interests which must be taken into consideration in shaping a reasonable package. In particular, it is important that the package not make possible either tax or trade abuses.

It is also important that the package preserve the special status afforded in the trade area to the Caribbean Basin which the Congress worked so hard on 2 years ago. The package described by the chairman achieves these goals in a reasonable manner while providing beneficial trade and tax incentives to Micronesia appropriate to the special relationship which the United States has with that area of the world. Finally, I think the chairman should be commended for the reasonable compromise developed, particularly in light of the unusual 1-week referral period which was shorter than members of the Committee on Ways and Means would have preferred. I urge the Members to support the version of the compact as developed in the Ways and Means Committee and modified by Chairman ROSTENKOWSKI's amendment.

Mr. Chairman, I yield such time as he may consume to the gentleman from Minnesota [Mr. FRENZEL], a valuable member of the committee.

Mr. FRENZEL. Mr. Chairman, I do not disagree with any of the previous speakers about the security needs that have generated this particular compact. I think the gentleman from Arizona [Mr. MCCAIN] has shown us the acute needs and the particular strategic importance of the missile range.

I do, however, object to the procedures, as I indicated in my discussion on the role. We have been dickering for 14 years. We have held this trusteeship for 40 years. Now we suddenly have an emergency which requires that we make certain decisions in less than a week and we do some plain and fancy drafting this evening in less than an hour.

We had plenty of time to negotiate with each and every one of the 130,000, more or less, inhabitants of the area, had we wanted to.

Mr. Chairman, I would like to discuss the trade sections of the bill because the Members of the House have been very nervous about offering trade concessions to anybody.

Micronesia, under this bill, does get the trade concessions of GSP. The GSP bill extends for 8 years and expires.

In addition to that concession they have a 15-percent U.S. component credit which gives them a better deal than other GSP countries, but not excessively better. There is a tuna exemption which does not exist in the GSP law. So to that extent it is slightly stricter.

This area has been given the advantage of section 936, which is a well-known tax preference available within the U.S. possessions.

However, section 936 has been slated for repeal in the President's tax reform message. Under this bill Micronesia gets section 936, 1 year longer in the case of repeal than any of our possessions.

It also gets section 911, as other countries do, for earned income of Americans resident abroad.

With respect to the general tax matters, one of the speakers indicated that these people would be treated like citizens of any other country. That is not quite accurate. If that were true we would not need a tax section.

There are differences. It is hard to compute how the fortunes of Micronesia are going to compare with the fortunes of other American possessions.

One of my real objections to this is we have not had time to have a hearing so we can go through this and make sure of what we were doing.

A really important objection of mine is that taxes and trade are being given up for security needs.

I strongly object to buying security concessions, leases and agreements by giving away tax and trade preferences. If we have geopolitical and security needs, my judgment is that they ought to be bought by the Department of Defense and State Department appropriations.

I do not believe that creating extra tax preferences which most members of the American community feel we have too many of, are a reasonable way to conduct this kind of diplomacy.

I believe that after lolligagging either for 40 or 14 years we have now created a sudden emergency against

which we must act. I have tried to be responsible and not object to any of the procedures that are taking place here, and I shall not.

But I simply call the attention of the members of this Committee and the American people, the American public, that we are doing something very unusual and I have a strong objection to section 936 where, if this area loses a particular tax preference that now attaches only to American possessions, it gets an extra year of that tax preference and then implicit in the bill is granted a special payoff thereafter.

Mr. Chairman, I do not suggest that anyone vote against this bill. I, however, intend to do so.

Mr. DUNCAN. Mr. Chairman, I yield back the balance of my time.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The gentleman from North Carolina [Mr. JONES] and the gentleman from New York [Mr. LENT] yield back the balance of their time.

● Mr. JONES of North Carolina. Mr. Chairman, House Joint Resolution 187, a resolution to approve the Compact of Free Association, was sequentially referred to the Committee on Merchant Marine and Fisheries.

The membership of the Committee on Merchant Marine and Fisheries had several concerns with the resolution as introduced. In particular, the committee was concerned over the provisions relating to international oceans and fishery policy, obligations of the U.S. Coast Guard, and obligations of the U.S. Coast Guard and Merchant Marine Academies that were included within the resolution, as well as the compact, and subsidiary agreements.

The rule under which House Joint Resolution 187 is being considered makes two amendments in order—House Joint Resolutions 343 and 344. Neither of these resolutions were referred to the Committee on Merchant Marine and Fisheries, but they should have been. In particular, it should be noted that language developed in the Committee on Merchant Marine and Fisheries which amended House Joint Resolution 187 can be found in the pertinent sections of both House Joint Resolutions 343 and 344—sections 102 and 103 relating to law enforcement services of the Coast Guard, section 104 relating to various aspects of U.S. fisheries policy, including the Magnuson Fishery Conservation and Management Act and the Fishermen's Protective Act, section 105 relating to the conservation and management of fish and wildlife through the services and advice of the U.S. Fish and Wildlife Service and the National Marine Fisheries Service and to training and assistance services of the U.S. Coast Guard for law enforcement and navigation. Concerns of the Committee on Merchant Marine and Fisheries and that committees actions on House Joint Resolution 187 are spelled out in House Report 99-188, part 3.

House Joint Resolution 187 was introduced at the request of the administration and I believe this bill is important for many reasons. First, it would bring about the self-determination of the Micronesian peoples. Second, it establishes a long-term relationship between the Freely Associated States and the United States. Third, it protects our strategic interests by securing the status of our military installation in the area. And last, it allows the United States to deny the military presence of other countries in the area. Like most members, I am not happy about the pricetag of this measure; however, I understand that it will save several million dollars over what the United States is spending under the current trusteeship arrangement. Therefore, I urge my fellow Members to vote in favor of final passage of House Joint Resolution 187.●

● Mr. BLAZ. Mr. Chairman, about 40 years ago the war in the Pacific was ending after a long hard-fought island campaign that added strange sounding names to our headlines: The Pacific battle fields of Kwajalein, Saipan, Tinian, and Peleliu were etched into the American consciousness.

Today the House acts on an historic and unprecedented agreement that secures the regional stability won by those costly victories on the beaches and ridges of Micronesia.

At the end of World War II, this great Nation assumed a sacred trust for the war-ravaged people on those western Pacific islands. We rejected the notion that these people and their islands were a prize of war. Rather, we pledged to the community of nations to be the guardian and mentor of Micronesia. We vowed to protect, nurture, and guide the 50,000 people of those far-flung islands into nationhood.

Today there are 150,000 Micronesians. We have rebuilt their islands, replenished their lives, and assisted them in establishing their constitutional governments based on the American democratic model. The Micronesians are ready and eager to assume their place in the world.

Their declaration of self-government lies before the U.S. Congress today as the House considers and votes on House Joint Resolution 344, to approve the Compact of Free Association between the United States and the governments of the Federated States of Micronesia [FSM] and the Marshall Islands.

These two entities are currently part of the Trust Territory of the Pacific Islands—usually referred to as Micronesia—which was established in 1947 by the United Nations under a trusteeship agreement administered by the United States.

Micronesia covers an ocean area slightly larger than the continental United States, with more than 2,100 islands, about 100 of which are inhabited.

House Joint Resolution 344, along with the compact and the subsidiary agreements, secures our strategic interests in the region while fulfilling our international obligation to promote the development of the islands toward self-government.

As a Member of Congress who grew up in the Micronesian region, I have developed a special appreciation of the Micronesian people's strong desire for an enduring relationship with the United States.

As I have done in the past, I again urge all my colleagues in this august body to support and approve the Compact of Free Association. The compact is the product of 15 years of serious and complex negotiations carried out by four U.S. administrations and approved by the Micronesians in several plebiscites.

The agreement provides mutual benefits to the Micronesians and the United States. It would significantly benefit our Nation militarily, economically, and politically.

The agreement provides the United States the right to deny access to all other nations to the land, air, and seas of this vast region of the central Pacific indefinitely, thereby protecting the security of our vital sealanes and communications and preventing the establishment of any hostile onshore installations. It also provides the United States access for 30 years to the crucial Kwajalein missile range.

The compact saves the U.S. taxpayers more than $300 million in the cost of administering the territory if we were to continue the trusteeship.

The compact will greatly benefit the people of the Federated States of Micronesia and the Marshall Islands by establishing their sovereignty and autonomy over their domestic and foreign affairs.

The compact provides generous financial assistance and economic development incentives to ensure that these new states can assume an increasing responsibility for funding their government operations and provides a progressive standard of living for their citizens.

This document will stand as an American legacy to a group of people for whom we have accepted a sacred trust. It will show the Pacific community that we will enter the next century in a strong strategic posture, but

also as a nation able to build good will in the region through creative and democratic arrangements oriented toward economic development through private enterprise.

The Micronesians have come of age and are ready to fulfill their destiny. Our approval of the compact today will fulfill that commitment.●

● Mr. LEHMAN of California. Mr. Chairman, I rise to commend the efforts of all of those who have contributed to fashioning this important legislation.

This compact contains a number of important provisions regarding our relationship with the Federated States of Micronesia and the Marshall Islands, including national security, economic development, and resource management.

All of these are important components of the compact and recognize the important historical relationship which the United States has maintained with the inhabitants of the Pacific Trust Territory. Inherent in this historical relationship is the obligation and responsibility of the United States regarding the effects of U.S. post-World War II nuclear bomb testing on Bikini and Enewetak Atolls in the Marshall Islands.

The compact establishes a $150 million trust fund to settle approximately $5 billion in damage claims against the United States as a result of the nuclear testing and has other provisions to address this issue.

While I support the agreement as provided for in the compact, I would like to reiterate the clear moral responsibility that the United States has with regard to providing for a habitable, radiation-free environment for the people of these islands. The compact only begins to make amends for the health and safety compromises which were made to their culture and individual well-being.

Let the compact and its nuclear compensation provisions be a small reminder to this government and the American people of our moral responsibility and obligation to our friends in these Pacific Islands.

Though this compact is not perfect, it does reflect many years of hard work and well thought out compromises and I urge my colleagues to join me in supporting the House Joint Resolution 187.●

● Mr. RICHARDSON. Mr. Chairman, as a cosponsor, I rise in strong support of House Joint Resolution 187 to approve the compact of free association. This well conceived compact balances the economic, social, and defense needs of the United States with those of the Federated States of Micronesia [FSM] and the Marshall Islands. This new relationship between the United States, the FSM, and the Marshall Islands must be one which respects the dignity of all concerned and provides a safe environment in which development is fostered.

The choice of the people of the Federated States of Micronesia and the Marshall Islands for the status of free association was made voluntarily through a national plebiscite; this choice must be honored. The status of freely associated states is unique. It gives the FMS and Marshall islands certain benefits accorded to the commonwealths and territories of the United States as well as those of independent nations. The impact of the compact of free association on our flag territories has not been ignored in our negotiations. The Udall-Fascell substitute offers a compact which is judicious and fair to the development of the United States, its territories, and the FSM and Marshalls.

I believe development will be fostered by a significant increase in the U.S.-funded construction program in the Micronesia area. The American preference provision included in House Joint Resolution. 187 will reinforce this cooperative relationship. U.S. contractors will maintain their Pacific markets against heavily subsidized foreign contractors while the islands will benefit from the hiring and training of local labor. The American preference is regulated not by the AID definition of contractor but also by a limitation on the award of construction projects to U.S. contractors if adequate competition exists. Thus, American contractors will be given preference while the governments of the freely associated states will not suffer undue expense due to projects built by U.S. companies.

I urge my colleagues to support this effort to establish a positive and balanced relationship between the United States, FSM, and the Marshall Islands. The approval of the Udall-Fascell substitute will guarantee that the best interests of all involved are adopted.

We have included in this bill a requirement that construction projects aggregating $1 million or more be awarded only to bona fide United States and local Micronesian and Marshalls contractors, provided that the lowest U.S. or local bid is within 20 percent of the government estimate for the project. Along those lines, we expect the United States to provide to those governments such technical assistance as is necessary to enable them to make accurate estimates of the cost of such projects.

To protect against the undesirable possibility of foreign contractors fronting as U.S. or local firms to secure these construction contracts, we have included definitions of U.S. and local contractors. For instance, a local contractor's assets must be "at least 60 percent owned or controlled in fact by citizens of the FSM and the Marshalls."

It is certainly our intention to prevent foreign firms from qualifying as local companies through creative "class A/class B" stock schemes or by suddenly having 60 percent of their stockholders declared FAS citizens. In developing definitions of U.S. and local firms, we borrowed heavily from the policies of the Agency for International Development [AID]. AID defines asset ownership as ownership of each class of stock or partnership interest and that is what we mean here. Prevent foreign firms from doing that.

I don't want any loopholes in the contract preference provision through which a creative foreign company could get these contracts. We have directed the President to issue regulations to implement this preference, and I want to be sure the regulations prevent foreign firms from passing themselves off as American or local firms.

Once again, I don't want any loopholes in the contract preference provision through which a creative foreign company could get these contracts. We have directed the President to issue regulations to implement this preference, and I want to be sure the regulations prevent foreign firms from passing themselves off as American or local firms.●

The CHAIRMAN. All time has expired.

Pursuant to House Resolution 235, the joint resolution is considered as having been read for amendment under the 5-minute rule.

The text of House Joint Resolution 187 is as follows:

H.J. RES. 187

Whereas the United States is the administering authority of the Trust Territory of the Pacific Islands under the terms of the Trusteeship Agreement for the former Japanese Mandated Islands entered into by the United States with the Security Council of the United Nations on April 2, 1947, and approved by the United States on July 18, 1947; and

Whereas the United States, in accordance with the Trusteeship Agreement, the Charter of the United Nations and the objectives of the international trusteeship system, has promoted the development of the peoples of the Trust Territory toward self-government or independence as appropriate to the particular circumstances of the Trust Territory and its peoples and the freely expressed wishes of the peoples concerned; and

Whereas the United States, in response to the desires of the peoples of the Federated States of Micronesia and the Marshall Islands expressed through their freely-elected representatives and by the official pronouncements and enactments of their lawfully constituted governments, and in consideration of its own obligations under the Trusteeship Agreement to promote self-determination, entered into political status negotiations with representatives of the peoples of the Federated States of Micronesia, and the Marshall Islands; and

Whereas these negotiations resulted in the "Compact of Free Association" which, together with its related agreements, was

signed by the United States and by the Federated States of Micronesia and the Republic of the Marshall Islands on October 1, 1982 and June 25, 1983, respectively; and

Whereas the Compact of Free Association was approved by majorities of the peoples of the Federated States of Micronesia and the Marshall Islands in United Nations-observed plebiscites conducted on June 21, 1983 and September 7, 1983, respectively; and

Whereas the Compact of Free Association has been approved by the Governments of the Federated States of Micronesia and the Marshall Islands in accordance with their respective constitutional processes, thus completing fully for the Federated States of Micronesia and the Marshall Islands their domestic approval processes with respect to the Compact as contemplated in Compact Section 411: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Compact of Free Association, the text of which follows, is hereby approved and the President is authorized to agree to an effective date for and thereafter to implement the Compact of Free Association, having taken into account any procedures with respect to the United Nations for termination of the Trusteeship Agreement:

COMPACT OF FREE ASSOCIATION

PREAMBLE

THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENTS OF THE MARSHALL ISLANDS AND THE FEDERATED STATES OF MICRONESIA

Affirming that their Governments and their relationships as Governments are founded upon respect for human rights and fundamental freedoms for all, and that the peoples of the Trust Territory of the Pacific Islands have the right to enjoy self-government; and

Affirming the common interests of the United States of America and the peoples of the Trust Territory of the Pacific Islands in creating close and mutually beneficial relationships through two free and voluntary associations of their respective Governments; and

Affirming the interest of the Government of the United States in promoting the economic advancement and self-sufficiency of the peoples of the Trust Territory of the Pacific Islands; and

Recognizing that their previous relationship has been based upon the International Trusteeship System of the United Nations Charter, and in particular Article 76 of the Charter; and that pursuant to Article 76 of the Charter, the peoples of the Trust Territory have progressively developed their institutions of self-government, and that in the exercise of their sovereign right to self-determination they have, through their freely-expressed wishes, adopted Constitutions appropriate to their particular circumstances; and

Recognizing their common desire to terminate the Trusteeship and establish two new government-to-government relationships each of which is in accordance with a new political status based on the freely-expressed wishes of peoples of the Trust Territory of the Pacific Islands and appropriate to their particular circumstances; and

Recognizing that the peoples of the Trust Territory of the Pacific Islands have and retain their sovereignty and their sovereign right to self-determination and the inherent right to adopt and amend their own Constitutions and forms of government and that the approval of the entry of their respective Governments into this Compact of Free Association by the peoples of the Trust Territory of the Pacific Islands constitutes an exercise of their sovereign right to self-determination;

NOW, THEREFORE, AGREE to enter into relationships of free association which provide a full measure of self-government for the peoples of the Marshall Islands and the Federated States of Micronesia; and

FURTHER AGREE that the relationships of free association derive from and are as set forth in this Compact; and that, during such relationships of free association, the respective rights and responsibilities of the Government of the United States and the Governments of the freely associated states of the Marshall Islands and the Federated States of Micronesia in regard to these relationships of free association derive from and are as set forth in this Compact.

TITLE ONE

GOVERNMENTAL RELATIONS

Article I

Self-Government

Section 111

The peoples of the Marshall Islands and the Federated States of Micronesia, acting through the Governments established under their respective Constitutions, are self-governing.

Article II

Foreign Affairs

Section 121

(a) The Governments of the Marshall Islands and the Federated States of Micronesia have the capacity to conduct foreign affairs and shall do so in their own name and right, except as otherwise provided in this Compact.

(b) The foreign affairs capacity of the Governments of the Marshall Islands and the Federated States of Micronesia includes:

(1) the conduct of foreign affairs relating to law of the sea and marine resources matters, including the harvesting, conservation, exploration or exploitation of living and non-living resources from the sea, seabed or subsoil to the full extent recognized under international law;

(2) the conduct of their commercial, diplomatic, consular, economic, trade, banking, postal, civil aviation, communications, and cultural relations, including negotiations for the receipt of developmental loans and grants and the conclusion of arrangements with other governments and international and intergovernmental organizations, including any matters specially benefiting their individual citizens.

(c) The Government of the United States recognizes that the Governments of the Marshall Islands and the Federated States of Micronesia have the capacity to enter into, in their own name and right, treaties and other international agreements with governments and regional and international organizations.

(d) In the conduct of their foreign affairs, the Governments of the Marshall Islands and the Federated States of Micronesia confirm that they shall act in accordance with principles of international law and shall settle their international disputes by peaceful means.

Section 122

The Government of the United States shall support applications by the Governments of the Marshall Islands and the Federated States of Micronesia for membership or other participation in regional or international organizations as may be mutually agreed. The Government of the United States agrees to accept for training and instruction at the Foreign Service Institute, established under 22 U.S.C. 4021, citizens of the Marshall Islands and the Federated States of Micronesia. The qualifications of candidates for such training and instruction and all other terms and conditions of participation by citizens of the Marshall Islands and the Federated States of Micronesia in Foreign Service Institute programs shall be as mutually agreed between the Government of the United States and the Governments of the Marshall Islands and the Federated States of Micronesia.

Section 123

(a) In recognition of the authority and responsibility of the Government of the United States under Title Three, the Governments of the Marshall Islands and the Federated States of Micronesia shall consult, in the conduct of their foreign affairs, with the Government of the United States.

(b) In recognition of the respective foreign affairs capacities of the Governments of the Marshall Islands and the Federated States of Micronesia, the Government of the United States, in the conduct of its foreign affairs, shall consult with the Government of the Marshall Islands or the Federated States of Micronesia on matters which the Government of the United States regards as relating to or affecting any such Government.

Section 124

The Government of the United States may assist or act on behalf of the Government of the Marshall Islands or the Federated States of Micronesia in the area of foreign affairs as may be requested and mutually agreed from time to time. The Government of the United States shall not be responsible to third parties for the actions of the Government of the Marshall Islands or the Federated States of Micronesia undertaken with the assistance or through the agency of the Government of the United States pursuant to this Section unless expressly agreed.

Section 125

The Government of the United States shall not be responsible for nor obligated by any actions taken by the Government of the Marshall Islands or the Federated States of Micronesia in the area of foreign affairs, except as may from time to time be expressly agreed.

Section 126

At the request of the Government of the Marshall Islands or the Federated States of Micronesia and subject to the consent of the receiving state, the Government of the United States shall extend consular assistance on the same basis as for citizens of the United States to citizens of the Marshall Islands and the Federated States of Micronesia for travel outside the Marshall Islands and the Federated States of Micronesia, the United States and its territories and possessions.

Section 127

Except as otherwise provided in this Compact or its related agreements, all obligations, responsibilities, rights and benefits of the Government of the United States as Administering Authority which have resulted from the application pursuant to the Trust-

eeship Agreement of any treaty or other international agreement to the Trust Territory of the Pacific Islands on the day preceding the effective date of this Compact are no longer assumed and enjoyed by the Government of the United States.

Article III

Communications

Section 131

(a) The Governments of the Marshall Islands and the Federated States of Micronesia have full authority and responsibility to regulate their respective domestic and foreign communications, and the Government of the United States shall provide communications assistance in accordance with the terms of a separate agreement which shall come into effect simultaneously with this Compact, and such agreement shall remain in effect until such time as any election is made pursuant to Section 131(b) and which shall provide for the following:

(1) the Government of the United States remains the sole administration entitled to make notification to the International Frequency Registration Board of the International Telecommunications Union of frequency assignments to radio communications stations respectively in the Marshall Islands and the Federated States of Micronesia; and to submit to the International Frequency Registration Board seasonal schedules for the broadcasting stations respectively in the Marshall Islands and the Federated States of Micronesia in the bands allocated exclusively to the broadcasting service between 5,950 and 26,100 kHz and in any other additional frequency bands that may be allocated to use by high frequency broadcasting stations; and

(2) the United States Federal Communications Commission has jurisdiction, pursuant to the Communications Act of 1934, 47 U.S.C. 151 *et seq.*, and the Communications Satellite Act of 1962, 47 U.S.C. 721 *et seq.*, over all domestic and foreign communications services furnished by means of satellite earth terminal stations where such stations are owned or operated by United States common carriers and are located in the Marshall Islands or the Federated States of Micronesia.

(b) The Government of the Marshall Islands or the Federated States of Micronesia may elect at any time to undertake the functions enumerated in Section 131(a) and previously performed by the Government of the United States. Upon such election, the Government of the United States shall so notify the International Frequency Registration Board and shall take such other actions as may be necessary to transfer to the electing Government the notification authority referred to in Section 131(a) and all rights deriving from the previous exercise of any such notification authority by the Government of the United States.

Section 132

The Governments of the Marshall Islands and the Federated States of Micronesia shall permit the Government of the United States to operate telecommunications services in the Marshall Islands and the Federated States of Micronesia to the extent necessary to fulfill the obligations of the Government of the United States under this Compact in accordance with the terms of separate agreements which shall come into effect simultaneously with this Compact.

ARTICLE IV

Immigration

Section 141

(a) Any person in the following categories may enter into, lawfully engage in occupations, and establish residence as a nonimmigrant in the United States and its territories and possessions without regard to paragraphs (14), (20), and (26) of section 212(a) of the Immigration and Nationality Act, 8 U.S.C. 1182(a) (14U5), (20), and (26):

(1) a person who, on the day preceding the effective date of this Compact, is a citizen of the Trust Territory of the Pacific Islands, as defined in Title 53 of the Trust Territory Code in force on Janaury 1, 1979, and has become a citizen of the Marshall Islands or the Federated States of Micronesia.

(2) a person who acquires the citizenship of the Marshall Islands or the Federated States of Micronesia at birth, on or after the effective date of the respective Constitution;

(3) a naturalized citizen of the Marshall Islands or the Federated States of Micronesia who has been an actual resident there for not less than five years after attaining such naturalization and who holds a certificate of actual residence; or

(4) a person entitled to citizenship in the Marshall Islands by lineal descent whose name is included in a list to be furnished by the Government of the Marshall Islands to the United States Immigration and Naturalization Service and any descendants of such persons, provided that such person holds a certificate of lineal descent issued by the Government of the Marshall Islands.

Such persons shall be considered to have the permission of the Attorney General of the United States to accept employment in the United States.

(b) The right of such persons to establish habitual residence in a territory or possession of the United States may, however, be subjected to non-discriminatory limitations provided for:

(1) in statutes or regulations of the United States; or

(2) in those statutes or regulations of the territory or possession concerned which are authorized by the laws of the United States.

(c) Section 141(a) does not confer on a citizen of the Marshall Islands or the Federated States of Micronesia the right to establish the residence necessary for naturalization under the Immigration and Nationality Act, or to petition for benefits for alien relatives under that Act. Section 141(a), however, shall not prevent a citizen of the Marshall Islands or the Federated States of Micronesia from otherwise acquiring such rights or lawful permanent resident alien status in the United States.

Section 142

(a) Any citizen or national of the United States may enter into, lawfully engage in occupations, and reside in the Marshall Islands or the Federated States of Micronesia, subject to the rights of those Governments to deny entry to or deport any such citizen or national as an undesirable alien. A citizen or national of the United States may establish habitual residence or domicile in the Marshall Islands or the Federated States of Micronesia only in accordance with the laws of the jurisdiction in which habitual residence or domicile is sought.

(b) With respect to the subject matter of this Section, the Government of the Marshall Islands or the Federated States of Micronesia shall accord to citizens and nationals of the United States treatment no less favorable than that accorded to citizens of other countries; any denial of entry to or deportation of a citizen or national of the United States as an undesirable alien must be pursuant to reasonable statutory grounds.

Section 143

(a) The privileges set forth in Sections 141 and 142 shall not apply to any person who takes an affirmative step to preserve or acquire a citizenship or nationality other than that of the Marshall Islands, the Federated States of Micronesia or the United States.

(b) Every person having the privileges set forth in Sections 141 and 142 who possesses a citizenship or nationality other than that of the Marshall Islands, the Federated States of Micronesia or the United States ceases to have these privileges two years after the effective date of this Compact, or within six months after becoming 21 years of age, whichever comes later, unless such person executes an oath of renunciation of that other citizenship or nationality.

Section 144

(a) A citizen or national of the United States who, after notification to the Government of the United States of an intention to employ such person by the Government of the Marshall Islands or the Federated States of Micronesia, commences employment with such Government shall not be deprived of his United States nationality pursuant to Section 349(a)(2) and (a)(4) of the Immigration and Nationality Act, 8 U.S.C. 1481 (a)(2) and (a)(4).

(b) Upon such notification by the Government of the Marshall Islands or the Federated States of Micronesia, the Government of the United States may consult with or provide information to the notifying Government concerning the prospective employee, subject to the provisions of the Privacy Act, 5 U.S.C. 552a.

(c) The requirement of prior notification shall not apply to those citizens or nationals of the United States who are employed by the Government of the Marshall Islands or the Federated States of Micronesia on the effective date of this Compact with respect to the positions held by them at that time.

Article V

Representation

Section 151

The Government of the United States and the Government of the Marshall Islands or the Federated States of Micronesia may establish and maintain representative offices in the capital of the other for the purpose of maintaining close and regular consultations on matters arising in the course of the relationship of free association and conducting other government business. The Governments may establish and maintain additional offices on terms and in locations as may be mutually agreed.

Section 152

(a) The premises of such representative offices, and their archives wherever located, shall be inviolable. The property and assets of such representative offices shall be immune from search, requisition, attachment and any form of seizure unless such immunity is expressly waived. Official communications in transit shall be inviolable and accorded the freedom and protections accorded by recognized principles of international law to official communications of a diplomatic mission.

(b) persons designated by the sending Government may serve in the capacity of its resident representatives with the consent of the receiving Government. Such designated

persons shall be immune from civil and criminal process relating to words spoken or written and all acts performed by them in their official capacity and falling within their functions as such representatives, except insofar as such immunity may be expressly waived by the sending Government. While serving in a resident representative capacity, such designated persons shall not be liable to arrest or detention pending trial, except in the case of a grave crime and pursuant to a decision by a competent judicial authority, and such persons shall enjoy immunity from seizure of personal property, immigration restrictions, and laws relating to alien registration, fingerprinting, and the registration of foreign agents.

(c) The sending Governments and their respective assets, income and other property shall be exempt from all direct taxes, except those direct taxes representing payment for specific goods and services, and shall be exempt from all customs duties and restrictions on the import or export of articles required for the official functions and personal use of their representatives and representative offices.

(d) Persons designated by the sending Government to serve in the capacity of its resident representatives shall enjoy the same taxation exemptions as are set forth in Article 34 of the Vienna Convention on Diplomatic Relations.

(e) The privileges, exemptions and immunities accorded under this Section are not for the personal benefit of the individuals concerned but are to safeguard the independent exercise of their official functions. Without prejudice to those privileges, exemptions and immunities, it is the duty of all such persons to respect the laws and regulations of the Government to which they are assigned.

Section 153

(a) Any citizen or national of the United States who, after consultation between the designating Government and the Government of the United States, is designated by the Government of the Marshall Islands or the Federated States of Micronesia as its agent, shall enjoy exemption from the requirements of the laws of the United States relating to the registration of foreign agents. The Government of the United States shall promptly comply with a request for consultation made by the prospective designating Government. During the course of the consultation, the Government of the United States may, in its discretion, and subject to the provisions of the Privacy Act, 5 U.S.C. 552a, transmit such information concerning the prospective designee as may be available to it to the prospective designating Government.

(b) Any citizen or national of the United States may be employed by the Government of the Marshall Islands or the Federated States of Micronesia to represent to foreign governments, officers or agents thereof the positions of the Government of the Marshall Islands or the Federated States of Micronesia, without regard to the provisions of 18 U.S.C. 953.

Article VI

Environmental Protection

Section 161

The Governments of the United States, the Marshall Islands and the Federated States of Micronesia declare that it is their policy to promote efforts to prevent or eliminate damage to the environment and biosphere and to enrich understanding of the natural resources of the Marshall Islands and the Federated States of Micronesia. In order to carry out this policy, the Government of the United States and the Governments of the Marshall Islands and the Federated States of Micronesia agree to the following mutual and reciprocal undertakings.

(a) The Government of the United States:

(1) shall continue to apply the environmental controls in effect on the day preceding the effective date of this Compact to those of its continuing activities subject to Section 161(a)(2), unless and until those controls are modified under Sections 161(a)(3) and 161(a)(4);

(2) shall apply the National Environmental Policy Act of 1969, 83 Stat. 852, 42 U.S.C. 4321 *et seq.*, to its activities under the Compact and its related agreements as if the Marshall Islands and the Federated States of Micronesia were the United States;

(3) shall comply also, in the conduct of any activity requiring the preparation of an Environmental Impact Statement under Section 161(a)(2), with standards substantively similar to those required by the following laws of the United States, taking into account the particular environments of the Marshall Islands and the Federated States of Micronesia: the Endangered Species Act of 1973, 87 Stat. 884, 16 U.S.C. 1531 *et seq.*; the Clean Air Act, 77 Stat. 392, 42 U.S.C. Supp. 7401 *et seq.*; the Clean Water Act (Federal Water Pollution Control Act), 86 Stat. 896, 33 U.S.C. 1251 *et seq.*; the Ocean Dumping Act (Title I of the Marine Protection, Research and Sanctuaries Act of 1972), 86 Stat. 1053, 33 U.S.C. 1411 *et seq.*; the Toxic Substances Control Act, 90 Stat. 2003, 15 U.S.C. 2601 *et seq.*; the Resources Conservation and Recovery Act of 1976, 90 Stat. 2796, 42 U.S.C. 6901 *et seq.*; and such other environmental protection laws of the United States as may be mutually agreed from time to time with the Government of the Marshall Islands or the Federated States of Micronesia; and

(4) shall develop, prior to conducting any activity requiring the preparation of an Environmental Impact Statement under Section 161(a)(2), appropriate mechanisms, including regulations or other judicially reviewable standards and procedures, to regulate its activities governed by Section 161(a)(3) in the Marshall Islands and the Federated States of Micronesia in a manner appropriate to the special governmental relationship set forth in this Compact. The agencies of the Government of the United States designated by law to administer the laws set forth in Section 161(a)(3) shall participate as appropriate in the development of any regulation, standard or procedure under this Section, and the Government of the United States shall provide the affected Government of the Marshall Islands or the Federated States of Micronesia with the opportunity to comment during such development.

(b) The Governments of the Marshall Islands and the Federated States of Micronesia shall develop standards and procedures to protect their environments. As a reciprocal obligation to the undertakings of the Government of the United States under this Article, the Governments of the Marshall Islands and the Federated States of Micronesia, taking into account their particular environments, shall develop standards for environmental protection substantively similar to those required of the Government of the United States by Section 161(a)(3) prior to their conducting activities in the Marshall Islands and the Federated States of Micronesia, respectively, substantively equivalent to activities conducted there by the Government of the United States and, as a further reciprocal obligation, shall enforce those standards.

(c) Section 161(a), including any standard or procedure applicable thereunder, and Section 161(b) may be modified or superseded in whole or in part by agreement of the Government of the United States and the Government of the Marshall Islands or the Federated States of Micronesia.

(d) In the event that an Environmental Impact Statement is no longer required under the laws of the United States for major federal actions significantly affecting the quality of the human environment, the regulatory regime established under Sections 161(a)(3) and 161(a)(4) shall continue to apply to such activities of the Government of the United States until amended by mutual agreement.

(e) The President of the United States may exempt any of the activities of the Government of the United States under this Compact and its related agreements from any environmental standard or procedure which may be applicable under Sections 161(a)(3) and 161(a)(4) if the President determines it to be in the paramount interest of the Government of the United States to do so, consistent with Title Three of this Compact and the obligations of the Government of the United States under international law. Prior to any decision pursuant to this subsection, the views of the affected Government of the Marshall Islands or the Federated States of Micronesia shall be sought and considered to the extent practicable. If the President grants such an exemption, to the extent practicable, a report with his reasons for granting such exemption shall be given promptly to the affected Government.

(f) The laws of the United States referred to in Section 161(a)(3) shall apply to the activities of the Government of the United States under this Compact and its related agreements only to the extent provided for in this Section.

Section 162

The Government of the Marshall Islands or the Federated States of Micronesia may bring an action for judicial review of any administrative agency action or any activity of the Government of the United States pursuant to Sections 161(a), 161(d) or 161(e) or for enforcement of the obligations of the Government of the United States arising thereunder. The United States District Court for the District of Hawaii and the United States District Court for the District of Columbia shall have jurisdiction over such action or activity, and over actions brought under Section 172(b) which relate to the activities of the Government of the United States and its officers and employees, governed by Section 161, provided that:

(a) Such actions may only be civil actions for any appropriate civil relief other than punitive damages against the Government of the United States or, where required by law, its officers in their official capacity; no criminal actions may arise under this Section;

(b) Actions brought pursuant to this Section may be initiated only by the Government concerned;

(c) Administrative agency actions arising under Section 161 shall be reviewed pursuant to the standard of judicial review set forth in 5 U.S.C. 706;

(d) The District Court shall have jurisdiction to issue all necessary processes, and the Government of the United States agrees to submit itself to the jurisdiction of the court; decisions of the District Court shall be reviewable in the United States Court of Appeals for the Ninth Circuit or the United States Court of Appeals for the District of Columbia, respectively, or in the United States Supreme Court as provided by the laws of the United States;

(e) The judicial remedy provided for in this Section shall be the exclusive remedy for the judicial review or enforcement of the obligations of the Government of the United States under this Article and actions brought under Section 172(b) which relate to the activities of the Government of the United States and its officers and employees governed by Section 161; and

(f) In actions pursuant to this Section, the Governments of the Marshall Islands and the Federated States of Micronesia shall be treated as if they were United States citizens.

Section 163

(a) For the purpose of gathering data necessary to study the environmental effects of activities of the Government of the United States subject to the requirements of this Article, the Governments of the Marshall Islands and the Federated States of Micronesia shall be granted access to facilities operated by the Government of the United States in the Marshall Islands and the Federated States of Micronesia, to the extent necessary for this purpose, except to the extent such access would unreasonably interfere with the exercise of the authority and responsibility of the Government of the United States under Title Three.

(b) The Government of the United States, in turn, shall be granted access to the Marshall Islands or the Federated States of Micronesia for the purpose of gathering data necessary to discharge its obligations under this Article, except to the extent such access would unreasonably interfere with the exercise of the authority and responsibility of the Government of the Marshall Islands or the Federated States of Micronesia under Title One, and to the extent necessary for this purpose shall be granted access to documents and other information to the same extent similar access is provided those Governments under the Freedom of Information Act, 5 U.S.C. 552.

(c) The Governments of the Marshall Islands and the Federated States of Micronesia shall not impede efforts by the Government of the United States to comply with applicable standards and procedures.

Article VII

General Legal Provisions

Section 171

Except as provided in this Compact or its related agreements, the application of the laws of the United States to the Trust Territory of the Pacific Islands by virtue of the Trusteeship Agreement ceases with respect to the Marshall Islands and the Federated States of Micronesia as of the effective date of this Compact.

Section 172

(a) Every citizen of the Marshall Islands or the Federated States of Micronesia who is not a resident of the United States shall enjoy the rights and remedies under the laws of the United States enjoyed by any non-resident alien.

(b) The Governments of the Marshall Islands and the Federated States of Micronesia and every citizen of the Marshall Islands or the Federated States of Micronesia shall be considered a "person" within the meaning of the Freedom of Information Act, 5 U.S.C. 552, and of the judicial review provisions of the Administrative Procedure Act, 5 U.S.C. 701-706, except that only the Government of the Marshall Islands or the Federated States of Micronesia may seek judicial review under the Administrative Procedure Act or judicial enforcement under the Freedom of Information Act when such judicial review or enforcement relates to the activities of the Government of the United States governed by Sections 161 and 162.

Section 173

The Governments of the United States, the Marshall Islands and the Federated States of Micronesia agree to adopt and enforce such measures, consistent with this Compact and its related agreements, as may be necessary to protect the personnel, property, installations, services, programs and official archives and documents maintained by the Government of the United States in the Marshall Islands and the Federated States of Micronesia pursuant to this Compact and its related agreements and by those Governments in the United States pursuant to this Compact and its related agreements.

Section 174

Except as otherwise provided in this Compact and its related agreements:

(a) The Governments of the Marshall Islands and the Federated States of Micronesia shall be immune from the jurisdiction of the courts of the United States, and the Government of the United States shall be immune from the jurisdiction of the courts of the Marshall Islands and the Federated States of Micronesia.

(b) The Government of the United States accepts responsibility for and shall pay:

(1) any unpaid money judgment rendered by the High Court of the Trust Territory of the Pacific Islands against the Government of the Trust Territory of the Pacific Islands or the Government of the United States with regard to any cause of action arising as a result of acts or omissions of the Government of the Trust Territory of the Pacific Islands or the Government of the United States prior to the effective date of this Compact;

(2) any claim settled by the claimant and the Government of the Trust Territory of the Pacific Islands but not paid as of the effective date of this Compact; and

(3) settlement of any administrative claim or of any action before a court of the Trust Territory of the Pacific Islands, pending as of the effective date of this Compact, against the Government of the Trust Territory of the Pacific Islands or the Government of the United States, arising as a result of acts or omissions of the Government of the Trust Territory of the Pacific Islands or the Government of the United States.

(c) Any claim not referred to in Section 174(b) and arising from an act or omission of the Government of the Trust Territory of the Pacific Islands or the Government of the United States prior to the effective date of this Compact shall be adjudicated in the same manner as a claim adjudicated according to Section 174(d). In any claim against the Government of the Trust Territory of the Pacific Islands, the Government of the United States shall stand in the place of the Government of the Trust Territory of the Pacific Islands. A judgment on any claim referred to in Section 174(b) or this subsection, not otherwise satisfied by the Government of the United States, may be presented for certification to the United States Court of Appeals for the Federal Circuit, or its successor court, which shall have jurisdiction therefor, notwithstanding the provisions of 28 U.S.C. 1502, and which court's decisions shall be reviewable as provided by the laws of the United States. The United States Court of Appeals for the Federal Circuit shall certify such judgment, and order payment thereof, unless it finds, after a hearing, that such judgment is manifestly erroneous as to law or fact, or manifestly excessive. In either of such cases the United States Court of Appeals for the Federal Circuit shall have jurisdiction to modify such judgment.

(d) The Governments of the Marshall Islands and the Federated States of Micronesia shall not be immune from the jurisdiction of the courts of the United States, and the Government of the United States shall not be immune from the jurisdiction of the courts of the Marshall Islands and the Federated States of Micronesia in any case in which the action is based on a commercial activity of the defendant Government where the action is brought, or in a case in which damages are sought for personal injury or death or damage to or loss of property occurring where the action is brought.

Section 175

A separate agreement, which shall come into effect simultaneously with this Compact, shall be concluded between the Government of the United States and the Governments of the Marshall Islands and the Federated States of Micronesia regarding mutual assistance and cooperation in law enforcement matters including the pursuit, capture, imprisonment and extradition of fugitives from justice and the transfer of prisoners. The separate agreement shall have the force of law. In the United States, the laws of the United States governing international extradition, including 18 U.S.C. 3184, 3186 and 3188-3195, shall be applicable to the extradition of fugitives under the separate agreement, and the laws of the United States governing the transfer of prisoners, including 18 U.S.C. 4100-4115, shall be applicable to the transfer of prisoners under the separate agreement.

Section 176

The Governments of the Marshall Islands and the Federated States of Micronesia confirm that final judgments in civil cases rendered by any court of the Trust Territory of the Pacific Islands shall continue in full force and effect, subject to the constitutional power of the courts of the Marshall Islands and the Federated States of Micronesia to grant relief from judgments in appropriate cases.

Section 177

(a) The Government of the United States accepts the responsibility for compensation owing to citizens of the Marshall Islands, or the Federated States of Micronesia (or Palau) for loss or damage to property and person of the citizens of the Marshall Islands, or the Federated States of Micronesia or resulting from the nuclear testing program which the Government of the United States conducted in the Northern Marshall Islands between June 30, 1946, and August 18, 1958.

(b) The Government of the United States and the Government of the Marshall Is-

lands shall set forth in a separate agreement provisions for the just and adequate settlement of all such claims which have arisen in regard to the Marshall Islands and its citizens and which have not as yet been compensated or which in the future may arise, for the continued administration by the Government of the United States of direct radiation related medical surveillance and treatment programs and radiological monitoring activities and for such additional programs and activities as may be mutually agreed, and for the assumption by the Government of the Marshall Islands of responsibility for enforcement of limitations on the utilization of affected areas developed in cooperation with the Government of the United States and for the assistance by the Government of the United States in the exercise of such responsibility as may be mutually agreed. This separate agreement shall come into effect simultaneously with this Compact and shall remain in effect in accordance with its own terms.

(c) The Government of the United States shall provide to the Government of the Marshall Islands, on a grant basis, the amount of $150 million to be paid and distributed in accordance with the separate agreement referred to in this Section, and shall provide the services and programs set forth in this separate agreement, the language of which is incorporated into this Compact.

Section 178

(a) The federal agencies of the Government of the United States which provide the services and related programs in the Marshall Islands or the Federated States of Micronesia pursuant to Articles II and III of Title Two are authorized to settle and pay tort claims arising in the Marshall Islands or the Federated States of Micronesia from the activities of such agencies or from the acts or omissions of the employees of such agencies. Except as provided in Section 178(b), the provisions of 28 U.S.C. 2672 and 31 U.S.C. 1304 shall apply exclusively to such administrative settlements and payments.

(b) Claims under Section 178(a) which cannot be settled under Section 178(a) shall be disposed of exclusively in accordance with Article II of Title Four. Arbitration awards rendered pursuant to this subsection shall be paid out of funds under 31 U.S.C. 1304.

(c) The Government of the United States and the Government of the Marshall Islands or the Federated States of Micronesia shall, in the separate agreements referred to in Section 232, provide for:

(1) the administrative settlement of claims referred to in Section 178(a), including designation of local agents in the Marshall Islands and each State of the Federated States of Micronesia; such agents to be empowered to accept, investigate and settle such claims, in a timely manner, as provided in such separate agreements; and

(2) arbitration, referred to in Section 178(b), in a timely manner, at a site convenient to the claimant, in the event a claim is not otherwise settled pursuant to Section 178(a).

(d) The provisions of Section 174(d) shall not apply to claims covered by this Section.

TITLE TWO

ECONOMIC RELATIONS

Article I

Grant Assistance

Section 211

(a) In order to assist the Governments of the Marshall Islands and the Federated States of Micronesia in their efforts to advance the economic self-sufficiency of their peoples and in recognition of the special relationship that exists between them and the United States, the Government of the United States shall provide on a grant basis the following amounts:

(1) to the Government of the Marshall Islands, $26.1 million annually for five years commencing on the effective date of this Compact, $22.1 million annually for five years commencing on the fifth anniversary of the effective date of this Compact, and $19.1 million annually for five years commencing on the tenth anniversary of this Compact. Over this fifteen-year period, the Government of the Marshall Islands shall dedicate an average of no less than 40 percent of these amounts to the capital account subject to provision for revision of this percentage incorporated into the plan referred to in Section 211(b).

(2) to the Government of the Federated States of Micronesia, $60 million annually for five years commencing on the effective date of this Compact, $51 million annually for five years commencing on the fifth anniversary of the effective date of this Compact, and $40 million annually for five years commencing on the tenth anniversary of the effective date of this Compact. Over this fifteen year period, the Government of the Federated States of Micronesia shall dedicate an average of no less than 40 percent of these amounts annually to the capital account subject to provision for revision of this percentage incorporated into the plan referred to in Section 211(b). To take into account the special nature of the assistance, to be provided under this paragraph and Sections 212(b), 213(c), 214(c), 215(a)(3), 215(b)(3), 216(a), 216(b), 221(a), and 221(b), the division of these amounts among the national and state governments of the Federated States of Micronesia shall be certified to the Government of the United States by the Government of the Federated States of Micronesia.

(b) The annual expenditure of the grant amounts specified for the capital account in Section 211(a) by the Governments of the Marshall Islands and the Federated States of Micronesia shall be in accordance with official overall economic development plans provided by those Governments and concurred in by the Government of the United States prior to the effective date of this Compact. These plans may be amended from time to time by the Government of the Marshall Islands or the Federated States of Micronesia.

(c) The Government of the United States and the Governments of the Marshall Islands and the Federated States of Micronesia recognize that the achievement of the goals of the plans referred to in Section 211(b) depends upon the availability of adequate internal revenue as well as economic assistance from sources outside of the Marshall Islands and the Federated States of Micronesia, including the Government of the United States, and may, in addition, be affected by the impact of exceptional economically adverse circumstances. Each of the Governments of the Marshall Islands and the Federated States of Micronesia shall therefore report annually to the President of the United States and to the Congress of the United States on the implementation of the plans and on their use of the funds specified in this Article. These reports shall outline the achievements of the plans to date and the need, if any, for an additional authorization and appropriation of economic assistance for that year to account for any exceptional, economically adverse circumstances. It is understood that the Government of the United States cannot be committed by this Section to seek or support such additional economic assistance.

Section 212

In recognition of the special development needs of the Federated States of Micronesia, the Government of the United States shall provide to the Government of the Federated States of Micronesia $1 million annually for fourteen years commencing on the first anniversary of the effective date of this Compact. This amount may be used by the Government of the Federated States of Micronesia to defray current account expenditures attendant to the operation of the United States military Civic Action Teams made available in accordance with the separate agreement referred to in Section 227.

Section 213

(a) The Government of the United States shall provide on a grant basis $1.9 million annually to the Government of the Marshall Islands in conjunction with Section 321(a). The Government of the Marshall Islands, in its use of such funds, shall take into account the impact of the activities of the Government of the United States in the Kwajalein Atoll area of the Marshall Islands.

(b) The Government of the United States shall provide on a grant basis to the Government of the Federated States of Micronesia the sum of $160,000 in conjunction with Section 321(a). This sum shall be made available concurrently with the grant assistance provided pursuant to this Article during the first year after the effective date of this Compact. The Government of the Federated States of Micronesia, in its use of such funds, shall take into account the impact of the activities of the Government of the United States in Yap State, Federated States of Micronesia.

Section 214

As a contribution to efforts aimed at achieving increased self-sufficiency in energy production, the Government of the United States shall provide on a current account grant basis for fourteen years commencing on the first anniversary of the effective date of this Compact the following amounts:

(a) To the Government of the Marshall Islands, $2 million annually; and

(b) To the Government of the Federated States of Micronesia, $3 million annually.

Section 215

(a) As a contribution to the current account operations and maintenance of communications systems, the Government of the United States shall provide on a grant basis for fifteen years commencing on the effective date of this Compact the following amounts:

(1) to the Government of the Marshall Islands, $300,000 annually; and

(2) to the Government of the Federated States of Micronesia, $600,000 annually.

(b) For the purpose of acquiring such communications hardware as may be located within the Marshall Islands and the Federated States of Micronesia or for such other current or capital account activity as may be selected, the Government of the United States shall provide, concurrently with the grant assistance provided pursuant

to this Article during the first year after the effective date of this Compact, the sum of $9 million to be allocated as follows:

(1) to the Government of the Marshall Islands, $3 million; and

(2) to the Government of the Federated States of Micronesia, $6 million.

Section 216

(a) The Government of the United States shall provide on a current account basis an annual grant of $5.369 million for fifteen years commencing on the effective date of this Compact for the purposes set forth below:

(1) $890,000 annually for the surveillance and enforcement by the Governments of the Marshall Islands and the Federated States of Micronesia of their respective maritime zones;

(2) $1.791 million annually for health and medical programs, including referrals to hospital and treatment centers; and

(3) $2.687 million annually for a scholarship fund or funds to support the post-secondary education of citizens of the Marshall Islands and the Federated States of Micronesia attending United States accredited, post-secondary institutions in the United States, its territories and possessions, the Marshall Islands or the Federated States of Micronesia. The curricula criteria for the award of scholarships shall be designed to advance the purposes of the plans referred to in Section 211(b).

(b) The Government of the United States shall provide the sum of $1.333 million as a contribution to the commencement of activities pursuant to Section 216(a)(1).

(c) The annual grants referred to in Section 216(a) and the sum referred to in Section 216(b) shall be made available by the Government of the United States promptly after it receives instruction for their distribution agreed upon by the Governments of the Marshall Islands and the Federated States of Micronesia.

Section 217

Except as otherwise provided, the amounts stated in Sections 211, 212, 214, 215 and 231 shall be adjusted for each Fiscal Year by the percent which equals two-thirds of the percentage change in the United States Gross National Product Implicit Price Deflator, or seven percent, whichever is less in any one year, using the beginning of Fiscal Year 1981 as the base.

Section 218

If in any year the funds made available by the Government of the United States for that year pursuant to this Article or Section 231 are not completely obligated by the recipient Government, the unobligated balances shall remain available in addition to the funds to be provided in subsequent years.

Section 219

All funds previously appropriated to the Trust Territory of the Pacific Islands which are unobligated by the Government of the Trust Territory of the Pacific Islands as of the effective date of this Compact shall accrue to the Governments of the Marshall Islands and the Federated States of Micronesia for the purposes for which such funds were originally appropriated as determined by the Government of the United States.

Article II

Program Assistance

Section 221

(a) The Government of the United States shall make available to the Marshall Islands and the Federated States of Micronesia, in accordance with and to the extent provided in the separate agreements referred to in section 232, without compensation and at the levels equivalent to those available to the Trust Territory of the Pacific Islands during the year prior to the effective date of this Compact, the services and related programs:

(1) of the United States Weather Service;

(2) of the United States Federal Emergency Management Agency;

(3) provided pursuant to the Postal Reorganization Act, 39 U.S.C. 101 *et seq.*;

(4) of the United States Federal Aviation Administration; and

(5) of the United States Civil Aeronautics Board or its successor agencies which has the authority to implement the provisions of paragraph 5 of Article IX of such separate agreements, the language of which is incorporated into this Compact.

(b) The Government of the United States, recognizing the special needs of the Marshall Islands and the Federated States of Micronesia particularly in the fields of education and health care, shall make available, as provided by the laws of the United States, the annual amount of $10 million which shall be allocated in accordance with the provisions of the separate agreement referred to in Section 232.

(c) The Government of the United States shall make available to the Marshall Islands and the Federated States of Micronesia such alternate energy development projects, studies and conservation measures as are applicable to the Trust Territory of the Pacific Islands on the day preceding the effective date of this Compact, for the purposes and duration provided in the laws of the United States.

(d) The Government of the United States shall have and exercise such authority as is necessary for the purposes of this Article and as is set forth in the separate agreements referred to in Section 232, which shall also set forth the extent to which services and programs shall be provided to the Marshall Islands and the Federated States of Micronesia.

Section 222

The Government of the United States and the Government of the Marshall Islands or the Federated States of Micronesia shall consult regularly or upon request regarding:

(a) The economic development of the Marshall Islands or the Federated States of Micronesia; or

(b) The services and programs referred to in this Article. These services and programs shall continue to be provided by the Government of the United States unless their modification is provided by mutual agreement or their termination in whole or in part is requested by any recipient Government.

Section 223

The citizens of the Marshall Islands and the Federated States of Micronesia who are receiving post-secondary educational assistance from the Government of the United States on the day preceding the effective date of this Compact shall continue to be eligible, if otherwise qualified, to receive such assistance to complete their academic programs for a maximum of four years after the effective date of this Compact.

Section 224

The Government of the United States and the Government of the Marshall Islands or the Federated States of Micronesia may agree from time to time to the extension of additional United States grant assistance, services and programs as provided by the Laws of the United States, to the Marshall Islands or the Federated States of Micronesia, respectively.

Section 225

The Governments of the Marshall Islands and the Federated States of Micronesia shall make available to the Government of the United States at no cost such land as may be necessary for the operations of the services and programs provided pursuant to this Article, and such facilities as are provided by the Government of the Marshall Islands or the Federated States of Micronesia at no cost to the Government of the United States as of the effective date of this Compact or as may be mutually agreed thereafter.

Section 226

The Governments of the Marshall Islands and the Federated States of Micronesia may request, from time to time, technical assistance from the federal agencies and institutions of the Government of the United States, which are authorized to grant such technical assistance in accordance with its laws and which shall grant such technical assistance in a manner which gives priority consideration to the Marshall Islands and the Federated States of Micronesia over other recipients not a part of the United States, its territories or possessions. The Government of the United States shall coordinate the provision of such technical assistance in consultation with the respective recipient Government.

Section 227

In recognition of the special development needs of the Federated States of Micronesia, the Government of the United States shall make available United States military Civic Action Teams for use in the Federated States of Micronesia under terms and conditions specified in a separate agreement which shall come into effect simultaneously with this Compact.

Article III

Administrative Provisions

Section 231

Upon the thirteenth anniversary of the effective date of this Compact, the Government of the United States and the Governments of the Marshall Islands and the Federated States of Micronesia shall commence negotiations regarding those provisions of this Compact which expire on the fifteenth anniversary of its effective date. If these negotiations are not concluded by the fifteenth anniversary of the effective date of this Compact, the period of negotiations shall extend for not more than two additional years, during which time the provisions of this Compact including Title Three shall remain in full force and effect. During this additional period of negotiations, the Government of the United States shall continue its assistance to the Governments with which it is negotiating pursuant to this Section at a level which is the average of the annual amounts granted pursuant to Sections 211, 212, 213, 214, 215 and 216 during the first fifteen years of this Compact. The average annual amount paid pursuant to Sections 211, 212, 214 and 215 shall be adjusted pursuant to Section 217.

Section 232

The specific nature, extent and contractual arrangements of the services and pro-

grams provided for in Section 221 as well as the legal status of agencies of the Government of the United States, their civilian employees and contractors, and the dependents of such personnel while present in the Marshall Islands or the Federated States of Micronesia, and other arrangements in connection with a service or program furnished by the Government of the United States, are set forth in separate agreements which shall come into effect simultaneously with this Compact.

Section 233

The Government of the United States, in consultation with the Governments of the Marshall Islands and the Federated States of Micronesia, shall determine and implement procedures for the periodic audit of all grants and other assistance made under Article I of this Title and of all funds expended for the services and programs provided under Article II of this Title. Such audits shall be conducted on an annual basis during the first five years following the effective date of this Compact and shall be at no cost to the Government of the Marshall Islands or the Federated States of Micronesia.

Section 234

Title to the property of the Government of the United States situated in the Trust Territory of the Pacific Islands or acquired for or used by the Government of the Trust Territory of the Pacific Islands on or before the day preceding the effective date of this Compact shall, without reimbursement or transfer of funds, vest in the Government of the Marshall Islands and the Federated States of Micronesia as set forth in a separate agreement which shall come into effect simultaneously with this Compact. The provisions of this Section shall not apply to the property of the Government of the United States for which the Government of the United States determines a continuing requirement.

Section 235

(a) Funds held in trust by the High Commissioner of the Trust Territory of the Pacific Islands, in his official capacity, as of the effective date of this Compact shall remain available as trust funds to their designated beneficiaries. The Government of the United States, in consultation with the Government of the Marshall Islands or the Federated States of Micronesia, shall appoint a new trustee who shall exercise the functions formerly exercised by the High Commissioner of the Trust Territory of the Pacific Islands.

(b) To provide for the continuity of administration, and to assure the Governments of the Marshall Islands and the Federated States of Micronesia that the purposes of the laws of the United States are carried out and that the funds of any other trust fund in which the High Commissioner of the Trust Territory of the Pacific Islands has authority of a statutory or customary nature shall remain available as trust funds to their designated beneficiaries, the Government of the United States agrees to assume the authority formerly vested in the High Commissioner of the Trust Territory of the Pacific Islands.

Section 236

Except as otherwise provided, approval of this Compact by the Government of the United States shall constitute a pledge of the full faith and credit of the United States for the full payment of the sums and amounts specified in Articles I and III of this Title. The obligation of the United States under Articles I and III of this Title shall be enforceable in the United States Claims Court, or its successor court, which shall have jurisdiction in cases arising under this Section, notwithstanding the provisions of 28 U.S.C. 1502, and which court's decisions shall be reviewable as provided by the laws of the United States.

Article IV

Trade

Section 241

The Marshall Islands and the Federated States of Micronesia are not included in the customs territory of the United States.

Section 242

For the purpose of assessing duties on their products imported into the customs territory of the United States, the Marshall Islands and the Federated States of Micronesia shall be treated as if they were insular possessions of the United States within the meaning of General Headnote 3(a) of the Tariff Schedules of the United States. The exceptions, valuation procedures and all other provisions of General Headnote 3(a) shall apply to any product deriving from the Marshall Islands or the Federated States of Micronesia.

Section 243

All products of the Marshall Islands or the Federated States of Micronesia imported into the customs territory of the United States which are not accorded the treatment set forth in Section 242 and all products of the United States imported into the Marshall Islands or the Federated States of Micronesia shall receive treatment no less favorable than that accorded like products of any foreign country with respect to customs duties or charges of a similar nature and with respect to laws and regulations relating to importation, exportation, taxation, sale, distribution, storage or use.

Article V

Finance and Taxation

Section 251

The currency of the United States is the official circulating legal tender of the Marshall Islands and the Federated States of Micronesia. Should the Government of the Marshall Islands or the Federated States of Micronesia act to institute another currency, the terms of an appropriate currency transitional period shall be as agreed with the Government of the United States.

Section 252

The Government of the Marshall Islands or the Federated States of Micronesia may, with respect to United States persons, tax income derived from sources within its respective jurisdiction, property situated therein, including transfers of such property by gift or at death, and products consumed therein, in such manner as such Government deems appropriate. The determination of the source of any income, or the situs of any property, shall for purposes of this Compact be made according to the United States Internal Revenue Code.

Section 253

A citizen of the Marshall Islands or the Federated States of Micronesia, domiciled therein, shall be exempt from:

(a) Income taxes imposed by the Government of the United States upon fixed or determinable annual income; and

(b) Estate, gift, and generation-skipping transfer taxes imposed by the Government of the United States.

Section 254

(a) In determining any income tax imposed by the Government of the Marshall Islands or the Federated States of Micronesia, those Governments shall have authority to impose tax upon income derived by a resident of the Marshall Islands or the Federated States of Micronesia from sources without the Marshall Islands and the Federated States of Micronesia, in the same manner and to the same extent as those Governments impose tax upon income derived from within their respective jurisdictions. If the Government of the Marshall Islands or the Federated States of Micronesia exercises such authority as provided in this subsection, any individual resident of the Marshall Islands or the Federated States of Micronesia who is subject to tax by the Government of the United States on income which is also taxed by the Government of the Marshall Islands or the Federated States of Micronesia shall be relieved of liability to the Government of the United States for the tax which, but for this subsection, would otherwise be imposed by the Government of the United States on such income. For purposes of this Section, the term "resident of the Marshall Islands or the Federated States of Micronesia" shall be deemed to include any person who was physically present in the Marshall Islands or the Federated States of Micronesia for a period of 183 or more days during any taxable year; provided, that as between the Government of the Marshall Islands and the Federated States of Micronesia, the authority to tax an individual resident of the Marshall Islands or the Federated States of Micronesia in respect of income from sources without the Marshall Islands and the Federated States of Micronesia as provided in this subsection may be exercised only by the Government in whose jurisdiction such individual was physically present for the greatest number of days during the taxable year.

(b) If the Government of the Marshall Islands or the Federated States of Micronesia subjects income to taxation substantially similar to that imposed by the Trust Territory Code in effect on January 1, 1980, such Government shall be deemed to have exercised the authority described in Section 254(a).

Section 255

Where not otherwise manifestly inconsistent with the intent of this Compact, provisions in the United States Internal Revenue Code that are applicable to possessions of the United States as of January 1, 1980 shall be treated as applying to the Marshall Islands and the Federated States of Micronesia. If such provisions of the Internal Revenue Code are amended, modified or repealed after that date, such provisions shall continue in effect as to the Marshall Islands and the Federated States of Micronesia for a period of two years during which time the Government of the United States and the Governments of the Marshall Islands and the Federated States of Micronesia shall negotiate an agreement which shall provide benefits substantially equivalent to those which obtained under such provisions.

TITLE THREE

SECURITY AND DEFENSE RELATIONS

Article I

Authority and Responsibility

Section 311

(a) The Government of the United States has full authority and responsibility for security and defense matters in or relating to the Marshall Islands and the Federated States of Micronesia.

(b) This authority and responsibility includes:

(1) the obligation to defend the Marshall Islands and the Federated States of Micronesia and their peoples from attack or threats thereof as the United States and its citizens are defended;

(2) the option to foreclose access to or use of the Marshall Islands and the Federated States of Micronesia by military personnel or for the military purposes of any third country; and

(3) the option to establish and use military areas and facilities in the Marshall Islands and the Federated States of Micronesia, subject to the terms of the separate agreements referred to in Sections 321 and 323.

(c) The Government of the United States confirms that it shall act in accordance with the principles of international law and the Charter of the United Nations in the exercise of this authority and responsibility.

Section 312

Subject to the terms of any agreements negotiated in accordance with Sections 321 and 323, the Government of the United States may conduct within the lands, waters and airspace of the Marshall Islands and the Federated States of Micronesia the activities and operations necessary for the exercise of its authority and responsibility under this Title.

Section 313

(a) The Governments of the Marshall Islands and the Federated States of Micronesia shall refrain from actions which the Government of the United States determines, after appropriate consultation with those Governments, to be incompatible with its authority and responsibility for security and defense matters in or relating to the Marshall Islands and the Federated States of Micronesia.

(b) The consultations referred to in this Section shall be conducted expeditiously at senior levels of the Governments concerned, and the subsequent determination by the Government of the United States referred to in this Section shall be made only at senior interagency levels of the Government of the United States.

(c) The Government of the Marshall Islands or the Federated States of Micronesia shall be afforded, on an expeditious basis, an opportunity to raise its concerns with the United States Secretary of State personally and the United States Secretary of Defense personally regarding any determination made in accordance with this Section.

Section 314

(a) Unless otherwise agreed, the Government of the United States shall not, in the Marshall Islands or the Federated States of Micronesia:

(1) test by detonation or dispose of any nuclear weapon, nor test, dispose of, or discharge any toxic chemical or biological weapon; or

(2) test, dispose of, or discharge any other radioactive, toxic chemical or biological materials in an amount or manner which would be hazardous to public health or safety.

(b) Unless otherwise agreed, other than for transit or over flight purposes or during time of a national emergency declared by the President of the United States, a state of war declared by the Congress of the United States or as necessary to defend against an actual or impending armed attack on the United States, the Marshall Islands or the Federated States of Micronesia, the Government of the United States shall not store in the Marshall Islands or the Federated States of Micronesia any toxic chemical weapon, nor any radioactive materials nor any toxic chemical materials intended for weapons use.

(c) Radioactive, toxic chemical, or biological materials not intended for weapons use shall not be affected by Section 314(b).

(d) No material or substance referred to in this Section shall be stored in the Marshall Islands or the Federated States of Micronesia except in an amount and manner which would not be hazardous to public health or safety. In determining what shall be an amount or manner which would be hazardous to public health or safety under this Section, the Government of the United States shall comply with any applicable mutual agreement, international guidelines accepted by the Government of the United States, and the laws of the United States and their implementing regulations.

(e) Any exercise of the exemption authority set forth in Section 161(e) shall have no effect on the obligations of the Government of the United States under this Section or on the application of this subsection.

(f) The provisions of this Section shall apply in the areas in which the Government of the Marshall Islands or the Federated States of Micronesia exercises jurisdiction over the living resources of the seabed, subsoil or water column adjacent to its coasts.

Section 315

The Government of the United States may invite members of the armed forces of other countries to use military areas and facilities in the Marshall Islands or the Federated States of Micronesia, in conjunction with and under the control of United States Armed Forces. Use by units of the armed forces of other countries of such military areas and facilities, other than for transit and overflight purposes, shall be subject to consultation with and, in the case of major units, approval by the Government of the Marshall Islands or the Federated States of Micronesia.

Section 316

The authority and responsibility of the Government of the United States under this Title may not be transferred or otherwise assigned.

Article II

Defense Facilities and Operating Rights

Section 321

(a) Specific arrangements for the establishment and use by the Government of the United States of military areas and facilities in the Marshall Islands or the Federated States of Micronesia are set forth in separate agreements which shall come into effect simultaneously with this Compact.

(b) If, in the exercise of its authority and responsibility under this Title, the Government of the United States requires the use of areas within the Marshall Islands or the Federated States of Micronesia in addition to those for which specific arrangements are concluded pursuant to Section 321(a), it may request the Government concerned to satisfy those requirements through leases or other arrangements. The Government of the Marshall Islands or the Federated States of Micronesia shall sympathetically consider any such request and shall establish suitable procedures to discuss it with and provide a prompt response to the Government of the United States.

(c) The Government of the United States recognizes and respects the scarcity and special importance of land in the Marshall Islands and the Federated States of Micronesia. In making any requests pursuant to Section 321(b), the Government of the United States shall follow the policy of requesting the minimum area necessary to accomplish the required security and defense purpose, of requesting only the minimum interest in real property necessary to support such purpose, and of requesting first to satisfy its requirement through public real property, where available, rather than through private real property.

Section 322

The Government of the United States shall provide and maintain fixed and floating aids to navigation in the Marshall Islands and the Federated States of Micronesia at least to the extent necessary for the exercise of its authority and responsibility under this Title.

Section 323

The military operating rights of the Government of the United States and the legal status and contractual arrangements of the United States Armed Forces, their members, and associated civilians, while present in the Marshall Islands or the Federated States of Micronesia, are set forth in separate agreements which shall come into effect simultaneously with this Compact.

Article III

Defense Treaties and International Security Agreements

Section 331

Subject to the terms of this Compact and its related agreements, the Government of the United States, exclusively, shall assume and enjoy, as to the Marshall Islands and the Federated States of Micronesia, all obligations, responsibilities, rights and benefits of:

(a) Any defense treaty or other international security agreement applied by the Government of the United States as Administering Authority of the Trust Territory of the Pacific Islands as of the day preceding the effective date of this Compact; and

(b) Any defense treaty or other international security agreement to which the Government of the United States is or may become a party which it determines to be applicable in the Marshall Islands and the Federated States of Micronesia. Such a determination by the Government of the United States shall be preceded by appropriate consultation with the Government of the Marshall Islands or the Federated States of Micronesia.

Article IV

Service in Armed Forces of the United States

Section 341

Any person entitled to the privileges set forth in Section 141 shall be eligible to volunteer for service in the Armed Forces of the United States, but shall not be subject to involuntary induction into military service of the United States so long as such

person does not establish habitual residence in the United States, its territories or possessions.

Section 342

The Government of the United States shall have enrolled, at any one time, at least two qualified students, one each from the Marshall Islands and the Federated States of Micronesia, as may be nominated by their respective Governments, in each of:

(a) The United States Coast Guard Academy pursuant to 14 U.S.C. 195; and

(b) The United States Merchant Marine Academy pursuant to 46 U.S.C. 1295b(b)(6), provided that the provisions of 46 U.S.C. 1295b(b)(6)(C) shall not apply to the enrollment of students pursuant to Section 342(b) of this Compact.

Article V

General Provisions

Section 351

(a) The Government of the United States and the Government of the Marshall Islands or the Federated States of Micronesia shall establish two Joint Committees empowered to consider disputes under the implementation of this Title and its related agreements.

(b) The membership of each Joint Committee shall comprise selected senior officials of each of the two participating Governments. The senior United States military commander in the Pacific area shall be the senior United States member of each Joint Committee. For the meetings of each Joint Committee, each of the two participating Governments may designate additional or alternate representatives as appropriate for the subject matter under consideration.

(c) Unless otherwise mutually agreed, each Joint Committee shall meet semi-annually at a time and place to be designated, after appropriate consultation, by the Government of the United States. A Joint Committee also shall meet promptly upon request of either of its members. Upon notification by the Government of the United States, the Joint Committees so notified shall meet promptly in a combined session to consider matters within the jurisdiction of more than one Joint Committee. Each Joint Committee shall follow such procedures, including the establishment of functional subcommittees, as the members may from time to time agree.

(d) Unresolved issues in each Joint Committee shall be referred to the Governments concerned for resolution, and the Government of the Marshall Islands or the Federated States of Micronesia shall be afforded, on an expeditious basis, an opportunity to raise its concerns with the United States Secretary of Defense personally regarding any unresolved issue which threatens its continued association with the Government of the United States.

Section 352

In the exercise of its authority and responsibility under Title Three, the Government of the United States shall accord due respect to the authority and responsibility of the Governments of the Marshall Islands and the Federated States of Micronesia under Titles One, Two and Four and to their responsibility to assure the well-being of their peoples.

Section 353

(a) The Government of the United States shall not include any of the Governments of the Marshall Islands and the Federated States of Micronesia as named parties to a formal declaration of war, without their respective consent.

(b) Absent such consent, this Compact is without prejudice, on the ground of belligerence or the existence of a state of war, to any claims for damages which are advanced by the citizens, nationals or Government of the Marshall Islands or the Federated States of Micronesia, which arise out of armed conflict subsequent to the effective date of this Compact and which are:

(1) petitions to the Government of the United States for redress; or

(2) claims in any manner against the government, citizens, nationals or entities of any third country.

(c) Petitions under Section 353(b)(1) shall be treated as if they were made by citizens of the United States.

Section 354

(a) Notwithstanding any other provision of this Compact, the provisions of this Title are binding from the effective date of this Compact for a period of fifteen years between the Government of the United States and the Governments of the Marshall Islands and the Federated States of Micronesia and thereafter as mutually agreed or in accordance with Section 231, unless earlier terminated by mutual agreement pursuant to Section 441, or amended pursuant to Article III of Title Four.

(b) The Government of the United States recognizes, in view of the special relationship between the Government of the United States and the Governments of the Marshall Islands and the Federated States of Micronesia, and in view of the existence of separate agreements with each of them pursuant to Sections 321 and 323, that, even if this Title should terminate, any attack on the Marshall Islands or the Federated States of Micronesia during the period in which such separate agreements are in effect, would constitute a threat to the peace and security of the entire region and a danger to the United States. In the event of such an attack, the Government of the United States would take action to meet the danger to the United States and to the Marshall Islands and the Federated States of Micronesia in accordance with its constitutional processes.

TITLE FOUR

GENERAL PROVISIONS

Article I

Approval and Effective Date

Section 411

This Compact shall come into effect upon mutual agreement between the Government of the United States, acting in fulfillment of its responsibilities as Administering Authority of the Trust Territory of the Pacific Islands, and the Government of the Marshall Islands or the Federated States of Micronesia and subsequent to completion of the following:

(a) Approval by the Government of the Marshall Islands or the Federated States of Micronesia in accordance with its constitutional processes;

(b) Conduct of the plebiscite referred to in Section 412; and

(c) Approval by the Government of the United States in accordance with its constitutional processes.

Section 412

A plebiscite shall be conducted in each of the Marshall Islands and the Federated States of Micronesia for the free and voluntary choice by the peoples of the Trust Territory of the Pacific Islands of their future political status through informed and democratic processes. The Marshall Islands and the Federated States of Micronesia shall each be considered a voting jurisdiction, and the plebiscite shall be conducted under fair and equitable standards in each voting jurisdiction. The Administering Authority of the Trust Territory of the Pacific Islands, after consultation with the Governments of the Marshall Islands and the Federated States of Micronesia, shall fix the date on which the plebiscite shall be called in each voting jurisdiction. The plebiscite shall be called jointly by the Administering Authority of the Trust Territory of the Pacific Islands and the other Signatory Government concerned. The results of the plebiscite in each voting jurisdiction shall be determined by a majority of the valid ballots cast in that voting jurisdiction.

Article II

Conference and Dispute Resolution

Section 421

The Government of the United States shall confer promptly at the request of the Government of the Marshall Islands or the Federated States of Micronesia and any of those Governments shall confer promptly at the request of the Government of the United States on matters relating to the provisions of this Compact or of its related agreements.

Section 422

In the event the Government of the United States, or the Government of the Marshall Islands or the Federated States of Micronesia, after conferring pursuant to Section 421, determines that there is a dispute and gives written notice thereof, the Governments which are parties to the dispute shall make a good faith effort to resolve the dispute among themselves.

Section 423

If a dispute between the Government of the United States and the Government of the Marshall Islands or the Federated States of Micronesia cannot be resolved within 90 days of written notification in the manner provided in Section 422, either party to the dispute may refer it to arbitration in accordance with Section 424.

Section 424

Should a dispute be referred to arbitration as provided for in Section 423, an Arbitration Board shall be established for the purpose of hearing the dispute and rendering a decision which shall be binding upon the two parties to the dispute unless the two parties mutually agree that the decision shall be advisory. Arbitration shall occur according to the following terms:

(a) An Arbitration Board shall consist of a Chairman and two other members, each of whom shall be a citizen of a party to the dispute. Each of the two Governments which is a party to the dispute shall appoint one member to the Arbitration Board. If either party to the dispute does not fulfill the appointment requirements of this Section within 30 days of referral of the dispute to arbitration pursuant to Section 423, its member on the Arbitration Board shall be selected from its own standing list by the other party to the dispute. Each Government shall maintain a standing list of 10 candidates. The parties to the dispute shall jointly appoint a Chairman within 15 days after selection of the other members of the Arbitration Board. Failing agreement on a

Chairman, the Chairman shall be chosen by lot from the standing lists of the parties to the dispute within 5 days after such failure.

(b) The Arbitration Board shall have jurisdiction to hear and render its final determination on all disputes arising exclusively under Articles I, II, III, IV and V of Title One, Title Two, Title Four and their related agreements.

(c) Each member of the Arbitration Board shall have one vote. Each decision of the Arbitration Board shall be reached by majority vote.

(d) In determining any legal issue, the Arbitration Board may have reference to international law and, in such reference, shall apply as guidelines the provisions set forth in Article 38 of the Statute of the International Court of Justice.

(e) The Arbitration Board shall adopt such rules for its proceedings as it may deem appropriate and necessary, but such rules shall not contravene the provisions of this Compact. Unless the parties provide otherwise by mutual agreement, the Arbitration Board shall endeavor to render its decision within 30 days after the conclusion of arguments. The Arbitration Board shall make findings of fact and conclusions of law and its members may issue dissenting or individual opinions. Except as may be otherwise decided by the Arbitration Board, one-half of all costs of the arbitration shall be borne by the Government of the United States and the remainder shall be borne by the other party to the dispute.

Article III

Amendment

Section 431

The provisions of this Compact may be amended as to the Governments of the Marshall Islands and the Federated States of Micronesia and as to the Government of the United States at any time by mutual agreement.

Section 432

The provisions of this Compact may be amended as to any one of the Governments of the Marshall Islands or the Federated States of Micronesia and as to the Government of the United States at any time by mutual agreement. The effect of any amendment made pursuant to this Section shall be restricted to the relationship between the Governments agreeing to such amendment, but the other Governments signatory to this Compact shall be notified promptly by the Government of the United States of any such amendment.

Article IV

Termination

Section 441

This Compact may be terminated as to any one of the Governments of the Marshall Islands or the Federated States of Micronesia and as to the Government of the United States by mutual agreement and subject to Section 451.

Section 442

This Compact may be terminated by the Goverment of the United States as to the Government of the Marshall Islands or the Federated States of Micronesia subject to Section 452, such termination to be effective on the date specified in the notice of termination by the Government of the United States but not earlier than six months following delivery of such notice. The time specified in the notice of termination may be extended.

Section 443

This Compact shall be terminated, pursuant to their respective constitutional processes, by the Government of the Marshall Islands or the Federated States of Micronesia subject to Section 453 if the people represented by such Government vote in a plebiscite to terminate. Such Government shall notify the Government of the United States of its intention to call such a plebiscite which shall take place not earlier than three months after delivery of such notice. The plebiscite shall be administered by such Government in accordance with its constitutional and legislative processes, but the Government of the United States may send its own observers and invite observers from a mutually agreed party. If a majority of the valid ballots cast in the plebiscite favors termination, such Government shall, upon certification of the results of the plebiscite, give notice of termination to the Government of the United States, such termination to be effective on the date specified in such notice but not earlier than three months following the date of delivery of such notice. The time specified in the notice of termination may be extended.

Article V

Survivability

Section 451

Should termination occur pursuant to Section 441, economic assistance by the Government of the United States shall continue on mutually agreed terms.

Section 452

(a) Should termination occur pursuant to Section 442, the following provisions of this Compact shall remain in full force and effect until the fifteenth anniversary of the effective date of this Compact between the Government of the United States and the Government of the Marshall Islands or the Federated States of Micronesia and thereafter as mutually agreed:

(1) Article VI and Sections 172, 173, 176 and 177 of Title One;

(2) Article I and Section 233 of Title Two;

(3) Title Three; and

(4) Articles II, III, V and VI of Title Four.

(b) The Government of the United States shall also provide the Government as to which termination occurs pursuant to Section 442 with either the programs or services provided pursuant to Article II of Title Two as the time of termination, or their equivalent, as determined by the Government of the United States. Such assistance shall continue until the fifteenth anniversary of the effective date of this Compact, and thereafter as mutually agreed.

Section 453

(a) Should termination occur pursuant to Section 443, the following provisions of this Compact shall remain in full force and effect until the fifteenth anniversary of the effective date of this Compact between the Government of the United States and the Government of the Marshall Islands or the Federated States of Micronesia and thereafter as mutually agreed:

(1) Article VI and Sections 172, 173, 176 and 177 of Title One;

(2) Title Three; and

(3) Articles II, III, V and VI of Title Four.

(b) Upon receipt of notice of termination pursuant to Section 443, the Government of the United States and the Government so terminating shall promptly consult with regard to their future relationship. These consultations shall determine the level of economic assistance which the Government of the United States shall provide to the Government so terminating for the period ending on the fifteenth anniversary of the effective date of this Compact provided that the annual amounts specified in Sections 211, 212, 214, 215 and 216 shall continue without diminution. Such amounts, with the exception of those specified in Section 216, shall be adjusted according to the formula set forth in Section 217.

Section 454

Notwithstanding any other provision of this Compact:

(a) The Government of the United States reaffirms its continuing interest in promoting the long-term economic advancement and self-sufficiency of the peoples of the Marshall Islands and the Federated States of Micronesia; and

(b) The separate agreements referred to in Article II of the Title Three shall remain in effect in accordance with their terms which shall also determine the duration of Section 213.

Article VI

Definition of Terms

Section 461

For the purpose of this Compact only and without prejudice to the views of the Government of the United States or the Government of the Marshall Islands or the Federated States of Micronesia as to the nature and extent of the jurisdiction under international law of any of them, the following terms shall have the following meanings:

(a) "Trust Territory of the Pacific Islands" means the area established in the Trusteeship Agreement consisting of the administrative districts of Kosrae, Yap, Ponape, the Marshall Islands and Truk as described in Title One, Trust Territory Code, Section 1, in force on Jaunary 1, 1979. This term does not include the area of Palau or the Northern Mariana Islands.

(b) "Trusteeship Agreement" means the agreement setting forth the terms of trusteeship for the Trust Territory of the Pacific Islands, approved by the Security Council of the United Nations April 2, 1947, and by the United States July 18, 1947, entered into force July 18, 1947, 61 Stat. 3301, T.I.A.S. 1665, 8 U.N.T.S. 189.

(c) "The Marshall Islands" and "the Federated States of Micronesia" are used in a geographic sense and include the land and water areas to the outer limits of the territorial sea and the air space above such areas as now or hereafter recognized by the Government of the United States.

(d) "Government of the Marshall Islands" means the Government established and organized by the Constitution of the Marshall Islands including all the political subdivisions and entities comprising that Government.

"Government of the Federated States of Micronesia" means the Government established and organized by the Constitution of the Federated States of Micronesia including all the political subdivisions and entities comprising that Government.

(e) The following terms shall be defined consistent with the 1976 Edition of the Radio Regulations of the International Telecommunications Union (ISBN 92-61-0081-5) as follows:

(1) "Radio Communications" means telecommunication by means of radio waves.

(2) "Station" means one or more transmitters or receivers or a combination of transmitters and receivers, including the accessory equipment, necessary at one location for carrying on a radio communication service;

each station shall be classified by the service in which it operates permanently or temporarily.

(3) "Broadcasting Service" means a radio communication service in which the transmissions are intended for direct reception by the general public, and which may include sound transmissions, television transmissions or other types of transmissions.

(4) "Broadcasting Station" means a station in the broadcasting service.

(f) "Frequency Assignment" means the same as 'Frequency Assignment' means in the 1976 Edition of the Radio Regulations of the International Telecommunications Union (ISBN 92-61-0081-5).

(g) "Habitual Residence" means a place of general abode or a principal, actual dwelling place of a continuing or lasting nature; provided, however, that this term shall not apply to the residence of any person who entered the United States for the purpose of full-time studies as long as such person maintains that status, or who has been physically present in the United States, the Marshall Islands, or the Federated States of Micronesia for less than one year, or who is a dependent of a resident representative, as described in Section 152.

(h) For the purposes of Article IV of Title One of this Compact:

(1) "Actual Residence" means physical presence in the Marshall Islands or the Federated States of Micronesia during eighty-five percent of the period of residency required by Section 141(a)(3); and

(2) "Certificate of Actual Residence" means a certificate issued to a naturalized citizen by the Government which has naturalized him stating that the citizen has complied with the actual residence requirement of Section 141(a)(3).

(i) "Military Areas and Facilities" means those areas and facilities in the Marshall Islands or the Federated States of Micronesia reserved or acquired by the Government of the Marshall Islands or the Federated States of Micronesia for use by the Government of the United States, as set forth in the separate agreements referred to in Section 321.

(j) "Capital Account" means, for each year of the Compact, those portions of the total grant assistance provided in Article I of Title Two, adjusted by Section 217, which are to be obligated for:

(1) the construction or major repair of capital infrastructure; or

(2) public and private sector projects identified in the official overall economic development plan.

(k) "Current Account" means, for each year of the Compact, those portions of the total grant assistance provided in Article I of Title Two, adjusted by Section 217, which are to be obligated for recurring operational activities including infrastructure maintenance as identified in the annual budget justifications submitted yearly to the Government of the United States.

(l) "Official Overall Economic Development Plan" means the documented program of annual development which identifies the specific policy and project activities necessary to achieve a specified set of economic goals and objectives during the period of free association, consistent with the economic assistance authority in Title Two. Such a document should include an analysis of population trends, manpower requirements, social needs, gross national product estimates, resource utilization, infrastructure needs and expenditures, and the specific private sector projects required to develop the local economy of the Marshall Islands or the Federated States of Micronesia. Project identification should include initial cost estimates, with project purposes related to specific development goals and objectives.

(m) "Tariff Schedules of the United States" means the Tariff Schedules of the United States as amended from time to time and as promulgated pursuant to United States law and includes the Tariff Schedules of the United States Annotated (TSUSA), as amended.

(n) "Vienna Convention on Diplomatic Relations" means the Vienna Convention on Diplomatic Relations, done April 18, 1961, 23 U.S.T. 3227, T.I.A.S. 7502, 500 U.N.T.S. 95.

Section 462

The Government of the United States and the Government of the Marshall Islands or the Federated States of Micronesia, as appropriate, shall conclude related agreements which shall come into effect and shall survive in accordance with their terms, as follows:

(a) Agreement Regarding the Provision of Telecommunication Services by the Government of the United States to the Marshall Islands and the Federated States of Micronesia Concluded Pursuant to Section 131 of the Compact of Free Association;

(b) Agreement Regarding the Operation of Telecommunication Services of the Government of the United States in the Marshall Islands and the Federated States of Micronesia Concluded Pursuant to Section 132 of the Compact of Free Association;

(c) Agreement on Extradition, Mutual Assistance in Law Enforcement Matters and Penal Sanctions Concluded Pursuant to Section 175 of the Compact of Free Association;

(d) Agreement Between the Government of the United States and the Government of the Marshall Islands for the Implementation of Section 177 of the Compact of Free Association;

(e) Federal Programs and Services Agreement Concluded Pursuant to Article II of Title Two and Section 232 of the Compact of Free Association;

(f) Agreement Concluded Pursuant to Section 234 of the Compact of Free Association;

(g) Agreement Regarding the Military Use and Operating Rights of the Government of the United States in the Marshall Islands Concluded Pursuant to Sections 321 and 323 of the Compact of Free Association;

(h) Agreement Regarding the Military Use and Operating Rights of the Government of the United States in the Federated States of Micronesia Concluded Pursuant to Sections 227, 321 and 323 of the Compact of Free Association;

(i) Status of Forces Agreement Concluded Pursuant to Section 323 of the Compact of Free Association;

(j) Agreement Between the Government of the United States and the Government of the Federated States of Micronesia Regarding Friendship, Cooperation and Mutual Security Concluded Pursuant to Sections 321 and 323 of the Compact of Free Association; and

(k) Agreement Between the Government of the United States and the Government of the Marshall Islands Regarding Mutual Security Concluded Pursuant to Sections 321 and 323 of the Compact of Free Association.

Section 463

(a) Except as set forth in Section 463(b), any reference in this Compact to a provision of the United States Code or the Statutes at Large of the United States constitutes the incorporation of the language of such provision into this Compact, as such provision was in force on January 1, 1980.

(b) Any reference in Article VI of Title One and Sections 131, 174, 175, 178 and 342 to a provision of the United States Code or the Statutes at Large of the United States or to the Privacy Act, the Freedom of Information Act or the Administrative Procedure Act constitutes the incorporation of the language of such provision into this Compact as such provision is in force on the effective date of this Compact or as it may be amended thereafter on a non-discriminatory basis according to the constitutional processes of the United States.

Article VII

Concluding Provisions

Section 471

(a) The Government of the United States and the Governments of the Marshall Islands and the Federated States of Micronesia agree that they have full authority under their respective Constitutions to enter into this Compact and its related agreements and to fulfill all of their respective responsibilities in accordance with the terms of this Compact and its related agreements. The Governments pledge that they are so committed.

(b) Each of the Governments of the United States, the Marshall Islands and the Federated States of Micronesia shall take all necessary steps, of a general or particular character, to ensure, not later than the effective date of this Compact, the conformity of its laws, regulations and administrative procedures with the provisions of this Compact.

(c) Without prejudice to the effects of this Compact under international law, this Compact has the force and effect of a statute under the laws of the United States.

Section 472

This Compact may be accepted, by signature or otherwise, by the Government of the United States, the Government of the Marshall Islands, and the Government of the Federated States of Micronesia. Each Government accepting this Compact shall possess an original English language version.

IN WITNESS WHEREOF, the undersigned, duly authorized, have signed this Compact of Free Association which shall come into effect in accordance with its terms between the Government of the United States and each of the other Governments signatory to this Compact.

DONE AT HONOLULU, HAWAII, THIS 1ST DAY OF OCTOBER, ONE THOUSAND, NINE HUNDRED EIGHTY-TWO

FOR THE GOVERNMENT

OF

THE UNITED STATES OF AMERICA

AMBASSADOR FRED M. ZEDER, II

PRESIDENT'S PERSONAL REPRESENTATIVE FOR MICRONESIAN STATUS NEGOTIATIONS

DONE AT HONOLULU, HAWAII, THIS 1ST DAY OF OCTOBER, ONE THOUSAND, NINE HUNDRED EIGHTY-TWO

FOR THE GOVERNMENT

OF

THE FEDERATED STATES OF MICRONESIA

HONORABLE ANDON L. AMARAICH

CHAIRMAN, COMMISSION ON FUTURE POLITICAL STATUS AND TRANSITION

DONE AT MAJURO, MARSHALL ISLANDS, THIS 25TH DAY
OF JUNE, ONE THOUSAND, NINE HUNDRED, EIGHTY-THREE
FOR THE GOVERNMENT
OF
THE UNITED STATES OF AMERICA
AMBASSADOR FRED M. ZEDER, II
PRESIDENT'S PERSONAL REPRESENTATIVE
FOR MICRONESIAN STATUS NEGOTIATIONS
DONE AT MAJURO, MARSHALL ISLANDS, THIS 25TH DAY
OF JUNE, ONE THOUSAND, NINE HUNDRED EIGHTY-THREE
FOR THE GOVERNMENT
OF
THE MARSHALL ISLANDS
PRESIDENT AMATA KABUA
PRESIDENT OF THE REPUBLIC
OF THE MARSHALL ISLANDS

SEC. 2. (a) With respect to section 321 of the Compact of Free Association and its related agreements, the jurisdictional provisions set forth in subsection (b) of this section shall apply only to the citizens and nationals of the United States and aliens lawfully admitted to the United States for permanent residence who are in the Marshall Islands or the Federated States of Micronesia.

(b)(1) The defense sites of the United States established in the Marshall Islands or the Federated States of Micronesia in accordance with the Compact of Free Association and its related agreements are within the special maritime and territorial jurisdiction of the United States as set forth in section 7, title 18, United States Code.

(2) Any person referred to in subsection (a) of this section who within or upon such defense sites is guilty of any act or omission which, although not made punishable by any enactment of Congress, would be punishable if committed or omitted within the jurisdiction of the State of Hawaii by the laws thereof, in force at the time of such act or omission, shall be guilty of a like offense and subject to a like punishment.

(3) The United States District Court for the District of Hawaii shall have jurisdiction to try all criminal offenses against the United States, including the laws of the State of Hawaii made applicable to the defense sites in the Marshall Islands or the Federated States of Micronesia by virtue of paragraph (2) of this subsection, committed by any person referred to in subsection (a) of this section.

(4) The United States District Court for the District of Hawaii may appoint one or more magistrates for the defense sites in the Marshall Islands. Such Magistrates shall have the power and the status of Magistrates appointed pursuant to chapter 43, title 28, United States Code, provided, however that such Magistrates shall have the power to try persons accused of and sentence persons convicted of petty offenses, as defined in section 1(3), title 18, United States Code, including violations of regulations for the maintenance of peace, order, and health issued by the Commanding Officer on such defense sites, without being subject to the restrictions provided for in section 3401(b), title 18, United States Code.

SEC. 3. Upon the effective date of the Compact of Free Association, the laws of the United States generally applicable to the Trust Territory of the Pacific Islands shall continue to apply to the Republic of Palau and the Republic of Palau shall be eligible for such proportion of Federal assistance as it would otherwise have been eligible to receive under such laws prior to the effective date of the Compact, as determined by the Government of the United States.

The CHAIRMAN. Pursuant to House Resolution 235 and the order of the House of today, no amendments are in order except an amendment in the nature of a substitute consisting of the text after the resolving clause of House Joint Resolution 355, which shall be considered as pending and as having been read, shall be debatable for 30 minutes to be equally divided and controlled by Representative ROSTENKOWSKI or his designee and a Member opposed thereto, shall not be subject to amendment except a substitute consisting of the text after the resolving clause of House Joint Resolution 344, if offered by Representative UDALL, which shall be considered as having been read, shall not be subject to amendment, shall be debatable for 30 minutes to be equally divided and controlled by the proponent of the substitute and a Member opposed thereto.

The Clerk will designate the amendment in the nature of a substitute consisting of the text of House Joint Resolution 355.

The text of the amendment in the nature of a substitute consisting of the text of House Joint Resolution 355 is as follows:

Strike all after the resolving clause and insert:

H.J. RES. 355

TITLE I—APPROVAL OF COMPACT; INTERPRETATION OF, AND U.S. POLICIES REGARDING, COMPACT; SUPPLEMENTAL PROVISIONS

SECTION 101. APPROVAL OF COMPACT OF FREE ASSOCIATION.

(a) FEDERATED STATES OF MICRONESIA.—The Compact of Free Association set forth in title II of this joint resolution between the United States and the Government of the Federated States of Micronesia is hereby approved, and, subject to the provisions of this joint resolution, the President is authorized to agree, in accordance with section 411 of the Compact, to an effective date for and thereafter to implement such Compact, having taken into account any procedures with respect to the United Nations for termination of the Trusteeship Agreement.

(b) MARSHALL ISLANDS.—The Compact of Free Association set forth in title II of this joint resolution between the United States and the Government of the Marshall Islands is hereby approved, and, subject to the provisions of this joint resolution, the President is authorized to agree, in accordance with section 411 of the Compact, to an effective date for and thereafter to implement such Compact, having taken into account any procedures with respect to the United Nations for termination of the Trusteeship Agreement.

(c) REFERENCE TO THE COMPACT.—Any reference in this joint resolution to "the Compact" shall be treated as a reference to the Compact of Free Association set forth in title II of this joint resolution and the subsidiary agreements incorporated into the Compact pursuant to subsection (d) of this section.

(d) INCORPORATION OF SUBSIDIARY AGREEMENTS.—The following subsidiary agreements, or portions thereof, as set forth on pages 115 through 391 of House Document 98-192 of March 30, 1984, are hereby incorporated into the Compact and shall have the force and effect of laws of the United States to the same extent as the Compact:

(1) The agreements referred to in subsections (a), (b), (c), (d), (e), (f), (j), and (k) of section 462 of the Compact;

(2) Articles I, II, III, VII, and X of the agreement referred to in section 462(g) of the Compact;

(3) Articles I, II, III, VI, and VIII of the agreement referred to in section 462(h) of the Compact;

(4) Articles I, III, IV, V, VI, VII, IX, XIV, XV, XVI, XVII, and XIX of the agreement referred to in section 462(i) of the Compact;

(5) The agreement set forth on pages 388 through 391 of House Document 98-192 of March 30, 1984.

(e) SUBSIDIARY AGREEMENTS DEEMED BILATERAL.—For purposes of implementation of the Compact and this joint resolution, each of the subsidiary agreements referred to in subsection (d) (whether or not bilateral in form) shall be deemed to be bilateral agreements between the United States and each other party to such subsidiary agreement. The consent or concurrence of any other party shall not be required for the effectiveness of any actions taken by the United States in conjunction with either the Federated States of Micronesia or the Marshall Islands which are intended to affect the implementation, modification, suspension, or termination of any such subsidiary agreement (or any provision thereof) as regards the mutual responsibilities of the United States and the party in conjunction with whom the actions are taken.

(f) EFFECTIVE DATE.—(1) The President shall not agree to an effective date for the Compact, as authorized by this section, until after certifying to Congress that the agreements described in section 102 and section 103 of this title have been concluded.

(2) Any agreement concluded with the Federated States of Micronesia or the Marshall Islands pursuant to sections 102 and 103 shall be submitted to the Congress. No such agreement shall take effect until after the expiration of 30 days after the date such agreement is so submitted (excluding days on which either House of Congress is not in session).

(3) No agreement described in paragraph (2) shall take effect if a joint resolution of disapproval is enacted during the period specified in paragraph (2). For the purpose of expediting the consideration of such a joint resolution, a motion to proceed to the consideration of any such joint resolution after it has been reported by an appropriate committee shall be treated as highly privileged in the House of Representatives. Any such joint resolution shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

SEC. 102. AGREEMENTS WITH FEDERATED STATES OF MICRONESIA.

(a) LAW ENFORCEMENT AND AUDITS.—(1) The President of the United States shall negotiate with the Government of the Federated States of Micronesia agreements pursuant to section 175 of the Compact which are in addition to the Agreements pursuant to

such section dated October 1, 1982, and transmitted to the Congress by the President on February 20, 1985. Such additional agreements shall provide as follows:

(A) MUTUAL ASSISTANCE IN LAW ENFORCEMENT.—The law enforcement agencies of the United States and the Federated States of Micronesia shall assist one another, as mutually agreed, in the investigation of crimes and the enforcement of the laws of the United States and the Federated States of Micronesia. The United States and the Federated States of Micronesia will authorize mutual assistance with respect to investigations, inquiries, audits and related activities by the law enforcement agencies of both Governments in the United States and the Federated States of Micronesia. In conducting activities authorized in accordance with this section, the United States and the Federated States of Micronesia will act in accordance with the constitution and laws of the jurisdiction in which such activities are conducted.

(B) NARCOTICS AND CONTROL OF ILLEGAL SUBSTANCES.—The United States and the Federated States of Micronesia will take all reasonable and necessary steps, as mutually agreed based upon consultations in which the Attorney General or other designated official of each Government participates, to prevent the use of the lands, waters, and facilities of the United States or the Federated States of Micronesia for the purposes of cultivation of, production of, smuggling of, trafficking in, and abuse of any controlled substance as defined in section 102(6) of the United States Controlled Substances Act and Schedules I through V of Subchapter II of the Controlled Substances Act of the Federated States of Micronesia, or for the distribution of any such substance to or from the Federated States of Micronesia or to or from the United States or any of its territories or commonwealths.

(C) OTHER CRIMINAL LAWS.—The United States and the Federated States of Micronesia shall take all reasonable and necessary steps, as mutually agreed based upon consultations in which the Attorney General or other designated official of each Government participates, to prevent and prosecute violations of the laws of the United States and the laws of the Federated States of Micronesia related to counterfeiting of United States currency, use of the mails, banking, issuance of and transactions in securities, protection of Government officials, espionage, terrorism, embezzlement of Government funds, racketeer influenced and corrupt organizations, and financial transactions which advance the interests of any person engaging in unlawful activities.

(D) AUTHORIZATION FOR INVESTIGATION, ETC.—The Federated States of Micronesia will fully cooperate with law enforcement officials and agencies of the United States, and the United States will fully cooperate with law enforcement officials and agencies of the Federated States of Micronesia to carry out investigations, audits, studies, or inquiries to the extent needed to assure the full implementation of all provisions of the Compact and the agreements specified in this section.

(E) TECHNICAL AND TRAINING ASSISTANCE.—Upon request, the United States shall provide non-reimbursable technical and training assistance as appropriate, including training and equipment for postal inspection of illicit drugs and other contraband, to enable the government of the Federated States of Micronesia to develop and adequately enforce laws of the Federated States of Micronesia and to cooperate with the United States in the enforcement of criminal laws of the United States. Upon request, the Federated States of Micronesia shall provide non-reimbursable technical and training assistance to enable the United States to develop and adequately enforce laws of the United States and to cooperate with the Federated States of Micronesia in the enforcement of criminal laws of the Federated States of Micronesia.

(F) LAW ENFORCEMENT ASSISTANCE.—Upon request, the United States will provide assistance, as appropriate, to the Federated States of Micronesia in investigating and prosecuting violations of the criminal laws of the Federated States of Micronesia. The United States will provide assistance to the Federated States of Micronesia to respond to incidents or threats of riots, insurrections, or civil disorders to such extent as may be requested by the Federated States of Micronesia and specifically agreed to by the Attorney General on behalf of the United States.

(G) GENERAL ACCOUNTING OFFICE.—The Federated States of Micronesia will cooperate fully with the Comptroller General of the United States in the conduct of such audits, studies, investigations, and inquiries as the Comptroller General determines necessary to enable the Comptroller General to fully discharge his responsibilities under this joint resolution and other applicable laws. The Comptroller General shall notify Congress when the agreement implementing this paragraph has been concluded.

(2) CONSULTATION.—Any official, designated by this joint resolution or the President to negotiate any agreement under this section shall consult with affected law enforcement agencies prior to entering into such an agreement on behalf of the United States.

(3) REPORT.—The President shall report annually to Congress on the implementation of this subsection. Such report shall provide statistical and other information about the incidence of crimes in the Federated States of Micronesia which have an impact upon United States jurisdictions, and propose measures which the United States and the Federated States of Micronesia should take in order better to prevent and prosecute violations of the laws of the United States and the Federated States of Micronesia. The reports required under section 481(e) of the Foreign Assistance Act of 1961 shall include relevant information concerning the Federated States of Micronesia.

(b) ECONOMIC DEVELOPMENT PLANS REVIEW PROCESS.—

(1) SUBMISSION OF DEVELOPMENT PLANS.—In order to clarify section 211(b) of the Compact, the President of the United States shall negotiate with the Government of the Federated States of Micronesia an agreement that economic development plans referred to in section 211(b) of the Compact shall be submitted to the Government of the United States for its review at intervals not greater than every 5 years for the duration of the Compact. All plans for a 5-year period beginning after the initial plan shall be submitted not less than 90 days prior to the expiration of the previous 5-year period. Submissions pursuant to this subsection shall be in addition to the annual reports to be submitted pursuant to section 211(c) of the Compact.

(2) UNITED STATES GOVERNMENT REVIEW.—The United States shall not concur in those development plans described in paragraph (1) of this subsection until—

(A) after the President of the United States has conducted a review and reported the findings of the President to the Congress; and

(B) the Congress has had 30 days (excluding days on which both Houses of Congress are not in session) to review the findings of the President.

(3) REPORT.—The President shall complete the review under paragraph (2) and shall report the findings no later than 60 days after the President's receipt of such plans. The report shall include the views of the Secretary of the Interior, the Administrator of the Agency for International Development, and the heads of such other Executive departments as the President may decide to include in the report.

SEC. 103. AGREEMENTS WITH AND OTHER PROVISIONS RELATED TO THE MARSHALL ISLANDS.

(a) LAW ENFORCEMENT AND AUDITS.—(1) The President of the United States shall negotiate with the Government of the Marshall Islands agreements pursuant to section 175 of the Compact which are in addition to the Agreements pursuant to such section dated May 30, 1982, and transmitted to the Congress by the President on February 20, 1985. Such additional agreements shall provide as follows:

(A) MUTUAL ASSISTANCE IN LAW ENFORCEMENT.—The law enforcement agencies of the United States and the Marshall Islands shall assist one another, as mutually agreed, in the investigation of crimes and the enforcement of the laws of the United States and the Marshall Islands. The United States and the Marshall Islands will authorize mutual assistance with respect to investigations, inquiries, audits and related activities by the law enforcement agencies of both Governments in the United States and the Marshall Islands. In conducting activities authorized in accordance with this section, the United States and the Marshall Islands will act in accordance with the constitution and laws of the jurisdiction in which such activities are conducted.

(B) NARCOTICS AND CONTROL OF ILLEGAL SUBSTANCES.—The United States and the Marshall Islands will take all reasonable and necessary steps, as mutually agreed based upon consultations in which the Attorney General or other designated official of each Government participates, to prevent the use of the lands, waters, and facilities of the United States or the Marshall Islands for the purposes of cultivation of, production of, smuggling of, trafficking in, and abuse of any controlled substance as defined in section 102(6) of the United States Controlled Substances Act and Schedules I through V of Subchapter II of the Controlled Substances Act of the Marshall Islands, or for the distribution of any such substance to or from the Marshall Islands or to or from the United States or any of its territories or commonwealths.

(C) OTHER CRIMINAL LAWS.—The United States and the Marshall Islands shall take all reasonable and necessary steps, as mutually agreed based upon consultations in which the Attorney General or other designated official of each Government participates, to prevent and prosecute violations of the laws of the United States and the laws of the Marshall Islands related to counterfeiting of United States currency, use of the mails, banking, issuance of and transactions in securities, protection of Government officials, espionage, terrorism, embezzlement of Government funds, racketeer influenced and corrupt organizations, and financial transactions which advance the interests of any person engaging in unlawful activities.

(D) AUTHORIZATION FOR INVESTIGATION, ETC.—The Marshall Islands will fully cooperate with law enforcement officials and agencies of the United States, and the United States will fully cooperate with law enforcement officials and agencies of the Marshall Islands to carry out investigations, audits, studies, or inquiries to the extent needed to assure the full implementation of all provisions of the Compact and the agreements specified in this section.

(E) TECHNICAL AND TRAINING ASSISTANCE.—Upon request, the United States shall provide non-reimbursable technical and training assistance, as appropriate, including training and equipment for postal inspection of illicit drugs and other contraband, to enable the Government of the Marshall Islands to develop and adequately enforce laws of the Marshall Islands and to cooperate with the United States in the enforcement of criminal laws of the United States. Upon request, the Marshall Islands shall provide non-reimbursable technical and training assistance to enable the United States to develop and adequately enforce laws of the United States and to cooperate with the Marshall Islands in the enforcement of criminal laws of the Marshall Islands.

(F) LAW ENFORCEMENT ASSISTANCE.—Upon request, the United States will provide assistance, as appropriate, to the Marshall Islands in investigating and prosecuting violations of the criminal laws of the Marshall Islands. The United States will provide assistance to the Marshall Islands to respond to incidents or threats of riots, insurrections, or civil disorders to such extent as may be requested by the Marshall Islands and specifically agreed to by the Attorney General on behalf of the United States.

(G) GENERAL ACCOUNTING OFFICE.—The Marshall Islands will cooperate fully with the Comptroller General of the United States in the conduct of such audits, studies, investigations, and inquiries as the Comptroller General determines necessary to enable the Comptroller General to fully discharge his responsibilities under this joint resolution and other applicable laws. The Comptroller General shall notify Congress when the agreement implementing this paragraph has been concluded.

(2) CONSULTATION.—Any official, designated by this joint resolution or the President to negotiate any agreement under this section shall consult with affected law enforcement agencies prior to entering into such an agreement on behalf of the United States.

(3) REPORT.—The President shall report annually to Congress on the implementation of this subsection. Such report shall provide statistical and other information about the incidence of crimes in the Marshall Islands which have an impact upon United States jurisdictions, and propose measures which the United States and the Marshall Islands should take in order better to prevent and prosecute violations of the laws of the United States and the Marshall Islands. The reports required under section 481(e) of the Foreign Assistance Act of 1961 shall include relevant information concerning the Marshall Islands.

(b) ECONOMIC DEVELOPMENT PLANS REVIEW PROCESS.—

(1) SUBMISSION OF DEVELOPMENT PLANS.—In order to clarify section 211(b) of the Compact, the President of the United States shall negotiate with the Government of the Marshall Islands an agreement that economic development plans referred to in section 211(b) of the Compact shall be submitted to the Government of the United States for its review at intervals not greater than every 5 years for the duration of the Compact. All plans for a 5-year period beginning after the initial plan shall be submitted not less than 90 days prior to the expiration of the previous 5-year period. Submissions pursuant to this subsection shall be in addition to the annual reports to be submitted pursuant to section 211(c) of the Compact.

(2) UNITED STATES GOVERNMENT REVIEW.—The United States shall not concur in those development plans described in paragraph (1) of this subsection until—

(A) after the President of the United States has conducted a review and reported the findings of the President to the Congress; and

(B) the Congress has had 30 days (excluding days on which both Houses of Congress are not in session) to review the findings of the President.

(3) REPORT.—The President shall complete the review under paragraph (2) and shall report the findings no later than 60 days after the President's receipt of such plans. The report shall include the views of the Secretary of the Interior, the Administrator of the Agency for International Development, and the heads of such other Executive departments as the President may decide to include in the report.

(c) UJELANG, EJIT.—

(1) The President of the United States shall negotiate with the Government of the Marshall Islands an agreement whereby, without prejudice as to any claims which have been or may be asserted by any party as to rightful title and ownership of any lands on either Ujelang or Ejit, the Government of the Marshall Islands shall assure that lands on Ujelang used as of January 1, 1985, by the people of Enewetak, and that lands on Ejit used as of January 1, 1985, by the people of Bikini, will continue to be available without charge for their use, until such time as Enjebi and Bikini are restored and inhabitable and the continued use of Ujelang and Ejit is no longer necessary, unless a Marshall Islands court of competent jurisdiction finally determines that there are legal impediments to continued use of Ujelang by the people of Enewetak or to continued use of Ejit by the people of Bikini.

(2) If the impediments described in paragraph (1) do arise, the United States will cooperate with the Government of the Marshall Islands in assisting any person adversely affected by such judicial determination to remain on either Ujelang or Ejit, as appropriate, or in locating suitable and acceptable alternative lands for such person's use.

(3) Paragraph (1) shall not be applied in a manner which would prevent the Government of the Marshall Islands from acting in accordance with its constitutional processes to resolve title and ownership claims with respect to such lands or from taking substitute or additional measures to meet the needs of the people of Enewetak and Bikini with their democratically expressed consent and approval.

(d) KWAJALEIN PAYMENTS.—

(1) PAYMENTS.—The United States shall pay the following to the Government of the Marshall Islands for the use of the land on Kwajalein Atoll for military purposes, to be paid to the recipients specified in the land use agreement between the Government of the Marshall Islands and the Kwajalein Atoll Corporation dated October 19, 1982, pursuant to the provisions of such agreement:

(A) INITIAL 15 YEARS.—During the period of 15 years after the effective date of the Compact, annual payments of—

(i) $1,900,000 as specified in section 213(a) of the Compact;

(ii) $7,100,000 to be charged against the total amounts to be paid by the United States specified in section 211(a) of the Compact; and

(iii) such adjustment for inflation as may be made to the amount specified in clause (ii) of this subparagraph, pursuant to section 217 of the Compact.

(B) 15 YEARS.—On the date 15 years after the effective date of the Compact, the sum of $2,500,000, as provided in the United States-Marshall Islands Military Use and Operating Rights Agreement, in consideration of the right of the United States under such agreement to elect whether such agreement is to remain in effect during the period after the date 15 years after the effective date of the Compact.

(2) FAILURE TO MAKE PAYMENTS.—In the event that the Government of the Marshall Islands fails to make payments in accordance with paragraph (1) of this subsection within 14 days of receipt of funds and the United States determines the failure is not justified, the United States shall deem such failure to make payments a material breach of the United States security and defense authority under the Compact.

(3) RESOLUTION OF FAILURE TO PAY DISPUTE.—The United States shall resolve any situation described in paragraph (2) of this subsection and address any concerns of the Government of the Marshall Islands under paragraph (2) pursuant to the provisions of section 313 of the Compact. For purposes of this section, the procedures under section 313 of the Compact shall take no more than 10 days.

(4) UNITED STATES ACTIONS.—In the event that the United States determines, pursuant to this subsection and section 313 of the Compact, that the Government of the Marshall Islands has materially breached the Compact, the United States shall take all steps necessary, which may include (but not be limited to) withholding payment of Compact funds to the Government of the Marshall Islands, to ensure that the Government of the Marshall Islands meets its obligations to make payments pursuant to paragraph (1) of this subsection.

(5) LOANS.—The Secretary of the Treasury is hereby authorized to make loans to the Government of the Marshall Islands only for use by the Kwajalein Atoll Development Authority for the benefit of the Kwajalein landowners of amounts sought by such authority for development purposes, pursuant to a development plan for Kwajalein Atoll which such authority has adopted in accordance with applicable laws of the Marshall Islands. Such loans shall be without interest, shall be secured by the moneys (if any) from the Compact funds remaining payable to such landowners as agree to giving such security at the time of the loan, and shall be subject to such other terms and conditions as the Secretary of the Treasury, in his discretion, may determine appropriate and necessary. The Government of the Marshall Islands shall present all requests by the Kwajalein Atoll Development Authority for loans pursuant to this subsection to the Secretary of the Treasury within 14 days after receipt by such government of such requests.

(e) SECTION 177 AGREEMENT.—(1) In furtherance of the purposes of Article I of the Subsidiary Agreement for Implementation of Section 177 of the Compact, the payment

of the amount specified therein shall be made by the United States under Article I of the Agreement between the Government of the United States and the Government of the Marshall Islands for the Implementation of Section 177 of the Compact (hereafter in this subsection referred to as the "Section 177 Agreement") only after the Government of the Marshall Islands has notified the Secretary of the Treasury as to which investment management firm has been selected by such Government to act as Fund Manager under Article I of the Section 177 Agreement.

(2) In the event that the Secretary of the Treasury determines that an investment management firm selected by the Government of the Marshall Islands does not meet the requirements specified in Article I of the Section 177 Agreement, the United States shall invoke the conference and dispute resolution procedures of Article II of Title Four of the Compact. Pending the resolution of such a dispute and until a qualified Fund Manager has been designated, the Government of the Marshall Islands shall place the funds paid by the United States pursuant to Article I of the Section 177 Agreement into an interest-bearing escrow account. Upon designation of a qualified Fund Manager, all funds in the escrow account shall be transferred to the control of such Fund Manager for management pursuant to the Section 177 Agreement.

(3) If the Government of the Marshall Islands determines that some other investment firm should act as Fund Manager in place of the firm first (or subsequently) selected by such Government, the Government of the Marshall Islands shall so notify the Secretary of the Treasury, identifying the firm selected by such Government to become Fund Manager, and the Secretary of the Treasury shall proceed to evaluate the qualifications of such identified firm.

(4) At the end of 15 years after the effective date of the Compact, the firm then acting as Fund Manager shall transfer to the Government of the Marshall Islands, or to such account as such Government shall so notify the Fund Manager, all remaining funds and assets being managed by the Fund Manager under the Section 177 Agreement.

(5) The Fund Manager shall transmit to the Congress and to the people of Bikini, Enewetak, Rongelap, and Utirik at least annual reports concerning all actions of the Fund Manager pursuant to the Section 177 Agreement and this joint resolution, including such information (whether received from the Fund Manager or any other source) as relates to the disbursements provided for in Article II of the Section 177 Agreement.

(f) NUCLEAR TEST EFFECTS.—In approving the Compact, the Congress understands and intends that the peoples of Bikini, Enewetak, Rongelap, and Utirik, who were affected by the United States nuclear weapons testing program in the Marshall Islands, will receive the amounts of $75,000,000 (Bikini); $48,750,000 (Enewetak), $37,500,000 (Rongelap); and $22,500,000 (Utirik), respectively, which amounts shall be paid out of proceeds from the fund established under Article I, section 1 of the subsidiary agreement for the implementation of section 177 of the Compact. The amounts specified in this subsection shall be in addition to any amounts which may be awarded to claimants pursuant to Article IV of the subsidiary agreement for the implementation of Section 177 of the Compact.

(g) ESPOUSAL PROVISIONS.—(1) It is the intention of the Congress of the United States that the provisions of section 177 of the Compact of Free Association and the Agreement between the Government of the United States and the Government of the Marshall Islands for the Implementation of Section 177 of the Compact (hereafter in this subsection referred to as the "Section 177 Agreement") constitute a full and final settlement of all claims described in Articles X and XI of the Section 177 Agreement, and that any such claims be terminated and barred except insofar as provided for in the Section 177 Agreement.

(2) If, notwithstanding the enactment into law of this joint resolution, a United States court of competent jurisdiction determines that the provisions of Article X of the Agreement between the Government of the United States and the Government of the Marshall Islands for the Implementation of Section 177 of the Compact (hereafter the "Section 177 Agreement") are invalid as a matter of international law or for any other reason, the provisions of Article XII of the Section 177 Agreement shall not, of themselves, prevent any court of the United States otherwise having jurisdiction over claims described in Articles X and XI of the Section 177 Agreement from entertaining such claims; and the time between the effective date of the Compact and any subsequent final judicial determination of invalidity of Article X of the Section 177 Agreement shall not be included in any calculations regarding applicable statutes of limitations or other similar limitations pertaining to the presentation of any such claims to any such court.

(h) DOE RADIOLOGICAL HEALTH CARE PROGRAM; USDA AGRICULTURAL AND FOOD PROGRAMS.—

(1) MARSHALL ISLANDS PROGRAM.—Notwithstanding any other provision of law, the Secretary of Energy shall continue to provide special medical care and logistical support thereto for the remaining 174 members of the population of Rongelap and Utirik who were exposed to radiation resulting from the 1954 United States thermonuclear "Bravo" test, pursuant to Public Laws 95-134 and 96-205. Such medical care and its accompanying logistical support shall total $22,500,000 over the first 11 years of the Compact.

(2) AGRICULTURAL AND FOOD PROGRAMS.—Notwithstanding any other provision of law, for the first five years after the effective date of the Compact, the Secretary of Agriculture shall provide technical and other assistance—

(A) without reimbursement, to continue the planting and agricultural maintenance program on Enewetak;

(B) without reimbursement, to continue the food programs of the Bikini and Enewetak people described in section 1(d) of Article II of the Subsidiary Agreement for the Implementation of Section 177 of the Compact and for continued waterborne transportation of agricultural products to Enewetak including operations and maintenance of the vessel used for such purposes.

(3) PAYMENTS.—Payments under this subsection shall be provided to such extent or in such amounts as are necessary for services and other assistance provided pursuant to this subsection. It is the sense of Congress that after the periods of time specified in paragraphs (1) and (2) of this subsection, consideration will be given to such additional funding for these programs as may be necessary.

(i) RONGELAP.—(1) Because Rongelap was directly affected by fallout from a 1954 United States thermonuclear test and because the Rongelap people remain unconvinced that it is safe to continue to live on Rongelap Island, it is the intent of Congress to take such steps (if any) as may be necessary to overcome the effects of such fallout on the habitability of Rongelap Island, and to restore Rongelap Island, if necessary, so that it can be safely inhabited. Accordingly, it is the expectation of the Congress that the Government of the Marshall Islands shall use such portion of the funds specified in Article III, section 1(e) of the subsidiary agreement for the implementation of section 177 of the Compact as are necessary for the purpose of contracting with a qualified United States scientist or group of scientists, not connected with any government agency, to review the data collected by the Department of Energy relating to radiation levels and other conditions on Rongelap Island resulting from the thermonuclear test. It is the expectation of the Congress that the Government of the Marshall Islands, after consultation with the people of Rongelap, shall select the party to review such data, and shall contract for such review and for submission of a report to the President of the United States and the Congress as to the results thereof.

(2) The purpose of the review referred to in paragraph (1) of this subsection shall be to establish whether the data cited in support of the conclusions as to the habitability of Rongelap Island, as set forth in the Department of Energy report entitled: "The Meaning of Radiation for Those Atolls in the Northern Part of the Marshall Islands That Were Surveyed in 1978," dated November 1982, are adequate and whether such conclusions are fully supported by the data. If the party reviewing the data concludes that such conclusions as to habitability are fully supported by adequate data, the report to the President of the United States and the Congress shall so state. If the party reviewing the data concludes that the data are inadequate to support such conclusions as to habitability or that such conclusions as to habitability are not fully supported by the data, the Government of the Marshall Islands shall contract with an appropriate United States scientist or group of scientists, not connected with any government agency, to undertake a complete survey of radiation and other effects of the nuclear testing program relating to the habitability of Rongelap Island. Such sums as are necessary for such survey and report concerning the results thereof and as to steps needed to restore the habitability of Rongelap Island are authorized to be made available to the Government of the Marshall Islands.

(3) It is the intent of Congress that, should it be reported that such steps are needed, whatever steps are necessary to restore the habitability of Rongelap Island and return the Rongelap people to their homeland will be taken by the United States in consultation with the Government of the Marshall Islands and, in accordance with its authority under the Constitution of the Marshall Islands, the Rongelap local government council.

(j) FOUR ATOLL HEALTH CARE PROGRAM, ETC.—(1) Services provided by the United States Public Health Service or any other United States agency pursuant to section 1(a) of Article II of the Agreement for the Implementation of Section 177 of the Compact (hereafter in this subsection referred to as the "Section 177 Agreement") shall be

only for services to the people of the Atolls of Bikini, Enewetak, Rongelap, and Utirik who were affected by the consequences of the United States nuclear testing program, pursuant to the program described in Public Law 95-134 and Public Law 96-205 and their descendants (and any other persons identified as having been so affected if such identification occurs in the manner described in such public laws).

(2) At the end of the first year after the effective date of the Compact and at the end of each year thereafter, the Government of the Marshall Islands shall return to the Fund Manager any portion of the funds available pursuant to section 1(a) of the Section 177 Agreement for that year which remain unexpended.

(3) The Fund Manager shall retain the funds returned pursuant to paragraph (2) of this subsection, shall invest and manage such funds, and at the end of 15 years after the effective date of the Compact, shall make from the total amount so retained and the proceeds thereof annual disbursements sufficient to continue to make payments for the provision of health services as specified in paragraph (1) of this subsection to such extent as may be provided in contracts between the Government of the Marshall Islands and appropriate United States providers of such health services.

(k) ENJEBI COMMUNITY TRUST FUND.—Notwithstanding any other provision of law, the Secretary of the Treasury shall establish on the books of the Treasury of the United States a fund having the status specified in Article V of the subsidiary agreement for the implementation of Section 177 of the Compact, to be known as the "Enjebi Community Trust Fund" (hereafter in this subsection referred to as the "Fund"), and shall credit to the Fund the amount of $7,500,000. Such amount, which shall be ex gratia, shall be in addition to and not charged against any other funds provided for in the Compact and its subsidiary agreements, this joint resolution, or any other Act. Upon receipt by the President of the United States of the agreement described in this subsection, the Secretary of the Treasury, upon request of the Government of the Marshall Islands, shall transfer the Fund to the Government of the Marshall Islands, provided that the Government of the Marshall Islands agrees as follows:

(1) ENJEBI TRUST AGREEMENT.—The Government of the Marshall Islands will submit an agreement between such government and the people of Enjebi, acting through the appropriate local government council, for the creation of the Enjebi Community Trust Fund and the appointment as trustee and manager thereof of a United States investment manager with substantial experience in the administration of trusts and with funds under management in excess of $250,000,000, to manage the Enjebi Community Trust Fund in accordance with this subsection.

(2) RESETTLEMENT DETERMINATION.—After the date of the enactment of this joint resolution, the Government of the Marshall Islands, in consultation with the United States, shall monitor radiation and other conditions on Enjebi Island. At such time as the Government of the Marshall Islands determines that resettlement of Enjebi Island by the people of Enjebi would not entail unacceptable risks if done in compliance with reasonable precautions which the people of Enjebi have, in writing, agreed to observe, the Government of the Marshall Islands shall so inform the investment firm to whom the Fund established under paragraph (1) of this subsection is entrusted.

(3) EXPENDITURE OF FUNDS.—After the Government of the Marshall Islands has entered into a binding agreement to hold the United States harmless from loss, damage, and liability associated with resettlement of Enjebi by the people of Enjebi, the investment firm shall make available to the people of Enjebi from the Fund such amounts as the people of Enjebi shall determine necessary for the purpose of—

(A) establishing a community on Enjebi Island for use of the people of Enjebi, and

(B) replanting Enjebi with appropriate food-bearing and other vegetation.

(4) TECHNICAL ASSISTANCE.—Upon request of the Government of the Marshall Islands, the United States may provide to such Government technical assistance to enable such Government to carry out the monitoring described in paragraph (2) of this subsection.

(l) BIKINI ATOLL CLEANUP.—

(1) DECLARATION OF POLICY.—The Congress hereby determines and declares that it is the policy of the United States, to be supported by the full faith and credit of the United States, that because the United States, through its nuclear testing and other activities, has rendered Bikini Atoll unsafe for habitation by the people of Bikini, the United States will fulfill its responsibility for restoring Bikini Atoll to habitability, as set forth in paragraphs (2) and (3) of this subsection.

(2) CLEANUP FUNDS.—There are hereby authorized to be appropriated such sums as are necessary for the purposes of Article VI, Section 1 of the Compact Section 177 Agreement, including the restoration to habitability of Bikini Atoll, and including all sums needed to effectuate a radiological cleanup of Bikini Island so that radioactive contamination at Bikini Island, including contamination derived from consumption of locally-grown food products, can be reduced or otherwise controlled to meet whole body Federal radiation protection standards for the general population, including mean annual dose and mean 30-year cumulative dose standards.

(3) CONDITIONS OF FUNDING.—The funds referred to in paragraph (2) shall be made available pursuant to Article VI, Section 1 of the Compact Section 177 Agreement upon completion of the following events:

(A) The submission of a final report to the Congress of the United States by the Bikini Atoll Rehabilitation Committee established pursuant to Public Law 97-257.

(B) The acceptance by the people of Bikini of the final report and conclusions of the Bikini Atoll Rehabilitation Committee.

(C) The development of a plan for the use of the funds by the Government of the United States in consultation with the Government of the Marshall Islands and, in accordance with its authority under the Constitution of the Marshall Islands, the Bikini-Kili-Ejit Local Government Council.

SEC. 104. INTERPRETATION OF AND UNITED STATES POLICY REGARDING COMPACT OF FREE ASSOCIATION.

(a) HUMAN RIGHTS.—

(1) STATEMENT OF UNDERSTANDINGS AND POLICY.—In approving the Compact, the Congress expresses its understanding that the Federated States of Micronesia and the Marshall Islands will continue to have democratic, constitutional forms of government and will continue to respect internationally recognized human rights and fundamental freedoms.

(2) ANNUAL HUMAN RIGHTS REPORTS.—The Secretary of State shall include in the annual reports on the status of internationally recognized human rights in foreign countries, which are submitted to the Congress pursuant to sections 116 and 502B of the Foreign Assistance Act of 1961, a full and complete report regarding the status of internationally recognized human rights in the Federated States of Micronesia and the Marshall Islands.

(b) IMMIGRATION.—In approving the Compact, the Congress understands and intends that the rights of a bona fide naturalized citizen of the Marshall Islands or the Federated States of Micronesia to enter the United States, to lawfully engage therein in occupations, and to establish residence therein as a non-immigrant, pursuant to the provisions of section 141(a)(3) of the Compact, shall not extend to any such naturalized citizen with respect to whom circumstances associated with the acquisition of the status of a naturalized citizen are such as to allow a reasonable inference, on the part of appropriate officials of the United States and subject to United States procedural requirements, that such naturalized status was acquired primarily in order to obtain such rights.

(c) NONALIENATION OF LANDS.—It is the sense of the Congress that the Government of the Federated States of Micronesia and the Government of the Marshall Islands, during the duration of the Compact, should continue to regulate, in accordance with their Constitutions and laws, the alienation of permanent and long-term interests in real property so as to restrict the acquisition of such interests to persons of Federated States of Micronesia citizenship and Marshall Islands citizenship, respectively.

(d) NUCLEAR WASTE DISPOSAL, ETC.—In approving the Compact, the Congress understands that the Government of the Federated States of Micronesia and the Government of the Marshall Islands will not permit any other government or any nongovernmental party to conduct, in the Marshall Islands or in the Federated States of Micronesia, any of the activities specified in subsection (a) of section 314 of the Compact.

(e) IMPACT OF COMPACT ON U.S. AREAS.—

(1) STATEMENT OF CONGRESSIONAL INTENT.—In approving the Compact, it is not the intent of the Congress to cause any adverse consequences for the United States territories and commonwealths or Hawaii.

(2) ANNUAL REPORTS AND RECOMMENDATIONS.—One year after the date of enactment of this joint resolution and at one year intervals thereafter, the President shall report to the Congress with respect to the impact of the Compact on the United States territories and commonwealths and on Hawaii. These reports shall identify any adverse consequences resulting from the Compact and shall make recommendations for corrective action to eliminate those consequences. These reports shall pay particular attention to matters relating to trade, taxation, immigration, labor laws, minimum wages, and environmental regulation. With regard to immigration the reports shall include statistics concerning the number of persons availing themselves of the rights described in section 141(a) of the Compact during the year covered by each report.

(3) VIEWS OF TERRITORIES, COMMONWEALTHS, AND HAWAII ON IMPACT OF THE COMPACT.—The Government of the State of Hawaii, and the governments of each of the United States territories and commonwealths, may submit to the President statements on any adverse consequences result-

ing to their jurisdictions from implementation of the Compact of Free Association. The President shall transmit the full text of any such statement to the Congress as part of the reports required by paragraph (2).

(4) COMMITMENT OF CONGRESS TO REDRESS ADVERSE CONSEQUENCES.—The Congress hereby declares that, if any adverse consequences to United States territories and commonwealths or Hawaii result from implementation of the Compact of Free Association, the Congress will act sympathetically and expeditiously to redress those adverse consequences.

(5) DEFINITION OF U.S. TERRITORIES AND COMMONWEALTHS.—As used in this subsection, the term "United States territories and commonwealths" means the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and any other territory or possession of the United States.

(6) IMPACT COSTS.—There are hereby authorized to be appropriated to the Secretary of the Interior for fiscal years beginning after September 30, 1985, such sums as may be necessary to cover the costs incurred by the State of Hawaii, the territories of Guam and American Samoa, and the Commonwealth of the Northern Mariana Islands resulting from any increased demands placed on educational and social services by immigrants from the Marshall Islands and the Federated States of Micronesia.

(f) FISHERIES MANAGEMENT.—In clarification of Title One, Article II, section 121(b)(1) of the Compact:

(1) Nothing in the Compact or this joint resolution shall be interpreted as recognition by the United States of any claim by the Federated States of Micronesia or by the Marshall Islands to jurisdiction or authority over highly migratory species of fish during the time such species of fish are found outside the territorial sea of the Federated States of Micronesia or the Marshall Islands.

(2) The President shall actively seek the cooperation and support of the Governments of the Federated States of Micronesia and the Marshall Islands in the development of international fishery management policy and regional fishery agreements consistent with the United States policy and legitimate interests of the governments concerned. None of the monies made available pursuant to the Compact or this joint resolution may be used by either the Federated States of Micronesia or the Marshall Islands for enforcement actions against any vessel of the United States on the basis of fishing by any such vessel for highly migratory species of fish outside the territorial sea of the Federated States of Micronesia or the Marshall Islands, respectively.

(3) Appropriate United States officials shall apply the policies and provisions of the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1801 et seq.) and the Fishermen's Protective Act of 1967 (22 U.S.C. 1971 et seq.) with regard to any action taken by the Federated States of Micronesia or the Marshall Islands affecting any vessel of the United States engaged in fishing for highly migratory species of fish in waters outside the territorial seas of the Federated States of Micronesia or the Marshall Islands, respectively. For the purpose of applying the provisions of section 5 of the Fishermen's Protective Act of 1967 (22 U.S.C. 1975), monies made available to either the Federated States of Micronesia or the Marshall Islands pursuant to the provisions of the Compact or this joint resolution shall be treated as "assistance to the government of such country under the Foreign Assistance Act of 1961".

(4) For the purpose of paragraphs (1), (2), and (3) of this subsection—

(A) The term "vessel of the United States" has the same meaning as provided in the first section of the Fishermen's Protective Act of 1967 (22 U.S.C. 1971).

(B) The terms "fishing" and "highly migratory species" have the same meanings as provided in paragraphs (10) and (14), respectively, of section 3 of the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1802(10) and (14).

(5)(A) It is the policy of the United States of America—

(i) to negotiate and conclude with the governments of the Central, Western, and South Pacific Ocean, including the Federated States of Micronesia and the Marshall Islands, a regional licensing agreement setting forth agreed terms of access for United States tuna vessels fishing in the region; and

(ii) that such an agreement should overcome existing jurisdictional differences and provide for a mutually beneficial relationship between the United States and the Pacific Island States that will promote the development of the tuna and other latent fisheries resources of the Central, Western, and South Pacific Ocean and the economic development of the region.

(B) At such time as an agreement referred to in subparagraph (A) is submitted to the Senate for advice and consent to ratification, the Secretary of State, after consultation with the Secretary of Commerce and other interested agencies and concerned governments, shall submit to the Congress a proposed long term regional fisheries development program which may include, but not be limited to—

(i) exploration for, and stock assessment of, tuna and other fish;

(ii) improvement of harvesting techniques;

(iii) gear development;

(iv) biological resource monitoring;

(v) education and training in the field of fisheries; and

(vi) regional and direct bilateral assistance in the field of fisheries.

(6) Any reference in paragraphs (1) through (5) to the Federated States of Micronesia or the Marshall Islands shall also be treated as a reference to Palau if a Compact of Free Association is entered into between the Government of the United States and the Government of Palau.

(g) FOREIGN LOANS.—

(1) LIMITATION ON FUNDS.—Funds provided to the Government of the Federated States of Micronesia or the Government of the Marshall Islands pursuant to section 211 of the Compact of Free Association may not be used to pay debts of that Government to a foreign government. This limitation does not apply to payments on loans relating to existing or future development projects which are outlined in the development plans submitted to the Government of the United States by the Government of the Marshall Islands and the Government of the Federated States of Micronesia pursuant to section 211(b) of the Compact.

(2) UNITED STATES POSITION ON FOREIGN LOANS.—The Congress hereby reaffirms the United States position that the United States Government is not responsible for foreign loans or debt obtained by the Governments of the Federated States of Micronesia and the Marshall Islands.

SEC. 105. SUPPLEMENTAL PROVISIONS.

(a) DOMESTIC PROGRAM REQUIREMENTS.—Except as may otherwise be provided in this title, all United States Federal programs and services extended to or operated in the Federated States of Micronesia or the Marshall Islands are and shall remain subject to all applicable criteria, standards, reporting requirements, auditing procedures, and other rules and regulations applicable to such programs when operating in the United States (including its territories and commonwealths).

(b) RELATIONS WITH THE FEDERATED STATES OF MICRONESIA AND THE MARSHALL ISLANDS.—The Secretary of State shall be responsible for the government to government relations between the Government of the United States and the Government of the Federated States of Micronesia and the Government of the Marshall Islands, respectively, except that the Secretary of the Interior shall be responsible for the program assistance provided to the Federated States of Micronesia and the Marshall Islands pursuant to the Compact and this joint resolution. Nothing in this subsection shall be construed to restrict the Secretary of Defense from carrying out the responsibilities of the Secretary of Defense under Title Three of the Compact.

(c) AUDITS.—

(1) GENERAL AUTHORITY OF THE GAO TO AUDIT.—

(A) The Comptroller General of the United States (and his duly authorized representatives) shall have the authority to audit—

(i) all grants, program assistance, and other assistance provided to the Governments of the Federated States of Micronesia and the Marshall Islands under Articles I and II of Title Two of the Compact of Free Association;

(ii) assistance provided under section 177 of the Compact of Free Association between the Government of the United States and Governments of the Marshall Islands and the Federated States of Micronesia; and

(iii) any other assistance provided by the Government of the United States to the Governments of the Federated States of Micronesia and the Marshall Islands.

Such authority shall include authority for the Comptroller General to conduct or cause to be conducted any of the audits provided for in section 233 of the Compact. The authority provided in this paragraph shall continue for at least three years after the last such grant has been made or assistance has been provided.

(B) The Comptroller General (and his duly authorized representatives) shall also have authority to review any audit conducted by or on behalf of the Government of the United States. In this connection, the Comptroller General shall have access to such personnel and to such records, documents, working papers, automated data and files, and other information relevant to such review, as the Comptroller General determines necessary.

(2) GAO ACCESS TO RECORDS.—

(A) In carrying out paragraph (1)(A), the Comptroller General (and his duly authorized representatives) shall have such access to the personnel and (without cost) to records, documents, working papers, automated data and files, and other information relevant to such audits, as the Comptroller General determines necessary. The Comptroller General may duplicate any such records, documents, working papers, auto-

mated data and files, or other information relevant to such audits.

(B) Such records, documents, working papers, automated data and files, and other information regarding each such grant or other assistance shall be maintained—

(i) for at least three years after the date such grant or assistance was provided; and

(ii) in a manner that permits such grants, assistance, and payments to be accounted for apart from any other funds of the Governments of the Federated States of Micronesia and the Marshall Islands or any other recipient of such grants, assistance, or payments.

(3) REPRESENTATIVE STATUS FOR GAO REPRESENTATIVES.—The Comptroller General and his duly authorized representatives shall be accorded the status set forth in Article V of Title One of the Compact of Free Association.

(4) ANNUAL FINANCIAL STATEMENTS.—As part of the annual report submitted by the Governments of the Federated States of Micronesia and the Marshall Islands under section 211 of the Compact of Free Association, each such Government shall include annual financial statements which account for the use of all of the funds provided by the Government of the United States to that Government under the Compact of Free Association or otherwise. Such financial statements shall be prepared in accordance with title 2 of the Policy and Procedures Manual for Guidance of Federal Agencies of the General Accounting Office. Each such statement shall be submitted to the Secretary of State not later than 120 days after the end of the United States fiscal year with respect to which such funds were provided, and the Secretary shall promptly transmit a copy of each such statement to the Congress.

(5) ANNUAL AUDITS BY THE PRESIDENT.—

(A) The President shall cause an annual audit to be conducted of the annual financial statements described in paragraph (4). Such audit shall be conducted in accordance with the Generally Accepted Government Auditing Standards promulgated by the Comptroller General of the United States. Such audit shall be submitted to the Congress not later than 120 days after the end of the United States fiscal year.

(B) The President shall develop and implement procedures to carry out such audits. Such procedures shall include the matters described in paragraph (2).

(6) DEFINITION OF AUDITS.—As used in this subsection, the term "audits" includes financial, program, and management audits, including determining—

(A) whether the Governments of the Federated States of Micronesia and the Marshall Islands have met the requirements set forth in the Compact of Free Association, or any related agreement entered into under the Compact, regarding the purposes for which such grants and other assistance are to be used; and

(B) the propriety of the financial transactions of the Governments of the Federated States of Micronesia and the Marshall Islands pursuant to such grants or assistance.

(d) CONTINUING TRUST TERRITORY AUTHORIZATION.—The authorization provided by the Act of June 30, 1954, as amended (68 Stat. 330) shall remain available after the effective date of the Compact with respect to the Federated States of Micronesia and the Marshall Islands for the following purposes:

(1) Prior to October 1, 1986, for any purpose authorized by the Compact or this joint resolution.

(2) Transition purposes, including but not limited to, completion of projects and fulfillment of commitments or obligations; termination of the Trust Territory Government and the operation of the High Court; health and education as a result of exceptional circumstances; ex gratia contributions to or for the populations of Bikini, Enewetak, Rongelap, and Utirik; and technical assistance and training in financial management, program administration, maintenance of infrastructure, and any other purposes authorized by law.

(e) MEDICAL REFERRAL DEBTS.—

(1) FEDERATED STATES OF MICRONESIA.—In addition to the funds provided in Title Two, Article II, section 221(b) of the Compact, following approval of the Compact with respect to the Federated States of Micronesia, the United States shall make available to the Government of the Federated States of Micronesia such sums as may be necessary for the payment of the obligations incurred for the use of medical facilities in the United States, its territories and commonwealths by citizens of the Federated States of Micronesia before June 1, 1985.

(2) MARSHALL ISLANDS—In addition to the funds provided in Title Two, Article II, section 221(b) of the Compact, following approval of the Compact with respect to the Marshall Islands, the United States shall make available to the Government of the Marshall Islands such sums as may be necessary for the payment of the obligations incurred for the use of medical facilities in the United States, its territories and commonwealths by citizens of the Marshall Islands before June 1, 1985.

(3) USE OF FUNDS.—In making funds available pursuant to this subsection, the Secretary of the Interior shall take such actions as he deems necessary to assure that the funds are used only for the payment of the medical expenses described in paragraph (1) or (2) of this subsection, as the case may be.

(f) SURVIVABILITY.—In furtherance of the provisions of Title Four, Article V, sections 452 and 453 of the Compact, any provisions of the Compact which remain effective after the termination of the Compact by the act of any party thereto and which are affected in any manner by provisions of this title shall remain subject to such provisions.

(g) REGISTRATION FOR AGENTS OF MICRONESIAN GOVERNMENTS.—Notwithstanding the provisions of Title One, Article V, section 153 of the Compact, after approval of the Compact any citizen of the United States who, without authority of the United States, acts as the agent of the Government of the Marshall Islands or the Federated States of Micronesia with regard to matters specified in the provisions of the Foreign Agents Registration Act of 1938, as amended (22 U.S.C. 611 et seq.) that apply with respect to an agent of a foreign principal shall be subject to the requirements of such Act. Failure to comply with such requirements shall subject such citizen to the same penalties and provisions of law as apply in the case of the failure of such an agent of a foreign principal to comply with such requirements. For purposes of the Foreign Agents Registration Act of 1938, the Federated States of Micronesia and the Marshall Islands shall be considered to be foreign countries.

(h) NONCOMPLIANCE SANCTIONS.—The following provisions are enacted in clarification and extension of Title Two, Article III, section 236 of the Compact:

(1) NONCOMPLIANCE.—If the President of the United States determines that there is reason to believe that either the Government of the Federated States of Micronesia or the Government of the Marshall Islands is not acting in compliance with one or more substantive provisions of the Compact (other than the provisions of Title Three thereof) or this joint resolution or any agreement entered into pursuant to provisions of the Compact (other than those in Title Three) or pursuant to this joint resolution, he shall confer with the appropriate Government, pursuant to Title Four, Article II, section 421 of the Compact. If after such conference, the President determines that there is a dispute as to whether the appropriate Government is complying with any or all such substantive provisions (other than those in Title Three), he shall provide such written notice and take such other steps to submit the matter to arbitration as are provided for by Title Four, Article II, sections 422, 423, and 424 of the Compact.

(2) SUSPENSION OF ASSISTANCE.—If, after submission of a dispute to arbitration pursuant to Title Four, Article II of the Compact and paragraph (2) of this subsection, a duly constituted Arbitration Board determines—

(A) that either the Government of the Federated States of Micronesia or the Government of the Marshall Islands is not in compliance with one or more substantive provisions of the Compact (other than Title Three thereof) or any agreement entered into with the United States pursuant to such Compact (other than Title Three thereof) or pursuant to this title, and

(B) that such noncompliance constitutes a material breach of such Compact or such agreement or agreements,

then the President of the United States, notwithstanding any provision of the Compact or of this title, may suspend the payment of any or all funds or the provision of other assistance to the appropriate government until such time as such government complies with such provisions. In exercising authority under this paragraph, the President shall have no authority to suspend payments or assistance with respect to—

(i) section 177, 213(a), 216(a)(2), 216(a)(3), 221(b), or 223 of the Compact, or

(ii) any agreements made pursuant to such sections of the Compact, or

(iii) any provisions of this title relating to such sections of the Compact, or

(iv) sections 103(d), 103(h), 103(i), 103(j), 103(k), 103(l), 105(e), 105(i), 105(j)(2), 105(q), 105(r), 105(t), of this title.

The President shall notify the Congress of any such suspensions of assistance.

(3) SECURITY AND DEFENSE DISPUTES.—Disputes involving security and defense matters shall be determined as follows:

(A) Disputes arising from a determination by the United States pursuant to section 313 of Title Three of the Compact of Free Association that an act or omission of the Federated States of Micronesia or the Marshall Islands would be incompatible with United States authority for security and defense shall be resolved in accordance with the procedures set forth in section 313 of the Compact, and shall not be subject to arbitration pursuant to Article II of Title Four of the Compact.

(B) All other disputes involving United States authority and responsibility for security and defense matters under Title Three of the Compact or its related agreements shall be finally determined in accordance with section 351 of the Compact, and shall not be subject to arbitration pursuant to Article II of Title Four of the Compact.

(4) ACTIONS INCOMPATIBLE WITH UNITED STATES AUTHORITY.—The Congress expresses its understanding that the Governments of the Federated States of Micronesia and the Marshall Islands will not act in a manner incompatible with the authority and responsibility of the United States for security and defense matters in or related to the Federated States of Micronesia or the Marshall Islands pursuant to the Compact. The Congress further expresses its intention that any such act on the part of either such Government will be viewed by the United States as a material breach of the Compact. The Government of the United States reserves the right in the event of such a material breach of the Compact by the Government of the Federated States of Micronesia or the Government of the Marshall Islands to take action, including (but not limited to) the suspension in whole or in part of the obligations of the Government of the United States to that Government.

(i) CONTINUING PROGRAMS AND LAWS.—

(1) FEDERATED STATES OF MICRONESIA AND MARSHALL ISLANDS.—In addition to the programs and services set forth in section 221 of the Compact, and pursuant to section 224 of the Compact, the programs and services of the following agencies shall be made available to the Federated States of Micronesia and to the Marshall Islands, to the same extent that such programs and services were made available as of January 1, 1985:

(A) the Legal Services Corporation; and

(B) the Public Health Service.

(2) PALAU.—Upon the effective date of the Compact of Free Association, the laws of the United States generally applicable to the Trust Territory of the Pacific Islands shall continue to apply to Palau and Palau shall be eligible for such proportion of Federal assistance as it would otherwise have been eligible to receive under such laws prior to the effective date of the Compact, as determined in appropriate Acts of Congress.

(j) COLLEGE OF MICRONESIA; EDUCATION PROGRAMS.—

(1) COLLEGE OF MICRONESIA.—Notwithstanding any other provision of law, all funds which as of the date of the enactment of this joint resolution were appropriated for the use of the College of Micronesia System shall remain available for use by such college until expended. Until otherwise provided by Act of Congress, such college shall retain its status as a land-grant institution and its eligibility for all benefits and programs available to such land-grant institutions.

(2) FEDERAL EDUCATION PROGRAMS.—Notwithstanding any other provision of law, upon the request of the affected Government, all Federal programs providing financial assistance for education which, as of January 1, 1985, were providing financial assistance for education to the Federated States of Micronesia or the Marshall Islands or to any institution, agency, organization, or permanent resident thereof, including the College of Micronesia System, shall continue to provide such assistance to such institutions, agencies, organizations, and residents as follows:

(A) For the fiscal year in which the Compact becomes effective, $13,000,000;

(B) For the fiscal year beginning after the end of the fiscal year in which the Compact becomes effective, $8,700,000; and

(C) For the fiscal year immediately following the fiscal year described in subparagraph (B), $4,300,000.

Any or all such programs may thereafter be made available by the President of the United States to the Federated States of Micronesia or the Marshall Islands upon request of the Government of the Federated States of Micronesia or the Government of the Marshall Islands, on a reimbursable basis. For purposes of this subsection, there are hereby authorized to be appropriated such sums as are necessary for such purposes.

(k) TRUST TERRITORY DEBTS TO U.S. FEDERAL AGENCIES.—Neither the Government of the Federated States of Micronesia nor the Government of the Marshall Islands shall be required to pay to any department, agency, independent agency, office, or instrumentality of the United States any amounts owed to such department, agency, independent agency, office, or instrumentality by the Government of the Trust Territory of the Pacific Islands as of the effective date of the Compact.

(m) FOREST SERVICE, ETC.—After approval of the Compact, at the request of the Government of the Federated States of Micronesia or the Government of the Marshall Islands, the President, for the duration of the Compact, shall extend to the Federated States of Micronesia or to the Marshall Islands, as requested, programs or services of technical advice and assistance by the United States Forest Service, the United States Soil Conservation Service, or other related programs or services of the United States Department of Agriculture, without any requirement for reimbursement; and during such period shall make available additional services of such agencies, as requested, subject to reimbursement by the requesting government.

(n) HISTORIC PRESERVATION.—After approval of the Compact, at the request of the Government of the Federated States of Micronesia or the Government of the Marshall Islands, the President, for the duration of the Compact, shall extend to the Federated States of Micronesia or to the Marshall Islands, as requested, programs or services of technical advice and assistance by the Advisory Council on Historic Preservation, the Department of the Interior, or any other department or agency of the United States, with respect to historic preservation, without any requirement for reimbursement; and during such period shall make available additional services of such agencies, as requested, subject to reimbursement by the requesting government. During the period the Compact is in effect, the grant programs under the National Historic Preservation Act shall continue to apply to the Federated States of Micronesia and the Marshall Islands in the same manner and to the same extent as prior to the approval of the Compact.

(o) USE OF DOD MEDICAL FACILITIES.—Following approval of the Compact, the Secretary of Defense shall make available the medical facilities of the Department of Defense heretofore available for use by citizens of the Federated States of Micronesia and the Marshall Islands who are properly referred to such facilities by competent authorities or organizations responsible for provision of medical services in the Federated States of Micronesia and the Marshall Islands. The Secretary of Defense is hereby authorized to cooperate with such authorities or organizations in order to permit use of such medical facilities for persons properly referred by such authorities or organizations. The Secretary of Health and Human Services is hereby authorized and directed to continue to make the services of the National Health Service Corps available to the residents of the Federated States of Micronesia and the Marshall Islands to the same extent and for so long as such services are authorized to be provided to persons residing in any other areas within or outside the United States.

(p) TECHNICAL ASSISTANCE.—Notwithstanding any other provision of law, following approval of the Compact, nonreimbursable technical assistance to either the Government of the Federated States of Micronesia or to the Government of the Marshall Islands which was being provided on January 1, 1985, or which began to be provided between such date and the effective date of the Compact, shall continue to be provided to either or both such Governments upon request, unless and until Congress terminates funding for such assistance, subject to appropriation.

(q) MICRONESIAN WAR CLAIMS.—The Congress hereby finds and declares that the conditions of the first proviso (relating to contributions from the Government of Japan) of P.L. 95-134 have been met. Accordingly, the Secretary of the Treasury is hereby authorized and directed promptly to pay in full all adjudicated claims and final awards made by the Micronesian Claims Commission pursuant to the Micronesian Claims Act of 1971.

(r) PRIOR SERVICE BENEFITS PROGRAM.—Notwithstanding any other provision of law, persons who on January 1, 1985, were eligible to receive payment under the Prior Service Benefits Program established within the Social Security System of the Trust Territory of the Pacific Islands because of their services performed for the United States Navy or the Government of the Trust Territory of the Pacific Islands prior to July 1, 1968, shall continue to receive such payments on and after the effective date of the Compact.

(s) INDEFINITE LAND USE PAYMENTS.—In addition to the other sums specified in the Compact and in this joint resolution, following approval of the Compact such sums as may be necessary, but not to exceed $2,000,000, shall be available to the Secretary of the Interior, who shall employ such sums to complete repayment by the United States of debts owed for the governmental use by the United States of various lands in the Federated States of Micronesia and the Marshall Islands prior to January 1, 1985.

(t) COMMUNICABLE DISEASE CONTROL PROGRAM.—In addition to the other sums specified in the Compact and in this joint resolution, there shall be made available to the Government of the Federated States of Micronesia the sum of $2,000,000 for purposes of establishing or continuing programs for the control and prevention of communicable diseases, including but not limited to cholera and Hansen's Disease. The Secretary of the Interior shall assist the Government of the Federated States of Micronesia in designing and implementing such a program.

(u) TRUST FUNDS.—The responsibilities of the United States with regard to implementation of section 235 of the Compact shall be discharged by the Secretary of the Interior, who shall consult with the designated beneficiaries of the funds held in trust by the High Commissioner of the Trust Territory of the Pacific Islands as well as with the Government of the Marshall Islands.

(v) CONGRESSIONAL INVOLVEMENT IN COMPACT CHANGES, ETC.—

(1) UNITED STATES PROCEDURES.—Mutual agreement by the Government of the

United States as provided in the Compact which results in amendment, change, or termination of all or any part thereof, shall be effected only by Act of Congress and no unilateral action by the Government of the United States provided for in the Compact, and having such result, may be effected other than pursuant to the provisions of this joint resolution or by separate Act of Congress.

(2) SECTION 219 DETERMINATION.—The determination by the Government of the United States under section 219 of the Compact shall be as provided in applicable appropriation Acts.

(3) SUBMISSION TO CONGRESS.—Any agreement provided for in the Compact, this joint resolution, or otherwise related to the Compact or the subsidiary agreements, or amendment to such agreement, shall be submitted to the Congress and may not take effect until 30 days after the date such agreement or amendment is so submitted (excluding days on which either House of Congress is not in session).

(4) No agreement described in paragraph (3) shall take effect if a joint resolution of disapproval is enacted during the period specified in paragraph (3). For the purpose of expediting the consideration of such a joint resolution, a motion to proceed to the consideration of any such joint resolution after it has been reported by an appropriate committee shall be treated as highly privileged in the House of Representatives. Any such joint resolution shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

(w) ANNUAL REPORTS ON DETERMINATIONS UNDER COMPACT SECTION 313.—The President shall report annually to the Congress on determinations made by the United States in the exercise of its authority under section 313 of the Compact. Each such report shall describe the following, on a classified basis if necessary:

(1) The actions that the Government of the Federated States of Micronesia or the Government of the Marshall Islands were required to refrain from pursuant to the determinations of the United States.

(2) The justification for each determination by the United States, and the position of the other Government concerned with respect to such determination.

(3) The effect of the determination on the authority and responsibility of the other government to conduct foreign affairs in accordance with section 121 of the Compact.

(4) Any domestic effect in the Federated States of Micronesia or the Marshall Islands resulting from the determination, including any restriction on the civil and political rights of the citizens thereof.

(x) USER FEES.—Any person in the Federated States of Micronesia or the Marshall Islands shall be liable for a user fee for services provided by the Government of the United States under this joint resolution on the same basis as a person in the United States.

(y) FISH AND WILDLIFE SERVICES.—After approval of the Compact, at the request of the Government of the Federated States of Micronesia or the Government of the Marshall Islands, the President, for the duration of the Compact, may extend to the Federated States of Micronesia or to the Marshall Islands, as requested—

(1) programs or services of technical advice and assistance by the United States Fish and Wildlife Service and the National Marine Fisheries Service with respect to conservation and management of fish and wildlife resources, without any requirement for reimbursement; and

(2) additional services of such agencies, subject to reimbursement by the requesting government.

(z) U.S. COAST GUARD SERVICES.—After approval of the Compact, and as provided in this joint resolution, the President, for the duration of the Compact, may extend to the Federated States of Micronesia or to the Marshall Islands, as requested—

(1) programs or services of technical advice and assistance or training by the Coast Guard with respect to law enforcement; and

(2) additional services (including the provision of aids to navigation beyond the extent necessary for the exercise of the authority and responsibility of the Government of the United States under section 322 of the Compact) by the Coast Guard, subject to reimbursement by the requesting government.

SEC. 106. CONTRACT PREFERENCE.

(a) CONSTRUCTION PROJECTS.—With regard to projects funded under section 211(a) of the Compact involving one or more contracts for construction, alteration, or repair of any building or public work in the Federated States of Micronesia or the Marshall Islands, such contracts shall be awarded to local contractors and to United States contractors on such projects funded under the Compact aggregating in excess of $1,000,000, provided that the lowest local or United States contractor bid is no greater than 20 percent above the estimate for the project made by the Government of the Federated States of Micronesia or the Marshall Islands, as the case may be. The President of the United States shall issue appropriate regulations providing standards and procedures for the implementation of the preference described in this subsection.

(b) DEFINITIONS.—For purposes of this section—

(1) the term "local contractor" means—

(A) a citizen of either the Federated States of Micronesia or the Marshall Islands; or

(B) a company or other entity doing business in either the Federated States of Micronesia or the Marshall Islands, the assets of which are at least 60 percent owned or controlled in fact by citizens of the Federated States of Micronesia and the Marshall Islands; and

(2) the term "United States contractor" shall have the same meaning as "United States firm" under the Nationality Rule for Suppliers of Services of the Agency for International Development.

(c) MATERIALS, ETC.—It is the sense of the Congress that at least 65 percent of the total amount of funds provided by the United States under the provisions of the Compact or this joint resolution during the first period of five years after the effective date of the Compact and each such five-year period thereafter which are expended for materials and supplies used in connection with projects described in subsection (a) should be expended for purchase of materials and supplies mined, produced, or manufactured in the Federated States of Micronesia, the Marshall Islands, Palau, or the United States (including its territories and commonwealths).

(d) SERVICES.—It is the sense of the Congress that at least 65 percent of the total amount of funds provided by the United States under the provisions of the Compact or this joint resolution during the first period of five years after the effective date of the Compact and each such five-year period thereafter which are expended for provision of services should be expended for services provided by qualified citizens or nationals of the United States, or qualified citizens of the Federated States of Micronesia, the Marshall Islands, or Palau, or by corporations incorporated in and doing business in the United States (including its territories and commonwealths).

(e) LOCAL HIRE, TRAINING.—All contracts for the purposes described in subsection (a) shall include requirements that the holders of such contracts shall—

(1) to the maximum extent possible employ citizens of the Federated States of Micronesia and the Marshall Islands; and

(2) to the extent that necessary skills are not possessed by citizens of the Federated States of Microneisa and the Marshall Islands, provide on-the-job training, with particular emphasis on the development of skills relating to operation of machinery and routine and preventative maintenance of machinery and other facilities.

(f) REPORTS.—The Government of the Federated States of Micronesia and the Government of the Marshall Islands will include in each annual report submitted pursuant to section 211(c) of the Compact information concerning the expenditure of funds provided by the United States for the purposes described in subsections (a), (c), and (d), including information as to contracts awarded for such purposes and other information regarding fulfillment of the requirements of this subsection.

(g) ENFORCEMENT.—The United States will regard any noncompliance with the provisions of subsection (a) as a material breach of the Compact and will take appropriate action pursuant to the dispute-resolution provisions of the Compact and the relevant provisions of this joint resolution.

(h) TECHNICAL ASSISTANCE.—Upon request of the Government of the Federated States of Micronesia or of the Marshall Islands, as the case may be, the appropriate agency of the Government of the United States shall make available technical assistance on a nonreimbursable basis for purposes of establishing the government estimate for any projects described in subsection (a).

(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to reimburse either the Government of the Federated States of Micronesia or the Government of the Marshall Islands to the extent that an award by either such government of a contract to a United States contractor under subsection (a) of this section results in an expenditure by such awarding government of an amount in excess of such awarding government's estimate for the project for which the contract was awarded.

SEC. 107. LIMITATIONS.

(a) PROHIBITION.—The provisions of Chapter 11 of title 18, United States Code, shall apply in full to any individual who has served as the President's Personal Representative for Micronesian Status Negotiations or who is or was an officer or employee of the Office for Micronesian Status Negotiations or who is or was assigned or detailed to that Office or who served on the Micronesia Interagency Group, except that for the purposes of this section, clauses (i) and (ii) of section 207(b) of such title shall read as follows: "(i) having been so employed, within five years after his employ-

ment has ceased, knowingly acts as agent or attorney for, or otherwise represents, any other person (except the United States), in any formal or informal appearance before, or, with the intent to influence, makes any oral or written communication on behalf of any other person (except the United States) to, or (ii) having been so employed and as specified in subsection (d) of this section, within five years after his employment has ceased, knowingly represents or aids, counsels, advises, consults, or assists in representing any other person (except the United States) by personal presence at any formal or informal appearance before—".

(b) TERMINATION.—Effective upon the date of the termination of the Trust Territory of the Pacific Islands with respect to Palau, the Office for Micronesian Status Negotiations is abolished and no department, agency, or instrumentality of the United States shall thereafter contribute funds for the support of such Office.

SEC. 108. TRANSITIONAL IMMIGRATION RULES.

Effective on the date of the enactment of this joint resolution, and until such time as section 506 of the Convenant To Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States, as approved by Public Law 94-241, becomes effective pursuant to Section 1003(c) of such Covenant, any person who is a citizen of the Northern Mariana Islands as the term is defined in section 24(b) of the Act of December 8, 1983, P.L. 98-213 (97 Stat. 1465), shall have the same rights to enter into, lawfully engage in occupations in, and establish residence in the United States and its territories and commonwealths as the persons entitled to such rights pursuant to section 141 of the Compact.

SEC. 109. BUDGET ACT COMPLIANCE.

No payment may be made pursuant to the Compact of Free Association nor under any provision of this joint resolution prior to October 1, 1985.

TITLE II—COMPACT OF FREE ASSOCIATION

SEC. 201. COMPACT OF FREE ASSOCIATION.

The Compact of Free Association is as follows:

COMPACT OF FREE ASSOCIATION

PREAMBLE

THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENTS OF THE MARSHALL ISLANDS AND THE FEDERATED STATES OF MICRONESIA

Affirming that their Governments and their relationships as Governments are founded upon respect for human rights and fundamental freedoms for all, and that the peoples of the Trust Territory of the Pacific Islands have the right to enjoy self-government; and

Affirming the common interests of the United States of America and the peoples of the Trust Territory of the Pacific Islands in creating close and mutually beneficial relationships through two free and voluntary associations of their respective Governments; and

Affirming the interest of the Government of the United States in promoting the economic advancement and self-sufficiency of the peoples of the Trust Territory of the Pacific Islands; and

Recognizing that their previous relationship has been based upon the International Trusteeship System of the United Nations Charter, and in particular Article 76 of the Charter; and that pursuant to Article 76 of the Charter, the peoples of the Trust Territory have progressively developed their institutions of self-government, and that in the exercise of their sovereign right to self-determination they have, through their freely-expressed wishes, adopted Constitutions appropriate to their particular circumstances; and

Recognizing their common desire to terminate the Trusteeship and establish two new government-to-government relationships each of which is in accordance with a new political status based on the freely-expressed wishes of peoples of the Trust Territory of the Pacific Islands and appropriate to their particular circumstances; and

Recognizing that the peoples of the Trust Territory of the Pacific Islands have and retain their sovereignty and their sovereign right to self-determination and the inherent right to adopt and amend their own Constitutions and forms of government and that the approval of the entry of their respective Governments into this Compact of Free Association by the peoples of the Trust Territory of the Pacific Islands constitutes an exercise of their sovereign right to self-determination;

NOW, THEREFORE, AGREE to enter into relationships of free association which provide a full measure of self-government for the peoples of the Marshall Islands and the Federated States of Micronesia; and

FURTHER AGREE that the relationships of free association derive from and are as set forth in this Compact; and that, during such relationships of free association, the respective rights and responsibilities of the Government of the United States and the Governments of the freely associated states of the Marshall Islands and the Federated States of Micronesia in regard to these relationships of free association derive from and are as set forth in this Compact.

TITLE ONE
GOVERNMENTAL RELATIONS

Article I
Self-Government

Section 111

The peoples of the Marshall Islands and the Federated States of Micronesia, acting through the Governments established under their respective Constitutions, are self-governing.

Article II
Foreign Affairs

Section 121

(a) The Governments of the Marshall Islands and the Federated States of Micronesia have the capacity to conduct foreign affairs and shall do so in their own name and right, except as otherwise provided in this Compact.

(b) The foreign affairs capacity of the Governments of the Marshall Islands and the Federated States of Micronesia includes:

(1) the conduct of foreign affairs relating to law of the sea and marine resources matters, including the harvesting, conservation, exploration or exploitation of living and non-living resources from the sea, seabed or subsoil to the full extent recognized under international law;

(2) the conduct of their commercial, diplomatic, consular, economic, trade, banking, postal, civil aviation, communications, and cultural relations, including negotiations for the receipt of developmental loans and grants and the conclusion of arrangements with other governments and international and intergovernmental organizations, including any matters specially benefiting their individual citizens.

(c) The Government of the United States recognizes that the Governments of the Marshall Islands and the Federated States of Micronesia have the capacity to enter into, in their own name and right, treaties and other international agreements with governments and regional and international organizations.

(d) In the conduct of their foreign affairs, the Governments of the Marshall Islands and the Federated States of Micronesia confirm that they shall act in accordance with principles of international law and shall settle their international disputes by peaceful means.

Section 122

The Government of the United States shall support applications by the Governments of the Marshall Islands and the Federated States of Micronesia for membership or other participation in regional or international organizations as may be mutually agreed. The Government of the United States agrees to accept for training and instruction at the Foreign Service Institute, established under 22 U.S.C. 4021, citizens of the Marshall Islands and the Federated States of Micronesia. The qualifications of candidates for such training and instruction and all other terms and conditions of participation by citizens of the Marshall Islands and the Federated States of Micronesia in Foreign Service Institute programs shall be as mutually agreed between the Government of the United States and the Governments of the Marshall Islands and the Federated States of Micronesia.

Section 123

(a) In recognition of the authority and responsibility of the Government of the United States under Title Three, the Governments of the Marshall Islands and the Federated States of Micronesia shall consult, in the conduct of their foreign affairs, with the Government of the United States.

(b) In recognition of the respective foreign affairs capacities of the Governments of the Marshall Islands and the Federated States of Micronesia, the Government of the United States, in the conduct of its foreign affairs, shall consult with the Government of the Marshall Islands or the Federated States of Micronesia on matters which the Government of the United States regards as relating to or affecting any such Government.

Section 124

The Government of the United States may assist or act on behalf of the Government of the Marshall Islands or the Federated States of Micronesia in the area of foreign affairs as may be requested and mutually agreed from time to time. The Government of the United States shall not be responsible to third parties for the actions of the Government of the Marshall Islands or the Federated States of Micronesia undertaken with the assistance or through the agency of the Government of the United States pursuant to this Section unless expressly agreed.

Section 125

The Government of the United States shall not be responsible for nor obligated by any actions taken by the Government of the Marshall Islands or the Federated States of Micronesia in the area of foreign affairs, except as may from time to time be expressly agreed.

Section 126

At the request of the Government of the Marshall Islands or the Federated States of Micronesia and subject to the consent of the receiving state, the Government of the

United States shall extend consular assistance on the same basis as for citizens of the United States to citizens of the Marshall Islands and the Federated States of Micronesia for travel outside the Marshall Islands and the Federated States of Micronesia, the United States and its territories and possessions.

Section 127

Except as otherwise provided in this Compact or its related agreements, all obligations, responsibilities, rights and benefits of the Government of the United States as Administering Authority which have resulted from the application pursuant to the Trusteeship Agreement of any treaty or other international agreement to the Trust Territory of the Pacific Islands on the day preceding the effective date of this Compact are no longer assumed and enjoyed by the Government of the United States.

Article III

Communications

Section 131

(a) The Governments of the Marshall Islands and the Federated States of Micronesia have full authority and responsibility to regulate their respective domestic and foreign communications, and the Government of the United States shall provide communications assistance in accordance with the terms of a separate agreement which shall come into effect simultaneously with this Compact, and such agreement shall remain in effect until such time as any election is made pursuant to Section 131(b) and which shall provide for the following:

(1) the Government of the United States remains the sole administration entitled to make notification to the International Frequency Registration Board of the International Telecommunications Union of frequency assignments to radio communications stations respectively in the Marshall Islands and the Federated States of Micronesia; and to submit to the International Frequency Registration Board seasonal schedules for the broadcasting stations respectively in the Marshall Islands and the Federated States of Micronesia in the bands allocated exclusively to the broadcasting service between 5,950 and 26,100 kHz and in any other additional frequency bands that may be allocated to use by high frequency broadcasting stations; and

(2) the United States Federal Communications Commission has jurisdiction, pursuant to the Communications Act of 1934, 47 U.S.C. 151 *et seq.*, and the Communications Satellite Act of 1962, 47 U.S.C. 721 *et seq.*, over all domestic and foreign communications services furnished by means of satellite earth terminal stations where such stations are owned or operated by United States common carriers and are located in the Marshall Islands or the Federated States of Micronesia.

(b) The Government of the Marshall Islands or the Federated States of Micronesia may elect at any time to undertake the functions enumerated in Section 131(a) and previously performed by the Government of the United States. Upon such election, the Government of the United States shall so notify the International Frequency Registration Board and shall take such other actions as may be necessary to transfer to the electing Government the notification authority referred to in Section 131(a) and all rights deriving from the previous exercise of any such notification authority by the Government of the United States.

Section 132

The Governments of the Marshall Islands and the Federated States of Micronesia shall permit the Government of the United States to operate telecommunications services in the Marshall Islands and the Federated States of Micronesia to the extent necessary to fulfill the obligations of the Government of the United States under this Compact in accordance with the terms of separate agreements which shall come into effect simultaneously with this Compact.

ARTICLE IV

Immigration

Section 141

(a) Any person in the following categories may enter into, lawfully engage in occupations, and establish residence as a nonimmigrant in the United States and its territories and possessions without regard to paragraphs (14), (20), and (26) of section 212(a) of the Immigration and Nationality Act, 8 U.S.C. 1182(a) (14), (20), and (26):

(1) a person who, on the day preceding the effective date of this Compact, is a citizen of the Trust Territory of the Pacific Islands, as defined in Title 53 of the Trust Territory Code in force on Janaury 1, 1979, and has become a citizen of the Marshall Islands or the Federated States of Micronesia.

(2) a person who acquires the citizenship of the Marshall Islands or the Federated States of Micronesia at birth, on or after the effective date of the respective Constitution;

(3) a naturalized citizen of the Marshall Islands or the Federated States of Micronesia who has been an actual resident there for not less than five years after attaining such naturalization and who holds a certificate of actual residence; or

(4) a person entitled to citizenship in the Marshall Islands by lineal descent whose name is included in a list to be furnished by the Government of the Marshall Islands to the United States Immigration and Naturalization Service and any descendants of such persons, provided that such person holds a certificate of lineal descent issued by the Government of the Marshall Islands.

Such persons shall be considered to have the permission of the Attorney General of the United States to accept employment in the United States.

(b) The right of such persons to establish habitual residence in a territory or possession of the United States may, however, be subjected to non-discriminatory limitations provided for:

(1) in statutes or regulations of the United States; or

(2) in those statutes or regulations of the territory or possession concerned which are authorized by the laws of the United States.

(c) Section 141(a) does not confer on a citizen of the Marshall Islands or the Federated States of Micronesia the right to establish the residence necessary for naturalization under the Immigration and Nationality Act, or to petition for benefits for alien relatives under that Act. Section 141(a), however, shall not prevent a citizen of the Marshall Islands or the Federated States of Micronesia from otherwise acquiring such rights or lawful permanent resident alien status in the United States.

Section 142

(a) Any citizen or national of the United States may enter into, lawfully engage in occupations, and reside in the Marshall Islands or the Federated States of Micronesia, subject to the rights of those Governments to deny entry to or deport any such citizen or national as an undesirable alien. A citizen or national of the United States may establish habitual residence or domicile in the Marshall Islands or the Federated States of Micronesia only in accordance with the laws of the jurisdiction in which habitual residence or domicile is sought.

(b) With respect to the subject matter of this Section, the Government of the Marshall Islands or the Federated States of Micronesia shall accord to citizens and nationals of the United States treatment no less favorable than that accorded to citizens of other countries; any denial of entry to or deportation of a citizen or national of the United States as an undesirable alien must be pursuant to reasonable statutory grounds.

Section 143

(a) The privileges set forth in Sections 141 and 142 shall not apply to any person who takes an affirmative step to preserve or acquire a citizenship or nationality other than that of the Marshall Islands, the Federated States of Micronesia or the United States.

(b) Every person having the privileges set forth in Sections 141 and 142 who possesses a citizenship or nationality other than that of the Marshall Islands, the Federated States of Micronesia or the United States ceases to have these privileges two years after the effective date of this Compact, or within six months after becoming 21 years of age, whichever comes later, unless such person executes an oath of renunciation of that other citizenship or nationality.

Section 144

(a) A citizen or national of the United States who, after notification to the Government of the United States of an intention to employ such person by the Government of the Marshall Islands or the Federated States of Micronesia, commences employment with such Government shall not be deprived of his United States nationality pursuant to Section 349(a)(2) and (a)(4) of the Immigration and Nationality Act, 8 U.S.C. 1481 (a)(2) and (a)(4).

(b) Upon such notification by the Government of the Marshall Islands or the Federated States of Micronesia, the Government of the United States may consult with or provide information to the notifying Government concerning the prospective employee, subject to the provisions of the Privacy Act, 5 U.S.C. 552a.

(c) The requirement of prior notification shall not apply to those citizens or nationals of the United States who are employed by the Government of the Marshall Islands or the Federated States of Micronesia on the effective date of this Compact with respect to the positions held by them at that time.

Article V

Representation

Section 151

The Government of the United States and the Government of the Marshall Islands or the Federated States of Micronesia may establish and maintain representative offices in the capital of the other for the purpose of maintaining close and regular consultations on matters arising in the course of the relationship of free association and conducting other government business. The Governments may establish and maintain additional offices on terms and in locations as may be mutually agreed.

Section 152

(a) The premises of such representative offices, and their archives wherever located, shall be inviolable. The property and assets of such representative offices shall be immune from search, requisition, attachment and any form of seizure unless such

immunity is expressly waived. Official communications in transit shall be inviolable and accorded the freedom and protections accorded by recognized principles of international law to official communications of a diplomatic mission.

(b) Persons designated by the sending Government may serve in the capacity of its resident representatives with the consent of the receiving Government. Such designated persons shall be immune from civil and criminal process relating to words spoken or written and all acts performed by them in their official capacity and falling within their functions as such representatives, except insofar as such immunity may be expressly waived by the sending Government. While serving in a resident representative capacity, such designated persons shall not be liable to arrest or detention pending trial, except in the case of a grave crime and pursuant to a decision by a competent judicial authority, and such persons shall enjoy immunity from seizure of personal property, immigration restrictions, and laws relating to alien registration, fingerprinting, and the registration of foreign agents.

(c) The sending Governments and their respective assets, income and other property shall be exempt from all direct taxes, except those direct taxes representing payment for specific goods and services, and shall be exempt from all customs duties and restrictions on the import or export of articles required for the official functions and personal use of their representatives and representative offices.

(d) Persons designated by the sending Government to serve in the capacity of its resident representatives shall enjoy the same taxation exemptions as are set forth in Article 34 of the Vienna Convention on Diplomatic Relations.

(e) The privileges, exemptions and immunities accorded under this Section are not for the personal benefit of the individuals concerned but are to safeguard the independent exercise of their official functions. Without prejudice to those privileges, exemptions and immunities, it is the duty of all such persons to respect the laws and regulations of the Government to which they are assigned.

Section 153

(a) Any citizen or national of the United States who, after consultation between the designating Government and the Government of the United States, is designated by the Government of the Marshall Islands or the Federated States of Micronesia as its agent, shall enjoy exemption from the requirements of the laws of the United States relating to the registration of foreign agents. The Government of the United States shall promptly comply with a request for consultation made by the prospective designating Government. During the course of the consultation, the Government of the United States may, in its discretion, and subject to the provisions of the Privacy Act, 5 U.S.C. 552a, transmit such information concerning the prospective designee as may be available to it to the prospective designating Government.

(b) Any citizen or national of the United States may be employed by the Government of the Marshall Islands or the Federated States of Micronesia to represent to foreign governments, officers or agents thereof the positions of the Government of the Marshall Islands or the Federated States of Micronesia, without regard to the provisions of 18 U.S.C. 953.

Article VI

Environmental Protection

Section 161

The Governments of the United States, the Marshall Islands and the Federated States of Micronesia declare that it is their policy to promote efforts to prevent or eliminate damage to the environment and biosphere and to enrich understanding of the natural resources of the Marshall Islands and the Federated States of Micronesia. In order to carry out this policy, the Government of the United States and the Governments of the Marshall Islands and the Federated States of Micronesia agree to the following mutual and reciprocal undertakings.

(a) The Government of the United States:

(1) shall continue to apply the environmental controls in effect on the day preceding the effective date of this Compact to those of its continuing activities subject to Section 161(a)(2), unless and until those controls are modified under Sections 161(a)(3) and 161(a)(4);

(2) shall apply the National Environmental Policy Act of 1969, 83 Stat. 852, 42 U.S.C. 4321 *et seq.*, to its activities under the Compact and its related agreements as if the Marshall Islands and the Federated States of Micronesia were the United States;

(3) shall comply also, in the conduct of any activity requiring the preparation of an Environmental Impact Statement under Section 161(a)(2), with standards substantively similar to those required by the following laws of the United States, taking into account the particular environments of the Marshall Islands and the Federated States of Micronesia: the Endangered Species Act of 1973, 87 Stat. 884, 16 U.S.C. 1531 *et seq.*; the Clean Air Act, 77 Stat. 392, 42 U.S.C. Supp. 7401 *et seq.*; the Clean Water Act (Federal Water Pollution Control Act), 86 Stat. 896, 33 U.S.C. 1251 *et seq.*; the Ocean Dumping Act (Title I of the Marine Protection, Research and Sanctuaries Act of 1972), 86 Stat. 1053, 33 U.S.C. 1411 *et seq.*; the Toxic Substances Control Act, 90 Stat. 2003, 15 U.S.C. 2601 *et seq.*; the Resources Conservation and Recovery Act of 1976, 90 Stat. 2796, 42 U.S.C. 6901 *et seq.*; and such other environmental protection laws of the United States as may be mutually agreed from time to time with the Government of the Marshall Islands or the Federated States of Micronesia; and

(4) shall develop, prior to conducting any activity requiring the preparation of an Environmental Impact Statement under Section 161(a)(2), appropriate mechanisms, including regulations or other judicially reviewable standards and procedures, to regulate its activities governed by Section 161(a)(3) in the Marshall Islands and the Federated States of Micronesia in a manner appropriate to the special governmental relationship set forth in this Compact. The agencies of the Government of the United States designated by law to administer the laws set forth in Section 161(a)(3) shall participate as appropriate in the development of any regulation, standard or procedure under this Section, and the Government of the United States shall provide the affected Government of the Marshall Islands or the Federated States of Micronesia with the opportunity to comment during such development.

(b) The Governments of the Marshall Islands and the Federated States of Micronesia shall develop standards and procedures to protect their environments. As a reciprocal obligation to the undertakings of the Government of the United States under this Article, the Governments of the Marshall Islands and the Federated States of Micronesia, taking into account their particular environments, shall develop standards for environmental protection substantively similar to those required of the Government of the United States by Section 161(a)(3) prior to their conducting activities in the Marshall Islands and the Federated States of Micronesia, respectively, substantively equivalent to activities conducted there by the Government of the United States and, as a further reciprocal obligation, shall enforce those standards.

(c) Section 161(a), including any standard or procedure applicable thereunder, and Section 161(b) may be modified or superseded in whole or in part by agreement of the Government of the United States and the Government of the Marshall Islands or the Federated States of Micronesia.

(d) In the event that an Environmental Impact Statement is no longer required under the laws of the United States for major federal actions significantly affecting the quality of the human environment, the regulatory regime established under Sections 161(a)(3) and 161(a)(4) shall continue to apply to such activities of the Government of the United States until amended by mutual agreement.

(e) The President of the United States may exempt any of the activities of the Government of the United States under this Compact and its related agreements from any environmental standard or procedure which may be applicable under Sections 161(a)(3) and 161(a)(4) if the President determines it to be in the paramount interest of the Government of the United States to do so, consistent with Title Three of this Compact and the obligations of the Government of the United States under international law. Prior to any decision pursuant to this subsection, the views of the affected Government of the Marshall Islands or the Federated States of Micronesia shall be sought and considered to the extent practicable. If the President grants such an exemption, to the extent practicable, a report with his reasons for granting such exemption shall be given promptly to the affected Government.

(f) The laws of the United States referred to in Section 161(a)(3) shall apply to the activities of the Government of the United States under this Compact and its related agreements only to the extent provided for in this Section.

Section 162

The Government of the Marshall Islands or the Federated States of Micronesia may bring an action for judicial review of any administrative agency action or any activity of the Government of the United States pursuant to Sections 161(a), 161(d) or 161(e) or for enforcement of the obligations of the Government of the United States arising thereunder. The United States District Court for the District of Hawaii and the United States District Court for the District of Columbia shall have jurisdiction over such action or activity, and over actions brought under Section 172(b) which relate to the activities of the Government of the United States and its officers and employees, governed by Section 161, provided that:

(a) Such actions may only be civil actions for any appropriate civil relief other than punitive damages against the Government of the United States or, where required by law, its officers in their official capacity; no

criminal actions may arise under this Section;

(b) Actions brought pursuant to this Section may be initiated only by the Government concerned;

(c) Administrative agency actions arising under Section 161 shall be reviewed pursuant to the standard of judicial review set forth in 5 U.S.C. 706;

(d) The District Court shall have jurisdiction to issue all necessary processes, and the Government of the United States agrees to submit itself to the jurisdiction of the court; decisions of the District Court shall be reviewable in the United States Court of Appeals for the Ninth Circuit or the United States Court of Appeals for the District of Columbia, respectively, or in the United States Supreme Court as provided by the laws of the United States;

(e) The judicial remedy provided for in this Section shall be the exclusive remedy for the judicial review or enforcement of the obligations of the Government of the United States under this Article and actions brought under Section 172(b) which relate to the activities of the Government of the United States and its officers and employees governed by Section 161; and

(f) In actions pursuant to this Section, the Governments of the Marshall Islands and the Federated States of Micronesia shall be treated as if they were United States citizens.

Section 163

(a) For the purpose of gathering data necessary to study the environmental effects of activities of the Government of the United States subject to the requirements of this Article, the Governments of the Marshall Islands and the Federated States of Micronesia shall be granted access to facilities operated by the Government of the United States in the Marshall Islands and the Federated States of Micronesia, to the extent necessary for this purpose, except to the extent such access would unreasonably interfere with the exercise of the authority and responsibility of the Government of the United States under Title Three.

(b) The Government of the United States, in turn, shall be granted access to the Marshall Islands or the Federated States of Micronesia for the purpose of gathering data necessary to discharge its obligations under this Article, except to the extent such access would unreasonably interfere with the exercise of the authority and responsibility of the Government of the Marshall Islands or the Federated States of Micronesia under Title One, and to the extent necessary for this purpose shall be granted access to documents and other information to the same extent similar access is provided those Governments under the Freedom of Information Act, 5 U.S.C. 552.

(c) The Governments of the Marshall Islands and the Federated States of Micronesia shall not impede efforts by the Government of the United States to comply with applicable standards and procedures.

Article VII

General Legal Provisions

Section 171

Except as provided in this Compact or its related agreements, the application of the laws of the United States to the Trust Territory of the Pacific Islands by virtue of the Trusteeship Agreement ceases with respect to the Marshall Islands and the Federated States of Micronesia as of the effective date of this Compact.

Section 172

(a) Every citizen of the Marshall Islands or the Federated States of Micronesia who is not a resident of the United States shall enjoy the rights and remedies under the laws of the United States enjoyed by any non-resident alien.

(b) The Governments of the Marshall Islands and the Federated States of Micronesia and every citizen of the Marshall Islands or the Federated States of Micronesia shall be considered a "person" within the meaning of the Freedom of Information Act, 5 U.S.C. 552, and of the judicial review provisions of the Administrative Procedure Act, 5 U.S.C. 701-706, except that only the Government of the Marshall Islands or the Federated States of Micronesia may seek judicial review under the Administrative Procedure Act or judicial enforcement under the Freedom of Information Act when such judicial review or enforcement relates to the activities of the Government of the United States governed by Sections 161 and 162.

Section 173

The Governments of the United States, the Marshall Islands and the Federated States of Micronesia agree to adopt and enforce such measures, consistent with this Compact and its related agreements, as may be necessary to protect the personnel, property, installations, services, programs and official archives and documents maintained by the Government of the United States in the Marshall Islands and the Federated States of Micronesia pursuant to this Compact and its related agreements and by those Governments in the United States pursuant to this Compact and its related agreements.

Section 174

Except as otherwise provided in this Compact and its related agreements:

(a) The Governments of the Marshall Islands and the Federated States of Micronesia shall be immune from the jurisdiction of the courts of the United States, and the Government of the United States shall be immune from the jurisdiction of the courts of the Marshall Islands and the Federated States of Micronesia.

(b) The Government of the United States accepts responsibility for and shall pay:

(1) any unpaid money judgment rendered by the High Court of the Trust Territory of the Pacific Islands against the Government of the Trust Territory of the Pacific Islands or the Government of the United States with regard to any cause of action arising as a result of acts or omissions of the Government of the Trust Territory of the Pacific Islands or the Government of the United States prior to the effective date of this Compact;

(2) any claim settled by the claimant and the Government of the Trust Territory of the Pacific Islands but not paid as of the effective date of this Compact; and

(3) settlement of any administrative claim or of any action before a court of the Trust Territory of the Pacific Islands, pending as of the effective date of this Compact, against the Government of the Trust Territory of the Pacific Islands or the Government of the United States, arising as a result of acts or omissions of the Government of the Trust Territory of the Pacific Islands or the Government of the United States.

(c) Any claim not referred to in Section 174(b) and arising from an act or omission of the Government of the Trust Territory of the Pacific Islands or the Government of the United States prior to the effective date of this Compact shall be adjudicated in the same manner as a claim adjudicated according to Section 174(d). In any claim against the Government of the Trust Territory of the Pacific Islands, the Government of the United States shall stand in the place of the Government of the Trust Territory of the Pacific Islands. A judgment on any claim referred to in Section 174(b) or this subsection, not otherwise satisfied by the Government of the United States, may be presented for certification to the United States Court of Appeals for the Federal Circuit, or its successor court, which shall have jurisdiction therefor, notwithstanding the provisions of 28 U.S.C. 1502, and which court's decisions shall be reviewable as provided by the laws of the United States. The United States Court of Appeals for the Federal Circuit shall certify such judgment, and order payment thereof, unless it finds, after a hearing, that such judgment is manifestly erroneous as to law or fact, or manifestly excessive. In either of such cases the United States Court of Appeals for the Federal Circuit shall have jurisdiction to modify such judgment.

(d) The Governments of the Marshall Islands and the Federated States of Micronesia shall not be immune from the jurisdiction of the courts of the United States, and the Government of the United States shall not be immune from the jurisdiction of the courts of the Marshall Islands and the Federated States of Micronesia in any case in which the action is based on a commercial activity of the defendant Government where the action is brought, or in a case in which damages are sought for personal injury or death or damage to or loss of property occurring where the action is brought.

Section 175

A separate agreement, which shall come into effect simultaneously with this Compact, shall be concluded between the Government of the United States and the Governments of the Marshall Islands and the Federated States of Micronesia regarding mutual assistance and cooperation in law enforcement matters including the pursuit, capture, imprisonment and extradition of fugitives from justice and the transfer of prisoners. The separate agreement shall have the force of law. In the United States, the laws of the United States governing international extradition, including 18 U.S.C. 3184, 3186 and 3188-3195, shall be applicable to the extradition of fugitives under the separate agreement, and the laws of the United States governing the transfer of prisoners, including 18 U.S.C. 4100-4115, shall be applicable to the transfer of prisoners under the separate agreement.

Section 176

The Governments of the Marshall Islands and the Federated States of Micronesia confirm that final judgments in civil cases rendered by any court of the Trust Territory of the Pacific Islands shall continue in full force and effect, subject to the constitutional power of the courts of the Marshall Islands and the Federated States of Micronesia to grant relief from judgments in appropriate cases.

Section 177

(a) The Government of the United States accepts the responsibility for compensation owing to citizens of the Marshall Islands, or the Federated States of Micronesia (or Palau) for loss or damage to property and person of the citizens of the Marshall Islands, or the Federated States of Micronesia, resulting from the nuclear testing program which the Government of the United States conducted in the Northern Marshall

Islands between June 30, 1946, and August 18, 1958.

(b) The Government of the United States and the Government of the Marshall Islands shall set forth in a separate agreement provisions for the just and adequate settlement of all such claims which have arisen in regard to the Marshall Islands and its citizens and which have not as yet been compensated or which in the future may arise, for the continued administration by the Government of the United States of direct radiation related medical surveillance and treatment programs and radiological monitoring activities and for such additional programs and activities as may be mutually agreed, and for the assumption by the Government of the Marshall Islands of responsibility for enforcement of limitations on the utilization of affected areas developed in cooperation with the Government of the United States and for the assistance by the Government of the United States in the exercise of such responsibility as may be mutually agreed. This separate agreement shall come into effect simultaneously with this Compact and shall remain in effect in accordance with its own terms.

(c) The Government of the United States shall provide to the Government of the Marshall Islands, on a grant basis, the amount of $150 million to be paid and distributed in accordance with the separate agreement referred to in this Section, and shall provide the services and programs set forth in this separate agreement, the language of which is incorporated into this Compact.

Section 178

(a) The federal agencies of the Government of the United States which provide the services and related programs in the Marshall Islands or the Federated States of Micronesia pursuant to Articles II and III of Title Two are authorized to settle and pay tort claims arising in the Marshall Islands or the Federated States of Micronesia from the activities of such agencies or from the acts or omissions of the employees of such agencies. Except as provided in Section 178(b), the provisions of 28 U.S.C. 2672 and 31 U.S.C. 1304 shall apply exclusively to such administrative settlements and payments.

(b) Claims under Section 178(a) which cannot be settled under Section 178(a) shall be disposed of exclusively in accordance with Article II of Title Four. Arbitration awards rendered pursuant to this subsection shall be paid out of funds under 31 U.S.C. 1304.

(c) The Government of the United States and the Government of the Marshall Islands or the Federated States of Micronesia shall, in the separate agreements referred to in Section 232, provide for:

(1) the administrative settlement of claims referred to in Section 178(a), including designation of local agents in the Marshall Islands and each State of the Federated States of Micronesia; such agents to be empowered to accept, investigate and settle such claims, in a timely manner, as provided in such separate agreements; and

(2) arbitration, referred to in Section 178(b), in a timely manner, at a site convenient to the claimant, in the event a claim is not otherwise settled pursuant to Section 178(a).

(d) The provisions of Section 174(d) shall not apply to claims covered by this Section.

TITLE TWO

ECONOMIC RELATIONS

Article I

Grant Assistance

Section 211

(a) In order to assist the Governments of the Marshall Islands and the Federated States of Micronesia in their efforts to advance the economic self-sufficiency of their peoples and in recognition of the special relationship that exists between them and the United States, the Government of the United States shall provide on a grant basis the following amounts:

(1) to the Government of the Marshall Islands, $26.1 million annually for five years commencing on the effective date of this Compact, $22.1 million annually for five years commencing on the fifth anniversary of the effective date of this Compact, and $19.1 million annually for five years commencing on the tenth anniversary of this Compact. Over this fifteen-year period, the Government of the Marshall Islands shall dedicate an average of no less than 40 percent of these amounts to the capital account subject to provision for revision of this percentage incorporated into the plan referred to in Section 211(b).

(2) to the Government of the Federated States of Micronesia, $60 million annually for five years commencing on the effective date of this Compact, $51 million annually for five years commencing on the fifth anniversary of the effective date of this Compact, and $40 million annually for five years commencing on the tenth anniversary of the effective date of this Compact. Over this fifteen year period, the Government of the Federated States of Micronesia shall dedicate an average of no less than 40 percent of these amounts annually to the capital account subject to provision for revision of this percentage incorporated into the plan referred to in Section 211(b). To take into account the special nature of the assistance, to be provided under this paragraph and Sections 212(b), 213(c), 214(c), 215(a)(3), 215(b)(3), 216(a), 216(b), 221(a), and 221(b), the division of these amounts among the national and state governments of the Federated States of Micronesia shall be certified to the Government of the United States by the Government of the Federated States of Micronesia.

(b) The annual expenditure of the grant amounts specified for the capital account in Section 211(a) by the Governments of the Marshall Islands and the Federated States of Micronesia shall be in accordance with official overall economic development plans provided by those Governments and concurred in by the Government of the United States prior to the effective date of this Compact. These plans may be amended from time to time by the Government of the Marshall Islands or the Federated States of Micronesia.

(c) The Government of the United States and the Governments of the Marshall Islands and the Federated States of Micronesia recognize that the achievement of the goals of the plans referred to in Section 211(b) depends upon the availability of adequate internal revenue as well as economic assistance from sources outside of the Marshall Islands and the Federated States of Micronesia, including the Government of the United States, and may, in addition, be affected by the impact of exceptional economically adverse circumstances. Each of the Governments of the Marshall Islands and the Federated States of Micronesia shall therefore report annually to the President of the United States and to the Congress of the United States on the implementation of the plans and on their use of the funds specified in this Article. These reports shall outline the achievements of the plans to date and the need, if any, for an additional authorization and appropriation of economic assistance for that year to account for any exceptional, economically adverse circumstances. It is understood that the Government of the United States cannot be committed by this Section to seek or support such additional economic assistance.

Section 212

In recognition of the special development needs of the Federated States of Micronesia, the Government of the United States shall provide to the Government of the Federated States of Micronesia $1 million annually for fourteen years commencing on the first anniversary of the effective date of this Compact. This amount may be used by the Government of the Federated States of Micronesia to defray current account expenditures attendant to the operation of the United States military Civic Action Teams made available in accordance with the separate agreement referred to in Section 227.

Section 213

(a) The Government of the United States shall provide on a grant basis $1.9 million annually to the Government of the Marshall Islands in conjunction with Section 321(a). The Government of the Marshall Islands, in its use of such funds, shall take into account the impact of the activities of the Government of the United States in the Kwajalein Atoll area of the Marshall Islands.

(b) The Government of the United States shall provide on a grant basis to the Government of the Federated States of Micronesia the sum of $160,000 in conjunction with Section 321(a). This sum shall be made available concurrently with the grant assistance provided pursuant to this Article during the first year after the effective date of this Compact. The Government of the Federated States of Micronesia, in its use of such funds, shall take into account the impact of the activities of the Government of the United States in Yap State, Federated States of Micronesia.

Section 214

As a contribution to efforts aimed at achieving increased self-sufficiency in energy production, the Government of the United States shall provide on a current account grant basis for fourteen years commencing on the first anniversary of the effective date of this Compact the following amounts:

(a) To the Government of the Marshall Islands, $2 million annually; and

(b) To the Government of the Federated States of Micronesia, $3 million annually.

Section 215

(a) As a contribution to the current account operations and maintenance of communications systems, the Government of the United States shall provide on a grant basis for fifteen years commencing on the effective date of this Compact the following amounts:

(1) to the Government of the Marshall Islands, $300,000 annually; and

(2) to the Government of the Federated States of Micronesia, $600,000 annually.

(b) For the purpose of acquiring such communications hardware as may be located within the Marshall Islands and the Federated States of Micronesia or for such other current or capital account activity as

may be selected, the Government of the United States shall provide, concurrently with the grant assistance provided pursuant to this Article during the first year after the effective date of this Compact, the sum of $9 million to be allocated as follows:

(1) to the Government of the Marshall Islands, $3 million; and

(2) to the Government of the Federated States of Micronesia, $6 million.

Section 216

(a) The Government of the United States shall provide on a current account basis an annual grant of $5.369 million for fifteen years commencing on the effective date of this Compact for the purposes set forth below:

(1) $890,000 annually for the surveillance and enforcement by the Governments of the Marshall Islands and the Federated States of Micronesia of their respective maritime zones;

(2) $1.791 million annually for health and medical programs, including referrals to hospital and treatment centers; and

(3) $2.687 million annually for a scholarship fund or funds to support the post-secondary education of citizens of the Marshall Islands and the Federated States of Micronesia attending United States accredited, post-secondary institutions in the United States, its territories and possessions, the Marshall Islands or the Federated States of Micronesia. The curricula criteria for the award of scholarships shall be designed to advance the purposes of the plans referred to in Section 211(b).

(b) The Government of the United States shall provide the sum of $1.333 million as a contribution to the commencement of activities pursuant to Section 216(a)(1).

(c) The annual grants referred to in Section 216(a) and the sum referred to in Section 216(b) shall be made available by the Government of the United States promptly after it receives instruction for their distribution agreed upon by the Governments of the Marshall Islands and the Federated States of Micronesia.

Section 217

Except as otherwise provided, the amounts stated in Sections 211, 212, 214, 215 and 231 shall be adjusted for each Fiscal Year by the percent which equals two-thirds of the percentage change in the United States Gross National Product Implicit Price Deflator, or seven percent, whichever is less in any one year, using the beginning of Fiscal Year 1981 as the base.

Section 218

If in any year the funds made available by the Government of the United States for that year pursuant to this Article or Section 231 are not completely obligated by the recipient Government, the unobligated balances shall remain available in addition to the funds to be provided in subsequent years.

Section 219

All funds previously appropriated to the Trust Territory of the Pacific Islands which are unobligated by the Government of the Trust Territory of the Pacific Islands as of the effective date of this Compact shall accrue to the Governments of the Marshall Islands and the Federated States of Micronesia for the purposes for which such funds were originally appropriated as determined by the Government of the United States.

Article II

Program Assistance

Section 221

(a) The Government of the United States shall make available to the Marshall Islands and the Federated States of Micronesia, in accordance with and to the extent provided in the separate agreements referred to in section 232, without compensation and at the levels equivalent to those available to the Trust Territory of the Pacific Islands during the year prior to the effective date of this Compact, the services and related programs:

(1) of the United States Weather Service;

(2) of the United States Federal Emergency Management Agency;

(3) provided pursuant to the Postal Reorganization Act, 39 U.S.C. 101 *et seq.*;

(4) of the United States Federal Aviation Administration; and

(5) of the United States Civil Aeronautics Board or its successor agencies which has the authority to implement the provisions of paragraph 5 of Article IX of such separate agreements, the language of which is incorporated into this Compact.

(b) The Government of the United States, recognizing the special needs of the Marshall Islands and the Federated States of Micronesia particularly in the fields of education and health care, shall make available, as provided by the laws of the United States, the annual amount of $10 million which shall be allocated in accordance with the provisions of the separate agreement referred to in Section 232.

(c) The Government of the United States shall make available to the Marshall Islands and the Federated States of Micronesia such alternate energy development projects, studies and conservation measures as are applicable to the Trust Territory of the Pacific Islands on the day preceding the effective date of this Compact, for the purposes and duration provided in the laws of the United States.

(d) The Government of the United States shall have and exercise such authority as is necessary for the purposes of this Article and as is set forth in the separate agreements referred to in Section 232, which shall also set forth the extent to which services and programs shall be provided to the Marshall Islands and the Federated States of Micronesia.

Section 222

The Government of the United States and the Government of the Marshall Islands or the Federated States of Micronesia shall consult regularly or upon request regarding:

(a) The economic development of the Marshall Islands or the Federated States of Micronesia; or

(b) The services and programs referred to in this Article. These services and programs shall continue to be provided by the Government of the United States unless their modification is provided by mutual agreement or their termination in whole or in part is requested by any recipient Government.

Section 223

The citizens of the Marshall Islands and the Federated States of Micronesia who are receiving post-secondary educational assistance from the Government of the United States on the day preceding the effective date of this Compact shall continue to be eligible, if otherwise qualified, to receive such assistance to complete their academic programs for a maximum of four years after the effective date of this Compact.

Section 224

The Government of the United States and the Government of the Marshall Islands or the Federated States of Micronesia may agree from time to time to the extension of additional United States grant assistance, services and programs as provided by the Laws of the United States, to the Marshall Islands or the Federated States of Micronesia, respectively.

Section 225

The Governments of the Marshall Islands and the Federated States of Micronesia shall make available to the Government of the United States at no cost such land as may be necessary for the operations of the services and programs provided pursuant to this Article, and such facilities as are provided by the Government of the Marshall Islands or the Federated States of Micronesia at no cost to the Government of the United States as of the effective date of this Compact or as may be mutually agreed thereafter.

Section 226

The Governments of the Marshall Islands and the Federated States of Micronesia may request, from time to time, technical assistance from the federal agencies and institutions of the Government of the United States, which are authorized to grant such technical assistance in accordance with its laws and which shall grant such technical assistance in a manner which gives priority consideration to the Marshall Islands and the Federated States of Micronesia over other recipients not a part of the United States, its territories or possessions. The Government of the United States shall coordinate the provision of such technical assistance in consultation with the respective recipient Government.

Section 227

In recognition of the special development needs of the Federated States of Micronesia, the Government of the United States shall make available United States military Civic Action Teams for use in the Federated States of Micronesia under terms and conditions specified in a separate agreement which shall come into effect simultaneously with this Compact.

Article III

Administrative Provisions

Section 231

Upon the thirteenth anniversary of the effective date of this Compact, the Government of the United States and the Governments of the Marshall Islands and the Federated States of Micronesia shall commence negotiations regarding those provisions of this Compact which expire on the fifteenth anniversary of its effective date. If these negotiations are not concluded by the fifteenth anniversary of the effective date of this Compact, the period of negotiations shall extend for not more than two additional years, during which time the provisions of this Compact including Title Three shall remain in full force and effect. During this additional period of negotiations, the Government of the United States shall continue its assistance to the Governments with which it is negotiating pursuant to this Section at a level which is the average of the annual amounts granted pursuant to Sections 211, 212, 213, 214, 215 and 216 during the first fifteen years of this Compact. The average annual amount paid pursuant to Sections 211, 212, 214 and 215 shall be adjusted pursuant to Section 217.

Section 232

The specific nature, extent and contractual arrangements of the services and programs provided for in Section 221 as well as the legal status of agencies of the Government of the United States, their civilian employees and contractors, and the dependents of such personnel while present in the Mar-

shall Islands or the Federated States of Micronesia, and other arrangements in connection with a service or program furnished by the Government of the United States, are set forth in separate agreements which shall come into effect simultaneously with this Compact.

Section 233

The Government of the United States, in consultation with the Governments of the Marshall Islands and the Federated States of Micronesia, shall determine and implement procedures for the periodic audit of all grants and other assistance made under Article I of this Title and of all funds expended for the services and programs provided under Article II of this Title. Such audits shall be conducted on an annual basis during the first five years following the effective date of this Compact and shall be at no cost to the Government of the Marshall Islands or the Federated States of Micronesia.

Section 234

Title to the property of the Government of the United States situated in the Trust Territory of the Pacific Islands or acquired for or used by the Government of the Trust Territory of the Pacific Islands on or before the day preceding the effective date of this Compact shall, without reimbursement or transfer of funds, vest in the Government of the Marshall Islands and the Federated States of Micronesia as set forth in a separate agreement which shall come into effect simultaneously with this Compact. The provisions of this Section shall not apply to the property of the Government of the United States for which the Government of the United States determines a continuing requirement.

Section 235

(a) Funds held in trust by the High Commissioner of the Trust Territory of the Pacific Islands, in his official capacity, as of the effective date of this Compact shall remain available as trust funds to their designated beneficiaries. The Government of the United States, in consultation with the Government of the Marshall Islands or the Federated States of Micronesia, shall appoint a new trustee who shall exercise the functions formerly exercised by the High Commissioner of the Trust Territory of the Pacific Islands.

(b) To provide for the continuity of administration, and to assure the Governments of the Marshall Islands and the Federated States of Micronesia that the purposes of the laws of the United States are carried out and that the funds of any other trust fund in which the High Commissioner of the Trust Territory of the Pacific Islands has authority of a statutory or customary nature shall remain available as trust funds to their designated beneficiaries, the Government of the United States agrees to assume the authority formerly vested in the High Commissioner of the Trust Territory of the Pacific Islands.

Section 236

Except as otherwise provided, approval of this Compact by the Government of the United States shall constitute a pledge of the full faith and credit of the United States for the full payment of the sums and amounts specified in Articles I and III of this Title. The obligation of the United States under Articles I and III of this Title shall be enforceable in the United States Claims Court, or its successor court, which shall have jurisdiction in cases arising under this Section, notwithstanding the provisions of 28 U.S.C. 1502, and which court's decisions shall be reviewable as provided by the laws of the United States.

Article IV

Trade

Section 241

The Marshall Islands and the Federated States of Micronesia are not included in the customs territory of the United States.

Section 242

For the purpose of assessing duties on their products imported into the customs territory of the United States, the Marshall Islands and the Federated States of Micronesia shall be treated as if they were insular possessions of the United States within the meaning of General Headnote 3(a) of the Tariff Schedules of the United States. The exceptions, valuation procedures and all other provisions of General Headnote 3(a) shall apply to any product deriving from the Marshall Islands or the Federated States of Micronesia.

Section 243

All products of the Marshall Islands or the Federated States of Micronesia imported into the customs territory of the United States which are not accorded the treatment set forth in Section 242 and all products of the United States imported into the Marshall Islands or the Federated States of Micronesia shall receive treatment no less favorable than that accorded like products of any foreign country with respect to customs duties or charges of a similar nature and with respect to laws and regulations relating to importation, exportation, taxation, sale, distribution, storage or use.

Article V

Finance and Taxation

Section 251

The currency of the United States is the official circulating legal tender of the Marshall Islands and the Federated States of Micronesia. Should the Government of the Marshall Islands or the Federated States of Micronesia act to institute another currency, the terms of an appropriate currency transitional period shall be as agreed with the Government of the United States.

Section 252

The Government of the Marshall Islands or the Federated States of Micronesia may, with respect to United States persons, tax income derived from sources within its respective jurisdiction, property situated therein, including transfers of such property by gift or at death, and products consumed therein, in such manner as such Government deems appropriate. The determination of the source of any income, or the situs of any property, shall for purposes of this Compact be made according to the United States Internal Revenue Code.

Section 253

A citizen of the Marshall Islands or the Federated States of Micronesia, domiciled therein, shall be exempt from:

(a) Income taxes imposed by the Government of the United States upon fixed or determinable annual income; and

(b) Estate, gift, and generation-skipping transfer taxes imposed by the Government of the United States.

Section 254

(a) In determining any income tax imposed by the Government of the Marshall Islands or the Federated States of Micronesia, those Governments shall have authority to impose tax upon income derived by a resident of the Marshall Islands or the Federated States of Micronesia from sources without the Marshall Islands and the Federated States of Micronesia, in the same manner and to the same extent as those Governments impose tax upon income derived from within their respective jurisdictions. If the Government of the Marshall Islands or the Federated States of Micronesia exercises such authority as provided in this subsection, any individual resident of the Marshall Islands or the Federated States of Micronesia who is subject to tax by the Government of the United States on income which is also taxed by the Government of the Marshall Islands or the Federated States of Micronesia shall be relieved of liability to the Government of the United States for the tax which, but for this subsection, would otherwise be imposed by the Government of the United States on such income. For purposes of this Section, the term "resident of the Marshall Islands or the Federated States of Micronesia" shall be deemed to include any person who was physically present in the Marshall Islands or the Federated States of Micronesia for a period of 183 or more days during any taxable year; provided, that as between the Government of the Marshall Islands and the Federated States of Micronesia, the authority to tax an individual resident of the Marshall Islands or the Federated States of Micronesia in respect of income from sources without the Marshall Islands and the Federated States of Micronesia as provided in this subsection may be exercised only by the Government in whose jurisdiction such individual was physically present for the greatest number of days during the taxable year.

(b) If the Government of the Marshall Islands or the Federated States of Micronesia subjects income to taxation substantially similar to that imposed by the Trust Territory Code in effect on January 1, 1980, such Government shall be deemed to have exercised the authority described in Section 254(a).

Section 255

Where not otherwise manifestly inconsistent with the intent of this Compact, provisions in the United States Internal Revenue Code that are applicable to possessions of the United States as of January 1, 1980 shall be treated as applying to the Marshall Islands and the Federated States of Micronesia. If such provisions of the Internal Revenue Code are amended, modified or repealed after that date, such provisions shall continue in effect as to the Marshall Islands and the Federated States of Micronesia for a period of two years during which time the Government of the United States and the Governments of the Marshall Islands and the Federated States of Micronesia shall negotiate an agreement which shall provide benefits substantially equivalent to those which obtained under such provisions.

TITLE THREE

SECURITY AND DEFENSE RELATIONS

Article I

Authority and Responsibility

Section 311

(a) The Government of the United States has full authority and responsibility for security and defense matters in or relating to the Marshall Islands and the Federated States of Micronesia.

(b) This authority and responsibility includes:

(1) the obligation to defend the Marshall Islands and the Federated States of Micronesia and their peoples from attack or threats thereof as the United States and its citizens are defended;

(2) the option to foreclose access to or use of the Marshall Islands and the Federated States of Micronesia by military personnel or for the military purposes of any third country; and

(3) the option to establish and use military areas and facilities in the Marshall Islands and the Federated States of Micronesia, subject to the terms of the separate agreements referred to in Sections 321 and 323.

(c) The Government of the United States confirms that it shall act in accordance with the principles of international law and the Charter of the United Nations in the exercise of this authority and responsibility.

Section 312

Subject to the terms of any agreements negotiated in accordance with Sections 321 and 323, the Government of the United States may conduct within the lands, waters and airspace of the Marshall Islands and the Federated States of Micronesia the activities and operations necessary for the exercise of its authority and responsibility under this Title.

Section 313

(a) The Governments of the Marshall Islands and the Federated States of Micronesia shall refrain from actions which the Government of the United States determines, after appropriate consultation with those Governments, to be incompatible with its authority and responsibility for security and defense matters in or relating to the Marshall Islands and the Federated States of Micronesia.

(b) The consultations referred to in this Section shall be conducted expeditiously at senior levels of the Governments concerned, and the subsequent determination by the Government of the United States referred to in this Section shall be made only at senior interagency levels of the Government of the United States.

(c) The Government of the Marshall Islands or the Federated States of Micronesia shall be afforded, on an expeditious basis, an opportunity to raise its concerns with the United States Secretary of State personally and the United States Secretary of Defense personally regarding any determination made in accordance with this Section.

Section 314

(a) Unless otherwise agreed, the Government of the United States shall not, in the Marshall Islands or the Federated States of Micronesia:

(1) test by detonation or dispose of any nuclear weapon, nor test, dispose of, or discharge any toxic chemical or biological weapon; or

(2) test, dispose of, or discharge any other radioactive, toxic chemical or biological materials in an amount or manner which would be hazardous to public health or safety.

(b) Unless otherwise agreed, other than for transit or over flight purposes or during time of a national emergency declared by the President of the United States, a state of war declared by the Congress of the United States or as necessary to defend against an actual or impending armed attack on the United States, the Marshall Islands or the Federated States of Micronesia, the Government of the United States shall not store in the Marshall Islands or the Federated States of Micronesia any toxic chemical weapon, nor any radioactive materials nor any toxic chemical materials intended for weapons use.

(c) Radioactive, toxic chemical, or biological materials not intended for weapons use shall not be affected by Section 314(b).

(d) No material or substance referred to in this Section shall be stored in the Marshall Islands or the Federated States of Micronesia except in an amount and manner which would not be hazardous to public health or safety. In determining what shall be an amount or manner which would be hazardous to public health or safety under this Section, the Government of the United States shall comply with any applicable mutual agreement, international guidelines accepted by the Government of the United States, and the laws of the United States and their implementing regulations.

(e) Any exercise of the exemption authority set forth in Section 161(e) shall have no effect on the obligations of the Government of the United States under this Section or on the application of this subsection.

(f) The provisions of this Section shall apply in the areas in which the Government of the Marshall Islands or the Federated States of Micronesia exercises jurisdiction over the living resources of the seabed, subsoil or water column adjacent to its coasts.

Section 315

The Government of the United States may invite members of the armed forces of other countries to use military areas and facilities in the Marshall Islands or the Federated States of Micronesia, in conjunction with and under the control of United States Armed Forces. Use by units of the armed forces of other countries of such military areas and facilities, other than for transit and overflight purposes, shall be subject to consultation with and, in the case of major units, approval by the Government of the Marshall Islands or the Federated States of Micronesia.

Section 316

The authority and responsibility of the Government of the United States under this Title may not be transferred or otherwise assigned.

Article II

Defense Facilities and Operating Rights

Section 321

(a) Specific arrangements for the establishment and use by the Government of the United States of military areas and facilities in the Marshall Islands or the Federated States of Micronesia are set forth in separate agreements which shall come into effect simultaneously with this Compact.

(b) If, in the exercise of its authority and responsibility under this Title, the Government of the United States requires the use of areas within the Marshall Islands or the Federated States of Micronesia in addition to those for which specific arrangements are concluded pursuant to Section 321(a), it may request the Government concerned to satisfy those requirements through leases or other arrangements. The Government of the Marshall Islands or the Federated States of Micronesia shall sympathetically consider any such request and shall establish suitable procedures to discuss it with and provide a prompt response to the Government of the United States.

(c) The Government of the United States recognizes and respects the scarcity and special importance of land in the Marshall Islands and the Federated States of Micronesia. In making any requests pursuant to Section 321(b), the Government of the United States shall follow the policy of requesting the minimum area necessary to accomplish the required security and defense purpose, of requesting only the minimum interest in real property necessary to support such purpose, and of requesting first to satisfy its requirement through public real property, where available, rather than through private real property.

Section 322

The Government of the United States shall provide and maintain fixed and floating aids to navigation in the Marshall Islands and the Federated States of Micronesia at least to the extent necessary for the exercise of its authority and responsibility under this Title.

Section 323

The military operating rights of the Government of the United States and the legal status and contractual arrangements of the United States Armed Forces, their members, and associated civilians, while present in the Marshall Islands or the Federated States of Micronesia, are set forth in separate agreements which shall come into effect simultaneously with this Compact.

Article III

Defense Treaties and International Security Agreements

Section 331

Subject to the terms of this Compact and its related agreements, the Government of the United States, exclusively, shall assume and enjoy, as to the Marshall Islands and the Federated States of Micronesia, all obligations, responsibilities, rights and benefits of:

(a) Any defense treaty or other international security agreement applied by the Government of the United States as Administering Authority of the Trust Territory of the Pacific Islands as of the day preceding the effective date of this Compact; and

(b) Any defense treaty or other international security agreement to which the Government of the United States is or may become a party which it determines to be applicable in the Marshall Islands and the Federated States of Micronesia. Such a determination by the Government of the United States shall be preceded by appropriate consultation with the Government of the Marshall Islands or the Federated States of Micronesia.

Article IV

Service in Armed Forces of the United States

Section 341

Any person entitled to the privileges set forth in Section 141 shall be eligible to volunteer for service in the Armed Forces of the United States, but shall not be subject to involuntary induction into military service of the United States so long as such person does not establish habitual residence in the United States, its territories or possessions.

Section 342

The Government of the United States shall have enrolled, at any one time, at least two qualified students, one each from the Marshall Islands and the Federated States of Micronesia, as may be nominated by their respective Governments, in each of:

(a) The United States Coast Guard Academy pursuant to 14 U.S.C. 195; and

(b) The United States Merchant Marine Academy pursuant to 46 U.S.C. 1295b(b)(6), provided that the provisions of 46 U.S.C. 1295b(b)(6)(C) shall not apply to the enrollment of students pursuant to Section 342(b) of this Compact.

Article V

General Provisions

Section 351

(a) The Government of the United States and the Government of the Marshall Is-

lands or the Federated States of Micronesia shall establish two Joint Committees empowered to consider disputes under the implementation of this Title and its related agreements.

(b) The membership of each Joint Committee shall comprise selected senior officials of each of the two participating Governments. The senior United States military commander in the Pacific area shall be the senior United States member of each Joint Committee. For the meetings of each Joint Committee, each of the two participating Governments may designate additional or alternate representatives as appropriate for the subject matter under consideration.

(c) Unless otherwise mutually agreed, each Joint Committee shall meet semi-annually at a time and place to be designated, after appropriate consultation, by the Government of the United States. A Joint Committee also shall meet promptly upon request of either of its members. Upon notification by the Government of the United States, the Joint Committees so notified shall meet promptly in a combined session to consider matters within the jurisdiction of more than one Joint Committee. Each Joint Committee shall follow such procedures, including the establishment of functional subcommittees, as the members may from time to time agree.

(d) Unresolved issues in each Joint Committee shall be referred to the Governments concerned for resolution, and the Government of the Marshall Islands or the Federated States of Micronesia shall be afforded, on an expeditious basis, an opportunity to raise its concerns with the United States Secretary of Defense personally regarding any unresolved issue which threatens its continued association with the Government of the United States.

Section 352

In the exercise of its authority and responsibility under Title Three, the Government of the United States shall accord due respect to the authority and responsibility of the Governments of the Marshall Islands and the Federated States of Micronesia under Titles One, Two and Four and to their responsibility to assure the well-being of their peoples.

Section 353

(a) The Government of the United States shall not include any of the Governments of the Marshall Islands and the Federated States of Micronesia as named parties to a formal declaration of war, without their respective consent.

(b) Absent such consent, this Compact is without prejudice, on the ground of belligerence or the existence of a state of war, to any claims for damages which are advanced by the citizens, nationals or Government of the Marshall Islands or the Federated States of Micronesia, which arise out of armed conflict subsequent to the effective date of this Compact and which are:

(1) petitions to the Government of the United States for redress; or

(2) claims in any manner against the government, citizens, nationals or entities of any third country.

(c) Petitions under Section 353(b)(1) shall be treated as if they were made by citizens of the United States.

Section 354

(a) Notwithstanding any other provision of this Compact, the provisions of this Title are binding from the effective date of this Compact for a period of fifteen years between the Government of the United States and the Governments of the Marshall Islands and the Federated States of Micronesia and thereafter as mutually agreed or in accordance with Section 231, unless earlier terminated by mutual agreement pursuant to Section 441, or amended pursuant to Article III of Title Four.

(b) The Government of the United States recognizes, in view of the special relationship between the Government of the United States and the Governments of the Marshall Islands and the Federated States of Micronesia, and in view of the existence of separate agreements with each of them pursuant to Sections 321 and 323, that, even if this Title should terminate, any attack on the Marshall Islands or the Federated States of Micronesia during the period in which such separate agreements are in effect, would constitute a threat to the peace and security of the entire region and a danger to the United States. In the event of such an attack, the Government of the United States would take action to meet the danger to the United States and to the Marshall Islands and the Federated States of Micronesia in accordance with its constitutional processes.

TITLE FOUR

GENERAL PROVISIONS

Article I

Approval and Effective Date

Section 411

This Compact shall come into effect upon mutual agreement between the Government of the United States, acting in fulfillment of its responsibilities as Administering Authority of the Trust Territory of the Pacific Islands, and the Government of the Marshall Islands or the Federated States of Micronesia and subsequent to completion of the following:

(a) Approval by the Government of the Marshall Islands or the Federated States of Micronesia in accordance with its constitutional processes;

(b) Conduct of the plebiscite referred to in Section 412; and

(c) Approval by the Government of the United States in accordance with its constitutional processes.

Section 412

A plebiscite shall be conducted in each of the Marshall Islands and the Federated States of Micronesia for the free and voluntary choice by the peoples of the Trust Territory of the Pacific Islands of their future political status through informed and democratic processes. The Marshall Islands and the Federated States of Micronesia shall each be considered a voting jurisdiction, and the plebiscite shall be conducted under fair and equitable standards in each voting jurisdiction. The Administering Authority of the Trust Territory of the Pacific Islands, after consultation with the Governments of the Marshall Islands and the Federated States of Micronesia, shall fix the date on which the plebiscite shall be called in each voting jurisdiction. The plebiscite shall be called jointly by the Administering Authority of the Trust Territory of the Pacific Islands and the other Signatory Government concerned. The results of the plebiscite in each voting jurisdiction shall be determined by a majority of the valid ballots cast in that voting jurisdiction.

Article II

Conference and Dispute Resolution

Section 421

The Government of the United States shall confer promptly at the request of the Government of the Marshall Islands or the Federated States of Micronesia and any of those Governments shall confer promptly at the request of the Government of the United States on matters relating to the provisions of this Compact or of its related agreements.

Section 422

In the event the Government of the United States, or the Government of the Marshall Islands or the Federated States of Micronesia, after conferring pursuant to Section 421, determines that there is a dispute and gives written notice thereof, the Governments which are parties to the dispute shall make a good faith effort to resolve the dispute among themselves.

Section 423

If a dispute between the Government of the United States and the Government of the Marshall Islands or the Federated States of Micronesia cannot be resolved within 90 days of written notification in the manner provided in Section 422, either party to the dispute may refer it to arbitration in accordance with Section 424.

Section 424

Should a dispute be referred to arbitration as provided for in Section 423, an Arbitration Board shall be established for the purpose of hearing the dispute and rendering a decision which shall be binding upon the two parties to the dispute unless the two parties mutually agree that the decision shall be advisory. Arbitration shall occur according to the following terms:

(a) An Arbitration Board shall consist of a Chairman and two other members, each of whom shall be a citizen of a party to the dispute. Each of the two Governments which is a party to the dispute shall appoint one member to the Arbitration Board. If either party to the dispute does not fulfill the appointment requirements of this Section within 30 days of referral of the dispute to arbitration pursuant to Section 423, its member on the Arbitration Board shall be selected from its own standing list by the other party to the dispute. Each Government shall maintain a standing list of 10 candidates. The parties to the dispute shall jointly appoint a Chairman within 15 days after selection of the other members of the Arbitration Board. Failing agreement on a Chairman, the Chairman shall be chosen by lot from the standing lists of the parties to the dispute within 5 days after such failure.

(b) The Arbitration Board shall have jurisdiction to hear and render its final determination on all disputes arising exclusively under Articles I, II, III, IV and V of Title One, Title Two, Title Four and their related agreements.

(c) Each member of the Arbitration Board shall have one vote. Each decision of the Arbitration Board shall be reached by majority vote.

(d) In determining any legal issue, the Arbitration Board may have reference to international law and, in such reference, shall apply as guidelines the provisions set forth in Article 38 of the Statute of the International Court of Justice.

(e) The Arbitration Board shall adopt such rules for its proceedings as it may deem appropriate and necessary, but such rules shall not contravene the provisions of this Compact. Unless the parties provide otherwise by mutual agreement, the Arbitration Board shall endeavor to render its decision within 30 days after the conclusion of arguments. The Arbitration Board shall make findings of fact and conclusions of law and its members may issue dissenting or individual opinions. Except as may be other-

wise decided by the Arbitration Board, one-half of all costs of the arbitration shall be borne by the Government of the United States and the remainder shall be borne by the other party to the dispute.

Article III

Amendment

Section 431

The provisions of this Compact may be amended as to the Governments of the Marshall Islands and the Federated States of Micronesia and as to the Government of the United States at any time by mutual agreement.

Section 432

The provisions of this Compact may be amended as to any one of the Governments of the Marshall Islands or the Federated States of Micronesia and as to the Government of the United States at any time by mutual agreement. The effect of any amendment made pursuant to this Section shall be restricted to the relationship between the Governments agreeing to such amendment, but the other Governments signatory to this Compact shall be notified promptly by the Government of the United States of any such amendment.

Article IV

Termination

Section 441

This Compact may be terminated as to any one of the Governments of the Marshall Islands or the Federated States of Micronesia and as to the Government of the United States by mutual agreement and subject to Section 451.

Section 442

This Compact may be terminated by the Goverment of the United States as to the Government of the Marshall Islands or the Federated States of Micronesia subject to Section 452, such termination to be effective on the date specified in the notice of termination by the Government of the United States but not earlier than six months following delivery of such notice. The time specified in the notice of termination may be extended.

Section 443

This Compact shall be terminated, pursuant to their respective constitutional processes, by the Government of the Marshall Islands or the Federated States of Micronesia subject to Section 453 if the people represented by such Government vote in a plebiscite to terminate. Such Government shall notify the Government of the United States of its intention to call such a plebiscite which shall take place not earlier than three months after delivery of such notice. The plebiscite shall be administered by such Government in accordance with its constitutional and legislative processes, but the Government of the United States may send its own observers and invite observers from a mutually agreed party. If a majority of the valid ballots cast in the plebiscite favors termination, such Government shall, upon certification of the results of the plebiscite, give notice of termination to the Government of the United States, such termination to be effective on the date specified in such notice but not earlier than three months following the date of delivery of such notice. The time specified in the notice of termination may be extended.

Article V

Survivability

Section 451

Should termination occur pursuant to Section 441, economic assistance by the Government of the United States shall continue on mutually agreed terms.

Section 452

(a) Should termination occur pursuant to Section 442, the following provisions of this Compact shall remain in full force and effect until the fifteenth anniversary of the effective date of this Compact between the Government of the United States and the Government of the Marshall Islands or the Federated States of Micronesia and thereafter as mutually agreed:

(1) Article VI and Sections 172, 173, 176 and 177 of Title One;

(2) Article I and Section 233 of Title Two;

(3) Title Three; and

(4) Articles II, III, V and VI of Title Four.

(b) The Government of the United States shall also provide the Government as to which termination occurs pursuant to Section 442 with either the programs or services provided pursuant to Article II of Title Two as the time of termination, or their equivalent, as determined by the Government of the United States. Such assistance shall continue until the fifteenth anniversary of the effective date of this Compact, and thereafter as mutually agreed.

Section 453

(a) Should termination occur pursuant to Section 443, the following provisions of this Compact shall remain in full force and effect until the fifteenth anniversary of the effective date of this Compact between the Government of the United States and the Government of the Marshall Islands or the Federated States of Micronesia and thereafter as mutually agreed:

(1) Article VI and Sections 172, 173, 176 and 177 of Title One;

(2) Title Three; and

(3) Articles II, III, V and VI of Title Four.

(b) Upon receipt of notice of termination pursuant to Section 443, the Government of the United States and the Government so terminating shall promptly consult with regard to their future relationship. These consultations shall determine the level of economic assistance which the Government of the United States shall provide to the Government so terminating for the period ending on the fifteenth anniversary of the effective date of this Compact provided that the annual amounts specified in Sections 211, 212, 214, 215 and 216 shall continue without diminution. Such amounts, with the exception of those specified in Section 216, shall be adjusted according to the formula set forth in Section 217.

Section 454

Notwithstanding any other provision of this Compact:

(a) The Government of the United States reaffirms its continuing interest in promoting the long-term economic advancement and self-sufficiency of the peoples of the Marshall Islands and the Federated States of Micronesia; and

(b) The separate agreements referred to in Article II of the Title Three shall remain in effect in accordance with their terms which shall also determine the duration of Section 213.

Article VI

Definition of Terms

Section 461

For the purpose of this Compact only and without prejudice to the views of the Government of the United States or the Government of the Marshall Islands or the Federated States of Micronesia as to the nature and extent of the jurisdiction under international law of any of them, the following terms shall have the following meanings:

(a) "Trust Territory of the Pacific Islands" means the area established in the Trusteeship Agreement consisting of the administrative districts of Kosrae, Yap, Ponape, the Marshall Islands and Truk as described in Title One, Trust Territory Code, Section 1, in force on January 1, 1979. This term does not include the area of Palau or the Northern Mariana Islands.

(b) "Trusteeship Agreement" means the agreement setting forth the terms of trusteeship for the Trust Territory of the Pacific Islands, approved by the Security Council of the United Nations April 2, 1947, and by the United States July 18, 1947, entered into force July 18, 1947, 61 Stat. 3301, T.I.A.S. 1665, 8 U.N.T.S. 189.

(c) "The Marshall Islands" and "the Federated States of Micronesia" are used in a geographic sense and include the land and water areas to the outer limits of the territorial sea and the air space above such areas as now or hereafter recognized by the Government of the United States.

(d) "Government of the Marshall Islands" means the Government established and organized by the Constitution of the Marshall Islands including all the political subdivisions and entities comprising that Government.

"Government of the Federated States of Micronesia" means the Government established and organized by the Constitution of the Federated States of Micronesia including all the political subdivisions and entities comprising that Government.

(e) The following terms shall be defined consistent with the 1976 Edition of the Radio Regulations of the International Telecommunications Union (ISBN 92-61-0081-5) as follows:

(1) "Radio Communications" means telecommunication by means of radio waves.

(2) "Station" means one or more transmitters or receivers or a combination of transmitters and receivers, including the accessory equipment, necessary at one location for carrying on a radio communication service; each station shall be classified by the service in which it operates permanently or temporarily.

(3) "Broadcasting Service" means a radio communication service in which the transmissions are intended for direct reception by the general public, and which may include sound transmissions, television transmissions or other types of transmissions.

(4) "Broadcasting Station" means a station in the broadcasting service.

(f) "Frequency Assignment" means the same as 'Frequency Assignment' means in the 1976 Edition of the Radio Regulations of the International Telecommunications Union (ISBN 92-61-0081-5).

(g) "Habitual Residence" means a place of general abode or a principal, actual dwelling place of a continuing or lasting nature; provided, however, that this term shall not apply to the residence of any person who entered the United States for the purpose of full-time studies as long as such person maintains that status, or who has been physically present in the United States, the Marshall Islands, or the Federated States of Micronesia for less than one year, or who is a dependent of a resident representative, as described in Section 152.

(h) For the purposes of Article IV of Title One of this Compact:

(1) "Actual Residence" means physical presence in the Marshall Islands or the Federated States of Micronesia during eighty-five percent of the period of residency required by Section 141(a)(3); and

(2) "Certificate of Actual Residence" means a certificate issued to a naturalized citizen by the Government which has naturalized him stating that the citizen has complied with the actual residence requirement of Section 141(a)(3).

(i) "Military Areas and Facilities" means those areas and facilities in the Marshall Islands or the Federated States of Micronesia reserved or acquired by the Government of the Marshall Islands or the Federated States of Micronesia for use by the Government of the United States, as set forth in the separate agreements referred to in Section 321.

(j) "Capital Account" means, for each year of the Compact, those portions of the total grant assistance provided in Article I of Title Two, adjusted by Section 217, which are to be obligated for:

(1) the construction or major repair of capital infrastructure; or

(2) public and private sector projects identified in the official overall economic development plan.

(k) "Current Account" means, for each year of the Compact, those portions of the total grant assistance provided in Article I of Title Two, adjusted by Section 217, which are to be obligated for recurring operational activities including infrastructure maintenance as identified in the annual budget justifications submitted yearly to the Government of the United States.

(l) "Official Overall Economic Development Plan" means the documented program of annual development which identifies the specific policy and project activities necessary to achieve a specified set of economic goals and objectives during the period of free association, consistent with the economic assistance authority in Title Two. Such a document should include an analysis of population trends, manpower requirements, social needs, gross national product estimates, resource utilization, infrastructure needs and expenditures, and the specific private sector projects required to develop the local economy of the Marshall Islands or the Federated States of Micronesia. Project identification should include initial cost estimates, with project purposes related to specific development goals and objectives.

(m) "Tariff Schedules of the United States" means the Tariff Schedules of the United States as amended from time to time and as promulgated pursuant to United States law and includes the Tariff Schedules of the United States Annotated (TSUSA), as amended.

(n) "Vienna Convention on Diplomatic Relations" means the Vienna Convention on Diplomatic Relations, done April 18, 1961, 23 U.S.T. 3227, T.I.A.S. 7502, 500 U.N.T.S. 95.

Section 462

The Government of the United States and the Government of the Marshall Islands or the Federated States of Micronesia, as appropriate, shall conclude related agreements which shall come into effect and shall survive in accordance with their terms, as follows:

(a) Agreement Regarding the Provision of Telecommunication Services by the Government of the United States to the Marshall Islands and the Federated States of Micronesia Concluded Pursuant to Section 131 of the Compact of Free Association;

(b) Agreement Regarding the Operation of Telecommunication Services of the Government of the United States in the Marshall Islands and the Federated States of Micronesia Concluded Pursuant to Section 132 of the Compact of Free Association;

(c) Agreement on Extradition, Mutual Assistance in Law Enforcement Matters and Penal Sanctions Concluded Pursuant to Section 175 of the Compact of Free Association;

(d) Agreement Between the Government of the United States and the Government of the Marshall Islands for the Implementation of Section 177 of the Compact of Free Association;

(e) Federal Programs and Services Agreement Concluded Pursuant to Article II of Title Two and Section 232 of the Compact of Free Association;

(f) Agreement Concluded Pursuant to Section 234 of the Compact of Free Association;

(g) Agreement Regarding the Military Use and Operating Rights of the Government of the United States in the Marshall Islands Concluded Pursuant to Sections 321 and 323 of the Compact of Free Association;

(h) Agreement Regarding the Military Use and Operating Rights of the Government of the United States in the Federated States of Micronesia Concluded Pursuant to Sections 227, 321 and 323 of the Compact of Free Association;

(i) Status of Forces Agreement Concluded Pursuant to Section 323 of the Compact of Free Association;

(j) Agreement Between the Government of the United States and the Government of the Federated States of Micronesia Regarding Friendship, Cooperation and Mutual Security Concluded Pursuant to Sections 321 and 323 of the Compact of Free Association; and

(k) Agreement Between the Government of the United States and the Government of the Marshall Islands Regarding Mutual Security Concluded Pursuant to Sections 321 and 323 of the Compact of Free Association.

Section 463

(a) Except as set forth in Section 463(b), any reference in this Compact to a provision of the United States Code or the Statutes at Large of the United States constitutes the incorporation of the language of such provision into this Compact, as such provision was in force on January 1, 1980.

(b) Any reference in Article VI of Title One and Sections 131, 174, 175, 178 and 342 to a provision of the United States Code or the Statutes at Large of the United States or to the Privacy Act, the Freedom of Information Act or the Administrative Procedure Act constitutes the incorporation of the language of such provision into this Compact as such provision is in force on the effective date of this Compact or as it may be amended thereafter on a non-discriminatory basis according to the constitutional processes of the United States.

Article VII

Concluding Provisions

Section 471

(a) The Government of the United States and the Governments of the Marshall Islands and the Federated States of Micronesia agree that they have full authority under their respective Constitutions to enter into this Compact and its related agreements and to fulfill all of their respective responsibilities in accordance with the terms of this Compact and its related agreements. The Governments pledge that they are so committed.

(b) Each of the Governments of the United States, the Marshall Islands and the Federated States of Micronesia shall take all necessary steps, of a general or particular character, to ensure, not later than the effective date of this Compact, the conformity of its laws, regulations and administrative procedures with the provisions of this Compact.

(c) Without prejudice to the effects of this Compact under international law, this Compact has the force and effect of a statute under the laws of the United States.

Section 472

This Compact may be accepted, by signature or otherwise, by the Government of the United States, the Government of the Marshall Islands, and the Government of the Federated States of Micronesia. Each Government accepting this Compact shall possess an original English language version.

IN WITNESS WHEREOF, the undersigned, duly authorized, have signed this Compact of Free Association which shall come into effect in accordance with its terms between the Government of the United States and each of the other Governments signatory to this Compact.

DONE AT HONOLULU, HAWAII, THIS 1ST DAY OF OCTOBER, ONE THOUSAND, NINE HUNDRED EIGHTY-TWO

FOR THE GOVERNMENT
OF
THE UNITED STATES OF AMERICA

AMBASSADOR FRED M. ZEDER, II
PRESIDENT'S PERSONAL REPRESENTATIVE
FOR MICRONESIAN STATUS NEGOTIATIONS

DONE AT HONOLULU, HAWAII, THIS 1ST DAY OF OCTOBER, ONE THOUSAND, NINE HUNDRED EIGHTY-TWO

FOR THE GOVERNMENT
OF
THE FEDERATED STATES OF MICRONESIA

HONORABLE ANDON L. AMARAICH
CHAIRMAN, COMMISSION ON FUTURE
POLITICAL STATUS AND TRANSITION

DONE AT MAJURO, MARSHALL ISLANDS, THIS 25TH DAY OF JUNE, ONE THOUSAND, NINE HUNDRED, EIGHTY-THREE

FOR THE GOVERNMENT
OF
THE UNITED STATES OF AMERICA

AMBASSADOR FRED M. ZEDER, II
PRESIDENT'S PERSONAL REPRESENTATIVE
FOR MICRONESIAN STATUS NEGOTIATIONS

DONE AT MAJURO, MARSHALL ISLANDS, THIS 25TH DAY OF JUNE, ONE THOUSAND, NINE HUNDRED EIGHTY-THREE

FOR THE GOVERNMENT
OF
THE MARSHALL ISLANDS

PRESIDENT AMATA KABUA
PRESIDENT OF THE REPUBLIC
OF THE MARSHALL ISLANDS

SEC. 202. JURISDICTION.

(a) With respect to section 321 of the Compact of Free Association and its related agreements, the jurisdictional provisions set forth in subsection (b) of this section shall apply only to the citizens and nationals of the United States and aliens lawfully admitted to the United States for permanent residence who are in the Marshall Islands or the Federated States of Micronesia.

(b)(1) The defense sites of the United States established in the Marshall Islands or the Federated States of Micronesia in accordance with the Compact of Free Association and its related agreements are within the special maritime and territorial jurisdic-

tion of the United States as set forth in section 7, title 18, United States Code.

(2) Any person referred to in subsection (a) of this section who within or upon such defense sites is guilty of any act or omission which, although not made punishable by any enactment of Congress, would be punishable if committed or omitted within the jurisdiction of the State of Hawaii by the laws thereof, in force at the time of such act or omission, shall be guilty of a like offense and subject to a like punishment.

(3) The United States District Court for the District of Hawaii shall have jurisdiction to try all criminal offenses against the United States, including the laws of the State of Hawaii made applicable to the defense sites in the Marshall Islands or the Federated States of Micronesia by virtue of paragraph (2) of this subsection, committed by any person referred to in subsection (a) of this section.

(4) The United States District Court for the District of Hawaii may appoint one or more magistrates for the defense sites in the Marshall Islands. Such Magistrates shall have the power and the status of Magistrates appointed pursuant to chapter 43, title 28, United States Code, provided, however that such Magistrates shall have the power to try persons accused of and sentence persons convicted of petty offenses, as defined in section 1(3), title 18, United States Code, including violations of regulations for the maintenance of peace, order, and health issued by the Commanding Officer on such defense sites, without being subject to the restrictions provided for in section 3401(b), title 18, United States Code.

TITLE III—PACIFIC POLICY REVIEW COMMISSION

SEC. 301. FINDINGS.

The Congress finds that—

(1) The impacts of the Compact on the noncontiguous Pacific areas of the United States (namely, Alaska, Hawaii, American Samoa, Guam, and the Northern Mariana Islands, hereinafter referred to as the "noncontiguous Pacific areas") should be systematically considered after approval of the Compact;

(2) the Federal Government should consider the implications for, effects on, and national potential of the noncontiguous Pacific areas as foreign and domestic policy is formulated and implemented; and

(3) the present Federal organizational arrangements regarding the noncontiguous Pacific areas as a whole need to be reviewed to better enable them to coordinate the delivery of Federal programs and services to the noncontiguous Pacific areas and adapt policy to the special requirements of these areas.

SEC. 302. POLICY.

It is the policy of the Federal Government to promote the political, social, and economic development desired by the noncontiguous Pacific areas, consistent with their cultural values, and to recognize their unique character in the formulation of Federal policy.

SEC. 303. COMMISSION.

There is hereby established a commission to be known as the Pacific Policy Review Commission (hereinafter referred to as the "Commission") which shall review United States policy toward the Pacific region as a whole to determine whether modifications are necessary to achieve the intent of the policy set forth in section 302 and to recommend to the President and the Congress such extensions of, exemptions from or modifications to such treaties (herein meaning those affecting regions of the Pacific or the Pacific as a whole and not individual noncontiguous Pacific areas), executive agreements, Federal laws (herein meaning those affecting regions of the Pacific or the Pacific as a whole or several of the noncontiguous Pacific areas, and not individual noncontiguous Pacific areas), rules and regulations as may facilitate the political, social, and economic development of the noncontiguous Pacific areas as a whole in harmony with their neighbors. The Commission's review shall include but not be limited to consideration and review of the regional and specific consequences of this Compact.

SEC. 304. MEMBERSHIP.

(a) 25 MEMBERS.—The Commission shall be composed of 25 members as follows—

(1) The chief executive of each of the noncontiguous Pacific areas.

(2) One member each of the majority and the minority of the United States House of Representatives Committee on Interior and Insular Affairs to be appointed by the Speaker of the United States House of Representatives.

(3) One member each of the majority and the minority of the United States Senate Committee on Energy and Natural Resources to be appointed by the President of the Senate.

(4) The Representatives and Delegates to the United States House of Representatives from the noncontiguous Pacific areas and the United States Senators from the noncontiguous Pacific areas.

(5) The Resident Representative of the Northern Mariana Islands.

(6) Assistant Secretaries from the Departments of State, Defense, Interior, Treasury, Justice, and Commerce to be designated by and who shall serve on the commission at the pleasure of the President.

(b) CHAIRMAN.—The President shall designate a Chairman of the Commission from members appointed pursuant to paragraphs (1) through (5) of subsection (a).

(c) EX OFFICIO MEMBERS; VACANCIES.—Members of the Commission designated under subsection (a) shall serve on the Commission only so long as they hold the offices referred to in such paragraph. Vacancies shall be filled in the same manner as the original appointment.

(d) TRAVEL AND PER DIEM.—While away from their homes or regular place of business in the performance of services for the Commission, members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703 of title 5 of the United States Code, but no other compensation from the United States.

(e) QUORUM.—A majority of the Commission shall constitute a quorum, but a lesser number, as determined by the Commission, may hold hearings.

(f) MEETINGS.—The Commission shall meet at the call of the Chairman but not less than once annually.

SEC. 305. OBSERVERS.

The Governments of the Federated States of Micronesia, the Marshall Islands and Palau may each appoint one non-voting observer to the sessions of the Commission dealing with issues of interest to one or more such Governments, who may submit written comments to reports of the Commission.

SEC. 306. STAFF.

The Commission shall have such staff as may be appointed by the Chairman and are necessary to carry out its functions. The staff of the Commission shall be appointed and serve without regard to the provisions of title 5 of the United States Code and shall not be paid at a rate which exceeds the rate of basic pay in effect for grade GS-16 of the General Schedule.

SEC. 307. REPORTS.

The Commission shall transmit reports to the President and to Congress as often as it deems advisable but not less than once annually beginning after the date on which appropriations are first made available to the Commission.

SEC. 308. FUNDING.

There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this title.

SEC. 309. TERMINATION.

The Commission shall make its final report and recommendations to the Congress and the President within one year after the termination of the Compact and terminate within thirty days thereafter.

TITLE IV—CLARIFICATION OF CERTAIN TRADE AND TAX PROVISIONS OF THE COMPACT

SEC. 401. FREELY ASSOCIATED STATES TARIFF TREATMENT.

Sections 242 and 243 of the Compact shall be construed and applied as if they read as follows:

"SECTIONS 242 AND 243

"For such time as the Federated States of Micronesia or the Marshall Islands are designated by the President as beneficiary developing countries under title V of the Trade Act of 1974 (relating to Generalized System of Preferences)—

"(1) if the cost or value of materials produced in the customs territory of the United States is included with respect to an eligible article which is a product of the Federated States of Micronesia or the Marshall Islands, an amount not to exceed 15 percent of the appraised value of the article at the time it is entered that is attributable to such United States cost or value may be applied toward determining the percentage referred to in section 503(b)(2) of such title; and

"(2) canned tuna that is the product of such States or Islands may not be treated as an eligible article under such title."

SEC. 402. CONSTRUCTION OF SECTION 253 OF THE COMPACT.

(a) EXEMPTION FROM UNITED STATES INCOME TAX NOT TO APPLY.—Subsection (a) of section 253 of the Compact shall not apply.

(b) EXEMPTION FROM ESTATE AND GIFT TAXES, ETC., TO APPLY ONLY TO CERTAIN NONRESIDENTS.—Subsection (b) of section 253 of the Compact shall apply only to individuals who are nonresidents and not citizens of the United States.

SEC. 403. CONSTRUCTION OF SECTION 254 OF THE COMPACT.

The relief from liability referred to in the second sentence of section 254(a) of the Compact means only—

(1) relief in the form of the foreign tax credit (or deduction in lieu thereof) available with respect to the income taxes of a possession of the United States, and

(2) relief in the form of the exclusion under section 911 of the Internal Revenue Code of 1954.

SEC. 404. CONSTRUCTION OF SECTION 255 OF THE COMPACT.

Section 255 of the Compact shall be construed and applied as if it read as follows:

"SECTION 255

"(a) EXTENSION OF SECTION 936 TO THE MARSHALL ISLANDS AND THE FEDERATED STATES OF MICRONESIA.—For purposes of section 936 of the Internal Revenue Code of 1954, the Marshall Islands and the Federated States of Micronesia shall be treated as if they were possessions of the United States.

"(b) EXCHANGE OF INFORMATION.—Subsection (a) shall not apply to the Marshall Islands and the Federated States of Micronesia (as the case may be) for any period after December 31, 1986, during which there is not in effect between the appropriate government and the United States an exchange of information agreement of the kind described in section 274(h)(6)(C) (other than clause (ii) thereof) of the Internal Revenue Code of 1954.

"(c) PROCEDURE IF SECTION 936 INCENTIVES REDUCED.—If the tax incentives extended to the Marshall Islands and the Federated States of Micronesia under subsection (a) are, at any time during which the Compact is in effect, reduced—

"(1) such reduction shall take effect on the date 1 year after the date of the enactment of the Act making such reduction, and

"(2) the Secretary of the Treasury shall negotiate an agreement with the Marshall Islands and the Federated States of Micronesia under which, when such agreement is approved by law, they will be provided with benefits substantially equivalent to such reduction in benefits.

If, within the 1 year period after the date of the enactment of the Act making the reduction in benefits, an agreement negotiated under paragraph (2) is not approved by law, the matter shall be submitted to the Arbitration Board established pursuant to section 424 of the Compact. Any decision of such Board in the matter when approved by law shall be binding on the United States."

SEC. 405. COORDINATION WITH OTHER PROVISIONS.

Nothing in any provision of this joint resolution (other than this title) which is inconsistent with any provision of this title shall have any force or effect.

SEC. 406. EFFECTIVE DATE.

This title shall apply to income earned, and transactions occurring, after September 30, 1985, in taxable years ending after such date.

SEC. 407. STUDY OF TAX PROVISIONS.

The Secretary of the Treasury or his delegate—

(1) shall conduct a study of the effects of the tax provisions of the Compact (as clarified by the foregoing provisions of this title), and

(2) shall report the results of such study before October 1, 1987, to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate.

The CHAIRMAN. Under the rule the gentleman from Illinois [Mr. ROSTENKOWSKI] will be recognized for 15 minutes; and a Member opposed will be recognized for 15 minutes.

The Chair recognizes the gentleman from Illinois [Mr. ROSTENKOWSKI].

Mr. ROSTENKOWSKI. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, what is presently before the Committee is the amendment that I described in my exchange when I had 30 minutes.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. For what purpose does the gentleman from Minnesota rise?

Mr. FRENZEL. Mr. Chairman, I rise in opposition.

The CHAIRMAN. The gentleman from Minnesota [Mr. FRENZEL] is recognized for 15 minutes.

Mr. FRENZEL. Mr. Chairman, I rise in opposition to the bill. The only reason I have not more vigorously objected to what I consider outrageous procedures is my respect for the work of Chairman ROSTENKOWSKI who has made the best of a sorry situation.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time has expired. The question is on the amendment in the nature of a substitute.

The amendment in the nature of a substitute was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

□ 2050

Accordingly the Committee rose; and the Speaker pro tempore [Mr. HOYER] having assumed the chair, Mr. SABO, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the joint resolution (H.J. Res. 187) to approve Compact of Free Association, and for other purposes, pursuant to House Resolution 235, he reported the joint resolution back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, and was read the third time.

Mr. FRENZEL. The question is on the passage of the joint resolution.

The question was taken; and the Speaker pro tempore announced that the yeas appeared to have it.

Mr. FRENZEL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device and there were—yeas 360, nays 12, answered "present" 1, not voting 60, as follows:

[Roll No. 261]

YEAS—360

Ackerman	Annunzio	Badham
Addabbo	Anthony	Barnard
Akaka	Applegate	Barnes
Alexander	Archer	Bartlett
Anderson	Armey	Barton
Andrews	Atkins	Bateman
Bates	Gephardt	McKernan
Beilenson	Gibbons	McMillan
Bennett	Gilman	Meyers
Bereuter	Gingrich	Mica
Bevill	Glickman	Michel
Bilirakis	Goodling	Mikulski
Bliley	Gordon	Miller (CA)
Boehlert	Gradison	Miller (OH)
Boggs	Gray (PA)	Miller (WA)
Boland	Green	Mineta
Bonior (MI)	Gregg	Moakley
Bonker	Grotberg	Molinari
Borski	Guarini	Mollohan
Boulter	Gunderson	Monson
Breaux	Hall (OH)	Montgomery
Brooks	Hall, Ralph	Moody
Broomfield	Hamilton	Moore
Broyhill	Hammerschmidt	Moorhead
Bruce	Hansen	Morrison (CT)
Bryant	Hartnett	Morrison (WA)
Burton (CA)	Hayes	Mrazek
Burton (IN)	Heftel	Murphy
Bustamante	Hendon	Murtha
Byron	Henry	Myers
Callahan	Hertel	Natcher
Campbell	Hiler	Neal
Carney	Holt	Nelson
Carper	Hopkins	Nichols
Carr	Howard	Nowak
Chandler	Hoyer	Oakar
Cheney	Hubbard	Oberstar
Clinger	Huckaby	Obey
Coats	Hughes	Ortiz
Cobey	Hunter	Owens
Coble	Hutto	Oxley
Coleman (TX)	Hyde	Packard
Collins	Ireland	Panetta
Combest	Jeffords	Parris
Conte	Jenkins	Pashayan
Conyers	Johnson	Pease
Cooper	Jones (OK)	Penny
Coughlin	Jones (TN)	Pepper
Courter	Kanjorski	Perkins
Coyne	Kaptur	Petri
Crane	Kasich	Pickle
Daniel	Kastenmeier	Porter
Darden	Kemp	Price
Daub	Kennelly	Quillen
Davis	Kildee	Rahall
Dellums	Kindness	Rangel
Derrick	Kleczka	Ray
DeWine	Kolbe	Regula
Dickinson	Kolter	Reid
Dicks	Kostmayer	Richardson
Dingell	Kramer	Ridge
DioGuardi	LaFalce	Rinaldo
Dorgan (ND)	Lagomarsino	Ritter
Dornan (CA)	Lantos	Roberts
Dowdy	Latta	Robinson
Dreier	Leach (IA)	Rodino
Duncan	Leath (TX)	Roe
Durbin	Lehman (CA)	Roemer
Dwyer	Lehman (FL)	Rogers
Dymally	Leland	Rose
Dyson	Lent	Rostenkowski
Eckart (OH)	Levin (MI)	Roukema
Eckert (NY)	Levine (CA)	Rowland (GA)
Edgar	Lewis (FL)	Roybal
Edwards (CA)	Lightfoot	Russo
Emerson	Lipinski	Sabo
English	Livingston	Savage
Erdreich	Lloyd	Saxton
Evans (IA)	Long	Schaefer
Evans (IL)	Lott	Scheuer
Fascell	Lowery (CA)	Schneider
Fawell	Lowry (WA)	Schroeder
Fazio	Lujan	Schuette
Feighan	Luken	Schulze
Fiedler	Lundine	Schumer
Fields	Lungren	Seiberling
Fish	Mack	Sharp
Flippo	MacKay	Shaw
Florio	Madigan	Shelby
Foglietta	Manton	Shumway
Foley	Martin (IL)	Shuster
Ford (MI)	Martin (NY)	Sikorski
Ford (TN)	Martinez	Siljander
Fowler	Mavroules	Skeen
Frank	Mazzoli	Slattery
Franklin	McCain	Slaughter
Frost	McCloskey	Smith (FL)
Fuqua	McCollum	Smith (IA)
Gallo	McCurdy	Smith (NE)
Garcia	McEwen	Smith (NH)
Gaydos	McGrath	Smith (NJ)
Gekas	McHugh	Smith, Denny

Smith, Robert	Swift	Vucanovich
Snowe	Swindall	Walgren
Snyder	Synar	Watkins
Solarz	Tallon	Waxman
Solomon	Tauke	Weiss
Spence	Tauzin	Wheat
Spratt	Taylor	Whitley
Staggers	Thomas (GA)	Williams
Stallings	Torres	Wirth
Stangeland	Torricelli	Wise
Stark	Traficant	Wolf
Stenholm	Traxler	Wolpe
Stokes	Udall	Wyden
Strang	Valentine	Yates
Stratton	Vander Jagt	Yatron
Studds	Vento	Young (AK)
Stump	Visclosky	Young (MO)
Sundquist	Volkmer	Zschau

NAYS—12

Brown (CO)	Frenzel	Sensenbrenner
Craig	Marlenee	Walker
DeLay	McCandless	Wylie
Donnelly	Nielson	Young (FL)

ANSWERED "PRESENT"—1

Gonzalez

NOT VOTING—60

Aspin	Dixon	O'Brien
AuCoin	Downey	Olin
Bedell	Early	Pursell
Bentley	Edwards (OK)	Roth
Berman	Gejdenson	Rowland (CT)
Biaggi	Gray (IL)	Rudd
Boner (TN)	Hatcher	Sisisky
Bosco	Hawkins	Skelton
Boucher	Hefner	St Germain
Boxer	Hillis	Sweeney
Brown (CA)	Horton	Thomas (CA)
Chappell	Jacobs	Towns
Chappie	Jones (NC)	Weaver
Clay	Lewis (CA)	Weber
Coelho	Loeffler	Whitehurst
Coleman (MO)	Markey	Whittaker
Crockett	Matsui	Whitten
Dannemeyer	McDade	Wilson
Daschle	McKinney	Wortley
de la Garza	Mitchell	Wright

□ 2100

Mr. LUNDINE changed his vote from "nay" to "yea."

So the joint resolution was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN ENROLLMENT OF HOUSE JOINT RESOLUTION 187

Mr. UDALL. Mr. Speaker, I ask unanimous consent that in the enrollment of House Joint Resolution 187 the Clerk be authorized to make technical corrections, correct section and article numbers and cross-references, and correct spelling and punctuation errors.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

RETRIBUTION FOR TERRORIST ATTACKS

(Mr. BURTON of Indiana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BURTON of Indiana. Mr. Speaker, yesterday, Secretary of State Shultz told the Foreign Affairs Committee the State Department needed $4 billion to upgrade our embassies and other facilities to protect Americans from terrorism. I'm sure this will help, but in my view this a Band-aid approach to solving the problem.

During the 3 years I've served in Congress there have been many terrorist attacks on American citizens and facilities. After each one of these attacks the President and the State Department have promised retribution—that someone would pay.

As far as I can see, none of these threats were followed up by action. Words ring hollow when they are not followed by prompt action.

To spend $4 billion to reinforce our embassies, thus taking a purely defensive posture, while not following up on our promises of reprisals with action, is an exercise in futility. A terrorist will always find a way.

If the State Department really wants to succeed in stopping terrorism, then I suggest they do more than just talk.

□ 2110

FIFTEENTH ANNIVERSARY OF FREDDIE MAC

(Mr. GONZALEZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GONZALEZ. Mr. Speaker, I take this opportunity to extend sincere best wishes to the Federal Home Loan Mortgage Corporation, or Freddie Mac as it is commonly called, as it celebrates its 15th year of operation.

Freddie Mac was created by Congress in 1970, and since that time has played a leading role in helping this Nation's middle-income family realize the dream of homeownership.

Most potential homeowners are not aware of Freddie Mac nor the role it plays in enabling them to purchase a home, but simply put, by purchasing mortgages from thousands of lenders across the Nation and selling securities backed by those mortgages to investors Freddie Mac attracts new capital to housing finance. This process stimulates and expands the funds available for mortgages and leads to lower cost of housing for millions of American home buyers.

Over the years Freddie Mac has truly served the middle-income home buyer. This is reflected in the average loan amount on newly originated mortgages for 1984, which is $48,763, and proves that Freddie Mac is continuing its mandate to help provide affordable mortgage credit to this segment of the home buying public.

In the State of Texas in 1984 alone Freddie Mac purchased 43,511 loans, thereby enabling $1.7 billion in mortgage capital to go back into residential mortgage lending in my State. The average loan was $39,000.

Congress created Freddie Mac for a purpose and it is serving this purpose very well. The American dream of home ownership is alive and well. Thank you, and best wishes, Freddie Mac.

THE MEDICAL OFFER AND RECOVERY ACT OF 1985

(Mr. MOORE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOORE. Mr. Speaker, today Congressman GEPHARDT and I are introducing the Medical Offer and Recovery Act [MORE] of 1985 in an effort to bring reform to the system of compensating victims of medical malpractice.

Our Nation is faced with a serious crisis. There are few States that are not enduring some problem with the high cost of medical malpractice insurance premiums. Fortunately, my State of Louisiana enacted comprehensive reform about 5 years ago and consequently, we are not faced with nearly as serious of a crisis as are States like New York, Florida, Massacheusetts, and California.

Nonetheless, this insurance affordability crisis will not go away. Newspaper headlines, television news reports and magazine cover stories continually remind us that the high cost of medical malpractice insurance is forcing some health care providers out of the practice of medicine. Patients are no longer assured of access to quality health care in the United States.

Last month, for example, some New York hospitals were prepared to airlift patients to nearby hospitals in Ohio and Canada because physicians refused to operate in protest of high malpractice insurance costs. At the same time, Maryland physicians were marching on the State capitol to demand additional State reform. Faced with the prospect of being sued, many physicians have stopped taking new patients, stopped delivering babies or performing other high risk services. These activities cause policymakers to be very concerned about the continued access to quality health care.

The Medical Offer and Recovery Act will take medical malpractice suits out of the court process and help improve the relationship between physicians and patients. It encourages voluntary settlement of potential malpractice claims by giving health care providers incentives to compensate potential victims for their net economic loss. Once a health care provider agrees to compansate an injured patient for his economic loss, the patient is barred from suing for noneconomic loss. Because there is no finding of fault, a provider

will no longer have the incentive to practice defensive medicine just to protect against a potential law suit.

Patients are protected against insuffient offers, and are assured compensation for medical bills, lost wages, costs of rehabilitation, housekeeping and adapting the car or home. Further, in the event a provider does not make an offer but the patient believes he is the victim of malpractice and wants the assurance of payment for his economic loss, he may request binding arbitration. If the provider is found to be at fault in arbitration, then the patient is awarded damages for all net economic loss. There would be no contingency fee arrangements under the bill, instead, the provider would be responsible for reasonable attorney fees.

This bill is written as model legislation for State legislatures to consider. In the event a State legislature does not enact legislation to encourage prompt payment for loss, the benefits of the bill will apply to all beneficiaries of Federal health programs.

A final and important section of the bill encourages higher quality of care for all patients. Third parties are encouraged to come forward and blow the whistle on incompetent and impaired health care providers. Anyone bringing information or evidence of incompetency or impaired behavior to a medical disciplinary committee will be granted confidentially and immunity from suit. Incompetent and impaired physicians will not and should not be protected from suit. This bill takes important steps toward ensuring that all patients have access to the highest quality of care.

Patients, providers, insurers and taxpayers should welcome the change from a system which absorbs tremendous resources for transaction costs to a system which provides certainly, prompt payment and a better climate for quality health care.

GENERAL LEAVE

Mr. BURTON of Indiana. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material on the subject of the special order today by the gentleman from New York [Mr. HORTON].

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

GENERAL LEAVE

Mr. DONNELLY. Mr. Speaker, I ask unanimous consent that all Members be permitted to extend their remarks and to include therein extraneous material on the subject of the special order speech today by the gentleman from New Jersey [Mr. RODINO].

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

THE ELITE CLASS OF EMPLOYEES AT THE INTERNATIONAL MONETARY FUND

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. MARTINEZ] is recognized for 5 minutes.

Mr. MARTINEZ. Mr. Speaker, I want to bring to your attention the most extraordinary revelation that I have ever come across. A simple inquiry to a constituent's question has led me to information that reveals an obvious and flagrant abuse of both taxpayer money and their trust. Especially when the current theme, in every debate and speech this year has been to adopt a policy of austerity and tax fairness.

Let me give you a hypothetical situation: You are interviewing for a job. When you ask about your salary, you are pleasantly surprised at the generous sum quoted. Your amazement grows, however, as you learn that you also receive a supplemental bonus to your salary to compensate you for having to pay income taxes. You can get loans for houses or your child's tuition that are substantially lower than anything you could get at any bank in the Washington area, or in any part of the country. Would you take the job? Sure you would. But you're probably thinking that such jobs don's exist. Well, I can tell you that you're wrong. If you want those kinds of benefits, you need only apply for employment at the International Monetary Fund.

I only recently learned of this situation and I could not believe my eyes. I had voted for the authorization to increase the line of credit for the IMF along with many of my colleagues, out of concern for the Third World nations who desperately need financial assistance and also because those nations are part of the global economy of which the United States is also a part. Had I seen this kind of information—had I been told what our participation in IMF was supporting, an elite class of employees, I certainly would have thought differently. Maybe some of the figures I'm about to read will make you all stop and think as well.

The maximum salary at the IMF is $97,810. That may not be exorbitant by some standards. But anyone else in the United States who receives that salary pays taxes on it, and their net income would be quite a bit lower. Not if you are a U.S. citizen and work at the IMF. These people get a "supplement" to make their salaries equivalent to those of non-U.S. employees who also live and work in the United States, but don't pay U.S. income taxes. For the person making $97,810, that supplement brings their pretax salary to $149,257. Sure they pay income taxes on that amount, but the final outcome is that this person who works for the IMF at the supposed salary of $97,810 does not pay income taxes on that amount. When you evaluate IMF salaries using the adjusted amount, one-fourth of IMF employees are in salary brackets of over $100,000. Not only are the salaries of IMF employees artificially high, but they receive some rather generous perks. An employee can borrow money for a home loan based upon their salary and repay it with interest rates as low as 5 percent. These same people can borrow money to pay for their children's education for only 4 percent. I would be very interested in knowing the kinds of benefits received by IMF employees but apparently they do not believe they need to provide that kind of information to the Department of the Treasury, despite the fact that the Treasury pays their salaries.

I have to tell you that when I first saw these figures, I did not quite believe my eyes. But this information came from the General Accounting Office. I know it's correct. My next reaction was outrage. Here we are in Congress, wrestling with the Federal budget, our conferees at a virtual deadlock over how to cut deficits, and one of the biggest areas of disagreement was on whether to deny senior citizens a cost-of-living increase. I have continually defended the need for a COLA, along with many Members of the House, and cannot believe that some have argued against it when we have approximately 500 people at the IMF drawing $100,000 salaries and not paying income taxes, and one third of those are U.S. citizens. And I'm told that a like situation exists at its sister organization—the World Bank right across the street. With the IMF employing 1,600 people, and the World Bank employing 7,000, you can imagine how many U.S. citizens are not paying taxes. It is an insult to the American people. According to the GAO, IMF employees "receive a supplement to their salaries in recognition of the U.S. income taxes that they pay on their salaries." What about the 78,800,000 other people in the United States who paid income taxes last year, including the thousands of low-income senior citizens who had to pay taxes on their Social Security benefits? If an employer wants to supplement their employees for the amount of their income taxes, that's fine, as long as that employer isn't the U.S. Government, and the American taxpayers.

I want to make only one more point on this matter, and that is in regard to the low-interest loans. I, for one, do

not believe it is morally right to subsidize the housing of $100,000 salary employees when at the same time, funds for low-income housing have been cut year after year, and when hard-working families cannot afford the loans offered to them by their banks at interest rates 10 percent higher. As for the low-interest rate student loans, it is simply a way for upper income families to circumvent the income tests on guaranteed student loans that every other family in America with a college-bound son or daughter, is subject to. Those income tests are in place to prevent upper income families from borrowing at a low-interest rate when they can obviously afford to pay for their children's education. How can we allow this to continue when Congress has to fight the administration simply to allow current student aid programs to continue at their current levels?

I will close by asking my colleagues to look carefully at this situation, and to tell you that I, for one, would be embarrassed to face my constituents in the 30th District of California if I closed my eyes to this. I call on my colleagues on both sides of the aisle to join me in investigating this and putting it to right.

U.S. GENERAL ACCOUNTING OFFICE,
Washington, DC, July 22, 1985.

B-219311

Subject: Salaries and benefits of International Monetary Fund employees (GAO/NSIAD-85-120).

Hon. MATTHEW G. MARTINEZ,
House of Representatives.

DEAR MR. MARTINEZ: This report provides information on compensation received by International Monetary Fund [IMF] employees and is in response to your letter of June 3, 1985, inquiring about IMF salaries and benefits.

The enclosed information listing salary rates and the number of employees receiving those salaries was received from the Department of the Treasury, which manages U.S. participation in the IMF.

IMF employees, other than U.S. citizens, generally do not pay income taxes on the salaries they receive. Therefore, IMF salaries of non-U.S. employees are "net" or "take home" salaries. U.S. citizens of the IMF receive a supplement to their salaries in recognition of the U.S. income taxes that they pay on their salaries. Therefore, for the purpose of comparison, Treasury included, for 1984 estimates of the equivalent pre-income tax salaries paid to U.S. IMF employees to make their salaries comparable to those paid to non-U.S. IMF employees.

We are unable to include benefits data with the salary scale because, according to the Treasury, the IMF does not provide total compensation figures.

Treasury also informed us that IMF employees may be eligible for a variety of low interest rate loans depending upon employee circumstances and needs. For the purchase of a first home in the Washington, D.C. area, an employee may borrow up to 18 months' net salary or one-third of the purchase price, whichever is less. Such a loan is repayable as follows: 12 months' salary at a 5 percent interest rate over 12 years, or at a 4 percent interest rate over 6 years; and 6 months' salary at the rate charged for federally insured veterans' mortgages over 20 years. An employee may also borrow for the education of a spouse or dependent children. This loan may be up to 100 percent of the actual reasonable cost of tuition, books, and board up to 6 months' net salary, and is repayable over 6 years at a 4 percent interest rate.

I hope that this information will be helpful. Please contact us if we can be of further assistance.

Sincerely yours,

FRANK C. CONAHAN,
Director.

Enclosure.

IMF SALARY SCALE, EFFECTIVE MAY 1, 1985

[Rates effective May 1, 1984, are shown in parentheses]

Range	Number of employees [1]	Minimum		Maximum	
		Net Salary	Taxable gross equivalent [2]	New salary	Taxable gross equivalent [2]
A	46	$13,140 (12,810)	($14,987)	$20,080 (19,570)	($24,097)
B	132	15,410 (15,020)	(17,865)	23,050 (22,470)	(28,115)
C	173	17,750 (17,300)	(20,962)	26,190 (25,530)	(34,500)
D	241	20,080 (19,570)	(24,097)	29,960 (28,940)	(39,000)
E	108	23,050 (22,470)	(28,115)	33,390 (32,540)	(43,000)
F	111	28,340 (27,620)	(35,000)	42,510 (41,430)	(56,000)
G	194	34,890 (34,010)	(45,306)	50,530 (49,250)	(70,000)
H	207	42,510 (41,430)	(56,000)	58,920 (57,430)	(82,000)
I	232	50,530 (49,250)	(70,000)	67,740 (66,020)	(101,000)
J	90	57,450 (55,990)	(80,000)	79,750 (77,730)	(115,000)
K	67	65,060 (63,410)	(92,000)	87,690 (85,470)	(130,000)
L	48	69,520 (67,760)	(101,141)	91,670 (89,350)	(137,630)
M	17	76,660 (74,720)	(112,397)	97,810 (95,330)	(149,257)
Total	1,666				

[1] As of May 1, 1985.
[2] Estimates of the pretax salaries paid to U.S. IMF employees to make their salaries comparable to non-U.S. IMF employees, who generally pay no income taxes on the net salaries they receive.
Source: U.S. Treasury.

□ 2120

COMMUNICATION FROM THE CHAIRMAN OF THE COMMITTEE ON THE BUDGET REGARDING CURRENT LEVEL OF SPENDING AND REVENUES FOR FISCAL YEAR 1985

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from South Carolina [Mr. DERRICK] is recognized for 5 minutes.

● Mr. DERRICK. Mr. Speaker, on behalf of Chairman WILLIAM H. GRAY III, pursuant to the procedures of the Committee on the Budget and section 311(b) of the Congressional Budget Act of 1974, I am submitting the official letter to the Speaker advising him of the current level of spending and revenues for fiscal year 1985. Since my last report, the House adopted House Resolution 231, a resolution that deems the House-passed budget resolution (H. Con. Res. 152) a conference report on the budget. As you know, the budget resolution also revised the 1985 budget aggregates, so as of Wednesday those revised aggregates have become the official House spending ceilings and revenue floor.

The current level report is used to compare enacted spending after the start of a fiscal year with the aggregate ceiling on budget authority, outlays, and revenues established in a budget resolution and enforced by point of order pursuant to section

311(a) of the act. The term "current level" refers to the estimated amount of budget authority, outlays, entitlement authority, and revenues that are available, or will be used, for the full fiscal year in question, based only on enacted law.

Now that we are operating under a new budget resolution, both the aggregates and the estimates of current level are changed. These changes largely reflect the economic and technical assumptions underlying this year's budget resolution, which of course are more up-to-date than last year's assumptions.

As chairman of the Budget Process Task Force, and on behalf of Chairman GRAY, I intend to keep the House informed regularly on the status of current level.

COMMITTEE ON THE BUDGET,
Washington, DC, July 25, 1985.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: On January 30, 1976, the Committee on the Budget outlined the procedure which it had adopted in connection with its responsibilities under Section 311 of the Congressional Budget Act of 1974 to provide estimates of the current level of revenues and spending.

Pursuant to Committee Rule 10, I am herewith transmitting the status report of budget authority, outlays, and revenues for fiscal year 1985. The previous status reports compared Current Level to the budget aggregates in H. Con. Res. 280, the 1st Budget Resolution for fiscal year 1985. This status report, however, compares Current Level to the budget aggregates in H. Con. Res. 152, the 1st Budget Resolution for fiscal year 1986, passed by the House on May 23, 1985. As you know, that budget resolution also included a revision to the existing fiscal year 1985 budget resolution. House agreement to H. Res. 231 on July 24, 1985, made H. Con. Res. 152 official in the House for the purposes of the Budget Act. Further, the current CBO estimates of budget authority, outlays, and revenues now reflect the economic and technical assumptions that underlie H. Con. Res. 152.

With best wishes,
Sincerely,

WILLIAM H. GRAY III,
Chairman.

REPORT TO THE SPEAKER OF THE U.S. HOUSE OF REPRESENTATIVES FROM THE COMMITTEE ON THE BUDGET ON THE STATUS OF THE FISCAL YEAR 1985 CONGRESSIONAL BUDGET, ADOPTED IN HOUSE CONCURRENT RESOLUTION 152

REFLECTING COMPLETED ACTION AS OF JULY 24, 1985

[In millions of dollars]

	Budget authority	Outlays	Revenue
Appropriate level	1,039,100	941,650	736,050
Current level	1,031,969	938,128	736,050
Amount under ceilings	7,131	3,522	
Amount over ceilings			
Amount under floor			

BUDGET AUTHORITY

Any measure providing budget or entitlement authority which is not included in the current level estimate and that exceeds $7,131 million in budget authority for fiscal year 1985, if adopted and enacted, would cause the appropriate level of budget authority for that year as set forth in H. Con. Res. 152 to be exceeded.

OUTLAYS

Any measure providing budget or entitlement authority which is not included in the current level estimate and that exceeds $3,522 million in outlays for fiscal year 1985, if adopted and enacted, would cause the appropriate level of outlays for that year as set forth in H. Con. Res. 152 to be exceeded.

REVENUES

Any measure that would result in a revenue loss for fiscal year 1985, if adopted and enacted, would cause revenues to be less than the appropriate level for that year as set forth in H. Con. Res. 152.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, July 24, 1985.

Hon. WILLIAM H. GRAY III,
Chairman, Committee on the Budget, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: Pursuant to section 308(b) and in aid of section 311(b) of the Congressional Budget Act and of H. Res 231, this letter and supporting detail provide an up-to-date tabulation of the current levels of new budget authority, estimated outlays and estimated revenues in comparison with the appropriate levels for those items contained in H. Con. Res. 152 as passed in the House. This report for fiscal year 1985 is tabulated as of close of business July 24, 1985, and is based on assumptions and estimates consistent with H. Con. Res. 152. A summary of this tabulation is as follows:

[In millions of dollars]

	Budget authority	Outlays	Revenues
Current level	1,031,969	938,128	736,050
1985 House-passed budget resolution, House Concurrent Resolution 152	1,039,100	941,650	736,050
Current level is:			
Over resolution by			
Under resolution by	7,131	3,522	

With best wishes,
Sincerely,

RUDOLPH G. PENNER.

PARLIAMENTARIAN STATUS REPORT, HOUSE SUPPORTING DETAIL, FISCAL YEAR 1985 AS OF CLOSE OF BUSINESS JULY 24, 1985

[In millions of dollars]

	Budget authority	Outlays
I. Enacted:		
Permanent appropriations and trust funds	665,100	597,170
Enacted previous session	542,449	518,808
Offsetting receipts	−182,195	−182,195
Enacted this session:		
Appropriation bills:		
Appropriations for the MX missile (Public Law 99–18)		79
Famine relief and recovery in Africa (Public Law 99–10)	784	289
Department of Agriculture urgent supplemental appropriation (Public Law 99–71)	1,000	
Legislative bills:		
Federal supplemental compensation phaseout (Public Law 99–15)	160	160
Statue of Liberty—Ellis Island Commemorative Coin Act (Public Law 99–61)	18	16
Total enacted this session	1,962	544
Total enacted	1,027,316	934,327
II. Entitlement authority and other mandatory items requiring further appropriation action:		
Assistance payments	854	854
Black lung trust fund	21	21
Civilian agency pay raise allowance	294	308
Defense pay raise allowance	2,242	2,201
Family social services	46	79
Fees and expenses of witnesses	3	3
Payment to civil service retirement	41	41
Offsetting receipts	−41	−41
Payment to foreign service retirement	1	1
Offsetting receipts	−1	−1
Payment to foreign service retirement	5	5
Offsetting receipts	−5	−5
Salaries of judges	3	3
Student loans	720	55
Supplemental security income	276	276
Veterans compensation	194	
Total	4,653	3,800

PARLIAMENTARIAN STATUS REPORT, HOUSE SUPPORTING DETAIL, FISCAL YEAR 1985 AS OF CLOSE OF BUSINESS JULY 24, 1985—Continued

[In millions of dollars]

	Budget authority	Outlays
III. Continuing resolution authority		
IV. Conference agreements ratified by both Houses		
Total, current level as of July 24, 1985	1,031,969	938,128
1985 budget resolution, House Concurrent Resolution 152	1,039,100	941,650
Amount remaining:		
Over ceiling		
Under ceiling	7,131	3,522

Note: Less than $500 thousand. Detail may not add due to rounding.●

LEBANON HOSTAGE CRISIS REACHES 500 DAYS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illiniois [Mr. O'BRIEN], is recognized for 5 minutes.

● Mr. O'BRIEN. Mr. Speaker, Monday marks the 500th day since William Buckley, an officer of the U.S. Embassy in Beirut, was taken hostage by Lebanese gunmen.

Five hundred days. That's nearly 2 months longer than the U.S. Embassy was held hostage in Iran 5 years ago.

Five hundred days probably chained to a bed.

Five hundred days on a diet of rice and beans.

Five hundred days with no visit from the Red Cross.

Five hundred days probably without contact with the other hostages.

Five hundred days of virtual solitary confinement.

Five hundred days of wondering why we have forsaken him.

Sunday will mark the 200th day my good friend Father Martin Jenco of Joliet, IL, has been held hostage in Lebanon.

Another American, Rev. Benjamin Weir, will have been held hostage in Lebanon 444 days tomorrow; the same length of time the U.S. Embassy was held hostage in Iran 5 years ago.

Mr. Speaker, today is the 131st day of captivity for Terry Anderson of Batavia, NY, the Associated Press bureau chief in Beirut.

Today is the 45th day of captivity for Thomas Sutherland, the dean of agriculture at American University-Beirut.

Today is the 58th day of captivity for David Jacobsen of Huntington Beach, CA.

Today also marks the 233d day since the disappearance of Peter Kilburn, American University librarian.

Mr. Speaker, the United States today has a hostage crisis that has lasted longer than the Iranian hostage crisis of 5 years ago.●

LEGISLATION TO CONTROL ILLEGAL IMMIGRATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey [Mr. RODINO] is recognized for 5 minutes.

● Mr. RODINO. Mr. Speaker, I am today introducing, along with the Honorable ROMANO L. MAZZOLI, chairman of the Immigration Subcommittee, the Immigration Control and Legalization Amendments Act. This bill is designed to address the question of illegal immigration in a fair and reasonable manner. It has two basic goals: To remove the incentive for illegal immigration into this country, and to regularize the status of those who have built up equities while in the United States but live in the uncertain and shadowy world of the undocumented alien.

Only a balanced bill can serve our national interest. Such a bill must attempt to establish control over our borders and at the same time preserve a just and equitable immigration policy.

This bill is patterned after the product of last year's conference, with some variations, and focuses on the urgent matter of illegal immigration, a problem that cannot be sidetracked by other issues.

First of all, the legislation creates disincentives for illegal entry by establishing civil and criminal sanctions for employers who knowingly hire undocumented aliens. Without sanctions, these employers can hire and exploit the vulnerable undocumented population with complete impunity. The consequences for American workers—particularly minorities—are severe. This situation cannot be allowed to continue.

At the same time, this bill aims to ensure that sanctions do not result in employment discrimination against members of any ethnic or minority group by specifically prohibiting discrimination based on citizenship or alien status. If we are to welcome immigrants and refugees to our shores, and if we expect them to become self-sufficient and productive, we must eliminate barriers to their employment.

Balanced against employer sanctions is a humane and generous program to regularize the status of undocumented aliens who for years have contributed to our economic well-being and have become a part of our society. I have used January 1982 as the eligibility date because, in my view, it represents the fairest and most practical approach to this most difficult problem and it is the date that was adopted by the House last year.

This is the essence of the bill: employer sanctions balanced by legalization.

Another provision I have included in this bill is one to streamline the current program for admitting temporary agricultural workers to this country. I continue to have strong reservations about any substantial expansion of our temporary worker program and did not originally support any revisions of this so-called H-2 Program in this legislation. Nevertheless, I have made provision in this bill for some changes in the program in order to respond to the concerns expressed by agricultural growers, both on the east coast and in California. In addition, I would hope that some consideration be given to including a numerical limitation on any revised H-2 Program, to prevent any substantial expansion of the program, and to require growers to demonstrate that such workers are needed.

As Americans, we must ask ourselves how much longer we are willing to pay the moral, social, and economic price of avoiding our sovereign responsibility to control our borders. Unless we act soon, a growing undocumented population can only translate into greater—if not total—disregard for the law and, regrettably, into an increasing opposition to legal immigration altogether. I am fearful that unless Congress acts to address this problem now, the time may come when America is forced to close its door to everyone. This would be a tragic outcome and must not be allowed to happen.

Our strength as a nation comes from our diversity as a people. We must never abandon our proud immigrant heritage nor forget our historical role as a nation of refuge and asylum.

For these reasons, legislation to resolve the illegal immigration problem is urgently needed. This bill is a reasonable attempt to balance our Nation's conflicting needs in a humane and measured fashion by restoring the integrity of our borders while remaining faithful to our immigrant tradition.

For my colleagues' convenience, I am including at this point in the RECORD a brief section-by-section analysis of the provisions of the bill.

SECTION-BY-SECTION ANALYSIS OF IMMIGRATION BILL

Title I of the bill contains provisions designed to control illegal immigration. Section 101 makes it unlawful for any person to knowingly hire an undocumented alien and establishes a graduated civil penalty mechanism. It authorizes criminal penalties for "pattern or practice" violators—the egregious offenders. The bill exempts employers of three or fewer employees from sanctions. The bill contains two measures to protect against possible discrimination arising from sanctions.

First, Section 101 requires employers to verify the work authorization of all new hires and establishes a penalty for failure to verify. Employers who verify have an affirmative defense against sanctions. The bill specifically prohibits the creation of a national identification card.

Second, Section 102 creates the Office of Special Counsel in the Justice Department to monitor, investigate, and prosecute any charges of discrimination due to an unlawful immigration-related employment practice. Persons protected by this provision against discrimination based on citizenship or alien status are U.S. citizens and permanent resident aliens, refugees, asylees, and newly legalized aliens who have filed an intention to become U.S. citizens.

Section 111 increases the authorization of appropriations for enforcement and enhanced service activities of the Immigration Service, including community outreach.

Section 112 revises the criminal penalties for the unlawful transportation of unauthorized aliens into the United States. Section 113 requires the Attorney General to develop a contingency plan for the management of an immigration emergency, should one arise and authorizes a contingency fund for this purpose. Finally, Section 114 requires INS officers to obtain warrants or consent before entering a farm or field to apprehend undocumented aliens.

Title II of the bill provides for the legalization of undocumented aliens who have lived in the United States and have built up equities while here.

Section 201 provides temporary resident status for aliens who have continuously resided in the United States since before January 1, 1982. These temporary residents may become permanent residents after one year if they can show a minimal knowledge of English and U.S. government or are pursuing that knowledge. Newly legalized aliens would not be eligible for public assistance for five years.

Section 202 regularizes the status of certain Cuban and Haitians who are in the United States and who have remained in a legal limbo status for several years. Section 203 provides funding for five years to states and localities to meet any public assistance costs associated with the newly legalized aliens.

Title III of the bill revises certain portions of the current legal immigration provisions. Section 301 provides for a carefully structured and controlled H-2 or temporary worker program for agricultural labor. Section 302 establishes a transition program for agricultural producers allowing them to phase down dependence on undocumented alien labor over a three year period. All temporary workers would be guaranteed housing or a housing allowance and worker compensation.

Section 311 increases from 600 to 3,000 the number of immigrant visas available to colonies and dependencies. Section 312 requires foreign students to return home for two years after completing their studies before they can petition to remain permanently in the United States. Section 313 contains miscellaneous provisions recognizing the relationship between a natural father and his illegitimate child and defining continuous physical presence for the purpose of suspension of deportation under the law.

Finally, Title IV contains provisions requiring the President to study and submit reports on the impact of immigration, on the effectiveness of employer sanctions and any discriminatory effects, on the temporary agricultural worker program, and on the legalization program.●

IMMIGRATION REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kentucky [Mr. MAZZOLI] is recognized for 5 minutes.

● Mr. MAZZOLI. Mr. Speaker, I am pleased to cosponsor the Immigration Control and Legalization Amendments Act, introduced today by the chairman of the House Judiciary Committee, PETER W. RODINO, JR.

I have worked on the vexing but interesting subject of immigration for 4 years. But, the gentleman from New Jersey has been identified with sensitive and humane immigration legislation from the very start of his rich career here in the Congress. Chairman RODINO'S national and international reputation in this subject area adds immeasurably to the likelihood of moving a bill to the President's desk before the year's end.

Our bill has been developed on the strong foundation of the work done in the last Congress by the House Judiciary Committee, by the full House during the 7 days in June 1984 when it debated and adopted immigration reform, and by the House-Senate Conference Committee which labored carefully—and with much success—to resolved the differing versions of immigration reform legislation passed in 1984 by the House and Senate.

A main goal of this legislation is to remove the magnet—readily available jobs—which lures persons into the United States illegally. The means to this vital goal is one of the core components of our bill: Sanctions on employers who knowingly hire undocumented aliens.

A second core element of the bill is a program to regularize the status of aliens who, despite having entered the United States illegally, have lived sober, hard-working, law-abiding, stable lives here and have added much to our Nation's well-being and prosperity. Now these persons have to live life in the shadows, on the run, and vulnerable to exploitation. Our bill corrects this unacceptable situation.

The final major element of the bill is a carefully controlled program for the temporary admission of foreign agricultural workers. This program seeks to address the legitimate concerns of the American agricultural community which needs a reliable supply of labor to harvest the crops and produce the fiber which feed and clothe America and the world.

The legislation Mr. RODINO and I are introducing is fair, balanced, and humane. But, it is not perfect. It needs and will be amended and perfected in the weeks and months ahead during the debate and markup process.

I tell my colleagues that the time has come at long last and the augurs are encouraging for the passage of a major immigration reform bill before the year's end.

To delay passage of sensitive but effective immigration legislation any longer is to flirt with the unraveling of America's historic and generous legal immigration and refugee policies because of the frustration, anger, and backlash which results in the American people from uncontrolled illegal crossing of their national borders.

The Subcommittee on Immigration I am privileged to chair will conduct extensive hearings in September, and Chairman RODINO has said it is his desire to complete markups and to proceed to the floor with this measure in the autumn.

If the House can maintain this timetable, there is every reason to be optimistic that a bill can be sent to the President before year's end.●

TREASURY II IS NOT THE TAX REFORM WE WERE PROMISED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. HORTON] is recognized for 5 minutes.

● Mr. HORTON. Mr. Speaker, there is nothing more upsetting than being promised one package of goods and then being delivered another. We greeted enthusiastically the President's pledge to deliver a tax reform proposal to Congress. We believed then, as we do now, that Congress has the obligation to reevaluate the Tax Code and develop legislation that will make it simpler, fairer, and more equitable.

But Treasury II is not the reform we were promised. It is not simple, and in glaring instances, it is not fair. And no set of provisions in Treasury II, with perhaps the exception of the treatment of State and local taxes, is as unfair as the energy provisions. Treasury II maintains billions of dollars in special tax breaks for the oil and gas industry, while eliminating all tax considerations for energy conservation and renewable energy sources. That's not right, and that's why we are introducing the energy tax fairness resolution.

Treasury II exacerbates the existing bias toward finite conventional energy

sources at the expense of energy conservation and renewable energy. This resolution expresses our resolve that this bias should not be a part of any tax reform proposal—that any tax reform legislation to be enacted by the Congress must provide fair and equitable tax treatment for all energy resources.

Our energy tax fairness resolution does not endorse any particular energy technology, nor does it specify how to remove the unfairness. Rather, it insists that energy taxation should be pursued in a fair and equitable manner by establishing a level playing field for all energy decisions.

Energy tax fairness is an important concern of many members of the Northeast-Midwest Congressional Coalition, which I cochair with Congressman HOWARD WOLPE of Michigan. We are concerned because we are energy importing States and we have the highest energy costs in the Nation. The Northeast-Midwest region is, of course, not the only part of the country where special breaks for oil and gas are unfair. Just the opposite is true—these breaks are unfair to taxpayers across the country. I am pleased to note that Congressman VIC FAZIO from California has joined with us as an original cosponsor of the resolution.

The latest Treasury proposal establishes new inequities between individuals. Taxpayers in my district in New York and throughout the region won't be able to receive a credit on their taxes for insulating their home. But other taxpayers will be able to deduct from their Federal taxes the amount they invest in intangible oil drilling costs—and maybe even make a profit at the same time. Taxpayers in my district and throughout the region will no longer receive credit on their taxes for putting up a solar panel in order to save on their fuel bill. But other taxpayers will continue to receive liberal deductions on their taxes for the percentage depletion allowance in an oil or gas tax shelter. Furthermore, half of the benefits of the energy conservation credit go to taxpayers earning less than $30,000 per year, and the most that any taxpayers can claim as a credit is $300. In sharp contrast, half of the benefits for intangible drilling costs are claimed by individuals who earn more than $100,000 annually, making an average claim of $28,000!

Treasury II establishes inequities between industries. The oil and gas industry will retain their ability to attract new investment, while the solar power, energy conservation, geothermal, coal and alternative energy industries—industries which maintain the greatest potential for new energy development—lose all investment incentives in the Tax Code. This provides the oil and gas industry with an enormous competitive advantage. An advantage which is of tremendous concern to companies such as Goulds Pumps in my congressional district. They don't want a subsidy. All they want is a level playing field on which to compete.

Treasury II establishes new inequities between energy-importing States and energy-producing States. If we allow the oil and gas industry to maintain these special investment advantages, we will certainly be encouraging capital movements away from the Northeast and Midwest—whose energy resource base consists of coal, preservation, and renewable—into the oil producing States of the Sun Belt. This will put our region at a double disadvantage; first, we will be harder pressed to attract the capital we need for investments in the region; and second, it will be much more difficult to develop our own energy industries and local energy solutions.

Tax reform is supposed to make things fairer, but Treasury II creates new inequities—between individuals, between industries, and between States.

It is especially disappointing that this latest Treasury proposal did not take the unique opportunity we had to end the long history of special tax incentives for the oil and gas industry. The expense of intangible drilling costs has existed since 1918, a time when the oil industry was new and needed a special boost to become viable. But the oil and gas industries are no longer fledgling industries, and now we see that some would have us continue the uneven playing field for energy into the future.

We share the President's goals of fairness and energy independence. But continued tax incentives for oil and gas, in the absence of incentives for conservation and renewables, will not achieve these goals. The energy tax fairness resolution expresses our resolve to return to sender any tax package that does not deliver on its stated promises of fairness and equity.●

COMPREHENSIVE IMMIGRATION BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. LUNGREN] is recognized for 5 minutes.

Mr. LUNGREN. Mr. Speaker, I wish to express my appreciation to the chairman of the Judiciary Committee [Mr. RODINO] and the chairman of the Subcommittee on Immigration [Mr. MAZZOLI] for introducing a comprehensive immigration bill, H.R. 3080. As many of my colleagues in this body know, the Senate Judiciary Committee, led by Senator ALAN K. SIMPSON, is about to report H.R. 1200, a bill which embraces a rather novel approach to the joinder of employer sanctions and legalization. Under the provisions of H.R. 1200, legalization of the many undocumented aliens who have entered the United States in recent years would be triggered only after and upon a showing that employer sanctions had reduced the level of illegal entry.

The Rodino-Mazzoli bill, introduced today, prefers to synthesize employer sanctions and legalization, thus making them effective simultaneously. This is a view which is also reflected by my bill, H.R. 1061, and it is the approach with which I am most comfortable. For the most part, H.R. 3080 embraces decisions made in the conference between the House and Senate last fall, and though I would wish that certain of its provisions were different in degree, they nevertheless embody concepts which have been accepted by both Houses in the past.

As in the Simpson proposal, the temporary worker, or H-2, program, embodied in H.R. 3080 is insufficient, in my view, to meet the legitimate and very real needs of the perishables industry. Because of the nature of such crops, an uncommonly narrow window of opportunity is often available during which to pick. The provisions in the Rodino-Mazzoli bill do not respond adequately to these needs, and the expedited procedure contained in the bill, and designed presumably to facilitate this process, although commendable, is simply inadequate in my judgment. I hope that the subcommittee and the committee will eventually consider provisions consistent with those contained in my bill which would set up a separate guest worker program for perishable commodities. I also believe that in so doing we must consult on an informal basis, at least, with the Government of Mexico and recognize the reality of the economic dependence which our southern neighbor has on us.

In other words, Mr. Speaker, I think we should avoid what has occurred in the past; that is, we have had various programs dealing with Mexican labor, and one was known as the Bracero Program, and during those programs, at the beginning and at the end of them, we basically have not consulted with Mexico. We decided to establish them and disestablish them and then notified Mexico.

Obviously, we as a sovereign nation have the right to make our own decisions with respect to immigration and immigration policy, but if we truly think that we are going to have a realistic chance of stemming the tide of illegal immigration, in my judgment that will necessitate the cooperation and the understanding of the Mexican Government, and the best way to do that, it seems to me, is to have a consultation process of a bilateral nature.

We recognize that we have certain needs that are filled by labor from

Mexico and from other countries. At the same time, we also recognize that there is a safety-valve effect on the unemployment and population problems presently existing in Mexico, and that is the allowance of a certain number of their people to come to the United States for purposes of work. I think it is far better for us to have a regularized flow, which is regularized under a process determined by statute and which is regularized under the active intervention of the Federal Government and is reviewed on an annual basis, at least. I believe that is far preferable to the present situation in which we basically have the largest guestworker program on the face of the Earth, only it is known as illegal immigration.

Mr. Speaker, I think it is particularly important that the chairman of the Judiciary Committee has taken this step of introducing this bill, along with Congressman MAZZOLI, today. The bill he and RON MAZZOLI have introduced provides an excellent beginning to what I hope will be a successful attempt to achieve comprehensive immigration reform in this Congress. If we fail, as we have during the past two Congresses, then we are inviting the kind of the public reaction to immigration which would inevitably endanger the liberal immigration policy which has so typified our past and which has contributed in large measure to the success of us as a nation. In many ways, it may be said that we are instinctively an isolationist people, having been historically separated from tumult abroad by vast oceans. I am worried, therefore, that an adverse public reaction to uncontrolled borders and millions of illegal or undocumented aliens could very well infect the essentially humanitarian character of the American people. Our future willingness to accept refugees then, I think, would be altered, as well as our policy with respect to normal immigration.

For those who would impede the successful culmination of the legislative process begun by this bill today, I have but one caveat: if we in this Congress fail, and if our failure is attributable to legislative roadblocks sponsored by anyone or the organizations they represent, then it is they who must bear responsibility for the public reaction when it comes. And make no mistake, it will come.

Chairman RODINO has demonstrated the kind of statesmanship which will be required on all sides if we are to be successful. So has Senator SIMPSON. The Speaker of the House, Mr. O'NEILL, must do likewise, as must the White House and the minority leadership.

To be sure, there will be mammoth disagreements in the months ahead. I, for one, believe both Senator SIMPSON and Chairman RODINO are wrong in their approach to a guestworker program. I understand, too, that within the administration, the Departments of Agriculture and Labor similarly disagree. But by the end of September, the Senate will hand us a finished product. Hopefully, by that time we will have begun hearings in the House; 8 months of precious time has already gone by. It is a delight to see that, at long last, we have begun to move.

PETER RODINO RIDES TO THE RESCUE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. ANNUNZIO] is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, on July 21 the New York Times carried an editorial entitled "Peter Rodino Rides to the Rescue" commending Chairman PETER RODINO of the House Judiciary Committee as a champion of immigration reform.

PETE has championed many causes in the past, and oftentimes, his efforts and his support have meant the difference between success and failure. His steadfastness and dedication to fairness during the impeachment hearings demonstrated boundless proof of his skill and concern for our great Nation and its people.

As the Congressman for the 10th District of New Jersey, and a veteran of 36 years of service in the House of Representatives, he has distinguished himself time and again—as chairman of the House Judiciary Committee; as a delegate to the North Atlantic Assembly; as an assistant to the majority whip and a member of the House steering committee; and as a former chairman of the Immigration and Nationality Subcommittee as well as chairman of the Monopolies and Commercial Law Subcommittee of the House Judiciary Committee. In every endeavor, he has labored diligently and with devotion to the highest standards of excellence.

PETE was instrumental in insuring the beginning of a totally new and more democratic concept in American immigration policy because it was largely through his leadership that the Immigration and Nationality Act Amendments of 1965 became law and did away with the national origins quota system which discriminated against every nationality and ethnic group. Subsequently, PETE was instrumental in securing passage of the Immigration and Nationality Act Amendments of 1976 which effected further reforms in our immigration laws.

Based on his past record of achievement with immigration reform legislation, the New York Times states that "there could be no more welcome or fitting sponsor than PETER RODINO" and I concur in this assessment.

The text of the editorial from the New York Times follows:

[From the New York Times, July 21, 1985]

PETER RODINO RIDES TO THE RESCUE

A thunderbolt has just plunged down out of the cloud that darkens immigration reform: Representative Peter Rodino says he'll champion it in the House. So far, the reform bill proposed by Alan Simpson in the Senate has not even found a sponsor in the House. For the Simpson-Nobody bill suddenly to become the Simpson-Rodino bill may well be the crowning act of the New Jersey Democrat's 36-year House career. It's hard to imagine a more dramatic development in the long struggle to persuade America to take control of its borders.

"It's a mistake to let this problem go unaddressed," Mr. Rodino told Stephen Engelberg of The Times. "What's going to happen if we don't act is that a psychology will develop that says, 'Don't let anybody in.'" Anyone who doubts him should consult "Latin Migration North," a new book by Michael Teitelbaum published by the Council on Foreign Relations. There's an immigration clock ticking, especially in Latin America, and the book demonstrates just how fast.

Which were the two biggest cities in the world in 1980? A: Tokyo-Yokohama and New York-Northern New Jersey.

Which will be the two largest cities in 1990? A: Mexico City and São Paulo, both in Latin America. By 2000, when there are expected to be 17 million people in the Tokyo area and 16 million in and around New York, Mexico City's population is projected at 26 million and São Paulo's at 24 million.

Mr. Teitelbaum is a noted immigration demographer and not an alarmist, yet his counsel is clear: Ask not for whom this immigration clock ticks. It ticks for the United States.

The number of potential migrants has increased dramatically in 20 years and the children of the Latin baby booms are starting to look for jobs. They go first to cities. Defeated by recession, deep debt and austerity, increasingly the look to the Golden Door. Like newcomers from other lands and other times, they are brave, ambitious and energetic. Now as then, a stream of immigrants enriches the nation.

But not a flood, and as Mr. Teitelbaum makes plain, there's a flood coming. In the 1940's, Latin America sent 183,086 legal immigrants here. In the 1970's, it sent ten times as many: 1,812,590. And that's just legal immigrants. Jet flights, eager smugglers and a porous border make it easy for aliens to keep sneaking in.

The question, hence, is not whether this country will control the borders. We will. The question is how harshly. If we don't do so now with calm, humane concern, we will later with xenophobic venom, of a kind discernible in last year's Texas primary campaign.

Calm, humane concern: that characterizes the reform bill. It would deter hiring illegal aliens and thus discourage them from coming in the first place. At the same time, it would open a way for those already here to win legal status, escaping exploitation and abuse.

As in the past years, reform legislation is moving along swiftly in the Senate. The Chamber of Commerce no longer opposes it. Hispanic opposition has softened. Any day now, the Judiciary Committee will send it to the floor. As in past years, the problem has been in the House. Two months have passed

since Senator Simpson introduced his 1985 bill in the Senate, yet until now, no one has even introduced a parallel bill in the House.

There could be no more welcome or fitting sponsor than Peter Rodino. He's an immigration authority who in the 1970's twice shepherded reform bills through the House only to see them die in the Senate. And he is one of the lions of the House, who ranks fourth in seniority among the 435 members. For him now to champion immigration reform makes it likely that the United States will, finally, heed the ticking and stop the clock.

VERBATIM: WHO'S INVITED?

"It is a mistake to let this problem go unaddressed. What's going to happen if we don't act is that a psychology will develop that says, 'Don't let anybody in' "—Representative Peter W. Rodino, New Jersey Democrat and chairman of the House Judiciary Committee, explaining why he would introduce a bill to overhaul immigration policy.●

INSPECTOR GENERAL ACT AMENDMENTS OF 1985

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. BROOKS] is recognized for 5 minutes.

● Mr. BROOKS. Mr. Speaker, I am introducing today H.R. 3077, the Inspector General Act Amendments of 1985. This bill would, among other things, establish offices of inspector general in the Departments of Justice and Treasury and in the Federal Emergency Management Agency. Additionally, it would strengthen audit and investigative activities in agencies without statutorily established inspectors general by requiring that in each such agency existing audit and investigative offices be consolidated. The Directors of these offices would report directly to the head of the agency or the deputy, and be given the same duties and authorities as statutorily established inspectors general.

Mr. Speaker, like most other Departments which now have statutory inspectors general, however, these two Departments have taken a strong stance against the establishment of statutory inspectors general for Justice and Treasury. Nobody likes to have their actions reviewed. The need for statutory offices of inspector general, however, is well established, and Congress has created these offices in 17 departments and agencies.

Statutory offices of inspector general have proven highly successful. Over the last 2½ years their work has resulted in about $15 billion annually in monetary benefits to the governor, including recoveries from investigative activities and savings resulting from management improvements.

Mr. Speaker, many of the same problems which were found to exist in the departments and major agencies prior to establishments of statutory inspectors general in them have been found to exist in the smaller agencies as well. There is a lack of coordination among audit and investigative groups where more than one such unit is in existence. In addition, these groups rarely report directly to the head of the agency, and there is evidence that their work is often ignored by management officials. My bill would consolidate these offices under one Director reporting to the head of the agency and give each Director the same duties and authorities of the inspectors general established by the 1978 Inspector General Act. Should an agency head remove the Director of the audit office, such action would have to be reported to Congress.

Further, Mr. Speaker, my bill would improve the reporting requirements of the inspector general by providing standard definitions of terms used by these offices. The failure of inspectors general to use standard definitions in the past has resulted in the reporting of inconsistent data and inflated claims of savings that may have misled the American public.

Mr. Speaker, the passage of this bill will result in greatly improved oversight of the Federal Government. It is badly needed and I hope it will have the support of every Member.●

□ 2130

A POLITICAL ECONOMY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. ARMEY] is recognized for 60 minutes.

Mr. ARMEY. Mr. Speaker, tonight I would like to talk about a political economy. I would like to discuss some basic and fundamental notions about how a nation organizes itself for the allocation and distribution of its scarce resources in the production of vital goods for consumption purposes.

I feel rather regretful that I feel such a compelling need to do this, but quite frankly, Mr. Speaker, we speak so often in this House about economic policies, where we do try to separate in our minds with respect to that policy what is the legitimate and necessary role of a state involving the conduct of human commerce, that I am distressed by the number of arguments I hear that seem to me to reflect no fundamental understanding either of the capability of human beings or of the most advantageous way in which able-bodied men and women might organize themselves into an economic system. So I may begin, of course, with some very fundamental concepts and try to build up to an understanding of this. I will try in some respect to make this an entertaining discussion because indeed economics has all too often been classified as "the dismal science." I think that, unfortunately, is an accurate classification, and the hour is late. But let us take a look at this for a moment.

An economy is a system by which a community organizes itself for the allocation of its scarce resources for the production, distribution, and consumption of goods. That is a fairly easily understood concept. The key word I would like to begin with is a "system," because indeed we will systematically organize ourselves, and the manner in which we work out that systematic organization is really a political process. It is for that reason that we talk about a political economy.

Economies always must live within and alongside and are part and parcel of a political process. There are, of course, fundamental problems that must be dealt with in this process and by the manner of organization that we select for ourselves. The political process can be characterized really in one of two ways. It can either be a process that places confidence in and reposes the rights with individuals, honoring the intelligence and the integrity of individuals and leaving with individuals the rights to own property and the rights to conduct commercial affairs, or it can be a political process that reposes rights with groups and generally takes onto the state the right of surveillance, guidance, protection, regulation, and administration of the affairs of commerce in which individuals will operate.

In these more communal arrangements, often characterized as Communist or Socialist economic systems, the state imposes very tight constraints on the individual and indeed leaves the individual with very little latitude and freedom to make decisions and choices to conduct courses of action based on their own private desires.

On the other side of the coin, if you have a more democratic kind of system in which the rights are reposed with the individual, the state generally recognizes that its most legitimate course of action is to stand down, keep its hands off policy, and leave the individual alone.

We have, of course, as we know, the basic resources that are always scarce. Scarcity is indeed the economic problem. It is the universal fact of life and one we cannot escape. The fact of scarcity really gives us two very essential conditions that all people must live with: (1) because of scarcity, all people must make choices.

Now, in the popular mythology that we have in the folklore of dissent that runs so colorfully through American dialog these days, we have something that I like to call the "no-choice myth," which is the contention on many people's parts many times that "indeed I have no choice; I am helpless; I am being controlled or regulated beyond my capability of resistance or beyond my ability to exert autonomy."

That, I must emphasize, is never true. The fact is you always have a

choice. The choices are not always choices among themselves. That is to say you can face two configurations that are both desirable. That is, frankly, a difficult choice configuration because one wants to choose the most best configuration. You might face a configuration between a desirable and an undesirable option, and that is the one we seek because the choice is obvious and easy to take.

Unhappily, there are many times in our lives when we are faced with configurations of choice where we have two undesirable options, in which case we try to take the least worst of those options. But in any event, we always have a choice.

Now, whenever you choose, you must recognize that a choice is a selection from two or more alternatives that are goal-directed. A decisionmaker facing a choice then must first understand the objective of that choice and the potential of the alternatives to fulfilling that objective. Hence we get the concept of rational choice. How can I ration my scarcity to react among these competing alternatives and achieve that objective?

I live with an abiding faith, based largely on observation, that people are rational. We are intelligent. We know what we want for ourselves, and we, by and large, are capable of examining alternatives and coming up with the best course of action given the alternatives that we face.

Now, when we make a choice then between two or more alternatives, we always incur a cost. In the truest sense of the word, there really "ain't no such thing as a free lunch," Mr. Speaker. You can never choose option A without giving up option B, and that is something that many people would try to avoid. We must understand that there is a distinction between being free to choose, having the power and the autonomy to set our own course of action, and, on the other hand, having a free choice. You just never get a free choice.

So we live, then, in a world of rigorous constraints where each and every time we examine a potential objective we have to choose among competing courses of action. Now, given this fact, then, what we find happening is that we must make choices to allocate scarce resources among competing needs. We can do that individually or we can do that collectively, but in any event we have got to make the choice.

As we do that, we basically face three kinds of resources, land, labor, and capital. That is endemic to the process, and our problem is how to take resources and combine those in such a way as to get the maximum output from the optimal basket of goods. A "good" is very simply defined, Mr. Speaker, as anything that will satisfy a need.

The big fundamental question comes up: Who is the best person capable of judging an individual's need? And, of course, if you take the point of view that many people in Western civilization do, that the individual is an intelligent, rational being, then you would recommend that the individual himself or herself is best capable of deciding what their needs are and, subsequently, what choices they should make.

I am indeed hurrying here, Mr. Speaker, and glossing over some things that perhaps should have greater definition, but we will go ahead in order to move through the time period allotted.

At any rate, the process by which a political system in turn creates an economic system is a process by which you define the rights and the authorities inherent in four essential economic institutions, and it does not matter where you are in time or place in the history of the world, you have always had the three basic economic resources.

□ 2240

You have always had the fundamental problem of scarcity. You have always had the essential mandates of choice and you have always had the objective of achieving goods and provisions for your community within four basic economic institutions, which have always been one, the household. Adam Smith said, "The ultimate end of all economic activity is consumption," and to the extent that the Government should intervene in the affairs of the economy, it should do so on behalf of the household where consumption is carried out. So we must understand then that the household is very important and the rights and the prerogatives of the families in their households are matters of essential consideration.

The other, of course, is the business sector. It is in the business sector that the process of production is carried out, people leaving their households and organizing themselves into production units that we call businesses, taking those resources, gathering them together, combining them and transforming those resources into goods. This is also very easy.

But again, a certain autonomy, a certain freedom and ability to regulate the affairs of their commerce, to make decisions regarding how I will conduct my business, what will be the resources I will use, what will be the product that I will produce, is essential if indeed we are going to have a business community that is capable of recognizing and responding to the needs of the household community. That recognition is not such a difficult process when you realize it is the same people who are consuming goods in the households as are going to work and producing in the business sector.

Now, of course, the third institution, and perhaps a most controversial, is the Government. As many of us may prefer to think that we could live in a world where governments were not necessary, Mr. Speaker, unfortunately we always will have governments with us. It is something like death and taxes. We will just never get away from it and indeed there is a legitimate and necessary role for the Government to take.

The question is not should there be or should there not be a government, but the question is to what degree should we through one political process or another allow ourselves to be governed by the decisions of other people. To what extent should we govern and at really in the final analysis is what all the quarreling will come down to. The Government is necessary, but it also I think, quite frankly, should be constrained.

Now, let me speak for a moment about the mysterious component in this package of four economic institutions. The most misunderstood, the second most controversial, the most powerful economic institution ever devised by man is the market. The market is a very difficult insititution to understand because it indeed lives within no context of brick and mortar. It is indeed as Adam Smith said an invisible hand giving guidance to the economy.

What is a market? The market is very simply an arena of exchange where people voluntarily come together, each willing to trade away what they value less for what they value more. In a market transaction, you always have a buyer and a seller and for the transaction to take place, both the buyer and the seller need each other and if indeed there is going to be an exchange in this process, the buyer and the seller must make a perfect agreement on two essential points, price and quality. If there is any disagreement on either of these two points, the exchange does not take place.

It is important for us to know that nobody is compelled to make the exchange. No party in a transaction can compel the other one to make the deal.

I think it is not presumptuous on our part to understand that people voluntarily engaging in transactions do indeed understand what they want for themselves and would not voluntarily make a deal where they lost, that is to say, you would rarely—I would suggest, Mr. Speaker, never find someone who would voluntarily trade away what they valued more for something they valued less. It is very difficult for me to assign such a low level of intelligence and understanding of

self-awareness to any individual that I have known or met that I would suggest they would be so foolish as to make a voluntary transaction where they would lose in the process. That does not seem to me to be a very heroic observation on my part. It is not some kind of ivory tower assumption. It is simply recognizing that people do indeed know what they want and if left alone would take whatever means that they had available to them and get the best they could for themselves. They do that voluntarily.

As a footnote here at this point, I would like if I could to take exception to a rather popular concept that I hear kicked around in this House all too often and in the debates that we have in committees and so forth. Quite frankly, Mr. Speaker, especially some of the people that we listen to in our committees, some of the people who are brought into Washington, so-called experts who come and tell us or give us advice on what might be the circumstances on something, we do not always get the brightest people in America to come to Washington to testify before our committees. They do not always know what they are talking about. They may always have credentials. They may always have degrees, but they do not always know what they are talking about.

If you will pardon the expression, one of the goofy notions that they always bring up or often bring up is a notion that is exymoronic, in fact, "market exploitation." There just is no possible way in a free market for one person to exploit another. If you take as a definition of exploitation what I would offer here, that somebody has the means by which they could compel somebody else to take a course of action that that person would not take voluntarily, then you cannot have exploitation in a free market.

Now, if you are going to have exploitation, what is the essential ingredient? The essential ingredient is the ability to compel or to coerce somebody into doing that which they would not do voluntarily.

Where does the power to coerce lie? Not in the market, but in the hands of Government. The Government can assess a penalty. The Government can tell you that if you do not do what it is we prefer you to do, rather than what you choose to do, we will assess you this penalty. You can go to prison. You can lose this right or that right or indeed if your transgression is considered by us to be severe enough, you can lose your very life.

But the fact of the matter is, Mr. Speaker, corporations do not have the authority nor the ability to do that. This concept of market exploitation is grossly imagined and enormously exaggerated by people, as I said before, who frankly do not know what they are talking about.

I think we have to be very careful about taking advice from people who will use this kind of language—but I digress.

Let me go back then to my point. We have on the one hand the market, where people freely and voluntarily take their means and exchange them with others, always each and every one independently seeking to improve their lot through the process of exchange.

Now, Adam Smith referred to this process of exchange as the invisible hand of the market, when he said it was not out of a sense of a duty to the public good that we came to the marketplace, but out of a sense of duty to our self-interest that we do that. We are trying to improve our own individual well-offness and that of the people we love.

It is really quite an honorable and a logical and predictable motive. Would you expect a father or a mother to go to the marketplace and make a deal by which their children might lose? No. You would expect them to do more, if at all possible, for their children. As we do that, we are guided as if by an invisible hand to serve the public interest. What is that? Because if I am a seller, I cannot serve my interest except that I fulfill the need of a buyer. If indeed I give a buyer something not of his choosing, then he does not buy.

□ 2150

If he cannot agree with me that the price is right, that the commodity is right, and this is the right quantity, he is not going to make a decision, unless, Mr. Speaker, we should dare to assume that he is not smart enough to know what he is doing. And I really, frankly do not dare to make that assumption.

So we end up with a rather interesting conclusion here. Recognizing, if you will, that all of us have to live within constraints, scarcity abounds, and no matter how well off we are, no matter affluent this society may be in which we live, none of us can have all we want of everything we want. Some of us are distressed by that because, indeed, we all, many of us want all of everything we want. But none of us can have it.

We call this, in very meticulous analysis, a budget constraint. It is an unhappy fact of life, but we all have a budget constraint.

Now within that context we are very careful. We spend our money with a tremendous amount of care, because we have so many competing things on which we would like to spend that money.

And if I am looking at brand X and I am thinking about the price of that commodity, and the quantity I might buy, and I buy 10 units at $1 a piece, we must take it as an article of faith, faith in my intelligence, the observer would have to as he observes that transaction, unless he was prepared to question the intelligence of the person making the transaction, taking it on an article of faith that that person was satisfied with the price. I did not say happy with the price. You know even Too Tall Jones, the great and powerful defensive end of the Dallas Cowboys, known well here in this great city, even Too Tall Jones, who returned to the Dallas Cowboys after an incredible boxing career, when asked by the press was he satisfied with the price, Too Tall Jones said yes, which was rather obvious because he returned to the Cowboys. Another reporter asked him "Are you happy with your contract?" And he said, no. "Why not?" Because he wanted more. But the Cowboys gave him all they would give him, and he sold his services at that price because he knew that it was the best price he was going to command.

That illustrates the point that we must understand that the fundamental question always at hand in so much of this contention that we have around here is to what extent are we going to look at the individual American citizen, that man or woman out there either selling a commodity or buying a commodity, either making this deal, or that deal, conducting this exchange or that course of behavior, to what extent are we going to accept, as we look here in Washington, that that is an intelligent, rational person capable of judging for themselves what they want, and what is the best way for them to get that for themselves, given the fact that they live within a world where they cannot have all they want of everything they want. And they must make this choice in competition with a lot of other things they want.

Are we prepared here in Washington to look at the housewife in Ames, IA, or the steelworker in Pittsburgh, or the oilfield worker in Texas, or Too Tall Jones on the playing field and see in that individual American intelligence and the ability to know for himself or herself better than we can know what they want, and what is the best course of action for them to take to acquire what they want?

I would suggest, Mr. Speaker, that if there were a responsible Government, that represented the people, we would begin that responsible representation by first acknowledging that the people not only have the ability, but the right to choose for themselves, with as little mettlesomeness on our part as is possible. So long as they do not trespass against the rights of another person, for Heaven's sake, let us leave them alone.

Now, we call that the invisible hand of the market, and generally speaking it guides us on to greater and greater levels of prosperity. And generally speaking, we rejoice in the jobs that are created, business firms are opened up, new products are created, we have expanded opportunities, and it has served us well.

Do you know, for example, Mr. Speaker, that just 200 years ago Thomas Jefferson was a man of distinction for many reasons, but for one reason in a very peculiar sense because Thomas Jefferson had in his house something that nobody else had. He had indoor plumbing; 200 years ago, only the very wealthy and ingenious among us could have indoor plumbing.

This free market, operating as it does, giving each of us our chance to decide for ourselves, and to be creative, and to expand our world, and our horizons, had made it possible today for virtually every American at all income levels to have indoor plumbing. That is perhaps a homely example, but one I am perfectly willing to stand on.

Mr. Speaker, there is in addition to this invisible hand of the market that does allocate scarce resources to greater opportunities something that I have chosen to call the visible foot of the market. Indeed, the market makes great demands on us. It gives us all of the freedom in the world, but it demands us to be courageous, it demands of us to be intelligent, to be creative, to be farsighted and self-confident. And if we can do this, we can go into a business, for example, perceiving a need for a new product, knowing the best way to bring those resources together, what we call entrepreneurship, put together a business and prosper.

But if, on the other hand, we are uncreative, we are imperceptive, we perhaps are unambitious, lazy, slovenly, or in some general way unable, or if indeed we are cowardly, or lack integrity, the market does something else to us. It gives us the visible foot and kicks us out of business.

Now that is not bad, Mr. Speaker, If the market is going to take those scarce resources that can only be put to one of many competing alternative uses, and allocate them to the best use, it has got to first allocate them away from a worst use. So in order to have the resource and the market opportunity available to create the successful venture over here, we have got to first take resources away from and deny market shares to people who would squander that opportunity either by a lack of ability, or a lack of integrity. So we must have business failures.

How many times, Mr. Speaker, do we have people come before our committees, or come here on the floor of the House and talk about what a terrible tragedy it is that we have business failure in America. That is not a tragedy. That is the market giving somebody with this visible foot the message that you are wasting your time and the Nation's resources by trying to continue here in a business where you are really notable to compete with more capable alternative firms. And you should get out of that business and find a way to employ yourself where you are more able to provide a better service for the country so that these resources can now be put to a more productive use.

So you have then the invisible hand of the market guiding the sources to that best use, and you have the visible foot of the market keeping people out.

Now the market rewards them, the competent, the able, the courageous, the inventive, the farsighted, and the perceptive. It punishes, and it does punish severely, Mr. Speaker, the cowardly, the dishonest, the uncreative, the imperceptive, the shortsighted among us, and it simply says to these folks that we have such a rigorous scarcity in this country that we cannot afford to squander opportunities on your lack of ability, or your lack of integrity, or both.

□ 2200

Now let us take a look at the alternative to the market. It is a rigorous taskmaster but one that works. The alternative is the Government. Now when I was a lad, one of the most important lessons I was taught by my mother was that I must never believe it when somebody says, "I am from the Government and I am here to help you."

Mr. Speaker, I believe that with all my heart. The Government seems all too often to work contrary to the market. The Government has, on one hand, a visible hand of the Government. And that visible hand works against the market, as the visible foot of the market is trying to kick, if you will, the losers, the failures, the uncreative, the dishonest. Out of one occupation into another the visible hand of the Government enters the scene with inducements and rewards for their failure and their inability. And it says, for example, "we will give you a small-business loan so you can stay in business," and compete, actually, unfairly with that person that has the sense of integrity to do it on their own. "We will reward you with a subsidy and again allow you to stay in a business that the market is trying to tell you to get out of because we are not needing your resources in this business."

The visible hand of the Government is a rather generous thing, it is something we love in this House. I dare say the vast majority of the Members of this House, and let me reiterate that, the vast majority of the Members in this House, love the visible hand of Government. We all like to be good folks. We like to give our hand out. "Let me help you." You know we always address any bill that comes up here with the wrong question. We always say: Who will be helped by this bill? We never say: Who will be hurt by this bill? So as much as we have a visible hand of the Government which we so much enjoy extending to people, we also have the invisible foot of the Government kicking others around in the process.

You see, Mr. Speaker, I cannot give a subsidy to this person over here unless I take the money away from this person over here in the form of taxation. It just does not work any other way, because as you may or may not know, the Government does not create wealth, has no ability to do so.

Adam Smith said there were four classes of unproductive labor: Lawyers, college professors, men of government, and buffoons. Some people have suggested that is one class of nonproductive labor and lumped them all into the fourth category. But in any event, we must understand the Government does not create wealth, it has no productive capability. The Government is, in a sense, a gigantic purchasing agent. It taxes money out of our pockets honestly and directly by imposing a tax on us that we can understand or, indirectly, by hiding that cost through something we now call deficits.

A deficit is nothing but a tax on the next generation. It is going to pay us now or pay us later, but we will pay for that. But when the Government imposes that tax, it turns around and it spends that money back in the private sector. If we are going to have a bomber, somebody in the private sector is going to produce that bomber. If we are going to have a transfer payment, that means you are going to take money away from this person and give it to that person. You may take it away from this generation and give it to that generation of Americans.

But let us understand something right now, when money comes from the Government, "it ain't free money." It is coming out of the pockets of the American working man and woman who work so hard to provision their family. Certainly there are some things we need and want the Government to do and to do responsibly: provide for the common defense, perhaps build roads. Certainly, we need a government that needs to take care of its needy.

And I dare say there is nobody in this Chamber who does not understand and appreciate the need to care for the needy in this country. But we must also have a government with a sense of discipline to differentiate between the needy and the greedy. The fact of the matter is, Mr. Speaker,

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there are welfare cheats out there. Let us not kid ourselves about that. And the meanest thing about our continued subsidy of welfare cheats is that we impose, then, an extra burden on the needy. That is the thing about it that upsets me the most. When we fail to differentiate between those who are greedy out there, getting something they do not deserve, because when it comes to government they think they are getting a free lunch, they are not only putting their hands in the pockets of the honest American taxpayer, but they are adding to the burden of the needy folks out there by crowding them out. Even the largesse of the Federal Government has a limit to it. We may not feel like we believe it or see it, but it is limited. There is only so much we can do to help the others. We are crowding out some needy people. Another thing that is worse, we try with very convoluted legislation to protect continued subsidy to the greedy and as a consequence of that we make the needy American, who deserves the most compassionate help we can give them, a marked person.

I will give you an example. I go to the grocery store quite frequently and it is not uncommon when I am in the grocery store to see people buying groceries with their welfare stamps. I have never seen a person with welfare food stamps that has not experienced some contempt, either by other people in the line or even, indeed, by the working man or woman behind the checkout counter, because there is an air of suspicion there that falls on these people who have enough difficulty in their lives that they should not have to suffer that suspicion. And a truly needy person does not have to be a marked person in this system.

We can have a system of income subsidy to the needy American that respects their right to have assistance because it is truly needed, and the right to have it with a sense of dignity. If we in government will have the decency to have a responsible approach that recognizes that whether you are rich or poor in this country you deserve to be treated with respect.

Our current welfare system does not do that, and it is a rather tragic thing, because in the process we spend more of the taxpayers' money than we need to, we give to people who do not need to have their hands in the taxpayers' pockets and we bring further harm and hurt to the people who ought to have our greatest care and our greatest concern and our largest compassion. And we make their lives even worse than it otherwise would be. But again I digress. So let us take a look then at this great debate that goes on in this House year in and year out. We have on one hand those people who take faith in the marketplace, and, Mr. Speaker, I would admonish every Member of this House to read George Gilder's great book the "Spirit of Enterprise and Wealth and Poverty" in particular, an earlier book by Mr. Gilder. Read Mr. Gilder's books and read the last chapter, which is on faith. If you have faith in the ability and the integrity of individuals and if you understand that the market does indeed work, then you will be on that side in this House where we argue, ladies and gentlemen, that our job in government is to stay out of the way of the people of intelligence, creativity, farsightedness, and courage, the great entrepreneurs that own the small businesses in America today. The most courageous man in America today owns a small business store on somebody's main street, because that man or woman drives to work every day knowing that this is the day they could go broke and they go to work and they take care of their business and their family. For us to understand that they will do fine without, and that in the long run even though we will see some failures we will see some people go out of business, the market will always allocate the oppportunity to the most creative among them.

□ 2210

And the market will not discriminate against them on the basis of extraneous considerations like race or sex; if you have either a better idea or a better product, the market will respond to you.

So we have to have more people moving to this side that take faith in that understanding, and instead we have to diminish the numbers and the rhetoric that come from the side of the House that has no faith in the people, that has an elitist point of view that we who have been elected must take care of the people. We must either protect them because they are incompetent or, Mr. Speaker, we must regulate them because they have no integrity.

It is time we got off our high horse in this House and figured out the American people are pretty special people. They have intelligence and they have integrity, and they do not need us meddling in their affairs; and if we leave them alone, the best among them will prosper and be rewarded in a free market; and those with lesser ability will be given lesser—to find your place, because the market throws nobody away.

The market will have a place for everybody. I remember, Mr. Speaker, a friend of mine; and I am going to call him Charlie. A man that I grew to like a great deal. I worked at nights, and in my building, Charlie was the night janitor. I suppose if I were a psychologist and I understood the classifications they would use, I might describe Charlie as a person who is an imbecile or an idiot, and I do not understand the language, but he had a mental retardation of some kind.

He was a happy fellow because he was taking care of his building. He had a great deal of pride in his work, and he did it well, and he was a pleasant fellow. I always enjoyed visiting with him; we kidded and laughed; he always had a good sense of humor; he did not take much time off from his work because it was important to him: his hallway he wanted to be the cleanest in the building, and it was.

Charlie was happy and I enjoyed his company. One day I discovered that Charlie was not with us any more, and I was alarmed by that, so I called the person in charge of hiring our maintenance people and I said, "What happened to my friend Charlie?" "Well, I tell you what. They raised the minimum wage and with that increase in the minimum wage and our limited budget, we couldn't afford to hire him anymore, so we had to let him go."

Now can you imagine, Mr. Speaker, we thought we were doing something to make his life better. We passed an increase in the minimum wage, and what we did was legislate away Charlie's right to work. This man that was so happy with his job so much, had a right to be happy in his job.

He was not capable of handling sophisticated machinery and equipment, and he used brooms and he used mops; he did not use electronic equipment, but he was a very happy man and he was happy because he was supporting himself and his wife and eventually his little baby girl.

That was taken away from him by people who wanted to protect him. They were not mean people; they just did a mean thing. Why did they do a mean thing? Because they did not have enough sense to keep their nose out of Charlie's business.

Now let me just depart from that for a moment and let me remind you, Mr. Speaker, and I hate to harp on this as I so often do in this body, but the single worst unemployment we have in this country, the chronic unemployment that lasts year in and year out, 40- to 50-percent unemployment; is black American teenagers.

It has been proven by Walter Williams, with the very best economic analysis; Walter Williams; the black economist from right here in Washington, with analysis that nobody has been able to dispute, that the single cause of black youth unemployment in America today is the minimum wage.

But we persist. Not only do we keep it, we raise it. Why do we raise it? To help them. Mr. Speaker, I think that is rather—the day should come when we understand this.

So we really find ourselves, Mr. Speaker, having to finally come to the terms of this question: Are we going to have a political economy that will

keep faith in the intelligence and the ability of our people, understanding that if you put them into a free market environment where they can make their choices, that they will always trade away what they value less for what they value more, and they will always make themselves better off for having the freedom to decide for themselves.

Then we, on the other hand, can tend to the legitimate business of government, which is defending the shores and building the social overhead capital that is necessary, such as roads; very few, minimal things; have a real, compassionate system of income subsidy and maintenance for the disadvantaged American.

Give the disadvantaged American not a handout, but give them a handup. Give them an opportunity, give them an assistance; that is all an American wants.

I can assure you, Mr. Speaker, that when I grew up, and at the age of 14 earned money by shoveling coal 10 hours a day, that I learned two very important things: My boss was a rather difficult man for whom to work. The first thing I learned is that if you said you were going to be there at 8 o'clock, you had better be there; and I learned to be on the job and do the job.

The second thing I learned was, I did not want to shovel coal, and I found a way to work my way up the occupational ladder. Americans will do that, if we give them the opportunity to first get on the occupational ladder. We cannot give them an opportunity to work their way up the occupational ladder if we sustain a minimum wage that prevents their entry from the work force in the first place, and that is a mean thing to do.

Mr. Speaker, I hope this has been instructive; I will probably be back. We need to understand the fundamental differentiation, then, between that dependency thinking that asks for more of the visible hand of government while ignoring the invisible foot of government, and that opportunity thinking that asks for more of the invisible hand of the market and accepts the necessary visible foot of the Government as part of the process by which progress is made.

We can begin this new concept of moving forward with an enlightened government by resisting what has to be at least the second worst legislation offered in this House in this year: Mr. Speaker, another misguided, dangerous recommendation to protect people who are assumed, tacitly, to be unable and to regulate people who are assumed, unfairly and inaccurately to be lacking in integrity.

This kind of misguided understanding that has beneath it a certain paranoia, a certain misunderstanding, an apprehension borne out of the flimiest of evidence, the very mundane observation that women in America earn 64 percent of what men in America earn; that totally disregards the choices that women make, that bring that income differential along and totally disregards the explanation that diminishes that to virtually nothing, if you account for the decisions that women make; but instead goes charging off on a whole new concept of government interventionism, government price administration that will default on the rights of all people, both employers and employees. I am talking about comparable worth.

□ 2220

Clarence Pendleton called it the looniest thing since Looney Tunes. I thought that was a rather humorous thing for Mr. Pendleton to say. But it is not a very accurate thing to say, because Looney Tunes was fun. I enjoyed Looney Tunes as a lad and sometimes, along with my children, I enjoy it today. Comparable worth is not a laughing matter, Mr. Speaker. Comparable worth is going to do a great deal of damage if it ever gets implemented in this country. First, you will have a fundamental breakdown of the American free market system. And in that breakdown you will disrupt labor markets across the country. You will hurt employers as you disrupt the supply of workers, and you will hurt employees as you disrupt the demand for workers.

The people that you are trying to protect with this misguided legislation, the working women of America, will suffer the most if it ever comes to pass.

As you know, we have made enormous progress of change since we passed the legislation and developed a new understanding that we now realize in equal pay for equal work and in equal employment opportunity, women moving into nontraditional occupations at a rate never before experienced—and this is all documented—the equality of pay for people in the same occupation being almost completely universal, the progress that we have made in finding a breakdown, indeed even of old patterns of family practice, today, with this new equity in employment opportunities for women and new equity in pay, we now have the American man more free and able, because of the increased earning power of his wife, to participate more fully in the joy of raising a family, and we see more and more today an increased copartnership in child rearing between mothers and fathers and a great kinship between children and their dads who, in previous generations, had been precluded by the rigorous requirement of working outside the home from that job of spending an afternoon with their son or their daughter.

All of this progress we risk losing if we were to further intervene into the world of work with a system of arbitrary Government price administration where we would have a body of people who, like Government so often does, presume themselves to know better than the collective judgment acted out in markets by the individual Americans. We would have a body of elite intellectuals who would sit there and they would look at job "A", and if job "A" did indeed find itself to be staffed 70 percent or more by women, examine that job in contrast to some arbitrarily selected job "B" which might be staffed 70 percent or more by men, and on the basis of that panel's arbitrary judgment of what constitutes value—the economics profession debated that for 200 years and finally the only answer they could come up with that was the least bit objective was that price equals value—they would reject that price that already prevailed as a wage for this job and for this job, and they would set themselves some sociologically determined criteria for evaluation by experts.

Now, if I do not trust the Government, Mr. Speaker, I can sure guarantee you I do not trust the experts. And those experts, if they deemed job "B" which they had arbitrarily selected to be comparable value to job "A"—now, what is comparable value? How do you judge that? Is a football player of comparable value to a college professor? Is a college professor of comparable value to a president of a university, or a nation or of a company? Is Charlie, my good friend who had so much pride and satisfaction from his work and who made so much happiness in my life as he kept my halls clean and gave me a laugh or two on my break in the evening, of less comparable value because he has no college degree, not even in this case a high school degree, than I was? Who is to judge these things? What will be the method by which these things are judged? The methods that we have seen employed, or deployed, depending on your point of view, Mr. Speaker, the methods that we have seen have been totally arbitrary matters where somebody says, "I judge the intellectual demands of this occupation to be worth 10 points, and this to be worth 9 points." This is silly. This is about as silly as an exercise I have so often seen of looking at ladies walking through a room and saying, "There is a 10, there is a 9, there is an 8." That is not only silly, Mr. Speaker, it is asinine. And it absolutely amazes me that anybody in a position of responsibility in this country could be either so uninformed or so capricious as to seriously propose this kind of arbitrary government wage determination, discriminating, as it will, by sex, guaranteeing, in the

final analysis, as it will, equal pay for unequal work.

Can you imagine anybody who believes themselves to be responsible in Government actually encouraging this body to give people equal pay for unequal work, after so many responsible hard working people in this country have worked so many years to get so much assurance and guarantee of their right for equal pay for equal work? Can you imagine anybody who is going to suggest that we should put into motion a Government process that is going to create labor shortages here and employment opportunity shortages there, with no instrument of reconciliation, so that people will indeed be denied their right to employment opportunity? And all of that progress we have made for equal opportunity will be lost because somebody thinks that they know better what constitutes the value of a job than the collective wisdom of American men and women offering their labor services to the labor market at competing wages where they assign different wages for different levels of work but equal pay for equal work within occupations.

This is a perfect example, Mr. Speaker, of the failure to understand that the market is alive and well and works.

Now, let me, Mr. Speaker, if I can, close with one thought. There is a group of folks who have tried to make the point in this country—I have always suspected because they did not understand it, and we do have a certain fear of the unknown, we all suffer that—there are folks in this country who have said and taught the lesson through many media that the market is dead. It is argued you do not have any free markets. And the argument is that unless you have the perfect market, you have no market at all, while never understanding that the same logic might apply that unless you had a perfect Government you have no Government at all, always deferring instead to the Government.

BRITAIN'S DOUBLE STANDARD ON SOUTH AFRICA AND NORTHERN IRELAND

(Mr. BIAGGI asked and was given permission to extend his remarks at this point in the RECORD).

● Mr. BIAGGI. Mr. Speaker, on Tuesday, an extraordinary statement was issued by British Foreign Secretary, Sir Geoffrey Howe about South Africa. It was extraordinary not because of what it said, but because of the rank hypocrisy associated with it. Howe called on South Africa to: End its state of emergency, end apartheid which he called "abhorrent"; release jailed political prisoners; end detention without trial; and start abolition of laws discriminating against blacks.

No one quarrels with any of these points. Yet, one must ask why the double standard? How can Great Britian be so forceful in condemning South Africa when many of the same policies exist in Northern Ireland, which is under their direct rule?

Northern Ireland has been under a state of emergency for more than 10 years. As a result, there is detention without trial and trials without juries. There is also rampant discrimination practiced against the Catholic minority.

There are also political prisoners in Northern Ireland. Some have been jailed for as long as 15 years. They are not being released. In fact, the British Government wants to repeal entirely, the political exception category in their extradition treaty with the United States.

It is time the British Government ended its policy of selective morality and realized that Northern Ireland is their South Africa.●

DR. HANS BETHE WARNS AGAINST STAR WARS

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. SEIBERLING. Mr. Speaker, on July 16, the 40th anniversary of the first nuclear explosion, several of the top scientists who worked on the development of the atomic bomb spoke to a group of Members of the House and Senate about the situation that confronts us on the 40th birthday of the nuclear age. One of the speakers, Dr. Hans A. Bethe of Cornell University, made available to those of us who were present a copy of his remarks. I believe it is important to share it with all of my colleagues and other readers of the CONGRESSIONAL RECORD. I believe all present were impressed, not only by his credentials, but by the simplicity, lucidity, and cogency of his remarks.

Dr. Bethe pointed out that the United States, throughout this period, has tried to rely on superior technology, and that wherever there was a chance to make more devastating weapons we took it, only to be followed in every case by the Soviets, with the result that both nations have become progressively less secure than before. He pointed out that our newest technological escalation is SDI, star wars. On this he remarked, "I am firmly convinced that it will end up the same way, by making us still less secure."

He also pointed out the immense difficulties of putting together such a complicated system and the enormous risk of relying on it with no opportunity to test it fully before it would be used in an actual war. He noted that the Soviets can develop, at far less cost, effective countermeasures using already available technology, that they would consider the deployment of such a system by the United States as highly provocative, and that they have promised a large offensive buildup if we proceed.

Dr. Bethe went on to say that our ultimate goal must be a state of mutual deterrence at the lowest force level consistent with stability. The way to achieve this, he believes, is not through star wars technology but by mutual reduction of forces on each side. On this he stated, "In short, the present inventory of 50,000 warheads could be cut to perhaps 2,000." He went on to say: "A first large step could be taken at Geneva, but that would require both sides to abandon their present positions. Success at Geneva will require two indispensible ingredients: deep cuts in offensive forces, and strengthening of the ABM Treaty."

Besides strengthening the ABM Treaty, he urged that we offer firm assurances that SDI research will remain in full compliance with the treaty, and that we seek a treaty that forbids the testing of antisatellite weapons. He added that, for its part, the Soviet Union must satisfy our Government's legitimate concerns about the radar being built in Siberia.

Dr. Bethe concluded that during the past 40 years both sides have blundered and, in effect, have chosen mutual insecurity. He concluded: "In the next 40 years we must strive for mutual security. If we do we will steadily decrease the risk of nuclear war, and restore confidence that we are masters of our fate."

The full text of Dr. Bethe's remarks follows:

H.A. BETHE, CORNELL UNIVERSITY, ITHACA, NY, JULY 16, 1985

Today it is 40 years since the Trinity test, the first nuclear explosion.

The bible tells us that the children of Israel wandered 40 years through the desert. Our desert has been the fear of nuclear war. But I don't see any sign of the Promised Land.

U.S. policy has tried to rely on superior technology. Whenever there was a chance to make nuclear weapons more devastating, we took it. We introduced the H-bomb and the transcontinental bomber, we escalated the number of nuclear weapons and later that of nuclear missiles, and (worst of all) we introduced MIRV. In every case, the Soviets followed suit, 3 to 5 years later, and we were less secure than before.

Our newest technological escalation is SDI, Star Wars. I am firmly convinced that it will end up the same way, by making us still less secure. I have looked at the proposed technologies: Some, I think, will never work, others may work after decades of effort if the Soviets offer no opposition. But the individual technologies are not the real problem; it will be far more difficult to join them together in a system that would have to work in the unimaginable confusion of

nuclear war, without ever having been fully tested.

More important still is the Soviet response. The Soviets can develop effective countermeasures, using near-term technology rather than futuristic ideas. The Soviets have warned repeatedly that they consider a nationwide U.S. strategic defense as highly provocative. This is actually in accord with President Reagan's own statement in his famous Star War speech. "If paired with offensive systems, defensive systems can be viewed as fostering an aggressive policy, and no one wants that." But there is universal agreement in the administration that we can't give up our strategic offensive missile forces while we pursue SDI.

For precisely that reason the Soviets have promised a large offensive buildup if we continue with Stars War. Therefore the claim that Star Wars would be a catalyst for arms reduction is at best wishful thinking.

Star Wars is the most recent and exotic illustration of Einstein's famous observation that "the unleashed power of the atom has changed every thing save our modes of thinking." Nuclear explosives have shattered the meaning of the age-old words, "weapon", "war", and "defense". A weapon is intended to achieve some definite military or political objective, but any use of nuclear explosives carries the risk of virtually unlimited destruction. Hence plans that assume that nuclear devices can be used to wage war are irrational. Nuclear "weapons" have only one purpose—that of deterring war.

All our policies must therefore be re-evaluated. Our nuclear forces must be restructured with but one goal: to reduce the risk of nuclear war. A program towards that end is sketched by Robert McNamara and myself in our booklet.

Our ultimate goal must be a state of mutual deterrence at the lowest force levels consistent with stability. That requires invulnerable nuclear forces that could unquestionably respond to any attack and inflict unacceptable damage. But if these forces are to remain limited, it is equally essential that they should not threaten the opponent's deterrent forces. We believe that, ultimately, strategic forces having as few as 10% of currently deployed warheads would suffice, and that tactical forces could be wholly eliminated. In short, the present inventory of 50,000 warheads could be cut to perhaps 2,000.

How can we move towards this goal?

A first large step could be taken at Geneva, but that would require both sides to abandon their present positions. Success at Geneva will require two indispensible ingredients: deep cuts in offensive forces, and strengthening of the ABM Treaty.

The deep cuts must result in forces that will eliminate fears of first strikes. The Soviet Union will have to sharply reduce its heavy ICBMs, and its missiles trained on our NATO allies. In the bargaining the U.S. must be ready to make substantial cuts in our first-strike forces, including, for example, the silo-killing submarime-based Trident II missile. A plan for accomplishing this objective, and which would result in a 50% reduction in 5 years, is described by Ambassador Jonathan Dean in our booklet.

Such reductions will be impossible unless we strengthen the ABM Treaty. The U.S. shall have to provide firm assurances that SDI research will remain in full compliance with the Treaty—that we are not getting ready for a sudden deployment of missile defenses. For its part, the Soviet Union must satisfy our government's legitimate concerns about the radar being built in Siberia. The U.S. should, furthermore, seek a treaty that forbids the testing of antisatellite weapons, for we are more dependent on satellites that the Soviets. Without such a treaty, the Star Wars programs of both sides will lead to weapons that can destroy our invaluable military satellites even if they fail to provide any defense against ICBMs.

At the moment the prospects at Geneva look dim, but both sides have dropped hints that may be significant. Last February Paul Nitze, the Administration's senior arms control expert, gave a speech in Philadelphia which could become the framework for the tradeoff that I have described. And just 2 weeks ago Mr. Gorbachev sent a letter to us which may include some willingness to take a more positive stance.

If we are to move towards our long-term goal of a minimum deterrent force we shall have to adopt new attitudes, not just few policies. Each side must recognize that neither will permit the other to achieve meaningful superiority—that attempts to gain such an advantage are dangerous and futile. We shall also have to shed our fatalistic belief that new technologies, no matter how threatening, cannot be stopped. Technology itself provides increasingly powerful tools that can be used to impede undesirable developments, and to monitor compliance with arms agreements. What is missing is political will. Sound policies could prevent the deployment of even more dangerous weapons, and could impede another grave hazard—the threat of nuclear proliferation.

All this does not preclude us from exploiting our technological superiority. But we must do so in a manner that does not threaten stability. For example, we should devote more resources to strengthening the fragile system that commands and controls our nuclear forces.

The first 40 years of the nuclear age should have taught us that we have only two choices: mutual security or natural insecurity. During the past 50 years we have blundered, and in effect chose mutual insecurity. In the next 40 years we must strive for mutual security. If we do we will steadily decrease the risk of nuclear war, and restore confidence that we are masters of our fate.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to: Mr JONES of North Carolina (at the request of Mr. WRIGHT), for July 25 and 26, on account of medical reasons.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. BURTON of Indiana) to revise and extend their remarks and include extraneous material:)

Mr. LUNGREN, for 60 minutes, July 31, 1985.

Mr. LUNGREN, for 60 minutes, August 1, 1985.

Mr. MOORE, for 5 minutes, today.

Mr. MCEWEN, for 60 minutes, today.

Mr. BEREUTER, for 60 minutes, July 26, 1985.

Mr. O'BRIEN, for 5 minutes, today.

Mr. HORTON, for 5 minutes, today.

Mr. LUNGREN, for 5 minutes, today.

(The following Members (at the request of Mr. DONNELLY) to revise and extend their remarks and include extraneous material:)

Mr. DERRICK, for 5 minutes, today.

Mr. RODINO, for 5 minutes, today.

Mr. MAZZOLI, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. NEAL, for 5 minutes, today.

Mr. BROOKS, for 5 minutes, today.

Mr. GONZALEZ, for 60 minutes, July 26.

MR. GAYDOS, for 5 minutes, July 30.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. GARCIA, prior to the vote on the first Bartlett amendment during consideration of H.R. 3038, in the Committee on the Whole, today.

Mr. EDGAR, prior to the vote on the Frenzel amendment to H.R. 3038, in the Committee of the Whole, today.

Mr. PASHAYAN, immediately following the Clerk's reading of line 18, page 23 of the bill.

Mr. MONTGOMERY, prior to the vote on the Frenzel amendment during consideration of H.R. 3038, in the Committee of the Whole, today.

Mr. CARPER, following the remarks of Mr. NIELSON of Utah on the Nielson of Utah amendment to H.R. 3038, in the Committee of the Whole, today.

Mr. BROOKS, prior to the vote on the Horton amendment to H.R. 3038, in the Committee of the Whole, today.

Mr. BONER of Tennessee, following the vote on the first Bartlett amendment to H.R. 3038, in the Committee of the Whole, today.

Mr. UDALL, to include tables and letters from the Joint Chiefs of Staff, various cabinet officials and others in support of House Joint Resolution 187, the Compact of Free Association, in the Committee of the Whole, today.

(The following Members (at the request of Mr. BURTON of Indiana) and to include extraneous matter:)

Mr. GINGRICH in two instances.

Mr. SWINDALL in two instances.

Mr. GILMAN.

Mr. KEMP.

Mr. RITTER.

Mr. HUNTER in two instances.

Mr. COURTER.

Mr. CRANE in two instances.

Mr. GREEN.

Mr. DUNCAN.

Mr. ROTH in two instances.

Mr. TAUKE.

Mr. KINDNESS in two instances.

Mr. LEACH of Iowa in three instances.

Mr. DAVIS.

Mr. BEREUTER in two instances.
Mr. LENT.
Mr. SAXTON.
Mr. DIOGUARDI.
Mr. BROOMFIELD.
Mr. LEWIS of California.
Mr. IRELAND.

(The following Members (at the request of Mr. DONNELLY) and to include extraneous matter:)

Mr. RANGEL in two instances.
Mr. RAY.
Mr. KOLTER.
Mr. ATKINS.
Mr. SHELBY.
Mr. APPLEGATE in two instances.
Mr. EVANS of Illinois.
Mr. MOODY.
Mr. RODINO.
Mr. DYMALLY in four instances.
Mr. DOWNEY of New York.
Ms. OAKAR.
Mr. TRAXLER.
Mr. SMITH of Florida.
Mr. STARK.
Mr. HUBBARD.
Mr. DELLUMS.
Mr. LEHMAN of California.
Mr. MARKEY.
Mr. SCHEUER.
Mr. WEISS.
Mr. MINETA.
Mr. GARCIA.
Mr. MAZZOLI.
Mr. AUCOIN.
Mr. NOWAK.
Mr. LELAND in two instances.
Mrs. COLLINS.

ENROLLED BILL SIGNED

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 2378. An act to amend section 504 of title 5, United States Code, and section 2412 of title 28, United States Code, with respect to award of expenses of certain agency and court proceedings, and for other purposes.

SENATE ENROLLED JOINT RESOLUTIONS

The SPEAKER announced his signature to enrolled Joint Resolutions of the Senate of the following title:

S.J. Res. 57. Joint resolution to designate the week of October 20, 1985, through October 26, 1985, as "Lupus Awareness Week".

S.J. Res. 86. Joint resolution to designate the week of July 25, 1985, through July 31, 1985, as "National Disability in Entertainment Week".

ADJOURNMENT

Mr. ARMEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 30 minutes p.m.), the House adjourned until tomorrow, Friday, July 26, 1985, at 10 a.m.

EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Reports of various House committees concerning the foreign currencies and U.S. dollars utilized by them during the second quarter of calendar year 1985 in connection with foreign travel pursuant to Public Law 95-384 are as follows:

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMISSION ON SECURITY AND COOPERATION IN EUROPE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1985

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Wise, Samuel [3]	2/12	2/13	Switzerland				[4] 9.81				9.81
Cosman, Catherine	4/05	4/11	United Kingdom		735.00		769.12				1,504.12
Wise, Samuel	4/09	4/10	Belgium		75.00		1,988.00				2,063.00
	4/10	4/11	Netherlands		75.00						75.00
	4/11	4/13	Italy		276.00						276.00
Hand, Robert	4/14	4/27	Switzerland		1,050.00		876.00				1,926.00
Total					2,211.00		3,642.93				5,853.93
Hafner, Mary Sue	4/25	4/30	Canada		575.00		258.75				833.75
Davidson, Lynne	4/25	5/11	Canada		1,467.48		258.75				1,726.23
Hafner, Mary Sue	5/27	5/31	Canada		575.00		258.75				833.75
Total					2,617.48		776.25				3,393.73

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] From previous report.
[4] Miscellaneous local transportation.

DANTE B. FASCELL, Chairman, July 15, 1985.
STENY H. HOYER, Cochairman, July 15, 1985.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON INTERIOR AND INSULAR AFFAIRS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1985

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Bill Richardson, MC	4/9	4/10	Kwajalein								
	4/11	4/12	Majuro, Marshall Islands								
	4/12	4/13	Ponape, Truk Islands								
	4/13	4/14	Koror, Palau Islands		500		[3]				500
	4/14	4/15	Philippines		113		[3]				113
Timothy Glidden, staff	4/9	4/10	Kwajalein								
	4/11	4/12	Majuro, Marshall Islands								
	4/12	4/13	Ponape, Truk Islands								
	4/13	4/14	Koror, Palau Islands		500		[3]				500
	4/14	4/15	Philippines		113		[3]				113
Committee total					1,226						1,226

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Military.

MO UDALL, Chairman, July 9, 1985.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON WAYS AND MEANS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1985

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Guy Vander Jagt	4/8	4/11	Italy	738.944	368.00		2,419.00		38.00		2,825.00
Thelma Askey	6/3	6/6	Switzerland	777.65	304.00		1,290.64				1,594.64

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

DAN ROSTENKOWSKI, Chairman, July 12, 1985.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1750. A communication from the Comptroller General of the United States, transmitting a review of the referrals and revised deferrals submitted by the President on March 25, 1985 (H. Doc. No. 99-44), pursuant to 2 U.S.C. 685 (H. Doc. No. 99-87); to the Committee on Appropriations and ordered to be printed.

1751. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a report on loan, guarantee and insurance transactions supported by the Eximbank during June 1985 to Communist pursuant to Presidential determinations, pursuant to 12 U.S.C. 635(b)(2); to the Committee on Banking, Finance and Urban Affairs.

1752. A letter from the Chairman, Council of the District of Columbia, transmitting D.C. Act 6-61, "D.C. Government Comprehensive Merit Personnel Act of 1978/Retirement Annuity Pay Reduction Exception Act of 1985", and report, pursuant to Public Law 93-198, section 602(c); to the Committee on the District of Columbia.

1753. A letter from the Chairman, Council of the District of Columbia, transmitting D.C. Act 6-68, "Motor Vehicle Tags Temporary Amendment Act of 1985", pursuant to Public Law 93-198, section 602(c); to the Committee on the District of Columbia.

1754. A letter from the Chairman, Council of the District of Columbia, transmitting D.C. Act 6-59, "D.C. Hospital Equipment Revenue Bond Act of 1985", and report, pursuant to Public Law 93-198, section 602(c); to the Committee on the District of Columbia.

1755. A letter from the Chairman, Council of the District of Columbia, transmitting D.C. Act 6-67, "Board of Education Budget Submission Date Amendment Act of 1985", and report, pursuant to Public Law 93-198, section 602(c); to the Committee on the District of Columbia.

1756. A letter from the Chairman, Council of the District of Columbia, transmitting D.C. Act 6-60, "Department of Consumer and Regulatory Affairs Civil Infractions Act of 1985", and report, pursuant to Public Law 93-198, section 602(c); to the Committee on the District of Columbia.

1757. A letter from the Chairman, Council of the District of Columbia, transmitting D.C. Act 6-63, "Closing of a Public Alley in Square 250, S.O. 84-135, Act of 1985", and report, pursuant to Public Law 93-198, section 602(c); to the Committee on the District of Columbia.

1758. A letter from the Chairman, Council of the District of Columbia, transmitting D.C. Act 6-64, "The Washington Home for Incurables, Inc., Revenue Bond Act of 1985", and report, pursuant to Public Law 93-198, section 602(c); to the Committee on the District of Columbia.

1759. A letter from the Chairman, Council of the District of Columbia, transmitting D.C. Act 6-65, "Tax Revenue Anticipation Notes Act of 1985", and report, pursuant to Public Law 93-198, section 602(c); to the Committee on the District of Columbia.

1760. A letter from the Chairman, Council of the District of Columbia, transmitting D.C. Act 6-66, "Prostitution Enforcement Amendment Act of 1985", and report, pursuant to Public Law 93-198, section 602(c); to the Committee on the District of Columbia.

1761. A letter from the Chairman, Council of the District of Columbia, transmitting D.C. Act 6-62, "D.C. Housing Finance Agency Act Amendment Act of 1985", and report, pursuant to Public Law 93-198, section 602(c); to the Committee on the District of Columbia.

1762. A letter from the Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting notice of intent to issue commercial export license for sale of certain major defense equipment to the Government of Spain, pursuant to 22 U.S.C. 2776(c); to the Committee on Foreign Affairs.

1763. A letter from the Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting notice of intent to issue commercial export license for sale of certain major defense equipment to the Government of Japan, pursuant to 22 U.S.C. 2776(c); to the Committee on Foreign Affairs.

1764. A letter from the Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting notice of intent to issue commercial export license for sale of certain major defense equipment to the Government of the United Kingdom, pursuant to 22 U.S.C. 2776(c); to the Committee on Foreign Affairs.

1765. A letter from the Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting notice of intent to issue commercial export license for sale of certain major defense equipment to the Government of Israel, pursuant to 22 U.S.C. 2776(c); to the Committee on Foreign Affairs.

1766. A letter from the Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting a report of political contributions for Winston Lord, of New York, as Ambassador to the People's Republic of China, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

1767. A letter from the Deputy Administrator, Veterans Administration, transmitting notification of a computer matching program, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

1768. A letter from the Director, Office of Management and Budget, transmitting a report of activities under the Freedom of Information Act, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

1769. A letter from the Secretary of the Treasury, transmitting the fiscal year 1984 report on the status and operation of the State and Local Government Fiscal Assistance Trust Fund, pursuant to 31 U.S.C. 6724(a); to the Committee on Government Operations.

1770. A letter from the Deputy Associate Director for Royalty Management Operations, Department of the Interior, transmitting a report of proposed refunds of excess royalty payments in OCS areas, pursuant to the act of August 7, 1953, chapter 345, section 10(b); to the Committee on Interior and Insular Affairs.

1771. A letter from the Deputy Associate Director for Royalty Management Operations, Department of the Interior, transmitting a report of proposed refunds of excess royalty payments in OCS areas, pursuant to the act of August 7, 1953, chapter 345, section 10(b); to the Committee on Interior and Insular Affairs.

1772. A letter from the Under Secretary of the Interior, transmitting a draft of proposed legislation to provide for an equitable distribution of net receipts associated with the Federal onshore mineral leasing program; to the Committee on Interior and Insular Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Ms. OAKAR: Committee on Post Office and Civil Service. H.R. 1131. A bill to amend title 5, United States Code, to modify the method for determining the amount payable by a Federal employee or Member of Congress in order to receive credit under the civil service retirement system based on certain military service; with an amendment (Rept. No. 99-225). Referred to the Committee of the Whole House on the state of the Union.

Mr. McCLOSKEY: Committee on Post Office and Civil Service. S. 1195. A bill to require that a portion of the mail of Congress and the executive branch include a photograph and biography of a missing child; with amendments (Rept. No. 99-226, Pt. I). Ordered to be printed.

Mr. FUQUA: Committee on Science and Technology. Management practices of the Federal Emergency Management Agency (Rept. No. 99-227). Referred to the Committee of the Whole House on the state of the Union.

Mr. FOLEY: Committee on House Administration. H. Res. 230. Resolution providing

that for the remainder of the first session of the Ninety-ninth Congress there should be a substantially verbatim account of House proceedings in the CONGRESSIONAL RECORD which should be clearly distinguishable by different typeface from remarks not spoken but inserted under leave to extend (Rept. No. 99-228). Referred to the House Calendar.

Mr. MOAKLEY: Committee on Rules. H. Res. 236, a resolution waiving certain points of order against H.R. 3036, making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1986, and for other purposes (Rept. No. 99-229). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BROOKS (for himself, and Mr. HORTON):

H.R. 3077. A bill to amend the Inspector General Act of 1978 to establish offices of inspector general in certain departments, and for other purposes; to the Committee on Government Operations.

By Mrs. COLLINS:

H.R. 3078. A bill to establish a Federal initiative respecting the dangers of smokeless tobacco, to provide assistance to States for programs respecting such dangers, and to amend the Internal Revenue Code of 1954 to disallow a deduction for smokeless tobacco advertising expenses, to impose an excise tax of 32 cents an ounce on smokeless tobacco, and to establish a trust fund for cancer research and smokeless tobacco educational activities; jointly, to the Committees on Energy and Commerce, and Ways and Means.

By Mr. DASCHLE:

H.R. 3079. A bill to authorize the Lyman-Jones and West River Rural Water Development Projects; jointly, to the Committees on Agriculture, and Interior and Insular Affairs.

By Mr. RODINO (for himself, and Mr. MAZZOLI):

H.R. 3080. A bill to amend the Immigration and Nationality Act to revise and reform the immigration laws, and for other purposes; to the Committee on the Judiciary.

By Mr. KASTENMEIER (for himself, Mrs. SCHROEDER, Mr. MOORHEAD, Mr. HYDE, Mr. FRANK, Mr. KINDNESS, Mr. BERMAN, Mr. LAGOMARSINO, Mr. FAZIO, Mr. WOLF, Mr. OBERSTAR, Mrs. BENTLEY, Mr. LELAND, Mr. JEFFORDS, and Mr. MARTINEZ):

H.R. 3081. A bill to amend section 376 of title 28, United States Code, in order to reform and improve the existing program for annuities for survivors of Federal justices and judges; to the Committee on the Judiciary.

By Mr. MINETA (for himself, Mr. EDWARDS of California, Mr. DOWNEY of New York, Mr. EDGAR, Mr. OBERSTAR, and Mr. MOODY):

H.R. 3082. A bill to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 to require the Administrator of the Environmental Protection Agency to give high priority to facilities where the release of hazardous substances has resulted in the closing of a drinking water well or has contaminated a principal drinking water source; jointly, to the Committees on Energy and Commerce, and Public Works and Transportation.

H.R. 3083. A bill to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 to improve the ability of the Agency for Toxic Substances and Disease Registry to carry out the health-related authorities of such act; jointly, to the Committees on Energy and Commerce, and Public Works and Transportation.

By Mr. MOORE (for himself, Mr. GEPHARDT, Mr. MADIGAN, Mr. PORTER, Mr. MCEWEN, Mr. GRAY of Illinois, Mr. STANGELAND, and Mr. STOKES):

H.R. 3084. A bill to amend part A of title XVIII to provide for an alternative liability system for medical malpractice in the case of injuries under Medicare and other Federal programs if States fail to provide for alternative liability systems; jointly, to the Committees on Ways and Means, Energy and Commerce, Armed Services, Veterans' Affairs, and Post Office and Civil Service.

By Mr. LEHMAN of California (for himself, Mrs. VUCANOVICH, Mr. REID, Mr. LEWIS of California, Mr. ANDERSON, Mr. BATES, Mr. BERMAN, Mr. BOSCO, Mrs. BOXER, Mr. BROWN of California, Mrs. BURTON of California, Mr. CHAPPIE, Mr. COELHO, Mr. DANNEMEYER, Mr. DELLUMS, Mr. DIXON, Mr. DREIER of California, Mr. DYMALLY, Mr. EDWARDS of California, Mr. FAZIO, Mr. HAWKINS, Mr. LAGOMARSINO, Mr. LANTOS, Mr. LEVINE of California, Mr. LOWERY of California, Mr. LUNGREN, Mr. MARTINEZ, Mr. MATSUI, Mr. MCCANDLESS, Mr. MILLER of California, Mr. MINETA, Mr. MOORHEAD, Mr. PANETTA, Mr. PASHAYAN, Mr. ROYBAL, Mr. SHUMWAY, Mr. STARK, Mr. TORRES, Mr. WAXMAN, Mr. ZSCHAU, Mr. BEILENSON, Ms. FIEDLER, Mr. BADHAM, Mr. THOMAS of California, Mr. DORNAN of California, Mr. HUNTER, and Mr. PACKARD):

H.R. 3085. A bill to clear title to certain lands along the California-Nevada boundary; to the Committee on Interior and Insular Affairs.

By Mr. SWIFT (for himself, and Mr. ANNUNZIO):

H.R. 3086. A bill to amend the Federal Election Campaign Act of 1971 to establish a program of Federal financial assistance to the States to encourage voter registration, and for other purposes; jointly, to the Committees on House Administration, and Post Office and Civil Service.

By Mr. WHITTEN:

H.J. Res. 354. Joint resolution making an urgent supplemental appropriation for the fiscal year ending September 30, 1985, for the Department of Agriculture; to the Committee on Appropriations.

By Mr. ROSTENKOWSKI:

H.J. Res. 355. Joint resolution to approve the "Compact of Free Association", and for other purposes; jointly, to the Committees on Interior and Insular Affairs, Foreign Affairs, and Ways and Means.

By Mr. FAZIO:

H.J. Res. 356. Joint resolution to designate the week of April 13, 1986, through April 19, 1986, as "Hemochromatosis Awareness Week"; to the Committee on Post Office and Civil Service.

By Mr. HORTON (for himself, Mr. MARKEY, Mrs. SCHNEIDER, Mr. WOLPE, Mr. FAZIO, Mr. ADDABBO, Mr. BROWN of California, Mrs. COLLINS, Mr. FRANK, Mr. GEJDENSON, Mr. HALL of Ohio, Mr. JEFFORDS, Mr. KASTENMEIER, Mr. MOODY, Mr. OBERSTAR, Mr. SIKORSKI, Mr. WALGREN, Mr. CONYERS, and Mrs. KENNELLY):

H. Res. 237. Resolution to express the sense of the House of Representatives that tax reform legislation should provide fair and equitable tax treatment for all energy resources; to the Committee on Ways and Means.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

217. By the SPEAKER: Memorial of the general court of the Commonwealth of Massachusetts, relative to the poor and the elderly; to the Committee on Banking, Finance and Urban Affairs.

218. Also, memorial of the Legislature of the State of Louisiana, relative to Medicaid; to the Committee on Energy and Commerce.

219. Also, memorial of the Legislature of the State of Louisiana, relative to Federal Emergency Flood Insurance Program; to the Committee on Energy and Commerce.

220. Also, memorial to the Legislature of the State of Louisiana, relative to the line-item veto; to the Committee on the Judiciary.

221. Also, memorial to the Legislature of the State of Louisiana, relative to sugar; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 229: Mr. MCHUGH.

H.R. 370: Mr. HOWARD.

H.R. 380: Mr. RANGEL, Mr. GILMAN, Mr. MURPHY, Mrs. COLLINS, Mr. GUARINI, Mr. SMITH of Florida, Mr. TOWNS, Mr. MARTINEZ, Mr. OWENS, Mr. BENNETT, Mrs. BOXER, Mr. FUSTER, Mr. PEPPER, Mr. MORRISON of Connecticut, Mr. LEVINE of California, Mr. SEIBERLING, Mr. CROCKETT, Mr. FLORIO, Mrs. BURTON of California, Ms. KAPTUR, Mr. GRAY of Illinois, Mr. MITCHELL, and Mr. BROWN of California.

H.R. 426: Mr. ROSE.

H.R. 585: Mr. SIKORSKI, Mr. SCHAEFER, Mr. MANTON, Mr. ADDABBO, Mr. RODINO, Mrs. BURTON of California, Mr. ATKINS, and Mrs. BENTLEY.

H.R. 587: Mr. BARNARD, Mr. VENTO, Mr. GALLO, Mr. MCCLOSKEY, Mr. BROYHILL, Mr. CHAPPELL, and Mr. VANDER JAGT.

H.R. 816: Mr. THOMAS of California.

H.R. 1019: Mr. ROE, Mrs. BURTON of California, Mrs. COLLINS, Mr. WIRTH, Mr. DWYER of New Jersey, Mr. STOKES, Mr. TOWNS, Mr. MITCHELL, Ms. KAPTUR, Mr. LANTOS, Mr. RINALDO, Mrs. BENTLEY, Mr. MRAZEK, Mr. MORRISON of Connecticut, Mr. LELAND, Mr. RANGEL, and Mr. DE LUGO.

H.R. 1161: Mr. RAHALL.

H.R. 1207: Mr. BORSKI, Mr. FEIGHAN, Mr. ANDREWS, Mr. NELSON of Florida, Mr. KANJORSKI, Mr. EDWARDS of California, Mr. HENDON, Mr. RODINO, Mr. ORTIZ, Mr. WALGREN, Mr. GUARINI, Mr. GLICKMAN, Mr. PERKINS, and Mr. ERDREICH.

H.R. 1279: Mr. GROTBERG, Mr. KLECZKA, Mr. JEFFORDS, Mr. MURPHY, Mr. ANTHONY, Mr. PASHAYAN, and Mr. WIRTH.

H.R. 1294: Mr. BATES, Mr. WOLF, and Mr. YOUNG of Alaska.

H.R. 1563: Mr. RUDD, Mr. WHITEHURST, Mr. LEWIS of Florida, Mr. MCCOLLUM, Mr. SENSENBRENNER, and Mr. ANDERSON.

H.R. 1566: Mr. ROBINSON and Mrs. BENTLEY.

H.R. 1567: Mr. ROBINSON and Mrs. BENTLEY.

H.R. 1681: Mr. DELLUMS.

H.R. 1805: Mr. STRATTON, Mr. EDWARDS of Oklahoma, Mr. SLAUGHTER, and Mr. SILJANDER.

H.R. 1884: Mr. LEWIS of Florida, Mr. LOTT, Mr. STRANG, and Mr. TRAFICANT.

H.R. 1894: Mr. GRAY of Illinois.

H.R. 1918: Mr. LANTOS.

H.R. 1946: Mr. BURTON of Indiana.

H.R. 1965: Mr. IRELAND, Mr. VISCLOSKY, Mr. ECKART of Ohio, Mr. KEMP, Mrs. VUCANOVICH, and Mr. WALKER.

H.R. 1980: Mr. MITCHELL.

H.R. 2015: Mr. BURTON of Indiana.

H.R. 2035: Mr. SMITH of Florida, Mr. MCCOLLUM, and Mr. LEWIS of Florida.

H.R. 2116: Mr. SMITH of Florida.

H.R. 2189: Mr. DENNY SMITH.

H.R. 2299: Mr. BRYANT.

H.R. 2404: Mrs. BENTLEY.

H.R. 2501: Mr. WHITEHURST.

H.R. 2591: Mr. BOEHLERT, Mr. GILMAN, Mr. SWINDALL, Mr. RAHALL, Mr. SEIBERLING, Mr. SLATTERY, Mr. DIOGUARDI, and Mr. KEMP.

H.R. 2624: Mr. WEISS.

H.R. 2684: Mr. LEATH of Texas and Mr. HUGHES.

H.R. 2685: Mr. RANGEL, Ms. KAPTUR, Mr. BATES, Mr. MITCHELL, Mr. HOYER, and Mr. HAWKINS.

H.R. 2709: Mr. TAUKE.

H.R. 2741: Mr. SABO, Mr. VISCLOSKY, and Mr. MCCLOSKEY.

H.R. 2745: Mr. MORRISON of Washington, Mr. GUNDERSON, Mr. ROBERTS, Mr. MADIGAN, and Mr. BURTON of Indiana.

H.R. 2793: Mr. MORRISON of Connecticut, Mr. BARNARD, Mr. RICHARDSON, Mr. BIAGGI, Mr. SOLARZ, Mr. HORTON, Mr. DORNAN of California, Ms. MIKULSKI, Mr. RITTER, Mr. EDWARDS of Oklahoma, Mr. COELHO, Mr. GARCIA, Mr. PETRI, Mr. OBERSTAR, and Mr. DEWINE.

H.R. 2874: Mr. ERDREICH.

H.R. 3008: Mr. ATKINS, Mr. SCHEUER, Mrs. LONG, Mr. DURBIN, and Mr. SLATTERY.

H.R. 3032: Mr. MORRISON of Connecticut and Mr. KOLTER.

H.R. 3045: Mr. NEAL.

H.R. 3065: Mr. MCCURDY and Mr. RITTER.

H.J. Res. 47: Mr. BATES, Mr. TOWNS, Mr. ATKINS, and Mrs. BURTON of California.

H.J. Res. 60: Mr. O'BRIEN, Mr. STOKES, Mr. TRAXLER, Mr. TAUKE, Mr. YATES, Mr. BUSTAMANTE, Mr. ANTHONY, Mr. DIXON, Mr. MATSUI, Mr. GALLO, Mr. LEWIS of Florida, Mr. SMITH of New Jersey, Mr. WEAVER, Mr. ERDREICH, Mr. FOGLIETTA, Mr. BROWN of California, Mr. GARCIA, Mr. CALLAHAN, Mr. CARPER, Mr. TRAFICANT, Mr. DYMALLY, Mr. BEVILL, Mr. AKAKA, Mr. RINALDO, Mr. YOUNG of Alaska, Mr. GILMAN, Mr. SABO, Mr. MCCAIN, Mr. ORTIZ, Mr. PANETTA, Mr. MILLER of California, Mr. LIPINSKI, Mr. FISH, Mr. LUNDINE, Mr. MCHUGH, Mr. ROSE, Mr. HALL of Ohio, Mr. CLAY, Mr. CHANDLER, and Mr. GREEN.

H.J. Res. 101: Mr. GALLO.

H.J. Res. 145: Mr. BONIOR of Michigan, and Mr. MCKERNAN.

H.J. Res. 151: Mr. TAUKE, Mr. JONES of Tennessee, Mr. SYNAR, Mr. HUTTO, Mr. DAVIS, and Mrs. LLOYD.

H.J. Res. 171: Mr. WYDEN, Mr. LAGOMARSINO, Mr. MCKERNAN, Mr. MADIGAN, Ms. SNOWE, Mr. MCKINNEY, Mr. KLECZKA, Mr. SPRATT, and Mr. GROTBERG.

H.J. Res. 175: Mr. DONNELLY, Mr. WALGREN, Mr. IRELAND, Mr. TAUKE, Mr. LEACH of Iowa, Mr. MOAKLEY, Mr. GILMAN, Mr. STANGELAND, Mr. KLECZKA, Mr. LENT, Mr. KASICH, Mr. MORRISON of Washington, Mr. ANNUNZIO, and Mr. SOLARZ.

H.J. Res. 187: Mr. BLAZ.

H.J. Res. 222: Mr. DUNCAN.

H.J. Res. 223: Mr. MATSUI, Mr. ROBERT F. SMITH, Mr. SMITH of Florida, Mr. BRYANT, and Mr. REID.

H.J. Res. 229: Mr. AKAKA, Mr. ANDREWS, Mr. ANNUNZIO, Mr. ANTHONY, Mr. BARNARD, Mr. BATES, Mr. BENNETT, Mr. BROOMFIELD, Mr. BRYANT, Mr. COLEMAN of Texas, Mr. CONTE, Mr. DASCHLE, Mr. DAVIS, Mr. DIXON, Mr. DORGAN of North Dakota, Mr. DURBIN, Mr. FORD of Michigan, Mr. GREEN, Mr. RALPH M. HALL, Mrs. KENNELLY, Mr. LEACH of Iowa, Mr. LEHMAN of California, Mr. LELAND, Mr. LEWIS of California, Mr. LIVINGSTON, Mr. LOWRY of Washington, Mr. MARKEY, Mr. MAVROULES, Mr. MOORE, Mr. MORRISON of Connecticut, Mr. MORRISON of Washington, Mr. NEAL, Mr. NOWAK, Mr. OBERSTAR, Mr. PRICE, Mr. PURSELL, Mr. RAHALL, Mr. REGULA, Mr. SCHUMER, Mr. SHELBY, Mr. SHUMWAY, Mr. SPRATT, and Mr. YATRON.

H.J. Res. 296: Mr. VOLKMER, Mr. DWYER of New Jersey, and Mr. DUNCAN.

H.J. Res. 299: Mr. CHANDLER, Mr. VOLKMER, Mr. SCHEUER, and Mr. HUGHES.

H.J. Res. 311: Mrs. VUCANOVICH, and Mr. SHELBY.

H.J. Res. 327: Mr. REID, Mr. SCHEUER, and Mr. BARTON of Texas.

H.J. Res. 344: Mr. BLAZ.

H. Con. Res. 128: Mr. CONYERS, and Mr. BRYANT.

H. Con. Res. 175: Mr. MORRISON of Connecticut, Mr. DELLUMS, Mr. WHEAT, Mr. WEISS, Mrs. BOXER, Mr. RANGEL, Mr. FOGLIETTA, Mr. TRAXLER, and Mr. HOYER.

H. Res. 36: Mr. FAZIO.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

174. By the SPEAKER: Petition of the Florida Council of Administrators of Special Education, Tallahassee, FL, relative to legal needs of the handicapped; to the Committee on Education and Labor.

175. Also, petition of the School Board of Okaloosa County, FL, relative to students retaining counsel; to the Committee on Education and Labor.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 3036

By Mr. FROST:

—Page 13, line 20, insert ", of which $200,000,000 for revenue forgone shall be available only if, before October 1, 1985, the Postal Service enters into contractual commitments in an amount of at least $200,000,000 for the acquisition of American-designed technology for automation of mail processing" after "$961,121,000".

EXTENSIONS OF REMARKS

SOUTH AFRICA'S LATEST ROUND OF VIOLENCE

HON. CHARLES B. RANGEL
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1985

● Mr. RANGEL. Mr. Speaker, the present situation in South Africa is frightening. More than 500 blacks have died in the past 6 months, and a state of emergency has been declared in 36 districts. Hundreds are now being arrested for active participation in open rebellion against apartheid.

The situation is worsening in South Africa. We are witnessing a prerevolutionary movement that is only being exacerbated by Pretoria's intransigence. The cycles of violence are occurring more frequently, and with increasing intensity. This cycle is by far the longest, and the next is likely to be longer.

South Africa's whites have heretofore implemented piecemeal reforms in response to each cycle of violence. None of these reforms have relinquished real power, Mr. Speaker, despite the obvious fact that the root cause of the unrest is the lack of power in the hands of blacks.

It is my hope that Pretoria will wake up before it is too late. Time is not on the side of the white minority, and a real explosion looms in the not too distant future. I would like to submit the following editorial for inclusion in the CONGRESSIONAL RECORD, and urge my colleagues to read the perspective put forth therein.

[From the Washington Post, July 23, 1985]

TURN OF THE SCREW IN SOUTH AFRICA

For decades some people have been observing the lagging pace of change in South Africa and predicting an "explosion." Others have observed that the white minority's immense advantages in organization and armed power were bound to deter or, that failing, muffle any such confrontation. Both forecasts now seem to be coming true. A profound, almost prerevolutionary discontent is everywhere apparent; stirred by the familiar injustices of apartheid, it was brought to a boil by the black majority's evident collective decision that the government's reforms of last year were too little and too late. Meanwhile, the government is bringing its formidable powers of compulsion more openly to bear. The latest increment, in a society that already was for blacks a police state, is a declaration of emergency in the areas of Johannesburg and the eastern Cape.

South Africa is now undergoing the most serious unrest it has known. Strikes, statements, demonstrations, some anti-white sabotage and terror seem constant. Funerals, where blacks gather to mourn the victims of white guns, have become a major political venue. There is considerable violence of black against black but, far from being "mindless," it is plainly political, reflecting a strategy—part spontaneous, part generated by the revolutionary African National Congress—to destroy the limited forms of urban-black authority established by whites. Black protest, harassment, arson and murder have left only five of 38 local black councils operating; 240 black councilors, including 27 mayors, have resigned. The black police set up by whites to police black towns are under similar pressures. The point is unmistakable: the only legitimate black structures of authority are those that blacks create themselves.

Violence, of course, is the essence of apartheid: otherwise white power would vanish. Prime Minister P.W. Botha had undertaken limited reforms, although none touched the root problem of political power for blacks. Now he is responding to the consequent unrest with a turn of the screw. It treats the symptoms, in a way bound to breed greater alienation, and ignores the causes. Mr. Botha's defenders say he has no political mandate to move to political reform. In fact, he has no choice, if he is to halt his country's passage to a place of unending tension and strife.

Responding to this latest crisis, the United States indicated that unrest had justified the government's "new measures," and called for the unrest to abate so that the government could return to the path of reform. This is the pablum of "constructive engagement." The administration's inability to say that the people of South Africa are struggling for justice against a system that denies it to them could not have been demonstrated more clearly and more painfully.

[From the New York Times, July 23, 1985]

SOUTH AFRICA IN EMERGENCY

South Africa's new state of emergency amounts to martial law and cuts through much recent debate about the country's future. It proves again that a minority of whites cannot enjoy first-world prosperity and democracy while pursuing colonial dominion over blacks held in third-world conditions.

Through endless cycles of repression and reform, the white regime has been unable to escape its central dilemma. If the whites refuse to share their wealth and power, they inspire the black majority to revolt. If they try to suppress rebellion with force, they betray their law and culture and are left with a second-world, Polish-style order.

President P.W. Botha has now provided dramatic evidence for both premises. Though his reforms have been politically trivial, they had the effect of discrediting the central doctrines of apartheid. By vaguely promising to reward the docility of urban blacks, he abandoned the pretense that they were all citizens of tribal homelands and mere guests in South Africa. But when he then failed to deliver on the promise to consult them about their political future, he invited the violence that now propels him to Draconian measures.

The crackdown not only subjects blacks to arbitrary rule by the police and militia, but also sacrifices the ornaments of white democracy. In much of the country, blacks can now be dragged from their homes and detained at will, denied free speech and assembly and any role in putative political activity—even garbage collection in segregated towns. And to sustain this order, white newspapers and courts will be repressed. People will disappear without trace; the police and militia will not be answerable in print or court, and the authorities will be immune to any damage claims that may arise as a result.

To be sure, the old order was collapsing. Blacks had begun to use unions to negotiate not just for economic benefits but also for political influence. When the Government invoked its already great powers of repression to charge moderate blacks with treason—and to deliver them to a brutal police—the protest became palpably revolutionary.

Blacks began testing their capacity to damage the economy—once with a general strike, other times with local rent strikes and boycotts of white businesses. Simultaneously, radical black youths began murdering black officials and policemen whose duties implied collaboration with the white regime. These attacks, and the counterattacks of the police, claimed more than 500 lives, mostly black, in 10 months. They also destroyed black administration in dozens of segregated towns, requiring the authorities to invade militarily to assure distribution of water and electricity.

The resort to martial law has now touched off the next South African debate: whether Mr. Botha went too far or not nearly far enough in his promises of reform. It is a pathetic question because no reform worthy of the name was ever promised, no less tried. Having abandoned apartheid's myth that all blacks were aliens, Mr. Botha substituted only an offer one day to consult docile blacks of his choosing in a "non-statutory forum." To the most moderate possible black leader, Chief Gatsha Buthelezi, this was "a lousy crumb from the white man's table."

The message is stark: the first-world blessings of democracy and prosperity depend most of all on the consent of the governed. A government disdaining that consent puts all else in jeopardy.●

TRANSPORTATION OF NUCLEAR WASTE

HON. BILL GREEN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1985

● Mr. GREEN. Mr. Speaker, on July 9, 1985, I introduced H.R. 2938, the Radioactive Materials Transportation Protection Act of 1985. This legislation is designed to protect better those areas through which high-level nuclear waste is transported by including the local citizenry in the process through which transportation routes are determined.

The transportation of nuclear waste is a complex, important, and controversial subject. As the Representative from Manhattan's East Side, I take a personal interest in this matter. It was not too long ago that the laboratories at Brookhaven, on Long Island, shipped its high-level waste through my district—right up Third Avenue and over the George Washington Bridge. Although the route has been changed recently, the issue of transporting high-level nuclear waste materials through urban centers demands close attention from this Congress. It is for these reasons that I introduced H.R. 2938 and that I urge my colleagues to press for its adoption.

On February 27, 1984, the U.S. Supreme Court refused to hear New York City's challenge to the U.S. Department of Transportation [DOT] regulation which would require the city to open its highways to trucks carrying nuclear waste. New York banned the transportation of such wastes on its major arteries in 1976 because the Federal Government did not adequately assess the risks of carrying such wastes through urban centers.

New York City has filed a nonpreemption determination request with DOT, but the Department has yet to act on the proposal. The Department of Energy agreed last year to a voluntary 6-month moratorium on radiocative shipments, but it expired on December 31, 1984. At this point, 12 to 15 shipments have been made through New York, although no part of the current route is in my congressional district.

Ironically, DOT adopted its regulations without preparing an environmental impact statement, which is required by law for all Federal projects which are expected to have a significant impact on the environment. Yet, the shipments occur in the middle of the most densely populated city in our Nation. The New York Bureau of Radiation Control has estimated that a small release of high-level waste could cause thousands of deaths, both immediately and as a result of latent exposure. Combined with the Environmental Policy Institute's estimate that over 8,500 shipments of radioactive waste using the Interstate Highway System will occur annually by the first few years of the 21st century, it is clear that routes which offer the fewest possible chances of danger should be used.

Mr. Speaker, how can we identify the routes with the fewest possible chances of danger without an environmental impact statement—the same type of study which DOT did not perform before finalizing its routes? We can't. In making its ruling, DOT relied upon statements from statisticians and technicians who argue that there is a low probability of an accident or some other type of danger to the public. I do not question these findings. However, we have learned through a wide variety of recent events, such as Three Mile Island and the renaissance of the Chicago Cubs, that predictions are only educated guesses. Given the density of our major population centers, it is only reasonable for residents of a city to ask that the transportation of nuclear waste be restricted.

My legislation recognizes that highway accidents involving vehicles transporting dangerous radioactive waste materials through populated areas could have significant effects on the environment and on public safety. It is also the case that the possible consequences are extraordinarily harmful and could include many deaths, large numbers of injuries, and billions of dollars in property damage.

Therefore, H.R. 2938 requires that the Secretary of Transportation file an environmental impact statement under section 102 of the National Environmental Policy Act—(NEPA; 42 U.S.C. 4332)—in the process of determining the route of travel for any shipment of a controlled quantity or radioactive materials into or through a high-density metropolitan area. In addition, that environmental impact statement must include the consideration of alternative modes of transportation, such as barges for water routes. This proposal would apply to any route determination made under the regulations promulgated by DOT, and my legislation defines "high-density metropolitan area" as a metropolitan statistical area—areas comprising the 16 percent of the United States which is most densely populated and, therefore, has the potential to suffer the most damage.

When I testified in 1984 before the Subcommittee on Surface Transportation of the Committee on Public Works and Transportation on behalf of similar legislation I proposed last year, I was asked if my legislation would not have the effect of pitting rural residents against city dwellers. I replied by saying that the Federal Government's nuclear energy policy has been clear in its attempt to locate nuclear power plants and study facilities as far away as possible from population centers in order to avoid as much risk as possible. Given that this policy has been successful, it only makes sense that the transportation of nuclear waste should follow the same guidelines; that is, that the harmful byproducts of nuclear energy be transported in such a way as to avoid risk.

Unlike some proposals, my legislation does not forbid the transportation of high-level nuclear waste through cities and towns, per se. Waste does exist, and it must be transported to storage and burial sites. However, the successful completion of an environmental impact statement, as required by H.R. 2938, would allow for community participation in this important decisionmaking process. I believe that the results of an environmental impact statement would prove conclusively that the current routing system is fundamentally flawed and, just as important, that sound alternatives exist. My legislation is a reasonable and just attempt at statutory language which would both alleviate the fears of urban residents and satisfy the needs of the Departments of Transportation and Energy in ensuring the timely and satisfactory transportation of nuclear waste. I urge my colleagues to cosponsor this legislation and to move for its early adoption.●

THE LATEST BUDGET REVELATIONS

HON. RICHARD RAY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1985

● Mr. RAY. Mr. Speaker, the latest breakdown in budget negotiations presents us with the frightening possibility that this Congress will not make significant reductions in Federal deficits for the next few years. We must not let that happen. We must not gamble with our Nation's security, both present and future.

A new nationwide poll gives us a compelling reason to take immediate action. This poll was commissioned by the National Debt Repayment Foundation, a nonprofit, nonpartisan organization dedicated to public education on the dangers of the national debt, and conducted by Civic Service Inc., a respected polling organization.

Mr. Speaker, the poll shows that the American people understand the danger the Nation faces from soaring deficits which have accumulated into an enormous national debt. Ninety percent of Amricans believe that the national debt is a threat to the future of the U.S. economy, 82.3 percent fear that failure to reduce the debt threatens their own personal financial security.

The American voters are so concerned with the economic future of our Nation and the opportunity for their children to prosper, that more than 85 percent agree that citizens will have to make sacrifices to help the country deal with the debt.

If that is not a mandate, Mr. Speaker, then what is? I am inspired by the wisdom of our citizens. They are informed, and they are justifiably concerned. And what impresses me most is their acknowledgement that getting the country back on the road of financial responsibility is no easy task. Americans are ready to sacrifice for the good of their country, for the future of their children. What are we

willing to do? What are we waiting for?

Unfortunately, Mr. Speaker, the poll shows that less than half of the American people are confident that Congress will take actions to reduce the debt in time for the Nation to avoid financial and social catastrophe. It is easy to understand this pessimism. The debt is rapidly approaching $2 trillion, and deficits are still raging out of control.

If we, the Members of Congress, do not act immediately to control the deficits and make repayment of the national debt a focus of policy debate, we will leave a legacy of failure to future generations of Americans.

High interest rates, stifling interest payments on the national debt, and inflationary pressures are but some of the dangers of the debt. We must act now, before this crisis engulfs us. If we wait until we are teetering on the brink of disaster, it may not be possible to make rational and responsible decisions. We may be forced into decisions compelled by crisis management.

Mr. Speaker, the members of the House of Representatives must do whatever it takes to bring down Federal dificits and to begin making plans to repay the national debt. It is our generation that has created most of this monstrous debt. It is our generation that must pay it back. Anything else would be irresponsible and unforgiveable.●

A TRIBUTE TO HOWARD MATTHEWS

HON. JOE KOLTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1985

● Mr. KOLTER. Mr. Speaker, today I rise to salute Mr. Howard Matthews of New Castle, PA.

Mr. Matthews is being honored by the Lawrence County Area Vocational and Technical School for his years of dedicated service to education. With your permission, Mr. Speaker, I would like to share some information about Mr. Matthews with our colleagues.

Mr. Matthews graduated from the University of Pittsburgh with a bachelor of science degree in 1976. In addition, he has completed specialized writing, engineering and other technical training at Penn State University and several other institutes of higher learning.

While achieving his formal educational goals, Mr. Matthews has served as a teacher and administrator at the Lawrence County Vocational and Technical School for the past 18 years. Not only has he been a superb instructor, but he has been heavily involved in writing and administering the curriculum at the Vo-Tech.

One of the primary reasons the Lawrence County Vo-Tech seeks to honor Mr. Matthews is the fact that he has made a strong commitment to helping young men and women prepare for the world of work. Through Mr. Matthews' efforts at recruiting, teaching and counseling, the Lawrence County Vo-Tech and its students have benefited tremendously. Quite simply, Mr. Matthews serves as a fine role model for the students that he has taught and guided over the last 18 years.

Mr. Speaker, I ask that you join the Lawrence County Area Vocational and Technical School, Mr. Matthews' wife Grace and their family, in saluting Mr. Howard Matthews.●

BEN BOVA ON THE PROMISE OF SDI

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1985

● Mr. COURTER. Mr. Speaker, I want to bring to my colleagues' attention an excellent op-ed article by Ben Bova, president of the National Space Institute (New York Times, July 25).

The article heralds the technical success of the testing of a ground-based laser that directed and bounced its beam off a reflector carried by the space shuttle Discovery. Ground-based lasers, as Mr. Bova explains, show great promise as they are somewhat less susceptible to countermeasures than would be lasers based in space.

Bova also applauds advances in development of x ray and free electron lasers as the technologies that offer the most hope of making the dream of defensive systems a reality.

Bova recognizes the need for a stable transition from a world based on the threat of offensive nuclear weapons to one based on protection, proposing that such a system be shared by East and West. He looks forward to a day when ". . . a global network of satellites that could make nuclear attack by any nation so remote that it could not serve as the basis of national policy."

The article follows:

[From the New York Times, July 25, 1985]

CLEARLY, A GOOD IDEA

(By Ben Bova)

WEST HARTFORD, CONN.—The debate over the Strategic Defense Initiative—"Star Wars"—has changed dramatically in the past year.

When President Reagan first announced it, the idea of building a defensive shield in space that could protect us against a Soviet nuclear missile attack was considered technically impossible and politically dangerous.

Some critics said that developing such a system would frighten Moscow into a preemptive attack before the shield could be deployed. Others argued that fragile and complex defensive satellites would be vulnerable to attack (the Soviet Union has the world's only operational anti-satellite weapons), and, in any case, would cost hundreds of billions of dollars—far too costly to be practical.

But during the past year, technical successes and political events have combined to soften criticism. The test last month of a ground-based laser that bounced its beam off a reflector carried by the orbiting space shuttle Discovery showed that it may be possible to base powerful lasers on the ground, safe from potential countermeasures, and send their beams through the atmosphere to mirrors "popped up" into orbit, which would then reflect the powerful beams toward the enemy's missiles.

Progress has also been reported on the X-ray laser and free-electron laser, two energy weapons that may be used to destroy missiles in flight. New computer chips that can handle billions of operations a second promise that a battle management system can be deployed that can simultaneously track hundreds of thousands of missiles, warheads and decoys. And last summer, the Army successfully pulverized a Minuteman warhead fired from California with an umbrella-like metal shroud launched in a rocket from Kwajalein atoll in the mid-Pacific.

In addition to these technical successes, Moscow's return to arms-control negotiations at Geneva, largely to insist that American stop all Strategic Defense Initiative research, shows that the Kremlin is concerned that Star Wars will work—and negate thousands of ballistic missiles and hydrogen bomb warheads aimed at targets in the United States.

Most scientists who opposing the initiative no longer claim it is technically impossible. Hans A. Bethe, for example, now criticizes it on the ground that "it will fuel the arms race, rather than end the threat of nuclear weapons." The Union of Concerned Scientists, which argued that the initiative would require thousands of satellites, now admits that fewer than 100 would be sufficient for a workable defensive system.

Meanwhile, the Soviet Union continues with its own defenses. American intelligence sources claim that the Russians are working on energy-beam weapons and improved anti-satellite weapons, while their diplomats call for a ban on all weapons in space.

The Administration has said that America will eventually share its Star Wars technology with the Soviet Union, to show that these weapons are intended to protect people, not harm them. It is time to begin an open dialogue between the superpowers on such sharing.

Nearly 30 years ago, nuclear physicists from both countries began meeting informally to discuss ways to alleviate fears arising from nuclear arms. These annual Pugwash conferences built up a body of trust and mutually agreed upon data that allowed the politicians to negotiate the first arms limitation treaties—the Limited Test Ban Treaty of 1963 and the SALT I agreements of 1972.

Similarly, scientists working in the various technologies of strategic defense could now begin informal discussions, within the limits of their Governments' security rules, to prepare the way for an eventual political agreement to share strategic defenses. Such discussions would not produce mutual understanding overnight. But they can lead the way, eventually, to a defensive system shared by East and West—a global network of satellites that could make nuclear attack by any nation against any other nation so

remote that it could not serve as the basis of national policy.●

SOVIET JEWRY

HON. JOSEPH J. DioGUARDI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1985

● Mr. DioGUARDI. Mr. Speaker, I rise before the House today to speak of freedom. The freedom that you, myself, and all the citizens of our country enjoy and cherish. Each one of us has the opportunity to strive to reach our potential and achieve our greatest goals. The United States of America not only consists of a wide spectrum of religions, ethnic origins, and political philosophies, but also derives its fundamental strength from this diversity.

Yet, freedom is an elusive dream and faint hope for many people in today's world, particularly in the Soviet Union. Mr. Gorbachev and the Soviet Union refuse to permit thousands of Soviet Jews to emigrate to freedom.

The number of Soviet Jews allowed to emigrate has dropped precipitously. In 1979, approximately 51,000 Jews emigrated from the U.S.S.R. In 1980, the number was 21,000, but by 1984, the number had declined to a mere 896. This is the lowest level of emigration from that country in the past two decades. This should concern every American who is dedicated to human rights and personal liberty.

This year, only 499 Soviet Jews have been allowed to emigrate. With the arrival of the new Soviet leader, June's total decreased to a trickle—just 36 people. The right to freedom of emigration is guaranteed under the Helsinki accords and other international agreements which the Soviets have signed. In addition, evidence shows an increase of Soviet religious persecution and harassment. Teaching Hebrew is now an offense punishable by 7 years hard labor. This is typical of the callous disregard for human rights exhibited by the Soviet Union today. In the Soviet Union, Jewish "Prisoners of Conscience" have emerged. These people have been put on trial as a result of their active role in trying to emigrate and to further cultural or religious work in the U.S.S.R. They have been prosecuted for alleged crimes ranging from parasitism to hooliganism to treason.

Since the early 1970's, Soviet authorities have tried to curb the Jewish will for freedom. Arrests and trials of selected individuals took place, and scores of Jews were sentenced to as many as 12 years in prison, labor camps, or Siberian exile. These tactics were designed to deter Soviet Jews from submitting emigration applications, or to serve as models for others; instead, they intensified the determination of Jewish freedom fighters to carry on their quest.

We, as a nation, should be deeply troubled by these signs of continuing repression. The people of the free world should not sit quietly while the Soviets violate international agreements and continue to abuse basic human rights. Just recently, over 100 Members of Congress joined me in writing a letter to President Reagan asking for strong leadership in the effort to lessen the plight of those oppressed by Soviet tyranny. Public protests by Members of Congress and other Americans will remind the Soviets and our own Government of the thousands of Jewish families trapped behind the Iron Curtain. I am honored to be a member of the 1985 Congressional Call to Conscience. Only through consistent pressure will Mr. Gorbachev and the Soviet Union see the need to face the plight of these millions and to respect the rights of these minorities. We must not allow the Soviet authorities to get away with these atrocities.●

A TRIBUTE TO AILEEN AVERY AND THE HAMILTON GRANGE

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1985

● Mr. RANGEL. Mr. Speaker, I rise to commend the efforts of Ms. Aileen Avery to restore and preserve the Hamilton Grange in New York.

Ms. Avery is a community mover and shaker. She has been a member and leader of the Manhattan Republican Club for 25 years, and has been at the forefront of the political community in New York. Her commitment to her neighborhood and people is greatly appreciated by all who know her.

The Hamilton Grange is Alexander Hamilton's ancestral home, and is one of the most gracious memorials to him. Ms. Avery was one of the original people to propose the development of Hamilton Grange as a national monument. Her initiative was a catalyst that significantly influenced the present restoration and development movement.

Mr. Speaker, I and the members of my community are very proud of Ms. Avery, and I would like to extend my deepest gratitude for her efforts. Thanks to the dedication of people like Aileen Avery, the Hamilton Grange promises to be a great success.●

SUPPORT FARM BUREAU FARM BILL

HON. FRED J. ECKERT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1985

● Mr. ECKERT of New York. Mr. Speaker, I have joined as a cosponsor of H.R. 1965, the Farm Bureau's 1985 farm bill. I am joining as a cosponsor of the Farm Bureau bill because it will benefit farmers and consumers in New York State and across the Nation. H.R. 1965 is a reasonable, balanced and fair farm proposal that deserves the strong consideration of all Members of Congress.

The Farm Bureau Farm Program has three basic objectives.

First, the bill works to increase market shares and income opportunities.

Second, it encourages more efficient and balanced use of farm resources within farms and among farming regions.

Third, the bill will reduce the cost of the programs to the taxpayers.

The Farm Bureau bill will meet these objectives by tying the loan rates for major crops to world market prices to ensure that U.S. products will be price competitive. This will send a strong signal to other agricultural export competitors that we will compete for world market shares and not prop up world market prices. The Farm Bureau bill also meets its objectives by organizing resources on farms and among regions for market opportunity rather than for opportunity to take advantage of a Government program. Finally, the Farm Bureau bill meets its objectives by reducing the costs to taxpayers by increasing market opportunities and eliminating the market disruption and taxpayer costs of the Federal farmer held reserve.

The Farm Bureau bill will solve the dairy problem by tying Government guaranteed dairy prices to the market price which will send producers a better signal from consumers. This basic signal has been lost for several years with the institution of a Dairy Diversion Program. The dairy farmers in my district have expressed an overwhelming opposition to continuing the Dairy Diversion Program. The dairy farmers in my district want a return to market oriented programs such as the one contained in the Farm Bureau's bill.

I support this farm proposal because it differs from the present farm programs by allowing decisions about prices to be made by market participants rather than allowing them to be set by politicians and bureaucrats. It is imperative that we eliminate the current farm laws that are an accumula-

tion of election year political tinkering with farm prices and incomes.

The Farm Bureau farm bill benefits farmers and it benefits the Nation. The farmers will benefit by taking action to stop the erosion of their markets and thus better position themselves for increased market income opportunities in the future. The farmers will also benefit by getting control of Federal spending in order to bring interest rates down. The Nation will benefit from the Farm Bureau farm bill because it will result in food and dairy products being produced and consumed, rather than produced and stored. The economy will benefit from productivity gains by farmers and taxpayers will benefit through reduced Federal spending which will push interest rates further down.●

SEA WORLD'S NEW ADDITION

HON. DUNCAN HUNTER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1985

● Mr. HUNTER. Mr. Speaker, since Sea World began its operations in San Diego over 20 years ago, it has been a pioneer in the zoological field. On July 15, 1985, Sea World took another pioneering step when it opened to the public the exhibit of the first Commerson's dolphin calf born in captivity. I know my colleagues join me in congratulating Sea World on this outstanding accomplishment.

Until recently, little was known of the Commerson dolphins. The first documentation of the small, black and white dolphin was recorded in 1766 by French naturalist Philibert Commerson. These dolphins have been sighted from the coastal waters off of Argentina to the tip of South America and eastward to the Falkland Islands. In addition to these areas, there is a separate population of Commerson's dolphin found at Isle Kerquelen in the Indian Ocean.

The Commerson dolphins currently at Sea World are part of a research program being conducted off the southern coast of Chile in association with the Chilian Ministry of Fisheries and the University of Chile. This project began when officials became concerned that the dolphins were being accidentally and intentionally harmed through entanglement and subsequent drowning in fishing nets and entrapment for use as bait for the king crab fisheries.

The research being conducted as Sea World focuses on the dolphins growth rate, reproductive system, vocalization, echolocation ability, visual acuity and color vision, hematology, behavior and physiology. This valuable data will help ensure the future of this beautiful marine animal.

In addition, I would like to bring to my colleagues attention another magnificent exhibit at Sea World—the Penguin Encounter. This exhibit is the world's first simulated Antarctic habitat and houses 400 penguins. It is a recreated miniature ecosystem—orange lights simulate sunsets and sunrises, the rooms lighting corresponds to the natural cycle of Antarctica's seasons, the temperature is maintained at 28 degrees and the seawater is a brisk 45 degrees. The Penguin Encounter is a culmination of over a decade of research on penguins and it is indeed a facinating exhibit.

These are only a few of Sea World's many outstanding accomplishments. Mr. George Becker, president of Sea World at San Diego; Dr. Lanny Cornell, senior vice president and zoological director; and Frank Todd, curator of birds and all others associated with Sea World are to be commended for their dedication to preserving this world's valuable marine life. I would just like to say, congratulations Sea World and I and many others look forward to your next pioneering step.●

CONGRATULATIONS, BRANDON HALL SCHOOL OF ATLANTA

HON. PAT SWINDALL

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1985

● Mr. SWINDALL. Mr. Speaker, I have the priviledge today of congratulating the Brandon Hall School of Atlanta, GA, for being one of the few private schools recognized as exemplary by the Department of Education and the Council of American Private Education. This is quite a feat since the school takes in students who are bright yet underachieving and transforms them into model students who are accepted at top universities and colleges across this country. The school was chartered in 1959 and presently has 175 students and 75 faculty. It is strictly a college preparatory school, whose curriculum for all students includes Latin, mathematics, biology, and chemistry. Last year its principal received the national distinguished principals award, rarely bestowed on leaders of private schools. I had the opportunity this spring to visit Brandon Hall School and see the results of the quality education that is taking place there. I applaud their good work and pray that they will continue in their high endeavors and achievements.●

SOUTH AFRICA: WHAT THE WEST CAN DO

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1985

● Mr. KEMP. Mr. Speaker, South Africa is being convulsed by racial crisis. Whatever the immediate occasion for the tragic violence, clearly the apartheid policy of racial separation and discrimination is the ultimate cause. I believe that Bishop Desmond Tutu deserves the praise of all Americans for his courageous and vocal opposition to violence and in explaining why violence can only be counterproductive in the fight for the equal human rights of all South Africans.

Helen Suzman is perhaps the leading opponent of apartheid in the South African Parliament. It is on people like Helen Suzman that black South Africans must depend to build bridges of racial understanding and end the moral monstrosity of race conscious policies called apartheid. Yet Helen Suzman argues in a recent speech, from which the following article is taken, that economic sanctions would destroy the strongest weapons we have against the system of racial discrimination. She argues for a positive program to help blacks gain economic leverage so that their legitimate demand for political and civil rights cannot be resisted. Integral to that program is general economic growth in South Africa and mandating the Sullivan principles. The Sullivan rules strike at the heart of apartheid by forcing racial changes in racial behavior patterns in the factories and marketplaces. The principles have been having beneficial effects, and they should be expanded by making them mandatory, as Helen Suzman suggests, as an alternative to the empty gesture of disinvestment.

[From the Washington Post, July 24, 1985]

SOUTH AFRICA: WHAT THE WEST CAN DO

(By Helen Suzman)

What can be done by the West to speed up the dismantling of apartheid? Many options are under consideration, with disinvestment and sanctions much to the fore. If I thought these would work, they would have my unconditional support.

Not only do I not believe these campaigns would be effective, I also believe they would be counter-productive.

I respect the moral motivation for disinvestment and sanctions. But, once gone from the South African scene, any good that may have resulted from American or European codes of employment conduct, for companies with interests in South Africa, will go by the board.

The Sullivan and European Community codes have certainly made businessmen more conscious of their social responsibilities, and have led to improvements in employment practices and also to assistance in education and housing.

More recently—perhaps because of the threat of disinvestment—organized business in South Africa has expressed its objections to the detention of trade unionists and is pressing for the repeal of influx control.

The vacuum left by the withdrawal of U.S. and European firms will be filed, if at all, by companies with less interest in the welfare of their black employees.

Moreover, if it is fondly imagined that the South African government will buckle under such pressures and abandon apartheid faster than it intends, this illusion should be immediately dispelled. Far more likely, far more in keeping with the temperament of the government and of the majority of the white inhabitants, would be the development of a siege mentality.

Nor should the idea be seriously entertained that economic hardship would lead to a successful black revolution, followed by a black majority socialist government to replace the white capitalist regime. It just is not on, as anyone acquainted with the ferocity and determination of the South African army and police will agree. Nor is there any guarantee that the replacement would be any better or more democratic than the present regime, should a revolution succeed.

That disinvestment, lack of foreign capital and imposition of sanctions would be effective as a punitive measure is undeniable. But it would not be selective of its victims.

Although white South Africans would be affected, the major sufferers would be black—South African blacks and also blacks from neighboring states heavily dependent on South Africa for financial aid, grants, markets and jobs.

"Blacks don't care if there is mass unemployment," people say. I am on the receiving end of many requests from recent job losers for assistance in obtaining jobs, and I say that blacks who don't care are those whose jobs are not endangered or who have never had a job to loose.

My main opposition to any steps that inhibit economic expansion is that such action blunts the only weapon that blacks have or are in the process of acquiring—the economic muscle that accompanies upward mobility on the economic ladder by virtue of greater skills and increased consumer power. Too slowly, but nevertheless surely, blacks are obtaining the leverage with which to demand redress in the imbalances in power and wealth and privilege in South Africa.

It is totally counterproductive to put obstacles in the way of the economic forces that so far have led to changes that are more than cosmetic—trade unionism, skilled job opportunities, urbanization.

And it is counterproductive to drive whites, who are in growing numbers increasingly disillusioned with apartheid and who have begun to accept powersharing, back into the laager.

I have to admit I resent the way in which people living many thousands of miles away from South Africa totally ignore the hundreds of thousands of white South Africans who abhor race discrimination and who have been fighting apartheid for years.

My party, with its policy of no statutory discrimination and full adult suffrage with no domination, obtained 20 percent of the votes of the white electorate at the last election. We will do better next time, but not if the country is under grave economic stress. Liberalizing forces are not strengthened in such circumstances.

What can or should the West do to help bring apartheid to an end without causing chaos in South Africa? There are limits to what can be done from outside, if peaceful reform is the objective.

Most helpful would be for Western interests to stay in South Africa and use their influence with the government and white South Africans. Contact, not isolation, is needed. In one area only—sport—has isolation been successful in helping to break down segregation. It worked because of South Africa's longing to get back into international sport, but also because desegregation in sport did not affect the power structure. That there have been no rewards forthcoming in sport, I might add, is not conducive to South Africans making other changes.

U.S. and European firms should accelerate their efforts to uplift black participation in the South African economy. The latest reports on the implementation of the codes by U.S. and British firms are quite healthy. All firms not adhering to the codes should have penalties imposed on them. The United States is considering making the Sullivan code compulsory for American firms in South Africa. I appreciate the problems in monitoring, but there have been positive results from the codes, and this should be considered.

The West should raise its voice long and loud against apartheid in general, and in particular against any outrageous actions by the South African government. Never mind about "double standards": South African claims Western values and must be judged as such.

I have no doubt that protest by Western envoys helped to un-ban people such as Beyers Naude and was instrumental in freezing forced removals as at Crossroads. The South African government is more sensitive than one thinks. It does not enjoy being a pariah. It would like to be welcomed back into the Western community of nations.

But not at any cost. Rather should you aim at attainable objectives than adopt measures that could reduce the country to economic chaos, with totally unpredictable consequences.

(The writer, a member of the South African parliament, belongs to the opposition Progressive Federal Party and is its spokesman on civil rights. This article is excerpted from an address given in Luxembourg on July 10.)●

A CONGRESSIONAL TRIBUTE TO JOHN A. HYLAND

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1985

● Mr. ANDERSON. Mr. Speaker, I rise to pay tribute to Mr. John A. Hyland, who will be retiring at the end of this month from his position as chairman of the California Division of Stevedoring Services of America.

Born and raised in New Orleans, Mr. Hyland began his career in shipping as a purser with Lykes Bros. Steamship Co. In the early years of World War II, he entered the naval service and subsequently retired as a commander in the U.S. Navy Supply Corps.

After World War II, John Hyland joined Crescent Wharf & Warehouse Co., and was elected secretary-treasurer in 1946. In subsequent years he became vice president, and in 1966, he became president of the company. In 1979, he was elected chairman of the board and president of Crescent Wharf & Warehouse.

While chief executive officer of Crescent Wharf & Warehouse, Mr. Hyland was a member of the board of directors of the Pacific Maritime Association and the Master Contracting Stevedore Association of the Pacific Coast. For some 10 years, he was also president of the local Stevedore's Association of Southern California.

In addition to being a successful businessman, John has been an extremely active member of the southern California community. He is a member of the California Club in Los Angeles, the Virginia Country Club in Long Beach, and numerous other civic and social organizations.

My wife, Lee, joins me in wishing all the best in the years ahead to John Hyland, his wife Janet, and his three sons John, Jr., Richard, and Robert.●

INTERNATIONAL WHALING COMMISSION NATIONS WORK TOWARD RECONCILIATION

HON. MERVYN M. DYMALLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1985

● Mr. DYMALLY. Mr. Speaker, it was my personal pleasure to be part of the U.S. delegation to the 37th annual meeting of the International Whaling Commission [IWC] along with the distinguished Senator from Alaska, Senator TED STEVENS as well as other officials from the U.S. Government. The meeting was held in Bournemouth, England during July 15–19, 1985, where delegates and representatives from 40 member nations joined together to prepare for the forthcoming moratorium on commercial whaling, which was approved in 1982, and will become effective late this year.

The most serious and overriding question faced by the IWC this year was whether to continue to pursue economic and punitive sanctions through unilateral action by member nations of the IWC. Most recently, with the bilateral agreement forged between the United States and Japan, where the latter has agreed to phase out its whaling industry by 1988, and in return, the United States has agreed not to certify Japan regarding the taking of Sperm whales and its filing of an objection against the moratorium in general. This agreement is the subject of litigation before the U.S. Court of Appeals for the District of Columbia bringing about a major constitutional issue of the authority of the President to enter into negotiations with foreign nations when nego-

tiated agreements may come into conflict with IWC provisions.

After serious discussion and consultations, the IWC delegates wisely compromised their individual views and moved toward reconciliation: First, the protected classification for Sperm whales was put into effect commencing in the 1988 whaling season, thus avoiding conflict with the current bilateral agreement between the United States and Japan; second, a compromise on aboriginal whaling was reached in which Alaskan Eskimos were allowed to take Bowhead whales during the 1985, 1986, and 1987 seasons. Finally, the IWC approved the establishment of a caucus of nations regarding the use of "socioeconomic considerations of the forthcoming moratorium. This clearly is a constructive indication of IWC cognizance of the unique dietary habits and cultural diversity among its membership and a willingness to discuss the merits of these factors in pursuing a moratorium on commercial whaling.

Mr. Speaker, the delegates to the 37th annual meeting of the IWC made difficult and complex decisions affecting relationships among themselves as well as within our large community of nations. I issued a statement at the commencement of this meeting on July 15, 1985, to the IWC commissioners and delegates in which I asked for reconciliation and amelioration of the disagreements among the whaling and nonwhaling nations, and I trust that this statement may have contributed in a small way toward that realization so that at the next IWC meeting in Sweden in 1986, we shall see improved communication and cooperation among all member nations. I wish to insert my statement in the CONGRESSIONAL RECORD as follows:

STATEMENT OF HON. MERVYN M. DYMALLY TO THE 37TH ANNUAL MEETING OF THE INTERNATIONAL WHALING COMMISSION IN BOURNEMOUTH, ENGLAND

Mr. Chairman, Delegates and Representatives of the International Whaling Commission:

Once again it is my privilege to be present at this your 37th Annual Meeting as a Member of the United States Congress and particularly as a Member of the Foreign Affairs Committee of the House of Representatives.

As a Member of the United States delegation, I again wish to commend the nations here for their admirable work in ensuring that the world's whales will not perish. Much has occurred in the United States since the 36th Annual Meeting last year in Buenos Aires at which I was able to observe then that this organization to its credit had achieved a world-wide moratorium on commercial whaling, pending a reassessment of stocks, and that this was a "fait accompli" for the world community of nations!

Today, the IWC faces its most serious challenge as well as an opportunity regarding the overriding question of how it will carry out its moratorium on commercial whaling which begins this year. For each of the member nations present, the decisions for you will be momentous. And perhaps hanging on the outcome of both the substance and quality of those decisions will be the efficacy of this very organization, and indeed, of the moratorium policy itself. In my view the choices before you will be difficult at best:

Choices involving complex negotiations in the years ahead toward voluntary compliance;

Or seeking stringent enforcement of both economic and political sanctions which will surely exacerbate current relationships between the whaling and non-whaling nations;

Or for continued monitoring and adjustment of the moratorium policy in order to meet the realities of the limited and diverse world in which we all live; and of our cultural diversities and of our perceived values and national interests.

In the United States, resolving this issue of enforcement with the application of punitive sanctions has resulted in confrontation between our Executive and Judicial branches of the Government as well as disagreement in the Congress concerning the wisdom of applying these sanctions on our friends and allies. I am certain that most of you are familiar with the salient facts surrounding the development of the bilateral agreement between Japan and the United States in November and December, 1984; and its subsequent challenge by conservation organizations through our Federal judicial system where we are now awaiting a decision by the Federal Court of Appeals for the District of Columbia.

Perhaps unintentionally, the United States is becoming a laboratory in which we attempt to apply stringent sanctions on countries which may violate the IWC provisions by way of invoking our domestic laws, including the Pelly and Packwood-Magnuson Amendments. This illustration of an empathetic United States attempting to apply stringent and punitive sanctions should provide a lesson to all of us in the world community—particularly to those who may be oblivious to the economic, political as well as the cultural realities in which all of us must exist. While the entire scenario of applying sanctions to violating nations has not been played out as yet, the world has already seen the initial results of the current confusion, intergovernmental conflicts and the grave internal Constitutional issue by attempting to unilaterally enforce IWC provisions.

The events of last November and December which culminated in the negotiated understanding between the U.S. and Japan were indeed "heard around the world" reflecting an accommodating "quid pro quo". In exchange for a gradual phasing out of the Japanese whaling industry over a three year peroid, the United States would not certify Japan and thereby invoke a fifty percent reduction in Japanese fishing allocations under the terms of the Packwood-Magnuson Amendment. Japan would be allowed to take a minimal number of whales from stocks well able to sustain such catch during the 1986 and 1987 whaling seasons and would likewise rescind its objections to both the quotas established by the IWC for sperm whales and on commercial whaling.

As you may know, the American Cetacean Society and other environmental organizations immediately filed suit in United States Federal District Court in order to challenge the Administration's agreement with Japan, setting the stage for a confrontation between the Executive and Judicial branches of our Government. While Federal Judge Charles R. Richey rejected the compromise agreement and ruled in favor of the environmental groups on March 5 of this year, the Government immediately appealed his ruling to the Federal Court of Appeals for the District of Columbia. In doing so, the Government has raised the serious Constitutional question of the lawful exercise of the authority of the President to enter into negotiations on sensitive issues with foreign nations. We are awaiting the Appellate Court's decision which will clearly be precedent setting.

Nor has the U.S. Congress become immune to the conflict inaugurated by proponents of the IWC moratorium in their efforts to apply punitive sanctions on Japan or other prospective violators. However, let me make it perfectly clear that there is no overriding consensus in Congress for applying economic and political sanctions towards our long-time friends and allies. In fact a dichotomy of opinions exists in Congress on the wisdom of applying such sanctions as demonstrated recently by the introduction of House Concurrent Resolution 54 authored by Members of the House who are in sympathy with the IWC moratorium.

I am opposed to this Resolution and accompanying efforts, because I strongly believe them to be counterproductive to American interests and to the current realities affecting the very whaling nations to which these efforts are directed. Moreover, it is certainly counterproductive to ameliorating the rapidly deteriorating relationships between the whaling and the non-whaling nations of this organization and to bringing about reconciliation.

Briefly, let me outline why I believe this legislative Resolution would be counterproductive and mischievous should it be adopted by the Congress:

(1) Specifically, H. Con. Res. 54 would define noncompliance with the moratorium on commercial whaling established by the IWC as an act which "undermines" international whale conservation efforts, even though the International Convention for the Regulation of Whaling (ICRW) provides for a legal exemption to such a moratorium, and even if such noncompliance does not, in fact, adversely affect the whale stocks.

(2) Second, this Resolution seeks to impose its judgment over that of the Executive and Judicial branches of our government. The Resolution improperly asserts that an agreement between the United States and Japan, legally exercised under the Constitutional powers of the President is a violation of U.S. law. As alluded to earlier, this issue is currently being decided by the U.S. Court of Appeals for the District of Columbia, and it would be extremely difficult, if not embarrassing, for the U.S. Congress to try to anticipate the Court's decision.

(3) Thirdly, the Resolution further directs the President to take all necessary actions to support the whale conservation efforts of the IWC, including urging withdrawal by those nations which have filed objections to the moratorium. The Administration has already accomplished that and has succeeded in obtaining Japan's assurances to withdraw its objections to both the zero quota on sperm whales and the moratorium.

(4) And finally, the Resolution unnecessarily and inappropriately directs the Secretary of State to reduce fishing allocations to foreign nations within our 200 mile territorial waters under currently valid and good faith treaties through which millions of dollars in fishing fees accrue to our country,

along with millions of dollars in U.S. fishery development assistance. The Resolution attempts to do this in contravention of United States obligations under the ICRW, which requires our country to accept and honor the absolute right of all other signatories to the Convention to file objections to changes in the provisions of the ICRW.

While this proposed piece of legislation has been jointly referred to the Committees on Foreign Affairs and on Merchant Marine and Fisheries, the Administration has forwarded strong letters of opposition through both the Secretaries of State and Commerce. Historically, there has been strong sentiment in our Foreign Affairs Committee in support of establishing the principle of the moratorium. The position of the Committee on Merchant Marine and Fisheries on H. Con. Res. 54 is not so clear with growing economic interests involving many joint ventures in fishery products between the U.S. and Japan. The issue of applying stringent sanctions will be debated and highly contested during the months ahead with no certainty of any decisive outcome.

For these reasons then, I question the wisdom of the current Congressional Resolution; for in the end, such a Resolution would not serve the commendable goal of the protection and conservation of whales, but would clearly be counterproductive to our good relations with Japan and Norway. Rather, in view of the substantive progress made by the Administration in its negotiations with Japan, and in particular deference and observance of the current litigation before our courts, I believe that the Congress should do nothing which will exacerbate the international agreements negotiated or attempt to preempt our judicial system in determining the authority of the President to act in this sensitive matter.

What then should the IWC do with regard to current realities and the application of sanctions on non-complying member nations?

To some legislators in the United States, and indeed in other member nations of the IWC, there are underlying perceptions of the IWC which colour our response to those who would blindly act to bring about punitive sanctions. These perceptions relate to existing realities, which in my opinion, are threefold: the realities of our growing economic interests and those of our people; the political realities of our long-time democratic friends and allies and the need for stability and continuity of good relations with them; and most critically, the perception of overwhelming arrogance by some members of the IWC in their demonstrated lack of sensitivity to our cultural diversity and to different national customs and traditions which come into conflict with the forthcoming moratorium.

Economic interests and priorities.—Our ever growing economic interest and priorities, particularly with joint venture fisheries and opening of trade markets to Japan and to a lesser extent to Norway, are vital to Americans. In 1984 joint ventures accounted for over $650 million in exports of fish and fish products which accrued to American companies and their employees through purchases of 330,000 tons of fish bought by Japanese processors. Additionally, the U.S. seeks tariff reductions on its agricultural and forestry products as well as market openings to Japan for American companies. For our people, these are legitimate reasons for which our Government must fully respond in protecting our perceived interests.

Political interests and priorities.—There is serious concern both in the Administration and in Congress for strengthening our relationships with our long-time friends and allies, Japan and Norway. Clearly, we perceive continuity of our amicable relations to be of mutual interest to the United States and to our democratic allies in Europe and in Asia. And therefore, the issue of applying punitive sanctions will be highly questioned by many Members of Congress as unreasonable and not justified with regard to our global responsibilities.

Cultural realities—Perception of insensitivity.—Finally from our perspective, an underlying perception is that some members of the IWC are insensitive to the traditions and customs of those peoples and nations whose livelihoods depend on whaling and the diet and sustenance that these provide to their populations. What is reflected internationally is an arrogance of the majority of the non-whaling conservationist countries over the economic and cultural values of the minority. In the United States, we also treasure the democratic principle of majority rule, but we also assure the protection of minority rights! As a strong advocate and participant of our own civil rights struggle in the United States, I am especially sensitive to the protection of minority rights everywhere. Even today, the IWC recognizes the rights and customs of certain member nations including the dietary consumption habits of certain aboriginal groups throughout the world, but particularly in Alaska and in the Soviet Union by allowing limited whaling of certain species by these groups. And therefore, it is clearly puzzling and irrational when we attempt to apply punitive sanctions on those nations which consume the very products which the IWC currently allows to be taken by these special aboriginal groups.

More importantly, I cannot believe that with our global population at an estimated 4.8 billion human souls, we cannot provide for a minimal allowance of non-threatened species of whales for consumptive purposes. If the IWC's purpose as established in your charter calls for the scientific management of the world's whale stocks, rigidity in determining a zero base for all species of whales would be counterproductive. And the rigidity of those nations who act blindly in advocating punitive sanctions and who would insensitively abrogate the rights of the minority nations taking whales defies reason for which these nations cannot claim the high moral ground.

For these reasons, the moratorium can be only as viable as the quality and strength of support given by all member nations through voluntary compliance which is based on rational conviction. Stringent sanctions cannot be enforced and would only lead to counterproductive circumstances for this organization. Together with your committee structure, the IWC can initiate a systematic process of monitoring the effects of the moratorium carefully and adjusting the quotas and circumstances for minimal taking of certain species of whales which are not endangered.

May I then leave you with a view from two different cultures and perspectives on the question of embarking on a total moratorium this year: First, from my esteemed colleague from Norway, the Honorable Thor Listau, the Minister of Fisheries, who in 1983, said:

"If your purpose is to preserve whale stocks, we have common interest . . . if your purpose is to reduce the time it takes to kill a whale, this is also a goal we share with you . . . if, however, your objective is to bring all Norwegian whaling to a halt, then we have no common platform from which to work. Such an objective conflicts with our view concerning exploitation of living marine resources."

Second, let me speak simply from the translated words of humble people from the township of Taiji, in Wakayama Prefecture, Japan:

"Taiji has been the cradle of Japan's whaling, having a 700 year history and even after having gone through many changes, its tradition has continued to today. At the present time, approximately 20% of the town's entire labor force, this is nearly 400 people, are enaged in whaling-related industries. While whaling is a vital industry to Taiji, the pride and boundless enthusiasm shown toward whaling has been a source of great strength to Taiji township . . . At the 34th Annual Meeting of the IWC in 1982, a decision was made to place a total ban on commercial whaling. That action trampled on the spirit of the International Whaling Treaty, and ignored the customs of a country's history, culture, and food habits pertaining to whaling."

In preparation for the decision which you will face during the year ahead, perhaps it is now timely and judicious for the IWC to listen to these discordant voices and to respond constructively to the protections of the rights of the minority so that at next year's 38th Annual Meeting of this body, we will witness a greater spirit of reconciliation and amelioration of the relationships among all member nations.

I wish you well during the year ahead!●

THE GREAT FRIENDSHIP RUN/ CHINA 1984, USA 1985

HON. PAT SWINDALL

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1985

● Mr. SWINDALL. Mr. Speaker, I am honored to inform my colleagues that a close personal friend, Stan Cottrell, is completing a remarkable accomplishment at the steps of the Capitol in few minutes. He and three fellow Chinese runners will finish a 3,800-mile run from San Francisco to Washington via Atlanta.

This run, the Great Friendship Run/China 1984, USA 1985; is a followup to Stan's 2,100-mile run along the Great Wall of China last year. As a result of his "feet," the Chinese Government asked to be included in a run across America to promote friendship between the two nations.

While I applaud the physical strength and courage of Stan and his Chinese colleagues, what is most significant about this effort is his goal to promote friendship between the two countries and the rest of the world. His run along the Great Wall of China to the Capitol of the United States is more than a physical accomplishment, but rather it is an example of how individuals can tear down walls between nations.

I commend Stan, his colleagues, and all those who helped make this friend-

ship run such a success. I invite all my colleagues in the House to join me at the steps of the Capitol by the Reflecting Pool at 10:30 this morning to congratulate these courageous men and let them be aware of our appreciation for their struggle for peace.●

BALTIC TRIBUNAL

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1985

● Mr. RITTER. Mr. Speaker, this week in Copenhagen, Denmark, Baltic peoples from all over the world will meet to once again make their plea for freedom and to present clear and convincing indictments about Soviet crimes against the Baltic States. In the spirit of solidarity with their desire to regain for themselves, their families, and their homelands, I would like to share with my colleagues the opening statement of Dr. Olgerts R. Pavlovskis, president of the World Federation of Free Latvians and chairman of the Baltic World Conference. In addition, the text of the indictment against the Soviet Union speaks for itself.

STATEMENT OF DR. OLGERTS R. PAVLOVSKIS

Distinguished Judges, Ladies and Gentlemen: All we ask is Freedom.

For almost 4000 years the Baltic people have lived on the shores of the Baltic Sea. For 4000 years Balts have tilled the land and prospered. For 4000 years Balts have been able to repulse attempts at foreign domination, in order to further the development of their culture. 4000 years of heritage. Until the two greatest tyrannies of modern times—the Soviet Union and Nazi Germany—joined forces.

46 years ago, in the fall of 1939, the Soviet Union and the German Reich signed a secret protocal. Within a few months, between June 15-17, 1940, while the Western world was stunned by Hitler's actions in the West, in Eastern Europe Soviet armored divisions quietly crossed the borders of the Baltic countries and occupied Estonia, Latvia, and Lithuania.

Today the Baltic countries—once free and independent republics are under Soviet military occupation. The Soviet government has eliminated almost all human, national and religious rights of the Latvian people. To the mass arrests and deportations in the 1940's, 1950's and early sixties new tactics and methods have been added in order to carry out the Soviet government's destructive Russification and genocide policies against the Baltic peoples. Incarceration in psychiatric institutions and mind control by drugs are only two of the latest and most insidious developments in the Soviet prison system. Today, after 4000 years of existence, only 53 percent of the population in occupied Latvia is Latvian—a direct result of Soviet government's policies. Balts have been made second class citizens in their own countries. Their culture, their land and their industry are exploited and subjugated to the goals of the Soviet empire. Baltic youths are forced to fight and die in Afghanistan for Soviet Interests. The Baltic Sea, once peaceful and prosperous, has been turned into a huge Soviet nuclear naval base for its growing armada, where boarding of foreign vessels and intrusions in foreign waters by the Soviet navy has become almost commonplace.

We, the Baltic people, do not ask for territorial gains. We do not ask for power. But we DO DEMAND for Estonians, Latvians and Lithuanians, the right to live as free and peaceful people in our lands and to exercise our God given rights. All we ask is Freedom.

INDICTMENT AGAINST U.S.S.R. GIVEN BY DR. OGLERTS R. PAVLOVSKIS

Whereas the armed forces of the Union of Soviet Socialist Republics (hereinafter referred to as the U.S.S.R. or the Soviet Union) have occupied Estonia, Latvia, and Lithuania, and Whereas the U.S.S.R. has established a totalitarian dictatorship in Estonia, Latvia, and Lithuania and has deprived the peoples of these Baltic States of the possibility of expressing their will and managing their own affairs in political, economic, cultural, and religious fields, this indictment is submitted on behalf of the Estonian, Latvian, and Lithuanian nations by the Baltic World Conference (hereinafter referred to as the BWC).

The BWC is a federation of the three Supreme Executive bodies of each of the Baltic nationalities and their representative organizations in the Free World, namely, the Estonian World Council, the World Federation of Free Latvians, and the Supreme Committee for the Liberation of Lithuania. Each of these three central organizations defends, respectively, as *negotiorum gestor* the interests of the Estonian nation, the Latvian nation, and the Lithuanian nation, in concurrence with the diplomatic representatives of the independent republics of Estonia, Latvia, and Lithuania, who are accredited in the United States of America and other countries, and seeks, as the ultimate goal, an end to the illegal Soviet occupation with the subsequent re-establishment of the independent and democratic states of Estonia, Latvia, and Lithuania.

INDICTMENT

The BWC accuses the Soviet Union, under international law, of the following crimes against humanity and against the States and Peoples of Estonia, Latvia, and Lithuania.

A. Conspiracy, aggression, and the illegal annexation of the Baltic States

1. On August 23, 1939, the Soviet Union, in collusion with Nazi Germany, signed a mutual nonaggression treaty, known as the Molotov-Ribbentrop Pact with secret protocols attached and supplemented on September 28, dividing Eastern Europe into spheres of influence. According to the terms of the pact, Finland, Estonia, Latvia, Lithuania, Bessarabia, and Northern Bukovina came under Soviet Russian domination. By this act of conspiracy, the Soviet Union violated Article 10 of the Convenant of the League of Nations and Article 1 of the Kellogg-Briand Pact, and it shares the responsibility with the German Reich in causing World War II.

2. By implementing the Molotov-Ribbentrop Pact, the Soviet Union, by use of military force, coerced the signing of the Mutual Assistance treaties with Estonia on September 24, 1939; with Latvia on October 5, 1939; and with Lithuania on October 10, 1939. The Mutual Assistance Treaties provided for the garrisoning of Soviet troops in the respective neutral and sovereign Baltic republics and were instrumental in carrying out the military occupation of Lithuania on June 15, 1940; Estonia on June 16, 1940; and Latvia on June 17, 1940 (*occupatio bellica*).

These military acts were in direct violation of a number of international treaties which the Soviet Union had signed with Estonia, Latvia, and Lithuania in 1920, 1926, 1929, 1932, 1934, and 1939. They were also a willful violation of the Convention for the Definition of Aggression of July 5, 1933.

3. The Soviet Union established the Soviet system of government in the Baltic States, annexing Lithuania on August 3, 1940, Latvia on August 5, 1940, and Estonia on August 6, 1940 thereby incorporating the three countries into the U.S.S.R.

B. Exploitation of the Baltic States

1. The Soviet Union has deprived the Baltic States of their status as countries committed to the ideals of law and the promotion of peace in Europe. Through the installation of rocket and submarine bases which far exceed any normal national needs, the U.S.S.R. has turned the Baltic States into a *place d'armes*. The implementation of such measures forces the Baltic States into serving Soviet offensive designs against other peaceful European countries.

2. In violation of international law, the Soviet Union is drafting Estonian, Latvian, and Lithuanian youths into its armed forces. They are compelled to serve outside of the Baltic States and are forced to take part in military actions against other countries, i.e., Hungary in 1956, Czechoslovakia in 1968, Afghanistan since December 27, 1979.

3. The Soviet Union is economically exploiting Estonia, Latvia, and Lithuania. Accelerated industrialization is used to gain greater political control over the Baltic States, but not to improve their economies or to make them more efficient.

4. The Soviet Union, in exercising its colonial-master's powers, discriminates against the ethnic Balts in employment, housing, education, communications, the arts, and other endeavors and services.

5. Soviet colonial rule in Estonia, Latvia, and Lithuania, based on alien Russian domination and exploitation, constitutes a violation of the United Nations Organization's Charter and is especially a violation of the Declaration on the Granting of Independence to Colonial Countries and Peoples of December 14, 1960.

C. Deportation and systematic Russification of Estonians, Latvians and Lithuanians with the purpose of eliminating their national identities, cultures and languages

1. The Soviet Union has deprived the Estonians, Latvians, and Lithuanians of their national self-determination, destroyed their democratic way of life, and subjected them to a totalitarian, imperialistic regime.

2. The Soviet Union is steadily decreasing the proportions of the native populations in the Baltic States.

a. During the 45-year Soviet occupation of Estonia, Latvia, and Lithuania, approximately one million Baltic nationals have either been deported to Soviet forced labor camps or resettled to distant areas within the Soviet Union.

b. The Soviet Government is systematically resettling Soviet Russians and other non-Baltic nationalities into Estonia, Latvia, and Lithuania, while coercing the Baltic people be various means to relocate to distant lands within the Soviet Union.

3. The Soviet Union is destroying the physical and national-political existence of the Estonian, Latvian, and Lithuanian people. It is deliberately imposing conditions of life which are designed to rob the people of their potential of resuming their status as sovereign nations, to which they are entitled under the right of self-determination.

4. The Soviet Union is systematically pursuing a policy of Russification of the Estonian, Latvian, and Lithuanian languages and the cultures of the Baltic nations.

D. Violations of human rights

1. The Soviet Union has deprived the peoples of Estonia, Latvia, and Lithuania of basic freedoms and fundamental human rights, such as the freedom of thought, conscience, religion or belief, freedom of opinion and expression, freedom of peaceful assembly and association, and the right to a fair and public hearing and independent tribunal.

2. Threats of imprisonment or placement in psychiatric institutions are used to quell all forms of dissent.

INTRODUCTORY SUMMARY

During the next two days, the Baltic World Conference will present detailed evidence, eyewitness testimony and documentation, to support the above-mentioned charges. Our purpose is to demonstrate to this Tribunal, and thus to the world, that the actions and policies undertaken by the Soviet Union and its leaders, have been designed with one primary goal in mind: to inflict on Estonia, Latvia, and Lithuania conditions of life calculated to bring about their destruction as nations.

Furthermore, we will demonstrate, that these actions are an assault, not only on the well-being of the Baltic peoples, but all freedom loving peoples throughout the world. We will show that Soviet policies in the Baltic States are contrary to international law, and thus all universally recognized codes of human decency and justice.

Therefore, at this point I would like to turn the proceedings over to Professor Dr. Felix Ermacora, who will introduce our panel and begin the Tribunal. ●

R.E. BOYLE LETTER TO LEE THOMAS, EPA ADMINISTRATOR

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1985

● Mr. APPLEGATE. Mr. Speaker, on June 27, 1985, the Environmental Protection Agency promulgated regulations that, if allowed to be implemented, will have a disastrous economic impact on an already-depressed industry of the Ohio River Valley. The regulation, which deals with stack heights at powerplants, would reverse approvals already granted, would require significant and unaffordable investment, and thus threaten the very existence of a powerplant and aluminum company that buys more than 90 percent of output. The jobs of some 1,900 Ohio and West Virginia workers are threatened. Because I believe my colleagues should be aware of this situation, and its potential impact on their districts as well, I request that a letter from Mr. R.E. Boyle, president of the affected aluminum company, Ormet Corp., to Lee Thomas, Administrator of the Environmental Protection Agency be printed in the CONGRESSIONAL RECORD. Mr. Boyle's letter presents a compelling case for nonimplementation of the proposed EPA rule.

ORMET CORP.,
Hannibal, OH, June 21, 1985.

Re: Section 123 Stack Height Regulations.

Hon. LEE THOMAS,
Administrator, U.S. Environmental Protection Agency, Washington, DC.

DEAR SIR: We at Ormet Corporation were shocked to learn within the past two days that the stack height regulations which the EPA is planning to promulgate next week include a provision which would require a source to meet a presumptive emission limitation equivalent to the new source performance standards before it could receive credit for a stack height in excess of the stack height determined by the GEP formula. That provision, which is clearly not authorized by § 123 of the Clean Air Act, will threaten the very existence of Ormet if it is retained in the stack height regulations to be promulgated by the EPA.

Ormet Corporation owns and operates a large primary aluminum smelter on the Ohio River at Hannibal, Ohio. That facility is one of the largest aluminum smelters in the country, employing approximately 1900 persons. The alumina requirements for Ormet's smelter are provided by a large alumina refining plant owned and operated by Ormet at Burnside, Louisiana. The Burnside facility has approximately 350 employees.

Electrical power is one the primary raw materials used in the production of aluminum. The Ormet smelter receives all of its electrical power from Ohio Power Company's Kammer Generating Station in West Virginia. Kammer is a mine-mouth plant built in conjunction with the development of Consolidation Coal Company's Ireland Mine also located in West Virginia. The Kammer plant's fuel needs which are approximately 1.9 million tons per year are provided from the Ireland Mine under a long-term contract between Ohio Power and Consolidation Coal.

The cost of electric power for Ormet's smelter is based upon the capital cost and operating expenses of the Kammer plant, including the cost of fuel. Ormet consumes between 95 and 100 per cent of the electric power generated by the Kammer plant and, accordingly, pays between 95 and 100 per cent of the cost of operating the Kammer plant. Thus, Ormet obviously has a direct and vital interest in any regulation which affects the operation of the Kammer plant.

Ormet would be vitally concerned with the stack height regulations even if these were normal times for the U.S. aluminum industry. However, as you may know, the current state of the aluminum industry in this country is severely depressed. At the present time, U.S. aluminum smelters are operating at a level which represents only 70 per cent of their capacity because of competitive disadvantages within foreign primary aluminum producers. The primary aluminum production costs of foreign producers are significantly lower than production costs of U.S. producers. One of the principal reasons for this cost disadvantage is the comparative cost of electric power. For example, primary aluminum producers in Canada pay, on the average, 2.8¢/lb of aluminum produced for electric power. In the United States, the average cost of power for primary aluminum producers is more than 18¢/lb. Thus, for Ormet, the cost of power generated at the Kammer plant is of the utmost importance.

The Kammer plant is located in a river valley and upwind terrain features cause downwash, wakes and eddies. Thus, the Kammer plant is precisely the kind of source which Congress had in mind when it enacted the stack height provisions of § 123 of the Clean Air Act Amendments of 1977. In 1978 and 1979, Ohio Power retained a consultant to perform a fluid model analysis of the emissions from the Kammer plant at a cost exceeding $500,000 which was factored into Ormet's power cost. That fluid model study was designed and executed in conformance with EPA's stack height regulations with considerable input and guidance by EPA. The results of the Kammer fluid model study conclusively demonstrate that the Kammer plant is entitled to receive full credit for its 900 foot stack. Thus, the fluid model study report was formally submitted to EPA with a request for the appropriate stack height credit.

In the Fall of 1982 after the opportunity for public comment and review by EPA, the Agency advised Ohio Power in writing that it had approved full stack height credit for Kammer's 900 foot stack. That action was not opposed by the public nor challenged in Court.

In reliance upon EPA's approval of full stack height credit for the Kammer stack, Ohio Power, with the consent and authorization of Ormet, entered into a new long-term fuel agreement for coal from the Ireland Mine.

Obviously, given its vital interest in this matter Ormet has monitored the Sierra Club litigation concerning EPA's stack height regulations and EPA's remand proceedings following the D.C. Circuit's opinion in the Sierra Club case. While Ormet did not necessarily agree with all of the specific provisions in the proposed remand rule which was published in November, 1984, it appeared that with a few minor modifications, the rule, when applied to the Kammer plant, would permit full stack height credit.

Ormet was absolutely shocked when it learned two days ago that on the eve of final promulgation of the stack height remand rule EPA has arbitrarily and without any scientific or legal basis injected the requirement that a source met a presumptive emission limitation equivalent to the stringent new source performance standards before qualifying for stack height credit in excess of the GEP formula. Ormet cannot conceive of any way in which that provision is justified under the provisions of § 123 of the Clean Air Act as interpreted by the D.C. Circuit in the Sierra Club action or the remand order of the Court.

The Clean Air Act does not authorize EPA to require the reduction of emissions by an application of NSPS to existing sources and the D.C. Circuit in interpreting the § 123 stack height provisions did not find that Congress had such an intention.

Congress recognized that in cases of "excessive concentrations" stack heights greater than that allowed by standard GEP should be authorized without the requirement of further emission reductions at the source. Congress did not link the authorization to grant stack height credit in existing sources to NSPS and certainly did not au-

thorize EPA to use NSPS as a means of requiring existing sources to reduce emissions below the level required to protect health and welfare.

Furthermore, the D.C. Circuit's opinion in the Sierra Club case does not reject the definition of "excessive concentrations" and "GEP stack height" in EPA's original stack height regulations. The Court simply instructed EPA to determine whether the use of historically accepted criteria in defining "excessive concentrations" and "GEP" for purposes of allowing stack height credit created a standard which was sufficient to protect health and welfare. 19 ERC at 1909.

EPA has not attempted nor could it justify the inclusion of NSPS criteria as being necessary to comply with the Court's directive that ERA satisfy itself that the stack height credit regulations are responsive to the health and welfare objectives of the Clean Air Act. EPA's decision to require the application of NSPS criteria has no relation whatsoever to health and welfare!

The only apparent basis for EPA's insertion of the NSPS requirement in the stack height regulation is a naked statement in the draft Federal Register notice that "EPA *believes* . . . that in cases where greater than formula height may be needed to prevent excessive concentrations, sources *should* first attempt to eliminate such concentrations by reducing their emissions." If EPA wishes to pursue this *policy* which is clearly well beyond the requirements of the Clean Air Act, it should attempt to do so prospectively and not apply it to a source, such as the Kammer plant, which has already conclusively demonstrated to the satisfaction of EPA that it is entitled to a stack height credit which avoids excessive concentrations caused by downwash, wakes and eddies while at the same time achieving the health and welfare objectives of the Clean Air Act.

If the presumptive NSPS emission limit were applied to the Kammer plant, it appears to Ormet that the Kammer plant could lose the stack height credit that EPA already formally approved in the Fall of 1982. If that were the case, Ohio Power would be left with three unappealing alternatives (1) retrofit the Kammer plant, which is now nearly 30 years old, with new, very costly pollution control equipment, (2) bring in low sulfur coal, or (3) prematurely retire the plant. While any of those alternatives would obviously be adverse and unfair to Ohio Power, they would be potentially catastrophic to Ormet.

The NSPS presumptive emission limitation provisions in the red border review draft of the stack height regulations cannot be justified either scientifically or legally. Therefore, Ormet strongly urges EPA to remove those provisions before promulgating the stack height rule. If the NSPS provisions are retained, they should not be made applicable to sources, such as the Kammer plant, where the need for stack height credit has already been conclusively demonstrated to the satisfaction of EPA through fluid model analysis and where EPA has in fact formally approved the stack height credit.

Sincerely,

R.E. BOYLE, *President,*
Ormet Corporation.●

TRIBUTE PAID TO JOHN H. JUDGE OF LOWELL, MA

HON. CHESTER G. ATKINS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1985

● Mr. ATKINS. Mr. Speaker, before another day passes, I would like to rise to pay tribute to a remarkable member of the community of Lowell, MA, John H. Judge.

Citizens of Lowell were saddened recently to learn of the death of one of Lowell's premier citizens. John H. Judge was a very special friend of his city as well as our Commonwealth of Massachusetts.

John's dedication to his community was unmatched, as was the mutual dedication between him and his lifelong friend, State Senator Paul J. Sheehy, D-Lowell.

The list of John's civic accomplishments is long and gratifying, for they are illustrations of the commitments to which he set himself in his daily life.

John was known by his peers and family as a kind, gentle, and endlessly good-tempered man. His life was blessed by his special gift to build bridges between people and issues. With this gift he was able to serve his city and family faithfully. He was truly a fine and honorable man.

I should like to close simply with a poem that was written by Will Dromgoole that exemplifies John's spirit and his work. The poem is entitled "The Bridge Builder":

An old man, going a lone highway,
Came at the evening, cold and grey,
To a chasm, vast and deep and wide,
Through which was flowing a sullen tide.
But he turned when safe on the other side
And built a bridge to span the tide.
"Old man," said a fellow pilgram near,
"You are wasting strength with building here;
"Your journey will end with the ending day;
"You never again must pass this way;
"You have crossed the chasm, deep and wide—
"Why build you the bridge at the eventide?"
The builder lifted his old grey head:
"Good friend, in the path I have come," he said,
"There followth after me today
"A youth whose feet must pass this way.
"This chasm has been naught to me
"To a fair-haired youth may a pitfall be.
"He, too, must cross in the twilight dim;
"Good friend, I am building the bridge for him."●

NEBRASKA VFW SCHOLARSHIP WINNER

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1985

● Mr. BEREUTER. Mr. Speaker, honoring the Nation's young people and their achievements is very important to me. Today, I am quite pleased to recognize Todd R. Oelling, of Roca, NE. Todd is the Nebraska winner of the Veterans of Foreign Wars Voice of Democracy scriptwriting contest.

I congratulate Todd for his winning essay and for his writing ability. And I commend his essay to my colleagues.

MY PLEDGE TO AMERICA

[1984/85 VFW Voice of Democracy Scholarship Program; Nebraska Winner: Todd R. Oelling, Route 1, Box 28, Roca, NE]

The air is crisp. The crowd restless with anticipation. The officials announce, "All contestants take your places!" A hush falls over the crowd. Each contestant, including America's finest athletes, prepare themselves for the greatest moment in their lives. Poised at the starting line, muscles tense, the mind reeling with excitement, confident in his own ability, each runner readies himself to spring forward at the sound of the starting gun. Each individual is striving to be the best in the world. Making all of the years of sweat, pain and self-sacrifice materialize into a gold medal. At the moment the starting gun is fired, Olympic competition begins. The athlete's pledge to America is reaffirmed. His pledge is not only a personal one, but a momentous one for his country. Each American athlete pledges his or her life to their country. They pledge to represent the United States of America and bring honor to their country. I feel that every American citizen should be like the Olympic athlete. My pledge to America is to dedicate myself to my country and become the best representative of the United States that I possibly can.

Like the Olympian, I must set goals and work hard to bring honor and strength to my country. To accomplish his goal, the Olympic athlete must pledge to train and sharpen his athletic skills. Training is an essential part of every athlete's life. The athlete knows the strict observance of daily workouts and special diets will help him realize his dream of an Olympic medal.

Everyday an athlete must mold and shape his body and try to improve his performance. He is always working to improve, always striving to be better. As a citizen of the United States, I too, must pledge to work daily to improve myself. I must increase my knowledge of my country's government in order to be a good citizen. Everyday I must work to support my country's laws, exercise my right to vote and voice my opinion and ideas about important issues. I must support my local, state and federal government. As a young American, I should also work hard to educate myself. Education is a vital part of every American's life. Without proper education I will not be able to visualize my dream of a strong and prosperous country. I must work hard to strengthen and unify my country and pledge to always improve and always strive to be better.

Each United States Olympian not only participates as an individual, but also as a member of a team. Each team member brings individual talents to help unite the team and bring honor and victory to the United States. I must work with other Americans to bring honor to our country, for we all have unique ideas and skills that, when joined together, build a team that is one of the most respected and honorable teams in the world.

The road to victory is not an easy one. Many obstacles occur. But the Olympian knows, as does a true American, that something of great value rarely is easy to obtain. A gold medal and a strong democracy are well worth the effort. The finish line is fast approaching, all muscles are tired and strained. The moment of truth has arrived. The Olympic athlete has given his all. He has fulfilled his pledge to America. Never giving up. Never tiring. I, too, will fulfill my pledge to America. I will represent my country. I will not give up or tire. I will remain true of myself and the United States. When the finish line is crossed, I will take pride in knowing that I am and always will be a member of the United States team, achieving something more precious than gold—achieving a strong voice of democracy.●

CONGRESSIONAL CALL TO CONSCIENCE ON SOVIET JEWRY

HON. LANE EVANS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1985

● Mr. EVANS of Illinois. Mr. Speaker, thousands of Soviet Jews are today prisoners of conscience. This Congressional Call to Conscience serves to remind us here in the United States of the plight which these people face every day. While we in the United States, regardless of religion or political persuasion, are allowed to come and go freely, the Soviet Jew is a person whose body and soul is locked inside the borders of a repressive state.

For the dissenter in the Soviet Union, it is impossible to stay true to one's beliefs while remaining in the country, and, it is even harder to leave the country and thus free the mind.

The crime of the Soviet Jew is nothing more than the desire to be free, to think independently in a state which allows no discourse on the nature of truth. We may hope that our action today, with this call to conscience, will help remind our diplomats of the importance of this issue. We must never stand idly by while these crimes against the conscience of man continue unabated.●

PERSONAL STATEMENT

HON. ROBERT W. DAVIS

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1985

● Mr. DAVIS. Mr. Speaker, on July 10, during the consideration of the Foreign Assistance Authorization, H.R. 1555, I inadvertently cast a vote in error. On recorded vote No. 215, an amendment offered by Mr. SMITH of New Jersey, I recorded my vote as "nay." At this time I would like the RECORD to show that my intention was to vote "aye" on this amendment.●

PRESERVE THE WAY OF LIFE OF TAIWAN

HON. THOMAS N. KINDNESS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1985

● Mr. KINDNESS. Mr. Speaker, it is certainly no secret that the reunification of Taiwan with the People's Republic of China is one of the foremost goals of the PRC's foreign policy. As several Members of this House have recently pointed out, there are widespread reports that PRC officials will stop at nothing, including the use of military force, to achieve that reunification under a "two systems, one country" proposal similar to the recent agreement between the PRC and the British on the future of Hong Kong.

Do we honestly believe, however, that the "one country, two systems" idea will preserve the opportunity which now exists in Taiwan? The threat of Communist domination, which would certainly result from People's Republic of China-Taiwan reunification, is a matter of grave concern to our friends in Taiwan who do not intend to put at risk their freedoms or the tremendous success and benefits of their present system.

While PRC President Li and other PRC officials may espouse the official position of peaceful and sincere reunification with Taiwan under the "one country, two systems" proposal, a statement made by the PRC's Foreign Ministry spokesman in June of this year reiterates previous statements indicating that the use of force and subsequent domination by the PRC may be their way to settle the Taiwan issue once and for all. The Foreign Ministry spokesman stated that "the PRC has never ruled out the use of force as a means against Taiwan."

The Taiwan Relations Act of 1979 requires the United States "to resist any resort to force or other forms of coercion that would jeopardize the security, or the social or economic system, of the people on Taiwan." During all the ceremony and circumstance marking this week's visit to the United States by PRC President Li, I hope that our commitment to preserving the way of life of the people of Taiwan will endure and be strengthened in response to such threats from the PRC.●

TRIBUTE TO FORMER CONGRESSMAN EDWARD HUTCHINSON

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1985

● Mr. RODINO. Mr. Speaker, it is with great sadness that I rise to pay respect to a friend and former colleague, Ed Hutchinson, who passed away on Monday. He will be missed by everyone who had the privilege of knowing him and working with him. In his distinguished seven terms as a Congressman from Michigan, Ed was known for his integrity and commitment. He was a man of principle.

Ed will always hold a very special place in my memory. During the tense and unforgettable days of the impeachment hearings, he was the ranking minority member of the Judiciary Committee. While he and I may not have agreed on all the issues before the committee at that time, his deep respect for the Constitution was a steadying influence on his 37 fellow legislators who were about to embark on the uncertain endeavor of the impeachment process.

I know that those were difficult days for Ed. His loyalty to his party, though strong, never impeded his belief that the committee's immense constitutional responsibility had to be carried out. As a result, he was most cooperative and supportive of the process, no matter how much it pained him to view the results. And though he voted against every article of impeachment, it was with considerable courage that—after the committee's deliberations—he came out publicly and called for the resignation of the President.

My condolences and sympathies go out to his wife Janice, and to the rest of his family. Ed had made his place in history. He will be missed.●

A NEBRASKA EDITOR SPEAKS OUT!

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1985

● Mr. BEREUTER. Mr. Speaker, very often the local newspaper editor mirrors what his or her readers are thinking. For that reason, I follow quite closely the editorial pages of all of the newspapers in my congressional district. Their messages can be quite direct and wholly appropriate, as was the case in a recent editorial in the Nebraska City News Press.

The issue in this instance is the congressional deadlock over the budget resolution. This particular editor and the readership whose views, I believe he largely reflects, are my constituents. They cannot understand why Congress has failed to find a compromise and produce a budget that sets a real deficit reduction of goal of at least $50 billion. Once again we are more than halfway through the congressional session, passing appropriations measures, and still we do not have a budget.

Therefore, I wish to share with my colleagues and members of the Budget Conference Committee the editorial, "An Open Letter to the U.S. Congress," with the hope that it may assist in an effort to find a compromise on the budget that can be reached before we adjourn for the August recess.

AN OPEN LETTER TO THE U.S. CONGRESS

DEAR SENATORS AND REPRESENTATIVES: The people you represent back home are getting quite disgusted with the spectacle of the biggest government in the world unable to reach an agreement on a budget.

We are taught in government classes that the essence of democracy is compromise. Perhaps you need to go back and take an elementary course.

The only way a compromise can be reached is for each side to give something. It does no good for each group involved to keep repeating what they will not give up. What we, and you, need to talk about is what you will and can give up to reach a compromise.

With a budget deficit of $200 billion staring us in the face, it seems it should be possible to find the $50 billion set as a goal for deficit reduction.

No one likes to give in on what they feel is important. But the deficit, by national consensus, is the biggest threat facing this country, other than nuclear annihilation. So reaching agreement on major reductions is the most important issue facing all of you this year.

If we back home can figure this out, surely you, our elected decision makers, should be able to do the same. If not, you may have to face some very disgruntled voters in 1986. You see, we know who will have to pay the price for failure, and we don't want that financial catastrophe in our future.●

FAMILY DISCORD IN NAIROBI

HON. JIM MOODY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1985

● Mr. MOODY. Mr. Speaker, women from around the world are presently attending the international women's forum in Nairobi this summer. Nearly all of the delegations, representing both the developed and developing countries, have made family planning a priority issue on their agendas—with the notable exception of the United States.

I recommend the following article to my colleagues' attention. It clearly points out how a small minority of vocal U.S. citizens are representing this country's views.

FAMILY DISCORD IN NAIROBI

(By Mary Battiata)

KAMATHANGA, KENYA—When the adobe walls of this village's family planning clinic went up a few years ago, medical workers wondered whether the local women would have the courage—given the value placed on fertility in Kenya and the sometimes violent opposition of their husbands to birth control—to line up in public for contraceptives.

As it turned out, the nurse from the Family Planning Association of Kenya who visits once a week has all she can do to stock enough birth control pills, intrauterine devices and injectable contraceptive hormones. "Every week there are 10 or 15 new faces," says Jane Kirui, who supervises the village operation. "Now they are even coming from outside the district. We cannot keep up with the demand."

Which is why Erma Craven, a matronly social worker and National Right to Life member from Minnesota, felt she had a moral duty to come to the international women's forum in Nairobi this summer.

"I have relatives in America who bred as many as 23 children to make America rich," she said to women at a crowded seminar sponsored by a group called the International Right to Life Federation. "And I am opposed to people whose only idea is to 'give a peasant a pill.'"

During her speech, Craven exhibited a color poster of aborted fetuses lying in plastic bags and trash cans. Abortion, she said, as well as birth control pills, voluntary sterilization and the intrauterine device, is a tool in a western conspiracy to limit the growth of the world's nonwhite population.

"And I consider it extremely racist when the U.S. Agency for International Development targets the whole Third World for population control!"

A Jamaican woman leaped to her feet. "You are riding on my back, you bloody American! We can make up our own minds!"

"I am a doctor, I am black and you don't know what you are talking about!" shouted a second woman.

"Friends!" cried Craven's colleague, a well-dressed physician from Arizona, "I know you may not agree with us, but at least listen to what we have to say!"

"Please," said Visi Srinivasan, a wizened woman in a sari who rose to calm the crowd. Srinivasan, a Ford Foundation official from New Delhi, spoke quietly. "I have worked with extremely poor Indian women for the past 18 years. These women have their first babies at 12 or 13. They say, 'We don't want to have eight or nine children, we are so poor.' So I say if the U.S. is going to fight about family planning, fine, you fight it out among yourselves. But don't drag us into it."

When she sat down, the women around her stood and cheered.

So it went at workshop after workshop at the women's forum here as a small but vocal group of American right-to-lifers as well as their counterparts from Australia, New Zealand and India clashed with professional family planners, women physicians and feminists from Africa, India and Asia over the appropriate menthods of birth control for the developing world and whether such a question was any American's business.

On one side, there were groups like the International Right-to-Life Federation, represented by an Irishman living in Switzerland; the National Right to Life Committee; a New Zealand group known as Women for Life; Women Who Want to Be Women, from Australia; a French group called Laissez les Vivres (let them live); a changing cast of Irish Catholic missionary nuns and a priest from Stafford, Va., whose newsletter, for a Washington-based group called Human Life International, asks, "Did you know Planned Parenthood is killing . . . millions of pagan babies whom our missionaries could otherwise convert?"

Together they constituted a loose federation opposed not only to abortion but to "artificial" contraceptive methods like birth control pills and the intrauterine device. Some opposed voluntary sterilization as well. Instead, they lobbied for so-called natural family planning methods that rely on periods of sexual abstinence and the traditional rhythm method to limit family size.

"We think it's the best way," Sister Mary O'Malley, an Irish missionary in northern Kenya, told a group of sympathizers. "With full cooperation a man and a woman can achieve success rates of 99 percent." Most studies say natural family planning has a success rate lower than most other contraceptive methods, but O'Malley said she had taught the technique at her mission and found it to be practical as well as having the added virtue of "bringing families together."

In the opposite corner were family planning advocates like the International Planned Parenthood Federation and many smaller groups that receive U.S. tax dollars to promote family planning in developing countries. The acrimony at the forum, these groups say, is the sideshow in a larger battle now under way in the United States for control of the millions in foreign aid the U.S. spends on family planning.

Family planning advocates say that conservative political and religious groups in the United States are pushing aggressively to curb all U.S. support for contraceptive family planning. The push comes, they say, just as the demand for family planning, and its promotion by the governments of developing countries, is growing.

"Their goal is to put an end to 20 years of bipartisan support in Congress for family planning," says Kathleen Mazzocco, spokeswoman for the Washington-based Population Crisis Committee, of the right-to-life groups. Members of those groups in Nairobi, however, insist they are simply trying to protect Third World women from what they describe as the scourge of abortionists and rapacious international pharmaceutical companies.

"There are people working at this moment to make abortion legal all over Africa," says William Sherwin, Irish secretary of the Swiss-based International Right-to-Life Federation.

Family planning advocates credit the U.S. right-to-life movement with the U.S. turnaround at the International Conference on Population late last year. At that meeting, the U.S. announced it would no longer support any private family planning group thought to be involved in "abortion-related activities."

Since then, the United States has cut $15 million in support to the International Planned Parenthood Federation, despite the fact that U.S. law has prohibited the use of any foreign aid for abortion since 1973.

The cut amounted to approximately one-third of the federation's budget, and its impact was felt even in countries where abortion is illegal. In Kenya, for example, Maendeleo Ya Wanawake, a Kenyan women's organization with family planning education seminars and contraceptive dispensaries around the country, has had to curtail some of its activities.

In addition the U.S. has cut $10 million of its $46 million contribution to the United Nations Fund for Population Activities, and family planning advocates say the rest of the money is threatened.

Those groups also criticize the U.S. delegation to the United Nation's Women's Conference for failing to include family planning on its priority agenda. When asked at a

press conference about the omission, Maureen Reagan, head of the delegation, said it was not one of the delegation's priorities.

Earlier this year, according to family planning agencies, White House assistant Faith Ryan Whittlesey asked the Agency for International Development to waive the long-established informed consent regulation that requires any recipient of U.S. funds to fully inform patients about all methods of birth control. The change would make it possible for right-to-life groups to dispense natural family planning information in developing countries without mentioning the availability, and comparative effectiveness, of other contraceptive methods.

The debate at the forum was less a fight over money, however, than a battle for the minds and bodies of Third World women. If the audience reaction here is any indication, though, the right-to-life groups may have a long road ahead. Many developing nations have had family planning strategies on paper for the past 20 years. In recent years, as studies by numerous international organizations have concluded that Africa will face widespread famine unless it manages to get its population under control, those governments have begun to devote substantial resources to the population problem. The Kenyan government is planning a major expansion of its family planning programs with the help of U.S. funds.

"In India we know that effective family planning is not just an option, it is critical to our survival," said Srinivasan. "If the U.S. government will no longer support us, the Indian government is prepared to support family planning on its own."

In Kamathanga, and in villages and cities cross sub-Saharan Africa, according to the women physicians and technicians at this conference, the story is much the same. Private citizens, as well as governments, have begun to see the medical, social and economic costs of unchecked population growth. Use of contraceptives in Kenya has increased from 2½ to 10 percent since 1977, according to a U.S. government report.

On Thursdays at the family planning clinic in Kamathanga, the women seem convinced. "The ladies here do not want so many babies," says Rose Muturi, a first grade teacher at the Kamathanga primary school, which has more than a thousand young students. The average family size in Kenya is eight children, but in villages like Kamathanga, families with 12 and 13 children are not uncommon. Kenya's population growth rate is the highest in world history, growing about twice as fast as the country's economy.

"Even men say it cannot be in the next generation," said Kenyan Jane Kirui. "There is not enough land to divide among sons. People know that for their children to have a future they will have to have an education."

Health is also a consideration. Africa has the highest maternal mortality rate in the world, more than 10 times that of the United States.

As recently as two decades ago, traditional practices like breast-feeding and periods of sexual abstinence, as well as higher infant mortality rates, kept family size down and births spaced by two to three years. "If a woman was pregnant before the previous child could carry something, that was really a scandal," says Kirui. Not any more. Women in desperate economic straits, say doctors in Kenya, Sierra Leone, the Philippines and elsewhere, turn to abortion when they have no other choice.

"The women beg, 'Please, I am so tired, I do not want to have any more children, give me the pill.' " says Kulimi Mworia, an official with the Kenyan Family Planning Association. The association also dispenses information about natural family planning, Mworia says, but the women have become skeptical about it. "They say, 'I have already had three babies with this natural family planning. The pope is not going to look after my children. Now I want to be sure.' "

The right-to-life groups say their objection is not only moral. Third World women, they say, are being used as "guinea pigs" by international pharmaceutical companies. They criticize the use of Depo-Provera in Africa when its use has been severely restricted in the United States.

But Kenyan women say the Kenyan government screens the contraceptives that come into the country, and that for the women it is a matter of weighing risks. "In Kenya we say better to die in 15 years from the pill than die in childbirth next year," says Mworia. "Who will take care of my babies then? At least in 15 years they will be grown." They find the new American attitude odd at best, and at worst, patronizing. "Do they think we are children?" asks Mworia. "We can take care of ourselves."●

LIES AND AMERICAN FOREIGN POLICY: TIME FOR A CHANGE

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1985

● Mr. GINGRICH. Mr. Speaker, I would like to share with my colleagues today an Irving Kristol article from the June 21 Wall Street Journal.

Kristol's "International Law and International Lies" helps to explain the framework of the double standard which seems to afflict American liberals, but also to some extent, I think, the entire Western world. Many lawmakers see themselves bound by antiquated principles of "international law" that are no longer relevant to the reality of today.

I urge my colleagues to study this important column. It's vital that we begin to change our approach to foreign policy immediately.

[From the Wall Street Journal, June 21, 1985]

INTERNATIONAL LAW AND INTERNATIONAL LIES

(By Irving Kristol)

One of the most distressing aspects of American foreign policy today is the felt need of our government to lie to the American people when it takes an action, or adopts a policy, that it believes to be necessary for the integrity of our national interests. The invasion of Grenada was a most illuminating case in point.

Why did we invade Grenada? According to the White House and State Department, the main reason was the danger to American medical students in Grenada because of the political turbulence there. This was not, of course, the real reason. After all, we simply could have airlifted those students out instead of sending the Marines in. The real reasons—obvious enough to all—were the fear of the other Caribbean governments before a new and potentially troublesome Soviet puppet-state in their area, and our own fear of still another Soviet military base in our "backyard." Both fears were legitimate and reasonable, yet they were conveyed to the American people only in an undertone, with the emphasis going to those presumably endangered students. This led one wag, at the time, to suggest that the U.S. scatter a few thousand medical students among those countries we thought we might, at some future date, have reason to invade. The contempt for our official hypocrisy implicit in this remark was perfectly justifiable.

WHY DID WE LIE?

In foreign policy, doing the right thing for the wrong reasons can, in the longer term, be as counterproductive as doing the wrong thing for the right reason (e.g., our feeble and costly intervention in Lebanon). This is especially true in a democracy, where a very important function of government is educative. Such a government must rely on popular approval for its actions, and this approval will never be wholehearted if the people have grounds to think their government makes a habit of deception and double talk.

To be sure, everyone understands that in some instances, a government may have to resort to diplomatic duplicity to conceal a secret but necessary action (e.g., the use of the CIA in helping friends and damaging enemies). But such duplicity is utterly unacceptable when American troops are involved in an overt military action. Then, a decent minimum of candor is required. There may be little harm in "dressing up" this candor with some exaggerated rhetoric—all governments do that, as do all nongovernmental organizations when they describe their motivation for embarking on a course of action. But outright lying and downright hypocrisy are not acceptable, if only because they will soon be exposed for what they are and the government's credibility—abroad and at home—will then be severely impaired.

So why did we lie about Grenada? Some State Department officials have said privately that there may not have been a lie—that, in fact, we might never have been able to intervene in Grenada had those medical students not been there. If this was the case, American foreign policy is in a worse condition than even its severest critics had imagined. For it is obvious to most Americans, relying simply on common sense and moral intuition, that the intervention was utterly justified, with or without medical students. And, indeed, one is fairly certain it was this same common sense and moral intuition that moved President Reagan to send in the troops. But, apparently, a straightforward appeal to this common sense and moral intuition was thought to be an inadequate justification. Hence, the focus on those students.

It must be emphasized that according to very reliable information, both the State Department and the White House took no pleasure in this exercise in obfuscation. They did it reluctantly, and because they thought they had to. They found themselves in a position where they could not explain their action without seeming to violate principles the U.S. government had been expounding for decades, and that were articulated in a whole array of treaties to which we had solemnly subscribed. These principles are the principles of "international law," as this body of doctrine has developed since World War I. And it is this body of

doctrine that still dominates official American thinking about foreign policy—a mode of thought that can be summed up in the phrase "liberal internationalism."

The relevant principles are few and can be succinctly stated. (1) There exists a worldwide "community of nations" dedicated to the preservation of peace among its members. (2) To achieve peace, this community has explicitly—in such documents as the charter of the United Nations—made illegal and therefore impermissible certain actions by member governments. (3) The most important such action defined as illegal and impermissible is "aggression," i.e., the violation of any and all existing borders by a unilateral military action.

It is these principles that administration after administration has assured the American people we most sincerely believe in. And it was these very principles we violated—rightly, in the opinion of almost all Americans—when we moved into Grenada. One can now appreciate the quandary our State Department found itself in. It desperately needed a legalistic fiction to render legitimate an action that, under that very conception of international law we insist we adhere to, was quite improper. It found that legal fiction in the convenient presence of those medical students.

This is not, alas, the last time our government is going to find itself in such a quandary. It will be stranded there again and again as it tries to reconcile the realities of great power politics with the "liberal internationalist" way of thinking about foreign policy. They are, in truth, not reconcilable, since this entire doctrine of "international law," as developed since World War I, and especially since World War II, is itself one vast fiction.

It is a fiction abused callously, or ignored ruthlessly, by those nations that, unlike the Western democracies, never took it seriously in the first place. For us, however, it is a fiction that induces irresoluteness, guilt and queasy hypocrisy whenever we are forced to confront the realities of the world we live in. It is a world without a "world community" committed to a universal definition of law and order and civilized behavior.

It is a world in which national interests and national values (whether religious or secular) easily override all paper commitments to a vision of universal peace. It is a world that, as someone once said, is a "dangerous place," in which terrorism, subversion and naked aggression are no less common than ever before. For the U.S. to try to conduct its foreign policy according to principles that are visionary rather than sensibly realistic is the kind of suicidal folly future historians will find it well-nigh impossible to comprehend.

It is not that international law is a completely meaningless idea. There is an entire body of international law, going back several centuries, that represents a considerable step forward in civilized behavior among nations. And behind this basically secular tradition lies the specifically Christian tradition of the "just war" and the preconditions thereto. These traditions of international law are today embodied in various treaties that affect the treatment of prisoners of war, the treatment of enemy civilians in case of war, the rights of neutrals, etc. They have also been embodied in treaties of nonaggression, nonbelligerency, and nonintervention—but always with the understanding, usually explicit, that misbehavior by one party to the treaty annuls the treaty itself. These older traditions of international law still exist and play a most useful role.

But beginning with our own Woodrow Wilson, a new conception of international law began to emerge, achieving its full flower with the founding of the U.N. after World War II. Its ambitions were and are positively messianic—to "abolish war" among nations, to subordinate all national interests and national values to the serene judgment of "the international community," and, in effect, to render it unnecessary for any nation to have a vigorous foreign policy of its own. This is, of course, an ancient vision, but it is fair to say that only in our century did statesmen and political philosophers think it a realistic agenda for an unredeemed humanity.

SAD FACT OF THE MATTER

This new version of international law, and the liberal internationalist foreign policy associated with it, has played out its string. The senselessness of its assumptions becomes more apparent with every passing day. The American people see this—witness the popularity of any American ambassador to the U.N. who vigorously asserts American interests and values against that organization. Many higher officials in the State Department understand it well enough—but they are prisoners of what is by now a powerful conventional rhetoric, a set of intellectual habits that pervade the media, academia and public discourse on foreign affairs.

The sad fact of the matter is that we do not have available, in the American political tradition, a mode of thinking about foreign policy that is appropriate to our condition today. The older nationalist-isolationism is clearly irrelevant to our condition as a great power that aims to shape a world congruent with our ideals, while confronting another world power, a militant world power, with the same aim but contradictory ideals. Theodore Roosevelt's combination of nationalism and internationalism seemed to offer promise of an interesting alternative, until it foundered on a foolish mimicry of European imperialism. Liberal internationalism, because it is incarnate in a host of international treaties and organizations, still predominates—but it is a theory both empty of substance and at war with reality.

A new way of looking at and thinking about American foreign policy will eventually emerge. What one may call "reality therapy" will see to it. Meanwhile, however, we shall have to rely on our common sense and moral intuition to cope with the challenges of the near future.●

JULY 30, 1985, MEETING WITH HOSTAGE FAMILIES

HON. MERVYN M. DYMALLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1985

● Mr. DYMALLY. Mr. Speaker, I am pleased to inform the Members of the House that on Tuesday July 30, 1985, former hostages and the families of those hostages remaining in Lebanon will be on Capitol Hill for the following schedule:

9:30-10:30 am 2105 Rayburn. Press Conference.

Speakers include Ms. Peggy Say (sister of hostage Terry Anderson [NY]—AP Beirut Bureau Chief) and Mr. Jeremy Levin [MI] (CNN Beirut Bureau Chief, held for 11 months).

11:00-1:00 pm 2105 Rayburn. Closed meeting with Members of Congress and Senior staff.

Partial list of participants: John Weir [Idaho]—son of Rev. Benjamin Weir [Utah], kidnapped May 8, 1984; Moorehead Kennedy [NY]—former hostage at the U.S. Embassy, Iran; Erik Jacobson—son of David Jacobson [California], kidnapped May 28, 1985; the Jenco family—Rev. Lawrence Jenco [Illinois], kidnapped January 8, 1985; Don Mell [NY]—AP correspondent with Terry Anderson at the time of his kidnapping, March 16, 1985.

Recent hostages from the TWA crew and passengers.

I hope that Members can take some time to meet with the families of the seven remaining hostages to hear their concerns and to lend our needed support in resolving their plight.●

ON RESTRICTING THE SUPREME COURT'S JURISDICTION

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1985

● Mr. CRANE. Mr. Speaker, I have introduced legislation to restrict the jurisdiction of the U.S. Supreme Court and of the Federal district courts in certain cases. The Supreme Court is usurping powers over issues that have little bearing on its area of concern. My bills, H.R. 79 and H.R. 80 would remove the issues of voluntary school prayer and abortion, respectively, from the Courts' jurisdiction.

By approving these measures, Congress would be correcting the pressing problem of judicial intervention. The Supreme Court has been overstepping its bounds and consequently dealing with issues that would be better dealt with at local State levels. The structure of our judicial system distributes powers to the various judicial levels. Unfortunately, the Supreme Court is impeding the natural process.

There is a need to break the school prayer issue as well as the abortion issue away from the politics of the Federal Government. Our Founding Fathers had the foresight to leave such sensitive moral questions to the local governments. When the Supreme Court was setup by our Founding Fathers, it was given limited responsibilities and powers. However in recent years, the Court has interpreted its powers far too broadly by continually abusing its power of judicial review. By overextending its judicial review powers, the courts have eroded the deliberative process of Congress. Thus, the system of checks and balances has been impaired.

It is common knowledge that whenever the National Government decides on a religious or moral issue, it sets a precedent for future decisions or lower court levels. When a State, on the

other hand, makes a decision we at least have the choice to move to another State if we disagree. We have little recourse but to take up arms or flee the country if the Federal Government becomes tyrannical.

Each community and locality should be free to practice its own values. When states are allowed to determine these basic issues, they may arrive at different conclusions. This diversity and community consensus should be respected since the examination of varied alternatives in practice leads to more effective decisions over time.

Specifically dealing with H.R. 79, there has been an ever-increasing number of people who want to restore the moral and ethical heritage of school prayer. President Ronald Reagan has stated,

The public expression through prayer of our faith in God is a fundamental part of our American heritage and a privilege which should not be excluded by law from any American school, public or private.

I strongly support this desire for I have a deep and abiding commitment to three basic principles: returning to fundamental principles in education; preserving basic constitutional rights; and reaffirming our own moral and religious heritage.

There is also a need to break the abortion issue away from the politics of the Federal Government. For this reason I introduced H.R. 80 to limit the jurisdiction of the Supreme Court and the district courts in cases involving abortion. I do not think the Federal Government should involve itself in promulgating such regulations, nor should it involve itself in private and personal matters which are better handled by individual adults.

The most effective way for our moral and religious heritage to be reaffirmed and sustained is for the issues of school prayer and abortion to be removed from the jurisdiction of the Federal courts. There is no need for it to be tangled in the web of Federal intervention. Quite to the contrary, my bills would remove this issue from the pernicious meddling of the Federal Government and place the decision precisely where it belongs—in the hands of the people.●

BOY SCOUTS CELEBRATE DIAMOND JUBILEE

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1985

● Mr. ROTH. Mr. Speaker, this weekend the Boy Scouts of America will culminate its Diamond Jubilee year at the 1985 National Scout Jamboree at Fort A.P. Hill, VA. This fine organization has good reason to celebrate its 75 years of dedicated service to American youth and to look ahead toward another 75 years of building sound character, fostering personal fitness, and teaching citizenship.

Members of Scout Troops 559, 560, and 561 of the Bay Lakes Council in northeast Wisconsin will be at the Scout Jamboree, where they will join other Scouts and Scout leaders nationwide to reaffirm the principles of the scout oath and law. I offer them my best wishes and hope the Scout Jamboree is a joyful occasion for all.

TROOP 559

Michael Ackeret, Chris Albert, Rick Bartelt, Ken Beres, Cory Daehn, Cory Davis, Greg Esvang, Graham Fownes, Tony Frey, Mark Gehring, Todd Gehring, Dennis Gruenke, Jeff Gruenke, Tim Gruenke, Michael Hess, Ralph Hess, Stephen Hess, Eddie Huffman, Richard Jenss, Michael Johann Jr., Erik Paul Kehl, Edward Krueger, Tim Marquis, Gary Miller, Robert Neill, Bill Petersen, Jim Prom, Phillip Ramthum, Andrew Rikkers, David Rikkers, Chris Sayles, Richard Scamehorn, James Simmons, Mark Thaves, Ken Thomas, Kevin Tipple, Scott Tipple, John Vandecastle, William Yankus, Thomas Zillmer.

TROOP 560

John Ambrosius, Brian Berriman, David Block, Keith Block, Chad Brecke, Chad Buck, Ben Castner, Timothy Draheim, Gary Eklund, Jamie Forsberg, Jonathon Hawlish, Wayne Johnson, Jerad Keil, Steve Kickland, John Knapp, Joe Knox, Arron Kohlman, Bill Ledger, Jeff Ledger, Bradley Linden, Chris Lyle, Robert Lyle, Orland Marotz, Tony Pfau, Robert Preuhs, Tim Roberts, Doug Rossow, Peter Schiefelbein, Mark Schiller, Ted Schubert, Edward Shell, Wesley Shell, Robert Smits, Albert Thaves, Bill Turriff, Georffrey Urbanz, Grant Urbantz, Tim Vertz, Craig Wenberg, Kurt Wendt.

TROOP 561

David Boltz, Douglas Brusse, Timothy DeTroye, Jeffrey Dorsey, Robert Dorsey, Mike Gorges, Tim Gorges, Michael Hermann, David Hirn, John Houk, Larry Jackson, Seth Klessig, Andy Kober, Brian Lallemont, Brad Larson, Tim Lehman, Jeff Lochmann, David Mailand, Steve Marsh, Thomas McGrane, Tyler McGrane, Kevin Minkel, Norman Petersen, Martin Peterson, Scott Phillips, Peter Reynolds, Joseph Saunders, Brian Schroeder, Cory Schultz, Russel Shambeau, Erik Simonson, Anthony Stoeger, John Thaves, Luke Thaves, John Torinus III, Mark Vanderbloomen, Antonio Villarreal, Justin Welch, Frank Wickham, Bradley Hoffman.●

INTERNATIONAL DEMOCRAT UNION

HON. THOMAS N. KINDNESS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1985

● Mr. KINDNESS. Mr. Speaker, political party leaders from 30 democratic nations have come to Washington this week to participate in the largest single gathering of such free world leaders in history. Today, the International Democrat Union Second Party Leaders Conference convenes, and conference participants will spend the next 3 days discussing economic and political issues of concern to the world's democratic institutions.

In response to President Reagan's call for a crusade for democracy in a 1982 speech at Westminster, the IDU was founded 2 years ago in London by several free world political leaders, including Prime Minister Margaret Thatcher of Great Britain and Vice President GEORGE BUSH, who were intrigued by the increasing solidarity among member nations of Socialist International, an international organization devoted to the promotion of socialist principles and ideals.

These same democratic leaders were also concerned about the lack of solidarity among the world's democratic political parties. As a result of this concern, the goal of the IDU has been from the beginning to promote cohesiveness and understanding among the democratic institutions around the world.

The member parties of the IDU are genuinely committed to democratic principles, basic personal freedoms and human rights. IDU members espouse a firm belief in the success of a free-market economy, in constructive dialog and in the need to deter Communist aggression.

I would like to take this opportunity to welcome those participating in the IDU party leaders conference this week in our Nation's capital, and to commend the organization for its foresight and commitment to preserving, promoting and defending democratic principles around the world.●

TEXTILES DEFENDS ITS LAST BASTION

HON. JOHN J. DUNCAN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1985

● Mr. DUNCAN. Mr. Speaker, even to the experts, the issues of international trade and finance are challenging subjects. This is especially true regarding textile and apparel imports, a matter of great national interest often clouded by emotion and obscured by statistics.

it is certainly welcome when someone comes forward and makes sense out of such a confusing issue. The New York Times has done just that for textiles, with an article by William E. Schmidt on June 23, 1985.

The Times article points out that the industry is making record investments in modernization, nearly $2 billion last year, in an attempt to compete against imports that have increased 65 percent since 1982.

The report also states that the textile industry, which employed 1 million men and women in 36 States 10 years ago, now has a work force of

702,000, the lowest level since records have been kept.

One prominent area of confusion has been the fact that imports this year are off 4.4 percent from last year's record. The Times puts that into perspective by noting that at the same time, the domestic industry's shipments have dropped 8.5 percent.

The conclusion is inescapable, the textile industry is doing everything it can to hold onto its market and preserve jobs. It is equally clear that the industry cannot compete against an inflated dollar and low wage imports and foreign governments that regularly subsidize their exports and erect barriers to American products.

This is why the Textile and Apparel Trade Enforcement Act of 1985 is so important. It will put the fair back in fair trade by managing imports so that American producers have a shot at the American market while also allowing truly developed nations a chance to sell their goods to earn money to pay back their loans.

There are no easy answers to this problem, only hard choices. The hardest of all is for the Government of the United States to turn its back on 2 million textile and apparel workers. We cannot let this happen. That is why this legislation is so important.

Mr. Speaker, I ask unanimous consent that the article, "Textiles Defends Its Last Bastion" be printed in the RECORD.

The article follows:

[From the New York Times, June 23, 1985]

TEXTILES DEFENDS ITS LAST BASTION

(By William E. Schmidt)

EASLEY, S.C.—From the road, the red brick mill looks like scores of other textile plants scattered across the low rolling hills of South Carolina's Piedmont. But inside the walls of the Alice Manufacturing Company's Elljean mill, one of five fabric factories the small family-owned manufacturer operates here in rural Pickens County, the changes are dramatic.

In rooms where workers once moved through a fog of cotton dust, powerful vacuum hoses now glide along rails suspended from the low ceiling, keeping the air cleaned of lint. The old clackety-clack shuttle looms have been replaced by sleek high-speed weaving machines. And throughout the plant, television screens hooked to a central operator flicker a continuous stream of data measuring the performance and efficiency of each piece of equipment on the floor.

"There have been more changes in the textile industry during the last five years than in the previous 100," says Ellison S. McKissick, Jr., who not only presides over Alice, a company his father and grandfather founded in 1923, but also is the president of the American Textile Manufacturers Institute, the industry's national trade organization.

As Mr. McKissick is quick to acknowledge, these are turbulent times for America's oldest manufacturing industry. Buffeted by a 65 percent increase since 1982 in the volume of imports of apparel, fabric and other textile products, manufactureres are scrambling to reposition themselves, investing billions in new equipment and marketing strategies in an effort to regain a competitive edge.

The industry's problems go back more than a decade. Over that time, its largest segment—the domestic apparel manufacturers, who fashion the mills' output of printcloth, denim and other fabrics into dresses, jackets and jeans—has increasingly been overtaken by imports, mostly sewn goods made out of fabric woven and finished in the Far East. Industry figures estimate that, as of last year, imports accounted for 43 percent of the clothing sold in this country.

But more recently, imports have begun to penetrate the market for even basis textile materials, such as raw yarn and unfinished fabric, and household goods like draperies, sheets and towels—items that until 1983 were virtually free of foreign competition. In 1984, $4, $4.87 billion in yarn, fabrics and dry goods were imported, compared with $3.46 billion the year before. The rise—41 percent—was the biggest ever. Last year, for the first time in history, the volume of these textiles entering the country from overseas mills exceeded the volume of imported finished apparel.

The flood of new imports, which has surged on the strength of the dollar, has domestic yarn and cloth manufacturers reeling, and has raised questions about their future. Only a decade ago they employed more than one million people in 36 states, with nearly half of those jobs here in the Carolinas. Today, employment is down to 702,000, its lowest level since records were kept in the 1940's, and last year hard-pressed manufacturers were forced to shut down 60 plants.

In their scramble for safer ground, the textile manufacturers have mounted an insistent campaign to persuade President Reagan and Congress to tighten controls on imports and protect their sales, which totaled $55 billion last year. But at the same time, manufacturers have embarked on a variety of strategies on their own, ranging from pumping billions into long overdue plant modernization programs to new marketing programs to increase revenues from high-margin fashion products that imports cannot yet reach.

With investor confidence low, and most textile stocks selling at a sharp discount, some public companies have gone the route of leverage buyouts. At least six since 1982 have turned private, including Cannon Mills and Dan River Inc. Still others have moved to take advantage of low wages overseas by sending their own fabric to the Caribbean to have it sewn into apparel and then reimported, nearly duty free, under Provision 807 of the United States Tariff Schedule. Import shipments of this sort increased by 24 percent last year.

"To think that the textile industry will ever return to what it was even a few years ago is out of the question," said Jay Meltzer, the textile analyst with Goldman, Sachs & Company. "They have lost significant market share to imports, and they are spending a lot of their corporate dollars in an effort to just hang in there."

Not since the mill owners first moved their factories to the Southeast from New England more than a century ago has the industry undergone such fundamental change. But what is not yet clear is whether the industry's enormous investment in new capital equipment and product strategies will pay off, given the continuing pressure from imports and a domestic market that is growing at 1.4 percent a year.

The Commerce Department says that manufacturers last year spent a record $1.9 billion on new equipment, ranging from accordian-armed robots that automatically load and unload pallets of yarn and cotton, to high-speed weaving machines that use jets of water or air, instead of shuttles, to weave cloth. That figure is expected to top $2 billion in 1985, as the industry gambles that higher productivity will cut costs enough to compete with foreign producers.

"When you transfer a liquid asset like cash into iron and steel, you are taking a real gamble, particularly in an industry where the public market puts you at a discount," said Mr. Meltzer. On the other hand, he added, companies that fail to spend to improve their productivity and cost structure are only "hastening their own demise."

Many manufacturers, including some companies like Alice, agree. Here in Easley, Mr. McKissick this month completed the installation of 280 new Swiss-made weaving machines that he said cost him three times what if did to build and equip a whole new factory in 1955. "If you don't automate, you don't survive," said Mr. McKissick.

Some of the larger companies, like Burlington Industries, have been investing 85 percent of their cash flow into new machinery, a tactic that forced them to squeeze inventories to help preserve liquidity. Still, despite investing $1.5 billion over the last seven years in state-of-the-art textile machinery, the company's return on average equity has declined, rather than improved. As a result, Wall Street continues to be cool to the industry. The common stock of companies like M. Lowenstein, Springs Industries and Burlington are all trading well below their book value.

In addition to automating and modernizing their plants, American manufacturers are also putting a much greater emphasis on specialty products and marketing, in order to seek out the high-margin niches that foreign competitors cannot yet reach. For example, a Burlington Industries mill in Erwin, N.C., five years ago turned out just six varieties of denim, most of them the standard, heavyweight stuff from which bluejeans are made. Now the plant uses its looms to produce and finish 21 separate varieties, ranging from high-fashion stretch denim to various shades of a brushed, velour-like fabric, marketed under such catchy trade names as Hug Bunny, Crossplay, Ice Blue Crinkle and Easy Going Stripe.

Along with its new line of Laura Ashley and Liz Claiborne designer home linens and the line of fine worsteds, the company is hoping to dramatically increase its share of revenues from high-fashion products, which now make up about 10 percent of sales.

Other companies have been successful by carving out niches where imports are not a factor. Collins & Aikman has generated a premium return that has kept its stock price healthy by turning to automotive carpeting, furniture upholstery and commercial carpeting that so far have proved import-proof.

While a weaker dollar and tighter enforcement of trade quotas have helped a bit with imports this year, there has been no sign of a domestic recovery yet. Imports of textiles and apparel through April were off 4.4 percent from last year's record pace, for example, but domestic shipments over the same period still dropped 8.5 percent. That means the industry is continuing to go through a transition, which Mr. Meltzer said, will see

"the marginal plants, the weaker plants, go by the boards."

That is what happened to the Crompton Company, the nation's oldest weaver, which last fall filed for protection under Chapter 11 of the Federal bankruptcy law. Crompton has been hurt not only by imports of lower-priced goods, but also by a waning consumer appetite for corduroy and velveteen, its two chief products. In an effort to stem losses, the company closed mills in Alabama, Arkansas, Virginia, Georgia and North Carolina. Last fall, at the time it filed for bankruptcy, its work force stood at 110, compared with 4,100 in 1980.

For the small rural communities of the Southeast, a region that accounts for nearly two-thirds of the nation's textile employment, the industry's recent troubles have had a devastating impact. Often the mill is the only employer in town, and many of those now displaced are people in their 50's and 60's who have been mill workers all their lives, and lack the skills to transfer to other jobs.

Some jobs, in the production of basic cloth that is finished into material for shirts and blouses, likely have been lost forever to Asian producers, with their less costly labor.

But modernization itself has eliminated many jobs. Since 1978, when Burlington began its modernization program, it has cut its work force to 53,000 from 66,000. And J.P. Stevens, which has spent more than $480 million on its capital program since 1980 has, over the same period, cut back to 32,700 employees from 41,400.

"With the market growing at a rate of 2 percent a year, and imports growing at 30 percent, the difference has got to come out of jobs here at home," said C. Hunter Gallman, senior vice president for manufacturing at the M. Lowenstein Corporation, which has spent more than $110 million in the last five years on plant modernization.

In that time, the company has consolidated operations by closing three plants and selling two others. In turn, the company has reduced its payroll to 9,000 workers from 14,000. "It comes down to a question of survival," said Mr. Gallman. "But I think that over all, we have made some real improvements in productivity."

According to statistics from the Textile Manufacturing Institute, the industry processed more than 8 pounds of fiber an hour, up from 6.6 pounds in 1973—an annual increase of more than 4 percent.

Still, the textile industry was, in general, slow to modernize. Even now, barely 30 percent of the more than 200,000 looms in use in domestic mills today are of the more modern, shuttle-less variety.

It is, in fact, a measure of the industry's complacency that most of the high-speed looms going into plants these days are manufactured in either Europe or Japan, where manufacturers are 10 years ahead of domestic machinery companies in the production of the advanced air-jet weaving machines.

At his white brick and frame headquarters here, set amid a pecan grove beside State Road 8, Mr. McKissick describes the industry as being "at war" with foreign producers and he likens his own office to a bunker.

At issue are a variety of claims that domestic goods must compete unfairly with imports. Not only are the imports made under working conditions and wage rates that are illegal in this country, but United States manufacturers also argue that foreign governments work on behalf of their textile industries in developing markets, offering subsidies and enforcing trade restraints that block American imports.

The solution, Mr. McKissick says, is for Congress to approve, and the President to sign, legislation now pending that, among other things, would roll back imports from the 20 top textile importing nations, broaden restraints to cover additional apparel and set up a new import-licensing system to strengthen enforcement.

So far, unlike most other manufacturers, Mr. McKissick has been able to keep his own work force of 2,000 stable, by going to four shifts a day, seven days a week. He knows most of his employees by first name, and the trophies that mill teams have won in softball and basketball are prominently displayed in each of his plants.

But without some sort of tighter controls on imports, he says, it is going to be harder to keep his plants going at the same pace, or to avoid cutting back his work force. "If Washington will give us some help, this industry can compete with anyone," he said. "On a level field, we'll tear the pants off imports."●

COMPREHENSIVE NUCLEAR WEAPONS FREEZE AND REDUCTIONS ACT OF 1985

HON. BARBARA B. KENNELLY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1985

● Mrs. KENNELLY. Mr. Speaker, I rise in support of the Comprehensive Nuclear Weapons Freeze and Reductions Act of 1985. As an original cosponsor of the legislation introduced today, I'm convinced that this Congress can and must play a key role in pressing for a bilateral, enforceable, and verifiable freeze.

I came to this Congress believing that nothing was more important than drawing this Nation away from the edge—the edge of nuclear war more firmly. And, after nearly 4 years in Congress, I still believe that. The reality is that we cannot accomplish this alone. We need to convince the Soviets that we must be working together for peace, not preparing for global annihilation.

There are a tremendous number of dedicated people in my district and throughout Connecticut, who share my desire to bring a halt to the nuclear mania that will take control of our futures and the futures of our children. Earlier today, one of those dedicated people, Ms. Maggie Beirwirth, acting administrator of the Connecticut Freeze Campaign, appeared at a press conference to announce the introduction of the comprehensive freeze. What follows is an excerpt from her remarks this morning, describing the activities of the Connecticut Freeze Campaign.

The freeze campaign in Connecticut has been just as active as ever.

The local freeze groups across Connecticut continue to exhibit extraordinary creativity in demonstrating their support for a nuclear weapons freeze. Let me share with you some of their activities.

The Salisbury, CN, disarmament vigil is in its 100th straight week.

In New Haven, the freeze campaign is canvassing door-to-door to measure people's attitudes toward the freeze and the Soviet Union.

Next weekend, in Greenwich, CN, the freeze group will join the Greenwich High School "Hope for the Future" club at the beach to build 1,176 warheads of sand, representing the number of nuclear weapons produced between the opening of the Geneva talks on March 12 and the 40th anniversary of the bombing of Hiroshima and Nagasaki on August 6 and 9. Building will begin at low tide and as the tide rises it will wash away the sand arsenal. One thousand white helium balloons will be released as a gesture of hope for the future. This is part of our ongoing Geneva watch project, in which we will be monitoring the talks and reminding the public in visible ways that despite arms control negotiations and the scheduled Reagan-Gorbachev summit meeting, the nuclear arms race continues at a steady pace.

In the local groups in Connecticut, and in thousands like them around the Nation, individuals take seriously their rights and responsibilities as citizens of a democracy. Author Jonathan Schell characterizes this commitment in his observation:

> Each of us is called upon to do something that no member of any generation before us has had to do: To assume responsibility for the continuation of our kind; to choose human survival.●

TRIBUTE TO MARSHALL DURBIN, JR.

HON. RICHARD C. SHELBY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1985

● Mr. SHELBY. Mr. Speaker, I would like to take this opportunity to honor an Alabama businessman who symbolizes the American success story. Marshall Durbin, Jr., a Birmingham native, is the president and chairman of the board of directors of Marshall Durbin Food Corp., and Alabama-based poultry company. Mr. Durbin was recently awarded the presidential award from the Alabama Poultry and Egg Association [AP&EA]. This award is given in recognition of outstanding service to the industry and is the second highest award of the AP&EA.

The Marshall Durbin Co. was formed shortly after the stock market crash in 1929, when Marshall Durbin, Sr., borrowed $500 and bought a small retail fish business. Two years later, in 1932, he opened a second retail fish business, added poultry, and began

wholesaling. By 1946 Durbin had expanded the operation to include the marketing of poultry in Mississippi, Tennessee, Indiana, Ohio, Michigan, and Illinois.

In the years that followed, production increased, plants were added and new processes were incorporated. The reins were handed over to Marshall Durbin, Jr., and the company soon boasted five processing plants, four hatcheries, a science and technology center and corporate offices in 10 cities, including Birmingham, Mobile, Tupelo and Memphis. Most recently, the Marshall Durbin Co. purchased a new processing plant in Albertville, AL, with plant capacity of 200,000 pound of boneless chicken products per week.

Marshall Durbin, Jr., is a graduate of the Tennessee Military Institute and the University of Alabama, with dual majors in economics and political science. He has also done graduate work at Samford University in Birmingham. He is married to the former Jackie McNeal. They have three children.

In addition to his leadership role in the Durbin Co., Mr. Durbin is also involved in several business and professional organizations, including the Alabama Poultry and Egg Association, of which he has been director for the past 25 years. Durbin also serves as a member of the board of directors of Central Bank; the director of the Diabetes Trust Fund in Alabama; a member of the Alabama Poultry Industry Hall of Fame; a member of the executive committee of the Alabama Symphony board of trustees; and a member of the board of directors of the Red Mountain Museum Society. In addition, he is a former director of the Birmingham Press Club, the Southeastern Poultry and Egg Association, and the National Poultry Research Foundation. He has also served on the Governor's Committee to Fight Inflation and on the Agricultural Technical Advisory Committee to the U.S. Department of Agriculture.

Indeed, Marshall Durbin is a man of many talents and successes. His achievements and contributions both to his industry and to civic causes bears record of the outstanding dedication of this man to improve and uplift the State and the citizens of Alabama. His praiseworthy efforts serve as an inspiration to us all.●

COMPETITION AND THE U.S. POSTAL SERVICE

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1985

● Mr. CRANE. Mr. Speaker, I recently received a letter from the United Parcel Service [UPS] which I would like to share with my colleagues. Since I introduced legislation, H.R. 86, which would allow competition in the delivery of first-class mail, many of my colleagues have expressed their skepticism about the ability of any one firm to deliver mail to all areas of the country. In particular, many of my colleagues have asked me whether rural areas could ever possibly be served by a competitor with the U.S. Postal Service, which has a federally sanctioned monopoly in the first-class mail delivery market. I believe that the letter from Mr. Fred Souders, the UPS northern Illinois district manager, will show that competition need not mean that rural areas will be ignored by a company which competes with the Postal Service.

Before I present this letter, I would like to provide a little background about UPS.

While UPS does not compete with the Postal Service in the delivery of first-class mail, since 1909 it has been competing in the delivery of parcels. Recently, I asked the Congressional Research Service [CRS] to compare the costs, quality of service, and wage rates between UPS and the U.S. Postal Service. This comparison reveals that allowing competition does not mean that postal wages will decline, prices will skyrocket, or the quality of service will diminish with the competitor.

The most startling discovery from the CRS comparison is that many of the salaries at UPS are greater than the salaries of comparable jobs at the U.S. Postal Service. In 1984, the average clerk working for the Postal Service made $23,714 while his counterpart at UPS made $24,960. The average wages of sorters and drivers for UPS was more than 15 percent greater than the average annual wages of sorters and drivers for the Postal Service. In 1984, a sorter for UPS made $27,040 while a sorter for the Postal Service made only $22,772. At the same time, the average UPS driver made $29,120 while the average driver for the Postal Service made $23,704. Thus, the UPS driver made 18 percent more than the driver for the U.S. Postal Service.

In the area of cost comparison, the cost to send a parcel via UPS is very close to send a package via the Postal Service. For an address which is less than 150 miles away, UPS will deliver a 2-pound package for $1.24 while the Postal Service will deliver the same package for slightly less, $1.19. A 5-pound package, mailed the same distance away, will cost $1.49 with UPS and $1.36 with the Postal Service.

However, it appears that UPS makes up for its slightly higher costs with a better quality of service. The Postal Service has no policy standard for the length of time it will take to deliver a package at the above rates. I remember sending a 2-pound package of cookies from coast to coast which took almost 2 weeks for the U.S. Postal Service to deliver. UPS, on the other hand, guarantees on its basic delivery rate a 2-day delivery time from Washington, DC, to New York, a 3-day delivery time from Washington, DC, to Tampa, and a 5-day delivery time from Washington, DC, to Los Angeles, CA.

Now that I have given you some background that shows that a firm competing with the U.S. Postal Service can provide good quality of service at a reasonable price, provide its workers with a decent wage, make a profit, and pay taxes, I would like to turn the attention of my colleagues to the following letter. This letter should calm the fears which my colleagues may have that rural addresses will not be serviced by a competitor with the U.S. Post Service.

UNITED PARCEL SERVICE,
Addison, IL, May 13, 1985.

Hon. PHILIP M. CRANE,
Longworth House Office Building,
Washington, DC.

DEAR CONGRESSMAN CRANE: It is a pleasure to share with you news about United Parcel Service that could affect virtually every constituent in your district. Nothing like it has ever been achieved.

On June 3, UPS will expand its Next Day Air delivery service to every address in the forty-eight contiguous United States, plus Hawaii.[1] No package delivery service in the country offers such complete coverage—not even the U.S. Postal Service. United Parcel Service now blankets every address in these forth-nine states, no matter how remote, with all three levels of its service: Next Day Air, 2nd Day Air and regular ground service.

In addition, UPS will introduce other new services beginning June 3. These include:

A next day letter ("UPS Next Day Air letter") to all points in 49 states.

Next-day courier pack ("UPS Next Day Air Pak") to all points in 49 states.

And next-day and 2nd day air service between Puerto Rico and the 48 contiguous United States.

UPS is excited about these service improvements. It will mean tens of thousands of individuals and businesses will have a level of service never before available to them. It should be a boost to business and commerce throughout the country. It could also mean a boost to employment at UPS which, in fact, is up nearly fourteen percent in just the past year.

Because of the impact of these moves on your constituents, we wanted to give you the news personally. Should you or your staff want additional information on any of these services, please give me a call.

Best regards,

FRED SOUNDERS,
North Illinois District Manager.●

[1] Service to Hawaii requires one additional day.

PULASKI'S 75TH ANNIVERSARY

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1985

● Mr. ROTH. Mr. Speaker, Pulaski, WI, observes its 75th anniversary this weekend. Its citizens will be celebrating this special occasion in true Pulaski spirit by reaffirming the village's position as undisputed capital of polka music. As part of Pulaski Polka Days, 20 polka bands will keep the people hopping and generate excitement that will be remembered after the weekend passes.

Incorporated as a village in 1910, Pulaski is filled with people as hard working as its founders. The people of Pulaski claim strong family ties, a proud heritage, and an emphasis on traditional values.

The people of Pulaski also claim a strong fondness for fellowship and music, specifically polka music. This lighthearted, foot-moving music is a trademark and an integral part of the fabric of this Polish community.

I am pleased to represent in Congress all of these great polka musicmakers and polka music lovers. They have established a musical tradition that their grandchildren 75 years from now will carry on joyfully—Pulaski Polka Days.●

COMMENDING FUTURE FARMERS OF AMERICA

HON. H. JAMES SAXTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1985

● Mr. SAXTON. Mr. Speaker, I would like to say a few words about the Future Farmers of America, and the fine work this national organization does by encouraging young people to develop skills in the many vocational areas of agriculture.

The National FFA is holding its State Presidents' Conference in Washington this week, and I commend our New Jersey FFA president, Mr. John Sebastiano, for his work and dedication to the activities of the FFA.

New Jersey, of course, takes great pride in its reputation as the "Garden State," and our 41 chapters of the FFA play a major role in helping us live up to that well-deserved reputation.

High school students who opt for the vocational-agriculture curriculum traditionally receive a mix of book learning with hands-on experience. In many cases, they are encouraged to take their newly acquired knowledge into the actual job market while their schooling continues.

For example, a student may be taught the method and theory of growing flowering plants. He may get a chance to experiment with that theory in a high school laboratory. But the real proof-in-the-putting is when he has the chance to work in a regular greenhouse.

FFA, as an organization for students seeking life-long employment in agriculture, promotes this type of first-hand experience. In so doing, it helps ensure their success.

What many don't realize is the wide range of vo-ag departments, covering everything from dairy production to horticulture, and from landscaping to livestock production. In other words, important occupations can and do stem from education in a vo-ag program.

I'm pleased to report that there are six chapters of the FFA within the three counties which make up my 13th district. I would like to take this opportunity to encourage and commend these chapters, as well as the State and national organizations, for their impressive work, and to express my wishes for their continued success.●

THE FEMA APPROPRIATION AND THE EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE PROGRAM

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1985

● Mr. DOWNEY of New York. Mr. Speaker, as we consider H.R. 3038, the bill providing appropriations for the Department of Housing and Urban Development and Independent Agencies for fiscal year 1986, I wish to register my concern about language which appears in the committee report accompanying the bill. This language, which appears on pages 37 and 38 of the report, seeks to convey the impression that the Federal Emergency Management Agency has the authority to override State and local government authorities, if it deems it necessary to ensure an effective emergency response.

As was pointed out by my colleague, Mr. MARKEY of Massachusetts, on July 16 during the debate on the Department of Energy appropriations bill, language such as this would appear to be an attempt to provide extraordinary powers to FEMA which were never provided in any authorizing bill. I am concerned that FEMA work closely and cooperatively with State and local authorities to develop radiological emergency preparedness plans. In fact, I believe that it is the intention of FEMA to do so, and the Director of FEMA, Louis Giuffreda wrote to the National Governor's Association in 1983 and states that:

> FEMA does not support the idea that the Federal Government should be empowered as the last resort to develop a plan even if all other responsible entities fail to do so. The role of the Federal Government is to enhance, not supplant, State and local government capabilities to prepare for and respond to radiological and other types of emergencies.

Mr. Giufredda went on to state that—

> the Federal Government is not in a position, in terms of policy, authority, or resources to assume the responsibilities of State and local governments for protecting the health and safety of citizens in the event of an accident at a commercial nuclear power facility.

Mr. Speaker, I am confused by the purpose of the report language to which I refer because it does appear to go far beyond existing law. If this body wishes to change or extend the powers of FEMA in this critical area, then it is clear that the House must adopt legislation which specifically grants the Agency such powers. Needless to say, such legislation has broad constitutional implications and must only be considered after it has been carefully examined in public hearings and been subject to full public debate. I strongly oppose trying to bring about such far-reaching changes through committee report language. Indeed it is not possible to do so. Nonetheless, we should be clear that we will not support any attempt by FEMA to interpret the report as giving it the legal basis to override State or local governments or to operate without their cooperation.●

LEGISLATION TO REMEDY COSTLY PROBLEMS PLAGUING HMO/MEDICARE PROGRAM

HON. LAWRENCE J. SMITH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1985

● Mr. SMITH of Florida. Mr. Speaker, today I am filing legislation to remedy some of the problems that have plagued the Health Maintenance Organization/Medicare Program since its inception. At a time when saving the financially ailing Medicare Program and cutting the deficit are of primary importance to us all, we must plug the costly leaks in this program to ensure that it becomes a cost-effective quality health care alternative for older Americans.

This bill was prompted by findings released in an interim General Accounting Office [GAO] report on the HMO/Medicare demonstration projects in Florida. The report, which I requested, found that the program had been sloppily managed and poorly administered by the Federal Government, causing $700,000 in costly overpayments of bills in Florida alone; an inability of health care providers to determine the status of Medicare

beneficiaries; and time lags in the enrollment/disenrollment process.

The bill includes a number of provisions designed to rectify problems associated with the enrollment/disenrollment process. Specifically, the bill would require HCFA to provide intermediaries with updated enrollment/disenrollment data; process the data on a timely basis; establish a procedure whereby health care providers have easy access to the data; and use standardized enrollment/disenrollment forms.

The legislation also contains several consumer protection and information provisions and would require all HMO's to provide potential enrollees with a consumer handbook detailing program procedures.

To ensure that these remedies are implemented, the bill requires HCFA to submit to Congress a study of whether the currently budgeted resources are sufficient to meet the projected administrative needs of this program. The study also will determine whether the inadequacies in the computer information system have been remedied.

The HMO option, which is now available to Medicare beneficiaries nationwide, is an important addition to our health care delivery system. It has the potential not only to save the Federal Government money, but also to provide the elderly with a viable medical treatment alternative. This legislation will help ensure that the HMO/Medicare Program functions properly so that the older Americans choosing this option will have access to quality health care when needed.

H.R. ——

A bill to amend section 1876 of the Social Security Act with respect to administration of the medicare program in enrollments and disenrollments from health maintenance organizations and competitive medical plans and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CHANGES IN ADMINISTRATION OF ENROLLMENTS AND DISENROLLMENTS UNDER SECTION 1876 OF THE SOCIAL SECURITY ACT.

(a) PROCESSING OF ENROLLMENTS AND DISENROLLMENTS AND INFORMATION TO BE PROVIDED WITH ENROLLMENTS AND DISENROLLMENTS.—Section 1876 of the Social Security Act (42 U.S.C. 1395mm) is amended by adding at the end the following new subsection:

"(j)(1) The Secretary shall, during the first week of each month, notify agencies and organizations with an agreement under section 1816 and carriers with a contract under section 1842(a) of enrollments and disenrollments with eligible organizations effected under this section. The Secretary also shall establish a procedure whereby providers of services and other entities participating in the programs under this title can obtain information on such enrollments and disenrollments.

"(2) The Secretary shall provide that in the case of an enrollment or disenrollment form submitted to the Secretary or the Secretary's agent—

"(A) during the first 14 days of a month, the form shall be processed not later than the last day of the month, or

"(B) thereafter during the month, the form shall be processed not later than the last day of the following month.

"(3)(A) In the case of an eligible organization with which an individual enrolls or disenrolls under this section, the organization shall notify the individual of the effective date of the enrollment or disenrollment. To the extent possible, the notice shall be made no later than 10 days after the date of filing the enrollment or disenrollment form.

"(B) Such notice shall include information, in simple language, as to who has responsibility for payment for medical care expenses incurred before the effective date.

"(4) In case of an individual's enrollment with an organization, such notice shall be accompanied by—

"(A) a guide (approved by the Secretary) explaining the rules and procedures of the organization regarding provision or payment for services, including a list of available physicians and hospitals for the provision of nonemergency services and grievance procedures; and

"(B) a sticker that must be placed on the card (issued for purposes of identification of entitlement to benefits under this title) of the individual, which sticker indicates that the individual is enrolled with the organization under this section.

"(5) The Secretary shall provide for the conduct of an annual audit to ensure the timely processing of enrollment and disenrollment forms in accordance with this subsection.".

(b) REQUIRING USE OF STANDARDIZED ENROLLMENT AND DISENROLLMENT FORMS.—Subsection (c)(3)(C) of such section is amended by adding at the end the following new sentence: "The Secretary shall prescribe standardized enrollment and disenrollment forms, in at least triplicate form (with one copy of the form going to the Secretary, one copy to the eligible organization involved, and one copy to the individual involved), which shall be used for purposes of enrollment and disenrollment with eligible organizations under this section. Such form shall include or be accompanied by the information described in subsection (j)(4) (relating to effective dates of enrollment and disenrollment and procedures for payment during waiting periods). The Secretary shall assure that disenrollment forms are available at local offices of the Social Security Administration.".

(c) DELAY OF EFFECTIVE DATE OF ENROLLMENT FOR INDIVIDUALS HOSPITALIZED ON CURRENT EFFECTIVE DATE.—Subsection (c)(3)(B) of such section is amended by adding at the end the following new sentence: "In the case of an individual who enrolls with an eligible organization and who is an inpatient in a hospital on the date the enrollment would otherwise become effective, the enrollment shall not become effective until the day after the date the individual is discharged from the hospital. In the case of an individual who disenrolls from membership with an eligible organization and who is an inpatient in a hospital on the date the disenrollment would otherwise become effective, the disenrollment shall not become effective until the day after the date the individual is discharged from the hospital.".

(d) STUDY OF HCFA RESOURCES TO IMPLEMENT PROVISION.—The Administrator of the Health Care Financing Administration shall study—

(1) whether the currently budgeted resources of the Administration are sufficient to meet projected administrative needs to implement section 1876 of the Social Security Act and related demonstration projects, and

(2) whether adequate links exist between the computers of the Administration with those of the central and regional offices of the Social Security Administration and those of intermediaries and others participating in the medicare program, in order to provide for appropriate sharing of information in the implementation of section 1876 of the Social Security Act and related demonstration projects.

The Administrator shall report to Congress on the study not later than six months after the date of the enactment of this Act.●

INTERNATIONAL ASSOCIATION OF UNIVERSITY STUDENTS CONFERENCE

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1985

● Ms. OAKAR. Mr. Speaker, from August 17 to the 21, the University of Southern California will host the Founding Conference of the International Association of University Students [IAUS]. The conference's topic will be "The International Responsibilities of University Students."

Today I rise to praise the efforts of this conference's organizers and the noble sense of purpose of its participants. This new organization has been established to serve as a vehicle for communication between different universities around the world. The IAUS will essentially be an information and student research network that would complement other international student organizations by providing a conduit for communication on a fundamental, educational level.

Countries from all parts of the world are expected to be represented at the 4 day conference. Those countries include Peru, Yugoslavia, Canada, Mexico, West Germany, India, Liberia, Korea, Iran, Malaysia, the Philippines, Ecuador, Australia, and of course the United States.

This conference represents an excellent opportunity to give birth to an international, nonpolitical student research and educational organization with chapters throughout the world. I am delighted that this conference will be held here in the United States where a very favorable environment for international communication most certainly exists.

Today, I join with Bishop Desmond Tutu, Senator PETE WILSON, and Los Angeles Mayor Tom Bradley, among others, in commending these fine students for their efforts to bring about this truly worthwhile event and I wish them success in their deliberations.●

CALIFORNIA-NEVADA BOUNDARY BILL

HON. RICHARD H. LEHMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1985

● Mr. LEHMAN of California. Mr. Speaker, today I have the rare privilege, along with my colleagues from California and Nevada, of writing one of the last chapters of a century-old story of conflict between our two great States. Legislation which I am introducing today will quiet title to approximately 11,000 acres of property along the California-Nevada boundary. Title to this property has been called into question by the 1980 Supreme Court decision which settled once and for all the exact boundary delineation between the two States.

Since the 1850's, California and Nevada have fought to gain territory lying between the two States. We in California eyed the mineral rich land to the east, and our Nevada neighbors looked fondly at Lake Tahoe and the Sierra Nevada mountains.

Mr. Speaker, the history of California and Nevada is replete with examples of disputes and disagreements. I am extremely pleased to note that in this final round of the border controversy, the entire congressional delegation from both States stands together in support of legislation to validate thousands of acres of land transfers made many, many years ago.●

CONGRESSIONAL CALL TO CONSCIENCE VIGIL

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1985

● Mr. LENT. Mr. Speaker, I have been an active participant in the annual Congressional Call to Conscience Vigil for many years. In 1982, I served as chairman and coordinated the yearlong effort to increase public awareness and congressional support for the struggle of Soviet Jews. The public response to this growing movement is an inspiring demonstration of concern for human rights and freedom. However, I am deeply distressed that our participation in yet another vigil is necessary. It seems incomprehensible to me that the Soviets refuse to listen to protests of international outrage over their ongoing abuses of human rights and flagrant violations of solemn international agreements, such as the Helsinki accords.

Our vigil today is especially timely. August 1 and 2 marks the continuation of the international conference reviewing the Helsinki accords. The Soviet Union, along with the United States, is a signatory to the 1975 Helsinki accords which guarantee human rights and freedoms, including the right to emigrate. Yet, according to the Geneva-based Intergovernmental Committee for Migration, only 37 Jews were permitted to leave the Soviet Union in June. This is one of the lowest monthly figures in the history of Soviet Jewish emigration. In addition, the committee recorded only 464 Soviet Jewish emigrants in the first 6 months of 1985. In 1979, by comparison, 51,330 Jews were allowed to leave.

Even more frightening is the fact that the Soviets have stepped up the vicious anti-Semitic campaign. Harrassment, illegal arrests of Hebrew teachers and othere Jews, and anti-Jewish propaganda have all increased with ferocious intensity and frequency.

All such attacks are deeply disturbing and should be loudly denounced. I encourage our American representatives at the Helsinki Conference to strenuously object to the arrest of Alec Zelichenok of Leningrad. Zelichenok was arrested and is being held in prison on charges of anti-Soviet slander. The charges are based on letters Zelichenok sent to friends in the West in which he wrote passionately of his desire to emigrate to Israel and to practice his Jewish religion. Soviet authorities confiscated Zelichenok's mail, an action in blatant violation of both the Helsinki accords and international postal codes. This trial should not be permitted to take place. The Kremlin must see that the entire world is watching, and that their actions are of urgent concern to all free men and women. We must send the message that successful East-West relations depend on the humane treatment of all people and respect for basic human rights.

Soviet Jews endure oppression and persecution few of us in the West can understand or fully appreciate. Fear and anxiety permeate their lives and thoughts, and rob their days of joy and laughter. Prospects for freedom under the current regime seem dim and hopeless and they are concerned not only for themselves, but for their children as well. Forbidden from practicing their religion, the young children secretly study Hebrew in their homes. They are also shunned by other children. One little Jewish girl in Leningrad has been denied permission to enroll in the school her brother attends. The reasoning: "One Jew is enough." Yet, in the face of such insults, they carry on with dignity and courage.

It is my heartfelt prayer that one day soon, the gates of freedom will be open to Soviet Jews and all who suffer tyranny and oppression under Communist rule. But until that day, we must fight anti-Semitism with all our strength. For only with our help will the oppressed find freedom. The concern we express and our dedicated efforts on behalf of Soviet Jews is a glimmer of light in the darkness of ignorance and intolerance. Our increased awareness and vigorous support are an inspiration to these brave men and women to continue in their valiant struggle for human rights and freedom. Today, I pledge once again to those who wait, we will never give up until we win.●

"DARE TO SUCCEED"

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1985

● Mr. HUBBARD. Mr. Speaker, my wife Carol and I attended the Whitesburg High School graduation of its 1985 senior class in Whitesburg, KY, last month. I was privileged to address the 1985 graduates at Carol's alma mater.

I listened to Margaret Lacy Polly deliver her valedictorian speech, and I want to share with my colleagues at this time a portion of her comments about her classmates and their experiences in high school.

Portions of her speech are the following:

"DARE TO SUCCEED"

(By Margaret Lacy Polly)

Today signifies a very important step in the lives of the members of the class of 1985. We gather here in honor and celebration of our achievement of graduation from Whitesburg High School. Yet, we are also here in sadness at all that we will be leaving behind as we make our separate ways in to the future.

Graduation brings with it many strange and conflicting emotions. On one hand, we are full of excitement, joy, and anxiousness at the successful achievement of a long sought after goal. On the other hand, we are suddenly filled with fear, frustration and loneliness as we realize graduation marks "a new beginning" into a vast and unknown world.

In August of 1981, we entered Whitesburg High School, not as a class, but as individuals who were young and naive. It was difficult to believe that our new classmates could become our friends. But they did, and we became best friends, companions, and confidants. As these friendships developed and flourished, we were transformed from lost individuals into a unit called the freshmen class of Whitesburg High School.

Over the past four years the unity in our class has continued to grow stronger. We have succeeded in all that we set out to do.

Our class has accomplished a great deal together; however, we could not have been as triumphant as we were without the direction and help of our class sponsors. They are the ones who truly brought us together, molded us into a unit, and got us working as a group. Although, without you, our parents and friends, devoting your time, talents, money and love, none of this could have been possible.

With the end of the 1984-85 school year will come the end of the class of '85. We will once more become individuals, starting out on a new life, making new friends and setting new goals. That first step away from Whitesburg High School will be both scary and exciting, just as our first step into Whitesburg High was four years ago—only this time, we will truly be on our own. But we shall succeed, as we have succeeded thus far; and I feel confident we will go on to succeed again and again in the future, because we are the class of '85 and we dare to succeed.●

IN RECOGNITION OF ART TEYNOR

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1985

● Mr. APPLEGATE. Mr. Speaker, the hallmark of all great communities is characterized by truly outstanding citizens who contribute more to society than they ask for in return. It is from their generosity and selflessness that all of us come to benefit, and for this, we owe an outstanding measure of gratitude.

One such person who deserves such gratitude is Art Teynor, veteran football coach at Tuscarawas Central Catholic High School. Last week, Art became only the second active coach to be inducted into the Ohio High School Football Coaches Association Hall of Fame, a recognition earned after 26 years of coaching. Art's record as coach at Dover St. Joseph as well as Tuscarawas Central Catholic goes beyond simply outstanding—remarkable would be more like it. Throughout all of these years, Art has achieved a 180-65-11 record. He has had five undefeated seasons, was named Ohio Coach of the Year in 1963, Region 11 Coach of the Year three times, and Eastern District Athletic Director of the Year in both 1981 and 1982.

The town of Dover and all citizens of Ohio can be proud of Art Teynor for what he has done for his fellow man—through his lifelong devotion to the sport of football along with the support and direction that has has provided to thousands of students who have developed their athletic talents and skills while under his guidance. The greatness of Art Teynor can be measured by the company of fellow hall of famers who were inducted last week along with Art—coaches from both the collegiate and professional football ranks. This even includes coach Weeb Ewbank who guided the New York Jets to the tremendous upset victory in the Super Bowl of 1969.

But there is another greatness that characterizes Art Teynor. That greatness is reflected in the love and respect that his community holds for him—for everything that he has accomplished and for the contribution that he has made to Dover and Ohio.

Art Teynor, hall of famer. May you have many more winning seasons.●

POSTHUMOUS PROMOTION

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1985

● Mr. DELLUMS. Mr. Speaker, I have introduced special legislation to secure posthumous justice for Lt. Col. Charles A. Young, a distinguished career Army officer who was denied promotion to brigadier general during World War I solely because of race.

Charles A. Young was born in 1864, the son of slave parents. His father, upon being emanicpated, enlisted in the Union Army in 1865 in order to expand the opportunities for his children in later life. With his father's support and encouragement, Charles A. Young was able, in spite of many obstacles, to secure an appointment to the U.S. Military Academy at West Point. He was graduated a second lieutenant in the class of 1889, the third black American in history to achieve that honor.

He was initially assigned to the 9th Cavalry Regiment at Fort Robinson, NE, where his distinguished service laid the foundation for future promotions. During the Spanish-American War he was awarded the temporary rank of major in the Ohio National Guard, for the purpose of recruiting and training troops for the campaigns in the Caribbean and the Philippines.

In 1901 he was promoted to captain in the Regular Army, and subsequently posted to diplomatic assignments in Haiti and Liberia. By 1916, during the undeclared invasion of Mexico, he was promoted to lieutenant colonel, then the highest rank ever achieved by a black officer.

Following the U.S. declaration of war against Germany on April 6, 1917, many field grade officers were promoted to brigadier rank, as the U.S. Army expanded its ranks in preparation for the campaign on the western front in Europe. However, both President Woodrow Wilson and Secretary of War Newton D. Baker were soon apprised that many white junior officers were more than reluctant to serve under a senior black commander, even if he were in command of an all-black combat unit. Accordingly, they authorized steps to be taken to "preserve officer morale" by maintaining the racial purity of the senior commands in the U.S. Armed Forces.

As a consequence, on May 23, 1917, Colonel Young was ordered to Letterman General Hospital in California for "observation and treatment," even though a recent physical examination had confirmed his excellent physical and mental condition. By July 1917 he was forcibly retired from active duty "for physical disability." Colonel Young challenged this decision by riding his horse from his home in Ohio to the War Department (a distance of 497 miles) to personally protest the executive disability edict.

His petitions for a battlefield command were regularly rejected until late 1918 when, near the war's end, he was mysteriously returned to the active duty roster. Despite this deliberate racist snub, Colonel Young returned to active duty and served faithfully until his death by nephritis in Lagos, Nigeria, on January 8, 1922.

Mr. Speaker, the legislation that I have introduced, and which is to be referred to the House Armed Services Committee for consideration, is a legislative initiative to provide posthumous justice and recognition for a man who served his country selflessly with dedication and distinction in both war and peace. Let us honor Colonel Young in memory as we should have honored him in life—as the first black American to have merited, and been promoted to, the rank of brigadier general in the U.S. Army.●

TRIBUTE TO COL. RAYMOND T. BEURKET, JR.

HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1985

● Mr. TRAXLER. Mr. Speaker, I rise to pay tribute to a most distinguished individual, Col. Raymond T. Beurket, Jr., who for the past 3 years has served as the commander and district engineer of the U.S. Army Corps of Engineers' Detroit district. I am honored to recognize Colonel Beurket as he prepares to leave his post in Detroit, and assume duties as deputy director of research and development for the U.S. Army Corps of Engineers. I would like to share with my colleagues some important information about Colonel Beurket, and his service to our Nation. Colonel Beurket graduated from the U.S. Military Academy in 1959 and received a masters degree in nuclear engineering from the U.S. Air Force Institute of Technology in Dayton, OH. He also is a graduate of the Army Command and General Staff College, and the Industrial College of the Armed Forces.

His major staff assignments include special assistant to the commander, U.S. Army Nuclear and Chemical Agency, Fort Belvoir, VA, staff assistant to the Assistant to Secretary of Defense, Pentagon, and as a staff offi-

cer for the Assistant Chief of Staff for Force Development, Pentagon. His command assignments include serving as commander of the 2d and 1st Battalions, U.S. Army Engineer Center Brigade, Fort Belvoir, VA, and as commander, 42d Engineer Company, Berlin Brigade, West Germany. The colonel has also received military awards including two decorations of the Legion of Merit and the Meritorious Service Medal, the Bronze Star Medal and the Army Commendation Medal.

Prior to being assigned to the Detroit district, Colonel Beurket served as the inspector general for the Michigan National Guard assuming his post as district engineer in Detroit in August 1982. In the 3 years of working with Colonel Beurket on water projects vital to my congressional district and the State of Michigan, I have found him to be knowledgeable, hard working and totally dedicated. Under Colonel Beurket's tenure, the Detroit district has realized an increasing number of water development activities crucial to the Great Lakes region and its economic comeback. As evidence of Colonel Beurket's remarkable job as district engineer, he has increased the number of vital water projects at a time of dwindling Federal dollars. Because of his efficient and productive use of Federal dollars, I am certain he has helped to provide the necessary infrastructure needed to make America work and prosper in the years ahead.

Colonel Beurket has left his mark on the Detroit district of the Corps of Engineers, and current and future generations of people living in the Great Lakes will be able to reap the benefits of his efforts. I ask my colleagues, particularly those who represent the Great Lakes region, to join me in honoring Colonel Beurket, and wish him every success as he assumes his new post.●

TAIWAN AND U.S. FOREIGN POLICY INTERESTS

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1985

● Mr. CRANE. Mr. Speaker: Upon arriving here in Washington, the new Ambassador to the United States from the People's Republic of China, Han Xu, immediately began a lobbying effort among administration officials to speed up the "return" of Taiwan to the control of Peking. Mr. Han condemned continued U.S. arms sales to Taiwan in his very first public statement, and has continued his efforts in this direction since that time. Subsequently, Li Xiannin, titular head of state of the People's Republic of China, has begun a tour of the United States and Canada. He, too, has pressed for an end of U.S. support and arms sales to Taiwan, and has described these activities by the United States as a major stumbling block to improved ties between the United States and the People's Republic of China.

These statements by officials of the PRC are disturbing to say the least, and ought to be strongly resisted by all of us who are concerned about our own national security. Although some members of this body seem to believe that U.S. national security cannot be affected by events taking place thousands of miles away, in the case of Taiwan nothing could be further from the truth. As the August 20, 1984, issue of U.S. News & World Report stated:

Economically, America's focus internationally is shifting from Western Europe to East Asia. Two-way trade across the Pacific now surpasses transatlantic trade between the United States and Europe, and the gap continues to widen.

Strategically, U.S. involvement in the security of friendly nations around the Pacific rim is assuming new importance in the face of a major Soviet military buildup in the area.

Given these trends, and given Taiwan's key position in the middle of the sea lanes of the Pacific basin and those connecting the Pacific and Indian Oceans, any threat to Taiwan by hostile forces is in a very real sense a threat to our security interests. Thus, statements similar to those being made by Ambassador Han and other representatives of the People's Republic of China must be taken seriously.

But U.S. interests in Taiwan extend far beyond economic and security concerns, for Taiwan also plays an important, even indispensable, role in maintaining stability in an increasingly unstable area of the world. Furthermore, it is a remarkable example of successful free enterprise and democracy. For these reasons and many others, our commitment to Taiwan and its defense must be unwavering, and the hand of friendship and cooperation which we have extended for so long to the Taiwanese must never be withdrawn.

A recent essay which appeared in the American Foreign Policy Institute's study entitled "United States-Taiwan Relations and Western Pacific Security," highlights some of the more important aspects of our relations with Taiwan. This essay, written by Gen. T.R. Milton (USAF, Ret.) is entitled "Taiwan as a Stabilizing Force." I hope my colleagues will take a few moments to read General Milton's insightful comments.

TAIWAN AS A STABLIZING FORCE

(By Theodore R. Milton)

In 1949, when the Nationalist forces straggled ashore on Taiwan, their future was decidedly bleak. The United States had only just awakened to the rude fact that its wartime ally, Soviet Russia, was bent on mischief. The Soviets, taking advantage of America's demobilization in the euphoria following World War II, had blockaded Berlin and seemed indifferent to the risk of another war in Europe. The other Communist power, then known as Red China, was the USSR's ally and ideological comrade. Red China's avowed purpose was to invade Taiwan and put an end to Nationalist aspirations. With the United States essentially disarmed and once again focused on Europe following the successful, if strategically evasive, Berlin Airlift, the Taiwan situation did not seem promising to say the least.

Had the Korean War not come along when it did, Defense Secretary Louis Johnson's dismantling of America's conventional forces might soon have left the United States with the choice of an all or nothing response to a mainland invasion of Taiwan, in which case, the most likely choice would have been nothing.

Korea did erupt, however, and the United States was thus reminded of its status, and responsibilities, as a Pacific power. Mao's plan to invade Taiwan was prudently put on hold, and instead, the People's Republic came to the aid of its Communist neighbor, the land of the despotic Kim il Sung. The Korean War revealed both the fanatic indiffernece to casualties and the primitive nature of Red China's military forces. Soviet ally notwithstanding, it would be a long time before Taiwan need feel threatened by a mainland attack. The United States formalized its responsibilities for the defense of the island by signing an agreement in 1954, and established military assitance and advisory group to reequip and train the Nationalist forces, an immediately successful endeavor.

The end of the Korean War had one decisive result: A reawakened awareness on the part of the United States of the strategic importance of the western Pacific. Occupation troops had lived the good life in Japan before their sudden deployment of Korea, but back-to-the-sea combat ended that era. After the cease-fire in July 1953, the happy little post-WWII interlude was over. Japan, the former enemy, was released from its conquered status and encouraged to being a modest rearmament under the euphemism of self-defense. And since the Korean War was halted only by a cease-fire. American troops remained in Korea on a war footing. North Korea is still an enemy, its intentions evidently hostile. What hold the People's Republic of China presently has on Pyonyang is a matter of conjecture, as is the PRC's reaction if hostilities were again to break out across the Korean DMZ.

The Southeast Asia Treaty Organization was formed in 1954 in recognition of the Communist threat to the western Pacific. No real distinction was made in those days between the USSR and the PRC. The threat was a Communist one, and it was considered a joint enterprise of the two Communists powers.

When Indonesia's corrupt Sukarno regime began to move into the Communist orbit, SEATO perceived a distinct USSR-PRC strategy to capture the southeast Asia rice bowl, meanwhile, isolating Australia and New Zeland. SEATO members recognized clearly that Communist domination of the Malaccan Straits would seriously complicate Western naval movements as well as maritime commerce. All in all, the Communist scheme for the domination of southeast Asia seemed well on its way to success when

in 1965, the Indonesia Army ruthlessly put down an attempted Communist coup. The coup participants, mainly Chinese, were executed. That threat, however, was quickly replaced by a growing one in Indochina.

Thailand, a member of SEATO (along with the U.S., New Zealand, U.K., France, and Australia) was concerned with a Communist-supported insurgency on its Malayan border and the possibility of a North Vietnam-PRC invasion through Laos. SEATO carried out extensive military exercises in Thailand in preparation for this contingency, and as the Vietnam War escalated and Thai air bases became the principal deployment sites for USAF attcks on North Vietnam. As the Vietnam War came to its tragic conclusion, SEATO became increasingly irrelevant, expiring quietly in 1977.

The threat, however, had not gone away—indeed, it had increased with North Vietnam's victory—but the nature of the threat had somehow become confused. Hanoi and Beijing were on the outs, as were Beijing and Moscow. The USSR remained Hanoi's supplier and protector, while, in the tortured land of Cambodia, the PRC had taken on the murderous Pol Pot and his Khmer Rouge. Hanoi's invasion of Cambodia simply substituted a USSR-backed Communist dictatorship for that of Pol Pot and increased the threat to Thailand.

All this is illustrative of a simple and basic fact: the USSR and the PRC reserve the right to foment revolution and come to the aid of their clients. The insurgency in Malaya was supported by the PRC, as was the Huk rebellion in the Philippines, a conflict that has never really come to an end and is, at present, gaining new strength. In short, the PRC, for all its newly opened doors to America and the West, is still a member of a hard-core communist oligarchy. Its differences with the USSR—and we can hope they are deep and longlived—are a great help to the security of non-communist nations in both northeast and southeast Asia, but both Communist powers are gerontocracies. We may hope that there will be new rulers and perhaps new policies in a few years.

In any event, a strategy for defense in the western Pacific, or anywhere else for that matter, must rest on more secure ground than politics or transitory personalities. The United States is beginning to discover that what Jimmy Carter gave away close to home, in Central America, was not the Canal, which had to revert to Panama sooner or later, but the long-term of Panama military bases. When these go, as they soon will under the treaty, United States security interests in Central America will be seriously affected, including the security of the Canal itself. Across the Pacific, President Carter did similar damage to defense strategy when he opened diplomatic reations with Beijing and, in the process, put the Republic of China in diplomatic limbo.

An immediate result of this action was the withdrawl from Taiwan of all U.S. military forces. Establishment of diplomatic relations with Beijing was inevitable once President Nixon had made his visit in 1971, and if Carter had not initiated the process of formal recognition, another president would have. All things considered, especially the strained relations between Moscow and Beijing, it was a sensible thing to do. But what was not sensible, or even understandable in terms of national self interest if nothing else, was the abrupt withdrawal from Taiwan and the abandonment of that most dependable and militarily capable Asian ally, the Republic of China.

Unless one has worked with the ROC military forces, it is difficult to understand the closeness, the almost unique rapport, that existed between the Chinese on Taiwan and their American counterparts. Alliance relationships are usually correct, and often friendly, but the Chinese-American one was something special, the nearest thing to being all in one uniform. The USAF 13th Air Force, with headquarters in Taipei, had intimate ties with ROC Air Force operations. USAF fighters stood alert at the big Tainan Air Base, and USAF transports were based at CCK. Chinese mechanics and technicians at Tainan were able to do magical things in repairing USAF aircraft. Battle damage, overhaul, even the manufacture of complicated aircraft structures—nothing seemed beyond Tainan's capability, a strategic resource if ever there was one.

As the Vietnam War dragged on, the ROC Air Force took an active, if unpublicized, part in helping its ally. From a base near Nhatrang, the ROC quietly carried out dangerous missions over North Vietnam. Hardly anyone knew the Chinese were there, but it was a lucky visitor who managed to see that base. The hospitality was legendary.

Those were the days when the U.S. and the ROC were trusted allies and friends. As if turned out, those were the last days. The demoralizing U.S. withdrawal from Vietnam was followed soon enough by a withdrawal from Taiwan. This time, there was no military pressure, there were no television pictures, but the effect was the same. The United States no longer had a military presence on Taiwan, nor for that matter, even a diplomatic one. It was a strange, and somewhat embarrassing, departure.

Without arguing the merits of a diplomatic accord with the People's Republic of China, there can be no question about the military importance of Taiwan. If that subtropical island were uninhabited, it would still be essential to any nation with military pretensions in the western Pacific. Japan recognized Taiwan's military importance long before its aggression led to war with the United States, and it remains a key factor today in calculating Japan's security. The very location, squarely astride Japan's oil route from the Persian Gulf, is reason enough for Taiwan's importance. There are, of course, other and better reasons.

With the USSR's emergence as a Pacific naval power, the route from Vladivostok to southeast Asia has become a strategic one for Admiral Gorshkov's navy. Even if Soviet ships and aircraft avoid the Taiwan Straits on their way to Cam Ranh Bay, a main Russian base in southeast Asia, they must still pass between Taiwan and Luzon, and thus, within easy range of aircraft based on Taiwan. It must be a continuing source of frustration for Soviet military planners to be reminded that Taiwan guards the USSR's route to Vietnam and beyond. Accordingly, we must assume there is a Soviet invasion plan for Taiwan, in case war should come to the western Pacific.

There is an element of smugness in that last statement, one of taking the Republic of China for granted as a secure ally, if trouble comes. All things considered, it is probably a fair assumption, but it is something we must ponder when we review worst case scenarios.

For the next several years, probably into the next decade, Taiwan should be reasonably secure from mainland attack. The key to Taiwan's defense lies in air superiority over the Taiwan Straits, and the ROC Air Force should be able to deal with any PRC air threat for some years to come. ROC F-5Es and F-104s are growing old, but in the hands of ROC pilots, they will remain too effective for Beijing to take the risk.

There will come a day, however, when new PRC aircraft—F-10s and F-12s—will begin to have the advantage. That, together with PRC numerical superiority, will signal danger time for the ROC—unless, that is, the United States takes note of the PRC aircraft buildup and offers the ROC first line fighters such as the F-16. Since any program of that sort would take several years to carry out, the clock is already beginning to run towards the day when Taiwan may be in peril. Should the U.S. continue to refuse to sell the ROC first line fighters and modern munitions, like the AIM 9-1, the defense of Taiwan may become, in a few years, beyond the ROC's capability. At that point, the Taiwan Relations Act would come into play, and we could discover what is meant by its inexact language.

It is unthinkable to consider the ROC on Taiwan as anything but friendly, but we must think about it nonetheless. If the ROC is frustrated in its desire for modern U.S. weapons and remains determined to defend its territory, there are alternatives. A Taiwan associated with the USSR, or even neutral, would be the stuff of nightmares for U.S. military planners. Nor would control of Taiwan by the PRC be tolerable, given its traditional xenophobia. The island, in PRC hands, would almost certainly be off limits to U.S. forces. There is no bit of geography more important to a western Pacific strategy, an obvious fact to anyone with a passing knowledge of the strategic facts of life. Yet, U.S./China policy has raised serious doubts about whether U.S. political leaders truly understand Taiwan's importance.

The Republican platform of 1984 does indicate a renewed interest in supporting the ROC, but political platforms are simply an American form of incense burning. The year 1985 will give a true indication of U.S./ROC future relations. What is not in question is American reliance on a maritime strategy for the western Pacific.

A maritime strategy does not necessarily involve ships. Aircraft can do the job of patrolling and securing sea lanes, particularly narrow ones, and those aircraft can be either land or carrier based. Japan serves as a base for aircraft protecting the northern sea approaches and the Sea of Japan. The U.S. Air Force will shortly deploy two squadrons of F-16s to Misawa, on the northern tip of Honshu, both to reinforce Japan's still modest defense effort and, we can suppose, to make a statement. South Korea provides bases for other aircraft which can carry out, in addition to the defense of South Korea, maritime surveillance on the Sea of Japan and the Yellow Sea. Since Pyongyang is presumably still beholden to Beijing for its marching orders, and the PRC appears primarily concerned with its Soviet border, the danger of a North Korean invasion may have diminished. Still, Kim il Sung is old and enigmatic. If he should move on his own initiative, what would the PRC do?

To the south of Taiwan is the troubled Republic of Philippines, beset by political problems and faced with a growing insurrection. It would be very difficult for the U.S. to manage without its Philippine bases, but, in the unlikely event it ever became neces-

sary, it could be done—providing, that is, Taiwan remained friendly and cooperative.

In the aftermath of the disillusioning years of Vietnam, America turned away from the Pacific. State Department negotiators during the Carter Administration questioned the importance of the Philippine bases. President Carter himself made Korean troop withdrawal a priority, and the close military ties with the Republic of China were broken, in furtherance of the new friendship with Beijing. So far as military priorities were concerned, the Pacific was well down the list. Europe was the object of U.S. intentions and affection.

Now, the United States is once more becoming aware of its status as a Pacific nation. President Reagan sees the Pacific basin as the future. Certainly, trade figures reflect the fact that the Pacific has become more important than Europe in economic terms, and the trend indicates a growing disparity in favor of the Pacific as the Asian economic miracle continues.

Taiwan is, of course, an integral part of that miracle. The value of ROC exports to the United States over five times that of the PRC, and the 19 million people on Taiwan buy more than twice as much from the U.S. as do the billion citizens of the PRC. Time and the immense difference in population may someday alter those figures, but that is the situation today.

The U.S.-PRC Joint Communique of January 1979 recognized the government in Beijing as the sole legal government of China. It also acknowledged that "there is but one China and Taiwan is part of China." On August 17, 1982, there was another U.S.-PRC Joint Communique which attempted, in the murky language of communiques, to resolve the disagreement on arms sales to Taiwan. After emphasizing the great importance the U.S. attaches to its relations with China, paragraph 6 of this 1982 communique says: ". . . the United States Government states that it does not seek to carry out a long-term policy of arms sales to Taiwan, that its arms sales to Taiwan will not exceed, either in qualitative or in quantitative terms, the level of those supplied in recent years since the establishment of diplomatic relations between the United States and China, and that it intends to reduce gradually its sales of arms to Taiwan, leading over a period of time to a final resolution. In so stating, the United States acknowledges China's consistent position regarding the thorough settlement of this issue."

Meanwhile, the position of the ROC is also consistent. It has no evident intention of acceding peacefully to blandishments from Beijing, having in mind, among other unpleasant memories, the fate of Tibet once that takeover was negotiated.

So, there it sits, the Republic of China governing Taiwan and its offshore islands, the very model of a successful experiment in free enterprise and democracy. Yet, its future is clouded by uncertainty over self defense. Benign neglect, in the form of second rate weaponry, will almost surely render Taiwan defenseless somewhere down the road. At that point, the temptation to the PRC might be irresistible, and the U.S. in turn, would have to decide what it meant with the Taiwan Relations Act. Far better, it would seem, to get on with first line replacements for the aging fleet of F-5Es and F-104s. The PRC would complain, but its capacity for retaliation is limited. The fact remains: Taiwan and the Republic of China are irreplaceable assets to western Pacific security.●

AGRICULTURE APPROPRIATIONS BILL

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1985

● Mr. AuCOIN. Mr. Speaker, I rise in strong support of the fiscal year 1986 agriculture appropriations bill. While this bill does not make modifications to Federal farm programs—a process that won't get underway until the House takes up the farm bill later this fall—it does continue funding for a number of research, soil conservation and nutrition programs that are important to my State of Oregon.

The Soil Conservation Service is one of the best examples. The administration threw a party to celebrate the 50th anniversary of the Service this year, but the only "present" it gave was a proposal to eliminate conservation programs. If allowed to go through, these cuts would have curtailed ongoing work in Oregon. For example, seven counties in the mid-Willamette valley have been singled out for special erosion control assistance by the Soil Conservation Service. Crops grown in this area run the gamut from grapes to Christmas trees, filberts and wheat. These crops account for over 35 percent of Oregon's farm income. A cut in the overall budget of the Service, with a corresponding decrease in staff, would have hampered efforts to continue this and other important erosion control projects.

The bill further extends a program for research into TCK Smut, a fungus that affects wheat. Eradication of TCK Smut has been a major stumbling block as Oregon has worked to expand wheat exports to the Pacific Rim, particularly China. Continued research on TCK Smut is important to negotiations with the Chinese, which I've encouraged since 1983 when I organized a seminar with representatives of the Chinese Government. The research is also being used by scientists in Oregon to develop a strain of wheat resistant to TCK.

In addition, the bill continues funding for pesticide assessment programs. Especially in Oregon, where a number of specialty crops are produced, a wide variety of pesticides are required by growers. Delays in licensing and approval of pesticides pose a serious problem. Nurserymen, for example, face an average wait of 5 years for approval of many pesticides. Nursery owners, fruit growers, and other agriculture businesses need access to timely, accurate information regarding proper pesticide licensing and use.

Nutrition and emergency feeding programs are funded through the Agriculture Appropriations bill. Responding to the increasingly serious problem of hunger in the United States, the bill continues the Temporary Emergency Feeding Assistance Program (TEFAP) through next year.

Since the TEFAP program began in 1981, nearly 26 million pounds of surplus commodities such as cheese, nonfat dry milk, butter, honey, flour, and rice have been distributed to needy individuals in Oregon. This year, already, with lots of assistance from volunteers, Oregon food banks and agencies have served over 94,000 individuals. I'm pleased that they'll be able to continue this work.

Finally, the bill provides an increase for the feeding program for Women, Infants and Children (WIC). This increase is more than welcome. In Oregon, at current levels, WIC is sufficient to meet only one-third of need. Over the years this program has been one of the Federal Government's success stories, helping to reduce the rate of infant mortality, birth defects and subnormal development. WIC is a good, solid program that deserves the support of the Congress.

The agriculture appropriations bill manages to preserve these important programs while providing an overall level of funding below last year. Because high deficits, which push up interest rates, cripple agricultural exports in the world market this overall spending freeze should be considered another important initiative.●

INTRODUCING TAX ON SMOKELESS TOBACCO

HON. THOMAS J. TAUKE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1985

● Mr. TAUKE. Mr. Speaker, this week I introduced legislation to restore a Federal excise tax on smokeless tobacco—a tax which was repealed in 1965 and I was joined in this effort by Congressman HEFTEL, Congressman ROYBAL, Congressman REGULA, and Congressman SHUMWAY.

Our bill will tax smokeless tobacco at a level of $2.56 per pound, or 16 cents per ounce—a can of smokeless or snuff contains about 1.2 ounces. The Coalition on Smoking Health estimates that our bill will yield about $350 million in revenues, which will be earmarked for the Medicaid Program.

In our bill, the definition for smokeless tobacco adopted by the legislative counsel of the U.S. House of Representatives means any finely cut, ground, powdered, or leaf tobacco that is intended to be placed in the mouth or nose. Practically speaking, our bill applies to two forms of smokeless tobacco and snuff. Leaf or chewing tobacco can be dry, moist, or flavored. Snuff is finely ground tobacco which is placed between the lower lip and

teeth and absorbed, or placed in the nostril and inhaled.

Smokeless products were taxed until 1965 when the tax was repealed because it was found to be highly regressive and because production was declining. This bill resolves the regressivity issue by returning the funds to the major health program for the poor. The production of smokeless tobacco is no longer declining. According to the Library of Congress, per capita consumption of snuff among males 18 and over has increased 60 percent since 1978.

The scientific data on the use of smokeless tobacco is clear. Medical studies published in credible journals such as the Journal of the American Medical Association, the New England Journal of Medicine, and others support the link between the use of smokeless tobacco and cancer of the mouth.

The World Health Organization and the Surgeon General have stated that smokeless tobacco increases the risk of mouth disease and cancer.

The National Cancer Institute has stated that although investigators are uncertain about which substances in tobacco are responsible for the increased rate of cancer, they believe a prime suspect is nitrosononicotine or NNN, which causes cancer of the esophagus, nasal cavity, windpipe, and lung in laboratory animals. NNN is also present in cigarette smoke, but the amounts in snuff and chewing tobacco are as much as eight times greater. Higher levels are reached when tobacco reacts with saliva.

Other health problems associated with smokeless tobacco include higher blood pressure and heart rate, bad breath, discolored teeth, gum disease, and early tooth loss, according to the National Cancer Institute.

Since price increases have their greatest impact upon consumption patterns of the young, I am optimistic that our bill will begin to reduce consumption. If consumption is not affected we still have a new source of funds for health care for the poor.●

A CONGRESSIONAL SALUTE TO KAREN M. USELDINGER, OUTGOING MANAGER OF THE WILMINGTON CHAMBER OF COMMERCE

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1985

● Mr. ANDERSON. Mr. Speaker, on August 9 the Wilmington Chamber of Commerce will hold a dinner to honor Karen M. Useldinger, outgoing manager of the chamber.

A native of Redondo Beach, CA, Karen is a graduate of the California State University at Dominguez Hills. In addition, she has attended the Institute for Organization Management of the U.S. Chamber of Commerce each July since 1982.

Before coming to the Wilmington chamber in 1982, Karen was an assistant editor, and then editor of the Harbor Community Development Corp.-Wilmington Newsletter.

Karen is also very active in the community as a member of the Wilmington-Harbor City District Plan Citizen's Advisory Committee, and the Wilmington-Harbor Industrial Park Citizen's Advisory Committee. She is also a member of the California Association of Chamber of Commerce Executives [CACCE] and the Southern California Association of Chamber of Commerce Executives [SCACCE].

In recognition of her service, Karen was honored as first runner up by the CACCE for the William E. Hammond Award in 1984. In 1983, the SCACCE presented her with both a Western Region Institute for Organizational Management Scholarship, and a CACCE Conference Scholarship.

My wife, Lee, joins me in congratulating and commending Karen M. Useldinger for her past achievements, and we are pleased to note that she will continue to make our area of Southern California a better place to live and work as the new assistant director of the Redondo Beach Chamber of Commerce. We wish Karen, her father and her brother all the best in their future endeavors.●

THE SOVIETS ARE AT IT AGAIN

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1985

● Mr. BROOMFIELD. Mr. Speaker, the Soviets continue to play a dangerous and brutal game of intimidation in East Germany. Already, Major Nicholson has been killed and other Americans have been injured. In recent weeks, another deliberate incident occurred and an American officer was hurt. This Soviet game of dirty tricks must stop before the situation gets out of hand.

The Soviets are masters at using intimidation tactics in dealing with Western military observers in East Germany who are assigned there under clearly defined agreements.

Last year, a French observer was killed when his vehicle was rammed by a Soviet truck. Major Nicholson was shot to death in March by a Soviet soldier. In June, a British observer vehicle was struck so hard by a Soviet truck that the wheels fell off the vehicle.

In the latest incident, a Soviet truck rammed a U.S. military observer's vehicle from behind. The chief of the U.S. liaison group in East Germany, Col. Roland Lajoie, was injured in that incident. The driver of the U.S. vehicle was the same Army sergeant who was with Major Nicholson when he was brutally gunned down and then denied first aid by the Soviet soldiers.

While there are those in our Government who claim that the recent incident was an accident, I doubt it. I believe the latest ramming was planned. It was the most recent incident in a long list of intentional Soviet provocations designed to frighten our observers. These Soviet actions are in clear violation of the standing agreements and accords governing the military observers.

I encourage our Government to raise these issues in our talks with the Soviets this November. This is not the time to turn the other cheek. Let's be tough for a change, Uncle Sam!●

DON'T ELIMINATE STATE AND LOCAL TAX DEDUCTION

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1985

● Mr. SCHEUER. Mr. Speaker, most Congressmen and most Americans favor reform of our unjust and mind-boggling Federal Tax Code.

Our Nation's Tax Code is fraught with loopholes and concessions to special interests. Abuse of the Tax Code is rampant, particularly among the most wealthy and major corporations. Consider that in 1960, income tax payments from corporations and the wealthiest 1.8 percent of individuals accounted for 43 percent of all Federal revenues. By 1983, taxes from these same sources were providing only 17 percent of Federal revenues.

Mr. Speaker, the need for tax reform is clear. Without decisive action, our Nation faces year after year of Federal deficits in excess of $200 billion. The administration argues that we must eliminate important social programs to reduce our massive deficits. But what really needs to be done is to cut the corporate welfare programs that allow big companies and the wealthy to escape taxation.

A fair overhaul of our Tax Code would benefit most Americans and help to reduce the deficit. But the key word here is fair, and one proposal being advanced by the President comes to mind because it is so unfair. That proposal is the elimination of the longstanding tax deduction for State and local taxes.

Since the income tax was created in 1913, U.S. citizens have had the right to deduct their State and local taxes from their Federal income tax. Now,

the administration wants to eliminate the deduction for property taxes, school taxes, sales taxes, State and local income taxes, and the other taxes that pay for our police, our fire protection, our roads, social programs for the needy and elderly, and many other essential services.

In essence, the administration has proposed a system of double taxation. Ironically, the same President who now advocates an end to State and local tax deductibility, only 2 years ago opposed such a proposal on the grounds that it would violate a State's right to raise its own revenues. In fact, President Reagan called the proposal "a tax on a tax."

But the President now argues that elimination of the State and local tax deduction is necessary to ensure that the Federal Treasury will not lose money because of the lower individual tax rates created under the tax reform plan.

In fact, if the President's tax reform plan was a fair and equitable one, there would be no need to attack the State and local tax deduction—a deduction that is used by more taxpayers than any other deduction.

Additional revenue could be raised by increasing the minimum corporate income tax rate to a moderate 25 percent, raising the tax on cigarettes, and ending the depreciation allowance for oil and gas companies, to name a few equitable proposals. The proposals I have cited would raise far more than the estimated $35 to $40 billion that would be raised by erasing the State and local tax deduction.

Mr. Speaker, the administration says that high tax States like New York should not be subsidized by other States where taxes are lower. But that argument fails to address two important points.

First, New York receives only 92 cents in Federal spending for every dollar in tax payments sent to Washington by its citizens. By comparison, the Southern and Western States, many of which have low tax burdens, receive an average of $1.07 for every dollar their residents pay in Federal taxes.

Second, the President's argument flies in the face of the concept rooted in our Constitution that the United States is one Nation of 50 States which stand together as a republic. We cannot forget that Federal tax dollars paid over the generations by New Yorkers are used to fund programs in the other 49 States, including the so-called low-tax States. When disaster hit other States, did New Yorkers ever cry that their money should not be spent to help the victims? Of course not.

When funding was needed for the Tennessee Valley Authority, reforestation programs in the West, the Rural Electrification Administration, agricultural subsidies for farm States, or construction of Western dams like the Hoover Dam did New Yorkers balk that their tax dollars were being spent? Of course not.

We are a democratic republic with all States contributing to the common good. That is our strength; that is why the whole is greater and nobler than the sum of its parts.

Mr. Speaker, I assure you that if each State was forced to stand totally on its own merits with no help from the Federal Government, New York could stand on its own.

As Gov. Mario Cuomo said recently:

> In our Federal system, we're all strong when each part of the republic is able to meet its needs. That is the controlling idea of our system—not that each State, each city, and each individual is on its own to sink or swim. If that were the case, New York would do the swimming and others would do the sinking—because in the past 4 years we contributed several billion more to the treasury than we got back.

If we were to look back a half century, we would find that New York has provided the Federal Treasury with astronomically more dollars than it has received in return.

If the proposal to eliminate State and local taxes is adopted, estimates show that the average New York family will pay somewhere between $1,200 and $1,650 annually in additional Federal taxes.

The people who will pay the additional Federal tax are not wealthy. The wealthy, particularly the ultra-rich, will do very well under the Reagan tax proposal. Those who will pay are the middle class—the group of New Yorkers who already pay the lion's share of Federal taxes.

Mr. Speaker, I will fight on the floor of the House to kill the foolhardy proposal to eliminate the deduction for State and local taxes if the House Ways and Means Committee and the Senate Finance Committee make the unwise decision to include the proposal in the tax reform bill.

I hope Members of the House and Senate will have the foresight and wisdom to adopt a tax reform plan that will close the loopholes that benefit a wealthy few, rather than eliminate a deduction that is a cornerstone of the American way of life.●

IMMIGRATION REFORM—ONE MORE TIME

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1985

● Mr. MAZZOLI. Mr. Speaker, today I am joining House Judiciary Committee Chairman PETER W. RODINO, JR., in introducing a comprehensive immigration reform proposal which is patterned closely after the measure this body courageously passed June 20 of last year.

It includes sanctions against employers who knowingly hire undocumented aliens, a legalization program for some undocumented aliens who are now in the United States, and a temporary foreign agricultural worker program.

I wish I could ensure my colleagues that this an easy, noncontroversial bill. It is not. Those of my colleagues who served in the 98th Congress during those stressful and emotion-laden days in June 1984 when the House debated the immigration reform bill and passed it by a cliff-hanging, five-vote margin can verify that immigration reform is not a legislative piece of cake.

But, that's understandable. The bill attempts to deal fairly, effectively, and humanely with a problem which itself is not a piece of cake either: massive illegal entry into this country.

Unless Congress acts now to resolve the serious national problem of illegal immigration, our Nation's traditional, generous, and humane legal immigration program could collapse amid backlash, frustration, and resentment.

The Congress cannot duck this issue, because the United States, as a nation, cannot duck this issue. We must deal with it. And, our measure offers the best answers anywhere around.

Mr. RODINO has authorized my subcommittee to hold several days of hearings on this bill in September and to proceed to markup thereafter in subcommittee and full committee. The aim is to bring a bill to the floor in the autumn and to send a final measure to the President before the end of this year.●

IT'S WASTE AS USUAL AT THE PENTAGON

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1985

● Mr. MARKEY. Mr. Speaker, I would like to call to the attention of my colleagues a further example of the inconsistent policies and poor management of the Defense Department. The following article, from The Nation of June 15, describes how the Pentagon failed to discipline General Electric, one of its major contractors, for intentionally overcharging the U.S. Government and the American public. It is evident that Caspar Weinberger's "war on waste" has not been successful in controlling excess defense spending.

IT'S WASTE AS USUAL AT THE PENTAGON

(By Tony Kaye)

On March 28, the Air Force suspended General Electric, the Pentagon's fifth largest contractor, from doing business with the government for doctoring labor time sheets

to the tune of $800,000. Within days, the General Services Administration announced it wouldn't even buy General Electric's tainted light bulbs. The Pentagon's highly publicized war on waste seemed finally to have wounded a major contractor. But it didn't take long for the headlines to fade and the suspension to be lifted. By the time General Electric pleaded guilty on May 13 to 108 counts of filing false claims, the Air Force had already ended the ban against all the company's affiliates except the Space Systems Division (which accounts for only 3 percent of General Electric's sales), where the fraud occurred. John Welch Jr., the chief executive officer, recently told shareholders the suspension would have "no significant impact" on this year's earnings. General Electric might not even lose out on the light bulbs; a company spokeman said the government might double its next order.

Under the Federal Acquisition Regulations, the Defense Department may debar contractors that have engaged in fraud, bribery or "any other offense indicating a lack of business integrity," though such a ban is not mandatory. Most sanctions result from legal proceedings. The Pentagon usually imposes suspension, a temporary penalty, after an indictment; and debarment, a more formal ban of up to three years, after a conviction. It can also suspend companies when it finds that a "preponderance of evidence" points to wrongdoing, a less stringent standard than required in criminal prosecutions.

Critics of waste and fraud in Pentagon contracting argue that enforcing those regulations would show contractors that the cost of getting caught defrauding the government outweighs the potential rewards of temporarily getting away with it. Representative John Dingell, chair of the House Energy and Commerce Committee, has called on the Pentagon to debar Electric Boat, a division of General Dynamics accused of charging the government for bogus overhead costs totaling several hundred million dollars. Jeff Hodges, an aide investigating General Dynamics for a House subcommittee, says that such an action "would have a tremendous effect" on large contractor fraud. "You can investigate them, you can fine them, the newspapers can expose them, but the only really meaningful thing is losing business."

The General Electric suspension was the first time any of the Pentagon's top 100 suppliers had ever been banned. Capt. John Nimitz, chief of the analysis branch of the Army's Criminal Investigation Command, says the Army has collected enough evidence against several contractors to meet debarment standards—"51 percent of the evidence points to a crime"—but it has not taken action. Officials and Defense Department investigators said in interviews that it isn't in the Pentagon's interest to debar major contractors. That is partly because only a few large firms have the capital and expertise to build the sophisticated weapons the Pentagon wants.

Since World War II, the military has increasingly favored procurement of a few sophisticated weapons rather than many relatively simple ones. Major contractors support this high-tech approach because the Pentagon normally pays the cost plus a fixed percentage of profit. Since complicated weapons are more expensive, they are also more profitable. As Gordon Adams, director of the Defense Budget Project, put it, "The contractors have the Pentagon by the short hairs."

While only a few companies can satisfy the Pentagon's sophisticated palate, this does not mean only one company can build most weapons. Nonetheless, contractors compete mainly in the research and development stage. Once the Pentagon chooses a design, it has essentially chosen the company to build it. Thus, for nearly 60 percent of all contracts there is no competition at the production stage. Contractors favor this system because they know they don't have to deliver a lower price than the competition. And even though there is only one winner in a contract award, the losers know that they too, will eventually feed alone at the Pentagon trough.

Debarment officials (particularly those in the Air Force) also argue that debarring industry heavyweights penalizes workers for management's greed. The Air Force allows companies to submit an impact statement describing the effects of a proposed debarment on the local economy and work force, and takes it into account.

Until 1983, even small contractors knew that few crimes were serious enough to interrupt the flow of Pentagon contracts. According to a report released in May 1984 by the Defense Department Inspector General, debarment authorities routinely failed to penalize dishonest contractors. The report, covering fiscal years 1981 and 1982, found that 213 cases resulted in only forty-four debarments. Of those, thirty-seven were based on convictions. There were also fifteen suspensions, eight of which were based on indictments. Pentagon investigators did not refer seven companies convicted of fraud to debarment authorities. The Air Force frequently elected not to suspend indicted contractors. It waited nearly two and a half years before suspending Cosmos Engineering after the company was indicted for filing false claims, even though the Air Force had to pay $800,000 to have another company do the work Cosmos failed to do. In May 1981, Portsmouth Paving, Ames & Webb, Contractors Paving, Asphalt Roads and Material, and Ashland-Warren were convicted for rigging bids on eleven Navy contracts. The Navy waited up to thirteen months before debarring the contractors, and three of the bans were eventually lifted "to promote competition," even though the companies had been convicted of restricting competition through bid rigging.

During 1981 and 1982, the Army suspended only one contractor without an indictment, and that action was lifted after a month. Debarment officials often didn't even learn about significant fraud cases until reading about them in the press.

Since 1983, suspensions and debarments have increased significantly. Suspensions rose from 131 in that year to 188 in 1984. Debarments rose from 186 to 266 in those same two years. Even the Navy, which took the fewest actions against fraudulent contractors in that period, more than doubled its suspensions and debarments.

Those increases resulted, at least in part, from several Pentagon initiatives. After the inspector general's preliminary findings circulated in the Pentagon in 1983, then-Deputy Secretary of Defense Paul Thayer issued a memorandum directing debarment officials to suspend contractors without indictments more frequently. His memo also called on those officials to establish a closer working relationship with Pentagon investigators. Debarment authorities were told to suspend or debar contractors within thirty days of indictments or convictions, "wherever such action is appropriate." Debarment staffs in the armed services and the Defense Logistics Agency (D.L.A.), which buys goods used by all branches of the services, have increased.

The rise in the number of suspensions and debarments may be more public relations than substance, however, reflecting a sensitivity to taxpayers' increasing resistance to spiraling defense bills and revelations of defense contractor fraud. According to a Louis Harris poll last January, only 9 percent of those queried favored a hike in defense spending, compared with 80 percent in February 1980. In March, a *Business Week*/Harris Poll found that "if a defense contractor overcharges the government," 57 percent of those polled believe it "should be barred from getting other contracts."

The Pentagon has responded with a highly publicized but largely ineffective crackdown on major contractors.

§ The day General Electric was suspended, Secretary of the Air Force Verne Orr asked the company for a voluntary $168 million repayment because of excess profits. Orr also wrote to Harry Gray, chief executive officer of United Technologies, asking that the company's Pratt & Whitney division repay the government $40 million in excess profits. "National support for building military strength has been severely battered by public perception that we pay too much for the goods and services we acquire," Orr explained. Both Pratt & Whitney and General Electric refused.

§ On March 5, Secretary of Defense Caspar Weinberger scored points with fraud watchers when he announced a thirty-day suspension of payments to General Dynamics for overhead costs. What he said was less important than where he said it—in a speech to the American Legion opposing cuts in the defense budget. Weinberger told the Legionnaires that all contractors would have to certify under penalty of perjury that their cost claims were legitimate. The Pentagon subsequently clarified Weinberger's directive; division vice presidents would have to certify only that the claims reflected their "actual knowledge."

§ Pentagon Inspector General Joseph Sherick made the front page of *The New York Times* on April 24 when he told the House Oversight and Investigations Subcommittee that forty-five of the Defense Department's top 100 contractors were under criminal investigation, raising the possibility of eventual suspensions. But Sherick has cried wolf before. In July 1984 he said fifteen major contractors would be indicted within months, and none were.

§ Sherick also recommended the debarment of General Dynamics' chief executive officer, David Lewis, and its chief financial officer, Gordon MacDonald. He later urged Secretary of the Navy John Lehman to ban the two executives, plus a third. Lehman refused to do so. Instead he temporarily suspended two divisions of General Dynamics from receiving new contracts. That action will delay the signing of a new contract for a Trident submarine to be built by their Electric Boat division. The Connecticut shipyard is the only one in the country that can build the submarine, and Lehman said he expected to lift the suspension shortly if General Dynamics is not "confrontational and litigious" about the settlement.

Despite improvement in the Pentagon's record on suspensions and debarments, many of the problems noted in the Inspector General's report persist. Debarment authorities in the Army still learn about significant fraud cases in the press. One Army

official, who asked not to be identified, says, "There has been a case or two where we have read about it in the newspapers." The same official says the Army takes less time than in the past to suspend or debar contractors after court actions but not within the thirty days called for by Thayer's memo. Deputy Assistant Inspector General Howard Cox, the author of the Inspector General's report, says only the D.L.A. is complying completely with the Thayer directive. He adds that a number of contractors in all three services merit suspension without indictments but continue to do business with the Pentagon.

Many debarment officials point out that an increase in the number of prosecutions of contractors by the Justice Department has contributed more to the higher rate of suspensions and debarments than anything the Defense Department has done. Last year, the Economic Crime Council made defense procurement fraud "one of the Justice Department's major priorities," according to Donald Foster, a deputy chief of the department's criminal fraud section. In 1982, the Pentagon and the Justice Department set up the Defense Procurement Fraud Unit (DEPFU). William Carroll, who reviews all D.L.A. actions against contractors, credits these initiatives for the increase in suspensions and debarments. "The big difference is coming because of more criminal investigations. The Department of Justice is committing more resources."

Because debarment staffs remain small despite recent increases, it is easier to wait for court or grand jury actions before sending out debarment and suspension notices. Nonetheless, this reliance on criminal prosecution defeats the purpose of the "preponderance of evidence" standard, which should make it easier to establish wrongdoing in a debarment or suspension proceeding than in court. "If you're going to rely on the Department of Justice to clean your dirty laundry," say Cox, "you're not going to get anywhere." He adds that his office is "hounding" debarment authorities to issue more suspensions without indictments.

Cox has good reason not to wait for Federal prosecutors to clean up Pentagon contracting. Although U.S. attorneys are prosecuting more procurement fraud cases, they had nowhere to go but up. A study in 1981 by the General Accounting Office found that the Justice Department declined prosecution in over 60 percent of the fraud cases it received. Prosecutors are reluctant to take them because they are complicated and difficult to prove. A. Ernest Fitzgerald, a contract auditor and well-known Pentagon whistleblower, notes that "low-level investigators [in the Defense Department] regularly say that referral to Justice is the best way to kill an investigation."

Debarment officials sometimes make the circular argument that they don't suspend or debar large companies to deter future fraud because those firms don't get indicted or convicted. Because fraud schemes by large firms are extremely complicated, debarment officials say they have to depend on court actions to amass the evidence for suspensions or debarments against them. But waiting for the Justice Department to act means little will be done, given its poor track record against major contractors.

The Justice Department usually settles out of court with those contractors rather than going to trial. General Electric's guilty plea last month is only the most recent example. Because of a November 1982 agreement not to prosecute Rockwell International for allegedly billing the space shuttle program for nonreimbursable costs on the Air Force's Global Positioning Satellite System, the department refused to prosecute when other evidence of fraud subsequently came to light. Cox said that the Justice Department failed to consult the Air Force adequately in drawing up the settlement.

Beyond the individual examples of weak enforcement, there is the institutional weakness of DEPFU. The unit was created to "deter future fraud by conducting nationally significant" cases against corrupt contractors. Senator Charles Grassley has denounced it in recent hearings for failing to prosecute large contractors. In its three years, DEPFU has gone to court only twice, and Grassley contends it prefers to enter into lenient settlements rather than face the high-priced legal talent representing defense contractors. "Their attitude," says a staff member on the committee conducting Grassley's investigation, "is, Let's go for the quick and easies. Going into the courtroom is a no-no. When faced with the hotshot downtown lawyers, settle."

Morris Silverstein, who heads the unit, contends that his attorneys have settled most cases out of court because "there is no such thing as an ironclad trial." He says that proving a contractor has acted "with intent," rather than by "mistake or inadvertence" is far more difficult than critics maintain. "A prosecutor has to believe he will prevail. He has to believe beyond a reasonable doubt that the contractor has no good-faith position at all."

Grassley responds that prosecuting major cases would deter large contractors from defrauding the government. "In theory, the fraud unit is a powerful club against defense fraud. In practice, it is more akin to a flyswatter. My concern is that the contractors know it, especially the big ones, and they're laughing all the way to the Treasury."

Ultimately, the services interested in using the Justice Department to debar major contractors. The largest Pentagon supplier prosecuted by DEPFU has been the Sperry Corporation, which in 1983 pleaded guilty to three felony charges of falsifying $325,000 in bills to the Air Force. In return for $850,000 in fines and damages and the purchase of a $1 million computer system to keep Sperry's labor bills in order, all charges were dropped. Federal Disrict Court Judge Miles Lord denounced the settlement as "unconscionable." "They're charging welfare chiselers and they're going to jail for $40 chisels or $200. Here goes several-hundred thousand dollars, and no individual is responsible for it. It disappears into the deep, dark recesses of corporate power."

Even if the unit had obtained a conviction, the Air Force would not have banned Sperry. Ira Kemp, who heads the Air Force debarment and suspension board, said that early in the settlement negotiations the service made it clear to DEPFU that it had no interest in cutting off Sperry's $1.4 billion in Pentagon business. "It serves no useful purpose to debar Sperry, if they can be determined a responsible contractor," he said.

Howard Cox and Richard Kaake, counsel for the D.L.A., point to the settlement reached with National Semiconductor in August 1984 as a model of how the Pentagon can deter fraud without debarring major contractors. the company, indicted for falsifying test data for microchips, held out against a settlement. "They tried to get cute with us," says Cox. When the agency made good on a threat to suspend the company, an agreement was signed. The firm agreed to pay the costs of identifying the faulty computer chips. Several employees were shifted to nondefense work, and the company formed an independent office to monitor quality on defense products.

Defending the agreement, Kaake claimed that a National Semiconductor vice president had been fired. That action would deter executives at other companies, he argued. If the D.L.A. had debarred the firm after all the concessions it made, Kaake maintained, "we would be cutting off our nose to spite our face. The vice president for quality assurance lost his job. Every vice president for quality assurance knows that he's responsible for the product. Who's going to hire him now?" No one has to. National Semiconductor says the vice president is still on the job.

Before 1983, small contractors guilty of criminal conduct routinely escaped sanctions because the Pentagon simply didn't care if it dealt with dishonest firms. Small contractors now can evade suspension if they are the only source for an item. Ira Kemp says he recently decided not to ban Alpha Industries after a company manager was indicted for attempted bribery, opting instead for a settlement in which the company fired the manager and paid a fine.

The company is the sole source of high-tech electrical equipment used in B-1 bombers and F-16 fighters. That fact had "absolutely no" affected his decision, Kemp insists. But last the Air Force banned a company that was not a sole-source supplier, for essentially the same offense. Electro-Methods, which competes with Pratt & Whitney for spare-parts contracts, was briefly suspended when its owner, Albert Stanger, was indicted for bribery. The suspension was lifted when Stanger disassociated himself from the firm's management.

Debarring the head of a major defense firm might be the best deterrent against fraud at the Pentagon's disposal, given its dependence on large contractors. Debarring the head of General Dynamics instead of the corporation might have deterred fraud by other large suppliers. And while Lewis, who is 67, could have concluded that crime paid rather well in his case, his successor, knowing he would be hit with such a stern penalty, might avoid sharp practices. Unfortunately, the Navy squandered the chance when it decided to hold up General Dynamics' contracts temporarily. The next day, Lewis announced he would retire by the end of the year. The timing suggested that the Navy had forced Lewis out. In fact, General Dynamics had informed the Navy of Lewis's impending retirement several days before Lehman imposed sanctions on the company. Moreover, Lewis told The St. Louis Post-Dispatch last year that he had intended to retire—before the allegations against General Dynamics began making headlines.

As long as the Defense Department awards a majority of contracts to a few sources without competition, the Pentagon will invariably choose deterring the Russians over deterring fraud.

The choice needn't be so stark. If more than one contractor were to produce each of the major weapons systems, banning the supplier wouldn't mean banning the system. Dual-source contracts increase competition and often bring prices down. If used widely, they would also insure that no firm is so essential to the Defense Department that it effectively has a license to steal.

The Pentagon isn't likely to change the present system any time soon, however. In 1981, Congress requested that the Defense Department award contracts to more than one company whenever possible. So little was achieved by that request that the Senate voted last month to require the Pentagon to use at least two sources for all contracts unless the additional source would increase costs. Ironically, one of the few major dual-source contracts engineered by the Pentagon was to General Electric. The Defense Department funded the company's research and development for an engine to compete against Pratt & Whitney's F-100, and then split the engine contract between the two companies.

Clearly, the Pentagon should choose to adopt the Northrop Corporation's F-20 fighter jet if it wants to get serious about competitive production, not just competitive bidding. Northrop offers the F-20 for $4 million less per airplane than the rival F-16 fighter, built by the notorious General Dynamics. The Air Force is reportedly considering making Northrop a second source on fighter contracts.

Unfortunately, the Pentagon's penchant for sophisticated weapons will make many dual-source contracts more expensive than single-source ones. Having one company build 100 B-1 bombers is often cheaper than having two companies build fifty each. Thus, unless the Pentagon changes its strategic thinking to favor a large force of relatively simple and more reliable weapons produced in large quantities that bring down unit costs, it will frequently be cheaper to do business with one crooked contractor than with two or three relatively honest ones.

Once the Pentagon diversifies its contracting ranks (you probably won't live to see the day), it could implement a policy of Mutually Assured Debarment (MAD). Debarment rules could be rewritten to describe specific offenses that would result in suspension or debarment of the offending corporate division. The work, and the workers of a fraudulent firm, could be transferred to another supplier. Contractors would understand that they would be brought low at the bottom line for certain transgressions. And the Pentagon would know it had no choice but to retaliate swiftly and decisively against first strikers at the public treasury.●

SOCIAL SECURITY REMARKS

HON. JOSEPH J. DioGUARDI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1985

● Mr. DioGUARDI. Mr. Speaker, on August 14, 1985, hundreds of local Social Security offices across the Nation will celebrate the 50th anniversary of the signing of the Social Security Act. It is only fitting that we take a few minutes to reflect upon the legacy of this historic piece of legislation.

Fifty years ago, the United States was emerging from the greatest economic disaster to befall our great Nation. Millions of families had seen their incomes evaporate, and their savings evaporate, as the Nation lost its economic and social stability.

Determined to meet the challenge of healing America's wounds, on August 14, 1935, President Franklin D. Roosevelt signed one of the most historic pieces of legislation in our country's history, the Social Security Act of 1935. Since then, this act has insured the economic well-being of millions of Americans facing disability, unemployment or old age.

Today, as we look back on 50 years of Americans taking care of Americans, we see a story of compassion and foresight. For families who have suffered the loss of a loved one, there has been enough supplemental income to maintain their sense of hope and security. For hardworking individuals who have been victims of unfortunate career-ending injuries, Social Security disability benefits have provided reassurance as they adjust to their new situation. For millions of retired Americans, Social Security income has supplemented their life savings and helped them live through periods of rising food and shelters cost. In sum, Social Security has touched the lives of so many Americans that it is impossible to enumerate the value of this system of social insurance.

As we enter the second half century of the Social Security system, we must realize that Social Security did not cause the tremendous national debt. In fact the system is solvent and ready to continue well into the 21st century. I firmly appose a freeze on the cost of living adjustment (COLA) in the name of budgetary restraint. For people on fixed incomes, the annual adjustment in their benefits is too important to allow it to degenerate into yet another political tool.

Mr. Speaker, I also wish to take this opportunity to thank the employees of the Social Security offices in my district—White Plains, Mount Vernon, New Rochelle, and Yonkers—for their dedication and efficiency in serving the people of Westchester County. Thousand of New Yorkers depend on their efforts, and on their behalf, I extend my heartfelt appreciation to workers in these four offices.●

I THOUGHT WE HAD A DEFICIT—WHY IS THE ADMINISTRATION TURNING $500 MILLION IN REVENUE AWAY?

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1985

● Mr. STARK. Mr. Speaker, for the past several months we have been arguing back and forth over ways to trim the budget, and deal with the ever-increasing deficit. Proposals for spending freezes and cuts have been discussed in many areas. Unfortunately some of these cuts will hurt good social programs.

While all this is going on, the administration has decided to roll back the auto fuel efficiency standard from 27.5 miles per gallon to 26 miles per gallon. This move will cost the Federal Government half a billion dollars in potential Federal revenue.

The CAFE standards were established in 1975 in response to the Arab oil embargoes and the resulting energy crisis. The law requires the NHTSA to establish an average "maximum feasible" fuel economy level for all new car fleets sold in the United States. Manufacturers that fail to meet the standard are fined $5 for each 10th of a mile they fall below the limit. The fine is multiplied by each car in the new car fleet. Through this fine the Federal Government could pick up $500 million owed it in revenue.

It would not be unfair to have General Motors and Ford pay their dues. All car manufacturers have had 10 years' notice to get average consumption down to 27.5 miles per gallon by now. Furthermore, it is both technologically and economically feasible to meet the law. Chrysler geared up to meet the standard and spent close to $5 billion in doing so. Moving the standard back puts Chrysler at a competitive disadvantage as well as says to big business, "you may ignore the law."

Rolling back the standard costs the Government money and sets a very bad precedent. The CAFE standards were begun to deal with an energy problem. We are not above and beyond being faced with this crisis again. And, we are certainly not in the situation to pass up half a billion dollars.●

JOHN LIVACICH CELEBRATES 30 YEARS IN PRODUCE

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1985

● Mr. LEWIS of California. Mr. Speaker, it is with great pride that I join with family, friends, and business associates in honoring and celebrating the 30th anniversary of Mr. John Livacich in the produce business.

In 1953, John started in the produce business in San Bernardino. Throughout those years he expanded his business to presently include divisions in California, Arizona, and Texas. His companies are involved in the growing and marketing of many different types of fruits and vegetables.

John's genuine concern for the improvement of the produce industry is apparent in his deep involvement in many industry-related organizations. He has served two terms on the U.S. Department of Agriculture Potato Board, the California Stawberry Advisory Board and he has been an invalu-

able member of the Western Growers Association.

Mr. Livacich was one of the founding fathers of the Bank of San Bernardino and currently serves on its board of directors.

Over the years, John has played Santa Claus to numerous charities and churches throughout the Inland empire by providing fresh produce for their fiestas and has provided them with their annual Christmas trees for the holidays. These caring, selfless acts reflect a warm-hearted, caring individual; one who truly values the happiness of others above his own.

John was born August 16, 1930, in San Bernardino, CA. The son of Frances and Serafin Livacich. He has one brother, Dr. Frank Livacich who also resides in the area. John's two daughters, Catherine Alyce Catsouras of Laguna Beach and Lori Ann Livacich of Los Angeles are associated with their father in his business.

Livacich attended Saint Bernardine's Elementary and High School and graduated from San Diego State College with a bachelor of science in accounting in 1953. On June 21, 1953, On June 21, 1953, John Livacich Produce, Inc., was born.

Mr. Speaker, I take great pride in commending to my colleagues Mr. John Livacich, a truly remarkable man who has, through his selfless years of hard work, made a most significant contribution to his community, the State of California and, indeed, the Nation.●

TWENTY YEARS IN SERVICE TO AMERICA

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1985

● Mr. PANETTA. Mr. Speaker, I am very pleased to join with Rep. Pat Williams and my colleagues in commemorating the 20th anniversary of the Volunteers in Service to America. This anniversary is indeed cause for celebration because VISTA represents an unique expression of the American volunteer spirit.

VISTA has been through some trying times—yet with the strong bipartisan support of Congress VISTA continues today with some 2,400 volunteers serving in over 450 community anti-poverty programs. These volunteers are an essential catalyst for a great many antipoverty efforts which have addressed unmet human needs in low-income communities throughout the United States.

Over the last 20 years some 80,000 VISTA volunteers have given of themselves to foster self-reliance and hope in thousands of communities. I believe we can build upon this spirit of voluntarism to create an even larger program of voluntary national service. Indeed, I have introduced legislation in this Congress which would provide Federal assistance to State and locally funded youth service programs which undertake human service efforts like those provided through VISTA.

This legislation, the Voluntary National Youth Service Act, seeks to encourage a wide spread volunteer service effort in our local communities. From California to Texas to New York City, State and local youth service programs have sprung into existence to provide young people with the opportunity to better themselves and their communities.

Many of these youth service programs are still in their development phase, and yet, they have proven to be very successful in providing needed human services and conservation work. The Washington State Service Corps has put young people to work providing assistance to elderly citizens, who without such assistance would be unable to live in their homes.

By providing a volunteer with stipends and benefits of $510 a month, this program has succeeded in preventing a $3,250 monthly cost to the State of institutionalizing 16 elderly residents. Along the west coast, California Conservation Corp volunteers have provided essential disaster assistance protecting homes from pounding surf, and flooding as well as long-term conservation and forestry work in the State's parks and public lands.

In New York, the City Volunteer Corps has delivered surplus Government food to the homebound elderly and handicapped, tutored fourth graders in reading skills, and helped disabled children learn basic life skills.

These youth service and conservation programs are representative of more than 21 programs in 14 States across the country. For these programs to reach their full potential, Federal assistance is essential. They serve national needs and deserve national support. My legislation—(H.R. 888)—would provide such needed help in the form of matching grants to States and local governments for currently operating or new youth volunteer programs. I believe we can build upon the example of VISTA and renew President Kennedy's challenge to the youth of America.

In closing, I wish to commend the efforts of past and present VISTA volunteers and urge my colleagues to rededicate themselves to the strengthening of the VISTA Program. Thank you.●

PUTTING THE HUNGRY ON HOLD

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1985

● Mr. ROTH. Mr. Speaker, we are facing an extreme mishandling of famine hunger funds in the starving country of Ethiopia. Care must be taken to insure that the Marxist regime does not divert food aid from those starving in the countryside in order to feed its war machine. There are several accounts that have substantiated the misuse of Western donations to Ethiopia.

In the town of Germica, Ethiopia, markets exist with merchants openly trading food that was marked as donations. Several residents of Germica stated that the town, 20 miles east of the Sudanese border, had sprung up in the desert during recent months solely in response to illicit food trade between Ethiopia and Sudan. The Ethiopian Government is allowed to sell food that it gets as part of regular food-aid programs, but food donated as emergency aid is not supposed to be diverted and sold.

Many times relief food has been used to pay laborers in lieu of a salary. The brutal Mengistu regime is subsidizing its war in Eritrea by siphoning off relief aid. The "People's Militia" in that province is paid in grain—up to 120 kilos per month. According to Yonas Deressa, president of the Ethiopia Refugees Education & Relief Foundation, an unprecedented flood of arms from the Soviet Union has turned that country from a food-rich agricultural exporter to a military machine ready to control the Persian Gulf at the cost of an Ethiopian famine. The arms, $5 billion worth, must be bought with the nation's coffee, oil seed, hides and gold, leaving little food or natural resources for its own people.

Other instances of the misuse of donated goods include the steep entryport fees in Africa on each ton of grain given free by other governments and individuals as I pointed out during debate on my amendment to H.R. 1555. A port fee of $12.60 is placed on every ton of donated grain sent to Ethiopia and this leads to an estimated $28 million a year in hard currency earned by the Marxist government. The four wheel-drive Land Rovers paid for by some of the millions of dollars raised in Europe by rock star Bob Geldof and his all-star Band Aid record are still sitting outside customs' sheds months after delivery because Ethiopian officials are demanding outrageous import duties.

Mengistu Haile Mariam and his underlings have demonstrated their pri-

orities: Whisky and similar luxury items for the consumption of members of the ruling few and trucks and munitions for the soldiers take precedence at the docks over food shipments for the starving millions. The regime also chose to throw a $150-200 million gala last September to celebrate the 10th anniversary of the 1974 revolution while Catholic Relief Service officials estimated that 250 people in Ethiopia's northern provinces starved to death each day during the lavish festivities.

Now it's time for the Western donors of relief supplies to demonstrate their priorities: Either we can sit back and watch the Ethiopian Government make a travesty of the whole thing or we can take action to prevent the misuse of donations. Donations that should be going to the hungry without delays or bureaucratic hurdles to jump. New priorities can certainly make the difference in a starving nation.●

WELCOME, PUERTO RICAN SINGERS

HON. BRUCE A. MORRISON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1985

● Mr. MORRISON of Connecticut. Mr. Speaker, today I am proud to welcome the Puerto Rican singing group, Joyas de Cristo de Radio Redentor, to New Haven, CT, in my Third Congressional District. The singers, made up of 20 Puerto Rican youths aged 4 to 16, have become well-known both in Puerto Rico and the United States since they began singing gospel music together in 1976.

Under the leadership of Rev. Jose A. Castro, the singers performed for President Reagan, during his recent visit to Puerto Rico. They have also performed before the Puerto Rican Department of Justice, as well as numerous Puerto Rican dignitaries. In addition, they are regular guest performers on Emisora Radio Redentor, a widely heard Puerto Rican Christian radio station.

The Joyas de Cristo de Radio Redentor traveled from Puerto Rico directly to New Haven, where they will perform at Lee High School for 3 nights this week before continuing their tour around the United States. I am proud to welcome these young people to the United States and to express my gratitude for sharing their music, talent, and enthusiasm with many Americans across the country.●

PROCLAMATION

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1385

● Mr. NOWAK. Mr. Speaker, on July 4 we Americans rejoiced in our independence. Freedom, independence, national and human rights are qualities that Americans share but that unfortunately not all nationalities can celebrate.

Buffalo, NY's, County Executive, Edward J. Rutkowski and Mayor James D. Griffin declared the week of July 15 to July 21 "Captive Nations Week." During this week the Captive Nations Committee of western New York emphasized the U.S. freedom, while peoples held captive by imperial Russia must strive for freedom and national independence. This week gave western New Yorkers a concentrated period of time to emphasize the struggle for freedom by those in the nonfree world.

I am inserting the following Proclamation signed by County Executive Edward J. Rutkowski and Mayor James D. Griffin, proclaiming "Captive Nations Week." Recognition must also be given to the Captive Nations Committee of western New York for inspiring western New Yorkers to remember captive nations.

PROCLAMATION

Whereas, in the course of history, mankind has been subjected to varied occurrences which tested the viability of the foundations of evolved civilizations; and

Whereas, the two centuries of the great American experience have proven that man's highest ideal is national independence which guarantees personal freedom; and

Whereas, this vehicle of liberty has been a role model for the rest of the world and its viability has been tested by time, stability and permanence; and

Whereas, a quarter of a century ago, recogizing the monstrous implications and direct threat to the still free world, the U.S. Congress passed P.L. 86/90 calling not only a halt to further encrouchments but recognizing the rightful claim to independence by nations that fell into the Russian orbit; and

Whereas, the Captive Nations Week Law is expressly designed to encourage and support the aspirations of enslaved nations in their just struggle to regain national freedom and independence; and

Whereas, the defense of freedom requires concentrated inner strength and perseverance joined in tandem with military preparedness, ever mindful of the delicate balance now existing;

Now, therefore, I, Edward J. Rutkowski, Erie County Executive, and I, James D. Griffin, Mayor of the City of Buffalo, do hereby proclaim the period of July 15 to 21, 1985, as "Captive Nations Week" in the County of Erie and City of Buffalo, and encourage the people of our community to observe this week with appropriate ceremonies which reaffirm our dedication to the ideals of freedom, independence, national and human rights.

In witness whereof, we have caused to be affixed the Seals of the County of Erie and the City of Buffalo, this 9th day of July, 1985.

CAPTIVE NATIONS COMMITTEE OF WESTERN NEW YORK

CAPTIVE NATIONS WEEK RESOLUTION

Whereas, the ruling class of the Union of Soviet Socialist Republics is engaged in a relentless war against the government and people of the United States, aiming to subvert and overthrow-by violence our representative form of government and to replace it with the dictatorship of Marxism; and

Whereas, the evidence of that warfare is seen in the extensive espionage and K.G.B. activities taking place within the United States; in the war preparations underway in the Soviet Union; in the Soviet Russian refusal to allow on-site inspection of their nuclear weapons arsenal; in the efforts of Soviet Russia to subvert democratic governments in Latin America and to replace them with Marxist dictatorships; and

Whereas, the United States is compelled to respond to this threat by modernizing our defense against all forms of foreign aggression, including an outer space defense system, costing in excess of 200 billion each year; and

Whereas, the Congress of the United States has found (P.L. 86/90) that one of the greatest deterrents to war and the best hopes for a just peace are the strivings for freedom and national independence by the peoples of the many non-Russian nations held captive by imperial Russia; and

Whereas, it serves our highest national interests and the cause of human freedom everywhere to encourage the peoples of the captive non-Russian nations to continue their struggle against the ancient tyranny of Moscow,

Now, therefore, be it resolved: That July 14 through 20, 1985 be proclaimed as Captive Nations Observance Week in Buffalo, Erie County and Western New York; and

Be it further resolved: That the Citizens of Western New York be encouraged to demonstrate support for the aspirations of the peoples of the Captive Nations, as a reliable key to peace, through appropriate public ceremonies and the power of prayers.

This resolution was accepted by acclamation at the Annual Dinner held in the Ukrainian Home "DNIPRO" Friday, July the 1985.●

SOVIET ACTIVE MEASURES AND DISINFORMATION

HON. DUNCAN HUNTER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1985

● Mr. HUNTER. Mr. Speaker, I would like to take this opportunity to join with my colleague from California, Mr. LUNGREN, in discussing Soviet active measures and disinformation.

The principal targets of Soviet active measures are the United States and NATO. The basic aims of Soviet active measures are to weaken the opponents of the U.S.S.R. and to create a favorable environment for the promotion of Soviet views and Soviet foreign policy objectives. These are long-term goals

and are of major concern to our national security.

For example, Soviet efforts are not necessarily geared toward control of U.S. peace or nuclear freeze measures, but rather at focusing public attention on new U.S. weapons systems and U.S. policies. Through this type of action, the Soviets hope to give the impression of being more directed and serious about arms control and disarmament negotiations than the United States. Mr. Speaker, this is just not true. The United States is firmly committed to the safety and well-being of the democratic world. Secretary Shultz wrote earlier this year that, "American foreign policy is driven by positive goals—peace, democracy, liberty and human rights; racial justice; economic and social progress; the strengthening of cooperation and the rule of law."

The United States is earnest in its foreign policy and we must make the world aware of the Soviet's disinformation campaign. We must never allow ourselves or our allies to be blinded by misperception which is propagated through Soviet active measures.

In addition, the United States must become more aware of the Soviet practice of signing agreements and then actively violating them. In an agreement signed at the Moscow summit of May 1972, the two superpowers drew up the basic principles of relations between the countries. These tenets were: First, respect each other's "security interests"; second, refrain from "efforts to obtain unilateral advantage at the expense of the other"; third, prevent "the development of situations capable of causing a dangerous exacerbation of their relations."

Meanwhile, Mr. Speaker, analysts at the Arms Control and Disarmament Agency present the following as the Soviet's long-term active measures goals.

The list of Soviet goals is: First, to influence American and world opinion against U.S. national security policies and programs that are perceived as threatening to Soviet objectives; second, to portray the United States as an aggressive imperialist power, which is adamantly against maintaining peace and drawing up arms control measures; third, to isolate the United States from its allies and to discredit governments and political leaders that cooperate with it; fourth, to undermine the political resolve of the United States and other Western nations to protect themselves against any Soviet advance.

It is clear that the Soviets will sign an agreement which is fair and beneficial to signatories. It continues, however, to work internally against peace and international cooperation.

Another example is the Soviet violation of Salt II. Although this treaty was never ratified by Congress, both the U.S. President and the Soviet Union promised to adhere to this treaty. The Soviets have blatantly violated this agreement, however, in three ways.

First, article IV(9), permits each side to flight-test and deploy just one new type of light intercontinental ballistic missile [ICBM]. The purpose of this provision was to constrain the modernization and proliferation of new, more capable ICBM's.

The SS-24 was declared by the Soviets to be their one new type of ICBM. During February 1983, they flight-tested a second new type of light ICBM—the SS-25—in violation of this treaty.

Second, IV(10) prohibits the testing and deployment of a single warhead ICBM with a warhead that is less than 50 percent of the throw-weight of the ICBM. This provision was intended to prohibit the capability of small single warhead ICBM's being quickly converted into MIRV'd [multiwarhead]—ICBM's.

When the Soviets tested the SS-25, their warhead to throw-weight ratio was less than 50 percent and in violation of the treaty.

Third, article XV(3) prohibits telemetry encryption during the testing of strategic ballistic missiles. Telemetry encrypting during tests was prohibited because encryption impeding verification of compliance with this treaty.

Since May 1983, the Soviets have been encrypting ICBM tests impeding verification of SALT II by the United States in violation of the treaty. This action prevents the United States from fully determining the characteristics of new Soviet ICBM's.

Mr. Speaker, these are only a few of the Soviet Union's treaty violations. Over the past 25 years, the Soviets have established a pattern of treaty violations.

The U.S. negotiates fairly and in good faith, however, the Soviet Union is determined to tell the world that we do not. The world must know of the Soviet Union's attempts to undermine international stability. The United States must continue to pursue long-term foreign policy goals through negotiations and strength, in order to tell the Soviet Union that we are not turning a blind eye to their active measures, which undermine the very foundation of stable relations.●

SUPERFUND PROGRAM

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1985

● Mr. MINETA. Mr. Speaker, today I am introducing two bills dealing with our Superfund Program. One is the Toxic Substances Health Effects Act of 1985. This important and timely piece of legislation addresses the health related aspects under Superfund.

Mr. Speaker, over the past few years, we have witnessed the dramatic and often tragic effects which carelessness or ignorance of toxic chemicals have had on the health of the citizens of our country. Moreover, we have also seen that the laws which we created to help assess the impact on their health have been, at best, cumbersome and ineffective.

The Toxic Substances Health Effects Act of 1985 addresses these concerns by clarifying the mandate of the Agency for Toxic Substances and Disease Registry [ATSDR] and gives its Administrator full responsibility for determining the extent of the risk to human health posed by a toxic spill.

Furthermore, this legislation opens the door to individuals and communities to request ATSDR to carry out preliminary health assessments whenever a health hazard due to a toxic substance is likely. In the event the preliminary assessment determines a possible health problem, the administrator of ATSDR would be required to proceed with a full scale health effects study.

This bill also requires ATSDR to list the 100 most hazardous substances found associated with toxic waste sites or spills. The Administrator of ATSDR is required, under the provisions of this act, to maintain an up-to-date database on literature and current studies for these compounds and to carry out research when information is unavailable. In each case, the effects of these substances on human health should be of primordial importance.

Mr. Speaker, I urge my colleagues to support the Toxic Substance Health Effects Act of 1985. Support for this bill is a clear demonstration of concern for the health of thousands of people in this country. It also allows us to seek the information which will help us prevent exposure to toxic levels of substances in the future.

The other bill I am introducing requires the Administrator of EPA to give "high priority" under Superfund to those sites which have led to the closing of drinking water supplies. This bill is identical to an amendment I offered last year to the Superfund law which was adopted without objection on the House floor.

Thank you very much.●

PETER RODINO RIDES TO THE RESCUE

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1985

● Mr. SCHEUER. Mr. Speaker, I call the attention of my colleagues to an editorial published in the July 21 edition of the New York Times which highlights the need for Congress to pass an immigration reform bill.

Entitled "Peter Rodino Rides to the Rescue," the editorial praises the distinguished chairman of the House Judiciary Committee for his decision to introduce the immigration bill in the House and provides some new and frightening statistics gathered by Dr. Michael Teitelbaum, a noted population expert who currently serves as Program Director for the Sloan Foundation.

Mike Teitelbaum served as the Staff Director for the Select Committee on Population in 1977 and 1978 which I chaired. A Rhodes Scholar, Dr. Teitelbaum has written many thoughtful pieces on population and immigration issues, including "Latin Immigration North," the book cited in the Times editorial. His work on these issues is well known and at various times in his career he has worked for the Ford Foundation and the Carnegie Endowment for International Peace.

As the Times put it, "Mr. Teitelbaum is a noted immigration demographer and not an alarmist, yet his counsel is clear: Ask not for whom the immigration clock ticks. It ticks for the United States."

Mike Teitelbaum's words should be heeded by this Congress. I am pleased that the honorable chairman of the Judiciary Committee, Mr. RODINO, has decided to take the immigration bill by the horns, and I look forward to working with him and the gentleman from Kentucky, Immigration Subcommittee Chairman MAZZOLI, in hammering out an immigration reform bill that will address the serious problem of illegal immigration.

I urge my colleagues to read the Times editorial.

The editorial follows:

PETER RODINO RIDES TO THE RESCUE

A thunderbolt has just plunged down out of the cloud that darkens immigration reform: Representative Peter Rodino says he'll champion it in the House. So far, the reform bill proposed by Alan Simpson in the Senate has not even found a sponsor in the House. For the Simpson-Nobody bill suddenly to become the Simpson-Rodino bill may well be the crowning act of the New Jersey Democrat's 36-year House career. It's hard to imagine a more dramatic development in the long struggle to persuade America to take control of its borders.

"It's a mistake to let this problem go unaddressed," Mr. Rodino told Stephen Engelberg of The Times. "What's going to happen if we don't act is that a psychology will develop that says, 'Don't let anybody in.'" Anyone who doubts him should consult "Latin Migration North," a new book by Michael Teitelbaum published by the Council on Foreign Relations. There's an immigration clock ticking, especially in Latin America, and the book demonstrates just how fast.

Q. Which were the two biggest cities in the world in 1980? A. Tokyo-Yokohama and New York-Northern New Jersey.

Q. Which will be the two biggest cities in 1990? A. Mexico City and São Paulo, both in Latin America. By 2000, when there are expected to be 17 million people in the Tokyo area and 16 million in and around New York, Mexico City's population is projected at 26 million and São Paulo's at 24 million.

Mr. Teitelbaum is a noted immigration demographer and not an alarmist, yet his counsel is clear: Ask not for whom this immigration clock ticks. It ticks for the United States.

The number of potential migrants has increased dramatically in 20 years and the children of the Latin baby booms are starting to look for jobs. They go first to cities. Defeated by recession, deep debt and austerity, increasingly they look to the Golden Door. Like newcomers from other lands and other times, they are brave, ambitious and energetic. Now as then, a stream of immigrants enriches the nation.

But not a flood, and as Mr. Teitelbaum makes plain, there's a flood coming. In the 1940's, Latin America sent 183,086 legal immigrants here. In the 1970's, it sent ten times as many: 1,812,590. And that's just legal immigrants. Jet flights, eager smugglers and a porous border make it easy for aliens to keep sneaking in.

The question, hence, is not whether this country will control the borders. We will. The question is how harshly. If we don't do so now with calm, humane concern, we will later with xenophobic venom, of a kind discernible in last year's Texas primary campaign.

Calm, humane concern: that characterizes the reform bill. It would deter hiring illegal aliens and thus discourage them from coming in the first place. At the same time, it would open a way those already here to win legal status, escaping exploitation and abuse.

As in past years, reform legislation is moving along swiftly in the Senate. The Chamber of Commerce no longer opposes it. Hispanic opposition has softened. Any day now, the Judiciary Committee will send it to the floor. As in past years, the problem has been in the House. Two months have passes since Senator Simpson introduced his 1985 bill in the Senate, yet until now, no one has even introduced a parallel bill in the House.

There could be no more welcome or fitting sponsor than Peter Rodino. He's an immigration authority who in the 1970's twice shepherded reform bills through the House only to see them die in the Senate. And he is one of the lions of the House, who ranks fourth in seniority among the 435 members. For him now to champion immigration reform makes it likely that the United States will, finally, heed the ticking and stop the clock.●

ALLEN PACT BARS SOUTH AFRICA

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1985

● Mr. LELAND. Mr. Speaker, yesterday the New York Times ran a story concerning writer, director, and actor, Woody Allen's decision to include a clause in his new movie contract which expressly prohibits any of the movies from being released in South Africa.

Mr. Allen stated he had included such a clause in his three-movie contract with Orion Pictures "in an effort to protest the atrocious racial policies of South Africa."

I commend Mr. Allen's efforts to concretely demonstrate his opposition to apartheid, one of the greatest aberrations of human rights known to us. I hope his action is one that is not only emulated by others in the entertainment industry but in the business world as well.

I submit the following article, which I urge my colleagues to read:

[From the New York Times, July 24, 1985]

ALLEN PACT BARS SOUTH AFRICA

HOLLYWOOD, July 23.—Woody Allen has signed a three-movie contract with Orion Pictures that includes a clause prohibiting any of the movies from being released in South Africa.

Mr. Allen said that he had requested the clause "in an effort to protest the atrocious racial policies of South Africa."

"I wouldn't overestimate my gesture," he said, "because it's just a gesture, but if it encourages other film makers to speak out or gesture out, we could perhaps have some influence."

Mr. Allen—whose movies include "Zelig," "Manhattan," "Love and Death," "The Purple Rose of Cairo," and the Academy Award-winning "Annie Hall"—signed the contract July 19. He will write and direct one film per year for the next three years and will star in at least two of the three movies.

He is currently completing the last movie of his old contract with Orion, "Hannah and Her Sisters." The film, a contemporary comedy-drama set in New York and starring Mr. Allen, Mia Farrow, Dianne Wiest and Michael Caine, is to be released early next year.

Mr. Allen has a measure of control over his work that is unusual in Hollywood. His new contract, like his old one, provides that he have total freedom in writing, directing and casting his pictures so long as they do not exceed a pre-determined cost.●

UNEQUIVOCALLY AMERICAN

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1985

● Mr. GARCIA. Mr. Speaker, I would like to call your attention to an editorial in this past Tuesday's Washington

Post that I find particularly noteworthy. The editorial, written by Michael Barone, is a profile of two of the outstanding members of the Hispanic community in our country, the Honorable KIKA DE LA GARZA and the Hon. Henry Cisneros, Mayor of San Antonio, TX.

While these men have essential differences which have distinguished their careers, they share a great deal. Both come from political families of Mexican origin, both were educated in the clerical schools endemic to the region, and both served their country in the military. Both men have served the United States with distinction. The Honorable Mr. DE LA GARZA has held his seat in this body for 21 years, and has been extremely successful, both here and back in his home district. Mayor Cisneros has revitalized the city of San Antonio, enticing big business to settle there and prosper. At the same time, he has united the people of the city, Hispanics and Anglos alike, behind him in his efforts to build San Antonio's future.

Mr. Speaker, Representative DE LA GARZA and Mayor Cisneros each represent the benefits of immigration not only to the individual, but also to the Nation. Those who emigrated here from other lands seeking to achieve the American dream have played an integral part in making this country the great and powerful Nation it is today, and their offspring have yet much more to contribute. The two gentlemen I honor here today are representative of those of their background, who keep aware of what goes on in the land of their forefathers, but remain unequivocally American. The two men whom I honor are an inspiration to all of us, but especially to those of Hispanic origin. They share not only a hispanic background but, not coincidentally, an undying love for the United States that has manifested itself in the devotion of their lives to the betterment of their country. As an American, I am proud to submit the Washington Post editorial to the RECORD in honor of these two men who represent the essence of Americanism.

[From the Washington Post, July 23, 1985]

"UNEQUIVOCALLY AMERICAN"

(By Michael Barone)

The two most powerful Hispanics in American government today are Kika de la Garza, chairman of the House Agriculture Committee in the year a new farm bill must be passed, and Henry Cisneros, mayor of San Antonio, our 10th largest city, and a member of the Kissinger commission on Central America.

Kika de la Garza's family has lived in the lower Rio Grande valley since the 1700s, long before it was the border. For years it was mostly scrub and desert, and even when he was growing up in the town of Mission in the 1930s, "we were three blocks away from the woods." His father worked for Hidalgo County and then for the U.S. Department of Agriculture; his father and uncle were active in local politics. They weren't a rich family, and as a kid de la Garza shined shoes on Main Street in McAllen; but it was accepted that "you were going to go to college—period."

Kika grew up speaking both English and Spanish. In grade school the Irish nuns spoke English but didn't ban Spanish; at the dinner table the language "depended on the conversation." In 1945, when he was 17, de la Garza left high school for the Navy to serve, unexpectedly, in peacetime. He returned home and attended Edinburg Junior College in the valley, and saved his GI Bill benefits for law school at St. Mary's in San Antonio, where most of the students were Hispanic. The dean was "a tough cookie," and, he says, "99.9 percent passed the bar." At St. Mary's he was in ROTC and served in the Army artillery. He wasn't in Korea but was a general's aide.

On leave in 1952 de la Garza ran for the legislature and beat the rough-hewn local "machine." Any discrimination in the valley, school, the service, the legislature? "I never had a problem." He is an amiable man who has learned eight languages because "people appreciate hearing their own language." In 1964 Rep. Joe Kilgore retired. Lloyd Bentsen Sr., father of the senator and one of the valley's biggest landowners, "read me my responsibilities: my family, my people, my country." (Bentsen, now 92, says he has known de la Garza "since he could walk. He was always a real worker, ambitious.")

So the young man who had become one of the first Hispanic partners in a big McAllen law firm became, at major financial loss, the first Hispanic congressman from the valley—moderate to conservative, loyal to party, hard-working on district matters. He can hold the seat, if he wants, for life.

Henry Cisneros' father also worked for the government, as a civilian at San Antonio's Fort Sam Houston, and he rose to colonel in the Army Reserve. "For him, if a world was structured by grade," Cisneros says, "that was a fair world."

But his family was also in politics: his grandfather, Romulo Munguia, in the turbulent years following the 1910 revolution in Mexico, was a follower of Francisco Madero. Mexican revolutionary politics was a lethal business (for Madero and others), and Manguia moved to San Antonio, part of an exile community of political intellectuals in the first big city north of the border.

On the open, treeless lands of south Texas, San Antonio had even then just enough skyscrapers to look urban, though its economy depended on the military. Its population was about one-third Hispanic. Romulo Munguia and his son ran a print shop, which did a lot of political work.

Munguia was an anticlerical, but the church ran the only good schools, and Henry Cisneros attended Catholic High School for Boys, run by the Marianist Brothers. "I don't know if they intended it or not," he says, "but they created a Hispanic management group": 20 boys from the classes of 1960 to 1968 now hold high positions. Cisneros went from there to Texas A&M and was part of the military corps; he was contemplating a military career at a time when other national Democrats his age were protesting the Vietnam war. He's proud to be an Aggie, and proud that the governor appointed him to the A&M Board of Regents.

Cisneros' military career was cut short as the war wound down; he went to graduate school and got a PhD in urban studies; as a White House fellow he worked for Elliot Richardson. After Cambridge and Washington, he was offered a position teaching in San Antonio, and he and his wife returned there in 1974. He lives on the Hispanic West Side, near the small yellow bungalow where his parents still live. His uncle talked him into running for the council in a west side district in 1975; he ran for mayor in 1981 and beat an Anglo slow-growth advocate.

Cisneros revels now in planning for San Antonio's future, helping to build in a low-wage, public-sector city a strong high-tech private sector. He's proud of writing important papers—"Target '90," the city blueprint—himself, and proud that in a city once bitterly divided between Hispanics and Anglos, he's established a consensus politics on issues of his own choosing.

Talented political families, tough Marianist schools, military service, total fluency in English and Spanish and ease among Anglos and Hispanics: the short relaxed 57-year-old de la Garza and the ramrod-thin 38-year-old Cisneros have much in common. From their unusual corner of the United States, they stay in touch with Mexico, but their politics like their lives are unequivocally American.●

MANDATE FOR ADVOCACY ACTIVITIES BY THE AGING NETWORK REAFFIRMED

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1985

● Mr. BIAGGI. Mr. Speaker, today I rise to express my deep concern about the potential negative impact, specifically regarding advocacy, of the interim final rules for the Older Americans Act that were written by the Administration on Aging and published in the Federal Register on April 1, 1985. These regulations lack the clarity that can rightfully be expected by constituents, and the apparently deliberate ambiguity of the rules has resulted in extensive confusion within the aging community. The sentiment has been expressed that the interim final rules, in conjunction with guidelines to executive agencies published as Office of Management and Budget Circular A-122, place a gag order on area agencies on aging.

As chairman of the Subcommittee on Human Services of the House Select Committee on Aging, in partial fulfillment of my Older Americans Act oversight responsibility, I have responded to the interim final rules in their entirety in a letter to the Administration on Aging. Although I have concerns about various segments of the interim final rules, my remarks today will focus on the advocacy provisions that pertain to area agencies on aging.

Area agencies are specifically authorized by Congress in section 306 of the Older Americans Act to "advocate" for the elderly "by monitoring,

evaluating, and commenting upon all policies, programs, hearings, levies, and community actions which will affect the elderly". In the interim final rules, definitive advocacy responsibilities are outlined, but the following disclaimer is inserted at the end of the list: "No requirements in this section shall be deemed to supersede statutory or other regulatory restrictions regarding lobbying or political advocacy with Federal funds." This disavowal has a potentially chilling effect on the activities of area agencies on aging.

The interim final rules do not cite any specific statutes or regulations that limit advocacy activities, nor do the rules indicate the types of advocacy activities that may be restricted. Without further guidance, the aging community is left to question the legality of every advocacy activity contemplated or undertaken by area agencies on aging. This situation encourages an unnecessarily cautious approach by area agencies on aging. The fulfillment of congressionally mandated advocacy responsibilities thus can be expected to be hindered by the interim final rules.

In addition to the interim final rules, the Office of Management and Budget Circular A-122 is considered by certain parties as a possible important restricter of advocacy activities. In actuality, State units and area agencies on aging are currently exempt from A-122, but not everyone in the aging community is aware of that exclusion and not everyone with awareness is convinced that the exemption is real. Also, although there is an exemption right now, it has been brought to my attention that OMB is considering revising A-122 to make it applicable not only to private, nonprofit area agencies on aging, but to all area agencies on aging.

The responsibility to act as advocates is primarily within the Older Americans Act network. Although there is an emphasis on assuring the direct provision of services, the advocacy function is perhaps the most important aspect of the act: advocacy enables the achievement of goals that could not be attained with the limited funding that is available. This function makes it unique among Federal programs.

It is mandated that area agencies take a proactive, leadership role. This fact and its implications are clearly delineated in a paper written by the Congressional Research service. The paper helps alleviate some of the confusion surrounding the advocacy issue, and I respectfully request that it be printed at the conclusion of my remarks.

On June 20, 1984, my esteemed colleague OLYMPIA SNOWE and I were joined by over 40 other members in sending a letter to the Office of Management and Budget to reaffirm congressional support for the advocacy provisions of the Older Americans Act. Since that time, my office has received telephone calls from approximately 20 additional members who share the desire to protect the advocacy role of the aging network. As a body, it is important that we closely monitor the activities of the Office of Management and Budget regarding this issue. We must ensure that State and area agencies on aging are able to continue to fulfill their advocacy responsibilities without hindrance by regulations, Circular A-122 or any other source.

In conclusion, I want my colleagues to be aware of the potential undesirable implications of the ambiguous interin final rules that were written by the Administration on Aging. It would be much more appropriate for the regulations to clearly state any restrictions that apply to the advocacy activities of the area agencies on aging. More importantly, any restrictions noted in the regulations cannot contradict the mandate for area agencies to act as advocates, as delineated in the law.

HHS REGULATIONS AND REQUIRED ADVOCACY BY AREA AGING AGENCIES UNDER THE OLDER AMERICANS ACT

(By Jack H. Maskell, Legislative Attorney, American Law Division)

This memorandum is submitted in response to your request as discussed with of your staff concerning the regulations recently promulgated by the Department of Health and Human Services under the Older Americans Act, and their relationship to advocacy for the elderly and the monitoring, evaluation and commenting on proposals and all policies affecting the elderly required of area aging agencies under the statutory provisions of the Older Americans Act. Concern has been expressed that a so-called "gag rule" on area aging agencies by the HHS regulations and by guidelines to executive agencies published as an OMB Circular would prevent and chill the area agencies from performing their required statutory functions as contemplated by Congress in the Older Americans Act.

Briefly, and as general background, it should be pointed out that under our Constitution it is the Congress which legislates the law, and the Executive with faithfully executes those laws enacted by the Congress. *U.S. Constitution*, Article 1, Section 1; Article 2, Sections 1 and 3. See *Youngstown Sheet & Tube* v. *Sawyer*, 343 U.S. 579, 587-588 (1952). Any inherent power of the Executive can not override a specific congressional enactment within a law, and any such inherent authority of the Executive is at its "lowest ebb" when "incompatible with the expressed or implied will of Congress". *Youngstown Sheet & Tube, supra* at 637-638 (Jackson concurring). Congress thus "sets the legislative agenda" for a particular public policy (*Center for Science in the Public Interest* v. *Dept. of Treasury*, 573 F. Supp. 1168, 1174-1175 (D.D.C. 1983), see *Center for Science in the Public Interest* v. *Regan*, 727 F.2d 1161, 1165-1166 (D.C. Cir. 1984)), and administrative actions which undermine, are inconsistent with or "frustrate the congressional policy underlying a statute" are invalid. *NLRB* v. *Brown*, 380 U.S. 278, 291 (1965); *Motor Vehicle Mfrs. Ass'n.* v. *State Farm Mutual*, 103 S. Ct. 2858 (1983). If area aging agencies are therefore authorized, or are required by law as in the case of the Older Americans Act, to "advocate" for the elderly and to "monitor[], evaluat[e], and comment[], upon all policies, programs, hearings, levies, and community actions which will affect the elderly", and funds are appropriated by Congress for this purpose, then no administrative edict or guideline may establish a "gag rule" on the area agencies with regard to such activities in contradiction to the statutory mandate, unless amendatory legislation or superseding laws adopted by Congress require that result. No law or statute, however, specifically restricts state, local or private grantees of the federal government generally, or of HHS specifically, from using federal grant or contract funds for advocacy and "monitoring, evaluating and commenting" on public policies at the state and local level consonant with the purposes of a grant program. Area aging agencies, however, under later Labor, HHS and Education Department appropriations riders, may be restricted from using federal grant funds for attempting to influence federal legislation "pending before the Congress" even though such agencies are required by the Older Americans Act to evaluate and comment on "all" policies, hearings, etc. affecting the elderly.

The Older Americans Act (P.L. 89-73, as amended by P.L. 95-478 and P.L. 97-115) specifically authorizes and requires State agencies receiving grants under the Act "to serve as an effective and visible advocate for the elderly", and to designate private or public area agencies which are to serve "as the advocate and focal point for the elderly within the community".

Congress has directed such State agencies, to be eligible for funding, to:

"Serve as an effective and visible advocate for the elderly by reviewing and commenting upon all State plans, budgets and policies which affect the elderly . . ." [1]

The Act also requires the area agencies which receive federal funds under the Act through the States to advocate for, and to evaluate and comment on all policies affecting the elderly, as well as to establish working advisory councils with local elected officials, representatives of the elderly, and private elderly citizens. The law specifically requires these area aging agencies to:

"Serve as the advocate and focal point for the elderly within the community by monitoring, evaluating, and commenting upon all policies, programs, hearings, levies, and community actions which will effect the elderly."

"• • • establish an advisory council consisting of older individuals who are participants or who are eligible to participate in programs assisted under this chapter, representatives of older individuals, local elected officials, and the general public, to advise continuously the area agency on all matters relating to the development of the area plan, the administration of the plan and operations conducted under the plan. . . ." [2]

The Act by its terms thus clearly and unequivocably contemplates advocacy, evaluation and comments on public policies, and interactions between the area aging agencies and those public officials who administer, legislate or otherwise make decisions in the area of public policy affecting the elderly. Although not defined within the statute, nor expanded upon to any great extent in

[1] 42 U.S.C. § 3025(a)(1)(D).
[2] 42 U.S.C. § 3026(a)(6)(D) and (G).

the legislative history of the law adding this provision to the Act, by specifically requiring "advocacy" and linking this requirement with the requirement for "monitoring, evaluating and commenting" on all public policies affecting the elderly, Congress obviously did not intend for the area aging agencies to act as passive, disinterested or impartial observers of and commentators on public policy making, but rather to act to convince or influence such public policy on behalf of and in the best interests of the elderly.[3] Congress did specifically intend to limit the public policy advocacy under the specific provision for legal services to the elderly within the Act (see S. Rpt. No. 95-855, 95th Cong., 2d Sess. at 12; H. Conference Rpt. No. 95-1618, 95th Cong. 2d Sess. at 64-65). However, no such express and limiting requirement upon the other activities of the area agencies generally was included nor expressly intended by Congress in the Act.

The interim final rules of HHS in question, regarding area agencies, provide as follows with respect to advocacy activities:

"§ 1321.65 Advocacy responsibilities of the area agency.

"(a) The area agency must—

"(1) Monitor, evaluate, and, where appropriate, comment on all policies, programs, hearing, levies, and community actions which affect older persons;

"(2) Solicit comments from the public on the needs of older persons;

"(3) Represent the interests of older persons to local level and executive branch officials, public and private agencies or organizations;

"(4) Carry out activities in support of the State administered long-term care ombudsman program; and

"(5) Coordinate planning with other agencies and organizations to promote new or expanded benefits and opportunities for older persons.

"(b) No requirements in this section shall be deemed to supersede statutory or other regulatory restrictions regarding lobbying or political advocacy with Federal funds." [4]

The regulations note that the advocacy responsibilities of the area aging agencies as set out in the regulations (and required by law) do not "supersede statutory or other regulatory restrictions regarding lobbying or political advocacy with Federal funds." These regulations, however, do not cite to any specific limiting statute on such activities, nor do the regulations provide any further guidance as to which types of advocacy activities by area aging agencies may be prohibited by other federal laws.

There appears to be, in fact, no federal statute specifically applicable to private recipients of funds distributed by federal agencies as to the "lobbying" of state or local governmental agencies or units by those private recipients when consistent with the purposes of the grant program. Furthermore, no other published regulations of HHS on such use of funds by local private recipients have been found, although there does exist a "circular" published by the Office of Management and Budget (OMB Circular A-122, as amended April 27, 1984) which provides guidelines to agencies as to the use of and reimbursement with federal monies to private grantees for "lobbying" and other activities.

The statutory provision often referred to as supporting restrictions on "lobbying" with federal monies, 18 U.S.C. §1913, is a criminal law which by its terms applies its penalty only to, *inter alia*, an "officer or employee of the United States or of any department or agency thereof". This law on its face is clearly applicable only to federal employees and not to private or State recipients of federal grants or contracts. (See specifically, *Grassley* v. *Legal Services Corporation*, 535 F. Supp. 818, 826 n.6 (S.D. Iowa 1982). Furthermore, the law applies only to federal executive branch agencies and officials improperly lobbying "a Member of Congress", and does not extend to lobbying other executive agencies or state or local governmental units.[5] Finally, the law has been consistently interpreted by the Department of Justice as permitting direct lobbying contacts between federal executive branch officials and Members of Congress on pending legislation.[6]

Former appropriations restrictions which had been included in Treasury, Postal Service and General Governmental Appropriations Acts, usually at Section 607(a), had also restricted agencies from expending any funds for "publicity or propaganda" campaigns directed at "legislation pending before the Congress". That provision had similarly been interpreted to apply only to legislation before Congress, and then only to "grass roots" types of campaigns which urge the public to "write their congressman" and not to direct contacts between agency officials and Members of Congress, nor to public expressions or expositions of agency policy or arguments for or against legislation. 56 Comp. Gen. 889 (1976); Decision of the Comptroller General, B-129838, July 12, 1976; Decision of the Comptroller General, B-164497(5), August 10, 1977; Decision of the Comptroller General, B-173648, Sept. 21, 1973; Opinion of the Comptroller General, B-178448, April 30, 1973; Memorandum of the General Accounting Office, B-1309061—O.M., Sept. 10, 1976. The most recent two Treasury, Postal Service and General Governmental Appropriations bills receiving congressional action, however, (H.R. 4139, 98th Cong., 1st Sess. and H.R. 5798, 98th Cong., 2d Sess.) did not contain the general appropriations rider in Section 607(a) for all federal funds, but rather expressed a narrow rider only for funds appropriated in that Act on publicity and propaganda not authorized by Congress (Section 610). Appropriations acts for each agency or department must therefore be examined for further restrictions within the time frame of those particular appropriations.

Appropriations restrictions on HHS funding, unlike other appropriations riders which usually do not include specific restrictions on private citizens who receive federal grant or contract money, do place limitations on the use of contract or grant funds to pay the salary or expenses of recipients for "any activity designed to influence legislation or appropriation *pending before the Congress*". See P.L. 98-139, Section 509; H.R. 6028, 98th Cong., 2d Sess., Section 509 (emphasis added). This appropriation rider, however, clearly applies on its face only to legislation or appropriations "pending before the Congress", and does not extend to programs or policies being considered by administrative agencies of the federal government or by executive, administrative, regulatory or legislative governmental bodies at the state or local level.[7] Since an appropriation provision can be considered to amend substantive, permanent law,[8] the recipients of federal grant funds from Labor, HHS, and Education Departments may be prohibited regardless of statutory language of a specific program, from attempting to influence legislation which is actually pending before Congress. It should be noted that the HHS appropriation restriction prohibits funding of "any activity", and not just "publicity or propaganda" campaigns, and does not provide for an exclusion, like other appropriations riders, for instances when such activities are othewise authorized by Congress.

In sum, then, although there are apparently restrictions regarding federal legislation pending before the Congress, area aging agencies are specifically authorized by Congress in the Older Americans Act to "advocate" for the elderly "by monitoring, evaluation, and commenting upon all policies, programs, hearings, levies, and community actions which will affect the elderly", and there is no other federal law which would work to prohibit the area agencies from carrying out this congressional mandate within their community and state. Even the restrictive guidelines on activities by grantees issued by OMB in Circular A-122, note that private contract and grant recipients may, of course, use federal funds for "any activities specifically authorized by statute to be undertaken with funds from the grant, contract or other agreement." See 49 F.R. 18276 (April 27, 1984), Circular A-122, paragraph B21 b(3).

In any event, as discussed briefly above, an agency regulation or other executive directive could not prohibit by administrative fiat activities which are authorized and funded by a law adopted by Congress. The Supreme Court has ruled that administrative decisions are invalid which are found "inconsistent with a statutory mandate or that frustrate the congressional policy underlying a statute." *NLRB* v. *Brown*, 380 U.S. 278, 291 (1965); see *Motor Vehicle Mfrs. Ass'n* v. *State Farm Mutual*, 103 S. Ct. 2856 (1983); note generally *Youngstown Sheet & Tube* v. *Sawyer*, 343 U.S. 579 (1952). Programs, policies and activities established and funded by law by Congress may therefore not be unilaterally terminated by exec-

[3] Note common legal definition of the verb "advocate", Black's Law Dictionary, 5th Ed., West Publishing Co. 1979, at 51. See legislative history of provision at H.R. Rpt. No. 95-1150, 95th Cong., 2d sess. at 5: "These are agencies . . . have begun to mobilize Federal, State, and local resources on behalf of the elderly over and above the resources available under the Older Americans Act.", and 30.

[4] 50 F.R. 12952, Apr. 1, 1985.

[5] See, for example, *Hall* v. *Siegel*, 467 F. Supp. 750, 753 (S.D. Ill. 1977), where the court found no authority in federal law to prevent the Executive or his staff from expending federal funds to "express his views to state legislators or 'lobby' for or against ratification of" the Equal Rights Amendment by the state legislatures.

[6] Opinion of the Assistant Attorney General of the United States, Henry J. Miller (1962), printed at 108 Cong. Rec. 8449-8451, May 15, 1962; Department of Justice letter opinion of July 19, 1973, from Assistant Attorney General Henry S. Peterson. Note legislative history of § 1913, at 58 Cong. Rec. 404, May 29, 1919.

[7] General Accounting Office Memorandum, B-13096.140-O.M., at 8, Sept. 10, 1976, as to applicability of general appropriations riders on "publicity or propaganda activities" directed to legislation or appropriations "pending before Congress" GAO found: "In any event, like the penal statute [18 U.S.C. § 1913], Section 607(a) is limited by its terms to Federal legislation."

[8] *Skok* v. *Andrus*, 638 F. 2d 1154 (9th Cir. 1979), *cert den.* 444 U.S. 927; *Director, Office of Workmen's Compensation Program, U.S. Dept. of Labor* v. *Alabama By-products Corp.*, 560 F. 2d 710 (11th Cir. 1977).

utive branch action nor may the law be executed in a manner contrary to Congress' intent. *Local 2677, American Federation of Government Employees* v. *Phillips,* 358 F. Supp. 60, 76-78 (D.D.C.), citing *Youngstown Sheet & Tube, supra; Local 2816, Office of Economic Opportunity Employees Union, AFGE* v. *Phillips,* 360 F. Sup. 1092, 1099-1100; *Center for Science in the Public Interest* v. *Dept of Treasury,* 573 F. Supp. 1168, 1174-1175 (D.D.C. 1983), see *Center for Science in the Public Interest* v. *Regan,* 727 F.2d 1161, 1165-1166 (D.C. Cir. 1984) lower court finding of improper agency consideration of factors other than those articulated in statute was not appealed by the agency); *Citizens to Preserve Overton Park* v. *Volpe,* 401 U.S. 402 (1971).

In a 1979 case in the Eighth Circuit, for example, the United States Court of Appeals reviewed an agency decision, ostensibly based on Office of Personnel Management (OPM) regulations and the conflict of interest principles articulated in an Executive Order (E.O. 11122), that removed an Indian/Bureau of Indian Affairs employee from his position of superintendent of an agency because of a potential conflict of interest created by the election of his brother to the position of Tribal President. The court in *Oglala Sioux Tribe of Indians* v. *Andrus,* 603 F. 2d 707 (8th Cir. 1979), found that the application of a per se conflict of interest regulation of the executive branch based on familial ties to tribal officials frustrated the purpose and intent of the Indian Reorganization Act of 1934, which was to appoint and employ Indian personnel without regard to Civil Service laws on appointments. The court stated:

"It is beyond dispute that agency action taken without statutory authorization, or which frustrates the congressional policy which underlies a statute, is invalid.

"* * * Such a transference of general Civil Service confict-of-interest regulations ignores the particular conditions which affect Indian employment on the reservation, and the impact which such regulations may have on the goal of increased Indian employment and responsibility in the decision-making positions within BIA.

"* * * [A]ny such regulations must be consistent with the congressional policy embodied in § 12 [of the Reorganization Act] * * * 603 F.2d at 715, 716-717

Regulations of an agency may therefore not frustrate the underlying congressional policy of the relevant statutory provision. Since the Congress specifically requires area aging agencies which receive grant funds from the Older American Act through the states to act as an "advocate" for the elderly and to monitor, evaluate and comment on all policies and programs affecting the elderly, a federal department or agency could not promulgate a "gag rule" on the area aging agencies with regard to such funded activities since this would obviously frustrate and be directly contrary to the congressional purpose underlying those relevant provisions of the Older Americans Act. A later congressional enactment may limit the use of such funds, however, and it may be argued that although the Congress has authorized and requires area agencies to act as public advocates for the elderly by evaluating and commenting on all proposals and policies affecting the elderly to further those interests, they may not expend federal funds to influence federal legislation which is actually pending before Congress. This would not seem to prohibit, however, area aging agencies from their statutorily required advocacy for the elderly by monitoring, commenting on and evaluating other federal policies and programs, for example before federal administrative and executive bodies with respect to rule making or other activities within their jurisdiction, as well as state or local governmental units. The regulations read in this manner would then appear to be consistent with the Congressional intent and purposes underlying the Older American Act and current appropriation restrictions.●

A NON-CONFORMIST SEEKS ANOTHER PATH

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1985

● Mr. LELAND. Mr. Speaker, on July 16 the Washington Times published an interesting article on Arthur Teele, titled "A Political Non-Conformist Seeks Another Path for Black America."

Although I do not share Mr. Teele's political views, I am impressed with his commitment to the economic advancement of the black community. In this sense, I believe that Mr. Teele can be viewed as a role model. For this reason I submit this article to the CONGRESSIONAL RECORD and I recommend it to my colleagues:

ARTHUR TEELE—A POLITICAL NON-CONFORMIST SEEKS ANOTHER PATH FOR BLACK AMERICA

(By Diana West)

A maverick? Well, for starters, it wasn't exactly running with the pack for a young black Arkansas boy to write an admiring letter to President Dwight Eisenhower. But then Ike's portrait probably didn't smile from the wall of most of the other homes in Arkadelphia, Ark., either.

"I realized early on that I was far more conservative than my peers. I was different in my outlook," Arthur Teele recalls, a faint but unmistakably Southern drawl curling his words at the edges.

Mr. Teele, the 38-year-old president of the National Business League, still seems something of a maverick, as he sits at an empty conference table in the league's offices, his hands lightly brushing the polished table top before him.

Those fingers are in a jumble of camps and pies. His effort to keep up with his scattered legal, business and public service concerns seems to be directed by a giant Twister Game dial, pointing him first to Washington and National Business League headquarters and next to Miami, where his legal and business dealings are clustered. With another spin of the dial, he's off to speak at any one of the 137 National Business League chapters around the country.

His message?

"Traditionally, the notion that we black Americans have had is that our jobs and our benefits are going to come from a social service program, whether it be a CETA [Comprehensive Training and Employment Act] program, or an unemployment compensation check," he says. "It's still difficult for the masses of blacks to see themselves owning a business." As he sees it, his role as National Business League president is to address this problem, to seek new ways "to create wealth and capital in the black community."

After a stint in the Reagan administration as the head of the Transportation Department's Urban Mass Transit Administration, Mr. Teele became the 12th and youngest president of the National Business League, a multi-trade association founded by Booker T. Washington in 1900 to promote the commercial and financial development of blacks and other minorities.

"There's nothing wrong with helping people get into business and make money," Mr. Teele insists, a quick grin flashing beneath his pencil-thin mustache. "But you don't do that with a community-based organization, or a community development corporation.

"You do that when you basically go out and say, 'We're going to put some people in business because we know that black businesses are still the greatest employers of black youth in the inner city'. If you want to deal with that problem on a long-term basis, you've got to create places of employment."

Business. Wealth. Capital. The words sound more like the mottos of a college Republican than of a man who grew up as forced to ride in the back of the bus in Arkansas, Texas and Florida.

But Mr. Teele's experience there, again, was different from many of his peers.

"I grew up as a child with many of the advantages of a middle class family, but at the same time, all of the prejudices of any other black. But I was not as hostile toward an awfully discriminatory society because my family, and my grandparents even, had escaped much of the horrors of that society," he says.

Mr. Teele's father, a Cornell Ph.D., was a professor and dean, while his grandfather, a successful physician and prominent Republican in Arkansas, was a highly respected member of the community.

"I'm not at all trying to suggest to you that I grew up not knowing the difference between black and white," he adds, "I grew up in a totally segregated society. But everyone knew my grandfather. I could go into a store and get anything I wanted and just write 'Arthur' because everyone knew that everything would be paid for."

While his grandparents called themselves Republicans, his mother became a Democrat. "But I was never sure of my father's politics," he says. "My father grew up in rural North Carolina where the most important thing was the work ethic. And my father worked literally around the clock. The philosophy that was instilled in me," he continues, "was one of the ethics of hard work, and that you can't get ahead by cheating, and that the world doesn't owe you anything.

"My mother was the kind of Democrat that I think my generation grew out of," My Teele muses, "Our mothers and fathers were in most cases employed by the New Deal. Their lives were, in effect, saved by the New Deal. The horrors of World War II—which basically took us out of the Depression era—graduated a group of people out of the Republican Party."

But not Arthur Teele. Why?

"I had the good fortune to be raised to a great extent by my [Republican] grandmother," he says with a smile. That, and a stint as a Florida Democrat cemented the match between Arthur Teele and the Republican Party.

But that match came only after nine years in the Army, in which he served as a highly decorated airborne ranger officer. In addition, he became the chief trial prosecutor on the judge advocate general's corps for the 2nd Infantry Division in Korea.

Once he had set himself up as a Florida civilian, Mr. Teele felt that his vote would weigh more heavily in the Democratic Party. "If you wanted to vote for a sheriff or county judge—and being a lawyer, I had a lot of contact with the sheriff and the county judge—you virtually had to be a Democrat."

"I basically came to realize that to a great extent I was out of step in my own community. Additionally, everyone generally liked Jimmy Carter, and I thought he was a . . ." For a moment, Mr. Teele searches the heavens immediately above his seat for just the right word.

"My own view of President Carter," he begins again with a short laugh, "was that he was not nearly as sincere in his commitment to the black community as he projected himself to be."

"But I guess the thing that really thrust me out of the mainstream was when Carter proposed to close all of the service stations on weekends as a conservation measure. In my judgment, that was the kind of idea that was written by a Washington bureaucrat who saw life beginning on a Monday morning and ending on a Friday afternoon. It was totally insensitive to many aspects of the economy."

Mr. Teele, at that time representing some of the major industries in Florida, came up with a plan proposing to close the service stations two days a week, rotating the days in order to soften the impact on the economy.

"I presented the statistical arguments and the practical arguments to the Department of Energy and the White House. And I found that they were totally insensitive and totally out of touch with what was happening in America, and how it related to the private sector," he says emphatically.

On the local front, Mr. Teele worked closely with civil rights groups and community based organizations, such as the A. Philip Randolph Institute and the NAACP, discovering that many of his own positions "were incompatible with many of theirs. They were compatible in the sense that we both wanted full equality for black people, and full employment for young people, but we were not compatible in how to do it.

"I can remember advancing a campaign in the local NAACP chapter to stop shoplifting, and explaining why it cost our community—the black community—more," recalls Mr. Teele. "The owner of the store has to mark prices up more, and the youth, the shoplifter's that's caught, has a blemish on his life and may not be able to reach his God-given potential.

"I remember the membership of the organization saying that was totally inconsistent, that all I was trying to do was help business people. Maybe it was the way I presented it," he speculates.

"As we went down the line on social issues, my tactics of how to get more favorable results, my tactics of sitting down and talking with business leaders, talking with segregationists and explaining, trying to reach common ground, was consistently rejected.

"And yet," he grins, "when these organizations wanted to be bailed out and needed money, they always wanted me to come in and develop a program to do that."

If Mr. Teele didn't already know that his days as a Democrat were numbered, that realization came soon after he failed to be appointed to the Florida Public Service Commission.

"The black leadership—although I was not really what you'd call their fair-haired boy—had unanimously * * * commission. The governor indicated that under no circumstances would he appoint anyone that closely identified with the conservative element of our state in that kind of position."

The governor at that time, Reuben Askew, was shocked to learn what Mr. Teele says. "That had nothing to do with it," Mr. Askew adds over the telephone from his Miami law office. "I looked at all of those being considered, and it was just a matter of qualifications. There was nothing negative toward Mr. Teele. I have a lot of respect for Mr. Teele."

Nonetheless, Arthur Teele decided there was nothing holding him to the Democratic Party. "I realized I didn't fit in if I had to change my political philosphy to get an appointment.

"Remember now, there's some things I won't do," he continues, raising one hand, forefinger outstretched. "I'm not going to smile when nothing's funny. I'm not going to scratch when nothing itches, and I'm not going to change my political views for any political party."

"One of the beauties of the Republican Party to me is the ability to accommodate the individual perspective," says Mr. Teele. "Our party is the far broader party. I don't know what all this rhetoric is about the fact that our party hasn't reached the masses or the mainstream. If you're not a labor Democrat in the Democratic Party, you're in trouble."

But how does he explain the fact that in 1984, nine out of 10 blacks voted for Walter Mondale?

"Our administration has not fully communicated the benefits of its programs to blacks. Blacks haven't seen enough convincing evidence. But I think that will change in the next couple years," he adds hopefully.

"Wealth and making money are not good when you're looking at it totally from an employee perspective," he continues. "The fact of the matter is that this country was founded by people who wanted to get away from religious persecution and make a new life in the new world, working harder than the next guy to get ahead. Somehow we've got to communicate that notion of why we came to America to our black people.

"Blacks didn't come to America for that reason. We had no choice in the matter. And in coming here that way, we lost, we were never exposed to that ideology, that philosophy, that inner strength that makes America the greatest country on the face of this earth. And to a total extent, that is not our problem. That is not a black problem. That's an American problem."

And as far as Mr. Teele's concerned, the party "coming up with solutions for America's problems" is the Republican Party.

"Consider [Labor] Secretary William Brock's strong argument for the youth subminimum wage. Black, youth unemployment is 40 percent, two to three times higher than non-black. I mean, the question of black youth unemployment is almost a national problem.

"And yet the Democratic Party refuses to accept it, and can't give you one good, intelligent reason why they don't support it, except to say that it may displace the heads of houses. That may or may not happen.

"I say, let's give it a chance for two years. I think there are ways to protect against it. But we've got black youth who are not employed—what are they supposed to do? At this rate, they'll never grow up to have that job the Democrats claim to protect.

"But," he continues, "I think it's a fact that we have not clearly articulated our [the Republican Party] vision of America, of how blacks fit into our vision of America. It's still difficult for the masses of blacks to see themselves owning a business.

"I don't think you're going to see any massive swings [of blacks to the Republican Party], but the swing you'll see is going to be meaningful," Mr. Teele predicts. "I think what's going to happen is that Reagan's tax policy— not as it specifically relates to the black community, but as it relates to small businesses—and the rebuilding of America's inner cities will benefit blacks too.

"Black Americans are going to realize someday that his guy Reagan, he really did things. And black America is going to find out that what's good for America is also good for black America."●

CONGRESSIONAL CALL TO CONSCIENCE FOR SOVIET JEWS

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1985

● Mr. WEISS. Mr. Speaker, I am proud to participate today in the 1985 Congressional Call to Conscience for Soviet Jews, and I commend the organizers of this important activity for their commitment to this cause.

On August 1, we will observe the 10th anniversary of the signing of the Helsinki accords. Among the signatories of that document is the Soviet Union, which thereby pledged to respect religious freedom and the rights of minorities and to permit emigration for the purpose of family reunification.

As a nation of immigrants, we Americans often take these rights for granted. For Soviet Jews, however, these fundamental freedoms have never been easy to exercise, and recently they have been more elusive than ever. Although as many as 400,000 Jews have shown an interest in leaving the Soviet Union, barely 650 have been given permission to emigrate so far this year. This figure is lower than the average monthly total for 1981, when the number of exit visas had already dropped precipitately from its all-time high of 51,000 in 1979.

Those who remain are threatened with arbitrary searches, dismissal from employment, expulsion from school, and arrest on trumped-up charges. Among the victims of the most recent crackdown on Jewish activists are Roald Zelichonok, a Leningrad Hebrew teacher has been accused of defaming the Soviet state; Evgeny Aisenberg, who received a 2½-year sentence for participating in Purim skits;

and Leonid Volvovsky, a refusenik leader who is being held without charges in Gorky. Meanwhile, Iosif Begun, Yuri Tarnopolsky, and Zakhar Zunshain languish in prison, and the KGB has threatened to arrest Grigory and Isai Goldshtein for treason—a capital offense. If the arrests and trials continue at the current rate, there will be more of them this year than in the last 5 years, combined.

The Soviet Government's continuing repression of its Jewish population has touched some of my constituents in a very personal way. Dr. Sophia Fishel worries about the heart condition that her son Sergei has developed in prison, and she anxiously hopes for the day when he and his family will be permitted to join her in New York. A recent letter from another resident of my district shared her fears for the safety of Elya Essas, a long-time refusenik whom she visited in Moscow.

Many Americans had hoped that the new Soviet leader would bring about an amelioration in the situation of Soviet Jews. Whether or not such hopes were justified, they have not yet been borne out. Until the Soviets fulfill their promises under the Helsinki accords, we must stress at every opportunity the importance that we place upon human rights. As Avital Shcharansky said yesterday in her moving testimony before the Foreign Affairs Committee, the Soviet Union's attempt to maintain a good international image while it viciously abuses the Jews is "an insult to the intelligence and moral conscience of the people of the United States.●

SOUTH AFRICAN CENSORSHIP

HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1985

● Mrs. COLLINS. Mr. Speaker, since the introduction of a state of emergency in South Africa 5 days ago, over 600 black South Africans have been arrested, and 11 killed, by government security police. Many of those arrested or killed have been leading opponents of Pretoria's racist apartheid policy. Foreign journalists have been warned not to publish information not officially released by the South African Government, and have been threatened with full censorship.

Prime Minister P.W. Botha said that the purpose of the emergency order was to ensure that a normal community life be reestablished. Based on past treatment of South African blacks by the government there, one could say that Botha's order has been a success. Arrests and government killings are indeed part of daily life for the vast majority of South Africans. But what Botha really meant by a return to normal community life was a return to those days when the brutal racism of South Africa was neither protested at home nor abroad. Those days will never return.

Yet while the Reagan administration professes to be very disturbed by the violence of the past days, it refuses to consider a change from its policy of constuctive engagement. Perhaps destructive engagement would be a better term; 4½ years of this policy have not resulted in any betterment of the situation for South Africa's nonwhite majority. We can no longer afford to labor under the absurd idea that the racists of Pretoria will relinquish their power voluntarily. Their hatred runs too deep for that.

It is the duty of this Congress to take such measures as to force the South African Government to realize where the destiny of South Africa must lie—with democracy. We have no moral choice but to end all U.S. military sales to that government, and to apply strong economic sanctions, contingent on the removal of apartheid.

We cannot continue to deal on normal terms with a country whose official policy is the very antithesis of the ideals that this nation stands for. If we do not do all we can to ensure the freedom of other, we disgrace the freedom we enjoy.●

CALL TO CONSCIENCE FOR SOVIET JEWS

HON. RICHARD J. DURBIN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1985

● Mr. DURBIN. Mr. Speaker, August 1 marks the 10th anniversary of the signing of the Helsinki Accords, a document that in the broadest sense promotes human rights. The Soviet Union, though a signatory to this agreement, has continued to abuse the human rights of its citizens, especially those Jews who wish to emigrate from the Soviet Union. The plight of these Soviet Jews seeking to exercise their fundamental right to emigrate has been well documented in this House, and the injustices inflicted on these individuals continue to merit our attention.

Jewish emigration from the Soviet Union has declined from a high of 51,320 in 1979 to a low of 896 people last year. This figure represents more than a 5,000-percent decrease in 5 years. The decline is not the result of fewer applicants seeking to leave the Soviet Union. It has occurred because Soviet Union has rejected and subsequently persecuted more Jews seeking to reunite with their families in Israel.

When a person is denied an exit visa in the Soviet Union, that person becomes a refusenik. Refuseniks, numbering in the tens of thousands in the Soviet Union, immediately lose their jobs upon applying for an exit visa. Even worse, many refuseniks are exiled to Soviet prison camps from which their chance of gaining freedom is minimal.

The forces compelling Jews to brave these obstacles and seek to emigrate are the numerous attempts in the Soviet Union to destroy the fabric of Jewish culture. For example, the "Anti-Zionist Committee of the Soviet Public" is a committee which openly espouses anti-Semitism. A book titled "The Class Essence of Zionism," proclaims that the Holocaust never happened. In this country we are fortunate to have a free press to dispel such myths about the Holocaust. In the Soviet Union, as we well know, no such freedom exists, and those few who do speak out must face serious consequences.

I would like to take this opportunity to urge President Reagan to put human rights on the agenda for his summit meeting with Soviet Premier Mikhail Gorbachev in November. We cannot let this opportunity to help these persecuted people pass. We must take whatever action we can to make progress on the issue of Soviet Jewry. Human rights is an issue of the highest magnitude; it must be dealt with as soon as possible.

Mr. Speaker, I would also like to urge my colleagues to help in the cause of Soviet Jewry. Regardless of the outcome of the November, summit, I will continue to lend my unswerving support to this cause. I thank my colleague, Mr. LEVIN, for coordinating this year's Congressional Call to Conscience for Soviet Jews.●

SMALL BUSINESS CHAMPION MOVES UP

HON. ANDY IRELAND

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1985

● Mr. IRELAND. Mr. Speaker, it is with great pleasure that I rise today to inform the House that Bernard Gaillard has been appointed Director of the Interstate Commerce Commission's Office of Compliance & Consumer Assistance effective August 4, 1985. As Director Mr. Gaillard will be responsible for a staff, both at ICC headquarters and in the field offices, charged with monitoring the activities of all regulated carriers to ensure compliance with ICC policies and assisting the public in the resolution of com-

plaints against ICC-regulated companies.

I first met Bernard several years ago when he was Director of the Small Business Assistance Office at the Commission. In fact, he was one of the first "bureaucrats" I got to know in Washington. I only wish that the Federal bureaucracy contained many more such dedicated, honest, and compassionate individuals. In this case, the ICC has earned much praise for promoting a qualified person who truly did work his way up through the ranks. My compliments to Chairman Reese H. Taylor, Jr. and the other Commission members for this choice.

Bernard Gaillard is an experienced transportation attorney who has worked in various legal positions at the ICC since 1970. Mr. Gaillard served as OCCA's Associate Director since 1981. Prior to that time, he served as the Commission's first director of the Small Business Assistance Office (1977-81). Additionally, Mr. Gaillard served as an attorney-advisor in the Office of Proceedings, Section of Operating Rights, and as an attorney-advisor to former Commissioners Alfred T. MacFarland and A. Daniel O'Neal. He also served on the Commission's Task Force on Consumer Complaint Handling and as a member of the Congressional and Federal Agency Small Business Roundtable.

Mr. Gaillard helped organize a widely praised informal Interagency Task Force on Independent Truckers, and spearheaded the Commission's completed project for "Regional Small Business Conferences on ICC." He also served as a Commission advisory representative on the White House Working Party Group on owner-operators.

He did his undergraduate study at South Carolina State College in Orangeburg, SC, and at Columbia University in New York City. He received his doctor of law degree from Emory University in Atlanta and is a member of the South Carolina Bar, the District of Columbia Bar, South Carolina Bar Association, the American Bar Association, and the National Bar Association. Bernard, his wife Joyce, and his son Khari reside in Temple Hills, MD.●

THE ENERGY TAX FAIRNESS RESOLUTION

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 25, 1985

● Mr. MARKEY. Mr. Speaker, today my colleagues and I are introducing the energy tax fairness resolution which states simply that "any tax reform legislation should provide fair and equitable tax treatment for all energy resources."

We believe it is necessary to state this commonsense policy goal at this time because Congress is in danger of accepting the President's unprecedented and outrageous distortion of Federal energy tax policy.

It's not that energy tax policy doesn't need reforming. In fact, the current system includes subsidies to oil and gas that outweigh those to energy conservation and solar energy by 5 to 1.

But, in the name of "fairness and simplicity", the President has now proposed "reforming" this bias by completely eliminating conservation and solar tax credits while leaving oil and gas benefits—totaling more than $3 billion a year—virtually untouched.

If this were proposed by itself, the scandal of an allegedly "free market" administration tilting the tax structure so severely to help oil and gas, to destroy struggling solar companies, and to deny millions of middle class homeowners assistance in insulating their homes, would cause an uproar. But by hiding this scandal behind the cloak of "tax reform," the issue has somehow been hidden from view.

What started tax reform anyway? It was taxpaying citizens tired of paying more than General Electric, W.R. Grace, General Dynamics, Boeing, Dow Chemical, and Lockheed, all put together! So why are we considering a change which would preserve oil and gas tax shelters for taxpayers who typically earn more than $100,000, but would eliminate insulation credits for taxpayers who typically earn less than $30,000?

In Massachusetts alone, over 150,000 people take advantage of the conservation and renewable energy credits annually. The Northeast and Midwest regions of the country use these credits, saving energy and money, every year.

The President defends his proposal on the grounds of national security. As chairman of the Energy Conservation and Power Subcommittee of the House, I take our energy security very seriously. If the President were serious about energy security, we should listen. But he's not. If he were serious, he would not attack energy conservation. Energy conservation is the one source of new energy that has kept our economy afloat for the last decade. Energy efficiency, not oil and gas, has been growing steadily since the 1973 oil embargo.

Why are we now adopting policies to discourage investment in our most productive resources? And why do we want to distort the Tax Code even further toward scarce, nonrenewable fuels?

Citizens of most of our States do not have oil wells in their backyards. Our citizens do not have millions of oil and gas dollars to spend on protecting their special interests. All we have is an aroused public. And all we are asking for in this resolution is equal treatment.

Not a special deal. Just equity. Thank you.●

CALL TO CONSCIENCE FOR SOVIET JEWRY

HON. JIM LEACH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 16, 1985

● Mr. LEACH of Iowa. Mr. Speaker, as a member of the 1985 Congressional Call to Conscience for Soviet Jewry, I am impelled again to express concern over the plight of the Jewish community in the Soviet Union.

The right to worship and enjoy the traditions of religious heritage and culture are basic rights, honored unfortunately more in the breach than otherwise by Soviet authorities. International human rights instruments, including the Helsinki accords, have little meaning to totalitarian governments bent on holding individuals hostage to political circumstance.

The courage of Soviet Jews facing persecution is compelling. In 1983, during a visit to the Soviet Union, I had the privilege to meet a number of "refuseniks." Their courage and perseverance gives the world renewed confidence that man is stronger than the state and that faith is stronger than man. Prisoners of conscience like Iosef Begun and Anatoly Shcharansky are testaments to the strength of individual faith.

Life in the Soviet Union is not easy for those who choose openly to reflect their religious convictions. Thousands are denied the right to emigrate. Others suffer demotions or the loss of professional careers. Some are stripped of their academic degrees. Children are harassed at school and countless others suffer varying manifestations of abuse and repression.

Speeches in a free assembly such as this Congress often bear little fruit in government to government relations. They may even at times risk causing a counterproductive response. But persecution of this magnitude cannot be allowed to take place without public attention.

Writing two decades ago, Harvard's philosopher of totalitarian systems, Hannah Arendt, warned of the danger to humanity when individuals are robbed of the dignity of passing from society or life itself without note. Arrest in the middle of the night; imprisonment without notification of

kin; denial of worship; the numbering rather than naming of human beings must not be allowed to occur without expressions of protest from civilized people.

It is thus the responsibility of the United States, as the world's leading advocate and defender of basic human rights, to register our concerns not only with Soviet officials but with our friends and allies, including other signatories to the Helsinki accords, and to mobilize international opinion generally to ensure that courageous people of faith will not be forgotten. It should never be said that the freest nation on the face of the Earth allowed the Soviet Jewish community to suffer in the dark.●

SENATE—*Friday, July 26, 1985*

(Legislative day of Tuesday, July 16, 1985)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

Father in Heaven, the Senators could use an 8-day week. But in the devine economy You have given us the inestimable treasure of time and all have the same amount—kings and beggars. Help us to appreciate this incalculable treasure and use it wisely. We know that "haste makes waste"—as we are reminded by the Vermont farmer who, when asked why he never hurried, said that he figured when he hurried, he passed up more than he caught up with. Some kill time and complain they never have enough. The busiest invest time by using it wisely. Help the Senators to make time for their own rest and renewal—for their families—and not allow work, like a tyrant, to rob them of the most important values in life. Grant that this weekend, however demanding their work, will be devoted to priorities. In His name Who was never in a hurry—never wasted time—and finished what He had come to do on Earth. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The distinguished majority leader is recognized.

SCHEDULE

Mr. DOLE. Mr. President, under the reduced time limit, the leaders have 3 minutes each, and special orders not to exceed 15 minutes each for Senators PROXMIRE, NUNN, and MOYNIHAN.

Following that, there will be routine morning business not to extend beyond the hour of 11 a.m. with statements limited therein to 5 minutes each.

Following the conclusion of morning business, the Senate will resume S. 1078, the FTC authorization bill. Pending is the Kasten amendment No. 542.

Also, it is the intention of the majority leader to turn to S. 410, the Conservation Service Reform Act. Several amendments can be expected to S. 410. Therefore, rollcall votes will occur throughout the day today, though I urge my colleagues to work out these amendments, if they can. I hope we can limit the number of rollcalls we have today because we have colleagues on both sides who are not here because of official business elsewhere.

So I hope we can have votes. But I hope we do not overdo it.

THE BUDGET CONFERENCE

I want to compliment the distinguished Senator from New Mexico Senator DOMINICI, and all Senators who are confrees—Republicans and Democrats—in the budget conference.

Now that the plan has been offered, it seems to me that we now have before the Congress a straightforward—I think very constructive—effort to face up to the deficit reduction.

My understanding, although I was not present, is that they had a very amicable exchange among the conferees—Democrats and Republicans, House Members and Senators—and that the House conferees met with their leaders on both sides of the aisle to discuss the package, and hopefully they will be in a position to make some comment very soon.

I hope that, if there is some affirmative response or signal from the White House, that we might take the next step. And that would be to indicate or to determine whether or not there will be any reason for the President, the Speaker, and others who are engaged in this process to sit down, and not just visit about the budget and the deficit but actually come to grips with the issues before us and make some decisions on what we intend to do about it. The deficit is there. I know the media likes to pick out defense, Social Security, or the import fee, and write solely about those items. It may be necessary. But I hope that sometime someone will write a column or two on the danger of the deficit and what it means to Social Security recipients, what it means to people who drive automobiles who might have to pay a bit more for gasoline if there were an oil import fee—and I underline f-e-e—and what it might mean to others if we fail to face up to our responsibilities on the deficit. It is easy to go to special interest groups and find opposition to cutting any program or making any change if it appeals to just that interest group.

In my view, it is time that we address this problem as we should, not only as a national problem but as a global problem, and one that could engulf our economy in the next year or two.

So I am very optimistic. I am very pleased with the leadership—bipartisan leadership—of the Senate conferees. Now we will await some positive signal from the Speaker, the majority leader in the House, and others who will have an opportunity to review this package. The package is under review in the White House. It was delivered to the White House about 4 o'clock yesterday afternoon following the early morning meeting with the Chief of Staff Don Regan, myself, and Senator DOMINICI. So we are hopeful. It was offered in good faith. It is just a flat-out deficit reduction.

In my view, we can still accomplish this before we begin the August recess on next Friday.

Mr. President, I reserve the remainder of my time.

RECOGNITION OF THE MINORITY LEADER

The PRESIDENT pro tempore. The distinguished democratic leader is recognized.

THE BUDGET CONFERENCE

Mr. BYRD. Mr. President, I have listened to what the distinguished majority leader had to say. I compliment him on his efforts to encourage some agreement on a budget package. He has referred to the Speaker and to the President. I think it would be very helpful if we could find out where the President stands. I noted that the majority leader also indicated that—he did not say it quite as I shall—a little more help is needed from the White House, also. We do not know where the President stands on the oil import fee. We do not know where he stands on Social Security and other COLA income reductions which are a part of the package, as I understand it.

We should know whether or not the President is going to lead the charge. Is he going to go along on oil import fees and other controversial features of the package?

A firm understanding of where the President stands, what his position is and how much leadership he is going to give to an oil import fee and other aspects of the Senate Republican leadership proposal would help.

(Mrs. KASSEBAUM assumed the chair.)

Mr. BYRD. Madam President, I yield back the remainder of my time.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

THE KASTEN LEGISLATIVE VETO AMENDMENT

Mr. BYRD. Madam President, may I say to the distinguished majority leader that our people have been working on some revision of the amendment by Mr. KASTEN. I hope that Mr. KASTEN and I and Senator FORD and others might sit down very soon and go over the changes that have been recommended so that we can come to the floor and get on with Mr. KASTEN's amendment, expedite the action on it and the Levin-Grassley amendment and the bill.

Mr. DOLE. I thank the distinguished minority leader. It is my hope that we can move rather quickly. There are a number of Senators who have early afternoon conflicts and we hope to be able to accommodate as many as we can. There are, I think, an equal number of Senators out on each side on official business. So, again, I urge that we not have a rollcall vote. If we can agree on something, let us agree on it and have rollcall votes, maybe, on passage.

THE BUDGET CONFERENCE

Mr. DOLE. Madam President, I appreciate the comments of the distinguished minority leader on the deficit reduction plan. Let me say that it is not a Social Security COLA cut, it is an adjustment every 2 years of the full COLA.

I also add that it has been said, if you do that to tax indexing, we might be able to accept it on COLA's. The very same treatment is given to tax indexing; it is adjusted every 2 years instead of every year. It seems to me it does not pick up nearly as much money as a so-called 1-year COLA freeze or a 1-year freeze on indexing would. But it does, combined, pick up about $18 billion over 3 years, so it is a very mild effort. We save that money just by the fact that we are not paying it out; we are not adjusting on an annual basis, we are adjusting every 2 years. It seems to me it does deserve some consideration.

I do not want to place the blame on anyone at this point. I just hope that those who have the highest responsibilities will focus on the deficit and the consequences of no action rather than on some specific proposal. I am hopeful that we will have the cooperation of the President and the Speaker, and I am certain we will have the cooperation of the majority and minority leaders in the Senate and other leaders in the House—the minority leader, Representative MICHEL and the majority leader, Representative WRIGHT—obviously Senator CHILES, Senator DOMENICI, Senator KASSEBAUM, and Senator HOLLINGS—and other key players in the budget conference—we are all in this together.

Again, I appreciate the efforts of the bipartisan spirit of the conferees.

Madam President, I have already used my time.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER. Under the previous order, the Senator from Wisconsin [Mr. PROXMIRE] is recognized for not to exceed 15 minutes.

Mr. PROXMIRE. I thank the Chair.

UNITED STATES AND U.S.S.R. COOPERATE IN HOW TO DESTROY EACH OTHER

Mr. PROXMIRE. Madam President, on July 1 the New York Times reported that American and Soviet scientists are deeply engaged in joint cooperative space weapons research. There is of course, no conscious conspiracy aimed at building even more terrible weapons of death. But the result is the same. There is none of the transparent alibi that this Soviet-American collaboration will only build defensive weapons designed to defend against offensive nuclear attack.

Collaboration between Soviet and American scientists produces offensive as well as defensive nuclear weapons. The collaboration is honest, it is open, it is public.

Both Soviet and American participants say frankly that this scientific cooperation will bring breakthroughs that will permit both superpowers to build better-than-ever weapons for both defense against nuclear attack and for penetration of those very nuclear defenses.

In the article, New York Times reporter William Broad quotes General Abrahamson, the director of the Reagan Star Wars Program as saying that the main particle-beam device at Los Alamos, "works because there are three separate Soviet inventions included in that weapon." Three Soviet inventions included in our nuclear weapon. That particle-beam weapon can be directly useful to the star wars antimissile defense. Could it not be also immensely useful to overcoming that same star wars defense? Of course it could. And it will.

Dr. Andre Gasponer, the director of the Independent Scientific Research Institute at Geneva, has reported that American and Soviet arms researchers are secretly working at a laboratory for particle physics just outside Geneva. Dr. Gasponer is quoted as saying:

> There is no conspiracy to make weapons. There's a lot of good will to study, to understand, to push the technologies to the limit. And this is exactly what the military wants.

Some of the work focuses on a machine at this laboratory that the New York Times calls the most powerful in the world for producing antimatter particles. These antimatter particles have an enormous potential for another hugh increase in the destructive force of military weapons. Reactions between matter and antimatter produce a complete liberation of energy. It is the only place in nature where Einstein's famous law on the equivalence of energy and matter is demonstrated in full force. In other words, if you liked the hydrogen bomb, you will love this baby. Dr. James Fletcher, former head of NASA, is quoted as saying that "Antimatter beams could provide an effective and highly lethal kill mechanism."

Madam President, this group of American and Russian scientists certainly do not constitute a conspiracy to promote a more and more destructive nuclear war. They are dedicated as scientists have always been to pushing back the frontier of science, whether the consequence is a cure for cancer or a doomsday weapon that will more quickly and surely destroy the civilized world. The scientists do not appropriate money for weapons or declare war. We elected officials do that. This is our bag. The time has come when those of us in the congresses and parliaments of the world must call out loud and clear and relentlessly for an end to this crazy nuclear arms race.

Here we are, devoting our marvelous scientific genius to the development of the most immensely destructive weapons available. We pursue this madness in the name of democracy and freedom against the great evil of Soviet communism and tyranny. The Soviets pursue the same mania in the name of an end to the economic exploitation of man and the establishment of equality. We arm to stop communism. They arm to stop capitalism. The one area where these two superpowers cooperate congenially and fully is in the exchange of the basic scientific data for building the weapons that will destroy both sides. It is like an insane dance of death, a zany minute between duelers to the death. They make faces at each other, shout oaths and imprecations; then each hands the other a deadly machine gun, cleaned and loaded by the adversary. Final pas de deux; the two congenial assassins, each armed by the other, simultaneously rip rounds of fire into each others' bodies.

Madam President, if this exchange of weapons research makes any more sense than I have described, let some other Senator explain it. I can't.

I ask unanimous consent that the article I have described from the July 1, New York Times, by William Board, entitled "Space Arms Projects Ignite Debate on U.S.-Soviet Science Exchanges," be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, July 1, 1985]

SPACE ARMS PROJECTS IGNITE DEBATE ON U.S.-SOVIET SCIENCE EXCHANGES

(By William J. Broad)

Tensions are rising, because of the development of antimissile research programs, over the exchange of ideas and information taking place among scientists from the United States and the Soviet Union.

The exchanges revolve around non-military matters and are limited to so-called pure, or theoretical, science, according to experts in the United States and Europe.

But a debate is intensifying over whether the meetings should be sharply curtailed. Many of these Russian and American scientists work in military laboratories and their meetings are occurring at a time when both nations are searching for powerful space weapons. These weapons have yet to be perfected and will almost certainly depend for their success on future developments in theoretical science.

PRESSURE TO CURB MEETINGS

Members of opposing ideological camps are switching dies in this debate. Some Pentagon officials say Soviet scientists could gain not only ideas for exotic weaponry but state secrets as well and want the meetings promptly halted. They are allied in this desire with some liberals who want such "pure science" explorations stopped because they believe they will ultimately escalate the arms race.

On the other hand, different Government officials are allied with conservative weapons scientists, like Dr. Edward Teller, who argue that through discussion and shared research, nuclear weapons, as President Reagan proposed in his speech of March 1983, can be made "impotent and obsolete."

Exchanges of information between American and Soviet scientists are not new. They have been going on for decades. Nor is the concern that such meetings could lead to inadvertent disclosures to the Russians of important military data.

But what is adding special urgency to the controversy is the uncertainly over the ultimate nature of the evolving research, whose American version is formally labeled by the Reagan Administration as its Strategic Defense Initiative and is widely known as "Star Wars."

Major questions have yet to be answered: What types of technology might allow it to work as a vastly complex defensive shield in space that could destroy intercontinental nuclear missiles? Could it be overcome with relatively simple technologies? Could it have offensive uses?

LINES OF BATTLE DRAWN OVER SCIENTIFIC MEETINGS

The dilemma presented by the scientific exchanges is described by Dr. Theodore B. Taylor, formerly an atomic physicist at the Los Alamos National Laboratory in New Mexico, the birthplace of the atomic bomb. "On one level here are two countries facing each other—and it's terrible," he said in an interview. "But on another, here are two sets of scientists sharing a sense that they're both working on weapons for the same reason, to aid deterrence or whatever. And they feel friendly and hand-picked—almost mystically picked. There's a sense of camaraderie. It's curious. It's a matter of shared excitement."

American arms researchers have vigorously protested any attempts to put restrictions on meeting with their Soviet counterparts, saying they profit from Soviet scientific literature and contacts. "We bring back as many good ideas as we leave," said Dr. William A. Barletta, the director of beam-weapons research at the Lawrence Livermore National Laboratory in California, which, along with Los Alamos, is one of two Federal facilities in the United States for the design of nuclear weapons.

"It probably adds to stability," observed Dr. Marshall N. Rosenbluth, the director of the Institute for Fusion Studies at the University of Texas and formerly a physicist at Los Alamos. "The more interaction there is, the less paranoia, and the Russians certainly have shown a good deal of that."

CONSEQUENCES OF DECISIONS

But others say these exchanges between East and West result from a kind of blind scientific quest, undertaken for its own sake just to see whether breakthroughs can be achieved and without regard to consequences. "It's a mutual advancing of interests between technologists—one that is not in the common interest," said Dr. Richard L. Garwin, a longtime Pentagon consultant who is a former designer of nuclear weapons. "I wouldn't call it a collusion. But it takes place out of the limelight and can lead to the wrong kinds of governmental decisions." An example, he said, was how weapons scientists of East and West united to oppose a comprehensive ban on the testing of nuclear weapon in 1950's.

Dr. Charles Schwartz, a physicist at the University of California at Berkeley who is a peace activist, said, "The arms race is in the self-interest of both sets of weapons scientists to the extent that it allows them to expand their budgets and turf." He added that it was easier for Russian scientists to get into the American weapons laboratories than it was for him to do so.

One Pentagon objection to the exchanges has to do with a concern over the possible theft of American military secrets by Soviet scientists who might be acting as intelligence agents. In May, Richard N. Perle, the Assistant Secretary of Defense for international security policy, told reporters that he believed that Soviet scientists visiting the United States were usually either full-fledged spies or legitimate scientists on intelligence missions. There are, he said, "dramatic examples not only of Soviet intelligence officers but of Soviets deeply immersed in the development of some very menacing defense technologies who have come to this country for two and three weeks at a time and had access to the American community of scholars and engineers." He would not provide specific examples. He said, "If it were up to me, I would discourage scientific exchange with the Soviet Union."

CRITICS OF THE RESEARCH SEE A CERN CONNECTION

European critics of antimissile research say that collaborations between weapons scientists of East and West extend to powerful particle accelerators. While these atom-smashers ostensibly have application only to pure science, some scientists see them as a potential tool for the development of powerful beam weapons. In articles, lectures and a recent book, Dr. André Gsponer, the director of the Geneva-based Independent Scientific Research Institute, has asserted that American and Soviet arms researchers are secretly working at CERN, the 6,000-person European Laboratory for Particle Physics, which is just outside Geneva. The laboratory has long enjoyed a reputation for pushing back the frontiers of peaceful physics.

"There is no conspiracy to make weapons," said Dr. Gsponer, who once worked at the laboratory. "There's a lot of good will to study, to understand, to push the technologies to the limit. And this is exactly what the military wants."

One focus of military interest in CERN is antimatter, according to Dr. Gsponer. The laboratory now has the most powerful machine in the world for producing antimatter particles, which are identical to regular particles of matter in mass and spin but have the opposite electric charge. They are also extremely rare.

The military's interest stems from the great energy released when particles of antimatter collide with those of matter, according to Dr. Gsponer. In the fission and fusion reactions of nuclear weapons, only a tiny fraction of matter is turned into energy, from which the weapons nonetheless get their spectacular power. A-bombs or fission weapons split heavy atoms such as plutonium. H-bombs or fusion weapons fuse together isotopes of hydrogen to release some of the energy at the heart of the atom.

But reactions between matter and antimatter produce a complete liberation of energy. It is the only known place in nature where Einstein's famous law on the equivalence of energy and matter (energy equals mass times the speed of light squared) is demonstrated in full force.

A POTENTIALLY POWERFUL WEAPON

Antimatter weapons for the destruction of enemy missiles and warheads were one of the possibilities cited by an early Pentagon inquiry into the feasibility of a shield against nuclear weapons. The Pentagon study, completed in October 1983, was headed by Dr. James C. Fletcher, a former Administrator of the National Aeronautics and Space Administration. "Antimatter beams could provide an effective and highly lethal kill mechanism," the report said.

Dr. Gsponer said weapons scientists of East and West worked at the CERN laboratory on antimatter projects and also met to discuss their findings at international conferences. At Tignes-Savoie, France, he said, a large meeting on the CERN antimatter machine was held in January and attended by Soviet and American scientists, some of the Americans coming from the Los Alamos weapons laboratory.

CERN officials routinely deny that any classified research is ever carried out at their facilities, saying everything must be publishable in the open literature. Dr. Gsponer said this is true, but that the real beneficiaries of much of the research were nonetheless the weapons scientists.

Echoing his view was The Financial Times of London, which recently asserted, "The strongest political case for keeping CERN in business may turn out to be the installation's usefulness as an insurance that European governments can keep abreast of some of the science of Star Wars."

HISTORY OF COOPERATION: TRANSCENDING BORDERS

According to historians and political scientists, the cooperation between weapons scientists of East and West, though seemingly paradoxical, is actually in step with the overall ideology of science. In principal, science is international. Its borders are not meant to coincide with those of nations.

But such ideas are quickly abandoned when governments believe that security risks outweigh scientific benefits, according to Dr. David Holloway, a political scientists at the Center for International Security and

Arms Control of Stanford University. For instance, he said, widespread cooperation between American and Soviet atomic physicists in the 1920's and 1930's gave way to separation and secrecy in the 1940's when governments realized the possibility of building atomic bombs.

After the birth of the nuclear era, atomic scientists of East and West slowly began to renew their contacts—sometimes with controversial results. In 1956 Dr. Igor V. Kurchatov, the "father" of the Soviet atomic bomb, gave a frank lecture in Britain on fusion, the nuclear reaction that powers the sun and hydrogen bombs. "He spoke about things that had been classified in the Soviet Union and were still classified in the West," Dr. Holloway said.

The weapons scientists soon united to promote goals that may have conflicted with the best interests of their respective nations, according to Dr. Garwin. An example, he said, was how the "close alliance" between Soviet and American nuclear-weapons scientists in the 1950's and early 1960's became an "impediment" to negotiations of a comprehensive ban on all tests of nuclear weapons. Such a ban would have applied a brake to the arms race. It also would have put the weapons researchers out of business.

CROSSING FORBIDDEN ZONES

By the 1970's, Soviet and American scientists were cooperating on projects that bordered on classified areas, and sometimes crossed into forbidden zones. One such program was controlled fusion, which attempts to harness miniature hydrogen bombs for the production of electrical power. The tiny fusion reactions are meant to heat water to turn generators. In 1976, American censors tried to retroactively classify a lecture on controlled fusion given at an American nuclear-weapons laboratory by Dr. L. I. Rudakov, a visiting physicist from a major Soviet center in Moscow for the design of weapons. According to American arms experts, he had discussed details that were considered "sensitive."

In the past two decades, arms scientists of East and West have widened their mutual endeavors to include collaborations in such areas as mathematics, plasma physics, lasers and particle accelerators.

Even Dr. Teller, an American nuclear physicist long known for his disparaging views of the Soviet Government, has embarked on collaborative endeavors with his Russian colleagues. In August 1983 he signed a joint agreement with Dr. Yevgeny P. Velikhov, a vice president of the Soviet Academy of Sciences, to set up an international center to study the effects of large-scale nuclear wars on global climate and the development of arms for the destruction of offensive missiles.

Despite a historic rise in contacts, détente has not extended to Russia designers of nuclear weapons, whose identity the Soviet Government tries to keep secret. "We don't even know who those guys are," said Dr. Michael M. May, the associate director of the Livermore laboratory. "I've been interacting with the Soviets since 1970. I'm sure I've met them. But nobody has ever identified themselves as a weapons scientist or spoken about these matters."

Such uncertainty surrounds the work of many Soviet scientists. An example is Dr. Velikhov, whose publicly accessible research focuses on controlled fusion and lasers. American arms researchers suspect he also works on laser weapons.

NATURE OF EXCHANGES AND THE CURRENT CHILL

According to Dr. Arthur H. Guenther, the chief scientist of the Air Force Weapons Laboratory in Albuquerque, N.M., occasional ambiguity about the work of Soviet arms researchers does not obscure the overall pattern. "There's no question that it's a community which is made up of people with similar backgrounds and similar interests, and that the technologies involved are common everywhere," he said. "It's also a community in which one is continuously on guard because the areas about which you're talking are sensitive.

"Do we talk physics? The answer is yes. Does the physics relate to things of national interest? The answer is obviously yes. It happens to be the language of our business. And there is a certain amount of parrying back and forth."

Recently Dr. Guenther visited Russia to meet with Dr. Nikolai G. Basov and Dr. Aleksandr M. Prokhorov, physicists who in 1964 shared the Nobel Prize for their pioneering work in the development of lasers.

According to Dr. Robert W. Seidel, a historian at the University of California at Berkeley who is studying the early days of laser development in both East and West, "soft" intelligence data can often be gathered by American weapons scientists in contact with their Soviet colleagues.

"You offer what you know you can offer," he said, referring to American arms researchers. "The Soviets do the same. And somebody slips. And you learn something quite new. It's a kind of soft intelligence."

But all that may be changing, according to American weapons experts. The recent chill in Soviet-American relations is extending to cooperative science as well, especially areas that touch on technologies for developing an antimissile shield. The quest is sometimes known as S.D.I., after Mr. Reagan's Strategic Defense Initiative.

"With S.D.I. becoming a big thing, it's harder for people to make contacts," said Dr. Rosenbluth of the University of Texas. For both East and West, the perception of security risks is starting to outweigh the allure of scientific benefits, as Dr. Holloway put it.

For example, Russian scientists recently withdrew a paper on microwave generation scheduled to be presented at an international conference in Europe. "The Soviets decided it was classified," said Dr. Barletta of Livermore. Powerful beams of microwaves are being studied in both East and West as a way of trying to destroy the delicate electronics of missiles and warheads.

CONCERN ABOUT SECRECY

Dr. Barletta expressed concern over the trend to increasing secrecy, saying both sides benefitted from open communication. "Technology transfer is a two-way street," he said. "I subscribe to Teller's point of view. Aside from blueprints for nuclear weapons, nothing should be classified. If you have a free country and a vigorous country, the price of secrecy is too much to pay."

Lieut. Gen. James A. Abrahamson Jr., the director of the Reagan Administration's Strategic Defense Initiative, recently told a group of reporters that the main particle-beam device at Los Alamos "works because there are three separate Soviet inventions included in that weapon."

Although cooperation between American and Soviet researchers continues unabated in the area of controlled fusion, some arms scientists say it will probably diminish as aspects of this technology fall under the auspices of the antimissile research program.

At the Los Alamos laboratory, one of the world's most energetic lasers for controlled fusion, Antares, is already being evaluated for use by the military. "Recent interest in new defense concepts, such as laser weapons, offers a new potential application for this powerful research tool," the current annual report of the Federal laboratory said.

In the face of widespread collaborations and meetings between weapons scientists of East and West, American officals are instituting new procedures to try to stem the flow of American research findings that might have application to an antimissile shield and other military matters. The Department of Defense, which now finances more than 70 percent of all the scientific research and development undertaken by the Federal Government, has recently tried to close many scientific meetings to foreigners and to set up restricted sessions where security clearances are required for attendance.

The chill extends to exchange programs not linked with the military, an example being the United States-Soviet Union Joint Coordinating Committee for Research on the Fundamental Properties of Matter. James E. Leiss, head of the American delegation and director of High Energy and Nuclear Physics at the Federal Department of Energy, recently signed a research accord with Ivan V. Chuvilo, director of the Institute of Theoretical and Experimental Physics in Moscow.

But Mr. Perle, who is in charge of international security for the Defense Department, has said such exchanges must be curtailed because of suspicions that the Soviet scientists could be spies.

Other arms experts in the United States characterize such attitudes as naive, saying the exchange of valuable information is a "two-way street." They contend that increasing restrictions on American scientists may only serve to drive the best ones out of weapons research. Dr. Seidel said the ability to speak as freely as possible with scientific peers, wherever they may be found, had a critical effect on "the caliber of people you can recruit."

Some American critics of the Reagan antimissile research are less sanguine about the merits of such East-West cooperation. They argue that the sheer scientific momentum behind the international quest for antimissile weapons could ultimately force their deployment, which would add yet another costly and destabilizing spiral to the already expensive competition between the nuclear superpowers.

MYTH OF THE DAY: THAT THE REAGAN ADMINISTRATION HAS HELD DOWN FOREIGN AID SPENDING

Mr. PROXMIRE. Madam. President, my myth of the day today is the widespread conviction that the Reagan administration is opposed to foreign aid programs. That widespread conviction is wrong. The fact is that the Reagan administration has zoomed into first place as the foreign aid champion. Do you find that hard to believe? Well, believe it.

Consider: in the first 6 years in office, the Reagan administration will

spend over $91 billion in foreign aid or more than the combined total foreign aid spending by President Nixon, Ford and Carter. During their 12 years in office, they spent about $77.8 billion for foreign aid. President Reagan's administration has taken one-half the time to spend $13.2 billion more than his three predecessors

Does inflation account for this foreign aid extravagance? No, indeed. Even looked at in constant dollars, the Reagan administration is the all-time big spender in foreign assistance. The fiscal year 1985 total of $19.6 billion is the largest constant dollars foreign aid spending level since the post-World War II Marshall plan. There has been an 83-percent real increase—real that is, allowing fully for inflation—in foreign aid since 1979. In current dollars, the first 4 Reagan years saw an expenditure for foreign aid of $27.3 billion or 106 percent higher than the Nixon/Ford term and $35.2 billion or 197 percent higher than the Nixon years of 1969–72. The Reagan administration has spent $19 billion or 56 percent more in foreign aid than the Carter administration spent in the same time period.

As might be expected, Madam. President, the Reagan administration has heavily favored military foreign aid rather than economic aid or Peace Corps or Food-for-Peace Programs.

A MONUMENT AGAINST FORGETTING

Mr. PROXMIRE. Madam President, later this year a documentary film on the Holocaust will open in New York that has been acclaimed in Paris as a masterpiece. The film is named "Shoah," which is a Hebrew word meaning annihilation. The New York Times reports the 9½-hour documentary film will open October 23 at New York's Cinema Studio I.

"Shoah" took Director Claude Lanzmann, a Frenchman who fought in the resistance during the war, 10 years to film.

It is a film unlike any other previously produced about the Holocaust.

It is striking in that it does not contain any of the archival footage of tortured survivors and dead bodies that we have come to expect in a film about death camps.

It consists entirely of filmed interviews with death camp survivors, former Nazi camp officials, neighbors who lived near the sites, and other witnesses. Also included are Holocaust scholars and historians.

According to the Times, the film's reliance on words instead of images created a sensation when it opened this spring in Paris.

Daniel Talbot, president of New Yorker Films, calls "Shoah" a meditation on the Holocaust. He describes it as "the first film I have ever seen that tries to give an understanding of what happened."

To the philosopher Simone de Beauvoir, "Shoah" represents an absolutely indispensable means of comprehending the Holocaust. She writes, "We read after the war numerous commentaries on the ghettos, the extermination camps, and we were shaken. But seeing today the extraordinary film of Claude Lanzmann, we realize that we knew nothing. Despite all our knowledge, the awful experience remained at a distance from us. For the first time we live it in our hearts, and in our flesh."

The French press has described it as a "monument against forgetting."

Mr. President, the 96 nations that have signed the Genocide Treaty may look at our failure to ratify the treaty as a sign that we have forgotten the suffering of the Holocaust victims.

These nations may interpret our failure to ratify the treaty as a weakness in our resolve to protect human rights.

At the end of the last session we resolved to take up the Genocide Treaty early in the 99th Congress.

Madam President, the Senate must ratify the Genocide Treaty soon. We must prove we have not forgotten the Holocaust and reaffirm our determination that it shall never be repeated.

RECOGNITION OF SENATOR NUNN

The PRESIDING OFFICER. Under the previous order, the Senator from Georgia [Mr. NUNN] is recognized for not to exceed 15 minutes.

Mr. NUNN. I thank the Chair.

LABOR FRAUD INVESTIGATION OF JACKIE PRESSER

Mr. NUNN. Madam President, the Los Angeles Times reported on Wednesday, July 24, 1985, that the Department of Justice has decided to drop its 32-month-old labor fraud investigation of Jackie Presser, president of the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America.

According to published reports, the Department's decision to decline prosecution was made in Washington and contrasted sharply with recommendations by its prosecutors in Cleveland, as well as the recommendations of a Federal grand jury in that city, to indict Mr. Presser in connection with allegations that he authorized payment to ghost employees, persons who were reportedly placed on union payrolls with the understanding that they would not be required to work.

For reasons I will explain, I am concerned about the Justice Department's decision and believe Congress should review it. Under ordinary circumstances, the legislative branch does not evaluate the actions of the Justice Department when it decides to indict or not to indict someone on criminal charges.

But circumstances surrounding the Jackie Presser investigation are not ordinary. He is, first of all, one of the Nation's most important labor leaders. He has considerable responsibility in national affairs. As international president of the Teamsters, he heads the largest union in the country. He is an adviser to the Reagan administration on labor issues and served on the transition team in 1980 and as cochairman of the inaugural labor committee in 1985.

Moreover, responsible and knowledgeable persons have raised questions about the Presser inquiry, about the autonomy of the Cleveland grand jury, about the ability of Federal prosecutors there to carry out a fair and impartial inquiry unfettered by constraints imposed from Washington, and about the possibility that the scales of justice, in this instance, might have been tipped in Mr. Presser's favor.

Serious issues have surfaced in the outcome of the Presser investigation. The Labor Department, which first developed the information that led to the opening of the Presser case nearly 3 years ago, is reported to be disgruntled with the manner in which Justice Department officials handled the inquiry.

The Justice Department is said to be divided between those who wanted to indict Mr. Presser and those who insisted the proposed indictment lacked "prosecutive merit."

Critics within the Justice Department reportedly are angry at the Federal Bureau of Investigation for not having informed the Department early in the inquiry that Mr. Presser was being used in other cases as a confidential informat. Justice Department officials are reported to have ordered an inquiry into the FBI's relationship with Mr. Presser.

In Cleveland, the Justice Department has been criticized by members of the grand jury investigating Mr. Presser. The jurors are said to have complained to two Federal judges that the Department was deliberately delaying their investigation.

These matters deserve the attention of Congress, particularly the Senate Permanent Subcommittee on Investigations, which is directed to look into allegations of irregular practices in the labor-management field; and to examine instances in which executive branch agencies reportedly operate inefficiently and at cross purposes.

As chairman of the subcommittee from 1979 to 1981 and as its ranking minority member since then, I have worked to use this panel to strengthen laws aimed at driving out of the labor-

management field those persons who would seek to exploit it for criminal purposes.

Along with Senator ROTH, who is now the chairman of the subcommittee, and other members from both sides of the aisle, I have pursued this objective because of my belief in the right of workers to bargain collectively in an environment free of coercion and crime. It has been estimated that only 1 percent of union locals are afflicted with corrupt practices. That indicates that the overwhelming majority of union leaders are honest, conscientious, and deeply committed to their membership. But that 1 percent, small in numbers, threatens to bring discredit to the entire union movement.

The Investigations Subcommittee, which since the 1950's has made several bipartisan inquiries into instances of alleged irregular practices in the labor-management field, has played a key role in bringing about reform in the collective bargaining process and in the employee benefit programs that have resulted from that process.

The Labor-Management Reporting and Disclosure Act of 1959, commonly referred to as the Landrum-Griffin Act, was a major reform that resulted from the work of the Investigations Subcommittee and its extension, the Senate Select Committee on Improper Practices in the Labor or Management Field.

Both the subcommittee and the select committee were chaired by the late Senator John McClellan of Arkansas, a Democrat, but their work benefited greatly from the active participation of Members from the Republican side, including Senator BARRY GOLDWATER of Arizona, former Senator Carl Curtis of Nebraska and the late Senator Karl Mundt of South Dakota.

Two Democrats who served under Chairman McClellan—Senator John F. Kennedy of Massachusetts and Senator Pat McNamara of Michigan—came from States with sizable union constituencies, as did a Republican member, the late Senator Irving Ives of New York, who was vice chairman. Other members were former Senator Sam Ervin of North Carolina and the late Senator Frank Church of Idaho.

Similarly, when the landmark pension reform act of 1974, ERISA, the Employee Retirement Income Security Act, was being implemented for the first time, the Investigations Subcommittee undertook a comprehensive and bipartisan evaluation of how the statute was being applied.

With support from both sides of the aisle, the subcommittee took issue with the Labor Department's position in the Carter administration, for the somewhat limited interpretation of how ERISA was to be used. We conducted a very intense investigation of that. Senator Charles Percy of Illinois was very active in that, on the Republican side, and I was very active as the chairman of the subcommittee, on the Democratic side.

These differences came to light in the subcommittee's investigation of the Labor Department's use of ERISA in trying to reform the scandal-plagued multibillion-dollar Teamsters Central States pension fund, which has squandered millions of dollars on loans to resorts, casinoes, and certain other enterprises controlled by persons with alleged ties to organized crime.

The disagreements between then-Secretary F. Ray Marshall and the subcommittee were deeply felt and at time were reflected in sharp exchanges between him and us. But the criticism was offered in a constructive manner and, ultimately, the Department adopted many of the recommendations we had made.

Another constructive bipartisan investigation in the labor-management field was the subcommittee's inquiry into corruption on the New York and Florida waterfronts. Begun in 1980 when I was chairman, the investigation continued in 1981 and hearings were approved by Senator ROTH in one of his first acts as chairman.

He, along with Senators RUDMAN and CHILES and others of both parties, joined in cosponsoring my Labor-Management Racketeering Act of 1981, legislation which provided for the immediate removal of union, management, and employee benefit plan officials from office upon conviction of specified felonies, rather than upon the exhaustion of appeals. Senator DON NICKLES of Oklahoma was very involved and very helpful in that legislation.

Enacted into law in October 1984, the measure also amended the Taft-Hartley Act by increasing penalties for illegal kickbacks, and made clear the responsibility and authority of the Labor Department to investigate and make formal referral to the Justice Department of evidence of criminal activities in the labor-management field.

Again, the waterfront investigations, the ERISA investigations, like so many subcommittee inquiries going back to the late 1950's, were bipartisan. The subcommittee has demonstrated time and time again that it can evaluate Government programs and examine alleged racketeering in a bipartisan way, looking at the issues on their merits and without regard to other considerations.

That is why I am pleased to note that, on behalf of the subcommittee, Chairman ROTH and I have asked the General Accounting Office to make a preliminary examination of the Presser investigation. GAO officials have been asked to report to the subcommittee when they have compiled the facts of the case.

We have also directed the subcommittee staff to undertake a preliminary investigation of the handling of the Presser investigation by the Department of Justice, the Department of Labor, and the Federal Bureau of Investigation. We have, via joint letters to the Attorney General, the Secretary of Labor, and the Director of the FBI, requested the full cooperation of their respective agencies. As with past subcommittee inquiries, Senator ROTH and I fully intend that this investigation be conducted in a constructive and fair manner.

MARTIN LUTHER KING, JR., CENTER

Mr. NUNN. Madam President, today I am introducing with Senator HOLLINGS, legislation that seeks to clarify and strengthen the financial relationship between the Martin Luther King, Jr. Center for Nonviolent Social Change and the National Park Service.

Under the original legislation, which I cosponsored in 1980, that established the Martin Luther King, Jr. National Historic Site in Atlanta, GA, the National Park Service was authorized to develop and interpret significant features of a 23.5-acre historic site, including Dr. King's gravesite, the Freedom Hall Complex, the church at which he preached, and Dr. King's birth home.

During consideration of the fiscal year 1984 Interior Department appropriations measure, I joined with Senator HOLLINGS and others in offering an amendment that provided statutory authority that enabled the Park Service to enter into cooperative agreements with the King Center. These cooperative agreements were intended to provide a mechanism for reimbursement of expenses incurred by the King Center in the maintenance of certain areas within the historic site.

Madam President, the number of visitors to the King National Historic Site has increased significantly. Numerous foreign and trade delegations visit the site each month, and an increasing number of tour groups include the site in their schedule of stops. Because of the tremendous increase in visitation to the site, and especially to the crypt and Freedom Hall Complex, the operation and maintenance costs borne by the King Center have risen dramatically. These costs are currently in excess of $400,000 a year, while the amount actually appropriated is $98,000 for the current fiscal year.

To compensate for this shortfall, the King Center requested an additional appropriation from Congress. At the request of Senator HOLLINGS, Chairman MCCLURE of the Senate Interior Appropriations Subcommittee agreed

to include $100,000 for the King Center in the supplemental appropriation bill for fiscal year 1985. These funds were approved with the understanding that additional clarifying legislation would be necessary before such funds could be appropriated in the future. I appreciate Senator McCLURE's assistance in this matter. Hopefully, the legislation we are submitting today will satisfy Chairman McCLURE's concerns by providing clear and unambivalent statutory authority for this funding arrangement to continue in the future.

Madam President, the upcoming national holiday established to commemorate the life and work of Dr. King and the national historic site honoring his achievements indicate that his rightful place in American history is beside those individuals who have made a meaningful and lasting contribution to the moral fabric and culture of our great Nation. The Martin Luther King, Jr. Center for Nonviolent Social Change—a nonprofit organization that relies primarily on private donations to fund its operations—and the national historic site established in Dr. King's honor are the primary physical testaments to Dr. King's struggle for social equality in our Nation. I believe that it is only fair that the Federal Government meet the financial responsibility to which it agreed when it established this National Park Service facility.

I urge the Senate to adopt this legislation.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 3 of Public Law 96-428, establishing the Martin Luther King, Junior, National Historic Site, is hereby amended by adding the following new subsections:

"(e) The Secretary may annually enter into a direct Grant with The Martin Luther King, Jr. Center for Nonviolent Social Change, Inc. for the purposes of:

(1) supporting appropriate public visitations to the Freedom Hall Complex; and

(2) maintenance, operation and preservation of those internal and external areas of the Freedom Hall Complex open and accessible to the public for visitation and educational purposes.

"(f) The Secretary may also enter into a contract with the Martin Luther King, Jr. Center for Nonviolent Social Change, Inc. for the performance of other tasks associated with the management and operation of the Martin Luther King Junior National Historic Site, such as, interpretation and visitor services, research and studies, public information, community outreach, exhibits and special services."

Mr. HOLLINGS. Madam President, on October 10, 1980, members of both political parties in the U.S. Senate and House of Representatives enacted Public Law 96-428, to establish the Martin Luther King, Jr., National Historic Site in the State of Georgia. Congress took this action to protect and interpret for the benefit, inspiration, and education of present and future generations, the places where Martin Luther King, Jr., was born, lived, worked, worshiped, and where he is buried. Shortly after Dr. King's death in 1968, members of the King family, friends, and supporters established the Martin Luther King, Jr., Center for Nonviolent Social Change, Inc. This was intended to be an international memorial; a national conference and cultural center; a teaching, research, education and training facility; and most important, the preserver, interpreter, and advocator of the legacy and dream of Martin Luther King, Jr.

For more than 16 years, friends and supporters have labored to raise funds to construct the Freedom Hall Complex which contains the buildings that house the more than 50 programs of the center. Its library and archives contain the largest collection of primary resource materials on the U.S. civil rights movement in the world, including Dr. King's papers. The conference and cultural center, Dr. King's permanent entombment, his restored birthhome, the Chapel of All Faiths, Freedom Walkway and Plaza, the eternal flame, the Administration, Program, and Archives Building, Exhibition Hall, and other facilities are a part of the center.

Through dedicated, sacrifice, and farsightedness, the King Center and its Freedom Hall Complex now contain most of the central features of the Martin Luther King, Jr., National Historic Site or Park. While the U.S. Congress has provided for modest funding for this important historic site, we have had to rely on appropriations to help the King Center accommodate nearly 500,000 visitors each year; including heads of state from abroad, continuous foreign trade delegations, partners of U.S. businesses, special guests of the U.S. Department of State, members of the United Nations, foreign exchange students and ordinary Americans representing all races, religions, classes, politics, and stations in life. The maintenance, operating costs and services associated with increased public visitations to the King Center and its Freedom Hall Complex, now exceed $400,000 annually. This is a public burden which the King Center cannot sustain without some public support.

In 1984, the Congress provided $100,000 to help the King Center meet its public obligations. In 1985, the Congress provided $98,000. Last month, during the consideration of the supplemental appropriations bill, I secured an additional $100,000. However, the distinguished senior Senator from Idaho, Senator McCLURE, the chairman of our Interior Appropriations Subcommittee, in accepting my amendment, stated that further appropriations would be provided only to the extent provided by authorizing language. I relayed that information on to the distinguished senior Senator from Georgia [Mr. NUNN].

As Senators know, Members of Congress from both political parties including our Senate majority leader, serve on the Martin Luther King, Jr., Federal Holiday Commission, established to assist in the first observance of the Federal legal holiday honoring Dr. King on Monday, January 20, 1986. I am glad to join other Senate members of the Martin Luther King, Jr., Federal Holiday Commission in cosponsoring this bill, and our fellow members from the other body who are joining with Representative WYCHE FOWLER, JR., in introducing an identical bill in the House of Representatives. This bill will provide the necessary authorization for the funding the King center requires to be a partner with the National Park Service at the Martin Luther King, Jr., National Historic Site. I urge the Committee on Energy and Natural Resources to favorably report this bill as quickly as possible.

The designation of Dr. King's birthday as an official national legal holiday has already increased the pressure on the King Center to accommodate even more visitors as we approach January 1986 and thereafter. Even today, Dr. King's crypt is in need of immediate repairs before it collapses into the reflecting pool which surrounds it. This condition is the result of the large numbers of dignitaries and others who come to pay their respect and place wreaths at the crypt, located on a small island in the reflecting pool.

I have visited the King Center, its Freedom Hall complex, and the national historic site and we can all take pride in what has been accomplished with so little. I am equally impressed by the sound fiscal management evident in the administration of the center. There is no fat, waste, and abuse of public or private funding and trust. Many of my colleagues have visited the King Center and the historic site and have supported its work, and have helped the Federal Holiday Commission prepare for what President Reagan has called "a celebration of freedom and justice which will unite all our citizen," in January 1986.

Earlier this year, I rejoined the Interior Appropriations Subcommittee, on which I previously served for a number of years. Our subcommittee made the initial appropriations to the Kennedy Center and then provided funds to the other cultural activities here in Washington. I supported those appropriations and the concern they indicated for cultural activities in the

Nation's Capital. We need a similar concern for the Martin Luther King, Jr., Center for Nonviolent Social Change, Inc. Not only must it be the guardian of Dr. King's legacy and dream, but it sponsors many ongoing free activities for the visiting public, such as its yearly Kingfest musical and cultural programs on weekends from June through August.

Madam President, I know that my Senate colleagues understand that the need is definitely there for continuing assistance to the King Center and that we should be fully addressing those needs. I am pleased to join with my distinguished colleague in urging the authorization of the help the Martin Luther King, Jr., Center vitally needs, especially as we prepare to honor one who was truly an American hero and patriot and one who had great faith in our basic American institutions and in all our people.

Mr. MATTINGLY. Madam President, I am pleased to join in cosponsoring legislation introduced today by my colleague from Georgia, Senator NUNN, which will authorize the Secretary of the Interior to enter into an annual agreement by which a reasonable amount of the operations and maintenance expenses of the Martin Luther King, Jr., Center for Nonviolent Social Change can be reimbursed by the National Park Service. Although the Appropriations Committee has made funding for this purpose available in the past few years, it has been recently determined that the Park Service probably needed more specific authorization to continue such activity in the future.

Levels of visitation have dramatically increased recently and the demands placed on the center's financial resources have become most burdensome. Indeed, the moneys necessary to provide for a safe, attractive, and educational experience are vital to the future of both the center and satisfaction of the congressional intent in creating the Martin Luther King, Jr., national historic site in Atlanta, GA. I would call attention to the fact that the proposed legislation does not authorize any specific amount because such needs can vary from year to year depending on visitation levels, maintenance costs, and the amount of funding available from other sources.

I further understand, Madam President, that there may be other methods which would become available under this legislation—or which may be currently available—by which Park Service funding could be channeled to help meet these overhead costs for the center. By cosponsoring the bill, I do not want to foreclose any of these other options. It will, however, simply give us one other alternative in solving the current problem. One such alternative would be for the Park Service to lease some space from the center to house interpretive facilities and personnel. This would seem to be helpful and efficient from a couple of aspects. First, it would provide income for the center. It would also provide a presence for the Service in the center which would help more clearly unify the entire historic site with the center and its activities.

I am pleased to join in cosponsoring this legislation.

RECOGNITION OF SENATOR MOYNIHAN

The PRESIDING OFFICER (Mr. DANFORTH). Under the previous order, the Senator from New York is recognized for not to exceed 15 minutes.

THE DEFICIT

Mr. MOYNIHAN. Mr. President, as the Senate approaches the last week of the summer portion of our session and prepares for the August recess, there is great movement with respect to the problem of the budget deficit and, simultaneously, great concern that the deficit may be out of hand and the budget process in collapse.

It appears to me, Mr. President, that we may indeed have come to an institutional crisis in our management of the fiscal affairs of the U.S. Government; and I, as a member of the Budget Committee, would be the first to acknowledge that, in part, this arises from an effort to use the Budget Committee for larger purposes than were intended or can be achieved.

We note in this morning's press, for example, that the budget conferees on our side have proposed a tariff, a tax, on imported oil and proposed various ways to skip annual cost-of-living adjustments and made other such matters which would bring about a certain increase in revenues in the years ahead.

The fact is that the Budget Committees do no such thing. They set a number for revenue, in the revenue function, and do nothing whatever about the specifics with respect to the Finance Committee imposing taxes in order to reach that number. The effort to make the Budget Committee the committee of committees, the committee without which no other committee is really necessary, has collapsed of its own weight, and should have, and perhaps it was inevitable that it would do so.

I point to this as an institutional problem, because it is our business, our making, ours to respond to. Yet, there is another matter which seems to me absolutely central to this whole question of the deficit a seemingly uncontrolled deficit, and that is the fact that it was a deliberate deficit in its origins.

I grant that this is a difficult proposition to win acceptance for: The idea that any government would deliberately create a deficit; and, particularly, a government nominally and hugely opposed to deficits is, to use the term of the psychologists, counterintuitive. Nobody would believe that. Nobody wants to believe it. It does not make sense. Yet, in this case it is true.

Anyone who has studied the strategies of war and the stratagems of politics will know that, invariably, surprise is the great element in victory, and surprise comes from doing something that one was expected not to do. Sometimes people are taken so completely by surprise and are so overwhelmed by it that they have no effective response.

The simple fact is that this administration came to office with a specific strategy for bringing about an enormous reduction in the social programs enacted in previous years, under Democratic and Republican Presidents alike. None were specifically targeted during the previous political campaign.

My friend, George Will, the distinguished commentator, has been known to offer a toaster, as he put it, to any member of the audience as a door prize, an electric toaster to anyone who could name one program that Mr. Reagan had proposed to eliminate in his 1980 campaign. Invariably you find each member of the audience assumes that others will think of such a program and each looks around the room and finds none can mention any. He said, "That is right because he didn't propose it."

The President came to this matter with a very clear understanding, I think probably accurately. May I say that it is impossible to undo most of the principal social measures adopted in the last 50 years because they have great constituencies. They were adopted for good reason and they are not easily done away with. America was just coming abreast of other industrial democracies of the world in health, education, and welfare measures in the middle of the 20th century; and we were doing so in a fairly coherent effective manner, or at least such is my judgment, all things considered.

You could set out to eliminate programs, but, by the end of the effort after the end of your first term, you might have dismantled four and you have nothing else to show for your administration.

The President early in his term proposed a serious change in Social Security. In April 1981 he proposed a 40-percent reduction in retirement benefits for persons retiring early starting the following January. Forty-percent reduction is a very large reduction. And I remember coming on the floor at 10 o'clock in the morning with an amendment that said no, do not do this, and by the end of the day Sena-

tor DOLE had offered a substitute amendment. I lost by 1 vote on our amendment, and he introduced substantially the same amendment with somewhat less language in the opening passages and it passed 98 to 0 and that was not heard from again.

No, Mr. President, the strategy was to create a crisis. How do you create a crisis? You create a deficit. What do you do with that deficit? In that crisis, you use the previously unappreciated powers of the Budget Act, the reconciliation powers that force those individual committees to actions they would not otherwise take, and do so under instructions from the majority of the Senate. It has been used once and had never been used previously.

To those familiar with the workings of the administration and its private conversations, the deliberate creation of a deficit, the deliberate effort to reduce revenues beyond the needs of the Government was well known. It was acknowledged. It was stated over and again in private conversations. And one of the results was that some of us began saying so in public.

Yesterday my distinguished friend, the Senator from Delaware, Senator BIDEN, remarked that early in the administration he had written an article for a well-known journal in which he said, "They are deliberately creating a deficit." Although this journal is well disposed to new ideas and to Senator BIDEN, his article was rejected on the grounds, "No, nobody could ever do something that absurd; that really is too large a proposition." The article was not printed.

Somewhat later, 2 years later, that same journal published an article by me which I will put in the RECORD shortly in which I did make the assertion, but still I recall having to say "Take my word, believe me, I know what I am saying." There was no hard evidence and this repeated statement was uncomprehended.

I do not know of five colleagues on this side of the aisle who shared this view. I know of none on the other side of the aisle who share this view.

As Senator BIDEN learned, it was something that was counterintuitive. It made no sense. But it happens, Mr. President, to have been true. And if this body is not capable of understanding the origins of this matter in the face of full acknowledgments, then I do not know where we are as an institution. I mean certainly we define certain limits of our capacity to deal with the environment in which we live and partly in which we have ourselves created, that is to say the environment of the Budget Act.

It happens, Mr. President, that just a very few weeks ago in March, there appeared an interview in a Viennese journal, Profil, with the distinguished, and I use that word with great care, the distinguished economist Friedich A. von Hayek, a Nobel-winning economist and man of great years now but of equally great influence. I recall as a young student 40 years ago reading "The Road to Serfdom" and having some sense of the man's quality. He became in time a great influence on conservative thought in our country, not just conservative economic thought but also conservative political thought. He was at the University of Chicago for a long while, and his influence there continues. At the very end of his years he became of great influence in both Britain and the United States, simultaneously with his friendship with President Reagan and Prime Minister Thatcher.

He gave an interview on these matters in German, entitled "Ronnie and Maggie"—and he spoke about Mr. Reagan's policies. He regretted the deficits. He said that the deficits certainly have been a great loss because they have required the United States to import so much capital, and in turn the savings of the world go to pay for our deficit. This raises the price of capital. But then he said, and I would like this to be emphasized in the RECORD:

> Reagan thinks it is impossible to persuade Congress that expenditures must be reduced unless one creates deficits so large that absolutely everyone becomes convinced that no more money can be spent. Thus, he hoped to persuade Congress of the necessity of spending reductions by means of an immense deficit. Unfortunately, he has not succeeded. But even so, this explanation makes it understandable how any reasonable man could do such a thing at all.

Mr. President, here is von Hayek telling you what the President has done. It makes it understandable how any reasonable man can do such a thing at all. There are not five people in this Chamber who believe in that and perhaps they never will. But the deficit was deliberate. It was a device to use the Budget Act as a means of bypassing the individual authorizing and appropriations committees.

The further testimony on this, Mr. President, comes from another unimpeachable source, the American Enterprise Institute, in a book published just a few months ago, Essays in Contemporary Economic Problems: The Economy and Deficit.

Here is Mr. Norman Ornstein, a respected economist, describing the sources of the deficit in a chapter entitled "The Politics of the Deficit." A key Reagan lieutenant candidly assessing the situation.

"We are well aware that tax cuts at the level we are discussing"—this is going back to 1981—"will add tremendously to future deficits."

> We are well aware that tax cuts at the level we are discussing will add tremendously to future deficits. Most of us, to be frank, don't buy the extreme supply side line. Regardless, Reagan's main goal is not to balance the budget, it is to reduce the role of Government. How do we best do this? In our view, if we don't cut taxes and generate big deficits, spending will never come down. Congress will just spend the revenues and more but with huge deficits their choices are tougher. They will have to cut spending.

The American Enterprise Institute is a respected center of mainly conservative economists who have access to key Republican lieutenants, key Reagan lieutenants.

Mr. President, for more evidence, you could bring in personal conversations of this week, that month, that year. As I say, Senator BIDEN picked it up early on. I began writing about it shortly thereafter. At first, Mr. BIDEN's writings were rejected because nobody could believe such a thing. But that is the key to all victory in any contest—to do the unexpected, to do the unbelievable.

Think of the Japanese in their seizure of Singapore. There is one thing the British knew about Singapore—the Japanese would never attack them from the rear. They would never come down through those impassable jungles. So they built all their weapons aiming out to sea and the Japanese came down on bicycles through those impassable jungles and the world changed. It is the history of strategy to do what is not expected.

It was inherently unbelievable, it was inherently unbelievable that this administration should set out deliberately to create a deficit, and that is what whey they did because they knew they could do it. It got out of control.

In a recent debate on the MacNeil-Lehrer Show with Mr. Kudlow, who was chief economist to Mr. Stockman, I made this statement once again in the aftermath of Mr. Stockman's retirement. Kudlow said that the deliberate creation of the deficit is but a footnote to history.

It is the beginning of this history: it will be the history of the rest of this decade and this century.

George Will has said that the President changed the political conversation for a generation. And I do not think for the better. Because two things happened: In response to these cuts, as some of us on the Budget Committee said at the time—Senator SASSER, Senator HART, Senator RIEGLE, and myself—the Federal Reserve Board reduced the growth of the money supply to a negative rate. That triggered the 1982 recession. Revenues went down. Quite exogenously, as economists say, the price of oil went down, which lowered revenues. But, with the increased expenditures on defense, suddenly the deficit became larger than anyone anticipated, suddenly borrowing grew, suddenly the compounding of the deficit began. By "compounding", I mean the simple fact that in order to pay the service on

the debt, each year the deficit gets bigger.

The service on the debt is $130 billion this year. It goes to $234 billion by 1990. That is what Keynes called the magic of compound interest working against you, not for you.

Mr. President, I do generally think that with real testimony—the testimony of von Hayek, who was wearing the cuff links given him by the President during this interview; the testimony of Ornstein, a conservative economist quoting a "Key Reagan lieutenant"; the statement of Mr. Kudlow, which referred to the origins "of the deficit as a footnote"; and the witness I have offered from time to time—that I know this had been the strategy. It has been told to me. I will be open about that. How did I come to be told? Very much in the manner that that key lieutenant explained. Early around 1981, I would go to people I knew in the administration and say, "You really don't believe the Laffer curve. You really don't suppose by cutting tax rates this much, you are going to raise revenue." They said, "Of course we don't."

William F. Buckley used to have a term for this. He used to call it boob bait for conservatives. This is to make people comfortable. They knew they were going to get a deficit. They desired a deficit. They wanted a little fire in the basement. Just start a little fire, but you sometimes start a little fire and it gets out of control.

They miscalculated a whole number of things. They certainly miscalculated the counterpressures that would be put on them by desiring a large increase in defense spending. They significantly diminished the urgency of their demand for spending cuts in other areas. If spending was the problem, then you would not want to spend on defense either, would you? No.

The real agenda was they did not like certain Federal programs. They had created the deficit in order to avoid saying, "I don't like the program," and instead say, "Like it or not, we have got to get rid of it." There was the urgency of the deficit on the one hand but on the other they were increasing defense spending. But as much as they liked defense spending, the argument of the deficit meant that defense too would be cut.

The deficit argument lost its energy, it lost its impact because they proposed to increase spending in one place and cut it in another. If your argument is simply that spending must be cut, you undercut yourself when you say, "But in one place we must increase it." The hidden agenda became transparent.

The second mistake was that there was not nearly as much discretionary spending as people thought. There were too many speeches about waste, fraud, and abuse and welfare Cadillacs and such. It led to the notion there really was a large amount of really optional spending but in reality was not there.

I recall an editorial in the Washington Post that suggested, "Why don't we just abolish the welfare program altogether so they will stop talking about it?" It does not, in fact, amount to much money. If you cut it, you are not going to get any great effect.

Third, Mr. President, they overestimated the power of the Budget Committee process to bring this off. There was a combination of things that occurred: the loss of revenue in the 1982 recession, the drop in inflation which had an inflationary effect on revenues, and the sudden discovery that there were not that many options for cutting.

And finally the committee process, whereupon the debt begins to compound and you have the present crisis. It is an institutional crisis.

The New York Times stated that we may be on the edge of a historic failure in this body, a historic failure of the kind, say, of not ratifying the Treaty of Versailles, or some of the debates which took place in this Chamber and led to the War Between the States. I do not know if I exaggerate too much.

I know of an economist in Canada, for example, who looks forward to the United States in the 1990's and says,

> You know, it could easily become another large Western Hemisphere nation with a huge overseas debt that nobody wants very much, huge trade imbalances that they do not know how to deal with, exporting staples, food, minerals, things like that, and importing manufactured goods.

Oh, what a change that would be. Oh, what a change in this country's condition, and where will it have originated? It will have originated in the clever strategy of the young intellectuals, the radical intellectuals that came to office with Mr. Reagan to deliberately create a deficit.

Mr. President, I grant this is not going to be believed. I have been in government much of my life. And I have seen great untruths believed, and I have seen great truths disbelieved. At a certain point you acquire a certain detachment. I do not think this is going to be believed. I may say it, and Ornstein may witness it. But I would like to introduce in the RECORD the evidence that it is so, and I see my distinguished friend and chairman, the Senator from Louisiana rising. I am happy to yield to him.

Mr. LONG. Mr. President, the Senator referred to a plan to deliberately create a deficit. In view of the fact that there already was a deficit and had been for years, would it not be more correct to say that, if there was such a plan, it would have been a better plan to deliberately create a very, very large deficit?

Mr. MOYNIHAN. Yes, sir. There was a deficit. It was never a serious one as such. It was a form of delaying taxation. We would always be $20 billion or $15 billion or $30 billion short. There was always a countercyclical deficit which would go very high, I guess the highest deficit we ever had was $75 billion under President Ford. That was a cyclical deficit, a recession. But it was stable, it was not going out of control.

Mr. LONG. I thank the Senator. It seems to me you have made a very compelling argument and the supporting documentation is very difficult to contest. I must confess that in voting for the enormous tax cuts it is the thought of the Senator from Louisiana that we ought to be willing to experiment with the supply-side operation long enough to see if it would work, and if it did not work, we should make changes and move away from it. It did dismay me once all the signs were in that it was not working. In fact, it was boomeranging, and that we should take appropriate action to call off both the second and the third stages—stop the 5 percent cut—or certainly the second cut, the 10 or 15, the 10 on top of the first 5—simply because we could not afford the rest of it, and it was creating the wrong effect in the investment markets; just the opposite.

Mr. MOYNIHAN. I may say to the Senator from Louisiana that is his record. He was very clear. We were in that Finance Committee, and the Senator from Louisiana kept saying this is not working. We are digging ourselves a trench we are not going to get out of.

Mr. LONG. May I say to the Senator that the impression I had in talking to the responsible leadership, including the able chairman of the committee, the present majority leader, Mr. DOLE, was the same reaction that I was having to it; that is, we had better start moving to react to the situation, and that it was not working the way it had been intended.

Mr. MOYNIHAN. Yes, sir.

Mr. LONG. I am talking about the supply-side economics.

Mr. MOYNIHAN. But I make the point that I know you and I know Senator DOLE said, look, this is not working the way it was intended. We are getting the big deficit. The problem is, sir, that is exactly the way it was intended. That was so hard to get through. That is counterintuitive. You cannot believe that those people, given what they say, could want this. They have wanted it, and at some measure they still do. They have not given up the thought of using this as a device just to smash away at all those things of the last 50 years they do not like. But when the Senator from Louisiana was saying to them do you not see

that this is creating a deficit, to themselves they are saying that is right. It is working just as planned—not as announced, but as planned.

Mr. LONG. But at that point it not only created the deficit, but also it was causing the businessmen to withhold their investment rather than making them. I am talking about what happened when the first tax cut went into effect in October 1980, or at least 1981 when the first 5 percent tax cut went in. Almost immediately the business markets and the investment markets reacted exactly the opposite from what we would have intended. They froze up instead of investing in new plant and equipment.

Mr. MOYNIHAN. Because, sir, they saw the deficit implications, I think, in large respect, and here is the key in the middle of the tax cut war—says Ornstein, of the American Enterprise Institute, "A key Reagan lieutenant candidly assessed the situation: 'We are well aware that tax cuts at the level we are discussing will add tremendously to future deficits. Most of us, to be frank, do not buy the extreme supply side line' "—which is what the Senator was describing. They did not believe it.

Mr. LONG. But the point is certainly at that point the tax cut itself was causing the reaction which was setting the stage for a significant recession, and logic would have dictated at that point that we tell the business community that the second and third stages of the tax cut would not be implemented until the economy could stand it.

Mr. MOYNIHAN. That is the moment you were told, "Just make my day," as it were, "send me a tax cut." I remember very distinctly, sir, that you were there about 10 o'clock one night in 1984. We acquired about a 700-page bill, and by saying you cannot do that, you cannot do something else in taxes we would raise $50 billion over 3 years. The Senator from Rhode Island, Mr. CHAFEE, offered a one-line amendment. He said let us just take out the inflation adjustment, and postpone it for 3 years on the income tax. That will get us the same amount of money for one line as we have for 500 pages. I seconded the measure. Mr. DOLE, the chairman, said, well, you can do this if you like, but this is the killer amendment. Such a measure will be vetoed.

Today the Republican leadership is led to saying we are going to try it anyway by giving a variance on that proposition. We will give an inflation adjustment every other year.

But I thank the Senator for his generous intervention. No one is more wiser and experienced in this matter than he. I think the Senator agrees that we have a very serious problem.

Mr. LONG. No doubt.

Mr. President, may I say to the Senator that what troubles me about the tax reform bill is that we are spending a lot of time on the tax reform thing to try to see that some millionaire who donated a lot to charity and did some things to justify deductions pay us at least some modicum of taxes to support public confidence and to see the cooperation to pay a minimum tax to help add to confidence in the system. But while we are working on the tax reform which has merit to support it, we are not devoting outselves to the big problem: This enormous deficit which, coupled with the enormous trade deficit, the two taken together——

Mr. MOYNIHAN. The twin deficits, as we were told at the White House recently.

Mr. LONG. The twin deficits I am told eventually at some point will destroy you. That does not mean the Government will come to an end, but that means you will either have an enormous burst of inflation or that something else very bad is going to happen to us. Either you will have a depression, or something that you would like to avoid. Paul Volcker puts it in about the simplest way I know how to put it when he says with those two enormous deficits moving something very bad is going to happen. He said he nor no one else can tell you exactly when, but it is going to happen. Of course, my thought to that is the better answer is one should not want to find out. It is like one headed in a rowboat down the Niagara River. You should not wait until you see the falls to start heading for the shore. Yet that is about the path we seem to be on. That is when we ought to move to start doing something about those two twin deficits which are a great threat to this economy and the system.

Mr. MOYNIHAN. And they are connected. It is because we have to bring in the world savings as one has access to them and thereby keep up the price, keep the price of interest up. We have changed the value of the dollar in such a way that we also bring in a flood of imports. They are artificial. We would not have that change in our Treasury situation save that we have changed the value of the dollar, we have so increased the value of the dollar and other currencies, and that in turn is a consequence of this deficit and all because of a clever strategy in the early months of 1981. The Senator from Louisiana is not overly impressed with the role of intellectuals in politics, and he is right not to be. This has been a characteristic mistake of the intellectuals who figured it all out but paid too little attention to the gritty details of how institutions actually work, and how people actually behave.

Mr. LONG. Mr. President, please understand that the Senator from Louisiana admires intellectuals. He thinks that they contribute a great deal. But they are human and I have not seen one that does not put his pants on one leg at a time, just like the rest of them do.

Sometimes, intellectuals make the mistake of thinking that they are just too infallible and all of us are fallible. I do not know anyone on this side of Heaven who is not. Anyone can make mistakes and they make their share of them.

Mr. MOYNIHAN. And when they make them, they tend to be beauties.

Mr. LONG. That is right.

Mr. MOYNIHAN. I thank the Senator so much for his generous intervention.

Mr. LONG. I thank the Senator.

Mr. MOYNIHAN. Mr. President, to continue, I particularly draw attention to an article in last Friday's New York Times in which Mr. Tom Wicker showed that he still has his legs after several years in a demanding calling.

I also call attention to a comment by a distinguished New York economist, Mr. John Westergaard, the president and chief executive officer of Equity Research Associates, commenting on this whole discussion in a staff report of July 19, which he entitles "Historical Footnote, or More of the Same."

In conclusion, Mr. President, we have a problem which is contemporary to this time, the effort by those in the administration to suggest that if the deficit is large and getting larger, it is, after all, one that was inherited by the administration. It is not so.

There was a continuing, rather stable deficit over the past 20 years. It was, I found, a sort of underlying deficit of some fraction of 1 percent of GNP, which was a form of delayed borrowing; you had each year to raise money to pay off a deficit of the previous 10 or 15 years. In cyclical times, you had a higher deficit, as Mr. Ford learned in 1975. That was normal; it was not out of control, it was stable. The debt, as a proportion of GNP, was flat, had been flat since 1948 or so. We paid off the World War II debt by the early fifties, but from that time on, it was stable. The political economy of this Nation was all right.

It is now unstable and that onset of instability is a moment that is crucial to the analysis of history and the understanding of events. And the onset of instability comes with the deliberate calculation of the present administration to create a deficit, a strategic deficit.

That, Mr. President, marks the onset of instability, one which is now at the point of near desperation and possible failure in this body and in the other body, and in the National Government at large.

I wonder, will we meet the test, the challenge of comprehension? I wonder if, as a body, we have the institutional capacity to see what happened. All the evidence is in—well, the memoirs have

not been written, but Dr. von Hayek was, in a sense, offering a memoir and the key Republican Reagan lieutenant was offering a memoir. These are about the early days of 1981. Mr. Stockman has not denied this proposition. Mr. Kudlow, who was OMB's chief economist, says, "Well, it was a footnote to history." Mr. Westergaard says, no, not a footnote, the beginning of this history.

I would like to introduce the Senate to the idea of the onset of instability. That is the dividing line in history, when you find a political system that has been working well or badly, perhaps, but working at about the same rate and obviously can continue to do so. It sustains its institutions and reproduces them.

Suddenly, something is not working right anymore. Suddenly, there is a break in the arrangements. The onset of the problem of Corinth in the relationships between Sparta and Athens marked the onset of instability among the Greek States and led to the Peloponnesian War and finally the triumph of Philip of Macedon and the end of the glory that was Greece.

The key moment in the political history is the onset of instability, and with respect to the political history of the United States, that moment came in 1981 when the present administration was able to put in place a deliberate and intended strategy of creating a deficit, a deficit that would force the Congress to act to dismantle programs that otherwise, one by one, could not be done away with by using the budget process.

Mr. President, the Senate has been very generous with its time this morning. I see my distinguished friend from Maryland is on the floor and I am happy to yield.

Mr. MATHIAS. Mr. President, I just wanted to say that I think the Senator from New York is correct in pointing out that when instability occurs in the history of a nation, then the future of that nation becomes very cloudy. Kenneth Clark, in his remarkable television series on civilization, which later became a book, pointed out that it was at the moment in the history of the Roman Empire when confidence was leached away that the empire began to crumble. It became uncertain that it was worth while to continue to build the great structures of Rome or even to plant the crops because it was uncertain that they would be harvested. The power and the vitality of the Roman empire simply ceased to exist.

Mr. MOYNIHAN. If I may say to my distinguished learned friend from Maryland, we risk something just such when the dollar, as the central currency of the modern world, begins to be questioned, when people require higher and higher rates of interest in order to hold it. We have become a debtor nation in the last 5 years.

We owe more abroad than is owed us. We will very shortly now be borrowing money abroad to pay interest owed abroad. That is called the road to Argentina.

I do not ask the Senator to agree with me, but we have now the witness of Friedrich von Hayek that the deficit is a deliberate strategy, a disastrous deceit.

Mr. MATHIAS. As the Senator may be aware, I have said that we are engaged in a policy of "debtmail."

Mr. MOYNIHAN. Exactly. Debtmail is precisely the term. Because we have the deficit, we must do this, we must do that.

Mr. MATHIAS. We have a restriction on the functions of government because of the towering debt which makes it necessary to curtail what we believe to be essential.

Mr. MOYNIHAN. If I may take the testimony of Friedrich von Hayek in a recent interview in a Viennese journal, he was asked about these deficits. He is very unhappy about them, and he says—and I think very generously and properly about the President:

> . . . Reagan is a very reasonable man; he is certainly no theoretician, but he has a good instinct, and I appreciate him very much. I can make a good judgment about his instinct because he has chosen his advisors for the most part from circles I am acquainted with . . .

Which is a nice way of his saying circles that helped educate him.

> His politics? When the government of the United States borrows a large part of the savings of the world, the consequence is that capital must become scarce and expensive in the whole world. That is a problem. But you see, one of Reagan's advisors told me why the President has permitted that to happen, which makes the matter partly excusable: Reagan thinks it is impossible to persuade Congress that expenditures must be reduced, unless one creates deficits so large that absolutely everyone becomes convinced that no more money can be spent. Thus he hoped to persuade Congress of the necessity of spending reductions by means of an immense deficit. Unfortunately he has not succeeded, but even so this explanation makes it understandable how any reasonable man can do such a thing at all.

That is the Senator's thesis, I believe.

Mr. MATHIAS. That is my thesis. In all fairness, I think I should add to the Senator from New York that no greater authority than David Stockman has told me that it is not true. He has been aware of my theory of debtmail and has flattered me by saying he has read what I have written on that subject. He says it is not true, that this debt just happened, that it is not a diabolical radical right plot to shrink the Government.

Mr. MOYNIHAN. But I have to say that when I made the same assertion some not 3 weeks ago, Mr. Stockman did not deny it. He said, "I have a reputation of embellishment," but he said to me, referring to the exchange, "I have a reputation for candor."

Mr. MATHIAS. Of course, whether it is true or not, whether it is in fact a theory that can be proven or just speculation, the results are all the same. We have now reached a situation where we are projecting a half a trillion dollars in new debt in the next 3 years. So that I am not accused of being loose with figures, I believe the precise figure is $494 billion of additional debt in the next 3 years.

What makes if truly alarming is not merely its size but that in the same 3 years we project that we will owe and have to pay a half-a-trillion dollars in interest or, again to be precise, $480 billion in interest. Given the uncertainties of projections, we could round that out to half a trillion of new debt and a half a trillion of interest. What that means is we are going to have to borrow a half-a-trillion dollars to pay the interest on the money we have already borrowed; the old debt has now begun to breed new debt. This is a cycle that no individual, no institution and, I would submit to the Senator from New York, no nation can long endure.

Mr. MOYNIHAN. I wholly agree, and especially when you borrow money from abroad to pay interest owed abroad, you are on the road to Argentina. But I do ask my dear friend to consider that I do not think we break out of this if we think it is just somehow an institutional failure, that this is something inherent in our fallen ways. No; it was planned. It was a device. It was just too clever a device.

Mr. MATHIAS. So, the Senator would agree with my theory of debtmail?

Mr. MOYNIHAN. I endorse it and have always endorsed it. If you know that it was done deliberately, then you have a sense, "Well, now, what was done can be undone." It does not flow from the fundamentally flawed processes of our political democracy.

I ask unanimous consent to have printed in the RECORD a number of printed matters which I referred to and which I believe are important.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[Excerpted from "Essays in Contemporary Economic Problems, The Economy in Deficit," American Enterprise Institute, 1985.]

THE POLITICS OF THE DEFICIT

(By Norman J. Ornstein)

SUMMARY

Federal deficits have been an issue of the politics of American elections at least since the first party platform on record, in 1840; deficits have been a preoccupation of the politics of governing at least since the days of the Founding Fathers. The Founding Fathers set up a structure of government to prevent a powerful central government from exercising undue control, first and

foremost, over the power of the purse. To restrain government power over spending and taxing, they deliberately and explicitly gave more control to the Congress of the United States than to the president, expecting that the direct representatives of the people in a system of checks and balances, would be more restrained.

In this paper, a historical review of deficits and the responses of government to them suggests that the Founding Fathers' assumptions were, and remain, fundamentally accurate. Through neary 200 years, Congress has not acted in a basically irresponsible fashion, spending more money than it took in to satisfy short-term and parochial political needs. To the contrary, through the broad sweep of American history, Congress has struggled to restrain the growth of federal spending and to limit deficits and the public debt, through direct action and through periodic adjustments of its own structures to minimize the deleterious effects of political pressures. Indeed, the great growth in federal debt and the periodic problems with deficits are much more the result of massive expenditures to support major wars and the activist policies of presidents striving to make their mark on American society and in American history.

An examination of the problems of the 1960s through the 1980s confirms this judgment. Proposals, like the line-item veto, that would give more power to the president and weaken the hand of Congress to restrain the growth of federal spending and deal with the deficit are, upon analysis, misguided and began to develop his own tax-cut alternative. Eager to win at all costs, the House Democrats put together a package incorporating most of the Reagan plan, while adding additional tax breaks attractive to conservative Democrats and Republicans: greater depreciation, reduction of maximum taxes, indexing of brackets, and other components. Reagan's forces retaliated by sweetening the pot with even more tax cuts to lure back their natural allies. The bidding was intensified through the summer; in the end, however, the president once again prevailed. The "victory" meant a much deeper tax cut than originally envisioned.

There was an electricity in Washington and around the country during 1981, but it had little to do with substance. The question was, Would Reagan win or lose? Many Democratic and Republican legislators, along with serious economists and other observers, were raising serious questions about the Reagan program, especially about the combined cumulative effect on future federal deficits of deep tax cuts, large defense spending increases, and modest domestic spending reductions; but the questions were largely lost or ignored in the uproar over who would win. The rhetorical response from the White House reinforced the rosy economic assumptions and projections of the Office of Management and Budget: no need to worry, the tax cuts will raise more revenue than they will lose, and the package will stimulate instant economic boom, sustain prosperity, and bring a budget surplus by 1985. The same public arguments were made during the tax-cut battle, although they were a sideline to the clash of wills between Reagan and the House Democratic leadership. "It had nothing to do with good or rational public policy; it was simply a macho contest between Reagan and Tip O'Neill," said one disgruntled observed at the time, "and it really compounded the deficit."

The deep tax cut did compound the deficit. And behind the scenes the people around Reagan clearly knew that it would. In the middle of the tax-cut war, a key Reagan lieutenant candidly assessed the situation:

We're well aware that tax cuts at the level we're discussing will add tremendously to future deficits. Most of us, to be frank, don't buy the extreme supply-side line. Regardless, Reagan's main goal is not to balance the budget—it is to reduce the role of government. How do we best do this? In our view, if we don't cut taxes and generate big deficits, spending will never come down. Congress will just spend the revenues and more . . . but with huge deficits, their choices are together . . . they'll have to cut spending.

[From the New York Times, July 19, 1985]

A DELIBERATE DEFICIT

(By Tom Wicker)

To hear Larry Speakes tell it, President Reagan emerged from anesthesia righteously demanding action on the budget deficit "this week." That sounds fine—except that it now appears that the deficit was deliberately created by Mr. Reagan in order to do away with Democratic social programs dating back to the New Deal.

Who says so? David Stockman, the departing Budget Director, at second hand, and Friedrich von Hayek directly. He's the Nobel Prize-winning economist who's been a guru of Reaganomics.

Their comments suggest that the action the President demands "this week" is what he really wanted as far back as the mammoth tax cuts he steered through a bedazzled Congress in 1981—budget cuts to disembowel post-New Deal government. He's ruled out tax increases, and the disastrous budget "compromise" he engineered last week would result in more military spending and no reduction in Social Security cost-of-living benefits. The only way to compensate is to kill or prune even more social programs—such as student loans or Medicare.

But Mr. Stockman, who claims a reputation for candor, spilled the beans. After the Budget Director's resignation last week, Senator Moynihan of New York said Mr. Stockman had told him that even in 1981 Mr. Reagan knew the tax cuts would mean loss of revenue, but that the President had accepted the resulting rise in the deficit in order to bring pressure on Congress to cut spending.

That sharply contradicts what Mr. Reagan then publicly argued—that cutting taxes would expand the economic base and *increase* revenues. In his 1980 campaign, he even contended that the increase in revenues resulting from the tax cut would pay for the military buildup he also planned.

But Mr. Moynihan said Mr. Stockman had told him that in 1981, "the plan was to have a strategic deficit that would give you an argument for cutting back the programs that weren't desired. It got out of hand."

Mr. Stockman, a former student of Mr. Moynihan's, has denied "any such conversation" but not the substance of the allegation. Mr. Moynihan said he had had dozens of private talks with the Budget Director; their "thrust," the Senator said, was that "the principal purpose of the tax cuts was to provide a basis upon which to shrink government."

Senator Ernest Hollings of South Carolina, the ranking Democrat on the Budget Committee, has made a similar charge. He told the Association for a Better New York in January 1984 that Mr. Reagan "intentionally created a deficit so large that we Democrats will never have enough money to build the sort of government programs we want."

When I cited the possibility of a planned deficit in an article last spring, it caught the attention of Dr. Eckehart Köhler of the Institute for Advanced Studies in Vienna. He sent me a translation from the German of an interview with Friedrich von Hayek that appeared in the magazine Profil 13, in Vienna, in the issue of March 25, 1985.

After remarking that his work had influenced both Mr. Reagan and Prime Minister Thatcher of Britain, that many of the President's advisers had come from "circles I am aquainted with," and that he was wearing a set of cuff links given him by Mr. Reagan, the economist commented:

"I really believe Reagan is fundmentally a decent and honest man. His politics? When the Government of the United States borrows a large part of the savings of the world, the consequence is that capital must become scarce and expensive in the whole world. That's a problem."

But, Dr. von Hayek continued, "You see, one of Reagan's advisers told me why the President has permitted that to happen, which makes the matter partly excusable: Reagan thinks it is impossible to persuade Congress that expenditures must be reduced unless one creates deficits so large that absolutely everyone becomes convinced that no more money can be spent."

Thus, the economist said, Mr. Reagan "hopes to persuade Congress of the necessity of spending reductions by means of an immense deficit. Unfortunately, he has not succeeded!!!"

But he has, more than Dr. von Hayek could know last March. Now he wants more. While some Americans may agree that a shrunken government makes a deliberately created deficit "partly excusable," such a deficit still reflects a reckless deception with worldwide consequences yet to be calculated. And Congressional Democrats should realize the source of the pressure they're under to sell their political birthright.

[From Equity Research Associates, July 19, 1985]

HISTORICAL FOOTNOTE OR MORE OF THE SAME?

Last week we witnessed a debate on the MacNeil/Lehrer Report between Senator Daniel Patrick Moynihan of New York and the economist, Larry Kudlow, formerly of David Stockman's Office Of Management and Budget. The subject was Senator Moynihan's recent statement to the effect that the tax cut in 1981, while clothed by the Administration in "supply side" rhetoric, was in reality orchestrated to created a deficit for the purpose of getting public spending under control. President Reagan clearly stated his philosophy that the way to control a child's over-spending is to take some of his allowance away. By creating a deficit through reduced tax revenues (i.e. taking some of the Federal government's allowance away), Reagan would gain the leverage to force a reduction in spending.

The problem is that whatever deficit President Reagan thought would be sufficient to give him "leverage", it certainly was never planned to run $200 billion. The magnitude of tax cuts generated in 1981 far exceeded anyone's expectations and this was followed by a recession in 1982 which threw all numbers out of kilter.

We happen to think Senator Moynihan's point is important in relation to current discussions about taxes and deficits. What

is happening today is a replay of 1981 in the sense that the Congress and the Administration are operating on revenue assumptions and economic predictions that are soft at best. Kudlow dismisses Moynihan's argument as an "historical footnote." He further brushes off the defcit by saying, "well, in 1982 we had a recession and, of course, then everything changed".

That is truly outrageous. First of all, it was clear immediately following the passage of the 1981 Revenue Act that the deficit would be much larger than generally perceived. We recall very well Moynihan telling us that we were looking at $100 billion or better, and he said so publicly as well. As for the recession, that was induced by the Federal Reserve and to now refer to it as surprise event, sound policy or not, is absurd. The point is that *it was induced* and for Kudlow to treat it as an extemporaneous factor squares hardly with the facts.

There is an "Alice In Wonderland" quality to the budget debate. Four years ago President Reagan and the Congress created a budget deficit in excess of $100 billion. Despite subsequent approval of billions of dollars in spending cuts and projected further cuts and some tax increases, the deficit is now $200 billion and may well stay that way for the rest of the decade.

Let's remind ourselves of how off base those 1981 assumptions were? Can one believe current assumptions? Does one believe that there will be 4% economic growth over the next five years and that there will be no interim recession? Can one really count on lower interest rates than at present over the next three years? The House and Senate budgets, with these assumptions, project a $170 billion deficit next year taking into account $56 billion in cuts that each of these legislative bodies has approved.

As Helen Dewar of The Washington Post pointed out in a recent article, billions of dollars of these savings are dubious or exaggerated, beginning with the fact that defense cut-backs have been calculated from Administration benchmarks rather than from actual spending levels. This gets technical, but the way she explains it is that if actual spending levels were used for comparison the savings would be considerably less than claimed. The Congressional Budget Office, using actual Defense Department numbers, comes up with some $18 billion less in annual savings than the $56 billion House and Senate proposals.

As for domestic programs, there are some soft numbers such as $4 billion claimed in savings from improved contracting of government services and another $4 billion from passage of legislation distributing funds from fees and royalties paid for oil and gas exploration on the Outer Continental Shelf. Another sneaky one is moving the cost of filling the strategic petroleum reserve back into the budget. This was once moved "off budget" so it could be counted as a deficit reduction. In moving it back on the budget it is *again* categorized as a "deficit reduction" item by counting a freeze in filling the reserve as a "saving". Stockman was not far in his recent comments to the board of the New York Stock Exchange:

". . . we have increasingly resorted to squaring the circle with accounting gimmicks, evasions, half-truths and downright dishonesty in our budget numbers, debate and advocacy. Indeed, if the S.E.C. had jurisdiction over the executive and legislative branches, many of us would be in jail."

Interest cost is another large variable in the deficit equation. According to the Congressional Budget Office, annual interest costs of the federal government could increase $24 billion annually over three years if interest rates remain steady as opposed to the decline in rates presently projected. The mathematics are simple: $200 billion annual deficits add $600 billion to the federal debt over three years which at 8% comes out to $24 billion in interest annually.

As for the debate between the House and Senate on defense spending versus Social Security, if the House/Senate conferees take the path of least resistance, as appears likely, one loses another slug out of that $56 billion theoretical deficit reduction package. Indeed, if one totals up the numbers discussed herein the fact is that the entire $56 million deficit reduction package pretty much evaporates.

Mr. Kudlow sloughs off the Moynihan/Stockman repartee as an "historical footnote". These are serious matters, not footnotes. They involve the fundamental integrity of our financial system over the long term. The Moynihan/Stockman flap which goes back to various conversations the two had in 1981 is more than simply an "historical footnote" because what Moynihan is saying is that nothing has changed. Economic and other assumptions on which the tax cut in 1981 was based proved invalid so what reason do we have to accept present assumptions?

Kudlow, incidentally, is a bright man. As Treasurer of the 1976 Moynihan Campaign (and '82 and '88), this writer happens to know something about Kudlow which he might not widely admit to today, namely that he, the conservative supply sider, worked in that campaign for a brief while. That *is* an historical footnote!

STATEMENT OF SENATOR DANIEL PATRICK MOYNIHAN ON THE ONSET OF INSTABILITY

Mr. President, last Friday, in The New York Times, Tom Wicker reported an interview with the eminent and eminently conservative Nobel Laureate in economic science, Friedrich von Hayek, that had appeared in the March 25 issue of Profil published in Vienna. There, Professor von Hayek recounted that "one of Reagan's advisors told me why the President has permitted" the current enormous budget deficits:

"Reagan thinks it is impossible to persuade Congress that expenditures must be reduced, unless one creates deficits so large that absolutely everyone becomes convinced that no more money can be spent. Thus he hoped to persuade Congress of the necessity of spending reductions by means of an immense deficit. Unfortunately he has not succeeded, but even so this explanation makes it understandable how any reasonable man can do such a thing at all."

Thus the most trustworthy of sources, a man of world reputation for his forthright analysis, Professor von Hayek, has confirmed that the current deficits were, in the most fundamental sense, created as part of a deliberate strategy, a tactic to place pressure on Congress to reduce spending. This precise matter is one about which I have spoken and written for several years how.

In December 1983, I wrote in The New Republic, "The proposition is that the deficits were purposeful. . . . The President genuinely wanted to reduce the size of the federal government. He genuinely thought it was riddled with "waste, fraud, and abuse," with things that needn't or shouldn't be done. He was astute enough to know there are constituencies for such activities, and he thought it pointless to argue them out of existence one by one. He would instead create a fiscal crisis in which, willy-nilly, they would be driven out of existence."

I returned to the proposition time and again in the following months—and the following years. On March 12, 1984, I told the New York State Democratic Committee Dinner, ". . . the present fiscal crisis did not just happen, it was made to happen . . . deliberatly . . . to reduce the size of the federal government." The next month, on April 18, 1984, I dissented from the Senate Budget Committee approval of the First Concurrent Budget Resolution, because that resolution did not confront the sources of the looming deficits, deficits, created "deliberately . . . to reduce the size of the federal Government." The following month, on this floor, I made the same point. And again, on September 11, in a press briefing in my office. And again, this past March 24, 1985, in an address to the National League of Cities. The month following, once again in an interview with The American Spectator. On May 2 of this year, again, in an interview on the MacNeil/Lehrer newshour, and yet again on the same program on July 11. Most recently, in an article published in this past Sunday's New York Times.

I do not recite these references to demonstrate any special perspicacity on my part. I relied, in the first, on the words of the President himself. In his first televised speech to the nation as President, on February 5, 1981, he explained his agenda.

"There were always those who told us that taxes couldn't be cut until spending was reduced. Well, you know we can lecture our children about extravagance until we run out of voice and breath. Or we can cure their extravagance by simply reducing their allowance."

The President, like Professor von Hayek, is a forthright man, and if we are to understand the origins of the current fiscal crisis, we would do well to listen to what he has said.

More than history is at stake here; the operations of great institutions stand in the balance. We have before us today—in the form of legislation to deliver to the President authority to veto single items in appropriations bills—the proposition that the balance of powers between the Congress and President must be altered to resolve this crisis.

We know from the President, from Professor von Hayek, and from others, that this crisis did not arise from the inability of Congress to manage the budget—that, I would hazard, was a consequence—rather it arose from a strategem of the Executive.

If we are to avoid such in the future, would we not better, say, resolve never again to reduce revenues without reducing spending? We would certainly have done better, had we listened to the President when he told us in 1981 that his tax proposals were designed, in part, to create a deficit so large that it would "cure" the extravagance of Federal spending. Then, at the least, we would have known what it was we were about.

Mr. President, I would commend to the attention of the members of this body, Tom Wicker's article of July 19, 1985 and the interview with Professor von Hayek from Profil.

The material follows:

INTERVIEW WITH FRIEDRICH VON HAYEK IN VIENNA

Reagan is a very reasonable man; he is certainly no theoretician, but he has a good instinct, and I appreciate him very much. I can make a good judgment about his instinct because he has chosen his advisers for the most part from circles I am acquainted with. . . .

His politics? When the government of the United States borrows a large part of the savings of the world, the consequence is that capital must become scarce and expensive in the whole world. That is a problem. but you see, one of Reagan's advisers told me why the President has permitted that to happen, which makes the matter partly excusable: Reagan thinks it is impossible to persuade Congress that expenditures must be reduced, unless one creates deficits so large that absolutely everyone becomes convinced that no more money can be spent. Thus he hoped to persuade Congress of the necessity of spending reductions by means of an immense deficit. Unfortunately he has not succeeded, but even so this explanation makes it understandable how any reasonable man can do such a thing at all.

[From the New Republic, Dec. 31, 1983]

REAGAN'S BANKRUPT BUDGET

(By Daniel Patrick Moynihan)

EXCERPT

If I may say so, what I now write, I know. That is not and should not be enough for the reader. I will ask to be judged, then, by whether the proposition to be presented is coherent, and whether any other proposition makes more sense.

The proposition is that the deficits were purposeful, that is to say, the deficits for the President's initial budgets. They were thereafter expected to disappear. That they have not, and will not, is the result of a massive misunderstanding of American government. This is not understood in either party. Democrats feel uneasy with the subject, one on which we have been attacked since the New Deal. Republicans are simply uncomprehending, or, as Senator John Danforth of Missouri said in a speech on the debt ceiling in November (referring to the whole Senate, but permit me an inference), "catatonic." * * *

* * * as a candidate, Mr. Reagan did not propose to reduce federal spending. Waste, yes, that would be eliminated, but name a program, at least one of any significance, that was to go. To the contrary, defense spending was to be considerably increased. That was the one program issue of his campaign. It was the peculiar genius of that campaign that it proposed to increase defense expenditures while cutting taxes. This was the Kemp-Roth proposal, based on Arthur Laffer's celebrated curve. As a candidate, Mr. Reagan went so far as to assert that this particular tax cut would actually increase revenues.

* * * * *

There was a hidden agenda. It came out in a television speech sixteen days after President Reagan's inauguration, when he stated, "There were always those who told us that taxes couldn't be cut until spending was reduced. Well, you know we can lecture our children about extravagance until we run out of voice and breath. Or we can cut their extravagance by simply reducing their allowance." The President genuinely wanted to reduce the size of the federal government. He genuinely though it was riddled with "waste, fraud, and abuse," with things that needn't or shouldn't be done. He was astute enough to know there are constituencies for such activities, and he thought it pointless to try to argue them out of existence one by one. He would instead create a fiscal crisis in which, willy-nilly, they would be driven out of existence.

If his understanding of the government had been right, his strategy for reducing its size would have been sound. But his understanding was desperately flawed. * * *

EXCERPT FROM SPEECH BY SENATOR DANIEL PATRICK MOYNIHAN AT THE NEW YORK STATE DEMOCRATIC COMMITTEE DINNER

First of all I think it is time—and some of our candidates have tried—to impress upon the public that the present fiscal crisis did not just happen, it was made to happen. The President created the deficit—deliberately—in order, as he assumed, to reduce the size of the Federal government.

It was an act of irresponsibility which could only come from someone who did not understand what it is the Federal government does, and who in any event wished to bring about a great increase in defense spending, not having heard that it was already increasing. (For the record, the Federal budget under Ronald Reagan has reached one quarter of GNP—the highest in peacetime history.)

EXCERPT FROM MINORITY VIEWS OF SENATOR DANIEL PATRICK MOYNIHAN

According to the budget the President sent us in January, the Government will run $200 billion deficits * * *.

The present fiscal crisis did not just happen, it was made to happen. The President's policies *created* the deficit—deliberately—in order, as he assumed, to reduce the size of the Federal Government. * * *

EXCERPTS—RECORD OF MAY 24, 1984

What with one deficit and another, the national debt mounted steadily over the half century, 1930-80. In the 1950's, 1960's, and 1970's, however, the economy grew faster than did the debt, so it was actually declining as a proportion of the Nation's gross national product. But as a political issue, deficits were growing. It was the single, simplest way of stating the idea that Government was not behaving responsibly.

It was preeminently Ronald Reagan's issue. In his 1980 campaign, he did not propose to cut specific Government programs; it was the deficit he would cut.

How? He would bring about a massive reduction in revenues, so Congress would have no choice but to cut specific programs. Sixteen days after his inauguration he so told the Nation on television:

There were always those who told us that taxes couldn't be cut until spending was reduced. Well, you know we can lecture our children about extravagance until we run out of voice and breath. Or we can cut their extravagance by simply reducing their allowance.

* * * * *

COMMENTS FROM SENATOR DANIEL PATRICK MOYNIHAN—SEPTEMBER 11, 1984

(At Press Briefing for New York Reporters)

The Vice President is right. The deficit is the first and necessary domestic concern of the President. The present arrangements will not persist. People in the Administration know it. Their hope very simply is that the American people don't know it.

I call one thing to your mind. I've been saying for a long time now that the essential purpose of the deficit was to put an end to social policy. And it has.

Sixteen days after coming to office, the President gave that television speech, in which he said: What do you do with a child that won't behave? You cut its allowance.

In the New Republic piece I wrote last December, I said the purpose of the deficit—the fundamental purpose of the deficit—was to disable the American Government, to make it impossible to propose initiatives in areas where they had been regularly forthcoming for half a century.

PRESIDENT REAGAN AND CHAIRMAN MORRILL

(By Daniel Patrick Moynihan, U.S. Senator From New York)

(Excerpts from a speech delivered to the National League of Cities' Congressional-City Conference, Washington, D.C., March 24, 1985.)

* * * By the time he became President, Mr. Reagan had come to the judgment that the Federal Government had grown much too large, and would continue to do so unless some radical restraint was placed on the Congress, and for that matter the Executive as well.

He proclaimed his purpose in his third week in office and attained it in his seventh month, with a tax cut that radically reduced the revenues of the Federal Government, bringing about a sustained deficit.

The purpose of the deficit was elemental. It was to put in place a permanent process of seeking reductions in existing Federal programs, and resisting the establishment of new ones.

The concept was more inspired than the execution. The execution was in fact considerably blundered. Much too large a deficit was created. This deficit began to compound, and to assume a life of its own. In the first four years of the administration the national debt all but doubled, to a trillion and a half dollars. In the next four years another trillion dollars will be added.

[Excerpts from the American Spectator—April 1985]

(Daniel Patrick Moynihan)

Then came the inaugural address and an extraordinary proposition. The new President said the nation faced a crisis. Well, most new Presidents do that. Indeed, as Eugene McCarthy remarked as we strolled away to lunch after the ceremonies, most new Presidents declare war in their inaugural address; which President Reagan had not done.

But he did say this with respect to the crisis: ". . . government is not the solution to our problem; government is the problem."

This made me nervous. It was too general a statement; too indiscriminate. Did this man understand just how much government has to do? I don't think he did (and am not sure he does), for in short order he set in place a basic strategy—still in place—of reducing the size of government itself to the condition of bankruptcy. All credit to Ronald Reagan, who is not a devious man: He stated his plan straight out, sixteen days after the Inauguration. In his first national television address he said: "There were always those who told us that taxes couldn't be cut until spending is reduced. Well, you know we can lecture our children about extravagance until we run out of voice and

breath. Or we can cut their extravagance by simply reducing their allowance."

And that is what he did in the 1981 tax act. On July 27, 1981, as the bill neared passage, I found myself on national television responding to a presidential plea to get on with it; urging that to the contrary things were getting out of hand, that the President needed to impose a measure of restraint; "In the last few days something like an auction of the Treasury has been going on . . . What this is doing is taking a tax bill we could afford and transforming it into a great barbecue that we can't afford.". . .

EXCERPT: MACNEIL/LEHRER NEWS HOUR

JIM LEHRER. Senator Moynihan, what do you think is going on up there looking at it from the minority party point of view?

Senator DANIEL P. MOYNIHAN. Well, there is no longer a Republican majority that would solidly support the kinds of reductions in domestic programs that the president keeps insisting on. This goes back—if I can suggest, to a strategy which the president put in place when he arrived in his first administration which was deliberately to create a deficit that would produce an ongoing fiscal crisis that would force the shrinkage of government and, as he said the other day to business groups, the federal spending machine. (sic) They over calculated what they could really reduce as optional. I once said if by abolishing the Marine Corps, you could balance the budget, you probably could get the votes. But if abolishing the Marine Corps would save you six billion dollars and you get all the marines mad at you and you would be nowhere near a balanced budget. The president let that contrived deficit turn into a monster, now feeding on itself.

[July 11, 1985 Transcript No. 2554]

THE DEFICIT: PLAN OR PLOY?

WOODRUFF. Tonight's final focus segment looks at a new dispute about an old problem: the federal deficit. On Tuesday, budget director David Stockman submitted his resignation, reportedly frustrated by Congress' failure to make major cuts in government spending to combat the growing deficit. Yesterday, one member of Congress who was a longtime friend of Stockman's, Democratic Senator Daniel Patrick Moynihan of New York, charged that Stockman had confessed to him several times over the past few years that the Reagan administration deliberately let the deficit grow by cutting taxes in hopes of forcing a major cutback in government programs. . . .

Sen. DANIEL PATRICK MOYNIHAN. Well, you said Dave didn't deny the proposition, and let me say, let's go to the President's words and let us also remember we're going back to early 1981 and a kind of strategy which the administration in good faith within itself brought to Washington. On the fifth of February, 1981, the President spoke to the national television, his first address since his inaugural. And these are his words. He said, "There are always those who told us that taxes couldn't be cut until spending was reduced. Well, you know, you can lecture your children about extravagance until you are out of voice and breath, or we can cut their extravagance simply by reducing their allowance." That's the President of the United States. And the plan was to have a moderate deficit. The point was the revenue projections weren't real, and Mr. Stockman said that at the end of the year to Mr. Grieder in the Atlantic Monthly. . . .

WOODRUFF. So you're saying the President himself said initially we're going to be cutting taxes and we know that's going to mean an increase in the deficit?

Sen. MOYNIHAN. That's right.

WOODRUFF. You're saying he acknowledged that right away?

Sen. MOYNIHAN. He said so. And having—being short of revenue, you would then say you had to cut programs. What happened was the shortage went out of control, and from maybe a $40 or $50 billion planned deficit, it got—to what David Stockman has said is a $200 billion as far as the eye can see. A different situation now, but if we're going to understand the situation today, I think it helps to see how it began.

[From the New York Times, July 21, 1985]

REAGAN'S INFLATE-THE-DEFICIT GAME

(By Daniel Patrick Moynihan)

The week of July 8 began with the announcement that David A. Stockman would be leaving as budget director and ended with the Senate Judiciary Committee approving two constitutional amendments requiring a balanced budget. This marks the transition from policy to panic. It suggests we pause for a moment's reflection.

First, some definitions. The policy was the Administration's deliberate decision to create deficits for strategic, political purposes. The panic arises among those who think the deficit was caused instead by a failure of our political system.

The Reagan Administration came to office with, at most, a marginal interest in balancing the budget—contrary to rhetoric, there was no great budget problem at the time—but with a very real interest in dismantling a fair amount of the social legislation of the preceding 50 years. The strategy was to induce a deficit and use that as grounds for the dismantling.

It was a strategy devised by young intellectuals of a capacity that Washington had not seen for years. They were never understood, and as they depart they leave behind an alarming incomprehension of the coup they almost pulled off.

The key concept was that individual Government programs are relatively invulnerable to direct assault. The Congress, the staff, the constituency can usually beat you and always outwait you.

On the other hand, the Budget Act of 1974 contained little understood powers of huge potential. The budget committees, assuming agreement by the full Congress, could require other committees to cut back programs. The power—technically a "reconciliation" instruction—had never been used to the fullest, but it was there.

Thus, the plan: Reduce revenues. Create a deficit. Use the budget process to eliminate programs.

A hidden strategy? Not really. On Feb. 5, 1981, 16 days in office, the President in his first television address to the nation said: "There were always those who told us that taxes couldn't be cut until spending was reduced. Well, you know, we can lecture our children about extravagance until we run out of voice and breath. Or we can cure their extravagance by simply reducing their allowance."

This statement was noticed by Republican conservatives: What was this business of deliberately creating a Republican deficit? As it happened, a new economics was at hand to show that this need not happen. Known as "supply-side," it held that cutting taxes would increase revenues. A few weeks after the President's speech, the Office of Management and Budget issued revised budget projections showing taxes going down and receipts going up, almost doubling from $520 billion in 1980 to $940 billion in 1986.

Well, of course none of this happened. The budget was not balanced in 1984 as promised. Rather, by that time, Mr. Stockman was talking about $200 billion deficits "as far as the eye can see."

There are plenty of reasons the strategy came to grief, but the least noticed is that the budget committees just couldn't deliver. Successive chairmen, especially in the Senate, tried to transform the process from a straightforward allocation of funds for 19 "budget functions" into an item-by-item decision on everything. Committee meetings became spectacles: dazed legislators, swarming staff, exhausted journalists.

Then it collapsed. Other committees stopped paying any heed. The Senate Budget Committee itself broke apart. In 1982, the chairman in effect gave up and settled for a party-line vote on a one-page budget resolution with about a dozen numbers on it that nobody bothered to examine because by then nobody believed any of it any more.

On June 5, 1985, Mr. Stockman told the board of the New York Stock Exchange: "The basic fact is that we are violating badly, even wantonly, the cardinal rule of sound public finance: Governments must extract from the people in taxes what they dispense in benefits, services and protections . . . indeed, if the [Securities and Exchange Commission] had jurisdiction over the executive and legislative branches, many of us would be in jail."

This is taking too much blame. It was an honest effort, simply too clever. A failing, they say, of intellectuals in Government.

The constitutional amendments are another matter. They reflect a kind of desperation: Don't let us do it again. Which quite misses the point. The deficit was policy, a curious legacy of the young radicals who came to power in 1981, but not a symptom of a failed system of Government.

The budget is now out of control for the moment. Debt service was $53 billion in 1980; it will be $234 billion by 1990. The debt is compounding; we will indeed in time be borrowing abroad to pay interest owed abroad.

We can do little about this in the near-term. It is now, at minimum, a 15-year problem. On the bright side, the Social Security Trust Funds begin to grow rapidly after 1988, reaching an estimated $1 trillion surplus by 1999. The dark prospect is that some administration in the 1990's will give up and wipe out the debt by inflating the currency.

But if there isn't much we can do, there are things we can learn. Principally, that the dysfunction of the political economy is not a symptom of a failing of the political system. The disaster was planned, although not as a disaster. If we can get a truly conservative Administration into office by the 1990's, we can probably restore stability by the year 2000.

Mr. MOYNIHAN. Mr. President, again I thank the Senate for indulging me this morning, and absent any other Members seeking recognition I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KASTEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business for not to extend beyond the hour of 11 a.m., with statements therein limited to 5 minutes each.

SOVIET JEWISH EMIGRATION CONTINUES TO DECLINE

Mr. CRANSTON. Mr. President, I am pleased to participate in the 1985 Congressional Call to Conscience for Soviet Jews and Christians. I wish to commend my distinguished colleague, Senator BOSCHWITZ, for organizing this important effort.

As one who has worked hard over the years to press the Soviet Union to respect the basic human rights of its Jewish citizens, I am deeply dismayed by the continued decline in the numbers of exit visas being granted Soviet Jews. From a high of 51,320 exit visas that were granted Soviet Jews in 1979, less than 900 Jews were given permission to emigrate from the Soviet Union in 1984. Thus far, only 499 visas were granted for the first 6 months of this year. These deplorable figures are worrisome in view of the fact that there are at least some 350,000 Jews in the Soviet Union who wish to emigrate to the United States and elsewhere.

I am also deeply concerned about the Kremlin stepping up what appears to be an official campaign to crush Jewish culture in the Soviet Union. Since July of 1984, at least 14 Jewish cultural activists and Hebrew teachers have been arrested on trumped-up charges. Many more others have been beaten or fired from their jobs.

We in the U.S. Senate must be vigilant in calling on the Soviet Union to stop its persecution of all its citizens, including Jews, Christians and those of other faiths, and to respect their basic human rights—including the right to emigrate freely. The Soviets must be put on notice that continued harassment of religious groups poses a serious impediment to improved United States-Soviet relations and that closer ties cannot be gained at the expense of the oppressed.

Today, I wish to direct the attention of my colleagues to the case of Ida Nudel who has been seeking to emigrate from the Soviet Union since 1971 so that she may be reunited with her sister in Israel. In 1978, Ida hung a banner outside her apartment window asking the Soviet authorities for an exit visa. For making this simple appeal, she was sent to Siberia to serve a 4-year sentence of internal exile for malicious hooliganism. Many of you are very familiar with her plight and have worked on her behalf. Ida Nudel is known as the "Guardian Angel" for her courageous activities on behalf of Soviet Jewish prisoners of conscience. And now, we must renew our efforts on her behalf. Ida suffers from ulcers, kidney and heart ailments and her health continues to deteriorate. Most recently, she learned that she may have cancer and boarded a train for Moscow where she hoped to seek medical care.

Incredibly, Soviet authorities took her off the train, preventing her from going to Moscow. Under these circumstances, 44 of my distinguished colleagues, including Senator BOSCHWITZ, joined me in expressing our deep concern for Ida Nudel to Soviet General Secretary Mikhail Gorbachev. We asked that Ida Nudel be given the immediate necessary medical care and that she be granted an exit visa. I ask for unanimous consent that our letter to General Secretary Gorbachev be printed in the RECORD.

Mr. President, I reaffirm my strong support for the just cause of Soviet Jews and pledge to continue to do all I can to help alleviate their plight.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington DC, July 16, 1985.

Mikhail Gorbachev,
General Secretary, C.P.S.U., The Kremlin, Moscow, U.S.S.R.

DEAR MR. GENERAL SECRETARY: We are writing to you about Ida Nudel because of our growing concern about her deteriorating health and about reports that she has been prevented from receiving the necessary medical care.

Ida Nudel has been seeking to emigrate from the Soviet Union since 1971. Unfortunately, her many efforts to obtain an exit visa have been unsuccessful. From 1978, she served a four year sentence in Siberia for placing a banner outside her apartment window asking for an exit visa.

We have followed her case closely and have been increasingly concerned about her health. Ida Nudel suffers from ulcers, kidney and heart trouble and is in a great deal of pain. Given her physical suffering, it is with great distress that we learned that Soviet authorities took her off a train bound for Moscow where she hoped to seek medical care.

We appeal to you to see that Ida Nudel is permitted to receive the immediate medical attention necessary and to grant her an exit visa expeditiously so that she may be reunited with her sister in Israel.

Mr. General Secretary, your favorable response to our urgent appeal would be a most helpful step and would be welcomed greatly by Ida Nudel's friends here in the United States and all over the world.

Thank you for your prompt consideration of our earnest request.

With best regards.

Sincerely,

Alan Cranston, Bob Packwood, Paul Simon, David Durenberger, Paul Sarbanes, William Proxmire, Carl Levin, Edward Zorinsky, David L. Boren, Nancy Landon Kassebaum, Patrick Leahy, Lawton Chiles, Claiborne Pell, Jim Sasser, Albert Gore, Jr., Howard M. Metzenbaum, Strom Thurmond, Arlen Specter, David Pryor, Alfonse M. D'Amato, Edward M. Kennedy.

Chuck Grassley, J.J. Exon, Richard G. Lugar, Dennis DeConcini, Christopher J. Dodd, William S. Cohen, Rudy Boschwitz, John Glenn, Dan Quayle, Steven Symms, Slade Gorton, John Melcher, Pete Wilson, Tom Harkin, Donald W. Riegle, Jr., Dale Bumpers, Frank R. Lautenberg, Don Nickles, Gordon Humphrey, Alan J. Dixon, Bill Bradley, Wendell H. Ford, Frank H. Murkowski.

THE NATIONAL DEBT

Mr. GRASSLEY. Mr. President, a new nationwide poll gives us more evidence of the wisdom of the American people. The poll on the national debt was commissioned by the National Debt Repayment Foundation, a nonprofit organization dedicated to educating the public about the dangers of the national debt, and was conducted by Civic Service Inc., a respected polling organization.

Mr. President, the poll is at the same time encouraging and disheartening.

It is encouraging because it shows that the American people are keeping a close watch on the Nation's finances. More than 93 percent of those interviewed think the deficit is an important issue; 90 percent believe that the national debt is a threat to the future of the U.S. economy; and 82.3 percent believe that failure to reduce the debt threatens their personal financial security.

The people want action; 95.2 percent of those interviewed believe it is important that something be done to reduce the national debt; and 86.3 percent agree that citizens will have to make sacrifices to deal with the debt.

These figures are encouraging. They show that Americans understand the grave danger to the U.S. economy that is posed by continued fiscal irresponsibility. And more important, they show that Americans understand there is no easy way out—they understand that sacrifices must be made for the sake of the Nation. Our country is blessed with citizens who are willing to face up to the difficult task ahead.

But, Mr. President, the poll is also disheartening because less than half of the Americans interviewed have confidence that their elected leaders in Congress will take action on the debt in time to avoid a national crisis. Less than 10 percent are very confident that Congress will act in time.

These figures are disturbing to me as a Member of the Senate, but unfortunately I cannot blame our citizens for their lack of faith. The deficits and huge national debt have been allowed to grow at alarming rates. A time

bomb of debt is being created. If we do not bring it under control, we will jeopardize the economic opportunities available to future generations of Americans—our children and grandchildren.

The American people understand this danger. We Members of Congress must act now. We must take every initiative, examine every possible solution, keep trying when there seems no hope, for we may have no more chances. The tough decisions we face will only be much, much tougher if we put them off until the Nation faces an economic crisis.

Mr. President, the Congress must achieve major long-run deficit reductions and make repayment of the national debt a part of the policy debate. Unless we turn the tables on the deficit trend and face up to our financial responsibilities, we will have betrayed not only the American citizens who put their trust in us by electing us to office, but also the millions of Americans who will have to pay the price in the years to come.

WINTER WHEAT FARMERS SHORTCHANGED WITHOUT ACTION ON FARM BILL

Mr. NICKLES. Mr. President, time is running out for our Nation's wheat farmers. Like I said 2 days ago, if there is not quick action on the farm bill, winter wheat farmers above all others will be the biggest losers.

All of the agriculture is facing tough times. All of agriculture has an interest in the development and passage of the farm bill. But, winter wheat farmers are the hungriest for information about next year's program because it won't be long until they pull the grain drills out of the shed and into the fields to sow the 1986 crop.

The production cycle will not be slowed if the farm bill is not acted on by the August recess. But farmers in Oklahoma and other wheat States will be left trying to second-guess what Congress will do with the programs which have a direct impact on them, their families and their communities.

To put it bluntly, farmers have to know program details in order to make cost-saving management decisions. And everyone knows that in these economic times farmers are searching for any cost savings they can find.

According to the Wheat Export Trade Education Committee, winter wheat farmers in one dozen States, including Oklahoma, will be planting next year's crop before Congress is back in action following the August recess. By September 15, farmers in 21 States will be planting winter wheat. The 1981 farm bill passed the Senate on September 18 and was eventually signed by the President that December. Just because Congress gave wheat farmers the short end of the stick then doesn't mean we have to do it again.

Thirty years ago farmers received $1.99 a bushel of wheat. Ten years ago the same bushel would fetch $3.40. Today, Oklahoma farmers find the downward market offering a dismal $2.85 per bushel. Do my colleagues realize that a single bushel of wheat produces 73 1-pound loaves of bread? Do my colleagues realize that the farmer's share of a dollar loaf of bread is less than 4 cents?

Mr. President, farmers have their backs against the wall. They are being hit from all sides with credit problems, cash problems and if we don't act quickly, congressional problems. Today, I am circulating a letter among some of my colleagues asking them to join me in requesting the majority leader to bring up the wheat section of the farm bill on Tuesday of next week if it has yet to be reported out of committee.

Farmers throughout the Nation deserve our best efforts, Mr. President. If we are going to be in their business, we at least ought to get it right.

TAX REFORM, WOMEN, AND FAMILIES

Mr. DURENBERGER. Mr. President, "Increase Fairness for Families," so reads the heading for chapter 2 of the President's tax proposals to the Congress for fairness, growth, and simplicity. I share that goal. I feel strongly that we should increase fairness for all families, not only traditional families. Any attempt at tax reform should have as its centerpiece a policy which recognizes the economic forces which determine a family's ability to pay taxes.

Mr. President, I think we all share similar definitions of the words "equity" and "fairness." However, we run into trouble when we try to define the average American family. Is the average American family what it used to be 30 years ago: Two working parents, the father working outside the home, the mother working in the home, one taxable income and two or three dependents? No; that family portrait is only one of the many typical families which make up our diverse society.

Recently I introduced a bill, S. 1169, the Economic Equity Act, which goes a long way in reforming our Tax Code to accommodate the diversity of today's American families. The Economic Equity Act seeks reform in the zero bracket amount for single heads of households, the dependent care tax credit, and the earned income tax credit. All of these reforms are warranted by the shift in womens' roles away from primarily homemaking, and toward being a major, or the only wage-earner for the family.

The remarkable change in the composition of American families has come about largely due to the changes in womens' roles. Today women are working in greater numbers than ever before, many of them are single heads of households, they are partners in two-earner couples, and often they are largely or solely responsible for the care of children, dependent parents, and relatives.

The statistics frame a picture which indicates that a tax code geared specifically to a two-parent, one-earner family with dependents who are cared for by a parent, is out of step with a large percentage of American families. In addition, our Tax Code must be amended to take into consideration the phenomenon of the "new poor"; it must reflect the fact that women and children are sinking below the poverty line at ever-increasing rates. Nearly one-half of all poor families—45.7 percent—are headed by women. The percentage of minority families below the poverty line headed by women is even higher: 57 percent of all black and Hispanic families.

When I introduced the Economic Equity Act for the first time in 1981, I was approaching the problem of women's inequity from an economic standpoint. I believed then, and I continue to believe, that equal economic standing is a vital component to ensuring equal access to all our society can offer, whether in business, education, public service, or domestic life, to both sexes. In order for women to enjoy all the privileges of our society, they must attain firm economic footing. A good place to begin the reforms is in one of the major economic facts of life: taxes.

The Economic Equity Act of 1985, amongst its 22 bills, offers three reforms in our current Tax Code. These three provisions are aimed toward three specific, but often overlapping groups of taxpayers. The changes in the dependent care tax credit are designed to assist lower income families with dependent care costs, the zero bracket amount [ZBA] legislation will bring fairness in taxation between families headed by a couple, and families headed by a single parent, and the changes in the earned income tax credit will offer increased incentive for low-income families to work.

THE DEPENDENT CARE TAX CREDIT

Under the President's tax reform proposal, the dependent care tax credit would be changed to a deduction. This change would wipe out the largest Federal expenditure in the area of dependent care, mainly adversely affecting lower and middle income families who rely on dependent care in order to maintain their earning status.

However, the EEA proposal for reforming the dependent care tax credit moves the other direction. The de-

pendent care tax credit would be maintained, expanded, indexed for inflation, and made refundable for low-income families who owe no income tax. Under the EEA, the current sliding scale would be increased to 50 percent of dependent care costs for individuals earning $10,000 or less, decreasing to 20 percent of dependent care costs for individuals earning $40,000 or more. The EEA proposal would index the income thresholds in order to keep pace with inflation, and allow working poor families to receive a refundable credit. These reforms are both appropriate and necessary additions to the dependent care tax credit. They will assist working families who have the least ability to pay dependent care costs. Refundability extends the benefits of the dependent care tax credit to those families below the poverty line who need the assistance the most.

THE ZERO BRACKET AMOUNT

Reform of the zero bracket amount [ZBA] constitutes a clear equity issue: That of the different tax treatment of families headed by a couple and families headed by a single head of household. Current law allows a single head of household $2,390 in untaxable income. This sum is equal to the amount allowed unmarried individuals. However, married couples filing jointly are allowed $3,540 as their zero bracket amount. The President's tax plan recognizes the inherent inequity of either rewarding joint heads of households, or penalizing single heads of household through the Tax Code. I applaud the President's tax proposal for recognizing the tax gap between these two types of families, and for proposing to narrow that gap by increasing the ZBA for single heads of households. However, that gap should be closed completely.

A key element of the economic equity tax title is closing that zero bracket amount gap entirely. Our Tax Code has no role in economically discouraging single heads of households. In 1983, the median income for female-headed households was $11,789, and for married couples it was $27,286. In 1984, a single parent family of four at the poverty level paid $135 more in Federal taxes than a two-parent family of four at the poverty level. Raising the ZBA for single heads of household to that of married couples is an equity reform which will, additionally, remove an inappropriate tax burden on the large percentage of poor families headed by single women.

THE EARNED INCOME TAX CREDIT

The earned income tax credit [EITC] serves an incentive for low-income families to work rather than to receive public assistance by offsetting a portion of the Social Security payroll taxes paid by the worker. Under the President's tax proposal, in recognition of the fact that the EITC is an effective method of helping working families to remain above the poverty line, the EITC would be increased from 11 percent to 14 percent, and indexed for inflation.

Although the administration takes a step in the right direction by expanding and indexing the earned income tax credit, I feel the proposal does not go far enough. The Economic Equity Act proposal expands the credit from 11 percent to 16 percent of the first $5,000 of earned income. The maximum credit of $800 would be phased out for incomes between $11,000 and $16,000 at a 16-percent rate. Reform of the earned income tax credit would allow one of the sections of our current Tax Code which is geared to assist working poor families, many of whom are headed by women only, to continue to work. Expansion and indexing of the credit will allow families to avoid a tax burden which will once again, push them below the poverty line.

Mr. President, these three primary tax issues, and a number of others important to women and families were discussed in a hearing held by the Senate Finance Committee, June 19, 1985, as part of an ongoing series of hearings on tax reform. I urge my colleagues to consider the EEA tax proposals I have outlined here for inclusion in our final tax reform package. The Economic Equity Act tax provisions are a response to changing times, and the changing, and highly diverse nature of American families. I feel strongly that any tax reform proposal we adopt will have to earn the trust of the American taxpayers through a tax code with a direct correlation to their lives, one which has been formulated to fit all kinds of families' earning abilities, not just the classic two-parent, one-earner model.

Excellent testimony was offered in the Finance hearing by Nancy Duff Campbell of the National Women's Law Center and Maxine Forman of the Women's Equity Action League on the various tax reform proposals and their effect on women and families. I ask unanimous consent that their testimony be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT OF NANCY DUFF CAMPBELL, MANAGING ATTORNEY, NATIONAL WOMEN'S LAW CENTER, AND MAXINE FORMAN, DIRECTOR OF POLICY ANALYSIS, WOMEN'S EQUITY ACTION LEAGUE, ON TAX FAIRNESS FOR WOMEN

We are submitting this statement on behalf of Nancy Duff Campbell, Managing Attorney with the National Women's Law Center, and Maxine Forman, Director of Policy Analysis with the Women's Equity Action League. We are appearing together today, not only on behalf of our respective organizations, but also because we co-chair the Coalition on Women and Taxes. This coalition, which includes a diverse group of women's, children's, religious, aging, civil rights and civic groups, has been meeting since early in the year to analyze national tax policy as it affects women and to assess the various reform proposals and their impact on women.

The views which we present today have grown out of this coalition's efforts. Nearly thirty national groups have endorsed the principles which must form the basis of fair and equitable tax reform for women. In a letter sent last month to Treasury Secretary Baker and to all members of this Committee, and attached to this statement, these groups stated:

"First, we support expanding significantly the tax base, particularly by reaching corporate and sheltered income that has escaped taxation in recent years, and returning that income to individuals in the form of lower rates and a simplified tax structure. Secondly, we favor giving priority to adequacy issues: the tax burden on the poor, most of whom are women and their dependent children, must be alleviated. At a minimum, no one at or below the poverty line should be subject to federal income tax. Finally, we support giving priority attention, too, to equity issues: ability to pay must be the major factor in establishing tax rates and determining taxable income, so that individuals and families with greater needs, such as obligations to dependents, are treated differently from those without such obligations."

We will be submitting for the record a statement on behalf of the Coalition which develops our positions in greater detail.

We have made tax issues a priority for our organizations because tax policies must meet women's basic economic needs. The past several decades have seen a dramatic change in the nature of the responsibilities that women have assumed. Although over 40% of women are not in the paid labor force and maintain the important role of homemaker, women have entered the labor market in unprecedented numbers. In 1960, only 38% of women worked outside the home in paid employment, while by 1982 that figure reached 53% and climbed to 63% for women between the ages of 18 and 64. Moreover, an increasing number of women are combining paid employment and family responsibilities: in the past three decades, the labor force participation rate of mothers has more than tripled. Today, nearly 60% of the mothers of school-aged and infant children are in the labor force, almost double the number in 1960.

The changing nature of women's work and family responsibilities has in part been the result of the increasing numbers of women who are the sole or principal source of economic support for their families. In 1983, female-headed families constituted over 15% of all families, compared to 10% of all families in 1970. For Black families the percentage is even greater; in 1983, 41.9% of black families were headed by women, an increase from 28% in 1970. In Hispanic families, the percentage of female-maintained families increased from 15% in 1970 to 23% in 1983; among Puerto Rican families, 41% were maintained by women. About one-quarter of Native American families were maintained by women.

Finally, despite the growth in the numbers of women in the paid labor force, the spectre of poverty has become a reality for greater numbers of women than ever before. Today, women and children constitute 75% of the poor in this country, and nearly 50% of all poor families are headed by women.

up from 25% of all poor families twenty-five years ago. The percentage of minority families maintained by women who are poor is even higher: approximately 57% of all Black and Hispanic families are female-maintained.

Our objective here today and throughout the debate in coming months is to ensure that national tax policy as it is reshaped by Congress and the Administration is responsive to the basic economic facts of life for women. We welcome the prospect of tax reform. We are encouraged that women, particularly low-income women, stand to improve their status if some of the provisions in the reform proposals are enacted. We will, however, suggest additional improvements in order to ensure maximum fairness and equity to the full range of women who are affected by national tax policy.

The cornerstone of our support for tax reform derives from our agreement with the underlying principle of the major reform proposals: that tax rates can be brought down by eliminating many preferences and deductions which have enabled high-income individuals and corporations to escape taxation. As upper-income individuals and corporations have sheltered more and more of their income, and enjoyed little or no tax liability, others have been paying at higher and higher marginal rates—shouldering the tax burdens thrust upon them because others have avoided their fair share. Whether as workers in paid employment or homemakers, whether in one- or two-earner couples, whether as single heads of households, or elderly women living alone, women have been bearing the brunt of a tax system which takes their last dollars but permits the wealthy and corporate America to pay little or no tax. In short, the potential gain for women under tax reform is great.

However, tax reform must provide not only lower rates and a broadened base, but also must provide fairness to individual taxpayers, particularly those at the low and middle end of the income scale. Each of the major reform proposals is built around the premise of lower rates in exchange for fewer preferences and deductions, but each offers a somewhat different approach. The Administration proposes creating three different individual tax rates of 15%, 25% and 35%; Bradley-Gephardt proposes three rates of 14%, 26% and 30%; Kemp-Kasten generally imposes a flat tax of 24% on all income. From the initial analysis which we have done, we are concerned that none of the major plans is progressive enough and requires of upper-income taxpayers an obligation commensurate with their ample ability to pay. In addition, there are adequately and equity issues of special concern to women, both in their capacity as workers in paid employment and as spouses and parents, which we address in more detail below.

TAX THRESHOLD: ADEQUACY FOR LOW INCOME WOMEN AND FAMILIES

As we have stated above, eliminating the tax burden on the poor is a priority issue for us. We are, of course, heartened to see that this principle has guided all the major reform efforts to date and we are particularly pleased that the Administration's new proposal provides relief for individuals and families at or near the poverty level. Indeed, exempting those at or near poverty from federal income taxation is so essential that it must remain an absolute sine quo non of any reform plan which Congress ultimately adopts.

Current law

Under the current law, the tax burden on the poor—three-quarters of whom are women and their dependent children—is harsh and getting harsher each year. The facts speak for themselves: Since 1978, the tax burden on the poor has risen dramatically as families of four at the poverty line have seen their combined federal income and payroll taxes increase from $269 to $1,147, and from 4% to over 10.4% of their income. Between 1980 and 1982, the number of persons in poverty paying federal income tax more than doubled. While the point at which a family began paying federal income tax was 21.7% above the poverty line in 1975—thus exempting poor and near-poor families from income tax—a decade later, in 1985, this tax threshold was nearly 20% below the poverty line, thus forcing many families with poverty and below-poverty level earnings to pay income tax. In short, the 1981 tax cuts enjoyed by so many Americans simply ignored those at the lower end of the income scale. Women and their children, the vast majority of the poverty population, sank deeper into poverty, in part as a result of tax policies which have failed to keep up with their needs.

The three provisions which together determine the tax threshold are the personal exemption, the zero bracket amount (formerly called the standard deduction), and the Earned Income Tax Credit (EITC). Since 1979 the personal exemption has been $1,000, but with the start of indexing in 1985 it will increase to $1,040 and to $1,080 in 1986. The zero bracket amount varies according to a taxpayer's filing status. Single persons and single heads of households for many years have had a zero bracket amount of $2,300. With indexing it will rise to $2,390 in 1985 and to $2,480 in 1986. For married couples, the zero bracket amount has been $3,400 since 1979. With indexing, in 1985 it will rise to $3,540 and to $3,670 in 1986. The third provision affecting whether low-income families pay federal income tax is the EITC. The EITC is a refundable credit—available to families with children and earned incomes of less than $11,000—of approximately 11 percent of the first $5,000 of earned income, for a maximum of $550. It was enacted in 1975 to encourage workforce participation by offsetting the effect of rising payroll taxes on low-income workers and, as such, has been of special benefit to low-income women heads of households. Payroll taxes have risen considerably since 1975, however, but the EITC has not been adjusted either to the rise in payroll taxes or to account for inflation. Although Congress last year increased the eligibility ceiling for this credit to $11,000, in 1985 and subsequent years the poverty line for a family of four and all larger size families will exceed $11,000, rendering the EITC unavailable to some working families who live in poverty.

The personal exemption, the zero bracket amount, and the EITC, structured originally to work together to protect proverty-level individuals and families from paying federal taxes, have failed in recent years to accomplish this goal and more and more low-income families are being required to pay federal income tax on an increasing portion of their meager earnings. Even with the beginning of indexing in 1985, because so many poor families have already been required to pay income tax and because the EITC is not indexed, this change will not provide tax relief for poor families.

Reform proposals

The changes proposed by the Administration in the three provisions directly affecting the poor substantially eliminates the unfairness in current law for heads of households and married couples but not for singles. The new Treasury plan proposes increasing the personal exemption to $2,000, effective in 1986. The plan increases the zero bracket amount for singles to $2,900 (from $2,480), for married couples to $4,000 (from $3,680) and for single heads of households to $3,600 (from $2,480). The EITC will be increased to 14% of the first $6,500 of earned income and would phase out at $13,500, thus providing a maximum credit of $700. To avert erosion through inflation, each provision would be indexed and poverty-level families should be assured over time of relief from federal income tax.

Both the Bradley-Gephardt and Kemp-Kasten proposals also make significant improvements over current law on tax threshold issues, though Bradley-Gephardt particularly has shortcomings, which, when viewed against the Administration's proposal, make the latter proposal preferable. Bradley-Gephardt has a three-tiered personal exemption: $1,600 for taxpayers and their spouses, $1,800 for heads of households and $1,000 for dependents. Zero bracket amounts are raised to $6,000 for married couples, and to $3,000 for single taxpayers and single heads of households. Bradley-Gephardt brings some married couples above the poverty threshold. However, because the zero bracket amount for heads of households remains the same as for single taxpayers, and because the exemption for dependents is lower than for adults, this bill makes the tax threshold much lower for single heads of household than for married couple families of the same size. For example, a married couple with one child would have $10,200 of tax-free income ($6,000 in zero bracket amount and $4,200 in exemptions), while a head of household with two dependents would have only $6,800 tax-free income ($3,000 in zero bracket amount and $3,800 in exemptions). Moreover, the EITC is not changed, and none of the provisions is indexed. The failure to index the provisions which determine the tax threshold makes any gains for low-income families short-lived, since inflation will erode any relief achieved.

Despite the fact that the straight flat tax of 24% in the Kemp-Kasten bill is on the surface unfavorable for low-income families, it is structured in such a way that poor families are exempt from federal income tax. Like the Administration bill, the personal exemption is $2,000 and indexed. Zero bracket amounts are raised to $2,600 for singles, to $3,300 for married couples, and to nearly that level, $3,200, for single heads of households, and are indexed. The bill also expands the Earned Income Tax Credit to 14.3%, ties the percent to the combined employer/employee Social Security tax rate, and adds a dependent allowance so that larger families receive more of a benefit than smaller families. However, the credit is phased out at lower earnings levels than under the Administration bill, or under current law. Thus, it appears that some working families currently eligible for the credit would lose it.

In assessing the approaches to eliminating the tax burden on the poor, it is our view that Congress should be guided by several principles. First, and most importantly, there must be a sacrosanct commitment to

ensure that families at or near poverty are exempt and continue to be exempt from federal income tax. Secondly, the provisions adopted must provide relief to all poor and near-poor individuals and families—singles, single heads of households, and married couples with one earner and with two earners. Finally, in putting together a combination of provisions—the personal exemption, the ZBA, and the EITC—preference must be given to expanding those features which give the most relief to low-income families—ZBAs and the EITC. Raising the personal exemption helps to provide important relief, especially to larger families, but because it benefits wealthiest taxpayers most, it is a less efficient and more costly way of helping low-income families.

We offer our support for changes which remove poverty and near-poverty level families of all types from the federal income tax rolls and pledge the resources of our Coalition on Women and Taxes to ensure that this goal is incorporated in all versions of tax reform which are considered and adopted by Congress. Any proposal which does not result in exempting poor families and individuals from federal income tax will be viewed as a retreat by Congress and the Administration from their commitment to tax reform and will force us to reconsider our commitment to tax reform efforts we have pledged to support.

Further improvements

The tax threshold provisions which have been advanced in the reform proposals discussed above could be improved in several important respects to offer even more protection to low-income individuals and families. As discussed in another part of our statement, no proposal eliminates entirely the disparity between the tax burdens of single heads of households and married couples. We urge the Committee to raise the ZBA for heads of households to the level enjoyed by married couples, as provided in the Economic Equity Act, S. 1169, and to equalize their tax rates as well.

Another improvement which the Committee should consider is expansion of the group of low-income earners eligible to receive maximum benefit from the EITC. Although the Administration proposal raising the EITC from 11% to 14% and permitting it to phase out at $13,500 instead of $11,000 is an important improvement over current law, we prefer the proposal contained in the Economic Equity Act. That proposal raises the earnings level eigible for the maximum credit to $16,000, increases the percent to 16%, and begins the phase-down of the credit at $11,000. We urge the Committee to commit itself to go beyond the proposals for very low-income working families which the Administration has advanced and expand the EITC along the lines we have suggested.

TAX THRESHOLD: ELDERLY AND DISABLED WOMEN

The tax threshold is particularly important to elderly and disabled people because of attendent expenses of age and disability. To provide equity to these individuals, their tax threashold should be higher than the tax threshold of other individuals. Clearly, the tax code must maintain provisions which tax elderly and disabled people fairly and allow them to maintain an adequate standard of living.

Fairness to low-income elderly and disabled individuals is an especially important principle for women. Women are 60% of people over the age of 65, and 70% of those over 85 years of age. Over three-fourths of elderly women have incomes under $10,000 a year. The median annual income of all elderly women from all sources (earnings, interest, pensions and Social Security) was only $5,599, as compared to $9,766 for men in 1983. Only 8% of elderly women are in the workforce, with median annual earnings of $3,150. One in three single elderly women and one in two single elderly Black women receiving Social Security depend on it for more than 90% of their income. The poverty rate for elderly women is nearly 18%. Forty-nine percent of elderly white single women and 80% of elderly Black single women live at or near the poverty level.

Disabled women are disproportionately represented in poverty, too. Women are 74% of all the disabled poor. In general, Black and Hispanic origin individuals are 25% more likely to be disabled than white individuals. Over 90% of severely disabled women are completely out of the workforce as compared to 80% of the men.

Elderly and disabled women often have health conditions which require them to make more frequent visits to the doctor and have longer than average hospital stays. As a result, according to one study, the elderly incur out of pocket health care expenses averaging over $1,500 a year.

Current law

The higher tax threshold for the elderly under current law recognizes that elderly persons, millions of whom are single women living on small fixed incomes, often incur high medical expenses or related costs which reduce their ability to pay taxes.

Under current law, persons with low and moderate incomes do not pay income tax on Social Security benefits, including disability benefits. Tax is imposed on the lesser of: (1) one-half of the taxpayer's Social Security benefit; or (2) one-half of the amount by which the taxpayer's combined income (AGI plus one-half of the Social Security benefit) exceeds $25,000 for single returns and $32,000 for joint returns. The income thresholds are not indexed. Very few elderly and disabled women currently have incomes above the thresholds, but the number will increase with inflation.

In addition to exempting Social Security benefits from taxation for low and moderate income people, current law provides an extra personal exemption for the blind and the elderly as well as a nonrefundable, unindexed credit for certain individuals age 65 and over and certain disabled individuals.

The administration's proposal

The Administration's proposal maintains and improves the tax threshold for the elderly and the disabled. Through an expanded and indexed credit, coupled with the doubling of the personal exemption, the plan substantially raises the tax-free levels of income for the elderly and disabled individuals.

Tax-free levels of income for people age 65 or older and blind individuals with average Social Security benefits are raised from $10,640 to $11,900. For disabled individuals under age 65 the tax-free level is raised from $9,383 to $10,400. The extra personal exemptions for the elderly and blind, which are worth more to higher income taxpayers, are repealed. Also, the Administration's plan maintains the current law treatment of Social Security benefits.

Because of the special significance of the tax threshold to elderly and disabled women, we support the provisions in the Administration's proposal which maintain and improve the level of the tax-free income. We especially support repealing the extra personal exemption which benefits higher income individuals who require the least help and replacing it with an expanded and indexed credit which targets help to lower and moderate income people.

TAX EQUITY FOR SINGLE HEADS OF HOUSEHOLDS

Equity between similarly situated families is a principle that must be adhered to in any tax reform proposal. This principle requires that single heads of households and married couples with the same income and family size be treated similarly by our tax code. Current tax provisions which cause heads of households to pay more taxes than married couples with the same income and family size must be changed so these families are treated equally.

The IRS defines heads of households as single taxpayers maintaining a home for over half the year for a child, grandchild or any dependent, or separated taxpayers maintaining a home for a dependent child. A large and increasing number of taxpayers file as heads of households. In 1982, over 8.4 million taxpayers filed as heads of households. This represented almost 9% of all returns filed. While the total number of returns filed decreased between 1981 and 1982, the number of head of household returns increased by more than 8%.

Most heads of households are single parents maintaining homes for dependent children. Over 85% of heads of households claimed dependent children in 1982. Although the IRS maintains no data on the number of women who file as heads of households, statistics show that nearly 90% of single persons maintaining families with children under 18 years of age are women. In a little more than a decade, the proportion of families with children under age 18 maintained by single women has nearly doubled, rising from 10% in 1970 to 19% in 1983.

The inequitable tax burden on single heads of households

In addition to problems of single parenthood, pay inequity, and high unemployment, single women maintaining families are shouldered with an inequitable tax burden. Single women and their families can ill afford this burden. Over 22% of families maintained by single women with employment income lived below the poverty level in 1983. The median annual income for single women maintaining families was only $11,789.

The household expenses for a head of household are roughly comparable to those of a married couple with the same income and family size. A survey by the Bureau of Labor Statistics indicates that while household budgets vary slightly depending upon the ages of the householders and the children, the cost of a budget for a family maintained by a single parent is very close to and in some instances greater than the cost of a budget for a same-size family maintained by a married couple. Indeed, the poverty level is set higher for a head of household with one dependent than for a married couple with no dependents. Married couples with dependents have the same poverty level as heads of households with same-size families.

Current law

Although their household expenses are comparable, heads of households and married couples with the same income and same-size families do not pay the same amount of federal income tax. Heads of households pay more. In 1984, a head of household with $10,000 of income, no spe-

cial credits or deductions, and two dependents paid 35% more tax than a married couple with the same income and one dependent. The same head of household with $20,000 of income paid 19% more tax than a comparable married couple.

The differential between the tax liability of heads of households and married couples is caused by two provisions: the zero bracket amounts (ZBAs) and the tax rate schedules. Heads of households have the same ZBA as single taxpayers without dependents. They currently have a ZBA of $2,300 compared to $3,400 for married couples filing joint returns. Because the ZBA tends to be most significant for lower-income taxpayers, the tax penalty on heads of households compared to married couples generally is greatest for lower to middle income taxpayers. In addition, the tax rates for heads of households are higher than those for married couples filing jointly. Heads of households have an intermediate tax rate schedule with rates between the rates for married couples and single taxpayers.

Equity between heads of households and married couples

Equity dictates that heads of households not pay more income tax than married couples with the same income and family size. Heads of household should bear the same tax burden as similarly situated married couples. This requires use of the same ZBA and tax rates for both filing statuses. The 1985 Economic Equity Act raises the ZBA for heads of households to the amount currently available for married couples. Using ZBA levels in current law, the cost of raising the ZBA for heads of households was estimated in 1984 to be about one billion dollars a year. This amount would be a small price to pay to achieve greater fairness and to ease the tax burden on heads of households who are working to support themselves and their families.

CURRENT PROPOSALS

Two of the three major tax reform proposals address the inequity between single heads of households and married couples which exists under current law. The Administration's proposal and Kemp-Kasten partially remedy the current disparity although neither achieves complete equity. The Administration proposal raises the ZBA for heads of households to $3,600 compared to $4,000 for married couples but retains an intermediate tax rate schedule for heads of households. Kemp-Kasten raises the ZBA for heads of households to $3,200 compared to $3,300 for married couples and imposes a single tax rate on all taxpayers. Thus, Kemp-Kasten very nearly eliminates the penalty on heads of households, while the Administration's proposal reduces the penalty to some degree. We support the intent of these measures although neither achieves our goal of complete equity for heads of households.

The Bradley-Gephardt proposal exacerbates the inequity in current law and increases the penalty on heads of households. As explained earlier [1] the proposal increases the differential between the ZBAs for heads of households and married couples, retains an intermediate tax rate schedule for heads of households, and gives a lower total exemption to heads of households than to married couples with same-size families. These provisions create inequity not only in the tax threshold of heads of households, but also in their tax liability. For example, a head of household with an income of $10,000 and two dependents pays 448% more federal income tax under Bradley-Gephardt than a married couple with the same income and one dependent. At $15,000 of income, the head of household pays over 70% more tax and at $40,000 of income she pays over 54% more tax.

The goal of equity for single heads of households requires that Congress recognize the greater tax burden on single women maintaining families compared to married couple families of the same income and family size. To correct this glaring inequity Congress should equalize the ZBAs and tax rates for heads of households and married couples.

TAX EQUITY FOR TWO-EARNER COUPLES

The tax code must continue to give a tax deduction to married couples where both partners are emloyed. This provision recognizes the greater nondeductible employment-related expenses incurred by two-earner couples than by one-earner couples and the effect of these expenses on ability to pay. It also eases the so-called marriage penalty, under which two-earner couples pay more federal income tax than two single taxpayers with comparable incomes.

More than half of all wives are in the labor force. Most join the labor force out of economic necessity. On average, wives contribute about 30% to total family income when both partners are employed and 16% of working wives contribute more than half. A second income keeps many families from falling below the poverty level. The two-earner deduction helps two-earner couples to realize a fair return on their work efforts.

The greater expenses of two-earner couples

Two-earner couples incur greater nondeductible employment-related expenses than one-earner couples. The major increases are for transportation, clothing, and in many instances Social Security taxes. According to a study based on Consumer Expenditure Survey data, a two-earner couple spends over 17% more than a one-earner couple on employment-related expenses.

The marriage penalty

Most two-earner couples currently pay more federal income tax than two single taxpayers with comparable incomes. This marriage penalty is caused by two factors. First, the zero bracket amount for married couples is less than the combined zero bracket amount for two single taxpayers. In 1984, the zero bracket amount for married couples was $3,400 compared to $2,300 for each single taxpayer or $4,600 for two single taxpayers. This portion of the penalty especially affects low-income taxpayers to whom the zero bracket amount is most significant. Second, the progressive tax rate structure places a higher effective tax rate on a couple's second $10,000 of income than on a single taxpayer's first $10,000 of income.

Current law

Current law allows two-earner couples to deduct 10% of the salary, up to $30,000, of the lesser earning spouse, yielding a maximum deduction of $3,000. The two-earner deduction is allowed only for income attributable to employment; it is not available, for example, for pension or annuity income. The deduction is taken from gross income and thus is available to nonitemizers.

The two-earner deduction recognizes the increased employment-related expenses incurred by two-earner couples. It also helps to offset the marriage penalty. Without the deduction, a two-earner couple where each spouse earned $10,000 would have paid 15% more in federal income taxes in 1984 than two single taxpayers with the same incomes. With the deduction, however, the penalty was reduced to 5%.

Preliminary data from 1983 indicate that the deduction is used primarily by low- and middle-income couples. Almost 22.7 million couples claimed deductions in 1983. Over one million of those couples had combined incomes under $10,000 a year. Over 30% of couples claiming the deduction had incomes under $25,000 and nearly 70% had incomes under $40,000 a year.

Current proposals

All the major tax reform proposals would repeal the two-earner deduction. Hence, none of the proposals recognizes the increased expenses of two-earner couples, and only one of them significantly reduces the marriage penalty on two-earner couples.

Without the two-earner deduction, all married couples will be taxed alike even though two-earner couples have greater expenses. Failure to recognize the increased expenses of two-earner couples appears to reward married women for staying out of the workforce.

The Administration claims that the lower, flatter tax rates contained in its tax proposal will remedy the marriage penalty and make the two-earner deduction unnecessary. Flattened tax rates will help to some degree, because many couples now pushed into a higher marginal tax bracket because of the second earner will remain in the same tax bracket. However, the flattened rates do not resolve the issue fully. Because of the relationship of the ZBAs for singles and married couples, a substantial marriage penalty on many couples, especially at low and moderate income levels, will continue under this plan. For example, a two-earner couple with no dependents, where each spouse earns $5,000, will pay 900% more federal income tax than two single taxpayers with the same incomes, and a couple where each spouse earns $10,000 will pay 18% more tax than two singles. Kemp-Kasten also imposes a substantial marriage penalty on many low and moderate income couples. Under this plan, the couples will pay 168% more tax than the single taxpayer. A couple where each spouse earns $10,000 a year will pay 28% more than two single taxpayers under Kemp-Kasten. Low and moderate income couples can least afford an increased penalty. These are the same couples that lose the most if the Dependent Care Tax Credit is converted to a deduction as several of the tax reform plans propose.[2]

The Bradley-Gephardt proposal gives married couples a zero bracket amount exactly twice the zero bracket amount for single taxpayers. This proposal eliminates the marriage penalty for two-earner couples with incomes under $40,000 a year. However, the increased zero bracket amount is very costly and gives many married couples increased marriage bonuses.

The two-earner deduction was enacted in 1981 after careful and extensive consideration. Several proposals were studied, analyzed and discussed and voluminous testimony was heard. Congress concluded that the deduction, while not a perfect answer, was the best available solution for an existent and complex problem. The problem has not disappeared and does not disappear under any of the tax reform proposals. The feder-

[1] See p. 8.

[2] This proposal is discussed on pages 24–30.

al tax system should continue to strive to avoid penalizing taxpayers for either their marital or employment status and to take into consideration extra expenses which affect ability to pay taxes. Tax reform should improve, not eliminate, the current provision for two-earner couples.

EQUITY FOR ONE EARNER COUPLE: SPOUSAL IRA'S

One earner and two earner couples should be permitted to benefit equally from the establishment of Individual Retirment Accounts (IRAs). This could be accomplished by allowing each spouse to contribute up to $2,000 ($4,000 for a couple) to an IRA, even if one spouse has little or no earnings.

Current law

Under current law wage earners may establish a tax-sheltered IRA and contribute up to $2,000 per year (or the amount of their earnings, whichever is less) to such accounts. In cases where the wage earner is married to a spouse with no earnings, the couple may contribute up to $2,250 (or the amount of the wage earner's earnings, whichever is less). The contribution may be divided between the spouses in any way they choose for retirement purposes, provided that neither account is credited with more than $2,000. (If the wage earner contributes the maximum $2,000 to his or her account, the non-earning spouse is limited to a contribution of $250 towards retirement). Thus families with two earners may shelter as much as $4,000 each year and draw retirement benefits based on such contributions, while couples with one earner may shelter only $2,250 each year and draw retirement benefits based on these smaller contributions.

Reform proposals

The Administration's proposal corrects the inequity for homemakers in current law. The provision is identical to the IRA proposal in the 1981 and 1983 Economic Equity Act. It would increase from $2,250 to $4,000 the limit on IRA contributions for one-earner families who have $4,000 of earned income, even if one spouse has little or no earnings. Thus, all married couples would be permitted to shelter up to $4,000 per year in an IRA, provided that no more than $2,000 were contributed to each account. (The 1985 EEA provides for a 3-year phase-in of this proposal).

We support the Administration's proposal because it recognizes the homemaker's contribution to marriage as equal to that of the wage earner's and would increase retirement income for homemakers married to wage earners with incomes high enough to take advantage of the higher contribution limit. In addition, the proposal provides equity between one-earner and two-earner couples by allowing all married couples to contribute up to $4,000 per year to IRA accounts.

However, while we support the Administration's proposal to provide equity to one-earner couples through expanded IRAs, we object to the Administration's proposals which lessen equity for other families, including those with two earners: the elimination of the two-earner deduction and the conversion of the dependent care tax credit to a deduction with less value for low to moderate income families.

The Kemp-Kasten and Bradley-Gephardt proposals make no changes in current law treatment of spousal IRAs.

DEPENDENT CARE EXPENSES: TAX EQUITY FOR WOMEN AND FAMILIES

Another issue that must be considered to assure equity in any tax reform proposal is the treatment of dependent care expenses, since families and individuals with these expenses have less ability to pay taxes than taxpayers without such expenses. This difference in ability to pay must continue to be recognized by the tax code and, indeed, the current tax credit for dependent care expenses should not only be retained but expanded to provide greater recognition of the needs of families and individuals with dependent care expenses.

The recognition of dependent care expenses in the tax code is particularly important to women because arranging care for children and elderly or disabled dependents is a task that falls to women, who are usually expected to provide that care even though their circumstances may not permit them to do so. Over 62% of mothers of school-age children are in the paid labor force. Almost 52% of mothers with children under age six work outside the home, as do 47% of women with a child under the age of one year. These numbers are expected to rise during this decade.

Dependent care responsibilities are not limited to those women in the paid work force who have young children. Many middle-generation women are responsible for older relatives, and some are forced to leave the workforce to provide care for these relatives. According to a 1982 study, 28% of the women out of the paid labor force who were surveyed had quit their jobs because they were needed at home to care for their mothers; 26% of their employed peers had considered leaving their jobs or had reduced the number of hours they worked for the same reason. Disabled relatives also require care. There are approximately 500,000 handicapped children under the age of six and 4.2 million handicapped school-aged children in this country, as well as 8.4 million severely disabled adults between the ages of 18 and 64 who are living in families with at least one other adult. Meeting the need for dependent care for these individuals is a significant responsibility for women.

Current law

The dependent care tax credit is one way of helping to meet dependent care needs. Under current law, a taxpayer is allowed a tax credit for employment-related expenses incurred for the care of a dependent child or other dependent or spouse who is incapable of self-care. Since the 1982 tax year, the credit has been targeted to provide the greatest benefit to low-income taxpayers. The maximum credit is 30% of expenses up to $2,400 for one dependent (or $4,800 for two or more dependents) for taxpayers with adjusted gross incomes (AGIs) of $10,000 or less. The percentage of the credit declines (by 1% per $2,000 of AGI) to 20% for taxpayers with AGIs of over $28,000.

The dependent care tax credit is the largest source of federal financial support for dependent care. In 1983, according to preliminary IRS data, 6.4 million tax returns claimed the credit, an increase of over one million returns since 1982, for tax expenditures of $2.1 billion. In 1982, the first year the credit was targeted to low-income taxpayers, the number of returns claiming the credit was up 9% over 1981; expenditures were up 39%. Moreover, taxpayers with less than $30,000 in AGI received 61% of the additional monies.

The value of the credit of individual taxpayers is not insignificant either. On average, taxpayers in 1983 reduced their taxes by $322 through use of the credit. Taxpayers with AGIs between $10,000 and $20,000 reduced their taxes, on average, by $354. This value is expected to increase; the projected cost of the credit for the 1984 tax year is $2.5 billion.

Problems in the credit's effectiveness remain, however. First, taxpayers at the lowest income levels cannot take full advantage of the credit because they cannot afford to spend the amounts necessary to obtain the maximum credit ($2,400 or $4,800 depending on the number of dependents), and the credit is not refundable. In 1983, taxpayers with between $5,000 and $10,000 in AGI received, on average, a reduction of $274 in their tax liability because of the credit as compared with a potential maximum reduction for taxpayers at that income level of between $720 and $1,440. Taxpayers with adjusted gross incomes of $5,000 and under reduced their taxes because of the credit by only $27, as compared with a potential maximum reduction of $720 to $1,440.

In addition, because of inflation, the number of taxpayers in the lowest income brackets is decreasing, rendering the credit's current targeting to low-income taxpayers less significant over time. In 1983, for example, the number of taxpayers with AGIs under $10,000 decreased by 462,186.

Finally, unlike the treatment of other costs of doing business, both the percentage limits and the dollar limits of the credit prevent recoupment of the full cost of care. Indeed, given the high cost of dependent care, very little assistance in meeting that cost is afforded by the credit. The current cost of out-of-home care per dependent ranges from $2,860 to $6,500/year for infant care, $2,340 to $3,900/year for pre-school care, and $5,460 to $6,500/year for adult day care.

To ameliorate these problems, the credit should be expanded to give greater recognition to the fact that taxpayers with dependent care expenses, especially low-income taxpayers, have significantly less ability to pay taxes than those at the same income level who do not have such expenses. The sliding scale should be increased and the credit should be made refundable and indexed. These changes are included in the Economic Equity Act. This Act also laudably expands the credit to cover homemakers caring for disabled adults and children, to provide them with help in obtaining respite care. These changes would help all taxpayers—especially taxpayers at the lowest income levels—better meet their dependent care needs.

The proposals

None of the major tax simplification proposals makes the requisite changes. Indeed, all would reduce the recognition of dependent care expenses contained in current law for taxpayers at low- and moderate-income levels. Taxpayers at $0-$10,000 AGI now receive a 30% credit, declining to 25% at $20,000 AGI and 20% at $28,000 AGI and above. The Administration would give married taxpayers with taxable incomes (substantially lower than adjusted gross incomes) between $4,000 and $29,000 a 15% deduction, those at $29,000-$70,000 a 25% deduction, and those at $70,000 and above a 35% deduction. This change decreases the value of the credit to taxpayers below $29,000 and increases its value to those above $29,000, especially those above $70,000. Bradley-Gephardt changes the credit to a deduction, and reduces its value to taxpayers at all income levels to 14%, and Kemp-Kasten eliminates the credit entirely,

both of which disproportionately affect low- and moderate-income taxpayers who currently receive a 30-20% credit.

We object to these plans, because they eliminate the targeting of the current credit to low- and moderate-income taxpayers, and in the case of the Administration plan, because it does so at the expense of favoring high-income taxpayers. For example, under current law a single head of household taxpayer with AGI of $18,000, and dependent care expenses for one dependent of $2,000 would reduce her tax liability through use of the credit by $520 (26% of $2,000). Her deduction under the Administration's plan reduces her taxes only $300 (15% of $2,000), and under Bradley-Gephardt only $280 (14% of $2,000). In contrast, a single head of household taxpayer at $70,000 in AGI with dependent care expenses of $2,000 would reduce her taxes by $400 under current law (20% of $2,000), as compared with $700 (35% of $2,000) under the Administration proposal and $280 (14% of $2,000) under Bradley-Gephardt. The result is a significant reduction in the tax recognition of dependent care expenses for all families under Bradley-Gephardt and for low- and moderate-income families under the Administration's proposal, with a concomitant increase in the recognition of dependent care expenses for high-income families. Indeed, the Administration estimates that under its plan the same number of taxpayers will claim the deduction as claimed the credit in 1983; yet the cost will increase by $3 million beginning in 1987. This increase will go to families at higher income levels.

Al three plans justify their change from a credit to a deduction, or total elimination of the credit, by claims that their lowered tax rates, increased zero bracket amounts and increased personal exemptions will compensate for the loss. These changes alone, however, fail to reflect that taxpayers with dependent care expenses have less ability to pay taxes than other taxpayers who are also benefiting from lower rates and increased ZBAs and personal exemptions. The Administration and Bradley-Gephardt proposals reflect this in part by retaining some tax recognition for dependent care expenses, but lower their value to low- and moderate-income taxpayers. Kemp-Kasten eliminates recognition of dependent care expenses entirely.

In sum, we believe that at a minimum the current credit with its targeting to low-income taxpayers should be retained. Indeed, it should be expanded as provided in the Economic Equity Act. In no instance should it be eliminated, reduced, or changed to target more of its benefits on high-income taxpayers, as in the three proposals discussed here.

TAXATION OF FRINGE BENEFITS

The tax treatment of certain kinds of employer-provided fringe benefits also raises equity concerns. Health and dependent care are the two benefits which are most basic to women's economic survival, and because they are such life-line benefits, we are troubled by any proposal to dramatically alter their tax-exempt status. Therefore, we are pleased to see that the Administration has rejected the Treasury proposal made in November to tax employer-provided dependent care. We hope that supporters of tax reform will concur with the Administration's position on this issue and support continuation of current law which exempts from taxation dependent care assistance provided by employers, which is so important to working women and their families.

The Administration's proposal to tax a portion of employer-provided health insurance, modified from the November proposal to tax all employer-provided premiuns above a cap of $70 for individuals and $175 per month for family coverage, continues to concern us, however. The Administration now advocates a partial tax on employer-provided health insurance. The first $10 of an individual monthly premium and the first $25 of a premium for family coverge would be subject to tax, at the taxpayer's regular tax rate. Thus, someone with an individual policy would pay taxes on an additional $120 of income annually, which would amount to $18 of additional taxes in the 15% bracket, $30 of additional taxes in the 25% bracket, and $42 of additional taxes in the 35% bracket. Similarly, for family coverage there would be $300 of additional taxable income which would cost the taxpayer $45 in the 15% bracket, $75 in the 25% bracket, and $105 in the 35% bracket. Moreover, this tax increase is actually understated because the additional taxable income will be included in the Social Security wage base, and as such will increase the amount of social Security tax as well.

The problem with this approach is not only the tax burden which it imposes, but also that the burden does not bear an accurate relationship to the value of the premium or the family's ability to pay. The $10 and $25 amounts are flat figures which are charged to employees at all incomes levels, regardless of their different income or earnings. This regressive feature is partially offset by the fact that the tax treatment of the fixed amount is progressive, so that workers with high incomes will pay a higher percentage of taxes than lower-income workers. The $10 and $25 flat amounts, however, constitute a greater portion of taxable income of lower-income workers than of higher-income workers. This regressive effect is compounded by the fact that taxable income is also being added to the FICA wage base, and the FICA tax (7.15% in 1986, paid equally by the employer and employee) is itself regressive. The result will be that the Administration's approach to taxing health premiums will be more onerous for lower-income workers than for higher-income workers, who will feel less of a bite from the additional taxes they will be required to pay.

The treatment of fringe benefits in other proposals is even more problematic. In the Bradley-Gephardt bill, fringe benefits including health insurance and dependent care assistance in total, are treated as taxable income. This sweeping approach reflects no sensitivity to the benefits which serve an important social purpose or are of particular value of low-income workers. The Kemp-Kasten approach to the tax treatment of fringe benefits on its face is preferable than the other two plans because the current exclusions for health and dependent care would continue. However, because of the bill's relatively high flat tax rate, it is not clear whether low- and moderate-income individuals and their families would be helped or hurt by the exclusions, and whether wealthier families would be getting a disproportionate benefit.

* * * * *

Thank you very much for inviting us here today. We look forward to working with the Committee on developing a reform bill which retains the positive provisions we have indentified, and which includes the improvements we have recommended. Women and their families will be looking to your leadership.

COALITION ON WOMEN AND TAXES,
Washington, DC, May 6, 1985.

Hon. JAMES A. BAKER III,
Secretary of the Treasury,
Washington, DC.

DEAR SECRETARY BAKER: We are writing to you to express our support for tax reform and to articulate the principles which would assure that the Treasury proposal currently being drafted fairly and adequately addresses women's needs and concerns.

Federal tax policy, as it is shaped in coming months, must be responsive to these concerns. In an initial examination of tax policy as it affects women, we have identified the following principles which should form the basis of fair and equitable tax reform. First, we support expanding significantly the tax base, particularly by reaching corporate and sheltered income that has escaped taxation in recent years, and returing that income to individuals in the form of lower rates and a simplified tax sturcture. Secondly, we favor giving priority to adequacy issues: the tax burden on the poor, most of whom are women and their dependent children, must be alleviated. At a minimum, no one at or below the poverty line should be subject to federal income tax. Finally, we support giving priority attention, too, to equity issues: ability to pay must be the major factor in establishing tax rates and determining taxable income, so that individuals and families with greater needs, such as obligations to dependents, are treated differently form those without such obligations.

The women we represent include the full range of individuals participating in the tax system. Many are working in paid employment, over half in two-earner couples. Others are homemakers in one-earner couples. Many have dependents, some do not. A growing number are single heads of households or older women living alone. Despite the diversity in women's icome and filing status, our organizations have common concens about women's economic status today: women and their children are the fastest growing segment of the poverty population and now represent 75% of all individuals living in poverty. In part, this results from the rapid rise in the number of single heads of households, which has more than doubled in recent decades. Even when women are employed—and nearly one-half of the women with children in poverty have earnings—women still earn only less than two-thirds of what men earn. While significant progress has been made in reducing the incidence of poverty among the elderly, older women still have a higher than average poverty rate and they are nearly twice as likely to be poor as older men. Minority women and disabled women of all ages are disproportionately represented in poverty. For many women, these conditions have been exacerbated in recent years both by budget cuts which have limited the access to desperately needed safety net programs, and by tax cuts which have ignored the plight of the poor and single heads of households.

We applaud the Treasury Department's commitment to exempting individuals living at or near the poverty line from income tax, and strongly urge that this principle be adhered to throughout the many stages and proposals which will unfold in coming months. Increasing the personal exemption, raising the zero bracket amount for all groups of filers, and expanding and index-

ing the Earned Income Tax Credit are, we believe, the most straightforward and desirable ways of eliminating the tax burden on poor families and individuals, including the elderly. The combination of adjustments to the exemption, ZBA and EITC needed to achieve this is not clear at this point. Our primary concern at this stage of the process is that the tax entry point fall no lower than the poverty level in order to ensure that families and individuals in poverty are exempt from taxation.

Equity issues are equally important. Three issues which must be considered to assure that women are equitably treated in any reform proposal are the provisions affecting single heads of households, married couples in which there are two earners, and families and individuals who have dependent care expenses. Individuals who are affected by each of these provisions have unique work and/or family-related expenses which make a difference in their ability to pay and necessitate recognition by the tax code. The present separate tax treatment for single heads of households which requires these individuals—nearly 90% of whom are women—to pay higher taxes than married couples with the same size family and income has been a long-standing concern to many of us. We strongly urge the Treasury to give full recognition to this inequity by raising the zero bracket amount for single heads of households to the level enjoyed by married couples. Another equity issue concerns the treatment of two-earner couples. These couples have greater expenses than married couples with only one earner, an economic fact of life which also deserves recognition in our national tax policy. We are particularly concerned that although eliminating the two-earner deduction, as Treasury proposed in November, may be inconsequential for many married couples whose combined incomes under flattened tax rates do not push them up into higher tax brackets, it will have a harsh impact on other couples, including many at the low end of the economic ladder. Therefore, we urge that special attention be given to this problem when a revised proposal is drawn up. Lastly, we are deeply concerned about the treatment of dependent care expenses, because families and individuals with these expenses spend significant amounts of money on child and adult dependent care, reducing their ability to pay taxes when compared with families and individuals without such expenses. As an ever-increasing number of women combine work and family responsibilities, the number of families with dependent care expenses is also expected to increase. We are particularly concerned about the conversion of the dependent care credit to a deduction because of the impact on low-income families who are currently targeted to receive the greatest benefit from the credit. The plan which is submitted to Congress must, we believe, retain the low-income targeting of the current credit and, indeed, expand the recognition of dependent care expenses to further reduce the tax liability of families and individuals with dependent care responsibilities.

Finally, eliminating the tax-exempt treatment of employer-provided fringe benefits for individuals continues to be a source of concern to our groups. Health insurance and dependent care are the two benefits which are most basic to women's economic survival. Many women and their families would suffer economic hardship in the form of increased taxes and lower take-home pay under the proposal advanced by the Treasury in November. We are still looking closely at the proposal to tax other fringe benefits, and will advance our positions as they evolve from our continuing work.

Thank you very much for your consideration of our concerns. We plan to refine our positions on these and other issues in coming weeks and will communicate our views to you and other policy makers as they are developed further. In the meantime, if you wish to obtain more information about the issues we have raised, or our effort on behalf of women, please contact one of the co-chairs of the Working Group of the Coalition on Women and Taxes that is coordinating the work of many organizations concerned about the effect of tax policy on women.

Very truly yours,

NANCY DUFF CAMPBELL.
ANN KOLKER.
MAXINE FORMAN.
LAURIE MIKVA.

Co-Chairs on behalf of:

American Association of University Women.
Americans for Democratic Action.
BPW/USA, National Federation of Business and Professional Women's Clubs, Inc.
B'nai B'rith Women.
Center for Women Policy Studies.
Child Welfare League of America.
Children's Defense Fund.
Children's Foundation.
Church Women United.
Displaced Homemakers Network.
Divorce Taxation Education, Inc.
Federally Employed Women.
Friends Committee on National Legislation.
Lutheran Council in the USA, Office for Governmental Affairs.
Mexican American Legal Defense and Education Fund.
National Conference of Puerto Rican Women.
National Educational Association.
National Women's Law Center.
National Women's Political Caucus.
O'Connell & Kittrell.
Older Women's League.
Parents Without Partners.
Presbyterian Church U.S.A., Washington Office.
Unitarian Universalist Association.
United Methodist Church, General Board of Global Ministries, Women's Division.
Women USA.
Women's Equity Action League.
Women's Legal Defense Fund.
YWCA of the USA, National Board.

OIL IMPORT FEES—AN UNFAIR TAX ON THE NORTHEAST

Mr. PELL. Mr. President, I wish to state my strong opposition to the oil import fee proposed yesterday by the Senate Budget Committee as part of a new plan to reduce the Federal budget deficit.

An oil import fee would impose an unfair and highly discriminatory tax on business, homeowners and consumers in the State of Rhode Island and other States of the Northeastern section of the United States.

Rhode Island and other States of the Northeast already suffer from paying energy costs that are far above the national average. We are more heavily dependent on oil as an energy source than any other region of the country. About 70 percent of Rhode Island energy consumption—for industry, business, home heating and transportation—is in the form of oil, while for the Nation as a whole oil provides just 40 percent of total energy consumption. And not only is Rhode Island heavily dependent on oil, it is particularly dependent on imported oil, with imports accounting for 70 percent of total oil consumption.

An oil import fee would bear far more heavily on the Northeast and the State of Rhode Island than on other regions of the country that have access to natural gas, coal and hydroelectric power. It would mean higher energy costs for Rhode Islanders for home-heating, for business and industrial uses, and for transportation. An oil import fee would widen the gap between Rhode Island energy costs and energy costs in other regions of the Nation.

Rhode Island has been making a strong and determined effort to encourage economic and business growth. We know that to persuade business to remain in our State, to expand in our State and to come to our State, we must be competitive with other States and regions. In that effort the State of Rhode Island has cut taxes, made painful and difficult revisions in labor laws, and worked hard to provide attractive sites and financing to industry.

But surveys, studies, and my own conversations with business leaders all confirm that the most serious problem confronting business in Rhode Island is high energy costs. An oil import fee, further increasing energy costs, would be an economic disaster for industry, workers and business in Rhode Island.

I can understand why Senators from other regions might consider an oil import fee as a good way to reduce the Federal budget deficit. After all, it would provide another huge subsidy to the domestic oil industry which could and would increase the price of domestic oil by the amount of the oil import fee. With higher oil prices, the oil producing States would receive more money from their severance taxes—money that is paid by the consumers in Rhode Island, and other oil-consuming States.

But these benefits to other regions would come at a huge and unfair cost to Rhode Island and other States that are heavily dependent on oil.

An oil import fee would be a new tax, and one that would be grossly unfair to Rhode Island and other States of the Northeast. It is an idea that should be dropped. If it is not dropped, I will work to see it is defeated.

COMPROMISE NEEDED TO SALVAGE TOBACCO PROGRAM

Mr. SASSER. Mr. President, as many of my colleagues know, our tobacco program currently faces serious financial strains which threaten its very existence. Several alternatives have been proposed as means of dealing with the problems in the tobacco program. Each of these proposals contains sound suggestions on how to resolve the crisis facing our tobacco farmers. I commend the yeoman's efforts which have gone into shaping these legislative proposals and applaud the efforts of all who have joined in striving to preserve the economic health and well-being of the family farmers who rely on the tobacco program.

We have reached a point in these efforts, Mr. President, where all the elements of the tobacco family must unite behind a comprehensive, compromise legislative package. The best interests of tobacco growers in Tennessee and elsewhere can only be served by a unified effort on tobacco legislation that will alleviate current problems. I strongly urge my colleagues in both Houses to pull together the best elements of the different tobacco bills under consideration so we can work out an effective compromise to keep the tobacco program alive.

We need to fashion such a compromise Mr. President, as the threat to the tobacco program raises the specter of dire economic consequences for literally thousands of small family farms across Tennessee and other tobacco producing States. These small producers are threatened with the loss of a program which has provided them with a source of income since its inception 50 years ago. And while profits generated through this program are modest, they have allowed countless farm families to significantly improve their quality of life.

My home State of Tennessee is typical of the small, family characteristics of tobacco producers. Tobacco is grown on nearly 38,000 farms in Tennessee. The average Tennessee farm on which tobacco is grown devotes only 1.9 acres to the crop. These farmers produced more than 100 million pounds of tobacco in 1983 and brought in $239 million in cash receipts. Clearly, Tennessee's tobacco farmers stand to lose substantially should the Tobacco Program break down.

These farm families face an uncertain future for a number of reasons. One primary reason is the current level of tobacco imports, a relatively new problem. In 1971, imports of burley tobacco stood at 3 million pounds, only 1 percent of domestic use. However, imports grew dramatically throughout the 1970's and 1980's, reaching 141 million pounds in 1982. This represented 24 percent of all the burley used in this country that year. Looking at all types of tobacco, imports accounted for nearly one-third of the tobacco used in U.S. cigarette production in 1984. U.S. cigarette companies will rely on imports for one-third of their tobacco this year.

This skyrocketing increase in tobacco imports has occurred while domestic disappearance has continued to decrease. Use of domestic burley tobacco fell from 463 million pounds in 1981 to 444 million pounds in 1982 and down to 388 million pounds in 1983. This is a formula which spells disaster for tobacco growers in all tobacco producing States.

And disaster is what these growers are looking at. Stockpiles of surplus American tobacco have risen to alarming levels. Some 1.3 billion pounds of burley and Flue-cured tobacco have accumulated over the past few years. Stock levels are likely to increase again this year despite projected increases in tobacco use.

As surpluses grow, the assessments levied under the no net cost program climb upward. Tobacco growers have seen the assessment grow from 1 cent per pound in 1982 to 30 cents per pound this year. Net year's assessment could be 50 cents or more per pound.

Faced with this prospect, many tobacco growers will simply vote out the tobacco program in referendums later this year and early in 1986. Should such a vote occur, these small family farms would be right back where they were 50 years ago. They will lose the financial benefits and improvements in their quality of life which have come with the Tobacco Program.

Clearly, we must move to prevent the drastic consequences which would follow such a vote. I believe the best way to achieve this goal is to pull together the best elements of the various legislative proposals under consideration and design a comprehensive compromise package to save the Tobacco Program.

There are several points which can form the basis for such a compromise. We must lower the assessments under the no net cost program to a manageable level, preferably a few cents. We should split the cost of the assessments evenly between the growers and the companies, rather than place this burden solely on the backs of the growers.

We must take steps to bring down the price support level for tobacco to make our crop more marketable. This is a step which has the backing and support of growers and grower groups across Tennessee and the tobacco producing States. Their willingness to accept a reduced price support level reflects the difficult sacrifices which are needed on all sides to tighten up the Tobacco Program.

In addition, we must raise additional funds to cover the cost of reducing existing stockpiles of tobacco. While it is true that the cost of doing nothing and watching the Tobacco Program self-destruct would be greater than the cost of a legislative remedy, I do not believe we can afford to ignore the price tag associated with this type of legislation.

I suggest we examine a number of ways in which the existing excise tax may be used to help defray the cost of keeping the Tobacco Program intact. The House Ways and Means Committee recently voted to leave the excise tax at 16 cents and earmark 1 cent of this tax to help pay for the Tobacco Program. Such an approach is acceptable to the tobacco growers of Tennessee and is an alternative worth exploring.

Indeed, use of the excise tax coupled with splitting the assessments evenly between growers and tobacco companies strikes me as an equitable way of distributing the costs of saving the Tocacco Program. Each of these groups, growers, companies, and those who use tobacco, benefits from the Tobacco Program. It seems only fair that each group should accept a portion of the costs of retaining these benefits.

Finally, I believe a compromise must address the import question. As I have noted earlier, failure to address the import problem will mean exposing our growers to great economic peril. Indeed, for many tobacco growers, this issue is the single most pressing question in the current debate on the Tobacco Program. I strongly urge my colleagues to explore ways to adequately address the import problem in a compromise bill.

I do not wish to be misunderstood, Mr. President. In no way do I mean to denigrate the efforts which have gone into existing legislative approaches to resolving the problems with the Tobacco Program. These bills have made great strides in the effort to salvage the Tobacco Program. Yet, it is clear that we still have hurdles to clear. The members of the tobacco family can best meet these challenges by working as one community of interests. I urge my colleagues to join in a compromise effort which will present the united effort necessary to ensure the viability of the tobacco for future generations of farm families.

THE WRITING SKILLS OF SENATOR COHEN

Mr. HART. Mr. President, this last Tuesday, July 23, the New York Times published an article about our distinguished friend from Maine, Senator COHEN, which I commend to all my colleagues. The article describes Senator COHEN's avocation as a poet, and discusses the role it has played in his work and his life.

For the past 4 years, I have had the extraordinary experience of working

with BILL COHEN on a different sort of writing. Over those 4 years, I came to know and appreciate Senator COHEN's creative talent. His appreciation of language, and his poetic eye for descriptive color and detail, breathed life into what was the first attempt at fiction writing for both of us.

The Times article gives the reader an example of Senator COHEN's writing skills by reprinting one of his poems, "The Word Not Spoken." Without objection, I would ask that this poem and the text of the Times article be printed in full in the RECORD.

The material follows:

POETRY IN MOTION ON CAPITOL HILL

WASHINGTON, July 21.—While many lawmakers wax poetic on Capitol Hill some wax better than others. Consider Senator William S. Cohen, a second-term Republican from Maine.

In his 12 years on Capitol Hill, he has compiled two books of poetry, one published in 1978, and a second, "Baker's Nickel," that he is waiting to publish as soon as the excitement dies down around "The Double Man," a spy thriller he wrote with Senator Gary Hart of Colorado.

But to Mr. Cohen, poetry is more than just words on a page. He sees it as an avenue Americans can use to communicate with the Russians.

SOVIET POET MEETS PRESIDENT

Such was the case in June when, with Mr. Cohen's help, the Soviet poet Andrei Voznesensky met with President Reagan in the Oval Office. That meeting, never publicly announced, grew out of an earlier meeting Mr. Cohen had with Mr. Voznesensky, whose poetry is often critical of the Soviet Government, and Robert P. McFarlane, the national security adviser.

Mr. McFarlane "said he thought it was important that somebody of his stature from the Soviet Union have a chance to talk to the President," Mr. Cohen said.

The President, Vice President Bush, Mr. McFarlane and Donald T. Regan, the White House chief of staff, met with Mr. Voznesensky for 20 minutes. Mr. Cohen, who had met Mr. Voznesensky and his compatriot Yevgeny Yevtushenko in a trip to the Soviet Union in 1984, was there, too.

An aide to Mr. Cohen said the meeting was never announced because the White House did not want to give the impression that a major Soviet-American effort might be under way.

Mr. Reagan and Mr. Voznesensky talked about the importance of better relations and a need to understand each other's culture. Mr. Cohen said Mr. Vosnesensky suggested an exchange of poets to help narrow the cultural gap. Poetry in the Soviet Union "is a means of expression, not only of poetic imagery, but also of political statements," Mr. Cohen said. "It takes on a much broader significance there."

His own writing was just ignored in the meeting. Mr. Cohen said Mr. Vosnesensky asked Mr. Reagan if he had read "The Double Man" and the President said it was by his bed, waiting to be read.

Senator Cohen says of that meeting and his own with the Soviet poets: "It's not going to change the way their government looks at us, or vice versa. But at least you're building some lines of communications so you don't automatically paint everybody as a monster over there."

Mr. Cohen praised Mr. McFarlane for his role in the Voznesensky meeting, calling him "probably the only one with the sensitivity in the Administration" on cultural discussions.

POETRY AS AN ESCAPE

For Mr. Cohen, writing poetry is an escape from the busy life he leads in the Senate, and as a result, little of the poetry deals with politics ("mostly about the larger questions, more interior explorations than anything else"). And if a Poetry Caucus were to ever start in Congress, he would have the inside track for chairman: He knows of no other legislators who write poetry. Which is not to say they do not like what he is doing.

Howard Baker, the former Senate majority leader, used to come to him in a pinch when he needed a poem to insert in the CONGRESSIONAL RECORD, as was his custom every Monday. Senator Mark Hatfield of Oregon often expresses an interest in Mr. Cohen's latest work.

"It's not great poetry, but it's good enough for me, I guess," Mr. Cohen said.

THE WORD NOT SPOKEN

The word not spoken goes not quite unheard.
It lingers in the eye, in the semi-arch of brow.
A gesture of the hand speaks pages more than words.
The echo rests in the heart as driftwood does in sand,
To be rubbed by Time until it rots or shines.
The word not spoken touches us as music does the mind.

—*Senator William S. Cohen.*

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

FEDERAL TRADE COMMISSION ACT AMENDMENTS OF 1985

The PRESIDING OFFICER. The clerk will report the pending business.

The legislative clerk read as follows:

A bill (S. 1078) to amend the Federal Trade Commission Act to provide authorization of appropriations, and for other purposes, which had been reported from the Committee on Commerce, Science, and Transportation, with an amendment.

The Senate resumed consideration of the bill.

Pending:

Kasten modified Amendment No. 542, to add a provision regarding congressional review of FTC rules.

AMENDMENT NO. 542, FURTHER MODIFICATION

Mr. KASTEN. Mr. President, I would like to send a modification of my amendment, which I believe is the pending business, to the desk.

The PRESIDING OFFICER. The Senator has a right to modify his amendment, if he desires.

Mr. KASTEN. The clerk has the modifications.

The PRESIDING OFFICER. The amendment is so modified.

The amendment, as further modified, is as follows:

On page 16, insert the following immediately after line 2:

CONGRESSIONAL REVIEW OF RULES

SEC. 16. (a) The Federal Trade Commission Act (15 U.S.C. 41 et seq.) is amended by inserting after section 25, as added by section 10 of this Act, the following new section:

"SEC. 26. (a) For purposes of this section, the term—

"(1) 'appropriate committee' means either the Committee on Commerce, Science, and Transportation of the Senate or the Committee on Energy and Commerce of the House of Representatives, as the case may be;

"(2) 'joint resolution' means a joint resolution which does not contain a preamble and the matter after the resolving clause of which is as follows: 'That the Senate and the House of Representatives disapprove the rule entitled , transmitted to the Congress by the Federal Trade Commission on , 19 .', the blank spaces being filled with the appropriate title of the rule and the date of transmittal of the rule to the Congress, respectively; and

"(3) 'rule' means any rule promulgated by the Commission pursuant to this Act, other than any rule promulgated under section 18(a)(1)(A) of this Act and any interpretive or procedural rule.

"(b)(1) Except as provided in subsection (g)(1) of this section, on the day the Commission forwards to the Federal Register for publication a recommended rule, the Commission shall transmit a copy of such rule to the Secretary of the Senate and the Clerk of the House of Representatives. The Secretary of the Senate and the Clerk of the House of Representatives are authorized to receive a recommended rule under this subsection whether the appropriate House is in session, stands in adjournment or is in recess.

"(2) On the day on which the Secretary of the Senate and the Clerk of the House of Representatives receive a recommended rule, the Secretary and the Clerk shall transmit a copy of such rule to the appropriate committees.

"(c)(1) Notwithstanding any other provision of law, no recommended rule may become effective until the expiration of a period of ninety days after the date on which such rule is received by the Secretary of the Senate and the Clerk of the House of Representatives, except that such rule may not become effective under this paragraph if within such ninety-day period a joint resolution with respect to such rule has become law.

"(2) For purposes of this subsection—

"(A) the term 'days' means only days of continuous session of Congress;

"(B) continuity of session is broken only by an adjournment sine die at the end of a Congress; and

"(C) the days on which either House is not in session because of an adjournment or recess to a day certain shall be excluded in the computation of days of continuous session of Congress for the ninety-day period referred to in this subsection if the adjournment is for more than five days.

"(d) Notwithstanding any other provision of law, any rule subject to this section shall be considered a recommendation of the Commission to the Congress and shall have no force and effect as a rule unless such rule has become effective in accordance with this section.

"(e) Whenever an appropriate committee reports a joint resolution pursuant to this section, the resolution shall be accompanied

by a committee report specifying the reasons for the committee's action.

"(f) Congressional inaction on, or rejection of, any joint resolution shall not be deemed an expression of approval of the rule involved. The compliance of the Commission with the requirements of this section, including any determination by the Commission under this section, shall not be subject to judicial review of any kind.

"(g)(1) If a recommended rule of the Commission does not become effective because of an adjournment of Congress sine die before the expiration of the period specified in subsection (c)(1) of this section, the Commission may resubmit the recommended rule at the beginning of the next regular session of Congress. The ninety-day period specified in the first sentence of section (c)(1) shall begin on the date of such resubmission, and such rule may only become effective in accordance with this section. The Commission shall not be required to forward such rule to the Federal Register for publication, if such rule is identical to the rule transmitted during the previous session of Congress.

"(2) If a recommended rule of the Commission is disapproved under this section, the Commission may issue a recommended rule which relates to the same acts or practices as the disapproved rule. Such recommended rule—

"(A) shall be based upon—

"(i) the rulemaking record of the recommended rule disapproved by the Congress; or

"(ii) such rulemaking record and the record established in supplemental rulemaking proceedings conducted by the Commission, in accordance with section 553 of title 5, United States Code, in any case in which the Commission determines that it is necessary to supplement the existing rulemaking record; and

"(B) may reflect such changes as the Commission considers necessary or appropriate, including such changes as may be appropriate in light of congressional debate and consideration of the joint resolution with respect to the rule.

"(3) After issuing a recommended rule under this subsection, the Commission shall transmit such rule to the Secretary of the Senate and the Clerk of the House of Representatives, in accordance with subsection (b)(1) of this section, and such rule shall only become effective in accordance with this section.

"(h) The provisions of this subsection, subsection (a)(1) and (2), subsection (e), and subsections (i) through (l) of this section are enacted by Congress—

"(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of joint resolutions, and they supersede other rules only to the extent that they are inconsistent therewith; and

"(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

"(i) Except as provided in subsection (l) of this section, joint resolutions shall, upon introduction or receipt from the other House of Congress, be immediately referred by the presiding officer of the Senate or the House of Representatives to the appropriate committee of the Senate or the House of Representatives, as the case may be.

"(j)(1)(A) Except as provided in subparagraph (B) of this paragraph, if the committee to which a joint resolution has been referred does not report such resolution within 30 days of continuous session of Congress after the date of transmittal to the Congress of the recommended rule to which such joint resolution relates, it shall be in order to move to discharge the committee from further consideration of such resolution.

"(B) If the committee to which a joint resolution transmitted from the other House has been referred does not report such resolution within 30 days after the date of transmittal of such resolution from the other House, it shall be in order to move to discharge such committee from further consideration of such resolution.

"(2) Any motion to discharge under paragraph (1) of this subsection must be supported in the House in writing by one-fifth of the Members, duly chosen and sworn, and in the Senate by motion of the Majority Leader supported by the Minority Leader, and is highly privileged in the House and privileged in the Senate (except that it may not be made after a joint resolution has been reported with respect to the same rule); and debate thereon shall be limited to not more than one hour, the time to be divided in the House of Representatives equally between those favoring and those opposing the motion to discharge and to be divided in the Senate equally between, and controlled by, the majority leader and the minority leader, or their designees.

"(k)(1) Except as provided in paragraphs (2) and (3) of this subsection, consideration of a joint resolution shall be in accord with the rules of the Senate and of the House of Representatives, respectively.

"(2) When a committee has reported or has been discharged from further consideration of a joint resolution, or when the companion joint resolution from the other House has been placed on the calendar of the first House, it shall be in order, notwithstanding any rule of the Standing Rules of the Senate (except rule XXII) or any rule of the House of Representatives at any time thereafter (even though a previous motion to the same effect has been disagreed to) to move to proceed to the immediate consideration of either such joint resolution. The motion is highly privileged in the House and privileged in the Senate and is not debatable.

"(3) Debate on a joint resolution shall be limited to not more than ten hours (except that when one House has debated the joint resolution of that House, the companion joint resolution of the other House shall not be debatable), which shall be divided in the House of Representatives equally between those favoring and those opposing the resolution and which shall be divided in the Senate equally between, and controlled by, the majority leader and the minority leader, or their designees. An amendment to, or motion to recommit, the joint resolution is not in order. Any other motions shall be decided without debate, except that no motion to proceed to the consideration of any other matter shall be in order.

"(l) If a joint resolution has been reported or discharged from the committee of the House to which it was referred, and that House receives a joint resolution with respect to the same rule from the other House, the resolution of disapproval of the other House shall be placed on the appropriate calendar of the first House. If, prior to the disposition of a joint resolution of one House, that House receives a joint resolution with respect to the same rule from the other House, the vote in the first House shall occur on the joint resolution of the other House.".

(b) Section 36 of the Consumer Product Safety Act (15 U.S.C. 2083) is amended to read as follows:

"CONGRESSIONAL REVIEW OF RULES

"SEC. 36. (a) For purposes of this section, the term—

"(1) 'appropriate committee' means either the Committee on Commerce, Science, and Transportation of the Senate or the Committee on Energy and Commerce of the House of Representatives, as the case may be;

"(2) 'joint resolultion' means a joint resolution which does not contain a preamble and the matter after the resolving clause of which is as follows: 'That the Senate and the House of Representatives disapprove the rule entitled , transmitted to the Congress by the Federal Trade Commission on , 19 .', the blank spaces being filed with the appropriate title of the rule and the date of transmittal of the rule to the Congress, respectively; and

"(3) 'rule' means any rule promulgated by the Commission pursuant to this Act, other than any rule promulgated under section 18(a)(A) of this Act and any interpretive or procedural rule.

"(b)(1) Except as provided in subsection (g)(1) of this section, on the day the Commission forwards to the Federal Register for publication a recommended rule, the Commission shall transmit a copy of such rule to the Secreatary of the Senate and the Clerk of the House of Representatives. The Secretary of the Senate and the Clerk of the House of Representatives are authorized to receive a recommended rule under this subsection whether the appropriate House is in session, stands in adjournment or is in recess.

"(2) On the day on which the Secretary of the Senate and the Clerk of the House of Representatives receive a recommended rule, the Secretary and the Clerk shall transmit a copy of such rule to the appropriate committees.

"(c)(1) Notwithstanding any other provision of law, no recommended rule may become effective until the expiration of a period of ninety days after the date on which such rule is received by the Secretary of the Senate and the Clerk of the House of Representatives, except that such rule may not become effective under this prargraph if within such ninety-day period a joint resolution with respect to such rule has become law.

"(2) For purposes of this subsection—

"(A) the term 'days' means only days of continuous session of Congress,

"(B) continuity of session is broken only by an adjournment sine die at the end of a Congress; and

"(C) the days on which either House is not in session because of an adjournment or recess to a day certain shall be excluded in the computation of days of continuous session of Congress for the ninety-day period referred to in this subsection if the adjournment is for more than five days.

"(d) Notwithstanding any other provision of law, any rule subject to this section shall be considered a recommendation of the Commission to the Congress and shall have

no force and effect as a rule unless such rule has become effective in accordance with this section.

"(e) Whenever an appropriate committee reports a joint resolution pursuant to this section, the resolution shall be accompanied by a committee report specifying the reasons for the committee's action.

"(f) Congressional inaction on, or rejection of, any joint resolution shall not be deemed an expression of approval of the rule involved. The compliance of the Commission with the requirements of this section, including any determination by the Commission under this section, shall not be subject to judicial review of any kind.

"(g)(1) If a recommended rule of the Commission does not become effective because of an adjournment of Congress sine die before the expiration of the period specified in subsection (c)(1) of this section, the Commission may resubmit the recommended rule at the beginning of the next regular session of Congress. The ninety-day period specified in the first sentence of section (c)(1) shall begin on the date of such resubmission, and such rule may only become effective in accordance with this section. The Commission shall not be required to forward such rule to the Federal Register for publication, if such rule is identical to the rule transmitted during the previous session of Congress.

"(2) If a recommended rule of the Commission is disapproved under this section, the Commission may issue a recommended rule which relates to the same acts or practices as the disapproved rule. Such recommended rule—

"(A) shall be based upon—

"(i) the rulemaking record of the recommended rule disapproved by the Congress; or

"(ii) such rulemaking record and the record established in supplemental rulemaking proceedings conducted by the Commission, in accordance with section 553 of title 5, United States Code, in any case in which the Commission determines that it is necessary to supplement the existing rulemaking record; and

"(B) may reflect such changes as the Commission considers necessary or appropriate, including such changes as may be appropriate in light of congressional debate and consideration of the joint resolution with respect to the rule.

"(3) After issuing a recommended rule under this subsection, the Commission shall transmit such rule to the Secretary of the Senate and the Clerk of the House of Representatives, in accordance with subsection (b)(1) of this section, and such rule shall only become effective in accordance with this section.

"(h) The provisions of this subsection, subsection (a) (1) and (2), subsection (e), and subsections (i) through (l) of this section are enacted by Congress—

"(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of joint resolutions, and they supersede other rules only to the extent that they are inconsistent therewith; and

"(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

"(i) Except as provided in subsection (1) of this section, joint resolutions shall, upon introduction or receipt from the other House of Congress, be immediately referred by the presiding officer of the Senate or the House of Representatives to the appropriate committee of the Senate or the House of Representatives, as the case may be.

"(j)(1)(A) Except as provided in subparagraph (B) of this paragraph, if the committee to which a joint resolution has been referred does not report such resolution within 30 days of continuous session of Congress after the date of transmittal to the Congress of the recommended rule to which such joint resolution relates, it shall be in order to move to discharge the committee from further consideration of such resolution.

"(B) If the committee to which a joint resolution transmitted from the other House has been referred does not report such resolution within 30 days after the date of transmittal of such resolution from the other House, it shall be in order to move to discharge such committee from further consideration of such resolution.

"(2) Any motion to discharge under paragraph (1) of this subsection must be supported in the House in writing by one-fifth of the Members, duly chosen and sworn, and in the Senate by motion of the Majority Leader supported by the Minority Leader, and is highly privileged in the House and privileged in the Senate (except that it may not be made after a joint resolution has been reported with respect to the same rule); and debate thereon shall be limited to not more than one hour, the time to be divided in the House of Representatives equally between those favoring and those opposing the motion to discharge and to be divided in the Senate equally between, and controlled by, the majority leader and the minority leader, or their designees.

"(k)(1) Except as provided in paragraphs (2) and (3) of this subsection, consideration of a joint resolution shall be in accord with the rules of the Senate and of the House of Representatives, respectively.

"(2) When a committee has reported or has been discharged from further consideration of a joint resolution, or when the companion joint resolution from the other House has been placed on the calendar of the first House, it shall be in order, notwithstanding any rule of the Standing Rules of the Senate (except rule XXII) or any rule of the House of Representatives, at any time thereafter (even though a previous motion to the same effect has been disagreed to) to move to proceed to the immediate consideration of either such joint resolution. The motion is highly privileged in the House and privileged in the Senate and is not debatable.

"(3) Debate on a joint resolution shall be limited to not more than ten hours (except that when one House has debated the joint resolution of that House, the companion joint resolution of the other House shall not be debatable), which shall be divided in the House of Representatives equally between those favoring and those opposing the resolution and which shall be divided in the Senate equally between, and controlled by, the majority leader and the minority leader, or their designees. An amendment to, or motion to recommit, the joint resolution is not in order. Any other motions shall be decided without debate, except that no motion to proceed to the consideration of any other matter shall be in order.

"(l) If a joint resolution has been reported or discharged from the committee of the House to which it was referred, and that House receives a joint resolution with respect to the same rule from the other House, the resolution of disapproval of the other House shall be placed on the appropriate calendar of the first House. If, prior to the disposition of a joint resolution of one House, that House receives a joint resolution with respect to the same rule from the other House, the vote in the first House shall occur on the joint resolution of the other House.".

(c) Section 17 of the Flammable Fabrics Act (15 U.S.C. 1204) is amended to read as follows:

"CONGRESSIONAL REVIEW OF RULES

"SEC. 17. (a) For purposes of this section, the term—

"(1) 'appropriate committee' means either the Committee on Commerce, Science, and Transportation of the Senate or the Committee on Energy and Commerce of the House of Representatives, as the case may be;

"(2) 'joint resolution' means a joint resolution which does not contain a preamble and the matter after the resolving clause of which is as follows: 'That the Senate and the House of Representatives disapprove the regulation entitled , transmitted to the Congress by the Federal Trade Commission on , 19 .', the blank spaces being filled with the appropriate title of the regulation and the date of transmittal of the regulation to the Congress, respectively; and

"(3) 'regulation' means any regulation promulgated by the Commission pursuant to this Act, other than any regulation promulgated under section 18(a)(1)(A) of this Act and any interpretive or procedural regulation.

"(b)(1) Except as provided in subsection (g)(1) of this section, on the day the Commission forwards to the Federal Register for publication a recommended regulation, the Commission shall transmit a copy of such regulation to the Secretary of the Senate and the Clerk of the House of Representatives. The Secretary of the Senate and the Clerk of the House of Representatives are authorized to receive a recommended regulation under this subsection whether the appropriate House is in session, stands in adjournment or is in recess.

"(2) On the day on which the Secretary of the Senate and the Clerk of the House of Representatives receive a recommended regulation, the Secretary and the Clerk shall transmit a copy of such regulation to the appropriate committees.

"(c)(1) Notwithstanding any other provision of law, no recommended regulation may become effective until the expiration of a period of ninety days after the date on which such regulation is received by the Secretary of the Senate and the Clerk of the House of Representatives, except that such regulation may not become effective under this paragraph if within such ninety-day period a joint resolution with respect to such regulation has become law.

"(2) For purposes of this subsection—

"(A) the term 'days' means only days of continuous session of Congress;

"(B) continuity of session is broken only by an adjournment sine die at the end of a Congress; and

"(C) the days on which either House is not in session because of an adjournment or recess to a day certain shall be excluded in the computation of days of continuous session of Congress for the ninety-day period

referred to in this subsection if the adjournment is for more than five days.

"(d) Notwithstanding any other provision of law, any regulation subject to this section shall be considered a recommendation of the Commission to the Congress and shall have no force and effect as a regulation unless such regulation has become effective in accordance with this section.

"(e) Whenever an appropriate committee reports a joint resolution pursuant to this section, the resolution shall be accompanied by a committee report specifying the reasons for the committee's action.

"(f) Congressional inaction on, or rejection of, any joint resolution shall not be deemed an expression of approval of the regulation involved. The compliance of the Commission with the requirements of this section, including any determination by the Commission under this section, shall not be subject to judicial review of any kind.

"(g)(1) If a recommended regulation of the Commission does not become effective because of an adjournment of Congress sine die before the expiration of the period specified in subsection (c)(1) of this section, the Commission may resubmit the recommended regulation at the beginning of the next regular session of Congress. The ninety-day period specified in the first sentence of section (c)(1) shall begin on the date of such resubmission, and such regulation may only become effective in accordance with this section. The Commission shall not be required to forward such regulation to the Federal Register for publication, if such regulation is identical to the regulation transmitted during the previous session of Congress.

"(2) if a recommended regulation of the Commission is disapproved under this section, the Commission may issue a recommended regulation which relates to the same acts or practices as the disapproved regulation. Such recommended regulation—

"(A) shall be based upon—

"(i) the regulation-making record of the recommended regulation disapproved by the Congress; or

"(ii) such regulation-making record and the record established in supplemental regulation-making proceedings conducted by the Commission, in accordance with section 553 of title 5, United States Code, in any case in which the Commission determines that it is necessary to supplement the existing regulation-making record; and

"(B) may reflect such changes as the Commission considers necessary or appropriate, including such changes as may be appropriate in light of congressional debate and consideration of the joint resolution with respect to the regulation.

"(3) After issuing a recommended regulation under this subsection, the Commission shall transmit such regulation to the Secretary of the Senate and the Clerk of the House of Representatives, in accordance with subsection (b)(1) of this section, and such regulation shall only become effective in accordance with this section.

"(h) The provisions of this subsection, subsection (a)(1) and (2), subsection (e), and subsections (i) through (1) of this section are enacted by Congress—

"(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of joint resolutions, and they supersede other rules only to the extent that they are inconsistent therewith; and

"(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

"(i) Except as provided in subsection (1) of this section, joint resolutions shall, upon introduction or receipt from the other House of Congress, be immediately referred by the presiding officer of the Senate or the House of Representatives to the appropriate committee of the Senate or the House of Representatives, as the case may be.

"(j)(1)(A) Except as provided in subparagraph (B) of this paragraph, if the committee to which a joint resolution has been referred does not report such resolution within 30 days of continuous session of Congress after the date of transmittal to the Congress of the recommended regulation to which such joint resolution relates, it shall be in order to move to discharge the committee from further consideration of such resolution.

"(B) If the committee to which a joint resolution transmitted from the other House has been referred does not report such resolution within 30 days after the date of transmittal of such resolution from the other House, it shall be in order to move to discharge such committee from further consideration of such resolution.

"(2) Any motion to discharge under paragraph (1) of this subsection must be supported in the House in writing by one-fifth of the Members, duly chosen and sworn, and in the Senate by motion of the Majority Leader supported by the Minority Leader, and is highly privileged in the House and privileged in the Senate (except that it may not be made after a joint resolution has been reported with respect to the same regulation); and debate thereon shall be limited to not more than one hour, the time to be divided in the House of Representatives equally between those favoring and those opposing the motion to discharge and to be divided in the Senate equally between, and controlled by, the majority leader and the minority leader, or their designees.

"(k)(1) Except as provided in paragraphs (2) and (3) of this subsection, consideration of a joint resolution shall be in accord with the rules of the Senate and of the House of Representatives, respectively.

"(2) When a committee has reported or has been discharged from further consideration of a joint resolution, or when the companion joint resolution from the other House has been placed on the calendar of the first House, it shall be in order, notwithstanding any rule of the Standing Rules of the Senate (except rule XXII) or any rule of the House of Representatives, at any time thereafter (even though a previous motion to the same effect has been disagreed to) to move to proceed to the immediate consideration of either such joint resolution. The motion is highly privileged in the House and privileged in the Senate and is not debatable.

"(3) Debate on a joint resolution shall be limited to not more than ten hours (except that when one House has debated the joint resolution of that House, the companion joint resolution of the other House shall not be debatable), which shall be divided in the House of Representatives equally between those favoring and those opposing the resolution and which shall be divided in the Senate equally between, and controlled by, the majority leader and the minority leader, or their designees. An amendment to, or motion to recommit, the joint resolution is not in order. Any other motions shall be decided without debate, except that no motion to proceed to the consideration of any other matter shall be in order.

"(l) If a joint resolution has been reported or discharged from the committee of the House to which it was referred, and that House receives a joint resolution with respect to the same regulation from the other House, the resolution of disapproval of the other House shall be placed on the appropriate calendar of the first House. If, prior to the disposition of a joint resolution of one House, that House receives a joint resolution with respect to the same regulation from the other House, the vote in the first House shall occur on the joint resolution of the other House.".

(d) Section 21 of the Federal Hazardous Substances Act (15 U.S.C. 1276) is amended to read as follows:

"CONGRESSIONAL REVIEW OF RULES

"SEC. 21. (a) For purposes of this section, the term—

"(1) 'appropriate committee' means either the Committee on Commerce, Science, and Transportation of the Senate or the Committee on Energy and Commerce of the House of Representatives, as the case may be;

"(2) 'joint resolution' means a joint resolution which does not contain a preamble and the matter after the resolving clause of which is as follows: 'That the Senate and the House of Representatives disapprove the regulation entitled , transmitted to the Congress by the Federal Trade Commission on , 19 .', the blank spaces being filled with the appropriate title of the regulation and the date of transmittal of the regulation to the Congress, respectively; and

"(3) 'regulation' means any regulation promulgated by the Commission pursuant to this Act, other than any regulation promulgated under section 18(a)(1)(A) of this Act and any interpretive or procedural regulation.

"(b)(1) Except as provided in subsection (g)(1) of this section, on the day the Commission forwards to the Federal Register for publication a recommended regulation, the Commission shall transmit a copy of such regulation to the Secretary of the Senate and the Clerk of the House of Representatives. The Secretary of the Senate and the Clerk of the House of Representatives are authorized to receive a recommended regulation under this subsection whether the appropriate House is in session, stands in adjournment or is in recess.

"(2) On the day on which the Secretary of the Senate and the Clerk of the House of Representatives receive a recommended regulation, the Secretary and the Clerk shall transmit a copy of such regulation to the appropriate committees.

"(c)(1) Notwithstanding any other provision of law, no recommended regulation may become effective until the expiration of a period of ninety days after the date on which such regulation is received by the Secretary of the Senate and the Clerk of the House of Representatives, except that such regulation may not become effective under this paragraph if within such ninety-day period a joint resolution with respect to such regulation has become law.

"(2) For purposes of this subsection—

"(A) the term 'days' means only days of continuous session of Congress;

"(B) continuity of session is broken only by an adjournment sine die at the end of a Congress; and

"(C) the days on which either House is not in session because of an adjournment or recess to a day certain shall be excluded in the computation of days of continuous session of Congress for the ninety-day period referred to in this subsection if the adjournment is for more than five days.

"(d) Notwithstanding any other provision of law, any regulation subject to this section shall be considered a recommendation of the Commission to the Congress and shall have no force and effect as a regulation unless such regulation has become effective in accordance with this section.

"(e) Whenever an appropriate committee reports a joint resolution pursuant to this section, the resolution shall be accompanied by a committee report specifying the reasons for the committee's action.

"(f) Congressional inaction on, or rejection of, any joint resolution shall not be deemed an expression of approval of the regulation involved. The compliance of the Commission with the requirements of this section, including any determination by the Commission under this section, shall not be subject to judicial review of any kind.

"(g)(1) If a recommended regulation of the Commission does not become effective because of an adjournment of Congress sine die before the expiration of the period specified in subsection (c)(1) of this section, the Commission may resubmit the recommended regulation at the beginning of the next regular session of Congress. The ninety-day period specified in the first sentence of section (c)(1) shall begin on the date of such resubmission, and such regulation may only become effective in accordance with this section. The Commission shall not be required to forward such regulation to the Federal Register for publication, if such regulation is identical to the regulation transmitted during the previous session of Congress.

"(2) If a recommended regulation of the Commission is disapproved under this section, the Commission may issue a recommended regulation which relates to the same acts or practices as the disapproved regulation. Such recommended regulation—

"(A) shall be based upon—

"(i) the regulation-making record of the recommended regulation disapproved by the Congress; or

"(ii) such regulation-making record and the record established in supplemental regulation-making proceedings conducted by the Commission, in accordance with section 553 of title 5, United States Code, in any case in which the Commission determines that it is necessary to supplement the existing regulation-making record; and

"(B) may reflect such changes as the Commission considers necessary or appropriate, including such changes as may be appropriate in light of congressional debate and consideration of the joint resolution with respect to the regulation.

"(3) After issuing a recommended regulation under this subsection, the Commission shall transmit such regulation to the Secretary of the Senate and the Clerk of the House of Representatives, in accordance with subsection (b)(1) of this section, and such regulation shall only become effective in accordance with this section.

"(h) The provisions of this subsection, subsection (a)(1) and (2), subsection (e), and subsections (i) through (l) of this section are enacted by Congress—

"(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of joint resolutions, and they supersede other rules only to the extent that they are inconsistent therewith; and

"(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

"(i) Except as provided in subsection (1) of this section, joint resolutions shall, upon introduction or receipt from the other House of Congress, be immediately referred by the presiding officer of the Senate or the House of Representatives to the appropriate committee of the Senate or the House of Representatives, as the case may be.

"(j)(1)(A) Except as provided in subparagraph (B) of this paragraph, if the committee to which a joint resolution has been referred does not report such resolution within 30 days of continuous session of Congress after the date of transmittal to the Congress of the recommended regulation to which such joint resolution relates, it shall be in order to move to discharge the committee from further consideration of such resolution.

"(B) If the committee to which a joint resolution transmitted from the other House has been referred does not report such resolution within 30 days after the date of transmittal of such resolution from the other House, it shall be in order to move to discharge such committee from further consideration of such resolution.

"(2) Any motion to discharge under paragraph (1) of this subsection must be supported in the House in writing by one-fifth of the Members, duly chosen and sworn, and in the Senate by motion of the Majority Leader supported by the Minority Leader, and is highly privileged in the House and privileged in the Senate (except that it may not be made after a joint resolution has been reported with respect to the same regulation); and debate thereon shall be limited to not more than one hour, the time to be divided in the House of Representatives equally between those favoring and those opposing the motion to discharge and to be divided in the Senate equally between, and controlled by, the majority leader and the minority leader, or their designees.

"(k)(1) Except as provided in paragraphs (2) and (3) of this subsection, consideration of a joint resolution shall be in accord with the rules of the Senate and of the House of Representatives, respectively.

"(2) When a committee has reported or has been discharged from further consideration of a joint resolution, or when the companion joint resolution from the other House has been placed on the calendar of the first House, it shall be in order, notwithstanding any rule of the Standing Rules of the Senate (except rule XXII) or any rule of the House of Representatives, at any time thereafter (even though a previous motion to the same effect has been disagreed to) to move to proceed to the immediate consideration of either such joint resoluton. The motion is highly privileged in the House and privileged in the Senate and is not debatable.

"(3) Debate on a joint resolution shall be limited to not more than ten hours (except that when one House has debated the joint resolution of the House, the companion joint resolution of the other House shall not be debatable), which shall be divided in the House of Representatives equally between those favoring and those opposing the resolution and which shall be divided in the Senate equally between, and controlled by, the majority leader and the minority leader, or their designees. An amendment to, or motion to recommit, the joint resolution is not in order. Any other motions shall be decided without debate, except that no motion to proceed to the consideration of any other matter shall be in order.

"(1) If a joint resolution has been reported or discharged from the committee of the House to which it was referred, and that House receives a joint resolution with respect to the same regulation from the other House, the resolution of disapproval of the other House shall be placed on the appropriate calendar of the first House. If, prior to the disposition of a joint resolution of one House, that House receives a joint resolution with respect to the same regulation from the other House, the vote in the first House shall occur on the joint resolution of the other House.".

(e) The amendments made by this section shall cease, to have any force and effect on or after the date which is five years after the date of enactment of this Act.

(The name of Mr. NICKLES was added as a cosponsor of the amendment, as modified.)

Mr. KASTEN. Let me very briefly, for the purpose of the Senate, say that the modifications that were just sent to the desk have to do with a number of procedural questions that were raised by the Senator from Iowa, the Senator from Michigan, the Senator from West Virginia, and the Senator from Kentucky.

I might say, Mr. President, that the Senator from West Virginia, the distinguished minority leader, has been extremely helpful and thoughtful. I would also say that I think the delay we have had over a day or so has been a positive one, and that we now are in a position to move forward.

I would say to the Senate, and those who are concerned about the details of legislative veto, that there is one specific change here which I think is important. The new amendment, as modified, has a 5-year sunset provision. The legislative veto process will sunset after 5 years unless we, through a new authorization of another form, extend the legislative veto as it applies to the Consumer Product Safety Commission and the Federal Trade Commission.

Mr. President, I know of no further need for debate.

I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BYRD. Will the distinguished Senator yield?

Mr. KASTEN. I yield the floor.

Mr. BYRD. I will not take more than 1 minute. I want to commend the distinguished Senator from Wisconsin, the author of the amendment, for his cooperation. Our discussions were, I think, of benefit to the Senate and the Nation. The problems I had with the expedited procedures are gone, thanks to Senator KASTEN's acceptance of modifications I proposed. I thank the Senator for his good work in this respect.

I also wish to commend Senator FORD for the knowledge that he brought to our discussions and the support he gave to the modifications. I thank Mr. LEVIN, and I thank Mr. GRASSLEY also. They were very cooperative.

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Mr. President, I do not want to delay the consideration of this amendment too long. I will be brief because I think most of my colleagues understand my sentiments. I believe in the system rather than in improvising what many may consider a procedure to suppress regulatory agencies. In fact, the procedure will probably not be exercised 10 percent of the time.

We have had the authority from the beginning to change any rule any agency should promulgate. We have created the agencies by legislative mandate. When they do something wrong and our constituencies complain about it, we run to try to find some way to satisfy those constituencies. We try to satisfy them that we are doing something to stop an agency from promulgating some regulation that might restrict businesses, procedures, or whatever.

Rulemaking by Federal agencies requires an extensive congressional review role. I said here yesterday that back in 1980 I insisted that an amendment be included in the Federal Trade Commission authorization bill. By the way, that was 5 years ago and we have not had one since. We are about to get one now, and I am proud of that.

In that legislation in the Senate, we were required to have at least two oversight hearings of the Federal Trade Commission every fiscal year. I do not recall since 1980 any such oversight of the Federal Trade Commission except when they asked for money. We ask how they are going to use it and try to find a little bit more for them. They want more jurisdiction and they want more money so they can get more jurisdiction. We say, "Yes," and give them a little bit more and that is the end of it.

We are abdicating the legislative authority and the legislative responsibility, that our constituents sent us here to exercise.

Extensive review of agencies is the purpose of congressional oversight. By having oversight, we are given the opportunity to respond to the problems by introducing legislation to be passed by both Houses and presented to the President for his signature to halt ill-conceived rules.

We do not need another statute on the books. We have the authority now.

No delay of implementation of particular rules should be necessary if we perform our function.

Mr. President, the framers of the Constitution envisioned that Congress would make laws reasonably specific reflecting policy judgments and decisions that would guide the agencies in execution of the law.

Congress has the power now to expand, to modify, or repeal unsatisfactory enactment of agency rules.

So basically, we are saying those agencies that were conceived by Congress, which were given authority by us, are now out of hand. We are saying we have no control over them, so we have to have a legislative veto power in order to suppress those agencies we created.

When we create an agency, we have the same authority and the same power to restrict it.

This is just a piece of legislation to go back home to our business people and beat our chests and say, "Look what we have done. We have suppressed those regulatory agencies because we are going to look at the rules. If we do not like them, we are going to have a resolution that will be passed by the House and the Senate and sent to the President for his signature."

That is not what the framers of the Constitution said.

I fought the legislative veto for several years, saying, one, we did not need it, and, two, it was unconstitutional. I was right that it was unconstitutional because the Surpeme Court has already stated that on two separate occasions. I still say the legislative veto is not needed.

The legislative veto, in my opinion, is being used as a substitute for congressional direction and policy guidance to agencies. We are abdicating the responsibility that our constituencies expect of us.

Let us talk about what the Department of Justice had to say on July 9 of this year, this administration's Department of Justice.

I will read from their testimony before the Judiciary Committee.

> We think it is relatively clear that the legislative veto mechanism, in addition to its constitutional infirmities, simply was not effective in checking agencies' abuse, and, in fact, may have encouraged the passage of vague and overly broad delegation of authority.

They continue in their testimony to say:

> Although there has not been any relevant experience with "regulatory veto" mechanisms, substantial questions are presented as to whether widespread use of such mechanisms would be similarly counterproductive and would mask rather than relieve the fundamental problem of clearly articulating public policy into law.
>
> It is questionable whether such widespread use of the legislative veto would be productive.

I know where the votes are. I have not been here very long, but I understand what people want to do. I will guarantee you most of those up for reelection next year will vote for this and use it in their political advertisements. Just remember, when they do that and they support this, they are abdicating their responsibility.

I personally urge the rejection of this amendment and hope some of my colleagues will feel the same way. I understand some of those who would oppose the amendment have official business and cannot be here today. Probably just as many who favor this amendment are out on official business. But I hope that they will look at all the ramifications of what is about to develop here as it relates to legislative veto. If every committee in the Senate would spend 10 days—just 10 days—out of a year, 10 days out of a year, and have those agencies under their jurisdiction come before that committee and say, "This is what we are going to do; this is how we are spending the money; this is the result of the expenditure of taxpayers' dollars; this is the rule we have promulgated; this is now we have helped our constituencies," we would not need the rules. We would be exercising that authority given to us by our constituents' vote to come here and represent them.

Why, we have spent more time on the Senate floor debating the legislative veto than most people have on oversight hearings. If we would just spend the time in oversight, we would not have all these huge expenditures for minor items; we would be looking at the agencies, asking questions, and finding out a lot more than we are by standing here debating. We could be using this time to oversee the various agencies under our control.

I hope there will be at least some who will agree with me. It is not an easy position to stand against the legislative veto, but for a long time, not many of us opposed it. Those who did were vindicated by the Supreme Court's decision. This is an amendment with a lot of infirmities, as the Department of Justice has stated.

Mr. President, I yield the floor.

Mr. LEAHY. Mr. President, Alexander Hamilton wrote in Federalist 72 that the "administration of government, in its largest sense, comprehends all the operations of the body politic, whether legislative, executive, or judiciary; but in its most usual and perhaps most precise signification, it is limited to executive details, and falls peculiarly within the province of the executive department."

The Framers of the Constitution intended for Congress to deliberate on important issues of the day and legislate accordingly. As Hamilton put it, executive details would be left to the executive department. This arrangement is inherent in the separation of power so wisely crafted in the Constitution.

Hamilton correctly argued, however, that in the broadest sense, every branch of Government must be concerned with the administration of government. He was arguing that the executive branch must not be allowed to encroach upon the other two branches. It must not be permitted to legislate nor pass judicial judgment.

Here before us today, Mr. President, we have a proposal to grant Congress a limited legislative veto over the rulemaking of the Federal Trade Commission and the Consumer Product Safety Commission.

I am opposed to the legislative veto, in general, because it violates this same doctrine of the separation of powers. Congress is to legislate, not to administer the powers and programs of government.

The proposal before us, however, is meant to ensure that the intention of the Founders is followed that the executive branch—the bureaucracy—not encroach upon the domain of the national legislature.

But the Federal Trade Commission is a special case. It has been given such little statutory guidance by Congress that it has in some cases inadvertently exercised wide authority in the marketplace—asserting the broad authority to regulate commerce that is duly reserved for Congress by the Constitution.

Because Congress has provided so few guidelines guidance to the FTC, I believe that a limited legislative veto over FTC regulation is necessary to ensure that the FTC regulates, as it should, but does not legislate or determine broad policies.

The legislative veto proposal before us would provide that Congress must pass a joint resolution, which must be signed by the President, all within 90 days of the publication of a final regulation, if that regulation is to be vetoed.

Mr. President, the requirement that a majority of both Houses of Congress and the President must disapprove of a regulation in order that it is annulled, means that only the most controversial and constitutionally questionable regulations will ever be considered for a legislative veto. The power of the executive to administer the Government, envisioned by the Founders, would not be encroached upon. Instead, this measure would reserve for Congress its constitutional right to determine the broad policies of our Government.

The Supreme Court has declared that past versions of the legislative veto were unconstitutional; namely, because they did not require the President's assent. The proposal we are voting on today, Mr. President, not only passes that constitutional test, but also carries out the Founders' intention that Congress shall legislate, not the executive bureaucracy.

Mr. BYRD. Mr. President, I am most pleased that we have been able to work together and reach a compromise on several issues that concerned me. As I indicated on the floor last night, I had some problems with the original formulation of the Kasten amendment, particularly with the expedited procedures sections of that amendment. But this morning Senators KASTEN, FORD, LEVIN, GRASSLEY, and I met in my office to seek a resolution of these problems, and I believe that we succeeded efficiently and amicably.

I would like to describe briefly for my colleagues the changes that I proposed that were incorporated in the Kasten amendment and my reasons for them:

First, I believe that this newly formulated legislative veto with its expedited procedures for overseeing and controlling the Federal Trade Commission and the Consumer Product Safety Commission should have a trial period to be tested—both for meeting the objectives of the amendment's sponsors and for its utility. The sponsors agreed to my suggestion that this section be tried for 5 years and that it be "sunsetted" after that date if Congress has not determined to reauthorize this provision.

Second, the original proposal would have permitted any Senator to move to discharge a committee from further consideration of a resolution of disapproval of a proposed rule if the committee had not reported that resolution within 30 days. An individual Senator could have made a privileged motion to discharge a committee, with a 1-hour time limit on the motion and no amendments in order. If the motion were successful, he could immediately make another privileged motion to proceed to the joint resolution with no debate in order. Having adopted that motion, the resolution would become the immediate business before the Senate with a 2-hour time limitation, displacing all other business including even a matter on which cloture had been invoked.

The sponsors of the amendment agreed that the motion to discharge the committee from further consideration of a disapproval resolution only be made by the majority leader with the approval of the minority leader. With the modification, the joint resolution of disapproval may not displace the business before the Senate if cloture has been invoked under rule XXII, and the time for debate on the resolution was increased from 2 hours to 10 hours.

Third, the original version stipulated that a motion to reconsider the vote by which the joint resolution was agreed to or rejected could only be made on the actual day that the vote took place. This provision was deleted in favor of retaining the current Senate rules that permit a motion to reconsider to be made on either of the next 2 days of actual session after the day of the vote.

In addition, the sponsors agreed to clarify the sentence "Any other motions shall be decided without debate," by adding the following clause "except that no motion to proceed to the consideration of any other matter shall be in order." This will eliminate the possibility of statutorily locking in the potential for permitting a nondebatable motion to proceed to a controversial piece of legislation.

Fourth, last, I have been concerned that this language was too sweeping in its impact, that by defining the term "rule" to mean "any rule promulgated by the Commission pursuant to this Act" other than interpretive or procedural rules, the Congress would be deluged in paper. I fear that an avalanche of proposed rules and regulations dumped on our committees would hinder, rather than enhance, those committees' ability to efficiently review the operations and functioning of the Federal agencies. I have been assured by the sponsors, however, that these legislative veto provisions with the attached expedited procedures for Senate consideration only apply to rules and regulations promulgated by the Federal Trade Commission and the Consumer Product Safety Commission. Senators LEVIN and GRASSLEY have said that the definition of "rule" in this amendment is not intended to be a model for how that term is to be construed in any future specific, or generic legislative veto provisions.

I thank Senators KASTEN, LEVIN, GRASSLEY, and FORD for their cooperation and assistance in developing the modifications to the Kasten and Levin-Grassley amendments.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, first, let me thank Senator BYRD for the tremendous contribution he has made over the past days to this amendment. He, I think, is probably unique in this body in the extent to which he knows the rules of this body and will defend this institution against changes in the rules which might be deleterious to it. I personally want to thank him for his tremendous personal involvement over the last few days on this amendment. It is most appreciated and will really be important historically in the Senate.

Mr. BYRD. I thank the Senator.

Mr. LEVIN. Mr. President, when I came to this body, I recently had been a local official representing my community as president of the city council. My community had been almost decimated by a Federal agency named HUD. We had tens of thousands of vacant houses owned by HUD, vandalized, boarded up, creating problems in our neighborhoods.

I came to Washington. I came to my elected officials. I said, "We have to save the neighborhoods of my community. I want help. I want HUD to move relative to these homes, relative to these properties."

I was told, "Go see HUD."

I went to see HUD and HUD talked about their regulations and how they could not really dispose of all these properties because of their regulations.

I went back to my elected officials and they said, "Well, we cannot change the regulations, that is HUD. Go back to HUD."

So it was back to HUD, a Federal agency, to Federal bureaucrats, instead of to my elected officials.

I began to explore the question of just what authority the elected officials in this Government were willing to exercise over the regulations of our bureaucracy. I found out, much to my dismay, that they really did not want to take much responsibility for those regulations, that they would rather pass general laws and then hide.

I could not agree more with my friend from Kentucky when he says there is not enough oversight in this exercise and I think he is right. I think we have ducked our responsibility too often by the lack of oversight over the regulations and operations of agencies. But the regulations of the agencies, in many cases, have a greater impact on human lives then do the laws we pass. For us to simply duck a ready review and an accessible review and an available review of those regulations, which are often more critical to more people than the very laws we write, is the abdication of responsibility which we must end.

We have abdicated responsibility in the lack of oversight but we have also too often abdicated responsibility by saying, "Hey, we can't do anything about those regulations, go see the agencies." We have to make it easier to do something about regulations which we do not like, which do not carry out our intent, which we are not in agreement with. There is a great deal of power in those agencies. Those agencies in many instances, with many millions of people, have a greater impact on daily lives than we do. And we have to find ways of controlling those agencies, both legislatively and administratively—indeed, the White House has also sought ways of controlling those agencies which too often have run amok, too often may have been unaccountable.

Chadha came along and said the prior version of oversight through legislative veto was unconstitutional. This amendment meets Chadha. I do not know of any lawyer or any legal opinion that has indicated that this amendment that Senator KASTEN has introduced and which I, along with Senator GRASSLEY, have cosponsored does not meet the requirements of Chadha. It does. It is a two-House veto, it is then submitted to the President of the United States.

The critical part of this amendment is that it has a delay procedure and has expedited procedures for getting resolutions of disapproval to the floor of both Houses so that they cannot be stopped by procedural delay when a majority of Congress wants to act, when a majority of Congress wants to say that a regulation does not carry out our intent. This makes it possible for Congress to act in a constitutional way.

There is nothing new in what we are doing. We have had literally dozens of legislative vetoes in the law. This makes an existing legislative veto on FTC constitutional. We have had a legislative veto on FTC. We adopted a legislative veto in 1980, with expedited procedures as it came out of Congress. This is not new. What we are doing today makes what we have done constitutional.

In 1982, we also adopted a generic legislative veto that applied to the regulations of most of the agencies. That vote in 1982 in the Senate was 69 in favor of the generic legislative veto with expedited procedures, as this one has, and 25 opposed. So we have been over this ground. We tried to do it before. But Chadha said we did not do it right. Today, we are going to do it right and this day is long overdue.

What this amendment and what legislative veto does is say we have more confidence in the elected officials of this country than we do in the unaccountable, unelected agencies. That is the critical issue.

Before I close, Mr. President, I want to thank just a few Members on this side of the aisle. There have been many on both sides, but the few Members, particularly Senator BOREN and Senator DECONCINI, for the kind of support that they have shown over the year to various forms of legislative veto. I am not sure that both of them are here today to vote for this legislative veto amendment, but because they have sponsored so many legislative veto efforts and supported them over the year I could not close without paying my respects and thanking them for their efforts in support of legislative veto requirements.

I also want to thank Linda Gustitus of my staff and Ally Milder of Senator GRASSLEY's staff for their tireless efforts on behalf of the legislative veto. Linda Gustitus has literally worked for years, and engaged in countless meetings to bring us to where we are today. Her sensitivity to the need to compromise while at the same time her ability to keep her eye on the ultimate goal have been nothing less than remarkable.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment of the Senator from Wisconsin. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from California [Mr. ARMSTRONG], the Senator from Mississippi [Mr. COCHRAN], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Utah [Mr. GARN], the Senator from Pennsylvania [Mr. HEINZ], the Senator from South Dakota [Mr. PRESSLER], and the Senator from Connecticut [Mr. WEICKER] are necessarily absent.

I further announce that, if present and voting, the Senator from Minnesota [Mr. DURENBERGER], would vote "yea."

Mr. CRANSTON. I announce that the Senator from New Jersey [Mr. BRADLEY], the Senator from Arizona [Mr. DECONCINI], and the Senator from Louisiana [Mr. JOHNSTON], are necessarily absent.

I further announce that the Senator from New Mexico (Mr. BINGAMAN) is absent on official business.

The PRESIDING OFFICER (Mr. WILSON). Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 67, nays 22, as follows:

[Rollcall Vote No. 163 Leg.]

YEAS—67

Abdnor	Gramm	Mitchell
Andrews	Grassley	Moynihan
Baucus	Harkin	Murkowski
Bentsen	Hatch	Nickles
Boren	Hatfield	Nunn
Boschwitz	Hawkins	Pryor
Bumpers	Hecht	Quayle
Burdick	Heflin	Riegle
Byrd	Helms	Roth
Chiles	Humphrey	Rudman
Cohen	Inouye	Sasser
Cranston	Kasten	Simpson
D'Amato	Kerry	Specter
Denton	Lautenberg	Stevens
Dixon	Laxalt	Symms
Dodd	Leahy	Thurmond
Dole	Levin	Trible
Domenici	Lugar	Wallop
Eagleton	Matsunaga	Warner
East	Mattingly	Wilson
Exon	McClure	Zorinsky
Goldwater	McConnell	
Gore	Melcher	

NAYS—22

Biden	Hollings	Proxmire
Chafee	Kassebaum	Rockefeller
Danforth	Kennedy	Sarbanes
Evans	Long	Simon
Ford	Mathias	Stafford
Glenn	Metzenbaum	Stennis
Gorton	Packwood	
Hart	Pell	

NOT VOTING—11

Armstrong	DeConcini	Johnston
Bingaman	Durenberger	Pressler
Bradley	Garn	Weicker
Cochran	Heinz	

So the amendment (No. 542), as modified and further modified, was agreed to.

Mr. KASTEN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 547

(Purpose: To provide for congressional review of Federal Trade Commission rules and Consumer Product Safety Commission rules)

Mr. GRASSLEY. Mr. President, I send on amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Iowa [Mr. GRASSLEY], for himself, Mr. LEVIN, Mr. DOLE, Mr. THURMOND, Mr. BOREN, Mr. SIMPSON, Mr. LAXALT, Mr. DECONCINI, Mr. HATCH, Mr. DENTON, Mr. ZORINSKY, Mr. NICKLES, Mr. ANDREWS, and Mr. BOSCHWITZ, proposes an amendment numbered 547.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 16, between lines 2 and 3, insert the following new section:

ENFORCEMENT OF CONGRESSIONAL REVIEW OF RULE

SEC. 17. (a) This section is adopted as an exercise of the power of each House of Congress to determine the rules of its proceedings. The Congress specifically finds that the provisions of this subsection are essential to the Congress in exercising its constitutional responsibility to monitor and to review exercises by the Executive of delegated powers of a legislative character.

"(b)(1) After the Senate and the House of Representatives adopt a joint resolution with respect to a rule pursuant to Section 16 of this Act, it shall be in order in the Senate or the House of Representatives, notwithstanding any provision of the Standing Rules of the Senate except Rule XXII or the Rules of the House of Representatives, to consider an amendment described in subparagraph (2) to a bill or resolution making appropriations for the Federal Trade Commission or the Consumer Product Safety Commission.

"(2) An amendment referred to in subparagraph (1) is an amendment which only contains provisions to prohibit the use of funds appropriated in the bill or resolution described in such subparagraph for the issuing, promulgating, enforcing, or otherwise carrying out the rule with respect to which a joint resolution has been adopted pursuant to this section.

"(c) Debate on an amendment described in paragraph (b)(2) shall be limited to not more than four hours, which shall be divided in the House of Representatives equally between those favoring and those opposing the amendment and which shall be divided in the Senate equally between, and controlled, by the majority leader and the minority leader or their designees. An amendment to, or motion to recommit, the amendment is not in order. Any other motions shall be decided without debate, except that no motion to proceed to the consideration of any other matter shall be in order.

Mr. GRASSLEY. Mr. President, the amendment read adds a provision to the Kasten amendment just adopted. My amendment, which is cosponsored by the Senator from Michigan [Mr. LEVIN] only comes into play when both Houses of Congress have acted to disapprove a rule but the President has vetoed the joint resolution of disapproval. Under our provision, the passage of the joint rsolution by both Houses triggers expedited procedures for consideration of an amendment to the FTC or the Consumer Product Safety Commission appropriation bills which would limit the use of Goverment funds to implement the disapproved rule.

Both the FTC and the Consumer Product Safety Commission are currently governed by a two-House veto, and a 1½-House veto respectively. Congress has decided this issue in the past and determined that much stricter vetoes were appropriate for these two agencies than we are now considering here. This amendment is a modest approach and conforms with past expression of congressional policy.

Supporters of this approach include the National Federation of Independent Businesses and the chamber of commerce. Our amendment will give the joint resolution approach more teeth and will bring the proposal a bit closer to the policy already adopted by Congress for oversight of the FTC and the Consumer Product Safety Commission.

Senator LEVIN, as I indicated, joins me as a cosponsor of this amendment. Other cosponsors include the majority leader, Senator DOLE, Senator THURMOND, Senator BOREN, Senator SIMPSON, Senator LAXALT, Senator DECONCINI, Senator HATCH, Senator DENTON, Senator ZORINSKY, Senator NICKLES, Senator ANDREWS, and Senator BOSCHWITZ.

In regard to the National Federation of Independent Businesses support of this bill, they feel that this is such an important issue for small business that they have labeled this as one of the NFIB's key small business votes of the 99th Congress.

Mr. President, I yield the floor.

Mr. LEVIN. Mr. President, the amendment that we just voted on of the Senator from Wisconsin, which I and Senator GRASSLEY cosponsored enthusiastically, took us about 90 percent of the way that we should go relative to legislative veto. We have taken about nine steps. We have 1 of the 10 steps left and that is what this Grassley-Levin amendment is all about. It is aimed at a very narrow situation. That is where Congress has exercised its will, Congress has vetoed a regulation, but the President, who must be presented with it under Chadha, in turn vetoes it and there is not the two-thirds vote of the Congress to override. That is the narrow group of cases that this amendment addresses.

What happens if a majority of Congress has decided that a regulation does not implement our will but our majority will is in turn thwarted by a Presidential veto? This amendment says, in that circumstance, the appropriation process should be made readily available to preclude the expenditure of funds for such a rule. Because the majority has voted in the Congress, because the majority will is that the regulation does not carry out our will or is in other ways inappropriate, we should be able to readily act.

All this amendment says is that if an appropriation bill relative to the agency in question whose rule has been disapproved by a majority of the Congress comes to the floor without a prohibition of funds to implement such a rule included, then we will use expedited procedures to make sure that an amendment prohibiting such funding will be readily available.

It goes directly to the old power of the purse of the Congress and says, "Let's make sure we can use it without being thwarted by delaying tactics, by minority voices in the Congress." And again the critical thing to remember on this amendment is that Congress has already acted. The assumption of this amendment is that Congress has already acted. It has already said it does not like the rule in question, but that majority will has, under this narrow set of circumstances, been thwarted by a Presidential veto and presumably there were inadequate votes to override that veto.

But the majority is still here. The majority still says the regulation violates our intent. We do not like that regulation. We want to act. And this allows us to act expeditiously to prohibit the expenditure of funds to implement a rule which the majority of Congress does not like and has so expressed in its joint resolution of disapproval.

So we have gone 90 percent of the way this morning. This takes us the last 10 percent. It is a critical 10 percent. It is a critical additional step. It puts some additional teeth in the legislative veto. As Senator GRASSLEY indicated, the National Federation of Independent Businesses is strongly supportive of it. I hope that our colleagues will also strongly suppport

this additional very modest amendment.

Mr. KASTEN. Mr. President, I feel very strongly that the work of the Senator from Iowa and the Senator from Michigan and others who have worked with me on the legislative veto has been a very positive step for the legislative branch. Frankly, I am reluctant to move forward with a motion to table, which is what I will do in just a moment.

But we have gone, with the compromise that was just adopted, as far as I believe that we can go and, No. 1, move forward with this bill; but, No. 2, have a procedure in place that can be accepted by everyone and that will in fact reflect the concern of elected officials in their work to oversee or if necessary veto the work of the regulatory agencies.

This amendment, in my opinion, would put an undue burden on the appropriations process and it would in a sense duplicate action by authorizing committees.

I pointed out yesterday that while, at first blush, requiring the use of appropriations legislation to enforce every legislative veto of an FTC or a CPSC rule may appear reasonable, my fear is that it will result in needless duplication and would prolong debate regarding appropriations bills and continuing resolutions. Congress cannot afford such burdens at a time when we are repeatedly subject to criticism for ineffectiveness due to unnecessary delay.

I would suggest to the Senate, let us try the veto in the form that we have just adopted it. Let us see if we have problems in this very narrow instance. Let us determine whether in fact it is appropriate to move forward with a special procedure of expediting amendments against appropriations bill. I do not believe it is necessary.

I would like to point out the most recent experience we had on the used car rule veto was in fact we had a two-thirds majority in both Houses. When we get to the point where there is the concern that we are talking about where the legislative veto mechanism would work, I think the chance of us not being able to override the veto is very, very limited. And the used car vote in both the House and the Senate—and, of course, it would just take one—the used car votes indicate that that would be the case.

But had the joint resolution been in place when we vetoed the used car rule, we would have overridden any Presidential veto. My point is let us not go further at this time. Let us stop where we are with the legislative veto mechanism that will work, and let us not overburden the appropriations process.

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Mr. President, in the words of the President of the United States, "Here we go again." About 15 minutes ago we passed a legislative veto provision for the Federal Trade Commission and Consumer Product Safety Commission. And immediately following that, we start monkeying around again.

One of my colleagues said a minute ago, "At least you are making us think about it, Ford." I am glad I am.

Mr. President, one of our distinguished Members, the distinguished Senator from Delaware, [Mr. BIDEN] wrote a paper for the Syracuse Law Review and it is entitled "Who Needs the Legislative Veto?" I wish all of my colleagues could read it. It tells you why we do not need it. It tells you why we are abdicating the responsibility we accepted when we held up our hands and took our oath. Mr. President, I ask unanimous consent that the paper written by Senator BIDEN for the "Syracuse Law Review" be included in the RECORD at this point.

There being no objection, the document was ordered to be printed in the RECORD, as follows:

[From the Syracuse Law Review, Nov. 2, 1984]

WHO NEEDS THE LEGISLATIVE VETO?

(Senator Joseph R. Biden, Jr.)*

I. INTRODUCTION

I have been asked to appraise the likely impact of the Supreme Court's decision in *Immigration and Naturalization Service v. Chadha*[1] on the way our government works. As a member of the United States Senate—and especially as a member of the United States Foreign Relations Committee—I am greatly concerned with what I take to be the most fundamental question regarding the *Chadha* decision: Does it leave the federal government more or less able to meet its responsibilities?

On the one hand, I believe our government can and will function, for the most part, more effectively in the absence of the legislative veto. Especially with regard to the regulatory agencies, the legislative veto has too often tempted Congress to delegate to administrative agencies the hard legislative work of writing law, too often resulted in the intrusion of Congress upon the proper ground of the Executive, and much too often trust Congress into the role of a court of appeals for the regulatory agencies, where legions of lobbyists descend to plead their narrow, special interests and disrupt the proper work of Congress.

On the other hand, I believe that the loss of the veto will make it difficult for Congress to meet its responsibilities in a limited number of policy areas. My primary concern is foreign policy—especially war powers and arms-export control—where *Chadha* strikes at the foundations of carefully structured systems for sharing power between the executive and legislative branches.

To discuss the impact of *Chadha* on the way the government functions I do not think I need delve very far beneath the surface of the *Chadha* decision. Other participants in this symposium have done that, and have done so far more expertly than I could.

For members of Congress, the fundamental message of *Chadha* is clear: Every act of legislative power that does not adhere to what the Court called the "finely wrought and exhaustively considered procedure" [2] of bicameral consideration and presentment to the President is unconstitutional. Indeed, in light of the Court's summary decisions regarding the natural-gas pricing rule promulgated by the Federal Energy Regulatory Commission [3] and the "used-car rule" issued by the Federal Trade Commission (FTC),[4] there can be little doubt that all legislative vetoes are unconstitutional.

Accordingly, the appropriate congressional response to *Chadha* is not to challenge the Supreme Court's legal reasoning, nor to doubt its wisdom. Whether or not we personally agree with the decision, it now governs our actions. Instead, we must take *Chadha* as our starting point, seek to understand the purpose of each legislative veto Congress has enacted, and then, in each individual case, find alternate means of fulfilling that purpose.

II. THE CONGRESSIONAL RESPONSE

The immediate reaction to *Chadha* in Washington was near panic. One wire service reported the decision as a "shattering blow to legislative power." [5] Scholars, editorial writers, lawyers, and many of my colleagues in Congress denounced the Court's uncompromisingly rigid interpretation of the Constitution, a decision which, in the words of Justice White's dissenting opinion, "strikes down in one fell swoop provisions in more laws enacted by Congress than the Court has cumulatively invalidated in its history." [6]

Fortunately, most members of Congress responded more calmly, and quickly got down to the business of determining what had to be done. The Senate Judiciary Committee, of which I am the Ranking Minority Member, held hearings as did the Foreign Relations Committee of which I am a member. Other hearings were held by the Senate Finance Committee and by the House Judiciary and Foreign Affairs Committees.

Within five weeks, nine days of hearings had been held, with testimony from more than forty witnesses. Numerous items of legislation were introduced, each intended to solve all or part of the problem created by the Supreme Court, with proposals ranging from constitutional amendments to study commissions. The Democratic Party in the Senate responded almost instantaneously, forming a task force, of which I am a member, to study the problem. In addition, the Congressional Research Service, the General Counsel of the House, and Senate Legal Counsel issued voluminous analyses of the ramifications of *Chadha*. In short, there was never any danger that the problem would suffer from inattention.

III. A BLOW TO LEGISLATIVE POWER?

The testimony at these hearings convinced me that there would be no radical shift in the balance of legislative and executive power. The Presidency would not necessarily become more imperial, nor would Congress find it necessary to throw legislative barricades up around Capitol Hill, specifically by withdrawing all powers previously delegated to the Executive and the regulatory agencies.

At least with regard to domestic issues, and especially concerning agency rulemaking—which has been the major target of the

*Footnotes at end of article.

veto—the legislative veto is not primarily a balance-of-power issue. The contest for power that is affected is between the legislature and the regulatory agencies. Those agencies do not necessarily share in the power of the executive branch, nor do they necessarily share their powers with the Executive. Enhancing agency power does not necessarily mean augmenting the power of the President. Indeed, it often means just the opposite.

Those who were asking which branch had won, or would win, after the *Chadha* decision were not asking the important question. The real danger is that Congress and the executive branch will believe what they read in the press and turn the current mood of accommodation on the *Chadha* decision into confrontation.

As political scientist James Sundquist has stated, "[t]he fundamental problem in trying to make the government of the United States work effectively, is not to preserve the separation of powers but to overcome it." [7] The legislative veto is a mechanism that has been used for precisely that purpose for more than fifty years.

But Sundquist goes too far, in my judgment, when he argues that the two branches are now condemned "to the confrontation, stalemate and deadlock that so frequently leave the government of the United States impotent to cope with complex problems." [8] Congress has lost one of the *means* it had developed for "fine tuning" its power, but its basic constitutional power remains intact.

Congress, I believe, has both the means and the will to restore the equilibrium that prevailed on domestic issues between the executive and legislative branches prior to *Chadha*.

IV. ALTERNATE MEANS OF FULFILLING THE PURPOSE OF THE VETO IN THE DOMESTIC ARENA

Chadha is, after all, much more of an inconvenience than a disaster. Congress still has ample means for controlling the agencies. And Congress is proceeding, realistically in my opinion, on the assumption that a separate accommodation will have to be fashioned for each occasion where the veto has been applied. That is the central conclusion of the Senate Democratic task force on which I served, and that makes sense to me. Legislative vetoes were of many types—by both houses, by one house, or by committee—so that alternatives should likewise be flexible. A "global solution," a single solution that would apply to every legislative veto, would be as undesirable as it is unlikely.

There have been, however, some suggestions that I do not support. I do not approve of the constitutional amendment, introduced by Senator DeConcini in the Senate [9] and by Representative Jacobs in the House,[10] to restore the legislative veto over agency actions. I oppose that amendment for two reasons. First, I have become convinced that using the legislative veto to overrule agency actions creates more problems for Congress than it solves. Second, this amendment would restore the veto only in areas where I think we are better off without it, and not where we need it, or something like it, as with the War Powers Resolution.[11]

I also strongly oppose the creation of a new type of executive calendar in both houses, providing for time to review all agency actions and giving those matters privileged time. I do not believe Congress has the time or the expertise to review every agency action.

For the same reason, I oppose the concept of a joint resolution of approval, which would require Congress to pass affirmatively on each new agency rule or regulation. I see no reason to resort to such measures when Congress can still exercise its traditional methods of careful legislative drafting and effective oversight to make its intent known and force the agencies to act accordingly.

Congress has become extraordinarily vague in its instructions to the agencies, giving them carte blanche to do as they please, until of course, the Washington lobbyists begin clamoring in the corridors and reception rooms of the Capitol. This problem is illustrated by legislative instructions to several agencies. The Consumer Production Safety Commission is instructed "to protect the public against unreasonable risks." [12] The Federal Trade Commission is charged with protecting the public from "unfair and deceptive acts and practices in . . . commerce." [13] Finally, the Interstate Commerce Commission is to control various industries on behalf of the "public convenience, interest and necessity." [14]

The definition of these terms, and the regulations that flow from them with the force of law, are left to the agencies to determine. Then, when special interests become dissatisfied with the results, Congress is swamped with special pleadings pouring in from all directions. That is what the legislative veto has done for us, and I am convinced that we have better ways of spending our time.

Congress is entirely capable of putting its intent into words. And where that intent is unclear, Congress can clarify it with the agencies in oversight hearings. After all, Congress controls their purse strings—indeed, mandates their very existence—so I think it is reasonable to assume that they will listen closely. It is my experience that they do listen. And if an agency still refuses to listen, Congress can enact legislation to overrule or control agency action or cut off funds. For example, in the mid-1970's Congress was unhappy because the Department of Health, Education and Welfare (HEW) was ordering busing on its own, without the authority of the courts or Congress. So I ushered an amendment through Congress that put an end to administrative busing orders.[15]

I have no doubt that by clearer statutory standards, engaging in active oversight, passing legislation to overcome agency action that is objectionable, and limiting agency funds where necessary, Congress can make the agencies accountable in ways that retain and improve upon the powers of the legislative veto, without incurring its very real disadvantages. One of those disadvantages is that the legislative veto provides only for a negative vote, limiting Congress, therefore, to only a negative role. Applying the methods I have outlined above, however, will make the role of Congress far more positive and productive.

There are two other proposals that will assist Congress in its effort to assure that its intent is carried out. The first is the so-called Bumpers Amendment.[16] This amendment would modify the judicial review provisions of the Administrative Procedure Act to give courts more authority to overturn erroneous action. The central provisions of the amendment would require courts to make sure that agencies do not exceed the jurisdiction or authority conferred upon them by statute, and to set aside agency action that is "without substantial support in the rulemaking file." [17] This amendment will be especially effective if used in concert with clearer statutory delegations to the agencies. The Bumpers Amendment is included in a major regulatory reform bill pending in the Senate.[18]

A second proposal is one I have worked on throughout my years in the Senate—sunset legislation.[19] The effect of sunset legislation is to set, for each agency of the federal government, a date certain at which its programs will be terminated unless they are affirmatively revived by Congress. The purpose is to force the agencies, at regular intervals, to justify their missions and functions before Congress. That puts the responsibility on the agencies, where it belongs, and it would have a tonic effect in keeping agency actions in accord with congressional intent. I believe that the American Bar Association was correct in telling the Senate Judiciary Committee that sunset legislation "is an idea whose time has come, gone and [in light of the *Chadha* decision] returned." [20]

V. ABUSE OF THE LEGISLATIVE VETO

Clearly, in my judgment, the loss of the legislative veto has not deprived Congress of any of its real powers for dealing with the regulatory agencies. Over its fifty-one year history the legislative veto became a classic example of a good idea that was overextended to the breaking point. It was first applied in 1932 to reorganizations of the executive branch. Congress, very sensibly in my judgment, felt that the primary responsibility for reorganizations should rest with the Executive.

Through 1975 Congress had enacted approximately 150 veto provisions—but then the dam broke. In the 95th Congress thirty-eight veto provisions were enacted, in the 96th Congress another fifty-eight were added, and in the 97th still another sixty-four were enacted. More and more often Congress used the veto to evade legislative labors and responsibilities, and more and more often the result was to tempt growing hordes of lobbyists onto Capitol Hill.

In my eleven years in the Senate there has been a dramatic change in the way in which that body is lobbied. Single-interest groups have multiplied, representing business, trade associations, unions, political action committees, and others. All of them claim to speak in the name of the American people, but very often I have found them speaking only to the narrowest of goals, goals that are not infrequently contrary to the public interest. The impact of this intense, large-scale, and narrow-gauged lobbying has been dramatic and unfortunate. It has seriously eroded the once well-deserved reputation of the United States Senate as the greatest deliberative body in the world. Instead of addressing the great issues of the day, setting national priorities, and formulating national policies, we have found ourselves more and more often haggling with the lobbyists over their real or imagined grievances with the regulatory agencies.

The extended 1982 Senate debate over the FTC "used-car rule" is a case in point. The FTC had proposed a rule to protect consumers from unfair warranty practices by used-car dealers'.[21] The immediate result was an awesome lobbying performance by the used-car dealers, and the veto of the rule by an overwhelmed Senate.[22]

I voted against that veto, partly because I felt that there had been enough abuses in the industry to justify the FTC rule, but also because I felt that the proper role of the Senate was being abused as an alterna-

tive to the courts and the FTC public-comment procedures.

One of my Republican colleagues, Senate Commerce Committee Chairman Robert Packwood of Oregon, stated the problem very well, in explaining why he had voted in favor of the used car regulation: "I had previously been a supporter of [the] legislative veto, but I changed my mind after the used-car fight because I realized what disparity there is between a group that feels they are adversely affected by an administrative decision versus the general public." [23]

I wish Senator Packwood had been listening when I and a handful of other Senators made that exact argument two years earlier. As a powerful force on the Commerce Committee he might have been able to block adoption of the FTC veto provision.

It is worth noting that while the Senate was spending three full legislative days in May of 1982 coping with lobbyists and second-guessing the FTC—while the nation was plunging into the worst recession in forty years—the Budget Resolution was awaiting action on the Senate floor. To my mind that represents a seriously misplaced Senate priority.

The legislative veto also represents a serious misuse of Senate resources and staffing. From 1980 through 1982 the agencies promulgated an average of approximately 7000 regulations each year, hundreds of them highly technical in nature. The agencies are staffed and equipped to assess such technical regulations. Congress is not, and I do not believe it should be. A Senate office already resembles a mini-corporation or a medium-sized law firm. Supporters of the legislative veto argue that we need the veto to ensure agency accountability. But the staffing requirements that would be necessary to review the number of regulations that many of my colleagues want reviewed would push Senate staffs beyond the bounds of manageability.

The *Chadha* decision, then, has done Congress a service. By doing away with the legislative veto, the Court may have helped clear the lobbyists off Capital Hill, and has stemmed the movement toward full-blown congressional review of agency regulations. Congress can now concentrate on its more important role—shaping national policy on issues that affect the public as a whole. It is almost possible to say that the Supreme Court has saved Congress from itself.

VI. "*CHADHA'S*" FOREIGN POLICY IMPACT

Chadha seems to me, in fact, to be a blessing in disguise, in every respect save one. *Chadha* leaves us, I believe, dangerously uncertain about the role of Congress, and especially the Senate, in formulating and implementing foreign policy. Therefore, I confess, the Court has raised for me and for many of my colleagues some very real concerns.

In a few instances affecting foreign policy—principally the Arms Export Control Act [24] and the War Powers Resolution [25]—the legislative veto was part of a historic compromise between Congress and the Executive over making foreign policy and making war. This is an area in which the Constitution itself deliberately divides the responsibility between the two branches, and it is here that I believe *Chadha* creates genuine cause for alarm.

It is alarming not so much because *Chadha* constitutes a jolt to the power of Congress, although that is more the case here than it is regarding agency rulemaking, but because of the dangers inherent to the field of foreign relations. The conduct of foreign policy requires consistency, coherence, and certainty. It requires a clear division of responsibility so that in times of crisis our leadership is not incapacitated by internal disputes. Invalidating the legislative vetoes in the War Powers Resolution and the Arms Export Control Act has resulted in a potentially dangerous destabilization of established power-sharing systems and could lead to the kind of uncertainty that we must avoid at all costs in foreign policy.

The Reagan Administration has taken a very conciliatory tone in discussing the implications of *Chadha*, not wanting to give Congress further cause for alarm. For example, Deputy Secretary of State Kenneth Dam told the Senate Committee on Foreign Relations that the *Chadha* decision presents an opportunity "to shape a new era of harmony between the branches of our government—an era of constructive and fruitful policy-making, of creativity and statesmanship." [26]

Mr. Dam's words do not put me entirely at ease. In situations involving the sale of arms to foreign nations and sending troops overseas, the division of power between the President and Congress is not clear. My fear is that disputes over the sharing of power could turn into crises in our foreign policy.

A. The Arms Export Control Act

Prior to the mid-1970's, the executive branch had broad authority to sell arms to foreign nations under the Foreign Assistance Act of 1961.[27] The Foreign Military Sales Act of 1968 [28] placed additional, limited restrictions on arms sales, but did not seriously inhibit the Executive's authority to enter into such sales. In fact, between 1969 and 1974 foreign military sales rose from 1.5 to 5.9 billion dollars, and concern in Congress rose proportionately. Some members of Congress questioned whether we had the constitutional authority to act.

The Senate Foreign Relations Committee held Congress as well as the President responsible for the troubling ambiguity surrounding arms sales:

"This program was not the product of a careful and deliberate policy arrived at through joint action by Congress and the Executive Branch; it developed through its own momentum . . . . Congress bears a measure of the responsibility as well, because of its failure to give more effective policy guidance and to exercise proper oversight on arms sales matters." [29]

When arms sales almost doubled in 1975, jumping to 9.5 billion dollars, Congress became fully aware of how significant these sales had become as an instrument of foreign policy, and how dangerous to our interests they could be if they were not handled wisely. Therefore, in 1976 Congress passed the Arms Export Control Act, which included a two-house legislative veto.[30] But that veto is now almost certainly unconstitutional under *Chadha*.

The Supreme Court's decision has shattered a careful and workable accommodation between Congress and the Executive, a development that, in my opinion, threatens our ability to fashion a foreign policy that is consistent, coherent, and safe. In spite of Deputy Secretary Dam's reassuring testimony, the differences of opinion on the issue of severability demonstrate how dangerously confused we are on this issue.

Mr. Dam, for example, tells us that the State Department believes that the veto provision in the Arms Export Control Act is severable from the remainder of the statute, thereby leaving intact the delegation of power to the President, but eliminating the veto that Congress included to restrain that power. The Senate Legal Counsel's office concurs with the State Department, arguing that the Act's requirement that the President report proposed arms sales in advance "provides the Congress with an opportunity to act legislatively in response to those arms sales which it opposes," and that since this system is "workable" it does not fall with the veto provision.[31]

On the other hand, Senator Sarbanes argued at the Foreign Relations Committee hearing that Congress would not have given the President authority to make arms sales if it could not have reserved to itself the power to reverse those sales. The Congressional Research Service agrees with Senator Sarbanes, finding that "the legislative history is replete with actions and statements that favor the conclusion that [arms sales] would not have been authorized but for the accompanying Congressional check in the form of a concurrent resolution of disapproval." [32]

It is unfortunate that we are forced by *Chadha* to talk in such extremes. Certainly Congress did not intend to give the President unrestricted authority, as demonstrated by the fact that it went to the trouble of passing the Act in 1976. On the other hand, Congress certainly does not want the authority for the President to make arms sales to fall with the veto provision. Congress has made very plain that it wants the President to make the initial decisions regarding arms sales subject only to congressional rejection.

This is not as contradictory as it may sound. Foreign policy initiatives must remain with the President; the 535 members of Congress obviously cannot negotiate the details of arms-sales agreements. But we must find the means for Congress to play its proper role of oversight of such agreements. Congress has demonstrated, even before the veto was overruled, that it will not exercise its power frivolously. Congress has never vetoed an arms sale, but that does not mean that Congress has not exercised influence over such sales.

The Administration knew that Congress *could* veto a sale, and that encouraged the Administration to work with Congress, giving early notification of proposed arms sales and taking the opinions of Congress into account. In 1976, for example, concurrent resolutions were introduced to block the sale of Hawk and Vulcan air-defense systems to Jordan. Although the sale went through, the possibility of a veto appeared to influence the Administration's decision to secure a commitment from Jordan that the Hawk missile system would be permanently installed at fixed sites as defensive weapons. Resolutions introduced in 1977 may have influenced the Administration's obtaining assurances from Iran on safeguarding the AWACS system. And in 1978 the Administration made concessions to congressional concerns regarding a package of aircraft sales to Egypt, Israel, and Saudi Arabia.

The danger is that the present Administration, or some future Administration, will not respond to congressional concerns, leading to confrontation between the branches. By risking heightened confrontation in arms sales, we risk having a foreign policy apparatus that does not speak with one voice, we risk alienating those to whom we sell arms, we risk our credibility, and we risk being unable to act decisively in times of crisis.

Therefore, we must re-establish a workable system of congressional oversight over arms sales, and I believe solutions are in

sight. One such solution is a bill that Senators Byrd, Pell, Sarbanes, and I introduced prior to the *Chadha* decision.[33] That bill was intended to augment the then-existing legislative veto in the Arms Export Control Act by requiring that all arms sales in excess of 200 million dollars be approved by joint resolution.[34]

In order to fill the gap created by the loss of the legislative veto, we are presently amending our bill to lower the threshold amount. We do not want to subject all arms sales to this requirement. Our desire is to divide arms sales into "major" and "minor" sales, or into "controversial" and "non-controversial" sales, and require enactment of a joint resolution of approval for the "major" or "controversial" ones and a joint resolution of disapproval for the "minor" or "non-controversial" ones. Since a joint resolution must be presented to the President for his signature, there is no *Chadha* problem.

Under a joint resolution of approval, of course, a sale cannot go through until it is approved by both houses and signed by the President. That can take up a lot of Senate and House time, but it is the only way for Congress to retain the same degree of control we had over arms sales before *Chadha*. For under a joint resolution of *disapproval*, Congress can get its way only if it has enough votes to override a Presidential veto. So instead of needing fifty-one Senators' votes to defeat an arms sale we would need sixty-seven, plus two-thirds of the House of Representatives. Given how difficult it is to get even fifty-one votes, as the sale of AWACS planes to Saudi Arabia demonstrated, it would be almost out of the realm of the possible to get the necessary two-thirds vote of both houses.

To get the President to take the threat of a veto seriously we have no choice but to adopt the joint resolution of approval on controversial sales. The difficulty is in defining "controversial," but I am confident that we will be able to settle on a dollar figure, combined with limitations regarding the nations involved, to arrive at that definition.

The confusion and disagreement generated by *Chadha* are substantial, and restoring a voice for Congress in arms sales will be difficult, but with a sufficiently determined Congress it can be managed. With regard to the War Powers Resolution, however, the problem is more difficult, more unmanageable, and potentially more dangerous.

B. The War Powers Resolution

Finally, I would like to discuss what is the most perplexing problem created by the *Chadha* decision—the demise of the legislative veto contained in the War Powers Resolution.[35] The War Powers Resolution was passed over President Nixon's veto in 1973 in response to the continuation of the Vietnam War without a declaration of war or the support of the American people. The Resolution contains four requirements or constraints on the President when he introduces American troops into hostilities or into situations where imminent involvement in hostilities is clearly indicated by the circumstances.

First, the President is required to consult with Congress "in every possible instance" before introducing troops.[36] Second, he is required to make a formal report to Congress in any case where troops are introduced.[37] Third, the President is required to withdraw the troops after sixty days unless Congress has affirmatively authorized their continued presence (plus thirty days if necessary for purposes of withdrawal).[38] The fourth requirement is the legislative veto, under which the President must withdraw the troops even before the end of the sixty days if Congress so directs by concurrent resolution.[39]

The key questions in the wake of *Chadha* are whether the veto provision is constitutional, and if it is unconstitutional, whether it is severable. I believe it is clear that the veto is invalid under *Chadha*. Thus, the key question, as in all *Chadha* cases, is whether the invalid section is severable. If it is severable, then the entire statute falls with the veto. The consensus at the hearings seemed to be that the legislative veto provision is severable and that the other three operative sections remain intact.

The severability argument made by the Senate Legal Counsel, the Congressional Research Service, the State Department, and a number of witnesses at the hearings is that the *Chadha* test for severability [40] is met in that (1) Congress would have enacted the consultation, reporting, and automatic termination provisions even if it had not enacted the legislative veto, and (2) the consultation, reporting, and automatic termination provisions constitute a "workable" system.

That we still have a "workable" War Powers Resolution, then, seems to be the consensus, although I should add that there is a strong minority opinion that the entire Resolution falls with the veto provision. The problem is that although the reporting, consultation, and automatic termination provisions may be "workable," there is a sixty day gap in Congress' ability to involve itself in the President's deployment of troops around the world. That is a gap that Congress had intended to close when it passed the resolution.

I do not question that the three remaining provisions are valuable constraints upon the President. But Congress' intent, according to the language of the statute, was to ensure that the "collective judgement of both the Congress and the President will apply to the *introduction* of armed forces into hostilities."[41] Congress' intent was to assert its prerogative to become involved at *early* and critical stages in the policy process. Our intent was not to give the President unlimited authority to commit American troops around the globe for sixty days.

The primary danger here is not that Congress will be unable in specific circumstances to force the President to withdraw troops. I hope we never get to that point. The danger is that we have lost a *deterrent* to unilateral presidential action. We have lost one of the most effective means we have of encouraging, forcing if necessary, the President to consider the views of Congress and the American people in committing troops overseas.

One suggested option is to substitute a joint resolution of disapproval for the legislative veto. Indeed, an amendment providing for expedited congressional procedures on joint resolutions concerning troop commitments was added to the State Department authorization bill in October of 1982.[42] But a deterrent that requires the President's signature—as a resolution of disapproval does—is unlikely to deter a President very much. In order to prevail the President needs the support of only 34 out of 100 senators, or only 146 out of 435 representatives.

The uncertainties bequeathed to us by *Chadha* have been especially painful in the case of Lebanon, because the dilemma of our Marines at the Beirut airport elevated the case from the academic to the tragic. The turn of events in that bloodily divided nation, and the lack of clear focus to our own government's policies, transformed the Marines' original "peacekeeping" mission into a role perceived by the contending Lebanese factions as an active American intrusion into their hostilities.

Majorities in both houses of Congress, as well as a majority of the American people, recognized, long before the President was willing to admit it, that our Lebanese policy was a failure and that our Marines should be withdrawn to safety, not in eighteen months but immediately.

It was for this reason that I drew up a joint resolution to express the strong sense of Congress that the Marine presence no longer served any useful national purpose and that the troops should be withdrawn by the President at the earliest feasible moment. A similar resolution was under consideration in the House of Representatives. If such a resolution were adopted by Congress, it would not, of course, bind the President as a matter of law. But it would place upon him the full weight of congressional and public opinion, and the case of Lebanon demonstrates clearly that a President will find it difficult to resist such pressure. The Marines have been withdrawn.

The Lebanon example also demonstrates vividly, I believe, why it is so important for Congress to find the means to participate as a full partner in decisions to send American armed forces in harm's way. The Constitution divides war powers between the President, who is designated the Commander in chief,[43] and Congress, which is given the power to declare war and to maintain an army and navy.[44] The Constitution, at least in this area, is an invitation to the legislative and executive branches to do battle with each other. It is also a challenge to the common sense of our national leaders. The War Powers Resolution was an effort to codify that common sense in a way that would minimize our internal differences and maximize our unified response to external threats.

The Supreme Court has upset that arrangement for accommodating the conflict implicit in a Constitution that, on the one hand, rigorously separates the powers of government, while on the other hand it yokes the President and Congress irreversibly together in the formulation of foreign policy and the making of war. It is now up to Congress, the President, and the American people—with the advice and counsel of those learned in the law—to rediscover that balance that is so crucial to our security and our future as a Nation.

FOOTNOTES

* United States Senator (D. Del.); Ranking Minority Member, Senate Judiciary Committee; Member, Senate Foreign Relations, Budget, and Intelligence Committees; J.D., Syracuse University College of Law, 1968; A.B., University of Delaware, 1965.

[1] 103 S. Ct. 2764 (1983).

[2] *Id.* at 2784.

[3] *See* Process Gas Consumer Group v. Consumer Energy Council, 103 S. Ct. 3556 (1983).

[4] *See* United States Senate v. FTC, 103 S. Ct. 3556 (1983).

[5] *See* Sundquist, *Without the Legislative Veto: More Confrontation, Stalemate and Deadlock*, The Washington Post, June 26, 1983, at D8, col. 4.

[6] 103 S. Ct. at 2810–11 (White, J., dissenting).

[7] Sundquist, *supra* note 5, at D8.

[8] *Id.*

[9] *See* S.J. Res. 135, 98th Cong., 1st Sess. (1983).

[10] *See* H.J. Res. 313, 98th Cong., 1st Sess. (1983).

[11] 50 U.S.C. §§ 1541–1548 (1976 & Supp. V 1981).

[12] 15 U.S.C. § 2051(b)(1) (1982).

[13] 15 U.S.C. § 45(a)(1) (1982).

[14] 49 U.S.C. § 1 (1976 & Supp. V 1981).

[15] *See* Pub. L. No. 95-205, 91 Stat. 1460 (1977).
[16] Bumpers Amendment to S. 1080, 98th Cong., 1st Sess., 129 CONG. REC. S 17080 (daily ed. April 19, 1983).
[17] *Id.*
[18] *See* S. 1080, 98th Cong., 1st Sess., 129 CONG. REC. S17080 (daily ed. April 19, 1983).
[19] I introduced the Senate's first free-standing sunset bill in 1975, *See* S. 2067, 94th Cong., 1st Sess. (1975). I introduced the bill again in the next Congress, *See* S. 1244, 95th Cong., 1st Sess. (1977), and in 1978 a sunset measure was approved by the full Senate on a vote of 87-1. *See* 124 CONG. REC. 35531, (1978) (approving S. 2, 95th Cong., 1st Sess. (1977)). Unfortunately, a similar bill never got through the House.
[20] *Effects of the Supreme Court's Decision in* Immigration and Naturalization Service v. Chadha *on Legislative Veto: Hearings Before The Subcomm. on Administrative Practice and Procedure of the Senate Comm. on the Judiciary*, 98th Cong., 1st Sess. 161 (July 20, 1983) (statement of the American Bar Assoc.) [hereinafter cited as *Hearings on Effects of* Chadha].
[21] *See* 48 Fed. Reg. 36,096 (1983) (to be codified at 16 C.F.R. § 455).
[22] *See* 128 CONG. REC. S5401 (daily ed. May 18, 1982).
[23] Packwood, Cong. Q. W. Rep. June 25, 1983 p. 1264.
[24] 22 U.S.C. § 2776(b) (1982).
[25] 50 U.S.C. §§ 1541-1548 (1976 & Supp. V 1981).
[26] *Arms Export Control Act Amendments: Hearings on S. 1050 Before the Senate Comm. on Foreign Relations*, 98th Cong., 1st Sess. 22 (1983) [hereinafter cited as *Hearings on Arms Export Control Amendments*].
[27] Pub. L. No. 87-329, 75 Stat. 719 (1968) (codified as amended in scattered sections of 22 U.S.C. §§ 2151-2443 (1982)).
[28] Pub. L. No. 90-629, 82 Stat. 1320 (1970) (codified as amended in scattered sections of 22 U.S.C.)
[29] S. Rep. No. 605, 94th Cong., 2d Sess. 5 (1976).
[30] International Security Assistance & Arms Export Act of 1976, Pub. L. No. 94-329, § 211(a), 90 Stat. 729, 746 (codified as amended at 22 U.S.C. § 2776(b)(1) (1976)).
[31] *Hearings on Effects of* Chadha, *supra* note 20, at 60.
[32] *Hearings on Arms Export Control Amendments, supra* note 26, at 48 (statement of J. Celeda, Senior Specialist in American Public Law, American Law Div.).
[33] *See* S. 1050, 98th Cong., 1st Sess., 129 CONG. REC. S4608 (daily ed. April 14, 1983).
[34] *See id.* § 5, 129 CONG. REC. at S4608.
[35] *See* 50 U.S.C. §§ 1541-1548 (1976 & Supp. V 1981).
[36] *Id.* § 1542.
[37] *See id.*
[38] *See id.* § 1544.
[39] *See id.* § 1545.
[40] *See* 103 S. Ct. at 2774.
[41] 50 U.S.C. § 1541(a) (1976 & Supp. V 1981).
[42] *See* H.R. 2915, 98th Cong., 1st Sess. § 1013 (1983); *see also* H.R. CONF. REP. 563, 98th Cong., 1st Sess. (1983). H.R. 2915, as amended, was enacted as Pub. L. No. 98-164, 97 Stat. 1017, 1062 (1983).
[43] U.S. CONST. art. II, § 2.
[44] U.S. CONST. art. I, § 8, cl. 11.

Mr. FORD. I thank the Chair.

What we are doing here, even though we are putting on a legislative veto—and it is obvious I am opposed to it—is that we are hiding the legislative veto. We are putting it in this bill, and that bill. We are slipping it in. Why do you not come with the freestanding item, why do you not get it out in the open, let us do it for all agencies? Well, you are a little bit concerned that you might get in the appropriation's process. You are a little bit concerned that you might step on somebody's toes over in another place. So you are going to be very careful. Why not a freestanding piece of legislation? Let me make a point.

My distinguished friend from Michigan just said that if both Houses voted against the rule by resolution and sent that resolution to the President, and the President vetoed that resolution, that automatically triggered an amendment to the appropriations for that particular agency. The agency could then not use any money for that particular rule.

We are beginning to get cute again. Let us turn that around. Let us say we overwhelmingly approved a bill. Take the farm bill earlier this year which both Senators who are proposing this amendment proposed. We passed that, and we sent it to the President of the United States—an affirmative vote by Congress. The President vetoed that legislation.

If we had legislative veto on that bill, we could give the money regardless of what the President did because both Houses had acted affirmatively. We would give the money anyhow. So now we are saying that if we voted against the rule, and the President of the United States vetoed it, we could not override his veto, and we are going to cut the money out. We are tinkering again to get cute again.

I will bet you that neither Senator proposing this amendment looked at 10 percent of the rules that we passed in 1984. How many rules has the distinguished Senator from Iowa looked at that were promulgated in 1984? Would the Senator answer that question? The Senator will not do it because I bet the Senator cannot name one rule and the title of that rule. Yet, is the Senator here saying we want to have the legislative authority, to veto them. I doubt seriously that the Senator knows how many major rules were passed by our agencies last year. Yet, we are going to suppress and curtail these agencies, yet have not looked at any of the rules, and are abdicating the responsibility we took when we took our oath right there in the corner of this Chamber.

So, Mr. President, I suspect that there will be a few votes for this one. I hope we can beat this one. We are going too far. We worked hard this morning to change the other one. I was against that. But it was a better amendment than originally produced. I think the sponsor of that amendment agreed to that. We do not want to do anything to jeopardize the rules of the Senate without an up-or-down vote on the change in the rules. I think the distinguished Senator from Wisconsin did the right thing. I want to tell you the Democratic leader of this Senate scrutinized the legislation for the benefit of the Senate. If you want to come down here, let us debate it. I am ready. If the President of the United States vetos it and we cannot override the veto, what happens? In effect, we say that triggers stopping the money. Something tells me as we say down in my part of the country, "That ain't right. That ain't right." We are beginning to get cute again.

We worked out a legislative veto. We passed it substantially. I think it is our responsibility now to turn this one down and let the other one work its will. We have a sunset on that—5 years; 5 long years.

I will bet you cannot tell me the five rules that are put out by the Federal Trade Commission last year, yet you want to have legislative veto on it.

The point I am trying to make is we have the responsibility, as Senators to have oversight, but we do not. If we had oversight, we would not need legislative veto. You would be scared to death to change it by law. You would change the policy. That is what you would do instead of going back home and beating the chest and saying, "Oh, we suppressed them. We created the agency and we abdicated our authority after we created that agency."

I understand the frustration of the distinguished Senator from Michigan. He was trying to take care of a community and get some Federal help. As Governor, I was trying to take care of a State and get some Federal help. I understand the frustration when the Congress passes a piece of legislation, and then the rules and regulations drawn by the agency change the congressional intent. I understand how that happens.

But if you can pass it the first time, you can change it by passing it the second time. But once a bill is passed, once an agency is created, unless somebody fusses about it, we never look at it again.

That is wrong.

So if you want to abdicate more of your authority, just abdicate your authority, give it up, say "I am up here drawing my salary and I do not want to spend any time in oversight," then support this amendment. You trigger it. Even when a rule of disapproval is vetoed by the President of the United States and you cannot override the veto, you, in effect, trigger the elimination of the funds. I thought the law was the law.

We had a hard time back in the early 1970's and late 1960's. We finally got to court and won. That is the way it ought to be done, instead of going in the back door. If we are going to have a piece of legislation for legislative veto, let us consider it standing alone.

I hope after we vote on this my colleagues will have an opportunity to read the very fine paper written by our distinguished colleague from Delaware and maybe take a little harder look at the infirmities of the amendment passed earlier.

I yield the floor, Mr. President.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that Senator

SPECTER, of Pennsylvania, be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEVIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, this amendment will help us to exercise authority, will help us to implement congressional will. The premise of this amendment is that Congress has already acted and our will has been thwarted. This allows us to carry out the majority will of the Congress.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Mr. President, the Senator may think that he is correct. But when the President signs a veto and it is not overridden by a two-thirds vote, the will of Congress is expressed, also. The Senator, I think, is a little careless in saying the will of Congress has been thwarted here by the veto of the President. That may be true. But our process is you have to have two-thirds to override the veto.

Mr. LEVIN. I was careful in saying the majority of the Congress.

Mr. KASTEN. Mr. President, I move to table the Grassley-Levin amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Wisconsin. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Colorado [Mr. ARMSTRONG], the Senator from Mississippi [Mr. COCHRAN], the Senator from Utah [Mr. GARN], the Senator from Pennsylvania [Mr. HEINZ], the Senator from South Dakota [Mr. PRESSLER], and the Senator from Connecticut [Mr. WEICKER] are necessarily absent.

Mr. CRANSTON. I announce that the Senator from New Jersey [Mr. BRADLEY], the Senator from Arizona [Mr. DECONCINI], and the Senator from Louisiana [Mr. JOHNSTON] are necessarily absent.

I further announce that the Senator from New Mexico (Mr. BINGAMAN) is absent on official business.

The PRESIDING OFFICER (Mr. GOLDWATER). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 34, nays 56, as follows:

[Rollcall Vote No. 164 Leg.]

YEAS—34

Biden	Eagleton	Gorton
Byrd	Evans	Hart
Chafee	Ford	Hatfield
Danforth	Glenn	Hollings
Durenberger	Goldwater	Humphrey
Inouye	Mathias	Rockefeller
Kassebaum	Metzenbaum	Rudman
Kasten	Moynihan	Sarbanes
Kennedy	Packwood	Simon
Lautenberg	Pell	Stennis
Leahy	Proxmire	
Long	Quayle	

NAYS—56

Abdnor	Gore	Murkowski
Andrews	Gramm	Nickles
Baucus	Grassley	Nunn
Bentsen	Harkin	Pryor
Boren	Hatch	Riegle
Boschwitz	Hawkins	Roth
Bumpers	Hecht	Sasser
Burdick	Heflin	Simpson
Chiles	Helms	Specter
Cohen	Kerry	Stafford
Cranston	Laxalt	Stevens
D'Amato	Levin	Symms
Denton	Lugar	Thurmond
Dixon	Matsunaga	Trible
Dodd	Mattingly	Wallop
Dole	McClure	Warner
Domenici	McConnell	Wilson
East	Melcher	Zorinsky
Exon	Mitchell	

NOT VOTING—10

Armstrong	DeConcini	Pressler
Bingaman	Garn	Weicker
Bradley	Heinz	
Cochran	Johnston	

So the motion to lay on the table amendment No. 547 was rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 547) was agreed to.

Mr. GRASSLEY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LEVIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read a third time.

Mr. KASTEN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Colorado [Mr. ARMSTRONG], the Senator from Rhode Island [Mr. CHAFEE], the Senator from Mississippi [Mr. COCHRAN], the Senator from Utah [Mr. GARN], the Senator from Pennsylvania [Mr. HEINZ], the Senator from South Dakota [Mr. PRESSLER], and the Senator from Connecticut [Mr. WEICKER], are necessarily absent.

Mr. CRANSTON. I announce that the Senator from New Jersey [Mr. BRADLEY], the Senator from Arizona [Mr. DECONCINI], and the Senator from Louisiana [Mr. JOHNSTON], are necessarily absent.

I further announce that the Senator from New Mexico (Mr. BINGAMAN) is absent on official business.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 84, nays 5, as follows:

[Roll Call Vote No. 165 Leg.]

YEAS—84

Abdnor	Gore	Metzenbaum
Andrews	Gorton	Mitchell
Baucus	Grassley	Moynihan
Bentsen	Harkin	Murkowski
Biden	Hart	Nickles
Boren	Hatch	Nunn
Boschwitz	Hatfield	Packwood
Bumpers	Hawkins	Pell
Burdick	Hecht	Pryor
Byrd	Heflin	Quayle
Chiles	Hollings	Riegle
Cohen	Humphrey	Rockefeller
Cranston	Inouye	Roth
D'Amato	Kassebaum	Rudman
Danforth	Kasten	Sarbanes
Denton	Kennedy	Sasser
Dixon	Kerry	Simon
Dodd	Lautenberg	Simpson
Dole	Laxalt	Specter
Domenici	Leahy	Stafford
Durenberger	Levin	Stennis
Eagleton	Long	Stevens
East	Lugar	Thurmond
Evans	Mathias	Trible
Exon	Matsunaga	Wallop
Ford	Mattingly	Warner
Glenn	McConnell	Wilson
Goldwater	Melcher	Zorinsky

NAYS—5

Gramm	McClure	Symms
Helms	Proxmire	

NOT VOTING—11

Armstrong	Cochran	Johnston
Bingaman	DeConcini	Pressler
Bradley	Garn	Weicker
Chafee	Heinz	

So the bill (S. 1078), as amended, was passed, as follows:

S. 1078

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Trade Commission Act Amendments of 1985".

UNFAIR METHODS OF COMPETITION

SEC. 2. Section 5 of the Federal Trade Commission Act (15 U.S.C. 45) is amended by adding at the end thereof the following:

"(n) The Commission shall not have any authority to find a method of competition to be an unfair method of competition under subsection (a)(1) if, in any action under the Sherman Act, such methods of competition would be held to constitute State action.".

AGRICULTURAL COOPERATIVES

SEC. 3. The Federal Trade Commission Act (15 U.S.C. 41 et seq.) is amended by redesignating section 24 and section 25 as section 26 and section 27, respectively, and by inserting after section 23 the following new section:

"SEC. 24. (a) For purposes of this section, the term 'Capper-Volstead Act' means the Act entitled 'An Act to authorize association of producers of agricultural products', approved February 18, 1922 (7 U.S.C. 291 et seq.).

"(b) The Commission shall not have any authority to conduct any study, investigation, or prosecution of any agricultural cooperative for any conduct which, because of the provisions of the Capper-Volstead Act, is not a violation of any of the antitrust Acts or this Act.

"(c)(1) Before issuing a complaint under section 5 against any agricultural cooperative on the basis that such cooperative has violated any of the antitrust Acts or has used an unfair method of competition in or affecting commerce, the Commission shall—

"(A) provide the Secretary of Agriculture with a copy of the proposed complaint not less than fifteen days before the complaint is issued; and

"(B) consult with the Secretary of Agriculture regarding the possible applicability of the Capper-Volstead Act to the conduct of the cooperative.

"(2) The Commission shall not issue any such complaint unless—

"(A) it has considered any comments regarding such complaint which have been submitted by the Secretary of Agriculture under this subsection; and

"(B) it has reason to believe that the Capper-Volstead Act does not provide an exemption for the conduct which is the basis of such complaint.

"(3) If the Commission makes a modification to any such complaint after it has provided the Secretary of Agriculture with a copy of the complaint pursuant to (1)(A) of this subsection, the Commission shall not, with respect to such modification, be required to comply with the provisions of paragraphs (1) and (2) of this subsection unless such modification substantially expands the original basis for the issuance of the complaint.

"(4) The Secretary of Agriculture shall designate those officials and employees of the Department of Agriculture who may have access to documents or information received from the Commission under this subsection. Officials and employees of the Department of Agriculture shall be subject to the same requirements and penalties regarding confidentiality of such documents and information and disclosure of the existence of an investigation or consideration of a complaint as apply to officials and employees of the Commission.

"(5) Unless specifically authorized in writing by the Commission (or by any official or employee of the Commission designated by the Commission), no official or employee of the Department of Agriculture may request information relating to such complaint from any proposed respondent or any third party before the issuance of such complaint.

"(6) After any such complaint is issued, the Secretary of Agriculture may file with the Commission a written statement regarding the applicability of the Capper-Volstead Act to the action or method which is the basis of such complaint. The Commission shall include such statement in the record of the proceeding regarding such complaint.

"(7) No decision of the Commission to consult with the Secretary of Agriculture in accordance with the provisions of this subsection shall be construed to imply that the Commission has made a determination that it has reason to believe that any agricultural cooperative has violated or is violating any of the antitrust Acts or has used an unfair method of competition in or affecting commerce.

"(8) The provisions of this subsection shall not create any new basis for direct or collateral challenge to any complaint issued by the Commission.

"(d) The Commission shall not have any authority to conduct any study or investigation of any agricultural marketing orders.".

COMPENSATION IN PROCEEDINGS

SEC. 4. (a) Section 18(h) of the Federal Trade Commission Act (15 U.S.C. 57a(h)) is repealed, and subsections (i), (j), and (k) of section 18 are redesignated as subsections (h), (i), and (j), respectively.

(b) Section 18(a)(1) of the Federal Trade Commission Act (15 U.S.C. 57a(a)(1)) is amended by striking "subsection (i)" and inserting in lieu thereof "subsection (h)".

KNOWING VIOLATIONS OF ORDERS

SEC. 5. (a) Section 5(m)(1)(B) of the Federal Trade Commission Act (15 U.S.C. 45(m)(1)(B)) is amended by inserting ", other than a consent order," immediately after "order" the first time it appears therein.

(b) Section 5(m)(2) of the Federal Trade Commission Act (15 U.S.C. 45(m)(2)) is amended by adding at the end thereof the following: "Upon request of any party to such an action against such defendant, the court shall also review the determination of law made by the Commission in the proceeding under subsection (b) that the act or practice which was the subject of such proceeding constituted an unfair or deceptive act or practice in violation of subsection (a).".

PREVALENCE OF UNLAWFUL ACTS OR PRACTICES

SEC. 6. Section 18(b) of the Federal Trade Commission Act (15 U.S.C. 57a(b)) is amended by adding at the end thereof the following:

"(3) The Commission shall issue a notice of proposed rulemaking pursuant to paragraph (1)(A) only where it has reason to believe that the unfair or deceptive acts or practices which are the subject of the proposed rulemaking are prevalent. The Commission shall make a determination that unfair or deceptive acts or practices are prevalent under this paragraph only if it has issued cease and desist orders regarding such acts or practices, or any other information available to the Commission indicates a pattern of unfair or deceptive acts or practices.".

EFFECTIVE DATE OF ORDERS

SEC. 7. (a) Section 5(g)(2) of the Federal Trade Commission Act (15 U.S.C. 45(g)(2)) is amended to read as follows:

"(2) Upon the sixtieth day after such order is served, if a petition for review has been duly filed, except that any such order may be stayed, in whole or in part and subject to such conditions as may be appropriate, by—

"(A) the Commission;

"(B) an appropriate court of appeals of the United States, if (i) a petition for review of such order is pending in such court, and (ii) an application for such a stay was previously submitted to the Commission and the Commission, within the thirty-day period beginning on the date the application was received by the Commission, either denied the application or did not grant or deny the application; or

"(C) the Supreme Court, if an applicable petition for certiorari is pending; or".

(b) Section 5(g)((3) of the Federal Trade Commission Act (15 U.S.C. 45(g)(3)) is amended to read as follows:

"(3) For purposes of section 19(a)(2) and section 5(m)(1)(B), if a petition for review of the order of the Commission has been filed—

"(A) upon the expiration of the time allowed for filing a petition for certiorari, if the order of the Commission has been affirmed or the petition for review has been dismissed by the court of appeals and no petition for certiorari has been duly filed;

"(B) upon the denial of a petition for certiorari, if the order of the Commission has been affirmed or the petition for review has been dismissed by the court of appeals; or

"(C) upon the expiration of thirty days from the date of issuance of a mandate of the Supreme Court directing that the order of the Commission be affirmed or the petition for review be dismissed; or".

(c) Section 5(g)(4) of the Federal Trade Commission Act (15 U.S.C. 45(g)(4)) is amended to read as follows:

"(4) In the case of an order requiring a person, partnership, or corporation to divest itself of stock, other share capital, or assets, if a petition for review of such order of the Commission has been filed—

"(A) upon the expiration of the time allowed for filing a petition for certiorari, if the order of the Commission has been affirmed or the petition for review has been dismissed by the court of appeals and no petition for certiorari has been duly filed;

"(B) upon the denial of a petition for certiorari, if the order of the Commission has been affirmed or the petition for review has been dismissed by the court of appeals; or

"(C) upon the expiration of thirty days from the date of issuance of a mandate of the Supreme Court directing the order of the Commission be affirmed or the petition for review be dismissed.".

CIVIL INVESTIGATIVE DEMANDS

SEC. 8. (a) Section 20(a) of the Federal Trade Commission Act (15 U.S.C. 57b-1(a)) is amended—

(1) in paragraph (2), by striking "unfair or deceptive acts or practices in or affecting commerce (within the meaning of section 5(a)(1))" and inserting in lieu thereof "act or practice or method of competition declared unlawful by a law administered by the Commission";

(2) in paragraph (3), by striking "unfair or deceptive acts or practices in or affecting commerce (within the meaning of section 5(a)(1))" and inserting in lieu thereof "acts or practices or methods of competition declared unlawful by a law administered by the Commission"; and

(3) in paragraph (7), by striking "unfair or deceptive act or practice in or affecting commerce (within the meaning of section 5(a)(1))" and inserting in lieu thereof "act or practice or method of competition declared unlawful by a law administered by the Commission".

(b) Section 20(b) of the Federal Trade Commission Act (15 U.S.C. 57b-1(b)) is amended by striking "unfair or deceptive acts or practices in or affecting commerce (within the meaning of section 5(a)(1))" and inserting in lieu thereof "any act or practice or method of competition declared unlawful by a law administered by the Commission".

(c) Section 20(c)(1) of the Federal Trade Commission Act (15 U.S.C. 57b-1(c)) is amended by striking "unfair or deceptive acts or practices in or affecting commerce (within the meaning of section 5(a)(1))" and inserting in lieu thereof "any act or practice or method of competition declared unlawful by a law administered by the Commission".

DEFINITION OF UNFAIR ACTS OR PRACTICES

SEC. 9. Section 5 of the Federal Trade Commission Act (15 U.S.C. 45), as amended by section 2 of this Act, is further amended by adding at the end thereof the following:

"(o) The Commission shall have no authority under this section or section 18 to declare unlawful an act or practice on the grounds that such act or practice is unfair unless the act or practice causes or is likely to cause substantial injury to consumers which is not reasonably avoidable by consumers themselves and not outweighted by countervailing benefits to consumers or to competition.".

TRADEMARKS

SEC. 10. The Federal Trade Commission Act (15 U.S.C. 41 et seq.) is amended by inserting after section 24, as added by section 3 of this Act, the following new section:

"SEC. 25. The Commission shall not have any authority to take any action under section 14 of the Act entitled 'An Act to provide for the registration and protection of trademarks used in commerce, to carry out the provisions of certain international conventions, and for other purposes' (15 U.S.C. 1064), commonly referred to as the Lanham Act, with respect to the cancellation of the registration of any mark on the ground that such mark has become the common descriptive name of an article or substance.".

CREDIT UNIONS

SEC. 11. (a) Sections 5(a)(2), 6(a) and 6(b) of the Federal Trade Commission Act (15 U.S.C. 45(a)(2), 46(a) and 46(b)) are amended by inserting immediately after "section 18(f)(3)," the following: "Federal credit unions decribed in section 18(f)(4),".

(b) The second proviso in section 6 of the Federal Trade Commission Act (15 U.S.C. 46) is amended—

(1) by inserting immediately after "section 18(f)(3)," the following: "Federal credit unions described in section 18(f)(4),"; and

(2) by inserting immediately after "in business as a savings and loan institution," the following: ", in business as a Federal credit union,".

(c)(1) The second sentence of section 18(f)(1) of the Federal Trade Commission Act (15 U.S.C. 57a(f)(1)) is amended by inserting immediately after "paragraph (3))" the following: "and the National Credit Union Administration Board (with respect to Federal credit unions described in paragraph (4))".

(2) The last sentence of section 18(f)(1) of the Federal Trade Commission Act (15 U.S.C. 57a(f)(1)) is amended—

(A) by striking "either such" and inserting in lieu thereof "any such";

(B) by inserting "or Federal credit unions described in paragraph (4)," immediately after "paragraph (3)," each place it appears therein; and

(C) by inserting immediately after "with respect to banks" the following: ", savings and loan institutions or Federal credit unions".

(3) Section 18(f) of the Federal Trade Commission Act (15 U.S.C. 57a(f)) is amended by redesignating paragraphs (4), (5), and (6) as paragraphs (5), (6), and (7), respectively, and by inserting immediately after paragraph (3) the following:

"(4) Compliance with regulations prescribed under this subsection shall be enforced with respect to Federal credit unions under sections 120 and 206 of the Federal Credit Union Act (12 U.S.C. 1766 and 1786).".

COMMERCIAL ADVERTISING

SEC. 12. Section 18(h) of the Federal Trade Commission Act (15 U.S.C. 57a(h)), as so redesignated in section 4(a) of this Act, is amended by adding at the end thereof the following: "The Commission shall have no authority under this section to initiate any new rulemaking proceeding which is intended to or may result in the promulgation of any rule by the Commission which prohibits or otherwise regulates any commercial advertising on the basis of a determination by the Commission that such commercial advertising constitutes an unfair act or practice in or affecting commerce.".

REPORT

SEC. 13. (a) The Federal Trade Commission shall submit to the Committee on Commerce, Science, and Transportation of the Senate and to the Committee on Energy and Commerce of the House of Representatives the information specified in subsection (b) of this section every 6 months during each of the fiscal years 1986, 1987, and 1988. A report containing such information shall be submitted when the Commission submits its annual report to the Congress during each of such fiscal years, and such report may be included in the annual report. A separate report containing such information shall be submitted six months after the date of submission of any such annual report. Each such report shall contain such information for the period since the last submission under this section.

(b) Each such report shall list and describe, with respect to instances in which resale price maintenance has been suspected or alleged—

(1) each complaint made, orally or in writing, to the offices of the Commission;

(2) each preliminary investigation opened or closed at the Commission;

(3) each formal investigation opened or closed at the Commission;

(4) each recommendation for the issuance of a complaint forwarded by the staff to the Commission;

(5) each complaint issued by the Commission pursuant to section 5 of the Federal Trade Commission Act (15 U.S.C. 45);

(6) each opinion and order entered by the Commission;

(7) each consent agreement accepted provisionally or finally by the Commission;

(8) each request for modification of an outstanding Commission order filed with the Commission;

(9) each recommendation by staff pertaining to a request for modification of an outstanding Commission order; and

(10) each disposition by the Commission of a request for modification of an outstanding Commission order.

Such report shall include the sum total of matters in each category specified in paragraphs (1) through (10) of this subsection, and copies of all such consent agreements and complaints executed by the Commission. Where a matter has been closed or terminated, the report shall include a statement of the reasons for that disposition. The description required under this subsection shall be as complete as possible but shall not reveal the identity of persons or companies complained about or those subject to investigation that have not otherwise been made public.

AUTHORIZATION OF APPROPRIATIONS

SEC. 14. Section 26 of the Federal Trade Commission Act, as so redesignated by section 3 of this Act, is amended—

(1) by striking "and" after "1981,"; and

(2) by inserting immediately before the period at the end thereof the following: "; not to exceed $65,800,000 for the fiscal year ending September 30, 1986; not to exceed $66,800,000 for the fiscal year ending September 30, 1987; and not to exceed $67,800,000 for the fiscal year ending September 30, 1988, and such additional sums for the fiscal years ending September 30, 1987 and September 30, 1988, as may be necessary for increases in salary, pay, and other employee benefits as authorized by law".

BUILDING CONSOLIDATION

SEC. 15. Section 26 of the Federal Trade Commission Act, as so redesignated by section 3 of this Act and as amended by section 14 of this Act, is further amended by adding at the end thereof the following: "In addition, there is authorized to be appropriated during the fiscal years ending September 30, 1986, September 30, 1987, and September 30, 1988, a total amount not to exceed $3,811,000, to carry out the consolidation into not more than three buildings of the Headquarters Offices of the Commission in Washington, District of Columbia.".

CONGRESSIONAL REVIEW ON RULES

SEC. 16. (a) The Federal Trade Commission Act (15 U.S.C. 41 et seq.) is amended by inserting after section 25, as added by section 10 of this Act, the following new section:

"(1) 'appropriate committee' means either the Committee on Commerce, Science, and Transportation of the Senate or the Committee on Energy and Commerce of the House of Representatives, as the case may be;

"(2) 'joint resolution' means a joint resolution which does not contain a preamble and the matter after the resolving clause of which is as follows: 'That the Senate and the House of Representatives disapprove the rule entitled , transmitted to the Congress by the Federal Trade Commission on , 19 .', the blank spaces being filled with the appropriate title of the rule and the date of transmittal of the rule to the Congress, respectively; and

"(3) 'rule' means any rule promulgated by the Commission pursuant to this Act, other than any rule promulgated under section 18(a)(1)(A) of this Act and any interpretive or procedural rule.

"(b)(1) Except as provided in subsection (g)(1) of this section, on the day the Commission forwards to the Federal Register for publication a recommended rule, the Commission shall transmit a copy of such rule to the Secretary of the Senate and the Clerk of the House of Representatives. The Secretary of the Senate and the Clerk of the House of Representatives are authorized to receive a recommended rule under this subsection whether the appropriate House is in session, stands in adjournment or is in recess.

"(2) On the day on which the Secretary of the Senate and the Clerk of the House of Representatives receive a recommended rule, the Secretary and the Clerk shall transmit a copy of such rule to the appropriate committees.

"(c)(1) Notwithstanding any other provision of law, no recommended rule may become effective until the expiration of a period of ninety days after the date on which such rule is received by the Secretary of the Senate and the Clerk of the House of Representatives, except that such rule may not become effective under this paragraph if within such ninety-day period a joint resolution with respect to such rule has become law.

"(2) For purposes of this subsection—

"(A) the term 'days' means only days of continuous session of Congress;

"(B) continuity of session is broken only by an adjournment sine die at the end of a Congress; and

"(C) the days on which either House is not in session because of an adjournment or recess to a day certain shall be excluded in the computation of days of continuous session of Congress for the ninety-day period referred to in this subsection if the adjournment is for more than five days.

"(d) Notwithstanding any other provision of law, any rule subject to this section shall be considered a recommendation of the Commission to the Congress and shall have no force and effect as a rule unless such rule has become effective in accordance with this section.

"(e) Whenever an appropriate committee reports a joint resolution pursuant to this section, the resolution shall be accompanied by a committee report specifying the reasons for the committee's action.

"(f) Congressional inaction on, or rejection of, any joint resolution shall not be deemed an expression of approval of the rule involved. The compliance of the Commission with the requirements of this section, including any determination by the Commission under this section, shall not be subject to judicial review of any kind.

"(g)(1) If a recommended rule of the Commission does not become effective because of an adjournment of Congress sine die before the expiration of the period specified in subsection (c)(1) of this section, the Commission may resubmit the recommended rule at the beginning of the next regular session of Congress. The ninety-day period specified in the first sentence of section (c)(1) shall begin on the date of such resubmission, and such rule may only become effective in accordance with this section. The Commission shall not be required to forward such rule to the Federal Register for publication, if such rule is identical to the rule transmitted during the previous session of Congress.

"(2) If a recommended rule of the Commission is disapproved under this section, the Commission may issue a recommended rule which relates to the same acts or practices as the disapproved rule. Such recommended rule—

"(A) shall be based upon—

"(i) the rulemaking record of the recommended rule disapproved by the Congress; or

"(ii) such rulemaking record and the record established in supplemental rulemaking proceedings conducted by the Commission, in accordance with section 553 of title 5, United States Code, in any case in which the Commission determines that it is necessary to supplement the existing rulemaking record; and

"(B) may reflect such changes as the Commission considers necessary or appropriate, including such changes as may be appropriate in light of congressional debate and consideration of the joint resolution with respect to the rule.

"(3) After issuing a recommended rule under this subsection, the Commission shall transmit such rule to the Secretary of the Senate and the Clerk of the House of Representatives, in accordance with subsection (b)(1) of this section, and such rule shall only become effective in accordance with this section.

"(h) The provisions of this subsection, subsection (a) (1) and (2), subsection (e), and subsections (i) through (1) of this section are enacted by Congress—

"(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of joint resolutions, and they supersede other rules only to the extent that they are inconsistent therewith; and

"(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

"(i) Except as provided in subsection (1) of this section, joint resolutions shall, upon introduction or receipt from the other House of Congress, be immediately referred by the presiding officer of the Senate or the House of Representatives to the appropriate committee of the Senate or the House of Representatives, as the case may be.

"(j)(1)(A) Except as provided in subparagraph (B) of this paragraph if the committee to which a joint resolution has been referred does not report such resolution within thirty days of continuous session of Congress after the date of transmittal to the Congress of the recommended rule to which such joint resolution relates, it shall be in order to move to discharge the committee from further consideration of such resolution.

"(B) If the committee to which a joint resolution transmitted from the other House has been referred does not report such resolution within thirty days after the date of transmittal of such resolution from the other House, it shall be in order to move to discharge such committee from further consideration of such resolution.

"(2) Any motion to discharge under paragraph (1) of this subsection must be supported in the House in writing by one-fifth of the Members, duly chosen and sworn, and in the Senate by motion of the Majority Leader supported by the Minority Leader, and is highly privileged in the House and privileged in the Senate (except that it may not be made after a joint resolution has been reported with respect to the same rule); and debate thereon shall be limited to not more than one hour, the time to be divided in the House of Representatives equally between those favoring and those opposing the motion to discharge and to be divided in the Senate equally between, and controlled by, the majority leader and the minority leader, or their designees.

"(k)(1) Except as provided in paragraphs (2) and (3) of this subsection, consideration of a joint resolution shall be in accord with the rules of the Senate and of the House of Representatives, respectively.

"(2) When a committee has reported or has been discharged from further consideration of a joint resolution, or when the companion joint resolution from the other House has been placed on the calendar of the first House, it shall be in order, notwithstanding any rule of the Standing Rules of the Senate (except rule XXII) or any rule of the House of Representatives, at any time thereafter (even though a previous motion to the same effect has been disagreed to) to move to proceed to the immediate consideration of either such joint resolution. The motion is highly privileged in the House and privileged in the Senate and is not debatable.

"(3) Debate on a joint resolution shall be limited to not more than ten hours (except that when one House has debated the joint resolution of that House, the companion joint resolution of the other House shall not be debatable), which shall be divided in the House of Representatives equally between those favoring and those opposing the resolution and which shall be divided in the Senate equally between, and controlled by, the majority leader and the minority leader, or their designees. An amendment to, or motion to recommit, the joint resolution is not in order. Any other motions shall be decided without debate, except that no motion to proceed to the consideration of any other matter shall be in order.

"(l) If a joint resolution has been reported or discharged from the committee of the House to which it was referred, and that House receives a joint resolution with respect to the same rule from the other House, the resolution of disapproval of the other House shall be placed on the appropriate calendar of the first House. If, prior to the disposition of a joint resolution of one House, that House receives a joint resolution with respect to the same rule from the other House, the vote in the first House shall occur on the joint resolution of the other House.".

(b) Section 36 of the Consumer Product Safety Act (15 U.S.C. 2083) is amended to read as follows:

"CONGRESSIONAL REVIEW OF RULES

"SEC. 36. (a) For purposes of this section, the term—

"(1) 'appropriate committee' means either the Committee on Commerce, Science, and Transportation of the Senate or the Committee on Energy and Commerce of the House of Representatives, as the case may be;

"(2) 'joint resolution' means a joint resolution which does not contain a preamble and the matter after the resolving clause of which is as follows: 'That the Senate and the House of Representatives disapprove the rule entitled , transmitted to the Congress by the Federal Trade Commission on , 19 .', the blank spaces being filled with the appropriate title of the rule and the date of transmittal of the rule to the Congress, respectively; and

"(3) 'rule' means any rule promulgated by the Commission pursuant to this Act, other than any rule promulgated under section 18(a)(1)(A) of this Act and any interpretive or procedural rule.

"(b)(1) Except as provided in subsection (g)(1) of this section, on the day the Commission forwards to the Federal Register for publication a recommended rule, the Commission shall transmit a copy of such rule to the Secretary of the Senate and the Clerk of the House of Representatives. The Secretary of the Senate and the Clerk of the House of Representatives are authorized to receive a recommended rule under this subsection whether the appropriate House is in session, stands in adjournment or is in recess.

"(2) On the day on which the Secretary of the Senate and the Clerk of the House of Representatives receive a recommended rule, the Secretary and the Clerk shall transmit a copy of such rule to the appropriate committees.

"(c)(1) Notwithstanding any other provision of law, no recommended rule may become effective until the expiration of a period of ninety days after the date on which such rule is received by the Secretary of the Senate and the Clerk of the House of Representatives, except that such rule may not become effective under this paragraph if within such ninety-day period a joint res-

olution with respect to such rule has become law.

"(2) For purposes of this subsection—

"(A) the term 'days' means only days of continuous session of Congress;

"(B) continuity of session is broken only by an adjournment sine die at the end of a Congress; and

"(C) the days on which either House is not in session because of an adjournment or recess to a day certain shall be excluded in the computation of days of continuous session of Congress for the ninety-day period referred to in this subsection if the adjournment is for more than five days.

"(d) Notwithstanding any other provision of law, any rule subject to this section shall be considered a recommendation of the Commission to the Congress and shall have no force and effect as a rule unless such rule has become effective in accordance with this section.

"(e) Whenever an appropriate committee reports a joint resolution pursuant to this section, the resolution shall be accompanied by a committee report specifying the reasons for the committee's action.

"(f) Congressional inaction on, or rejection of, any joint resolution shall not be deemed an expression of approval of the rule involved. The compliance of the Commission with the requirements of this section, including any determination by the Commission under this section, shall not be subjected to judicial review of any kind.

"(g)(1) If a recommended rule of the Commission does not become effective because of an adjournment of Congress sine die before the expiration of the period specified in subsection (c)(1) of this section, the Commission may resubmit the recommended rule at the beginning of the next regular session of Congress. The ninety-day period specified in the first sentence of section (c)(1) shall begin on the date of such resubmission, and such rule may only become effective in accordance with this section. The Commission shall not be required to forward such rule to the Federal Register for publication, if such rule is identical to the rule transmitted during the previous session of Congress.

"(2) If a recommended rule of the Commission is disapproved under this section, the Commission may issue a recommended rule which relates to the same acts or practices as the disapproved rule. Such recommended rule—

"(A) shall be based upon—

"(i) the rulemaking record of the recommended rule disapproved by the Congress; or

"(ii) such rulemaking record and the record established in supplemental rulemaking proceedings conducted by the Commission, in accordance with section 553 of title 5, United States Code, in any case in which the Commission determines that it is necessary to supplement the existing rulemaking record; and

"(B) may reflect such changes as the Commission considers necessary or appropriate, including such changes as may be appropriate in light of congressional debate and consideration of the joint resolution with respect to the rule.

"(3) After issuing a recommended rule under this subsection, the Commission shall transmit such rule to the Secretary of the Senate and the Clerk of the House of Representatives, in accordance with subsection (b)(1) of this section, and such rule shall only become effective in accordance with this section.

"(h) The provisions of this subsection, subsection (a) (1) and (2), subsection (e), and subsections (i) through (l) of this section are enacted by Congress—

"(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of joint resolutions, and they supersede other rules only to the extent that they are inconsistent therewith; and

"(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

"(i) Except as provided in subsection (l) of this section, joint resolutions shall, upon introduction or receipt from the other House of Congress, be immediately referred by the presiding officer of the Senate or the House of Representatives to the appropriate committee of the Senate or the House of Representatives, as the case may be.

"(j)(1)(A) Except as provided in subparagraph (B) of this paragraph, if the committee to which a joint resolution has been referred does not report such resolution within thirty days of continuous session of Congress after the date of transmittal to the Congress of the recommended rule to which such joint resolution relates, it shall be in order to move to discharge the committee from further consideration of such resolution.

"(B) If the committee to which a joint resolution transmitted from the other House has been referred does not report such resolution within thirty days after the date of transmittal of such resolution from the other House, it shall be in order to move to discharge such committee from further consideration of such resolution.

"(2) Any motion to discharge under paragraph (1) of this subsection must be supported in the House in writing by one-fifth of the Members, duly chosen and sworn, and in the Senate by motion of the Majority Leader supported by the Minority Leader, and is highly privileged in the House and privileged in the Senate (except that it may not be made after a joint resolution has been reported with respect to the same rule); and debate thereon shall be limited to no tmore than one hour, the time to be divided in the House of Representatives equally between those favoring and those opposing the motion to discharge and to be divided in the Senate equally between, and controlled by, the majority leader and the minority leader, or their designees.

"(k)(1) Except as provided in paragraphs (2) and (3) of this subsection, consideration of a joint resolution shall be in accord with the rules of the Senate and of the House of Representatives, respectively.

"(2) when a committee has reported or has been discharged from further consideration of a joint resolution, or when the companion joint resolution from the other House has been placed on the calendar of the first House, it shall be in order, notwithstanding any rule of the Standing Rules of the Senate (except rule XXII) or any rules of the House of Representatives, at any time thereafter (even though a previous motion to the same effect has been disagreed to) to move to proceed to the immediate consideration of either such joint resolution. The motion is highly privileged in the House and privileged in the Senate and is not debatable.

"(3) Debate on a joint resolution shall be limited to not more than ten hours (except that when one House has debated the joint resolution of that House, the companion joint resolution of the other House shall not be debatable), which shall be divided in the House of Representatives equally between those favoring and those opposing the resolution and which shall be divided in the Senate equally between, and controlled by, the majority leader and the minority leader, or their designees. An amendment to, or motion to recommit, the joint resolution is not in order. Any other motions shall be decided without debate, except that no motion to proceed to the consideration of any other matter shall be in order.

(l) If a joint resolution has been reported or discharged from the committee of the House to which it was referred, and that House receives a joint resolution with respect to the same rule from the other House, the resolution of disapproval of the other House shall be placed on the appropriate calendar of the first House. If, prior to the disposition of a joint resolution of one House, that House receives a joint resolution with respect to the same rule from the other House, the vote in the first House shall occur on the joint resolution of the other House.".

(c) Section 17 of the Flammable Fabrics Act (15 U.S.C. 1204) is amended to read as follows:

"CONGRESSIONAL REVIEW OF RULES

"SEC. 17. (a) For purposes of this section, the term—

"(1) 'appropriate committee' means either the Committee on Commerce, Science, and Transportation of the Senate or the Committee on Energy and Commerce of the House of Representatives, as the case may be;

"(2) 'joint resolution' means a joint resolution which does not contain a preamble and the matter after the resolving clause of which is as follows: 'That the Senate and the House of Representatives disapprove the regulation entitled , transmitted to the Congress by the Federal Trade Commission on , 19 .', the blank spaces being filled with the appropriate title of the regulation and the date of transmittal of the regulation to the Congress, respectively; and

"(3) 'regulation' means any regulation promulgated by the Commission pursuant to this Act, other than any regulation promulgated under section 18(a)(1)(A) of this Act and any interpretive or procedural regulation.

"(b)(1) Except as provided in subsection (g)(1) of this section, on the day the Commission forwards to the Federal Register for publication a recommended regulation, the Commission shall transmit a copy of such regulation to the Secretary of the Senate and the Clerk of the House of Representatives. The Secretary of the Senate and the Clerk of the House of Representatives are authorized to receive a recommended regulation under this subsection whether the appropriate House is in session, stands in adjournment or is in recess.

(2) On the day on which the Secretary of the Senate and the Clerk of the House of Representatives receive a recommended regulation, the Secretary and the Clerk shall transmit a copy of such regulation to the appropriate committees.

"(c)(1) Notwithstanding any other provision of law, no recommended regulation may become effective until the expiration of a period of ninety days after the date on which such regulation is received by the Secretary of the Senate and the Clerk of the House of Representatives, except that such regulation may not become effective under this paragraph if within such ninety-day period a joint resolution with respect to such regulation has become law.

"(2) For purposes of this subsection—

"(A) the term 'days' means only days of continuous session of Congress;

"(B) continuity of session is broken only an adjournment sine die at the end of a Congress; and

"(C) the days on which either House is not in session because of an adjournment or recess to a day certain shall be excluded in the computation of days of continuous session of Congress for the ninety-day period referred to in this subsection if the adjournment is for more than five days.

"(d) Notwithstanding any other provision of law, any regulation subject to this section shall be considered a recommendation of the Commission to the Congress and shall have no force and effect as a regulation unless such regulation has become effective in accordance with this section.

"(e) Whenever an appropriate committee reports a joint resolution pursuant to this section, the resolution shall be accompanied by a committee report specifying the reasons for the committee's action.

"(f) Congressional inaction on, or rejection of, any joint resolution shall not be deemed an expression of approval of the regulation involved. The compliance of the Commission with the requirements of this section, including any determination by the Commission under this section, shall not be subject to judicial review of any kind.

"(g)(1) If a recommended regulation of the Commission does not become effective because of an adjournment of Congress sine die before the expiration of the period specified in subsection (c)(1) of this section, the Commission may resubmit the recommended regulation at the beginning of the next regular session of Congress. The ninety-day period specified in the first sentence of section (c)(1) shall begin on the date of such resubmission, and such regulation may only become effective in accordance with this section. The Commission shall not be required to forward such regulation to the Federal Register for publication, if such regulation is identical to the regulation transmitted during the previous session of Congress.

"(2) If a recommended regulation of the Commission is disapproved under this section, the Commission may issue a recommended regulation which relates to the same acts or practices as the disapproved regulation. Such recommended regulations—

"(A) shall be based upon—

"(i) the regulation-making record of the recommended regulation disapproved by the Congress; or

"(ii) such regulation-making record and the record established in supplemental regulation-making proceedings conducted by the Commission, in accordance with section 553 of title 5, United States Code, in any case in which the Commission determines that it is necessary to supplement the existing regulation-making record; and

"(B) may reflect such changes as the Commission considers necessary or appropriate, including such changes as may be appropriate in light of congressional debate and consideration of the joint resolution with respect to the regulation.

"(3) After issuing a recommended regulation under this subsection, the Commission shall transmit such regulation to the Secretary of the Senate and the Clerk of the House of Representatives, in accordance with subsection (b)(1) of this section, and such regulation shall only become effective in accordance with this section.

"(h) The provisions of this subsection, subsection (a) (1) and (2), subsection (e), and subsections (i) through (l) of this section are enacted by Congress—

"(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of joint resolutions, and they supersede other rules only to the extent that they are inconsistent therewith; and

"(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

"(i) Except as provided in subsection (1) of this section, joint resolutions shall, upon introduction or receipt from the other House of Congress, be immediately referred by the presiding officer of the Senate or the House of Representatives to the appropriate committee of the Senate or the House of Representatives, as the case may be.

"(j)(1)(A) Except as provided in subparagraph (B) of this paragraph, if the committee to which a joint resolution has been referred does not report such resolution within thirty days of continuous session of Congress after the date of transmittal to the Congress of the recommended regulation to which such joint resolution relates, it shall be in order to move to discharge the committee from further consideration of such resolution.

"(B) If the committee to which a joint resolution transmitted from the other House has been referred does not report such resolution within thirty days after the date of transmittal of such resolution from the other House, it shall be in order to move to discharge such committee from further consideration of such resolution.

"(2) Any motion to discharge under paragraph (1) of this subsection must be supported in the House in writing by one-fifth of the Members, duly chosen and sworn, and in the Senate by motion of the Majority Leader supported by the Minority Leader, and is highly privileged in the House and privileged in the Senate (except that it may not be made after a joint resolution has been reported with respect to the same regulation); and debate thereon shall be limited to not more than one hour, the time to be divided in the House of Representatives equally between those favoring and those opposing the motion to discharge and to be divided in the Senate equally between, and controlled by, the majority leader and the minority leader, or their designees.

"(k)(1) Except as provided in paragraphs (2) and (3) of this subsection, consideration of a joint resolution shall be in accord with the rules of the Senate and of the House of Representatives, respectively.

"(2) When a committee has reported or has been discharged from further consideration of a joint resolution, or when the companion joint resolution from the other House has been placed on the calendar of the first House, it shall be in order, notwithstanding any rule of the Standing Rules of the Senate (except rule XXII) or any rule of the House of Representatives, at any time thereafter (even though a previous motion to the same effect has been disagreed to) to move to proceed to the immediate consideration of either such joint resolution. The motion is highly privileged in the House and privileged in the Senate and is not debatable.

"(3) Debate on a joint resolution shall be limited to not more than ten hours (except that when one House has debated the joint resolution of that House, the companion joint resolution of the other House shall not be debatable), which shall be divided in the House of Representatives equally between those favoring and those opposing the resolution and which shall be divided in the Senate equally between, and controlled by, the majority leader and the minority leader, or their designees. An amendment to, or motion to recommit, the joint resolution is not in order. Any other motions shall be decided without debate, except that no motion to proceed to the consideration of any other matter shall be in order.

"(l) If a joint resolution has been reported or discharged from the committee of the House to which it was referred, and that House receives a joint resolution with respect to the same regulation from the other House, the resolution of disapproval of the other House shall be placed on the appropriate calendar of the first House. If, prior to the disposition of a joint resolution of one House, that House receives a joint resolution with respect to the same regulation from the other House, the vote in the first House shall occur on the joint resolution of the other House.".

(d) Section 21 of the Federal Hazardous Substances Act (15 U.S.C. 1276) is amended to read as follows:

"CONGRESSIONAL REVIEW OF RULES

"SEC. 21. (a) For purposes of this section, the term—

"(1) 'appropriate committee' means either the Committee on Commerce, Science, and Transportation of the Senate or the Committee on Energy and Commerce of the House of Representatives, as the case may be;

"(2) 'joint resolution' means a joint resolution which does not contain a preamble and the matter after the resolving clause of which is as follows: 'That the Senate and the House of Representatives disapprove the regulation entitled , transmitted to the Congress by the Federal Trade Commission on , 19 .', the blank spaces being filled with the appropriate title of the regulation and the date of transmittal of the regulation to the Congress, respectively; and

"(3) 'regulation' means any regulation promulgated by the Commission pursuant to this Act, other than any regulation promulgated under section 18(a)(1)(A) of this Act and any interpretive or procedural regulation.

"(b)(1) Except as provided in subsection (g)(1) of this section, on the day the Commission forwards to the Federal Register for publication a recommended regulation, the Commission shall transmit a copy of such regulation to the Secretary of the Senate and the Clerk of the House of Representatives. The Secretary of the Senate and the Clerk of the House of Representatives are

authorized to receive a recommended regulation under this subsection whether the appropriate House is in session, stands in adjournment or is in recess.

"(2) On the day on which the Secretary of the Senate and the Clerk of the House of Representatives receive a recommended regulation, the Secretary and the Clerk shall transmit a copy of such regulation to the appropriate committees.

"(c)(1) Notwithstanding any other provision of law, no recommended regulation may become effective until the expiration of a period of ninety days after the date on which such regulation is received by the Secretary of the Senate and the Clerk of the House of Representatives, except that such regulation may not become effective under this paragraph if within such ninety-day period a joint resolution with respect to such regulation has become law.

"(2) For purposes of this subsection—

"(A) the term 'days' means only days of continuous session of Congress;

"(B) continuity of session is broken only by an adjournment sine die at the end of a Congress; and

"(C) the days on which either House is not in session because of an adjournment or recess to a day certain shall be excluded in the computation of days of continuous session of Congress for the ninety-day period referred to in this subsection if the adjournment is for more than five days.

"(d) Nothwithstanding any other provision of law, any regulation subject to this section shall be considered a recommendation of the Commission to the Congress and shall have no force and effect as a regulation unless such regulation has become effective in accordance with this section.

"(e) Whenever an appropriate committee reports a joint resolution pursuant to this section, the resolution shall be accompanied by a committee report specifying the reasons for the committee's action.

"(f) Congressional inaction on, or rejection of, any joint resolution shall not be deemed an expression of approval of the regulation involved. The compliance of the Commission with the requirements of this section, including any determination by the Commission under this section, shall not be subject to judicial review of any kind.

"(g)(1) If a recommended regulation of the Commission does not become effective because of an adjournment of Congress sine die before the expiration of the period specified in subsection (c)(1) of this section, the Commission may resubmit the recommended regulation at the beginning of the next regular session of Congress. The ninety-day period specified in the first sentence of section (c)(1) shall begin on the date of such resubmission, and such regulation may only become effective in accordance with this section. The Commission shall not be required to forward such regulation to the Federal Register for publication, if such regulation is identical to the regulation transmitted during the previous session of Congress.

"(2) If a recommended regulation of the Commission is disapproved under this section, the Commission may issue a recommended regulation which relates to the same acts or practices as the disapproved regulation. Such recommended regulation—

"(A) shall be based upon—

"(i) the regulation-making record of the recommended regulation disapproved by the Congress; or

"(ii) such regulation-making record and the record established in supplemental regulation-making proceedings conducted by the Commission, in accordance with section 553 of title 5, United States Code, in any case in which the Commission determines that it is necessary to supplement the existing regulation-making record; and

"(B) may reflect such changes as the Commission considers necessary or appropriate, including such changes as may be appropriate in light of congressional debate and consideration of the joint resolution with respect to the regulation.

"(3) After issuing a recommended regulation under this subsection, the Commission shall transmit such regulation to the Secretary of the Senate and the Clerk of the House of Representatives, in accordance with subsection (b)(1) of this section, and such regulation shall only become effective in accordance with this section.

"(h) The provisions of this subsection, subsection (a) (1) and (2), subsection (e), and subsections (i) through (l) of this section are enacted by Congress—

"(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of joint resolutions, and they supersede other rules only to the extend that they are inconsistent therewith; and

"(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

"(i) Except as provided in subsection (1) of this section, joint resolutions shall, upon introduction of receipt from the other House of Congress, be immediately referred by the presiding officer of the Senate or the House of Representatives to the appropriate committee of the Senate or the House of Representatives, as the case may be.

"(j)(1)(A) Except as provided in subparagraph (B) of this paragraph, if the committee to which a joint resolution has been referred does not report such resolution within thirty days of continuous session of Congress after the date of transmittal to the Congress of the recommended regulation to which such joint resolution relates, it shall be in order to move to discharge the committee from further consideration of such resolution.

"(B) If the committee to which a joint resolution transmitted from the other House has been referred does not report such resolution within thirty days after the date of transmittal of such resolution from the other House, it shall be in order to move to discharge such committee from further consideration of such resolution.

"(2) Any motion to discharge under paragraph (1) of this subsection must be supported in the House in writing by one-fifth of the Members, duly chosen and sworn, and in the Senate by motion of the Majority Leader supported by the Minority Leader, and is highly privileged in the House and privileged in the Senate (except that it may not be made after a joint resolution has been reported with respect to the same regulation); and debate thereon shall be limited to not more than one hour, the time to be divided in the House of Representatives equally between those favoring and those opposing the motion to discharge and to be divided in the Senate equally between, and controlled by, the majority leader and the minority leader, or their designees.

"(k)(1) Except as provided in paragraphs (2) and (3) of this subsection, consideration of a joint resolution shall be in accord with the rules of the Senate and of the House of Representatives, respectively.

"(2) When a committee has reported or had been discharged from further consideration of a joint resolution, or when the companion joint resolution from the other House has been placed on the calendar of the first House, it shall be in order, notwithstanding any rule of the Standing Rules of the Senate (except rule XXII) or any rule of the House of Representatives, at any time thereafter (even though a previous motion to the same effect has been disagreed to) to move to proceed to the immediate consideration of either such joint resolution. The motion is highly privileged in the House and privileged in the Senate and is not debatable.

"(3) Debate on a joint resolution shall be limited to not more than ten hours (except that when one House has debated the joint resolution of that House, the companion joint resolution of the other House shall not be debatable), which shall be divided in the House of Representatives equally between those favoring and those opposing the resolution and which shall be divided in the Senate equally between, and controlled by, the majority leader and the minority leader, or their designees. An amendment to, or motion to recommit, the joint resolution is not in order. Any other motions shall be decided without debate, except that no motion to proceed to the consideration of any other matter shall be in order.

"(l) If a joint resolution has been reported or discharged from the committee of the House to which it was referred, and that House receives a joint resolution with respect to the same regulation from the other House, the resolution of disapproval of the other House shall be placed on the appropriate calendar of the first House. If, prior to the disposition of a joint resolution of the one House, that House receives a joint resolution with respect to the same regulation from the other House, the vote in the first House shall occur on the joint resolution of the other House.".

(e) The amendments made by this section shall cease to have any force and effect on or after the date which is five years after the date of enactment of this Act.

ENFORCEMENT OF CONGRESSIONAL REVIEW OF RULES

SEC. 17. (a) This section is adopted as an exercise of the power of each House of Congress to determine the rules of its proceedings. The Congress specifically finds that the provisions of this subsection are essential to the Congress in exercising its constitutional responsibility to monitor and to review exercises by the Executive of delegated powers of a legislative character.

(b)(1) After the Senate and the House of Representatives adopt a joint resolution with respect to a rule pursuant to section 16 of this Act, it shall be in order in the Senate or the House of Representatives, notwithstanding any provision of the Standing Rules of the Senate (except Rule XXII) or the Rules of the House of Representatives, to consider an amendment described in subparagraph (2) to a bill or resolution making appropriations for the Federal Trade Commission on the Consumer Product Safety Commission.

(2) An amendment referred to in subparagraph (1) is an amendment which only contains provisions to prohibit the use of funds

appropriated in the bill or resolution described in such subparagraph for the issuing, promulgating, enforcing, or otherwise carrying out the rule with respect to which a joint resolution has been adopted pursuant to this section.

(c) Debate on an amendment described in paragraph (b)(2) shall be limited to not more than four hours, which shall be divided in the House of Representatives equally between those favoring and those opposing the amendment and which shall be divided in the Senate equally between, and controlled, by the majority leader and the minority leader or their designees. An amendment to, or motion to recommit, the amendment is not in order. Any other motions shall be decided without debate, except that no motion to proceed to the consideration of any other matter shall be in order.

REPORT ON PREDATORY PRICING PRACTICES

"SEC. 18. (a) The Federal Trade Commission shall submit to the Committee on Commerce, Science, and Transportation of the Senate and to the Committee on Energy and Commerce of the House of Representatives the information specified in subsection (b) of this section every six months during each of the fiscal years 1986 and 1987. A report containing such information shall be submitted when the Commission submits its annual report to the Congress during each of such fiscal years, and such report may be included in the annual report. A separate report containing such information shall be submitted six months after the date of submission of any such annual report. Each such report shall contain such information for the period since the last submission under this section.

(b) Each such report shall list and describe, with respect to instances in which predatory pricing practices have been suspected or alleged—

(1) each complaint made, orally or in writing, to the offices of the Commission;

(2) each preliminary investigation opened or closed at the Commission;

(3) each formal investigation opened or closed at the Commission;

(4) each recommendation for the issuance of a complaint forwarded by the staff to the Commission;

(5) each complaint issued by the Commission;

(6) each opinion and order entered by the Commission;

(7) each consent agreement accepted provisionally or finally by the Commission;

(8) each request for modification of an outstanding Commission order filed with the Commission;

(9) each recommendation by staff pertaining to a request for modification of an outstanding Commission order; and

(10) each disposition by the Commission of a request for modification of an outstanding Commission order.

Such report shall include copies of all such consent agreements and complaints executed by the Commission referred to in such report. Where a matter has been closed or terminated, the report shall include a statement of the reasons for that disposition. The descriptions required under this subsection shall be as complete as possible but shall not reveal the identity of persons or companies complained about or those subject to investigation that have not otherwise been made public. The report shall include any evaluation by the Commission of the potential impacts of predatory pricing upon businesses (including small businesses).

EFFECTIVE DATE

SEC. 19. (a) Except as provided in subsections (b), (c), and (d) of this section, the provisions of this Act shall take effect on the date of enactment of this Act.

(b) The amendments made by sections 2, 7, and 9 of this Act shall apply only with respect to cease and desist orders issued under section 5 of the Federal Trade Commission Act (15 U.S.C. 45), or to rules promulgated under section 18 of the Federal Trade Commission Act (15 U.S.C. 57a), after the date of enactment of this Act. These amendments shall not be construed to affect in any manner a cease and desist order which was issued, or a rule which was promulgated, before the date of enactment of this Act. These amendments shall not be construed to affect in any manner a cease-and-desist order issued after the date of enactment of this Act, if such other was issued pursuant to remand from a court of appeals or the Supreme Court of an order issued by the Commission before the date of enactment of this Act.

(c) The provisions of section 24(c) of the Federal Trade Commission Act, as added by section 3 of this Act, shall apply only to complaints issued by the Federal Trade Commission under section 5 of the Federal Trade Commission Act (15 U.S.C. 45) on or after the date of enactment of this Act.

(d) The amendments made by sections 6 and 12 of this Act shall apply only to rulemaking proceedings initiated after the date of enactment of this Act. These amendments shall not be construed to affect in any manner a rulemaking proceeding which was initiated before the date of enactment of this Act.

Mr. KASTEN. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. DANFORTH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. KASTEN. Mr. President, I just want to make a couple of very quick points. No. 1, it has been 5 years since we last voted on a FTC authorization bill. That bill expired 3 years ago. I think the fact that we now have been able to reauthorize the Federal Trade Commission is an important accomplishment on behalf of a great many Senators who participated.

I particularly wish to thank the Senator from Kentucky, Mr. FORD, the ranking member of the subcommittee, along with the Senator from Missouri, Mr. DANFORTH, and the Senator from Oregon, Mr. PACKWOOD, all of whom have had very important contributions to this legislation.

I also wish to thank the Senator from New Hampshire, Mr. RUDMAN, for his work on the professions issue and also the Senator from West Virginia, Mr. BYRD, along with the Senator from Iowa, Mr. GRASSLEY, and the Senator from Michigan, Mr. LEVIN, for their work in terms of working out the legislative veto provisions.

I also wish to comment briefly, although he is on his way to the Office of Management and Budget, that a number of the items that are included in this legislation were developed with the help of the Chairman of the Federal Trade Commission, Mr. Jim Miller. I wish to thank him for the fine work that he has done at the Federal Trade Commission and the work that all of his staff have done in working with us as we have developed this legislation.

It has taken a lot of people a lot of good work and I wish to thank all of them and commend them for their good work.

One of the industries that FTC regulation has affected the most, over the years, is advertising. And, as many here today know, in the past the FTC's regulation of advertising has been contentious, to say the least.

But, Mr. President, times have changed and I would, at this point, like to submit a letter for the RECORD from the Nation's three largest advertising associations. The letter says in part:

It is our understanding that the FTC reauthorization bill will be considered today. We believe this is one of the most important pieces of legislation to come before the Congress this year.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JULY 25, 1985.

Hon. ROBERT W. KASTEN, JR.,
Senate Committee on Commerce, Science, and Transportation, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR KASTEN: It is our understanding that the FTC Reauthorization Bill will be considered today. We believe this is one of the most important pieces of legislation to come before the Congress this year. The FTC has not been reauthorized since 1982. We strongly support the advertising provisions in the Senate Commerce Committee bill and urge the Congress to quickly expedite passage of this legislation.

All best wishes.

Sincerely,

DANIEL L. JAFFE,
Senior Vice President, American Advertising Federation.
BRADLEY H. ROBERTS,
Executive Vice President, American Association of Advertising Agencies.
SAMUEL THURM,
Senior Vice President, Association of National Advertisers.

Mr. FORD. Mr. President, let me associate myself with the remarks of the distinguished Senator from Wisconsin. I know how hard it is to take an FTC piece of legislation and travel down a rocky road.

Today is a significant day, I think, because, as the Senator said, it has been 5 years since we have had an opportunity to pass an FTC authorization bill. I am very pleased and I compliment the distinguished Senator for his diligence and for his hard work.

Mr. President, we had many Senators that helped and worked hard and labored to find a common ground so we could pass this legislation. I want to make one point, if I may, that in

our haste here sometimes to get a vote and get out, we do not look too deeply into a piece of legislation. I compliment the Democratic leader, the distinguished Senator from West Virginia, because he made us look at that legislation very hard and he was a protector of the Senate rules. I am very proud and pleased that he made us stop a moment and look at this legislation and to modify it so that we would not be jeopardizing our authority and giving away the authority that this Chamber seems to be eroding year after year.

Mr. President, I believe that we are fortunate to have the kind of chairmanship on the Commerce Committee that allows us to work freely and to work in unison. I believe the morale and attitude of the staff and Senators on the Commerce Committee is very high. I compliment the distinguished Senator from Missouri [Mr. DANFORTH] for his leadership as it relates to the full Commerce Committee. I look forward to that same type of cooperation and work in the future. I extend my thanks also to the ranking minority member of the Commerce Committee, Senator HOLLINGS, and to the Commerce Committee staff, Ralph Everett.

Mr. DANFORTH. Mr. President, oftentimes when a bill has been passed on the floor of the Senate, compliments are offered, and sometimes it is almost a matter of course, it seems, that we compliment each other.

But I think that this is very special occasion. We have passed an FTC authorization bill for the first time since 1980. I am told that before the 1980 authorization, it was at least 5 years since we passed the previous authorization bill. Passing an FTC authorization bill is one of the more difficult things that we undertake to do in the Senate and because it is so difficult, it is very seldom accomplished. The reason that it is difficult is that the FTC authorization bill traditionally draws to itself a host of controversial issues. Those controversial issues include not only the legislative veto, which was a matter of contention here on the floor of the Senate, but also the question of regulation of the professions by the FTC, jurisdiction over advertising and other matters. It takes a special kind of perseverance and a special kind of statesman to be able to work through those issues and to bring together diverse groups of people. The consumer groups watch this legislation. The professional associations watch this legislation with great care. It is very difficult to work out the differing positions on an FTC bill.

Senator KASTEN has worked on this for about 4 or 5 years, I think, in various manifestations of an FTC bill and his perseverance paid off. He has shown enormous skill, enormous diligence, and enormous patience in getting this bill through the Senate. And throughout this effort the Senator had the help of Senator FORD, who is the ranking member of the subcommittee, and was the chairman of the Consumer Subcommittee when I was the ranking minority member when the last bill was passed in 1980. I saw Senator FORD at work during that bill day in and day out, working through some of these extremely thorny issues to pass a bill.

So this is a testimony to his efforts as well as those of Senator KASTEN. I might say that Senator FORD has been one of the more active and constructive members of the Commerce Committee during my chairmanship. I have appreciated his cooperation.

Mr. President, we have accomplished something which I think is not unique but certainly rare. We have passed an FTC bill.

Finally, I think a word of appreciation should go to the staff people who have worked on this so hard. David Zorensky, who is the counsel of the subcommittee who is getting married tomorrow I might say; Chuck Harwood, Kevin Curtin, Amy Bondurant of the minority staff, all of whom have been up to their ears on the question of the FTC authorization bill and their efforts finally paid off.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. DOLE. Mr. President, I want to thank the managers of the bill, the distinguished Senator from Wisconsin, Senator KASTEN; the distinguished Senator from Kentucky, Senator FORD; and the chairman of the Committee, Senator DANFORTH; in addition to Senator HOLLINGS, and others.

It has been 5 years since we have had an FTC authorization bill. So I am pleased that it was done, and done in less than 1 day. I hope this encourages us to push on some similiarly stubborn items, and while we may not succeed on all, we can hopefully succeed on others.

Mr. BYRD. Mr. President, I wish to congratulate the floor managers, Senator KASTEN and Senator FORD for their fine work on this legislation. They gave many long hours of work before the FTC authorization bill, S. 1078, was ready to be brought to the floor. They and their staffs are to be complimented on the throughness of their preparation and their command of the subject matter.

The willingness of Senators KASTEN, LEVIN, and GRASSLEY to entertain suggestions as to how to improve their legislative veto amendment helped us resolve that issue.

I want to particularly thank Senator FORD for his concern for the Senate as an institution. He understands the importance which the Senate rules play in keeping the Senate the deliberative body that we all strive to preserve.

I wish to compliment Senators LEVIN and GRASSLEY for their efforts. Their arguments were detailed and persuasive, and they added a great deal to the discussion of the subject of the legislative veto.

THE CALENDAR

Mr. DOLE. Mr. President, I would like to inquire of the distinguished minority leader as to whether he is in a position to pass the following items: Calendar No. 165, Senate Resolution 148.

Mr. BYRD. Yes. Mr. President, that item has been cleared on this side of the aisle.

Mr. DOLE. Calendar No. 240, Senate Concurrent Resolution 172.

Mr. BYRD. Mr. President, that has been cleared on this side of the aisle.

Mr. DOLE. Calendar No. 245, Senate Joint Resolution 168.

Mr. BYRD. Mr. President, that has been cleared on this side of the aisle.

Mr. DOLE. Calendar No. 246, Senate Resolution 189.

Mr. BYRD. Mr. President, that item has been cleared on this side.

Mr. DOLE. Calendar No. 247, House Joint Resolution 164.

Mr. BYRD. Mr. President, that item has been cleared.

Mr. DOLE. Mr. President, I ask unanimous consent that the calendar items just identified be considered en bloc and passed en bloc, and that all amendments and preambles be considered and agreed to en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

FIFTIETH ANNIVERSARY OF THE RURAL ELECTRIFICATION ADMINISTRATION

The Senate proceeded to consider the resolution (S. Res. 148) commemorating the 50th anniversary of the Rural Electrification Administration.

Mr. ZORINSKY. Mr. President, I am pleased that we are about to approve this resolution commemorating the 50th anniversary of the rural electrification movement.

The resolution has 50 sponsors, including a majority of the members of the Senate Committee on Agriculture, Nutrition, and Forestry.

The Rural Electrification Administration programs are vitally important. Without the credit assistance provided under the REA programs, many sparsely populated areas would still be without dependable electric and telephone service.

However, the job of REA is not finished. Without viable REA programs, for many rural utilities there would be no investment for the future and utility rates would be increased to prohibi-

tively high levels. In addition, without viable REA programs, high quality affordable electric and telephone service would once again become a luxury not available to our rural citizens.

For those reasons, it is important that the Senate be placed on record as strongly supporting the REA programs. Senate Resolution 148 accomplishes that objective.

I urge the adoption of the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was agreed to.

The preamble was agreed to.

The resolution, and the preamble, are as follows:

S. RES. 148

Whereas, on May 11, 1935, the Rural Electrification Administration was established, thereby providing jobs and Federal financing to assist rural Americans in bringing electricity to their farms and homes;

Whereas, in 1935, only 11 per centum of rural America had available electric power, with efforts to bring electric power into rural areas from established utility systems being generally unsuccessful;

Whereas rural residents, unwilling to continue living under the laborious and burdensome conditions brought about by the lack of electric power, formed rural electric cooperatives that—with assistance provided through loans from the Rural Electrification Administration—constructed power lines to their farms and homes and to business located in rural communities;

Whereas, in the decades following 1935, rural electrification brought about immeasurable benefits to rural Americans in increased productivity, jobs, comfort, health, and safety, and rural electric systems gained in strength and stature and made significant contributions to the economic development of the areas they serve; and

Whereas rural electric systems now constitute a strong, reliable industry, which continues to build on a half-century of accomplishment while adapting to the changing needs of rural America: Now, therefore, be it

Resolved, That it is the sense of the Senate that the Rural Electrification Administration is to be commended for its contributions to the progress made by the Nation during the past fifty years in achieving the electrification of rural America.

SEC. 2. It is further the sense of the Senate that all individuals who helped in achieving the electrification of rural America are to be commended for their dedication, vision, and untiring support of this successful effort.

SEC. 3. The Secretary of the Senate shall transmit copies of this resolution to the Secretary of Agriculture and the Administrator of the Rural Electrification Administration.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

TENTH ANNIVERSARY OF APOLLO-SOYUZ RENDEZVOUS IN SPACE

The concurrent resolution (H. Con. Res. 172) to celebrate the 10th anniversary of the Apollo-Soyuz rendezvous in space, was considered, and agreed to.

The preamble was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the concurrent resolution was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NATIONAL NEIGHBORHOOD CRIME WATCH DAY

The joint resolution (S.J. Res. 168) designating August 13, 1985, as "National Neighborhood Crime Watch Day," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 168

Whereas neighborhood crime is of continuing concern to the American people;

Whereas the fight against neighborhood crime requires people to work together in cooperation with law enforcement officials;

Whereas neighborhood crime watch organizations are effective at promoting awareness about, and the participation of volunteers in, crime prevention activities at the local level; and

Whereas citizens across America will soon take part in a "National Night Out", a unique crime prevention event which will demonstrate the importance and effectiveness of community participation in crime prevention efforts by having people spend the period from 8 to 9 o'clock postmeridian on August 13, 1985, with their neighbors in front of their homes: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That August 13, 1985, is designated as "National Neighborhood Crime Watch Day" and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such day with appropriate programs, ceremonies, and activities.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

HEALTH CARE EXPO '85 WEEK

The resolution (S. Res. 189) to designate the week of August 18 to 24, 1985, as "Health Care Expo '85 Week," was considered, and agreed to.

The preamble was agreed to.

The resolution, and the preamble, are as follows:

S. RES. 189

Whereas Health Care Expo '85, a unique care concept designed to explore critical issues in the practice and business of medicine; and to promote mutual understanding among professionals, paraprofessionals and the general public, is holding its first exposition in the Washington Convention Center during the week of August 18 to 24; and

Whereas it is recognized that public understanding and appreciation of the opportunities and problems of current health care concepts, both public and private, is essential to a proper functioning of our health care system: Now, therefore, be it

Resolved, That to further these aims and goals the week of August 18 to 24, 1985 is designated "Health Care Expo '85 Week".

Mr. DOLE. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

FREEDOM OF THE PRESS DAY

The joint resolution (H.J. Res. 164) to designate August 4, 1985, as "Freedom of the Press Day," was considered, ordered to a third reading, read the third time, and passed.

The preamble was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, will the majority leader yield for just a moment? I would like to correct the record.

Mr. DOLE. I yield.

The PRESIDING OFFICER. The Senator from Nebraska.

THE AGRICULTURE BILL

Mr. EXON. Mr. President, I would like to ask a few questions and maybe straighten out the record. This concerns a statement I think I heard from the majority leader with regard to the effort to bring the agriculture bill to the floor is being held up by the other side of the aisle. I assume he means the Democratic side. I am not a member of the Agriculture Committee, though I have been in close contact with members of that committee. I am not sure that is an accurate statement with regard to what is holding up bringing an agricultural bill to the floor.

I suspect if there were any Democrats on the Agriculture Committee on the floor, they would take exception to that. Whether they would or not, I do. I think there are grave problems in agriculture today that are known to

Senator DOLE, to this Senator, and all other Senators who represent agricultural States. There are some things going on in the Agriculture Committee that are going to have a great deal to do with whether or not we are going to have a workable farm bill that can be fit within the budget.

One of the matters that has me puzzled right now that I would like to pursue with the majority leader for a few moments, if I might, is what I brought up on the floor the other day. That is with regard to the budget.

I was quite pleased to see in the paper this morning that under the leadership of the majority leader and the distinguished chairman of the Budget Committee that what I felt was a reasonable proposal was made to try and break the stalemate with regard to the budget. But when I looked at the detailed figures on that this morning, I found out once again that that portion of the agricultural budget, which was far, far short of meeting the needs of agriculture, that was passed by one vote on the floor of the U.S. Senate, still remains deadlocked about halfway between the large cuts made by the U.S. Senate in its budget action, a total of $15 billion below baseline, compared with $10 billion below baseline in the House of Representatives; that that proposal yesterday that the Senate made did raise that up by about $2.5 billion, or basically splitting the difference between the House and Senate budget figures.

That is something that this Senator has been struggling for ever since May when I recognized, and pointed out at the time, that the budget cuts made in agriculture in no way could fund a farm program that most of us know is vitally necessary.

There has been a change of heart. I do not know on which side. There has been a change of heart on all sides regarding the needs of agriculture and the deplorable, desperate depression that is gripping the farmbelt today.

I think it is best said that there are members on the Budget Ccmmittee, both Democrats and Republicans, who recognize that we have not been taking a realistic look at this problem.

Once again, the budget figure that he endorsed yesterday—I guess he endorsed it—in the proposal made by the Budget Committee to the House Budget Committee is way, way short, in my opinion, and I suspect in his opinion, of even the latest increase in the budget figures that the Senator from Kansas has recommended as part of the latest compromise offer on the budget in the conference with the House of Representatives. I would like some clarification of that to maybe take back to the members of the Budget Committee and also to the members of the Agriculture Committee, who I think are somewhat amazed by what seems to be a contradiction of figures that are being used today in trying to work out not only a budget compromise but a reasonable farm package that we can pass on the floor of the Senate.

Mr. DOLE. If the Senator will yield, there are at least three or four different sets of figures floating around. OMB has not updated their figures since January; they are not particularly relevant. The USDA has figures, too. In fact, we had a meeting scheduled today, a bipartisan group, to meet with OMB and the Secretary to discuss the very thing the Senator from Nebraska has very properly raised. But I think we are looking on the revised baseline at somewhere between $35 and $40 billion in CCC cost over the next 3 years, which is about double the amount we spent in the 4 Carter years.

On this base, it would be about the same as we spent per year in the first year of the Reagan administration. So there is a recognition that is not going to come cheaply. It is going to be very expensive.

The thing that we are struggling with now in the committee is how we can protect farm income, which the Senator from Nebraska has been making every effort to do and has been successful, how we can do that and still stay within the budget.

The Senator from Nebraska is on the Budget Committee and he knows these figures are very elusive. We may say $40 billion but it may end up to be $60 billion in the next 3 years. I know we are going to be back looking for additional funds in some cases, in farm credit and other areas.

Mr. EXON. There is no question, then, but that it is going to be far, far above the figure passed by the U.S. Senate in our action on the budget in May.

Mr. DOLE. I think it depends on the baseline, yes. I think the baseline has been reestimated since then.

Mr. EXON. Can we forget the baseline and talk dollars and cents?

We get on to these vague figures about baseline. What I am trying to make clear for the U.S. Senate is the fact that, under all of these proposals that are now being seriously considered by a majority—by a majority of the Agriculture Committee—we are going to be, dollars and cents-wise, billions and billions of dollars more than what the Senate approved in its May budget action. Is that correct?

Mr. DOLE. Let me indicate that until we know precisely what is in the measure reported out by the committee, I am not prepared to answer the question. We are going to debate the agriculture bill. I would like to get it up today, if not today, next week, if we can figure out something that is satisfactory to the chairman of the committee and the junior Senator from Nebraska [Mr. ZORINSKY].

We have a meeting going on right now that will have some impact on that, so, as much as I would like to debate the farm bill today, I hope I might be excused to close up the Senate.

Mr. EXON. One last question and statement, Mr. President. I understood the majority leader to say or at least indicate that delay on bringing the farm bill to the floor was primarily the responsibility of the people on this side of the aisle.

Mr. DOLE. That is correct.

Mr. EXON. Does the leader still hold to that position after our discussion, or is it not broad enough that Republicans can take at least a little bit of the responsbility?

Mr. DOLE. Mr. President, let me indicate that I tried to limit that statement to the past few days. There was a period of time when it was coming from this side, about 3 weeks ago. I indicated that to the distinguished minority leader. So, yes, it has been on both sides.

We are getting down to the crunch now, and it is rather difficult, when you are about to make a judgment at 11:29, as we were today, to have to say, "Well, time has expired and we cannot meet any longer." This is a rather important bill, and not only to farmers; we are working on the food stamp section. I hope that we can work together to get a bill out on the floor.

It is probably unlikely that it is going to pass between now and the time we leave here next week, but I think a lot of good, healthy debate on each side—not partisan debate but farm debate—would be helpful.

I will take all the blame until they report the bill out. If they do not report it out, I am not going to take any.

Mr. EXON. Mr. President, let me say I am not trying to fix blame. I am struggling very hard to try to get out a workable farm bill. I am simply saying that blaming one side or the other on this is not going to be particularly important or, in my opinion, productive. Indeed, I do not know whether it is true or not—I see my friend, the chairman of the Agriculture Committee, on the floor.

It was reported in the newspapers the other day that even when a majority of the committee, Democrats and Republicans alike, voted out a certain particular plan with regard to agricultural prices, the chairman of the Agriculture Committee indicated that if that becomes part of the bill, he might even be in a position of having, for the first time as chairman of the Agricultue Committee, to oppose the bill on the floor of the U.S. Senate. I do not know whether the Senator from North Carolina is correct or incorrect in his

position, but that certainly indicates that there are some divisions in the committee not necessarily along party lines.

I do not think this is a party responsibility; I think it is a chance for the two parties, Democrats and Republicans alike, to understand the situation and come back to the floor of the U.S. Senate with a plan that can begin to work rural America out of the economic difficulties that it is in today, and they are extremely serious.

Mr. HELMS. Mr. President.

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

Mr. HELMS. I thank the Chair.

Mr. President, I do not want to get into the discussion between the distinguished majority leader and my good friend from Nebraska [Mr. EXON] but the newspaper quoted me essentially correctly. I did say that I hoped I would not be put in the position of being the first chairman of the Senate Agriculture Committee in history to vote against a farm bill, but I will vote against it if the budget-busting tendencies continue. This bill, as it now stands, is so far out of whack that I believe that no responsible Senator can vote for it.

Somewhere along the line, if we are allowed to meet, we are going to adjust, we are going to reduce. We have marched up the hill and if necessary we will march back down. I have full confidence about that.

But, no, I do not apologize to the Senator—he has not asked me to—for saying that this Senator, regardless of his being chairman of the Senate Committee on Agriculture, is not going to vote for an outrageously, exorbitantly expensive piece of legislation, whether it be a farm bill or anything else.

The No. 1 business of this Congress, in my judgment, is to get the budgetary situation under control. I will say this to the Senator: That the best farm bill we could write in this Congress would not involve any commodity or any other program. It would be moving toward a balanced budget. That is the best thing we can do for the American farmer, because then we could get him back into the export business and we could get down the cost of production and that sort of thing.

I was quoted essentially correct. I do not think I am going to be put in a position of voting against the farm bill but, if it becomes necessary, I shall do it.

Mr. President, I thank the Senator, and I suggest the absence of a quorum.

Mr. EXON. Mr. President, the reason I rose on the floor of the Senate was that I heard the majority leader say that the deliberations of the Agriculture Committee were being held up by those on the other side of the aisle. I guess the ensuing dialog has indicated that there are some concerns on both sides of the aisle, and I think it has been adequately described by my friend and colleague from North Carolina. I simply feel we must continue those deliberations in that body, but if a bill comes out of the Senate Agriculture Committee that is in line with the budget that was passed on the floor of the Senate, I think all should know now there are those of us who stand ready to make sure that such a bill does not pass. What I am saying is that an agriculture bill that does not recognize the needs of agriculture is a bill which should not pass.

Now, we can argue about what that level should be, but I would hope we could get a bill out so that we could bring it up for debate over here and amend it, if necessary, to the place where it gives the family-sized farmers of America a chance to survive.

I will not get into discussion at this time, as I am tempted, about the plan which is being sold that we can sell our way out of farm difficulties by lowering prices. Suffice it to say that is something that sounds awful good but is not very realistic, given the present situation with the overvaluation of the dollar and the high subsidies that foreign governments are using for their producers today but I will save that debate for another day.

Mr. HELMS. Mr. President, I suppose we are now in the position of the six blind men from Hindustan who each tried to describe an elephant. The Senator is describing his point of view, I am decribing mine, and simultaneously we are inferentially at least describing our respective concerns for the farmer. Everybody is concerned for the farmer. It is not a Republican monopoly, it is not a Democratic monopoly, it is not a House monopoly, nor a Senate monopoly. Everybody is concerned about the farmer. But the point is, I say to my dear friend from Nebraska, that the farmers' right to survive, which the Senator described as being potentially denied by legislation, has not been created by the lack of legislation. The problem has been too much Government which has pulled us down from selling our farm products in the world market.

Now, I would take the Senator back to the early 1970's, which were the halcyon years for the farmers of America. That is when we had the lowest Government intervention into the farmer's productivity and we had the highest exports. We were really into the world markets. And then we somehow fashioned the notion that it was possible to improve upon the free market system, and that is when it hit the fan, I say to the Senator. The more Government prohibits by excessive cost of Government or whatever, the more Government intervenes, I say to the Senator, the worse off the farmer. If you could give me a legislative scenario where Federal spending is reduced, the interest rates are reduced, I say to the Senator that the American farmer can out-produce any farmer in the world. He can do that.

But he is not going to do it under the inhibiting pressures of a $2 trillion national debt with enormously outrageous, bloated, Federal spending and a refusal by Congress to cut that spending. We are not going to get anywhere, and I say again that the best farm bill we could write would be a fiscally responsible budget, and that is what is being held up and that is playing over into the farm bill. And, yes, there are some political machinations; there always are, no matter who is chairman, no matter which party controls Congress.

I say to the Senator that we had better get this entire Federal house in order before we talk about a farm bill that is going to be meaningful, because it is not going to be meaningful as long as the farmer cannot sell his goods in the marketplace. As long as we have a preponderant voice in Government, executive as well as legislative, saying, "Come on, farmers, produce for the Government," I say to those who have that sort of inferential idea, "You are wrong."

Let us fix it so that these farmers can produce efficiently and effectively and provide them markets where they can be competitive. Then you will see American agriculture take off again.

Mr. EXON. Mr. President, history has shown that the more Senators talk, the more other Senators talk. Therefore, I must not close this debate without giving my views on some of the things that my distinguished friend from North Carolina has said.

I agree with him completely on the need to straighten out the deficit, the need to get the fiscal order of this country back in the box, so to speak. I think he knows of my actions in this regard, including the recent effort to give the President the line-item veto, because I guess I probably have had as much experience with balanced budgets as anyone serving in the U.S. Senate.

However, the folly of all this is, what are we going to do in the meantime for the American farmer who is strapped, not because of actions he has taken but because of the actions of the Federal Government in a whole series of areas?

What I am saying, Mr. President, is that comparing the 1970's, which were some of the golden years so far as agriculture is concerned, how we are going to work our way out of the present situation is not facing reality. The sooner we recognize that, the better off we will be with regard to writing an adequate, sound farm program.

How often have we heard, "Get the Government out of agriculture and everything will be all right"?

I agree with my friend from North Carolina that our family-sized agriculture is the best and the most efficient producer in the world. But I cite, for example, something that cannot be refuted, and that is that until the 1970's, we did not begin to base our health of agriculture on the shipment of the products of agriculture overseas. That was one of the great things that happened to agriculture in the 1970's. It was brought about primarily by a failure of other nations, including the Soviet Union, to produce food to feed their masses. That all has turned around rather dramatically in the last 8 to 10 years.

In 1970, the world was crying for protein; it was crying for grain. Today the opposite is true. The whole world is awash in grain.

If we follow the foolhardy policy that some people say is the answer—that is, to reduce and allow prices to fall to the lowest common denominator—it is going to be disaster for rural America; and when rural America is in disaster, that will roll through the whole economy.

I am amazed at some of the irrational thinking that I hear with regard to agricultural policy today: Get all Government out of agriculture. Well, I wish Government could get out of agriculture. But the first thing we will have to do is to get foreign governments out of agriculture before we can get out of agriculture.

For example: China today is an exporter of corn. How many years ago was it that we were worrying about the Chinese starving to death? That is just one point that we should understand—that there is no easy way out.

If we go along with such policies as advanced by this administration, which recommended earlier this year that we allow the loan price of corn, for example, to go down to $2.12 a bushel—and they conceded and admitted that as part of their plan—we would literally bankrupt up to 50 percent of our food producers today.

People say, "Why would that be bad?" That would be bad because once the large corporations take over, as they certainly would under those circumstances, and they have the wherewithal and the investment to ride over some tough times, you will see dramatically increasing food prices in the future.

Mr. President, on top of everything else that our farmers have been saddled with is the high value of the dollar—the high value of the dollar, more than any other single factor, including interest rates, which is a tremendous distress on agriculture today. But even more important than that, so far as the world market is concerned, is the high value of the dollar coupled, as I said a few moments ago, with the high subsidization by foreign governments, particularly the Common Market and the Japanese, and our propping up the agriculture competition we have in Central America and South America today, with loans backed and financed by American taxpayers.

All these things are causing the family farmers and ranchers of Nebraska to go bust today.

There are those of us who are going to stand on the floor of the Senate and tell that story over and over and over again until our colleagues understand it, until the administration understands it, and until we can write a farm program that is bent on solving today's problems, not those in 1970 or those that are likely to be with us in the 1990's.

Mr. President, I yield the floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE HOUSE

ENROLLED BILL AND JOINT RESOLUTIONS SIGNED

At 9:36 a.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the Speaker has signed the following enrolled bills and joint resolutions:

H.R. 2378. An act to amend section 504 of title 5, United States Code, and section 2412 of title 28, United States Code, with respect to awards of expenses of certain agency and court proceedings, and for other purposes;

S.J. Res. 57. Joint resolution to designate the week of October 20, 1985, through October 26, 1985, as "Lupus Awareness Week"; and

S.J. Res. 86. Joint resolution to designate the week of July 25, 1985, through July 31, 1985, as "National Disability in Entertainment Week".

The enrolled bill and joint resolutions were subsequently signed by the President pro tempore [Mr. THURMOND].

At 11:10 a.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following joint resolutions, in which it requests the concurrence of the Senate:

H.J. Res. 76. Joint resolution to designate October 26, 1985, as 'Mule Appreciation Day"; and

H.J. Res. 305. Joint resolution to recognize both Peace Corps volunteers and the Peace Corps on the agency's twenty-fifth anniversary, 1985-86.

MEASURES REFERRED

The following joint resolutions were read the first and second times by unanimous consent, and referred as indicated:

H.J. Res. 76. Joint resolution to designate October 26, 1985, as "Mule Appreciation Day"; to the Committee on the Judiciary.

H.J. Res. 305. Joint resolution to recognize both Peace Corps volunteers and the Peace Corps on the agency's 25th anniversary, 1985-86; to the Committee on the Judiciary.

ENROLLED JOINT RESOLUTIONS PRESENTED

The Secretary of the Senate reported that on today, July 26, 1985, she had presented to the President of the United States the following enrolled joint resolutions:

S.J. Res. 57. Joint resolution to designate the week of October 20, 1985, through October 26, 1985, as "Lupus Awareness Week"; and

S.J. Res. 86. Joint resolution to designate the week of July 25, 1985, through July 31, 1985, as "National Disability in Entertainment Week".

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ANDREWS, from the Select Committee on Indian Affairs, with amendments:

S. 1398. A bill to amend title XI of the Education Amendments of 1978, relating to Indian education programs (Rept. No. 98-116).

By Mr. ANDREWS, from the Select Committee on Indian Affairs, without amendment:

S. Res. 204. An original resolution authorizing supplemental expenditures by the Select Committee on Indian Affairs (Rept. No. 99-114).

By Mr. ANDREWS, from the Select Committee on Indian Affairs, with an amendment in the nature of a substitute:

S. 1349. A bill to provide for the use and distribution of funds awarded in Docket 363 to the Mdewakanton and Mahpekute Eastern or Mississippi Sioux before the United States Court of Claims and Claims Court (Rept. No. 99-115).

By Mr. HATCH, from the Committee on Labor and Human Resources, with an amendment in the nature of a substitute:

S. 1210. A bill to amend the Public Health Service Act to authorize the Secretary of Health and Human Services to establish a registry of teaching hospitals, and for other purposes (Rept. No. 99-117).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. NUNN (for himself, Mr. HOLLINGS, Mr. CHILES, and Mr. MATTINGLY):

S. 1506. A bill to amend the act establishing the Martin Luther King, Jr., National Historic Site; to the Committee on Energy and Natural Resources.

By Mr. BOREN (for himself and Mr. BENTSEN):

S. 1507. A bill to increase the tariff on petroleum used for motor fuel; to the Committee on Finance.

By Mr. SPECTER:

S. 1508. A bill to amend title 18, United States Code, to authorize the death penalty for first degree terrorist murder and for other purposes; to the Committee on the Judiciary.

By Mr. CRANSTON (for himself and Mr. COHEN):

S. 1509. A bill to amend chapter 30 of title 38, United States Code, to provide for educational assistance under the All-Volunteer Force Educational Assistance Program for pursuit of a program of education by correspondence; to the Committee on Veterans' Affairs.

By Mr. ANDREWS:

S. 1510. A bill to eliminate restrictions on the taxing power of the States to impose, collect, and administer State and local sales and use taxes on sales in interstate commerce; to the Committee on Finance.

By Mr. MOYNIHAN:

S. 1511. A bill to require Romania to comply with the Consular Convention and Protocol of July 5, 1972 as a condition of continued preferential trade treatment; to the Committee on Finance.

By Mr. MATSUNAGA (for himself and Mr. GARN):

S.J. Res. 177. Joint resolution relating to an International Space Year in 1992; to the Committee on Foreign Relations.

By Mr. D'AMATO:

S.J. Res. 178. Joint resolution to designate the week of April 13, 1986, through April 19, 1986, as "Hemochromatosis Awareness Week"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. NUNN (for himself, Mr. HOLLINGS, Mr. CHILES, and Mr. MATTINGLY):

S. 1506. A bill to amend the act establishing the Martin Luther King, Jr., National Historic Site; to the Committee on Energy and Natural Resources.

(The remarks of Mr. NUNN and the text of the legislation appear earlier in today's RECORD.)

By Mr. BOREN (for himself and Mr. BENTSEN):

S. 1507. A bill to increase the tariff on petroleum used for motor fuel; to the Committee on Finance.

INCREASED PETROLEUM TARIFFS

● Mr. BOREN. Mr. President, today I'm introducing legislation, the Energy Independence Act of 1985, that would place a very necessary import fee on foreign crude oil and refined petroleum products. My bill would place a $5 per barrel fee on crude oil and a $10 per barrel fee on refined products. Home heating oil will be exempted from the tariff under my proposal as well as feedstocks and crude oil used in the manufacturing of goods destined for imports. My bill would raise as much as $15 billion per year for the Treasury. Never has the case for an oil import fee been stronger. Congress and the President should unite and put it in place as soon as possible.

There are a host of clear and convincing reasons to support it.

First, it could help resolve the current political deadlock over the budget. We cannot afford to let the budget process collapse. Tossing in the towel on the battle against the deficit would cast a cloud over the Nation's economic future. The money raised by the import fee would help reduce the deficit and provide more room for budget negotiators to resolve other controversial issues which now divide them.

Second, an import fee would put a safety net under the price of domestic oil and would protect the financial system against the shock of any sudden fall of oil prices. The value of oil reserves in the ground is used as security for billions of dollars in loans held by American banks. Some analysts have predicted that oil prices could plunge sharply to $20 per barrel or even lower. While this is unlikely, if it happened it would threaten the stability of the banking and financial system in oil-producing regions of the country and would send shock waves into money centers like New York and Chicago as well. We cannot afford to subject our economy to such risks.

Those who argue that an oil import fee could slow economic growth fail to take into account the disruption of the economy which could occur without it. They also fail to assess what a sudden drop in oil prices would do to employment and income in the domestic oil industry. One private study indicated that if oil fell to $20 per barrel, domestic drilling would be cut in half and hundreds of thousands of jobs would be lost.

Third, my proposal is fair tax policy and will promote energy independence. Domestic oil producers pay the windfall profits tax and State severence taxes. Foreign producers do not. Why should our tax policy continue to encourage the creation of jobs for exploration and refining in other nations instead of here at home. Already the portion of the oil which we obtain from overseas has begun to increase again. It is clearly in the interest of national security for us to lessen our dependence on these foreign sources.

The import fee must be placed on refined as well as on crude oil to prevent the other producing nations from simply switching their U.S. sales from crude oil to refined products. Our refineries are already in trouble. More than 100 U.S. refineries have folded in recent years and our refining capacity is already below 14 million barrels per day needed to meet emergency national security requirements.

Fourth, an import fee will promote energy conservation. If oil prices continue to fall toward artificially low levels, wasteful use of energy will once more be encouraged. My bill before the Senate would promote conservation while protecting consumers against unreasonable prices. The fee would begin to phase out as crude oil prices reached $25 per barrel and would end entirely at the $30 level.

Fifth, the proposal can be implemented in a manner which will maintain regional fairness and will preserve our own competitiveness in trade. The legislation I am introducing provides rebates on the fee for home heating oil in order to protect those in New England and the Northeast who depend upon this fuel. It also provides a rebate to American manufacturers who use imported crude oil in the process of making products for export. This would ensure that American businesses like the chemical industry would not be placed at a competitive disadvantage in the cost of their products for export to other markets.

In short, the import fee would help reduce deficits, protect against destructive shocks to the financial system, and promote conservation of energy independence.

Recently, one of my fellow Senators said to me, "The import fee makes so much sense that Congress probably won't pass it." I hope that he was wrong. We can't afford the luxury of continuing to discard good ideas.

Mr. President, I am pleased that Senator LLOYD BENTSEN, of Texas has joined me in sponsoring this bill, and I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1507

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. INCREASE IN TARIFFS ON PETROLEUM.

(a) Item 475.05 of the Tariff Schedules of the United States is amended—

(1) by striking out "0.125¢ per gal." and inserting in lieu thereof "5.25¢ plus the applicable offset amount per Bbl.", and

(2) by striking out "0.5¢ per gal." and inserting in lieu thereof "21¢ plus the applicable offset amount per Bbl.".

(b) Item 475.10 of such Schedules is amended—

(1) by striking out "0.25¢ per gal." and inserting in lieu thereof "10.5¢ plus the applicable offset amount per Bbl.", and

(2) by striking out "0.5¢ per gal." and inserting in lieu thereof "21¢ plus the applicable offset amount per Bbl.".

(c) Item 475.25 of such Schedules is amended—

(1) by striking out "1.25¢ per gal." and inserting in lieu thereof "52.5¢ plus the applicable offset amount per Bbl.", and

(2) by striking out "2.5¢ per gal." and inserting in lieu thereof "1.05¢ plus the applicable offset amount per Bbl.".

(d) Items 475.30, 475.35, and 475.65 of such Schedules are each amended—

(1) by striking out "0.25¢ per gal." and inserting in lieu thereof "10.5¢ plus the applicable offset amount per Bbl.", and

(2) by striking out "0.5¢ per gal." and inserting in lieu thereof "21¢ plus the applicable offset amount per Bbl.".

(e) The headnotes to part 10 of schedule 4 of such Schedules are amended by adding at the end thereof the following new headnotes:

"(5)(a) For purposes of items 475.05 and 475.10, the term applicable offset amount means, with respect to any article described in any of such items, the excess, if any, of—

"(i) the base price of such article, over

"(ii) the average world price of such article for the calendar quarter that began 6 months before the beginning of the calendar quarter in which such article is entered,

"(iii) with the applicable offset amount not to exceed $5 per Bbl.

(5)(b) For purposes of items 475.25, 475.30, 475.35, and 475.65 the term applicable offset amount means, with respect to any article described in any of such items, the excess, if any, of—

"(i) the base price of such article, over

"(ii) the average world price of such article for the calendar quarter that began 6 months before the beginning of the calendar quarter in which such article is entered,

(iii) with the applicable offset amount not to exceed $10 per Bbl.

(5)(c) For purposes of subdivisions (a) and (b), the term base amount means—

"(i) with respect to any article described in item 475.05, $30.00,

"(ii) with respect to any article described in item 475.10, $30.00,

"(iii) with respect to any article described in item 475.25, $35.00,

"(iv) with respect to any article described in item 475.30, $35.00,

"(v) with respect to any article described in item 475.35, $35.00,

"(vi) with respect to any article described in item 475.65, $35.00.

(5)(d)(i) The Secretary of Energy—

(A) shall, on the basis of the best information available to the Secretary of Energy, determine the average world price of each article described in any of the items listed in subdivisions (a) and (b) for the calendar quarter beginning April 1, 1985, and for each succeeding calendar quarter, and

(B) shall publish such prices in the Federal Register by no later than the date that is 60 days after the close of such calendar quarter.

"(ii) The Secretary of the Treasury shall publish in the Federal Register the applicable offset amount for each article described in any of the items listed in subdivision (a) for each calendar quarter by no later than the date that is 15 days before the beginning of such calendar quarter.

"(6)(a) The Secretary of the Treasury shall refund the applicable offset amount of the duty paid with respect to each barrel of any article described in item 475.05, 475.10, 475.25, 475.30, 475.35, 475.65, upon proof that—

"(i) such article was used—

"(A) as heating fuel, or

"(B) in the production of heating fuel, or

"(ii) such article—

"(A) is necessary and inherent to the manufacturing process for products destined for export.

"(b) Allowance of a refund under this headnote shall be subject to compliance with such rules and regulations as the Secretary of the Treasury may prescribe, which may include, but not be limited to—

"(i) fixing of a time limit which claims for refund under any of the provisions of this headnote shall be filed and completed, and

"(ii) the designation of the person to whom any refund shall be made."

(f) The amendments made by this section shall apply to articles entered, or withdrawn from warehouse, for consumption after the date that is 30 days after the date of enactment of this Act.

SEC. 2. USE OF REVENUES FROM INCREASED TARIFFS ON PETROLEUM.

(a)(1) All revenues received into the general fund of the Treasury of the United States that are attributable to the amendments made by section 1 shall be allocated, for accounting purposes, into a special account to be known as the Petroleum Tariff Account.

(2) The Secretary of the Treasury is authorized and directed to pay out of the Petroleum Tariff Account any refunds which are allowed under headnote 6 of part 10 of schedule 4 of the Tariff Schedules of the United States.

(b) It is the sense of the Congress that any funds in the Petroleum Tariff Account that are not needed to make the payments required under subsection (a)(2) should be used to reduce the deficit in the budget of the Federal Government.●

By Mr. SPECTER:

S. 1508. A bill to amend title 18, United States Code, to authorize the death penalty for first-degree terrorist murder, and for other purposes; to the Committee on the Judiciary.

TERRORIST DEATH PENALTY ACT

Mr. SPECTER. Mr. President, I am today introducing legislation to provide that terrorists who murder U.S. citizens during a hostage-taking would be subject to the death penalty.

This bill incorporates the carefully drafted death penalty procedures and standards which were adopted by the full Senate in February 1984, in S. 1765—no House version of the bill passed. The consensus at that time was that the procedures and standards in S. 1765—and now set forth in my bill—fully satisfied the constitutional requirements prescribed by the U.S. Supreme Court in its consideration of the death penalty.

I strongly believe that international terrorists who take an American hostage and then murder that person deserve the death penalty. Too often in the recent past, our approach to terrorism has been soft. In the wake of each new terrorist act, we engage in national handwringing and tough talk, but take little or no serious action. Terrorists are criminals, and should be dealt with as criminals. The same concepts of likely apprehension and swift, certain, and severe punishment that underlie our criminal justice system can and should have effective application to international criminals as well.

Punishment and deterrence can work in the international field, however, only if we enact the necessary legislation. Current law provides for the death penalty where a death results from the seizure of an aircraft (49 U.S.C. sec. 1472(i)). It is not clear that the murderers of Navy diver Robert Stethem in the recent TWA hijacking would be subject to that provision, however, because the killing occurred after the hijackers had gained control over TWA flight 847, not as a direct result of the hijacking. The statute under which the TWA hijackers clearly can be prosecuted in 18 U.S.C. 1203, which prohibits hostage taking. The hostage taking statute, however, does not provide for the death penalty.

The legislation I introduce today would close this statutory gap by amending the existing hostage-taking statute to permit application of the death penalty upon a conviction for first degree murder. While it of course cannot have retroactive application to the murderers of Robert Stethem, it would serve as a deterrent to—or a well-deserved punishment for—any similar atrocities in the future.

I recently met with the Byron family of Harrisburg, PA, who were passengers on TWA flight 847. I discussed with Leo and Carolyn Byron and their 13-year-old daughter, Pamela, their horrible experiences. They described the brutal beating of Robert Stethem and the abuse they themselves suffered at the hands of the terrorist hijackers.

If we learn nothing else from our painful experiences in Lebanon, we should learn that the one thing terrorists respond to is power. We know we must act swiftly and strongly in response to threats to U.S. nationals. Inclusion of the death penalty in the existing statutes relating to murder of U.S. nationals by terrorists is, in my view, essential if we are to make a strong, effective, and complete response to such acts of violence.

Earlier in this Congress, I introduced S. 1373 and S. 1429, modified versions of S. 3018, which I first introduced in the 98th Congress. S. 1373 and S. 1429 would expand U.S. law by making it a crime for anyone in any country to assault or kill any U.S. national as part of an act of international terrorism. It is my hope that those bills will generate serious discussion about how best to combat international terrorism. I would favor amendment of those earlier bills so that they also would provide for the death penalty in the event of egregious terrorist murders of U.S. citizens. I did not provide for the death penalty in S. 1373 or S. 1429 in order to expedite the passage of these bills. When these bills are considered on the floor, I intend to add the death penalty provision, but if the death penalty provision cannot be passed or if it is file bracketed then we should at least enact the subcommittee provisions of S. 1373 and S. 1429.

I emphasize, however, that the bill I introduce today in no way changes the elements of a violation of the existing statute relating to hostage taking.

Rather, it simply makes the death penalty available for violations of that statute, just as Congress already has provided for the availability of the death penalty in the hijacking statute (42 U.S.C. sec. 1472(i)).

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1508

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Terrorist Death Penalty Act of 1985."

SEC. 2. (a) Part I of title 18, United States Code, is amended by inserting after chapter 113 the following:

CHAPTER 113A—DEATH PENALTY FOR TERRORIST MURDER

"Sec.
"2321A. Death Penalty for Terrorist Murder.

"Section 2321A. Death Penalty for terrorist murder.

"(a) SENTENCE OF DEATH.—A defendant who has been found guilty of first degree murder under section 1203(a), shall be sentenced to death if, after consideration of the factors set forth in paragraph (1) of this subsection in the course of a hearing held pursuant to this subsection, it is determined that imposition of a sentence of death is justified.

"(1) FACTORS TO BE CONSIDERED IN DETERMINING WHETHER A SENTENCE OF DEATH IS JUSTIFIED

"(A) MITIGATING FACTORS.—In determining whether a sentence of death is justified for any offense, the jury, or if there is no jury, the court, shall consider each of the following mitigating factors and determine which, if any, exist:

"(i) the defendant was less than eighteen years of age at the time of the offense;

"(ii) the defendant's mental capacity was significantly impaired, although the impairment was not such as to constitute a defense to prosecution;

"(iii) the defendant was under unusual and substantial duress, although not such duress as would constitute a defense to prosecution; and

"(iv) the defendant was an accomplice whose participation in the offense was relatively minor.

The jury, or if there is no jury, the court, may consider whether any other mitigating factor exists.

"(B) AGGRAVATING FACTORS.—In determining whether a sentence of death is justified, the jury, or if there is no jury, the court, shall consider each of the following aggravating factors and determine which, if any, exist:

"(i) the defendant has previously been convicted of another offense for which either a sentence of life imprisonment or death was authorized by statute; or

"(ii) in the commission of the offense the defendant knowingly created a grave risk of death to another person.

The jury, or if there is no jury, the court, may consider whether any other aggravating factor exists.

"(2) SPECIAL HEARING TO DETERMINE WHETHER A SENTENCE OF DEATH IS JUSTIFIED

"(A) NOTICE BY THE GOVERNMENT.—If the attorney for the Government believes that the circumstances of the offense are such that a sentence of death is justified under this section, he shall, a reasonable time before the trial, or before acceptance by the court of a plea of guilty, or at such time thereafter as the court may permit upon a showing of good cause, sign and file with the court, and serve on the defendant, a notice—

"(i) stating that the government believes that the circumstances of the offense are such that, if the defendant is convicted, a sentence of death is justified under this chapter; and

"(ii) setting forth the aggravating factor or factors that the government, if the defendant is convicted, proposes to prove as justifying a sentence of death.

The court may permit the attorney for the government to amend the notice upon a showing of good cause.

"(B) HEARING BEFORE A COURT OR JURY.—If the attorney for the government has filed a notice as required under subsection (a) and the defendant is found guilty, the judge who presided at the trial or before whom the guilty plea was entered, or another judge if that judge is unavailable, shall conduct a separate sentencing hearing to determine the punishment to be imposed. Prior to such a hearing, no presentence report shall be prepared by the United States Probation Service, notwithstanding the provisions of Rule 32(e) of the Federal Rules of Criminal Procedure. The hearing shall be conducted—

"(i) before the jury that determined the defendant's guilt;

"(ii) before a jury impaneled for the purpose of the hearing if—

the defendant was convicted upon a plea of guilty;

the defendant was convicted after a trial before the court sitting without a jury;

the jury that determined the defendant's guilt was discharged for good cause; or

after initial imposition of a sentence under this section, reconsideration of the sentence under this section is necessary; or

"(iii) before the court alone, upon the motion of the defendant and with the approval of the attorney for the government.

A jury impaneled pursuant to paragraph (ii) shall consist of twelve members, unless, at any time before the conclusion of the hearing, the parties stipulate, with the approval of the court, that it shall consist of a lesser number.

"(C) PROOF OF MITIGATING AND AGGRAVATING FACTORS. At the hearing, information may be presented as to any matter relevant to the sentence, including any mitigating or aggravating factor permitted or required to be considered. Information presented may include the trial transcript and exhibits if the hearing is held before a jury or judge not present during the trial. Any other information relevant to a mitigating or aggravating factor may be presented by either the attorney for the government or the defendant, regardless of its admissibility under the rules governing admission of evidence at criminal trials, except that information may be excluded if its probative value is substantially outweighed by the danger of creating unfair prejudice, confusing the issues, or misleading the jury. The attorney for the government and the defendant shall be permitted to rebut any information received at the hearing, and shall be given fair opportunity to present argument as to the adequacy of the information to establish the existence of any aggravating or mitigating factor, and as to the appropriateness in the case of imposing a sentence of death. The attorney for the government shall open the argument. The defendant shall be permitted to reply. The attorney for the government shall then be permitted to reply in rebuttal. The burden of establishing the existence of any aggravating factor is on the government, and is not satisfied unless the existence of such a factor is established beyond a reasonable doubt. The burden of establishing the existence of any mitigating factor is on the defendant, and is not satisfied unless the existence of such a factor is established by a preponderance of the information.

"(D) RETURN OF SPECIAL FINDINGS. The jury, or if there is no jury, the court, shall consider all the information received during the hearing. It shall return a special finding as to each mitigating and aggravating factor, concerning which information is presented at the hearing. The jury must find the existence of a mitigating or aggravating factor by a unanimous vote, although it is unnecessary that there be a unanimous vote on any specific mitigating or aggravating factor is a majority of the jury finds the existence of such a specific factor.

"(E) RETURN OF A FINDING CONCERNING A SENTENCE OF DEATH.—If an aggravating factor is found to exist; the jury, or if there is no jury, the court, shall then consider whether all the aggravating factors found to exist sufficiently outweigh all the mitigating factors found to exist to justify a sentence of death, or, in the absence of a mitigating factor, whether the aggravating factors alone are sufficient to justify a sentence of death. Based upon this consideration, the jury by unanimous vote, or if there is no jury, the court, shall return a finding as to whether a sentence of death is justified.

"(F) SPECIAL PRECAUTION TO ASSURE AGAINST DISCRIMINATION.—In a hearing held before a jury, the court, prior to the return of a finding under subsection (E), shall instruct the jury that, in considering whether a sentence of death is justified, it shall not consider the race, color, national origin, creed, or sex of the defendant. The jury upon return of a finding under subsection (E) shall also return to the court a certificate, signed by each juror, that consideration of the race, color, national origin, creed, or sex of the defendant was not involved in reaching the juror's individual decision.

"(3) IMPOSITION OF A SENTENCE OF DEATH

"Upon a finding that a sentence of death is justified, the court shall sentence the defendant to death. Upon a finding that a sentence of death is not justified, the court shall impose any sentence other than death that is authorized by law, if the maximum term of imprisonment for the offense is life imprisonment the court may impose a sentence of life imprisonment without parole.

"(4) REVIEW OF A SENTENCE OF DEATH

"(A) APPEAL.—In a case in which a sentence of death is imposed, the sentence shall be subject to review by the court of appeals upon appeal by the defendant. Notice of appeal must be filed within the time specified for the filing of a notice of appeal. An appeal under this section may be consolidated with an appeal of the judgment of conviction and shall have priority over all other cases.

"(B) REVIEW.—The court of appeals shall review the entire record in the case, including—

"(i) The evidence submitted during the trial;

"(ii) the information submitted during the sentencing hearing.

"(iii) the procedures employed in the sentencing hearing; and

"(iv) the special findings returned.

"(C) DECISION AND DISPOSITION.—

"(i) If the court of appeals determines that the sentence of death was not imposed under the influence of passion, prejudice, or any other arbitrary factor; and the information supports the special finding of the existence of an aggravating factor required to be considered, it shall affirm the sentence.

"(ii) In any other case, the court of appeals shall remand the case for reconsideration.

"(iii) The court of appeals shall state in writing the reasons for its disposition of an appeal of a sentence of death under this section.

"(5) IMPLEMENTATION OF A SENTENCE OF DEATH

"A person who has been sentenced to death pursuant to the provisions of this chapter shall be committed to the custody of the Attorney General until exhaustion of the procedures for appeal of the judgment of conviction and for review of the sentence. When the sentence is to be implemented, the Attorney General shall release the person sentenced to death to the custody of a United States marshal, who shall supervise implementation of the sentence in the manner prescribed by the law of the State in which the sentence is imposed. If the law of such State does not provide for implementation of a sentence of death, the court shall designate another State, the law of which does so provide, and the sentence shall be implemented in the latter State in the manner prescribed by such law. A sentence of death shall not be carried out upon a woman while she is pregnant.

"(6) USE OF STATE FACILITIES

"A United States marshal charged with supervising the implementation of a sentence of death may use appropriate State or local facilities for the purpose, may use the services of an appropriate State or local official or of a person such an official employs for the purpose, and shall pay the costs thereof in an amount approved by the Attorney General.

(b) The table of chapters for part I of title 18, United States Code, is amended by inserting after the item for Chapter 113, the following:

CHAPTER 113A—DEATH PENALTY FOR TERRORIST MURDER

"113A—Death Penalty for Terrorist Murder.....2321A"

(c) Section 1203(a) of title 18, United States Code, is amended as follows: at the end of the paragraph strike "." and add ", except that, if death results, any such person who is found guilty of first degree murder shall be sentenced as provided in section 2321A of this title."

By Mr. CRANSTON (for himself and Mr. COHEN):

S. 1509. A bill to amend chapter 30 of title 38, United States Code, to provide for educational assistance under the All-Volunteer Force Educational Assistance Program for pursuit of a program of education by correspondence; to the Committee on Veterans' Affairs.

NEW "GI BILL" BENEFITS FOR HOME STUDY COURSE

Mr. CRANSTON. Mr. President, I am today introducing, together with Senator COHEN, S. 1509, a bill which would amend chapter 30 of title 38, United States Code, to permit benefits under the All-Volunteer Force Educational Assistance Program to be used for pursuit of a program of education by correspondence. The bill would also expand the scope of the responsibilities of the VA's Advisory Committee on Education to include advising the Administrator of Veterans' Affairs with respect to the conduct of the All-Volunteer Force Educational Assistance Program.

As members may recall, the new chapter 30 program, popularly known as the new GI bill, was enacted just last year by virtue of amendments made by title VII of the Department of Defense Authorization Act, 1985—Public Law 98-525. The new program is designed to assist the Armed Forces in recruiting and retaining high quality men and women and became effective with respect to individuals entering the Armed Forces on or after July 1, 1985.

The measure we are introducing today would permit individuals who earn educational assistance benefits under the new GI bill to use those benefits for programs of education pursued through home study—formerly referred to as correspondence courses. Benefits under both the current chapter 34, Vietnam-era GI bill, and the current chapter 32, VEAP, programs may be used for pursuit of home study by veterans. Under chapters 32 and 34, educational assistance is for home study paid at the rate of 55 percent of the cost of the program and the individual's entitlement to benefits is charged at a rate corresponding to the benefits that are paid.

Mr. President, I have long felt that individuals training under veterans' educational assistance programs should have the widest possible array of choices available to them. Although I recognize that there may have been some abuses in the seventies of the home-study authority in the past under the chapter 34 program, it is a fact that this type of training may be the only available program for some individuals—such as those who live in geographically remote areas, those whose work or family responsibilities preclude regular classroom attendance, or those who are on active duty. I firmly believe that the opportunity to pursue a program of education through home-study programs should be made available for these and other individuals.

Many institutions offering home-study courses have devoted tremendous amounts of time and effort into developing quality programs of education and training. The courses offered through this mode of study cover a vast range of subjects—from the study of telephone installation and repair to language courses to computer programming. The opportunities for learning for new careers that are available to individuals through home-study programs are virtually limitless.

Last year, Mr. President, when the Senate considered legislation to establish a new GI bill, there were a number of proposals pending before the Senate, including the measure, S. 1747, that Senators ARMSTRONG, COHEN, HOLLINGS, and MATSUNAGA, and I coauthored. That measure, which was presented to the Senate as an amendment to the Department of Defense Authorization Act, 1985, but which was defeated on procedural grounds by a vote of 47 to 45, would have permitted benefits earned under a new GI bill to be used for pursuit of a program of education through home study.

Finally, Mr. President, the other provision in the measure we are introducing today would add to the responsibilities of the advisory committee on education, established under section 1972 of title 38, the responsibility for advising the administrator on issues related to the administration of the new chapter 30 GI bill program. The advisory committee serves, as the administrator's advisor on other programs of educational assistance administered by the VA, and I believe it is only appropriate that this new program be included within the committee's responsibilities.

Mr. President, I urge my colleagues to join with me in this initiative.

Mr. President, I ask unanimous consent that the text of S. 1509 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 1434(a) of title 38, United States Code, is amended by striking out "1780(a)(5), 1780(b), 1786, 1787, and 1792" and inserting in lieu thereof "and 1787"; and

(b) Section 1792 of such title is amended—

(1) in subsection (a), by inserting "30" after "chapter"; and

(2) in subsection (b), by inserting "30" after "chapters".

By Mr. ANDREWS:

S. 1510. A bill to eliminate restrictions on the taxing power of the States to impose, collect, and administer State and local sales and use taxes on sales in interstate commerce; to the Committee on Finance.

TAXING POWER OF THE STATES WITH RESPECT TO SALES IN INTERSTATE COMMERCE

Mr. ANDREWS. Mr. President, today I am introducing legislation which would eliminate restrictions on the power of the states to collect taxes on interstate mail order sales. My purpose in introducing this legislation is twofold. First, we must provide a more uniform system of taxation to pro-

mote competitive equality for all business enterprises. Second, it is the responsibility of the Congress to provide State governments with a method of collecting all revenues to which they are entitled, especially at a time when the economic base of our States and municipalities is shrinking. My legislation addresses both of these concerns by establishing a tax link between mail order companies and the States where mail order sales are solicited.

In 1967, the Supreme Court's Bellas Hess decision found that one State could not tax a mail order sale by a company located in another State. Quite simply, the Court ruled that without congressional guidance, out-of-State taxation of mail order sales violated the free conduct of interstate commerce. It was left to Congress to decide whether out-of-State mail order vendors receive sufficient benefits from the destination State to justify a tax link. Congress is clearly within its authority to decide that exploitation of the marketplace establishes this tax relationship.

The Congress has not yet acted to provide the States with the authority to tax mail order sales. But the phenomenal growth of such sales in recent years accentuates the unfairness of their unique "tax-free" status. The mail order market has grown from millions of dollars of sales in the early 1960's to $60 billion in 1984.

There is no doubt that the increase in mail order sales has diverted sales from our Nation's small business retailers, who contribute service, convenience, property taxes, and charitable contributions to their communities. For the long-term survival of America's retail trade sector, we must put mail order sales on the same State and local tax basis as any other business. We must keep small business and our local communities healthy by extending the taxing prerogative of the States to mail order sales.

By Mr. D'AMATO:

S.J. Res. 178. Joint resolution to designate the week of April 13, 1986, through April 19, 1986, as "Hemochromatosis Awareness Week"; to the Committee on the Judiciary.

HEMOCHROMATOSIS AWARENESS WEEK

● Mr. D'AMATO. Mr. President, I rise today to introduce legislation to acknowledge one of the most common, but unknown, genetic diseases of our time—hemochromatosis.

Hereditary hemochromatosis is a disorder caused by an abnormal H gene. An individual who receives two abnormal H genes, one from each parent, accumulates too much iron in the system. This overaccumulation affects the liver, heart, pancreas, and joints. Without proper diagnosis, hemochromatosis can lead to an early death.

Although it was once thought that hemochromatosis affected only a small portion of the population, it is now estimated that between 600,000 and 1,500,000 individuals are inflicted with the disease. Furthermore, it is believed that well over 20 million individuals are genetic carriers of the disease.

A disease that affects so many individuals must be recognized and understood. A Hemochromatosis Awareness Week will help to acknowledge and educate individuals about this widespread disease.

Organizations like the Hemochromatosis Research Foundation and Iron-overload Disease Association have attempted to bring hemochromatosis into the public eye. With our support, these and related organizations will be able to further the awareness of, and research into, this disease.

Most widespread diseases are well known and fairly well understood by the public. However, like any area, some diseases fall through the cracks. The general public of this country is not informed about hemachromatosis. I think I am probably right in saying that most individuals have not even heard of the disease, let alone are able to identify symptoms or causes. A disease that afflicts as many individuals as does hemochromatosis needs to be understood and addressed by the public at large. With the help of the Congress, I would like to give hemochromatosis the attention it deserves.

Mr. President, I ask unanimous consent that the text of this legislation be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 178

Whereas hereditary hemochromatosis is an inherited blood disorder which results in excessive iron absorption;

Whereas hereditary hemochromatosis was, until the mid-1970's, considered rare and estimated to affect only 20,000 Americans;

Whereas it is now estimated, with the application of newer genetic knowledge, to affect 600,000 to 1,500,000 Americans, and to be one of the most common genetic disorders;

Whereas the early symptoms of hereditary hemochromatosis are nonspecific and delay diagnosis, and the complications of its advanced stages, incuding liver cirrhosis, diabetes, heart problems, and arthritis, often lead to misdiagnosis;

Whereas it is possible to diagnose hereditary hemochromatosis before symptoms occur through routine blood screening;

Whereas early diagnosis and treatment can prevent or reverse most of the medical complications associated with the disorder, and can prevent hemochromatosis-related deaths;

Whereas the Hemochromatosis Research Foundation, Inc., its constituent chapters, and other voluntary health organizations have been established throughout the United States to serve and support victims of hemochromatosis and their families, encourage funding for research, and increase public awareness; and

Whereas the public and the Federal Government are not sufficiently aware of the incidence of hereditary hemochromatosis: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of April 13, 1986, through April 19, 1986, is designated as "Hemochromatosis Awareness Week" and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe this week with appropriate ceremonies, and activities.

ADDITIONAL COSPONSORS

S. 274

At the request of Mr. DENTON, the names of the Senator from Oklahoma [Mr. BOREN] and the Senator from New Hampshire [Mr. HUMPHREY] were added as cosponsors of S. 274, a bill to provide for the national security by allowing access to certain Federal criminal history records.

S. 528

At the request of Mr. RUDMAN, the names of the Senator from Alaska [Mr. MURKOWSKI], the Senator from Minnesota [Mr. DURENBERGER], the Senator from South Dakota [Mr. PRESSLER], the Senator from North Dakota [Mr. ANDREWS], the Senator from Iowa [Mr. GRASSLEY], the Senator from Montana [Mr. BAUCUS], the Senator from Massachusetts [Mr. KERRY], the Senator from Montana [Mr. MELCHER], the Senator from Iowa [Mr. HARKIN], the Senator from Vermont [Mr. LEAHY], the Senator from Arkansas [Mr. PRYOR], the Senator from Connecticut [Mr. DODD], the Senator from Ohio [Mr. METZENBAUM], the Senator from Arkansas [Mr. BUMPERS], the Senator from Delaware [Mr. BIDEN], the Senator from Tennessee [Mr. GORE], the Senator from Colorado [Mr. HART], the Senator from Ohio [Mr. GLENN], the Senator from South Carolina [Mr. HOLLINGS], and the Senator from Alabama [Mr. HEFLIN] were added as cosponsors of S. 528, a bill to establish a Bipartisan Commission on Congressional Campaign Financing, to improve the manner in which congressional campaigns are financed.

S. 724

At the request of Mrs. HAWKINS, the name of the Senator from Arizona [Mr. DECONCINI] was added as a cosponsor of S. 724, a bill to provide that certain of the Social Security Trust Funds be excluded from the Federal budget process for fiscal years beginning on or after October 1, 1986, and to clarify that specifications and directions with respect to such Trust Funds may not be included in any concurrent resolution on the budget adopted with respect to fiscal years beginning after such date.

S. 876

At the request of Mr. MURKOWSKI, the names of the Senator from Delaware [Mr. ROTH], the Senator from New Mexico [Mr. BINGAMAN], and the Senator from South Carolina [Mr. THURMOND] were added as cosponsors of S. 876, a bill to amend title 38, United States Code, to establish, extend, and improve certain Veterans' Administration health care programs.

S. 1048

At the request of Mr. DENTON, the name of the Senator from Arizona [Mr. DECONCINI] was added as a cosponsor of S. 1048, a bill to amend title 18 of the United States Code and the Adoption Reform Act.

S. 1140

At the request of Mr. METZENBAUM, the name of the Senator from Minnesota [Mr. BOSCHWITZ] was added as a cosponsor of S. 1140, a bill to amend the antitrust laws in order to preserve and promote wholesale and retail competition in the retail gasoline market and to protect the motoring safety of the American public.

S. 1325

At the request of Mr. GLENN, the name of the Senator from Wisconsin [Mr. PROXMIRE] was added as a cosponsor of S. 1325, a bill to amend titles XVIII and XIX of the Social Security Act to require second opinions with respect to certain surgical procedures as a condition of payment under the Medicare and Medicaid programs.

S. 1380

At the request of Mr. GLENN, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of S. 1380, a bill to reform certain regulatory procedures governing the export of banned and severely restricted substances.

S. 1440

At the request of Mr. STEVENS, the name of the Senator from Maine [Mr. MITCHELL] was added as a cosponsor of S. 1440, a bill to restrict smoking to designated areas in all U.S. Government buildings.

S. 1486

At the request of Mr. DOLE, the name of the Senator from Florida [Mrs. HAWKINS] was added as a cosponsor of S. 1486, a bill to amend the Equal Credit Opportunity Act.

SENATE JOINT RESOLUTION 68

At the request of Mr. DODD, the names of the Senator from Massachusetts [Mr. KENNEDY] and the Senator from Virginia [Mr. WARNER] were added as cosponsors of Senate Joint Resolution 68, a joint resolution to designate November 21, 1985, as "William Beaumont Day."

SENATE JOINT RESOLUTION 156

At the request of Mr. MURKOWSKI, the name of the Senator from Virginia [Mr. WARNER] was added as a cosponsor of Senate Joint Resolution 156, a joint resolution authorizing a memorial to be erected in the District of Columbia or its environs.

SENATE JOINT RESOLUTION 158

At the request of Mr. MURKOWSKI, the name of the Senator from Arkansas [Mr. BUMPERS] was added as a cosponsor of Senate Joint Resolution 158, a joint resolution designating October 1985 as "National Community College Month."

SENATE JOINT RESOLUTION 166

At the request of Mr. MOYNIHAN, the names of the Senator from Tennessee [Mr. SASSER] and the Senator from Alabama [Mr. HEFLIN] were added as cosponsors of Senate Joint Resolution 166, a joint resolution to appeal for the release of Dr. Yury Orlov and other Helsinki Final Act monitors.

SENATE JOINT RESOLUTION 168

At the request of Mr. TRIBLE, the name of the Senator from Utah [Mr. GARN] was added as a cosponsor of Senate Joint Resolution 168, a joint resolution designating August 13, 1985, as "National Neighborhood Crime Watch Day".

SENATE JOINT RESOLUTION 173

At the request of Mr. EAST. the name of the Senator from South Carolina [Mr. HOLLINGS] was added as a cosponsor of Senate Joint Resolution 173, a joint resolution to designate the Month of September 1985 as "National Sewing Month".

SENATE CONCURRENT RESOLUTION 56

At the request of Mr. RUDMAN, the name of the Senator from Washington, [Mr. GORTON] was added as a cosponsor of Senate Concurrent Resolution 56, a concurrent resolution expressing the sense of the Congress that the antitrust enforcement guidelines entitled "Vertical Restraints Guidelines", published by the Department of Justice on January 23, 1985, do not have the force of law, do not accurately state current antitrust law, and should not be considered by the courts of the United States as binding or persuasive.

AMENDMENT NO. 542

At the request of Mr. KASTEN, the name of the Senator from Oklahoma [Mr. NICKLES] was added as a cosponsor of Amendment No. 542 proposed to S. 1078, a bill to amend the Federal Trade Commission Act to provide authorizations of appropriations, and for other purposes.

AMENDMENT NO. 545

At the request of Mr. GORTON, the name of the Senator from Massachusetts [Mr. KENNEDY] was added as a cosponsor of Amendment No. 545 intended to be proposed to S. 1300, a bill to provide for antitrust law violators to be subject to individual responsibility for treble the amount of damages attributable to their violations, and to assure fairness in the allocation and award of antitrust damages.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. ANDREWS:

S. Res. 204. An original resolution authorizing supplemental expenditures by the Select Committee on Indian Affairs; from the Select Committee on Indian Affairs; to the Committee on Rules and Administration.

SENATE RESOLUTION 204—ORIGINAL RESOLUTION AUTHORIZING SUPPLEMENTAL EXPENDITURES BY THE SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. ANDREWS, from the Select Committee on Indian Affairs, reported the following original resolution; which was referred to the Committee on Rules and Administration.

S. RES. 204

Resolved, That section 21 of Senate Resolution 85, 99th Congress, agreed to February 28, 1985, as amended, is amended by striking out "$764,032" and inserting in lieu thereof "$834,032".

AMENDMENTS SUBMITTED

FEDERAL TRADE COMMISSION AUTHORIZATION ACT

GRASSLEY (AND OTHERS) AMENDMENT NO. 547

Mr. GRASSLEY (for himself, Mr. LEVIN, Mr. DOLE, Mr. THURMOND, Mr. SIMPSON, Mr. LAXALT, Mr. BOREN, Mr. HATCH, Mr. DECONCINI, Mr. DENTON, Mr. NICKLES, Mr. ZORINSKY, Mr. ANDREWS, Mr. SPECTER, and Mr. BOSCHWITZ) proposed an amendment to the bill (S. 1078) to amend the Federal Trade Commission Act to provide authorization of appropriations, and for other purposes; as follows:

On page 16, between lines 2 and 3, insert the following new section:

ENFORCEMENT OF CONGRESSIONAL REVIEW OF RULES

SEC. 17. (a) This section is adopted as an exercise of the power of each House of Congress to determine the rules of its proceedings. The Congress specifically finds that the provisions of this subsection are essential to the Congress in exercising its constitutional responsibility to monitor and to review exercises by the Executive of delegated powers of a legislative character.

(b)(1) After the Senate and the House of Representatives adopt a joint resolution with respect to a rule pursuant to Section 16 of this Act, it shall be in order in the Senate or the House of Representatives, notwithstanding any provision of the Standing Rules of the Senate (except Rule XXII) or the Rules of the House of Representatives, to consider an amendment described in subparagraph (2) to a bill or resolution making appropriations for the Federal Trade Com-

mission or the Consumer Product Safety Commission.

(2) An amendment referred to in subparagraph (1) is an amendment which only contains provisions to prohibit the use of funds appropriated in the bill or resolution described in such subparagraph for the issuing, promulgating, enforcing, or otherwise carrying out the rule with respect to which a joint resolution has been adopted pursuant to this section.

(c) Debate on an amendment described in paragraph (b)(2) shall be limited to not more than four hours, which shall be divided in the House of Representatives equally between those favoring and those opposing the amendment and which shall be divided in the Senate equally between, and controlled, by the majority leader and the minority leader or their designees. An amendment to, or motion to recommit, the amendment is not in order. Any other motions shall be decided without debate, except that no motion to proceed to the consideration of any other matter shall be in order.

ADDITIONAL STATEMENTS

THE DANGER OF SMOKING TO HEALTH

● Mr. STEVENS. Mr. President, the office of the U.S. Surgeon General has played a leading role in the dissemination of information about the health risks associated with smoking. For years, every package of cigarettes manufactured in this country has carried a warning issued by the Surgeon General—over the years, this warning has evolved into a simple statement of fact: The Surgeon General has determined that cigarette smoking is hazardous to your health.

Over the last several years, the Surgeon General's annual reports have focused on tobacco related diseases such as cancer, coronary heart disease, and chronic obstructive lung diseases. As stated by Dr. C. Everett Koop, the current Surgeon General, in his preface to the 1984 report:

> Cigarette smoking is the chief, single, avoidable cause of death in our society and the most important public health issue of our time.

In 1972 the Surgeon General's annual report on the health consequences of smoking included a chapter on the issue of passive smoking—the involuntary exposure of nonsmokers to tobacco smoke. The issue has been one of great concern to the Surgeon General's office since that time. Although the research on this phenomenon is not yet complete, the emerging evidence points to the existence of significant health risks associated with exposure to secondhand tobacco smoke. Unfortunately, the health warning carried on cigarette packages is not applicable to the passive smoke problem—it is the nonsmoker, not the smoker, who is at risk here. So despite the information about the effects of exposure to tobacco smoke included in the Surgeon General's reports, several summaries of which I ask unanimous consent be reprinted here, there is no obvious vehicle—like a pack of cigarettes—for informing the public of the potential health risks of passive smoke. Therefore, it is even more important that we take action to reduce the nonsmoking public's exposure to this hazardous substance. I hope that enactment of my bill, S. 1440, the Nonsmokers Rights Act of 1985, will prove the first of many efforts to address this problem.

SMOKING AND HEALTH—A REPORT OF THE SURGEON GENERAL—1979

SUMMARY

1. Tobacco smoke can be a significant source of atmospheric pollution in enclosed areas. Occasionally, under conditions of heavy smoking and poor ventilation, the maximum limit for an 8-hour work exposure to carbon monoxide (50 ppm) may be exceeded. The upper limit for CO in ambient air (9 ppm) may be exceeded even in cases where ventilation is adequate. For an individual located close to a cigarette that is being smoked by someone else, the pollution exposure may be greater than would be expected from atmospheric measurements.

2. Carbon monoxide, at levels occasionally found in cigarette smoke-filled environments, has been shown to produce slight deterioration in some tests of psychomotor performance, especially attentiveness and cognitive function. It is unclear whether these levels impair complex psychomotor activities such as driving a car. The effects produced by CO may become important when added to factors such as fatigue and alcohol which are known to have an effect on the ability to operate a motor vehicle.

3. Unrestricted smoking on buses and planes is reported to be annoying to the majority of nonsmoking passengers, even under conditions of adequate ventilation.

4. Children of parents who smoke are more likely to have bronchiitis and pneumonia during the first year of life, and this may be due to their being exposed to cigarette smoke in the atmosphere.

5. Levels of carbon monoxide which can be reached in cigarette smoke-filled environments have been shown to decrease the exercise duration required to induce angina pectoris in patients with coronary artery disease. These levels of CO also have been shown to reduce the exercise time until onset of dyspnea in patients with hypoxic chronic lung disease.

THE HEALTH CONSEQUENCES OF SMOKING: CHRONIC OBSTRUCTIVE LUNG DISEASE—A REPORT OF THE SURGEON GENERAL—1984

SUMMARY AND CONCLUSIONS

1. Cigarette smoke can make a significant, measurable contribution to the level of indoor air pollution at levels of smoking and ventilation that are common in the indoor environment.

2. Nonsmokers who report exposure to environmental tobacco smoke have higher levels of urinary cotinine, a metabolite of nicotine, than those who do not report such exposure.

3. Cigarette smoke in the air can produce an increase in both subjective and objective measures of eye irritation. Further, some studies suggest that high levels of involuntary smoke exposure might produce small changes in pulmonary function in normal subjects.

4. The children of smoking parents have an increased prevalence of reported respiratory symptoms, and have an increased frequency of bronchitis and pneumonia early in life.

5. The children of smoking parents appear to have measurable but small differences in tests of pulmonary function when compared with children of nonsmoking parents. The significance of this finding to the future development of lung disease is unknown.

6. Two studies have reported differences in measures of lung function in older populations between subjects chronically exposed to involuntary smoking and those who were not. This difference was not found in a younger and possibly less exposed population.

7. The limited existing data yield conflicting results concerning the relationship between passive smoke exposure and pulmonary function changes in patients with asthma.●

NATIONAL POW/MIA DAY

● Mr. DODD. Mr. President, last Friday, July 19, was "National POW/MIA Recognition Day." On that day each year, we honor the more than 90,000 Americans now living who survived the prisoner of war camps of World War II, Korea, and Vietnam.

We owe these men, as we owe all veterans, a debt of gratitude we cannot repay. Those of us who enjoy the freedom and prosperity of the United States must never forget the sacrifices that make our happiness possible.

There is something special about this day of remembrance and recognition. There remain some 2,464 unresolved cases of Americans in Southeast Asia. Of that total, some 1,186 are known to have been killed, but their remains have not been returned. Another 1,278 Americans simply disappeared in Southeast Asia. We do not know what happened to them.

This issue has attracted considerable attention in recent years. It has been the subject of movies and books. Virtually every month some new speculation arises about living Americans being held against their will in Southeast Asia, and the moral imperative to rescue them.

I do not disagree with the administration's current approach, that so long as there remains a reasonable doubt that all Americans unaccounted for in Southeast Asia are dead, we must not rule out the possibility that some are alive.

But we do need to retain a sense of perspective about this issue. It is of the highest moral importance so we must maintain the highest standards of prudence and commitment.

There were tens of thousands of Americans unaccounted for, and presumed dead, at the end of both World Wars. There were many more at the end of the Korean war. Most of these cases remain officially unresolved. In the chaos of war, it would be a miracle if the specifics of each casualty were fully known and fully recorded.

So we cannot expect the impossible. There can be no doubt that most of the 1,278 Americans whose deaths are not certain are nonetheless dead. The mountains and the jungles, the rice fields and the rivers of Southeast Asia have erased the evidence. We may never know what happened to most of them. Probably the most we can hope for—it may not be enough—is to get the Vietnamese and Laotians to tell us all that they know or can find out.

There continue to be persistent reports that Americans remain held against their will in Southeast Asia. There have been nearly 500 firsthand reports of live sightings. Over 200 of these have not been disproved. Despite the unremitting efforts of the National League of Families of American Prisoners and Missing in Southeast Asia, by veterans' groups, by Members of Congress and by the Departments of State and Defense and the Intelligence agencies, we simply do not now know if there remain American POW's in Southeast Asia.

But there is something that we do know: the Governments of Vietnam and Laos have not been telling us all that they know about these cases. What some see as evidence of current cooperation on identifying and returning remains, is also evidence of a failure to cooperate in the past.

So we must maintain our efforts. We must continue the discussions and negotiations that have returned remains to the United States. We must proceed with the technical discussions between the Joint Casualty Resolution Center and the Vietnamese Office for Missing Personnel, and with the Lao Foreign Ministry. We must continue to gain access to crash sites.

And we must make it plain to the Vietnamese, and to the Laotians, that in the eyes of the American people and the burden of proof lies on their governments. There can be no improved relations between ourselves and our erstwhile adversaries in Southeast Asia until all cases of Americans now listed as unaccounted for are resolved, to the greatest extent humanly possible.

We owe these men, and their families no less for their service.●

THE SANDINISTAS AND SOCIAL REFORM

● Mr. GRASSLEY. Mr. President, one of the more hotly contested issues in the discussion of this Nation's policy toward the Sandinista regime in Nicaragua has been over the question of who is to blame for the conflict that exists between the United States and the Sandinistas. Many opponents of U.S. policy contend that most, if not all, of the blame lies with the United States. They argue that the hostility of the Reagan administration has forced the Sandinistas to embark on a military buildup on a scale unprecedented in Central America and to develop ties with Cuba and other Soviet bloc countries.

Norman Luxenburg, who is a professor of Russian at the University of Iowa and has written several books about Eastern Europe, published an article in the Iowa City Press-Citizen late last year that discusses this argument. While I do not believe that Mr. Luxenburg's essay will lay the issue to rest, I do think it makes a valuable contribution to the discussion. I therefore ask that the article be printed in its entirety at this point in the RECORD.

The article follows:

[From the Iowa City Press-Citizen, Nov. 21, 1984]

IT'S HARD TO BELIEVE SANDINISTAS MERELY WANT SOCIAL REFORMS

(By Norman Luxenburg)

There has been an active attempt to present the Sandinistas as the innocent victims of a hostile U.S. administration that suffers from a paranoid fear of Marxism.

This unfounded fear, according to the propagaters of this viewpoint, causes the United States to see aggressive Communists instead of social reformers—to create enemies among people who only wish to bring about much-needed socio-economic changes and wish to be our friends. They have been maintaining, as has Daniel Ortega, the Nicaraguan leader and "winner of" the recent Nicaraguan "elections," that the Sandinistas' creation of a large military force in Nicaragua is merely a response to hostile action by this government and the "Contra" activities. This is not the case.

The Sandinistas took over on July 20, 1979. Just 10 days later, the *New York Times* article on Nicaragua begins. "The Sandinista guerillas are embarked on the creation of a large 'popular army' to consolidate their dominant position in the Nicaraguan revolution and assure a major leadership role for their best known commander, Tomas Borge Martinez."

Thus, the development of a large army was not the result of the Reagan administration's policies, but had been going on right from the beginning of the regime. Tomas Borge, the commander, was a well-known Marxist, and to have him in command of the armed forces was not at all reassuring to those who could remember the patterns by which the Soviets used control of the armed forces and the ministries of interior (police) to create "peoples' democracies" in East-Central Europe.

Alongside the article on Nicaragua, the *Times*, on July 30, 1979, ran a large picture of Fidel Castro and Daniel Ortega publicly embracing at the huge July 26 rally in Havana, only six days after the Sandinista takeover!

Less than a week after the Sandinista takeover, Ortega and a Sandinista delegation were in Havana for friendship demonstrations with Fidel. Within several more days, they were creating a large popular army. Their Sandinista anthem had, and still has, the following pathos-laden lines, lines guaranteed to win them support among Marxists and anti-U.S. radicals: "Luchamos contra el Yanqui, El enemigo de la humanidad . . ." (Let's fight against the Yankee, the enemy of humanity).

What had the Carter administration been doing? It had announced support of the Sandinistas. Before the Sandinista takeover, it had been calling for Somoza to step aside and had refused to sell him military equipment. The United States was sending aid to the Sandinistas. In October 1979, then Vice President Mondale, speaking in Panama, announced the United States would continue to support the Sandinistas. Indeed, within the first 18 months of the Sandinista takeover, the United States sent more aid to the Sandinistas than it had supplied to Nicaragua in the preceding 40 years!

It should be remembered that in 1979 there had been serious political problems between the United States and the Soviet Union for almost 35 years, and a Cold War that on several occasions threatened to become hot. It should also be remembered that the introduction of Soviet nuclear missile launchers into Cuba in the 1960s touched off the most serious international scare in modern world history. It should also be remembered that anyone with an ounce of common sense would have realized that the United States would be quite worried about another Cuba coming into its backyard.

Thus, any new government of Nicaragua genuinely wishing good relations with the United States, should not have gone out of its way to arouse suspicions about its connections with the Soviet bloc, connections which would arouse U.S. concern.

Nonetheless, on March 19, 1980, at a time the United States was sending considerable aid to the Sandinistas, it was announced that a delegation of Sandinista leaders had signed a series of accords with the Soviets. These accords foresaw the opening of an air link and the furthering of engineering, agricultural and transportation development.

On April 22, 1980, eight months before Ronald Reagan took office, the last remaining non-Sandinista member of Nicaragua's ruling junta resigned, charging the junta with violating pledges of democracy.

As far as the United States was concerned, the Sandinistas had reneged on their promises to have a pluralistic society and free elections. They had cozied up to our enemies. They were creating a large armed force, a force being equipped with East-bloc weapons and aided by hundreds of Cuban advisers.

Although no Nicaraguan force in itself could be a military threat to the United States, this Sandinista army was far in excess of anything normally needed in Central America and could very easily become a major force for destabilization in that area where relatively small but determined units could overthrow governments.

At any rate, the Sandinistas have clearly not been content to simply devote their efforts to internal reform. And it was this that caused a change in U.S. policy from support to opposition.●

TURKISH INVASION OF CYPRUS

● Mr. BIDEN. Mr. President, 11 years ago, on July 20, 1974, Turkey invaded the island Republic of Cyprus. On two previous occasions since the Republic's founding in 1960, Turkey had prepared for an invasion. But the invasion and takeover of 1974 was an unexpected move, coming on the heels of internal troubles in the Republic's government.

Eleven years later, we know well the effect that this invasion had on world affairs. The NATO alliance was thrust into turmoil, with two allies in a key geopolitical hotspot on the verge of conflict. The Soviet Union felt the heat immediately, and put seven airborne divisions on full alert. The United States dispatched our top ranking area specialists and diplomats in a failed attempt at shuttle diplomacy between Athens and Ankara. Great Britain, the former colonial power on the island, came to the rescue of surviving members of the Cypriot Government. And the United Nations convened a special session on the crisis in Cyprus, making the first of its many pleas for a return to the pre-1974 system of government.

Eleven years later, the people of Cyprus, more than 80 percent of them Greek Cypriots, still suffer the after effects of that invasion. It has been 11 years since 40,000 Turkish troops invaded and divided Cyprus; 11 years since 200,000 Greek Cypriots were driven from their homes; 11 years since 10,000 people died in the invasion; 11 years since 2,000 Greek Cypriots "disappeared," unaccounted for, but believed to be still alive.

Today, the 2,000 "disappeared" remain unaccounted for; 20,000 Turkish troops remain on the island, guarding 40 percent of the land mass; 200,000 people continue their lives away from their ancestral homes and villages, frustrated in their attempt to preserve a way of life and a distinct culture. The Turkish invaders have imported 50,000 "settlers," coined their own money, established their own schools, and generally attempted to wipe out all traces of the burgeoning Cypriot culture from their stolen land. They have a formal government, established only hours after President signed a foreign aid bill that sent nearly $1 billion to Turkey, and recognized by no one except Turkey herself.

In the U.S. Senate, I have worked over these past 11 years with many of my colleagues—Senators PELL, SARBANES, PRESSLER, and many others—to isolate Turkey for its arrogant invasion and takeover. And though we have had some success at passing measures that send strong signals to the Turkish Government—the 7 to 10 aid ratio is now a fixture of the foreign aid bill—we have had no success in extinguishing that illegal presence on the island of Cyprus and its consequent affront to the people on that island and their relatives in other countries.

On this occasion, an important time of the year for Cyprus and all those who care about it, I stand here to say that we must not relent in our effort to return that beautiful island to the control of the people who built it, and nurtured its way of life.

At stake is the strength of NATO's southern flank—the tensions between Greece and Turkey undermine NATO.

At stake are very basic issues of international law and morality—a series of U.N. resolutions have underlined the point.

At stake is a small country's right to govern itself—free from outside pressure, and internal occupation.

And at stake, as we in the Senate consider foreign aid and military assistance levels, is my belief that American aid should serve American interests, values and principles—none of which are served by the illegal occupation of the tiny island of Cyprus.

It is 11 years since that illegal occupation began, Mr. President. But in our minds and in our actions in this body, we should remember it as if it were yesterday.●

ELEANOR SIEGL, DIRECTOR OF THE LITTLE SCHOOL

● Mr. EVANS. Mr. President, Eleanor Siegl, founder and director of the innovative Little School in my home State of Washington, was honored recently at the school's 25th anniversary. I was among the many who attended the event to pay homage to her years of devotion and considerable contribution to the education of young people. The following remarks, so much in the spirit of Mrs. Siegl and the Little School's refreshing approach to learning, were made by Robert Fulghum, an educator and Unitarian minister. They appeared in Bellevue, WA's Journal-American newspaper on June 9, 1985. The sentiments expressed are simple yet profound. I hope all my colleagues read them carefully. I ask that Mr. Fulghum's remarks be printed in the RECORD.

The remarks follow:

REMARKS OF ROBERT FULGHUM

Socrates insisted that the unexamined life is not worth living and there's wisdom in that to be sure. But the examined life isn't always a picnic either.

In such times I fall back on what I've come to think of as a Kindergarten State of Mind. Most of what I really need to know about how to live, and what to do, and how to be, I learned in kindergarten. Wisdom was not at the top of the graduate school mountain but there in the sandpile at nursery school.

These are the things I learned:

Share everything.

Play fair.

Don't hit people.

Put things back where you found them.

Clean up your own mess.

Don't take things that aren't yours.

Say you're sorry when you hurt somebody.

Wash your hands before you eat.

Flush.

Warm cookies and cold milk are good for you.

Live a balanced life. Learn some and think some and draw and paint and sing and dance and play and work every day some.

Take a nap every afternoon.

When you go out into the world, watch out for traffic, hold hands and stick together.

Be aware of wonder. Remember the little seed in the plastic cup. The roots go down and the plant goes up and nobody really knows how or why, but we are all like that.

Goldfish and hamsters and white mice and even the little seed in the plastic cup—they all die.

So do we.

And then remember the book Dick and Jane and the first word you learned, the biggest word of all: Look.

Everything you need to know is in there somewhere.

The Golden Rule and love and basic sanitation.

Ecology and politics and equality and sane living.

Take any one of those items and extrapolate them into sophisticated adult terms and apply them to your family life or your work or your government or your world and they hold true and clear and firm.

Think what a better world it would be if we all—the whole world—had cookies and milk about 3 o'clock every afternoon and then lay down with our blankies for a nap.

Or if the United States of America had as a basic policy to always put things back where it found them and cleaned up its own mess.

And it is still true, no matter how old you are, when you go out into the world it is best to hold hands and stick together.

Look, look.

See Dick, see Jane.

Look, look.

See you, see me, see us, see the world, see the universe, see life, see death, oh ook and see!●

EDDIE McCARTHY RETIRES

● Mr. BAUCUS. Mr. President, I would like to take this time to announce the retirement of one of Anaconda, MT's most beloved public servants. On June 28, postal carrier Eddie McCarthy, a very dear friend of mine, turned in his mailbag after 41 years of service and over 100,000 miles logged on his route.

But Eddie's relationship with the people of Anaconda and many other Montanans extends beyond his job as a public servant. Eddie's warm friendliness has always managed to brighten everyone's day, even on the coldest and snowiest Montana winter morning.

A resident of Leprechaun Village in Anaconda, Eddie is known fondly as the city's Irish postal carrier. Every year on St. Patrick's Day, Eddie and his wife Bea open the doors of their home to everyone—not only to those of Irish descent but also to those who feel the spirit of Irish celebration. For several years I have donned my brogue and participated in this gathering, and I am always touched by the generous hospitality of the McCarthys.

I would like to join many others in thanking Eddie for his lifetime service to Anaconda as a dedicated postal carrier and magnanimous host.

I ask to have printed in the RECORD a recent Anaconda Reader article recognizing Eddie McCarthy.

The article follows:

[From the Anaconda Leader, June 26, 1985]

POSTAL CARRIER LOGS 100,000 MILES BEFORE RETIREMENT

(By Walter Mundstock)

The badge on his hat is No. 17, for St. Patrick's Day, March 17, and a huge leather shamrock decorates his mailbag. Ask anyone from Anaconda and they will tell you that is their friendly Irish postal carrier, Eddie McCarthy.

After 41-years and more than 100,000 miles of walking as a Anaconda postal carrier, Eddie, 56, will be retiring Friday. He will make his last delivery at 1800 Tammany around 3 p.m.

Eddie's Irish friendliness is for real. As he walks his postal route he always has a big wave or cheerful greeting for friends.

"I really enjoyed the people and working at the post-office," Eddie observes. "Very seldom did I get up in the morning that I didn't feel like going down there."

"I enjoyed the youngest kid to the oldest person in town," he added.

Eddie got to know virtually all of Anaconda and everyone that lived here during his years with the post office. For 35-years he worked as swing man, taking different routes for vacationing employees, or those who were sick. It was only during the last six years that he had a regular route on the west side of town.

"To me, probably the best part, was to visit and see a lot of the whole city," Eddie notes.

He switched to the west route because he lived in the area and could be home with his family for lunch.

"My body is here, but my heart is all over town," he said.

The length of the routes varied little over the years. Each is about 10 miles long and the mail sack weighs around 35 to 40 pounds.

The postal motto of delivering mail in all kinds of weather is certainly true, Eddie says. He recalls that the only day that deliveries were cancelled was when Mount St. Helens erupted.

Eddie started with the post office while he was still in high school. Eddie would go to work on his bicycle at 6 a.m. to take the special delivery mail out before school started.

"Some of those mornings were very cold," he recalls.

One winter, when there was a lot of snow, Eddie remembers following the plow up Third St. and walking from there to the houses in either direction because the snow was so deep.

Eddie would go back to the post office after school ended each day and pick up the mail for the "Victory Homes" that were located where Teresa Ann Terrace is now situated.

When the United States became involved in the Korean Conflict, Eddie quite naturally ended up as an Army mail clerk.

It didn't take Eddie long after his service hitch to go back to the post office. He was discharged on Dec. 17, 1952 and two days later he was back at work with the post office.

Eddie has acquired several memories over his year as a mail carrier.

"Back around 1945 there was a lady on Pennsylvania that had a big yard and raised chickens," Eddie says. "She had a box of chicks come COD for about $2 to $3. I took them over there and she told me that she had already paid for them, but to bring them in while I checked on that. She had me bring them out to the kitchen and she took the top off. There were chickens all over the kitchen. I had to go back and tell the post office that I didn't collect."

Eddie also recalls a Chinese laundry that he used to deliver to that fascinated him. "I had both eyes wide open watching them," he says.

When Eddie delivered mail to the Italian community on West Commercial, he says that he often got invited in to warm up when the winters were cold.

For an older couple on Alder St., when mail was delivered twice a day, Eddie used to pick up their pill box in the morning, take it to the drug store, have their prescriptions filled and then drop it off on the second delivery.

Another time, Eddie was delivering mail by a ball park when a youngster got run over by a car. He ran over, reached under the car and pulled the youngster out.

And he recalls working with the first woman to carry mail in the United States, Ann McDonald, back in 1944.

What didn't he like about the job? "Nothing," Eddie says.

Eddie has been active within organizations in the community including the Ancient Order of Hibernians, Knights of Columbus, Veterans of Foreign Wars, Elks and the American Legion.

Bea, Eddie's wife, a first grade teacher at the former Washington School, has taught in the Anaconda School system for the past 17 years. The couple was married in 1959.

Eddie and Bea have lived at 1906 Odgen, better known as Leprechaun Village, for 25 years. For the past 20 years, on the Sunday before St. Patrick's Day, they have thrown open the doors and hosted the entire community, friends from around the state, the Governor, U.S. Senators and Representatives at a pre-St. Patrick's Day open house. Hundreds attend each one of the events.

Eddie says he plans to "just take it easy" during his retirement, but then he quickly adds, "There is a lot to do around the house and yard."

"I guess it's time to retire Badge 17 and 'hang up the sack," Eddie wistfully notes.●

CONGRESS SHOULD PASS A BUDGET RESOLUTION BEFORE THE AUGUST BREAK

● Mr. QUAYLE. Mr. President, I rise as a member of the Senate Budget Committee to express my growing concern that Congress still has not completed action on a budget resolution for fiscal year 1986.

Before I go any further, let me quickly compliment the efforts of the Senate Budget Committee conferees, led by Chairman PETE DOMENICI and U.S. Senator LAWTON CHILES. They have worked steadfastly to produce a compromise budget plan with their House counterparts, and the Senate conferees deserve the wholehearted support of all the Members of this body.

Still, we are now a week away from the scheduled start of the August recess, and the budget conference remains deadlocked.

Mr. President, I firmly believe that just as children who are delinquent in their studies are routinely obliged to stay after school, Congress should stay in Washington as long as it takes to pass a 1986 budget that cuts runaway spending before taking off on the month-long recess it is scheduled to begin at the end of next week.

We cannot afford any further delays in winning final passage of a budget that sets spending and revenue ceilings for the fiscal year that begins October 1, any more than we can afford to postpone action to rein in runaway deficits. Under the Congressional Budget Act of 1974, both Houses of Congress are supposed to agree on a first concurrent budget resolution by May 15 each year. Yet more than 2 months have passed since that deadline, and the conferees representing the House and Senate Budget Committees are still at loggerheads. The potential perils of a stalemate on the 1986 budget are so grave—and the benefits of stemming the flow of red ink are so obvious—that the American people should immediately send their representatives in Washington a resounding message: "Stop playing chicken with the American economy, and pass a budget for 1986 before you return home for your August recess."

Experts have estimated that spending cuts of the magnitude of $50 billion in 1986 could serve to bring interest rates down by 2 percentage points. More affordable loans would help almost every sector of our economy and virtually every individual, including homeowners, small businessmen and farmers. What is more, lower interest rates would yield more favorable terms for our foreign trade, and this would enable all Hoosiers—particularly our steelworkers and farmers—to compete better in the world economy.

Mr. President, Congress must not simply tackle the deficit. We must do the right thing the right way. We must reduce the deficit by cutting spending. The House of Representatives in particular should review the figures and act on the inescapable conclusion to be drawn from them: An outlandish growth in domestic spending is to blame for our current crisis. In 1960, Federal outlays were a reasonable 18.5 percent of the gross national product, and Federal revenues equaled 18 percent of GNP. For the current fiscal year ending September 30, because Federal outlays will be a whopping 24.6 percent of GNP, while Federal revenues will total a more acceptable 19.1 percent of GNP, the deficit will be an outrageous $213 billion.

We must recognize that the country faces a fiscal problem of potentially catastrophic consequences as long as Federal spending continues to outpace revenues by such huge amounts. We must get on with the job of closing

that gap by cutting spending—and we should agree to do so now.

Congress should adopt a budget resolution for fiscal year 1986 that will reduce the Federal budget by $50 billion. That will mean cutting the Federal deficit from its current level, over 5 percent of GNP, to about 4 percent. What is more, Congress should act now to make further inroads on the deficit in the following 2 years so that it is reduced to 3 percent of GNP in fiscal year 1987 and 2 percent of GNP in fiscal year 1988.

Mr. President, to keep our economy creating the jobs and opportunities needed to benefit all Americans, Congress must exercise substantial fiscal discipline in the upcoming 3 fiscal years. It cannot and will not muster that discipline if it does not approve a budget resolution for 1986. To promote the sustained economic growth all Americans want, the House and Senate must get off the collision course that institutional pride has put them on and pass once and for all a 1986 budget.●

NOTICE OF DETERMINATIONS BY THE SELECT COMMITTEE ON ETHICS

● Mr. RUDMAN. Mr. President, it is required by paragraph 4 of rule 35 that I place in the CONGRESSIONAL RECORD this notice of a Senate employee who proposes to participate in a program, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization.

The Select Committee has received a request for a determination under rule 35, which would permit Mr. Daniel Finn, a member of the staff of the Select Committee on Intelligence, to participate in a program in Taipei, Taiwan, sponsored by Tunghai University, from August 3–10, 1985.

The committee has determined that participation by Mr. Finn in the program in Taipei, Taiwan, at the expense of Tunghai University, to discuss United States-Taiwan relations, is in the interest of the Senate and the United States.

The Select Committee has received a request or a determination under rule 35 which would permit Mr. Peter Prowitt of the staff of Senator MAX BAUCUS to participate in a program in Taipei, Taiwan, sponsored by Soochow University from August 2–10, 1985.

The committee has determined that participation by Mr. Prowitt in the program in Taiwan, at the expense of Soochow University, to discuss United States-Taiwan relations is in the interest of the Senate and the United States.

The Select Committee has received a request for a determination under rule 35 which would permit Ms. Marcia Aronoff, of the staff of Senator BILL BRADLEY, to participate in a program in Taipei, Taiwan from August 2–10, 1985, sponsored by Soochow University.

The committee has determined that participation by Ms. Aronoff in the program in Taipei, Taiwan, at the expense of Soochow University, to discuss United States-Taiwan relations is in the interest of the Senate and the United States.●

MEMORIAL TO MARTIN LUTHER KING, JR.

● Mr. MATHIAS. Mr. President, I am pleased to join my colleague from Maryland, Mr. SARBANES, as cosponsor of S. 961, a bill to authorize the Alpha Phi Alpha fraternity to establish a memorial to Martin Luther King, Jr., in the District of Columbia.

During the 98th Congress, I had the honor to introducing a bill to authorize a national holiday in honor of Dr. King. It was an opportunity for us, as a nation, to honor and pay tribute to Dr. King and the contributions he made to our country. As we know, the legislation making Dr. King's birthday a national holiday did pass the Congress and was signed by the President in 1983. In less than 6 months, on January 20, 1986, we shall celebrate Dr. King's birthday and his contributions to our country with a national holiday in his honor.

S. 961 presents us with yet another opportunity on a more personal level—to assist the Alpha Phi Alpha fraternity, an organization that Dr. King joined in June 1952, in its effort to honor one of its own. The Alpha Phi Alpha fraternity, founded at Cornell University in 1906, is the oldest predominately black Greek-letter fraternity in the United States. Over the years, Alpha Phi Alpha has been able to count among its members men who have distinguished themselves in many fields of endeavor, including the law, religion, and medicine. Moreover, they have contributed significantly to all their countrymen by establishing a tradition of service and a high standard of excellence. Clearly, the achievements of Dr. King are in keeping with that tradition, and it is appropriate that we assist the Alpha Phi Alpha fraternity in honoring him.

Many fine memorials to Dr. King have been established throughout the country. Early next year, in conjunction with the first observance of the national holiday, the Congress will honor Dr. King with a memorial of its own when a bust of Dr. King will be placed here in the U.S. Capitol. While the bust will be an important addition to the Nation's capital, a memorial on Federal land in this city, always accessible to the public, is an appropriate symbol of the Nation's recognition of Dr. King. It would serve as a reminder of the spirit of brotherhood and on nonviolence, the spirit of reconciliation and of national unity, so often articulated and demonstrated by Dr. King. That is the memorial that the Alpha Phi Alpha fraternity seeks to establish in Washington and that this bill authorizes.●

EXECUTIVE SESSION

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate now go into executive session to consider the following nominations on the Executive Calendar:

Calendar Order Nos. 322, 323, 324, 325, and 326 under the Air Force; under the Army, Calendar Order Nos. 327, 328, 329, and 330; Calendar Order No. 331, under the Navy; Calendar Order No. 333, S. Bruce Smart, Jr.; and all nominations placed on the Secretary's desk.

Mr. BYRD. Mr. President, reserving the right to object.

Mr. President, all of the nominations enumerated by the distinguished majority leader have been cleared on this side, with the exception of the nominations as set forth in the seventh paragraph on page 6, Nominations Placed On The Secretary's Desk, "Navy Nominations beginning Charles Llewellyn Adams," that line has not been cleared on this side. All others that have been named by the majority leader have been cleared.

Mr. DOLE. Mr. President, with that exception, I ask unanimous consent that the nominations just identified be considered in bloc and confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

The nominations confirmed en bloc are as follows:

IN THE AIR FORCE

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Leonard H. Perroots, xxx-xx-... [redacted]FR, U.S. Air Force.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Spence M. Armstrong, xxx-xx-... [redacted]FR, U.S. Air Force.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. John A. Shaud, xxx-xx-xxxx FR, U.S. Air Force.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Robert D. Springer, xxx-x... FR, U.S. Air Force.

The following officer for appointment in the U.S. Air Force to the grade of brigadier general, under the provisions of section 624 and 8067, title 10 of the United States Code:

Col. Carmelita Schimmenti, xxx-xx-... FR, Regular Air Force, Nurse Corps.

IN THE ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. James A. Williams, xxx-xx-xxxx, age 52, U.S. Army.

The following-named officers, under the provisions of title 10, United States Code, section 3037, for appointment as the judge advocate general and assistant judge advocate general, respectively, U.S. Army, in the grade of major general:

To be the judge advocate general

Maj. Gen. Hugh R. Overholt, xxx-xx-xxxx, U.S. Army.

To be the assistant judge advocate general and major general

Brig. Gen. William K. Suter, xxx-xx-xxxx, U.S. Army.

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 1370:

To be general

Gen. John W. Vessey, Jr., xxx-xx-xxxx age 62, U.S. Army.

The following-named Army Judge Advocate General Corps officer for appointment in the U.S. Army to the grade indicated under the provisions of title 10, United States Code, sections 611(a) and 624:

To be permanent brigadier general

Col Dulaney L. O'Roark, Jr., xxx-xx-xxxx Judge Advocate General Corps, U.S. Army.

IN THE NAVY

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370:

To be vice admiral

Vice Adm. Harry C. Schrader, Jr., xxx-xx-... 1110, U.S. Navy.

DEPARTMENT OF COMMERCE

S. Bruce Smart, Jr., of Connecticut, to be Under Secretary of Commerce for International Trade, vice Lionel H. Olmer, resigned.

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE AIR FORCE, ARMY, MARINE CORPS, NAVY

Air Force nominations beginning Lawrence B. Anderson, and ending Jean C. Atchison, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of July 9, 1985.

Air Force nominations beginning Maj. John H. Boles, and ending Maj. Ardith A. Corsaw, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of July 22, 1985.

Air Force nominations beginning Roger D. Mathews, and ending Ralph H. Swerdlow, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of July 22, 1985.

Army nominations beginning Francis E. Algermissen, and ending Michael M. Zizza, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of July 9, 1985.

Army nominations beginning Henry Robinson, and ending Lawrence R. Whitehurst, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of July 22, 1985.

Marine Corps nominations beginning Philip C. Knapik, and ending Eric B. Yonkee, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of July 22, 1985.

Navy nominations beginning William S. Adsit, and ending John W. Hays, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of July 10, 1985.

Navy nominations beginning David William Billharz, and ending Madeline Anne Tracy, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of July 22, 1985.

Navy nominations beginning Harvey C. Aaron, and ending Mary P.K. Zangrilli, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of July 22, 1985.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the nominations were confirmed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, I ask unanimous consent that the President be immediately notified that the Senate has given its consent to these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate resume legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I wish to thank the distinguished minority leader for helping me to expedite matters this afternoon. Again, I do not want to leave the impression that the minority leader has been anything but helpful in our Agriculture Committee deliberations. I know Members have strong feelings for different reasons on the rate of progress. But I want the record to clearly reflect that it has been through the efforts of the distinguished minority leader that we have had opportunities to meet when we thought we would not have those opportunities. I want the record to be clear on that.

Mr. BYRD. Mr. President, I thank the distinguished majority leader.

THE DEFICIT REDUCTION PACKAGE

Mr. DOLE. Mr. President, I would also indicate that, again, without making a speech, but just to send a signal to the Speaker of the House of Representatives, the distinguished Congressman from Massachusetts, TIP O'NEILL, that we would very much like to sit down and visit with him about the deficit reduction package. We believe there are seeds for a compromise in that package.

I hope that at the earliest opportunity, either the four congressional leaders could get together, or, at the Speaker's option, any one or more of us, to visit with him concerning this package so that we might then be prepared to indicate to the President that there is some real interest in putting the package together.

ORDER FOR RECORD TO REMAIN OPEN UNTIL 5 P.M.

Mr. DOLE. Mr. President, I ask unanimous consent that the record remain open until the hour of 5 p.m. today, Friday, July 26, 1985, for the introduction of bills and resolutions, submission of statements, and for the committees to file reports.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR MONDAY, JULY 29, 1985

RECESS UNTIL 12 NOON

Mr. DOLE. Mr. President, I ask unanimous consent that once the Senate completes its business today, it stand in recess until 12 noon on Monday, July 29, 1985.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF CERTAIN SENATORS

Mr. DOLE. Mr. President, I further ask unanimous consent that following the recognition of the two leaders under the standing order, there be a special orders in favor of the following Senators for not to exceed 15 minutes: Senators DOLE, SYMMS, PROXMIRE, and MURKOWSKI.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. DOLE. Mr. President, following the special orders just identified, I ask unanimous consent that there be a period for the transaction of routine morning business, not to extend beyond 1:30 p.m., with statements limited therein to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. DOLE. Mr. President, following morning business, it is my present intention to turn to S. 410, Conservation

Services Reform Act, and I understand there is going to be an amendment dealing with CAFE standards by Senators METZENBAUM and EVANS and that the distinguished Senator from Kentucky, Senator FORD, is very strongly in opposition to that amendment as are a number of Senators on this side.

So there will be no time agreement on that legislation. There may be a motion to table at some appropriate time, but I would guess that we would not be voting until—in fact I can assure Senators—around 4 p.m. on Monday. So that might help accommodate Members on each side who have other plans.

RECESS UNTIL MONDAY, JULY 29, 1985

Mr. DOLE. Mr. President, there being no further business to come before the Senate, I move that the Senate stand in recess until 12 noon on Monday, July 29, 1985.

The motion was agreed to; and, at 2:32 p.m., the Senate recessed until Monday, July 29, 1985, at 12 noon.

NOMINATIONS

Executive nominations received by the Senate July 26, 1985:

DEPARTMENT OF COMMERCE

Donald James Quigg, of Virginia, to be commissioner of Patents and Trademarks, vice Gerald J. Mossinghoff, resigned.

NATIONAL ADVISORY COUNCIL ON WOMEN'S EDUCATIONAL PROGRAMS

The following-named persons to be members of the National Advisory Council on Women's Educational Programs for terms expiring May 8, 1988:

Betty Ann Gault Cordoba, of California, reappointment.

Irene Renee Robinson, of the District of Columbia, reappointment.

Judy F. Rolfe, of Montana, reappointment.

FARM CREDIT ADMINISTRATION

Larry L. DeVuyst, of Michigan, to be a member of the Federal Farm Credit Board, Farm Credit Administration, for a term expiring March 31, 1991, vice Jewell Haaland, term expired.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 26, 1985:

DEPARTMENT OF COMMERCE

S. Bruce Smart, Jr., of Connecticut, to be Under Secretary of Commerce for International Trade.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

IN THE AIR FORCE

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Leonard H. Perroots, xxx-xx-... xxx-...FR, U.S. Air Force.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Spence M. Armstrong, xxx-xx-x... xxx-...FR, U.S. Air Force.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, Section 601:

To be lieutenant general

Maj. Gen. John A. Shaud, xxx-xx-xxxx FR, U.S. Air Force.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Robert D. Springer, xx...FR, U.S. Air Force.

The following officer for appointment in the U.S. Air Force to the grade of brigadier general, under the provisions of sections 624 and 8067, title 10 of the United States Code:

Col. Carmelita Schimmenti, xxx-xx... FR, Regular Air Force, Nurse Corps.

IN THE ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. James A. Williams, xxx-xx-xxxx (Age 52), U.S. Army.

The following-named officers, under the provisions of title 10, United States Code, section 3037, for appointment as the judge advocate general and assistant judge advocate general, respectively, U.S. Army, in the grade of major general:

To be the judge advocate general

Maj. Gen. Hugh R. Overholt, xxx-xx-xxxx U.S. Army.

To be assistant judge advocate general and major general

Brig. Gen. William K. Suter, xxx-xx-xxxx U.S. Army.

The following-named officer to be placed on the retired list in grade indicated grade indicated under the provisions of title 10, United States Code, section 1370:

To be general

Gen. John W. Vessey, Jr., xxx-xx-xxxx (Age 62), U.S. Army.

The following-named Army Judge Advocate General Corps officer for appointment in the U.S. Army to the grade indicated under the provisions of title 10, United States Code, sections 611(a) and 624:

To be permanent brigadier general

Col. Dulaney L. O'Roark, Jr., xxx-xx-xxxx Judge Advocate General Corps, U.S. Army.

IN THE NAVY

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370.

To be vice admiral

Vice Adm. Harry C. Schrader, Jr., xxx-xx... /1110, U.S. Navy.

IN THE AIR FORCE

Air Force nominations beginning Lawrence B. Anderson, and ending Jean C. Atchison, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of July 9, 1985.

Air Force nominations beginning Maj. John H. Boles, and ending Maj. Ardith A. Corsaw, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of July 22, 1985.

Air Force nominations beginning Roger D. Mathews, and ending Ralph H. Swerdlow, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of July 22, 1985.

IN THE ARMY

Army nominations beginning Francis E. Algermissen, and ending Michael M. Zizza, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of July 9, 1985.

Army nominations beginning Henry Robinson, and ending Lawrence R. Whitehurst, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of July 22, 1985.

IN THE MARINE CORPS

Marine Corps nominations beginning Philip C. Knapik, and ending Eric B. Yonkee, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of July 22, 1985.

IN THE NAVY

Navy nominations beginning William S. Adsit, and ending John W. Hays, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of July 10, 1985.

Navy nominations beginning David William Billharz, and ending Madeline Anne Tracy, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of July 22, 1985.

Navy nominations beginning Harvey C. Aaron, and ending Mary P.K. Zangrilli, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of July 22, 1985.

HOUSE OF REPRESENTATIVES—*Friday, July 26, 1985*

The House met at 10 a.m.

Dr. Joseph Richards, retired Methodist minister, Waterville, OH, offered the following prayer:

Let us pray: Almighty God, our Father, who has set a restlessness in our hearts and made us all seekers after that which we can never fully find, forbid us to be satisfied with the life we make here. Set our eyes on far-off goals and when tasks seem too heavy or problems too difficult, may we give thanks that such situations compel us to turn to Thee for counsel and guidance and strength.

And now, how can we adequately express our thanks, our appreciation for our beloved country and its leaders and for that warm inspiring, never-failing love of family and friends? Perhaps by quickening our steps upon errands of mercy and rejoicing our hearts in the doing of fine and lovely deeds and at all times and in all places making the words of our mouths and the meditations of our hearts acceptable in Thy sight, O Lord, our strength and our redeemer. Amen.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1030. An act to authorize appropriations for the Public Buildings Service of the General Services Administration for fiscal year 1986; and

S. 1077. An act to amend the Consumer Product Safety Act (15 U.S.C. 2051 et seq.) to provide authorization of appropriations, and for other purposes.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 1460) "An act to express the opposition of the United States to the system of apartheid in South Africa, and for other purposes," disagreed to by the House, agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. LUGAR, Mr. HELMS, Mr. MATHIAS, Mrs. KASSEBAUM, Mr. GARN, Mr. HEINZ, Mr. PELL, Mr. SARBANES, Mr. CRANSTON, and Mr. PROXMIRE to be the conferees on the part of the Senate.

For section 15 of the Senate amendment, Mr. KENNEDY to be a conferee in lieu of Mr. CRANSTON.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Other than the Chair recognizing the gentleman from Oklahoma [Mr. JONES], for 1 minute to acknowledge the prayer of the visiting chaplain, the other 1-minute speeches will be suspended and postponed until a later time today.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. MILLER of California. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. MILLER of California. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 266, nays 101, answered "present" 2, not voting 64, as follows:

[Roll No. 262]

YEAS—266

Ackerman	Campbell	Feighan
Addabbo	Carper	Fish
Alexander	Carr	Flippo
Anderson	Clinger	Florio
Andrews	Coats	Foglietta
Annunzio	Coleman (TX)	Ford (TN)
Archer	Collins	Fowler
Atkins	Conyers	Frank
Barnard	Cooper	Franklin
Barnes	Courter	Frost
Bartlett	Coyne	Fuqua
Bateman	Crockett	Gallo
Bates	Daniel	Garcia
Beilenson	Darden	Gaydos
Bennett	Davis	Gephardt
Bereuter	Dellums	Gibbons
Bevill	Derrick	Gilman
Biaggi	Dicks	Glickman
Boggs	DioGuardi	Gonzalez
Boland	Donnelly	Gordon
Boner (TN)	Dorgan (ND)	Gradison
Bonior (MI)	Dornan (CA)	Green
Bonker	Dowdy	Gregg
Borski	Downey	Grotberg
Boucher	Duncan	Guarini
Boulter	Dwyer	Hall (OH)
Breaux	Dyson	Hall, Ralph
Brooks	Eckart (OH)	Hamilton
Broomfield	Edgar	Hammerschmidt
Brown (CA)	Edwards (CA)	Hansen
Broyhill	English	Hartnett
Bruce	Erdreich	Hayes
Burton (CA)	Evans (IL)	Hertel
Bustamante	Fascell	Holt
Byron	Fawell	Hopkins
Callahan	Fazio	Horton
Howard	Mineta	Schumer
Hoyer	Moakley	Sharp
Hubbard	Mollohan	Shelby
Hughes	Montgomery	Sisisky
Hutto	Moody	Skelton
Hyde	Moore	Slattery
Jeffords	Moorhead	Smith (FL)
Jenkins	Morrison (CT)	Smith (IA)
Johnson	Mrazek	Smith (NE)
Jones (OK)	Murphy	Smith (NJ)
Jones (TN)	Murtha	Smith, Robert
Kanjorski	Myers	Snyder
Kaptur	Natcher	Solarz
Kastenmeier	Neal	Spratt
Kennelly	Nelson	Staggers
Kildee	Nichols	Stallings
Kleczka	Nowak	Stokes
Kolter	Oakar	Stratton
Kostmayer	Oberstar	Studds
LaFalce	Obey	Sweeney
Lantos	Olin	Swift
Leath (TX)	Ortiz	Synar
Lehman (CA)	Owens	Tallon
Lehman (FL)	Packard	Tauzin
Lent	Panetta	Thomas (GA)
Levin (MI)	Pashayan	Torres
Levine (CA)	Pease	Torricelli
Lightfoot	Pepper	Towns
Lipinski	Perkins	Traficant
Long	Petri	Udall
Lowry (WA)	Pickle	Valentine
Lujan	Price	Vento
Luken	Pursell	Visclosky
Lundine	Quillen	Volkmer
Lungren	Rahall	Walgren
MacKay	Rangel	Watkins
Manton	Ray	Waxman
Markey	Regula	Weaver
Martin (NY)	Reid	Weiss
Martinez	Richardson	Wheat
Matsui	Robinson	Whitley
Mavroules	Rodino	Whitten
McCain	Rose	Williams
McCloskey	Roukema	Wise
McCollum	Rowland (CT)	Wolpe
McDade	Rowland (GA)	Wortley
McHugh	Roybal	Wright
McKinney	Russo	Wyden
Mica	Sabo	Wylie
Michel	Savage	Yates
Mikulski	Saxton	Yatron
Miller (CA)	Scheuer	Young (MO)
Miller (WA)	Schneider	

NAYS—101

Armey	Gingrich	Molinari
Badham	Goodling	Monson
Barton	Gunderson	Nielson
Bentley	Hendon	Oxley
Bilirakis	Henry	Parris
Bliley	Hiler	Penny
Boehlert	Ireland	Porter
Brown (CO)	Jacobs	Ridge
Burton (IN)	Kasich	Ritter
Chandler	Kindness	Roberts
Cheney	Kolbe	Rogers
Cobey	Lagomarsino	Schaefer
Coble	Latta	Schroeder
Coleman (MO)	Leach (IA)	Schulze
Combest	Lewis (FL)	Sensenbrenner
Conte	Livingston	Shaw
Coughlin	Lloyd	Shumway
Crane	Lott	Shuster
Daub	Lowery (CA)	Sikorski
DeWine	Mack	Skeen
Dickinson	Madigan	Slaughter
Dreier	Marlenee	Smith (NH)
Durbin	Martin (IL)	Smith, Denny
Eckert (NY)	McCandless	Snowe
Emerson	McEwen	Solomon
Evans (IA)	McGrath	Spence
Fiedler	McKernan	Stangeland
Fields	McMillan	Stenholm
Frenzel	Miller (OH)	Strang
Gekas	Mitchell	Stump

Sundquist	Vander Jagt	Young (AK)
Swindall	Walker	Young (FL)
Tauke	Weber	Zschau
Taylor	Wolf	

ANSWERED "PRESENT"—2

Dymally	Ford (MI)

NOT VOTING—64

Akaka	Early	Morrison (WA)
Anthony	Edwards (OK)	O'Brien
Applegate	Foley	Rinaldo
Aspin	Gejdenson	Roe
AuCoin	Gray (IL)	Roemer
Bedell	Gray (PA)	Rostenkowski
Berman	Hatcher	Roth
Bosco	Hawkins	Rudd
Boxer	Hefner	Schuette
Bryant	Heftel	Seiberling
Carney	Hillis	Siljander
Chappell	Huckaby	St Germain
Chappie	Hunter	Stark
Clay	Jones (NC)	Thomas (CA)
Coelho	Kemp	Traxler
Craig	Kramer	Vucanovich
Dannemeyer	Leland	Whitehurst
Daschle	Lewis (CA)	Whittaker
de la Garza	Loeffler	Wilson
DeLay	Mazzoli	Wirth
Dingell	McCurdy	
Dixon	Meyers	

□ 1020

So the Journal was approved.

The result of the vote was announced as above recorded.

DR. JOSEPH C. RICHARDS

(Mr. JONES of Oklahoma asked and was given permission to address the House for 1 minute.)

Mr. JONES of Oklahoma. Mr. Speaker, the House has been honored today with the opening prayer by Dr. Joseph C. Richards, a distinguished clergyman, radio and television pastor, lecturer and professor of theology, and lifelong resident of Waterville, OH.

Today is Dr. Richards' 80th birthday, and I might add it is also the birthday of his granddaughter, Miranda, who is 14 today and with him today. Miranda, her brother, Zachary, their father, Tony Hope, their mother, who is Dr. Richards' daughter, Judy Richards Hope, whom many of you know as a distinguished attorney here in Washington, a member of the President's Crime Commission and former domestic policy advisor to President Ford, all of Dr. Richards' family is here today to join him in this opening prayer.

Now, Dr. Richards is not new to this Chamber. Forty years ago, when Sam Rayburn was Speaker and Dr. Smith was the House Chaplain, Dr. Richards gave the opening prayer. Thirty-five years before that, in 1910, when Joe Cannon was Speaker, Dr. Richards' father, Joseph Richards, offered an opening prayer to this body.

Now, our world has changed a great deal since Dr. Richards first addressed this House. Today millions of Americans saw Dr. Richards deliver his address, his opening prayer, on television, a medium that was just in its infancy in 1945. But Dr. Richards' prayer for guidance and understanding has not changed. Today more than ever we need divine direction in doing what is right both in our professional and personal lives. I know that my colleagues join me in thanking Dr. Richards for honoring us today with his presence.

We wish him and Miranda many happy returns on their day, and we hope that he will honor us again in the future and not wait another 40 years.

Mr. LATTA. Mr. Speaker, will the gentleman yield?

Mr. JONES of Oklahoma. I yield to the gentleman from Ohio.

Mr. LATTA. Mr. Speaker, I want to thank my good friend, the gentleman from Oklahoma [Mr. JONES], for allowing me to pay tribute to Dr. Richards.

Let me just say the gentleman omitted one very important thing, that Dr. Richards has roots in the Fifth Congressional District of Ohio, at Defiance, OH. We have known Dr. Richards and his family for many, many years, and we are delighted to pay tribute to him today.

Mr. JONES of Oklahoma. I thank the gentleman.

DELETION OF NAME OF MEMBER AS COSPONSOR OF H.R. 2817 AND ADDING NAME AS COSPONSOR OF H.R. 2743

Mr. ECKART of Ohio. Mr. Speaker, I ask unanimous consent that the name of the gentleman from New York [Mr. MRAZEK] be deleted as a cosponsor of H.R. 2817 and added as a cosponsor of H.R. 2743.

The SPEAKER. Is there objection to the the request of the gentleman from Ohio?

There was no objection.

WAIVING CERTAIN POINTS OF ORDER AGAINST CONSIDERATION OF H.R. 3036, TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 1986

Mr. MOAKLEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 236 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 236

Resolved, That during the consideration of the bill (H.R. 3036) making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1986, and for other purposes, all points of order against the following provisions in the bill for failure to comply with the provisions of clause 2 of rule XXI are hereby waived: beginning on page 5, line 11 through page 6, line 19; beginning on page 7, lines 11 through 15; beginning on page 20, lines 8 through 12; beginning on page 21, line 18 through page 22, line 4; beginning on page 23, line 3 through page 25, line 14; beginning on page 29, line 24 through page 30, line 6; and beginning on page 54, lines 8 through 17. In any case where this resolution waives points of order against only a portion of a paragraph, a point of order against any other provision in such paragraph may be made only against such provision and not against the entire paragraph. It shall be in order to consider an amendment printed in the Congressional Record of July 25, 1985, by, and if offered by, Representative Frost of Texas and all points of order against said amendment for failure to comply with the provisions of clause 2 of rule XXI and clause 7 of rule XVI are hereby waived.

□ 1030

The SPEAKER. The gentleman from Massachusetts [Mr. MOAKLEY] is recognized for 1 hour.

Mr. MOAKLEY. Mr. Speaker, I yield the customary 30 minutes to the gentleman from Missouri [Mr. TAYLOR], for purposes of debate only, pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 236 waives points of order against a number of provisions of H.R. 3026, the Treasury, Postal Service and General Government appropriations bill for fiscal year 1986. The rule does not provide for the bill's consideration since general appropriation bills are privileged under the rules of the House. Provisions relating to time for general debate are also excluded from the rule. Customarily, general debate is limited by a unanimous-consent request by the chairman of the Appropriations Subcommittee prior to consideration of the bill.

Mr. Speaker, despite the fact that the House and Senate have not yet agreed to a budget resolution for fiscal year 1986, no Budget Act waiver is necessary for the consideration of this appropriation bill. As Members are aware, this past Wednesday the House adopted House Resolution 231, under which the House-passed budget resolution is deemed to have been adopted for purposes of the enforcement provisions of the Budget Act. This allows the House to proceed to the consideration of appropriations and other spending legislation without the necessity of a waiver of section 303(a) of the Budget Act. This and other legislation is subject to all other constraints of the Budget Act.

Mr. Speaker, House Resolution 236 waives clause 2 of rule XXI, which prohibits unauthorized appropriations and legislative provisions in general appropriations bills, against specified provisions in the bill. The provisions in H.R. 3036 which are granted a waiver of clause 2 include the appropriation of funds for the U.S. Customs Service, for which an authorization is currently being considered by the Committee on Ways and Means and the Bureau of the Mint, for which an authorization passed the House on May 7 of this

year. Also, Mr. Speaker, a waiver of clause 2 is needed for the appropriations for the Federal Election Commission, this authorization has already been reported by the House Administration Committee. The waivers are necessary for some provisions because, while authorizing legislation for the programs involved are under consideration of the legislative process, it has not yet been enacted.

Also, Mr. Speaker, House Resolution 236 provides that in instances where this resolution waives points of order against only a portion of a paragraph, a point of order against any other provision in such paragraph may be made only against such provision and not against the entire paragraph.

Mr. Speaker, House Resolution 236 also makes in order an amendment printed in the CONGRESSIONAL RECORD of July 25, 1985, to be offered by the gentleman from Texas [Mr. FROST]. The rule waives clause 2 of rule XXI which as I stated earlier prohibits unauthorized appropriations and legislative provisions in general appropriation bills. The rule also, waives clause 7 of rule XVI the germaneness rule, against the Frost amendment.

Mr. Speaker, H.R. 3036 appropriates $13.3 billion for fiscal year 1986 for the Department of the Treasury, the Postal Service, the Executive Office of the President and various independent agencies. H.R. 3036 consist of four titles. Title I would appropriate $5.523 billion for the Department of the Treasury, title II appropriates $961.12 million for the U.S. Postal Service. Title III appropriates $97.647 million for the Executive Office of the President and title IV appropriates $6.680 billion for various independent agencies. The major independent agencies are the General Service Administration; Office of Personnel and Management, civil service retirement and disability fund, and the Federal Election Commission.

Mr. Speaker, this is an important measure providing funding for a wide variety of programs and agencies. The rule provides only those waivers that are necessary for the expeditious consideration of this bill I urge my colleagues to adopt House Resolution 236.

Mr. TAYLOR. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 236 waives certain points of order against consideration of the Treasury, Post Office and Civil Service, and general Government appropriation bills for 1986. The purpose of the rule, which I support, is to allow for timely consideration of H.R. 3036. It therefore waives points of order that would otherwise lie against several provisions of the bill for failure to comply with clause 2 of rule XXI.

The bill includes appropriations for a number of agency activities for the authorizing legislation that has not yet been enacted. In addition, the bill includes various provisions that are legislative in nature. Mr. Speaker, the specific provisions which are protected from points of order are specified by page and line number in this rule, and I shall not take time to cover them in great detail since the gentleman from Massachusetts has already done so.

I do want to point out that the waivers provided for in this rule are the waivers that were requested by the chairman of the Committee on Appropriations, the gentleman from Mississippi [Mr. WHITTEN], as well as the chairman and ranking member of the Subcommittee on Treasury Appropriations, the gentleman from California [Mr. ROYBAL], and the gentleman from New Mexico, the ranking Republican, [Mr. SKEEN].

Mr. Speaker, the waiver provided in this section, section 616 of the bill, which is found in the very last page of the bill, probably should not have been included in the rule. This section of the bill places restrictions on the use of funds by the Executive Office of the President regarding the distribution of the White House news summary. Ordinarily, I would oppose such a waiver, for provisions of this nature. Because the offending provision will be subject to a motion to strike, however, I can see no reason to delay consideration of the bill because of this waiver.

Given the highly political nature of the provision in the bill, I think we can anticipate that a motion will be offered and probably will prevail. Because several provisions of the bill that might be subject to a point of order are not protected by a waiver, the rule also provides that a point of order against an unprotected provision will not go against any other provision of a paragraph which is protected by a waiver.

Mr. Speaker, this provision of the bill is designed to permit points of order for individual sentences of a paragraph. In those cases where other sentences of the same paragraph are protected from a point of order.

The final noteworthy item in this rule is that it makes in order an amendment printed in the RECORD of July 25 by the gentleman from Texas [Mr. FROST] and it provides a waiver of clause 2, rule XXI, clause 7, rule XXVI, against the Frost amendment. The amendment places a restriction on the release of funds to the Postal Service and the revenue foregone appropriations contained in the bill requiring the Postal Service to enter into a contract for American-designed technology for automation of mail processing. The amendment is clearly legislative in nature, and it is probably not germane to the bill, and the rule waives these points of order. This was probably an unwise thing to do, Mr. Speaker.

The distinguished chairman of the Post Office and Civil Service Committee, Mr. FORD of Michigan, has expressed to me his opposition to this amendment, and as the ranking member of the Post Office and Civil Service Committee, I join him in his opposition to this amendment.

Mr. Speaker, the Treasury Department appropriations bill contains necessary funds for the activities of the Treasury Department and the Postal Service. Most of these offices being within the Executive Office of the President and various independent agencies.

□ 1040

Although the administration has some concern over the funding levels in this bill, the gentleman from New Mexico [Mr. SKEEN] has made it clear in his appearance before the Committee on Rules that the bill represents a good compromise.

Mr. Speaker, the rule does not preclude any Member from offering any germane limitation amendments, nor does it prevent any Member from offering amendments to reduce funding of specific amounts.

I do urge the adoption of the resolution recommended by the Committee on Rules in order that we may proceed with the bill.

Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota [Mr. FRENZEL].

Mr. FRENZEL. I thank the gentleman for yielding this time to me.

Mr. Speaker, I rise in opposition to House Resolution 236. It is a typical rule issued by the Committee on Rules to prevent the normal rules of the House from working. It prevents the membership of the House from any kind of reasonable order that is predictable to us.

Whenever a bill comes from the Committee on Appropriations with legislation on appropriations, or with unauthorized appropriations, the Committee on Rules simply protects the Committee on Appropriations, and its bill, from the appropriate points of order. I see no reason for this House to have rules at all if the House is going to waiver those rules every time we bring a bill to the floor.

I think that what the Committee on Rules has done is a terrible insult to every Member in the House. Other than to give unfair advantage to some individual or group, I do not see why these bills cannot be brought to the floor in the usual way. I take particular umbrage at the fact that even though the rest of us are denied points of order, one member of the Committee on Rules is given a special rule. He, alone, allowed to make an amendment which is out of order in two respects,

through the waiver of two of the House rules.

Quite clearly, some of us in this House are more equal than the rest. And, just as clearly, the Committee on Rules is guilty of an acute case of cronyism.

I think this is outrageous, Mr. Speaker. The rule should be defeated.

Mr. MOAKLEY. Mr. Speaker, in response to the gentleman who just took a seat, the matter he talks about can be amended on the floor of the House and it is not necessary to defeat the rule to get at the portion of the bill that he refers to.

Mr. Speaker, I yield 7 minutes to the gentleman from Michigan [Mr. FORD].

Mr. FORD of Michigan. I thank the gentleman for yielding this time to me.

Mr. Speaker, I am disturbed by the rule. I will not oppose the rule, because it is important that we get on with the appropriation for Treasury and the Postal Service.

I am very disturbed by the action of the Committee on Rules in making in order an amendment, if offered, which is clearly within the jurisdiction of our Committee on Post Office and Civil Service and happens to be on an issue that the committee has been working on for several years. It has to do with the requirement that the Postal Service go to optical scanners and readers for the purpose of implementing the nine-digit ZIP Code and automating the sorting of mail throughout the country.

For years, the Postal Service has been doing research on this and trying to get ready for these purchases. It is anticipated that this could cost, in its initial stages, as much as $600 million in the way of modernization costs to the Postal Service.

The amendment that was made in order would provide that unless the U.S. Postal Service obligates itself to at least $200 million in contracts with only one company, as the amendment describes it, before October 1, 1985, $200 million of the money that this bill would appropriate for the third-class nonprofit mailers and the other preferred classes of mail will be held hostage.

Under title 39 of the law, if the Postmaster General does not receive that $200 million in appropriations by October 1, he will, under title 39, increase the rates of all nonprofit mailers by 30 percent to make up the $200 million shortfall. He has no option. He is authorized by the law to do that and he does not have to go to the Postal Rate Commission.

There is a letter on its way over here, that I hope to have by the time we get to the debate on the bill itself, from the Postmaster General undergirding what I am saying.

There are several companies in the United States that have been actively pursuing these contracts, $600 million is a lot of money, and the Postal Service is being courted as diligently as the Defense Department.

There is only one company that can make the claim that they will manufacture the equipment with American technology, and if my colleagues read the amendment, I am sure the Committee on Rules thought they were voting on a "buy American" provision. When I asked them this morning, "Why did you do this?" they said to me, "Well, we know you are one of the great 'Buy American' advocates in the Congress," and I believe I am.

This is not a buy American provision. This is buy from one American company. As a matter of fact, little companies like Pitney-Bowes, Burroughs, and Electrocom, who are very big in the business, are the other bidders. They all use German and other foreign technology. Why German? Because the German post office has been using this technology for years. It is tried and true. The Postal Service is naturally attracted to that technology. But it already requires that all manufacturing be done in the United States.

The Postal Service has been under an injunction since the corporation was created to only buy American. They cannot buy anything outside of the United States. They cannot even buy as much as the Defense Department is allowed to buy outside of the United States, and as long as BILL FORD is chairman of the Post Office and Civil Service Committee, they are never going to buy outside of the United States.

This is not a buy American provision. It is a buy from a sole-source supplier provision. It puts a gun to the head of the Postmaster General. I say all of this with no prejudice to Recognition Equipment, Inc., in Dallas, TX, who would benefit from this amendment, because they are indeed one of the serious contenders. The Postal Service has tried to accommodate their concerns and I will guarantee the gentleman from Texas that if he will not offer the amendment I will see that they get a fair hearing on their technology and their bid price when it comes forward.

I do not want to discriminate against any American company, but I am afraid that the amendment would do that.

Mr. FROST. Mr. Speaker, will the gentleman yield?

Mr. FORD of Michigan. Yes, I yield to the gentleman from Texas.

Mr. FROST. I thank the gentleman for yielding.

Mr. Speaker, I appreciate the words of the gentleman, the guarantee that the American company that uses American technology, will in fact have a fair shake in this matter.

I appreciate the words that the gentleman has spoken and the offer that he has made, the spirit in which it has been made. The chairman has been very helpful in recent years in terms of requesting various studies on this matter. This is a matter of some controversy. There is the question of the use of foreign technology, but I appreciate what the chairman has said today and it is my intention not to offer the amendment today during debate.

Mr. FORD of Michigan. I thank the gentleman from Texas. He is very gracious, and I quite understand the pressure he is under and I quite understand his eagerness to act. Very frankly, if I could get the General Motors plant in Michigan by an amendment in the bill, I would be out here pushing it and I hold that not at all against the gentleman. I am pleased that he is taking this course, and I will be glad to work with the gentleman as we have in the past.

Mr. FROST. I thank the gentleman very much.

Mr. TAYLOR. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would just like to commend the gentleman from Texas [Mr. FROST] for withdrawing his amendment and to associate myself with the remarks of the distinguished chariman of the Committee on Post Office and Civil Service.

As the ranking member of that committee, I assure the Members of this body that we will continue our vigilance to maintain and pursue buy American policies for the U.S. Postal Service.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

□ 1050

Mr. MOAKLEY. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore (Mr. SLATTERY). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. FRENZEL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 242, nays 135, not voting 56, as follows:

[Roll No. 263]

YEAS—242

Ackerman	Andrews	Atkins
Addabbo	Annunzio	Barnard
Alexander	Applegate	Barnes
Anderson	Aspin	Bartlett

Beilenson	Heftel	Quillen
Bennett	Hertel	Rahall
Bentley	Horton	Rangel
Bevill	Howard	Ray
Biaggi	Hoyer	Regula
Boehlert	Hutto	Reid
Boggs	Jenkins	Richardson
Boland	Jones (OK)	Rinaldo
Boner (TN)	Jones (TN)	Robinson
Bonior (MI)	Kanjorski	Rodino
Bonker	Kaptur	Roe
Borski	Kastenmeier	Rogers
Boucher	Kildee	Rose
Breaux	Kolter	Rowland (GA)
Brooks	Kostmayer	Roybal
Brown (CA)	LaFalce	Russo
Bruce	Lantos	Sabo
Burton (CA)	Leach (IA)	Savage
Bustamante	Lehman (CA)	Scheuer
Byron	Lehman (FL)	Schroeder
Carr	Leland	Schulze
Clinger	Levin (MI)	Schumer
Coleman (TX)	Levine (CA)	Seiberling
Collins	Lipinski	Sharp
Conte	Lloyd	Sikorski
Conyers	Long	Sisisky
Cooper	Lowery (CA)	Skeen
Coyne	Lowry (WA)	Skelton
Crockett	Lujan	Slattery
Darden	Luken	Smith (FL)
Davis	Lundine	Smith (IA)
Dellums	MacKay	Smith (NE)
Derrick	Manton	Smith (NJ)
Dicks	Markey	Snowe
Dingell	Marlenee	Snyder
Donnelly	Martinez	Solarz
Dorgan (ND)	Matsui	Spratt
Dowdy	Mavroules	Staggers
Downey	McCloskey	Stallings
Duncan	McCurdy	Stangeland
Durbin	McDade	Stark
Dwyer	McHugh	Stokes
Dymally	Mica	Stratton
Dyson	Mikulski	Studds
Eckart (OH)	Miller (CA)	Swift
Edgar	Miller (OH)	Synar
Edwards (CA)	Mineta	Tallon
Emerson	Mitchell	Taylor
English	Moakley	Thomas (GA)
Erdreich	Mollohan	Torres
Evans (IL)	Montgomery	Torricelli
Fascell	Moody	Towns
Fazio	Moore	Traficant
Feighan	Morrison (CT)	Traxler
Flippo	Mrazek	Udall
Florio	Murphy	Valentine
Foglietta	Murtha	Vento
Ford (MI)	Myers	Visclosky
Ford (TN)	Natcher	Volkmer
Frank	Neal	Walgren
Franklin	Nelson	Watkins
Frost	Nichols	Weaver
Fuqua	Nowak	Weiss
Garcia	Oakar	Wheat
Gaydos	Oberstar	Whitley
Gephardt	Obey	Whitten
Gilman	Olin	Wise
Glickman	Ortiz	Wolf
Gonzalez	Owens	Wolpe
Gordon	Panetta	Wortley
Green	Pashayan	Wright
Guarini	Pease	Wyden
Hall (OH)	Penny	Yates
Hall, Ralph	Pepper	Yatron
Hamilton	Perkins	Young (AK)
Hammerschmidt	Pickle	Young (MO)
Hayes	Price	

NAYS—135

Archer	Chandler	Dreier
Armey	Cheney	Eckert (NY)
Badham	Coats	Edwards (OK)
Barton	Cobey	Evans (IA)
Bateman	Coble	Fawell
Bereuter	Coleman (MO)	Fiedler
Bilirakis	Combest	Fields
Bliley	Coughlin	Fish
Boulter	Courter	Frenzel
Broomfield	Crane	Gallo
Brown (CO)	Daniel	Gekas
Broyhill	Daub	Gingrich
Burton (IN)	DeLay	Goodling
Callahan	DeWine	Gradison
Campbell	Dickinson	Gregg
Carper	DioGuardi	Grotberg
Gunderson	Madigan	Saxton
Hansen	Martin (IL)	Schaefer
Hartnett	Martin (NY)	Schneider
Hendon	McCain	Sensenbrenner
Henry	McCandless	Shaw
Hiler	McCollum	Shelby
Holt	McEwen	Shumway
Hopkins	McGrath	Shuster
Hubbard	McKernan	Siljander
Hughes	McKinney	Slaughter
Hyde	McMillan	Smith (NH)
Ireland	Michel	Smith, Denny
Jacobs	Miller (WA)	Smith, Robert
Jeffords	Molinari	Solomon
Johnson	Monson	Spence
Kasich	Moorhead	Stenholm
Kemp	Morrison (WA)	Strang
Kindness	Oxley	Stump
Kolbe	Packard	Sundquist
Lagomarsino	Parris	Sweeney
Latta	Petri	Swindall
Leath (TX)	Porter	Tauke
Lent	Pursell	Tauzin
Lewis (FL)	Ridge	Vander Jagt
Lightfoot	Ritter	Walker
Livingston	Roberts	Weber
Lott	Roemer	Wylie
Lungren	Roukema	Young (FL)
Mack	Rowland (CT)	Zschau

NOT VOTING—56

Akaka	Dornan (CA)	Loeffler
Anthony	Early	Mazzoli
AuCoin	Foley	Meyers
Bates	Fowler	Nielson
Bedell	Gejdenson	O'Brien
Berman	Gibbons	Rostenkowski
Bosco	Gray (IL)	Roth
Boxer	Gray (PA)	Rudd
Bryant	Hatcher	Schuette
Carney	Hawkins	St Germain
Chappell	Hefner	Thomas (CA)
Chappie	Hillis	Vucanovich
Clay	Huckaby	Waxman
Coelho	Hunter	Whitehurst
Craig	Jones (NC)	Whittaker
Dannemeyer	Kennelly	Williams
Daschle	Kleczka	Wilson
de la Garza	Kramer	Wirth
Dixon	Lewis (CA)	

□ 1100

Mr. APPLEGATE and Mr. McHUGH changed their votes from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ADJUSTMENT OF CLERK-HIRE ALLOWANCE AND OFFICIAL EXPENSES ALLOWANCE

(Mr. ANNUNZIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ANNUNZIO. Mr. Speaker, at the direction of the Committee on House Administration and under the authority granted in Public Law 94-184 and Public Law 94-440, the committee has issued Committee Order No. 38, which will become effective on August 1, 1985. The committee will be sending each Member a "dear colleague" letter within the next few days describing the administration of this change.

I include at this point in the RECORD the text of Committee Order No. 38:

Resolved, that effective August 1, 1985, until otherwise provided by the Committee on House Administration, the Clerk-Hire Allowance and the Official Expenses Allowance are adjusted as follows:

Each session a Member may allocate not to exceed $40,000 from the basic Clerk-Hire Allowance which may be used to supplement the Official Expenses Allowance, and may allocate not to exceed $40,000 from the Official Expenses Allowance to supplement the basic Clerk-Hire Allowance, provided however that monthly Clerk-Hire disbursements may not exceed 10 percent of this basic Clerk-Hire Allowance.

All disbursements and allocations shall be made in accordance with rules and regulations established by the Committee on House Administration.

TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT APPROPRIATION ACT, 1986

Mr. ROYBAL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3036), making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending September 30, 1986, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to not to exceed 1 hour, the time to be equally divided and controlled by the gentleman from New Mexico [Mr. SKEEN] and myself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. ROYBAL].

The motion was agreed to.

□ 1109

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 3036, with Mr. BEILENSON in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from California [Mr. ROYBAL] will be recognized for 30 minutes, and the gentleman from New Mexico [Mr. SKEEN] will be recognized for 30 minutes.

The Chair recognizes the gentleman from California [Mr ROYBAL].

□ 1110

Mr. ROYBAL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the Appropriations Committee has reported the Treasury, Postal Service and general government bill for your consideration.

The bill provides $13.3 billion in recommend appropriations for 1986, which is an increase of $1.2 billion over the budget and $497 million over 1985. The departmental amounts are as follows:

For the Treasury Department $5.5. million, an increase of $227 million above the budget and $289 million over 1985; for the Postal Service $961 million, an increase of $922 million over the budget and $79 million under 1985; for the Executive Office of the President $97 million, a reduction of $2.2 million below the budget and a reduction of $1 million below 1985; for the independent agencies covered by this bill, agencies such as the General Service Administration, the Office of Personnel Management, the Tax Court and other agencies, $6.7 billion, an increase of $4.8 million above the budget and an increase of $288 million over 1985.

I would like to highlight some of these departmental appropriations and the reason why we have an increase over the budget.

In the Customs Service, which is a revenue-producing agency, the committee did not agree with the administration and restored the 887 personnel recommended in the budget to be eliminated. In addition, the committee provided funding for the full year cost of 150 positions that were included in the supplemental and added an additional 650 positions. The total increase in 1986 that is in this bill in the number of customs positions over the authorized level for 1985 is 1,687 positions. We believe that these personnel are not only badly needed but they will generate more revenue, and that belief is based on the fact that this committee has had hearings in various parts of the country and we came away with the definite feeling that this personnel increase was most definitely needed.

Now the committee believes also that the high level of drug abuse and related crime in this country requires a strong law enforcement effort to stem the tide of illicit drugs coming into the United States. The recommended increase would also expedite the processing of visitors to this country and of our own citizens who are returning from abroad.

Further, this increase would also expedite the processing of commercial goods being imported into the United States. And most importantly this increase will have a beneficial impact on the Government's ability to interdict the flow of illegal drugs and other contraband into the United States as well as on its ability to prevent the illegal exportation of high technology items to unfriendly countries.

Now in the Internal Revenue Service, which is another revenue-producing department, the committee added $178 million to fund an additional 2,243 positions above 1985 and rejected the administration's proposal to eliminate positions. This was done after careful study. The committee is well aware of the problems that IRS is having in processing returns and not being able to send back refunds to the citizens of this country. The primary reason for that is lack of personnel. The computers that they have ordered are not yet in place, and the time to reduce personnel, if it is necessary to reduce, is after the computers themselves are doing the job. The truth of the matter is that the job is not being done, that the citizens of this country are not receiving their return and that the Federal Government is paying 13 percent—13 percent—in interest on refunds simply because we do not have the personnel to do the job properly.

The committee further believes that reducing the Internal Revenue Service in 1986 by 2,057 positions, as proposed by the budget, below the level established by Congress in 1985 would have a disastrous impact on both the processing of tax returns and the collection of revenues not only this year but in years to come. The committee believes strongly that increased staffing levels for the Service are essential in order to achieve more responsive and effective administration of the tax system and eliminate the backlog that now exists in the processing of returns.

In the U.S. Postal Service is another department where there was no recommendation and we had to add funding for. In the U.S. Postal Service the committee provided $961 million of which $922 million is for revenue foregone. The $922 million is above the House-passed budget resolution and would have the effect of freezing rates for preferred rate mailers until January 1, 1986. The January 1, 1986, rate increase is set forth in the House report that accompanies this bill and it is there for anyone to read.

The committee also has inserted a provision which would eliminate the subsidy payment on certain profit-making mailers. The bill continues free mail for the blind. This is being paid for out of this $922 million that was put in by the committee and not recommended by the administration. We are also paying for free mailing for those who vote overseas. I think that that is important. And it also continues 6-day mail delivery. The people of this country want 6-day mail delivery and the bill also continues rural delivery of mail. And in that same legislation we prohibit the closing of small post offices.

So you see, we are, in fact, providing a tremendous service for the people of this country, and service does cost money, it is true. But, nevertheless, if some of these things are done with regard to at least two of these revenue-producing departments, we will be able to generate more revenue to the Treasury of the United States, and that, in my opinion, would be better than a general tax increase.

Now the committee has funded most other agencies within the subcommittee's jursidiction at approximately the budget level, and has continued the applicable general provisions that were included in last year's bill. In other words, we are at the budget level in almost all other departments except those three, and I have given you the reasons why.

But when we come to the bottom line, the bill before you is $214 million below the spending allowance provided under the House-passed budget resolution.

□ 1120

So in carefully analyzing the bill, we find that while we do disagree with recommendations made in the budget coming from the White House, that we have paid a great deal of attention to the fact that we do have a budget resolution, and that we have complied with it, and that we are $214 below the total spending allowance that is provided under that House-passed budget resolution.

Mr. Chairman, I think that this is a good bill, and it is a fair bill. It is one that provides revenues for personnel and for departments that can and will generate more funds for the Treasury of the United States. At the same time, it is a bill that provides the necessary funds to bring service to the people of the United States.

Mr. GLICKMAN. Will the gentleman yield?

Mr. ROYBAL. I yield to the gentleman.

Mr. GLICKMAN. One of the things that concerns me about this appropriations bill as we are faced with other appropriations bills is that your bill effectively assumes for right now that the 5-percent pay cut that has been proposed by the President has been enacted, or as a corollary, you have not included moneys in this appropriations bill for that additional 5 percent.

I am going to presume that that 5-percent pay cut is not going to be enacted. I do not support it; I am sure the gentleman does not support it, and so I want to make sure that the appropriations process is an honest one; that this bill is actually under what it should be, and my question to the gentleman is, could he explain that process and also, if the 5 percent is added to the bill, does the bill still meet the budget guidelines under the bill that we passed?

Otherwise, we are going to be back here for a supplemental, adding lots of money to the bill.

Mr. ROYBAL. First of all, the 5 percent is not added to the bill; not the

way the bill is at the present time. It is my understanding that there is a possibility that a request will be made for a supplemental later on.

Now that is something we will have to face later on down the road.

Mr. GLICKMAN. Well, it is more than a possibility; it is a probability.

Mr. ROYBAL. I cannot speak for the administration, but I would agree with the gentleman that it is a probability.

Mr. GLICKMAN. What I want to know is, if you add the money back, whatever amount of millions of dollars it is to bring the salaries up to 100 percent, does that bust the budget, or does that keep this bill within budget?

Otherwise, we come back with a supplemental that adds hundreds and hundreds of millions of dollars across the board, and I want to, I think if we are going to go out to the public and to the press and say that this budget, this bill meets the budget, we are playing games unless, in fact, that additional monies do in fact come in within the budget. Otherwise, we are just saying to folks: We are within the budget. And we are really not.

Mr. HOYER. Will the chairman yield?

Mr. ROYBAL. I yield to the gentleman.

Mr. HOYER. I thank the Chairman for yielding.

This was a matter of concern to the committee, I will tell the gentleman. At the time that Mr. Stockman of OMB appeared before the committee, I questioned Mr. Stockman with respect to the fact that it was evident that the Congress was not going to adopt the 5 percent across-the-board pay cut; and what was the administration's intent?

His response was that it was a policy judgment; that the pay adjustments are decided by the administration in August, as the gentleman knows. Furthermore, it would be the intent of Mr. Stockman, as the OMB Director, if the Congress did not approve the 5 percent, and it was clear at that point in time the negotiations between the President and the Senate were leaning toward the objective of rejecting the 5 percent.

That if that was the case, then he would perceive that to be, and OMB would perceive that to be, a policy determination; and that at that point in time they would send down a supplemental for the funds needed to, in effect, reject the 5 percent cut.

That figure is approximately $1.1 billion spread throughout, of course, all of the Appropriation subcommittees.

In further answer to the question which I think you are going to ask me: To the best of our knowledge, Mr. Chairman if you will continue to yield, the figure for our committee would be about $143 million. If that figure were added to our allocation, and our allocation under the 302(b) which has been distributed by Chairman WHITTEN, is 13.478 bil. That would bring us to 13.406; in other words, we are at 13.263 now, if you added 143 to that you would be at 13.406. Still some $72 million under the 302(b) allocation of the Budget Act.

Mr. GLICKMAN. Will the gentleman yield again?

Mr. ROYBAL. I yield to the gentleman.

Mr. GLICKMAN. I appreciate the Chairman and the gentleman from Maryland [Mr. HOYER] answering the question. I think one of the concerns that a lot of us have is to make sure that the appropriations process is honest—and I have no question about this particular bill—so that we do not face, in the spring as we have since time immemorial, giant supplemental bills which add all this money back that had been taken out of original appropriations bills, and that was my point of raising the issue now.

Mr. ROYBAL. May I say to the gentleman that in this particular instance, if that is added back and it will be, it will amount to about $150 million; and has already been explained, even with that, it will be less than the total 302 allocation.

Mr. GLICKMAN. I thank the Chairman.

Ms. OAKAR. Will the gentleman yield?

Mr. ROYBAL. I yield to the gentlewoman.

Ms. OAKAR. Mr. Chairman, as a member of the authorizing committee, and Chair of one of the subcommittees, it relates to the authorization of much of the work that you are doing on this committee, I want to, first of all, commend the chairman and members of the committee for a very, very solid job in bringing this bill to the floor, and I hope the Members realize how important this bill is.

There is not a whole lot of political constituency for a bill like this, and perhaps that is why we always have some wrinkles from the floor; the fact is, it is a very important issue to Americans, and it is a very important issue to those Americans who serve our Government.

I really hope that this time around we can pass this bill expeditiously, which will be a tribute to the chairman of the committee and all who have worked so hard.

I want to commend the chairman.

Mr. CARPER. Will the gentleman yield?

Mr. ROYBAL. I yield to the gentleman.

Mr. CARPER. I have a point I would like to clarify, just to make sure I understand it. The money that is appropriated in this bill, for salaries in fiscal year 1986, is not sufficient; it is short by about $150 million in order to pay salaries for fiscal year 1986. Is that correct?

Mr. ROYBAL. It is short by $143 million.

Mr. CARPER. Is an amendment going to be offered today either by the Chair or by the committee to restore that money so that we are being intellectually honest in this process?

Mr. ROYBAL. The honesty will come about when a request is made for a supplemental, sometime later on. At that time, that $143 million will be added.

Mr. CARPER. If the chairman will continue to yield, my own feeling is that supplemental appropriations are going to be with us for as long as we are here, but I cannot see building in a certainty or assurance that we are going to have a supplemental appropriation. Why do we not appropriate the money now? We know we are going to pay the people the money that is due? Why do we not just build it into the bill and be straightforward about it?

Mr. ROYBAL. Well, the gentleman, as a Member of this body can propose any amendment he desires. The committee did not provide the funding because Congress has not yet formally acted on the pay issue. When Congress does take that formal action and the administration forwards the budget request then appropriate action can be taken.

Mr. HOYER. Will the gentleman yield?

Mr. ROYBAL. I yield to the gentleman.

Mr. HOYER. First of all, let me say to the gentleman from Delaware [Mr. CARPER], I tend to agree with his proposition; but the policy reason for not doing it, and that is his question, was that the Director of OMB observed correctly that pay decisions are essentially made in August; whether it is an increase or decrease, and we make that decision in August; the President makes that decision, sends a recommendation to Congress; the Congress can change it or do with it what it decides to do, and at that point in time adjustments are made.

Now, sometimes the adjustments are contemplated within the budget framework prior to August; that is correct procedure in terms of pay raises or reductions.

So the committee, as I think the Chairman has indicated, made a determination, as have other subcommittees, that we would make that determination when in fact that decision was finally and formally made by Congress.

□ 1130

But I think the gentleman's point is well taken, which is why it was important to indicate in terms of the overall

allocation that we are still within the budget limitations.

Mr. CARPER. Will the chairman continue to yield?

Mr. ROYBAL. I yield to the gentleman from Delaware.

Mr. CARPER. I have a question with regard to the appropriation for the Postal Service. I understand that there is about $961 million that would be appropriated under this bill to the Postal Service. In reading the report of the Democratic Study Group on this legislation, I am not sure if those are sufficient moneys to adequately fund the Postal Service through all of fiscal year 1986.

I guess I would like to have an assurance, if I could, from the chairman that the $961 million earmarked here for the Postal Service will indeed carry us through all of fiscal year 1986, and we are not going to be coming back asking for a supplemental for the Post Office as well.

Mr. ROYBAL. The amount of money, $922 million, will compensate the U.S. Postal Service for revenue forgone at current rates until January 1986. At that time, these preferred rate mailers and nonprofit organizations will have to go to another step in the schedule. At the present time, they are at step 14. And when that takes place next year, then they will be paying more than they are paying now.

Mr. CARPER. If the chairman will continue to yield, does that mean that this body will have to come in and appropriate more money, in addition to the $922 million and the $961 million, in order to continue to make up for the revenue forgone?

Mr. ROYBAL. No. There will not be any need to increase that amount in January.

Mr. CARPER. I thank the chairman.

Mr. SKEEN. Mr. Chairman, I yield myself such time as I may use.

Mr. Chairman, I think the chairman of the subcommittee has done an outstanding job in outlining the work and the report of the Treasury, Postal Subcommittee. Before I get into the meat of the bill, I would like to say that I appreciate very much the opportunity of working with the gentleman from California [Mr. ROYBAL], who is a former New Mexican, and for the courtesy and kindness that he has extended to me personally and to all the members of the subcommittee during the hard, strenuous work during the hearing process that we have gone through in working up this bill. I want to express that appreciation to the chairman as well as the other members of the committee.

Mr. Chairman, this bill is one that recommends spending some $13.2 billion of taxpayer money in new funding obligations for 1986—the fiscal year 1986. That represents an increase of some $496 million over the 1985 level, as the chairman had pointed out, and it is $1.2 billion over the President's budget request.

I know that this would invite a great deal of comment during this time of stringest deficit control that we have been practicing in the House of Representatives. In the case of this committee, there are three major budget items that I think we had to consider. Two of these agencies are revenue-producing agencies, the Internal Revenue Service and the Customs Service, and I think it is extremely important to note that some of the major increase in this particular bill involves those agencies. I will expand on that in just a moment.

The largest increase, of course, is on revenue forgone. I would like to point out to the gentleman who was speaking about the Postal Service and the revenue foregone portion of the bill. Revenue forgone, for those who may not know—and I think most everybody in this body does understand it—is the subsidy that we pay to the Postal Service for the free delivery of some mails or the less-than-going rate for certain types of publications and for kinds of organizations, nonprofit organizations, and so forth.

The increase this year is 15 percent over what it was last year just in the Postal Service area alone. We went from $801 million to $961 million, but $922 million in basic increase in that particular service.

I want to come back now and talk about the Internal Revenue Service or the Treasury Department. During the hearings, I was just a little bit more than amazed to hear from Mr. Egger that during the course of his administration of the Treasury Department, that they have increased the efficiency of that particular Department tremendously. For every dollar that we spend in Internal Revenue Service, we get something like $8.50 back. But, still, even with the modern innovation of new computer techniques and more personnel, we are still losing this year some $80 billion that we do not collect.

We, here in the Congress of the United States, have been tearing ourselves apart day by day to cut the budget deficit back by some $50 billion—just to cut domestic spending, military spending by $50 billion. And right here, in the in-house operation of this particular Government agency, we are losing $80 billion of funding every year that is owed to the Federal Government because we need at least either more personnel or more technology to make that collection even more efficient than it is today.

Now, that is just the legal businesses. Illegal businesses—and strangely enough, we tax illegal businesses, too; any business that goes on in the United States, we are going to get our cut out of it, whether it is legal or illegal. But the $80 billion represents just the legal end of it. Nine billion dollars is the estimate we are losing on the illegal businesses. I would suspect that it is even a great deal more than that.

So I think that the justification for the increase in the Treasury is absolutely bona fide. There is no question about it that this agency has to have an increase in funding. We had this terrible problem with the computers, or the new computer operation. We had to pay 13 percent on a lot of the refunds that were sent back late to the taxpayers of the United States. We are glad that they got them, but we do not want that particular practice to become a usual one every year. We want to increase the efficiency of the operation, to make sure that we are not going to be penalized the 13-percent tax on refunds.

I would like next to talk just a little bit about Customs. I think this is extremely important. We put more money in the Customs Service, particularly, and directly focused toward the enforcement end of the Customs Service.

We have been talking and talking and working and worrying about drug trafficking and the attendant crimes that go with this particular aspect of our society, but it is up to us in the United States to do something about it. The Customs Service has a direct responsibility in that case. We want more enforcement agents. We want a tigher border if we can get it. We have got one of the longest contiguous borders with foreign countries than probably any nation anywhere, and it creates an extremely difficult problem for us to solve and is very expensive. So we did put more money into the Customs Service.

This, again, is a revenue-generating agency because they do collect the tariffs on imported goods, and it is important that we bolster and support this activity because we do get a good return on our money.

I want to say, in conclusion, that overall we are going to have some questions, I am sure, on the revenue forgone, because that is the largest increase we have. There is almost $1 billion increase in funding in revenue forgone, and I am sure that has brough the flags up to a lot of folks and we are going to hear a lot of conversation about this today. I still think it is justified, from the standpoint that we have talked about earlier, because where do you make the cuts?

Where do you stop the subsidy for the various kinds of nonprofit organizations, for the blind, for the veterans' organizations, for the disabled of all sorts—that is a very difficult decision to make, one that the committee did not try to avoid making, but we cut it just about where you could at least come to some reasonable area. We tried to cut out the for-profit mailers

that are also enjoying the subsidies, and I think that was a very effort, but still there is an awful lot of money in the revenue forgone and there is no question about it.

Mr. DORGAN of North Dakota. Mr. Chairman, will the gentleman yield?

Mr. SKEEN. I yield to the gentleman from North Dakota.

Mr. DORGAN of North Dakota. I appreciate the gentleman's yielding.

Mr. Chairman, let me say that I think the gentleman from New Mexico [Mr. SKEEN], as the ranking minority member, and the chairman have done a very good job with this bill.

I would like briefly to raise one issue, if the gentleman has the time to let me raise it, and that is the funding of the Internal Revenue Service.

I know that you have restored some money that was not asked for by the administration. I do not intend to offer any amendments today, but I would like to work with the gentleman and with the chairman leading up to next year's appropriations in ensuring adequate funding for IRS enforcement in tax collections and examinations.

The Grace Commission report suggested 7,500 additional positions over at the IRS. The fact is, if you take a look at what has happened at the IRS, in audit coverage, examination coverage of returns, it has dropped not just a little but dramatically. That means the ability to enforce those tax laws over there has also eroded dramatically.

□ 1140

We have $30 to $40 billion in accounts receivable laying over there, and we have decreased substantially our collectors, our collection capability. Without action, the present tax gap of $90 billion may double in 5 years.

What I would like, having had a background in tax administration for a number of years, is to work with the gentleman on next year's Treasury appropriation to step up our enforcement capacity. If you spend $1 on enforcing a tax law that is now losing about $5 billion a year, then you get $5, $6, $7 or more back for the dollar invested. If you take a look at the decrease in audit capability coverage from about 3 percent down to 2 percent, down to 1.3 percent, you see that we have got serious problems.

I am not going to offer any amendments this year, but I hope that we can work next year to restore that money and get the $4 to $5 billion that we ought to get out of that Tax Code. These are people who should pay but are not. That is law enforcement as well. I am really worried about what the administration and others have recommended in funding for the Internal Revenue Service versus what is really necessary for the IRS to better enforce its tax law, to collect revenues due, and to thereby help blot out some of the red ink on the Federal budget.

Mr. SKEEN. I appreciate the gentleman's comments, and we accept that kind of an invitation. We would like to see more liaison between some of the authorizing groups in this body as well as with the appropriations group.

Mr. HOYER. Mr. Chairman, will the gentleman yield?

Mr. SKEEN. I yield to the gentleman.

Mr. HOYER. I thank the gentleman for yielding.

Mr. Chairman, I appreciate very much the remarks that the gentleman has made with respect to the IRS, and I want to point out that we have added $178 million to IRS which is less money than will be paid in interest from June 1 on, this year, as a result of the inability of IRS to respond in a timely fashion to the tax returns which have been filed in this country.

Over $200 million in interest will be paid and that is mounting, of course, daily. So I think the gentleman makes an excellent point, and I thank the distinguished ranking member for yielding.

Mr. SKEEN. Mr. Chairman, I yield such time as he may consume to the gentleman from Massachusetts [Mr. CONTE].

Mr. CONTE. I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in support of H.R. 3036, the Treasury-Postal Service appropriations bill for fiscal year 1986.

I want to commend the chairman of the subcommittee, my good friend, ED ROYBAL, for bringing a well-balanced bill to the floor. For several years now, Chairman ROYBAL has done an outstanding job in guiding this bill on the floor, negotiating with the other body and bringing back the House position from conference. Every member of the subcommittee can attest. ED ROYBAL is a fair chairman who listens and acts on the concerns of the Members of this House. As a long time member of this subcommittee, it's a pleasure for me to work with Chairman ROYBAL. And he has got a good person to work with, in Tex Gunnels, whom I have worked with now for, I believe, 27 years.

I would also like to welcome—as a new member of the Appropriations Committee and as ranking member of the Treasury Subcommittee, the gentleman from New Mexico, JOE SKEEN. He's done a fine job his first year on the committee.

Mr. Chairman, this bill is better titled "The Revenue Enhancement Act of 1986." There's no other appropriations bill that raises more revenue through its agencies than the Treasury-Postal bill. The Internal Revenue Service, the Customs Service and the Bureau of Alcohol, Tobacco and Firearms are all funded in the bill and raise billions in general revenue every year. The Customs Service, for example, collected $12.5 billion in duties and taxes during fiscal year 1984. In the end, Customs returned to the Treasury $21 for each dollar appropriated.

To provide proper staffing and resources to enforce the tax laws and collect the revenues, the committee recommended increases in each of these agencies. The IRS was given a $178 million increase, and the Customs Service was allocated $97.5 million over fiscal year 1985 levels. Other than the payment to the Postal Service, funding increases for these two agencies account for most of the increases in the bill over fiscal year 1985 levels.

Without the additional funding, it's clear that revenues will drop and the deficit will increase.

During the subcommittee hearings on the IRS, I asked the Commissioner for the record what the impact of the proposed cuts would be on tax revenues. To say the least, I was shocked with the answer.

I asked the Commissioner "How much less revenue will the Service collect with a reduction of $30.4 million and 1,200 average positions, as the budget proposes?" He answered: "About $350 million in revenue will not be collected in fiscal year 1986." For the investigations appropriation, the budget reduction proposed will result in the loss of $150 million in revenue. For the examination and appeals appropriation, the proposed cut will result in the loss of $255 million in revenues. Also, the Government will be forced to pay over $200 million in interest this year because tax refunds are not processed on time.

In addition to collecting much needed revenue, these agencies—along with the Secret Service—perform vital law enforcement functions. In the fight against drug smuggling, it's Treasury Department agencies leading the effort and working with the regional organized crime task forces. These agencies must be given adequate resources to fight this uphill battle against drugs.

Besides increases in Customs and IRS, the bill provides a $122 million increase over fiscal year 1985 for the revenue forgone appropriation. During committee consideration of the bill, I offered an amendment to cut $13 million in order to prevent profitmaking publications from abusing the in-county reduced postage rates. Time magazine, Newsweek, TV Guide, People, and the Wall Street Journal are being subsidized by the taxpayer to the tune of $13 million a year. Language in the bill corrects this loophole. In addition, I offered another amendment to delete $45 million from the revenue forgone appropriation. This amount would enable the Postal Service to keep the present step 15

rate schedule, but move the effective date from July 6, 1986, to January 6, 1986. Again, this will save $45 million next year.

Even with these cuts, the administration considers this bill unacceptable in the present form. Overall, the bill is $497 million above the fiscal year 1985 level and about $1.2 billion over the President's budget. Again, this increase is largely due to three items: the Customs Service, the IRS, and revenue foregone.

The administration also objects to several language provisions included in the bill. I will include a copy of the "Statement of Administration Position" on H.R. 3036, outlining these objections, for the RECORD.

Mr. Chairman, this is a good bill. It balances the need for fiscal restraint with the obligation we have to fund the programs in the bill. I urge my colleagues to support H.R. 3036.

STATEMENT OF ADMINISTRATION POLICY—H.R. 3036 TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT APPROPRIATION BILL, 1986

The bill is unacceptable to the Administration in it's present form, $1.2 billion above the Administration's request. The major objectionable funding increases include (1) $922 million payment to the Postal Service for revenue forgone, (2) $178 million increase for the Internal Revenue Service, and (3) $86 million increase for the U.S. Customs Service. These three items represent 99 percent of the $1.2 billion increase.

Another major objectionable item is the infringement of the legislative branch on executive authority and includes (1) bill language that prohibits U.S. Customs Service centralization of regional locations in 1986, and (2) bill language that prohibits OMB from reviewing USDA Marketing Service Orders.

Tha Administration also strongly opposes section 513, which deals with OPM's performance-based regulations, and several provisions of doubtful constitutionality, specifically, sections 606, 611, and the provisions in the bill requiring advance approval from the House and Senate Committee on Appropriations on reprogramming of funds.

I. FUNDING LEVELS

National Critical Materials Council: The Administration continues to oppose the creation of a National Critical Materials Council and, therefore, opposes adding $500 thousand for it. This Council would duplicate efforts currently undertaken by the Bureau of Mines and the Minerals Management Service in the Department of the Interior. The Council would represent an unnecessary increase in the bureaucracy in the Executive Branch.

Secret Service Rowley Training Center: The Administration strongly opposes the $5 million provided from the Public Building Fund for the Secret Service Rowley Training Center. This funding is contrary to Administration policy and should be funded through a direct appropriation if it is to be provided.

II. LANGUAGE PROVISIONS

Tax Legislation: The Administration opposes Sections 102, 103, and 106 of the bill. In effect, these sections legislate tax policy through the appropriations process.

General Services Administration contracting: The Administration opposes Section 507 of the bill. This section limits the managerial discretion of the GSA to contract out certain duties and will lead to greater cost efficiencies.

Information Resources Management Office: The Administration opposes Section 510 of the bill. This section prohibits the closing of an unnecessary regional office and represents a waste of federal funds.

Federal Law Enforcement Training Center: The Administration strongly opposes 100 percent FLETC funding of all basic training. Agencies wanting to train their employees should be required to contribute to the cost of that training. The 100 percent funding by the FLETC encourages no incentive on the part of agencies to limit employee attendance at the Center and could cause program costs to grow unnecessarily.

Limitation on Pay Increases: The Administration opposes the omission at the end of Section 613(2)(b) of the language "entered into before the date of enactment of this Act". In the interest of equity, the pay cap should apply to all Federal blue collar employees. This omission would single out a small group of employees for special treatment.

Unconstitutional Provision (Chadha): The Administration objects to the inclusion of Section 611 in the General Provisions. In view of its generality, the provision's language apparently would comprehend either a joint resolution, passed by both Houses of Congress and presented to the President for his approval or veto, or a resolution adopted by means short of the plenary legislative process. As the Supreme Court's *Chadha* decision has held, to the extent that a resolution is adopted for purposes of Section 611 by any means short of the plenary legislative process, the application of Section 611 would be unconstitutional.

Advance Approval Provisions: The Administration objects to all provisions in the bill requiring advance approval from the House and Senate Committees on Appropriations on reprogramming of funds. These provisions purporting to authorize committees of Congress to affect the legal rights and duties of executive branch officials, are plainly unconstitutional legislative veto devices under the Supreme Court's decision in *INS* v. *Chadha*.

Infringement on Filling Positions: The Administration strongly objects to Section 606 prohibiting the payment of funds "to any person for the filling of any position for which he or she has been nominated after the Senate has voted not to approve the nomination of said person." This provision raises substantial constitutional concerns as an infringement of the President's appointment authority.

Mr. ROYBAL. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. MARTINEZ].

□ 1150

Mr. MARTINEZ. I thank the gentleman for yielding time to me.

Mr. Chairman, I would like to ask the gentleman from California [Mr. ROYBAL] for a specific clarification concerning the purpose of section 515 of the bill now before us, making appropriations for the Treasury, Postal Service, and General Government. I note that section 515 is intended to curb Federal spending for consultants, management, and special studies. Am I correct in that understanding of the purpose of section 515?

Mr. ROYBAL. Mr. Chairman, if the gentleman will yield, the gentleman from California [Mr. MARTINEZ] is correct. Section 515 of the Treasury, Postal Service, and General Government Appropriations Act is designed to restrict Governmentwide Federal spending on the use of outside consultants. This section merely extends or reenacts language which Congress approved in last year's bill.

Mr. MARTINEZ. Mr. Chairman, I thank the gentleman. Now I want to ask whether it is intended that section 515 be applied by any department or agency of the Government for the purpose of reducing direct assistance or support to the programs which serve the disadvantaged or disabled individuals? For example, I am aware that under the section 515 authority, the Department of Labor chose to reduce pilot and demonstration projects for job training by about $7.3 million. This has meant drastic reductions of almost 30 percent in the funding that the Department of Labor provides to employment and training projects for the handicapped and disadvantaged.

So my question to the gentleman was to inquire as to the scope of section 515. Is it within the intent of this language that direct services and support programs such as employment and training programs for the handicapped and other hard-to-place individuals operated by such organizations as National Federation of the Blind, the Epilepsy Foundation of America, 70001 LTD., OIC, Urban League, Human Resources Development Institute, and National Alliance of Business should be reduced under the rationale that these are consultant programs?

Mr. ROYBAL. Mr. Chairman, we do not intend that services programs, whether they are pilot projects, demonstration or otherwise should be reduced below congressionally approved funding levels. That is not the purpose of section 515. Section 515 is designed to restrict outside consultant use. In my mind that is not even remotely connected with the programs that my colleague from California [Mr. MARTINEZ,] is so rightfully concerned about.

To the extent that these programs, regardless of whether or not they are called pilot and demonstration programs provide job training, placement, and support help for groups such as the handicapped and disadvantaged, they are clearly outside of the scope of section 515.

Mr. MARTINEZ. I thank the gentleman.

Mr. ROYBAL. Mr. Chairman, I reserve the balance of my time.

Mr. SKEEN. Mr. Chairman, I yield 3 minutes to the gentleman from Minnesota [Mr. FRENZEL].

Mr. FRENZEL. I thank the gentleman for yielding this time to me.

Mr. Chairman, I have already indicated the unfairness of the rule under which this bill has been brought to the floor. I would, because of the rule, vote against the bill in any case. However, there are a number of other problems with this bill, one of which is that it is a half a billion dollars over what we appropriated last year. Another is that the bill funds a 5-percent pay cut, which is not going to happen.

The House has already been told it will take $140 million-plus just to bring the employees up to where they are now under this bill. If there is a pay increase, which most people believe it likely, it will take more money than that to make this bill whole.

So the bill on its face invites a supplemental.

Any appropriation brought to this House, in the full knowledge that it is going to give us the supplemental, is in my judgment unfair to the membership, unfair to the taxpayers, and to the orderly process of the House of Representatives.

I have prepared a modest amendment which does not touch any of the mandatory spending within the bill. It affects only the discretionary portion. My amendment will not make a freeze. It will only freeze the half of the bill that is discretionary.

I indicated in a "Dear Colleague" letter earlier this week that my amendment would exempt the postal section of this bill from that freeze because the committee had made a large cut in the postal portion already. I have, however, recomputed the amendment and I will stretch it across the board to discretionary programs because it has always been my intention to honor the choices made by the committee; that is, not to rearrange the equities within the bill but, rather, to make the cuts evenly across all discretionary programs.

The net result of my amendment, if passed, is that it will lower the budget authority in the bill by about $190 million, which will require a 2.6-percent cut across the board.

Mr. Chairman, I have had a lot of good advice on my amendment. I have been asked to take the IRS out of my amendment. I think, after giving full effect to my amendment, Members will find the IRS still has a substantial increase.

I have been told that I can get 1 more vote if I will take the postal part out. I will not do so.

I have been told that I will get a few more votes if I take Customs out. If I took all three of those departments out, I would not have an amendment. That, I suspect, would be considered a great improvement by the majority of the House.

Nevertheless, I shall offer this across-the-board cut of discretionary items only for $192 million. It will not make the bill whole. It will not bring it to a freeze. But it will be a great improvement.

Mr. SKEEN. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. PURSELL].

Mr. PURSELL. I thank the gentleman for yielding this time to me.

Mr. Chairman, I wanted to make two points. The amendment offered by the gentleman from Minnesota [Mr. FRENZEL], I think, is appropriate and fair today, and I want to go on record now to say that I support the Frenzel amendment.

I think the Committee on Appropriations does have a problem in respect to the 5-percent pay adjustment and I think it is appropriate that since those amendments have been sent up from OMB, even though they are late, and I was here when the discussion with Mr. HOYER and others took place earlier today, I think it should be part of our committee. As a member of the Committee on Appropriations, it would be a responsible act for this subcommittee to offer the pay amendment now on this bill.

To simply say that later on we are going to have a supplemental is part of the process here that is wrong. We should be fully responsible that we have all the aggregate dollars in this subcommittee bill.

Yesterday we had the case where interest rates on housing was in the 0900 function, so we begin to lose track, and every member of this committee and every Member of the House begins to lose track of where the total dollars are to be expended for certain functions in respect to this bill, Treasury, Post Office, and civil service.

So I am very concerned about that process. Now we say, "Well, we will put it in a supplemental bill down the road." Supplementals are basically for emergencies, and over the years I do not think it is appropriate for Members to be supporting supplementals as a matter of a way out. "Do not worry, folks, what is in the appropriation bill today. We will add dollars later on in the supplemental."

All the agencies know that, so the appropriations process has no full meaning to the extent of the full amount of dollars that are necessary to fund a particular program. I have a concern with our annual bad habit—using supplementals.

The second concern I have in respect to the IRS, I think the committee is justifiably looking at the IRS responsibilities for the collection of taxes. But on the flip side of that issue is, when you go home weekly, as I do, I like to have coffee once a week with my own truckdrivers and people in the coffee shops who are what we call the mainstream of our society, who are working every day. They are not big corporation leaders and they are not the country club set.

You would be surprised at their attitude toward what they are beginning to believe is what we would call "confiscatory taxation." I am hopeful that later on the tax reform code begins to eliminate some of the opportunities to close loopholes. They say do not violate the law, just avoid the law. So a small businessman or a small entrepreneur or somebody who has, let us say, a nursery business, goes out and does a job on a particular home, puts in some plants, and they ask the owner of the home, "Pay me in cash," they do not report it.

We are beginning to see that flood all over the Nation. I have a concern with that problem, because if you look at the history of nations, the Roman Empire and other countries, we begin to see that build into large uncollected revenue now estimated to be nearly $100 billion. It is an enormous amount, and I do have a concern about where we can, as a Congress, can set aside a reasonable number of positions that will legally collect taxes which are in accordance with the law. Too many tax collectors will eventually lead to a nation full of tax collectors. I trust the committee has exercised prudent judgment on this matter.

□ 1200

Mr. DORGAN of North Dakota. Mr. Chairman, will the gentleman yield?

Mr. PURSELL. I am happy to yield to the gentleman from North Dakota.

Mr. DORGAN of North Dakota. Mr. Chairman, what the gentleman says is something I understand, and it makes sense. The attitude of the American people toward the IRS and toward the tax system is one of great concern.

I would only point out that those folks who work for a living and get a W-2 form pay taxes that are not flexible at all. Those are the folks who are best served by a responsible tax system or IRS organization that makes certain that all others who are supposed to pay taxes are not able to evade their responsibilities. That is the point I was making.

The CHAIRMAN. The gentleman from California [Mr. ROYBAL] has 6 minutes remaining, and the gentleman from New Mexico [Mr. SKEEN] has 5 minutes remaining.

Mr. ROYBAL. Mr. Chairman, I have no requests for time.

Mr. SKEEN. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Chairman, I thank the gentleman for yielding this time to me.

I take this time to discuss an amendment that I had thought about offer-

ing, and probably, given the nature of the way in which I would have to offer the amendment, I will not offer it. But I do want to talk about the problem I was seeking to address so the committee will be aware of it and so that perhaps we can develop some material for next year to deal with this problem.

I have recently become aware of the fact that the IRS is now granting a deduction for religious purposes to cults which practice witchcraft. Now, whether you like what the IRS is doing with tax deductions or not, I think this is one area where the American people would be appalled to think that tax deduction status has been granted to witchcraft cults.

I have a letter here sent by the Secretary of the Treasury to a Member of the other body in which he says that "under the standards several organizations have been recognized as tax exempt that espouse a system of beliefs, rituals, and practices which they label as witchcraft."

So in fact the practice is real, and the question is whether or not the American people ought to be asked to endorse such a system. I do not think they should be, but since I got into this fairly late, I have not been able to identify the specific amount of money that is going toward this activity, so I could not offer an amendment in reality that way and I would have to offer an amendment after a point at which the committee would be asked to rise. In my opinion, since we already have one amendment after the committee is asked to rise later on, that is not a very profitable route to take.

But I do think that this committee and other committees with jurisdiction in this area ought to be aware that this is the kind of madness that is going on in the IRS. One of the things that I think turns the American people off to a tax system that has gotten completely out of hand is when all of a sudden that tax system is now suggesting to people that a tax deduction is available as a religion to witchcraft cults.

The Secretary of the Treasury could not be plainer. That is precisely what is going on. It is a practice that needs to be stopped. I, because of the procedures, will not be offering the amendment today, but in the future I think the Members can be assured that if we do not do something about the practice, I will be offering such an amendment.

Mr. Chairman, again I thank the gentleman for yielding.

● Mr. DICKS. Mr. Chairman, I want to compliment Chairman ROYBAL for his leadership and hard work in approving H.R. 3036, the Treasury, Postal appropriations bill for fiscal year 1986. I urge the House to accept the measure without amendment.

As Chairman ROYBAL knows, I was particularly concerned with one aspect of the legislation—funding for the Customs Service. The Customs Service has the unique distinction of being one of the few Federal agencies which is revenue producing. There is a direct correlation between the number of inspectors employed by the Customs Service and the amount of money collected in duties on imports.

The Customs Service is a vital link in the smooth flow of trade and commerce. But in the Northwest, this link has been broken. Because the Customs Service is so understaffed, they are not able to perform their job in an efficient manner. Cargo sits on our docks and international passengers wait in our airport, all for lack of Customs inspectors available to do their job. This costs us money and jeopardizes our ability to attract new business.

Therefore, I commend Chairman ROYBAL for his fine work in this area. He came to Seattle this past winter and held a hearing to examine Customs staffing issues. He heard testimony not only from the Customs Service, but also from our shippers, port officials, and brokers. Their unanimous plea was for more Customs personnel. He has listened and he has acted. I sincerely thank the chairman and I know that his efforts are greatly appreciated by all concerned with international trade and tourism in the Northwest.●

● Mr. AKAKA. Mr. Chairman, as the House meets to vote on H.R. 3036, making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies for the 1986 fiscal year, I would like to bring to the attention of my colleagues the need for sound, immediate action on the measure. Led by the diligent efforts of the distinguished gentleman from California, Chairman ROYBAL, the subcommittee has industriously formulated a fair, solid, and overall remarkable bill. I commend all of the members of the subcommittee, as well as the subcommittee staff, Tex Gunnels and Bill Smith, for forwarding this respectable work. For this reason, I rise in strong support of the bill.

While I strongly support the bill in its entirety, I would like to highlight some of the especially meritorious features of H.R. 3036. In particular, I would point out the importance of two provisions, the U.S. Customs Service and the U.S. Postal Service's revenue forgone initiatives.

In recent weeks, the administration has been very vocal and visible in its stance against imported terrorism, illegal drugs, and counterfeit goods. Ironically, as we look behind the rhetoric, we find the Cabinet prepared to place our Nation in a more precarious position in respect to these problems. In fact, the President's budget proposal reflects an elimination of 887 Customs Service positions in 1986. As we all know, Customs is charged with the control and regulation of such activities, and an elimination of this magnitude will no doubt translate into an ineffective force against the very forces which the President publicly rejects.

The committee has restored the 887 positions, and in addition, has provided funding for additional Customs personnel. This reflects a sincere effort on the part of the committee to ensure a strong law enforcement effort to stem the tide of illicit activities such as those previously mentioned. Additionally, I hasten to remind my colleagues that the Customs Service occupies a unique niche in our Government as a revenue-generating agency. Let me call to your attention some figures which illustrate the extent of said revenue. In fiscal year 1984, we appropriated a total of $595,481,000 for Customs. By the end of the fiscal year, Customs returned to the Treasury coffers approximately $12,541,390,696. This translates into a return of $21.06 for each $1 appropriated. In viewing the returns of 4 years previous, we essentially witness similar activities: in 1980, for each $1 appropriated, $17.98 in income was realized; likewise, 1981 saw $18.48 to each $1, 1982 saw $18.94 to each $1, and 1983 saw a total of $17.01 to each $1. Having seen this, it is apparent that funding the Customs Service seems to be one of the wisest investments that Congress could make.

I should say that Customs' performance, despite threatened budgets over the last 5 years, has been nothing less than outstanding. In the interdicting of drugs, for instance, Customs inspectors are responsible for making 57 percent of heroin seizures, 59 percent of cocaine seizures, 70 percent of hashish seizures, and 80 percent of marijuana seizures. However, this represents stoppage of only 10 percent of cocaine and heroin and 16 percent of marijuana entering the country. That means virtually up to 90 percent of such goods are pouring into the States, yet the administration wants to cut the number of employees responsible for stopping illegal drugs.

In enforcing the Customs laws, rules and regulations, understaffed Customs inspection sites are equipped to inspect less than 3 percent of those cargoes. This results in an overall revenue loss of roughly $40 billion annually due to the entrance of counterfeit and unreported goods. Yet, the administration wants to cut the number of employees. These cuts are hardly consistent with waging a war on the introduction of illicit products.

It should be evident to all Members that any reduction in the Customs force will severely impact each and every State in this country. I call upon the wisdom of my colleagues to there-

fore rise in strong support of this vital service. The Customs Service needs help in order to perform its duties efficiently, and it is up to us to see that help is offered.

Another important feature of the bill is the payment of the Postal Service's revenue provisions. By far, this is the largest item in the Postal Service's budget. Appropriations for revenue compensate the Postal Service for the revenue lost as a result of their providing subsidized mail service to small community newspapers, libraries, and nonprofit organizations. There is no doubt that any reduction in funding for nonprofit mail rates from the amount approved by the committee would drastically inhibit the wave of volunteerism and private initiative in the United States.

There are many organizations which merit such reduced postal rates in their efforts to provide service to the public. Organizations such as the American Cancer Society, the American Heart Association, the American Red Cross, the National Easter Seal Society, the National Society for the Prevention of Blindness, all benefit from the Revenue Forgone Reimbursement Program, just to mention a few.

The committee has acted responsibly in restoring the funds necessary to implement the revenue forgone provisions, despite the administration's budget request of zero funding. Let me commend the wisdom of the subcommittee in its efforts to provide reduced rates, while maintaining a strong grip on use and abuse of such reductions. The committee exemplifies its concern about alleged and apparent abuses of reduced rates by large, profitmaking publications. Recognizing that the taxpayer supports the abuse of second-class in-county rates used by such companies, to the tune of approximately $13 million annually, the committee realizes that in times of fiscal restraint, this practice is unacceptable. To this effect, the committee recommends restrictive language to end such abuses. Indeed, this illustrates the committee's attentiveness to reasonable and justifiable spending.

Mr. Chairman, I believe this bill represents a balance of necessary spending and fiscal restraint. This is a good bill, and one that every Member of the House should support. Once again, I want to commend the subcommittee for its tireless efforts on the bill we have before us today. I urge my colleagues to rise in strong support of this substantive work.●

● Mr. TRAFICANT. Mr. Chairman, I rise today in support of H.R. 3036, legislation to appropriate $961.1 million to the U.S. Postal Service for fiscal year 1986, including $922 million to compensate the U.S. Postal Service for revenue forgone.

I want to draw the attention of my colleagues to the significance of the passage of the revenue forgone appropriation to our Nation's nonprofit organizations.

The ability of nonprofit America to remain solvent and serve the public is linked to its preferred mail status. A lower postage rate allows charities, educational and veterans organizations, rural newspapers, and numerous nonprofit groups to continue their good works and their contributions to a variety of worthy, national goals.

Having discussed this appropriation measure with members of my constituency, including members of the National Federation of the Blind and the National Association of Retired Persons, I am now strongly convinced of the need to provide funding for revenue forgone. Without this subsidy, the educational efforts of our Nation's nonprofit groups would be severely impaired.

We must maintain our support for nonprofit America by passing H.R. 3036. I urge my colleagues to join me in this effort.●

● Mr. ADDABBO. Mr. Chairman, I rise in support of H.R. 3036 and I want, particularly, to commend our subcommittee chairman, ED ROYBAL of California, and the ranking minority member, JOE SKEEN of New Mexico. The individual members of the subcommittee, and our excellent staff, Tex Gunnels, Bill Smith, and Kerry Courtney, have worked together to bring to the floor a bill that deserves the full support of the House.

The bare statistics of this bill should not mislead any member of this chamber. The fiscal year 1986 Treasury, Postal Service, and General Government appropriation bill provides $13,263,338,000 in new obligational authority. This amount is $496,714,000 over the level provided last year, and $1.2 billion above the administration's budget request.

Yes; it is over the administration's request. But this is not a budget-busting bill. It includes our major revenue-collecting, law enforcement, drug enforcement agencies. Additionally, it includes the Postal Service revenue foregone program which supports our nonprofit, charitable organizations. They need all of the help we can give them.

The administration proposed to reduce funding across each of those areas. If those proposals were adopted they would result in lowering the amount of revenues collected and would cost us a great deal more, not only in dollars, but in wasted lives, in jobs, and in the suffering of our citizens.

To illustrate this point, I commend to you the committee report accompanying this bill. Title I, the Department of the Treasury, includes the Internal Revenue Service which processes tax returns and is responsible for the collection of revenues and the refund of overpayments. The problems that caused delays in processing refunds this year have been widely publicized and have cost the Treasury hundreds of millions of dollars in interest alone.

The administration had proposed to cut over 2,000 positions at IRS. The committee added $178 million, restored those positions and added more. As Members will note on page 27 of the committee report, these additional resources will enable IRS "to collect about $450 million in additional revenue by examining more tax returns and accelerate the collection of $250 million in revenue by closing 6,600 tax shelter cases." Clearly, the recommended increase in the IRS budget is well-founded and will return dividends to the Treasury.

The administration proposed to reduce 887 positions in the U.S. Customs Service. Testimony before the subcommittee is replete with appeals from coast to coast to increase the Customs presence in their areas. The bill adds $85.9 million to the budget request, restores the 887 positions, provides for 150 positions included in the House supplemental, and an additional 650.

The missions of the Customs Service are briefly outlined on page 13 of the report. It is a revenue collecting, law-enforcement agency. It is the major force in our battle to stem the avalanche of illicit drugs coming into the country. Any lessening of this effort would lead to an increase in the tragic toll of lives ruined by drug abuse and the exorbitant costs to our economy of this malicious problem. We need to exert greater emphasis on the enforcement of import quotas and the prevention of import fraud that has impacted many of our industries. Our domestic textile and apparel producers, in particular, are facing a tidal wave of imports and thousands of jobs have been washed away. The responsibilities of the Customs Service are vast and continually growing. They need adequate personnel to do the job.

The Bureau of Alcohol, Tobacco, and Firearms is another revenue collecting, law enforcement agency included in this bill. The Congress firmly rejected administration proposals to terminate BATF just a few years ago. Each year since then the budget requests have sought to shrink personnel and curtail the programs of the bureau.

The fiscal year 1986 budget proposed to reduce 90 positions, 45 of them in the cigarette and 26 in the alcohol enforcement programs. The bill restores those positions. The contraband cigarette enforcement program is directed against organized crime and other bootleggers who circumvent State tax laws and have cost hundreds of millions of dollars in lost State revenues.

It is an interstate problem but, illogically, the administration wanted to hand off the enforcement responsibility to the individual States. That simply would not work.

Title II of the bill, the U.S. Postal Service, provides a total of $961,121,000, a decrease of $79,388,000 below the 1985 level. Included is $922 million for the revenue foregone program and $39.1 million to cover certain unfunded liabilities of the old Post Office Department.

The revenue foregone program, which the administration wanted to terminate, assists our charitable nonprofit organizations in their efforts to raise funds and carry out their missions. These organizations are being hit from all sides. As Federal support for our social programs has been cut back, these groups must reach out to ever-increasing numbers of our needy citizens. The revenue foregone program is essential to this task and has been strongly supported by the House in past years. The Treasury subcommittee had recommended $967 million in order to maintain the current postal rates until the scheduled increase in July 1986. This amount was reduced by $45 million during full committee markup with the result that next year's rate increase will be moved up to January. I opposed that reduction in full committee because, as I have said, the support provided through the revenue foregone program is critically needed.

I cite these examples to point out the illogical, self-defeating nature of the budget requests that were considered by your committee. There are many other important programs and agencies funded in this bill. Each of them has been carefully examined. The committee has acted responsibly and in the best interests of the Nation by recommending the level of funding provided in H.R. 3036. I urge the support of the House.●

● Mr. DASCHLE. Mr. Chairman, I must say I was astonished when the administration proposed the elimination of the appropriation for revenue foregone, that reimbursement to the Postal Service for revenues not received due to reduced postage rates for certain mailers. Those people who benefit from this reduced mailing rate are our schools, our churches, veterans organizations, small rural newspapers, charities such as the American Cancer Society, United Way, Easter Seal Society, and the National Federation for the Blind.

In 1952 when these special rates were established, the Congress recognized the contribution of nonprofit organizations to the good of the country; they recognized that in order for newspapers to operate in rural, nonprofitable markets, and bring reading materials to people in those areas, a reduced postage rate was necessary; they recognized the importance of library services and the need for a reduced postage rate if people were to avail themselves of those services, knowing full well that the cost of mailing books and other library materials would be prohibitive at commercial rates; and they recognized the unique needs of the blind and handicapped who do not generally have easy access to braille materials and taped materials—that in order to make such material available from State libraries and the Library of Congress those items should be mailed at no cost.

Now, with the exception of the free mailing privilege for the blind and handicapped, the Reagan administration and the Senate agree the appropriation for revenue foregone should be eliminated. What a slap in the face to those organizations which the President has asked to pick up the slack in the face of the budget crunch. As the Federal Government has cut back funding of many programs, we have asked the private sector to take on more responsibility for social programs, for the arts and culture, for health research, and for public education campaigns. Now the administration and the Senate want to take away the preferred postage rate for nonprofit organizations which rely heavily on direct mail for fundraising purposes. The idea is ludicrous and I commend the Appropriations Committee for recognizing the importance of the revenue foregone appropriation, which, in some way, affects nearly every person in this country.●

● Mr. ROTH. Mr. Chairman, I want to commend the Committee on Appropriations for rejecting the elimination of the second-class subsidy for small, in-county publications. It was Jefferson who said:

> Were it left to me to decide whether we should have a government without newspapers, or newspapers without a government, I should not hesitate to prefer the latter.

This is a famous portion of the Jefferson quote. But what seems to have been lost in history is the rest of his statement. He also said, in part: "Every man should receive those papers, and be capable of reading them."

H.R. 3036 would prevent the death of weekly community newspapers, which have been a fixture of American public life since the founding of America and which have remained virtually unchanged from the ones known by Jefferson in 1787.

Small community newspapers are a symbol of our cultural diversity. Each small town and community has a special flavor all its own. That's what the community newspapers preserve. A sharp increase in postage for community newspapers would price many such papers out of business. In so doing we would be robbing citizens in rural communities of their sole source of local information.

It is true that many rural residents subscribe to larger metropolitan newspapers and receive many television channels through cable. But none of these news sources regularly cover news developments in the small communities. It is important we avoid regionalism of the news, and that is why we in Congress must act to preserve a portion of America's heritage, the small community newspaper. Preservation of the subsidy for small, in-county publications is a responsible way to preserve the free dissemination of ideas in small town U.S.A.●

● Mr. HORTON. Mr. Chairman, I rise in full support of the revenue forgone appropriation contained in this bill. Much misinformation has been circulated recently about this appropriation, how it operates and who it affects. I would like to speak to these points.

First, this appropriation is not a subsidy to the Postal Service. It represents a payment that we—the Federal Government—are making to the Postal Service for preferred mail rates that we are purchasing. These mail rates are for the blind, the handicapped, nonprofit organizations and rural newspapers. The Federal commitment to providing these preferred rates is not new; it started more than 70 years ago and has continued without interruption. It is a very important appropriation that returns many times its cost, to literally millions of Americans, through the services and information it allows to be distributed.

If we cut this appropriation, we are not hurting the Postal Service; we are hurting the blind, the handicapped and the nonprofits. We are hurting rural newspapers and the millions of Americans who do not live in or around major urban centers. In short, we are taking another swipe at those most in need of assistance.

Cross subsidization is not the answer; this would just create a confused matrix that places Federal budget responsibilities on a Postal Service that we told to become operationally self-sufficient through enactment of the 1970 Postal Reorganization Act. Let's meet our responsibility in this area and not pass the buck to the Postal Service as though this were its program. It isn't. It is our program, and I urge my colleagues to join me in a resounding approval today.●

Mr. SKEEN. Mr. Chairman, I have no further requests for time. I urge support of the bill.

Mr. ROYBAL. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The gentleman from New Mexico [Mr. SKEEN] yields back his time, the gentleman from California [Mr. ROYBAL] yields back his time, and under the unanimous-

consent agreement, all time has expired.

The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1986, and for other purposes, namely:

TITLE I

DEPARTMENT OF THE TREASURY

Office of the Secretary

SALARIES AND EXPENSES

For necessary expenses of the Office of the Secretary including operation and maintenance of the Treasury Building and Annex; hire of passenger motor vehicles; not to exceed $22,000 for official reception and representation expenses; not to exceed $200,000 for unforseen emergencies of a confidential nature, to be allocated and expended under the direction of the Secretary of the Treasury and to be accounted for solely on his certificate; not to exceed $683,000, to remain available until expended, for repairs and improvements to the Main Treasury Building and Annex; $54,274,000.

International Affairs

For necessary expenses of the international affairs function of the Office of the Secretary; hire of passenger motor vehicles; maintenance, repairs, and improvements of, and purchase of commercial insurance policies for, real properties leased or owned overseas, when necessary for the performance of official business; not to exceed $2,000,000 for official travel expenses; and not to exceed $73,000 for official reception and representation expenses; $22,442,000.

Federal Law Enforcement Training Center

SALARIES AND EXPENSES

For necessary expenses of the Federal Law Enforcement Training Center, as a bureau of the Department of the Treasury, including purchase (not to exceed eight for police-type use) and hire of passenger motor vehicles; not to exceed $75,000 for expenses for student athletic and related activities; uniforms without regard to the general purchase price limitation for the current fiscal year; the conducting of and participating in firearms matches and presentation of awards; not to exceed $2,100,000 for repair, alteration, minor construction, and related equipment for the Federal Law Enforcement Training Center facility, to remain available until expended; not to exceed $2,000 for official reception and representation expenses; and services as authorized by 5 U.S.C. 3109: *Provided,* That funds appropriated in this account shall be available for State and local government law enforcement training on a space-available basis; training of foreign law enforcement officials on a space-available basis with reimbursement of actual costs to this appropriation; acceptance of gifts; training of private sector security officials on a space-available basis with reimbursement of actual costs to this appropriation; travel expenses of non-Federal personnel to attend State and local course development meetings at the Center; $25,500,000.

Financial Management Service

SALARIES AND EXPENSES

For necessary expenses of the Financial Management Service, $244,621,000, of which not to exceed $1,800,000 shall remain available until expended for systems modernization initiatives.

Bureau of Alcohol, Tobacco and Firearms

SALARIES AND EXPENSES

For necessary expenses of the Bureau of Alcohol, Tobacco and Firearms, including purchase of three hundred vehicles for police-type use for replacement only; and hire of passenger motor vehicles; hire of aircraft; and services of expert witnesses at such rates as may be determined by the Director; not to exceed $5,000 for official reception and representation expenses; $174,212,000 of which $15,000,000 shall be available solely for the enforcement of the Federal Alcohol Administration Act during fiscal year 1986: *Provided,* That no funds appropriated herein shall be available for administrative expenses in connection with consolidating or centralizing within the Department of the Treasury the records of receipts and disposition of firearms maintained by Federal firearms licensees or for issuing or carrying out any provisions of the proposed rules of the Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms, on Firearms Regulations, as published in the Federal Register, volume 43, number 55, of March 21, 1978: *Provided further,* That the Federal Building at 1200 Pennsylvania Avenue, NW, Washington, DC, headquarters of the Bureau of Alcohol, Tobacco and Firearms, shall hereafter be known and designated as the Ariel Rios Federal Building. Any reference to this building in any law, regulation, document, record, or other paper of the United States shall be deemed to be a reference to such building as the Ariel Rios Federal Building.

United States Customs Service

SALARIES AND EXPENSES

For necessary expenses of the United States Customs Service, including purchase of two hundred motor vehicles for replacement only, including one hundred and ninety for police-type use; hire of passenger motor vehicles; not to exceed $10,000 for official reception and representation expenses; and awards of compensation to informers, as authorized by any Act enforced by the United States Customs Service; $725,000,000, of which not to exceed $150,000 shall be available for payment for rental space in connection with preclearance operations and not to exceed $1,000,000, to remain available until expended, for research: *Provided,* That uniforms may be purchased without regard to the general purchase price limitation for the current fiscal year: *Provided further,* That none of the funds made available by this Act shall be available for administrative expenses to pay any employee overtime pay in an amount in excess of $25,000: *Provided further,* That the Commissioner or his designee may waive this limitation in individual cases in order to prevent excessive costs or to meet emergency requirements of the Service: *Provided further,* That none of the funds made available by this Act may be used for administrative expenses in connection with the proposed redirection of the Equal Employment Opportunity Program: *Provided further,* That none of the funds made available by this Act shall be available for administrative expenses to reduce the number of Customs Service regions below seven during fiscal year 1986.

OPERATION AND MAINTENANCE, AIR INTERDICTION PROGRAM

For expenses, not otherwise provided for, necessary for the hire, lease, acquisition (transfer or acquisition from any other agency), operation and maintenance of aircraft, and other related equipment of the Air Program; $60,425,000.

Customs Forfeiture Fund

(LIMITATION ON AVAILABILITY OF DEPOSITS)

For necessary expenses of the Customs Forfeiture Fund, not to exceed $8,000,000, as authorized by Public Law 98-473 and Public Law 98-573; to be derived from deposits in the Fund.

Customs Services at Small Airports

(TO BE DERIVED FROM FEES COLLECTED)

Such sums as may be necessary for expenses of the provision of Customs services at certain small airports designated by the Secretary of the Treasury, including expenditures for the salaries and expenses of individuals employed to provide such services, to be derived from fees collected by the Secretary of the Treasury pursuant to section 236 of Public Law 98-573 for each of these airports, and to remain available until expended.

Bureau of the Mint

SALARIES AND EXPENSES

For necessary expenses of the United States Mint; $46,954,000 of which $1,050,000 shall remain available until expended for research and development projects.

Bureau of the Public Debt

ADMINISTERING THE PUBLIC DEBT

For necessary expenses connected with any public-debt issues of the United States; $197,225,000.

Internal Revenue Service

SALARIES AND EXPENSES

For necessary expenses of the Internal Revenue Service, not otherwise provided; for executive direction and management services, and hire of passenger motor vehicles (31 U.S.C. 1343(b)); and services, as authorized by 5 U.S.C. 3109, at such rates as may be determined by the Commissioner; $95,932,000, of which not to exceed $25,000 for official reception and representation expenses and of which not to exceed $500,000 shall remain available until expended, for research.

PROCESSING TAX RETURNS

For necessary expenses of the Internal Revenue Service not otherwise provided for; including processing tax returns; revenue accounting; computer services; and hire of passenger motor vehicles (31 U.S.C. 1343(b)); and services as authorized by 5 U.S.C. 3109, at such rates as may be determined by the Commissioner; $1,103,041,000 of which not to exceed $50,000,000 shall remain available until expended for systems modernization initiatives.

EXAMINATIONS AND APPEALS

For necessary expenses of the Internal Revenue Service for determining and establishing tax liabilities; employee plans and exempt organizations; tax litigation; hire of passenger motor vehicles (31 U.S.C. 1343(b)); and services as authorized by 5 U.S.C. 3109, at such rates as may be determined by the Commissioner; $1,425,902,000.

INVESTIGATION, COLLECTION, AND TAXPAYER SERVICE

For necessary expenses of the Internal Revenue Service for investigation and en-

forcement activities; including purchase (not to exceed four hundred and fifty-one for replacement only, for police-type use) and hire of passenger motor vehicles (31 U.S.C. 1343(b)); securing unfiled tax returns; collecting unpaid accounts; technical rulings; enforcement litigation; providing assistance to taxpayers; and services as authorized by 5 U.S.C. 3109, at such rates as may be determined by the Commissioner: *Provided*, That notwithstanding any other provision of this Act, none of the funds made available by this Act shall be used to reduce the number of positions allocated to taxpayer service activities below fiscal year 1984 levels, or to reduce the number of positions allocated to any other direct taxpayer assistance functions below fiscal year 1984 levels, including, but not limited to Internal Revenue Service toll-free telephone tax law assistance and walk-in assistance available at Internal Revenue Service field offices: *Provided further*, That the Internal Revenue Service shall fund the Tax Counseling for the Elderly Program at $2,200,000. The Internal Revenue Service shall absorb within existing funds the administrative costs of the program in order that the full $2,200,000 can be devoted to program requirements; $1,064,325,000.

ADMINISTRATIVE PROVISION—INTERNAL REVENUE SERVICE

SEC. 1. Not to exceed 1 per centum of any appropriation made available to the Internal Revenue Service for the current fiscal year by this Act may be transferred to any other Internal Revenue Service appropriation.

SEC. 2. Not to exceed 15 per centum, or $15,000,000, whichever is greater, of any appropriation made available to the Internal Revenue Service for document matching for the current fiscal year by this Act may be transferred to any other Internal Revenue Service appropriation for document matching.

UNITED STATES SECRET SERVICE

SALARIES AND EXPENSES

For necessary expenses of the United States Secret Service, including purchase (not to exceed three hundred and forty-three vehicles for police-type use for replacement only) and hire of passenger motor vehicles; hire of aircraft; training and assistance requested by State and local governments, which may be provided without reimbursement; services of expert witnesses at such rates as may be determined by the Director; rental of buildings in the District of Columbia, and fencing, lighting, guard booths, and other facilities on private or other property not in Government ownership or control, as may be necessary to perform protective functions; the conducting of and participating in firearms matches and presentation of awards and for travel of Secret Service employees on protective missions without regard to the limitations on such expenditures in this or any other Act: *Provided*, That approval is obtained in advance from the House and Senate Committees on Appropriations; for repairs, alterations and minor construction at the James J. Rowley Secret Service Training Center; and for research and development; not to exceed $7,500 for official reception and representation expenses; for uniforms without regard to the general purchase price limitation for the current fiscal year; $283,805,000.

DEPARTMENT OF THE TREASURY—GENERAL PROVISIONS

SEC. 101. Appropriations to the Treasury Department in this Act shall be available for uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901), including maintenance, repairs, and cleaning; purchase of insurance for official motor vehicles operated in foreign countries; entering into contracts with the Department of State for the furnishings of health and medical services to employees and their dependents serving in foreign countries; and services as authorized by 5 U.S.C. 3109.

SEC. 102. None of the funds appropriated by this title shall be used in connection with the collection of any underpayment of any tax imposed by the Internal Revenue Code of 1954 unless the conduct of officers and employees of the Internal Revenue Service in connection with such collection complies with subsection (a) of section 805 (relating to communication in connection with debt collection), and section 806 (relating to harassment or abuse), of the Fair Debt Collection Practices Act (15 U.S.C. 1692).

SEC. 103. (a) None of the funds appropriated by this Act may be used to disqualify, pursuant to section 411(d)(1)(B) of the Internal Revenue Code of 1954, any plan which has vesting requirements or provides for nonforfeitable rights to benefits, equal to or more stringent than 4/40.

(b) None of the funds appropriated by this Act may be used to issue an unfavorable advance determination letter, pursuant to section 411(d)(1)(B) of the Internal Revenue Code of 1954, with respect to any plan which has vesting requirements or provides for nonforfeitable rights to benefits, equal to or more stringent than 4/40.

SEC. 104. Not to exceed 1 per centum of any appropriations in this Act for the Department of the Treasury may be transferred between such appropriations. However, no such appropriation shall be increased or decreased by more than 1 per centum and any such proposed transfers shall be approved in advance by the Committees on Appropriations of the House and Senate.

SEC. 105. None of the funds made available by this Act may be used to place the United States Secret Service, the United States Customs Service, or the Bureau of Alcohol, Tobacco and Firearms under the operation, oversight, or jurisdiction of the Inspector General of the Department of the Treasury.

SEC. 106. None of the funds appropriated by this Act shall be available for implementing or enforcing any regulation imposing a tax or collecting any tax, under provisions of section 7872 of the Internal Revenue Code of 1954, on the entrance or accommodation fees paid by elderly residents of continuing care retirement facilities.

POINT OF ORDER

Mr. DORGAN of North Dakota. Mr. Chairman, I make a point of order against section 106 of H.R. 3036.

The CHAIRMAN. The gentleman from North Dakota [Mr. DORGAN] is recognized in support of his point of order.

Mr. DORGAN of North Dakota. Mr. Chairman, I make a point of order against section 106 of H.R. 3036 on the ground that it is a tax measure on an appropriations bill in violation of paragraph (b), clause 5 of House rule XXI.

Mr. Chairman, section 106 prohibits the Treasury Department from using funds appropriated by this bill to issue regulations which impose or collect any tax, under section 7872 of the Internal Revenue Code, for entrance or accommodation fees paid by elderly residents of continuing care retirement facilities.

Rule XXI, clause (b) of the Rules of the House of Representatives provides generally that no legislation containing any tax or tariff measure may be reported from any committee other than the Ways and Means Committee. Section 106 would prohibit the Internal Revenue Service from subjecting to tax interest on any amount of money paid to a "life care" facility. This same issue is included as a Senate amendment to H.R. 2475, legislation to simplify the imputed interest rules of the Internal Revenue Code. This legislation is awaiting conference between the House and the Senate. Thus, the tax writing committees of the Congress are studying it closely in the appropriate legislative context. Consequently, section 106 of the Treasury/Postal bill is clearly a "tax or tariff" measure within the meaning of rule XXI.

I urge the Chair to sustain this point of order.

The CHAIRMAN. Does the gentleman from California [Mr. ROYBAL] wish to be heard on the point of order?

Mr. ROYBAL. Yes, Mr. Chairman, I would like to be heard on the point of order.

Mr. Chairman, rule XXI, clause 2, prohibits legislation on an appropriation bill. I would like to quote from section 843a of the rules:

That section reads as follows:

Although the rule forbids on any general appropriation bill a provision changing existing law, which is construed to mean legislation generally, the House's practice has established the principle that certain limitations may be admitted. It being established the House under its rules may decline to appropriate for a purpose authorized by law, so it may by limitation prohibit the use of the money for part of the purpose while appropriating for the remainder.

□ 1210

It is very important to keep this basic principle in mind because it is my position that a valid limitation is precisely what is being proposed in this provision.

I think it is necesary that we establish very clearly that this provision is simply a limitation in an appropriation bill. This provision prohibits the Internal Revenue Service from implementing or enforcing any regulation imposing a tax or collecting a tax under a specific section of the Internal Revenue Code. This limitation imposes only minimal duties on Federal officials, who only have to determine whether the use of funds falls within that prohibited by the limitation. That is clearly in order under the rules. Specificially, I would cite chapter 25, section 10.4 of Deschler's Procedures, which I wll quote:

10.4 where the manifest intent of a proposed amendment is to impose a limitation on the use of funds appropriated in the bill, the fact that the administration of the limitation will impose certain incidental but additional burdens on executive officers does not destroy the character of the limitation.

I would also like to quote chapter 25, section 11.1 of Deschler's Procedures:

The application of any limitation on an appropriation bill places some minimal extra duties on Federal officials, who, if nothing else, must determine whether a particular use of funds falls within that prohibited by the limitation.

There are no conditions attached to the limitation; it is straightforward and absolute. It is clearly in order under clause 2 of rule XXI.

The question before the Chair today does not involve any issues of fact, the question is whether or not a limitation on an appropriation bill which is valid under clause 2, rule XXI, is rendered invalid by clause 5(b) of rule XXI. It is my contention that the limitation is in order because it is not a "tax or tariff measure;" it is instead a valid limitation.

On October 27, 1983, the Chair ruled on a provision regarding a tariff measure in an appropriation bill. It is important to note that this ruling was on a different type of provision which would have in effect denied duty-free status to certain items and therefore, it would have caused duties "to be imposed where none are required and require executive branch officials to actually collect revenue contrary to existing tariff law." The provision before the House today is clearly distinguishable from the provision on that tariff measure because this provision is a limitation that imposes no additional duties on executive branch personnel.

Mr. Chairman, the issue before the House today is whether an otherwise valid limitation under clause 2, rule XXI, is to be considered a tax or tariff measure under clause 5(b) of rule XXI, and thereby ruled out of order.

I believe that such a ruling would overturn many, many years of precedent and have the effect of denying the Members of the House the opportunity to limit the action of the executive branch. It would deny the House the opportunity to deny funding an activity with which it disagrees and in effect compel the appropriation of funds to enforce a law with which the majority of the House may disagree. I believe that if the rule XXI clause 5(b) was intended to prohibit otherwise valid limitations in an appropriations bill, then clause 5(b) would have said that. Since it does not specifically prohibit a limitation I believe that the limitation is in order.

Mr. Chairman, I do not believe that is what was intended by clause 5(b) of rule XXI, and I urge the Chair to overrule the point of order.

In addition, Mr. Chairman, other rules of the House provide numerous valid methods of retrenching expenditures. It would also be possible to provide small amounts of funding for carrying out this provision of the Tax Code which would have the same effect as the provision in question.

I ask, Mr. Chairman, that the point of order be overruled.

The CHAIRMAN, The gentleman from North Dakota [Mr. DORGAN] is recognized.

Mr. DORGAN of North Dakota. Mr. Chairman, again our position is that this is clearly a tax or tariff provision on an appropriation bill, and we ask that the point of order be sustained.

The CHAIRMAN [Mr. BEILENSON]. The Chair is prepared to rule on the gentleman's point of order, unless other Members would care to comment prior to that.

The gentleman from North Dakota [Mr. DORGAN] makes a point of order against section 106 of the bill on the grounds that it contains a tax or tariff measure in a bill not reported from a committee having that jurisdiction, in violation of clause 5(b) of rule XXI. The section would prohibit use of funds appropriated in the bill for the Internal Revenue Service for fiscal year 1986 to implement or enforce any regulation imposing a tax on certain individuals under a specified section of the Internal Revenue Code.

While the rule in question is relatively new, having been incorporated into the rules of the House in the 98th Congress, the Chair has on two occasions addressed its applicability to amendments to appropriation bills. On September 12, 1984, the Chair ruled that a Senate amendment to a general appropriation bill, denying the use of funds in that or any other act to impose or assess any tax due under a designated provision of the Internal Revenue Code, violated the prohibition; in that case the limitation, obviously, rendered a legally required tax uncollectable through the use of any funds available to the Internal Revenue Service. On October 27, 1983, earlier in the 98th Congress, Chairman Sharp ruled in the Committee of the Whole that a provision reported in the Treasury and Postal Service appropriation bill, prohibiting the use of funds in the bill for the Customs Service to enforce any provision of law to permit duty-free entry of products of Caribbean Basin countries, was a tariff measure in violation of clause 5(b) of rule XXI. Existing law afforded duty-free entry for such products, and it was the opinion of the Chair that the section in question would actually require the Customs Service to perform the new duty of imposing and collecting a tariff not required by law.

While the provision presently before the Chair for determination does not have precisely the effect of the amendment just described, since this provision obviates a tax legally required rather than imposing one not required, it appears to the Chair that in the area of taxes and tariffs that distinction should not require a different result as to whether the provision or amendment is subject to a point of order. The duty required of the collecting agency is no less substantial, since to carry out this amendment the Internal Revenue Service would be required to adjust the tax liability of taxpayers who assume they owe the tax pursuant to the Internal Revenue Code, and to make necessary changes in refunds or taxes owed. Furthermore, there is no question but that through the denial of funding in question the provision would change, for fiscal year 1986 or whatever portion thereof the funds in question would be used, the applicability of a tax required by law. The report on the bill in question states at page 36 that the taxes in question were in fact imposed under the 1984 Deficit Reduction Act, a tax measure reported from the Committee on Ways and Means, and that

It is the intent of the Committee on Appropriations to protect elderly residents of non-profit continuing care facilities from unwarranted and inappropriate federal tax requirements by imposing a restriction on the Internal Revenue Service from implementing Section 7282 of the Internal Revenue Code on entry fees applicable to CCRC's.

For the reasons stated, the Chair sustains the point of order.

The Clerk will read.

The Clerk read as follows:

This title may be cited as the "Treasury Department Appropriations Act, 1986".

TITLE II

POSTAL SERVICE

PAYMENT TO THE POSTAL SERVICE FUND

For payment to the Postal Service Fund for revenue forgone on free and reduced rate mail, pursuant to 39 U.S.C. 2401 (b) and (c) and for meeting the liabilities of the former Post Office Department to the Employees' Compensation Fund pursuant to 39 U.S.C. 2004 and section 1724(a) of the Omnibus Budget Reconciliation Act of 1981; $961,121,000: *Provided*, That mail for overseas voting and mail for the blind shall continue to be free: *Provided further*, That six-day delivery and rural delivery of mail shall continue at the 1983 level: *Provided further*, That none of the funds made available to the Postal Service by this Act shall be used to implement any rule, regulation, or policy of charging any officer or employee of any State or local child support enforcement agency, or any individual participating in a State or local program of child support enforcement, a fee for information requested or provided concerning an address of a postal customer: *Provided further*, That none of the funds provided in this Act shall be used to consolidate or close small rural and other small post offices in the fiscal year ending on September 30, 1986: *Provided further*, That none of the funds made available to the Postal Service by this Act may be used to support in-county second-class rates of postage for any issue of a publication unless more than 50 percent plus one copy of the total paid circulation is dis-

tributed within the county of publication, or the total circulation of the publication is under 10,000.

POINT OF ORDER

Mr. FORD of Michigan. Mr. Chairman, I raise a point of order against the final proviso of title II of the bill on page 14, lines 8 through 14.

□ 1220

Mr. Chairman, this provision is substantive legislation. Although couched in terms of limitation on the use of funds, the limitation clearly would require executive officials to perform particular duties and to exercise discretion. House Rule XXI is therby violated.

Presently, all copies of any second-class publication mailed and delivered within the country of publication receive the benefit of a subsidized rate from the Postal Service. This would be altered by this provision of the bill. The Postal Service would be barred from giving the subsidized rate to any publication which has a total circulation of 10,000 or more copies or which has over 50 percent of its total paid circulation within the country of publication. The Postal Service would be required to enforce this provision and maintain necessary records and circulation tracking systems on an issue-by-issue basis—functions the Postal Service does not have to perform under existing law.

The subject provision pertains to matters solely within the jurisdiction of the Committee on Post Office and Civil Service. The matter of eligibility for subsidized rates and the issue of the authorization for appropriations for such rates presently are the subjects of much scrutiny and study by my committee in conjunction with the fiscal 1986 budget process. I must state that enactment of the subject provison would interfere with my committee's present and future work in this sensitive area of its jurisdiction.

The substantive policy issues raised by the subject provision are important, controversial, and complex. I will insist upon my point of order, but I wish to assure the author of the provision, the gentleman from Massachusetts [Mr. CONTE], that my committee and I will be examining and dealing with these issues in a comprehensive and timely manner.

I therefore insist upon my point of order.

The CHAIRMAN. Does any Member wish to speak to the point of order?

The Chair recognizes the gentleman from California [Mr. ROYBAL].

Mr. ROYBAL. Mr. Chairman, this provision is a clear limitation on an appropriation bill. It prohibits any of the funds appropriated in this act from being used to subsidize a very clearly defined class of mailers. The only decisions that an executive official would have to make are purely ministerial. The only decision an executive would have to make is whether or not an in-county second-class rate user complies with the unconditional standards set forth in the provision.

Back again to Deschler's Procedures, we find 25: 10.5, states that incidental but additional burdens that might be imposed by the requirements of the limitation do not destroy the legitimacy of the limitation. In this particular instance, the precedent clearly states that incidental duties, and I quote, "such as making an appraisal of land values" does not destroy the character of the limitation.

In addition, Mr. Chairman, another precedent such as 25: 10.7, clearly shows that reviewing statistical information does not constitute additional duties. It is important to emphasize that only additional ministerial duties are being required; basically whether a mailer fits within the limitation or not. It requires absolutely no discretionary judgment on the part of those executive officials.

It is my belief that the precedents hold that so long as the additional duties required of the Executive are not of a discretionary nature, and are merely ministerial to determine who falls within or does not fall within the effect of the limitation, in that case then, the limitation is in order.

Mr. Chairman, I believe that this is an unconditional limitation requiring only minimal additional duties that require the exercise of no discretion by executive personnel and is in order under the rules.

Now I have a letter from the Postal Service which indicates that the Service already collects circulation data from users of the in-county rate. So for whatever it is worth, I would like to read that letter into the RECORD.

It reads as follow:

This is in response to your request for information on the level of administrative activity which would be required of the Postal Service if an amendment to H.R. 3036 offered by Representative CONTE—

In this instance—

and adopted by the Committee on Appropriations concerning the second class, in-county rate were to become law.

It is our estimate that the effort required to administer the Conte amendment would be minimal inasmuch as the Postal Service already collects circulation data from users of the in-county rate. If you require additional information on this issue, please let me know.

Since it is already being done, Mr. Chairman, I ask that you rule favorably this time on this point of order.

The CHAIRMAN. The Chair recognizes the gentleman from New Mexico [Mr. SKEEN].

Mr. SKEEN. I thank the Chair.

Mr. Chairman, I want to rise in support of the chairman in opposition to the point of order and agree that this is an unconditional limitation.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. CONTE].

Mr. CONTE. Mr. Chairman, I want to join with Chairman ROYBAL in his very eloquent presentation against the point of order. I would like to quote from a letter I received from William T. Johnstone of the Postal Service Department. He said:

It is our estimate that the effort required to administer the Conte amendment would be minimal inasmuch as the Postal Service already collects circulation data from users of the in-county rate. If you require additional information in this issue, please let me know.

So the added work here by the Postal Service will be very, very minimal. Therefore, I hope that the point of order will be turned down.

The CHAIRMAN (Mr. BEILENSON). Does any other Member wish to address the question of the point of order raised by the gentleman from Michigan [Mr. FORD]? If not the Chair is prepared to speak to that point of order.

The gentleman from Michigan makes a point of order against the language on page 14, lines 8 through 14 of the bill, which would prohibit use of funds in the bill for the Postal Service to support incounty second-class rates for any issue of a publication unless more than a certain percentage to the total paid circulation of the publication is within the county, or unless the total circulation of the publication is under 10,000. The gentleman from California has argued that the provision requires no more than minimal or incidental duties on the part of the Postal Service, which has indicated that it already collects circulation data on publications receiving the second-class rate. One of the precedents cited by the gentleman from California related to a provision where the executive branch was merely required to be the recipient of information, and the other related to a situation where determinations were required to be made related to the level of agricultural payments from funds in the bill. In the opinion of the Chair, the provision in question in fact require an issue-by-issue finding with respect to circulation patterns for the publication in question, and not simply a general and static finding for the publisher who applies for the second-class rate. The circulation size and distribution pattern of any particular newspaper or magazine could change momentarily, and the duty of making the necessary investigations and determinations seems to the Chair to be far from ministerial, and without statutory requirement.

For these reasons, the Chair sustains the point of order raised by the gentleman from Michigan.

Mr. CONTE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I am certainly disappointed in my dear and beloved friend from Michigan on his point of order. This amendment is designed to prohibit large profitmaking publications from taking advantage of a loophole on rate subsidies. These companies take advantage of this loophole in the law, defining those publications eligible for incounty reduced rates and it costs the taxpayers $13 million a year.

□ 1230

I understand the gentleman's position, and I am also concerned that nothing is done to prevent it; these large corporations will continue with their ripoff of the taxpayers' money.

Also, by striking this language, the Postal Service is now forced to increase rates for all the users of the subsidy including the nonprofit organizations like the VFW or the United Way; educational institutions, to name a few.

In effect, we raise the rates for nonprofits to subsidize Time magazine, Newsweek, and the Wall Street Journal.

I would like to ask my good friend, BILL FORD, some questions.

The first question is: When will the Post Office Committee support legislation to eliminate the abuses and revenue forgone that I have tried to address today in this amendment?

Mr. FORD of Michigan. Will the gentleman yield?

Mr. CONTE. I yield to the gentleman.

Mr. FORD of Michigan. I fully expect at this time that this issue will be dealt with sooner than any other way during the reconciliation of the budget, because there have been ongoing discussions with the Senate side on this, and I know that they and we both have concerns that will be addressed.

Mr. CONTE. Does the gentleman agree that magazines such as Hustler and Playboy and Newsweek should not be subsidized by the U.S. Government?

Mr. FORD of Michigan. I do not believe that they should take advantage of the in-county rate the way they do now; and if I was satisfied that the gentleman's amendment, the way it is drafted, accomplished what he wanted to do and indeed it was effective, I probably would have looked the other way because of my affection for the gentleman from Massachusetts, but in fact I will work with the gentleman, as I have indicated to him, to write an amendment that does exactly what he wants to do.

Mr. CONTE. I appreciate that. Can the gentleman tell me whether you also support and will address the political parties' eligibility and eliminate that abuse?

Mr. FORD of Michigan. Absolutely nothing is "off the table" as they say, or sacred, in our consideration of the classes of permits that are not out there.

Mr. CONTE. And would you agree that if your legislation is not proved by the end of the year, that you will join with me to reform these abuses? I do not care who gets credit for the language; we must get the proper language to address this issue in one of the last continuing resolutions of the year.

Mr. FORD of Michigan. If it is necessary for this to be in a continuing resolution, I will work with the utmost cooperation with the gentleman in the hope that we can accomplish our mutual objective.

Mr. CONTE. I am not looking forward to it, but I feel we will be here Christmas.

Mr. FORD of Michigan. I hope the gentleman did not mean he was not looking forward to working with me.

Mr. CONTE. No, no, I do not look forward to being here a day or two before Christmas working on a continuing resolution, but I am sure we will be here, and we can work it out at that time.

Mr. FORD of Michigan. By that time, I think the Senator on the other side and I will have been up and down the rows on this so much that we will have absolutely letter-perfect language for you, SILVIO.

Mr. CONTE. I appreciate that, and I thank the gentleman.

Mr. FORD of Michigan. Mr. Chairman, I rise to strike the requisite number of words.

Mr. Chairman, I believe that the colloquy is adequate to show our concern, but I did want to correct one thing the gentleman said. He asserted that the effect of striking this provision would be to, have a deleterious effect on the other deferred classes of mail, and I have a letter from the post office to me, saying:

ASSISTANT POSTMASTER GENERAL,
Washington, DC, July 26, 1985.

Hon. WILLIAM D. FORD,
Chairman, Committee on Post Office and Civil Service, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: This is in response to your request for information on the effect of a $921,993,000 appropriation for revenue forgone, the amount recommended by the Committee on Appropriations in H.R. 3036, if an amendment adopted by the Subcommittee on Treasury—Postal Service—General Government concerning eligibility for the second-class, in county rate were deleted. The amendment in question would limit access to the in-county rate to only those mailers fifty percent plus one copy of whose total paid circulation is distributed within the county of publication or whose total circulation is 10,000 copies or less.

The Postal Service estimates that a total revenue forgone appropriation of $921,993,000, with no restriction on eligibility for the in-county rate such as is contemplated in the Subcommittee amendment, would keep all nonprofit and preferred rate mailers at their current Step 14 rates until January 17, 1986 at which time they would move to Step 15 on the phasing schedule and remain there until the end of the fiscal year. If rates were to be kept steady throughout the fiscal year, the amount included in H.R. 3036 for revenue forgone would be sufficient to support rates slightly more than half way between Steps 14 and 15 on the phasing schedule.

Sincerely,

WILLIAM T. JOHNSTONE.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

This title may be cited as the "Postal Service Appropriation Act, 1986".

TITLE III

EXECUTIVE OFFICE OF THE PRESIDENT

COMPENSATION OF THE PRESIDENT

For compensation of the President, including an expense allowance at the rate of $50,000 per annum as authorized by 3 U.S.C. 102; $250,000: *Provided*, That none of the funds made available for official expenses shall be expended for any other purpose and any unused amount shall revert to the Treasury pursuant to section 1552 of title 31 of the United States Code: *Provided further*, That none of the funds made available for official expenses shall be considered as taxable to the President.

OFFICE OF ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses of the Office of Administration; $15,597,000 including services as authorized by 5 U.S.C. 3109 and 3 U.S.C. 107, and hire of passenger motor vehicles.

THE WHITE HOUSE OFFICE

SALARIES AND EXPENSES

For expenses necessary of the White House Office as authorized by law, including not to exceed $3,850,000 for services as authorized by 5 U.S.C. 3109 and 3 U.S.C. 105; including subsistence expenses as authorized by 3 U.S.C. 105, which shall be expended and accounted for as provided in that section; hire of passenger motor vehicles, newspapers, periodicals, teletype news service, and travel (not to exceed $100,000 to be expended and accounted for as provided by 3 U.S.C. 103); not to exceed $20,000 for official entertainment expenses, to be available for allocation within the Executive Office of the President; $24,906,000.

EXECUTIVE RESIDENCE AT THE WHITE HOUSE

OPERATING EXPENSES

For the care, maintenance, repair and alteration, refurnishing, improvement, heating and lighting, including electric power and fixtures, of the Executive Residence at the White House and official entertainment expenses of the President; $4,577,000, to be expended and accounted for as provided by 3 U.S.C. 105, 109–110, 112–114.

OFFICIAL RESIDENCE OF THE VICE PRESIDENT

OPERATING EXPENSES

For the care, maintenance, repair and alteration, refurnishing, improvement, heating and lighting, including electric power and fixtures, of the official residence of the Vice President, and not to exceed $60,000 for official entertainment expenses of the Vice President, to be accounted for solely on his certificate; $204,000: *Provided*, That advances or repayments or transfers from this appropriation may be made to any department or agency for expenses of carrying out such activities.

SPECIAL ASSISTANCE TO THE PRESIDENT

SALARIES AND EXPENSES

For necessary expenses to enable the Vice President to provide assistance to the President in connection with specially assigned functions, services as authorized by 5 U.S.C. 3109 and 3 U.S.C. 106, and hire of passenger motor vehicles; $1,659,000.

COUNCIL OF ECONOMIC ADVISERS

SALARIES AND EXPENSES

For necessary expenses of the Council in carrying out its functions under the Employment Act of 1946 (15 U.S.C. 1021); $2,301,000.

OFFICE OF POLICY DEVELOPMENT

SALARIES AND EXPENSES

For necessary expenses of the Office of Policy Development, including services as authorized by 5 U.S.C. 3109, and 3 U.S.C. 107 and other personal services as authorized by 3 U.S.C. 107; $2,726,000.

NATIONAL CRITICAL MATERIALS COUNCIL

SALARIES AND EXPENSES

For necessary expenses of the National Critical Materials Council, including activities as authorized by Public Law 98-373, $500,000.

NATIONAL SECURITY COUNCIL

SALARIES AND EXPENSES

For necessary expenses of the National Security Council, including services as authorized by 5 U.S.C. 3109; $4,627,000.

OFFICE OF MANAGEMENT AND BUDGET

SALARIES AND EXPENSES

For necessary expenses of the Office of Management and Budget, including hire of passenger motor vehicles, services as authorized by 5 U.S.C. 3109; $37,689,000: *Provided,* That none of the funds appropriated in this Act for the Office of Management and Budget may be used for the purpose of reviewing any agricultural marketing orders or any activities or regulations under the provisions of the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 601 et seq.): *Provided further,* That none of the funds made available for the Office of Management and Budget by this Act may be expended for the review of the transcript of actual testimony of witnesses, except for testimony of officials of the Office of Management and Budget, before the Committee on Appropriations or its subcommittees: *Provided further,* That this proviso shall not apply to printed hearings released by the Committee on Appropriations.

OFFICE OF FEDERAL PROCUREMENT POLICY

SALARIES AND EXPENSES

For expenses of the Office of Federal Procurement Policy, including services as authorized by 5 U.S.C. 3109; $1,611,000.

UNANTICIPATED NEEDS

For expenses necessary to enable the President to meet unanticipated needs, in furtherance of the national interest, security, or defense which may arise at home or abroad during the current fiscal year; $1,000,000.

This title may be cited as the "Executive Office Appropriations Act, 1986".

Mr. ROYBAL (during the reading). Mr. Chairman, I ask unanimous consent that this title be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. Are there points of order to title III?

Are there amendments to title III?

AMENDMENT OFFERED BY MR. MONTGOMERY

Mr. MONTGOMERY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Montgomery: Page 18, line 15, strike out "before the" and all that follows through line 18 and insert in lieu thereof the following: "before the Committee on Appropriations or the Committee on Veterans' Affairs or their subcommittees: Provided further, That this proviso shall not apply to printed hearings released by the Committee on Appropriations or the Committee on Veterans' Affairs.

Mr. MONTGOMERY. Mr. Chairman, the reported bill includes language which prohibits the Office of Management and Budget from utilizing funds to review the transcript of actual testimony by agency witnesses presented to the Committee on Appropriations. The language does not prevent OMB from reviewing testimony of OMB officials, or from reviewing printed hearings.

The amendment is necessary in order to prevent officials of OMB from changing the testimony of department and agency witnesses who appear before the Appropriations Committee. In addition, the language will eliminate the unacceptable delays in the preparation of printed hearings.

Mr. Chairman, the amendment I am offering would prohibit OMB from reviewing Veterans' Affairs Committee transcripts as well as those of the Appropriations Committee. For many years our committee has allowed VA witnesses to review the transcript of their public testimony so that grammatical errors could be corrected. We have allowed the agency to correct the transcript where obvious errors were made but we found out a few months ago that OMB was requiring VA to send the transcripts over for OMB review. We were shocked to learn that in several instances, OMB officials were actually changing the testimony of VA witnesses. The changing of hearing transcripts by OMB officials is not appropriate, in my view, and my amendment, if adopted, would prohibit it from happening in the future. It should be pointed out that the amendment I propose would only apply to Veterans' Affairs Committee transcripts.

I would hope the leadership on both sides of the aisle would agree to the amendment, and I commend the Appropriations Committee for taking positive action to make certain that the testimony received at our hearings truly reflects the views of the individual witnesses, rather than someone in OMB.

Mr. ROYBAL. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from California

Mr. ROYBAL. Mr. Chairman, I would like to say at this time that I compliment the gentleman for this amendment and do support the amendment.

Mr. MONTGOMERY. I thank the gentleman from California, the chairman of the subcommittee.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. MONTGOMERY].

The amendment was agreed to.

Mrs. SCHROEDER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I want to bring to your attention some disturbing information concerning the Office of Special Counsel [OSC]. The Subcommittee on Civil Service, which I chair, has just completed a series of hearings on this office and its role in whistleblower protection.

At the first hearing, the General Accounting Office stated that the special counsel, K. William O'Connor, does not see himself as an advocate of whistleblowers. In our second hearing, seven prominent whistleblowers and six attorneys said that the special counsel does not protect whistleblowers. At the final hearing, Special Counsel O'Connor explained that "OSC is not a Federal Ann Landers. There may be those who wish for one."

Mr. O'Connor refers to whistleblowers as "severed heads," "uninformed, disgruntled or disaffected," "carrying bags and walking up and down Constitution Avenue," "blackmailers," and malcontents." It is his "presumption that management is acting properly," and his experience that most whistleblowers are malcontents.

The special counsel claims that his client is the merit system, not Federal employees. But, as pointed out in our hearings, the merit system is an empty phrase by itself. Its strength is derived from the public servants who risk their careers to honor merit system principles. Mr. O'Connor has created a false conflict between aggrieved employees and merit system principles. By definition, a prohibited personnel practice is a bureaucratic offense against the merit system. Helping the victim to obtain correct action against reprisal serves merit system principles.

Mr. Chairman, Mr. O'Connor is wrong in his approach. The legislative history of the Civil Service Reform Act of 1978 establishing the Office of Special Counsel is clear. The purpose of the special counsel is to protect whistleblowers subject to reprisal. As stated in the Senate report, "For the first time, and by statute, the Federal Government is given the mandate—through the special counsel or the Merit Systems Protection Board—to protect whistleblowers from improper reprisals." Senate floor discussion em-

phasized that "the special counsel serves first and foremost as the protector of employees' rights and as a conduit to prevent reprisals and to help agencies purge wrongdoing."

The special counsel has the discretion to set his own priorities, but he does not have the perogative to replace congressional intent with his own agenda. Mr. O'Connor testified that "justice is not my business." I agree. Justice is not his business. But it should be. Congress and the President have repeatedly urged whistleblowers to step forward. We have promised them a serious investigation of their charges and guaranteed them their personal protection. Yet, despite our best intentions, there is no protection for whistleblowers.

I plan to introduce legislation shortly which will remedy this disgraceful situation, and make good our commitment of funds toward whistleblower protection.

□ 1240

Are there further amendments to title III? If not, the Clerk will read.

The Clerk read as follows:

TITLE IV

ADMINISTRATIVE CONFERENCE OF THE UNITED STATES

SALARIES AND EXPENSES

For necessary expenses of the Administrative Conference of the United States, established by the Administrative Conference Act, as amended (5 U.S.C. 571 et seq.); $1,450,000.

ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS

SALARIES AND EXPENSES

For expenses necessary to carry out the provisions of the Advisory Commission on Intergovernmental Relations Act of 1959, as amended, 42 U.S.C. 4271-79; $2,058,000.

ADVISORY COMMITTEE ON FEDERAL PAY

SALARIES AND EXPENSES

For necessary expenses of the Advisory Committee on Federal Pay, established by 5 U.S.C. 5306; $219,000.

COMMITTEE FOR PURCHASE FROM THE BLIND AND OTHER SEVERELY HANDICAPPED

SALARIES AND EXPENSES

For necessary expenses of the Committee for Purchase From the Blind and Other Severely Handicapped established by the Act of June 23, 1971, Public Law 92-28, including hire of passenger motor vehicles; $730,000.

FEDERAL ELECTION COMMISSION

SALARIES AND EXPENSES

For necessary expenses to carry out the provisions of the Federal Election Campaign Act of 1971, as amended; $12,433,000.

GENERAL SERVICES ADMINISTRATION

FEDERAL BUILDINGS FUND

LIMITATIONS ON AVAILABILITY OF REVENUE

The revenues and collections deposited into the fund pursuant to section 210(f) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 490(f)), shall be available for necessary expenses of real property management and related activities not otherwise provided for, including operation, maintenance, and protection of federally owned and leased buildings; rental of buildings in the District of Columbia; restoration of leased premises; moving Government agencies (including space adjustments) in connection with the assignment, allocation and transfer of space; contractual services incident to cleaning or servicing buildings and moving; repair and alteration of federally owned buildings, including grounds, approaches and appurtenances; care and safeguarding of sites; maintenance, preservation, demolition, and equipment; acquisition of buildings and sites by purchase, condemnation, or as otherwise authorized by law; conversion and extension of federally owned buildings; preliminary planning and design of projects by contract or otherwise; construction of new buildings (including equipment for such buildings); and payment of principal, interest, taxes, and any other obligations for public buildings acquired by purchase contract, in the aggregate amount of $2,356,893,000, of which (1) not to exceed $198,444,000 shall remain available until expended for construction of additional projects as authorized by law at locations and at maximum construction improvement costs (including funds for sites and expenses) as follows:

New Construction:

California:

Los Angeles, Federal Building, Courthouse and parking facility, $137,198,000

Idaho:

Eastport, Border Station, $2,147,000

Missouri:

Overland National Personnel Records Center Extension, $48,932,000.

Washington:

Seattle, Laboratory, $9,767,000

Construction Projects, less than $500,000, $400,000:

Provided, That each of the immediately foregoing limits of costs may be exceeded to the extent that savings are effected in other such projects, but by not to exceed 10 per centum: *Provided further,* That all funds for direct construction projects shall expire on September 30, 1987, and remain in the Federal Buildings Fund except funds for projects as to which funds for design or other funds have been obligated in whole or in part prior to such date: *Provided further,* That claims against the Government of less than $50,000 arising from direct construction projects, acquisitions of buildings and purchase contract projects pursuant to Public Law 92-313, be liquidated with prior notification to the Committees on Appropriations of the House and Senate to the extent savings are effected in other such projects; (2) not to exceed $269,096,000, which shall remain available until expended, for repairs and alterations: *Provided further,* That funds in the Federal Buildings Fund for Repairs and Alterations shall, for prospect we projects, be limited to the amount by project as follows, except each project may be increased by an amount not to exceed 10 per centum unless advance approval is obtained from the Committees on Appropriations of the House and Senate for a greater amount:

Repairs and Alterations:

California:

Hawthorne, Federal Building, $2,383,000

Los Angeles, Courthouse, $2,570,000

Colorado:

Denver, Federal Building and Customshouse, $8,540,000

District of Columbia:

General Accounting Office, $16,200,000

ICC Customs, $2,262,000

Steam Distribution System, $13,796,000

Pension Building, $16,700,000

Illinois:

Chicago, Kluczynski Federal Building, $4,152,000

Peoria, Federal Building, $1,041,000

Indiana:

Ft. Wayne, Post Office, Courthouse, $5,275,000

Kentucky:

Louisville, Post Office, Courthouse, $5,518,000

Kansas:

Wichita, Courthouse, $4,840,000

Louisiana:

Lafayette, Federal Building, Courthouse, $2,083,000

Maryland:

Beltsville, James J. Rowley Secret Service Training Center, $5,000,000

Michigan:

Detroit, McNamara Federal Building, $7,600,000

Missouri:

Kansas City, Federal Building, $6,569,000

New Hampshire:

Manchester, Post Office, Courthouse, $1,988,000

New York:

Utica, Federal Building, Courthouse, $1,764,000

Ohio:

Cleveland, Celebrezze Federal Building, $6,507,000

Oklahoma:

Oklahoma City, Federal Building, Courthouse, $2,416,000

Pennsylvania:

Scranton, Post Office, Courthouse, $3,863,000

Puerto Rico:

Hato Rey, Federal Building, Courthouse, $1,683,000

Texas:

Dallas, Cabell Federal Building, Courthouse, $3,943,000

Dallas, Terminal Annex, $4,600,000

Fort Worth, Warehouse #1, $1,986,000

San Antonio, Post Office, Courthouse, $6,078,000

Virginia:

Richmond, Federal Building, $1,125,000

Minor Repairs and Alterations, $128,614,000:

Provided further, That additional projects for which prospectuses have been fully approved may be funded under this category only if advance approval is obtained from the Committees on Appropriations of the House and Senate: *Provided further,* That all funds for repairs and alterations prospectus projects shall expire on September 30, 1987, and remain in the Federal Buildings Fund except funds for projects as to which funds for design or other funds have been obligated in whole or in part prior to such date; (3) not to exceed $135,100,000 for payment on purchase contracts entered into prior to July 1, 1975; (4) not to exceed $866,000,000 for rental of space; (5) not to exceed $709,678,000 for real property operations; (6) not to exceed $55,481,000 for program direction and centralized services; and (7) not to exceed $123,094,000 for design and construction services which shall remain available until expended: *Provided further,* That for the purposes of this authorization, buildings constructed pursuant to the Public Buildings Purchase Contract Act of 1954 (40 U.S.C. 356), the Public Buildings Amendments of 1972 (40 U.S.C. 490), and buildings under the control of another department or agency where alterations of such buildings are required in connection

with the moving of such other department or agency from buildings then, or thereafter to be, under the control of the General Services Administration shall be considered to be federally owned buildings: *Provided further,* That none of the funds available to the General Services Administration shall be available for expenses in connection with any construction, repair, alteration, and acquisition project for which a prospectus, if required by the Public Buildings Act of 1959, as amended, has not been approved, except that necessary funds may be expended for each project for required expenses in connection with the development of a proposed prospectus: *Provided further,* That funds available in the Federal Buildings Fund may be expended for emergency repairs when advance approval is obtained from the Committees on Appropriations of the House and Senate: *Provided further,* That amounts necessary to provide reimbursable special services to other agencies under section 210(f)(6) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 490(f)(6)) and amounts to provide such reimbursable fencing, lighting, guard booths, and other facilities on private or other property not in Government ownership or control as may be appropriate to enable the United States Secret Service to perform its protective functions pursuant to 18 U.S.C. 3056 as amended, shall be available from such revenues and collections: *Provided further,* That revenues and collections and any other sums accruing to this fund during fiscal year 1986 excluding reimbursements under section 210(f)(6) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 490(f)(6)) in excess of $2,356,893,000 shall remain in the Fund and shall not be available for expenditure except as authorized in appropriation Acts.

PERSONAL PROPERTY ACTIVITIES

PERSONAL PROPERTY

OPERATING EXPENSES

For expenses authorized by law, not otherwise provided for, necessary for supply distribution (including contractual services incident to receiving, handling and shipping supply items), procurement (including royalty payments), inspection, standardization, property management, and other supply management activities, transportation activities, utilization of excess and disposal of surplus personal property, and the rehabilitation of personal property including services as authorized by 5 U.S.C. 3109; $164,257,000.

GENERAL MANAGEMENT AND ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses of agency management of activities under the control of the General Services Administration, and general administrative and staff support services not otherwise provided for; including transportation audits by in-house personnel; for transportation audit contracts and contract administration for which payment to any contractor shall not exceed 50 per centum on the overpayment identified by any contract audit; for providing accounting, records management, and other support incident to adjudication of Indian Tribal Claims by the United States Court of Claims, and services authorized by 5 U.S.C. 3109; $124,310,000 of which $900,000 shall be available only for, and is hereby specifically earmarked for, personnel costs associated with support of Congressional District and Senate State offices: *Provided,* That this appropriation shall be available, subject to reimbursement by the applicable agency, for services performed for other agencies pursuant to subsections (a) and (b) of section 1535 of title 31, United States Code.

FEDERAL PROPERTY RESOURCES SERVICE

OPERATING EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For expenses, not otherwise provided for, necessary for carrying out the functions of the Administrator with respect to utilization of excess real property; the disposal of surplus real property; the utilization survey, appraisal, environmental and cultural analysis, and land use planning functions pertaining to excess and surplus real property; the National Defense Stockpile established by the Strategic and Critical Materials Stock Piling Act, as amended (50 U.S.C. 98-98h), the Defense Production Act of 1950, as amended (50 U.S.C. App. 2061-2166); including services as authorized by 5 U.S.C. 3109 and reimbursement for recurring security guard service; $40,748,000, of which $11,414,000 shall be derived from proceeds from transfers of excess real property and disposal of surplus real property and related personal property, subject to the provisions of the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 4601-5), and of which $25,989,000 for the transportation, processing, refining, storage, security, maintenance, rotation, and disposal of materials contained in or acquired for the stockpile shall remain available through fiscal year 1987.

NATIONAL DEFENSE STOCKPILE TRANSACTION FUND

For the year ending September 30, 1986, in addition to the funds previously appropriated for the National Defense Stockpile Transaction Fund, pursuant to 50 U.S.C. 98a and g(a)(2)(c) and 50 U.S.C. 100(a), notwithstanding the provisions of 50 U.S.C. 98h, an additional $10,000,000 is appropriated, to remain available until expended, for a grant to construct a strategic materials research facility at the University of Massachusetts at Amherst.

OFFICE OF INFORMATION RESOURCES MANAGEMENT

OPERATING EXPENSES

For expenses authorized by law, not otherwise provided for, necessary for carrying out Government-wide and internal responsibilities relating to automated data management, telecommunications, information resources management, and related activities, including services as authorized by 5 U.S.C. 3109; and for the Information Security Oversight Office established pursuant to Executive Order 12356; $30,630,000.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General; $19,305,000: *Provided,* That not to exceed $10,000 shall be available for payment for information and detection of fraud against the Government, including payment for recovery of stolen Government property.

ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS

For carrying out the provisions of the Act of August 25, 1958, as amended (3 U.S.C. 102 note), and Public Law 95-138; $1,151,000: *Provided,* That the Administrator of General Services shall transfer to the Secretary of the Treasury such sums as may be necessary to carry out the provisions of such Acts.

GENERAL SERVICES ADMINISTRATION

GENERAL PROVISIONS

SEC. 1. The appropriate appropriation or fund available to the General Services Administration shall be credited with (1) cost of operation, protection, maintenance, upkeep, repair, and improvement, included as part of rentals received from Government corporations pursuant to law (40 U.S.C. 129); and (2) appropriations or funds available to other agencies, and transferred to the General Services Administration, in connection with property transferred to the General Services Administration pursuant to the Act of July 2, 1948 (50 U.S.C. 451ff) and such appropriations or funds may be so transferred, with the approval of the Office of Management and Budget.

SEC. 2. Funds available to the General Services Administration shall be available for the hire of passenger motor vehicles.

SEC. 3. Appropriations available to any department or agency during the current fiscal year for necessary expenses, including maintenance or operating expenses, shall also be available for payment to the General Services Administration for charges for space and services and those expenses of renovation and alteration of buildings and facilities which constitute public improvements, performed in accordance with the Public Buildings Act of 1959 (73 Stat. 749), the Public Buildings Amendments of 1972 (86 Stat. 216), or other applicable law.

SEC. 4. Not to exceed 1 per centum of funds made available in appropriations for operating expenses and salaries and expenses, during the current fiscal year, may be transferred between such appropriations for mandatory program requirements. Any transfers proposed shall be submitted promptly to the Committees on Appropriations of the House and Senate for approval.

SEC. 5. Funds in the Federal Buildings Fund made available for fiscal year 1986 for Federal Buildings Fund activities may be transferred between such activities only to the extent necessary for mandatory program requirements. Any transfers proposed shall be submitted promptly to the Committees on Appropriations of the House and Senate for approval.

SEC. 6. Funds hereafter made available to the General Services Administration for the payment of rent shall be available for the purpose of leasing space in buildings erected by the lessor on land owned by the United States.

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

OPERATING EXPENSES

For necessary expenses in connection with National Archives and Records Administration and related activities, as provided by law, and for expenses necessary for the review and declassification of documents, and for the hire of passenger motor vehicles, $103,513,000 of which $4,000,000 for allocations and grants for historical publications and records as authorized by 44 U.S.C. 2504, as amended, shall remain available until expended.

OFFICE OF PERSONNEL MANAGEMENT

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF TRUST FUNDS)

For necessary expenses to carry out functions of the Office of Personnel Management pursuant to Reorganization Plan No. 2 of 1978 and the Civil Service Reform Act of 1978, including services as authorized by 5 U.S.C. 3109, medical examinations per-

formed for veterans by private physicians on a fee basis, rental of conference rooms in the District of Columbia and elsewhere, hire of passenger motor vehicles, and advances for reimbursements to applicable funds of the Office of Personnel Management and the Federal Bureau of Investigation for expenses incurred under Executive Order 10422 of January 9, 1953, as amended; $99,846,000 in addition to $52,844,000 for administrative expenses for the retirement and insurance programs to be transferred from the appropriate trust funds of the Office of Personnel Management in the amounts determined by the Office of Personnel Management without regard to other statutes: *Provided*, That the provisions of this appropriation shall not affect the authority to use applicable trust funds as provided by section 8348(a)(1)(B) of title 5, U.S.C. No part of this appropriation shall be available for salaries and expenses of the Legal Examining Unit of the Office of Personnel Management established pursuant to Executive Order 9358 of July 1, 1943, or any successor unit of like purpose.

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEES HEALTH BENEFITS

For payment of Government contributions with respect to retired employees, as authorized by chapter 89 of title 5, United States Code, and the Retired Federal Employees Health Benefits Act (74 Stat. 849), as amended, $1,606,165,000, to remain available until expended.

PAYMENT TO CIVIL SERVICE RETIREMENT AND DISABILITY FUND

For financing the unfunded liability of new and increased annuity benefits becoming effective on or after October 20, 1969, as authorized by 5 U.S.C. 8348, and annuities under special acts, to be credited to the Civil Service Retirement and Disability Fund, $4,407,234,000: *Provided*, That annuities authorized by the Act of May 29, 1944, as amended (22 U.S.C. 3682(e)), August 19, 1950, as amended (33 U.S.C. 771-775), may hereafter be paid out of the Civil Service Retirement and Disability Fund.

MERIT SYSTEMS PROTECTION BOARD

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses to carry out functions of the Merit Systems Protection Board pursuant to Reorganization Plan Numbered 2 of 1978 and the Civil Service Reform Act of 1978, including services as authorized by 5 U.S.C. 3109, rental of conference rooms in the District of Columbia and elsewhere, hire of passenger motor vehicles; $20,349,000, together with not to exceed $1,200,000 for administrative expenses to adjudicate retirement appeals to be transferred from the Civil Service Retirement and Disability Fund in amounts determined by the Merit Systems Protection Board.

OFFICE OF SPECIAL COUNSEL

SALARIES AND EXPENSES

For necessary expenses to carry out functions of the Office of the Special Counsel pursuant to Reorganization Plan Numbered 2 of 1978 and the Civil Service Reform Act of 1978 (Public Law 95-454), including services as authorized by 5 U.S.C. 3109, payment of fees and expenses for witnesses, rental of conference rooms in the District of Columbia and elsewhere, and hire of passenger motor vehicles; $4,594,000.

FEDERAL LABOR RELATIONS AUTHORITY

SALARIES AND EXPENSES

For necessary expenses to carry out functions of the Federal Labor Relations Authority, pursuant to Reorganization Plan No. 2 of 1978, and the Civil Service Reform Act of 1978, including services as authorized by 5 U.S.C. 3109, including hire of experts and consultants, hire of passenger motor vehicles, rental of conference rooms in the District of Columbia and elsewhere; $17,364,000: *Provided*, That public members of the Federal Service Impasses Panel may be paid travel expenses and per diem in lieu of subsistence as authorized by law (5 U.S.C. 5703) for persons employed intermittently in the Government Service, and compensation as authorized by 5 U.S.C. 3109.

UNITED STATES TAX COURT

SALARIES AND EXPENSES

For necessary expenses, including contract reporting and other services as authorized by 5 U.S.C. 3109; $24,556,000: *Provided*, That travel expenses of the judges shall be paid upon the written certificate of the judge.

This title may be cited as the "Independent Agencies Appropriations Act, 1986".

Mr. ROYBAL (during the reading). Mr. Chairman, I ask unanimous consent that title IV be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. Are there points of order against title IV?

Are there amendments to title IV?

AMENDMENT OFFERED BY MR. BLILEY

Mr. BLILEY. Mr. Chairman, I offer an amendment.

Mr. FRENZEL. Mr. Chairman, I reserve the point of order against the Bliley amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. BLILEY: Page 20, line 12, insert ", of which $100,000 shall be for necessary expenses to issue regulations consistent with the decision of the United States Supreme Court in *Ellis, et al.* v. *Brotherhood of Railroad and Airline Clerks* (104 S. Ct. 1883)" before the period.

The CHAIRMAN. The gentleman from Virginia [Mr. BLILEY] is recognized for 5 minutes in support of his amendment.

Mr. FRENZEL. Mr. Chairman, am I protected?

The CHAIRMAN. The gentleman is protected. He has reserved his right.

Mr. BLILEY. Mr. Chairman, you will hear the argument that the FEC was not involved in the compulsory union dues for political activities cases and, therefore, we should not require the FEC to enforce the U.S. Supreme Court rulings in the Street, Abood, and Ellis cases.

These cases were decided on the first amendment. It was found that political activities involving compulsory union dues were in violation of the first amendment. The FEC is the congressional creation that regulates contributions and political/campaign activities.

It is not only appropriate, but it is the duty of Congress to enforce first amendment protections. The FEC is the agency at hand in this bill that can help enforce these first amendment protections. The FEC authorization was defeated on suspension so this is the only opportunity that Congress can insist that all steps available are used to enforce the law of the land.

You may also hear the argument that no official request has been made to the FEC to enforce the rulings of the U.S. Supreme Court. Since when did the action of a Federal agency to protect constitutional rights depend on a request? The FEC should have acted on its own to carry out the Supreme Court decisions. It has been over a year since the Ellis case and no action has been taken by the FEC to enforce the decisions.

If the Justice Department or Civil Rights Commission tried to use the argument that they did not protect constitutional rights because there was no request to do so, they would be laughed out of town. The cases ending with Ellis protect a very important constitutional right. Lack of enforcement cannot be justified by the lame excuse that, "no one asked us to enforce the Constitution."

The Bliley amendment simply ensures that the FEC does not continue to ignore the law of the land.

At this time I yield to my colleague and friend, the gentleman from North Carolina [Mr. COBEY].

Mr. COBEY. I thank the gentleman for yielding.

I would like to ask the gentleman a question.

Is it not true that the reason the FEC authorization bill was defeated last month is to allow amendments like the one the gentleman plans to offer today to be offered and discussed?

Mr. BLILEY. I think the gentleman is absolutely correct. The House defeated authorization, which signals me there is signficiant opposition to this agency and a significant number of Members who would like to voice their opposition and propose amendments.

Mr. COBEY. If the gentleman will continue to yield, it is only fair that Members of this body be given an opportunity to debate the important issue of compulsory union dues being used for political purposes.

Last month, Members of this body defeated the FEC authorization bill which was brought up under suspension. We wanted an opportunity to fully debate some of the controversial practices and proposals of the FEC. Today we have an opportunity to debate the controversial FEC practices of not enforcing the U.S. Supreme Court decision of Ellis versus Brac.

The plaintiffs in the Ellis case argued that their compulsory union dues were being used to finance political causes and candidates they opposed in violation of their rights of free political expression.

The Supreme Court recognized, as it has in past cases such as Street and Abood, that the enormous power of unions must be tempered by protecting the first amendment rights of dissenting union members. The court ruled that compulsory union dues may not be used for political purposes and required the reduction of dues to objecting union members.

Mr. Chairman, again I urge my colleagues to uphold the law of the land by supporting the amendment offered by the gentleman from Virginia. I do not think that we as Members can tolerate the law of the land not being enforced, in fact, I know we cannot, and particularly when working men and women in unions, who may not support the particular choice of their union leadership, are forced through these compulsory dues to be in support of a particular point of view or a candidate that they do not want to be associated with.

□ 1250

There is diversity among working men and women in this country that are union members, and we need to look out for their rights. It is time that we stood up for them.

Mr. ARMEY. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, this is a matter of course of grave concern to me and should be of every Member of the House. Obviously, we have, this House has established the Federal Elections Commission, and we have done that to ensure the integrity of elections in the United States. We have carefully debated and determined the rules by which elections shall be carried out here, and in compliance with those regulations that we have, each and every Member of this House does his or her duty. We fill out the forms, and we are very careful to be sure that we are accurate and prompt in demonstrating our compliance with those regulations.

We are very, very careful to see to it that indeed all the regulations are observed as indeed we conduct our own campaign of theirs. What we are asking is for the Federal Election Commission to carry its weight. This Commission is charged with the responsibility of providing surveillance over the administration, the implementation of campaigns, and the contributions given to campaigns.

What we are suggesting is that the Commission has not fulfilled its responsibility in this regard, particularly as it results in the expropriation of funds from the working men and women of America by union leaders who have taken their union dues and used them for political purposes. Something expressly forbidden by the law. We want, by this amendment, to make it clear to the Federal Election Commission, that this Congress is going to require that the rights of those working men and women of America to make those contributions, express that support to those candidates of their choice, and to freely control their own pocketbook with respect to this very important business of determining the leadership of this Nation. That that right for our working men and women of this country be protected, and that indeed, the utmost care and surveillance be given to that to guarantee this.

Just as we ourselves are expected and do. I think if you talk to the Members of this House or the other body, you will find that we use great care because we consider this such a very, very important part of our election process.

Now I think the time has come for that creature of our own creation, the Federal Election Commission, to simply do what we believe must be done in America. They should do their job with thoroughness, with accuracy, with integrity and completeness. That is what we are asking here.

I would like to commend Mr. BLILEY for taking the initiative to bring this amendment to the floor. I want to lend my wholehearted support to this amendment, and I am confident that the working men and women of America today will also express their gratitude to Congressman BLILEY for showing the courage and the commitment to freedom and freedom of choice that he has expressed by having taken this amendment to the floor.

POINT OF ORDER

Mr. FRENZEL. Mr. Chairman, I renew my point of order making the point against this amendment on the grounds that it is a violation of rule XXI, clause 2. It is legislation on an appropriations bill. It is an unauthorized and legislative earmarking. An amendment or language in an appropriations bill may not impose additional duties not required by law or make the appropriation contingent on the performance of such duties.

I have great sympathy with the gentleman's inclination, but I do not want to extend the jurisdiction of the FEC to the whole Railway Labor Act. I think the gentleman's inclination is right, but taken in another time with some hearings, we will be able to do justice to this. I press my point of order.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia [Mr. BLILEY] to respond on the point of order.

Mr. BLILEY. Mr. Chairman, I am not a lawyer, but I fail to see how this should require any extra duty of the FEC. After all, when we created the FEC, we charged them with carrying out the laws of this country as pertains to Federal elections. The Supreme Court has ruled in the Ellis case, that the use of these funds is wrong and should not be allowed, and the FEC has simply failed to act.

I do not see how carrying out the laws of the United States, which they are already charged to do, is any greater duty, as a result of my amendment, than they already have.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. ROYBAL].

Mr. ROYBAL. Mr. Chairman, I most certainly agree with the gentleman from Minnesota [Mr. FRENZEL] that this amendment is clearly legislation on an appropriations bill, and that it is, in fact, in violation of rule XXI, clause 2. It is for that reason that I request that the Chair sustain the point of order.

The CHAIRMAN (Mr. BEILENSON). The Chair is prepared to rule on the point of order raised by the Gentleman from Minnesota.

The Chair rules that the amendment of the gentleman from Virginia [Mr. BLILEY] clearly would require new and additional duties to be imposed on the FEC. It does in fact earmark FEC funds and require the issuance of regulations and therefore is clearly, under the rules, legislative in nature. The Chair, therefore, upholds the point of order presented by the gentleman from Minnesota.

Mr. FRENZEL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I do want to say that I am sympathetic to the amendment just sponsored by the gentleman from Virginia which has been declared out of order. I do, however, think that an appropriations bill is an inappropriate place to discuss these matters. This environment does not give us the scope nor the ability to do hearings and so forth that is necessary to take care of the problem properly.

I would like to say further that the material on lines 9 through 12 on page 20, the appropriation for the Federal Elections Commission, of course, should have had a point of order made against it originally. I could not do so because it is protected by a waiver of our normal rules.

For some reason, the Rules Committee sees fit to protect the Appropriations Committee whenever it appropriates unauthorized funds. The language in the bill has no more status under normal House rules than the amendment of the gentleman from Virginia. Neither one should be before the House. It is, I think, an embarassment to this House that we have to work in this way.

Mr. BLILEY. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman.

Mr. BLILEY. I thank the gentleman for yielding.

Mr. Chairman, I do speak only to press, since I see the chairman of the authorizing committee is here, that he would look at this and I would hope that he would have hearings on it this year if the FEC does not move promptly in this area.

Mr. FRENZEL. I thank the gentleman for his contribution. I think it would be well if the gentleman would submit a bill to prod the committee into some kind of action. I think it is worthy of the committee's attention, and it is something that we should do.

□ 1300

Mr. GIBBONS. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the distinguished gentleman from Florida.

Mr. GIBBONS. I thank the gentleman for yielding.

Mr. Chairman, I do not know what the argument is about. Nobody has ever asked me to do anything. I usually try to be very cooperative.

Mr. FRENZEL. If I may reclaim my time, we are not talking about any committees on which the gentleman now serves, although the gentleman is a veteran of the House Committee on Administration in its older, more glorious days.

Mr. GIBBONS. Yes. I thank the gentleman.

Mr. FRENZEL. Mr. Chairman, I think the House ought to do the Federal Elections Commission authorization in the normal way. I am sorry we have not had the ability to do. I do not believe that we will be able to do so this year.

AMENDMENT OFFERED BY MR. JACOBS

Mr. JACOBS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JACOBS: Page 31, line 1, strike out "$1,151,000" and insert in lieu thereof "$278,600".

Mr. JACOBS. Mr. Chairman, this amendment essentially implements the bill I have introduced, I think, every year for the last 10 years or so called the Former Presidents Enough Is Enough and Taxpayers Relief Act of the given year. We will say 1985 this time.

It should be understood that the proposal does not touch the pensions of former Presidents, nor of Mrs. Johnson, the widow of President Johnson. I repeat: It does not affect those pensions which, by the way, are not exactly miserly. The former Presidents are drawing something on the magnitude of $85,000 each in pensions at present.

I see that the Representative in Congress who was a former aide to President Johnson is here and understands this. That is good.

In addition to that $85,000, one former President that I know of receives a very, very generous congressional pension on top of the Presidential pension, and another former President served in the Congress. I do not have specific information about whether he also draws a pension from the taxpayers from his congressional service.

My own opinion is that during the first 3 years of an ex-Presidency it would make some sense to have this slush fund, I call it. It is about $300,000 each to buy bubble gum with, to hire secretaries with, to pay for staffs, to get chandeliers, to get oriental carpets, a whole litany of enchanting possessions at taxpayers' expense. Maybe the first 3 years it would make some sense to have an allowance for an office, answer a lot of mail the first year, less the second, still less the third.

But I point out that this appropriation only affects former Presidents, none of whom is even in his first 4 years of former Presidency, but beyond that. Mr. Carter has been out of office more than 4 years. So none of them is in that category.

Historically, the ex-Presidency has not been treated well in our country. The story is that Ulysses S. Grant spent his final, painful days on Earth writing, with his own arthritic hands, his memoirs. I do not think that is the kind of thing that most Americans want, and want our former Presidents to live in dignity, although one former President said there is dignity in carrying a bedpan. I do not know. Maybe there is dignity in going to work if you are young enough when you quit being President. In any case, you are clearly a private citizen when you leave the Presidency.

Thomas Jefferson was quoted, when he left the White House, as saying: "I go forth to accept a promotion, from servant to master as a private citizen." They are private citizens.

So somewhere along the line, I think after President Truman had left office, the Congress determined that there ought to be a pension for former Presidents, and one was voted. As I say, right now it is on the magnitude of $85,000 a year. That pension alone places an individual in the highest 4 percent of American citizens in terms of income. That pension alone.

But let me point out to my colleagues that the former Presidency has become big business in this country. A former President on the hoof today gets about $25,000 for a speech. I do not want to be unkind, but when we call the roll of our former Presidents right now, I do not know which one of them is a great orator. As a matter of fact, I would be hard pressed to say which one. Why do they get $25,000 a speech? Because they are ornaments. They are curiosities. They are something unusual to have at your convention. "We have former President so-and-so speaking to our convention"; $25,000 apiece.

What is this slush fund? What is this $300,000 a year for? It is to set up booking offices for them. They have their secretaries and they have their office rent paid.

I figure that if somebody can make the better part of $1 million a year, principally and only because he or she has had the honor and has been given that honor by the American people to serve as our President, that that person ought to use some of that income to pay for his or her own secretaries and pay his own office rent.

The CHAIRMAN. The time of the gentleman from Indiana [Mr. JACOBS] has expired.

(By unanimous consent, Mr. JACOBS was allowed to proceed for 3 additional minutes.)

Mr. JACOBS. I am reminded of the individual who showed his friend around his new home. As they went from room to room, he said, "This is the living room. Here is the dining room. This is another room. This is the atrium room." He looked over and said, "And that is my wife." There a woman sat on a loveseat with another man, kissing.

Then he went on to another room and said, "This is the music room," and so on. They were pretty well off. They finally got in the kitchen and they sat down to have a cup of coffee, and the fellow poured himself a cup of coffee and poured his guest a cup of coffee. The guest just could not stand it any more, and he said, "Well, what about the guy on the loveseat?"

The host said, "Let him get his own coffee."

That is the way I feel about the former Presidents. They can make $1 million or so a year going around and being ornaments and making dull speeches. Let them pay their own office rent and let them pay for their own secretaries.

How many times in the last 5 or 10 years have you heard Members of this body say, "Yes, that is a good program you are proposing, but where are we going to get the money? That is a very worthy program you are proposing." How many Americans, other than the current President who has proposed this slush fund, and the former Presidents who are collecting this slush fund, think that this is a worthy program?

I submit that polls show there just are not very many who think it is a worthy program.

Where are we going to get the money? You know where we are going to get the money to give these Presidents this slush fund. Right down at the local bank, at interest, part of the national debt.

So, Mr. Chairman, if these fellows were in the position of Ulysses S. Grant, I trust I would be here arguing for a decent pension for them, but we have come a long, long way from U.S. Grant, to U.S. grants that are unconscionable to these former Presidents, and I hope this committee will do, and the House will do, what it did 2 years ago and eliminate this slush fund and give the taxpayers a little relief.

Finally, what does this say to the people in the Federal Government down the line? What does this say to some Federal worker out someplace who is flipping a coin about shipping a Federal automobile home, or what does it say to somebody who wants to use some Federal property or somebody who wants to demand something excessive, all the way down the line. It says that the guys at the top who made all the speeches about Federal waste, retire and take it anyway themselves. What kind of example is that for the whole country? What kind of example is that for the Federal Government?

I just quote Mark Twain, who said:

To do good is noble.
To advise others to do good is also noble and much less trouble.

These former Presidents have advised a lot of others to do good. Now it is time for them to do a little good and ask not what their country can do for them but yield back the slush fund.

□ 1310

Mr. ROYBAL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the gentleman's amendment would actually delete everything from this fund except pensions. In other words, all moneys that are made available to operate any office or to pay for staff would no longer be made available to former Presidents if this amendment were to be adopted.

Now, we realize that everything possible is being done to reduce expenses, and the committee took this under consideration. The committee has already reduced the appropriation for former Presidents in both 1985 and then again in 1986. The recommended appropriation includes a reduction of $57,000 below the budget request and a reduction of $19,000 below the fiscal year 1985 appropriation to date.

We have debated this matter every year for several years, and we all realize that we have three former Presidents who do in fact receive what I consider to be a relatively small office staff allowance. The truth of the matter is that this allowance is not used just for bubble gum, it is not used just to fool around, but it is used actually to operate an office and to answer mail that is received by former Presidents coming from the citizens of this country. Many of them still correspond with their former Presidents.

So we have placed this law into effect, and many, many years ago. It is interesting to note that a former President remains and continues to be called "Mr. President," even though he has left office. And as "Mr. President," letters, communications, questions, all these things, are received by the former President himself, he should have this staff to help answer these letters.

Mr. JACOBS. Mr. Chairman, will the gentleman yield on that point?

Mr. ROYBAL. I will yield in just a moment.

Mr. Chairman, I want to be sure that we understand that this is not spent for bubble gum, that it is spent in the business of the Nation, and that in so doing they are answering questions and requests, whatever comes in to that office. Each one that works in this office is doing the work that is necessary and comes under or is related to the work that is performed and has been performed by former Presidents of the past.

I believe, Mr. Chairman, that the committee has already made the reductions that are necessary. We do not believe that we should make any further reductions, and I hope that the House will defeat this amendment.

Mr. JACOBS. Mr. Chairman, will the gentleman yield?

Mr. ROYBAL. I yield to the gentleman from Indiana.

Mr. JACOBS. Mr. Chairman, the gentleman said that after all the former Presidents are addressed as "Mr. President," and we all know, especially those of us who have been out and back in Congress, that a former Representative is not addressed as "Congressman." That is probably a sad state of social affairs. But we do know that former Senators and former judges are addressed as "Senator," and "Judge."

Since that gives them some official standing, would the gentleman want to extend funds like this to former Members of the other body?

Mr. ROYBAL. Mr. Chairman I think the gentleman misunderstands what I am saying. What I am saying is that the law that was placed on the books a long time ago actually authorized the expenditure of funds for former Presidents, and the mere fact that you and I may not be called "Congressman" after we leave here is no reason why we should be receiving any kind of an allowance. That is not in the law, but this is in the law.

We are appropriating in accordance with the law as it is today, and I believe as long as the law is in force—and I think it is a good law—we should fund it with sufficient funds to make it possible for these former Presidents—and there are three of them—to actually meet the requirements of their former Presidency.

Mr. JACOBS. Mr. Chairman, will the gentleman yield further?

Mr. ROYBAL. I will continue to yield to the gentleman from Indiana.

Mr. JACOBS. Mr. Chairman, can the gentleman tell the committee whether there are any official duties for these private citizens? Do these former Presidents have any official duties as private citizens?

Mr. CHAIRMAN. The time of the gentleman from California [Mr. ROYBAL] has expired.

(On request of Mr. JACOBS, and by unanimous consent, Mr. ROYBAL was allowed to proceed for 2 additional minutes.)

Mr. ROYBAL. Mr. Chairman, if the gentleman is referring to official duties as any duties that may be dictated to the former President by the Constitution or by law, I would say no. But by practice and by custom, these former Presidents still respond to the people of the Nation.

Mr. JACOBS. And does the gentleman not think that 3 years' worth of office expenses for former Presidents ought to pretty well clean up their correspondence?

Mr. ROYBAL. That is perhaps so, but the people of the United States still continue to send letters to those former Presidents, and it seems to me that they should be able to answer those letters and do whatever types of work are necessary in their performance as former Presidents.

Mr. JACOBS. Mr. Chairman, I have one last question. Let us take movie stars who receive lots of letters—more, I imagine, because I imagine Doris Day gets more letters than Jimmy Carter. Just the mere fact that a person receives a lot of letters and is popular or unpopular or notorious, is that reason enough for the taxpayers to have to pay to answer them?

Mr. ROYBAL. Mr. Chairman, if the gentleman will permit me to explain, let me say that a movie star does not in fact serve the people of this Nation as a President does, and there is a difference. There are laws that protect former Presidents, but I do not know of any law that protects a former motion picture star unless he becomes President of the United States.

Mr. SKEEN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I do not think there is any more unpopular expenditure that we make from the Federal Treasury than the support of former Presidents. You could run a poll and probably have an overwhelming response in opposition to it. But a deal is a deal is a deal. After all, we are talking about the Presidency of the United States, and it has some attendant dignity.

I certainly have a lot of respect for the gentleman from Indiana [Mr. JACOBS], and he is certainly persistent,

I can say that, because this is not the first time he has brought this amendment to the floor. I like a gentleman or a person who can stand in there and show that kind of tenacity. I understand perfectly his feelings. I respect that. However, we made a deal with these folks who retired as President.

Mr. JACOBS. Mr. Chairman, will the gentleman yield?

Mr. SKEEN. I will yield to the gentleman in just a moment.

We made a deal with these folks, and they are retired and they are operating under this present plan. This was not the deal that they made; this was the deal the United States, through the Congress of the United States, offered to them.

If we are going to change this program, I would suggest that probably the best way to do it would be to stop it at some point at the termination or at the end of the life of one of the Presidents who is now living and begin with a new program.

It also brings up this question: What about existing retirement benefits to Members of Congress from both Houses? If you are going to renege on this deal, you ought to renege on that. Of course, now you have quit preaching and you have started meddling. But I think we ought to examine that in the same light.

So, Mr. Chairman, with all my understanding of the gentleman's position and my sympathy, I still must oppose the amendment because I think when you make a deal, you make a deal.

Mr. JACOBS. Mr. Chairman, will the gentleman yield?

Mr. SKEEN. I yield to the gentleman from Indiana.

Mr. JACOBS. Mr. Chairman, I have two things. The gentleman has said that probably the public is generally opposed to this, and I would only remind him of the famous words of Alexander Hamilton: "Here, sir, the people rule." So if they are opposed, that ought to settle the argument and we ought to repeal it.

But I would also say to the gentleman that an awful lot of deals have been made by the Congress, deals to give doles all over the place, and every day we meet someone makes a motion to end those deals. So I do not know that there was any deal made with any President except to pay him his salary while he was working. I do not know of any deal except to pay him his pension when he stopped working.

Mr. SKEEN. Mr. Chairman, reclaiming my time, I say to the gentleman that whether it is a contract or a deal, a deal is still a deal. I believe in that regard, we should do it on all the other pension programs that we deal with in the United States today. If we are going to do that, we could just do them wholesale.

Mr. JACOBS. It is not a pension program. We are talking about something beyond a pension.

Mr. SKEEN. It is still a program, whether you would like to term it that or not. I will not argue that point with the gentleman.

Mr. Chairman, I oppose the amendment.

AMENDMENT OFFERED BY MR. NELSON OF FLORIDA AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. JACOBS

Mr. NELSON of Florida. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. NELSON of Florida as a substitute for the amendment offered by Mr. JACOBS: On page 31, line 1, strike "$278,600" and insert "$931,600."

Mr. NELSON of Florida. Mr. Chairman, the Jacobs amendment offered to us would strike out all but about $236,000 of the $1.15 million that is in the bill for the office staff and allowances. This amendment offered as a substitute for the Jacobs amendment would insert the figure, $931,600, for office staff and allowances instead of the committee's provision, which is about $1.2 million, instead of the provision of the gentleman from Indiana [Mr. JACOBS] which is a substantial cut down to $236,000.

□ 1320

I want to say that I happen to agree with the philosophy expressed by the gentleman from Indiana. He put it very well and gave us some of the more stimulating comments that I have heard on this floor, and I appreciate his offering his amendment, as well as his tenacity to keep this issue elevated.

I happen to think however, that that is too much of a reduction and that we ought to approach the question of expenses for former Presidents in a more logical fashion. Thus I am joining in concert with my colleague from Florida, our senior Senator, in his overall effort not only to try to bring about a reduction of office expenses and allowances, but in his overall approach to this problem. In S. 1047, he attaches this to Secret Service protection and Presidential libraries and so forth.

The amendment offered here by me today does not have any relation with the Secret Service provisions nor to the Presidential libraries. This House has dealt with that issue in a bill brought to this House by the gentleman from Oklahoma [Mr. ENGLISH] and that passed successfully.

I deal in my amendment only with the instant bill before us, which is for the allowances and office staff, and thus have a reduction of $291,400.

This has a method to it, and the method is simply this: As proposed in the Senate bill, it is that the longer that a former President is out of office, the less amount that he needs for staff and allowances. Thus, for the first 4 years after the President's term would expire, his allowances would be for office staff $300,000. For the fifth through the eighth years that would drop to $250,000. For the ninth year and on, indefinitely, it would be $200,000 a year.

It would reverse what the present appropriation bill has in its provision in that President Nixon, the one who has been out of office the longest, in fact, is receiving the highest appropriation, $376,000 as compared to President Carter, who has been out a little over 4 years from office, and his appropriation is $372,000.

So I think that there is some semblance of order to this, and that is the essence of what I am offering in this amendment.

I would just close by saying this, that back in 1955 we spent for all benefits for former Presidents $64,000, and today for all benefits that has gone upwards of $26 million. A part of that is Secret Service protection, and I understand that is necessary. But what we are approaching and questioning here is the office staff and the allowance.

Simply put, the American people recognize the need to provide adequate support for our former Presidents, and to give them the financial freedom from the need to commercialize the Office of the Presidency. And the American people want to protect our former leaders. That is essential and that is the bottom line.

But former Presidents should live within reason at the taxpayers' expense.

Mr. MOLINARI. Mr. Chairman, will the gentleman yield?

Mr. NELSON of Florida. I yield to the gentleman from New York.

The CHAIRMAN. The time of the gentleman from Florida [Mr. NELSON] has expired.

(On request of Mr. MOLINARI and by unanimous consent, Mr. NELSON of Florida was allowed to proceed for 3 additional minutes.)

Mr. MOLINARI. Would the gentleman agree that former Presidents all receive a number of letters, correspondence, telephone calls asking for their positions on issues of importance to the country today?

Mr. NELSON of Florida. Surely. I think that is certainly self-explanatory.

Mr. MOLINARI. I thank the gentleman. Would the gentleman not say further then that former Presidents should respond to those telephone inquiries and to the massive mail they receive?

Mr. NELSON of Florida. Indeed, that is the philosophy of my amendment.

Mr. MOLINARI. As I understand the gentleman's amendment, he would delete the office account allowances.

Mr. NELSON of Florida. To the contrary. I have just spent 5 minutes explaining it. Let me go back and explain it again.

No, the amendment offered by the gentleman from Indiana [Mr. JACOBS] basically takes down the office allowances. He does not go down to zero, but he goes down to about $236,000 for all former living Presidents.

My amendment does not do that. My amendment says that the longer the President is out of office, there should be a reduction in the office staff and allowances, and I went through the litany of what it is. During the first 4 years out of office, it is at a level of $300,000. For the next 5 through 8 years, it drops to $250,000, and after the ninth year, it would be at a level of $200,000.

Mr. MOLINARI. Is it the gentleman's assumption that the volume of inquiries would decrease the longer a man has been out of office?

Mr. NELSON of Florida. That is correct.

Mr. MOLINARI. If the gentleman did not feel that way, he would not be offering the substitute amendment today.

Mr. NELSON of Florida. That is why I am offering it, and that is why I think we ought to bring some order into this, and to reverse what is the situation in this appropriation bill where President Nixon has the highest appropriation.

Mr. MOLINARI. One last question. Does the gentleman have any information indicating that indeed that is a fact, that the inquiries have lessened over the years, because I do not really believe that to be the case.

Mr. NELSON of Florida. I did not understand the gentleman's question.

Mr. MOLINARI. Does the gentleman have any information indicating that after a President has been out of office for a number of years that the number of correspondence lessen; therefore, the rationale behind your amendment that he should have less staff?

Mr. NELSON of Florida. By the gentleman's opening statement, I think it is self-evident that people want to continue to correspond with a President, and the more that that President is fresh in their mind, they will continue. And over the years, his duties and responsibilities and activities with regard to his term as President are going to diminish. And we are not talking about significant reductions. We are still leaving a basic amount. We are trying to bring some order to what is otherwise not an ordered situation.

Mr. MOLINARI. I thank the gentleman.

Mr. ROYBAL. Mr. Chairman, I rise in opposition to the amendment.

It is true that the gentleman's amendment does, in fact, increase an amount over that deleted by the gentleman from Indiana [Mr. JACOBS]. But on the other hand, it is still below the amount that has already been reduced by the committee itself.

Again, I would like to point to the fact that the committee has, in fact, reduced the amount to former Presidents both in 1985 and in 1986. While in essence I may agree with the gentleman's substitute amendment, I would agree with him but would advise him to go to the authorizing committee to put it into law.

I like this idea of the graduating or reducing or phasing out perhaps of appropriations to former Presidents. Perhaps that is something that the committee could have hearings, and after some consideration can recommend to the House, and in turn, to the Committee on Appropriations. If that is done, I would be very happy to consider it.

But under the circumstances, it still amounts to a reduction if the committee believes it is not acceptable.

Mr. HOYER. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition really to the amendments offered by the gentlemen from Indiana and Florida.

Now the gentleman has offered this amendment before, as has the gentleman from Florida. The gentleman from Florida has observed that his amendment historically has done very well, and I would agree with that.

But I think it is important for the American public and for the Members of the House to understand what we are talking about.

First of all, though, the gentleman mentioned 1965, and I am not sure whether or not President Truman was living at that time, so I presume there were either two Presidents surviving at that point in time or one. I am not sure exactly when President Eisenhower died. But, in any event, we have three surviving Presidents at this time.

□ 1330

If we had five surviving Presidents at this time, the figure would presumably be 40 percent additional. So whatever that figure is, it is obviously contingent on the number of Presidents that are surviving subsequent to their serving in office.

Second, the President of the United States represents one branch of Government and has been chosen by the American public to exercise the most powerful position in the world. That individual when he or she at some time in the future is out of office still has residual responsibilities—not formally, not assigned by the Constitution, not assigned by the Congress—but nevertheless residual responsibilities to the Nation.

In addition, it seems to me the country can benefit and ought to benefit from the services that can be performed in whatever way the former President might choose.

Now, how much do we provide? We are talking about a figure of $1.15 million. We are providing, Mr. Chairman and Members of the House, less for a former President of the United States than we provide for any individual Member of this Congress. Each of us, of course, represents a constituency of some 527,000 people. Our expenses—I should have gotten this specifically, but it is about $375,000 for expenses, not for salaries and in some instances, not for travel, but for office expenses. We are giving to each former President approximately the same amount.

This amendment might prevail because, as Mr. JACOBS says, these are some of the mighty of the Nation and they are individually in some instances able to make substantial moneys on their own. I suggest, however, that that is not the issue. The issue is: Is it in the best interest of the people of the United States that we allow approximately, I would imagine, three staffers for $96,000, maybe two depending upon what the top staffer is paid, to assist a former President in participating in the public affairs of this Nation? I suggest that that is a great benefit to the Nation. I suggest that that is money well spent. I suggest, notwithstanding the fact that it may be easy to say "let us cut here for people who are making a lot of money" or who are very powerful, that such a cut is not in the best interest of the Nation.

Now I am going to support the Nelson amendment. The reason I am going to support the Nelson substitute is because I think it is better than the Jacobs principal motion. But I will then oppose either the substitute if it survives or the main motion offered by Mr. JACOBS. I believe the President of the United States has sent down this budget, which we have reduced by some $50,000, because President Reagan recognized the responsibility of this Nation and the benefit to this Nation that the continued participation of former Presidents, which these funds would in fact allow.

Mr. NELSON of Florida. Mr. Chairman, will the gentleman yield?

Mr. HOYER. I would be glad to yield to my good friend, the distinguished colleague from Florida [Mr. NELSON].

Mr. NELSON of Florida. Mr. Chairman, I want to thank the gentleman from Maryland. I think he has made a most articulate statement, a well reasoned statement, one that reflects the national will.

I would ask the gentleman to consider the philosophy of this amendment, however, that is trying to put a structure in as to what should be the allowances for staff and allowances. We do

not cut pensions here. We do not touch Secret Service.

I would suggest that the gentleman consider my amendment for the reason that it basically has the philosophy that as you proceed over time, the amount is less.

The CHAIRMAN. The time of the gentleman from Maryland [Mr. HOYER] has expired.

(By unanimous consent, Mr. HOYER was allowed to proceed for 2 additional minutes.)

Mr. HOYER. Just briefly, Mr. Chairman, to respond to the gentleman, first of all I am not sure whether that could be implemented within the framework of the cut. I do not think it could be. I understand what the gentleman suggests, that there is legislation that sets forth a formula by which there would be a reduction as the former President has been retired over a longer period of time on the theory that the work and responsibilities would become less.

In addition, let me say to the gentleman although I understand the theory behind the amendment, I am not sure that I agree with it. That is to say we know that we had a former President serve in the House of Representatives, John Adams, for a long period of time. I forget the specific number of years, but longer than your formula would take into consideration. They do not now do that. That perhaps is unfortunate. But the theory that they are going to diminish in contribution that they can make to the Nation because of time out of office is not necessarily one that I adopt; but I understand the theory.

Mr. CONTE. Mr. Speaker, I move to strike the requisite number of words, and I rise in opposition to these amendments.

Mr. Chairman, allowances and staff for former Presidents is probably the most unpopular, one of the most controversial and surely the most misunderstood program in this bill.

And let's face it. The constituency for this program is very small. Today, it primarily consists of three men. In 1958—when this allowance for pensions and office staff was first authorized—there were only two former Presidents. In fact, when the Post Office and Civil Service Committee held hearings on the legislation 26 years ago, no organization or private individual testified. However, there was, at the time, a bipartisan effort by the leadership of the House. Speaker Rayburn, Majority Leader John McCormack and Minority Leader Joe Martin endorsed the program before the committee and on the floor. They recognized the importance of meeting the demands placed on former Presidents by the American people.

Former Speaker John McCormack testified before the House committee and supported the legislation creating this program. He said at the time: "The interest of the American people in the President does not cease when his term of office has ended. The public demands, speeches, conferences, advice, correspondence, and otherwise, after his service as President is over, continues." Further, as former heads of state, their services continue to be solicited, and they remain a valuable national resource during a time of crisis or great need. Speaker McCormack recognized that public demands on our former Presidents must be met with public support.

At that time, President Truman was receiving 400 letters a day and over 300 invitations a month. To answer these requests, he spent thousands of dollars of his own resources, his pension as a U.S. Senator. Likewise, former President Hoover served this country long after he was President. His most valuable work was as head of the Hoover Commission, a panel charged with reorganizing the executive branch.

Two unmet needs motivated the creation of this program and today justify its continued existence. First, many people in this country continue to place demands on our Presidents after their term has expired. They receive thousands of letters and invitations, make hundreds of public appearances for charities and occasionally perform official duties.

Another justification for this allowance can be found in the way our former Presidents were treated as compared to other public servants. Before this allowance was authorized, former Presidents were the only major office holders or public servants not receiving a pension and other benefits from the Government. At the time, Supreme Court Justices could retire at full salary, at any time, no matter how long they served. An even better comparison was our treatment of five-star generals. These retired military leaders, technically on active duty, not only received full salaries for a pension, but they were allowed a full military staff, a chauffeur, and a secretary. The question at the time was rightfully asked: Should the Commander in Chief of our Armed Forces be treated less than his subordinates?

□ 1340

(By unanimous consent, Mr. CONTE was allowed to proceed for 3 additional minutes.)

Mr. CONTE. Mr. Chairman, this program addressed many of these needs, but our priorities still seem mixed up today, especially when there is a move to abolish this allowance. It's amazing that we are willing to spend millions of dollars on anyone who wants to be President, yet some are hesitant to spend just over $1 million on former Presidents who have served this country with distinction. Secret Service Director Simpson told me at the subcommittee hearings that $28.6 million was spent to protect Presidential candidates during the 1984 Presidential campaign. In addition, millions of dollars in matching Federal campaign expenses are given to the candidates each election season.

I hope, with so much spent on people who would be President, that we can provide the proper support for our former Presidents.

In closing, let me again give some advice to my good friend from Indiana, Mr. JACOBS. Every year, Chairman ROYBAL and I suggested that you address this issue in the appropriate legislative committee, not in the appropriations process. Such a radical change in policy should only come after extensive hearings, close committee scrutiny, and deliberative floor consideration.

Legislation has been introduced to address this issue, and I hope the gentleman from Indiana and his partner Mr. NELSON work with the authorizing committee to change the law if there is a problem.

I'm willing to take a close look at this program in the proper context and setting. If there is waste and abuse, it should be stopped. If there's excessive spending, it must be curtailed. However, the reality is that this recommendation is about the same amount appropriated last year.

For 27 years, there has been a Federal commitment to former Presidents of the United States. If changes are required, let's do it right and not just wipe out the program.

I urge Members to maintain this commitment and vote against this amendment.

Mr. NELSON, I think you know; he is a bright young man to be coming up here and saying that former President Nixon is getting more money now than the other former Presidents. However, President Nixon does not have federally funded Secret Service protection. Does the gentleman know that? He is paying for his own personal protection; the Federal Government is not paying.

We defeated the Jacobs amendment last year, let us do the same thing this year. Let us do what is right.

(On request of Mr. BROOMFIELD and by unanimous consent, Mr. CONTE was allowed to proceed for 1 additional minute.)

Mr. BROOMFIELD. Will the gentleman yield?

Mr. CONTE. I yield to the gentleman.

Mr. BROOMFIELD. Mr. Chairman, I rise in support of the gentleman from Massachusetts [Mr. CONTE] in opposition to the pending amendments.

Everything the gentleman has said regarding the demands made on our

former chief executives in the form of mail, requests for personal appearances, and the occasional performance of official duties is absolutely true.

As a practical matter, they need adequate funds and staff to perform the duties we expect of them as former Presidents.

But there is something beyond that. It is a question of respect, if not for a specific ex-President, for the highest office in the land and those who have held it.

We think nothing of paying athletes, actors, and rock stars millions of dollars, sometimes for a single performance. We should, as a token of simple respect, support our ex-Presidents in an adequate manner.

The committee recommendation proposes to reduce the appropriation by $57,000 below the 1986 budget request and $19,000 below the fiscal year 1985 appropriation to date.

In my opinion, anything below that level goes beyond the point of reasonableness.

(By unanimous consent, Mr. CONTE was allowed to proceed for 1 additional minute.)

Mr. CONTE. Mr. Chairman, I want to take this opportunity to thank the gentleman from Michigan [Mr. BROOMFIELD] for his valuable contribution.

I might say, I think it was last week we passed a legislative appropriation bill; that bill had a raise for the employees of the former Speaker of the House of Representatives, Carl Albert. We provide him an office; we provide him with secretaries; I did not see anybody up here raising heck about that; not one Member.

If it is good for the former Speaker—which it is, and I am all for it, it is good for the former Presidents of the United States.

Mr. MOLINARI. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I think the reason why I have gotten up on this bill the last three times that it has been brought up is because I did have occasion, my first 2 years in Congress, to be a cotenant in the Jacob Javits Building with Mr. Nixon. His secretary and my secretary were quite friendly; and I had an idea from that source as to the volume of work that the man had and then the volume of work that he has today in his office.

I did have occasion to spend about 2 hours with him in his office one day. The phones never stopped ringing; I saw stacks and stacks of mail.

Now, the gentleman from Indiana says because he was President, he can go out and command $25,000 for a speech, and therefore he should pay for his office himself.

We read that the Speaker of this House has sold the rights to a book for $1 million. What does that mean? Does that mean that he should pay for his own office while he is Speaker? Of course not. We are all waiting to read that book.

Yes; they are former Presidents of this country; whether we agreed with them or disagreed with them, we must respect them for what they are, and for the demands that are put upon their offices, and it would be imprudent and foolish for us to impose this judgment.

Mr. JACOBS. Will the gentleman yield on that point?

Mr. MOLINARI. I yield to the gentleman.

Mr. JACOBS. The book that I read about that the Speaker is expected to write is going to be written after he leaves his office; he is not using Federal employees to write that book; and if he did, I believe the law makes the Federal Government share in the profits.

Mr. MOLINARI. The point is, Mr. JACOBS, that had he not been Speaker, he would not be selling that book.

Your point is that if they had not been Presidents they would not be commanding $25,000.

So I think the logic is the same.

Mr. WISE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the Nelson amendment, the Nelson substitute; in favor of the Jacobs amendment.

Just a couple of quick points. First of all, I have never known a President of the United States or Member of Congress or county commissioner or city councilperson to run for the retirement; at least in the by now thousands of campaign speeches I have heard on differing levels; I have never heard anyone to say I am running so that I can get a staff when I retire; and that is what I expect.

Indeed, I hear them running for the office for what they want to accomplish while in the office, not for what they get afterward.

In terms of the deal that has been struck, I do not know who struck the deal or when the late night handshake came, because even this President who I believe would benefit, and is expecting a staff, even this President is trying to unstick the deal. I think each of the last 3 years he sent up a budget that would reduce or would increase, actually, the Federal employees' retirement to civil service from 7 to 9 percent; one year actually to 11 percent, that would increase their rate of contribution.

□ 1350

So the deal does not seem to be very sacred when it comes to other Federal employees, just perhaps this President.

Now, I would like to also point out that the amendment of the gentleman from Indiana does not deal with retirement. I do not want anybody to get confused about that. It is not retirement, it is not Secret Service. It is simply office staff. I think that is certainly a lot different. Now, what about the public demanding these speeches? As the gentleman from Indiana pointed out to me just a moment ago, 'it seems that when the public demands a speech from an ex-President, the ex-President automatically demands an honorarium, $2,500, $10,000, $25,000. And who is this public? It is usually groups that will get a tax deduction for paying the ex-President that honorarium. So that public demand, I think, is a little questionable. I have a feeling that if our public in West Virginia, or in other areas, in a rural area, perhaps, demanded a speech by the ex-President free, that we probably would not get it.

In terms of public affairs, if ex-Presidents are so vital in public affairs, then where are they? How many times have you seen an ex-President? I have seen ex-President Nixon, I think, twice invited to the White House, ex-President Carter I do not think has made it, ex-President Ford I believe may have made it once. But the point is, if they are so vital to public affairs, I have to believe that in that Executive Office budget somewhere we can find a secretary for them.

I guess this whole discussion interests me a little bit because just a few days ago people were saying it is easier to take shots at small items of expenditure that do not have a constituency. I am reminded of when the elevator operators came under fire, that was $100,000. This Congress took the forthright stand of denying Playboy—without centerfolds, I might add—to the blind in braille, and yet this, for some reason, is a cheap shot. I do not understand it.

Finally, Mr. Chairman, I would just like to add that I woud like to recall us all to Cincinnatus. You remember he was the former consul, the leader of Rome. And when he left mighty Rome, what did he do? He went back to the plow. And then when they came for Cincinnatus because there was a crisis and they needed to involve him in public affairs, he quietly put down his plow and returned to Rome. I have a feeling today that if you went back to Cincinnatus he would first of all want to check it out with his staff, he would demand a limousine and then, of course, finally, before he returned, the honorarium.

I urge the Members to reject the Nelson amendment and adopt the Jacobs amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. NELSON] as a substitute for the amendment offered by the gentleman from Indiana [Mr. JACOBS].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. NELSON of Florida. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 199, noes 162, not voting 72, as follows:

[Roll No. 264]

AYES—199

Addabbo	Hall, Ralph	Packard
Andrews	Hansen	Penny
Annunzio	Hendon	Price
Applegate	Hertel	Pursell
Armey	Hiler	Rahall
Aspin	Hopkins	Ray
Atkins	Horton	Reid
Barnard	Hubbard	Richardson
Bartlett	Hughes	Rinaldo
Bateman	Hutto	Ritter
Bates	Ireland	Roberts
Bennett	Jeffords	Robinson
Bentley	Jones (OK)	Roe
Bereuter	Kanjorski	Roemer
Bevill	Kaptur	Rogers
Bilirakis	Kasich	Rose
Bliley	Kennelly	Roukema
Boner (TN)	Kildee	Rowland (GA)
Bonker	Kindness	Schaefer
Boucher	Kleczka	Schneider
Breaux	Kolbe	Schumer
Bruce	LaFalce	Seiberling
Burton (CA)	Lantos	Shaw
Burton (IN)	Leach (IA)	Shelby
Carper	Leath (TX)	Shumway
Carr	Levine (CA)	Shuster
Coats	Lewis (FL)	Sisisky
Cobey	Lightfoot	Skelton
Coleman (MO)	Long	Slattery
Coleman (TX)	Lujan	Smith (FL)
Cooper	Luken	Smith (NE)
Davis	Lundine	Smith (NH)
Derrick	Mack	Smith (NJ)
DeWine	MacKay	Smith, Robert
Dickinson	Marlenee	Snowe
Dicks	Martin (IL)	Spence
Dowdy	Matsui	Spratt
Duncan	McCain	Staggers
Dyson	McCandless	Stallings
Eckart (OH)	McCollum	Stangeland
Eckert (NY)	McCurdy	Strang
Edwards (OK)	McEwen	Stratton
Emerson	McKernan	Studds
English	McKinney	Stump
Erdreich	McMillan	Sundquist
Evans (IA)	Mica	Swindall
Fascell	Mikulski	Synar
Fawell	Miller (CA)	Tauke
Feighan	Miller (OH)	Thomas (GA)
Flippo	Miller (WA)	Torricelli
Florio	Mollohan	Traficant
Foley	Monson	Udall
Franklin	Montgomery	Valentine
Frost	Moody	Vento
Fuqua	Moore	Volkmer
Gekas	Moorhead	Walgren
Gephardt	Morrison (CT)	Walker
Gibbons	Morrison (WA)	Waxman
Gingrich	Neal	Weber
Glickman	Nelson	Whitley
Gonzalez	Nichols	Williams
Goodling	Nielson	Wortley
Gordon	Nowak	Wright
Gradison	Oberstar	Young (MO)
Grotberg	Olin	Zschau
Gunderson	Ortiz	
Hall (OH)	Oxley	

NOES—162

Ackerman	Boulter	Clinger
Anderson	Brooks	Coble
Archer	Broomfield	Collins
Barnes	Brown (CA)	Combest
Beilenson	Brown (CO)	Conte
Biaggi	Broyhill	Conyers
Boehlert	Callahan	Coughlin
Boggs	Campbell	Coyne
Boland	Chandler	Crane
Borski	Cheney	Crockett
Darden	Kemp	Ridge
Daub	Kolter	Rodino
DeLay	Kostmayer	Rowland (CT)
Dellums	Lagomarsino	Roybal
DioGuardi	Latta	Russo
Dorgan (ND)	Lehman (FL)	Sabo
Dornan (CA)	Leland	Savage
Downey	Levin (MI)	Saxton
Dreier	Lipinski	Scheuer
Dwyer	Livingston	Schroeder
Dymally	Lott	Schulze
Edgar	Lowery (CA)	Sensenbrenner
Edwards (CA)	Lowry (WA)	Sharp
Evans (IL)	Lungren	Sikorski
Fazio	Madigan	Siljander
Fiedler	Manton	Skeen
Fields	Markey	Slaughter
Fish	Martinez	Smith (IA)
Foglietta	Mavroules	Snyder
Ford (MI)	McCloskey	Solarz
Ford (TN)	McDade	Solomon
Fowler	McGrath	Stark
Frenzel	McHugh	Stokes
Gallo	Michel	Sweeney
Garcia	Mineta	Swift
Gaydos	Mitchell	Tallon
Gilman	Molinari	Taylor
Gray (IL)	Mrazek	Torres
Green	Murphy	Towns
Gregg	Murtha	Visclosky
Hamilton	Myers	Weaver
Hartnett	Natcher	Weiss
Hayes	Oakar	Wheat
Heftel	Obey	Whitten
Henry	Parris	Wilson
Holt	Pashayan	Wise
Howard	Pease	Wolf
Hoyer	Pepper	Wolpe
Hunter	Perkins	Wyden
Hyde	Petri	Wylie
Jacobs	Pickle	Yates
Jenkins	Porter	Yatron
Johnson	Rangel	Young (AK)
Kastenmeier	Regula	Young (FL)

NOT VOTING—72

Akaka	de la Garza	Martin (NY)
Alexander	Dingell	Mazzoli
Anthony	Dixon	Meyers
AuCoin	Donnelly	Moakley
Badham	Durbin	O'Brien
Barton	Early	Owens
Bedell	Frank	Panetta
Berman	Gejdenson	Quillen
Bonior (MI)	Gray (PA)	Rostenkowski
Bosco	Guarini	Roth
Boxer	Hammerschmidt	Rudd
Bryant	Hatcher	Schuette
Bustamante	Hawkins	Smith, Denny
Byron	Hefner	St Germain
Carney	Hillis	Stenholm
Chappell	Huckaby	Tauzin
Chappie	Jones (NC)	Thomas (CA)
Clay	Jones (TN)	Traxler
Coelho	Kramer	Vander Jagt
Courter	Lehman (CA)	Vucanovich
Craig	Lent	Watkins
Daniel	Lewis (CA)	Whitehurst
Dannemeyer	Lloyd	Whittaker
Daschle	Loeffler	Wirth

□ 1410

The Clerk announced the following pairs:

On this vote:

Mr. Chappell for, with Mr. Hawkins against.

Messrs. ROWLAND of Connecticut, SAVAGE, DOWNEY of New York, SWINDALL, COBLE, and MANTON changed their votes from "aye" to "no."

Mr. SEIBERLING, Mr. MOORE, Mrs. SCHNEIDER, Messrs. GLICKMAN, PRICE, VOLKMER, ROE, Mrs. SMITH of Nebraska, Messrs. BONKER, STRATTON, McKINNEY, SCHUMER, PENNY, NIELSON of Utah, ARMEY, SWINDALL, SMITH of New Hampshire, and BURTON of Indiana changed their votes from "no" to "aye."

So the amendment offered as a substitute for the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. JACOBS], as amended.

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. BROOMFIELD. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 219, noes 130, not voting 84, as follows:

[Roll No. 265]

AYES—219

Ackerman	Glickman	Morrison (WA)
Andrews	Goodling	Murphy
Applegate	Gordon	Neal
Archer	Gradison	Nelson
Armey	Gregg	Nichols
Aspin	Grotberg	Nielson
Atkins	Hall (OH)	Nowak
Barnard	Hall, Ralph	Oberstar
Bartlett	Hamilton	Olin
Bateman	Hansen	Ortiz
Bates	Heftel	Packard
Bennett	Hendon	Pease
Bereuter	Hertel	Penny
Bevill	Hiler	Petri
Bilirakis	Hopkins	Pursell
Borski	Hubbard	Rahall
Boucher	Hughes	Ray
Boulter	Hutto	Reid
Breaux	Ireland	Richardson
Brown (CO)	Jacobs	Ridge
Broyhill	Jeffords	Rinaldo
Bruce	Jenkins	Ritter
Burton (CA)	Jones (OK)	Roberts
Burton (IN)	Kanjorski	Robinson
Carper	Kaptur	Roe
Carr	Kasich	Roemer
Coats	Kennelly	Rose
Cobey	Kildee	Roukema
Coble	Kleczka	Rowland (GA)
Coleman (TX)	Kolbe	Saxton
Cooper	Kolter	Schaefer
Crane	LaFalce	Scheuer
Crockett	Lantos	Schneider
Daub	Leach (IA)	Schroeder
Davis	Leath (TX)	Schumer
Derrick	Levin (MI)	Seiberling
DeWine	Levine (CA)	Sensenbrenner
Dickinson	Lewis (FL)	Shaw
Dicks	Lightfoot	Shelby
Dingell	Long	Shumway
DioGuardi	Lujan	Shuster
Donnelly	Luken	Sikorski
Dorgan (ND)	Mack	Siljander
Dowdy	MacKay	Skelton
Dreier	Marlenee	Smith (FL)
Duncan	Martin (IL)	Smith (NE)
Eckart (OH)	Matsui	Smith (NH)
Edwards (OK)	McCain	Smith (NJ)
Emerson	McCloskey	Smith, Robert
English	McCollum	Snowe
Erdreich	McCurdy	Solomon
Evans (IA)	McKernan	Spence
Evans (IL)	McMillan	Spratt
Fascell	Mica	Staggers
Fawell	Mikulski	Stallings
Feighan	Miller (CA)	Stangeland
Fields	Miller (OH)	Stark
Flippo	Miller (WA)	Stokes
Florio	Mollohan	Strang
Fowler	Monson	Stratton
Fuqua	Montgomery	Studds
Gallo	Moody	Sundquist
Gekas	Moore	Swindall
Gibbons	Moorhead	Synar
Gingrich	Morrison (CT)	Tallon

Tauke	Volkmer	Wise
Thomas (GA)	Walgren	Wolpe
Torres	Walker	Wortley
Torricelli	Weaver	Wyden
Traficant	Weber	Yatron
Valentine	Whitley	Young (FL)
Vento	Williams	Young (MO)
Visclosky	Wilson	Zschau

NOES—130

Addabbo	Ford (TN)	Michel
Anderson	Frenzel	Mineta
Annunzio	Garcia	Mitchell
Barnes	Gaydos	Molinari
Beilenson	Gephardt	Mrazek
Bentley	Gilman	Murtha
Biaggi	Gonzalez	Myers
Bliley	Gray (IL)	Natcher
Boehlert	Green	Oakar
Boggs	Gunderson	Obey
Boland	Hartnett	Oxley
Bonker	Hayes	Parris
Brooks	Henry	Pashayan
Broomfield	Holt	Perkins
Brown (CA)	Howard	Pickle
Callahan	Hoyer	Porter
Campbell	Hunter	Price
Chandler	Hyde	Rangel
Cheney	Johnson	Regula
Clinger	Kastenmeier	Rodino
Coleman (MO)	Kemp	Rogers
Collins	Kindness	Rowland (CT)
Combest	Kostmayer	Roybal
Conte	Lagomarsino	Russo
Conyers	Latta	Sabo
Coughlin	Lehman (FL)	Savage
Coyne	Leland	Skeen
Darden	Livingston	Slaughter
DeLay	Lott	Smith (IA)
Dellums	Lowery (CA)	Solarz
Dornan (CA)	Lowry (WA)	Sweeney
Downey	Lundine	Swift
Dwyer	Lungren	Taylor
Dymally	Madigan	Towns
Dyson	Manton	Weiss
Eckert (NY)	Markey	Wheat
Edgar	Martinez	Whitten
Edwards (CA)	Mavroules	Wolf
Fazio	McCandless	Wright
Fiedler	McDade	Wylie
Fish	McEwen	Yates
Foglietta	McGrath	Young (AK)
Foley	McHugh	
Ford (MI)	McKinney	

NOT VOTING—84

Akaka	Early	Owens
Alexander	Frank	Panetta
Anthony	Franklin	Pepper
AuCoin	Frost	Quillen
Badham	Gejdenson	Rostenkowski
Barton	Gray (PA)	Roth
Bedell	Guarini	Rudd
Berman	Hammerschmidt	Schuette
Boner (TN)	Hatcher	Schulze
Bonior (MI)	Hawkins	Sharp
Bosco	Hefner	Sisisky
Boxer	Hillis	Slattery
Bryant	Horton	Smith, Denny
Bustamante	Huckaby	Snyder
Byron	Jones (NC)	St Germain
Carney	Jones (TN)	Stenholm
Chappell	Kramer	Stump
Chappie	Lehman (CA)	Tauzin
Clay	Lent	Thomas (CA)
Coelho	Lewis (CA)	Traxler
Courter	Lipinski	Udall
Craig	Lloyd	Vander Jagt
Daniel	Loeffler	Vucanovich
Dannemeyer	Martin (NY)	Watkins
Daschle	Mazzoli	Waxman
de la Garza	Meyers	Whitehurst
Dixon	Moakley	Whittaker
Durbin	O'Brien	Wirth

□ 1430

The Clerk announced the following pair:

On this vote:

Mr. Chappell for, with Mr. Hawkins against.

Mr. BROYHILL changed his vote from "no" to "aye."

So the amendment, as amended, was agreed to.

The result of the vote was announced as above recorded.

Mr. FAZIO. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in strong support of this legislation, but I also rise with the sense of regret that political reality being what it is, there is contained within this legislation two provisions to section 520 and 521 which in a very real sense deprive women who are employed by the Federal Government from equal access to health care.

Mr. Chairman, I have no intention of offering an amendment at this time or unnecessarily prolonging debate on an issue that we all know very well. But it pains me greatly that we are required at this point to include in this legislation provisions which deny the right to abortions to all federally employed women, people who earn on the average of $15,000 a year, people who would be badly injured financially, if not in other ways, if they were required to enter into the private sector to fund this health procedure on their own.

This provision is discriminatory on the basis of sex. It intrudes into private decisionmaking on the part of these women. It is a tremendous burden potentially to the average middle-income person who works for the Federal Government, pays 40 percent of their health care costs out of their own pocket, and is deprived of the full use of their total compensation for the health care that they derive as part of their benefits as an employee of the Federal Government.

The gentleman from New York [Mr. GREEN] and I have introduced legislation which would eliminate these riders which we consider unconstitutional and discriminatory. We hope that an increasing number of Members will join us in cosponsoring that legislation so that we can put an end to this kind of approach to selectively depriving individual members of our society of the rights that the Constitution guarantees to all of us.

Mr. HOYER. Mr. Chairman, would the gentleman yield?

Mr. FAZIO. I will be happy to yield to my friend from Maryland.

Mr. HOYER. Mr. Chairman, I appreciate the gentleman from California yielding this time to me, and I appreciate his remarks. As the gentleman knows, we have opposed in 2 of the last 4 years this provision which was not included in the bill and was added onto the bill, and it is obvious that it is the sense of the House that that language ought to be included.

But I want to join with the gentleman from California [Mr. FAZIO] in his observations that this language is clearly discriminatory against Federal employees, treats Federal employees differently than it does all other individuals who attain health care in this Nation.

I want to commend the gentleman for his continuing efforts to ensure the fair and equitable treatment of all of those in this country as it relates to health care.

Mr. FAZIO. I appreciate the gentleman's comments. He has been a champion of these very same employees of the Federal Government. He feels as strongly as I do about the limitation on their rights.

I know the chairman of the subcommittee joins with the gentleman from Maryland [Mr. HOYER] and myself in this sentiment. We are simply at this point bowing down to political reality. But we want to serve notice that the issue is not one that will be ignored in the future, and will be visited more and more as time goes by and the average American understands this very unfair provision.

● Mrs. BOXER. Mr. Chairman, I rise to point out a section of this appropriations bill which is extremely unfair to Federal employees. Title V, section 520 of this legislation states that no funds appropriated by this act shall be available to pay for an abortion, or the administrative expenses in connection with any health benefit program which provides any benefits or coverages for abortions.

We have debated this matter before and those of us who object to this section have lost on the House floor so I do not intend to replay that vote. However, I feel it is necessary to place into the RECORD the objections to this language in the hope that someday this House will change on this issue.

A woman's right to choose an abortion is a matter of great controversy and I am not here to debate whether abortion is right or wrong. I am here to debate the restrictive language in section 520 which essentially dictates to individuals, based only on their status as Federal employees, what they can and cannot do with the money they have earned. The real issue pertaining to this legislation is singling out Federal employees and telling them that they do not have the same rights or options of any other employee in the private sector.

I'd further like to point out that we are not talking here about hundreds of people, not even thousands of people—Mr. Chairman, we are talking about millions of people who are affected by this prohibition. And among these millions of people who participate in Federal health benefit plans are women who may indeed choose to terminate their pregnancy. These women are now prevented from having their health insurance cover the procedure—and these women pay a full 40 percent of the cost of their insurance. If ever there was a case of big brother on the back of its citizens; if ever there

was a case of Government dictating its values—this is it. Big brother on our backs—and during the administration of a President who was elected on a platform of getting Government out of the people's lives.

With this section we are clearly guilty of the very sex discrimination we have said is against the law. Prohibiting coverage of the single medical procedure of abortion does indeed discriminate against women as they are the only ones affected by the restriction.

Let us not forget that women working in the Federal work force, as elsewhere, are segregated into lower paying jobs. The average female Federal employee earns an annual income of $16,000. Therefore, this becomes a serious economic issue as well. Gathering the funds for a safe and legal abortion would place a tremendous economic burden on these women, a burden that women working in the private sector would not have to bear.

Mr. Chairman, we are using the appropriations process to intrude on the rights of Federal workers and impose on them a notion of mortality which is being dictated to them. We are showing no regard for basic human rights or individual freedom. Instead, we are placing ourselves directly into the private lives of millions of Americans—but only those who work for the Federal Government. How unfair and discriminating of us.

Finally, the language in this legislation is inhumane. Under section 521, the only exception to the prohibition are cases where the life of the mother is determined endangered if the fetus were carried to term. There are no exceptions to permit coverage of abortions in the cases of incest or rape—circumstances under which no woman should ever be forced to go through with the pregnancy.

Limited health insurance coverage has been imposed on Federal employees for 2 years. For these individuals, it has been 2 years too long. I urge my colleagues to carefully consider the consequences of sections 520 and 521 and to note that the issue won't go away.●

Mr. GILMAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of H.R. 3036, a bill providing for Treasury, Postal Service, and general Government appropriations for fiscal year 1986.

Within H.R. 3036 are a number of critical funding decisions. Specifically, the initiative to secure revenue foregone appropriations sufficient to allow postage rates to continue at present levels for certain nonprofit mailers, in-county newspapers, and magazines until January 1, 1986.

As you know, Congress initially provided for this funding in order that worthy, charitable nonprofit organizations would be afforded preferred mail rates by the U.S. Postal Service. These preferred rates, in turn, allow nonprofit organizations to carry out a variety of mail activities, to include direct mail fund raising activities necessary to provide the resources that are needed to deliver the services and to operate the programs of their organizations.

Without this special fund many nonprofit organizations could not continue to make their vital contribution to our Nation's moral strength. Such valuable organizations as public libraries and countless other important nonprofit entities would no longer survive without financial help with their mailings.

Accordingly, it is imperative that H.R. 3036 be adopted by this body. Without the crucial services of so many of our nonprofit mailers, America would no longer be the world leader on so many fronts.

Mr. CHAIRMAN. Are there further amendments to title IV?

If not, the Clerk will read.

The Clerk read as follows:

TITLE V—GENERAL PROVISIONS

THIS ACT

SEC. 501. Where appropriations in this Act are expendable for travel expenses of employees and no specific limitation has been placed thereon, the expenditures for such travel expenses may not exceed the amount set forth therefor in the budget estimates submitted for the appropriations: *Provided,* That this section shall not apply to travel performed by uncompensated officials of local boards and appeal boards of the Selective Service System; to travel performed directly in connection with care and treatment of medical beneficiaries of the Veterans' Administration; to travel of the Office of Personnel Management in carrying out its observation responsibilities of the Voting Rights Act; or to payments to interagency motor pools where separately set forth in the budget schedules.

SEC. 502. No part of any appropriation contained in this Act shall be available to pay the salary of any person filling a position, other than a temporary position, formerly held by an employee who has left to enter the Armed Forces of the United States and has satisfactorily completed his period of active military or naval service and has within ninety days after his release from such service or from hospitalization continuing after discharge for a period of not more than one year made application for restoration to his former position and has been certified by the Office of Personnel Management as still qualified to perform the duties of his former position and has not been restored thereto.

SEC. 503. No part of any appropriation made available in this Act shall be used for the purchase or sale of real estate or for the purpose of establishing new offices inside or outside the District of Columbia: *Provided,* That this limitation shall not apply to programs which have been approved by the Congress and appropriations made therefor.

SEC. 504. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 505. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

SEC. 506. No part of any appropriation contained in this Act shall be available for the procurement of or for the payment of the salary of any person engaged in the procurement of any hand or measuring tool(s) not produced in the United States or its possessions except to the extent that the Administrator of General Services or his designee shall determine that a satisfactory quality and sufficient quantity of hand or measuring tools produced in the United States or its possessions cannot be procured as and when needed from sources in the United States and its possessions, or except in accordance with procedures prescribed by section 6-104.4(b) of Armed Services Procurement Regulation dated January 1, 1969, as such regulation existed on June 15, 1970: *Provided,* That a factor of 75 per centum in lieu of 50 per centum shall be used for evaluating foreign source end products against a domestic source end product. This section shall be applicable to all solicitations for bids opened after its enactment.

SEC. 507. None of the funds made available to the General Services Administration pursuant to section 210(f) of the Federal Property and Administrative Services Act of 1949 shall be obligated or expended after the date of enactment of this Act for the procurement by contract of any service which, before such date, was performed by individuals in their capacity as employees of the General Services Administration in any position of guards, elevator operators, messengers, and custodians, except that such funds may be obligated or expended for the procurement by contract of the covered services with sheltered workshops employing the severely handicapped under Public Law 92-28.

SEC. 508. No funds appropriated in this Act shall be available for administrative expenses in connection with implementing or enforcing any provisions of the rule TD ATF-66 issued June 13, 1980, by the Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms on labeling and advertising of wine, distilled spirits and malt beverages, except if the expenditure of such funds is necessary to comply with a final order of the Federal court system.

SEC. 509. None of the funds appropriated by this Act may be obligated or expended in any way for the purpose of the sale, lease, rental, excessing, surplusing or disposal of any portion of land identified on the date of enactment of this Act as Fort DeRussy in Honolulu, Hawaii.

SEC. 510. None of the funds appropriated in this Act may be used for administrative expenses to close the Information Resources Management Office of the General Services Administration located in Sacramento, California.

SEC. 511. None of the funds made available by this Act for the Department of the Treasury may be used for the purpose of eliminating any existing requirement for sureties on customs bonds.

SEC. 512. None of the funds made available by this Act shall be available for any activity or for paying the salary of any government employee where funding an activity or

paying a salary to a government employee would result in a decision, determination, rule, regulation, or policy that would prohibit or otherwise prevent the Customs Service from enforcing section 307 of the 1930 Tariff Act.

SEC. 513. None of the funds appropriated under this Act shall be obligated or expended to implement, promulgate, administer, enforce, or reissue or revise the proposed Office of Personnel Management regulations and the proposed Federal Personnel Manual issuances published in the Federal Register on March 30, 1983, on pages 13341 through 13381, as superseded by proposed regulations and Federal Personnel Manual issuances published in the Federal Register on July 14, 1983, on pages 32275 through 32312, and as further superseded by proposed regulations and the Federal Personnel Manual issuances published in the Federal Register on October 25, 1983 on pages 49462 through 49498.

SEC. 514. None of the funds made available by this Act shall be available for the purpose of transferring control over the Federal Law Enforcement Training Center located at Glynco, Georgia, out of the Treasury Department.

SEC. 515. Of the total amount of budget authority provided for fiscal year 1986 by this or any other Act that would otherwise be available for consulting services, management and professional services, and special studies and analyses, 10 per centum of the amount intended for such purposes in the President's budget for 1986, as amended, for any agency, department, or entity subject to apportionment by the Executive shall be placed in reserve and not made available for obligation or expenditure: *Provided*, That this section shall not apply to any agency, department, or entity whose budget request for 1986 for the purposes stated above did not amount to $5,000,000.

SEC. 516. No part of any appropriation contained in this Act shall be available for the procurement of, or for the payment of, the salary of any person engaged in the procurement of stainless steel flatware not produced in the United States or its possessions, except to the extent that the Administrator of General Services or his designee shall determine that a satisfactory quality and sufficient quantity of stainless steel flatware produced in the United States or its possessions, cannot be procured as and when needed from sources in the United States or its possessions or except in accordance with procedures provided by section 6-104.4(b) of Armed Services Procurement Regulations, dated January 1, 1969. This section shall be applicable to all solicitations for bids issued after its enactment.

SEC. 517. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes within the United States not heretofore authorized by the Congress.

SEC. 518. No part of any appropriation contained in this Act shall be available for the payment of the salary of any officer or employee of the United States Postal Service, who—

(1) prohibits or prevents, or attempts or threatens to prohibit or prevent, any officer or employee of the United States Postal Service from having any direct oral or written communication or contact with any Member or committee of Congress in connection with any matter pertaining to the employment of such officer or employee or pertaining to the United States Postal Service in any way, irrespective of whether such communication or contact is at the initiative of such officer or employee or in response to the request or inquiry of such Member or committee; or

(2) removes, suspends from duty without pay, demotes, reduces in rank, seniority, status, pay, or performance or efficiency rating, denies promotion to, relocates, reassigns, transfers, disciplines, or discriminates in regard to any employment right, entitlement, or benefit, or any term or condition of employment of, any officer or employee of the United States Postal Service, or attempts or threatens to commit any of the foregoing actions with respect to such officer or employee, by reason of any communication or contact of such officer or employee with any Member or committee of Congress as described in paragraph (1) of this subsection.

SEC. 519. Except for vehicles provided to the President, Vice President and their families, or to the United States Secret Service, none of the funds provided in this Act to any Department or Agency shall be obligated or expended to procure passenger automobiles as defined in 15 U.S.C. 2001 with an EPA estimated miles per gallon average of less than twenty-two miles per gallon. The requirements of this section may be waived by the Administrator of the General Services Administration for special purpose or special mission automobiles.

SEC. 520. No funds appropriated by this Act shall be available to pay for an abortion, or the administrative expenses in connection with any health plan under the Federal employees health benefit program which provides any benefits or coverages for abortions.

SEC. 521. The provisions of section 520 shall not apply where the life of the mother would be endangered if the fetus were carried to term.

TITLE VI—GENERAL PROVISIONS

DEPARTMENTS, AGENCIES, AND CORPORATIONS

SEC. 601. Unless otherwise specifically provided, the maximum amount allowable during the current fiscal year in accordance with section 16 of the Act of August 2, 1946 (60 Stat. 810), for the purchase of any passenger motor vehicle (exclusive of buses and ambulances), is hereby fixed at $6,600 except station wagons for which the maximum shall be $7,600: *Provided*, That these limits may be exceeded by not to exceed $2,700 for police-type vehicles, and by not to exceed $4,000 for special heavy-duty vehicles: *Provided further*, That the limits set forth in this section shall not apply to electric or hybrid vehicles purchased for demonstration under the provisions of the Electric and Hybrid Vehicle Research, Development, and Demonstration Act of 1976.

SEC. 602. Appropriations of the executive departments and independent establishments for the current fiscal year available for expenses of travel or for the expenses of the activity concerned, are hereby made available for quarters allowances and cost-of-living allowances, in accordance with 5 U.S.C. 5922-5924.

SEC. 603. Unless otherwise specified during the current fiscal year no part of any appropriation contained in this or any other Act shall be used to pay the compensation of any officer or employee of the Government of the United States (including any agency the majority of the stock of which is owned by the Government of the United States) whose post of duty is in the continental United States unless such person (1) is a citizen of the United States (2) is a person in the service of the United States on the date of enactment of this Act, who, being eligible for citizenship, has filed a declaration of intention to become a citizen of the United States prior to such date and is actually residing in the United States, (3) is a person who owes allegiance to the United States, (4) is an alien from Cuba, Poland, South Vietnam, or the Baltic countries lawfully admitted to the United States for permanent residence, or (5) South Vietnamese, Cambodian and Laotian refugees paroled in the United States after January 1, 1975: *Provided*, That for the purpose of this section, an affidavit signed by any such person shall be considered prima facie evidence that the requirements of this section with respect to his status have been complied with: *Provided further*, That any person making a false affidavit shall be guilty of a felony, and, upon conviction, shall be fined no more than $4,000 or imprisoned for not more than one year, or both: *Provided further*, That the above penal-clause shall be in addition to, and not in substitution for any other provisions of existing law: *Provided further*, That any payment made to any officer or employee contrary to the provisions of this section shall be recoverable in action by the Federal Government. This section shall not apply to citizens of Ireland, Israel, the Republic of the Philippines or to nationals of those countries allied with the United States in the current defense effort, or to temporary employment of translators, or to temporary employment in the field service (not to exceed sixty days) as a result of emergencies.

SEC. 604. Appropriations available to any department or agency during the current fiscal year for necessary expenses, including maintenance or operating expenses, shall also be available for payment to the General Services Administration for charges for space and services and those expenses of renovation and alteration of buildings and facilities which constitute public improvements, performed in accordance with the Public Buildings Act of 1959 (73 Stat. 749), the Public Buildings Amendments of 1972 (86 Stat. 216), or other applicable law.

SEC. 605. Funds made available by this or any other Act for administrative expenses in the current fiscal year of the corporations and agencies subject to chapter 91 of title 31, United States Code, shall be available, in addition to objects for which such funds are otherwise available, for rent in the District of Columbia; services in accordance with 5 U.S.C. 3109; and the objects specified under this head, all the provisions of which shall be applicable to the expenditure of such funds unless otherwise specified in the Act by which they are made available: *Provided*, That in the event any functions budgeted as administrative expenses are subsequently transferred to or paid from other funds, the limitations on administrative expenses shall be correspondingly reduced.

SEC. 606. No part of any appropriation for the current fiscal year contained in this or any other Act shall be paid to any person for the filling of any position for which he or she has been nominated after the Senate has voted not to approve the nomination of said person.

SEC. 607. Pursuant to section 1415 of the Act of July 15, 1952 (66 Stat. 662), foreign credits (including currencies) owed to or owned by the United States may be used by Federal agencies for any purpose for which appropriations are made for the current fiscal year (including the carrying out of Acts requiring or authorizing the use of

such credits), only when reimbursement therefor is made to the Treasury from applicable appropriations of the agency concerned: *Provided*, That such credits received as exchanged allowances or proceeds of sales of personal property may be used in whole or part payment for acquisition of similar items, to the extent and in the manner authorized by law, without reimbursement to the Treasury.

SEC. 608. No part of any appropriation contained in this or any other Act, shall be available for interagency financing of boards, commissions, councils, committees, or similar groups (whether or not they are interagency entities) which do not have prior and specific statutory approval to receive financial support from more than one agency or instrumentality.

SEC. 609. Funds made available by this or any other Act to (1) the General Services Administration, including the fund created by the Public Buildings Amendments of 1972 (86 Stat. 216), and (2) the "Postal Service Fund" (39 U.S.C. 2003), shall be available for employment of guards for all buildings and areas owned or occupied by the United States or the Postal Service and under the charge and control of the General Services Administration or the Postal Service, and such guards shall have, with respect to such property, the powers of special policemen provided by the first section of the Act of June 1, 1948 (62 Stat. 281; 40 U.S.C. 318), but shall not be restricted to certain Federal property as otherwise required by the proviso contained in said section and, as to property owned or occupied by the Postal Service, the Postmaster General may take the same actions as the Administrator of General Services may take under the provisions of sections 2 and 3 of the Act of June 1, 1948 (62 Stat. 281; 40 U.S.C. 318a, 318b), attaching thereto penal consequences under the authority and within the limits provided in section 4 of the Act of June 1, 1948 (62 Stat. 281; 40 U.S.C. 318c).

SEC. 610. None of the funds available under this or any other Act shall be available for administrative expenses in connection with the designation for construction, arranging for financing, or execution of contracts or agreements for financing or construction of any additional purchase contract projects pursuant to section 5 of the Public Building Amendments of 1972 (Public Law 92-313) during the period beginning October 1, 1976, and ending September 30, 1986.

SEC. 611. None of the funds made available pursuant to the provisions of this Act shall be used to implement, administer, or enforce any regulation which has been disapproved pursuant to a resolution of disapproval duly adopted in accordance with the applicable law of the United States.

SEC. 612. No part of any appropriation contained in, or funds made available by this or any other Act, shall be available for any agency to pay to the Administrator of the General Services Administration a higher rate per square foot for rental of space and services (established pursuant to section 210(j) of the Federal Property and Administrative Services Act of 1949, as amended) than the rate per square foot established for the space and services by the General Services Administration for the current fiscal year and for which appropriations were granted.

SEC. 613. (a)(1) Notwithstanding any other provision of law, no part of any of the funds appropriated for the fiscal years ending September 30, 1986, or September 30, 1987, by this Act or any other Act, may be used to pay any prevailing rate employee described in section 5342(a)(2)(A) of title 5, United States Code, or any employee covered by section 5348 of that title, on or after the applicable date the limitation imposed by section 616(a)(2) of H.R. 5798, incorporated by reference in section 101(j) of Public Law 98-473, ceases to apply, at a rate that differs from the rate payable for the applicable grade and step of the applicable wage schedule in accordance with such section 616(a)(2), except as provided under paragraph (2) of this subsection.

(2) The Office of Personnel Management shall provide for any necessary adjustments of wage schedules and rates for the period covered by paragraph (1) of this subsection for employees subject to paragraph (1) so as to ensure that—

(A) such wage schedules and rates are adjusted upwards or downwards, as the case may be, by an average percentage amount consistent with any adjustment taking effect for the General Schedule under section 5305 of title 5, United States Code, or other provision of law during such period; and

(B) any such adjustment takes effect in each affected wage area at a time that bears the same relationship to the normal effective date of wage adjustments in that wage area that the effective date of the General Schedule adjustment bears to the effective date specified in section 5305(a)(2) of title 5, United States Code.

(b) Notwithstanding the provisions of section 9(b) of Public Law 92-392 or section 704(b) of Public Law 95-454, the provisions of subsection (a) of this section shall apply (in such manner as the Office of Personnel Management shall prescribe) to any prevailing rate employee to whom such section 9(b) applies, except that the provisions of subsection (a) may not apply to any increase in a wage schedule or rate that is required by the terms of a contract entered into before the date of enactment of this Act.

(c) Notwithstanding any other provision of law, no prevailing rate employee described in subparagraph (B) or (C) of section 5342(a)(2) of title 5, United States Code, may be paid during the periods for which subsection (a) of this section is in effect at rates that exceed the rates that would be payable under subsection (a) were subsection (a) applicable to such employee.

(d) For the purpose of this section, the rates payable to employees who are covered by this section and who are paid from a schedule that was not in existence on September 30, 1985, shall be determined under regulations prescribed by the President.

(e) Notwithstanding any other provision of law, rates of premium pay for employees subject to this section shall not be changed from the rates in effect on September 30, 1985, except to the extent determined by the Office of Personnel Management to be consistent with the purpose of this section.

(f) The provisions of this section shall apply with respect to pay for services performed by any affected employee on or after October 1, 1985.

(g) For the purpose of administering any provision of law, rule, or regulation that provides premium pay, retirement, life insurance, or any other employee benefit, that requires any deduction or contribution, or that imposes any requirement or limitation, on the basis of a rate of salary or basic pay, the rate of basic pay payable after the application of this section shall be treated as the rate of salary or basic pay.

SEC. 614. None of the funds made available in this Act may be used to plan, implement, or administer (1) any reduction in the number of regions, districts or entry processing locations of the United States Customs Service; or (2) any consolidation or centralization of duty assessment or appraisement functions of any offices of the United States Customs Service.

SEC. 615. During the period in which the head of any department or agency, or any other officer or civilian employee of the Government appointed by the President of the United States, holds office, no funds may be obligated or expended in excess of $5,000 to renovate, remodel, furnish, or redecorate the office of such department head, agency head, officer, or employee, or to purchase furniture or make improvements for any such office, unless such renovation, remodeling, furnishing, or redecoration is expressly approved by the Committees on Appropriations of the House and Senate.

SEC. 616. Funds provided under this Act to the Executive Office of the President, or funds provided under this or any other Act to be allocated to and subsequently allocated for that purpose, may be used for the compilation, preparation, reproduction, and/or distribution of the "White House News Summary", or any similar successor document, if the distribution of such document is made in a manner which does not discriminate against any member of any Federal Government branch, department, agency, commission, board, or other entity on the basis of political party affiliation.

This Act may be cited as the "Treasury, Postal Service and General Government Appropriations Act, 1986".

Mr. ROYBAL (during the reading). Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. Are there points of order against either title V or title VI?

Are there amendments to title V or title VI?

AMENDMENT OFFERED BY MR. FRENZEL

Mr. FRENZEL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FRENZEL: Page 54, after line 17, insert the following new section:

"SEC. . Notwithstanding any other provision of this Act, each amount appropriated by this Act not required to be appropriated by previously enacted law is hereby reduced by 2.65 percent.".

Mr. ROYBAL. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. MURTHA) having assumed the chair, Mr. BEILENSON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3036), making

appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending September 30, 1986, and for other purposes, had come to no resolution thereon.

LEGISLATIVE PROGRAM

(Mr. MICHEL asked and was given permission to address the house for 1 minute.)

Mr. MICHEL. Mr. Speaker, I ask to proceed for 1 minute for the purpose of inquiring of the distinguished majority whip the program next week.

Mr. FOLEY. Mr. Speaker, will the distinguished Republican leader yield to me?

Mr. MICHEL. I am happy to yield to the gentleman from Washington.

Mr. FOLEY. Mr. Speaker, we have completed the business for this week. When we adjourn today, we will adjourn to meet on Monday, July 29 at noon to consider 12 bills under suspension of the rules.

Those bills are:

H.R. 2908, technical amendments to the Indian Education Act;

H.R. 1131, modify civil service retirement deposits for military service;

S. 1195, missing children;

H.R. 2466, miscellaneous Coast Guard amendments;

H.R. 1027, Endangered Species Act;

H.R. 1202, Sikes Act authorization for fiscal years 1986, 1987, and 1988;

H.R. 1789, authorization for parts of the National Wildlife Refuge System;

H.R. 1406, authorization for nongame fish and wildlife conservation;

H.R. 1028, interjurisdictional fishery resources;

H.R. 1544, authorization for National Aquaculture Act;

H.R. 148, Michigan Wilderness Heritage Act; and

H.R. 1092, amend Alaskan Native Claims Settlement Act.

On Tuesday, July 30, the House will meet at noon for a special Private Calendar and will take recorded votes.

Mr. MICHEL. At that point, could I ask the gentleman to yield back because it is my understanding of my designees on the Private Calendar that they have not given their assent here to this special Private Calendar on Tuesday.

□ 1440

Mr. FOLEY. I should say it is subject to unanimous consent being obtained.

Mr. MICHEL. I thank the gentleman.

Mr. FOLEY. Mr. Speaker, the House will take any recorded votes on suspensions that are ordered for recorded votes, having been debated on Monday, July 29. It will also consider H.R. 3036, the Treasury-Postal Department appropriations for fiscal year 1986, to complete consideration; H.R. 3067, District of Columbia Appropriations Act for fiscal year 1986, and H.R. 1409, the military construction authorizations for fiscal year 1986, an open rule, 2 hours of debate.

It would be our hope to meet at 11 a.m. on Wednesday and at 10 a.m. the balance of the week . I will be making a unanimous consent request with respect to Wednesday.

Also to consider H.R. 3011, the Interior Appropriations Act for fiscal year 1986 subject to a rule being granted, H.R. 3008, Federal Pay Equity and Retirement Act subject to a rule being granted, and H.R. 2121, coastal zone management, open rule 1 hour of debate, the rule has already been adopted.

Finally, H.R. 10, the National Development Investment Act, an open rule, 1 hour of debate, the rule has already been adopted.

Mr. Speaker, Members should expect further action, the possibility at least of further action on supplemental appropriations conference report, the budget conference report, the conference report on Defense Department authorizations and the conference report on foreign assistance authorizations.

At the close of the week's business, the House will adjourn until 12 moon on Wednesday, September 4 for the traditional summer work period.

As usual, other conference reports may be brought up at any time including the ones mentioned and further program may be announced later.

It is our hope, Mr. Speaker, that the House can conclude its schedule by Thursday evening so that the House would begin the district work period at the conclusion of business on Thursday evening. That is, however, subject to the program being concluded. Members should be advised it is possible that the House will work late on both Wednesday and Thursday, if necessary, in order to accomplish this schedule.

Mr. MICHEL. The gentleman anticipated the two questions that I was about to put.

I would expect from that kind of schedule, that is the program for next week, that Members would be well advised then to work late on those evenings that the gentleman made mention of.

While that is the target date to hopefully conclude by Thursday evening, there is the escape mechanism to go on to Friday, but I gather from what the gentleman says it is certainly not the intention at this juncture to drag on into Friday; is that correct?

Mr. FOLEY. It is the present intention and hope, Mr. Speaker, to conclude Thursday evening so a Friday session would not be necessary. I cannot guarantee to the gentleman that we will not have a Friday session, but it is our hope and our plan to conclude the business of the House Thursday evening.

Mr. MICHEL. I understand.

Mr. LOTT. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I would be happy to yield.

Mr. LOTT. I thank the gentleman from Illinois for yielding.

Mr. Speaker, since it is a privileged resolution I know it is not necessary to put it on the schedule for next week, but I notice that the resolution [H. Res. 230], the RECORD reform rule is not on the program, but we would want the Members to be aware that this reform in the way the CONGRESSIONAL RECORD is going to be a more accurate reflection of what is said on the floor, that that probably will be brought up next week; is that correct?

Mr. FOLEY. If the gentleman from Illinois will yield to me.

Mr. MICHEL. I yield to the gentleman from Washington.

Mr. FOLEY. I thank the gentleman.

Yes, as the gentleman from Mississippi indicated, the resolution in question, House Resolution 230 is a privileged resolution. It is not listed on the schedule but we do intend to bring it to the floor next week at an appropriate time.

As a cosponsor of the resolution and its principal progenitor, the gentleman from Mississippi will certainly be consulted on that matter.

Mr. LOTT. I thank the gentleman for yielding.

Mr. MICHEL. Mr Speaker, I yield back the balance of my time.

ADJOURNMENT TO MONDAY, JULY 29, 1985

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 12 noon on Monday next.

The SPEAKER pro tempore. (Mr. PERKINS). Is there objection to the request of the gentleman from Washington?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that business under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

HOUR OF MEETING ON WEDNESDAY NEXT

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that when the

House adjourns on Tuesday next, it adjourn to meet at 11 a.m. on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

AUTHORIZING SPECIAL PRIVATE CALENDAR DAY ON TUESDAY, JULY 30, 1985

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that there be a special Private Calendar day on Tuesday next, July 30, 1985.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

PERSONAL EXPLANATION

Mr. NIELSON of Utah. Mr. Speaker, I was unavoidably detained and missed rollcall vote No. 263.

Mr. Speaker, had I been present I would have voted "no."

THEFT OF THE AMERICAN FLAG

(Mr. HOYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HOYER. Mr. Speaker, today I have introduced legislation which makes it a Federal offense to steal the flag of the United States of America. As we all know, it is a Federal offense to desecrate our flag.

Currently, the theft of an American flag is treated under State laws pertaining to thefts generally. This bill would establish this theft as a misdemeanor under Federal law. Persons found guilty of the offense would be subject to a fine not more than $1,000 and imprisonment for not more than 1 year or both. The penalty is the same penalty under the Federal desecration statute. The Federal district court will have jurisdiction over cases brought under this statute.

Mr. Speaker, I hope that my colleagues will join in supporting and cosponsoring this small but important piece of legislation.

A DEFICIT OUT OF CONTROL IS LIKE A TRAIN HEADING FULL STEAM OVER A CLIFF

(Mr. KOLBE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KOLBE. Mr. Speaker, I cannot help but look on with dismay as the budget process collapses into a mire of partisan spending feuds. It would seem as though we have abandoned the single most important goal for which we were sent to Congress last November. The deficit is out of control. This continued irresponsible spending is swiftly and tirelessly rotting the fabric of the American economy.

Yet we have gone beyond losing our self-control. Congress even seems to be willing to abuse its legislative powers and flaunt the very laws under which it operates in order to break all previous records for budget deficits. A day rarely goes by when we do not pass a rule waiving points of order against the illegal appropriation of funds in the absence of a budget. If the laws of this land cannot restrain our spending, I ask you: What sort of coercion will ever produce a balanced budget?

On Tuesday, the House passed the Water Quality Renewal Act, which contained an appropriation 77 percent above last year's levels in defiance of our commitment to reduce the deficit. The bill also contained $2 million needed for sewage treatment in Naco, AZ, a town in my district. I am committed to helping my constituents in Arizona, but their primary concern is for a balanced budget, and so I voted against the act. I could not justify impaling our efforts to balance the budget in order to win this funding for my district.

We're all on a train heading full steam over a cliff. And I'm ashamed of the passengers on the train who are unwilling to cast aside a little of their personal baggage, their pet projects, in order to stop the train and reverse its perilous course. Will we be able to tell our children that we have done everything in our power to protect their future if none of us is willing to make a sacrifice to build our economy on solid ground?

STATE OF EMERGENCY IMPOSED BY GOVERNMENT OF SOUTH AFRICA—THE LEADER OF THE FREE WORLD DOES NOTHING

(Mr. FORD of Tennessee asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. FORD of Tennessee. Mr. Speaker, I am extremely distressed by the current state of affairs in South Africa. The imposition of a state of emergency by the South African Government provides the police with unlimited authority to do what they please with any person or organization who dares to speak out against the repugnant practice of apartheid. Whatever remnants of free speech remaining in South Africa has now disappeared. When will the Reagan Administration finally dissassociate itself from this repressive regime? Why must the leader of the free world do nothing when there are others, namely the French, who are willing to denounce apartheid, and back their words by freezing new investment in that nation.

This latest action by the Botha government will only lead to new heights of violence in South Africa. Over 400 lives have already been lost this year, 400 black lives who were guilty of not being born white. The Botha government says they would like to engage the black leaders of that nation in dialog, however, they place all the black leaders in prison without formal charges.

As evidenced by these latest actions, those in power in South Africa have absolutely no intention of dismantling the system of apartheid. Unfortunately, that decision is going to cost thousands of lives, both black and white.

The current state of affairs in South Africa are a direct result of the administration's policy of constructive engagement. As long as the administration advocates such a policy, the Botha government does not feel compelled to change. Recently, at a conference on Africa at the United Nations, Dr. Nthato Motlana, chairman of the Soweto Civic Association, conveyed a message that black South Africans felt that the United States has taken sides on this matter. South Africans believe we are powerful enough to do something about apartheid, and cannot understand why nothing is done.

Mr. Speaker, it is sad when the United States is no longer looked upon as the primary defender of world rights and liberty. It is unconscionable that the administration might reject congressionally passed sanctions against apartheid. Worse yet, the inability of the administration to speak out against the Botha government leads many organizations in South Africa to resort to violence to bring about change.

Mr. Speaker, Dr. Motlana was correct, the United States does have the power to help bring about change. I appeal to the administration; how many more must die in South Africa before they make it known to the Botha government in the strongest terms that apartheid is not longer acceptable? I ask that an editorial from the Memphis Commercial Appeal of July 25, echoing these sentiments, be included in the RECORD.

THE COMING FIGHT

For decades the white minority government in South Africa has been attempting the impossible; to maintain in the same country a democracy for whites and a police state for the black majority.

From the offical start of apartheid almost 40 years ago, thoughtful South Africans told the ruling Afrikaners their "separate but unequal" policy would fail, that the poison of racism and repression would infect whites' civil rights.

That prediction came true over the weekend, when President P.W. Botha declared a state of emergency in 36 cities and towns and gave the police vast new powers to quell opposition to white supremacy.

The police, who already have a well-deserved reputation for brutality, are empowered to impose curfews, ban travel, arrest persons without warrants and detain them indefinitely, not publish the names of detainees, keep journalists out of emergency zones and censor the press.

In addition, the police have full immunity from civil and criminal liability for actions taken under the emergency. Given their record, that is a license to maim and kill.

Botha hopes that his version of martial law will end the violence that has convulsed black townships, claiming some 500 lives in the past 10 months. He probably is wrong, since South Africa seems to have fallen into a prerevolutionary stage.

For too long the Afrikaners have tried to decapitate black nationalism by jailing or exiling responsible leaders or by allowing them to die "by accident" in police custody. Now, under the emergency, hundreds of clergymen, unionists, opposition politicians and anti-apartheid activists, including whites, are being arrested.

But this leaves the regime with nobody to talk to. Police and soldiers control the black townships by day. At night radicalized youths form mobs to murder black councilmen and policemen as collaborators with white rule.

The young blacks have flexed their economic muscles too, enforcing a two-month boycott of white-owned stores that has devastated business in Port Elizabeth. If they continiue their tactics, much of South Africa may become untenable, politically and economically.

Botha and associates have ignored too many warnings, offered no meaningful reforms, while black moderation turned to extremism. Thus, barring a miracle of biracial accommodation, South Africa's future, the fate of 4.5 million whites and 20 million blacks, will be decided by violence.

□ 1450

FISCAL YEAR 1985 FOREIGN AID BILL AND POPULATION ASSISTANCE

(Mr. SMITH of New Jersey asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of New Jersey. Mr. Speaker, late last night the House-Senate conference dropped all language in the foreign aid bill to relevant to population aid.

The conference addressed two main issues: First, whether or not the Congress should preserve or reverse the administration's policy announced at Mexico City last year to deny funding to nongovernment organizations that perform or promote abortion and second, the conference dealt with House and Senate passed language dealing with coerced abortion and infanticide in the People's Republic of China.

The conferees were in deadlock. The Senate felt obliged to stick with their provisions reversing the so-called Mexico City policy and tough anticoercion language; the House stood firm, in defending what was essentially my two amendments.

I would say parenthetically that I applaud Chairman FASCELL's leadership and integrity in defending the House position.

Having been permitted to debate the issue at the conference, I concurred with Chairman FASCELL on dropping all language in the bill. By doing this, we achieved two significant objectives.

First, we effectively preserved the administration policy of denying funding to nongovernment organizations that perform or promote abortion, that is, the International Planned Parenthood Federation of London.

Second, we eliminated the earmark for the United Nation's Fund for Population Activities [UNFPA] which thus affords the administration the ability to determine what level of funding, if any UNFPA will receive in light of its comanagement of the coercion in the People's Republic of China.

Mr. Speaker, let me just say that it would be a gross misreading of the convictions of the conferees—and the Congress—for the government of the People's Republic of China to assume any diminution of our outrage over coerced abortion, sterilization, and infanticide in the People's Republic of China.

This House, I would remind them voted 289 to 130 to condemn these atrocities as "crimes against humanity." We therefore are solidly on record in recognizing and condemning these repugnant practices.

Absent sweeping reforms in the PRC, the authorities in Beijing should be on notice that the Congress has really just begun to address this issue and will persist with diligence in focusing on these human rights abuses. We will take whatever action necessary to end these heinous crimes.

LEGISLATION TO REVITALIZE THE AMERICAN INDUSTRIAL STEEL EFFORT

(Mr. KOLTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks).

Mr. KOLTER. Mr. Speaker, today, I rise to introduce legislation that seeks to revitalize the American industrial steel effort.

Throughout the world, nations subsidize research and development, while the United States, does nothing.

In the United States, many of our industries have neither the resources, nor the will to implement modernization in their plants. The legislation I am introducing today, will strive to overcome the imbalance that currently exists, while accelerating the pace, and utilization of technology in American steelmaking.

LTV recently announced the closing of the J&L Aliquippa works, in a national advertising campaign, by saying, "One of the most disheartening tasks for a company is to announce the idling of a plant. It's not a question of bricks and mortar—we are talking about people's lives." I could not agree more. Many proud and harworking people have devoted their lives to the producing of steel, but faced with policies and decisions beyond their control, they have been forced out of their jobs and must now live on handouts.

Mr. Speaker, I humbly ask that each of my colleagues review this essential piece of legislation that will enable America to once again stand firm in its commitment to our basic industries, and the millions of lives that flourish when they produce.

THE HUMANITARIAN GESTURE MADE BY ST. MARK'S HOSPITAL OF SALT LAKE CITY

(Mr. MONSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. MONSON. Mr. Speaker, St. Mark's Hospital, which is located in the district I represent, recently donated services and aid to two young Afghans who had been wounded seriously as a result of the war against Soviet oppression of their homeland. I feel that this humanitarian gesture should receive the appropriate applause it deserves. An editorial from the Salt Lake Tribune describes this generous gesture and I include it at this point in the RECORD so that all might see what is being done by these good-hearted Americans.

[From the Salt Lake Tribune, May 22, 1985]

ST. MARK'S AID TO AFGHANS IS GENEROUS GESTURE

The local donation of medical aid and other services to two young Afghans stands out both as a generous humanitarian gesture and a tangible show of support for a cause close to the hearts of most Americans.

The board and staff of St. Mark's Hospital deserve whatever positive publicity and local assistance their contributions generate.

At the suggestion of Dr. John Ream, who spent some time as a volunteer medical teacher in Afghanistan a decade ago, St. Mark's Hospital responded to a plea from the Washington-based Committee for a Free Afghanistan to help heal refugees injured by communist soldiers and inadequately served by medical teams in Pakistan.

The Utah hospital became one of the first private American hospitals to participate in the project last week, when it admitted Hazarat Kahn, an 8 year old whose legs were crushed when Soviets bombed his village 15 months ago, and Saidullah Shedmir Kahn, a 19-year-old freedom fighter still suffering from a 2-year-old leg wound.

St. Mark's strategy has been to build the refugees' strength for orthopedic surgery and to house them locally during convalescence.

This is at least one kind of assistance American citizens can provide in a tragic,

complex situation the U.S. government has been unable to control.

If Committee for a Free Afghanistan estimates are correct, 1.5 million Afghans—10 percent of the population—have died since the Soviet invasion five years ago. More than 3 million Afghans have fled to Pakistan, and French, Pakistani and American physicians have been unable to keep up with casualties since the Soviets killed most Afghan doctors.

Because direct intervention in a political struggle so close to the Soviet Union could touch off an even more devastating, international crisis, the United States must approach Afghanistan with extreme caution. Diplomatic, medical and monetary military aid seem the safest official measures at the moment. But they won't soon stop the carnage.

Therefore, individuals who value human life and freedom must step in as Good Samaritans to ease the suffering of Afghans cut down in the battle for self determination. St. Mark's Hospital and several Utah physicians have risen to the occasion. May their spirit spread.

THE FEDERAL OCCUPATIONAL DISEASE COMPENSATION ACT

(Mr. WILLIAMS asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. WILLIAMS. Mr. Speaker, this year, at least 23,000 Americans will die from cancer, a disease which they contracted because of their jobs; 1,600,000 workers exposed to asbestos, with an increased risk of lung cancer 5 times greater than normal; 1,500,000 workers exposed to arsenic, with an increased risk of lung cancer 2 to 5 times greater than normal.

All told, 11 million American workers are exposed to known or suspected cancer-causing substances or processes. Millions of American workers are regularly exposed to toxic chemicals, fumes, and dust, a part of their jobs.

Two hundred and fifty Americans die each day because of some form of occupational disease. Working America is suffering and dying with little or no financial assistance except what they can provide for themselves or might be available from public welfare.

This daily national tragedy must be resolved. Today I am introducing the Federal Occupational Disease Act. I am placing a section-by-section analysis of the bill in today's RECORD, and I encourage my colleagues to join me in supporting this long-needed legislation.

THE BOBO BILL

(Mr. SCHEUER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHEUER. Mr. Speaker, last night the House Energy and Commerce Committee, on which I'm proud to serve, reported out a Superfund bill—a 5-year bill—by a vote of 31 to 10.

When this bill was passed 5 years ago, it was known as the CERCLA bill—the Comprehensive Environmental Response, Compensation and Liability Act.

But I believe the bill we passed last night should be called the BOBO bill—the "Big Oil Bail Out Bill"—because it is as full of holes as the thousands of leaking gas tanks across the country that it fails to regulate. Those tanks are polluting our drinking water and our ground water from Maine to California.

This bill leaves too much discretion to the EPA—discretion EPA doesn't deserve and its history doesn't merit.

This bill fails to assure citizens that they will have the knowledge about toxic substances that are being transported and dumped into their neighborhoods.

This bill denies citizens the right to sue if they think they are not being dealt with justly and fairly.

This bill fails to establish adequate standards and fails to establish adequate timetables.

The bill does establish the greatest sweetheart deal in the history of this Government.

This Superfund bill—the BOBO bill—places a $3 million cap on liability resulting from an underground gasoline leak. It is absurd.

We know, and EPA knows, that gasoline from leaking tanks is one of the leading causes of ground water contamination. My science and technology has looked at the ground water pollution issue and we have concluded that once ground water is contaminated, it is often tainted for decades and even centuries.

Estimates for liability resulting from an underground gasoline leak range as high as $25 million or more. A recent survey in Massachusetts revealed that 70 percent of the underground gasoline storage tanks in the State are more than 20 years old and, almost without exception, these tanks are made of iron.

It is reasonable to assume that the vast majority of these tanks are operating well beyond the age when leaks can occur.

New York State estimates that about 50 percent of the tanks in the State that have been underground for 15 years or more are leaking.

Recent spills illustrate the absurdity of placing a $3 million liability cap on an underground gasoline leak. In Northglenn, CO, in 1980, Chevron spent about $10 million to $12 million in resolving the liability for cleanup problems resulting from a 30,000-gallon gasoline leak. In 1978, Exxon spent between $5 million and $10 million as a result of a leak in East Meadow, NY.

The Superfund bill as passed by the committee does not represent the will of the American public. All Americans—Republican and Democrat, rich or poor—want to safeguard our health and environment.

I intend to work with my colleagues to strengthen this bill and include the types of policies that are needed to cope with the hazardous waste problem.

REFORM THE OUTDATED DAVIS-BACON ACT

(Mrs. SMITH of Nebraska asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SMITH of Nebraska. Mr. Speaker, when the House considers the conference report on S. 1160, the fiscal year 1986 Department of Defense authorization bill, I strongly urge a floor vote on the application of Davis-Bacon reforms to defense contracts.

The House has never had the opportunity to vote on reforms to the Davis-Bacon Act, although I and 109 of my colleagues have expressed our desire to address this issue by cosponsoring H.R. 472, a bill that would significantly reform the outdated Davis-Bacon Act.

It is self-evident the issue of Davis-Bacon reform is germane to a Defense Department authorization.

If the reforms approved by the other Chamber are implemented, Defense contract procedures would be materially affected, and the Department would save $135 million in budget authority in fiscal year 1986 and $415 million through 1988.

With the huge budget deficit looming overhead, now is the time for Congress to act quickly and decisively to curb the kind of wasteful Federal spending the Davis-Bacon Act embodies.

Countless other benefits besides dollar savings can come with reform of the Davis-Bacon Act: increased contracting opportunities for small businesses, creation of new jobs, and better Government efficiency, to name just a few.

It is long past time that the House be allowed to work its will by taking a floor vote on the issue of Davis-Bacon reform.

Let us bring this 1931 statute in tune with the economic realities of the 1980's.

□ 1550

PERSONAL STATEMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. PEPPER] is recognized for 5 minutes.

● Mr. PEPPER. Mr. Speaker, as presiding officer at the House ceremonies commemorating the 50th anniversary of Social Security, I was unavoidably absent on rollcall No. 253 on July 24, 1985. Had I been present on the floor of the House, I would have cast my vote in the following manner:

Rollcall No. 253, on House Resolution 233 waiving certain points of order against consideration of H.R. 3038, the Department of Housing and Urban Development-Independent Agencies Appropriations Act, 1986. Had I been present, I would have voted "aye." ●

INTERNATIONAL SPACE YEAR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. NELSON] is recognized for 5 minutes.

● Mr. NELSON of Florida. Mr. Speaker, 10 years ago, we were witnesses to an historic event. The American Apollo spacecraft—manned by our three astronauts, Tom Stafford, Deke Slayton, and Vance Brand, docked with the Soviet Soyuz spacecraft—manned by Soviet cosmonauts, Aleksey Leonov and Valerie Kubasov—140 miles above the Earth. They shared meals, exchanged gifts, and conducted a series of significant experiments.

This marked the high point of the United States-Soviet cooperation in space. There have been a number of joint ventures since that time but none with the high visibility of success of the Apollo-Soyuz Test Project [ASTP]. The aftermath of ASTP was marked by high hopes for future cooperation.

But in 1982 because of deteriorating relations between the two superpowers, the United States-Soviet Space Cooperation Agreement was allowed to expire. Since that time, we have had debate on the merits of cooperation with the Soviets in space.

Now, there seem to be indications that both governments would welcome a reduction in the tensions that have built up between us. It is through the construction of bridges of understanding in areas such as spaceflight that we can build the foundations for larger agreements in areas of profound concern to all nations.

To highlight this, I am introducing today a resolution that would urge the President to designate 1992 as "International Space Year [ISY]." That year has unique significance since it marks the convergence of two anniversaries—the 500th anniversary of the discovery of the New World by Christopher Columbus to be celebrated throughout the Western Hemisphere, and the 35th anniversary of the International Geophysical Year [IGY], during which Sputnik was launched. My resolution invites the President to propose an ISY during his meetings with leaders of nations throughout the world, including the Soviet Union.

My resolution also calls on the President to report to the Congress the outcome of his efforts.

My resolution also invites the Administrator of NASA, in association with the State Department and other relevant public and private agencies to begin discussions on interagency and international basis so that opportunities for an ISY in 1992-95 can be explored in a prudent and responsible manner by the appropriate agencies.

This year is hardly too soon to begin discussions of that nature, Mr. Speaker, planning for the IGY began 7 years in advance of that event. Indeed, In recognition of our new age in discovery of America, Spain is launching an Hispanic communications satellite in 1992.●

MPS, INC. CELEBRATES ITS 20TH ANNIVERSARY

Mr. SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. ANNUNZIO] is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, when I came to Congress some 21 years ago, one of my biggest areas of concern was the financial hardships faced by our men and women in the armed services; particularly those serving overseas.

For the most part it was impossible for many service people to obtain credit at reasonable rates of interest. Overseas service personnel were forced to pay interest rates as high as 60 and 70 percent to obtain credit. And to make matters worse, the lower ranking enlisted personnel were not able to obtain credit overseas regardless of the interest rate.

In July 1965, Military Professional Services, Inc. [MPS], formerly Military Purchase System, Inc., was formed to provide credit to service personnel at reasonable rates of interest. MPS provided service personnel with a line of credit that stayed with them despite their many changes of duty stations. The transient nature of military service was one of the major reasons why other companies would not gamble on military lending.

Not only did MPS provide loans at reasonable rates of interest, but it also made available catalog buying, travel and low-cost insurance services. In 1969, MPS became one of the pioneers in providing full life insurance programs to military personnel on flying status or whose jobs involved other hazardous specialties.

As MPS celebrates its 20th anniversary, more than 100,000 service personnel have taken advantage of the company's services. Through its efforts, many banks, which at one time refused to lend money to servicemen and women, have now learned from the MPS experience that service personnel are good credit risks.

Mr. Speaker, I commend MPS for its role in helping servicemen and women around the world, and I salute the company on its 20th anniversary.●

PERSONAL EXPLANATION

(Mrs. BENTLEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. BENTLEY. Mr. Speaker, during rollcall 261 I was an official delegate of the United States to the International Democrat Union session yesterday. Unfortunately, my radio page was not working, so I missed the rollcall.

I would have voted "yes" had I been here.

NELSON MANDELA MUST BE FREED

(Mr. CROCKETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CROCKETT. Mr. Speaker, it is all too evident today that unless the South African Government moves to end apartheid the unrest throughout the country will increase—and increase to a point where violence becomes endemic and eventually uncontrollable.

Mr. Speaker, this is an urgent moment for South Africa, and an urgent time for the United States to speak out in an effort to maximize the chances for peaceful change there. Last year, we introduced and the 98th Congress passed and sent to the White House the "Mandela Freedom Resolution," calling on the President to use his good offices to secure the release of Nelson Mandela, the black South African nationalist leader who has been in South African prisons for 22 years. The State Department has now indicated in a letter, dated last Tuesday, that the administration "continues to urge the South African Government through private channels to free Mr. Mandela unconditionally."

But what we need now, Mr. Speaker, is for the President to call not privately but publicly for the unconditional release of Mr. Mandela as the British already have done. For if there is to be any negotiations toward a peaceful settlement, then the Pretoria regime must meet with the one black South African leader who has the support of, and the stature within, the black community. Nelson Mandela must be freed so that meaningful negotiations can start and the current repression and violence can end.

MY ADVICE TO THE PRIVILEGED ORDERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. GONZALEZ] is recognized for 60 minutes.

Mr. GONZALEZ. Mr. Speaker, I rise again in the tradition of Joel Barlow in addressing the privileged orders of this day and time which, as I have explained on prior occasions, includes my colleagues, the Members of this great body known as the Congress. Whether we like it or not, we are a privileged group in our country at this time. We are not as privileged, we are not as powerful as those forces now in our country and out that actually have the great power of decision and, in effect, in the back rooms of plush carpeted offices make those decisions that determine the fate of the proudful thing we call the American standard of living.

Today I not only offer advice to the privileged orders, as I have been doing, but I plead, I beg of these privileged orders, including my colleagues, to pause, consider and try to ponder upon the eternal verities of justice.

The great Athenian Greek law giver, Solon, said that unless justice prevailed in the social order on every level that the resulting malady would inexorably lead to social disorder and distress, and until the injustice was redressed, it would so remain.

Our country today is still considered the most powerful, the richest country. Whether we are or are not, history writes that the real inherent power of a country is the ability of that particular country and society to stay true and faithful to the basic principles, aspirations, hopes, dreams, and the promises that gave birth and rise to that great Nation from humble beginnings to a position of power and leadership.

The reason I am motivated to speak out this afternoon is that our citizens in the United States are unaware of the role they are portrayed as playing through their agents, that is, those of us in the Government, whether in the policymaking branch of the Government, the Congress, set forth in the first article of the Constitution, or the executive branch, because these are the two principal organs of Government that have to do with what I am trying to address today.

I specifically refer to the absolute jungle and bankruptcy, if you please, of this administration's policies with respect to our role in dealing with, in our intercourse with those countries that share destiny and the future in the New World with us, which today and only in the last decade and a half now exceed in number by 85 million the total population of our country. In the past, when we have dealt with respect to these nations—and I speak not only of Latin America; I have equal reference to our neighbor to the north, Canada—we have not really been very adept in maintaining a good relationship and a fundamental reciprocal relationship with respect to matters of most pertinent concern to our societies.

□ 1510

But with respect to those nations that we call generally Latin America, and more specifically today I rise to speak about those closer now to us: Mexico, its next-door neighbor, Guatemala, and then of course, next to Guatemala, that area known as Central America, which is boiling over. And unquestionably, given the inexorable course that the President has charted for 3 years now, a war course, where President Ronald Reagan has been conducting war.

I have introduced resolutions in which I asked my colleagues to bear up to the responsibility on our shoulders by virtue of the 1974 War Powers Limitation Act. There was another occasion in which I introduced a similar resolution, and it had to do with the misbegotten diversion of our marines to Beirut. For 14 months I took this podium, I appealed to my colleagues pointing out that our marines were military men; they are warriors, and that there was no clear mission. In order to deploy military, you have to have a clear purpose; a coherent vision. The President finally, not in answer to a letter I had written him at the very outset of his deployment of the 2,000 troops in the autumn of 1982, because this President is the first of six that I have worked with who does not acknowledge a Member of the Congress' letter. Now, I do not think I am the only one; I have heard other of my colleagues say the same thing.

Nevertheless, in answer to a reporter's question, the President finally said that the main purposes of the marines being sent to Beirut were twofold. First, peacekeeping; second, to shore up the so-called Gemayal regime. Where are we today? We have had to clear out of the Middle East. The last instructions after the hijacking of the TWA airplane was that all American citizens were notified to stay away from Lebanon. This hapless area that has been in the throes of convulsions, internecine, fratricidal wars, religious wars, for 2,000 years. The Romans could not do much, and everybody in between. In fact, the French, who had exercised colonial power for 50 continuous years, gladly, the first chance they had, at the height of World War II, in 1943, turned it over to the United States. Britain, France, colonial powers in that area, gladly divested themselves of that immediately after the war.

As a matter of fact, it was Britain's withdrawal in 1970 that gave rise to the so-called Nixon doctrine. That doctrine essentially was that we would, through client states, one, would be the Saudis; the other would be the Shah of Iran. But what we had done, and the American people, I am sure, never quite perceived what we had done through such agencies as the CIA, is exactly what we have been doing with the same calamitous results, ultimately catastrophic for our children, grandchildren, and great grandchildren, if not changed and immediately and soon. This is why I rise to plead because what is being done in our name is something we do not perceive ourselves as doing. But it is being done.

We talk about terror. We are the terrorists of the Caribbean. We have been called almost daily the Nazis of the Caribbean. We are, because we have attempted to assassinate the leaders in some of these countries. We are still trying it. We have armed, financed, and helped with direct military support in violation of the War Powers Limitation Act some of these oppressive, tyrannical regimes.

Now, in the Middle East and specifically in Iran, around the middle of the fifties, through CIA manipulation, we destabilized the so-called Mossadegh regime. It was the Russians and the British that had installed the Shah, Shah Pahlevi. When the Mossadegh regime, which we labeled as leftist, was destabilized—this is a fancy word used for helping to undermine or doing in—the Shah returned. The Nixon doctrine in 1970 said, "We will arm them; they will take care of our interests." This is what we have been doing in Central and South America for 100 years plus. We have willy-nilly, in Nicaragua alone, we have invaded that hapless country 11 times. In fact, nine times in this century alone.

Astoundingly, in the 1980's, a President of the United States retrogresses, recidivates to the bankrupt policies of Calvin Coolidge, the so-called gunboat diplomacy of 1929, which happily had been erased by President Franklin Roosevelt and his pronunciamento of the good neighbor policy.

Then later, John F. Kennedy, with his Alliance for Progress. But that world is gone. Even the world of John F. Kennedy in Latin America is long gone. And we may, through military interference, and I will recall to my colleagues that they voted and reversed themselves and voted some money, which they try to call "nonlethal" humanitarian. I just want do know what in the world is "nonlethal" military aid?

Humanitarian, I assume, would mean food, medicine and the like. But, just as in the case of the misbegotten and tragic diversion of the marines, what is the policy? What is the mission? We have an Ambassador in Managua, Nicaragua. Now, they just cele-

brated the sixth anniversary of what they call the glorious revolution, I believe with great justification. I admire those revolutionaries. They fought and they struggled against the regime that was imposed by our marines beginning in 1929, and that we upheld and helped year after year, with large largesses. The Somoza regime became one of the most—if not the most oppressive, tyrannical, inhuman, unjust, on the face of the globe. It was American-made. It was American-sustained.

We cannot escape that judgment of history any more than we can escape the judgment of history in the Middle East.

□ 1520

In the case of the marines, who would, in his right mind, think that our great system based on the countervailing three basic powers of Government, first and foremost the representative branch, the policymaking, the executive, and the judicial, for the very same reason that the people who wrote that Constitution were the most fearful of, which today, in our day and in our time and in our generation, are tolerating—not only tolerating but approving, not only directly but indirectly.

Who would think that with these plain, clear lessons of history before us, we would have gone so far now as to have completely eroded whatever vestigial remains, scintilla of moral, suasive power of collective leadership in the New World?

This President has opted, with no discussion, with no chance to proceed in a collective fashion, at no time has President Reagan ever attempted to work through the Organization of American States, of which we were one of the biggest instigators in the beginning.

President Eisenhower in 1957 had no such qualms as were expressed by President Reagan through his Secretary of State then, Alexander Haig, and then his successor Shultz, when they said, "We are not going to join this Contadora group. Who do they think they are?" Secretary Haig, in fact, in talking about the Foreign Minister of Mexico, said, "You are not going to tell us what our policy should be." But what was it the Foreign Minister was doing? He was asking as one spokesman of a group of five nations that wanted, through peaceful methods, to intervene and resolve the situation in Central America peacefully, at least an attempt.

We have done everything within our power to undermine that effort. Eisenhower did not think so. In 1957 we had the same thing. We had the outbreak of this long-time traditional hostility between Honduras and Nicaragua over a boundary. They fought a little bit, and then almost the same member nations that now constitute the so-called Contadora group got together, but the United States joined, and in joining took over the leadership of the group and they ended up in even going all together to the World Court, the international tribunal for justice, and there they had a happy solution which had not been disturbed until we intervened a few years ago in the Nicaraguan revolution.

When I say that I admire the revolution and its leaders, I mean it. Whether some of them mouth the jargon and the so-called semantics of Marxist-Leninism, that does not bother me, and there is not one single political being or entity south of the border that gets bothered.

But that seems to be the issue. The President has made this an East-West confrontation, which it is not. He has said that he will not tolerate Marxist-Leninism in any manner, shape, or form. He wants ideological purity. He does not advocate invading France. France has two Communists in its Cabinet. He just announced, with big headlines, a treaty with Cuba. China prides itself in being a Marxist-Leninist society.

He denounces Russia. He has created a war psychosis against Russia amongst us, but he sits cheek by jowl with the Chinese Communists. The Chinese Communists and their regime certainly do not have a record of wordkeeping of treaties and respecting understandings. Russia does. Russia has never fielded a soldier against us. We invaded Russia in 1918 with France and England. We lost 300 soldiers trying to put down the so-called Bolshevik revolution. Russia did not invade us. We invaded them. We did everything we could to stamp out their revolution, just as we are now in Nicaragua, and we are having the same results. I predict they will be worse than ever, because we cannot isolate this issue to Nicaragua. The whole region will be up in flames.

If we cannot, after 4 years and $3 billion, do much in El Salvador, where just recently we had some of our servicemen killed, murdered, and where I predict the meaning of that act was that since we have introduced the Huey attack helicopter, and we talk about the Afghans and the Russian oppression and we see these pictures of the Russian helicopters hovering over these huddled Afghan peasants, we are doing the same thing right now as I am speaking. We are even using American servicemen to go into the area of hostility, in violation of the War Powers Limitation Act. We have lost 17 in Nicaragua, illicitly being deployed as servicemen.

So we go back to Lebanon. Our idea was that only the Congress should have the power to declare war. We were distrustful of the military, so we made the President a civilian, the Commander in Chief, but nobody ever dreamed that the day would come when the civilian could be a lot more bloodthirsty than any soldier. In fact, the least bloodthirsty of human beings are the venerable warriors who have seen and have fought and have been involved in the horrors of war. It was not a pacifist, it was not a demonstrator that said "Vietnam, the wrong war against the wrong people in the wrong place at the wrong time." It was our great, great five-star General Bradley.

But in the case of the marines in Beirut, you would say, would you not, these are warriors. The President is Commander in Chief. Certainly he is going to have the advice and counsel of those professionals for which we divert so much money. What is the use of having West Point and Annapolis and the Air Force Academy to produce these highly trained professionals if the Commander in Chief then says, not for 1 day, not for 24 hours, but for 14 months, "I do not care what you are recommending. I am going to do as I see fit," which is exactly what President Reagan did in the case of the Marines in Beirut, with the consequences as we best know and well know.

The Joint Chiefs of Staff unanimously were advising against, under those conditions. They know a marine is not a politician. A marine is not a diplomat. A marine is a warrior. If you put him in military garb and equipped for combat in an untenable military situation, as they were in Beirut, you do not have to be a military expert to know that the inevitable consequence will be catastrophic, 241 lives.

Have we reached the point like the Asians where life is expendable, or other countries, even in Europe? The German war machine, even the British war machine. Did the British think much of expending Australian lives in Gallipoli? Absolutely not.

□ 1530

Absolutely not, because once we get lost in that jungle of unclear vision, if the trumpet give an uncertain sound, then who is prepared to do battle? And we have an uncertain trumpet now in Latin America, where we are going to have these countries, one by one, popping up like popcorn in a popper.

What are we going to do? What is our policy? We have not even bothered to differentiate, I say to my colleagues, between a purely indigenous civil war and something imposed by an external force such as we have been trying to say the Salvadoran uprising is, or the Nicaraguan uprising. But even the President and his advisers cannot deny that the Nicaraguan revolution was indigenous, it was native, it was spontaneous, and had come from the midst of the people.

I say to my colleagues and Mr. Reagan that we do have the force. We

can use the Treasury and the blood of our youth, but all we will do will be only to delay the inevitable, because those masses of people downtrodden and oppressed for 300 years are not going to take it anymore. Either we line up with them or we line up with their oppressors, as we are now.

I say, let us review this now before it is too late. The hour is late. It may be too late. I do not think so because, happily, the mass of those people admire America, they like Americans. They do not want to be caught fighting and dying against Americans.

I plead with the privileged orders of this day, those tremendous vested interests and corporate heads and those power panjandrums. Franklin Roosevelt called them "malefactors of great wealth," because indeed they are. Indeed they are. They are the ones who are ruling the roost within this administration.

A powerful figure like J. Peter Grace, who owns the conglomerate that in turn now owns what used to be United Fruit, is the one that is deciding for this administration what is and what is not communism, who is and who is not a Communist down there. I know a little bit about that, and I can tell you this: That is a sorry mistake, because we turn our backs on the aspirations of people in a world that has shrunk. They may be illiterate, but have transistor radios, they have television, they have seen visions, they have dreamed dreams, they have gone and fought and suffered.

In Guatemala alone, it is our arms, our bayonets, made in America for U.S. Army use, if you want to know, that are ripping open the bellies of 6-, 7-month-old children, that have practically exterminated the poorest of the poor in the world, the Indian tribes up in the mountains in Guatemala. We are guilty of aiding and abetting the very thing that we know that, if we had that issue confronting us, we would be told by our constituents, "You had better stop. Don't aid or abet, and you had better not vote one penny to continue that."

I appeal to the privileged orders, now is the time. I rise impelled only by the full knowledge and secure certainty that I am correct, and that the United States is only appealing to its tradition and its heritage—which is what? It is revolutionary. It is freedom-seeking. It is justice-seeking. It is the only answer to communism.

We will never bomb communism out of existence. The only answer to it is justice, social justice, as visualized by one of the first great lawgivers in ancient Athens, Solon, who said as much in a period that, if we could compare it with ours, we would say was no different in basic issues than those we confront today.

Mr. Speaker, I yield back the balance of my time.

CARGO PREFERENCE

The SPEAKER pro tempore (Mr. GONZALEZ). Under a previous order of the House, the gentleman from Nebraska [Mr. BEREUTER] is recognized for 60 minutes.

Mr. BEREUTER. Mr. Speaker, on Tuesday evening of this week, in another special order, I spoke on the subject of cargo preference and explained what its impact has been on the Public Law 480 Program, the Food-for-Peace Program, on the U.S. agricultural exports, and on the Federal budget.

To summarize just a few of the points I made earlier this week—and there are three—first, cargo preference is a 1954 law that requires one-half of all U.S. food aid shipments to be transported on U.S.-flag vessels. The theory behind cargo preference is that it helps to promote a strong merchant marine for both U.S. trade and national defense. In reality, however, it has permitted price gouging on the part of U.S. shippers, and during recent years it has taken hundreds of millions of dollars from Public Law 480 programs that were appropriated to feed thousands of starving and malnouished people around the globe.

The second point I made was this: The estimated cost of cargo preference requirements for food aid assistance shipments will run approximately $150 million for 1985 alone. That is just the differential in transportation costs between shipping that 50 percent on American-flag ships and foreign-flag ships. The cost of cargo preference this year, which is that $150 million, would buy an additional 815,000 metric tons of wheat. That is enough to feed almost 5 million Ethiopians with 1 pound of wheat, for example, per day for the entire year.

The third point I made in summary was that shipping rates charged by U.S. maritime haulers run anywhere from 120 percent to 250 percent higher than foreign shipping rates.

Finally, I made the point that the funds to pay for cargo preference requirements come not from the Department of Transportation or the Department of Defense—if they are for national security, why not from the Department of Defense?—but, rather, from funds appropriated for the Public Law 480 Program found in the budget of the U.S. Department of Agriculture.

I would also point out that earlier this week the House passed the agricultural appropriations bill. It contained nearly $1.3 billion for the Public Law 480 programs. While I do not object to that amount, not in the slightest—in fact, I have serious doubts whether it is going to be adequate to cope with the continued famine problems in Africa next year—I do object to the fact that nowhere in the bill, H.R. 3037, nor in the committee's report did it mention that over 10 percent of those funds will be used to subsidize U.S. shipowners. These are Public Law 480 funds that will not be used to provide food to feed thousands of starving and malnourished adults and children in Africa and other places around the globe.

Finally, in this initial summary, I would point out that the extension of cargo preference requirements to the USDA's blended credit program by a U.S. district court in February of this year has already cost the farmers of the United States over $500 million in agricultural exports. These losses come at a time when U.S. agricultural producers are having serious economic problems and when the U.S. agricultural exports—and these are our largest net export item—have declined for the fourth year in a row.

Today I would like to continue my special order to discuss three primary additional issues regarding cargo preference.

They are, in summary form, first, a recent report issued by the General Accounting Office which disclosed some of the excessive and needless expenditures by the U.S. Department of Transportation and the Department of Agriculture in chartering U.S. vessels to comply with cargo preference requirements.

□ 1540

The GAO makes some recommendations for controlling those costs, and I will point these out later in my special order.

Second, today a recent proposed compromise agreement on cargo preference between U.S. maritime interests and certain agriculture groups, which in this Member's opinion amount to blanket extortion by the maritime industry of the U.S. agriculture producers and this Congress which will be explained.

And a third element for my special order today is the impact of the financial contributions made by three major maritime political action committees and by major maritime firms and shipbuilding firms. Their impact upon the Congress I think needs to be examined, and I will provide at least some statistical base for such an examination. They are having an impact on our Public Law 480 Program, the way the taxpayers' funds are spent.

First then, on the matter of the General Accounting Office's report to the Secretaries of Agriculture and Transportation regarding Public Law 480 commodities and the experts that are needed to eliminate unnecessary costs. This report is dated June of 1985.

While the GAO report does not make a judgment on whether cargo preference requirements should be eliminated, the study does point out the lack of controls that are in place

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to select U.S. vessels, and the absence of standards which define fair and reasonable rates charged by U.S. shippers.

During its study, the GAO discovered significant problems in three areas. First, agricultural controls over the bidding and the negotiation process for ocean transportation contracts. Second, agriculture ocean freight differential calculations and approval of vessels were subject to criticism. Third, the Maritime Administration's guidelines for rate calculations was also questioned.

The GAO's recommendations are, in summary, as follows:

First, that the USDA require transportation offers to be opened publicly to eliminate or minimize the problems in the bidding and negotiation process.

Second, that the Secretary of Agriculture establish a clear policy to minimize agricultural transportation, that is, USDA's transportation expenditures consistent with cargo preference requirements.

And third, that the Secretary of Transportation direct the Maritime Administrator to devise and institute a method for assessing whether transportation rates for a type of ship called liners represents cost plus a reasonable profit. Also, vessel owners should be required under that recommendation, it is said, to have their independent accountants semiannually certify that vessel costs and operating data are accurate.

GAO recommends further that the Secretary of Agriculture issue regulations to ascertain whether nonliner U.S.-flag vessels did not carry cargo on a return voyage, and whether or not they were scrapped at the end of a voyage.

The regulations also, it is said, should provide that the guideline rate will be recalculated if a vessel obtains cargo on a return voyage or is scrapped or sold overseas.

I will include within my remarks the very specific comments addressed by GAO to the Secretaries of Agriculture and Transportation, and their responses to those suggestions or recommendations from GAO, and an indication in greater detail of the recommendations of GAO in that report itself.

Now I think it is appropriate to take a look at congressional reactions or inactions on the subject of cargo preference. Following the U.S. district court decision by Judge June Green in February of this year, over a dozen legislative bills were introduced in this House to modify the court's decision on cargo preference requirements. Many of the bills would exempt only commercial agricultural export sales while maintaining cargo preference requirements on the Food-for-Peace Program of the Public Law 480 Program.

A bill that this Member has introduced, H.R. 1760, would exempt not only commercial export, but also food-for-peace shipments from the cargo preference requirements. So far, with only minimal effort, I have 25 cosponsors on that legislation. I would again appeal to Members of this body, if they are concerned about providing more food aid to Africa, then they should cosponsor this bill. If Members are concerned about the state of our agricultural economy, then they should support this or similar legislation.

If Members are concerned about declining agricultural exports, then they should support this or another similar bill. And if Members are concerned about the Federal deficit, then they should support the repeal of cargo preferences.

But progress in Congress on this bill, H.R. 1760, or any bill regarding cargo preference is stalled, not because Members are unconcerned about the delivery of food aid, nor unconcerned about declining agricultural exports, nor unconcerned even about the impact on the budget. Rather, there is an impasse or inaction here in the Congress on this issue in significant part I believe because of massive, well-funded campaign chests of three major maritime political action committees, and political action committees from shipbuilding and commercial shipping firms.

Let me give you just a little bit of statistical data to back up that statement on my part. The three major maritime PAC's, including the Maritime Engineers' beneficial political action fund, the Seafarers political activity donation, and the Master, Mates, and Pilots' political action contribution fund, cumulatively these three PAC's gave $2,433,910 to Presidential, Senate and House candidates in the 1983-84 campaign cycle, according to the Federal Election Commission. Of this amount, according to the FEC, $1,976,290 went to Democratic candidates, 80.9 percent, and $467,620, 10.1 percent to Republican candidates.

In a recent article in the Washington Post of July 8, 1985, it was noted that "when it comes to pure political strength, few can outmuscle the maritime unions."

I would like to read for the RECORD some of the points that the Washington Post makes in this article entitled "Disaster at Sea: Our Sinking Maritime Fortunes." I have selected five elements from this more extensive article, and I do this in a way, hopefully, not to embarrass individual Members of this body or the other body.

One, during the 1983-84 election season, the Seafarers' Political Action Committee poured $1.3 million into congressional campaigns, more than all but five other groups. What makes this remarkable is that the Seafarers have only 80,000 members.

By contrast, among the top five money givers, the top five PAC's or political action committees in the country, the National Association of Realtors has 650,000 members, the American Medical Association has 260,000 members, the National Association of Homebuilders has 135,000 members, the United Auto Workers has 1.4 million members and the National Education Association has 1.7 million members.

Coming back again to the Seafarers' Political Action Committee contribution that poured $1.3 million into congressional races, they have 80,000 members.

The next point made in that Washington Post article, the Marine Engineers' Beneficial Association has just 12,000 members, but it is No. 20 on the PAC list with $735,000 in contributions. That is rather amazing.

But then the Philadelphia Inquirer in an article earlier this year said that some master seamen today have a salary in excess of $170,000 a year. No wonder they can afford to support their political action committees in this fashion.

The next point in the Post editorial, other unions like the Masters, Mates and Pilots International to the International Longshoreman's Association also have considerable influence, and major shipping firms and shipbuilders. We are not talking strictly about union members, we are talking about the firms and the builders as well. They also have very large and very attractive political action committees here that impact the political scene. I believe that all Americans, but especially those from agricultural areas, and those concerned with emergency food programs for starving, malnourished humans around the globe, should ask whether these large contributions have served to protect the maritime industry from legitimate reforms that are badly overdue.

□ 1550

I believe that is the case. Citizens should ask why large contributions are routinely sent to Members of Congress from land-locked States in the Great Plains, my own area of the country, or the Rocky Mountain area. Why is that the case?

The third of the three points that I would like to make today in my special order relates to a compromise between agricultural commodity groups and maritime interests which is now in the works, perhaps concluded.

An infamous compromise has supposedly been worked out between some of the agricultural commodity groups, some of them, and the maritime interests. I would ask people who are members of one of the commodity groups to take a look at where their commodity groups stand on this today.

What has the National Wheat Growers Organization done? What have the corn growers done?

This agreement, concluded apparently at this point, has three elements. It exempts commercial export sales from cargo preference. Good. They should not have been under it anyway, and they were not until Judge Green's order last February. But No. 2, the second point in that compromise, it actually increases the minimum amount of Public Law 480 shipments from the current 50 to 75 percent of all cargo, and that extra 25 percent is to be paid for by the U.S. Department of Transportation—translate that, the American taxpayer. The third point of this compromise, in addition, if the funds are not appropriated to the U.S. Department of Agriculture, for whatever reason, by the Congress, then the cost of the additional shipments should come out of the budget of the Commodity Credit Corporation, an element of the U.S. Department of Agriculture. And the maritime lobby would be free once again to pursue and attach cargo preference to the blended credit program or the even larger program, something which approaches $700 million a year in sales, the GSM 102 sales program.

Now what is wrong with that compromise agreement? Well, first it extorts an implicit agreement that agriculture interests must continue to lobby in Congress each year to obtain funds for cargo preference and for maritime interests. The burden falls upon the agriculture interests to find the additional funds.

And second what is wrong with it, if agriculture fails to obtain the money or if there is an across-the-board cut in all budget items, as we do here in the Congress quite often, then commercial agriculture export sales may still be threatened by cargo preference. Agriculture exports have declined the last 4 years and they would plummet even further if cargo preference would apply.

The third difficulty. The cargo preference agreement would increase the amount of money that is already being diverted from the Public Law 480 program to pay the ocean freight differential for U.S.-flag ships. The cost for ocean freight differential for 1985 will approximate $155 million. That represents about 10 percent of the total amount we are spending on our Food-for-Peace Program, including the African emergency aid. And that would, as I told you once before, but for emphasis once again, feed 5 million Ethiopians for a full year.

There is nothing, finally, in this agreement, or anywhere else for that matter, that defines what a fair and reasonable shipping rate really is. Right now the maritime industry has the best of both worlds in terms of cargo preference. The Maritime Administration reviews the rates and approves them and then sends the bill to the U.S. Department of Agriculture and the American taxpayer. There is no incentive on the part of either the maritime industry or the Maritime Administration to be either responsible or competitive.

Now what can Congress do about this situation? I am going to make four suggestions. We can pass legislation which would exempt all commercial agriculture export programs from cargo preference requirements. Agriculture exports are literally the life's blood for farmers because we now export about two-thirds of our wheat, over one-half of our soybeans and nearly one-third of our corn and feed grain. And I am just talking about the things grown in the Grain Belt. Of course, we have tremendous agriculture exports in specialized crops as well.

With agriculture in the fourth year of decline and farm income at near record lows, now is not the time to shackle our agriculture exports with additional cargo preference requirements.

Second point, what can Congress do? We can pass legislation which would exempt Public Law 480 shipments from cargo preference requirements. The first one, take out the commercial sales; this one, take cargo preference off of the Public Law 480 Program. The famine situation in Africa makes it absolutely unconscionable that we continue to take the food from the mouths of hungry starving people to pay the exorbitant shipping rates charged by U.S. shippers.

The third thing we can do short of accomplishing No. 2, that is short of taking it off of the Food-for-Peace Program, standards must be implemented which would increase the bidding competition among U.S. shippers and define more clearly what would be considered to be fair and reasonable rates.

And the fourth thing we can do is we can move the funding for cargo preference requirements out of the budget of the U.S. Department of Agriculture and put it in the U.S. Department of Transportation. Currently the cost of cargo preference is hidden in the USDA budget and most Americans are unaware of the true cost of this differential brought about because of cargo preference requirements.

The battle against cargo preference requirements before us is not just one for votes. It must be viewed, in my judgment, as a battle for the conscience of the American people and the Congress of the United States. Before any victory is possible, the American people must be made aware of the absolutely outrageous nature of cargo preference requirement that has brought us price gouging. The influence of the maritime lobby in Washington is strong and well financed. But an equal pressure can be brought to bear on Congress by those who are concerned about hunger relief in Africa, by those who are concerned about maintaining our overseas commercial markets for agriculture exports and by those who are concerned about holding down the cost to the American taxpayer, the Federal Government, and by holding down the deficit.

In conclusion, there has never been a better or a more appropriate time for eliminating cargo preference requirements for all agricultural exports. I will cite again only three reasons before I end with comments from a recent editorial.

Famine relief is the first. Congress could overnight double the amount of money that was raised through the Live Aid Concert on July 13 simply by eliminating cargo preference requirements on the Food for Peace Program, Public Law 480. The Live Aid Concert raised approximately $75 million, and we are impressed and we are pleased with that effort. But cargo preference this year costs $155 million, twice as much-plus.

Second, farm crisis. With the economic situation facing agriculture, now is the worst time possible to cripple our Commercial Export Promotion Program by subjecting them to cargo preference requirements. U.S. agriculture is heavily dependent on agriculture export sales. If cargo preference is applied to these programs, U.S. Agriculture exports, $35 billion this year estimated, will continue to decline and everyone in those areas, in those agribusiness and agricultural States and then the Nation as a whole will be hurt. Twenty percent of the population of the United States is dependent upon, directly dependent upon, those 2.5 percent that are in-the-field, on-the-range farmers who produce the crops we export.

Third, the budgetary concerns. What better way to trim $155 million from the budget than eliminating cargo preference? Every other item in the budget will likely be frozen at last year's level or cut even further. The budget for the Department of Agriculture is being cut, so why should we ask our farmers to continue to make sacrifices when their markets and incomes are already depressed and, at the same time, increase funding for the maritime industry when seamen are earning up to $170,000 in salaries per year?

□ 1600

To close, I would like to cite portions of an editorial entitled, "The Sinking Maritime Lobby" which appeared in the Washington Post on July 20, 1985. I quote:

Sometimes bad news is good news. Certainly that's true when the bad news is that

the patchwork quilt of maritime subsidies, loan guarantees and cargo preferences is in tatters. That's one of the conclusions of a series by Post reporter Howard Kurtz and Michael Isikoff. But unfortunately the news is not completely bad. There's still a lot of work to be done before the whole rotten structure of maritime regulation is dismantled. And some of the costs will, even then, continue to come due.

The Reagan administration deserves much of the credit for the bright side of the story. In 1981 the administration jettisoned the old ship construction subsidies. This has put a lot of shipyards out of business, at some human cost. But the economic cost of maintaining these facilities was exorbitant.

Ship operators, breaking the longtime solidarity of maritime interests, supported this move because the administration allowed some of them to receive operating subsidies for ships built abroad. Now the administration wants to make this arrangement permanent. That's a bad idea. It would be better to pare down the subsidies, which cost $380 million last year for a U.S. flag fleet of only 400 ships. Other bad ideas: cargo preference, which reserves half of government cargo (food relief, for instance) for U.S. flag ships. . . .

The justification for all this has always been strategic: the United States needs a bigger civilian merchant fleet in case of war. That argument collapses under scrutiny. The Reagan administration has been increasing the Navy's supply of cargo ships, and any U.S. government in time of war would have access to the hundreds of ships owned by U.S. companies and registered under Liberian and Panamanian flags of convenience.

So the argument for maritime subsidies boils down to this: taxpayers and consumers should pay billions of dollars to continue the special and often lavish benefits enjoyed by a dwindling number of merchant seamen, shipyard workers and sharp operators who have figured out how to work the maritime laws. Who in Congress will come forward to take on this fight and earn the credit for completing the job the Reagan administration has begun of unraveling the maritime system?

The Washington Post asks a very appropriate question: How many in Congress are willing to courageously swim against the tide of dollars splashing on this Congress? How many of my colleagues are finally ready to stop the outrageous price gouging and the great expense to the taxpayers now seen in cargo preference requirements on the Public Law 480 Food for Peace Program and our emergency food aid programs for starving people around the world?

JUDGE GEORGE H. WILSON, FORMER REPRESENTATIVE FROM OKLAHOMA

(Mr. ENGLISH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ENGLISH. Mr. Speaker, today, I would like to take a moment to honor one of our former colleagues, Judge George H. Wilson. Judge Wilson died last week at the age of 79 after a long and distinguished career serving the people of western Oklahoma. He served as Congressman representing the people of what was then the Eighth District of Oklahoma during the period starting in 1948 and ending in 1951. Following his time here, he continued his public service ranging from chief of the Oklahoma Crime Bureau to most recently being elected district judge from which he retired in 1977.

Following his retirement, Judge Wilson continued his service to western Oklahoma as president of the YMCA in Enid, OK and as vice president of the Great Salt Plains Council of the Boy Scouts of America. I, Mr. Speaker, as I am sure you and the rest of my colleagues do, join with his family and friends as we mourn his passing and extend my deepest condolences to his wife and children.

BROYHILL COMMENDS PARTICIPANTS IN NATIONAL GUARD EXERCISE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina [Mr. BROYHILL] is recognized for 5 minutes.

● Mr. BROYHILL. Mr. Speaker, it is my privilege to bring to the attention of my colleagues the positive results of a most important test of our National Guard and Reserve capabilities.

In May of this year, the North Carolina National Guard planned and conducted a rapid mobilization of its 52 units from all across the State. This exercise, Hickory Response 85, demonstrated without a doubt the effectiveness of the Reserve component of America's Armed Forces, and their readiness to serve whenever called upon.

In just a few short days, some 11,300 personnel and their equipment were mobilized, moved to their mobilization station at Fort Bragg, NC, processed and returned home. In the case of a real emergency, they could have then been deployed anywhere throughout the world. This tremendously complex procedure was accomplished with speed and precision, and was executed virtually without a hitch.

The lessons gained from Hickory Response 85 are obvious. It not only gave the National Guard preparation for mobilization during an actual state of national emergency, but it also served to educate the general public about the capability of our U.S. Reserve component.

At some point, we as a nation may have reason to call upon the men and women of the National Guard and Reserves from all across the country to take rapid action to help ensure our safety and security. Hickory Response 85 was an invaluable exercise in terms of preparation for an emergency response of that nature.

I want to take this opportunity to commend all those who contributed to Hickory Response 85; Gen. Hubert Leonard, adjutant general of the North Carolina National Guard, and all those responsible for the planning of the exercise; the employers who allow these men and women the time off required for training; and the citizen/soldiers themselves, who work so hard for our protection. Their tremendous skill and dedication made Hickory Response 85 a success, and we owe each of them our thanks.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. CHAPPELL (at the request of Mr. WRIGHT), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Member (at the request of Mr. ZSCHAU) to revise and extend his remarks and include extraneous material:)

Mr. PURSELL, for 60 minutes, July 30.

(The following Members (at the request of Mr. HOYER) to revise and extend their remarks and include extraneous material:)

Mr. PEPPER, for 5 minutes, today.

Mr. NELSON of Florida, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GAYDOS, for 60 minutes, July 29.

Mr. BROYHILL (at the request of Mr. BEREUTER), for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. ZSCHAU) and to include extraneous matter:)

Mr. KINDNESS in two instances.
Mr. SENSENBRENNER.
Mr. DAVIS
Mr. LAGOMARSINO.
Mr. MADIGAN.
Mr. PURSELL.
Mr. SMITH of New Jersey.
Mr. COURTER.
Ms. FIEDLER.
Mr. CLINGER.
Mr. LIGHTFOOT.
Mr. FAWELL in two instances.

(The following Members (at the request of Mr. HOYER) and to include extraneous matter:)

Mr. PEASE in three instances.
Mr. KILDEE.
Mr. MURTHA.
Mr. GAYDOS in two instances.
Mr. DOWNEY of New York.

Ms. KAPTUR.
Mr. TRAXLER.
Mrs. COLLINS.
Mr. STUDDS.
Mr. LAFALCE.
Mr. RANGEL.
Mr. APPLEGATE.
Mr. LANTOS in two instances.
Mr. DURBIN.
Mr. WILLIAMS.
Mr. LEVINE of California.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1030. An act to authorize appropriations for the Public Buildings Service of the General Services Administration for fiscal year 1986; to the Committee on Public Works and Transportation.

S. 1077. An act to amend the Consumer Product Safety Act (15 U.S.C. 2051 et seq.) to provide authorization of appropriations, and for other purposes; to the Committee on Energy and Commerce.

BILL PRESENTED TO THE PRESIDENT

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H.R. 2378. An act to amend section 504 of title 5, United States Code, and section 2412 of title 28, United States Code, with respect to awards of expenses of certain agency and court proceedings, and for other purposes.

ADJOURNMENT

Mr. MINETA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 5 minutes p.m.), under its previous order, the House adjourned until Monday, July 29, 1985, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1773. A letter from the Director, Defense Security Assistance Agency, transmitting the Department of the Navy's proposed letter of offer to Japan for defense articles estimated to cost $50 million or more, pursuant to 10 U.S.C. 133b (96 Stat. 1288); to the Committee on Armed Services.

1774. A letter from the Director, Defense Security Assistance Agency, transmitting price and availability estimates provided to foreign countries, and requests received for letters of offer for the quarter ending 30 June, pursuant to 22 U.S.C. 2768; to the Committee on Foreign Affairs.

1775. A letter from the Director, Defense Security Assistance Agency, transmitting the Department of the Navy's proposed letter of offer to Japan for defense articles and services estimated to cost $14 million or more, pursuant to 22 U.S.C. 2776(b); to the Committee on Foreign Affairs.

1776. A letter from the Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting a report on political contributions for Frank Shakespeare, of Connecticut, as Ambassador to the Republic of Portugal, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ST GERMAIN: Committee on Banking, Finance and Urban Affairs. H.R. 1. A bill to amend and extend certain laws relating to housing, and for other purposes; with an amendment (Rept. No. 99-230). Referred to the Committee of the Whole House on the State of the Union.

Mr. HAWKINS: Committee on Education and Labor. H.R. 2908. A bill to amend title XI of the Education Amendments of 1978, relating to Indian education programs; with an amendment (Rept. No. 99-231). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DOWNEY of New York:

H.R. 3087. A bill to amend the Internal Revenue Code of 1954 to remove certain limitations on charitable contributions of certain items; to the Committee on Ways and Means.

By Mr. KOLTER:

H.R. 3088. A bill to form a Government corporation to revitalize the American steel industry by purchasing and operating steel plants that have been closed and that are situated in communities dependent predominatly on the steel industry for employment; to the Committee on Banking, Finance and Urban Affairs.

By Mr. SMITH of Florida:

H.R. 3089. A bill to amend section 1876 of the Social Security Act with respect to administration of the Medicare Program in enrollments and disenrollments from health maintenance organizations and competitive medical plans and for other purposes; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. WILLIAMS:

H.R. 3090. A bill to provide for the compensation of individuals who are disabled as a result of occupational exposure to toxic substances and processes to regularize the fair, adequate, and equitable compensation of certain occupational disease victims, and for other purposes; to the Committee on Education and Labor.

By Mr. HOYER:

H.R. 3091. A bill to make the theft, embezzlement, or unlawful concealment of a flag of the United States an offense against the United States; to the Committee on the Judiciary.

By Mr. STARK:

H.R. 3092. A bill to amend the Internal Revenue Code of 1954 to deny certain tax benefits in the case of certain moves of sports franchises; to the Committee on Ways and Means.

By Mr. HALL of Ohio (for himself and Mr. JEFFORDS):

H.J. Res. 357. Joint resolution to appeal for the release of Dr. Yury Orlov and other Helsinki Final Act monitors; to the Committee on Foreign Affairs.

By Mr. HANSEN of Utah (for himself, Mr. BARNES, Mr. ACKERMAN, Mr. ADDABBO, Mr. AKAKA, Mr. ALEXANDER, Mr. ANDREWS, Mr. ANTHONY, Mr. APPLEGATE, Mr. ARCHER, Mr. ATKINS, Mr. BADHAM, Mr. BARNARD, Mr. BATEMAN, Mr. BEDELL, Mr. BEILENSON, Mr. BERMAN, Mr. BEVILL, Mr. BIAGGI, Mr. BLILEY, Mr. BOEHLERT, Mr. BOLAND, Mr. BONER of Tennessee, Mr. BONIOR of Michigan, Mr. BOSCO, Mr. BOUCHER, Mrs. BOXER, Mr. BROWN of California, Mr. BROYHILL, Mr. BRUCE, Mr. BRYANT, Mrs. BURTON of California, Mr. BUSTAMANTE, Mrs. BYRON, Mr. CAMPBELL, Mr. CARNEY, Mr. CARR, Mr. CHANDLER, Mr. CHAPPELL, Mr. CHAPPIE, Mr. CHENEY, Mr. CLINGER, Mr. COATS, Mr. COELHO, Mrs. COLLINS, Mr. CONTE, Mr. CONYERS, Mr. COOPER, Mr. COUGHLIN, Mr. COURTER, Mr. CRANE, Mr. CROCKETT, Mr. DANIEL, Mr. DARDEN, Mr. DASCHLE, Mr. DAUB, Mr. DE LA GARZA, Mr. DELAY, Mr. DE LUGO, Mr. DEWINE, Mr. DICKINSON, Mr. DINGELL, Mr. DIOGUARDI, Mr. DIXON, Mr. DOWDY of Mississippi, Mr. DURBIN, Mr. DWYER of New Jersey, Mr. DYMALLY, Mr. DYSON, Mr. EDGAR, Mr. ERDREICH, Mr. EVANS of Iowa, Mr. EVANS of Illinois, Mr. FASCELL, Mr. FAUNTROY, Mr. FAZIO, Mr. FEIGHAN, Mr. FISH, Mr. FLIPPO, Mr. FLORIO, Mr. FOGLIETTA, Mr. FOLEY, Mr. FRANK, Mr. FRENZEL, Mr. FROST, Mr. FUSTER, Mr. GARCIA, Mr. GEKAS, Mr. GEPHARDT, Mr. GILMAN, Mr. GRAY of Illinois, Mr. GRAY of Pennsylvania, Mr. GREEN, Mr. GUARINI, Mr. GUNDERSON, Mr. RALPH M. HALL, Mr. HALL of Ohio, Mr. HAMMERSCHMIDT, Mr. HARTNETT, Mr. HATCHER, Mr. HAWKINS, Mr. HAYES, Mr. HEFNER, Mr. HEFTEL of Hawaii, Mr. HILER, Mrs. HOLT, Mr. HORTON, Mr. HOWARD, Mr. HOYER, Mr. HUGHES, Mr. HUTTO, Mr. IRELAND, Mr. JEFFORDS, Mrs. JOHNSON, Ms. KAPTUR, Mr. KASICH, Mr. KASTENMEIER, Mrs. KENNELLY, Mr. KLECZKA, Mr. KOLTER, Mr. KOSTMAYER, Mr. KRAMER, Mr. LAFALCE, Mr. LAGOMARSINO, Mr. LANTOS, Mr. LEHMAN of Florida, Mr. LENT, Mr. LEVIN of Michigan, Mr. LEVINE of California, Mr. LEWIS of Florida, Mr. LIGHTFOOT, Mr. LIVINGSTON, Mrs. LLOYD, Mr. LOEFFLER, Mr. LUNGREN, Mr. MCCAIN, Mr. MCCOLLUM, Mr. MCEWEN, Mr. MCGRATH, Mr. MCHUGH, Mr. MADIGAN, Mr. MARKEY, Mr. MARTIN of New York, Mr. MARTINEZ, Mr. MATSUI, Mr. MAVROULES, Mr. MAZZOLI, Mr. MICHEL, Ms. MIKULSKI, Mr. MILLER of California, Mr. MINETA, Mr. MOAKLEY, Mr. MOLINARI, Mr. MOLLOHAN, Mr. MONSON, Mr. MOORE, Mr. MORRISON of Connecticut, Mr. MURPHY, Mr. MURTHA, Mr. NEAL, Mr. NIELSON of Utah, Ms. OAKAR, Mr. OBERSTAR, Mr. O'BRIEN,

Mr. ORTIZ, Mr. OWENS, Mr. PACKARD, Mr. PANETTA, Mr. PASHAYAN, Mr. PEPPER, Mr. PORTER, Mr. PURSELL, Mr. RAHALL, Mr. RANGEL, Mr. REID, Mr. RICHARDSON, Mr. RINALDO, Mr. ROE, Mr. ROTH, Mr. ROWLAND of Georgia, Mr. RUSSO, Mr. SCHEUER, Mr. SEIBERLING, Mr. SHAW, Mr. SHUMWAY, Mr. SIKORSKI, Mr. SKELTON, Mr. SMITH of Florida, Mr. SMITH of Iowa, Mr. SMITH of New Jersey, Mr. DENNY SMITH, Mr. ROBERT F. SMITH, Mr. SNYDER, Mr. SOLARZ, Mr. SPENCE, Mr. STAGGERS, Mr. STALLINGS, Mr. STENHOLM, Mr. STOKES, Mr. STUDDS, Mr. SUNIA, Mr. SYNAR, Mr. TALLON, Mr. TAUKE, Mr. THOMAS of Georgia, Mr. TORRICELLI, Mr. TOWNS, Mr. UDALL, Mr. VENTO, Mr. WALGREN, Mr. WAXMAN, Mr. WEBER, Mr. WEISS, Mr. WHEAT, Mr. WIRTH, Mr. WOLF, Mr. WOLPE, Mr. WORTLEY, Mr. WYLIE, Mr. YATRON, Mr. YOUNG of Alaska, Mr. YOUNG of Florida, and Mr. YOUNG of Missouri):

H.J. Res. 358. Joint resolution to designate the week of December 15, 1985, through December 21, 1985, as "National Drunk and Drugged Driving Awareness Week"; to the Committee on Post Office and Civil Service.

By Mr. HERTEL of Michigan:

H.J. Res. 359. Joint resolution designating the week beginning January 5, 1986, as "National Bowling Week"; to the Committee on Post Office and Civil Service.

By Mr. NELSON of Florida (for himself and Mr. WALKER):

H. J. Res. 360. Joint resolution to express the sense of the Congress with respect to the designation of 1992 as "International Space Year," and for other purposes; jointly, to the Committees on Foreign Affairs, Science and Technology, and Post Office and Civil Service.

By Mr. BILIRAKIS:

H. Con. Res. 178. Concurrent resolution expressing the sense of the Congress respecting the provision of emergency care by hospitals and free standing emergency centers to all patients; to the Committee on Energy and Commerce.

By Mr. BENNETT:

H. Res. 238. Resolution to establish the Select Committee on Defense Contracting and Business Procedures; to the Committee on Rules.

By Mr. LELAND (for himself, Mr. RICHARDSON, Mrs. SCHROEDER, Mr. WAXMAN, Mr. CLAY, Mrs. COLLINS, Mr. CONYERS, Mr. CROCKETT, Mr. DIXON, Mr. DELLUMS, Mr. DYMALLY, Mr. FAUNTROY, Mr. FORD of Tennessee, Mr. GRAY of Pennsylvania, Mr. HAYES, Mr. HAWKINS, Mr. MITCHELL, Mr. OWENS, Mr. RANGEL, Mr. SAVAGE, Mr. STOKES, Mr. TOWNS, Mr. WHEAT, Mr. WOLPE, Mr. SOLARZ, Mr. GARCIA, Mr. WEISS, Mr. BERMAN, Mrs. BOXER, and Mr. DE LUGO):

H. Res. 239. Resolution expressing the sense of the House of Representatives that the President should instruct the U.S. Ambassador to the United Nations to vote in favor of the resolution proposed by France and Denmark which calls for, among other things, the immediate imposition of voluntary economic sanctions against the Government of South Africa; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. GUNDERSON:

H.R. 3093. A bill for the relief of Juan Ricardo McRae; to the Committee on the Judiciary.

By Mr. NELSON of Florida:

H.R. 3094. A bill for the relief of Space Systems Laboratories, Inc. of Melbourne, FL; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 4: Mr. CONYERS.

H.R. 6: Mr. VISCLOSKY.

H.R. 580: Mr. LOWRY of Washington and Mr. HAMMERSCHMIDT.

H.R. 602: Mr. COELHO.

H.R. 932: Mr. HOYER, Mr. BOEHLERT, and Mr. DENNY SMITH.

H.R. 1031: Mr. WEAVER.

H.R. 1032: Mr. WEAVER.

H.R. 1140: Mr. BOSCO.

H.R. 1207: Mr. CONTE, Mr. YOUNG of Missouri, and Mr. BROWN of California.

H.R. 1294: Mr. CONYERS.

H.R. 1550: Mr. CHAPPELL.

H.R. 1884: Mr. VALENTINE and Mr. WEAVER.

H.R. 1888: Mr. ARCHER, Mr. MOORHEAD, Mr. STUMP, Mr. TAUKE, Mr. SIKORSKI, Mr. CRANE, Mr. HARTNETT, and Mr. ZSCHAU.

H.R. 1920: Ms. SNOWE, Mr. SEIBERLING, and Mr. MCKERNAN.

H.R. 1963: Mr. MURPHY.

H.R. 1980: Mr. BATES.

H.R. 1992: Mr. RITTER, Mr. DIOGUARDI, Mr. YATRON, Mr. KANJORSKI, Mr. FISH, and Mr. STUDDS.

H.R. 2032: Mr. SLATTERY and Mr. BLILEY.

H.R. 2172: Mr. FUQUA, Mr. LUJAN, and Mrs. LLOYD.

H.R. 2303: Mr. BOLAND.

H.R. 2620: Mr. MARTINEZ, Mr. TORRICELLI, and Mr. MITCHELL.

H.R. 2659: Mr. HAWKINS.

H.R. 2743: Mr. MRAZEK.

H.R. 2795: Mr. BOUCHER, Mr. SHARP, Mr. LEATH of Texas, Mr. GEJDENSON, and Mr. BRUCE.

H.R. 2815: Mr. ARCHER, Mr. EDWARDS of Oklahoma, Mrs. ROUKEMA, Mr. VALENTINE, Mr. HYDE, Mr. WEBER, Mr. BARTON of Texas, Mr. WHITTAKER, Mr. PORTER, Mr. SHUMWAY, Mr. SILJANDER, and Mr. LIGHTFOOT.

H.R. 2857: Mrs. BOXER, Mr. KLECZKA, and Mr. MITCHELL.

H.R. 2860: Mrs. BENTLEY, Mrs. BOXER, Mr. FUSTER, Mr. HOWARD, Mrs. LLOYD, Mr. SMITH of Florida, Mr. STANGELAND, and Mr. STOKES.

H.R. 2867: Mr. COELHO, Mr. CONYERS, Mr. DIXON, Mr. DOWNEY of New York, Mr. FAZIO, Mr. ECKART of Ohio, Mr. FISH, Mr. FROST, Mr. GEJDENSON, Mr. HAMILTON, Mr. HAYES, Mr. HOWARD, Mr. KASTENMEIER, Mr. LANTOS, Mr. LEVIN of Michigan, Mr. MARKEY, Mr. MITCHELL, Mr. MRAZEK, Mr. OWENS, Mr. SAVAGE, Mr. SMITH of New Jersey, Mr. SMITH of Florida, Mr. SUNIA, Mr. STOKES, Mr. TORRES, Mr. WILLIAMS, and Mr. SEIBERLING.

H.R. 2873: Mr. LIPINSKI, Mr. LUNDINE, Mr. MACKAY, Mr. FAWELL, Mrs. BENTLEY, Mr. HOYER, Mr. GLICKMAN, Mr. RIDGE, and Mr. TRAFICANT.

H.R. 3008: Mr. CARPER.

H.R. 3026: Mr. DORGAN of North Dakota, Mr. FRANK, Mr. MCKINNEY, Mr. BATES, Mrs. BOXER, Mr. ATKINS, and Mr. PENNY.

H.R. 3041: Mr. BOSCO, Mr. BEILENSON, Mr. RODINO, Mr. COELHO, Mr. PANETTA, Mr. DAUB, Mr. BOUCHER, Mr. MINETA, Mr. JEFFORDS, Mr. LELAND, Mr. BERMAN, Mr. CROCKETT, Mr. MARTINEZ, Mr. LEVIN of Michigan, and Mr. FRENZEL.

H.R. 3043: Mr. RUDD, Mr. SILJANDER, Mr. LAGOMARSINO, Mr. BLILEY, Mr. KASICH, Mr. KINDNESS, Mr. DORNAN of California, Mr. SOLOMON, Mr. TAUZIN, Mr. WEBER, Mr. HENDON, Mr. BURTON of Indiana, Mr. GROTBERG, Mr. HARTNETT, Mr. ROE, Mr. CRANE, and Ms. MIKULSKI.

H.J. Res. 7: Mr. SWEENEY.

H.J. Res. 20: Mr. WILSON, Mr. REID, Mr. SUNDQUIST, Mrs. BENTLEY, Mr. LANTOS, Mr. HAMMERSCHMIDT, Mr. DANNEMEYER, Mr. MAVROULES, and Mr. DE LUGO.

H.J. Res. 60: Mr. DOWDY of Mississippi, Mr. VALENTINE, Mr. RAHALL, Mr. STANGELAND, Mr. DE LA GARZA, Mr. CAMPBELL, Mr. DYSON, Mr. ADDABBO, Mr. BROOMFIELD, Mr. BOLAND, Mr. BIAGGI, Mr. CONTE, Mr. COUGHLIN, Mr. CHAPPIE, Mr. BEDELL, Mr. CROCKETT, Mr. FAUNTROY, Mr. HENRY, Mr. EMERSON, Mr. JEFFORDS, Mr. MOODY, Mr. MCDADE, Mr. DICKINSON, Mr. MAZZOLI, Mr. CLINGER, Mr. CRAIG, Mr. KASICH, Mr. KOSTMAYER, Mr. FUSTER, Mr. SIKORSKI, Mr. HAMMERSCHMIDT, Mr. MORRISON of Connecticut, Mr. JONES of North Carolina, Mrs. BYRON, Mr. MARTIN of New York, Mr. DEWINE, Mr. MCKINNEY, Mr. PURSELL, Mr. MACK, Mr. BLILEY, Mr. SKEEN, Mr. COBEY, Mr. BROYHILL, Mr. MONSON, Mr. FORD of Michigan, Mr. ROWLAND of Georgia, Mr. WALKER, Mr. SCHAEFER, Mr. MCGRATH, Mr. PORTER, Mr. EVANS of Iowa, Mr. COYNE, Mr. ROGERS, Mr. HANSEN, Mr. HUGHES, Mr. BATES, Mr. SWEENEY, Mr. SPENCE, Mr. DORNAN of California, Mr. FAWELL, Mr. HILER, Mr. PACKARD, Mr. WISE, Mr. STAGGERS, and Mr. GRAY of Illinois.

H.J. Res. 179: Mr. ANDERSON, Mr. BEREUTER, Mr. COLEMAN of Texas, Mr. COLEMAN of Missouri, Mr. COUGHLIN, Mr. COURTER, Mr. DIXON, Mr. HUNTER, Mr. IRELAND, Mrs. KENNELLY, Mr. KOSTMAYER, Mr. LAFALCE, Mr. MATSUI, Mr. MORRISON of Connecticut, Mr. OBERSTAR, Mr. OWENS, Mr. PRICE, Mr. RUSSO, Mr. SMITH of Florida, Mr. SUNDQUIST, Mr. THOMAS of Georgia, and Mr. TRAFICANT.

H.J. Res. 250: Mr. RAY.

H.J. Res. 322: Mr. BATEMAN, Mr. BONIOR of Michigan, Mr. BORSKI, Mr. BRYANT, Mrs. COLLINS, Mr. DANIEL, Mr. DELUGO, Mr. DICKS, Mr. DIXON, Mr. EARLY, Mr. FAUNTROY, Mr. FEIGHAN, Mr. FISH, Mr. FROST, Mr. GRAY of Illinois, Mr. GRAY of Pennsylvania, Mr. HANSEN, Mr. HAYES, Mr. HORTON, Mr. HOWARD, Mr. HYDE, Ms. KAPTUR, Mr. KOLTER, Mr. LELAND, Mr. LOWRY of Washington, Mr. MCGRATH, Mr. MARKEY, Mr. MATSUI, Mr. MAVROULES, Mr. MILLER of Washington, Mr. MINETA, Mr. MITCHELL, Mr. MOAKLEY, Mr. MOODY, Mr. MRAZEK, Mr. NEAL, Mr. O'BRIEN, Mr. ORTIZ, Mr. RAHALL, Mr. RODINO, Mr. ROSTENKOWSKI, Mrs. ROUKEMA, Mr. ROYBAL, Mr. SCHUMER, Mr. SISISKY, Mr. SLATTERY, Mr. STAGGERS, Mr. STARK, Mr. STRATTON, Mr. SUNIA, Mr. TRAXLER, Mr. VOLKMER, Mr. WATKINS, Mr. WYDEN, and Mr. YATRON.

H.J. Res. 326: Mr. HOWARD, Mr. ERDREICH, Mr. SHUMWAY, Mr. TAUKE, Mr. UDALL, Mr. SWINDALL, Mrs. HOLT, Mr. LAFALCE, Mr. SHAW, Mr. DE LA GARZA, Mr. QUILLEN, Mr. GUARINI, Mr. DIOGUARDI, Mr. MADIGAN, Mr. CAMPBELL, Mr. DAUB, Mr. ANDERSON, Mr. LIGHTFOOT, Mr. LEHMAN of California, Mr.

MAZZOLI, Mr. TORRICELLI, Mr. STRANG, and Mr. ROBINSON.

H. Res. 183: Mr. REID, Mr. DYMALLY, Mr. TORRICELLI, Mr. CROCKETT, Mr. BROWN of California, Mr. RANGEL, Mr. SUNIA, and Mr. JEFFORDS.

H. Res. 208: Mr. PORTER, Mr. BARNARD, Mr. GRAY of Illinois, Mr. PACKARD, Mr. SWINDALL, Mr. MADIGAN, and Mr. HENRY.

H. Res. 218: Mr. ADDABBO, Mrs. BOXER, Mr. BURTON of Indiana, Mr. CONYERS, Mr. CROCKETT, Mr. FAZIO, Mr. FROST, Mr. LELAND, Mr. MINETA, Mr. MITCHELL, Mr. NEAL, Mr. STOKES, Mr. WEISS, and Mr. UDALL.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 2817: Mr. MRAZEK.

PETITIONS, ETC.

Under clause 1 of rule XXII,

176. The SPEAKER presented a petition of Peter J. Cojanis, relative to the separation of powers; which was referred to the Committee on the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 3036

By Mr. COBEY:

—At the end of the bill add the following new section.

SEC. 617. None of the funds appropriated by this Act shall be used for purposes of issuing any regulations which do not comply with the decision of the United States Supreme Court in *Ellis* v. *Brotherhood of Railroad and Airline Clerks* (104 Section 1883).

EXTENSIONS OF REMARKS

EQUALITY OF OPPORTUNITY

HON. RICHARD J. DURBIN
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES

Friday, July 26, 1985

● Mr. DURBIN. Mr. Speaker, the spirit of American freedom is strong. And we find it written across our history and our land.

The dream that has driven our Nation has been equality of opportunity. To one generation this meant the abolition of slavery; to another, bringing down the barriers of segregation. Each succeeding generation of Americans must keep this dream alive.

Last fall, one of my constituents in the 20th District of Illinois delivered an inspiring speech which captured this spirit. I was privileged to be present when this remarkable address was delivered by Jeanelle Norman of Decatur, IL, herself a pathfinder and barrier-breaker in her community. I would like to share that speech with my colleagues and ask that Ms. Norman's heartfelt remarks be printed in the CONGRESSIONAL RECORD.

SPEECH BY JEANELLE NORMAN

Run Jesse! Run! In 1936, Run Jesse! Run! meant that Americans were cheering for Jesse Owens to win the Olympics. And Win He Did! He tied the 100-meter Olympic record, broke the 200-meter world record, broke the Olympic long jump record and ran on the world record-setting 400-meter relay en route to winning four gold medals.

During the Spring of 1984, Governor George Wallace gave $2,500, from his discretionary funds, to aid in building a monument in honor of Jesse Owens. Last month, vandals tried to rip the monument from its foundation. Some thought it was racially motivated. Jesse Owens, a legend, helped to disprove Hitler's supremacy doctrine. Jesse Owens served his country well, in spite of social barriers.

Run Jesse! Run! He's my man, if he can't do it nobody can! In 1984, Run Jesse! Run! took on a different connotation . . . as Rev. Jesse Jackson, looked at America as a land of opportunity, the home of the brave, and the land of the free . . . He shouted out, "I am Somebody!", raised his head with dignity and pride, . . . and let it be known that he was a serious contender for the 1984 Democratic presidential nomination.

Rev. Jackson didn't win the nomination, but America did win! Rev. Jackson provided a service—through his service . . . his achievements can be recognized as having gotten millions of Americans registered to vote—and following through by encouraging them to go to the polls to vote! He revitalized a sense of pride and self-respect for Hispanics, Blacks, the poor, the downtrodden, and disabled. With force and vigor he expressed, "OUR TIME HAS COME!"

The phrase or ideology of "Our time has come," has become self-evident as various groups express themselves. For example, some homemakers who has stayed in the home rearing children and keeping the household in orderly fashion, recently put up picket signs of "on strike" . . . They felt that their time had come to be accepted as valuable persons.

Or look at the laborer who sees corporate managers receive higher raises. The laborers cry out . . ." Our time has come to share in the profits."

For Black Americans who have been ridiculed, lynched, mutilated, ostracized, segregated, then integrated into segregation, and many times denied the right to an equal opportunity . . . Blacks are crying out "Out time has come. . . Time to be a part of the melting pot where Americans share in the goodness of this great country!

Tonight's theme is Achievements Through Service . . . How appropo for the time has come—during the decade of the 1980's—to recognize the achievements of others. . . It is through the services that have been rendered that America has grown and prospered. Jesse Owens and Jesse Jackson represent just a small fraction of the many achievements and accomplishments of minorities.

In recognizing the achievements of any given ethnic group, it is essential to acknowledge the past, for there is no future for a people who deny their past.

Let me take you back for a few minutes to the days of old. . . The Pilgrims came to this land seeking freedom and having new hope. . . This was their promised land . . . They came on their own volition . . . ready to make America different from their homeland. For all who came to these shores, America was a land of freedom, hope and opportunity. For all, except the Negro . . . who was brought to America in 1619 as a slave . . . With the clear intent that slaves were not to share in the American dream of human dignity and justice for all.

But in spite of the conditions of slavery—Blacks fought for this country with dedication as did any other free man.

In 1747, South Carolina officially thanked its colored militiamen who "in times of war, behaved themselves with great faithfulness and courage, in repelling the attacks of his Majesty's enemies." It was during the same time that the South Carolina Legislature passed a law limiting the number of Blacks who could serve. So that there would always be more whites with guns than Blacks.

There were abolitionists who spoke against slavery, Benjamin Franklin, Alexander Hamilton, and George Washington . . . George Washington once wrote, "Among my first wishes is to see some plan adopted by which slavery in this country may be abolished." But slavery prevailed!

During the War of 1812, Richard Allen and Absalom Jones, at that time leaders of America's first Negro church, raised a force of 2,500 men to protect Philadelphia from the British. Shortly before his death in 1831 Allen wrote, "This land, which we have watered with our tears and our blood, is now our mother country."

Still there were others who spoke out against slavery, Frederick Douglas, Sojourner Truth, and Harriet Tubman who rendered the service of being the Black Moses of her people . . . She once said, "There were two things she had a right to—liberty or death . . . and if she could not have one, then she would have the other . . . She said, "I will fight for my liberty as long as my strength lasts" . . . We can relate to her feelings . . . for even Patrick Henry said, "Give me liberty or give me death."

Although slavery was eminent, Blacks had very positive feelings toward America. The feeling can best be summed up by those who attended a meeting in New York in 1831:

"We do not believe that things will always continue the same. The time must come when the Declaration of Independence will be felt in the heart, as well as uttered from the mouth, and when the rights of all shall be properly acknowledged and appreciated. God hasten that time. This is our home, and this is our country. Beneath its sod lie the bones of our fathers; for it, some of them fought, bled, and died. Here we were born, and here we will die."

In 1863, President Lincoln signed the Emancipation Proclamation. Freeing the slaves from bondage.

As we continue to acknowledge our past, let's leave the 1800's and go to the turn of the century. America was aroused with racial violence. Between 1889 and 1918, it was revealed that more than 2,500 blacks had met their deaths at the hands of lynch mobs. Springfield, Illinois had a race riot that rocked the nation . . . Two blacks died and over 70 others were injured before peace was restored.

And yet, Blacks struggled . . . helping to make America a better place to live . . . providing services in this great land . . . During this time in history James Healy was serving as the first Negro Catholic Bishop; Ida B. Wells was devoting her time to journalism and the exposure of crime and injustice; Brigadier General Benjamin O. Davis Sr. was serving his country in the United States Army; Mary Church Terrell was serving as a United States delegate to several international conferences . . . everywhere she went her theme was always the same: Equal rights for women and the Negro wherever they may be found; . . . Whitney Young was organizing the Urban League to assist Negroes moving into northern cities to find jobs and housing.

Also occurring was the formation of the NAACP which was born out of desperation to right wrongs against black America, on one hand, and quell the racial turbulence that ripped at the seams of American democracy, on the other hand. Concerned whites and blacks came together to form the NAACP. An organization formed to render a service, not just for Blacks, but for this country.

For almost a generation, Walter Francis White was the voice of the NAACP. Under his leadership the organization fought forcefully for equality in voting rights, turned the eyes of America to the real evil and horror of lynching, and moved against segregation and discrimination in travel and education. There were those who said that White was moving too fast, that he was trying to do too many things at one time, trying to handle too many problems.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Nonetheless, White's fight for freedom was one that consumed his every waking hour. In matters that were racial, his theme was always, "Now is the time."

The NAACP's achievements are many. There have been moments of despair and disappointment. There have been some hard fights and some hard won victories.

In the 1960's, America was still torn with racial strife. The year 1963 may be remembered as the year of the "Negro Revolt!" There were peaceful demonstrations all over America. They were held even where police used great force to try to stop them. Television was, by then, in tens of millions of homes. Americans were able to see what was happening and realized that stronger civil rights laws were needed.

In August, 1963, more than 200,000 people—many of them white—gathered at the Lincoln Memorial in Washington. They gathered to make a peaceful plea for equal rights and justice. Millions watched on television as speakers called for "Freedom Now!"

Dr. King in his speech of "I Have A Dream" stated, "Now is the time to make real promises of democracy—Now is the time to make justice a reality for all of God's children."

Simultaneously, Pres. Kennedy was stressing the need for a new civil rights law. He was brave enough to render a service to Black Americans during racial disharmony . . . He gallantly coerced, "Our country . . . for all its boasts, will not be fully free until all its citizens are free . . . Now the time has come for the nation to fulfill its promises . . . It is a time to act in Congress, in your state, and local legislative body, and above all, in all of our daily lives."

Shortly after the march . . . Medgar Evers was killed in Mississippi, four children were murdered in a bombing of a Birmingham Church, and then our beloved Pres. Kennedy was assassinated. Violence seemed to rule.

Many Black Americans thought the death of the President would end any chance of a strong civil rights law . . . They were beginning to give up their faith, hopes and dreams . . . Dr. King persisted, "We will reach the goal of freedom . . . all over the nation, because the goal of America is freedom."

True enough, like a knight in shining armor . . . in stepped Lyndon B. Johnson, a southerner to serve our country. As President, he made it clear that he wanted Congress to pass a civil rights bill. As a result the Civil Rights Act of 1964 became a reality!

Twenty years later . . . 1984.

Several laws such as the Voting Rights Act and numerous landmark court decisions have been made. Today, Blacks have achieved a measure of equality, yet much remains to be done. The task is to make equality in this nation a reality for all 26.5 million Black Americans . . . True, there are some blacks we can point to and say they have fine homes, cars, education, can fly to the Bahamas, eat in the finest restaurants . . . We can actually point to those who have made it in spite of societal obstacles. We even have blacks who point to themselves and say I have made it, we don't need welfare, we don't need food stamps . . . We just need to pull ourselves up from the bootstraps . . . The question is how do you pull yourselves up when the opportunity doesn't avail itself?

As long as there is hunger, disproportionate unemployment, discrimination in the overt or covert form, inequalities for one of us, or even the least of us, then there is no equality and freedom is not a reality!

For you see, a race is either free or it is not free . . . there cannot be any apprenticeship for freedom.

Freedom-equality—economic breakthroughs can become a true reality IF our time has come . . . Victor Hugo put it best when he explained that Nothing—neither army, not a legislature, nor an armed sheriff—can withstand the strength of an idea whose time has come. We have witnessed this throughout the acknowledgment of our past.

Today, the idea of "OUR time has come" as espoused by Rev. Jackson is—our political time has come. Black Americans exploded in 1983-84 in the most intense wave of political fever since the first Reconstruction period of 100 years ago. There was an upsurge of black political activity on the federal, state, and local levels. As a result black elected officials increased from 5,160 to 5,606. The sharpest increase since 1976 and one of the largest numerial increases in the past ten years.

It is clear from all this that Black Americans have decided for the 1980's politics is the new road to Freedom!

Backing up a step before we get involved in politics, the first step is to get involved in our community . . . to render services to our community—so that we can achieve . . . and be recognized for our accomplishments. There should be black involvement in every aspect of community life, not just Black related activities, but involvement in the Chamber of Commerce, PIC, involvement on advisory committees for the city. Mayor Anderson announced he will appoint minorities to committees. He needs involvement for that to take place.

Black involvement is needed in the Decatur Advantage Plan which will help to improve the quality of life and the standard of living. The plan is designed to help this city . . . to provide jobs. Don't we need jobs, especially since Black youth represent a high rate of unemployment.

Blacks should be involved in all the other service oriented clubs. Much can be learned by being involved.

If politics is the New Road to Freedom—then Blacks better be well informed about the mileu, surroundings, and understand the political climate and ramifications. With political power, there are responsibilities. People who have power are prone not to want to give it up! Blacks must be well informed in order to keep whatever political gains are made.

Although the Democrats' and Republicans' political ideologies are different, Blacks should be involved in both parties. Surely, one or the other party will win and it is essential that Blacks are always a part of the winning party. Everywhere we look there ought to be black involvement . . . on the City Council, Boy's Club Board, CHELP Board, United Way Board . . . and many more—not just the same faces . . . Have you ever noticed that in this community everywhere you see the same faces of Councilman and Mrs. Bill Oliver, Annie Williams, Rosa Hood, Jonnie Taylor, Elvert Adams, David Livingston, Rev. Coates, Joe Slaw, Ingrid Cravens, Al Dobbins, Charlie Jackson, Mr. and Mrs. Dave Travis and perhaps about 40 others . . . There is a reason why the same ones appear everywhere. It's because they are involved in this community. Involvement is needed, so that there is a representative voice. Special interest groups are a reality! The community can be responsive to the needs of the Black community only when those needs are made known.

When I first learned my own political party affiliation had sent 36 delegates to the state convention—and that not one black had been chosen, I was upset, disturbed, and just plain irate! Can you imagine in this town, we have 15 predominantly black precincts, and nobody thought about us! We have always been given the courtesy of a token, but even a token didn't get to go to the state convention.

I soon calmed down when I realized that we didn't have a gatekeeper. Someone, let me rephrase that, some black man or woman should have been involved enough to know what was happening and to say to the party chairman, "How many Blacks are going?"

Incidents of this nature will occur frequently unless more and more blacks become involved and willing to render their services for the good of this community.

There are those in our community who have begun to grow tired of the struggle, tired of the battle . . . tired of the fight for freedom. The one time that I'm glad somebody got tired was when Rosa Parks got tired, and when she was told to go to the back of the bus, she said, "No, sir!"

What a beautiful tiredness, for it started the Civil Rights Movement . . . an idea whose time had come.

But for those who have grown tired in our community, it saddens my heart . . . the other day I met a friend on the street and he was expressing how tired he had become. He said, "You know that Democrats have taken us for granted, and the Republicans don't really want to be bothered. . . ." He said disgustingly, "I just don't care anymore. I don't want to do anything." He continued to suggest that blacks ought not to even vote for certain candidates, because they assume we're going to vote for them. My other friend who was with us, immediately spoke and lamented, "Oh, don't say that, this is an important election year. We have to VOTE!"

And we really do have to vote in this year's election if politics is the road to freedom! It's a fact that Affirmative Action is being rolled back, in light of the recent Supreme Court ruling that the last hired can be the first fired.

I understand the despair, the agony, and the frustration of my friend . . . and yet we have to realize that we have come a long way, a lot of blood and tears have been shed, many agonies of defeat, and the sweet joys of victories have been felt . . . and we can't give up now . . . not now . . . we have to vote and make sure that all of our relatives and friends vote. We must vote for our time has come! Life has its ups and downs. Langston Hughes told us "Life ain't never been no crystal stairs. . . ."

For those of you who feel like you just can't go on any longer, for those of you who feel like you want to become involved, and for those of you who are undecided about whether or not to become involved; remember, we have to look to the future, so that life will be better for our children in the 1990's. Keep in mind, a struggle is destined to be hard. I want you to know that nobody told us it would be easy. And my testimony to you is:

I don't feel no way tired;
For I've come too far from where I started from;
Nobody told me that the road would be easy.

But I don't believe,
I just don't believe, I can't believe.
That He brought me this far just to leave me.●

"SEEING IS BELIEVING" IN LAB RESEARCH ABUSE OF ANIMALS

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 26, 1985

● Mr. LANTOS. Mr. Speaker, the recent decision by Secretary Heckler to suspend funding of the University of Pennsylvania Head Injury Clinical Research Center at last lends credibility to those of us who were shocked by what we saw in the video tapes of research activities in that laboratory. Both cruelty and carelessness were rampant.

Emotions run high when the issue turns to the use of animals in research. Those who insist upon accountability for human treatment of animals are frequently considered to be either dangerous fanatics or harmless fools. Secretary Heckler did not capitulate to threats or pressures from fringe groups. She did respond to reasoned requests to investigate improprieties that were documented by video tapes recorded by the researchers themselves. Unfortunately, this evidence alone did not compel her to suspend funding; rather, she waited months to begin an investigation. She did not halt the research until preliminary findings by the investigating team corroborated the charges made against the lab almost 1 year earlier.

Of equal concern, is the possibility that funding for this research will be quietly continued shortly after Congress goes into August recess. I am told that only assurances of corrective action by the University are needed in order to establish "business as usual" at the laboratory. This action will not satisfy those of us who have been outraged by the continuation of funding for a research project with blatant improprieties. The public will not be satisfied with a suspension followed by a "whitewash."

Mr. Speaker, I call upon my colleagues in the House to join me in calling for sanctions to be placed on this research, including the debarment of the co-investigators of this project from further Government funding. A history of noncompliance is clear. Promises to correct deficiencies will not suffice at this late date.

An editorial in the Palo Alto Times Tribune, a paper known for its responsible editorial policy, spells out the implications of this yearlong scenario. Federal funds for research must not be awarded year after year without rigorous monitoring of procedures. The video tape of the procedures of the lab in question clearly violated standards of scientific efficacy as well as Government regulations for humane care of animals. The embarrassment this exposure has created for the Department of Health and Human Services, inevitably, will send a message throughout the university research world. I include the Times Tribune editorial of July 23, 1985, as an example of rational reaction.

[From Palo Alto (CA) Times Tribune, July 23, 1985]

HECKLER'S MESSAGE

The outcry against the laboratory conditions at the University of Pennsylvania's Head Injury Clinical Research Center is not just the hysterical ranting of anti-vivisectionists. Margaret Heckler, secretary of the Department of Health and Human Services has ordered an immediate suspension of federal funding for the research lab, pending the final report of an investigation.

The decsion has implications for any federally funded research laboratory that receives federal funds.

Animal-welfare organizations have been circulating a bal-bour videotape of excerpts from 60 hours of tapes the researchers made of each other's experiments. We cannot condone the method by which the tapes were obtained—during a break-in at the lab in May 1984—but the tapes are revealing. And it wasn't until the tapes were circulated that a half-dozen congressmen, including Rep. Tom Lantos, D-San Mateo, urged Heckler to suspend the lab's funding and launch an independent investigation.

At the clinic, baboons are strapped to an operating table, their heads in helmets anached to a hydraulic device. The device suddenly snaps the head forward inflicting the head injury. The baboons' behavior is studied; some undergo neurosurgery, others are put to death and their brain tissue studied.

Any useful research to improve medical treatment for head injury must involve cruel-sounding experimentation. It is also difficult for lay observers to distinguish between necessary research and incompetence or unnecessary cruelty. But the videotapes show some obvious lapses.

In one segment a researcher is operating on a baboon. Not only is a surgical mask not being worn but a lighted cigarette is dangling from the surgeon's lips. In another the researchers can't get the helmet off the baboon's head so they pry it off with hammer and screwdriver. What do those blows do to the validiry of the research?

In another segment a baboon, supposedly anesthetized, writhes as a confused and frustrated novice attempts to saw into its skull.

The tapes "indicate material failure to comply with the Public Health Service policy for the care and use of laboratory animals." NIH Director James Wyngaarden reported last week. The lab clearly deserves to have its funding suspended.

Does similar abuse happen elsewhere? It's difficult to know. Considerable animal research takes place at Stanford University, but the university has just completed a $30 million, state-of-the-art animal care facility and employs a rigid self-monitoring system for animal care. We were encouraged to learn nonethless that the committee that reviews animal care and experiments at Stanford has recently been expanded to include more off-campus members.

This kind of monitoring is essential. If the Head Injury Clinic is any indication, the federal government isn't monitoring conditions in even the labs that are federally-funded. The clinic, after all, has received $12 milion in federal grants over the last 12 years.

The use of animals in medical research is necesssary, its benefits are obvious. But abusive treatment is not necessary to scientific advancement, and shoddy techniques yield worthless results. We hope that Heckler's message will be heard in any other labs where sloppy or abusive conditions exist.●

THE HAPPY WARRIOR

HON. THOMAS P. O'NEILL, JR.

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 26, 1985

● Mr. O'NEILL. Mr. Speaker, a few weeks ago, at the Meridian House in Washington, a special ceremony took place honoring a noble and compassionate American. A bust of the late Hubert H. Humphrey was dedicated at that time. Many of his former colleagues, friends, and members of the Humphrey family were present for this meaningful tribute.

Among those who had been scheduled to deliver remarks in honor of that occasion was Secretary of Health and Human Services Margaret Heckler. Unfortunately, unavoidable conflicts prevented her from participating. Nevertheless, in order that her intended remarks might be included among the others offered at the event by Hubert Humphrey's former colleagues, I am pleased to submit them for the RECORD.

STATEMENT OF SECRETARY MARGARET M. HECKLER AT DEDICATION OF BUST OF HUBERT H. HUMPHREY

I send my love and good wishes to all of the family and friends gathered today to pay tribute to the "Happy Warrior," to my dear friend and colleague, Hubert Humphrey. How fortunate we all were to have shared some time with a man like Hubert, who made everyone a part of his life. He loved people and they, in turn, loved him. Love to Hubert was a unique thing. When he loved you, he loved your family, your business associates, and, of course, he loved your friends.

One could say that Hubert Humphrey practiced the politics of joy, using his endless energy to demonstrate how much he cared for all Americans, but especially those who were the most vulnerable: the sick, the needy, the very young and the very old. As a spokesman for the less fortunate, he was without peer.

It was Hubert who fathered many of the programs from which we all benefit, such as Medicare, which I now administer in his house on Independence Avenue.

He wanted all Americans to have the opportunity to develop their full potential and to live a life of independence and serenity. And at the dedication of the Hubert H. Humphrey Building he talked about those qualities and said that the celebration should not be about a man, but about those commitments to America. I know that we all strive toward his goals. "Never give up and

never give in," was a motto of Hubert's. It could be a motto for all America.

A giant has gone and we are all the poorer for his going. But a giant casts a long shadow and there can be no real leave-taking between him and the people he served.

Great men are commemorated not only in stone monuments but in unwritten memories etched not in stone but in the hearts of men.

Thank you.●

LABOR RIGHTS VIOLATIONS IN HAITI

HON. DONALD J. PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, July 26, 1985

● Mr. PEASE. Mr. Speaker, following is the testimony offered by officials with the Council on Hemispheric Affairs in June before the USTR regarding labor rights in Haiti. Again, they recommend suspending trade preferences until the plight of impoverished Haitian workers improves:

TESTIMONY OF COUNCIL ON HEMISPHERIC AFFAIRS

When the U.S. Congress renewed the Generalized System of Preferences (GSP) in late 1984, it enacted important new guidelines to help insure that the system does not adversely affect the welfare of workers in the U.S. It also sought to provide inducements for beneficiary countries to upgrade their own labor conditions, so that these conditions do not by their inadequacy give the exports from these countries an unfair advantage in the American market.

Specifically, before the U.S. President declares a country eligible for GSP benefits, he must certify that it abides by the following internationally recognized rights of workers:

1. The right of association;
2. The right to organize and bargain collectively;
3. A prohibition on the use of any form of forced or compulsory labor;
4. A minimum age for the employment of children; and
5. Acceptable conditions of wcrk with respect to minimum wages, hours of work, and occupational safety and health.

This testimony presents evidence that the Government of Haiti does not meet the above standards and argues that it should therefore be suspended from eligibility for GSP benefits. We believe that it should never have received CBI benefits either, but that is not the subject of our testimony today.

The Government of Haiti has ratified 23 conventions of the International Labor Organization (ILO), including Convention #87, Freedom of Association and Protection of the Right to Organize. However, it has never paid more than lip service to the Conventions it has ratified, including #87. This Government is very nearly the most corrupt and repressive in the Western Hemisphere, although it will from time to time yield to outside pressure (usually in an effort to impress potential donors of aid) and make temporary and cosmetic changes in its practices.

In July 1982 the US Department of Labor reported on the trade union situation in Haiti as follows:

"The organized labor movement in Haiti is almost non-existent. All unions, except one which is directly (controlled by the government, are outlawed. Little in the way of trade or collective bargaining exists and strikes are extremely rare. Unions must obtain recognition from the Ministry of Labor and conform to the labor code, which provides for a direct governmental role in labor disputes. There is a long history of government repression of the labor movement in Haiti."

The last independent trade union to exist for any period of time in Haiti was the Union Nationale d'Ouvriers d'Haiti (UNOH). The government of then dictator Francois "Papa Doc" Duvalier raided its headquarters and destroyed all records of the union in January 1958. Its General Secretary was imprisoned. UNOH was then converted into an official government union called Force Ouvriere et Paysanne d'Haiti (FOPH).

The independent labor union movement attempted to re-assert itself in 1959, with the establishment of the Federation Haitienne des Syndicats Chretiens (FHSC). At this time, a few unions and rural cooperatives were established before the leaders were exiled to Venezuela. Other attempts to organize trade unions in the 1960's resulted in the arrest and lengthy imprisonment of the organizers.

In the summer of 1979, an international delegation composed of trade union representatives from Venezuela, the Dominican Republic, and Canada visited Haiti to encourage the development of a labor movement. Through this encouragement, the Autonomous Confederation of Haitian Workers (CATH) was established. Taking advantage of a temporary relaxation of the dictatorship of Jean-Claude (Baby Doc) Duvalier (the successor to his father), CATH began to organize in the many assembly industries, mostly U.S. owned through Haitian partners, which had been established in the 1970's. In September 1980, workers called their first strike at four assembly plants. In November 1980, as part of a general crackdown on political dissidents, journalists, and other critics of the regime, the strike was crushed and the union disbanded. In this sweep, 60 trade union leaders were detained (many have not been seen since) and approximately 250 workers discharged.

In order to gain designation for benefits under the Caribbean Basin Initiative (CBI), the Government of Haiti had to agree to amend its labor code so that, on paper at least, it would accommodate expanded labor rights. The authorities in fact agreed to modify their law or practices in twenty respects, including three relating to the conditions under which Haitians go seasonally to the Dominican Republic to cut sugar cane—conditions described in the past as bordering upon slavery.

Reporting to Congress on August 9, 1984, in his capacity as chairman of the Congressional Black Caucus Task Force on Haitian Refugees, Delegate Walter Fauntroy of the District of Columbia noted that the Haitian Government had, on paper, fulfilled a number of these agreements, but added:

"However, the test of a government is not what it says but what it does in practice. In practice, there are still no labor unions operating today in Haiti in the export-oriented assembly industry."

The Government did permit the founding, in January 1984, of the Federation of Union Workers, uniting nine small unions in the Port au Prince areas, with a membership totalling about 2500. Last summer the President of the Federation attended the annual ILO general meeting, the first time a labor leader had represented Haiti there for many years. As Delegate Fauntroy noted, however, none of these unions were in the export-oriented assembly industry. Overall, less than one per cent of Haitian workers are in unions of any kind.

A mission of three trade unionists sponsored by the ORIT/ICFTU visited Haiti in March 1985 and reported that "international pressure has . . . prompted the Duvalier dictatorship to nominally address gross violations of human and trade union rights," but added: "The mission observed little significant free trade union presence in the country and noted that a climate of fear continues to exist."

The mission urged "a concentrated campaign to condemn human and trade union rights violations in Haiti . . . Such a campaign should include vigorous action at all levels of international institutions and a major lobbying effort in those countries whose commercial sectors are co-operating with Haiti in its attempt to attract foreign investment."

Effective trade union organization is certainly urgently needed. The Haitian government, encouraged by its CBI status, has embarked upon a major campaign to attract foreign investment, stressing its abundant supply of low-wage, unorganized lablor. The current minimum wage is $3.00 a day, lower than anywhere else in the Western hemisphere and lower than the cost of living. It is lower than anywhere else in the Western Hemisphere and lower than in Taiwan, Malaysia, or Singapore. The lack of labor and work-safety legislation means that Haitian workers, according to CBI officials, are not only cheaper than their East Asian counterparts, but 10% more productive. In addition, experience over the years has shown that the government is prepared to break any strike by force.

The U.S. government takes action against susidized exports. It is the suffering of the Haitian workers which is subsidizing that Country's exports to the United States. Accordingly, GSP concessions should be suspended until the Government of Haiti moves to establish basic and permanent improvement in the status of its workers, rather than transparently temporary and cosmetic ones.●

WE MUST OPPOSE BIGOTRY AND RACISM AT HOME—AS WELL AS IN SOUTH AFRICA

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 26, 1985

● Mr. LANTOS. Mr. Speaker, all Americans are united in denouncing the philosophy and practice of bigotry and discrimination pursued as official policy by the Government of South Africa. The entire civilized world stands against the hateful practice of apartheid and is opposed to the increased repression that has marked South African policy toward its black majority in recent weeks.

We in the United States, however, are not immune from individuals and

groups who advocate bigotry, racism, and discrimination. We have too many appalling examples of individuals and organizations, even in America, for us to become complacent or selfrighteous.

In our Nation's capital, those same sickening sounds are heard. Last Monday, Louis Farrakhan delivered one of his hate-filled diatribes to 10,000 people jammed into the Washington Convention Center. The Washington Post called this latest performance "bigtime bigotry for the masses." Columnist Courtland Milloy said "he even makes the audience laugh when he mocks the Holocaust."

Another sickening incident in Los Angeles was also reported recently in the press. A neo-Nazi organization in Los Angeles, the Legion for Survival of Freedom and its subsidiary the Liberty Lobby, declared the Holocaust to be a myth, and claimed that at the Auschwitz Concentration Camp in Nazi-occupied Poland deadly Zyklon-B cyanide gas was used to fumigate clothing and that crematoriums were used only for inmates who died of natural causes. Los Angeles businessman Mel Mermelstein—a survivor of the Auschwitz camp with his camp number still tattooed on his arm whose mother and two sisters were killed there—challenged these fascist organizations in court. This week he won an unprecedened settlement requiring the organizations and their leadership to acknowledge the fact of the Holocaust and officially and formally to apologize to Mr. Mermelstein.

Mr. Speaker, the peddling of racism and hate, the mocking of the Holocaust, and similar examples of bigotry are perpetrated under the umbrella of free speech. Although Farrakhan, neo-Nazis, and others with similar views exploit the privilege of free speech, all Americans—but particularly those of us in public office—have a moral obligation to use that precious right of free speech to denounce and reject the psychological cancer that merchants of hate are marketing in our land.

As chairman of the congressional human rights caucus, I am confident that my friends and colleagues in this body will speak out without delay and without reservations in pointing out the common roots of hate and bigotry.

Mr. Speaker, an editorial in today's Washington Post and the column of Richard Cohn, also in today's Post, on this topic are extremely relevant. I insert the material in the RECORD for the benefit of my colleagues:

WHY THE SILENCE ON FARRAKHAN?

The other night, the Rev. Louis Farrakhan, head of the Nation of Islam and once a ubiquitous presence at Jesse Jackson campaign rallies, came to town. With little advance publicity, he was able to draw anywhere from 10,000 to 15,000 persons to the Washington Convention Center to say, in the manner of the late Mr. Hitler, that "Jews know their wickedness."

Farrakhan had other things to say. We are told he mocked the Holocaust. We are told that he said, "Blacks will not be controlled by Jews" and that he declared blacks the chosen people—"the people of God." We are told these things in a newspaper column by Courtland Milloy in The District Weekly—not in The Washington Post's news account of the same event. That story did not mention Farrakhan's anti-Semitic remarks at all.

A troubling thing has happened with Farrakhan. The man is no longer controversial, and what he says is no longer considered news. Where once he was dogged by reporters asking him to justify himself, now he can fill a hall in the nation's capital, rant racism and not even have it mentioned in news accounts of the speech. Farrakhan's anti-Semitism has become something like his bow tie—just another personal and maybe quirky characteristic.

It goes without saying that someone named Cohen is not going to change any minds about Farrakhan. But that hardly means that others are not welcome to try. I refer, in fact, to those black leaders and journalists who have, in their discomfort, ignored what Farrakhan preaches, preferring not to deal with either him or his message, reserving their moral outrage instead for Ronald Reagan and his appointees to the Justice Department. Presumably they think Farrakhan will, like demagogues before him, simply go away. So far, though, he has not. And so far the relative silence of the black leadership (some have condemned him) has neither dampened Farrakhan's popularity nor muted his message.

When it comes to Farrakhan, we are told that we ought to ignore the man and concentrate instead on his audience. They are the poor, the downtrodden, the alienated. True. But demagogues always preach to these people. The Klan is not composed of orthodontists, the lynch mob of the Old South was not usually composed of the town elite and the Germans Hitler preached to were not without their grievances. But when violence is finally committed by people full of hate, it hardly matters that they have other, genuine grievances. What matters is that the innocent get hurt for no good reason.

The true tragedy of Farrakhan is that he is a digression. He has no program to make life better for ghetto dwellers. They are hardly poor because of something Jews have done, and the crisis in the Middle East has nothing to do with the job situation in the United States. Zionism is hardly "an outgrowth of Jewish transgression," as Farrakhan says, but even if Israel were to disappear tomorrow, Harlem would still be a slum and poor black teen-age girls would still be having babies. The sacrifice of the scapegoat solves nothing.

Anyone who can pull an audience of 10,000 without the benefit of an electric guitar is worthy of some attention. Anyone who preaches hate to that many people ought to be answered. This is particularly the case with Farrakhan because he comes credentialed by his erstwhile affiliation with Jackson. Like a combination Ed McMahon and Al Capone, he both warmed up the audience and supplied the bouncers. For that reason and because of his formidable personality and charisma, the man should not be ignored. That would smack of acquiescence, agreement—the notion that tolerance and justice are a luxury that's too rich for poor people, especially poor black people. History teaches, though, that it's not wise to patronize a hater.

The news media and the individuals they cover become infatuated with their own sense of importance. They all tend to think that reality exists only on television or the newspapers—that trees that fall unrecorded by video tape make no noise. But Farrakhan makes plenty of noise. His voice is still heard. Unfortunately, sometimes it's the only voice heard.

FARRAKHAN BIGOTRY UNCHALLENGED

Call it religious freedom, but Louis Farrakhan is into bigtime bigotry for the masses—and too many people who know better are looking the other way. His garbage is drawing crowds too; some 10,000 people jammed into the Washington Convention Center on Monday night to hear—and cheer—his stream of vicious anti-Semitic comments and his attacks against any and all leaders of blacks who might challenge his disgusting sermons. And judging from the sounds of silence in too many corners, Minister Farrakhan's preaching of hatred are effective. Where are the responsible and respected leaders who can recognize a Hitler in any color, who can be most ineffective in calling bigotry when they hear it?

Much of what Mr. Farrakhan spews could be coming from under a pointed hood of white linen: "Jews know their wickedness. . . . Whenever you put a black man in office and he betrays the best interest of the people who put him there, take him out, and if he does not repent . . . we will tar and feather them, hang them by a limb, chop off their heads." According to columnist Courtland Milloy, "he even makes the audience laugh when he mocks the Holocaust."

There are people of good will who suggest that if the press just ignores this man and his messages, he will disappear. Yet without a single well-publicized advance word of Mr. Farrakhan's latest visit—just posters and the spoken word along the streets—10,000 people show up to hear and cheer. He is news. He also is free to say what he wants, just as others are free to listen if they choose. But where are those who are free to refute hatred? What happens to a society that blesses bigotry with official silence?●

THE AFGHAN COMMUNISTS AND THE SANDINISTAS

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Friday, July 26, 1985

● Mr. RICHARDSON. Mr. Speaker, I invite the attention of my colleagues to a message of solidarity sent to the Nicaraguan Government by Moscow's puppet regime in Afghanistan, a Communist dictatorship which remains in power only because of Soviet military occupation and oppression of that country. I think it is significant that the Afghan leaders who control the Government in Kabul thanks to massive Soviet bombing of their own people would send "comradely greetings" to Daniel Ortega, the President of Nicaragua. Ortega claims the Sandinistas are nonaligned. The truth is that the Sandinistas are not nonaligned between right and wrong in

Afghanistan. They are solidly aligned on the side of wrong.

I insert the following Afghan (Bakhter) press report of the Kabul Government's solidarity message into the RECORD and I urge all my colleagues to read it carefully. I cannot believe that a single Member of Congress would approve or defend such an alliance between Managua and Kabul. I am sending a copy of this statement to the Nicaraguan Ambassador in Washington.

KARMAL GREETS ORTEGA ON NICARAGUA ANNIVERSARY

KABUL, July 18.—Babrak Karmal, general secretary of the PDPA CC and president of the Revolutionary Council of the Dra, has sent a congratulatory message to Daniel Ortega, president of the Republic of Nicaragua, on the occasion of the sixth anniversary of the victory of the Sandinist revolution. The message conveys the comradely greetings and reiterates support to the victory of July 19, Sandinist revolution, as a turning point in the history of the courageous struggles of the Nicaraguan people and as the beginning of profound transformation brought about in all spheres under the leadership of Sandinist front. The message condemned the shameless undeclared war launched by the aggressive U.S. imperialism and its regional accomplices against Nicaragua as well as in other parts of the world.

The message reiterates the militant and anti-imperialist solidarity of the Peoples' Democratic Party of Afghanistan, the government and the people of the DRA with the heroic struggles of the fraternal people of Nicaragua headed by Sandinist Front for scoring ever more successes in the defence of the revolution and its achievements and for constructing a developed and constructive society based on social justice.

DRA GROUP MESSAGE

KABUL, July 18.—The Peace Solidarity and Friendship Organization of the DRA (PSFO) has issued a message on the occasion of July 19, the international day of solidarity with the people of Nicaragua which coincides with the sixth anniversary of the Sandinist revolution. The message reads that the peace-loving mankind including the Afghan people mark this occasion at a time when the U.S. imperialism and its regional accomplices are feverishly preparing to launch an all-out armed onslaught against Nicaragua. The incessant reconnaissance flights carried out by the U.S. aircraft on the air space of Nicaragua, mining the latter's frontiers, terrorizing the Sandinist leaders, and banning the Nicaraguan diplomatic corps in the U.S. to enjoy diplomatic immunities and imposing economic blockade on Nicaragua are but a few of the clear manifestations of the hostile U.S. policy against the people and revolution of Nicaragua.

The PSFO, voicing the sentiment of the peaceloving Afghan people, expresses its full support to the just struggle of the Nicaraguan people to defend their independence, national sovereignty and territorial integrity vis-a-vis the plots and conspiracies hatched by the imperialist forces.●

CONTINUING THE ANTI-APARTHEID STRUGGLE

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 26, 1985

● Mr. RANGEL. Mr. Speaker, I rise to commend the efforts to Transafrica in initiating the free South Africa movement. In particular, I would like to thank Randall Robinson for his leadership.

International sentiment against apartheid is steadily increasing. France's decision to recall its ambassador to protest Pretoria's security crackdown is very encouraging. Political and economic persuasion is a powerful tool, and France's precedent may signal the beginning of South Africa's isolation in the Western community.

And yet, it is the United States which can best rally the world community by example. White South Africans need the West, and they especially need United States markets and investment. A withdrawal of this support just might bring the whites of that country to their collective senses.

Randall Robinson and Transafrica are indeed educating the American public and government about what our role should be in the antiapartheid movement. He has been remarkably successful thus far, and will in all likelihood turn the full moral weight of public opinion against constructive engagement. I wish him the best of luck in this important work.

I would like to submit the following article for inclusion in the CONGRESSIONAL RECORD.

[From the Washington Post, July 24, 1985]

PICKETING HELPS PROD CONGRESS INTO VOTING

(By Barry Sussman)

Current congressional moves toward economic sanctions against South Africa offer evidence of what a band of dedicated activists can accomplish when it knows how to attract and rally public opinion.

On July 11, the Senate voted 80 to 12 for a bill banning new bank loans and exports of nuclear technology to South Africa, and requiring American companies with interests in South Africa to take an active role in opposing its apartheid policy of racial segregation.

The legislation is seen by many as sending a strong message to Pretoria and to the Reagan administration, which continues to oppose sanctions while adhering to a policy of "constructive engagement" with the South African government.

In June, the House voted 295 to 127 for a tougher measure that also would halt importation of krugerrands into the United States. Last year $600 million worth of those South African gold coins were sold to Americans, more than half the total exported. One-third of the Republicans joined almost all the Democrats in the House vote.

The bills are now in Senate-House conference, and what will emerge is not certain. But what does seem apparent is that there would have been no action at all except for the work over the past eight months of a group known as the "Free South Africa Movement."

The group began picketing near the South African Embassy in Washington last November, protesting the jailing of a number of labor leaders. The protests drew a good bit of television coverage, and similar protests sprang up in other cities.

After 16 days, the labor leaders were released but the picketing continued, shifting focus to the larger problem of apartheid. Emerging as a spokesman for the movement was Randall Robinson, the executive director of a foreign policy lobby, TransAfrica.

By last week, 2,000 people had been arrested in Washington and more than 4,000 at demonstrations at 26 other cities or college campuses.

So far, 22 members of Congress have chosen to be arrested and so have a number of mayors, and union and religious leaders. The most recent celebrity arrest was that of Coretta Scott King, widow of a slain civil right leader. The picketing takes place every weekday, and Robinson is not yet short of picketers. On holidays like Mother's Day, there has been Sunday protesting as well.

Herbert Beukes, South Africa's ambassador to the United States, contends that his government will not be intimidated by protests "half a world away," and says the motives of Robinson's group are domestic, political ones.

Whether or not that is true, the activists' domestic success is beyond dispute. Aside from the large number of arrests and congressional action, evidence gathered from two Washington Post-ABC News opinion polls shows growing support for the protests.

In January, when the protests were two months old, the Post-ABC News poll asked a random sample of Americans if they had heard about the picketing in Washington and elsewhere. About half (52 percent) said they had. Among them, 46 percent said they approved of the protests and 21 percent said they opposed them.

In mid-June, the Post-ABC News poll found a 10-point increase in the number of people aware of the protests, up to 62 percent. Among that larger group, virtually the same proportion as in the earlier survey—46 to 22 percent this time—said they approved.

In June the survey also showed a strong relationship between support for what Congress was doing and awareness of the protests.

The poll put this question to the public:

"Congress is working to take economic action aimed at forcing South Africa to end or reduce racial segregation. Reagan opposes such economic action, saying it would not help the situation there. Whom do you tend to side with, Congress or Reagan?"

Overall, the public was about evenly divided, with 46 percent siding with Congress, 44 percent with Reagan and 10 percent undecided.

Among the 38 percent who had not heard of the protests, 49 percent supported Reagan's view, 40 percent Congress'.

Among the 62 percent who had heard of the protests, 50 percent sided with Congress, 41 percent with Reagan, 9 percent were undecided.

Robinson sees three factors that have propelled the economic sanctions to the threshold of congressional enactment. Together, they serve as a model for any activist movement.

First is consistency. "The people involved are prepared to go on as many months or years as necessary," Robinson said.

Second is what Robinson called a consumable message. "We felt that if we could put the message before the American people, they would make the right decision. The issue is what is fair and what is unfair."

Third is hard lobbying from within," he said, and the protests and "other kinds of public pressures are needed to make them more responsive."

Asked whether there would have been any legislation at all if not for the embassy protests, Senate Majority Leader Robert J. Dole (R.-Kan.) said, "Well, it focused on the problem. And I think from that standpoint, those who had the responsibility, [Senate Foreign Relations Committee] Chairman [Richard G.] Lugar [R.-Ind.] and others at the hearings, made modifications.

". . . Not only the focus, not being arrested and all that, but the fact that they were very actively visiting the different people on the Hill. Let's face it: Some see it as a big civil rights issue that's important down the road. . . . All that has an impact."●

ACID RAIN DEBATE CHANGING

HON. EDWARD R. MADIGAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 26, 1985

● Mr. MADIGAN. Mr. Speaker, I recently read with great interest a column written by the editor of Environmental Forum, Bud Ward. In his "Reflections" column for the June issue of the magazine, Mr. Ward has identified a significant change in the attitude of environmental scientists toward the acid rain debate. Many of us have argued that controls on Midwest utilities are not a panacea for solving the problems associated with acid deposition in the Northeast. In response, Congress has prudently resisted acid rain control legislation, deciding instead to commit our resources to seeking a scientific consensus. A consensus to move the debate away from sulfur-only controls appears to be developing. In fact, Mr. Ward states that such a strategy is "unfit for human intellectual consumption." I commend his column to my colleagues.

[From the Environmental Forum, June 1985]

REFLECTIONS: FROM "SAUER REGEN" TO AIR POLLUTION?

(By Bud Ward)

In West Germany, the term "sauer regen" is heard less and less often. That despite the obvious political appeal for some of any term's both translating to "acid rain" and conveniently being pronounced as if it were "sour Reagan."

It's not a declining public interest in or concern with the well-being of the Black Forest that is leading Europeans away from a concern for acid rain. Far from it. The growing number of "Drive Slow. Save a Tree" bumper stickers are testimony both to the concern for the forests' serious ills and to the belief, or at least the suspicion, that something more than acidity may be involved.

The phenomenon in this case is trans-Atlantic. In the U.S. too there are signs of profound changes in the "acid rain" debate.

Item—One of the U.S.'s most well-respected "acid rain" researchers, Ellis B. Cowling of North Carolina State University's School of Forestry, recently told a conference, "I'm not an acid rain specialist any longer. I'm now an air quality specialist." Focusing on forestry impacts of atmospheric chemicals, Cowling now says that possible suspects range well beyond power plants to include transportation and other industrial sources of air pollutants related to ozone, nitrogen oxides, and volatile organic compounds. When it comes to recorded tree damages, "the likelihood of sulfur's playing a major role is diminishing in the scientific consciousness," Cowling says. "That's quite a change from what we would have said just a year ago."

Item—One more straw in the wind, just one of many. The Boston-based Center for Negotiation and Public Policy's ongoing and generally behind-the-scenes "Ad Hoc Acid Rain Committee" is undergoing a change of heart . . . and perhaps also of name. You guessed it: The "Ad Hoc Committee on Air Pollution," it is thinking of calling itself. Again, it's the emergence of forests as *the* issue and of non-sulfur atmospheric chemicals as *a* or *the* primary suspect that is driving the name change.

At this point, it clearly is too early to predict the eventual fate of the "acid rain" debate—shorthand for all that is implied and inferred in the field of aquatic and terrestrial effects associated with airborne chemicals.

But going it surely is. It's clear at this stage that the fundamental nature of the entire issue has changed profoundly over the past year, first from lakes to trees . . . and then the associated change from sulfur to all the above, including acidity in some capacity.

What is not at all clear, yet, is where the issue may settle a year from now or five years from now. Or how many turns and twists it may take en route.

For now, leave it be that any sulfur-only controls legislation or strategy is an anachronism, and one unfit for human intellectual consumption.

While the short-term downplaying of lake effects and therefore of sulfur may be good news to the high-sulfur coal industry and to utilities, it is not at all certain that the rest of the regulated community can share in the satisfaction. Nor, in fact, that coal's and utilities' joy won't itself be shortlived.

Any increasing scientific consensus about 1) the fact of forests damage and 2) the role of ozone and its precursors can only lead in Washington to increased sentiment for across-the-board emission reductions both of sulfur emissions, to protect lakes, and of ozone and its precursors, to protect forests.

From a political and policy standpoint, the evolution of the "acid rain" debate from its tunnel vision focus on sulfur only to a more wide-angled view of a broad range of air pollutants in the short run will further complicate and delay consensus on legislative air quality reforms. In the end, however, Congress in its wisdom may well decide that what is called for is additional controls not only on utilities and their sulfur dioxide emissions, but also on motor vehicle and other stationary sources of pollutants associated with ozone formation and transport.

Both technically and, especially, politically, that is a far more difficult field to sow. But the public and the Congress may well ultimately decide it is a richer harvest.●

FAIR AND ACCURATE REPORTING

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 26, 1985

● Mr. LaFALCE. Mr. Speaker, there has been considerable confusion about the plans and intentions of the Environmental Protection Agency with respect to the Love Canal. But an article written by Douglas Turner of the Buffalo News serves as a model of fair and accurate reporting. Anyone interested in truth and accuracy with respect to Love Canal should read Mr. Turner's article. And for that reason it is herewith submitted.

[From the Buffalo News, July 25, 1985]

EPA CHIEF VOWS TO COMPLETE HABITABILITY STUDY AT CANAL

(By Douglas Turner)

WASHINGTON.—Lee M. Thomas, head of the Environmental Protection Agency, Wednesday affirmed that the EPA is "committed" to seeing that a Love Canal-area habitability study is completed as promised.

Thomas also said the EPA will not, as was suggested by a consultant to the agency, "buy out residents and leave" the area around the toxic waste dump in southeastern Niagara Falls.

The suggestion, one of several options offered by CH2M Hill Inc., a Reston, Va., company, caused an uproar at a briefing of residents in Niagara Falls Tuesday night.

With Rep. John J. LaFalce, D-Town of Tonawanda, at his side, Thomas said his personal preference is that the habitability study, "when it is completed 2 to 2½ years from now, will say, 'yes, it is habitable.'"

Thomas noted that the state Health Department, using its own data plus information from the EPA and the federal Centers for Disease Control, will have the responsibility of deciding whether the area can be made safe to live in again.

Thomas said the deterioration of closed or abandoned buildings is a continuing problem, and said he is willing to reconsider an earlier EPA decision to reject LaFalce's recommendation that the agency buy out owners of 29 non-residential structures in the area.

The decision as to whether to buy the buildings will be made within a year, Thomas said.

At the briefing called by LaFalce, Thomas said he has directed his staff to review the earlier rejection to determine whether new legislation should be written into the Superfund law that will recognize the "uniqueness" of the problem of residents and property owners at Love Canal.

Toxic wastes were discovered to be oozing from a dump there eight years ago. Initially residents were promised a habitability study by 1980s. The EPA declaration that the area could be made safe, issued just two years ago, was discredited almost immediately.

Asked what advice he would offer residents there, Thomas said:

"I could only imagine the level of frustration that they have felt. As far as I'm concerned, our agency is committed to deal with them as long as is necessary to try to resolve the problems and to try to do so as openly as possible.

"I certainly can't suggest there are short-term solutions to this. I don't think that there are."

The EPA, he said, "is committed to deal with the Love Canal problem for the long-term, not the short-term."

Thomas said that all of the remediation programs, including cleaning up conduits and streams, "will continue to their conclusions, a permanent conclusion. Long-term solution is a major component of dealing with this problem."

Thomas said we did not disagree with the presentation of the option of buying out residents, abandoning the project and leaving the area. Referring indirectly to the consulting firm, CH2M Hill, Thomas said developing a wide range of options is what a consultant should do.

But the "option to buy out and leave is no option at all," he said.

LaFalce said he was briefed on the CH2M Hill report on June 27 at EPA headquarters here, and that he immediately said, "That's a totally unacceptable option, and it ought not to be even considered."

LaFalce said the EPA administrator told him in June, "You're right; that's a totally unacceptable option."

"It was clear to me when I left that room (on June 27)," LaFalce said, "that abandonment of Love Canal, so far as there being no habitability study, would not be considered."

At Wednesday's briefing, LaFalce vehemently denied that he urged the EPA not to make the CH2M Hill report public. He said that at the June 27 briefing the EPA asked him not to reveal the contents of the report until the EPA had discussed it with the Love Canal Technical Advisory Committee.

LaFalce said the Congressional Office of Technology Assessment would soon issue a report recommending that incineration be used to dispose of Love Canal wastes permanently.

When that report is issued, LaFalce said, he plans to ask the EPA to move its incinerator to Love Canal, or ask that a contractor be engaged to build one, depending on an assessment of environmental hazards of such a process of disposal.

"Incineration may indeed be a viable option." Thomas said, noting that the EPA has used the process at a number of cleanup sites.

LaFalce noted that Thomas is the first EPA administrator willing to appear at a press briefing to answer questions about Love Canal or promise to visit the site.

The congressman called Thomas the most responsive EPA boss he has ever worked with, including Douglas Costle, appointed during the Carter Administration. LaFalce said Thomas has promised to visit Love Canal in the near future.

"I think it is absolutely shameful." LaFalce said "that EPA heads have gone around the world talking about Love Canal, yet none has ever visited the place. That will soon be corrected by Mr. Thomas."●

USIA: TELLING MICHIGAN'S STORY TO THE WORLD

HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, July 26, 1985

● Mr. TRAXLER. Mr. Speaker, the U.S. Information Agency has the simple but important function of telling the truth to the world about our country. One important truth is the story of Michigan's economic comeback.

I would like to take this opportunity today to commend the U.S. Information Agency and Director Charles Z. Wick on the fine publication "Economic Impact, Innovative Adjustment Strategies." This publication, which is a quarterly review of world economics, is prohibited from being circulated in the United States. However, complimentary copies are sent to Members of Congress.

In the "Economic Impact" publication, the USIA looks at the shifting dynamics of the American economy. The publication contains several articles from various authors who explore the economy from New England to the heartland to the high-tech silicone valley. Of particular interest is the article entitled "A New Heartland?" where authors James Botkin, Dan Dimancescu, and Ray Stata discuss the new-found spirit of economic partnership in Michigan.

The article is a chapter from the authors' book "The Innovators." It begins by looking at the shift from Michigan's dependence on heavy manufacturing to a varied economic base which draws on the State's bountiful resources of farms and forest. This shift was brought about by the downturn of the America auto industry which forced the State to carefully plan and plot its uncertain economic future. Industries with growth potential were identified by a newly formed State task force, and the revitalization of the manufacturing and natural resources began. However this revitalization had a new twist. Private industry got into the act by providing foundation money for research, new business startups, and the adoption of revolutionary manufacturing techniques.

The article terms the economic partnership formed by State government, higher education and private industry as "conscious intervention." Under Gov. James Blanchard, this intervention became the No. 1 priority. The authors states that the Governor's creation of a strategic fund providing capital for industry, and the creation of various councils and commissions, has begun an era of business and government working together to bring about jobs and economic development.

The authors also note a balancing of economic power from the traditional industrial urban areas to out-of-State Michigan where businesses and industry continue to expand in agriculture, food processing, high-tech, and wood-related business. This is not to say that our large industrial cities have not contributed to Michigan's recovery in the past few years, rather other economic interests in the State have moved to equalize the singular economic power of the heavy manufacturing concerns located in Michigan's big cities.

Another one of Governor Blanchard's creations, according to the authors, is the Economic Alliance for Michigan, which focuses on improving the State's business climate. This alliance found the importance of investing the State's wealth locally and the need for increased venture capital to finance new business. The authors also note that in Massachusetts, which also faced economic downturn, rejuvenation was left to the whims of the marketplace. In Michigan, the comeback involved an aggressive and innovative policy fashioned by Governor Blanchard, industry, labor, and Michigan's fine university system. The following quote from this article sums up the spirit of cooperation and partnership:

> There is a sense of urgency in this part of the country, a longing to bridge the chasms between city and suburb, rich and poor, management and labor.

Mr. Speaker, I commend the USIA for telling the world about Michigan's comeback. While the USIA is prohibited by law from distributing this publication in the United States, we are fortunate that this worthwhile article is a chapter in the book "The Innovators." I would highly recommend this article and book to my colleagues.

I would like to finish by saying that this article is a fair representation of the Michigan story, which the authors call " * * * turning adversity to advantage."●

NATIONAL REPUBLICAN INSTITUTE HOSTS INTERNATIONAL DEMOCRAT UNION

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, July 26, 1985

● Mr. COURTER. Mr. Speaker, the National Republican Institute for International Affairs, which like its Democratic Party counterpart operates independently but on small Federal funds, has been host this week to the prestigious International Democrat Union. Prime Ministers and party leaders from several continents and innumerable countries are conferring on international strategies for strengthening democratic parties everywhere.

I believe such efforts should draw the approving attentions of all the Members in this House, and therefore ask that the RECORD include an excellent report on the conference by the Wall Street Journal's Suzanne Garment, which follows:

[From the Wall Street Journal, July 26, 1985]

CAPITAL CHRONICLE

(By Suzanne Garment)

"We would like to cut down on government spending. We would like to see the United States take a more active role in the international scene vis-a-vis the Soviet Union." Was this some American neoconservative hawk chanting the faction's party line? No, it was a leader of one of the nine Latin American political parties that sent representatives this week to the International Democrat Union conference in Washington. To hear major Latin politicians talk this way was startling. So is the fact that our country's Republican Party is playing host to such a thoroughly internationalist gathering.

In 1983 both the Republican and Democratic parties set up institutes to use congressional money for promoting democracy through cooperation with political parties abroad. From the first the program was controversial, mainly because of Americans' deep mistrust of the idea of international party cooperation. We still think of our U.S. parties as innocently nonideological and do not like the idea of their corrupting themselves by consorting with more-ideological parties abroad. Moreover, the tradition of international party cooperation is strongest among the socialists, and this association is also suspect among us.

The Republicans not only joined the IDU, but under Party Chairman Frank Fahrenkopf have become very active members. The union was set up in London in 1983 with a push from Margaret Thatcher's Conservative Party organization. It was meant to be more secular and more explicitly conservative than the already-existing international organizations of the Christian Democratic parties.

The founding contingents from Europe and the Pacific are attending this second conference, including Mrs. Thatcher, members of the Canadian and Japanese ruling parties, and the prime ministers of Norway and Denmark. And present for the first time, with a big assist from the U.S. Republicans, are the Latin party leaders who have come as either new IDU members or observers. They include the prime ministers of Jamaica, Grenada, Dominica and Belize. Some of the parties out of power face grim electoral prospects, as in Mexico. Others, like the Costa Ricans, are fielding extremely strong candidates in coming national elections.

These are men and women of striking talent, whose words jolt preconceptions about the current political discourse in Latin America. Here is Joaquin Ricardo, political secretary of the Reformist Party of the Dominican Republic: "We have had democracy since 1961. Now it is beginning to crumble, because the social democrats in power are increasing public spending and public indebtedness. . . . Under these circumstances you usually get huge inflation—like what we have today in the Dominican Republic. Also, our sovereignty has been compromised: The IMF now has an office right in our central bank."

And here is Ambassador Alvaro Gomez of Colombia's Conservative Party: "Our party has been continuously democratic since 1849 and has always been a free-market party. We have frankly adopted the idea of "planning"—not to constrain the market but to liberate a certain amount of free enterprise and limit government intervention. As of now, you see, Latin American countries are suffering from 'epileptic' government interventions, with no rules at all."

The delegates think it is self-evident why international meetings like this are important to them. As one of them explained, "The word that works magic today is 'solidarity.' We must have an exchange so that people who, like us, will be in government a few months from now will know those already in government elsewhere." Another delegate went deeper: "This is our first chance to establish personal relations that will enable us to get reliable information. Information about world events is so dispersed and so influenced by others' ideologies that it is hard to get an account of things with the coherence necessary for political action."

For the Republicans to associate themselves with this sort of international movement is new. We are more familiar with the opposite tendency that still governs large parts of American conservatism.

This past April in Kingston, Jamaica, the U.S. took part in a conference of democratic youth that not only excluded the expected regimes of the right but also—this was the change—kept out movements of the nondemocratic left like the Palestine Liberation Organization and the African National Congress. The conference generated a fair amount of political energy, and the Soviets, until now almost the sole proprietors of the political device of international youth politics, have been fuming audibly ever since. But a commentator in the conservative magazine National Review condemned the lack of purity in the Caribbean meeting's final resolutions and judged, "By comparison, at least Club Med has some sort of integrity."

A Republican Party of this general tendency would not have been embracing all its varied brethren so enthusiastically in Washington this week. By the same token, a party with a liberal foreign-policy wing as powerful as the Republican Party once had surely would not have joined up with an international conservative movement; our U.S. Democrats, precisely because of this sort of internal diversity, will join no international party grouping.

The Democrats, too, probably will be growing more active on the international scene. But the Republicans are in the forefront for now, just beginning to cope with the source of one of our greatest foreign-policy weaknesses. And the parties' general foreign-policy positions of 50 years ago are on the verge of reversing themselves more thoroughly than anyone would have expected.●

NATIONAL HERITAGE RESOURCE ACT

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 26, 1985

● Mr. DOWNEY of New York. Mr. Speaker, the bill I am introducing today is designed to enlarge significantly the ability of museums and public libraries to acquire major collections of original works by artists, writers and composers, and ensure the preservation of these works for future generations. This legislation—the National Heritage Resource Act—ensures that America's cultural heritage will remain in this country and will always be available to the public in our museums, libraries, and archives.

The National Heritage Resource Act would remedy a present inequity in the tax law, the result of a 1969 change which specifically denied living authors, poets, musicians, scientists, and other artists a tax deduction for the fair market value of any works they personally donate to a museum, library, or archive. The current law is unfair because it still allows owners of these same works to receive a tax deduction at the fair market value of a donated item.

Since the 1969 change, artists no longer have an incentive to donate their works to public institutions. As a result, gifts by artists to museums and libraries of their creative efforts have virtually ceased.

According to Daniel Boorstin, Librarian of Congress, prior to the enactment of the 1969 Tax Reform Act, the Manuscript Division of the Library of Congress was receiving collections totaling nearly 200,000 manuscripts each year. Since 1969, the Library has received only one major gift of self-created material by a living literary figure.

The Library's Music Division has experienced a similar decline in donations. Some 1,200 manuscripts had been donated to the Division's collection between 1963 and 1970, but in recent years only 30 had been received. A group of 35 well-known composers—including Samuel Barber, Aaron Copland, Walter Piston, and Igor Stravinsky—ceased making gifts to the Library following the tax change. In particular, the Stravinsky papers, which were to be given originally to the Library the month the Tax Reform Act was signed into law, were sold to a private foundation in Switzerland.

University libraries from all regions of our country can also trace a decline in donations to this change in the tax structure. The lengthy list includes the University of California at Berkeley, University of Connecticut, University of Florida, Northwestern University, Purdue University, Iowa State University, University of Kansas, Harvard University, University of Minnesota, Washington University, Princeton University, Temple University, University of Texas, University of Utah, and University of Virginia.

Examples in my home State are numerous. New York University has experienced a decrease of from 80 to 90 percent of donations by artists or authors since 1969, while the New York State Library also estimates an 80-percent reduction in gifts of manuscripts. Furthermore, the Museum of Modern Art reported that it received donations of 52 works of art from the creators

between 1967 and 1969, but since 1972, only 13 were donated.

In response to this national decline of donations to our museums and libraries, a 1981 Presidential Task Force on the Arts and Humanities specifically recommended that the 1969 amendment to the Tax Code governing charitable gifts of creative works by artists, writers, and composers be amended. According to the task force, the immediate benefits of this change would be: First, the museums and libraries would be able to acquire important works directly from the creators (of the works) without cost; second, artists, authors, and composers would be able to choose the institutions which they believe would benefit the most from their gift; and, third, the public would benefit by having the works of living artists and writers available to them in public institutions. The legislation I am introducing is designed to make these benefits a reality.

Stipulations in my bill, limiting what may or may not be claimed as a deduction, are specific enough to prevent its abuse by donors. For example, the bill requires that the property for which deductions are taken must be in existence for 1 year prior to its donation in order to prevent property quickly produced and donated at tax time. Moreover, donors are required to have a written appraisal of the fair market value of their gift and to include the appraisal with their tax return. Also, the donated property must directly relate to the primary purpose of the institution. Finally, public officials may not take a deduction for donations of their papers if the papers were produced while the officials were officers or employees of the United States or of any State, or if the papers were created out of the performance of any duties as officers or employees of the Government.

Supporters for the bill include the Council of Creative Artists, the American Library Association, the American Council on Education, the National Association of Independent Colleges and Universities, the American Association of State Colleges and Universities, the Association of American Universities, the National Association of State Universities and Land Grant Colleges, the American Arts Alliance, the American Association of Museums, and the Research Library Association.

Mr. Speaker, the cost of the legislation to the U.S. Treasury would be approximately $5 to $15 million. For this comparatively small amount, we can end the 15-year drought in acquisitions the Nation's great institutions have suffered and demonstrate once and for all that the Nation's cultural heritage is important to us.

In view of the catastrophic effect that inflation and shrinking tax dollars have had on libraries and museums in recent years, this legislation to reinstate the tax incentive for the donation of materials by their creators to the Nation's public institutions is timely. Its enactment would not only help remedy the present tax inequity between the creators and owners of donated works but, more importantly, would enrich our Nation's cultural resources. In the words of Dr. Boorstin, "We thrive on our heritage. Positive action by Congress to restore the tax incentive for gifts of self-generated artistic and literary works will remind us that we all have a share in this heritage and we are nourished by it. To garner works of artists, musicians, and authors by enacting legislation will help preserve a precious part of us." Your support today for the National Heritage Resource Act will help ensure that our past will always have a place in the future.

In order to provide the widest possible opportunity for my colleagues to review this bill, I insert it here:

THE NATIONAL HERITAGE RESOURCE ACT

A bill to amend the Internal Revenue Code of 1954 to remove certain limitations on charitable contributions for certain items

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SEC. 2. CHARITABLE CONTRIBUTIONS OF CERTAIN ITEMS CREATED BY THE TAXPAYER.

Subsection (e) of section 170 of the Internal Revenue Code of 1954 (relating to certain contributions of ordinary income and capital gain property) is amended by adding at the end thereof the following new paragraph:

"(5) Special rule for certain contributions of literary, musical, or artistic compositions.—

"(A) IN GENERAL.—In the case of a qualified artistic charitable contribution—

"(i) the amount of such contribution shall be the fair market value of the property contributed (determined at the time of such contribution), and

"(ii) no reduction in the amount of such contribution shall be made under subparagraph (A) or (B) of paragraph (1).

"(B) QUALIFIED ARTISTIC CHARITABLE CONTRIBUTION.—For purposes of this paragraph the term 'qualified artistic charitable contribution' means a charitable contribution of any literary, music, artistic or scholarly composition, any letter or memorandum, or similar property, but only if—

"(i) such property was created by the personal efforts of the taxpayer making such contribution no less than 1 year prior to such contribution.

"(ii) the taxpayer—

(I) has received a written appraisal of the fair market value of such property by a person qualified to make such appraisal (other than the taxpayer, donee, or any related person (within the meaning of section 168(e)(4)(D))) which is made within 1 year of the date of such contribution.

"(II) attaches to the taxpayer's income tax return for the taxable year in which such contribution was made a copy of such appraisal, and

"(III) the appraisal takes into account but is not limited to the factors described in clause (vi),

"(iii) the donee is an organization described in subparagraph (A) of subsection (b)(1).

"(iv) the use of such property by the donee is related to the purpose or function constituting the basis for the donee's exemption under section 501 (or, in the case of a governmental unit, to any purpose or function described under subsection (c)),

"(v) the taxpayer receives from the donee a written statement representing that the donee's use of the property will be in accordance with the provisions of clause (iv), and

"(vi) a written appraisal shall include evidence of the extent to which property described in subparagraph (B) that is created by the personal efforts of the taxpayer is or has been

"(I) owned, maintained and displayed by organizations described in subparagraph (A) of subsection (b)(1), and

"(II) sold to or exchanged by persons other than the taxpayer, donee, or any related person (within the meaning of section 168(e)(4)(D)).

"(C) MAXIMUM DOLLAR LIMITATION.—The aggregate amount of qualified artistic charitable contributions allowable to any taxpayer as a deduction under subsection (a) for any taxable year shall not exceed the artistic adjusted gross income of the taxpayer for such taxable year.

"(D) ARTISTIC ADJUSTED GROSS INCOME.—For purposes of this paragraph, the term 'artistic adjusted gross income' means that portion of the adjusted gross income of the taxpayer for the taxable year attributable to—

"(i) income with respect to the type of property described in subparagraph (B) that is created by the taxpayer, and

"(ii) income from teaching, lecturing, performing or similar activity with respect to such property or to similar property created by individuals other than the taxpayer.

"(E) PARAGRAPH NOT TO APPLY TO CERTAIN CONTRIBUTIONS BY PUBLIC OFFICIALS.—Subparagraph (A) shall not apply in the case of any charitable contribution of any letter, memorandum, or similar property which was written, prepared, or produced by or for an individual while such individual was an officer or employee of the United States or of any State (or political subdivision thereof) if the writing, preparation, or production of such property was related to, or arose out of, the performance of such individual's duties as such an officer or employee".

SEC. 3. TREATMENT OF EXCESS DEDUCTION FOR PURPOSES OF MINIMUM TAX.

Subparagraph (B) of section 55(e)(1) of such Code (relating to alternative itemized deductions) is amended by inserting "determined without regard to section 170(e)(5)" after "deductions)".

SEC. 4. EFFECTIVE DATE.

The amendments made by this section shall apply to contributions made after December 31, 1984 in taxable years ending after such date.●

FEDERAL OCCUPATIONAL DISEASE COMPENSATION ACT OF 1985

HON. PAT WILLIAMS
OF MONTANA
IN THE HOUSE OF REPRESENTATIVES

Friday, July 26, 1985

● Mr. WILLIAMS. Mr. Speaker, today I am introducing the Federal Occupational Disease Compensation Act of 1985.

This year at least 23,000 Americans will die from cancer which they contracted because of their workplace. The tragedy may reach many more, perhaps 60,000 American workers will die of cancer this year, because of their jobs. The variation in the number of deaths, between 23,000 and 60,000 can be linked to the latency of disease coupled with the fact that doctors diagnose disease but not necessarily its origin.

The cancer exposed worker populations in the United States include at least 11 million workers exposed to some 2,400 known or suspected cancer-causing substances or processes including:

Two million workers exposed to benzene with an increased risk of leukemia five times greater than normal.

One million six hundred thousand workers exposed to asbestos with an increased risk of lung cancer five times greater than normal.

One million five hundred thousand workers exposed to arsenic with an increased risk of lung cancer 2 to 5 times greater than normal.

One million five hundred thousand workers exposed to chromium with an increased risk of cancer 5 to 9 times greater than normal.

One million four hundred thousand workers exposed to nickel with an increased risk of cancer 5 to 10 times greater than normal.

Examples of other noncancer, but nevertheless dangerous, workplace exposures include:

Seven million workers exposed to industrial noise and hearing loss.

Two million workers exposed to carbon monoxide poisoning.

One million women workers of childbearing age exposed to chemicals that cause miscarriage and birth defects.

One million workers exposed to silica dust and lung disease.

Eight hundred thousand workers exposed to cotton dust and brown lung disease.

These and many other hazardous workplace exposures take a terrible toll on American workers. Some 100,000 die each year from occupational disease, while another 500,000 annually contract an occupational disease.

Given the multicausal nature of many occupational diseases, it is often impossible to link a specific exposure to a given toxic substance at a particular point in time and prove that it was the sole determining cause of the disease.

In addition, many States have added to the burden of proving cause by including in their workers' compensation laws a number of artificial barriers to compensation. Some States, for example, bar compensation for "ordinary disease of life," such as lung cancer, no matter what the cause. Others impose very limited statutes of limitations that prevent the filing of claims for diseases with long latency periods.

In the face of such legal requirements, most occupational disease victims don't even bother filing workers' compensation claims. The burdens of proof are so overwhelming that very few lawyers will take these cases on a contingency and their set fees are often beyond the means of diseased workers. Thus most occupational disease victims suffer and die with little or no assistance except what they can provide for themselves or what might be available from the public welfare system.

The magnitude of this tragedy is witnessed by the extent of occupational exposure to toxic substances and the disease which results.

Millions of workers are regularly and needlessly exposed to toxic chemicals wastes, fumes, dusts, and industrial processes as an integral part of their job. Over time, such exposures cause a variety of occupational diseases such as cancer, heart disease, nervous and brain disorders, reproductive damage, miscarriages, birth defects in workers' children, and a host of other diseases.

The need for this legislation is clear. Many American workers, victims of occupational disease, have been denied adequate workers' compensation for far too long. The current State-based workers compensation system has repeatedly proven itself inadequate to effectively compensate workers who contract occupational disease. The States simply cannot carry the load. America's workers need definitive Federal action.

As originally conceived in the early 1900's, workers' compensation was to be a no-fault insurance program by which employers assumed financial responsibility for injuries to workers due to "personal injury by accident arising in the course of employment." The idea was to move away from the legal problems of attempting to determine negligence, and to simply provide wage replacement, medical care, and rehabilitation benefits to workers and their families to overcome the economic hardships of work-related injuries or death.

However, occupational disease has only been partially recognized as compensable. Less than 10 percent of all occupational disease cases are compensated by State workers' compensation programs and of those 10 percent, most are not serious cases such as dermatitis. As for the serious cases, more than 90 percent of the serious cases are litigated before compensation is awarded.

In nearly every occupational disease case, the question of compensability centers on whether the disease arose out of and in the course of employment, which in every State requires proof of a direct causal relationship between a given workplace exposure and disease.

Unlike traumatic injuries, where the cause and effect relationships are clear and immediate, it is often difficult, if not impossible, to prove a direct causal link for many occupational diseases. Occupational cancers, for example, often have very long latency periods from the time of toxic workplace exposures to the onset of diseases. In the case of asbestos-related diseases, this latency period can be as long as 30 years.

Tragically, family members of exposed workers also suffer higher rates of disease. For example, the children of paper workers suffer higher rates of brain cancer than children of nonpaper workers, and family members of asbestos workers suffer high rates of mesothelioma, a cancer of the chest and stomach lining that is extremely rare in nonasbestos exposed populations.

Because the State-based workers' compensation system has not responded adequately to occupational disease, these statistics represent a true American tragedy. Not only have workers and their families suffered the agony of disease and pain of death, most have been further insulted by near exclusion from workers' compensation.

Nowhere has the system failed more miserably than in the area of asbestos-related disease. For decades, the producers of asbestos and asbestos products have known of the health hazards associated with asbestos. The resultant diseases, most of which have long latency periods, include: asbestosis—a scarring of the lung that eventually leads to death; mesothelioma—a rare cancer of the chest and stomach lining; lung cancer; and gastrointestinal cancer.

Rather than confront the very uncertain arena of State workers' compensation laws, with its overburdensome legal barriers to compensation and largely inadequate benefits, many workers have selected to exercise their rights under tort law and have brought some 20,000 suits against asbestos producers and product manufacturers.

Before its chapter 11 petition effectively halted all asbestos litigation, the Manville Corp.—the industry's largest—was paying an average of $19,000 per claimant. In some jury cases, a few claimants won very large awards,

while others got nothing. Out of the average award, the lawyers collected as much as 40 percent, leaving the average victim with a measly $12,000 for the rest of his life.

In an analysis of its 4,130 claims prior to its chapter 11 petition, Manville found that: 21 percent of the claimants received nothing; 13 percent received less than $4,000; 33 percent received $5,000-$14,000; 14 percent received $15,000-$24,000; 16 percent received $25,000-$99,000; and 2.5 percent received $100,000-plus. All of this, of course, was before the claimants paid the high costs of litigation.

In terms of cancer alone, the magnitude of the asbestos tragedy is large and continuing. According to the best studies available, between 4,000 and 12,000 asbestos-related cancer deaths per year are expected for the next 20 years. Unless effective legislative action is taken now, by this Congress, most of these victims will receive very little or nothing at all from either the tort or State workers' compensation systems.

The bill that I am introducing today contains five important parts: First the bill recognizes that the existing State-based workers' compensation is inadequate to deal with the modern dimensions of occupational disease and therefore creates a new Federal occupational disease compensation program. In doing this, we are not—in a very real sense—reducing State efforts because, for all practical purposes, few, if any, of them are compensating for occupational disease. To make the point again, less than 10 percent of all occupational disease is compensated under the State program and then only after protracted litigation.

Second, the bill immediately establishes a compensation system for asbestos victims based upon a series of medical presumptions of disease if certain medically based criteria are met. The benefit levels provided are similar to those available to workers covered by the Federal Longshoremens' and Harbor Workers Compensation Act.

Third, workers retain their common law rights to sue responsible third parties. However, the bill provides that any third party award is offset, dollar for dollar, against the total value of the workers compensation award. Given the relatively small amounts that the average victim actually gets from an average asbestos suit, we believe that this offset will serve as a disincentive to sue since most third party awards would be more than offset by the workers compensation benefit provided by this bill.

Fourth, the bill provides for an administrative trigger whereby the Secretary of Labor, based upon medical and epidemiological research conducted by the Secretary of Health and Human Services, engages in rulemaking to add additional diseases to the Federal Compensation Program. The Government is directed to immediately begin such rulemaking on those substances and/or processes on which there already exist OSHA standards.

Finally, the bill creates an exclusive Federal occupational disease compensation insurance fund whereby covered employers must purchase insurance to cover their liability under the law. This insurance fund would function much like existing workers compensation insurance, except that it is operated exclusively by the Federal Government. This is a practice proven by experience. The Federal Government already operates a number of insurance programs covering bank deposits, housing, flood and other disasters, and various agriculture lending programs. The Government also operates the costs of taking care of the victims of occupational disease and their families are already being borne in our society. The tragedy is that they are borne by the victims and to a lesser degree by the public.

We know that employers are not paying for the costs of occupational disease, except as they become defendants in tort law. We know that despite the public intention, the costs of production are not bearing the costs of occupational disease.

We also know that the public welfare system—Medicare, Medicaid, Social Security disability—is bearing much of the costs of uncompensated occupational disease. We also know that the victims themselves—in addition to their pain and suffering—are paying for their own diseases through their life's savings and lost wages. Indeed, according to one Department of Labor study, occupational disease costs workers some $11 billion a year in lost wages alone.

What this all adds up to is a massive public and personal subsidy of American industry. Occupational disease compensation, like occupational injury compensation, should be a cost of production, a cost of doing business. But the cost of workplace disease has been shifted onto the victim. My bill places those costs back where they belong—the workplace or production process that caused the disease in the first place. Only then, I believe, will employers begin to take the serious steps necessary to protect workers from the insidious exposures which cause these terrible, life shortening diseases.

Mr. Speaker, the time for this legislation has come. The demands of the American workers for a humane system of occupational disease compensation must be met. Justice and human dignity require nothing less.

I have included herein a section-by-section analysis of my bill. I commend it to my colleagues in the House.

SECTION-BY-SECTION ANALYSIS OF THE OCCUPATIONAL DISEASE ACT OF 1985

Section 1—Short Title. Sets forth the title of the bill.

Section 2—Findings and Purposes. This section sets forth the congressional findings relating to the extent of toxic exposure in the United States, the relationship to occupational disease from that exposure, the need for adequate and equitable compensation of workers with occupational disease exposure and the lack of adequate remedy under existing workers compensation programs to provide equitable compensation. The purpose of the Act is defined to include a compensation program for those workers disabled by certain occupational diseases or compensation for their dependants if they die from such exposure.

Section 3—Definitions. This section defines various terms used in the Act.

Section 4—Applicability and Exclusivity. This section provides that compensation to a claimant under this Act is compulsory, non-elective and constitutes the claimants exclusive remedy with respect to the claimant's employer, insurance carrier, collective bargaining agent or agent and related persons or agents. This section further provides that the compensation for a claimant is not the exclusive remedy with respect to third parties.

This section permits lawsuits brought against employers where the employer exposed his employees intentionally or with reckless indifference to unsafe levels of asbestos or other toxic substances.

The section also provides for claims to be filed which predate the effective date of the Act including retroactive claimants. There is a provision for claims filed after the effective date of the act and there are certain provisions limiting liability for the parties immune from suit under this section. The section further provides for an offset against a third party claim. The bill does not cover actions brought under the Longshore Federal Employees Compensation Act or the Federal Employers Liability Act.

Section 5—Compensation for Disability or Death. This section sets forth the benefit levels payable with respect to claims brought under the Act for permanent disability, death or partial disability cases.

Section 6—Eligibility for Compensation. This section describes the circumstances under which a claimant is eligible for compensation under this Act including the requirement of exposure to a toxic substance in the course of employment and the relationship of the disease to the employment. This section also contains special presumptions relating to exposure to asbestos.

Section 7—Procedure for Making Claims. This section sets forth a description of the claims process, the relevant statutes of limitations and certain other limitations on claims filing.

Section 8—Procedure for Adjudication of Claims. This section sets forth the procedure to be followed by the OWCP with respect to handling of claims including investigations, determinations, medical reviews and hearings.

Section 9—Appeals. This section sets forth the procedures for a review of claims under this Act.

Section 10—Exclusive Federal Occupational Disease—Workers Compensation Insurance Fund.

This section describes the federal fund to be administered by the Secretary of Labor for the purposes of providing an insurance

process for employers and manufacturers so that claims for occupational disease and death that are compensable under this Act can be paid.

This section contains details of the method for participating in the fund and for the secretary's determining the level of participation each year.

Section 11—Payment of Compensation. This section provides the procedure by which claims are paid, the necessary recording requirements from the Fund and the appropriate appeals procedure if payments are suspended.

Section 12—Representation Fees. This section provides for reasonable representation fees and the various standards for such fee arrangements.

Section 13—Employment or Coverage Discrimination. This section prohibits discrimination or discharge against employees who file claims under the Act, or bring proceedings under the Act. This section includes the various investigation and hearing procedures including appropriate remedies. This section also provides protection against those covered under this Act from denial of health care coverage.

Section 14—Surveillance and Medical Treatment Research. This section provides for the Secretary of Health and Human Services in coordination with the Secretary of Labor to conduct appropriate research into improving the means of surveillance of workers exposed to occupational health hazards and related research regarding treatment of such workers. This section provides detailed programs for such research activities.

Section 15—Additional Coverage of Occupational Diseases. This section provides the mechanism for the regulatory process by which workers suffering from occupational exposure to toxic substances in addition to asbestos may be brought under the protection of the Act.

This section establishes a Risk Assessment Panel to do review of scientific studies and reports related to occupational disease and to recommend inclusion of such exposures as compensable under this Act.

Section 16—Administration by OWCP and the BRB. This section provides for the procedure for OWCP to handle the claims process and to set up a separate operation for such claims handling.

Similarly, the section provides for the BRB to set up appropriate rules for handling appeals under this Act.

Section 17—Administrative Provisions for Insurance Fund.

This section provides the requirements and procedures for operating the compensation Fund under this statute. This section permits certain contracting arrangements and procedures for contractor liability.

Section 18—Enforcement Authority. This section authorizes the Secretary of Labor to bring actions in the federal district courts relating to violations of the Act.

Section 19—Record Keeping. This section provides for appropriate record-keeping requirements under the Act.

Section 20—Education Grants. This section provides for grant authority for educational activities under Act as well as for an appropriate advisory committee.

Section 21—Separability. This provides for the continuation of the Act if a section is determined invalid except for certain provisions.

Section 22—Effective Date. This provides for the Act to become effective six months after the date of enactment.●

THE BLACKBOARD SHUTTLE

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 26, 1985

● Mr. STUDDS. Mr. Speaker, the announcement last Friday that Christa McAuliffe, a high school teacher from Concord, NH, would be the first private citizen launched into space has served to remind all Americans of the important place educators hold in our society.

This important role was perhaps best described in an essay written by New Bedford High School teacher Richard Methia, who wrote eloquently of the importance the shuttle mission will play in helping restore to teaching the prestige it rightly deserves. Mr. Methia, himself one of 10 finalists from a field of more then 10,000 applicants, represented the pioneering seaport of New Bedford with distinction. While everyone in the 10th Congressional District shares his disappointment, we shall not forget the pride he has brought not only to his community but to the entire teaching profession. In the following essay which appeared in Newsweek magazine on July 8, 1985, Richard Methia captures the symbolism and idealism of what he calls the "Blackboard Shuttle."

RIDING THE BLACKBOARD SHUTTLE

Next January an American teacher will become the first truly private citizen to experience spaceflight. Yet when President Reagan first announced that NASA would draw an astronaut from the classroom, his decision was dismissed by the National Education Association, an organization that claims to speak for most of America's teachers. "We don't need gimmicks," its president said.

The NEA missed the point entirely. No one expects that one teacher's cosmic joy ride will raise another teacher's pay or reduce the size of the class. But it's an extravagant gesture nonetheless, from the President of the United States to the teachers of America. It is graceless to demean it and shortsighted to ignore it, for in classrooms across the nation this simple gesture can work much good.

Teaching is arguably the world's oldest profession, but of late it has fallen on hard times. Teachers are hassled by students and get failing grades from their parents. Those who run the schools seem out of sync with those who pay for them. Beleaguered by graying Yippies on the left and reborn Yahoos on the right, America's teachers have retreated into Fortress Academia. Meanwhile, on street corners and in statehouses, the search for a path "back to basics" goes on without them.

SYMBOL

The problem is essentially spiritual. The man in the street has simply lost faith with the man and woman in the classroom. So teachers wait, holed up in their schools like so many inmates on death row waiting for a reprieve. It may already have come in the gesture the NEA derided.

NASA's teacher-in-space project offers the teaching profession the opportunity it sorely needs—a chance to glimmer in the national limelight and bask in the good will that is certain to follow next winter's shuttle flight. In January a teacher will become the futurist symbol of the new American frontiersman. From that vantage point he or she can help restore to teaching some of the prestige that two decades of disenchantment have worn away.

By his choice of a teacher symbolically to open the ultimate frontier to civilians, President Reagan has placed teachers squarely at the crossroads of history. Such symbolic acts are potent forces in America's public life. They fire the imagination and command the public eye. They garner support for causes and focus attention on problems. They help us judge what is important and what is not. Magnified by the media, they become the icons of America's secular faith. So it is significant indeed that a teacher will be chosen for this historic venture.

That an ordinary citizen can aspire to such status speaks movingly of our democratic society. That that citizen is a teacher speaks eloquently of the importance of learning in our society. It symbolizes our faith in education as the great leveler. And it testifies to our enduring belief that the words on blackboard walls speak more convincingly than the words on subway halls.

It is sobering to realize that to most young people America's space success is history. Not a single high schooler today, for example, was alive when President Kennedy propelled us to the moon on the wings of his vision. To most teens, Shepard, Glenn and Armstrong are only names in a textbook. The blackboard shuttle then can spark the imagination of an entire school-age population and help them reclaim their legacy among the stars.

The colonization of near space is our fantasy, but it may be our children's livelihood. They must be taught how to look skyward, to engage their skills and their spirits for the awesome tasks ahead. For one week next January the cabin of the space shuttle will become the most dramatic teaching tool in pedagogical history. Currently, NASA's plans call for the teacher in space to broadcast daily lessons from the shuttle to a plant-size class. But the most vital lessons he or she will teach transcend traditional academics.

Subtler than science and loftier than literature, the lessons implied by the teacher's presence aboard the shuttle are powerful affirmations of our national values. That one teacher will become a visible witness to a free and open society where the least advantaged can aspire to the greatest achievements. He or she will remind us that the ultimate goal of technology is the betterment of mankind's lot on earth. Traveling at an unimaginable 18,000 miles an hour, unarmed and defenseless in the flights across the continents, a teacher will be a striking symbol of our benign presence in space.

IDEALISM

That voyage will spotlight teaching as the finest art and teachers as a national treasure. It will recognize the importance of America's greatest natural resource—its youth. It can also provide them with a fitting role model. In contrast to the aberrant and bizarre personalities that parade through teen-age life, the attention paid one of their teachers can only be salutary. To honor a practitioner of the classroom arts instead of the bedroom arts is a sign that mature success rests in using the brain

more than the body beautiful. Rather than downplay its significance, then, shouldn't we look forward with delight to the days ahead when a teacher will nudge the likes of Cindy Lauper and Boy George off the pages of America's tabloids?

The teacher-in-space project can also play an important role for us all in nurturing a renascence of the American spirit. If it sparks idealism in even a few young minds, if it frees from the dreary sameness of commonplace ideas even a few older minds, if it entices adults to believe once more in their own dreams, if it reminds us that progress is the conquest of the ordinary by the marvelous, then this single adventure for one of us will feed the hungry human spirit in all of us.

Furthermore, if that symbolic event focuses benign attention on a dispirited profession, if it recaptures for teachers a hold on a nation's heart, if it moves students to greater respect of the learned, or if by some "rough magic" it encourages a single youth to become a teacher, then far from being a gimmick, the designation of a teacher/astronaut will be a priceless gift.●

DON'T KILL THE U.S. SYNTHETIC FUELS CORPORATION

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 26, 1985

● Mr. CLINGER. Mr. Speaker, I rise in support of the Synthetic Fuels Corporation [SFC] and against efforts in Congress to abolish this program. Those who oppose SFC seek to offer an amendment to the Interior appropriations bill, H.R. 3011, which would kill the Corporation. It would rescind the appropriations currently available to SFC.

Mr. Speaker, this action is premature with regard to the course of the legislative process and dangerous with regard to the energy security of the United States.

The major arguments we hear against the SFC is that it has been wasteful and that abolishing it will cut the deficit by $6 billion. No one can deny that there have been flaws in the program in the past but two important events have occurred which have put the program back on track. First, last year Congress took the initiative to cut the program by 45 percent. This has led to a significant scaling back of projects supported by the Corporation. Congress further provided that 50 percent of the savings from scaling down those projects would be returned to the Treasury. The point is that we have already used a scalpel to carve a more efficient U.S. synthetic fuels program. That action was less than 1 year ago. Abolishing the SFC before those reforms have been allowed to work would be wielding a butcher knife on the energy security of our Nation.

The second factor in SFC's reform is the new Board of Directors and their comprehensive strategy for the Corporation. The Board has cut their staff, exercised more direct control over the operations of the Corporation, and has shown a hands-on determination to approve projects to get a visible, operating synthetic fuels program in place.

In addition, the comprehensive strategy plan is designed to provide a diversity of synfuels technology on a commercial scale, but at more cost-effective and efficient levels than ever before. The comprehensive strategy plan was submitted to Congress on June 28 of this year, and I urge my colleagues to examine this document before acting hastily to kill the SFC. The Board is taking a responsible and effective approach to our synthetic fuels program at the explicit direction of Congress by our actions last year.

The major argument we hear against SFC is that it is a budget buster, and that abolishing it will yield an immediate effect on the budget deficit. Do not be deceived by claims of an immediate $6 billion savings. The CBO reports that abolishing the SFC now would yield a savings in fiscal year 1986 of only $14 million. On the other hand, if we do abolish SFC now, the Department of Energy would have to seek $1.5 billion immediately to pay off the loan to the Great Plains project which DOE guaranteed. I emphasize that this $1.5 billion would show up immediately on the budget accounts, contributing directly to our soaring deficits. I submit that from a strictly current dollar analysis, abolishing SFC now would be fiscally irresponsible. Further, the assistance SFC gives to projects is not an immediate outlay. It would occur in most cases over a period of years. Those who claim an immediate $6 billion deficit savings are simply not correct. I urge my colleagues to make their decisions based on the full facts, not fragments of the truth.

Finally, if anyone doubts the necessity for a viable, commercial scale synfuels program in the United States, you need only look at the increases in U.S. domestic consumption of petroleum products in 1984—they were up 5 percent. In addition, U.S. oil imports were up 8 percent. We cannot afford the luxury of waiting until another crisis occurs. Oil experts conclude that by 1990 we can expect over half of our oil imports to once again come from OPEC nations, and most of that is produced in the Middle East. Mr. Speaker. I need not belabor the high degree of risk associated with that region of the world. We can be proactive rather than reactive by supporting a leaner, meaner, more efficient SFC. A responsible, cost-effective program is now in place and I urge my colleagues to reflect carefully and vote down efforts to gut the SFC.

The time to act is now and the vote to make is in favor of our current synthetic fuels program.●

AN ADDITIONAL CLARIFICATION IN H.R. 8

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, July 26, 1985

● Mr. ROE. Mr. Speaker, on Tuesday, July 23, 1985, the House passed H.R. 8 the Water Quality Renewal Act of 1985. A number of provisions in the bill require some additional explanation and clarification beyond what occurred on the House floor or in the committee report. Accordingly, Water Resources Subcommittee ranking Republican ARLAN STANGELAND and I, as H.R. 8's floor managers, have agreed to make this additional clarification, as follows, part of the official record pertaining to floor passage of the bill.

SECTION 19: POTW FILING DEADLINES

Section 19 of H.R. 8 as passed by the House amends subsection 301(i) of the Federal Water Pollution Control Act to remove the filing deadline in the act for applications for extensions of the date by which secondary treatment must be achieved. Section 19 provides, however, that removal of the filing deadline does not apply to treatment works which are subject to a compliance schedule established before the date of enactment of the 1985 Water Quality Renewal Act by a court order or a final agency order.

The committee amendment does not disrupt existing compliance schedules. These schedules are of two types: Those imposed by a court, or those imposed by a final agency order. The term "final agency order" includes any administrative order issued in final form by the date of enactment of these amendments, including any order which has been upheld by a court.

SECTION 28: CRIMINAL PENALTIES

H.R. 8 strengthens existing law by authorizing, in section 28 (section 22 of the committee-reported version of the bill), felony penalties for knowing violations of statutory or regulatory requirements. This authority should be used with the same prudence, restraint, and sound discretion that is exercised in bringing charges carrying serious penalties under other criminal laws. The committee's report on H.R. 8, on page 31, identifies a number of factors relevant to the exercise of prosecutorial discretion concerning felony charges under the bill. These include the culpability of a defendant, the commission of repeated or protracted violations, and the extent of harm to public health or the environment resulting from a violation.

It should be emphasized, however, that the committee's remarks on this point were only meant to provide examples which may be useful to enforcement officals in exercising pros-

ecutorial discretion, and were not meant to read additional requirements or elements into the felony offenses defined by the bill. The complete standard of felony liability is provided by section 28's express authorization of more severe penalties for any knowing violations of the specified statutes, conditions, or requirements.

The committee report language relating to the bill's authorization of felony penalties for knowing violations of statutory or regulatory requirements is as follows:

Presently the Federal Water Pollution Control Act has no provision that deals with knowing violations of major statutory or regulatory requirements. Section 22 is intended to be used primarily to address intentional violations of the act occurring on a regular basis over an extended period of time that result in significant harm to public health or the environment. The section is intended to provide for imposition of severe penalties for such actions.

Superficially, this statement might be taken as suggesting three or four normal requirements for a felony prosecution in addition to the bills express requirement of a knowing violation—the report language refers to violations which are intentional; which occur regularly, and over an extended period of time; and which result in significant harm to public health or the environment. It was not, however, the committee's intent that a felony prosecution could be brought only where some or all of these additional factors are present. Rather, the purpose of the quoted report language is to provide examples for the responsible enforcement agencies by identifying a number of relevant factors which may be considered in the exercise of prosecutorial discretion concerning the bringing of felony charges to a grand jury under the bill. As a matter or common sense and sound practice, such factors as the culpability of a defendant, regular or repeated violations, and the extent of public harm resulting from a violation should also be considered in decisions concerning criminal charges carrying serious penalties. Other factors could also be considered that are not mentioned in the report language. This point applies to the purposed felony provisions of the Water Pollution Control Act to the same extent as to other criminal laws.

The remarks on this point in the report were only meant to provide some examples to enforcement officials in their discretionary decisions concerning criminal charges and the most productive use of enforcement resources. The factors referred to in the report should not be useable by felony defendants in making a defense to a prosecution under the bill. Rather, the standard of liability is expressly set out in the legislation—the commission of a knowing violation as described in section 28 of the bill. For example, the bill would not preclude enforcement for a single incident, such as occurred in Louisville, KY, in February of 1981, where a single discharge of flammable and explosive industrial solvent was released in the sewer system where it exploded causing extensive damage and threats to life and property if it could be proved that it was a knowing violation.

SECTION 34: LOG TRANSFER FACILITIES

One of the provisions of H.R. 8, section 34, addresses the regulation of those log transfer facilities which require, under existing law, both a permit from the Environmental Protection Agency under section 402 of the Federal Water Pollution Control Act and a permit from the Corps of Engineers under section 404.

Section 34 provides that such a facility which has been issued a section 404 permit is not required to apply for a section 402 amendment. The Administrator of EPA is directed to determine whether a permit issued under section 404 for a log transfer facility satisfies the requirements of the act which a section 402 permit must satisfy. If the Administrator determines that these requirements are met, then a section 402 permit is not required. If it is determined that the section 404 permit terms do not satisfy these requirements, the Administrator may propose to the Corps of Engineers modifications to this permit. If the permit is not modified, EPA is directed to require a section 402 permit.

In providing a new provision for log transfer facilities, the committee recognizes the need for the regulation of the discharge of bark, log debris, leachates, and other pollutants from such facilities. Under the new provision EPA retains its authority under section 402 to regulate the discharge of these pollutants.

However, to ensure maximum administrative efficiency in carrying out the requirements of sections 404 and 402, the new provision gives EPA the authority to rely on terms and conditions in section 404 permits whenever EPA determines, after a public hearing, that those terms and conditions satisfy the requirements of section 402. If, after an opportunity for a public hearing, EPA determines that the terms and conditions in section 404 do not satisfy all of the requirements of section 402, EPA has two options. First, it may propose new terms and conditions to be incorporated by the corps in the section 404 permit. If the permit is not modified, EPA must require a separate 402 permit. Under either option, EPA will continue to have enforcement responsibility for section 402 requirements. The new provision does not affect EPA's enforcement power, regardless of whether EPA opts to issue a new section 402 pemit. The purpose of this amendment is to streamline the permitting process for log transfer facilities and not to diminish EPA's regulatory authority in any way. It is also the committee's intention that section 505's citizen enforcement power be available under either option.

SECTION 38: CITIZEN SUITS

Section 38 of H.R. 8 as passed by the House amends section 505 of the act regarding citizen suits to provide better notice to the United States of citizen enforcement actions. The amendment requires that copies of compliants be provided to both the Administrator and the Attorney General. This provision is needed because at present there is no systematic way for the Federal Government to keep track of suits that actually have been filed. The United States needs this notice so that it can determine whether intervention is necessary and so that it can follow a case to point out to a court where some ruling or decree would be inconsistent with the Government's enforcement program or interpetation of the law. A similar provision was included in recent amendments to the Resource Conservation and Recovery Act.

The amendment also requires that copies of proposed consent decrees be provided to the Attorney General and to the administrator. The notice of proposed consent decrees will help to encourage more consistent enforcement settlements.

This amendment was originally proposed in the administration's Clean Water Act amendments bill, H.R. 2090, but was inadvertently omitted from the committee-reported bill. The administration bill contained a clause, now included in the House-passed version of H.R. 8, which specifically disclaimed that the United States could be bound by judgments in cases to which it is not a party. That provision merely restates current law and is necessary to protect the public against abusive, collusive or inadequate settlements, and to maintain the ability of the Government to set its own enforcement priorities.●

UNIVERSITY-HIGH SCHOOL PARTNERSHIP

HON. MERVYN M. DYMALLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 26, 1985

● Mr. DYMALLY. Mr. Speaker, I speak in support of the university-high school partnership bill, H.R. 2557, which, if enacted, promises to reverse one of the most alarming and dangerous trends now threatening this Nation's future: The escalating number of young adults who drop out of high school having earned neither the traditional diploma nor its equiva-

lent. It is not a new problem but it is a rapidly growing one.

In fact, the dropout rate in America has reached crisis proportions. This is confirmed by statistics from sources as diverse as President Reagan's Commission on Industrial Competitiveness, the National Center for Educational Statistics, and the Los Angeles Times. According to the most recent figures issued by the Reagan administration, the average dropout rate for this country's 16,000 school districts is between 25 and 26 percent. I am certain that my colleagues in this body share my shock and dismay at the realization that one-fourth of all young adults do not complete their high school education.

Even more troubling is the fact that the large majority of these dropouts are students often described as "nontraditional" or "at risk." They include pregnant adolescents and teen parents, the educationally disadvantaged, students from low-income families, and the gifted and talented.

Let me insist on the bipartisan nature of this crisis. The State of California has a dropout rate of 14.7 percent. In two of my district's largest cities, Compton and Bellflower, the rate is even higher at 18.4 percent and 17.1 percent respectively. Just north of me in Los Angeles where the student population is 52-percent Latino, one in five students—19.5 percent—drop out of school. In Oregon, the rate is 15.4 percent and in Salem, the State capital, almost one-fourth of all high school students—23.7 percent—leave school before completing their diploma. Texas has a State rate of 17.6 percent, but San Antonio's is 19 percent and Houston's 22.2 percent. I could continue for quite some time, but I think you understand. We urgently need to set political differences aside and deal with the problem.

The program outlined in H.R. 2557 represents a merger of successful approaches utilized in the past. What it does, basically, is to establish grants to fund partnerships between an institution of higher education and a local education agency. Based on a signed contract, the partnership would develop activities enabling secondary students to improve their academic skills, increase their opportunities to continue their education beyond the high school level, and improve their prospects for employment after high school. Recent research conducted at Stanford University indicates that this method—peer tutoring—is the most cost-effective of several leading ways to improve reading, writing, and mathematical skills.

In addition to this primary association between the high school and college, the partnership might very well include businesses, labor organizations, professional associations, community-based organizations, or other private or public agencies or associations. Their roles would vary according to the contract specifications and could include anything from the providing of space to work experience and career advice. Hundreds of corporations have already become active in similar endeavors through the Adopt-a-School Program championed by the presidents of several large corporations.

The program would yield multiple benefits for students, schools—both secondary and postsecondary—and communities by accomplishing several important objectives. It would give high schools a way to keep students in school through new activities which take advantage of college and community resources; help students gain a better understanding of their academic and employment needs and potential; a means of increasing student achievement levels by giving them a better appreciation of what they learn and of the context in which it would be useful to them; make the transition from high school to work or college a smoother one; enable constructive relationships between high schools, colleges, and businesses to develop; and, provide students with greater opportunities for employment and further education through the new ties created between their high schools and colleges and/or businesses.

I assure you that the alternative to fighting the dropout problem—passivity—will cost us a great deal more in the not-so-distant future than passage of the high school-university partnership bill. The price of continued negligence will become more and more evident in all its various forms: Crime in the streets, overcrowded prisons, and unacceptably high unemployment rates.

Though perhaps trite, the old jingle, "Pay me now or pay me later" has never been more appropriate. The dropout crisis will take more than kind words and sympathy to reverse. My bill does not promise to wipe out the problem entirely, but it does commit this country to massive reductions in the number of young adults whose futures are mortgaged long before they ever begin. I urge you to join me in this effort by supporting the inclusion of this crucial legislation in the reauthorization of the Higher Education Act.●

THE NEED TO PASS PAY EQUITY LEGISLATION

HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 26, 1985

● Mrs. COLLINS. Mr. Speaker, I rise today in support of H.R. 3008, the amended version of the the Federal Pay Equity Act of 1985, originally introduced as H.R. 27 by my colleague, Ms. OAKAR of Ohio.

H.R. 3008 would provide for a study of the Federal pay and classification systems to determine whether they are marred by wage discrimination, based on sex, race, and ethnicity. I am an original cosponsor of this bill, as I feel it contains the most-needed ingredients to find discrimination in the Federal work force, should it exist.

I am well aware that H.R. 3008 is the result of extensive testimony given before Ms. OAKAR's Subcommittee on Compensation and Employee Benefits of the Post Office and Civil Service Committee. Numerous hearings focused on H.R. 27 and the General Accounting Office report entitled "Options for Conducting a Pay Equity Study for Federal Pay and Classification Systems." The GAO study highlighted many important elements which affected pay equity that are worth noting.

Women in the Federal work force earn an average of 62.8 cents for every dollar a federally employed man does. Furthermore, black women in the Federal Government earn only an average of 62.2 cents when compared to a man. In looking at all sectors—Federal, State, and local government, as well as private—white women bring in 59.2 cents for every dollar paid to a man, black women earn 54.7, and Hispanic women earn 51.2 cents.

Despite the fact that almost half of the people in the Federal work force are women, about 70 percent of the female employees are grouped in grades 1 to 6. A full 85 percent of the males are in grades 10 to 15.

Forty-five States have taken some type of action with regard to pay equity, either through studies or wages and classification systems, legislation, or collective bargaining.

Many civil rights advocacy groups rightfully brought to the attention of the subcommittee that the difference in wage was even greater for blacks and Hispanics than for white women.

H.R. 3008 creates an 11-member bipartisan commission made up of Government officials and members of Federal labor unions which represent a number of federally employed women. Also, one member from women's organizations who promotes them in the Federal Government work force, and one member from civil rights groups who represents Federal employees are also part of the 11 on the Commission. The Commission will select the consultant that will conduct the 18-month study and provide guidance to that person.

The group will disband once it has sent its final report to the President and the Congress. Federally regulated wages for employees will not result from this study.

Mr. Speaker, pay equity is a concrete, solid practice taking place all over this great Nation. Pay equity plans are being initiated in moderate terms at very minimal costs to State and local governments. The Federal Government should follow the example taken by these governments. I urge my colleagues to support H.R. 3008 which will demonstrate that we on the Federal level have made a commitment to identifying and eradicating possible discrimination in the Federal work force.●

AN ADDITIONAL CLARIFICATION IN H.R. 8

HON. ARLAN STANGELAND
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES

Friday, July 26, 1985

● Mr. STANGELAND. Mr. Speaker, on Tuesday, July 23, 1985, the House passed H.R. 8, the Water Quality Renewal Act of 1985. A number of provisions in the bill require some additional explanation and clarification beyond what occurred on the House floor or in the committee report. Accordingly, Water Resources Subcommittee Chairman BOB ROE and I, as H.R. 8's floor managers, have agreed to make this additional clarification, as follows, part of the official record pertaining to floor passage of the bill.

SECTION 19: POTW FILING DEADLINES

Section 19 of H.R. 8 as passed by the House amends subsection 301(i) of the Federal Water Pollution Control Act to remove the filing deadline in the act for applications for extensions of the date by which secondary treatment must be achieved. Section 19 provides, however, that removal of the filing deadline does not apply to treatment works which are subject to a compliance schedule established before the date of enactment of the 1985 Water Quality Renewal Act by a court order or a final agency order.

The committee amendment does not disrupt existing compliance schedules. These schedules are of two types: Those imposed by a court, or those imposed by a final agency order. The term "final agency order" includes any administrative order issued in final form by the date of enactment of these amendments, including any order which has been upheld by a court.

SECTION 28: CRIMINAL PENALTIES

H.R. 8 strengthens existing law by authorizing, in section 28 (section 22 of the committee-reported version of the bill), felony penalties for knowing violations of statutory or regulatory requirements. This authority should be used with the same prudence, restraint, and sound discretion that is exercised in bringing charges carrying serious penalties under other criminal laws. The committee's report on H.R. 8, on page 31, identifies a number of factors relevant to the exercise of prosecutorial discretion concerning felony charges under the bill. These include the culpability of a defendant, the commission of repeated or protracted violations, and the extent of harm to public health or the environment resulting from a violation.

It should be emphasized, however, that the committee's remarks on this point were only meant to provide examples which may be useful to enforcement officials in exercising prosecutorial discretion, and were not meant to read additional requirements or elements into the felony offenses defined by the bill. The complete standard of felony liability is provided by section 28's express authorization of more severe penalties for any knowing violations of the specified statutes, conditions, or requirements.

The committee report language relating to the bill's authorization of felony penalties for knowing violations of statutory or regulatory requirements is as follows:

> Presently the Federal Water Pollution Control Act has no provision that deals with knowing violations of major statutory or regulatory requirements. Section 22 is intended to be used primarily to address intentional violations of the act occurring on a regular basis over an extended period of time that result in significant harm to public health or the environment. The section is intended to provide for imposition of severe penalties for such actions.

Superficially, this statement might be taken as suggesting three or four normal requirements for a felony prosecution in addition to the bills express requirement of a knowing violation—the report language refers to violations which are intentional; which occur regularly, and over an extended period of time; and which result in significant harm to public health or the environment. It was not, however, the committee's intent that a felony prosecution could be brought only where some or all of these additional factors are present. Rather, the purpose of the quoted report language is to provide examples for the responsible enforcement agencies by identifying a number of relevant factors which may be considered in the exercise of prosecutorial discretion concerning the bringing of felony charges to a grand jury under the bill. As a matter or common sense and sound practice, such factors as the culpability of a defendant, regular or repeated violations, and the extent of public harm resulting from a violation should also be considered in decisions concerning criminal charges carrying serious penalties. Other factors could also be considered that are not mentioned in the report language. This point applies to the purposed felony provisions of the Water Pollution Control Act to the same extent as to other criminal laws.

The remarks on this point in the report were only meant to provide some examples to enforcement officials in their discretionary decisions concerning criminal charges and the most productive use of enforcement resources. The factors referred to in the report should not be usable by felony defendants in making a defense to a prosecution under the bill. Rather, the standard of liability is expressly set out in the legislation—the commission of a knowing violation as described in section 28 of the bill. For example, the bill would not preclude enforcement for a single incident, such as occured in Louisville, KY, in February 1981, where a single discharge of flammable and explosive industrial solvent was released in the sewer system where it exploded causing extensive damage and threats to life and property if it could be proved that it was a knowing violation.

SECTION 34: LOG TRANSFER FACILITIES

One of the provisions of H.R. 8, section 34, addresses the regulation of those log transfer facilities which require, under existing law, both a permit from the Environmental Protection Agency under section 402 of the Federal Water Pollution Control Act and a permit from the Corps of Engineers under section 404.

Section 34 provides that such a facility which has been issued a section 404 permit is not required to apply for a section 402 amendment. The Administrator of EPA is directed to determine whether a permit issued under section 404 for a log transfer facility satisfies the requirements of the act which a section 402 permit must satisfy. If the Administrator determines that these requirements are met, then a section 402 permit is not required. If it is determined that the section 404 permit terms do not satisfy these requirements, the Administrator may propose to the Corps of Engineers modifications to this permit. If the permit is not modified, EPA is directed to require a section 402 permit.

In providing a new provision for log transfer facilities, the committee recognizes the need for the regulation of the discharge of bark, log debris, leachates, and other pollutants from such facilities. Under the new provision EPA retains its authority under section 402 to regulate the discharge of these pollutants.

However, to ensure maximum administrative efficiency in carrying out the requirements of sections 404 and 402, the new provision gives EPA the authority to rely on terms and conditions in section 404 permits whenever EPA determines, after a public hearing, that those terms and conditions satisfy the requirements of section 402. If, after an opportunity for a public hearing, EPA determines that the terms and conditions in a section

404 do not satisfy all of the requirements of section 402, EPA has two options. First, it may propose new terms and conditions to be incorporated by the corps in the section 404 permit. If the permit is not modified, EPA must require a separate 402 permit. Upon either option, EPA will continue to have enforcement responsibility for section 402 requirements. The new provision does not affect EPA's enforcement power, regardless of whether EPA opts to issue a new section 402 permit. The purpose of this amendment is to streamline the permitting process for log transfer facilities and not to diminish EPA's regulatory authority in any way. It is also the committee's intention that section 505's citizen enforcement power be available under either option.

SECTION 38: CITIZEN SUITS

Section 38 of H.R. 8 as passed by the House amends section 505 of the act regarding citizen suits to provide better notice to the United States of citizen enforcement actions. The amendment requires that copies of complaints be provided to both the Administrator and the Attorney General. This provision is needed because at present there is no systematic way for the Federal Government to keep track of suits that actually have been filled. The United States needs this notice so that it can determine whether intervention is necessary and so that it can follow a case to point out to a court where some ruling or decree would be inconsistent with the Government's enforcement program or interpetation of the law. A similar provision was included in recent amendments to the Resource Conservation and Recovery Act.

The amendment also requires that copies of proposed consent decrees be provided to the Attorney General and to the Administrator. The notice of proposed consent decrees will help to encourage more consistent enforcement settlements.

This amendment was originally proposed in the administration's Clean Water Act amendments bill, H.R. 2090, but was inadvertently omitted from the committee-reported bill. The administration bill contained a clause, now included in the House-passed version of H.R. 8, which specifically disclaimed that the United States could be bound by judgments in cases to which it is not a party. That provision merely restates current law and is necessary to protect the public against abusive, collusive or inadequate settlements, and to maintain the ability of the Government to set its own enforcement priorities.●

LINE-ITEM VETO

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 26, 1985

● Mr. LAGOMARSINO. Mr. Speaker, if we are truly serious about bringing the Federal budget under control, we must consider new ways to restrain spending. One proven method is already used in 43 States, including my home State of California—the line-item veto. Congress clearly needs to do a much better job in controlling spending in light of the projected Federal budget deficits. One problem is that Presidents must sign or veto bills in their entirety. If a President vetoes an entire bill because of inappropriate items which probably won't stand up to the test of individual votes, he may place himself in the unenviable position of killing a law which he and the majority of Americans favor, one which the Nation may need. Currently, Presidents can't pick and chose among various provisions as 43 Governors can. Those same States manage to keep spending and taxation in balance and out of the red.

Mr. Speaker, those who oppose the line-item veto argue that this would give Presidents more power than was envisioned by the framers of the Constitution. I do not feel that this argument holds water. Since Congress would always retain the power to override a line-item veto by a two-thirds vote, this would not add to the "Imperial Presidency" but simply permit a process of fine-tuning that can only serve the taxpayers. Furthermore, considering that the entire Federal budget in 1802, not long after the Constitution was adopted, was $8 million, I doubt that the Founding Fathers foresaw the size and complexities of modern day budgeting, let alone provided for it. Furthermore, there are those who point out that while serving as Governor of California this President was only able to line-item veto an average of 2 percent per year of total State spending. Even if we were only able to accomplish this same modest amount at the Federal level, we could reduce the Federal deficit by approximately $20 billion just this year.

Mr. Speaker, as the following Reader's Digest article points out, the line-item veto has broad bipartisan support in Congress, among the Nation's Governors and the general public. The deficit for 1985 is projected to be $213 billion and interest on the national debt is costing taxpayers $130 billion just this year. I urge my colleagues to review the following article on the line-item veto and allow the President a more active role in cutting away at the deficit:

AVAILABLE: A PROVEN WAY TO REDUCE THE DEFICIT

(By Donald Lambro)

When the Massachusetts legislature sent Gov. Michael Dukakis a dangerously unbalanced 1985 budget, he deleted $58 million in dubious expenditures—from recreational boat ramps to grants for the state's wealthiest communities. Then, having balanced the budget, Dukakis signed it into law.

Similarly, Illinois Gov. James R. Thompson eliminated $136 million of less-than-vital items from his state's 1983 budget, and California Gov. George Deukmejian blue-penciled a whopping $1.3 billion from his 1984 and 1985 budgets. In so doing, they helped keep their treasuries out of the red.

These governors—and 40 others throughout the country—wield an immensely powerful weapon, the line-item veto, which allows them to delete or reduce individual budget items from appropriations bills sent them by their legislatures. The veto may be overridden by a legislative vote, but surprisingly, this seldom occurs. Over the past decade the line-item veto has saved state taxpayers billions of dollars.

Yet, at a time of $200-billion federal deficits, it is a tool denied the President of the United States by the Constitution. If Congress sends him a spending package loaded with unnecessary appropriations and pork-barrel projects, he has only two options: either veto the entire bill, or spend the additional money and drive taxpayers deeper into debt.

This "like it or lump it" choice faced President Reagan last October when Congress dropped a $458-billion appropriations bill on his desk, the largest appropriations package in American history. Designed to keep hundreds of federal agencies—from the Defense Department to health and welfare programs—running through the current fiscal year, the bill also included hundreds of wasteful expenditures that cried out for a Presidential veto: among them, $400,000 to study the 1932-33 famine in the Ukraine and $2 million to "reconstruct in its original form" a lighthouse at Nantucket, Mass. The President had little choice but to sign. A full veto might have shut down vital programs for weeks until Congress hammered out a new bill.

The line-item veto has been sought by Presidents since the days of Ulysses S. Grant, Franklin Roosevelt, Harry Truman and Dwight Eisenhower all asked for it, to no avail. Yet it may be an idea whose time has come. The deficit for 1985 is expected to hit $213 billion, and the national debt is costing taxpayers $130 billion this year in interest alone.

All of this has fueled a bipartisan movement to find new ways to pound the deficit into submission. *At the National Governor's Association meeting in February, Democratic and Republican governors gave solid approval to a resolution urging Congress to grant the President the line-item veto. It's not a panacea for "erasing the deficit, cautions Dukakis, a liberal Democrat, but a vital weapon "to ensure fiscal stability."*

No one agrees more than Sen. Mack Mattingly (R., Ga). "The full veto worked fine in a bygone era when budget bills were relatively small and dealt with only a few programs," he says. "But nowadays the President needs a modern precision tool to trim the fat."

Mattingly has introduced legislation to give the President the line-item authority possessed by most governors. Mattingly's

proposal specifies that each spending item within an appropriations package would be a separate bill, thus skirting the constitutional obstacle that prohibits a President from vetoing sections of a single bill. The law would also retain Congress's authority to override each item veto with a two-thirds vote. Finally, to assuage Congressional fears that the line-item veto could be abused, the law would expire in two years unless extended by the Congress.

Mattingly's bill, which has 47 cosponsors, including six Democrats, appears headed for Senate passage. But prospects in the House, where the Democratic leadership opposes the bill, remain uncertain.

This year Congress will send the White House a federal budget approaching $1 trillion in a grand total of 13 appropriations bills. Unless the Mattingly bill is enacted, the President will have to sign bills containing unnecessary and wasteful items, or use the veto and bring worthwhile programs to a halt.

Here are a few of the programs that cry out for a line-item veto. These alone would save an estimated total of nearly $30 billion in just three years:

Buried in the $36 billion Agriculture and Rural Development appropriations bill are school-lunch subsidies for non-needy children. Deleting this item would not touch free and reduced price-lunches for poor and low-income students. Savings: $2 billion.

2. The Rural Electrification Administration is an outdated Depression-era program that dishes up heavily susidized loans—at interest rates as low as two percent—including some wealthy electric cooperatives and telephone utilities.* Phasing out REA's direct loans and loan guarantees would save $1.6 billion.

3. Nearly 40,000 localities (most of which, unlike the federal government, maintain healthy budget surpluses or balanced budgets) receive revenue-sharing largesse from the U.S. Treasury. Uncle Sam also gives money away to such wealthy communities as Beverly Hills, Calif., which gets more than $200,000 a year, and Palm Beach, Fla., which received $73,478 in 1985. Revenue-sharing grants account for only 2.5 percent of all local expenditures, and their elimination would still leave states and localities with about $100 billion a year in federal grants-in-aid. Savings: $12.5 billion.

4. Although founded to help small businesses get started, the Small Business Administration grants most of its loans to established businesses or to entrepreneurs who could raise private capital. In fact, a minuscule 0.2 percent of America's 14.3 million small businesses are getting SBA credit. Elimination of this program would save $5.3 billion.

5. Buried in foreign-economic-aid bills, which include vital humanitarian aid to the world's hungry, are funds for the Export-Import Bank. The Ex-Im Bank is a prime example of corporate welfare. Many of its subsidized loans, which go to foreign customers to buy U.S. products, benefit a handful of corporate giants, including Boeing and General Electric. Economic-trade analysts say such loans have a "negligible" effect on the U.S. balance of trade. Abolishing Ex-Im's direct loans would save $3.9 billion.

6. Begun under Lyndon Johnson's Great Society, the Job Corps is the government's costliest training program. Each slot costs taxpayers $15,200 a year—more than the cost of tuition, room and board at Yale. Nearly two-thirds of all trainees do not finish the program, and of those who do, only a third are employed a year fter leaving. Without a line-item veto, the President will most likely have to swallow this program as part of the huge labor, health and human services, and education bill. Shutting down the program would save $1.3 billion.

7. Health-professions training subsidies were established in 1963 to alleviate a serious nationwide shortage of doctors, nurses and other health specialists. Today, however, there is an oversupply of such personnel. In fact, a federal advisory panel predicts that in five years the United States will have an excess of surgeons, neurosurgeons, eye specialists and general practitioners. Terminating any further health-profession school subsidies would save $512 million.

8. The U.S. Army's $5-million DIVAD Air Defense Gun is so inaccurate that its primary mission has been changed from shooting down maneuvering airplanes, which it has had trouble doing, to knocking out hovering helicopters, which it hasn't been able to do very well either. Yet the Army wants to purchase a total of 614 DIVADs for more than $4 billion. Vetoing further funds for the DIVAD could save $2 billion.

Until Congress gives the President the same authority exercised by the vast majority of the nation's governors, he will continue to be boxed in by wasteful, catchall appropriations bills. Says Sen. Joseph R. Biden, Jr. (D., Del.), "The line-item veto is intended to let the President out of that box so he can begin to play a more active role in cutting away at the deficit."

A majority of governors want the President to have line-item-veto power, and an October 1983 Gallup poll shows that 67 percent of the public does too. If you agree, then write your Senators and Representative and tell them to vote for this proven, waste-cutting tool.●

*See "Power Play on the Potomac," Reader's Digest, September '84.

ACTION IS DEMANDED TO ADDRESS TRADE DIFFICULTIES

HON. THOMAS N. KINDNESS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, July 26, 1985

● Mr. KINDNESS. Mr. Speaker, I am dismayed and concerned by reports indicating that the Japanese Government has recently decided to decrease their imports of U.S. corn. The market share for U.S. corn declined from about 97 percent of all Japan's corn imports last year to around 85 percent in the first 5 months of this year, with most of the lost market share going to the People's Republic of China.

While there are a number of factors involved in the decrease of U.S. market share, action is demanded to address the trade difficulties between our two countries and to enhance the competitiveness of U.S. agricultural exports to Japan. This decrease in U.S. market share comes at a time when there is increasing concern in the United States that Japan is not willing to open its market to U.S. goods even while Japanese exports continue to flood our market.

As trade discussions continue with our friends in Japan and with others, I would hope that attention will be focused on the importance of U.S. agricultural exports to the economic health of the United States and the free world as a whole. We, as a nation, must deal with the shortcomings in our agricultural and trade policies that impair our ability to export more successfully, but it is of the utmost importance that nations of the free world work together to resolve our trade problems and to enhance the economic strength and security of all of the free world.●

WORKER RIGHTS IN THE GLOBAL FACTORY

HON. DONALD J. PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, July 26, 1985

● Mr. PEASE. Mr. Speaker, in his radio address of October 9, 1982, to the American people on solidarity and U.S. relations with Poland, President Reagan made the following statement:

By outlawing Solidarity, a free trade organization to which an overwhelming majority of Polish workers and farmers belong, they—the Polish Government—have made it clear that they never had any intention of restoring one of the most elemental human rights—the right to belong to a free trade union.

The President was absolutely correct in making that observation, but I wonder if he realizes the extent to which many other countries, including those which currently enjoy huge trade surpluses with our country, are just as guilty of denying fundamental worker rights as the Polish junta. In fact, every day we aid and abet this injustice by extending to countries like South Korea and the Philippines special trade preferences that allows these countries, dominated by undemocratic regimes, to export assorted products, including manufactures, to the American marketplace duty free. Steadily, Americans are waking up to the fact that millions of American manufacturing jobs are being lost as employers relocate plants overseas to take advantage of cheap foreign labor.

Last month, something important and unprecedented occurred in the conduct of U.S. trade policy. Numerous witnesses appeared before the U.S. Trade Representative to offer detailed testimony on the degree to which various countries that now enjoy duty-free access to our market trample internationally recognized worker rights as defined in the Trade Act of 1974. It is long overdue that trade policymakers take seriously the degree to which exploitation of cheap, unprotected labor provides an unfair advantage to major trade competitors of the United

States. This issue needs to be raised directly with officials in each of these countries as they seek continuation of preferential access to our market for their products.

Today and in the future I will have reprinted in the RECORD the testimony presented to the U.S. Trade Representative. I urge my colleagues to take the time to reflect on the importance of building incentives into U.S. law to raise international labor rights to a minimum level of decency at the same time that we are scrambling to find ways in which to improve American competitiveness.●

DR. MARK DELAY

HON. HARRIS W. FAWELL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 26, 1985

● Mr. FAWELL. Mr. Speaker, I would like to pay special tribute to Dr. Mark DeLay upon his retirement for his outstanding contribution to the community of Darien, IL during his 22 years of leadership as superintendent of school district 61.

When Mark DeLay first came to the community of Darien, it had only 2 schools, 500 students and 29 teachers. Today, district 61 has 2,600 students and 220 staff members in its 5 schools. By carefully planning for growth, acquiring school sites, and working closely with the community, Dr. DeLay was able to build three schools and make four additions to existing buildings without even having to operate with a deficit or to sell tax anticipation warrants.

More importantly, Dr. DeLay has supervised the development of an outstanding program of academics and extracurricular activities. His extraordinary ability to employ an excellent staff and to maintain high morale have enabled children to make remarkable gains. The district's most recent test scores show that the students' average scores are 96 percentile in reading and math in grades 2 through 8. District 61's band recently won several national awards, and its athletic program is one of the best in the area. When Dr. DeLay began as superintendent, only two sports were offered. Currently, boys and girls may participate in 15 sports and over 30 extracurricular activities at the elementary and junior high levels.

Perhaps the greatest tribute to Dr. DeLay is the fact that the community has grown up around the schools and receives full support of the parents. Darien was not incorporated until 1969, and the schools are used all summer and nearly every evening by community groups.

Dr DeLay has held several distinguished offices during his years as superintendent: President of DuPage County Division of Illinois Association of School Administrators, president of the Southeast DuPage Superintendent's Group, membership chairman of DuPage County Northern Illinois Superintendent's Roundtable, and member of governing board of the LaGrange Area Department of Special Education.

In addition, Dr. DeLay has received several community honors: Jaycees Distinguished Service Award, Darien Lions Club "Lion of the Year," and the Honorary Citizen of Darien Award.

I am proud to be able to recognize such an educational leader in my congressional district. I am sure my colleagues will join me in wishing Dr. Mark DeLay a full and rewarding retirement so richly deserved after 22 years of outstanding service to district 61.●

HUMANITY GOES TO TOP OF CLASS

HON. BARBARA B. KENNELLY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, July 26, 1985

● Mrs. KENNELLY. Mr. Speaker, I'd like to draw the attention of my colleagues to an article that appeared in the Hartford Courant today. The piece describes the efforts of some dedicated teachers from several high schools in my district. These educators held a week-long seminar to discuss ways to bring human rights issues to the classroom.

In a speech opening the seminar, Lorraine Waido, Windsor High School's English Supervisor, spoke of the commonly held belief that human rights should be an integral part of "what we teach in the classrooms and what we teach in the hallways." I want to commend the efforts of these teachers to broaden the educational experience of their students.

The text of the article follows:

HUMANITY GOES TO TOP OF CLASS

(By Deborah Petersen)

"It's easy to convince people that children need to learn the alphabet and numbers. . . . What really matters is whether he uses the alphabet for the declaration of war or for the description of a sunrise, and his numbers for the final count at Buchenwald or the specifics of a brand new bridge."—Mr. (Fred) Rogers

WINDSOR.—With those words, Windsor High School English Supervisor Lorraine Waido opened a teaching workshop Thursday illustrating her belief that human rights should be part of "what we teach in the classrooms and what we teach in the hallways."

Waido was speaking to 25 teachers from public schools throughout the state, who have been attending a week-long session on bringing human rights issues into the classroom. The program, which has been held at Windsor High, ends today.

Whether it is discussing the morality of fighting a war they do not believe in or learning to recognize signs of racism or totalitarianism, more students are being exposed to the sensitive nuances behind the facts in their classrooms, workshop leaders said.

Waido is one of five teachers conducting the human rights workshop, one of 50 seminars for teachers sponsored by the state Department of Education. The series is financed by $1.7 million appropriated by the General Assembly, said Arthur E. Soderlind, social studies consultant for the state education department.

In 1981 the five teachers developed a guide for the state education department to help teachers instruct their students about the Holocaust, Soderlind said. They are working on a broader curriculum guide, to be finished this fall, that will encompass human rights in general, he said.

Schulz said she believes school systems have shied away from human rights issues until recent years, partly because the issues often are controversial.

Some of the potential conflicts can be eased by giving students enough information to ask questions without providing the answers, said Eve Soumerai, another workshop leader, who has taught human rights classes at Conard High School in West Hartford.

"Answers are divisive, questions are not," she said.

The workshops help teachers find ways to teach students that schoolwork is "not just facts, it's feeling and caring and taking action," said Lauren Cass, a social studies teacher at Chalk Hill Middle School in Monroe. Cass, one of the workshop leaders, said she hopes teachers can help students "make a commitment that social action be part of life."

No teacher can tell students how they should feel, but teachers can help students learn to question the world around them, said Carol Schulz, a teacher who became one of the workshop leaders before she moved to Northfield, Vt., where she now lives. "We're not brainwashing anyone . . . We don't have the answers either," she said.

Instead of giving the answers, Schulz wants to persuade students to keep asking questions. "For me, the most important thing is that the kids just start to care what's going on in the world," she said.●

FISCAL YEAR 1986 FOREIGN AID BILL AND POPULATION ASSISTANCE

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, July 26, 1985

● Mr. SMITH of New Jersey. Mr. Speaker, late last night the House-Senate conference dropped all language in the foreign aid bill relevant to population aid.

The conference addressed two main issues: first, whether or not the Congress should preserve or reverse the administration's policy announced at Mexico City last year to deny funding to nongovernment organizations that perform or promote abortion and

second, the conference dealt with House- and Senate-passed language dealing with coerced abortion and infanticide in the People's Republic of China.

The conferees were in deadlock. The Senate felt obliged to stick with their provisions reversing the so-called Mexico City policy and tough anticoercion language; the House stood firm, in defending what was essentially my two amendments.

I would say parenthetically that I applaud Chairman FASCELL's leadership and integrity in defending the House position.

Having been permitted to debate the issue at the conference, I concurred with Chairman FASCELL on dropping all language in the bill. By doing this, we achieved two significant objectives.

First, we effectively preserved the administration policy of denying funding to nongovernment organizations that perform or promote abortion, that is International Planned Parenthood Federation of London.

Second, we eliminated the earmark for the United Nations Fund for Population Activities [UNFPA] which thus affords the administration the ability to determine what level of funding, if any, UNFPA will receive in light of its comanagement of the coercion in the People's Republic of China.

Mr. Speaker, let me just say that it would be a gross misreading of the convictions of the conferees—and the Congress—for the Government of the People's Republic of China to assume any dimunition of our outrage over coerced abortion, sterilization, and infanticide in the People's Republic of China.

This House, I would remind them, voted 289 to 130 to condemn these atrocities as crimes against humanity. We therefore are solidly on record in recognizing and condemning these repugnant practices.

Absent sweeping reforms in the People's Republic of China, the authorities in Beijing should be on notice that the Congress has really just begun to address this issue and will persist with diligence in focusing on these human rights abuses. We will take whatever action necessary to end these heinous crimes.●

A WELCOME TO OUR JAPANESE VISITORS

HON. JIM ROSS LIGHTFOOT

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 26, 1985

● Mr. LIGHTFOOT. Mr. Speaker, we have visiting with us today in Washington a group of young people from Japan.

This is not just another tourist group here to see the sights and collect picture postcards.

Some 20 years ago the President of Minaminihan Broadcasting Co. in Kogoshima City, Japan, had a vision that the young people of the world could best serve the effort for peace if they had an opportunity to meet their peers in other countries.

Through his efforts a program was started wherein, following a very stringent testing program, a small number of young people from Japan would make an annual pilgrimage to the United States. They stay in private homes, travel the full width of our country by bus and leave behind many friends and a deeper understanding of our good neighbors in Japan.

The group visiting this year is comprised of six girls and seven boys. They will stay in private homes in Athens, GA; Plymouth, MI; Shenandoah, IA; and Santa Rosa, CA.

To them I say welcome and remember, the future of the world is in the dreams of its young people.●

IN HONOR OF SALLIE FYLLING

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 26, 1985

● Mr. LEVINE of California. Mr. Speaker, I rise today on behalf of Sallie Fylling, a constituent of the 27th District of California, who deserves to be recognized for her distinguished record of public service to our community.

Sallie was selected as the 1985 44th assembly district woman Democrat of the year. She received this award for her tireless efforts in the United Westside Democratic Campaign and for the many years of service she has given the Democratic Party. Sallie is currently the first vice president of the Westside Democratic Club and has volunteered her efforts on behalf of several State and local campaigns since the mid-1950's.

In addition, Sallie has served as a member of the Mildred Ferry Educational Fund, the Torrance Women's Club, which sponsors scholarships for children, and the Quota Club, which acquires dogs for the hearing impaired. Sallie is a strong-minded, persistent, and reliable woman. She has contributed without the slightest hesitation to the needs of her community, and her significant contributions are an example of excellence in civic leadership.

It is a pleasure to share Sallie's achievements with my colleagues in the House of Representatives and I ask that they join me in commending Sallie for her dedicated record of public service.●

LEGION POST HONORS TWO FOR SERVICE

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 26, 1985

● Mr. GAYDOS. Mr. Speaker, last month two members of American Legion Post 443 in Glassport, PA, were singled out for public recognition of their service on behalf of veterans and the community.

Members of Post 443 cited Edmund E. Wojciechowski, Sr. as "Legionnaire of the Year" for 1985 and awarded a special certificate of appreciation to Police Chief Lawrence E. Oley.

Mr. Wojciechowski, a resident of Glassport since 1947 and a prominent businessman in the community, has been an active member of the post. He has served it as both junior and senior vice commander and currently is chairman of the Graves Registration Committee. In addition, Mr. Wojciechowski has been an energetic leader in civic affairs, serving as president of the Glassport Lions Club and developer of a Blind Bowlers League in the community.

Chief Oley is a 27-year veteran of the local police force, serving as chief since 1982. He is a member of various law enforcement organizations on the county, State, and national levels. Chief Oley also has demonstrated his interest in community activities. He was instrumental in forming the Glass port Youth Bowling League and has served as president of that group for the past 10 years.

Both honorees are military veterans and members of Post 443. Mr. Wojciechowski enlisted in the Navy in 1942 and served as a pharmacist's mate in an amphibious unit. Chief Oley entered the Army in 1945 and spent 11 months overseas with the 334th Engineers.

Mr. Speaker, on behalf of my colleagues in the Congress of the United States, I congratulate Mr. Wojciechowski and Chief Oley for their service to their country and community and I commend Glassport American Legion Post 443 for once again bringing public recognition to two outstanding citizens.●

KILDEE SPEAKS AGAINST END OF LOW-INCOME AND SENIOR HOUSING

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, July 26, 1985

● Mr. KILDEE. Mr. Speaker, a disturbing fact is coming to light as a result of a proposal in President Rea-

gan's tax simplification plan which would prohibit the sale of tax-exempt bonds for housing development. This proposal would seriously jeapordize the Michigan State Housing Development Authority's ability to generate funds for low- and modern-income families and senior citizens housing.

I want to take this opportunity to bring to Members' attention an article which recently appeared in the Flint Journal. The article describes the negative effect on the Michigan State Housing Development Authority if the proposal to prohibit the sale of tax-exempt bonds for housing development becomes law.

The article follows:

[From the Flint Journal, June 1, 1985]

HOUSING OFFICIALS SAY REAGAN REFORM WOULD END PROGRAM

(By Vanessa Waters)

LANSING.—A state agency's ability to finance low-income housing would be hamstrung by a proposal in President Reagan's income tax simplification plan that would prohibit the sale of tax exempt bonds for housing development, state officials say.

The Michigan State Housing Development Authority depends on revenue from the sale of tax exempt bonds to finance housing projects and home mortgages for low- and moderate-income families.

Officials say that without the tax-exempt status there would be no incentive for private investors to buy the MSHDA bonds.

Congress is considering several proposals, including the one submitted by the president.

Since MSHDA began operating in 1970, the agency has sold more than $1.7 billion in revenue bonds and notes and financed construction of 52,500 apartments and houses across the state.

"Without the ability to produce new housing, we would not be able to finance new development," said Lawrence R. Duvernay, MSHDA executive director.

"If we go to zero in terms of our ability to produce new housing we will create a housing crisis in Michigan. We're barely keeping up with the need." he said.

MSHDA earmarks $2 million annually to help reduce interest rates for the construction of rental properties, which in turn allows developers to hold down rent. The agency sets aside another $1 million to provide rental subsidies in about 8 percent of its new apartments.

"We would not be able to continue to generate additional funds and therefore be able to innovate, like writing down rent and interest rates," said Duvernay.

The authority could continue to function, if for no other reason than to manage existing developments, said Duvernay.

"But we will not be meeting the mission set for us in the (1966) legislation. We would not be producing the housing needed for low- and medium-income individuals," he said.

In 1980, there were 350,000 low- to moderate-income families in need of housing, according to Duvernay. Since then, MSHDA and other groups have financed housing for more than 100,000 families.

In the past, both individuals and institutions have purchased the tax-exempt bonds for development, according to MSHDA spokeswoman Ann Harrison.

"Lots of people buy municipal bonds. What the president's proposal would do would be to retain municipal bonds for things that are owned by the government," Harrison said.

Of the $1.7 billion in funding over the years, $67.9 million was spent in the Flint area on 1,284 units and 716 homes. There were 615 home improvement loans.●

HONORING G. ELMER LITTLE

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 26, 1985

● Mr. MURTHA. Mr. Speaker, on August 11, 1985, Mr. G. Elmer Little will be honored at the banquet of the AAABA held in Johnstown. It is an honor richly deserved and in the spirit that makes America great.

Mr. Little has given his time, energy, and commitment over the years to sports activities that have affected the lives of thousands of citizens in Pennsylvania. He is responsible for promoting and sponsoring numerous Little League, softball, hockey, and bowling teams in Johnstown and Cambria County.

The work he has put into the Big 33 and Lantzy football games has promoted enjoyment for thousands of citizens. He was instrumental in the donation of the score boards for Johnstown's Point Stadium, and has been instrumental in raising funds for amateur sports activities throughout the Cambria County area.

But beyond those games and facilities that can be seen, it is impossible to place an estimate on what the work of Mr. Little has done to affect the lives of thousands of young men and women who have participated in these activities. The family sports event is a hallmark of Cambria County and western Pennsylvania, and it has served for decades to bring families together, teach young people the thrill of competition and help them to develop their skills and character, and provided family oriented entertainment for the young people of the area.

It is through the countless activities and continuing loyalty and dedication of people like G. Elmer Little that these events can go forward. And it is that kind of spirit and dedication that is truly the hallmark of America. It is that concern for others and that community spirit that lays the foundation for our national principles of self-sacrifice and helping others, and that sits at the heart of America's great stature in the world.

It is in that spirit that it is a great honor to join in honoring Mr. G. Elmer Little.●

BOB POWERS

HON. HARRIS W. FAWELL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 26, 1985

● Mr. FAWELL. Mr. Speaker, I want to take a moment to congratulate Bob Powers, a member of the President's Private Sector Survey on Cost Control, and the board of directors of Citizens Against Waste [CAW]. Bob just completed a 12-day 8-State journey from Illinois collecting signatures on a petition supporting the Grace Commission recommendations.

The efforts of Bob and CAW have been aided by several other outstanding supporters in the Chicago area, including Bob Galvin, chairman of the board of Motorola, Inc., and Charlie Lubin, founder of Sara Lee Kitchens.

Yesterday I met Bob on the steps on the Capitol to welcome him to Washington after his cross-country journey. He is not only a constituent of mine, but is chairman of my citizens advisory committee on the deficit.

Bob is the former chairman of NALCO Chemical Co. While he could be out on the golf course, enjoying his well-deserved retirement, he instead, drove 12-days in a truck, without air-conditioning, to gather support for cutting the Federal deficit.

There is no question that our country's fiscal problems are our No. 1 problem. Bob Powers, and the many others who contributed their time and considerable expertise to the Grace report, have shown Congress what hard choices must be made to cut Federal spending. Congress must now make these hard choices.

The consequences of not changing this reckless course are unthinkable. If we continue on our current course, by the turn of the century our annual deficits will be $2 trillion, and our national debt will be $13 trillion.

Again, my congratulations to Bob Powers and Citizens Against Waste.●

PHASING OUT THE DEDUCTIBILITY OF STATE AND LOCAL TAXES

HON. F. JAMES SENSENBRENNER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, July 26, 1985

● Mr. SENSENBRENNER. Mr. Speaker, last week I was afforded the opportunity to speak before the House Ways and Means Committee on a very controversial aspect of Treasury II—repealing the deductibility of State and local taxes. I would like to introduce into the record my testimony, which proposes phasing out the de-

ductibility of State and local taxes over a 5-year period.

As we are all aware, there are still questions to be resolved regarding the President's tax reform package. Among these is the State and local tax deductibility issue which has become polarized by those who claim they will never give up the State and local deduction and those who insist upon its elimination. The "high-tax States" are pitted against the "low-tax States."

Studies show the cost of any proposal eliminating the State and local tax deductions would create a severe distributional shift, placing the Federal tax burden on high-tax States. For example, according to a recent Congressional Research Service study, the increased Federal tax liability per itemizer in Wisconsin would be approximately $1,128 a year, while the average itemizer in Wyoming—the State least affected—would experience an increase of only $322.81. This means itemizers in Wisconsin would be paying $805.63 more per year than those in Wyoming. Those of you who represent New York and California will be interested to know that your constituents would experience a tax increase of $1,646.15 and $1,009.82, respectively. Appendix A shows what effect this would have on other high-tax States.

Because of its adverse effects upon my State of Wisconsin, I personally would like to see the Federal deduction for State and local taxes maintained. However, the repeal of the State and local deductions is by far the largest revenue raiser from individuals in the White House package. Without the $33 to $40 billion this repeal would generate yearly, Treasury Secretary James Baker has informed me it would be virtually impossible to lower individual tax rates, increase personal exemptions, and increase the zero bracket amount—all commendable goals—if this deduction is retained.

Under the President's plan, the deduction for State and local taxes would be repealed on January 1, 1986. In all fairness, a change as far reaching and costly as eliminating the State and local deduction should be gradual. We need a plan that will give Wisconsin and other States time to adjust to the realities of the marketplace and national sentiment.

This national sentiment was echoed in a June 14, 1985, report by Kendrick Anderson, municipal bond division of the Harris Bank of Chicago, which said:

> Loss of the Federal tax subsidy for State and local governments would also rekindle the tax revolt, embodied by the passage of proposition 13 in California and proposition 2½ in Massachusetts, at a time when tax cutting fever appears to be waning. The increased sensitivity of taxpayers to the level of State and local taxes would almost certainly result in great resistance to increases in these taxes.

A May 1985 Advisory Commission on Intergovernmental Relations [ACIR] study entitled, "Tax Capacity of the Fifty States," found that Wisconsin tax revenue far exceeds Wisconsin tax capacity or "ability to pay." I have supplied the committee appendix B, a chart detailing the study's result on Wisconsin. However, let me give you an example. This study found that Wisconsin's tax capacity for personal income was $192.66 per capita, whereas total revenue effect for personal income taxes was $354.14 per capita. This study shows in vivid terms Wisconsin can not afford to have it's economic base taxed additionally.

Therefore, I have devised an alternative plan to insulate Wisconsin and other high-tax States from an outright repeal by providing a transitional period in which this deduction would be phased out. This would put States on a 5-year notice, encouraging them to first assess the impact of eliminating this deduction and allow them to take appropriate action. States determining that it is in their interest to remain high-tax States can do so. Other States can reduce taxes. By 1990, State and local governments should have cut spending and increased efficiency to a point where residents in high-tax States will be minimally impacted by losing this deduction.

Under this proposal, the deductions for State and local taxes, as currently allowed under section 164 of the Internal Revenue Code of 1954, would be phased out over a 5-year period beginning with the taxable year 1986. My plan would allow full deduction for State and local taxes to be taken in 1986, 75 percent of the full deduction in 1987, 50 percent in 1988, and 25 percent in 1989, and a complete repeal in 1990.

I understand the difficult task your committee is engaged in. The problems of interrelations with tax policy is complex and the question of finding foregone revenue then becomes an issue.

In the 1981 tax reform package, the tax cuts were phased in over 3 years, the so called "Kemp-Roth method." In order to fully fund the phaseout of the State and local deduction, the three flat tax brackets proposed by the President could be phased in over the term of the phaseout of the State and local deductions. Therefore, this technique is not without precedent. This action, I believe, would minimize the impact on State and local governments, the Federal Government, and most importantly, the taxpayer.

However, let me emphasize that in order for this plan to be effective, full cooperation will be needed between the Federal, the State, and local levels. The reaction of some has cast an unfortunate light on efforts to constructively achieve a revenue neutral and simplified tax plan.

Governor Cuomo, who when asked by Congressman JOSEPH DIOGUARDI of New York to "work with the President to reach an acceptable compromise" by supporting such a plan, was referred to by Governor Cuomo's office as "doing a disservice to his own constituents in a transparent attempt to protect his Republican President."

As another example, Gov. Tony Earl of Wisconsin, hastily called a press conference moments after I released my plan last May in Madison, WI, for the sole purpose of rejecting the idea on the spot. Recently, the Governor endorsed a State budget which increased spending by 18 percent over last year's biennial budget. Wisconsin and New York may have been better served had their Governors determined the effects on jobs, opportunities, and economic development with a State tax reduction.

People across America have reacted in a positive manner to the idea of tax reform. Congress now has the opportunity—the obligation—to reevaluate our system and develop legislation which will make it simpler, equitable, and economically efficient. However, let us not make those changes at the expense of millions of Americans who are being victimized by their own State governments' tax and spending policies without the opportunity of taking corrective action.

Mr. Chairman, there is nothing sacred about my plan. The committee may find in its deliberations a different rate of change is required. However, the percent of deductions and phaseout years I've suggested appeared to be a logical place to begin.

The United States has just experienced a substantive economic recovery which could be jeopardized by severe regional economic dislocations if the State and local deductibility provision is repealed outright. The phaseout concept is probably the only alternative which could prevent this. In this light, I hope you will give my proposal serious consideration. Thank you.

APPENDIX A.—*Tax increase per itemizer/year* [1]

1. New York	$1,646.15
2. Delaware	1,293.92
3. Massachusetts	1,246.16
4. Maryland	1,207.35
5. Minnesota	1,132.27
6. New Jersey	1,128.51
7. Wisconsin	1,128.44
8. California	1,099.82
9. Rhode Island	1,095.46
10. Michigan	1,074.68
11. Hawaii	1,048.84
12. Connecticut	1,039.88
13. Vermont	1,003.29
51. Wyoming	322.81

[1] Based on May 1985 study by the Congressional Research Service.

Charts not printed in the RECORD.●

SUPPORT H.R. 1029

HON. THOMAS N. KINDNESS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, July 26, 1985

● Mr. KINDNESS. Mr. Speaker, the abandonment of nuclear powerplants in the United States has become widespread. In 1984, for instance, nine reactors worth some $10 billion were abandoned by utilities even though most of those plants were nearly completed.

Because of my concern about the effect of our outdated nuclear regulatory and licensing process on the future of nuclear power in the United States, I have offered my support for H.R. 1029, the Nuclear Power Plant Standardization Act. H.R. 1029 would encourage the development of safe, standardized nuclear powerplant designs relying on state of the art, standardized designs.

Standardization of nuclear powerplant designs would most likely improve performance by promoting regulatory stability in what is now an uncertain industry. It's worth noting that France, which obtained the technology to build nuclear powerplants from the United States, is far ahead of us in the actual use of nuclear power for generation of electricity, according to the Atomic Industrial Forum.

Part of the reason for this is that European countries, with France foremost among them, have made use of standardized designs combined with a commitment to move their countries toward energy independence. I urge my colleagues' support of H.R. 1029.●

CALL TO CONSCIENCE FOR SOVIET JEWRY

HON. BOBBI FIEDLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 26, 1985

● Ms. FIEDLER. Mr. Speaker, I wholeheartedly support the call to conscience for Soviet Jewry. Today, the 2.5 million Jews in the Soviet Union are the victims of an official Soviet policy of cultural genocide which seeks to eradicate all vestiges of Jewish culture in that country. This Soviet campaign includes whipping up anti-Semitism in the general Soviet population through inflammatory television shows like, "Hirelings and Accomplices." I would add that my own adopted refusenik, Lev Shapiro, was falsely accused and villified in this program. The Soviet authorities have also used anti-Semitic articles in magazines and newspapers in this regard.

A second aspect of the Soviet policy of cultural genocide is the ubiquitous repression of the Jewish population in the Soviet Union. Even though the number of Jews in the Soviet Union runs into the millions, there are no Jewish schools or publishing houses in that country. There are also no seminaries to train rabbis and production of Judaic ritual objects and religious texts is prohibited. It is also illegal to teach Hebrew. Finally, there used to be over 1,000 synagogues in the Soviet Union, today there are only 57.

The ultimate goal of this Soviet policy is to prevent the transfer of Jewish cultural and religious values from one generation to another. The Soviets always try to indoctrinate the children. That is why there are 5,000 Afghan children being trained in the Soviet Union and 1,000 Nicaraguan children being trained in Cuba. This policy of converting children into atheistic Communists is also one of the reasons that such harsh sentences have been meted out to those brave souls who have been attempting to teach Hebrew and Judaism in the Soviet Union today. Over time, this Soviet strategy will have a disastrous impact on Judaism in Russia. Just look at the withering away of other organized religions in the Soviet Union, or the Catholic church in Cuba.

The Soviet policy of cultural genocide is so repressive that over 350,000 Soviet Jews have applied for exit visas. These people applied for visas knowing full well that the probable consequences of their action could include, loss of one's job, harassment and beatings by the Soviet authorities, and even imprisonment in the Soviet gulag. The refusenik has risked everything in order to be free, and yet the Soviet Union continues its barbaric emigration policies. Last year, only 896 Jews were allowed to leave the country, down from a high of 51,320 that were allowed to leave in 1979. This trend has continued in 1985; only 51 refuseniks were allowed to leave in May, and only 36 were allowed to leave in June.

If the Soviet Union is serious about improving relations with the United States, then an excellent first step would be to renounce their current policy of cultural genocide and allow the refuseniks that have applied to leave, to do so. This action would positively enhance the relations between our two countries.●

A BILL TO ELIMINATE TAX SUBSIDIES FOR SPORTS TEAM MOVEMENT BASED ON GREED

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 26, 1985

● Mr. STARK. Mr. Speaker, sports franchise relocation is an issue that affects every major city in this country. Whether a city has lost a team, like Oakland, or is still trying for its first sports franchise, relocation can have an enormous economic and emotional impact on a city.

I am introducing legislation today that penalizes team owners whose only motivation for moving a sports team is greed. Under current tax law, sports team owners can depreciate player contracts. This provision can mean huge tax savings to team owners, especially when player contracts are now running in the tens of millions of dollars.

Should a team move in violation of the community protection provisions contained in the legislation, the sports team owner would no longer be able to depreciate the player contracts. I think it is an appropriate action to remove Federal tax advantages to team owners when the owners act contrary to the public interest.

All too often cities are put in the awkward position trying to outbid one another for the scarce resource of a sports franchise. Part of this bidding contest is conducted with Federal tax dollars. This legislation will eliminate this unwise use of taxpayer dollars.

Most sports facilities that are being built or undergoing major renovation are constructed in the pursuit of major league sports teams of other cities. The financing of the chase is done through industrial development bonds. The interest income from these bonds is exempt from Federal taxes. A sports fan in a city can actually help finance the relocation of his favorite team in his role as a Federal taxpayer.

What we all too frequently have is the Federal taxpayer underwriting part of the cost of the stadiums that team owners have extorted from cities around the country. My legislation would stop the Federal subsidy of the extortion.

I have introduced my bill today to begin the discussion of this issue. My goal is to discourage team owners and cities from using tax dollars and the advantages of the Tax Code to move sports teams from city to city without regard to the public interest. It is meant to be an antitheft bill. It is meant to be a stability for fans bill.●

ROBERT CHURCH, SR., FOUNDER OF THE SOLVENT SAVINGS BANK & TRUST CO., HONORED

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Friday, July 26, 1985

● Mr. FORD of Tennessee. Mr. Speaker, the Solvent Savings Bank and Trust Co., founded by Robert Church, Sr. at age 67 in 1906 was the first black-owned bank opened in my hometown of Memphis, TN. It survived the

financial panic of 1907 and became the fourth largest black-owned bank in the United States. The site of the bank, on historic Beale Street, was also home to the legendary W.C. Handy's music studio, located on the second floor of the structure.

Mr. Church had ability, vision, and a commitment to the Memphis community. While others in Memphis were apprehensive about a black man opening a financial institution, Mr. Church believed strongly in his own talents. His bank opened without the help of Government assistance. He founded the bank during the height of the Jim Crow era when blacks were supposed to stay back, remain separate, and be unequal. It was during the time of the financial panic, however, that the true character of Mr. Church and the Solvent Bank were tested. Many banks closed, and with them went the savings of their depositors. With the leading banks of Memphis limiting the amount of money that could be withdrawn from depositors, I might add that the depositors of the Solvent experienced no difficulty in obtaining their money. With financial institutions folding around it, the Solvent held strong, in large part due to the talents of Mr. Church.

Mr. Speaker, the 79th anniversary of the founding of the bank was recently marked with the unveiling of a historic marker on Beale Street, commemorating both the institution and its founder. I would like to salute Mr. Church for his foresight and ability to start something truly special in Memphis. His bank contributed greatly to the economic and business livelihood of the black community. His story serves as an inspiration to those with lofty ideals that despite great odds, success can come to those who work hard enough. Mr. Church proved that it is never too late in life to work toward seeing ones ideals pan out. I take this time to honor the memory of Mr. Church, a true pioneer in the Memphis business community.●

OUR STAND MUST BE WITH THE VICTIMS OF APARTHEID IN SOUTH AFRICA

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 26, 1985

● Mr. LANTOS. Mr. Speaker, as chairman of the Congressional Human Rights Caucus, I strongly urge the administration to cast an affirmative vote in the Security Council of the United Nations on the resolution denouncing the sickening principle of apartheid and the stepped-up oppression and persecution that has come to characterize the policy of the South African Government in recent weeks.

This vote will be an important symbolic and substantive expression of the overwhelming sentiments of the civilized world against the hateful philosophy and practice of bigotry.

We either stand with the persecuted or with the persecutors. The principles upon which this Nation was founded over two centuries ago leave us no choice—the United States must cast its vote for the oppressed majority and against the repressive and racist minority government of South Africa.●

THE 150TH ANNIVERSARY OF KALEVALA

HON. ROBERT W. DAVIS

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, July 26, 1985

● Mr. DAVIS. Mr. Speaker, I would like to take a moment to commemorate the 150th anniversary of Kalevala, the epic tale of Finnish folklore, myth, legend, and history. Kalevala is celebrated each year in the county as "Finn Fest." Prominent Finns and Finnish-Americans gather to pay tribute to their proud heritage.

I am proud to have the only Finnish College in our Nation, and over 25,000 Finnish Americans, as part of my constituency, Hancock, MI—the home of Suomi College along with Houghton will be the site of a great celebration this weekend, July 25 to 28.

"Finn Fest" helps us remember and honor the numerous contributions of Finns and Finnish Americans in this country and around the world. Finnish culture and tradition is a cornerstone of northern Michigan's culture, a cornerstone which was laid when the first Finnish settlers arrived in northern Michigan over 100 years ago.

Michigan's great forests and rich copper reserves were harvested by these hearty people, who faced great adversity in a new land. "Sisu" is a Finnish term which translates as "inner fortitude," a quality that is the underpinnings of the Finnish soul.

I stand here today on the floor of this Congress, to pay tribute to a rich heritage and a unique ethnic festival.●

CONGRATULATIONS TO HEALTH SAVING SERVICES

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, July 26, 1985

● Mr. PURSELL. Mr. Speaker, I would like to extend my personal congratulations to Health Saving Services, a corporation which operates nursing homes, and four of its five member facilities for being named the very best nursing homes in the Detroit area. In the August issue of Good Housekeeping magazine, an article, titled the "85 Best Nursing Homes," named the Dearborn Heights Convalescent Center, the Dorvin Convalescent & Nursing Center, and the University Convalescent & Nursing Center as tied for first, while the Hendry Convalescent Center rated a tie for second in the Detroit area. Health Saving Services is clearly a first-rate organization dedicated to the needs of the people they serve.

The number of elderly people in our Nation is steadily increasing, and so the problem of providing them with good health care is growing also. For many elderly men and women, the answer to their health care problems can easily be solved with the help of a good doctor bolstered by a loving family and good friends. But for many others, a severe illness or disability makes it impossible to manage at home. The member facilities of Health Saving Services provide the necessary full-time supervision or skilled nursing services on a long-term basis these people need to cope. Health Saving Services has a well-earned reputation for providing the very best in all-around care.

Mr. Speaker, nursing homes are a growing health care industry. As the number of elderly people grows, so does the population of nursing home residents. As a group, nursing home residents are also getting older, 70 percent are over 75 years of age. Patients entering nursing homes over the past several years are increasingly dependent or disabled, according to a recent GAO report. Nursing homes have a difficult job to start with and it is apparent that their task is getting harder. The facilities which are still able to maintain a level of excellent health care are to be commended. With this in mind, it is my pleasure to congratulate Health Saving Services and its member facilities for meeting the needs of its elderly residents in such an outstanding and distinguished manner.●

MUSIC UNDER THE STARS

HON. MARCY KAPTUR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, July 26, 1985

● Ms. KAPTUR. Mr. Speaker, President Kennedy once said, "I look forward to an America which will steadily raise the standard of artistic accomplishment and which will enlarge cultural opportunities for all our citizens * * * and further the appreciation of culture among all the people * * *".

Each year, for the last 33 years, Samuel P. Szor makes these words come alive for tens of thousands of Toledoans. Thanks to Sam Szor, "Music

Under the Stars" has become a northwest Ohio institution. He has elevated Great Lakes culture to new levels of excitement and quality. Through his tireless efforts, he has brought the beauty of live orchestra music to all the citizens of our community.

Samuel P. Szor has been a conductor, musical director, and teacher for nearly 35 years. A Waite High School graduate who received degrees from the University of Michigan, Sam holds an impressive list of musical credentials. He is the conductor of the oldest musical organization in Toledo, the Toledo Choral Society. For 15 years, Sam has been the driving force behind the outstanding growth of the Perrysburg Symphony Orchestra. Wherever he has been in charge of the music, Sam Szor has taken on the most difficult musical challenges and met them, to the delight of his audiences.

Sam Szor's musical accomplishments are staggering. He is in his 17th year as musical director at First Congregational Church as well as the Kerwin Ballet Theatre. He also conducts the summer winds series sponsored by the city parks of Toledo. The list goes on and on. Whether classical or contemporary, Sam Szor's name means music in my part of the country. For all that he has done to promote the arts in Toledo, Sam Szar was named Artist of the Year in 1979 by the Toledo Arts Commission.

To Sam's wife Judy, and their four children, all of us who have enjoyed his work over the years say "thank you" for sharing him with us. Sam Szor has added grace and beauty to our community. Through the arts he has made an indelible mark on uplifting the human spirit. I know my colleagues in the U.S. House of Representatives join me and the people of my community in recognizing and congratulating Samuel P. Szor for a lifetime of accomplishment and contribution to others.●

THE BUDGET AND THE PEOPLE

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, July 26, 1985

● Mr. APPLEGATE. Mr. Speaker, it has become very apparent to me through the volume of mail that I receive and the comments people make to me that the American people are angry and frustrated with the inability of both Congress and the Reagan administration to come to grips with the Federal deficit problem and pass a Federal budget that will put us on the road toward the goal of reducing the deficit that will ultimately lead to a balanced budget.

I feel that the Reagan administration has failed badly and has shown little leadership in reconciling the many differences between the House and Senate versions of the Federal budget for fiscal year 1986 that have strained the economic fiber of America. The President is not listening to the people of this country who have voiced their opinions that they do not want Social Security benefits cut and that the defense budget shoud be frozen. My most recent districtwide questionnaire, as well as polls conducted the nationally known firms of Lou Harris and George Gallup, indicate that this is what the people want.

It is imperative to the continuity and the prosperity of this country that a resolve of the budget and deficit problem be reached immediately, as not doing so jeopardizes the purchasing power of all people and detrimentally affects the trade deficit and all interest rates and costs jobs for Americans. Congress and the administration must stop thinking about themselves and start thinking about the people.●

LABOR RIGHTS VIOLATIONS ON TAIWAN

HON. DONALD J. PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, July 26, 1985

● Mr. PEASE. Mr. Speaker, the Asia Resource Center has attempted to publicize the violations of workers' rights on Taiwan since 1978, when its predecessor organization, the Asian Center, published the book entitled "Made in Taiwan." Officials of the center, when testifying before USTR in June, found labor violations in Taiwan to be so serious as to warrant the suspension of Taiwan's eligibility for GSP benefits until conditions improve. Following is their statement:

I. RIGHT TO ASSOCIATION

A. THE LAW

The Kuomintang (KMT, or Chinese Nationalist Party) assumed control of Taiwan on behalf of the Allied Powers in 1945, and has asserted sovereignty under the Republic of China Constitution of 1946 since that document's ratification. In 1949, virtually the entire KMT governing apparatus retreated to the island, vowing someday to return to the China mainland to defeat the "Communist bandits." Since that time, the KMT has ruled Taiwan under martial law.

The Republic of China Constitution guarantees the right of association in Article 14. However, the 1934 Martial Law Statute, as amended in 1949, permits the martial law commander (the Taiwan Garrison Commander) to suspend this right in Section 11.1, and to ban all strikes in Section 11.3. Violators of martial law provisions are subject to courts martial Violators of the ban on strikes are subject to the death penalty.

The government's 1972 reorganization of the Chinese Federation of Labor (CFL), the country's largest trade union group, included a modification of the martial law prohibition on strikes. Strikes are now permitted, but only if 100% of the affected workers vote to strike, and only if wages in the affected enterprise fall below minimum government standards (which are exceedingly low).

Additional laws restrict the right of association, e.g., the Law Governing the Organization of Civil Bodies During the Extraordinary Period of 1942 permits the government to deny legal recognition to more than one association per function. Once the government has registered a functional group, additional organizations carrying out the same function become illegal, and members of such groups become subject to prosecution.

The Statute of Denunciation of 1954 imposes an affirmative duty on all citizens to report violations of martial law and other illegal activities. Mere failure to report such activity carries a one-to-seven year prison sentence.

B. ACTUAL PRACTICES

Since 1949, the government has employed its martial law powers to control dissent at all levels of society. Those who challenge existing arrangements are frequently arrested, charged with "sedition," court martialed (often in secret), and sentenced to terms in military prisons.

* * * * *

No strikes have occurred since 1947.

II. RIGHT TO ORGANIZE AND BARGAIN COLLECTIVELY

A. THE LAW

Liberal rights to organize and bargain collectively are guaranteed by law.

B. ACTUAL PRACTICE

Although 22.5% of the workforce was unionized in 1984, according to the U.S. Department of State, "Collective bargaining . . . does not take place," and for the most part, "labor unions do not exercise significant influence in the economic or political spheres." The evidence also indicates that unions are ineffective in representing worker interests in the absence of collective bargaining, largely because of the close relations between unions, management, the ruling party, and the government.

Many unions function as "house unions," limited to a single enterprise, with no links to a larger labor organization. Such unions, by their very nature, have a weak bargaining position.

The State Department feels that Taiwan's unions often play an important role in dispute resolution, but other observers contest this point. Affiliated unions are forced to refer grievances to county-level union bodies, which the ruling party generally controls. As a result, the grievances often go unresolved.

Management has denied workers who attempt to organize independent unions the right to vote in the representation election. Independent organizing efforts have also sometimes led to the arrest of the organizers as subversives, and workers who bring grievances have faced similar charges, subjecting the defendant to court martial.

Another barrier to effective representation of workers by their unions is the dominance of union staff positions by post-1949 immigrants from Mainland China with good connections to the KMT. These union officials are often unsympathetic and even hostile to the largely native Taiwanese workforce.

The State Department reports that union officials who sit in the national legislature played an important role in the successful

effort to amend the labor laws in 1984. Even this point is disputed, however; according to the *Far Eastern Economic Review*, it was the Ministry of Labor, rather than "Taiwan's government-controlled labor unions," which attempted to articulate worker interests during the debate over the legislation.

* * * * *

Much electronics and electrical machinery work is subcontracted to small home-based enterprises employing ten or fewer workers. These firms remain exempt from existing labor legislation.

CONCLUSIONS

We believe that Taiwan is in violation of four of the five labor standards enumerated in the 1984 GSP legislation. In the case of the right to association, the right to organize and bargain collectively, and acceptable conditions of work, we believe that the violations are especially egregious. We realize that our data in some cases are somewhat old, but we have reason to believe that since these data were collected, conditions have not improved and may have deteriorated.

Taiwan is not, moreover, a least developed country, but one with high levels of aggregate income, education, nutrition, and health care. This makes the government's failure to enact and enforce minimal protections for the rights of workers all the more indefensible.

Like other rapidly industrializing Asian countries, Taiwan is often accused of dumping goods produced with cheap labor in the U.S. market, and of attracting U.S. firms away from the United States because of its political stability, educated and skilled work force, and relatively low wage rates. Given the adverse impact this has had on jobs in America, surely the U.S. government should not, in effect, use the GSP program to subsidize Taiwan's exports by abetting the denial of minimum standards of workers' rights to the workers on the island.

Beyond the new provisions of the GSP program, the United States has a special obligation to attempt to maintain and enhance the human rights of the people of Taiwan. In the absence of diplomatic relations with the government on the island, the Taiwan Relations Act of 1979 reaffirms the human rights of all the people on Taiwan as an important U.S. concern. We have no doubt that it was the intention of Congress to include minimal labor rights within the scope of this provision of the law.

Therefore, in accordance with U.S. law, we recommend that GSP benefits be discontinued for Taiwan until there is a fundamental improvement in labor conditions.●

SENATE—*Monday, July 29, 1985*

(Legislative day of Tuesday, July 16, 1985)

The Senate met at 12 noon, on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

Thus saith the Lord, Let not the wise man glory in his wisdom, let not the mighty man glory in his might, let not the rich man glory in his riches; but let him who glories glory in this, that he understands and knows me, that I am the Lord who practices steadfast love, justice, and righteousness in the earth; for in these things I delight, says the Lord.—Jeremiah 9:23,24.

Eternal Father, may we hear and heed the word of the prophet Jeremiah. Wisdom, might, riches are not the glory of man—knowing God is. Deliver us from the dehumanizing evaluation of ourselves with quantity the criterion rather than quality. Free us from judgment which equates human value with knowledge or power or possessions—as though man is what he knows or what he has or what power he exerts. Save us from preoccupation with the temporal to the exclusion of the eternal. In His name Who loved thee and lived for thee. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

SCHEDULE

Mr. DOLE. Mr. President, under the standing order, the two leaders have 10 minutes each. Special orders in favor of the following Senators have been entered for not to exceed 15 minutes each: Senators DOLE, SYMMS, PROXMIRE, and MURKOWSKI.

Mr. President, I ask unanimous consent that I might yield my 15 minutes to the distinguished Senator from Idaho, Senator SYMMS.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DOLE. There will be a period for the transaction of routine morning business, not to exceed beyond the hour of 1:30 p.m., with statements limited therein to 5 minutes each.

At 1:30 p.m., it will be the intention of the majority leader to turn to S. 410, the Conservation Services Reform Act, as well as any other Legislative or Executive Calendar items which have been cleared for action.

It is my hope that we can bring up S. 410. As far as I know, the only amendment in controversy will be the so-called CAFE standards. There will be considerable debate on that particular amendment which is to be offered by Senators EVANS and METZENBAUM. That will be opposed by a number of Senators, primarily, I understand, Senators NICKLES and JOHNSTON.

At an appropriate time late in the afternoon, I will move to table the amendment offered by Senators EVANS, METZENBAUM, and others. That vote will probably not occur until around 5 p.m.

It is also my hope that following action on that matter we can move to the veterans health care bill. We understand there may be an amendment by the distinguished Senator from Massachusetts, Senator KERRY. We are also trying to work that out.

If we can complete action on those two bills today, there probably will be at least one or two votes. Also, we hope to act on any other matters we can complete by unanimous consent. It is my hope that the Senate can complete its work not later than 6 or 6:30 p.m. today.

I will be delivering to the distinguished minority leader those items I would like to bring up this week, and those which I hope we can accomplish by unanimous consent. Others may or may not be that easy. The farm bill and a few others might take a little time.

I am also advised that there is a foreign aid conference report which may be available tomorrow; the supplemental appropriations conference report should be available, and the DOD authorization conference report will be available. So there are at least three conference reports.

It is the hope of the distinguished chairman of the Appropriations Committee, Senator HATFIELD, that he might bring up two appropriations bills. I am not certain those have been cleared with the chairman of the Budget Committee and the ranking member of the Budget Committee, Senators DOMENICI and CHILES. I am advised there will be some private discussion of those bills sometime in the next day or so.

Mr. President, I am now advised that the distinguished Senator from Idaho does not wish to execute his special order this morning. Therefore, I ask unanimous consent that the special order of the distinguished Senator from Idaho, including the 15 minutes transferred to the Senator from Idaho, be vitiated.

The PRESIDING OFFICER (Mr. DOMENICI). Without objection, it is so ordered.

Mr. DOLE. Mr. President, there was some question about the August recess. As far as I know, it is to start this weekend. The only thing that might delay us is that there could be some breakthrough on the budget. If certain forces decide that something could be accomplished before the recess period, then obviously I think most of us would be happy to cooperate.

Mr. President, I have had inquiries from a number of Members this morning. Apparently, I must have said something yesterday in response to a question about the August recess.

If, in fact, we did stay beyond this weekend, I assume we could find a number of things to do, including the farm bill.

FECA SEMIANNUAL REPORTS DUE JULY 31

Mr. DOLE. Mr. President, the Federal Election Campaign Act, as amended, requires that all political committees authorized by Senate candidates file a semiannual report by July 31, 1985.

These reports should be filed with the Senate Office of Public Records, 232 Hart Building, the office designated to receive these reports as custodian for the Federal Election Commission.

In general, the Senate Public Records Office will make these reports publicly available within 24 hours after being received.

If further information is needed, please contact that office directly on 224-0322.

RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER. Under the previous order, the minority leader is recognized.

Mr. BYRD. I thank the Chair.

Mr. President, I ask unanimous consent that I may reserve the remainder of my time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I yield the floor.

Mr. President, I suggest the absence of a quorum.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE CLOSING OF A TEXTILE PLANT IN GREENVILLE, SC

Mr. THURMOND. Mr. President, last week, yet another clothing manufacturer in South Carolina announced that it will be forced to close its doors in the next 2 months. This shutdown is just another indication of the pressing need to pass S. 680, the "Textile and Apparel Trade Enforcement Act of 1985."

I urge the Senate to take a firm stand in support of this legislation. It is crucial to the future of the textile industry, for if we fail to act now, there simply will not be an American textile industry in 10 years. I am greatly distressed with the number of textile plants that have closed in South Carolina and other States in recent months and am convinced we can no longer delay passing remedial legislation.

Mr. President, I ask unanimous consent that the following article taken from the Charlotte Observer in Charlotte, NC, on Sunday, July 21, 1985, be printed in the RECORD as further evidence of the urgency of passing this legislation expeditiously.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Charlotte Observer July 21, 1985]

S.C. CLOSINGS WILL SLASH 350 JOBS

SPARTANBURG.—About 350 Spartanburg County workers will lose their jobs when Jonathan Logan Inc. closes its textile and apparel plants in the next two month, company officials said.

The company's decision to close its Act III clothing manufacturing plant and computerized cutting plant was based purely on economics, company spokesman John Hess said Friday.

"Imports have made it impossible to compete on an economic basis with offshore manufacturers," Hess said.

Jonathan Logan also announced Friday that it would close its clothing manufacturing plant in Northport, Ala., leaving 300 workers out of a job.

Hess said the company will work with South Carolina and county agencies to help the Spartanburg workers find jobs in the Upstate or at other company locations in the Northeast.

Act III formerly was affiliated with Butte Knitting Mills, which closed in 1981. Hess said the operation tried to maintain its domestic manufacturing base but can no longer produce clothing at a price competitive with imports.

The company will continue the Act III coordinated sportswear line using contractors instead of company-owned manufacturing plants, he said.

The firm has been in Spartanburg since the early 1960's.

"We have operated with great pride, but we can find no other viable solution to our problem," Hess said.

Mr. THURMOND. Mr. President, the problem referred to in this article is imports, foreign imports coming in and taking America's jobs, 350 jobs in South Carolina and 300 jobs in Alabama. Every day it is the same story—mills are closing. We may not have any textile plants in the United States in 10 years unless the administration takes some action. Somebody somewhere in the administration wants to have what they call free trade. There cannot be free trade when mills in this Nation pay from $7 to $10 an hour and foreign mills pay workers 50 cents an hour. How can our mills compete? They have modern machinery, the same as we have. Their people are trained to work and produce goods, the same as we are in the United States.

Mr. President, this matter is getting very frustrating, very frustrating. My people in South Carolina do not understand why their Government does not protect them. I ask, how much longer is the administration going to allow these imports to continue?

I hope Congress will take action. If Congress does not take action, there are going to be an additional 2 million people unemployed. The textile industry is dying fast, the apparel industry is dying fast. You have apparel industries in this Nation in New York; Senators AL D'AMATO and MOYNIHAN are concerned. You have them in Pennsylvania; Senators HEINZ and SPECTER are concerned. You have them in every State. This is not a regional problem, but a national problem.

THE UNITED STATES AS A DEBTOR NATION

Mr. EXON. Mr. President, many economists and political strategists have indicated that 1985 may be the last chance for Congress to address the deficit from a political and an economic standpoint, and that may be a very accurate assessment of the current situation. Indeed, these gloomy predictions come at an appropriate time because agriculture is in a depression. The general economy is weakening.

I have just listened with interest to the remarks by my distinguished colleague from South Carolina. Mr. President, he hit the nail on the head. It is time that we do get the deficit of the United States under control. But I would submit that that is only one—one—Mr. President, of the problems that confront us. According to the economic analysis, the United States has just recently set a new record. Secretary of Commerce Malcolm Baldrige confirmed that the United States is now a net debtor nation. In this regard, the stalemate in the House-Senate conference is bad news for all Americans.

For the first time in 65 years, foreign assets held in the United States exceed American assets held abroad. Put another way, the American Government and American business is turning to foreigners to borrow money. Our great Nation now shares the financial company of Brazil, Mexico, and Argentina. As such, this marks one of our Nation's great economic failures. Indeed, this is a terrible legacy to leave to our children. If left unchecked, the United States will eventually be held hostage to foreign governments; held hostage to foreign governments, economically, Mr. President. In the shorter term, our Nation's reliance on foreign investment makes the prospect for a sustained recovery questionable at best.

Since the 1920's, the United States has been the leader in worldwide investment. Foreign nations and enterprises looked to the United States for capital. Over the last 4 years the United States has increasingly looked to foreigners for investment here in our country. By the end of this year the United States will replace Brazil as the largest world debtor. This means, like Brazil, we may soon struggle to make interest payments on our borrowings. Interest on the national debt already takes the first 15 cents of every tax dollar.

Our Government has an ever-growing appetite for unrestrained credit. In the last 4 years the administration has led us down a path to a "bonkers" fiscal policy while cursing it every step of the way. It is not unlike the town drunk simultaneously buying the liquor store, becoming president of the WCTU and Alcoholic Anonymous, all in the name of the free enterprise system. Unfortunately, few have dared to ask the logical question, lest they be accused of being an obstructionist or un-American.

Let me repeat that, Mr. President: A few short years ago, in 1981, the annual Federal deficit was $58 billion.

In 1981, the annual Federal budget deficit was $58 billion. This year it is expected to increase nearly fourfold to $222 billion. The national debt, which is the accumulation of annual deficits, stood at $914 billion in 1980—again, just a few years ago. In 1981, after 205 years as a nation, our total debt accumulation broke through the $1 trillion mark for the first time. Today it exceeds $1.7 trillion. Sometime in 1986, the national debt will be double the horrible 1981 figure, hitting $2 trillion, 5 short years after the 205 year, $1 trillion hallmark.

Despite the promise of the supply-siders, savings by Americans have not begun to be sufficient to finance the Federal Government's huge demand

for credit. Average American families now save only 5 percent of their income. That is the worst record in the industrialized world.

While it may soon come to an end, Americans, as a group, are bigger spenders than their Government. The frightening consequence of all of this is that if the people and their public institutions do not significantly reduce their staggering debt accumulation which finances their spending, our Nation could enter a depression period not unlike the 1930's. My guess is that the much celebrated "good news" of reduced interest rates may be due not as much to the successful fiscal management of the Nation, as it is due to the lack of demand for long-term credit to finance job-creating industries.

I think that was the thrust of what the Senator from South Carolina was addressing on the Senate floor a few moments ago.

Instead of fostering savings and investment, the economic policies of the last 4 years have instituted an unhealthy reliance on foreign money to support deficit spending. Already, a basic industry like agriculture and food production is in serious jeopardy. Unless we change our course, the economic illness in rural America will spread throughout the economy.

This dependence on foreign funds has masked the real costs of deficit spending. Rather than hyperinflation, or recession, our Nation's credit binge has produced record trade deficits, high real interest rates, and a dollar 50 to 65 percent more expensive—or overvalued—than it was in 1980. These economic red flags have been obscured by the stimulus effect of massive deficit spending. The Federal Reserve Board of Chicago in its April 1985 issue of "International Letter," sums up the situation very well, and I ask unanimous consent that the April issue of "International Letter," by the Federal Reserve Board, be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. EXON. Mr. President, record high real interest rates and the overvalued dollar have attracted foreign investment. However, they have also produced an unprecedented American trade deficit and an unemployment rate that will not slip below 7 percent.

The merchandise trade deficit grew from $25.5 billion in 1980 to over $123.3 billion in 1984. In addition, the U.S. current account deficit which includes trade in services, an American export strength, dramatically increased from $43 billion in 1983 to over $100 billion in 1984. The U.S. Department of Commerce estimates that for every $1 billion increase in the foreign trade deficit, 25,000 American jobs are lost or not created—another point that the distinguished Senator from South Carolina made in his remarks a few moments ago.

To make matters worse, economic experts see no reversal to our Nation's negative trade trends. While we remain preoccupied with all the rhetoric and little action on the legitimate Federal deficit crisis, it may be that the mushrooming trade deficit now portends a greater threat to America than does even our calamitous annual deficit.

Mr. President, I note with interest that my friend and colleague, the chairman of the Budget Committee, Senator DOMENICI, is the occupant of the chair at this time. At this time I want to salute Senator DOMENICI for a job tremendously well done.

While we do not always agree, I feel that the leadership he has provided and the suggestions he has brought forth, sometimes under extreme political stress, are worthy of consideration seriously by the President of the United States and the leadership of the House of Representatives.

The overvalued dollar teamed with high real interest rates have made American products extremely difficult to sell abroad. This is especially devastating to American farmers and ranchers who export up to 50 percent of their products. Similarly, American workers have seen thousands of jobs sent overseas where dollar valuations give an added bonus to already cheap foreign labor. Couple this with the unabative subsidy foreign governments afford their agriculture and industries and you can see the devastating threat that has become a reality to America's interests in the 1980's.

On the other side of the coin, the overvalued dollar acts as a subsidy to imports. A recent study concluded that the increased retail activity during the recovery is largely attributable to increased sales of foreign goods.

I repeat that, Mr. President: It is largely due to increased sales of foreign goods; not domestically produced goods.

Although the 1982 recession now appears to be a distant memory, it was the deepest recession since the Great Depression. Just as the U.S. recovery is losing steam, the rest of the world is only beginning a slow recovery from that economic downturn. Due in part to this lag between the United States and the world recovery, there has been little competition for world credit resources.

The United States is in a most dangerous economic position. As attractive alternatives to U.S. investment develop, the United States will be forced to up the ante to generate sufficient capital to finance deficit spending. Similarly, as the trade and budget deficits grow, foreign investors may lose confidence in the strength of the American economy.

The effects of even higher interest and U.S. currency exchange rates could be catastrophic. If Federal borrowing is left unchecked, our economy could face serious consequences over and beyond those we usually discuss.

There is a growing perception that our much heralded recovery from the 1982 recession may have been falsely measured. It may have been a partial aberration where America was only temporarily better off than the world at large. I fear that the anticipated rising worldwide tide will not float enough boats to sustain a healthy world economy. High winds that cause high tides can leave ugly debris when they suddenly disappear.

There is only one course. That is to reduce the Government's demand for credit. We must reduce spending and institute long-term reforms in the Federal budget process.

The President and the Congress have a golden opportunity to work in a bipartisan manner to finally tame the deficit. No area of Federal spending can be exempt from scrutiny, and all Americans should be asked to contribute their fair share to the deficit-reduction effort.

I do not think anything is off limits or should it be off the table. The 1986 elections looming large on the political horizon are already making meek souls out of some reformers.

The answer lies in an aggressive attack on Federal deficits and debt coupled with fair trade policies to whip the trade deficits. Congress and the President must use every available weapon to fight these battles.

I am cosponsor of S. 1449, the first meaningful congressional effort in decades to address the unfair trade policies that are destroying our agriculture and industry. We must insist on free trade being more than a phrase used to allow some foreign governments predatory pricing policing that destroy American farms and industries.

On the budget side, fellow fiscally conservative Senators and I have proposed several comprehensive budget proposals over the last several years. Our proposals have called for significant spending reduction and revenue reform. If our first attempt had been adopted, the Nation would be well on its way toward a balanced budget. Most recently, the House of Representatives and Senate have each adopted their own deficit reduction plans. To the extent that both have set a $50-plus-billion goal for first year savings, I am encouraged by the actions of both Houses.

I do not believe that the differences between the two proposals are insurmountable. However, I do not think that either budget will take the debt

and deficit issue off of the table. In fact, I strongly suspect that Congress will have to revisit much of the budget when it appears that the $50 billion goal is not achievable under present circumstances.

I also favor long-term reform in the way that Congress and the President spend and borrow money. On the first day of the 99th Congress, I joined Senator STROM THURMOND and 32 other Senators in introducing Senate Joint Resolution 13, a constitutional amendment to require a balanced Federal budget. There are now 50 cosponsors of this constitutional amendment.

I am also a cosponsor of S. 43, a bill to give the President line-item veto authority. This legislation would allow the President to veto portions of bills rather than entire bills. With this power, the President could excise wasteful spending from "must pass" legislation that has been the vehicle for carrying unnecessary spending proposals in the past.

The Nebraska State Constitution requires a balanced budget and gives the Governor line-item veto authority. As Governor, I found both of these State constitutional provisions useful in curbing the spending of the State legislature. I believe that the President should have the same advantage as I had when I was Governor of the great State of Nebraska.

If enacted, the balanced budget constitutional amendment and the line-item veto legislation will not alone restore fiscal discipline to the Federal Government. Tough decisions must still be made to cut Federal spending. However, such structural change in the Federal budget process will promote responsible action.

All Americans should be concerned regarding our Nation's new debtor nation status. Without appropriate congressional and Presidential efforts to reduce the Federal budget deficit and the widening trade deficit, the American standard of living could soon be a thing of the past.

Mr. President, in closing, I wish to say, if there is a silver lining in our Nation's debtor status, it is that it might act as a catalyst for serious deficit reduction. In this regard, I urge the House and Senate budget conferees to return to the bargaining table. As a long time fiscal conservative, I am willing to work with Members of both parties to tackle the deficit crisis.

In considering Federal spending, I hope that my congressional colleagues bear in mind the risks of proceeding in a "business as usual" fashion. Our Nation's new debtor status comes as a warning signal to Congress and the American people. Let us put politics aside and work together to solve this crisis. Mr. President, I ask unanimous consent that an editorial from the June 23 edition of the Lincoln Journal be printed in the RECORD following these remarks.

The PRESIDENT pro tempore. Without objection, it is so ordered.

[See exhibit 2.]

Mr. EXON. Mr. President, thank you very much.

I wish to congratulate the holder of the chair, the President pro tempore, with whom I have worked for a long, long time on solving these terribly difficult problems.

Mr. President, I yield the floor.

EXHIBIT 1

RESTRICTIONS ON IMPORTS: AN ANSWER TO U.S. TRADE PROBLEMS?

The buoyant U.S. economy, combined with the persistently high value of the dollar, has resulted in fast growth for U.S. imports, and stagnation for U.S. exports in recent years. These trends have been hard on many sectors of the economy as sales, profits, and employment in the export and the import-competing industries slumped. The problems of these industries have produced political pressures for protectionist action—specifically for the imposition of some form of restriction on imports. Over the past several years, a number of such measures specifically affecting imports of autos, textiles, steel, and other products have been put in place.

In recent months, events have taken a more serious turn. Rather than seeking protection for specific (and presumably most hard hit) industries, pressure began to build for across-the-board measures that would affect a substantial portion of U.S. imports. Earlier this year, a bill was introduced in the Congress that would impose a 20 percent surcharge on all imports. While no legislative action has been taken as yet, there is growing support for it in many quarters. In a somewhat more narrowly aimed, but nevertheless sweeping action, both the House and Senate passed a resolution calling on the President to impose restrictions on all imports of Japanese goods shipped to this country. Although this resolution is not binding on the President, other, more direct measures against Japan are under consideration. The Senate Finance Committee has passed a bill that would make it mandatory for the President to take restrictive trade measures against Japan. Another bill has been introduced in the Senate calling for a 20 percent surcharge on Japanese goods. These and other measures still under discussion in various legislative bodies give clear indication of a decisive tilt in trade policy in the United States toward protectionism.

HISTORICAL BACKGROUND

Since well before the turn of the century, and up to 1970, the United States ran a surplus in its trade with the rest of the world. With the productivity of its industry and agriculture largely unchallenged throughout the world, the country's exports exceeded its imports by a considerable margin year after year. In the mid-1960s things began to change as the dollar became increasingly overvalued in a fixed exchange rate international monetary system that failed to adjust to the dramatic changes in the productive capacities of post-war Japan and many European nations. The overvalued dollar took its toll on the U.S. trade account. The trade surplus diminished rapidly as U.S. industry began to lose its competitive edge against increasingly productive foreign industries protected by undervalued currencies. In 1971 the United States recorded its first trade deficit of the century.

This critical event was the "last straw" that broke the back of the post-war international monetary system and prompted the President of the United States into action. On August 15, 1971, President Richard M. Nixon terminated the convertibility of the U.S. dollar into gold, and imposed a 10 percent surcharge on all U.S. imports. The surcharge was clearly intended as a lever for inducing our major trading partners to undertake adjustments in the exchange rates of their currencies against the dollar that would better reflect the existing economic realities of the world. "American products will not be held at a disadvantage because of unfair exchange rates," President Nixon stated in announcing the measures.

The surcharge was effective; our reluctant trading partners negotiated a realignment of the exchange rates. However, the concessions granted [1] at the historic Smithsonian Institution meeting in December of that year (which led to the termination of the surcharge on U.S. imports) proved largely insufficient to correct the underlying overvaluation of the dollar. After several monetary crises that threatened the continued expansion of international trade among nations, further adjustments were made in the relative exchange rates. These too proved insufficient. Finally, the international monetary system of fixed exchange rates was abandoned in March 1973, and a system of freely floating exchange rates was put into place.

INTERNATIONAL TRADE UNDER FLOATING RATES

In theory, the floating exchange rate system provides a framework for the automatic elimination of deficits and surpluses in a country's balance of payments. The mechanism is supposed to work as follows: As a country begins to experience a deficit in its balance of payments (say, because its residents are buying more goods abroad than they are selling abroad) more of its currency is supplied to the foreign exchange markets by domestic residents in payment for imports than is being demanded by foreigners to pay for that country's exports. the excess supply will cause the country's currency to depreciate in terms of foreign currencies—just as an excess supply of tomatoes on the produce market would tend to depress tomato prices. This depreciation of the currency will make foreign products more expensive to the residents: It will now take more units of the domestic currency to buy a given amount of foreign currencies needed to pay for imports. The reverse is, of course, true abroad: It now takes fewer units of foreign currencies to buy the same amount of the deficit country's currency; the country's products become cheaper to foreigners. The consequence of these trends will be a reduction in demand internally for foreign products, and a boost in demand abroad for the products of the deficit country. This, of course, translates into lower imports and higher exports—and, eventually into an elimination of the deficit.

In recent years, this automatic adjustment mechanism appears to have failed. Despite rising imports, the dollar has continued to soar on the foreign exchange markets. The reason has been the adjustment mechanism has been short-circuited by a large inflow of foreign capital into the United States. High U.S. interest rates and prospects for faster economic growth have been attracting huge amounts of capital from abroad. Foreign demand for dollars

with which to purchase high-yielding dollar-denominated assets has, in effect, been swamping the excess supply of dollars generated by the U.S. trade and current account deficits, driving the dollar even higher relative to other currencies. The result has been rising U.S. imports of foreign goods made cheaper by the rising dollar, and stagnating U.S. exports, made even more expensive to foreigners by the declining values of their currencies in terms of the dollar.

To be sure, other factors have been contributing to the U.S. trade deficit. For example, the buoyant U.S. economy has been stimulating demand for foreign products above and beyond the stimulus imparted by the declining prices of foreign goods. At the same time, the relatively stagnant economic growth abroad has been depressing demand for U.S. products, adding to the depressing effect of the rising costs of U.S. products. But many observers believe that, while these and other factors are contributory, the soaring dollar has been the primary cause of our rising trade deficit. And in that sense, the U.S. trade deficit has been largely "homemade"—caused by U.S. policies that have led to higher U.S. interest rates, which, in turn, led to the rising dollar, skyrocketing imports, and sluggish exports.

IMPORT SURCHARGE AND THE TRADE DEFICIT

Given the apparent causes of the rising U.S. trade deficit, would a surcharge on imports be the appropriate remedy? The nominal purpose of a surcharge is to reduce imports by increasing their prices to residents. By imposing a "tax" on goods being imported into the country, the government expects the prices of these goods to rise in some proportion to that tax. A rise in the prices of imported goods is then expected to induce at least some consumers to switch their purchases from the imported products to now relatively less expensive domestically produced substitutes. The effectiveness of the surcharge in reducing imports thus depends, in the first instance, on two factors: One, on the proportionality between the tax and the price increase, i.e., on the extent to which the tax is "passed through" by the sellers of goods to the final consumers; and two, on the sensitivity of consumers to price changes, i.e., on the extent to which a price increase induces consumers to reduce or change their purchases. The pass-through depends, in turn, on the ability and willingness of foreign suppliers of U.S. imports to "absorb" the tax, that is, to reduce prices on their goods in an effort to maintain their market share.

The available statistical evidence suggests that the capacity of foreign suppliers to absorb such a tax is considerable. Only a relatively small portion of the 60 percent appreciation of the dollar since 1980 has been reflected in a reduction of prices of foreign goods; the remainder has accrued to foreign producers in the form of sharply increased profits.[1] This places them in a good position to reduce their prices to offset the tax, at least partially. Under these circumstances, a 20 percent surcharge may boost prices of foreign goods by only 5 to 10 percent. As to the sensitivity of consumers to such a price increase, many observers note that foreign products have established themselves too firmly in the preference pattern of U.S. consumers to be easily dislodged by a moderate price increase. A combination of these two factors suggests that the surcharge might have only a minimal initial impact on U.S. imports.

But whatever the initial impact may be, it would tend to be further negated by a round of secondary adjustments. These secondary adjustments would arise directly from the free market forces unleashed by the surcharge. Any reduction in the trade deficit achieved by the surcharge would necessarily reduce the supply of dollars flowing to the foreign exchange markets from U.S. purchasers of foreign goods. To the extent that, as noted earlier, the exchange rate of the dollar relative to other currencies is determined continuously by the supply-demand relationship in the foreign exchange market, a reduction in supply, other things being equal, would tend to push up the price of the dollar on the foreign exchange markets. The larger the reduction in imports due to surcharge, the larger the reduction in the supply of dollars—and the greater the appreciation of the dollar on the foreign exchange markets. The appreciation of the dollar would, of course, encourage further imports and discourage exports, tending to erode whatever improvements may have been achieved by the surcharge.

REACTION ABROAD

No analysis of the impact of an import surcharge would be complete without taking into consideration the reaction in the rest of the world. As the largest trading nation, the United States exerts a strong influence on economic developments in virtually every nation in the world. These nations' exports to the United States represent, in many instances, a significant portion of their total economic activity. For that reason, a real or a perceived threat to their capacity to continue to export would no doubt draw a quick reaction. A sample of what such a reaction might be was provided by the governing supranational body of the European Economic Community, the European Parliament, which last month passed a resolution calling for immediate retaliatory action against U.S. exports in an equivalent amount if the U.S. government were to institute a surcharge on their exports. Other nations would, no doubt, follow the EC's example; their collective action would deal a further blow to already hard-pressed U.S. exporters of both industrial and agricultural products. Given the questionable capacity of the surcharge to significantly reduce U.S. imports, the likely export-reducing retaliation abroad could result in an actual worsening of the U.S. trade balance from what it would have been without a surcharge.

For others, particularly the developing nations, whose "retaliatory leverage" against the United States might be rather small because they import little from us, but who neverthelesss rely heavily on exports to the United States for badly needed earnings of exchange, the surcharge could pose grave difficulties. This could be particularly true of the group of developing nations in Latin America and elsewhere that in recent years have had difficulty in meeting their international debt obligations to the U.S. and other industrial nations' banks. A further impairment of their capacity to earn the dollars needed to service their debt could, in some instances, lead to their default—with possibly disastrous consequences for some of the industrial world's banks.

CONCLUSION

On one hand, the high and rising U.S. trade deficit has been the symbol of "good life" brought to U.S. consumers in the wake of the rising dollar: a greater variety of lower priced foreign goods, greater ease of foreign travel, and an increased domestic competitive environment that has been moderating inflation at home. On the other hand, however, the high and rising deficit has been the symbol of hardship inflicted on many sectors of the U.S. economy: rising unemployment, declining profits, and in some cases business bankruptcies and farm foreclosures.

It is not entirely clear whether the collective benefits exceed the collective costs. But one thing does appear clear: the trade deficit, or more precisely, the Current Account deficit (of which the trade deficit is the most important element) represents a major disequilibrium in an important segment of the U.S. economy. The deceleration in the accumulation of U.S. assets abroad and the large amount of foreign borrowing in the U.S., both factors which have contributed to a recent decline in the net U.S. international wealth position (see *International Letter*, No. 541), have financed the deficit. This deterioration in the net asset position of the United States is not sustainable indefinitely. Sooner or later, the "good life"—as well as the hardships—will end, as inexorable economic forces unleashed by the rising deficit will force adjustments in the economy.

But in the meantime, there clearly is ample room for an enlightened economic policy that could contain the euphoria and moderate the hardships brought about by the overvalued dollar, and, in general, smooth the path for the inevitable adjustment.

In 1971, confronted with a major and growing misalignment in the international value of the dollar, the U.S. government took decisive action, including a surcharge on U.S. imports, to hasten the adjustment. The action produced the desired results. It brought our trading partners to the negotiating table, and started the process toward a more realistic alignment of the exchange rates. Today, confronted with a similar misalignment—and with almost identical problems inflicted on the U.S. economy—the clamor for a similar action is growing.

However, those counselling the adoption of a surcharge as a means of solving our problems fail to recognize the fundamental differences between 1971 and today. In 1971, the United States was locked into a rigid international monetary system of fixed exchange rates which, by it nature, prevented adjustments of exchange rates to the underlying market forces. Today's international monetary system of freely floating exchange rates does not suffer from these shortcomings. The exchange rates as they exist from day-to-day in the foreign exchange markets are pretty much determined by market forces as these are generated by national responses of market participants to stimuli arising in the market. The high U.S. interest rates have been the most important of these stimuli. As long as

[1] A number of countries agreed to revalue their currencies relative to the dollar by 7.89 percent in conjunction with the devaluation of the dollar relative to gold. The effective revaluation of the major currencies ranged from 16.9 percent for Japanese yen (from 360.00 to 308.00 yen per dollar) and 13.6 percent for the German mark (from 3.66 to 3.22 DM per dollar) to 7.5 percent for Norway and Sweden. For a detailed description of the events, see *International Letter*, Nos. 27 and 45.

One study indicates that the 59 percent appreciation led to a mere 2 percent reduction in prices of U.S. imports. This suggests that the remainder, some 57 percent, accrued to foreign producers as higher profits.

the international demand for dollars continues to be stimulated by high U.S. interest rates, it is unlikely that a surcharge on imports would significantly improve the U.S. trade deficit. A lasting solution to the U.S. trade problems must address its underlying causes: the high budget deficit that has pushed up the U.S. interest rates which, in turn, have been boosting the value of the U.S. dollar on the foreign exchange markets.

EXHIBIT 2

WE'RE A DEBTOR NATION

Subject to inevitable revision when all data is in and crunched, the nation's second-quarter (April-May-June) economic growth apparently was a good deal better than the first quarter. Hurrah! The Department of Commerce's "flash" estimate of a 3.1 percent advance in the Gross National Product compares to the 0.3 percent growth estimate for January-February-March.

As cheering as that may be, M. Kathryn Eickhoff, the Office of Management and Budget's associate director for economic policy, concedes an overall GNP gain of 3.9 percent for 1985—the Reagan administration's target as well as its base for national revenue estimates—is unlikely. "We probably don't have a shot at that now," Eickhoff says.

If you are looking for reasons, a big one is our horrible international trade imbalance.

In the first quarter of 1985, the United States had a net $29.4 billion deficit in its international merchandise trade. Imports rose by $4.3 billion, to $85.2 billion, while exports declined by $500 million, to $55.8 billion.

Simultaneously, Commerce Secretary Malcolm Baldrige is confirming what administration critics warned a long time ago would happen: the United States has become a net debtor nation for the first time since 1914.

Baldrige's figures suggest we fell below the line about the end of March. What that means is, like Brazil and Mexico and Poland, we owe people in other countries more than they owe us. The flow of interest payments and dividends going out exceeds that coming in.

"During the next few years," Baldrige says, "the outflow of these payments will be small, but it is essential to stop the flow of red ink before it becomes a strong tide."

Amen, amen, amen.

The country is now reaping the sour harvest of the imprudent acts agreeably but thoughtlessly sown in earlier times.

Arresting the outflow will require more than reductions in federal government spending, as heretical as that harsh prescription may be at both ends of Pennsylvania Avenue.

Mr. DOMENICI. Mr. President, I ask unanimous consent that I may be permitted to proceed for 5 minutes as if in morning business.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, before the distinguished Senator from Nebraska leaves, I wish to thank him not only for his complimentary remarks with reference to my efforts as chairman of the Budget Committee but for his remarks here this morning in terms of assessing the very serious problem we have in this country.

I also wish to commend my good friend, the present Presiding Officer, the distinguished senior Senator from South Carolina, for his remarks here this morning with reference to one of America's major industries and what is happening to it because of unfair competition and certain policies that must be changed.

Having said that, let me say to my friend from Nebraska, the distinguished Senator and former Governor, there is no question as to the analysis which he has given of the problems confronting this Nation, if we do not do something about the credit binge that we are presently involved in. Let me take about 5 minutes to discuss my views on these issues.

Yesterday a number of people, especially from the media, were inquiring on various of the talk shows about the effectiveness of the budget process. Obviously the Senator from New Mexico has a genuine interest in that I have been called upon by the Senate to preside as its chairman for 4 years and 8 months now. Any analysis of any of our processes, appropriations, authorization, budget, would indicate that there is plenty of room for reform.

But I think in assessing whether or not a process, and in particular the budget process, is working or not, one has to ask some questions with reference to whether or not things be better if we did not have the budget process?

So, let me take a couple minutes to address this very question. Does anyone believe that the House of Representatives, the Senate, and the President would dramatically change their minds about how to get rid of this deficit if we did not have a budget process?

If we said, let us abandon the budget process for 6 months, would the House of Representatives suddenly be willing to reduce the growth in entitlement programs? They are now more than $550 billion of a $1 trillion budget. About $130 billion of that is interest.

So can anyone really say that the House of Representatives and the Senate are going to decide to take on these difficult political choices without the budget process when there is such great difficulty in addressing these issues with the help of the process.

The problem is not the budget process. The problem is the budget deficits. The only chance that Members have to vote to bring budget deficits down is by voting for the necessary changes in a budget resolution. But, when the resulting deficits show up in a budget resolution in their entirety, they are a reality and they are enormous. They are there for the whole world to see. Many Members do not want to vote "yea" for a budget resolution because they think that, in some-way they are confirming that they are for large deficits. So they do not want to vote "yea" for a resolution that states them. On the other hand, they do not want to vote "yea" for enough cuts to bring those deficits down.

So we have the following situation, which from my perspective is almost an impossible situation. The President says, "No taxes," so they are off the table. The House says, "No change in the formula for cost-of-living adjustments for Federal retirees," so they are off the table. Some people say that the process is not working. Well, in a democracy, with a U.S. House, a U.S. Senate, and a President, you cannot make more out of a process than the participants are willing to support.

If there is a failure of anything, it is a failure of will, a failure of desire collectively—and we are talking about all three now, Pennsylvania Avenue, the U.S. House, and the U.S. Senate. There is a failure of will.

Now I must say, in all deference, the most courageous vote taken on fiscal responsibility was taken some 2½ months ago. At 3 o'clock in the morning, the Senate passed a budget package which cut $295 billion in Federal spending. This budget, passed by one vote, included enforcement procedures through reconciliation which touched every part of the budget. This budget was an explicit recognition that you cannot exempt any major area of Federal spending. It is not possible to fix this deficit if you leave $400 billion in entitlement programs more or less off the table and yet wring your hands that indeed the deficit is enormous. Frankly, the conclusion is also obvious that, whether it is now or whether it is later, you cannot take these programs "off the table"; you cannot leave taxes "off the table" indefinitely and expect a Budget Committee, a simple creature of a law called the Budget and Impoundment Act, to perform miracles. The facts are just not there.

The truth of the matter is that this deficit, coupled with the foreign trade deficit, and with the international debt burden of other free nations, is carrying us to the brink of a disaster.

Over the past few months, the Chairman of the Federal Reserve has loosened the money supply to bring this country back from the brink of recession. He had no alternative. Interest rates came down a little bit and there was a euphoria around, "Things are on track again," Well, they are not on track. Even with these decisive efforts by the Chairman of the Federal Reserve, the growth in the American economy will not reach—and I repeat, will not reach—the administration's projections of last January, and will not reach the projections that the budget resolution is based on, which were used last spring because at that

time there were some rather significant indications that they made sense.

I remind everyone that the longer you wait to put in place a fiscal policy that over 3 or 4 years addresses those deficits, the longer we are going to struggle with low economic growth. As a matter of fact, the deficits will get bigger, rather than smaller.

The distinguished Senator from Nebraska was absolutely right. The credit crunch is everywhere. In 8 years, the consumers of the United States tripled their debt burden in 9 years. In just 6 years, corporations of America doubled their debt. The magnificent American economy and the Treasury of the United States and its full faith and credit have gone from about $400 billion in 1975 to where we will pass $2 trillion within the next 12 to 14 months. Because the debt service may drop a little because of loose money, some people may say, "See, it is not so bad. The deficit came down a little."

Well, wait until the deficit goes up, not slightly, but wait until it goes up dramatically. Somebody put their pencils to 11, 12 13, 14-percent interest on this Federal debt and you will see where we are going to be in 3 or 4 years.

The distinguished Senators from South Carolina and Nebraska spoke of imports. It is interesting that what is keeping the American inflation down is imports. Anybody that thinks it is anything else just is not reading the facts. That is why inflation is down.

But how far will America's manufacturing capacity have to drop, including textiles which the distinguished senior Senator from South Carolina, who is presiding, spoke of? How far will textiles and all of our other troubled industries have to decline before we understand that we are not going to have any industry left in this country on the manufacturing side unless we deal with the real problem—the budget deficit?

Now, I am not here saying I know all the answers to that problem. Obviously, the world has undergone a major transition and we had to join it. Clearly, the economy could not have remained where we were 7 or 8 or 10 years ago. We had to go through some kind of wrenching change in order to get competitive.

I submit that the United States is approaching the point when the rest of the free world, including underdeveloped countries mind you, is no longer willing to send the billions of dollars to America institutionally and through private investment to pay for this debt of ours. Already in the past 2 weeks, short- and long-term interest votes are one-half of a percentage point higher than they were just a few weeks earlier. This may not mean a great deal to some but it is a dramatic change for a family that is trying to buy a home.

I submit we have adopted a rather lackadaisical attitude toward issuing $30 billion, $40 billion, or $50 billion in Treasury securities that used to wrench us. Now we put them on the market with the attitude that it is easier to borrow than it is to cut. It is easier to borrow than it is to tax. And if that is not the attitude of the U.S. Government today, not only downtown, but among all of us, we are bound by our responsibility to its implications. What happens when we cannot service total gross Treasury financing that now exceeds $1 trillion per year because the world's money is not flowing in here in the abundance as it once was?

Incidentally, I say to my friend from Nebraska, not only is foreign money coming here to pay our debt, but we are not investing in foreign economies as we did for 25 years. That kept the world alive. America's opposite posture to where it is today, as the Senator described, meant American companies and American people and American banks, either individually or together, were putting money into the economies of underdeveloped countries. That is gone, too, because now the money is staying here. We are keeping it here. For what? To pay this ever-increasing national debt.

I repeat, there is today an attitude that if we could just invent some new process, this process would fix our budget problems. There is no process that substitutes for genuine willpower, for genuine leadership and genuine determination.

The problem will not go away. I assure you it is easily understood; whether we can easily attack it is a completely different issue. Obviously, we cannot. The budget deficit is stubborn; it is political dynamite; it goes to the key issue of who benefits and who pays.

I, for one, am very proud that I belong to this institution, the U.S. Senate. This institution has taken some tough positions in recent months. I believe, before the year is out, it will be abundantly clear that these tough actions are precisely the kind of policies we need to reduce deficits in a permanent way.

And I am proud to be a member of the conference which is trying to do something serious about the deficit problem. It will not be as much as we would like, under any circumstance. There should be no false impressions. Even if the last bipartisan Senate effort offered to the House were adopted and implemented in every detail there is likely to be some slippage in the deficit numbers we cannot help.

The process is not that ironclad. But the problem is both large and serious. Even if it were, process cannot substitute for real political decisions that must be made. Let me put it another way: If we were to reach a budget compromise with real spending cuts, it would be one big step. But I submit there would have to be a lot more even after that.

I yield the floor.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER (Mr. LAXALT). The Senator from Nebraska.

Mr. EXON. Mr. President, I want to thank the distinguished chairman of the Budget Committee for the remarks well said. I thank him for his personal reference. The Senate is receiving free economic advice this morning, whether it wants it or not. I am not an economist. I am a small businessman and one who has served in Government for a long time. I know that you cannot continue in a business, I know you cannot continue in a family, I know you cannot continue in local government, and I am thoroughly convinced you cannot continue in Federal Government spending more than you take in. Sometimes the books have to be balanced.

One thought crossed my mind as the chairman of the Budget Committee was talking, and that is whether interest rates are going up. I think all too often we get absorbed with facts and figures. Is the interest rate going up? Is inflation going up or down? What is happening to the gross national product? You know, I do not think we have much control over all of those factors as we sometimes believe.

I do not know whether interest rates are going to go up or down. The chairman of the Budget Committee indicated that he thought they might go up. I am not so sure about that. I think they might go down for some of the reasons that I outlined in my previous remarks.

Mr. President, when you have a depression worldwide or a depression in the United States, the inflation rate is never up. It is always down. We have deflation. During those periods of extreme depression interest rate increases are not forthcoming. In fact, during depression no one wants to invest any money. So the rent that you pay on borrowed money—rent being interest—is not there because nobody wants to borrow any money. It may well be the fact that the inflation rate is down in the United States—primarily as a result of foreign imports, as the chairman of the Budget Committee just alluded to—is because we may be heading for a serious depression. If we are headed into a serious depression, I would think history would probably tell us that with depression we have deflation and we have lowering interest rates. But all of this only shows, I think—and I hope, I hope for the Senate, 1600 Pennsylvania Avenue, and the House of Repre-

sentatives will recognize and realize—that this is not a time for business as usual. This is a time for drastic actions to be taken, and nothing should be left off the table in the negotiations that I understand are continuing.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER. Under the previous order—and the Chair thanks the Senator from Wisconsin for the patience he has displayed in the delay of his recognition—the Senator from Wisconsin is now recognized for not to exceed 15 minutes, hopefully without interruption.

Mr. PROXMIRE. Mr. President, I thank my good friend, the Presiding Officer.

HOW TO ACHIEVE PEACE IN THIS NUCLEAR WORLD

Mr. PROXMIRE. Mr. President, let us consider the full implications of President Reagan's statement that a nuclear war can never be won and must never be fought. Almost every thoughtful person believes that statement. What does it mean for the military policy and the foreign policy of our country? It means plenty. It means that the most conservative military minded President this country has had since the dawn of the nuclear age is convinced that the military policy that has guided the United States and almost every other country throughout history no longer applies in this nuclear world. We now face an entirely different problem.

If, as the President has said, a nuclear war can never be won and must never be fought, what replaces war as the ultimate basis for determining irreconcilable differences between the super power nations, each of which has the capability of utterly destroying the other? Could the United States and the Soviet Union engage in a conventional war without the war escalating to the suicidal nuclear level? The current United States military doctrine declares that in the event of a conventional war with the Soviet Union—say in Europe—the United States would, if necessary rather than accept Soviet victory resort to tactical nuclear weapons. We have a big and varied arsenal of those tactical nuclear weapons. We have them deployed in Europe. We have trained the North Atlantic Treaty Organization troops in their use. Our resolve is clear. Would we use them? Would we—in spite of the President's declaration that a nuclear war must never be fought—go nuclear rather than let the Soviets overrun Europe? This Senator believes that in all probability we would. Would this limited use of tactical nuclear weapons succeed in stopping the Soviet offensive? No one knows, but again it seems very likely that it would succeed. Would the Soviet Union retaliate with their own nuclear weapons? Any guesses on this development are just that: guesses. Logically the Soviet Union should stop in their tracks.

In spite of the fact that the two governments are engaged in a desperate struggle over the fate of Europe, they should be in immediate and direct communications. They should agree to stop hostilities at once. The survival of both countries and of civilization itself would hang in the balance. But would they? Obviously the Soviets would be infurated if their initial successes were stopped by a NATO resort to nuclear weapons. The NATO alliance and the United States would have fired the first nuclear salvos. The Soviets would certainly feel challenged to respond with their own massive nuclear arsenal. Their will would be put to the test. Do they retaliate with their own tactical nuclear weapons or do they go straight to a preemptive strategic nuclear strike at missile bases, submarine pens and bomber bases in the United States as well as the United Kingdom and France?

We do not know and we certainly do not want to test this terrible scenario to find out. So how do we see that a nuclear war will never be fought? First, let us ask why nuclear weapons have never been used and a nuclear war never fought since the second U.S. nuclear bomb fell on Nagasaki in Japan 40 years ago. Why have we had 40 years of nuclear peace when the two superpowers have between them some 50,000 nuclear weapons? Why no war when each has the power to utterly destroy the other? The answer of course is deterrence. As Churchill said, "Safety is the twin child of terror."

This is why we need to maintain our nuclear deterrence; that is, a nuclear armed power that roughly balances the Soviet nuclear power. But that is not enough. As former Defense Secretary Robert MacNamara and nuclear weapons expert Hans Bethe have said at the same time we deter a Soviet attack with our nuclear weapon muscle, we must recognize that it is in the interest of peace that the Soviet Union be able to maintain its fully credible nuclear deterrent. It would be a tragic blunder for the United States through an antimissile system, or in any other way to so threaten the Soviet deterrent that we would provoke the Soviet Union to strike out of fear that the credibility of its deterrent was slipping away.

Is deterrence enough? Certainly not. It is a grim practical necessity. But the specter of the two super powers armed to the teeth with a power beyond imagination, each with a hair trigger finger poised above the nuclear button, each subject to false warning should persuade both sides of the necessity for the most thorough and instantaneous communication, and a command and control system that will not act without certainty—and has both the will and capability to stop firing instantly after a nuclear war has been initiated.

And that is not all. Peace requires a much more forthcoming attitude on both sides toward genuine arms control. We must stop the arms race. We must agree to a mutual, verifiable, comprehensive freeze on the testing, production and deployment of nuclear arms. With that accomplishment we must then begin to reduce the ridiculously mammoth arsenal of both super powers. MacNamara and Bethe have called for an eventual reduction down to 5 percent of the present level combined with a negotiated reduction by the other nuclear weapons states.

Sure, Mr. President, both of these objectives—effective and reliable command and control, and mutual arms control—will be very difficult indeed to acheive. But both are essential supplements to deterrence if we are to acheive the best chance for peace in this nuclear age.

MYTH OF THE DAY: THAT ECONOMIC FREEDOM BOOSTED CHINESE ECONOMY AT RECORD RATE IN 1984

Mr. PROXMIRE. Mr. President, the myth of the day is that the astonishing increase in Chinese economic production in 1984 compared to 1983 was caused by a significant move to capitalism and free enterprise. Unfortunately, that is not a fact. It is not true. It is a myth. The remarkable increase in production in China in 1984 is a fact. The CIA testified before the Joint Economic Committee earlier this year that the total value of social output in China in 1984 was an astonishing 12 percent higher than in 1983. The total value of industry and agriculture soared by an even more remarkable 14.2 percent. To put this in perspective, Mr. President, the United States enjoyed its best year in the real growth of our gross national product in 1984 in 33 years, that is, since 1951. And what was our growth rate? U.S. growth increased by 6.4 percent in 1984. The best year of real economic growth ever for this country was 1941 when the economy racing to move onto a war footing in World War II leaped by about 16 percent. So the peace time growth of the Chinese economy last year of 12 percent over all was indeed impressive.

Some have contended that it was because the Chinese have moved at least part way toward a free enterprise, capitalistic system. Unfortunately, this a myth. The Central Intelligence Agency told the Joint Economic Committee in testimony that was delivered

earlier this year but has just been sanitized that a visible but still very small, perhaps 1 percent or 2 percent of the Chinese economy has moved to private enterprise. Why then the explosion of productivity in China? It is not because of a new Chinese economic freedom. It is because the Chinese have begun a vigorous and far reaching decentralization of economic control. The state or the commune still owns virtually all of the means of production: the land, the buildings, the equipment, the machinery. The state also takes the profits. But the Central Government has begun to cut loose the far flung enterprises that service more than a billion Chinese people. The driving force of the profit motive is not at work in China. But the Government has lifted the dead hand of a central bureaucracy that for many years had insisted on deciding for itself each of the minutiae of the production of this most populous country on Earth. Onsite management—at each of thousands of state-owned commercial and industrial locations—has begun to make the critical economic decisions.

China has made a strong economic start. If and when it lifts the other hand and encourages widespread ownership of private property, including the commercial and industrial facilities, then this biggest country on Earth could really start moving ahead economically. In this Senator's judgment it would quickly and easily become the most powerful economy in the world. Can that happen in a Communist system? By definition it obviously cannot. It can only happen with the renunciation of Marxism. If that occurs just imagine what could happen with economic freedom for the more than 1 billion Chinese: a population more than twice as great as the United States and the Soviet Union combined. The Chinese people have shown their intelligence and their capacity for hard productive work when they have had a taste of true economic freedom in Taiwan, in Hong Kong, in Hawaii and elsewhere. It is a myth that they have had a significant taste in China as yet.

THE HELMS-LUGAR RESERVATIONS TO THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, the Foreign Relations Committee has just published their report on the Genocide Convention, calling upon the Senate to ratify this important human rights treaty without further delay.

While the committee's call for ratification of the Genocide Convention is encouraging, I am deeply concerned regarding the two reservations which they have included in the proposed resolution of ratification.

In the last few weeks these reservations have been portrayed as an essential element on the part of the committee majority to protect American interests. In fact, they do very little to protect America and instead will undermine our very efforts to make use of this document and will raise far more questions than they settle.

These points are addressed very thoughtfully in the additional views that were included in the report by Senator PELL and seven other longtime proponents of the Genocide Convention. They very cogently explain why the committee's two reservations would undermine the very purpose of U.S. ratification and indeed open up the possibility of mischief by those who wish us ill.

The first reservation, the article IX reservation, states that the United States must consent to jurisdiction of the World Court in any case in which the United States is a party. Proponents of this reservation urge that it will protect the United States from propaganda charges. But the United States is fully protected by the fact that the enforcement authority for any World Court decision rests with the Security Council of the United Nations, where we possess a veto.

But if this provision does not help us, does it do any harm? Absolutely. This provision would limit our ability to take any other nation before the World Court. It effectively ties our hands and limits our ability to take action against the real perpetrators of genocide.

Under this reservation, the Pol Pots, the Idi Amins, the Ayatollah Khomeinis could escape any efforts we would make to bring them before the Court to account for their actions. Why? Because under international law, they could invoke our reservation against us. If we get to decide which cases go before the Court, so do they. It is that simple.

If this treaty had been drafted and signed before World War II would Senator HELMS and LUGAR argue that Hitler should choose which cases go before the World Court? Does anyone in this Chamber really believe that? I doubt it.

But that is exactly what this reservation is permitting under the guise of protecting American security. And it is time the American public understands that.

The second reservation asserts that "nothing in the convention requires or authorizes legislation or other action by the United States of America prohibited by the Constitution of the United States as interpreted by the United States." Who can argue against that? After all, the Constitution ranks with God, motherhood and apple pie as a fundamental part of the American belief system. And there is no dissent from this Senator on the supremacy of the Constitution.

The problem is not in the concept. Everyone I know—except those who have long opposed and attempted to cripple this treaty—believes that there has never been a question regarding the supremacy of the Constitution. No law and no treaty, no matter how they are interpreted, can ever be valid unless they are consistent with our Constitution as interpreted by our own Supreme Court.

So what is the problem, then? The problem is that by including this provision as a reservation the committee majority is not protecting the Constitution from foreign scrutiny, but inviting it.

That is right. This provision, because it is a reservation, invited foreign comment on how our domestic laws operate. Why then should we state this as a reservation? Both proponents and opponents will agree that we can restate this enduring truth. But we should not do it in a way that invites foreign scrutiny or comment. This is an American matter and it should be left that way.

But there is an even worse problem with this approach—the precedent it sets. Think about the language for a moment: "nothing in the Convention requires or authorizes legislation or other action by the United States of America prohibited by the Constitution of the United States as interpreted by the United States."

Would any Member of the Senate be comfortable with a Soviet reservation to a treaty, not just this treaty but any treaty, that uses that same formulation: "nothing in the convention requires or authorizes legislation or other action by the Soviet Union prohibited by the Constitution of the Soviet Union as interpreted by the Soviet Union?" This Senator is not. We are setting a loophole here for the Soviet Union to which we can never object. While I know that is not the committee majority's intention, that is the practical effect. And it is a bad idea from start to finish.

It's important to remember that these committee proposals in the Resolution of Ratification were adopted by a bare majority of one vote: 9-8. It was not a consensus package in the least.

Now we are hearing from the chairman of the committee and the majority leader that to achieve ratification it is their package or nothing. That is unacceptable. And if my colleagues take the time to read the additional views written by the eight committee members opposed to this package, you can see that there is a strong and convincing case to be made for altering these reservations.

It is time for us to move ahead, Mr. President. We have waited far too

long. But it is time also for a commitment from the leadership to debate the package fairly and openly. The American people deserve no less.

The two reservations pose a great threat to the political and moral prestige the United States would attain through ratification of the Genocide Convention. Without America's full support, the international effort to enforce the Genocide Convention will be greatly weakened.

Mr. President, I ask unanimous consent that the additional views form the Foreign Relations Committee report be printed in the RECORD.

There being no objection, the additional views were ordered to be printed in the RECORD, as follows:

VII. ADDITIONAL VIEWS OF SENATORS PELL, BIDEN, SARBANES, CRANSTON, MATHIAS, DODD, EAGLETON, AND KERRY

This is the sixth time that the Genocide Convention has been reported favorably by the Committee on Foreign Relations. On each prior occasion the Committee has urged the Senate to give its advice and consent to ratification along with three understandings and one declaration. Last September, after a three-year Administration review of the Convention, President Reagan announced that he would "vigorously support" ratification of the Genocide Convention. Representatives of the Departments of State and Justice urged the Senate to "finally provide its advice and consent to U.S. ratification" and testified that the package of three understandings and one declaration was sufficient to address all the legal questions that has been raised concerning ratification.

This year the Administration has done an about-face on the Genocide Convention. Six months after testifying in opposition to any limitation on U.S. acceptance of the World Court's jurisdiction, the State Department strongly supported an Article IX reservation and left open the question of whether it would continue to support ratification in the absence of such a reservation. The change in position was attributed to the Court's decision in the case brought by Nicaragua against the United States for alleged violations of international law. The Administration also cited a "political judgment" that the Senate would not give its advice and consent to the Genocide Convention without an Article IX reservation.

Subsequently Chairman Lugar and Senator Helms proposed a package of eight separate conditions, including the Article IX reservation supported by the Administration. In offering the package, Chairman Lugar informed the Committee that he would not request floor time or support Senate approval of the Convention without these eight provisions.

On May 21, 1985 the Committee unanimously approved four Lugar-Helms conditions that are similar or identical to the provisions previously recommended by the Committee and the Administration. The full package of eight conditions proposed by Senators Lugar and Helms was narrowly adopted by a vote of 9-8. An amendment offered by Senator Dodd to modify the effect of the Article IX reservation was defeated by a vote of 8-9. The Committee then voted 10-0 with 7 Senators voting to report the Convention favorably to the Senate subject to the Lugar-Helms package of two reservations, five understandings, and one declaration.

We believe the Committee has made a mistake in adopting conditions that would seriously compromise our ratification of the Genocide Convention. While several provisions in the new package merely restate understandings recommended by the Committee in 1970, 1971, 1973, 1976, and 1984, the package as a whole taints the political and moral prestige that the United States would otherwise gain by ratification of this landmark in international law. The reservations dealing with Article IX and the U.S. Constitution are especially unwise from the standpoint of policy and precedent, and they completely remove the practical advantage in the advancement of human rights that will be gained by ratification without crippling reservations. We will press vigorously for the deletion of these two reservations when the Genocide Convention is considered by the full Senate.

ARTICLE IX: THE INTERNATIONAL COURT OF JUSTICE

The significance of the Genocide Convention lies in the fact that it forms part of a network of treaties which declare certain actions to be international crimes, justifying concerted action by the world community to bring the perpetrators to trial. A practical benefit of ratification would be the opportunity for the United States to advance its human rights policies by invoking Article IX of the Convention to bring charges against foreign governments who fail to uphold their responsibility to prevent and punish instances of genocide. If the United States itself reserves authority under Article IX, our ratification of the Convention becomes a purely symbolic gesture lacking the substance which would enable us to use the Convention as a valuable weapon for the advancement of human rights throughout the world.

If we adopt an Article IX reservation, the international law doctrine of reciprocity would enable another country to assert our reservation against us, effectively blocking the United States from ever bringing charges in the World Court against countries that have failed to punish instances of genocide. (Conversely, the fact that 19 nations, nearly all Communist-bloc countries, have themselves adopted Article IX reservations would enable the U.S. to invoke these reservations as a check against baseless charges in the Court.)

The proponents of an Article IX reservation contend that without such a reservation the United States would be subject to trivial or baseless charges before the World Court. In fact there is nothing to prevent such charges from being brought before the World Court by any nation regardless of whether the court had jurisdiction and regardless of the merits of the charge. In response to a question submitted by Senator Pell at the March 5 hearing the Administration stated that "there is nothing to prevent unfriendly nations which have accepted the compulsory jurisdiction of the World Court from attempting to bring trivial or frivolous charges in the Court." An Article IX reservation is not a safeguard against baseless propaganda.

For the United States to reserve authority under Article IX suggests that we are seriously concerned about the validity of charges which unfriendly nations might attempt to assert in the World Court. Instead of defensively embracing a shield that to date has largely been adopted only by countries that may well have reason to fear charges of genocide, the United States should take the initiative in identifying the perpetrators of genocide and bringing them to account under international law.

Finally, if we proceed to ratify the Genocide Convention with an Article IX reservation, we can anticipate that some of our closest allies will condemn our action and may even refuse to recognize our ratification. A U.S. reservation to Article IX would be circulated to all nations that have previously ratified the Genocide Convention. If any nation wished to object, it would be entitled to do so; the legal effect of the objection depends upon the statement of the objecting party. For example, the Netherlands has objected to Article IX reservations as "incompatible with the object and purpose of the Genocide Convention." Moreover, the Netherlands has taken the position that it does not deem any state making such a reservation to be a party to the Convention. The United Kingdom has similarly stated that a reservation to Article IX "is not the kind of reservation which intending parties to the Convention have the right to make." Australia, Belgium, Brazil, and Ecuador have also formally objected to Article IX reservations.

Only nine months ago the Administration testified before this Committee and made these same arguments in opposing an Article IX reservation offered at that time by Senator Helms. Davis R. Robinson, then Legal Adviser to the State Department, noted that the United States is a party to more than 80 multilateral and bilateral treaties and other international agreements with dispute resolution clauses similar to Article IX of the Genocide Convention. No concerns were raised by the Administration last September about the International Court of Justice, despite the fact that the Nicaragua case—later cited as the major reasons for the reversal on Article IX—had been before the Court for several months and a preliminary decision on the question of jurisdiction had been issued in May, 1984 (the preliminary decision rejected U.S. arguments on jurisdiction and largely conformed with the final decision issued last November).

We reject the notion that the Court's decision in the Nicaragua case, or any other individual case for that matter, should form the basis for the United States to follow the lead of Communist-bloc nations in deciding when we will agree to participate in ICJ proceedings. As a nation committed to the rule of the law and to the advancement of human rights, we have no need to erect artificial barriers against baseless propaganda charges. In opposing the proposed Article IX reservation at the March 5 hearing, John C. Shephard, the President of the American Bar Association, urged the Committee to "join our allies in rejecting such a reservation as a flimsy crutch for a totalitarian regime." We concur with this view and will urge the Senate to delete the Article IX reservation when the Genocide Convention is brought to the floor.

U.S. CONSTITUTION

As reported by the Committee, the resolution of ratification is further undermined by a reservation asserting that "nothing in the Convention requires or authorizes legislation or other action by the United States of America prohibited by the Constitution of the United States as interpreted by the United States."

The Genocide Convention has been the subject of 36 years of detailed legal analysis

by numerous authorities. We do not believe there is any credible contention that the Genocide Convention is in conflict, or could be in conflict, with the U.S. Constitution. The Supreme Court, in its own words, "has regularly and uniformly recognized the supremacy of the Constitution over a treaty," *Reid* v. *Covert*, 354 U.S. 1 (1957). In 1970, then Assistant Attorney General William H. Rehnquist testified that "there are no constitutional obstacles to U.S. ratification of the treaty." The rights of American citizens, he stated, would be fully protected under the Convention "because the Constitution is superior to a treaty no matter how interpreted." This position was fully reaffirmed by the Reagan Administration at hearings held by the Committee on Foreign Relations in September, 1984 and March, 1985.

The purpose of a state in asserting a reservation is to establish the limits of the obligations that are accepted by the reserving state in the treaty contract. The reservation adopted by the Committee in effect says that we ratify the Genocide Convention only insofar as we find no violation of our Constitution in the future. This kind of self-judging reservation is inconsistent with the rationale behind the international law doctrine that a state, once having ratified a treaty, may not invoke provisions in its Constitution or domestic law as an excuse for failure to perform its duties under the treaty contract. The lack of certitude as to our treaty obligation that is suggested by the reservation is contrary to treaty practice as well as disturbing to our allies who have undertaken an unqualified acceptance of the treaty's obligations.

The vagueness of the language calls into question the nature of our ratification. For instance, who decides under this reservation if "legislation or other action" by the United States violates the Constitution? It is unclear whether at some future date a Senate resolution or perhaps an executive branch official could decide that "legislation or other action" in connection with the Genocide Convention violates the Constitution. To condition our acceptance of our treaty obligations with this kind of openended reservatiCn suggests that we are not ratifying the Genocide Convention in good faith.

Equally dangerous is the precedent this reservation creates regarding the treaty obligations of other states. The adoption of this kind of self-judging reservation, particularly by other nations that can easily change their constitutions, would create major problems for the United States in enforcing treaty obligations where it is very much in our interest to hold these nations to their treaty commitments.

This reservation, like the reservation to Article IX, will seriously compromise the political and moral prestige the United States can otherwise attain in the world community by unqualified ratification of the Genocide Convention. It will hand our adversaries a propaganda tool to use against the United States and invite other nations to attach similar self-judging reservations that could be used to undermine treaty commitments. For these reasons we urge our colleagues in the Senate to delete this reservation from the resolution of ratification.

OTHER PROVISIONS

Of the remaining provisions in the package, three are essentially identical to those previously recommended by the Committee: the understandings regarding "intent" and "mental harm" and the declaration concerning implementing legislation. The Committee previously has recommended an understanding regarding the right of a state to bring to trial before its own tribunals any of its nationals for acts committed outside the state. To this provision the Committee has added new language stating that the pledge to grant extradition in accordance with a state's laws and treaties (Article VII of the Convention) extends only to "acts which would be criminal under the laws of both the requesting and the requested state." This language is modeled on the principle of dual criminality as stated in extradition treaties recently concluded by the United States. Of course, the Genocide Convention, once ratified by the U.S., would not by itself require the extradition of any of our citizens. Once implementing legislation defining and punishing the crime of genocide is enacted, existing extradition treaties not patterned on the standard of dual criminality would have to be specifically amended to encompass the crime of genocide. While superfluous, we do not regard this understanding as harmful to current extradition practice.

A new understanding has been added stating that "acts in the course of armed conflicts committed without the specific intent required by Article II are not sufficient to constitute genocide as defined by this Convention." Since it is obvious that any act committed without the specific intent required by Article II is not sufficient to constitute genocide, a question arises as to what the United States is really seeking to accomplish by attaching this understanding. The language suggests that the United States fears it has something to hide. Moreover, the relatively imprecise definition of "armed conflicts" in international law is an invitation to problems and will almost certainly draw adverse comments from other nations trying to figure out what the language is intended to do. To call attention to our fears about being brought to account for acts committed in armed conflict is really an embarrassment to the United States and should have no place in our ratification of the Genocide Convention.

Another new understanding states that "with regard to the reference to an international penal tribunal in Article VI of the Convention, the United States declares that it reserves the right to effect its participation in any such tribunal by a treaty entered into specifically for that purpose with the advice and consent of the Senate." The idea of an international penal tribunal is truly a "dead letter" and had not received serious consideration by the United Nations in over 30 years because of the obvious problems of sovereignty and due process inherent in such a proposal. Moreover, it has always been the Committee's belief as well as the view of successive Administrations that in the unlikely event that a penal tribunal is established, a separate treaty would be required before the United States could accept its jurisdiction. Finally, it is very unclear whether this provision would have any legally binding effect on the action of future Presidents and Congresses. In our view it has no more binding authority than "a sense of the Senate" resolution.

CONCLUSION

Last October, faced with the prospect of a filibuster in the waning hours of the 98th Congress, the Senate, by a vote of 87-2 passed S. Res. 478, expressing support for the principles contained in the Genocide Convention and declaring its intention to act expeditiously in the first session of the 99th Congress. Consistent with that resolution, we believe the full Senate should be given the opportunity at the earliest possible time to give its advice and consent to the Genocide Convention. Prompt U.S. ratification, especially in this fortieth anniversary year of the liberation of the Nazi death camps, will enormously enhance the Convention's value as an instrument to fight human rights abuses around the world. That value should not be tarnished by reservations which compromise the meaning and obligations inherent in the Genocide Convention.

We urge our colleagues to ensure that the United States lends its undiluted support to the legal and moral authority of the Convention by rejecting the conditions adopted by the Committee for Foreign Relations and replacing them with the three understandings and one declaration that have been previously recommended by the Committee. These provisions are sufficient to clarify our Constitutional concerns and, unlike the conditions adopted by the Committee, are in harmony with the legal and moral treaty obligation that has been undertaken by our allies throughout the world.

RESOLUTION OF RATIFICATION AS APPROVED BY COMMITTEE ON FOREIGN RELATIONS, SEPTEMBER 1984

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the International Convention on the Prevention and Punishment of the Crime of Genocide, adopted unanimously by the General Assembly of the United Nations in Paris on December 9, 1948 and signed on behalf of the United States on December 11, 1948 (Executive O, Eighty-first Congress, first session), subject to the following:

UNDERSTANDING

(1) The United States Government understands and construes the words "intent to destroy, in whole or in part, a national, ethical, racial, or religious group as such" appearing in Article II, to mean the intent to destroy a national, ethnical, racial, or religious group by the acts specified in Article II in such manner as to affect a substantial part of the group concerned.

(2) The United States Government understands and construes the words "mental harm" appearing in Article II(b) of this Convention to mean permanent impairment of mental faculties.

(3) The U.S. Government understands and construes Article VI of the Convention in accordance with the agreed language of the Report of the Legal Committee of the United Nations General Assembly that nothing in Article VI shall affect the right of any State to bring to trial before its own tribunals any of its nationals for acts committed outside the State.

DECLARATION

(1) The U.S. Government declares that it will not deposit its instrument of ratification until after the implementing legislation referred to in Article V has been enacted.

S. 1512—COLOR ADDITIVES AMENDMENTS OF 1985

Mr. PROXMIRE. Mr. President, it has been 25 long years since Congress directed the Department of Health and Human Services to determine the safety of color additives. The Congress gave HHS 2½ years to reach a final determination yet here we stand, a full

generation later, and the Department has still not taken action on 10 color dyes.

Is this because the testing is incomplete? Hardly. The tests have been completed years ago in some cases.

Is this delay the result of contradictory evidence or scientific disagreement? Absolutely not. The FDA's own Cancer Assessment Committee unanimously concluded that six of these dyes cause cancer. That was their unanimous scientific judgment. And still the Department has not acted.

Yet the Department now wants to extend the provisional approval for these color additives once again.

In my view, Mr. President, it is time that the Secretary of the Department and the FDA Commissioner meet their responsibility under the law and reach a decision on the safety of these 10 color additives. The legislation I am introducing today will require the Department to reach a decision within 60 days of enactment. To ensure compliance, my bill eliminates the Department's authority to give any color additives provisional approval. The Department will no longer have any legal excuse for delay.

THE COLOR ADDITIVES AMENDMENTS OF 1960

The Color Additives Amendments of 1960 established a procedure by which the more than 200 color additives then in use could be tested to determine if they were safe for their intended use.

The law put the burden of testing on the industry and intended that the studies be completed by the end of the 2½-year transitional period. Interim approval was to be extended only for the purpose of completing scientific studies being carried out in good faith.

Today there are still 10 color additives remaining on that provisional list.

In refusing to reach a decision regarding the safety of these dyes the Department is flaunting the law and jeopardizing the safety of the consumer.

It has been 3 years since preliminary data from the industry tests pointed to the carcinogenicity of six of the dyes. Under the strict standard in law—known as the Delaney clause—the FDA must ban an additive found to cause cancer in either man or animals.

That standard is an absolute one. Both because every known cancer causing agent in animals has been proven to cause cancer in man and because we have never been able to establish a "safe level" of a cancer causing agent.

THE RECORD OF THE LAST 5 YEARS

Since the adoption of the color additives amendments every administration had delegated decisionmaking authority in this area to the Commissioner of the FDA. But in 1981 the Reagan administration curtailed the independence of the FDA Commissioner. That decisionmaking authority was reserved to the Secretary of HHS alone.

Since that time, three successive FDA Commissioners have recommended that one or more of the dyes be banned and no action has been taken by the Department.

In 1983 Commissioner Hull Hayes recommended banning red dye No. 19.

In 1984 Acting Commissioner Mark Novitch recommended banning all six carcinogenic color additives.

Current Commissioner Frank Young recommended banning five of the six dyes.

All these recommendations were returned to the FDA without a decision. In fact, it is not clear that the FDA recommendations ever reached the Secretary's desk.

The Department's lack of willingness to enforce the law is inexcusable. Instead it has issued a parade of extensions to the provisional listings at a rate of one every 2 months for each of these dyes.

And why? The burden of proof rests with industry and even they concede that the six dyes cause cancer.

THE LAW IS CLEAR

A consensus has developed that the Department's delay is legally insupportable and that it has no option except to ban the six carcinogenic dyes.

That was the unanimous conclusion of the House Government Operations Committee investigative report, which was approved by every Democratic and Republican member of the committee.

A legal analysis of the applicability of the Delaney clause to color additives produced by the American Law Division of the Congressional Research Service concluded:

> It is clear that a decision by the DHHS Secretary to permit the continued use of a color additive (whether ingested or non-ingested), which has been found, as a whole, to cause cancer in animal tests, would be legally untenable.

Mr. President, in the weeks ahead, I intend to lay out the case against the Department—the clarity of the law, the judgments of the FDA's scientists and the memos of the FDA's own Commissioners. I also intend to review the findings and conclusions of the House Government Operations Committee, which lead to the inescapable conclusion that the Department is in clear violation of the law.

THE PROXMIRE BILL

With such an overwhelming consensus, how can the Department fail to act against color additives? After all, these substances have no nutritional value; they do not improve the taste or the healthiness of any food or product; they improve nothing but the color. A mere cosmetic benefit.

But the answer is simple. The food and cosmetic industry has made a tremendous investment in the use of these dyes. And the Department is simply unwilling to make the necessary tough decisions to protect the American public when large economic interests are at stake.

Well, Mr. President, the bill I am introducing today will not take that burden off the Department's shoulders either. My bill does not ban these dyes. It does not substitute congressional judgment for the Department's. It does not let them off the hook.

My bill simply calls a halt to this public health charade. The evidence is in. The music has stopped. It is time for the Department to choose its chair.

Within 60 days of enactment, my bill will eliminate the Department's authority to provisionally list these dyes. The Department will then have two choices: to list the dyes permanently as safe or to ban them.

The Proxmire bill will close, once and for all, the Department's favorite loophole of extending the temporary approval these dyes enjoy.

Because the law is so clear, the Department will be forced to make the right decision in spite of themselves. They will never survive a court challenge if they attempt to approve an unsafe dye.

Mr. President, I am delighted that Congressman ED FEIGHAN of Ohio is today introducing an identical measure in the House of Representatives.

Mr. President, I ask unanimous consent that three editorials on the provisional list, one from the New York Times, and two from the Washington Post, and a copy of the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the New York Times]

DYES THAT STAIN

Ice cream, maraschino cherries and many children's foods, drugs and cosmetics owe their bright colors to dyes made from coal tar. But 10 of these coal-tar dyes are of questionable safety, and six are now known to cause cancer in animals. Why doesn't the Food and Drug Administration stir to protect consumers from these noxious substances?

The agency would very much like to. Humans are exposed only to minute amounts of the dyes, but often for many years. True, the agency has permitted use of carcinogens like lead acetate, a hair dye, but only because that hardly alters the body's existing burden of lead from food and air. The agency calculates that four million children would have consumed more than a pound of coal-tar food dyes by the time they are 12. Dyes of questionable safety make up half of all food dyes consumed and one, Red No. 3, is a known carcinogen.

That poses a clear possibility of risk and it is being run for substances that have only cosmetic value. Red No. 2 was banned in 1976, but other questionable dyes were allowed to stay on sale pending further tests. Recent results from those tests have spurred the F.D.A. to act.

Former Commissioner Arthur Hayes wrote to Health and Human Services Secretary Margaret Heckler in May 1983 recommending that Red No. 19 be banned. Acting Commissioner Mark Novitch wrote in March 1984 that reviews of five other dyes found proof of carcinogenicity and that all six should be banned. Red No. 3 is used in food, the others in drugs and cosmetics. "The credibility of the agency and the department would suffer if decisions are not made soon on each of these color additives," Dr. Novitch stated.

But Mrs. Heckler hemmed and hawed and hawed and hemmed and hoped the problem would just die. Dr. Novitch was succeeded by Frank Young, who reached the same conclusion. Yes, the dyes are carcinogenic. No, you can't allow carcinogens in food, drugs or cosmetics because the law says you can't. Yes, the industry argues that the dose of carcinogen is so small you could wink at it, under the legal doctrine of De minimis non curat lex—"the law doesn't care about trifles." But color additives, Mr. Young prudently advised Mrs. Heckler last December, "provide a poor context in which to develop such an interpretation."

Mrs. Heckler was at last stirred to action. She told Mr. Young to keep the dyes on sale and to make what he could of a poor context. "I conclude," Mr. Young asserted last month, "that the agency has the discretion to utilize the 'de minimis' concept in appropriate circumstances."

This is no trifling matter. When science or law give uncertain answers, policy makers must use their judgment. But when both are unambiguous, policy makers who overrule a supposedly independent agency damage its credibility and destroy their own. As Alexander Schmidt, the F.D.A. Commissioner under President Nixon, has observed, "We have more politicization of the agency than is either warranted by rational politics or good for the American people."

[From the Washington Post, July 3, 1985]

A LIPSTICK YOU CAN LIVE WITH

Twenty-five years ago, Congress decided to ban dyes added to foods, drugs and cosmetics if tests show the dyes can cause cancer in humans or animals. After all these years, however, several suspicious colorants remain in wide use, and the Food and Drug Administration seems to have concluded that Congress didn't mean what it said back in 1960.

When Congress added the "Delaney clause" to the law governing foods, drugs and cosmetic safety, it justified this strict ban on the grounds that dyes, while pleasing to the eye, provide no medicinal or nutritional benefit. The bleed-proof maraschino cherry that only Red Dye No. 3 can produce may have aesthetic value for some connoisseurs of chilled Manhattans or canned-fruit cocktails. But is it worth even the smallest risk of cancer? In 1960, anyway, Congress decided no.

But the FDA, under industry pressure, has managed to drag out its evaluation of color additives to the point where 10 coal-tar-based dyes remain in wide use despite the fact that they have flunked one or, more cancer tests. By the end of last year, it looked like the game was up for at least six of them.

Three successive FDA commissioners, including the incumbent, had recommended banning one or more in the group. FDA expert panels, in the last two years, unanimously proposed banning all six. A top agency official warned that calling for still more reviews would simply damage further FDA's credibility and expose it to lawsuits. Subsequently, however, the current FDA commissioner, Frank Young, apparently changed his mind about the ban, and Health and Human Services Secretary Margaret Heckler announced that she is leaving all six dyes—along with four other suspects—on the market, perhaps indefinitely.

Some FDA officials and consumer groups have charged that the Office of Management and Budget and the Department of Health and Human Services—succumbing to industry pressures—have forced FDA to act against its best scientific judgment. The full membership of the House Government Operations Committee, including 12 Republicans, charged last month that Secretary Heckler is violating the law.

She argues that Congress didn't mean to ban colorants that caused cancer in animals if the tests showed that, in normal usage, they posed only a very small risk to humans. She says that the statute ought to be applied to allow her department discretion to decide if mothers really should worry about the brightly colored foods that so attract their children or the cumulative effects of a lifetime of chewing off their own lipstick. But if Congress thinks that, it ought to rewrite the law. At the very least, it should require that items containing these dyes be clearly labeled so that consumers can make their own choices about risk.

[From the Washington Post, July 28, 1985]

HOW NOT TO REGULATE

As lessons in how not to regulate, it is hard to beat two recent actions by the Food and Drug Administration. One was the decision last month by FDA Commissioner Frank Young to allow six dyes, including the maraschino cherry's Red Dye No. 3, to remain on the market even though they have been shown to cause cancer in animals. The second was the granting of an "emergency exemption" from normal safety checks for a cattle drug that was known to leave cancer-causing residues in meat.

In both cases there is no doubt that the FDA acted contrary to law. The "Delaney clause" enacted way back in 1960 bans all foods, drugs and cosmetics that can cause cancer in humans or animals. FDA says it left the dyes on the market because the risk to humans in normal usage was exceedingly small. But there is no warrant in the law for such an exception. Similarly, there is no warrant in the law for any emergency exemption for animal drugs that don't meet agency standards. The FDA is making decisions in flagrant disregard of the law.

Having said that, we should add that you should take at something less than face value the cries of outrage arising from Congress. For if the FDA is acting lawlessly, it is doing so after receiving a lot of nudges and winks from Capitol Hill. It is widely recognized, for example, that improvements in testing over the last 25 years have enabled scientists to identify as cancer-causing some substances that seemed entirely benign under testing as it was known when the Delaney clause was enacted.

But Congress has been unwilling to tackle the hard job—hard technically, especially hard politically—of rewriting the law to bring it in line with current techniques. Hence, despite some protest, it effectively lets the FDA act outside the law. It should be needless to add that this is a terrible way to do the people's business. It means that an agency with exceedingly important powers is acting with no precise standards, subject to no effective review, in a way that may be scientifically and certainly is politically irresponsible. Blame the FDA, definitely. But blame Congress too.

S. 1512

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 203 of Public Law 86-618 is repealed.

(b) The repeal made by subsection (a) shall take effect 60 days after the date of enactment of this Act.

(c) Any provisional listing or deemed provisional listing of a color additive which is in effect—

(1) on the date of enactment of this Act; or

(2) during the period beginning on the date of enactment of this Act and ending on the date which is 60 days after the date of enactment of this Act,

shall expire 60 days after the date of enactment of this Act.

REFERRAL OF SENATE JOINT RESOLUTION 77

Mr. MATTINGLY. Mr. President, I ask unanimous consent that Senate Joint Resolution 77, the Compact of Free Association, be referred to the Committee on Finance for a period not to extend beyond the hour of 10 a.m. on Tuesday, July 30.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MATTINGLY. Further, I ask unanimous consent that if the Finance Committee has not reported Senate Joint Resolution 77 by 10 a.m. on Tuesday, July 30, the Committee be automatically discharged and the bill be placed on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. There will now be a period for the transaction of routine morning business.

WHEN THE GOING GETS TOUGH

Mr. FORD. Mr. President, last week, I met with a very unusual young lady, one who has been a long-distance runner and has won many medals. She had attended the University of Hawaii and became a cheerleader. During one of her acrobatic demonstrations, she fell and was seriously injured and was paralyzed from her neck down. She vowed to walk again.

After her surgery and much work, she is now on her feet and will be back at the University of Hawaii this coming year and will participate in cheerleading activities, except for the acrobatic part.

Mr. President, I ask unanimous consent that an article about this young lady be printed in the RECORD, because

I believe it is worth reading and characterizes "don't give up."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHEN THE GOING GETS TOUGH

(By Rich Suwanski)

The young woman and her father stood patiently behind the crowd that crammed forward to the starting line. She was in no hurry, nor would she be once the gun sounded.

At the crack, 138 runners leaped ahead, beginning their 10-mile trip in the Owensboro Summer Festival Road Race Sunday morning. Within seconds, the field was gone and Kathleen Beumel and her father Walter started to jog the one-mile Fun Run.

"Daddy, you're going too fast for me," she said after their first few steps.

His jog was about the speed of a medium-fast walk. Her progress was slower, so he fell into step with her. She looped her left arm around his right arm, just in case, but did not hold on to him. She'd already had one serious fall in her life; she didn't want another.

Last summer, Beumel broke her neck in a cheerleading accident at the University of Hawaii and was paralyzed from the armpits down. She underwent surgery to remove the shattered bone chips in her back and had a bone graft from her hip wired into her spine. Doctors said she would be a quadriplegic for the rest of her life.

Beumel pushed herself through five hours of rehabilitation each day last fall and, by December, she could take five steps without a cane. Back then, she promised herself that she would run in Sunday's Fun Run.

And now here she was, the former Apollo track and cross country star, the winner of 10 individual state championships, jogging slowly, courageously on the sidewalk. The downtown streets were deserted at 7 a.m. No spectators were present to urge her or cheer her, save her father and mother, Roberta.

Beumel hadn't run a step since her accident ("I only jogged in place holding the bedpost.") and she was unsure whether she'd go through with the Fun Run as late as 10 p.m. Saturday. But she said she felt confident and did.

In the final 50 yards, Beumel's father let her go to the finish line alone. Limping slightly, she made it safely and received applause from about 10 bystanders.

"This was the longest mile I ever ran," said Beumel, 22. "It was fun.

"I wanted to do it, but I didn't know if I was able. But I thought I'd give it my best shot. I'm glad it was only a mile."

She finished the mile in 11:03, about six minutes slower than she ran it in high school. But time was not important Sunday.

"My right leg is so weak, it felt like I was dragging my right toe," she said. "I don't run fast enough to be sore.

"Eventually I'd like to do it (a fun run) again, maybe not this summer. Right now I feel my progress has come to a halt and it's frustrating for me. If I could go out the next time and run a 10:03, I could see that I'm getting better."

This is tremendous progress," her mother said.

Beumel will return to Hawaii to complete her senior year this fall. She also plans to be on the cheerleading squad, of which she is captain, but will not participate in acrobatic routines.

Family and friends continue to be amazed by what Beumel has accomplished since her accident, but she wants to accomplish more. Her outlook is bright and she's full of spirit. She had a good laugh Sunday morning telling the following story on herself:

"When I got out of rehabilitation, one of my friends took me to a nightclub. I folded up my walker and put it down and I was sitting there when a guy asked me to dance. I told him I couldn't and he said, 'Oh sure you can.'

"I said, 'No, really, I can't dance and he said not to worry because he couldn't dance that well either.

"You know how some people will badger you and he kept on. I told him I had a serious injury. He asked me what happened and I told him I broke my neck. He said, 'You didn't hurt your feet, did you?' "

ACTION URGED ON ESSENTIAL LEGISLATION

Mr. NICKLES. Mr. President, I think it is vitally important that we in Congress do our job, and that is do our job this week.

I am encouraging the majority leader and other colleagues that we stay in session until we do our business, in particular with regard to the budget and also in regard to the farm bill. I think both are important, and I think if the American people find out that we recessed for the month of August if we did not finish work on the budget, and they have heard we have been negotiating, haggling, fighting, disputing the budget for months, but if we end up walking away with no budget, I think they can rightfully say that Congress was irresponsible in doing their job. In fact, we have not done or accomplished our job.

So, I hope we will have the patience or the willingness to work long hours and work whatever hours are necessary to finish work on the budget this year this week.

I also think, Mr. President, it is vitally important that we move forward on the agriculture bill and finish at least those sections of the bill that are pertinent to farmers who are trying to make decisions right now. We have wheat farmers throughout the country who are in the process of preparing their fields. They will be planting in September. They need to know what type of situation, what type of farm bill we will have, whether the news from Washington, DC, will be good news or whether the news will be bad news. I think farmers are entitled to know that will be in the farm bill.

They need to be able to make those decisions. They cannot make a lot of decisions until they find out what is comprised in the farm bill.

I am encouraging my colleagues. I do not want to stay here the month of August; certainly I probably want to go back to my State as much as anyone. We have a lot of things scheduled. But I think it is more important that we finish action on these two measures, and I hope that we still stay in until we finish our job.

MONSANTO PRESIDENT MAHONEY SPEAKS WITH COMMON SENSE

Mr. HELMS. Mr. President, back in May I attended a dinner in the Capitol one evening and I heard an impressive report by the president and chief executive officer of the Monsanto Co., Mr. Richard J. Mahoney.

It took a little bit of doing, but I have finally obtained a copy of Mr. Mahoney's remarks about the opportunities and challenges facing not only his company, but the Nation as well. I sought the text of Mr. Mahoney's remarks because he compressed an enormous amount of common sense into his brief report, covering matters vital to the future of America.

Sure, Mr. President, Mr. Mahoney talked about Monsanto Co. in terms of the future. But what he said about Monsanto is equally applicable to America's stake in increasing our competitiveness in world markets. So I suggest that Senators take a few minutes to read what Mr. Mahoney said on May 23, 1985, in room S-207 of the Capitol.

Mr. President, I ask unanimous consent that the text of Mr. Mahoney's report be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

REMARKS BY RICHARD J. MAHONEY, PRESIDENT AND CHIEF EXECUTIVE OFFICER, MONSANTO CO.

Our Board of Directors periodically leaves St. Louis to meet in customer and factory locations, and we occasionally visit here in Washington to talk about some of the federal issues that affect us.

Monsanto does business throughout the United States and around the globe. We are an international company, and we are completing a major corporate transition from heavy manufacturing to high technology.

In the early 1970s, we were largely involved in commodity products. Over the last several years, we have been moving into high technology in everything we do. Much of U.S. industry aspires to the same kind of transition, and success in making it is critically important for our country.

Because Monsanto is further along in the process than many other companies, it might be of interest to know what a company like ours seeks in Washington as we strive to succeed as a high-tech employer and an effective competitor.

Our needs are modest, but critically important. In the simplest terms, companies like ours consist of four business functions:

First, we are heavily committed to research. For example, Monsanto is among the two or three major spenders in the world in biotechnology R&D and the leader in silicon for electronics. We're active in many other fields as well.

After research, of course, we make the products and we try to do it in a socially responsible way.

Third, we sell them—in a tough, competitive, international market.

Finally, we try to sell them at a profit.

We have a simple request in each of these four categories.

In research, the most controversial issue in the field of biotechnology R&D today is not the science itself, but the public's worry about what the science is capable of doing. The products of biotechnology must be safe, and the public must know they are safe. We think the best way to assure the public of that safety is through careful regulation by the government. For this reason, we at Monsanto have consistently endorsed control of biotechnology through existing regulatory laws. We don't need a whole new set or, worse, 50 new sets, one for each state.

Nothing hampers research more than adding an uncertain regulatory climate to the other new venture risks. The regulatory hurdles take several years to clear—presuming you know what the regulations are. In our view, current regulatory authorities—in EPA, FDA, and USDA—have sufficient scope to govern biotechnology. The rules need to be laid out now if we're to turn this science into products that are useful to mankind—and do it sometime soon.

Second, in the "make" department, we seek reasonable regulation and risk-benefit analysis of our production processes. It should be based on science, not headlines or irrational fears of chemicals and technology.

In the selling arena, our need is simple. We need someone to sell to. For example, one of the major uses for the new biotechnology science will be in agriculture. Agriculture is one of America's truly high-tech industrries, a fact that is one of our nation's best-kept secrets.

Congress is trying to solve the immediate problems of American farmers. A company like ours—vitally committed to agriculture—understands how tough a task this is. But farmers produce one-third of their crops for overseas markets. So, looking ahead, one key to long-range farm prosperity has to be a strong export policy. Whatever else it does, the next farm bill must improve the ability of U.S. farmers to move aggressively into world markets, meet the competition head-on, and use this new technology that is being developed by Monsanto and others.

I need not elaborate on the importance of a level playing field in international trade. It, too, is critical to high technology companies.

And, finally, once we invent, manufacture, clear the regulatory hurdles, and compete effectively, it would be nice to see the rewards of this expensive risk-taking protected from the modern version of international piracy. I'm referring to the intellectual property rights of patents and trademarks, which need to be nurtured and protected by international agreement so that our reward for R&D success is not stolen before we get a reasonable return for our R&D risks.

I think this "wish list" is modest. To us, at least, it seems a reasonable way for Washington and our international partners to ensure the enormous gains for society that can occur when companies like Monsanto blaze new paths in high technology. It's the bare minimum that we, and others like us, need to complete the move to high technology industry.

There are no handouts on the list, no preferences, no "pork." It's simply a request to allow us to do business. Let us research, manufacture, and try to sell at a profit—and then hold us accountable for doing so in a fair and socially responsible way.

PRISONERS OF CONSCIENCE

Mr. EAGLETON. Mr. President, I am pleased to join in the Congressional Call to Conscience, in speaking out for religious freedom and basic human rights for Jews living within the Soviet Union.

In just 1 week, on August 1, the world will observe the 10th anniversary of the signing of the Helsinki accords, an act which calls for universal adherence to a widely accepted code of fundamental human rights, and which requires that states afford national minorities "a full opportunity for the actual enjoyment of human rights and fundamental freedom."

The Soviet Union, although a major signatory of the Helsinki accords, has come to symbolize the very antithesis of the accords—it has become the land of the gulag for its Jewish minority.

Over the last 5 years, the number of exit visas granted Soviet Jews has plummeted from a peak of 51,300 in 1979 to 896 in 1984. Arrests and trials of Jewish activists and refuseniks have increased dramatically. And what are their crimes? They have sought to practice their religious beliefs; they have sought to maintain their Jewish identity; they have sought to emigrate. They have done nothing more than seek to preserve their human rights.

President Reagan's meeting with Soviet Leader Mikhail Gorbachev this November offers a new opportunity for our Nation to speak out against the continuing repression of Soviet Jews. I have joined with many of my colleagues, under the leadership of Senator D'AMATO, in urging President Reagan to use the opportunity of his meeting with Mr. Gorbachev to raise the issue of human rights for Soviet Jews. I trust the President will heed this appeal and use his very considerable communicative skills to persuade Mr. Gorbachev to honor the Soviet Union's pledge through its signing of the Helsinki accords to respect human rights and to allow a freer movement of people across international borders.

In 1776, our Government became the first specifically created to preserve human rights. Our humane origins and traditions compel us to continue speaking out on behalf of prisoners of conscience until the concepts of basic human rights embodied in the Helsinki accords are a reality for people all over the world.

CHILDERSBURG HERALDED AS ONE OF THE NEW WORLD'S EARLIEST CITIES

Mr. HEFLIN. Mr. President, I rise today to recognize the fine town of Childersburg, AL, that hosted the Spanish explorer, Hernando Desoto well before the dawning of the American colonies. I share the pride of Childersburg residents, whose town's colorful past precedes even the founding of St. Augustine in 1565. Some contemporary historians consider Childersburg to be one of the New World's earliest cities and the first permanent home of European settlers.

Treading the virgin soil of an unknown land, Desoto made his historic trek that covered a large portion of the Southeastern United States. Entering Alabama from what is now Rome, GA, the Spaniards were not merely a band of unorganized adventurers, but a strictly disciplined cavalry unit, consisting of soldiers and artisans. The men were supplied with the best weapons and armor of the day and only the most competent riders commanded the cavalry's horses.

Desoto and his company were told of a very large Indian city, rich in resources and known as Coosa, which is present day Childersburg, AL. Eager to visit the famed city, the expedition journeyed through the many hamlets of the Coosa Province, admiring the dense acres of cultivated crops and the wild fruit and game.

The 1,000-man army and their 300 horses first gained sight of the ancient Indian city on July 26, 1540. With what could be termed original southern hospitality, the Spaniards were met with joyous song and dance as Chief Coosa extended his greeting to the visitors from a decorated throne. The Coosa natives were intrigued by the bearded, fair-skinned Europeans atop their even stranger horses.

In retribution for Chief Coosa's warm greeting, Desoto took him hostage, as well as throwing many of the city's lesser leaders into bondage. The notorious explorers did so to gain assurance of acquiring needed goods and men that most likely would have been offered as a gift by Coosa.

Desoto's obsession with discovering gold blinded him from recognizing the one truely previous offering of the province, Coosa itself. The city was recorded as resting upon a high plateau overlooking the fertile flat earth bordering the Coosa River. The Spanish journals herald what is now Childersburg as providing one of the most lush landscapes to be found along their 4,500-mile passage through early America.

Departing Coosa after staying about 1 month, one ill Christian black man and one Spaniard named Furado remained. In accordance with the ancient records in the Spanish National Library at Seville, the two members of the Desoto caravan can be considered the very first European settlers to establish a permanent home in the New World.

Tedious and thorough investigations have been made in order to piece together the events of Desoto and his army although centuries have faded the glory of the Indian city. In coop-

eration with the Spanish Government, American historians have probed the aged records of Desoto to confirm that modern day Childersburg was the capital city Coosa.

The home of the two original settlers left by the caravan is also substantiated in the Federal study, "Final Report of the Desoto Expedition Commission" compiled by Presidential request. These assertions are based, in part, on Desoto's descriptions of the geography of the Talledega County area. No Childersburg resident needs to imagine the Cahatchee Mountains that the 15th century adventurers admired because they are still seen and appreciated everyday.

The faint whisper of a colorful and important history has always rustled through the trees of Childersburg; but today residents are able to observe their rich history through a historical marker and more recently a vivid wall mural located in downtown Childersburg. The mural was sponsored by the Childersburg Beautification Board and depicts, in great detail, the decorous meeting between Hernando Desoto and Chief Coosa. The city also offers Desoto Caverns, where time-worn clues to the Coosa lifestyle still remain.

These 20th century commemorations honor the events that unfolded at the same time Martin Luther was giving sermons in Europe and Henry VII was marrying Catherine of Anjou. The Spanish conquistador's visit predates the Pilgrims' arrival in America by almost a full century, the Jamestown settlement by 70 years, and even the establishment of St. Augustine by a quarter of a century.

Mr. President, to the citizens of Childersburg and her visitors, the trail of Hernando Desoto is not hidden within dusty history records, but rather it remains today in the paths, mountains, and caverns surrounding the town. For the 5,000 people that call Childersburg home, their history is a rich ancestry that is revealed today in a strong sense of civic pride.

EFFECT OF TREASURY TAX REFORM PROPOSALS ON THE TIMBER INDUSTRY

Mr. HEFLIN. Mr. President, the administration's tax reform proposals contain provisions which, if implemented, could prove devastating to the timber industry of this country. No one would disagree that the timber industry is vital to the U.S. economy. Many other industries, such as housing and paper, depend on its health to survive and grow. Yet, the Treasury tax plan reflects a serious misunderstanding within the administration about the nature of the timber industry.

The administration's tax proposals would adversely effect the timber industry in two ways. First, it proposes to require capitalization of certain expenses in timber operations which are currently deductible. Second, it proposes to limit capital gains treatment of timber transactions. The effect of these changes would be to stifle timber management and growth and encourage the liquidation of present timber investment.

Under current law, timber owners are required to capitalize the cost of acquiring or creating a stand of timber. Thus, the cost of seeds or seedlings, planting, site preparation and stand establishment are required to be capitalized. The growth cycle, which is typically 20–45 years, determines the length of time these expenses remain unrecovered.

Once the stand is established, the owner is allowed to deduct currently the expenses of normal maintenance of the forest. These expenses include fire prevention, insect and disease control, and other management costs. The law allows these expenses to be deducted as it allows deductions for expenses of maintaining any asset. In addition, taxes and interest paid on debts incurred to carry forest lands are fully deductible, as are all taxes and interest payments incurred in the normal course of any business. However, the administration's tax reform proposal would require these costs to be capitalized annually and recovered through depletion at the time the timber is ultimately sold or harvested.

The administration's proposal is based on the concept that because timber investment involves a long period of time over which income is to be realized, these costs should be capitalized and recovered at the time the timber is disposed of. However, the result of the proposal would be to make an investment in timber prohibitively costly. An investment in timber requires a substantial commitment over a long period of time and is extremely risky. This proposal would dramatically increase the investment required in the timber stand, thereby creating another disincentive for long term timber management.

The forest products industry would also be severely impacted under the Treasury tax proposals. Industry practices would change, and productivity would suffer. Some 75 percent of Alabama's forest lands are owned by individuals. To avoid the severe impact of this proposal many of them would most likely cease all management of their timber. They simply could not afford to make so large an investment for that long a time. The only sensible procedure would be to cut the timber as it matures, and not replant.

The administration's tax proposals would also severely limit the capital gains treatment of timber transactions. Under current tax law, capital gains treatment is given to all timber transactions that meet the normal holding period requirements, whether it is sold outright, managed and sold under contract, or processed in the owner's plant. The capital gain is the difference between the cost and sales price or the market value of the standing timber when harvested. For individuals that means that 40 percent of the income is taxed at a maximum rate of 50 percent, or a maximum rate of 20 percent is paid. Corporations are taxed at 28 percent, rather than the ordinary rate of 46 percent.

Under the tax reform proposal, capital gains treatment would be eliminated for timber owners who are deemed to hold their timber for sale, or for use in a trade or business. This will put the law back to where it was before 1944. That was the year that Congress adopted the policy of applying capital gains treatment to all timber production, managed or unmanaged, owned by private land owners or industry. It was the intent of Congress to stimulate forest production, and they did. Since that time the Nation's growth of timber has kept pace with the cut. We now have an adequate and stable supply of wood.

The Treasury proposals would reverse this long established and successful policy. Under this proposal the ordinary tax rate would be reduced to a maximum of 35 percent for individuals, and capital gains would be taxed at 50 percent of the realized income. An individual owner who is not deemed to be "in the business" would see his tax decreased from 20 percent to 17.5 percent. But the price he would pay for this tax treatment is that he must forego the modern forestry practices. That is, he must not engage in any management of his land. The Treasury proposals treat those who manage their land much differently. They get ordinary income treatment. For them the tax increases from 20 percent to 35 percent for individuals and from 28 percent to 33 percent for corporations.

Congress recognized the unique long growing cycle of timber in 1944 when it enacted the current capital gains provisions. The long term investment required for timber growth is quite unlike other product production costs, and certainly justifies capital gains treatment. That investment is required by every owner, industry or individual.

The proposed changes in the tax law by the administration would clearly have a devastating effect on the timber industry. The success of our timber industry is due in great part to our current tax policy. However, without reasonable tax treatment it is a relative certainty that private land owners will not make the commitment to so long a recovery cycle.

It is not hard to predict the outcome of the proposed change tax policy. As was the case before 1944, the national cut will exceed the growth. We will grow progressively short of timber. As a result, housing prices will increase, paper prices will increase, and packaging prices will increase. The long term effects of these proposals are indeed substantial.

Our forest products industry is already suffering the effects of the strong dollar and competition from foreign firms. The strong dollar has reduced exports and increased imports. The last thing the United States should do is to further decrease this industry's competitive ability by putting it at a substantial tax disadvantage.

The impact of the tax proposals would vary in different parts of the country. In the South, where most timber land is privately owned, the impact would be the greatest. Alabama would be particularly hard-hit. The Alabama development office reports that some 70,000 Alabamians are employed in the forest products industry. The industry contributed $3 billion annually to the State's economy, which is more than any other manufacturing industry. The industry owns only 20 percent of the State's forest land, and government some 5 percent. It's the individual land owner who owns the other 75 percent.

The economic impact of timber industry problems on Alabama would be substantial. As the costs of timber production soar and foreign competition moves in, a reduction in value of timber land is inevitable. Alabama can ill-afford any reduction in its tax base. The incentives against reinvestment will lead to a dwindling timber production and fewer jobs. And it's difficult to see how our paper and lumber manufacturers could effectively compete with foreign firms who have the luxury of tax and dollar value advantages, as well as in some instances direct or indirect subsidies.

Mr. President, as the Congress moves ahead with the debate of tax reform, I urge my colleagues to study very carefully the administration's proposals affecting the timber industry. We must not destroy one of this Nation's most important industries in the name of tax reform or simplification.

COMMEMORATING 25TH ANNIVERSARY OF THE GEORGE C. MARSHALL FLIGHT CENTER

Mr. HEFLIN. Mr. President, this month marks the 25th anniversary of NASA's Marshall Space Flight Center located in Huntsville, AL. Established in 1960 by a team of rocket experts led by Dr. Wernher Von Braun, Marshall has become one of the Nation's leading pioneering space centers. Originally NASA's rocket propulsion development center, Marshall has diversified into a center for the development of payload and space science activities. In its first 25 years Marshall has amassed a remarkable record of space related achievements.

Among Marshall's early achievements during the embryonic years of our national space program was the launching of Explorer I, the free world's first satellite. In the 1960's, the Center was responsible for developing the Saturn series of launch vehicles for the Apollo space craft. The Apollo program, which has responsible for carrying the first man to the Moon, was one of the most ambitious and successful scientific initiatives ever undertaken. Marshall Space Flight Center was also responsible for the lunar roving vehicle, used by our astronauts to explore the Moon's surface.

In 1975, Marshall managed the Apollo-Soyez test project, in which a two-man Russian crew docked in orbit with a three-man American crew for the first time. This project heralded the end of the Apollo era in the United States. And continuing in its tradition of technical excellence, Marshall successfully developed the three high energy astronomy observatories which provided the scientific community invaluable information about our universe.

The cornerstone of our current U.S. man space program is the space shuttle. The Marshall Center plays a key role in the space shuttle program by providing its propulsion systems including the space shuttle main engines, the solid rocket boosters, and the external tanks.

Marshall managed the development of the spacelab, a versatile and reuseable space laboratory and observatory facility and is responsible for a number of spacelab payloads. The Center is currently developing the space telescope, a stellar observatory that will be placed into Earth orbit and will enable man to see objects with a resolution approximately seven times better than that obtainable with the largest Earth based telescope.

Marshall has also been assigned substantial responsibilities for development of the space station, a permanently manned orbiting station to be launched within a decade. The space station represents a major evolutionary step in man's experimentation, use and conquests of space and will enhance our country's science and applications programs. The facility will also encourage development of capabilities for the commercialization of space and stimulate advanced technologies.

The Center also has the responsibility of managing the materials processing in space activities for NASA. This program emphasizes the science and technology of processing materials in a gravity free environment. As we have seen with experiments already underway, such as electrophoresis and crystalography, the potential technological, medical and economic benefits from producing products in space is unlimited. I am especially pleased that Marshall is at the forefront of this exciting and promising area.

During its brief history, the Marshall Space Flight Center's efforts in space and space exploration have resulted in numerous and significant technological advances that have been successfully applied to the benefit of mankind and to improving our quality of life. The Center's scientists, engineers, technicians, management and support personnel in conjunction with industry and the scientific and academic communities have achieved and retained an unexcelled record of success and a reputation for technical excellence. Under the leadership of its Center directors, the late Dr. Wernher Von Braun, Dr. Eberhard F. M. Rees, Dr. Rocco Petrone, and the Present Director, Dr. William R. Lucas, Marshall Space Flight Center has made immeasurable contributions towards man's pursuit to expand his knowledge of the universe and himself.

Congratulations are in order to the men and women who have been a part of the Marshall Center for the past 25 years and who have contributed significantly to making and maintaining the United States the world leader in space.

CASH METHOD OF ACCOUNTING

Mr. HEFLIN. Mr. President, the administration's tax reform proposals would require many businesses, whether individual proprietorships, partnerships, or corporations, to convert from the cash method of accounting to the more complex and costly accrual method of accounting. This proposal will force many taxpayers to pay taxes on income they have not yet received and may never receive. In my judgment, this provision was added to the tax reform proposal as a last minute, ill-considered effort to produce a relatively small amount of revenue without the thoughtful consideration of the devastating impact it will surely have on many individuals and businesses.

Currently, the two most used methods of accounting are the cash method of accounting and the accrual method of accounting. Under the cash method of accounting, income is reported when cash or a cash equivalent is actually or constructively received by a taxpayer. Expenses are deducted when actually paid. By contrast, the accrual method of accounting provides for a recognition of income when all events have occurred which establishes the taxpayer's right to receive the income

and the amount of such income can be determined with reasonable accuracy. Expenses, likewise, are deducted only when all events have occurred which establish the fact of liability for payment.

In general, taxpayers are permitted to use the cash method of accounting with respect to any trade or business. Taxpayers, however, who are required to use inventories for the purchase or sales of merchandise in a trade or business, are required to use the accrual method of accounting. Such taxpayers are also benefited by use of the installment method of accounting for reporting their sales. Most farmers are nonetheless allowed to utilize the cash method of accounting for their farming activities even though farming involves the production and sale of goods.

Under the administration's tax proposals no taxpayer would be permitted to use the cash method of accounting for a trade or business unless the taxpayer first satisfied both of the following conditions: One, the trade or business has average annual gross receipts of $5 million or less; and two, the trade or business, other than a farming trade or business, has never regularly used any other method of accounting.

The administration gives three rationales for proposing a limitation on the use of the cash method of accounting. First, the administration suggests that the cash method of accounting merely reflects actual cash receipts and disbursements and does not reflect the true economic results of the taxpayer's trade or business over a taxable year. The report notes that the cash method of accounting is not approved under generally accepted accounting principles.

Second, the administration states that the cash method of accounting produces a mismatching of income and deductions as between payor taxpayers and payee taxpayers, each of whom employ different methods of accounting.

Third, the administration states that taxpayers in whose trade or business the production, purchase or sale of merchandise is an income producing factor, are presently required to use the accrual method of accounting with respect to their purchases and sales of inventory. The administration proposal infers that one of the principal underlying purposes of the proposed cash method limitations is to prevent discrimination between service businesses and manufacturing and merchandising businesses. I want to address each of these rationales.

The cash method of accounting may not conform to generally accepted accounting principles, but neither does the accrual method of accounting as applied for tax reporting purposes. The cash method of accounting is, however, both simple and fair for tax accounting purposes and clearly reflects the economic results of operations of a trade or business for tax accounting purposes. Accounts receivable, at best, represents an expectation or hope of future revenues. Tax should not be assessed and paid on the basis of hopes and expectations, but on the basis of collected, disposable income. Generally accepted accounting principles have never been accepted by the Treasury or the Internal Revenue Service as the proper economic basis for tax accounting.

While the cash method of accounting may potentially produce a deferral of revenue for a short period of time when contrasted with the accrual method, there has been little abuse of this accounting method in the past.

With regard to the administration's second argument, there is no doubt that if a higher percentage of taxpayers were all placed on the same method of accounting, whether cash or accrual, there would be some elimination of mismatching of income and deductions between payor taxpayers and payee taxpayers. There is nothing about the accrual method of accounting as contrasted with the cash method of accounting which would produce the result of less mismatching. Indeed, since more individuals are presently and shall continue to be cash method taxpayers, placing professionals, and other service organizations on the accrual method of accounting will likely result in greater mismatching of income and deductions rather than less. In addition, many of an individual's payments for services such as repairs, health care, architectural, and so forth, are nondeductible, thereby rendering mismatching irrelevant for such payments.

The administration's third argument implies that equal treatment demands that noninventory taxpayers be required to use the accrual method of accounting because taxpayers who maintain inventories are required to do so. However, this argument fails to note the economic distinctions between service and nonservice organizations. The proposals also fail to consider specific tax relief afforded persons who sell products which will not be available to service organizations.

Taxpayers who have inventories and are presently required to utilize accrual accounting are also allowed to utilize the installment method of accounting to defer reporting and paying taxes on future, uncollected income. The installment method of income reporting eliminates the cash flow burden on such taxpayers arising from the accrual of accounts receivable prior to the receipt of cash or a cash equivalent. In many respects, installment reporting allows accrual basis taxpayers to continue to report income and pay taxes on the cash method of accounting.

Use of the installment method of accounting is not available to taxpayers subject to the administration's proposal. Therefore, rather than alleviating discrimination, this proposal creates discriminatory treatment.

Service organizations, as contrasted with trade or businesses selling products and carrying inventory, will also bear a disproportionately large part of the burden created by the proposed repeal of the reserve method for bad debts when such repeal is coupled with the imposition of the accrual method. Due to local lien laws, statutory creditors rights, and customary trade practices, merchants are more likely to collect their accounts receivable than many service organizations, including professional service organizations in particular. Frequently, professional service organizations choose not to collect debts which would not be deemed worthless or uncollectable, and thereby not deductible under present Treasury regulations. Thus, a physician who submits a bill to a patient would be required to include the account receivable in taxable income and pay tax thereon. When the patient fails to pay, the physician, in order to receive a bad debt deduction in a subsequent year, would be required to sue or produce evidence, if available, of the patient's inability to pay. If the physician fails to sue a patient who was able to pay, no deduction would be granted.

The administration's proposal would ostensibly retain the cash method of accounting for most individuals, since it is only applicable to trade or business and would also only apply to large trade or businesses, that is it would not apply to those trade or businesses with average annual gross receipts of $5 million or less. Although the change is applicable only to trade or business, it will effectively impose accrual accounting on individual owners of such trade or businesses, including individual partners in service organizations. Such individuals, as well as all other businesses subject to the rules, will have severe cash flow problems because they will be required to pay tax with respect to the income derived from the partnership or proprietorship on accrued or uncollected income. This proposal represents a severe form of arbitrary, economic discrimination between individual professional taxpayers who are similarly situated in all respects except for the amounts of the gross receipts of the firms to which they happen to belong.

The $5 million standard creates substantial disincentives for service organizations to grow larger. Service organizations subjected to the rule will have greater difficulty recruiting qualified personnel and competing in every respect with slightly smaller, similarly situated organizations not burdened by the additional tax. Larger

organizations founded to benefit from economies of scale and to provide improved service to the public would have substantial incentives to break apart into smaller, less efficient units.

Mr. President, the stated rationale of the administration's proposals as to the cash method of accounting do not withstand scrutiny. These proposals promote discrimination, complexity and disincentives for capital formation among service organizations. The proposed change is an ill-considered, revenue producing measure which is arbitrary and discriminatory in its application. The cash method of accounting is economically sound, fair, and should be retained. Taxpayers should not be required to pay taxes on money they have never received. I urge my colleagues to study these provisions very carefully as we go forward with the debate on tax reform.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICE (Mr. WALLOP). Morning business is closed.

CONSERVATION SERVICE REFORM ACT OF 1985

Mr. NICKLES. Mr. President, I ask unanimous consent that the Senate now turn to the consideration of Calendar No. 212, S. 410, the Conservation Service Reform Act.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oklahoma?

Mr. MELCHER. Mr. President, reserving the right to object, let me explain to my colleagues that I have no objection at all in dealing with this bill as long as it is on the matters that are pertaining to the bill. I do have an objection to taking up an amendment by anyone who might choose to offer such amendment dealing with the farm programs, and it is because of the circumstances that now exist regarding this bill where such an amendment could be entertained and could be acted upon that I must object.

The PRESIDING OFFICER. Objection is heard.

Mr. MELCHER. Mr. President, I wish to make clear for all my colleagues and for everybody else concerned with it why I have some concern on calling up this bill at this time. It is not because of the bill and it is not because of the amendment that is called CAFE, which means corporate average fuel economy, which is in dispute concerning this bill.

My objections are entirely different. I wish to protect against the opportunity to add to this energy bill amendments—an amendment or, plural, amendments—dealing with the farm programs, agricultural matters. I do not want that to happen.

Here is the situation that we are in now in the Senate Agriculture Committee: The farm bill is before the committee. There has not been final action on the farm bill yet. There has been some talk about it being a delaying process by Democrats on the Senate Agriculture Committee. That is not the case. That is not the case at all. The Senate Democrats happened to have won an important and significant feature concerning that bill last Thursday. That vote was by 9 to 8. There are 17 on the committee, so the closest margin of all on any proposal in the form of an amendment for the farm bill, the tightest margin, is simply 9 to 8.

We won on an amendment that I offered to protect the income of farmers over the life of the bill, the so-called target price mechanism. We won on that amendment. And from the time that we won on that amendment on Thursday, there has been a delay on further closing out the most significant and important part of that bill, the commodities title; there has been a delay by the Republicans, by the chairman and the rest of the Republicans, except one, on reporting out the bill. Obviously, we Democrats are in the minority. There are eight of us, and to get a vote of 9 to 8, we had to have one Republican with us. And now the effort is to delay closing out that title of the bill until somehow they can get a reversal of that margin, 9 to 8, their way.

Now, that may come, Mr. President, but I do not want to assist the process of working out an arrangement that will reverse and defeat the amendment that I offered and we worked so hard to get in that bill.

I will resist changing it. I admit that a 9 to 8 margin is a very slim margin and it could be changed. But a process where we ignore what the committee has done and bring out a portion of the bill or the entire bill or parts of it, whatever, and attach it to some other bill on the floor could easily be done if we do not guard against it.

The committee will meet again tomorrow. And, of course, I will attempt to defend that amendment victory and hope not to lose it in tomorrow's meeting.

But the majority leader, also a member of the committee, has stated that no matter what the committee does, he will call up a bill where he can put in farm proposals out of our bill that is still in committee. That, of course, the majority leader can do. But I do not want to assist him in doing that, because the first thing he is going to put in is a reversal of our position that was so hard to gain victory on in committee.

Mr. President, I do not like to hold up the process for consideration of this energy bill. But until we can get some arrangement, the usual arrangement, where we could be protected against the type of amendment that I described being attached to this bill, I will have to oppose calling it up.

Mr. NICKLES. Will the Senator yield?

Mr. MELCHER. I am delighted to yield to my friend from Oklahoma.

Mr. NICKLES. As I understand the objection of the Senator from Montana, primarily what he is concerned about is nongermane amendments dealing with the agriculture bill. If we came up with an unanimous-consent agreement that pertains to a limited number of amendments not pertaining to agriculture, would the Senator have an objection?

Mr. MELCHER. I would have none whatsoever. I would be delighted to enter into such an agreement. I would have no objection at all in that case.

Mr. NICKLES. If the Senator will yield further, I am one—as a matter of fact, just moments ago I stated it as my belief that we should not even adjourn until we bring up the farm bill, at least those portions of the farm bill that are time critical, such as wheat and some of the commodities, and also until we finish the budget.

So I hope that we do that. I do not really see that we are ready to do it on this bill. So I hope we can move forward.

Mr. FORD. Will the floor leader yield again?

Mr. NICKLES. I am happy to.

Mr. FORD. I want to ask a question. I understand what the Senator is talking about here relates to the farm legislation. But when the Senator starts discussing on the floor amendments that can be brought up, some that cannot be brought up, I want to alert the Senator now that I want to be very careful about any amendments that are agreed to, any time agreements that might be made as it relates to any amendments on this particular piece of legislation.

I agree with the Senator that the farm bill is a very important bill. We should not bring it out piecemeal. I am willing to stay here beyond August 2 to help get a budget out if it is necessary. So the Senator will not be lonesome.

Mr. NICKLES. I appreciate the comments of my good friend from Kentucky. I, like the Senator, have some reservations about one or two of the possible amendments that may surface on this, and have some reservations on the time agreement on those as well.

Mr. MELCHER. Mr. President, do I still have the floor?

The PRESIDING OFFICER. The Senator from Montana has the floor.

Mr. MELCHER. Mr. President, I know there has been a lot of concern by my colleagues who represent farm States about moving expeditiously on a farm bill. But let me elaborate on a couple of points. First of all, the farm bill, without these amendments that

we have been successful in attaching in committee by majority vote, would be a very poor bill. So while I would like to have the Senate address farm legislation, I would like the Senate to address it on the basis of a good, sound bill. That is the condition of the bill in the committee right now as it affects commodities.

On that basis, if the thought would be, well, if we can wrap up the rest of the other titles and sections of the bill yet—we have this afternoon, tomorrow morning, or what have you—I would be delighted to have that type bill reported, and no impediment to it being debated here on the Senate floor yet this week.

Mr. President, that desire would not necessarily hold true with this Senator, and I think with a number of other Senators, if in order to bring this bill out of committee we would have to cave in and change on the very vital income protection policies that we have been successful up until now in incorporating in the bill while it is in committee. In other words, do we have to give up what we have worked long and hard to gain to get that bill in shape so we can say, yes, this bill while not perfect, while not really a stunning bill, is the best we can do, that has some protection. If we have to give up the little bit we have won in committee in order to get the bill out of committee because the chairman and some of the others on the Republican side oppose it as it is, if we have to give up on what we worked hard to put in the bill to protect the American agriculture, then I say it would be a bad bill.

Why should we want to take it up on the Senate floor? There is no point in saying, yes, we have to have a farm bill up on the Senate floor if it is a bad bill. What purpose is there to being here in the Senate having come with a bad bill? Are we supposed to be able to get all of the rest of the Senators who do not serve on that committee to understand that the committee reported out a bad bill, and we have to change it on the Senate floor? That is a very iffy, questionable proposition. For that reason, I would like to state very emphatically that the committee should not be pressured to weaken the bill, or to worsen the bill just in order to get it up on the Senate floor.

I will have to resist that in committee. I hope we are successful in resisting that in committee. But meanwhile, I do not want any opportunity to call up a bill, or present an amendment to this bill that is now awaiting Senate concurrence to call up, or some other bill, later in the week that does not contain the protection mechanism that we have established in the farm bill—as it now sits in the Agriculture Committee that would help farmers who are desperate, help protect their income over the next 4 years or whatever the life of the bill will be.

Having said that, Mr. President, that is my case. I pleaded in all sincerity and honesty; also hopefully with some success while we consider whether or not we can bring up this bill.

Mr. McCLURE. Will the Senator yield?

Mr. NICKLES. I am delighted to yield to my friend from Idaho.

Mr. McCLURE. I thank the Senator for yielding. Will the Senator be agreeable to a unanimous-consent agreement that provided no farm bill related amendment would be in order on the pending measure?

Mr. MELCHER. Yes; I would be very pleased if such a unanimous-consent were offered and accepted. I would have no objection at all in that case.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I ask unanimous consent that in regards to Senate bill 410 there be no agricultural-related amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. NICKLES. Mr. President, I ask unanimous consent that the Senate now turn to consideration of Calendar Order No. 212, Senate bill 410, Conservation Service Reform Act.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 410) to repeal the Commercial and Apartment Conservation Service, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oklahoma?

There being no objection, the Senate proceeded to consider the bill (S. 410) to repeal the Commercial and Apartment Conservation Service, and for other purposes, which had been reported from the Committee on Energy and Natural Resources, with an amendment.

On page 2, after line 7, insert the following:

SEC. 3. (a) INFORMATION REQUIREMENTS.—Sections 215(a), 215(d), and 217(a)(1) of the National Energy Conservation Policy Act (relating to utility programs and home heating supplier programs) are amended by striking out "January 1, 1985" each place it appears and inserting in lieu thereof "January 1, 1988".

(b) REPORT.—The Comptroller General shall prepare and transmit to Congress before June 30, 1986 a report evaluating the utility and home heating supplier programs of the Residential Conservation Service implemented under part 1 of title II of the National Energy Conservation Policy Act. The report shall be based on survey information gathered by the Secretary of Energy in consultation with the Comptroller General and on other information in possession of the Secretary of Energy. The report shall examine and assess, for the programs under this part—

(1) the potential for achievable energy savings through implementation of residential energy conservation measures in residential dwellings in the United States and the importance of the Residential Conservation Service in achieving these savings;

(2) Residential Conservation Service Program costs on a State-by-State and a national basis, taking into account costs to the taxpayer and to ratepayers of affected utilities;

(3) Residential Conservation Service Program benefits on a State-by-State and a national basis, taking into account the value of energy conserved and the value of deferral of investment in new capacity to provide energy;

(4) efforts of utilities to encourage the implementation of residential energy efficiency measures by their customers and the relationship between these efforts and the observed response rate under Residential Conservation Service Programs;

(5) measured energy savings achieved in residential dwelings in which measures are installed under such programs;

(6) to the extent to which utilities have adopted programs voluntarily or under State law that offer more promise in encouraging energy efficency than has been the case under the Residential Conservation Service;

(7) to the extent to which modifications in the regulations implementing the Residential Conservation Service could improve the cost effectiveness of the program;

(8) legislative changes that are necessary to improve the cost effectiveness of the program; and

(9) such other matters as seem appropriate in order to assist Congress in deciding the future of the Residential Conservation Service.

(c) EXPIRATION.—The provisions of part 1 of title II of the National Energy Conservation Policy Act shall expire on January 1, 1988, but such expiration shall not affect any action or pending proceeding not finally determined on such date of expiration nor any action or proceeding based upon such act committed prior to such date of expiration.

SEC. 4. Section 218(a) of the National Energy Conservation Policy Act is amended by striking the last sentence thereof and inserting "Such temporary exemption may be granted or renewed until such date as determined by the Secretary.".

So as to make the bill read:

S. 410

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Conservation Service Reform Act of 1985".

SEC. 2. (a) IN GENERAL.—Title VII of the National Energy Conservation Policy Act (relating to energy conservation for commercial buildings and multifamily dwellings) is hereby repealed.

(b) CLERICAL AMENDMENT.—The table of contents for such Act is amended by striking out the items relating to title VII.

SEC. 3. (a) INFORMATION REQUIREMENTS.—Sections 215(a), 215(d), and 217(a)(1) of the National Energy Conservation Policy Act (relating to utility programs and home heating supplier programs) are amended by striking out "January 1, 1985" each place it appears and inserting in lieu thereof "January 1, 1988".

(b) REPORT.—The Comptroller General shall prepare and transmit to Congress before June 30, 1986 a report evaluating the utility and home heating supplier programs of the Residential Conservation Service implemented under part 1 of title II of the National Energy Conservation Policy Act. The report shall be based on survey information gathered by the Secretary of Energy in consultation with the Comptroller General and on other information in possession of the Secretary of Energy. The report shall examine and assess, for the programs under this part–

(1) the potential for achievable energy savings through implementation of residential energy conservation measures in residential dwellings in the United States and the importance of the Residential Conservation Service in achieving these savings:

(2) Residential Conservation Service Program costs on a State-by-State and a national basis, taking into account costs to the taxpayer and to ratepayers of affected utilities;

(3) Residential Conservation Service Program benefits on a State-by-State and a national basis, taking into account the value of energy conserved and the value of deferral of investment in new capacity to provide energy;

(4) efforts of utilities to encourage the implementation of residential energy efficiency measures by their customers and the relationship between these efforts and the observed response rate under Residential Conservation Service Programs;

(5) measured energy savings achieved in residential dwellings in which measures are installed under such programs;

(6) to the extent to which utilities have adopted programs voluntarily or under State law that offer more promise in encouraging energy efficiency than has been the case under the Residential Conservation Service;

(7) to the extent to which modifications in the regulations implementing the Residential Conservation Service could improve the cost effectiveness of the program;

(8) legislative changes that are necessary to improve the cost effectiveness of the program; and

(9) such other matters as seem appropriate in order to assist Congress in deciding the future of the Residential Conservation Service.

(c) EXPIRATION.—The provisions of part 1 of title II of the National Energy Conservation Policy Act shall expire on January 1, 1988, but such expiration shall not affect any action or pending proceeding not finally determined on such date of expiration nor any action or proceeding based upon such act committed prior to such date of expiration.

SEC. 4. Section 218(a) of the National Energy Conservation Policy Act is amended by striking the last sentence thereof and inserting "Such temporary exemption may be granted or renewed until such date as determined by the Secretary.".

The PRESIDING OFFICER. The question is on the committee amendment.

The amendment was agreed to.

Mr. NICKLES. Mr. President, the subject of the legislation now before us is titles II and VII of the National Energy Conservation Policy Act [NECPA]. The titles authorize two energy conservation programs, the Residential Conservation Service [RCS] and the Commercial and Apartment Conservation Service [CACS]. Although this legislation may not achieve the objectives sought by any particular Senator, it does represent a compromise which I believe all of my colleagues can support. In fact, I am glad to point out that this bill, with an amendment, was reported by the Committee on Energy and Natural Resources by unanimous vote of all members present.

Today, in addition to the committee amendment, there are four amendments which I believe will further strengthen this legislation. The first is a clarifying amendment to section 3(b) of the committee amendment which clarifies the respective roles of the Comptroller General and the Secretary of Energy in completing the study directed by section 3. The second, proposed by Senator JOHNSTON, myself, Senator EVANS, and Senator GRASSLEY, would provide that utilities or States which can show that they have alternative programs which are as good as, or better than the RCS Program, may apply for a waiver from that program. The third amendment, proposed by Senator LEVIN, would resolve a problem of specific concern to Michigan. Finally, the fourth, proposed by Senator SPECTER, would provide for additional protection against unfair or anticompetitive practices in energy conservation business activities.

In its markup of S. 410 on June 19, 1985, the committee adopted an amendment which adds four provisions to the original provision of S. 410 repealing the CACS Program. These additions would:

First. Amend sections 215(a), 215(d) and 217(a)(1) of NECPA to extend the notification requirement of the RCS Program from January 1, 1985 to January 1, 1988;

Second. Require the Comptroller General to prepare and transmit to Congress before June 30, 1986, a report evaluating the RCS Program;

Third. Provide that title II of NECPA, which authorizes the RCS Program, shall expire on January 1, 1988; and

Fourth. Amend section 218(a) of NECPA to allow the Secretary of Energy to renew existing temporary exemptions from RCS requirements.

The committee amendment extends the notification requirement for the RCS programs and adds explicit termination provisions in order to resolve the uncertainty which currently exists over the program's legal status. With extension of the notification requirement the committee intends that DOE activities under the program return to the status prior to termination of the notification requirement on January 1, 1985. Further, in order to avoid such uncertainty again when the new notification termination date is reached on January 1, 1988, the committee provided for the expiration of the entire RCS authorizing legislation at that time.

The committee amendment would require the Comptroller General to report to Congress on the RCS Program in order to provide Congress with the information necessary to determine whether further legislation should be enacted regarding the program. The committee expects that the report will be submitted to Congress before June 30, 1986. It is the intention of the committee that there be sufficient time between receipt of the report and enactment of legislation affecting the RCS Program, if any is needed, before the program terminates.

Finally, in order to extend the current status of those RCS utility and State programs which currently have temporary exemptions, the committee amended section 218(a) of NECPA to authorize the Secretary of Energy to renew such temporary exemptions. New temporary programs cannot be granted under section 218 because the deadline for application for such programs has passed. Also, I would like to clarify the intention of section 3(c) of the committee amendment which may be unclear. It is my intention that those program announcements which would initiate another cycle of program offers are not required if that cycle would terminate after the January 1, 1988 program termination date.

During the June 19 markup, the committee also discussed a conceptual amendment which would allow a utility or State to request and receive a waiver from the RCS Program if it had an energy conservation program which was as good as or better than the RCS Program. However, the committee did not adopt this conceptual amendment because of the uncertainty as to whether it could be drafted into legislative language which would be agreeable to all of the members. Since that time language has been developed which meets this conceptual objective and is agreeable to the committee members. More specifically, the amendment provides that a regulated utility may request a waiver from the RCS Program, and the Secretary of Energy shall approve such a waiver of that utility's ratemaking body and the Governor of the State in which the utility operates support the waiver and have found that three conditions have been met. These three conditions are: One, that there been an opportunity for a public hearing regarding the waiver request; two, that the ratemaking body and the Governor agree that the utility has shown that it will save as much as or more energy with the waiver than without; and, three, that there are adequate protections against unfair and anticompetitive practices by the utility.

In the case of the nonregulated utility which operates its RCS programs under a State plan, the process for waiver approval would be the same, except that no ratemaking body would be involved. Only the Governor of the State in which the utility operates would have to support the waiver and make the necessary findings in order for the Secretary to approve it.

In the case of nonregulated utilities which are not under a State plan, the waiver approval would only require that the utility request the waiver and that the Secretary find that there had been an opportunity for a hearing. Furthermore, because neither the Governor nor a ratemaking body is involved in the waiver process, there would be no one to request that the waiver be revoked. Although this may appear to be a problem, I do not believe that it is. These nonregulated utilities which are not under a State plan, establish policy through a public process which experience demonstrates results in policies which are very supportive of energy conservation. I believe that because of the nature of the public policymaking process of these nonregulated utilities, that the potential for abuse of the waiver provision is minimal.

Finally, this amendment provides for the revocation of any waiver if, the Governor of the State in which the utility operates requests that the Secretary of Energy revoke the waiver. Such a request shall be made upon finding that the conditions necessary to obtain the waiver, no longer exist.

The waiver concept is a good idea because it offers an opportunity for utilities to improve on the RCS Program. Many people have charged that the RCS Program is ineffective and inflexible. This waiver provision would allow a utility to redirect its resources into other energy conservation programs if it can show that such programs are as good as or better than RCS. This will provide flexibility to those utilities which are aggressive about energy conservation so that they can save more energy, while assuring that less aggressive utilities will, at least, continue the existing program.

Upon enactment, S. 410 will repeal the CACS Program which is currently being implemented by the Department of Energy. The only State which has a CACS Program in operation is Michigan. In order to provide an opportunity for Michigan to authorize its CACS Program under State legislation and not have to discontinue operation if the State should choose to continue it, the amendment proposed by Senator LEVIN would continue Federal authority for Michigan's CACS Program for 1 year. I believe that this amendment meets Michigan's particular problem and I support its inclusion in the bill.

Mr. President, unfair competition by utilities is an issue which the committee considered both last year and with regard to the bill before us. The original RCS enacting legislation, Public Law 95-619, contains provisions addressing the issue and additional provisions were added in 1980 under Public Law 96-294. Passage of S. 410 will go even further in resolving this problem in three ways. One, by repealing the CACS Program and removing the Federal requirement that utilities be involved in energy conservation activities for commercial and apartment buildings. Two, regarding the RCS Program, S. 410 directs that the GAO assess the extent of unfair competition by utilities and the adequacy of current protections. Finally, the amendment proposed by my colleague from Pennsylvania makes it explicit that States may respond further to this issue through their legal and administrative proceedings.

To the extent to which unfair competition remains a problem, I believe that it is best resolved at the local and State level. States and their local public utility commissions have the ability and are in a better position to resolve disputes between local small businesses and local utilities than are the Federal authorities. Certainly, I would encourage and expect the States to fulfill their role in assuring that there are adequate additional protections against unfair competition.

Mr. President, S. 410 has many provisions designed to meet many particular concerns. I believe that it represents a very workable solution to a difficult set of problems. What is perhaps most important about this legislation is that it will alter the status quo. The situation now, and which will continue if no legislation is passed, is that the legal status of the RCS Program is under debate and the CACS Program is being implemented despite serious doubts regarding its effectiveness. In this case, Mr. President, to do nothing is the worst of the options available.

Mr. President, I strongly urge the support of my colleagues in passage of S. 410 with the five amendments I have described.

Mr. JOHNSTON. Mr. President, the bill we are considering today, the Conservation Service Reform Act of 1985, will correct a very obvious imbalance in Federal policy affecting the energy conservation activities of the Nation's electric and gas utilities.

Mr. President, this bill was thoroughly considered in the committee. A very broad bipartisan coalition came behind it. It is one of those bills the wisdom of which I think is unassailable.

Under current law, the Department of Energy is proceeding with the implementation of the Commercial and Apartment Conservation Service, a program that appears to have very little support from anyone—certainly almost no enthusiastic support. On the other hand, the Residential Conservation Service, a program that is generally believed to have performed a valuable role in encouraging energy conservation activities by utilities, is the subject of a complex legal argument between the Department of Energy and the General Accounting Office as to whether or not the program has terminated.

Rather than summarize that argument I will simply ask that the respective positions of DOE and GAO be inserted in the RECORD at the conclusion of these remarks.

The committee's bill makes any argument over this issue entirely unnecessary. We provide a definite termination date for the RCS—January 1, 1988—after which no utility will be required to continue to comply with the requirements of the RCS statute, its regulations or the provisions of any plan in effect under that statute. Unless Congress acts prior to January 1, 1988, that will be the permanent and final termination date of the program.

To assist Congress in making decisions about whether or not to continue the RCS Program beyond this termination date, the bill requires the Comptroller General to provide Congress with a report assessing the important issues in the program.

The Department of Energy is to assist GAO by providing the basic data and information on program performance using surveys of RCS results in representative States. This will be the first attempt to obtain a realistic assessment of program performance based on actual experience with RCS in the years since the program was first put into effect. Previous analyses of RCS have been criticized because of the allegedly poor quality of the data base. The report required under the committee's bill is intended to remedy this situation.

Mr. President, this bill represents a good compromise and was reported unanimously by the committee. I urge its passage.

WAIVER OF RCS REQUIREMENTS

Much of the testimony at the committee's hearing on these programs suggested that utilities, if freed from the grip of Federal perceptions about how utility conservation programs should be structured, could design programs that are far more effective in conserving energy than RCS programs have been. This could be because RCS actually unreasonably restricts utility involvement in energy conservation or it could be because the need to comply with relatively ineffective RCS requirements diverts limited resources away from more effective utility con-

servation initiatives. Which reason is the right one has never been clear.

I am proposing an amendment to S. 410 that would test these contentions by the utilities directly. My amendment, which is cosponsored by Senator GRASSLEY, Senator EVANS, and Senator MCCLURE, would allow the Department of Energy to grant any utility under the program a waiver from any requirement of the RCS statute or from any requirement of a State residential energy conservation plan under the RCS statute. A utility could receive a waiver if it could show that more energy savings would result from energy conservation programs that would be implemented if the waiver were granted and that adequate procedures would be in effect to prevent unfair, deceptive or anticompetitive acts or practices in connection with those programs.

Judgments about these savings and about the adequacy of these procedures would be made in appropriate proceedings at the local level. These proceedings are described in the process for approving the waiver that is set forth in the amendment. Opportunity for a hearing would be required. A regulated utility would have to convince both the Governor of the State in which the utility provides service and its State regulatory authority of the likelihood that the savings would take place and that the procedures protecting competition would prove to be adequate. This could take place in proceedings before the regulatory authority or in a hearing set up by the Governor or both.

A nonregulated utility would be required to hold a hearing on these matters in accordance with whatever procedures are contained in its bylaws. In the case that the Governor has made nonregulated utilities in his State subject to the State residential energy conservation plan under the RCS Program, a nonregulated utility would request a waiver through the Governor and could receive one only if the Governor supports the request. Otherwise the nonregulated utility would, after holding a hearing, simply transmit directly to the Secretary its own request for a waiver.

If the Governor finds and, in the case of a regulated utility, the State regulatory authority also finds, that the savings from the programs under the waiver fail to exceed the savings from the RCS Program in the year prior to approval of the waiver, the waiver would be revoked. As in the original application for the waiver determination of these savings would be made by the appropriate local officials.

Any waiver would also be revoked if the Governor finds that the procedures preventing unfair, deceptive, or anticompetitive acts or practices in connection with energy conservation programs under the waiver were no longer adequate.

The only instance in which a waiver could be granted but could not be revoked under this procedure would be when a nonregulated utility that is not subject to a Governor's plan is involved. Such a utility is self-governing and self-regulated. It's customers are simultaneously owners and regulators. Under this amendment such a utility would be permitted to determine for itself in accordance with its own methods of governance and decisionmaking about continued participation in the RCS Program.

Mr. President, if this amendment is enacted the utilities will have a chance to "put their money where their mouth is." It is there contention that they can do the job of implementing residential energy conservation better themselves. If this is so, I do not know why we would insist on continued compliance by these utilities with a less effective Federal program that carries a significant regulatory burden and costs ratepayers money.

In this sense, the amendment complements the GAO report already required under the bill before us. That report will analyze performance under the existing RCS Program over the past several years. My amendment will provide for actual experience under present conditions with modified versions of RCS. This evidence will be directly relevant to the decision Congress will face as the termination date for the RCS statute draws near.

Mr. President, I strongly urge the adoption of this amendment.

Mr. President, I ask unanimous consent to have printed in the RECORD a memorandum from the Department of Energy, dated March 6, 1985, subject: "Legal analysis of the duration of the Residential Conservation Service Program"; and a letter from the Comptroller General of the United States to the chairman of the Subcommittee on Energy Conservation and Power of the House Committee on Energy and Commerce, dated June 3, 1985.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF ENERGY,
Washington, DC, March 6, 1985.

MEMORANDUM

Subject: Legal Analysis of the Duration of the Residential Conservation Service Program

This memorandum examines the question whether the National Energy Conservation Policy Act (NECPA), as amended, 42 U.S.C. § 8211 et seq., requires utilities to continue to operate Residential Conservation Service (RCS) programs for the indefinite future after January 1, 1985. I have reviewed the statutory language and legislative history of NECPA, and the executive branch's construction of the federal RCS program since its inception. It is my opinion that, taking into account the entire legislative scheme for improving residential energy efficiency, the sounder conclusion is that covered utilities are not legally required to continue their RCS programs indefinitely beyond January 1, 1985.

Congress enacted NECPA in 1978 "to reduce the growth in demand for energy in the United States, and to conserve nonrenewable energy resources produced in this Nation and elsewhere, without inhibiting beneficial economic growth." Subsection 102(b), 42 U.S.C. § 8201(b). As part of this effort, the RCS provisions of the Act encouraged the installation of residential energy conservation measures, such as insulation and storm windows. Subsection 210(11), 42 U.S.C. § 8211(11).

The RCS program required covered utilities biennially to provide their customers with certain information concerning residential energy-saving measures but only until January 1, 1985. Specifically, subsection 215(a), 42 U.S.C. § 8216(a), provides:

Each utility program shall include procedures designed to inform, no later than January 1, 1980, or the date six months after the approval of the applicable plan under section 212, if later, and each two years thereafter before January 1, 1985, each of its residential customers who owns or occupies a residential building, of—

(1) the suggested measures for the category of buildings which includes such residential building;

(2) the savings in energy costs that are likely to result from installation of the suggested measures in typical residential buildings in such category;

(3) the availability of the arrangements described in subsection (b) of this section and the lists referred to in section 213(a)(2) and (3); and

(4) suggestions of energy conservation techniques, including suggestions developed by the Secretary, such as adjustments in energy use patterns and modifications of household activities which can be employed by the residential customer to save energy and which do not require the installation of energy conservation measures (including the savings in energy costs that are likely to result from the adoption of such suggestions).

Similarly, subsection 215(d), 42 U.S.C. § 8216(d), requires covered utilities to provide this same information to any new residential customer within sixty days after that person becomes a customer, but this requirement does not apply to new customers added after January 1, 1985. The subsection states:

In the case of any person who becomes a residential customer of a utility carrying out a utility program under this section after January 1, 1980 (or the date six months after approval of the applicable plan, if later), and before January 1, 1985, not later than 60 days after such person becomes a residential customer of such utility, such utility shall inform such person of the items listed in subsection (a), the offer required under subsection (b)(1)(A), and shall offer such person the opportunity to enter into arrangements referred to in subparagraphs (B) and (C) of subsection (b)(1).

These two subsections require covered utilities to provide information about the residential audit and related services which under subsection 215(b), 42 U.S.C. § 8216(b), the utilities must offer to eligible customers. Although subsection 215(b) states that a utility must offer certain services to its customers, there is no explicit requirement in NECPA that a utility actually provide these services. Instead, the utility's duty to provide the services flows from the customer's

acceptance of the utility's offer of services. Furthermore, although subsection 215(b) states when a utility must begin offering these services, there is no statutory deadline for a utility to deliver a particular service to a customer after the customer accepts the utility's offer to provide that service. Specifically, subsection 215(b) states:

Each utility program shall include—

(1) procedures whereby the public utility, no later than January 1, 1980, or the date six months after the approval of the applicable plan under section 212, if later, will, for each residential customer who owns or occupies a residential building, offer to—

(A) inspect the residential building (either directly or through one or more inspectors under contract) to determine and inform the residential customer of the estimated cost of purchasing and installing the suggested measures and the savings in energy costs that are likely to result from the installation of such measures (a report of which inspection shall be kept on file for not less than 5 years which shall be available to any subsequent owner without charge), except that a utility shall be required to make only one inspection of a residence unless a new owner requests a subsequent inspection;

(B) arrange to have the suggested measures installed (except for furnace efficiency modifications with respect to which the inspection prohibition of section 213(a)(2)(B) applies, unless the customer requests in writing arangements for such modifications in writing); and

(C) arrange for a lender to make a loan to such residential customer to finance the purchase and installation costs of suggested measures; and

(2) procedures whereby the public utility provides to each of its residential customers the lists as described in section 213(a)(2) and (3).

Reading all of these provisions together, it is clear that the covered utilities are under no obligation to inform customers of the availability of any RCS services after January 1, 1985, except that any new customers added up to that date must be informed within sixty days. It is also clear that the statute does not expressly provide an expiration date for utilities' obligations under subsection 215(b) to offer (and implicitly to provide) the specified services. Thus, the question of construction is whether Congress, by this portion of the statute's text, intended to impose on covered utilities in perpetuity the duties to offer and provide services, or whether the duration of these duties was instead intended to be related to the statutory period of the concomitant duties to inform their customers of the existence of these services.

The Congressional Research Service examined this question in its memorandum of September 26, 1983, to the Subcommittee on Energy Conservation and Power of the House Committee on Energy and Commerce. After reviewing the RCS provisions of NECPA, the Service stated that "it appears that the January 1, 1985, date merely terminates the obligations under the Act to give customers notice, but there is nothing under the Act that expressly provides that the entire program and the other specific obligations imposed upon utilities expires [sis] at that time." For this reason the Service concluded that the Act imposes a "continuing obligation on covered utilities (although certain customer notice requirements terminate on January 1, 1985) to provide the services relating to energy conservation so long as the utility meets the threshold sales requirements of section 211 in any calendar year." The Service's analysis did not consider either NECPA's legislative history or the provisions of other statutes enacted contemporaneously that likewise dealt with improvement of residential energy efficiency.

The RCS provisions of NECPA originated as part of the Carter Administration's National Energy Plan. In that initiative the Executive Office of the President proposed a residential audit program to Congress on April 29, 1977. House Document No. 95-138, 95th Cong., 1st Sess. (1977). Along with a utility program similar to the current RCS program, Title I, Part A, Subpart 1, this plan included proposals for residential energy tax credits, Title II, Part A; increased funding for the weatherization program, Title I, Part A, Subpart 2, section 115; and conservation loans to be made available through several quasi-federal agencies, Title I, Part A, Subpart 2, sections 113 and 114.

The actual substance of what was to become section 215 was first proposed in H.R. 6831, 95th Cong., 1st Sess. (1977). In its report accompanying that bill, the House Committee on Interstate and Foreign Commerce stated, "The purpose of the utility program is to provide for the installation of residential energy conservation measures in 90 percent of the residential buildings on a nationwide basis *by 1985* in order to reduce heating and cooling costs." H.R. Rep. No. 95-496, Part 4, 95th Cong., 1st Sess. 27-28, *reprinted in* 1978 U.S. Code Cong. & Ad. News 8454, 8477 (emphasis added).[1]

Similarly, in describing H.R. 6831 the Committee on Banking, Finance and Urban Affairs stated that the goals of the RCS program "will require that 90 percent of all homes, estimated at about 46.4 million, be weatherized . . . *within the next 8 years.*" H.R. Rep. No. 95-488, Part 1, 95th Cong., 1st Sess. 6 (1977) (emphasis added). From this it is apparent that the Committee anticipated an eight-year program that would begin in 1977 and conclude in 1985.

By using 1985 as the date by which Congress expected energy conservation measures to be installed in nearly all of the homes in America, the two Committee reports strongly suggest that Congress did not intend to require utilities to provide audit services in perpetuity after January 1, 1985, when the notification requirements would expire. On the contrary, these reports indicate that Congress intended the RCS program to conclude during 1985.

In this regard it is instructive to note that when NECPA was considered and adopted by Congress, sections 304(a) and 305 of the Energy Conservation and Production Act (ECPA), 42 U.S.C. §§ 6833(a) and 6834, required the Secretary to issue mandatory residential building energy conservation performance standards which were to become effective no later than April 1, 1984 (the BEPS program).[2] Consequently, when Congress was considering NECPA, it was expected that new residential buildings constructed after April 1, 1985, would contain energy conservation measures and, therefore, would not qualify for RCS services. For this reason Congress adopted subsection 1210(9) of NECPA, 42 U.S.C. § 8211(9), to exclude specifically from the RCS program residential buildings to which the standards issued under ECPA apply.

By so writing subsection 210(9) Congress provided for a transitional period from 1978 when NECPA was enacted until 1984 when it was anticipated that final mandatory energy efficiency standards would be issued. During this period, the RCS program and, as is discussed below, the Energy Tax Act of 1978, Pub. L. 95-618, would encourage utility residential customers to install energy conservation measures in their homes. Therefore, when Congress enacted NECPA, it was expected that by 1985 only 10 percent of the homes in America would still qualify for the RCS program. This number was expected to diminish in 1985 and thereafter as the residences in this group were replaced by new homes constructed after April 1, 1984, which would be ineligible for the program. For these reasons it seems unlikely that when NECPA was passed Congress intended to require utilities to provide RCS services forever after 1985 in an attempt to install energy conservation measures in what was anticipated to be a small and steadily shrinking number of homes built before energy efficiency standards went into effect in 1984.

A comparison of NECPA with the related Energy Tax Act of 1978 further suggests that Congress intended to create a RCS program of limited duration. As discussed earlier, the Carter Administration's National Energy Plan proposed both a utility program similar to RCS and residential energy tax credits.

On October 14, 1978, after many months of debate Congress approved NECPA which included the RCS program. On that same day Congess passed the Energy Tax Act which provided tax credits for the installation of residential measures designed to save energy or to use renewable energy. 124 Cong. Rec. H13426 (daily ed. October 14, 1978). In fact, the residential energy-saving measures for which section 101 of that Act, 26 U.S.C. § 44C, provides tax credits are the same measures which NECPA encourages installing in homes. Subsection 102(11), 42 U.S.C. § 8211(11).

It is readily apparent that these two statutes were enacted for the same purpose. Subsecton 102(b) of NECPA, 42 U.S.C. § 8201(b), states that the Act is intended to "reduce the growth in demand for energy in the United States. . . ." Similarly the Senate Committee on Finance described the purpose of the tax credit bill as the use of "tax incentives in an effort to reduce demand for energy. . . ." S. Rep. No. 95-529, 95th Cong., 1st Sess. 3, reprinted in 1978 U.S. Code Cong. & Ad. News 7942, 7943.

In addition to the common historical background and policy underlying the two acts, the legislative history clearly establishes the close relationship of these two statutes. In reporting on H.R. 6831, which, as discussed earlier, became the basis for the RCS program, the House Committee on Interstate and Foreign Commerce stated:

The purpose of the utility program is to complement the . . . tax credit for qualified residential energy conservation improvements addressed in title II of the legislation [Energy Tax Act]. The utility program pro-

[1] The relevant language of H.R. 6831 regarding the RCS program was carried forward into H.R. 5037, which was adopted as NECPA in the second session of the 95th Congress. The legislative history of a earlier version of a statute is entitled to great weight in interpreting the act as it is finally adopted. *United States v. Enmons*, 410 U.S. 396, 404-05 n.14 (1973).

[2] The ECPA was originally enacted on August 14, 1976, and it was not until 1981 that it was amended to revise subsection 304(a) by substituting "voluntary performance standards" for "performance standards" and to repeal section 305. Pub. L. 97-35, Title X, § 1041(a) and (b).

vides as simplified mechanism to encourage the consumer to implement the recommended residential modifications and take advantage of the savings they offer. H.R. Rep. No. 95-496, Part 4, supra at 21.

The Committee elaborated on the connection between the RCS program and the tax credits by adding:

It is expected that the installation of energy conservation measures in residences across the nation will provide the homeowners with sufficient savings in energy costs to pay for the installation. The other incentive for occupants of residential buildings to have the energy conservation measures installed is the provision in the National Energy Act and approved by the Committee on Ways and Means for tax credits . . . for qualified energy conservation expenditures by an individual for insulation and other energy-conservation components installed in his principal residence. . . . Id. at 23.

Conclusive evidence that NECPA and the Energy Tax Act are *in pari materia* and should be construed together is provided by the facts that these two measures were introduced in Congress simultaneously, share a common purpose, are linked by specific legislative history, and were both passed on the same day.[3] It is significant, therefore, that the tax credits are available only for expenditures made through December 31, 1985. 26 U.S.C. § 44C(f).[4] Reading the relevant provisions of these two statutes together suggests that had Congress intended the RCS program to continue indefinitely, Congress would have also provided for a tax credit program of the same unlimited duration.

In addition, the legislative history of the subsequently enacted amendments to the RCS provisions of NECPA, S. 932, 96th Cong., 1st Sess. (1979), further indicates that Congress intended a time-limited program.[5] In considering these amendments, the Senate Committee on Energy and Natural Resources described the requirement to offer RCS program audits as being restricted to the period before 1985 by stating, "section 215 of NECPA requires the utility to offer to perform an energy audit every two years until January 1, 1985. . . ." S. Rep. No. 96-387, 96th Cong., 1st Sess. 208 (1979).

In describing the duty to "offer" as expiring in 1985 the Committee directed its observation to the very aspect of section 215 that is at issue here. As discussed above, subsection (a) requires a utility "to inform" its customers of the audit program described in subsection (b). A utility must so "inform" its customers every two years until January 1, 1985. Subsection (b) requires a utility to "offer to" perform the audits. There is no explicit statutory termination date for this requirements to "offer," and there is no explicit requirement that a utility actually provide the audit services. Instead, the duty to provide arises only from the customer's acceptance of the utility's offer.

The Senate Committee report applies the statutory termination date of January 1, 1985, explicitly associated with the requirement to "inform" found in subsection (a), to the requirement to "offer" contained in subsection (b). Therefore, it is readily apparent that when it amended NECPA in 1979 Congress perceived the requirement to "offer" to perform audits to terminate along with the duty to "inform" customers of the audit program. Moreover, it seems unlikely in the extreme that Congress would have intended the implicit duty to provide services to continue after termination of the related explicit duties to "inform" and "offer." [6]

Although strongly indicating that Congress did not intend to impose on the utilities in perpetuity after January 1, 1985, the duty to provide services, neither the legislative history of NECPA nor the statute itself explicitly specifies a termination date for this duty. However, this silence may itself convey the intent of Congress in this matter because it is highly improbable that Congress knowingly would have established a program of unlimited duration without a single comment to that effect. The eternal character of such a program, had it been intended, would certainly have elicited vigorous comments from the States, utilities, and consumers in the hearings that preceded the passage of NECPA. Neither the committee reports nor the floor debates even hint at permanence of any duty imposed by section 215.

In an analogous situation in *Shurtleff* v. *United States,* 189 U.S. 311 (1903), the Supreme Court declined to infer from statutory silence that Congress intended to create an office in the executive branch with a term of unlimited duration. In that case Congress had enacted a statute creating the position of general appraiser with no explicit term of office. The statute allowed the President to remove the occupant of that office for cause but was silent as to the President's power to remove the officeholder at will. The question presented to the Court was whether Congress had intended to clothe this official with life tenure on good behavior.

After noting the silence of the statute and observing that theretofore life tenure had been limited to federal judges, the Court held:

We think it quite inadmissible to attribute an intention on the part of Congress to make such an extraordinary change in the usual rule governing the tenure of office, and one which is to be applied to this particular office only, without stating such intention in plain and explicit language, instead of leaving it to be implied from doubtful inference. Id. at 316.

The Court went on the state:

[W]e are called upon to place a meaning upon language which, as used in this section of the statute gives rise to doubt as to what its true meaning is. We are asked not alone to interpret the language actually used, but to infer or imply therefrom a further meaning as to its effect, which does not necessarily flow from the language itself, and, if adopted, results in the creation of a tenure of this particular office, not attached to a single other civil office in the government, with the exception of judges of the courts of the United States. We cannot bring ourselves to the belief that Congress ever intended this result while omitting to use language which would put that intention beyond doubt. Id. at 318.

Similarly, in the present situation, it seems very likely that if Congress had intended for only one of the utilities' duties under NECPA, the implicit duty to provide services, to continue in perpetuity after January 1, 1985, Congress would have used explicit language to that effect. The lack of such specific language argues instead that Congress intended the duty to perform to terminate along with the utilities' other logically related duties.

Likewise, in *United States v. American Trucking Ass'ns,* 310 U.S. 534 (1940), the Supreme Court interpreted silence in the legislative history as indicating a Congressional intent to impose a regulatory duty far narrower than suggested by the plain words of the statute. The statute in question, with seeming clarity and lack of ambiguity, granted the Interstate Commerce Commission the authority to set maximum hours of service for "employees" of motor carriers. The issue was whether Congress had intended this authority to extend over all such employees or only those whose duties affected safety of operation.

After observing that there were no explicit limits in the statute on the breath of this authority, the Court began its examination of the statute's legislative history by observing:

There is, of course, no more persuasive evidence of the purpose of a statute than the words by which the legislature undertook to give expression to its wishes. Often these words are sufficient in and of themselves to determine the purpose of the legislation. In such cases we have followed their plain meaning. When that meaning has led to absurd or futile results, however, this Court has looked beyond the words to the purpose of the act. Frequently, however, even when the plain meaning did not produce absurd results but merely an unreasonable one "plainly at variance with the policy of the legislation as a whole" this Court has followed that purpose, rather than the literal words. When aid to construction of the meaning of words, as used in the statute is available, there certainly can be no "rule of law" which forbids its use, however clear the worlds may appear on "superficial examination." . . . Exphasis should be laid too upon the necessity for appraisal of the purposes as a whole of Congress in analyzing the meaning of clauses or sections of general acts. A few words of general cannotation appearing in the text of statutes should not be given a wide meaning contrary to a settled policy, "excepting as a different purpose is plainly shown." Id. at 543-44 (footnotes omitted).

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[3] The construction of one statute is "particularly relevant" to the correct interpretation of another where both were passed by the same Congress "and both were desinged to deal with closely related aspects of the problem. . . ." *United States v. American Building Maintenance Industries,* 422 U.S. 271, 277 (1971). "It requires no citation of authority to state that statutes *in pari materia* must be construed together." *F.P. Baugh, Inc. v. Little Lake Lumber Company,* 297 F.2d 692, 696 (9th Cir. 1961).

[4] This period allows sufficient time for a utility customer to install and to receive a tax credit for improvement suggested as a result of an RCS audit conducted as late as January 1, 1985, or a reasonable time thereafter.

[5] Although interpretations of subsequent Congresses are generally given little weight in determining the intent of an earlier one, a subsequent amendment and its legislative history are entitled to substantial weight in construing an earlier law altered by the subsequent amendment. *May Dept. Stores Co. v. Smith,* 572 F.2d 1275, 1278 (8th Cir. 1978), *cert. denied* 439 U.S. 837 (1978); *see also First State Bank of Hudson County v. United States,* 599 F.2d 558, 563 (3rd Cir. 1979), *cert. denied* 444 U.S. 103 (1980).

[6] In 1984 Congress considered but did not enact various amendments to the RCS provisions of NECPA. During this consideration two Committees noted that NECPA contains an explicit termination date for the notification requirements but not for the other requirements. H.R. Rep. No. 98-903, 98th Cong., 2d Sess. 15 (1984); S. Rep. No. 98-625, 98th Cong., 2d Sess. 3 (1984). To the extent that these reports may be construed in interpreting Congressional intent concerning the duration of the RCS program, it is well-settled that such subsequent statements are not entitled to significant weight. *United States v. Price,* 361 U.S. 304, 313 (1960).

The Court found that the policy of Congress in this area "has been consistent in legislating for such regulation of transportation employees in matters of movement only." Id. at 544. Based on this finding the Court stated:

We are especially hesitant to conclude that Congress intended to grant the Commission other than the customary power to secure safety in view of the absence in the legislative history of the Act of any discussion of the desirability of giving the Commission broad and unusual powers over all employees. Id. at 546-47.

In the present situation, Congress' policy and purpose in enacting the RCS provisions of NECPA were to complement the tax credit incentives in inducing installation of energy-saving measures in homes constructed before April 1, 1984. The tax credits and the notice provisions of NECPA both expressly expire in 1985. These limited duration programs in turn were complemented by the permanent BEPS energy efficiency standards. It seems very doubtful that Congress would have been content to rely on mere silence in NECPA and its legislative history to breach the harmony of the statutory scheme by extending one element of the RCS program forever beyond January 1, 1985, particularly when the program was anticipated to have accomplished its goal by then.

It is also important to note the Department of Energy (DOE), since the inception of the RCS program, consistently has taken the position that the program was intended to terminate during 1985.[7] For example, in discussing the costs of the RCS program in the preamble to the 1979 proposed program rules, 44 FR 16546 (March 19, 1979), DOE stated, "Federal governments [sic] costs will be $21 million over the six years (FY 1979 through FY 1984) during which planning and administration of the RCS program are required." *Id.* at 16577. DOE also expected State responsibilities to end after 1984: "State planning and management requirements under the RCS program will require an increase in professional state employment ranging from about 500 to 800 positions nationally for the years 1979 through 1984." *Id.* at 16578.

Most pertinently, DOE expected program costs for utilities to end the close of 1984:

The total costs of participation of the approximately 300 utilities covered by the RCS Program is [sic] estimated to be $1.6 billion. For a covered utility of average size (300,000 residential customers), *the total costs for the five years of the program* would range from about $3 million to $6 million depending on its prior level of activity. *Id.* (emphasis added).

Of course, if in 1979 DOE had interpreted subsection 215(b) to require a utility to maintain indefinitely after 1984 its offer to perform services, the utilities' costs would have continued in perpetuity, and the Department not have employed the emphasized phrase which limits the duration of the program. Moreover, if DOE had so interpreted subsection 215(b), the Department would not have and, in fact, could not have estimated "the total costs . . . of the program" for an average utility.

This consistently enunciated position of DOE recognizes the inefficacy of continuing to require that utilities provide RCS services without requiring them also to inform their customers of the availability of those services. Moreover, it minimizes the economic burden both on utilities to implement the program and on the State to administer and enforce the program.[8]

This view also properly narrows the impact of the RCS program on federal-state relations. Where Congress has not clearly indicated its intent, as is the situation here, statutory constructions which are overly intrusive of a State's traditional rights and responsibilities are not favored. *See generally Perrin* v. *United States*, 444 U.S. 37, 49-50 (1979); *United States* v. *Bass*, 404 U.S. 336, 349 (1971). Inasmuch as section 220(a) of NECPA, 42 U.S.C. § 8221(a), preempts State laws and regulations to the extent they conflict with NECPA, an open-ended RCS program necessarily would impair the ability of a State to require utilities to undertake specific conservation measures at odds with measures under the RCS program.[9]

There remains the question of Congress' intention in declining to provide an explicit terminal date for the duty to offer services in the RCS program. In effect the Congressional Research Service has observed that elsewhere in the same statutory provisions Congress exhibited its ability to provide specific terminal dates, and chose not to do so in the portion of the statute that imposes the duty to offer services. From this the CRS has drawn the inference that Congress thereby intended that duty to continue indefinitely.

There are, however, cogent reasons quite different from an intent to impose permanent duties that Congress should not have wanted to fix a specific expiration date for utilities to complete their obligations under subsection 215(b). Once a final offer of RCS services is made, different utilities will need varying amounts of time to complete those services, depending on the size of the utility, the backlog of audit and other service requests, and the nature of the audit performed by the utility. Thus, the failure of the statute to establish a deadline for the provision of particular services would seem merely to reflect a recognition of the impracticability of fixing a date certain for all utilities to complete their duties under that section, rather than a determination that those duties should continue in perpetuity, unsupported by any related informational program and uncomplemented by the expired tax credits.

For all of the foregoing reasons, it is my opinion that the sounder view is that NECPA does not require the covered utilities to continue their RCS programs indefinitely in the future, but rather the duration of such programs is related to the 1985 terminal date provided explicitly in NECPA for the notice requirement and the complementary provisions of the Energy Tax Act of 1978. Accordingly, such utilities may terminate their RCS progams within a reasonable time after the last offer of services is made on or about January 1, 1985 and they have completed their actions to fulfill service requests made as a result of such offers of services.

ERIC J. FYGI,
Acting General Counsel.

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, DC, June 3, 1985.

Hon. EDWARD J. MARKEY,
Chairman, Subcommittee on Energy Conservation and Power, Committee on Energy and Commerce, House of Representatives.

DEAR MR. CHAIRMAN: This is in response to your joint request of February 8, 1985, along with Chairman John D. Dingell, House Committee on Energy and Commerce, that we review the Department of Energy's (Energy) legal opinion on the duration of the Residential Conservation Service (RCS) program. You also asked that we provide the Committee with our own view of the legal status of the program. We received Energy's legal memorandum [1] on March 11, 1985, and have carefully reviewed it.

As you are aware, the statutory basis for the RCS program is title II of the National Energy Conservation Policy Act of 1978 (NECPA), as amended, 42 U.S.C. § 8211 *et seq.* Section 215 of NECPA [2] (42 U.S.C. § 8216) requires each large natural gas or electric utility [3] to undertake the following energy conservation functions for its residential customers: [4]

(1) Inform each residential customer each 2 years of statutorily specified energy conservation information (program announcement);

(2) Offer to perform certain project management requirements, including:

(a) An on-site inspection of a customer's home by a qualified energy auditor (program audit);

(b) Arranging to have suggested conservation measures installed; and

(c) Arranging for a lender to make a loan to finance the purchase and installation costs of conservation measures; and

(3) Provide customers, as part of project management, with lists of:

(a) Who sells or installs residential energy conservation measures in the area; and

(b) Lending institutions who offer loans for the purchase and installation of conservation measures.

NECPA specifically provides that the information (program announcement) duties prescribed terminate on January 1, 1985. *See*

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[7] This Department's contemporaneous construction of NECPA is entitled to significant weight. *Udall v. Tallman*, 380 U.S. 1, 16, (1965).

[8] It has been estimated that a typical State will incur annual costs of $200,000 to administer the program. Department of Energy Regulatory Impact Analysis, Residential Conservation Service Program 4-9 (June 1982). This amount includes the cost of monitoring and enforcing utility RCS activities, maintaining lists of qualified suppliers, contractors, and lenders, and submitting annual reports on the State-wide program status. In addition, depending on the individual State plan, a State also may be responsible for providing an inspection service and conciliation and redress services. 10 CFR 456.312.

[9] Section 220(a) provides, "Nothing in this Part shall supersede any law or regulation of any State or political subdivision thereof, except to the extent that the Secretary, upon petition of a public utility and for good cause, determines that such law or regulation prohibits a public utility from taking any action, required to be taken under this Part or that such law or regulation requires or permits any public utility to take any action prohibited under this Part."

[1] Energy's legal memorandum is a 13-page document, dated March 6, 1985, and formally entitled "Legal Analysis of the Duration of the Residential Conservation Service Program."

[2] The pertinent parts of section 215 of NECPA are set forth in an appendix.

[3] Covered utilities are those with annual sales for purposes other than resale of (1) natural gas exceeding 10 billion cubic feet or (2) electricity exceeding 750 million kilowatt-hours. 42 U.S.C. § 8212.

[4] Comparable but somewhat different duties are required of participating home heating suppliers by section 217 of NECPA, 42 U.S.C. § 8218. A "home heating supplier" is a person who sells or supplies home heating fuel (including No. 2 heating oil, kerosene, butane, and propane) to a residential customer for consumption in a residential building. 42 U.S.C. § 8211(20).

42 U.S.C. §§ 8216(a), 8216(d) and 8218(a). However, NECPA contains no termination date for the project management requirements set forth in (2) and (3) above. *See* 42 U.S.C. §§ 8216(b) and 8218(a)(2). The issue is the legal status and duration of these project management requirements, as well as other aspects of the RCS program, in the absence of specific termination dates.

Energy has taken the position "that NECPA does not require the covered utilities to continue their RCS programs indefinitely in the future, but rather the duration of such programs is related to the 1985 terminal date provided explicitly in NECPA for the notice [program announcement] requirement * * *. Accordingly, such utilities may terminate their RCS programs within a reasonable time after the last offer of services is made on or about January 1, 1985 and they have completed their actions to fulfill service requests made as a result of such offers of services."

In our review of Energy's opinion in support of its position, we have been guided by the standards of review asserted and used by the courts. The courts have stated that the interpretation put on a statute by the agency charged with administering it is entitled to deference. *Udall v. Tallman*, 380 U.S. 1, 85 S.Ct. 792 (1965). However, while the interpretation given a statute by those charged with its application and enforcement is entitled to considerable weight, it is not conclusive. *Marin v. United States*, 356 U.S. 412, 78 S.Ct. 880 (1959). The persuasiveness of an administrative interpretation is dependent on the thoroughness evident in its consideration, the validity of its reasoning, its consistency with earlier and later pronouncements, and all those factors which give it power to persuade. *Federal Election Commission v. Democratic Senatorial Compaign Committee*, 454 U.S. 27, 102 S.Ct. 38 (1981); *Skidmore v. Swift & Co.*, 323 U.S. 134, 65 S.Ct. 161 (1944); *Case & Co., Inc. v. Board of Trade of City of Chicago*, 523 F.2d 355 (7th Cir. 1975). Moreover, whatever effect an administrative interpretation may have when the command of legislation is in some way ambiguous, when the congressional command is clear, it is simply beyond the power of the administrative agency to alter that command or to avoid its effects. *Swain v. Brinegar*, 517 F.2d 766 (7th Cir. 1975); *Hometrust Life Insurance Co. v. U.S. Fidelity & Guaranty Co.*, 298 F.2d 379 (5th Cir. 1962).

Using these standards developed by the courts, we conclude in this instance that Energy's construction of the provisions of NECPA authorizing the RCS program is not "sufficiently reasonable" to be accepted by a reviewing court. *See Federal Election Commission v. Democratic Senatorial Campaign Committee, supra.* Our conclusion has several bases. First, Energy's position is premised on a fundamental error of statutory construction, which is controlling over all other arguments in Energy's legal memorandum, namely, that legislation is to be construed to be of limited duration unless there is evidence of a contrary legislative intent. In fact, the reverse is true. Substantive legislation (as contrasted with an appropriation act, see footnote 5) is construed as permanent unless there is specific language indicating a limited duration. Secondly, Energy attempts, through its interpretation of the RCS program's legislative history and the contemporaneous enactment of other legislation, to create a statutory ambiguity that doesn't exist. Thirdly, Energy's current position is not consistent with its earlier pronouncements. Accordingly, we find Energy's arguments to be unpersuasive. In addition, we conclude that, with the exception of the RCS program announcement duties which expired by the specific terms of NECPA on January 1, 1985, the RCS program remains legally in effect until terminated by future legislation.

PRESUMPTION THAT LEGISLATION IS PERMANENT

Energy's legal analysis seems to assume that Congress must affirmatively express its intention and purpose for permanence on each occasion when it enacts legislation without a termination date, else it will be considered temporary. For example, Energy states on page 8:

"* * * it is highly improbable that Congress knowingly would have established a program of unlimited duration without a single comment to that effect."

No legal source is cited for this reasoning.

On the other hand, there is agreement among the standard legal authorities that it is a basic characteristic of our system of law that a statute, unless it explicitly provides to the contrary, continues in force indefinitely until duly altered or repealed by subsequent action of the lawmaking authority. 2 Sutherland on Statutes and Statutory Construction §§ 34.01 and 34.04 (Sands, 4th ed.); 73 Am. Jur. 2d, Statutes § 375; 82 C.J.S. Statutes § 316. "Any deviations from this rule are exceptional." 2 Sutherland on Statutes and Statutory Construction § 34.01, supra. In fact, it has been held that a court may not, even for the purpose of sustaining the validity of a statute as an exercise of the police power, read into a statute a limitation in duration that is neither expressed nor implied therein. 73 Am. Jur. 2d, Statutes § 376; *Vanderbilt v. Brunton Piano Co.*, 111 N.J.L. 593, 169 A. 177, 89 A.L.R. 1080 (1932). Consequently, substantive legislation is presumed to be permanent, unless it provides to the contrary, and Congress need not on each occasion affirmatively express its intention and purpose that the legislation be permanent.[5] *See The Reformer*, 70 U.S. (3 Wall.) 617 (1865); *N.A.A.C.P. v. Committee on Offenses*, 201 Va. 890. 114 S.E. 2d 721 (1960); *Plaquemines Parish D.E. Com. v. Board of Supervisors*, 231 La. 146, 90 So. 2d 868 (1956); *Vanderbilt v. Brunton Piano Co., supra.*

In addition, the concept and frequency of sunset provisions in legislation is of recent development, and is not inconsistent with these longstanding authorities. Generally, provisions limiting the duration of a statute are explicitly set forth in a separate section. This focuses attention on the limitation and facilitates the amendment process if extension of the act is desired. 1A Sutherland on Statutes and Statutory Construction § 20.23.

The permanence of legislation must, of course, be understood in the context of the legislative process. A statute is permanent or in effect for the indefinite future only until subsequent legislative action repeals or modifies it. Such repeal or modification could potentially occur at any time. Yet Energy in its legal memorandum consistently questions whether Congress intended to impose duties on covered utilities "in perpetuity."

Energy's concern for the "perpetual" nature of certain aspects of the RCS program, coupled with its reversal of the presumption in favor of the permanence of legislation, misdirected the focus of its analysis. Two excerpts from Energy's legal memorandum are illustrative:

"* * * netither the legislative history of NECPA nor the statute itself explicitly specifies a termination date for this duty [on covered utilities to provide RCS services]. However, this silence may itself convey the intent of Congress in this matter because it is highly improbable that Congress knowingly would have established a program of unlimited duration without a single comment to that effect. The eternal character of such a program, had it been intended, would certainly have elicited vigorous comments from the States, utilities, and consumers in the hearings that preceded the passage of NECPA. Neither the committee reports nor the floor debates even hint at permanence of any duty imposed by section 215. (Page 8.)

"* * * It seems very doubtful that Congress would have been content to rely on mere silence in NECPA and its legislative history to breach the harmony of the statutory scheme by extending one element of the RCS program forever beyond January 1, 1985, particularly when the program was anticipated to have accomplished its goals by then." (Page 11.)

We found this approach by Energy to be fundamentally in error. First, we don't agree that the statute is completely silent on the issue. Subsection 211(a) of NECPA, 42 U.S.C. § 8212(a), in describing the coverage of the RCS program, states, in part, "This part shall apply *in any calendar year* to a public utility * * *." (Emphasis added.) It then goes on to specify the sales volumes required before a public utility would be covered. Energy fails in its legal memorandum to acknowledge this provision, although it was cited prominently in the Congressional Research Service memorandum of September 26, 1983, addressing this same matter, which was provided to Energy.

Secondly, assuming the statute were silent, the absence of congressional discussion about the duration of the RCS program does not reflect a congressional intent that the program was to be temporary. Legislation is presumed to be permanent, unless Congress explicitly provides to the contrary. Consequently, Congress does not have to lay a foundation for permanence, either in the statute or the legislative history, each time it passes a bill.

Thirdly, Energy's reliance on *Shurtleff v. United States*, 189 U.S. 311 (1903), and *United States v. American Trucking Ass'ns.*, 310 U.S. 534 (1940), is not helpful to its case. In both instances the court declined to infer major departures from longstanding public policies and practices from ambiguous statutory language in the absence of a clear indication of legislative intent to do so. In the former case, the court rejected attribution

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[5] We acknowledge that a different standard applies to appropriation acts, which are generally enacted to fund agencies of the Government each fiscal year. Thus 31 U.S.C. § 1301(c) provides:

"an appropriation in a regular, annual appropriation may be construed to be permanent or available continuously only if the appropriation—

"(1) is for rivers and harbors, lighthouses, public buildings, or the pay of the Navy and Marine Corps; or

"(2) expressly provides that it is available after the fiscal year covered by the law in which it appears."

Consequently, it has been the longstanding position of this Office that a provision contained in an appropriation act (as contrasted with a nonappropriating statute of substantive law) may not be construed as permanent legislation unless the language or the nature of the provision makes it clear that such was the intent of Congress. 62 Comp.Gen. 54 (1982); 36 Comp. Gen. 434 (1956); 10 Comp. Gen 120 (1930); B-209583, January 18, 1983; B-208705, September 14, 1982.

of life tenure on good behavior to a Federal official holding the statutory position of general appraiser of merchandise when the statute provided for removal for cause but provided no explicit term of office. With the exception of judicial officers provided for by the Constitution, no civil officer had ever held office by a life tenure since the foundation of the Government. Thus, the issue was not the permanence of the statutory provision but the interpretation of its meaning on the term of office issue.

In the second case, the court declined to construe general language of the Motor Carrier Act to grant the Interstate Commerce Commission broad regulatory responsibilities over carrier employees beyond "the customary power to secure safety in view of the absence in the legislative history of the Act of any discussion of the desirability of giving the Commission broad and unusual powers over all employees." 310 U.S. at 546 and 547. Again, the permanence of the Statutory provision was not at issue.

If there were a lesson from these two cases for application to the present issues, it would be that a court will not depart from longstanding public policies and practices without clear evidence of legislative intent that it do so. If there is a statutory ambiguity concerning the duration of the RCS program and an absence of explicit legislative discussion and intent on the point, the court would follow the longstanding presumption in American law that statutes are enacted as permanent legislation.

We therefore believe Energy's position is premised on a fundamental error of statutory construction, which not only led to a misdirection in analysis, but critically affected its conclusion on the duration of the RCS program.

LEGISLATIVE HISTORY

Energy attempts, through its interpretation of the RCS program's legislative history and the contemporaneous enactment of other legislation, to develop a circumstantial case supporting a termination of the remaining aspects of the RCS program within a reasonable time after the last offer of services is made on or about January 1, 1985, the statutory termination date for public utility program announcement responsibilities.

Energy asserts that it was the goal of the RCS program to have 90 percent of American homes and businesses insulated by 1985. Since the RCS program was designed to have achieved this purpose by 1985, to have extended the RCS program beyond that point would appear to be illogical, according to Energy.

The RCS provisions of NECPA originated as part of the Carter Administration's National Energy Plan. The actual substance of what was to become section 215 was contained in the House's National Energy Act bill (H.R. 6831, 95th Cong., 1st Sess. (1977)). H.R. 6831 set out six national energy goals to be achieved by 1985. One of these goals was the insulation of 90 percent of all American homes and all new buildings, including residences and commerical buildings, schools and hospitals. *See,* H.R. Rep. No. 496, Part 4, 95th Cong., 1st Sess. 7 (1977).

However, a review of the legislative history reveals no indication that the time frames established for these goals were intended to set the duration of the proposed energy programs. Rather, it appears that the time specific objectives were designed "to allow progress toward these goals to be monitored and assessed." Id., at 15. Moreover, the Committee recognized that the goals were ambitious and probably could not be achieved by the provisions of the Act alone. The Committee went on to state: "Nevertheless, the goals set useful targets for additional voluntary action on the part of individual Americans, business firms, and other entities, and State and local governments; and for additional actions by the Federal Government." Id.

Therefore, it is not surprising that although the committee report states one of the goals of the RCS program in a time delineated manner, no explicit termination date generally limiting the duration of the RCS program was incorporated into the statute itself. Thus the goal of insulating 90 percent of American homes by 1985 was an objective of the program but not a statutory requirement. A non-statutory time specific goal is not inconsistent with a permanent program statute. Congress may at any time amend or repeal the legislation if the objective is met or altered. In any event, the residential energy conservation measures encouraged by the RCS program are broader than just insulation.[6]

Therefore, we do not believe that Energy has established that the objective of a 90 percent success rate in insulating homes and buildings by 1985 is necessarily inconsistent with a permanent program statute.

Energy also argues that NECPA should not be considered in isolation, but in the context of other legislation contemporaneously enacted and sharing a common purpose, particularly the Energy Tax Act of 1978, Pub. L. No. 95-618, approved November 9, 1978, 92 Stat. 3174. According to Energy, the two acts should be read together since the "two measures were introduced in Congress simultaneously, share a common purpose, are linked by specific legislative history, and were both passed on the same day." Therefore, Energy argues, the fact that the tax credits for residential energy conservation improvements are available only for expenditures made through December 31, 1985, 26 U.S.C. § 44C(f), suggests that the RCS program was also intended to be of limited duration. More specifically, Energy contends that the termination of the energy tax credits as of December 31, 1985, is significant since "[t]his period allows sufficient time for a utility customer to install and to receive a tax credit for improvements suggested as a result of an RCS audit conducted as late as January 1, 1985, or a reasonable time thereafter."

We agree that the legislative history of NECPA and the Energy Tax Act of 1978 establishes a close relationship between the RCS program and the energy tax credits. As Energy notes, the energy tax credits are available for the same measures encouraged to be installed under the RCS program. See, 26 U.S.C. § 44C and 42 U.S.C. § 8211(11). We also agree that the tax credits were clearly intended as an incentive to occupants of residential buildings to have energy conservation measures installed. See H.R. Rep. No. 496, Part 4, supra, at 21 and 23.

However, the tax credits and the RCS program were not co-extensive. The RCS program is available to any residential customer of a utility who owns or occupies a residential building. The energy tax credits, on the other hand, are available only to taxpayers for a property they use as a principal residence. Moreover, while the tax credits were intended to be an impetus to encourage participation in the RCS program, it was expected that the savings in energy costs from the installation of energy conservation measures would pay for their installation. Id., at 23.

In addition, neither the legislative history of NECPA nor of the Energy Tax Act suggests that the termination of the energy tax credits was linked specifically to the duration of the RCS program. In fact, the legislative history of the energy tax credits argues against this interpretation. When the energy tax credits were first proposed, they were to be available only for expenditures made before December 31, 1982, not 1985. Title II of H.R. 6831, 95th Cong., 1st Sess. (1977). However, the termination date for the program announcement requirement then provided for in the RCS utility program was January 1, 1985. Title I of H.R. 6831, supra. Thus as first introduced the RCS program announcement provisions as well as the other RCS utility requirements clearly were intended to continue beyond the availability of the energy tax credits.

We note that two separate committees were involved in the consideration of titles I and II of H.R. 6831, the House Committee on Interstate and Foreign Commerce and the House Committee on Ways and Means, respectively. When the respective titles were reported from their respective committees, these provisions of concern here remained unchanged. However, when the House's Ad Hoc Committee on Energy considered all of the responses to H.R. 6831 from the involved permanent legislative committees, a consolidated bill was proposed (H.R. 8444, 95th Cong., 1st Sess. (1977)). Under this bill the energy tax credits were extended until December 31, 1984, and the only RCS termination provision, applicable explicitly only to the program announcement requirements, was not amended but remained unchanged at January 1, 1985. The House Ad Hoc Committee on Energy did not mention the RCS program as its reason for extending the energy tax credits. Rather, it was because of concern over the ability of the insulating material industry to meet the anticipated increased demand.[7] Nor did the

[6] Subsection 210(11) of NECPA, 42 U.S.C. § 8211(11), defines "residential energy conservation measure" as including:

"(A) caulking and weatherstripping of doors and windows;

"(B) furnace efficiency modifications including—

"(i) replacement burners, furnace or boilers on any combination thereof which, as determined by the Secretary, substantially increases the energy efficiency of the heating system,

"(ii) devices for modifying flue openings which will increase the energy efficiency of the heating system, and

"(iii) electrical or mechanical furnace ignition systems which replace standard gas pilot lights;

"(C) clock thermostats;

"(D) ceiling, attic, wall, and floor insulation;

"(E) water heater insulation;

"(F) storm windows and doors, multiglazed windows and doors, heat-absorbing or heat-reflective glazed window and door materials;

"(G) devices associated with load management techniques;

"(H) devices to utilize solar energy or windpower for any residential energy conservation purpose, including heating of water, space heating or cooling; and

"(I) such other measures as the Secretary by rule identifies for purposes of this part."

[7] "The Ways and Means Committee bill provides that both the residential insulation credit and the residential solar and wind credits are to apply from April 20, 1977, through December 31, 1982. The Ad Hoc Committee amendment makes these credits available for 2 additional years, through December 31, 1984.

Senate Committee on Finance that extended the energy tax credits through 1985 suggest that the reason was to make the credits correspond with the RCS program. Again the stated purpose for the extension was because of concern over potential supply problems.[8] Thus we found no evidence of congressional intent that the termination of the RCS program was to be related to the expiration of the energy tax credit.

We recognize that the public laws composing the National Energy Act program were to be complementary so as to compose a comprehensive program, so we are not surprised that the energy tax credits complement the RCS public utility program. On the contrary, we would be concerned if they were in some way inconsistent. However, it does not necessarily follow that complementary programs must have the same or related expiration dates. A time-limited energy tax credit is not at odds with a permanent RCS program statute. Since we find Energy's reference to the Energy Tax Act for conclusions on the duration of the RCS program in the NECPA not to be supported by the legislative history, the argument is unpersuasive.

Energy also relies on the legislative history of the Energy Security Act, Pub. L. No. 96-294, approved June 30, 1980, 94 Stat. 611. Energy cites a portion of a sentence from the report of the Senate Committee on Energy and Natural Resources that states, in part:

"* * * section 215 of NECPA requires the utility to offer to perform an energy audit every two years until January 1, 1985, * * *." S. Rep. No. 387, 96th Cong., 1st Sess. 208 (1979).

Energy quotes this passage as evidence that the Senate Committee considered the duty to offer to perform an energy audit under section 215 as expiring on January 1, 1985.

However, we note initially that the proposed amendment to NECPA that this passage was trying to explain was never enacted. Thus this passage, like other more recent legislative initiatives on the RCS program, is post-enactment legislative history that is generally given little weight in interpreting a statute. In addition, the phrase relied on by Energy is in obvious conflict with the statute. The offer required by subsection 215(b) of NECPA contains no termination date. Moreover, a utility is not required to perform an energy audit every 2 years. The statute requires the utility to make only one inspection of a residence.[9] 42 U.S.C. § 8216(b). What was required by the statute every 2 years until January 1, 1985, was for the utilities "to inform" its residential customers of certain energy conservation matters, including the availabiity of the energy audit. 42 U.S.C. § 8216(a). A phrase in a committee report that is prepared 2 years after the enactment, and that is clearly at odds with the statute, cannot be persuasively relied on.

In partial summary, therefore, we conclude that, in its legislative history discussion, Energy has not provided any concrete links in the statute, its legislative history or that of contemporaneously enacted legislation between Energy's interpretation and the absence of a termination date(s) in NECPA for the majority of the RCS program.

CONSISTENCY OF AGENCY INTERPRETATION

Energy states that since the inception of the RCS program, it has consistently taken the position that the RCS program was intended to terminate during 1985. As evidence of this, Energy points to the preamble to the 1979 proposed rules for the RCS program, which contain a 5-year economic analysis of the program (FYs 1979-85). See 44 F.R. 16546 (March 19, 1979).

However, while the analysis was based on a 5-year time-frame, this alone does not indicate that Energy considered the RCS program for utilities to be time limited. As part of its proposed rules, Energy also prepared a draft Regulatory Analysis for comment. See 44 F.R. 16575 (March 19, 1979). This Regulatory Analysis was finalized for publication in conjunction with Energy's final rules for the RCS program. Although not published in full as a part of the preamble to the final rule, that preamble noted that copies of the Regulatory Analysis were available at the Department of Energy. See 44 F.R. 64647 and 64648 (November 7, 1979). Subpart V(E) of the "Residential Conservation Service Program: Regulatory Analysis," DOE/CS-00104/1 (U.S. Dept. of Energy, October 1979), entitled "Sunset Provisions," states:

"Although the economic and energy analyses assumed a five-year program duration, the rules analyzed do not contain a completion date for the RCS Program. The Program is designed to help achieve the National Energy Plan goal calling for the insulation of 90 percent of American homes by 1985. In keeping with this goal—and NECPA—the RCS Program rules do not require any promotional activities by covered utilities or participating home heating suppliers after December 31, 1984. State reporting requirements terminate on July 1, 1986. *There are no other provisions for terminating the RCS Program in the rules. Correspondingly, there are no provisions for terminating the Program in NECPA.*

"Activities by the states, by energy and measures suppliers, and by installers and lenders will continue beyond December 31, 1984 until the last installation requested under the Program has been completed. *In the absence of a Program completion date,* such *requests for installations under the Program could continue indefinitely.* Participating home heating suppliers may withdraw voluntarily at any time. States may discontinue record keeping in 1986. *Covered utilities,* however, *could be liable for operation of the Program for many years later.*

"It is reasonable to expect that states will want to terminate their Plans, at the latest, with the termination of the reporting requirements. However, for each post-1984 installation of a vent damper, electric ignition system or wind energy system under the Program, a post-installation inspection is required. Additionally, a customer requesting an installation of such measures under the Program will expect that the installer has been properly certified through a state-approved qualification procedure. The availability of this and other benefits implies continuation of the state Plan for as long as covered utilities have to operate their programs. Concurrently the federal enforcement provisions will have to remain in effect.

"DOE is aware that additional congressional action may be required to resolve these ambiguities." (Italic added.)

Consequently, it is evident that Energy was well aware in 1979 that the majority of the aspects of the RCS program had no termination date, and developed its regulations accordingly, with a recognition that the duration of these elements of the RCS program, including the duties placed upon covered public utilities, could continue indefinitely. Energy in 1979, when it specifically addressed the issue, declared an agency position contrary to Energy's current position. Use of the 5-year RCS program duration for the economic and energy analyses was apparently a matter of convenience. Accordingly, there is an obvious inconsistency in Energy's positions. If anything, Energy's contemporaneous construction of NECPA in 1979 would be entitled to the greater weight. *See Udall v. Tallman, supra.*

GAO'S VIEW

As indicated above, the RCS provisions of NECPA are not completely silent on the duration of the program. Subsection 211(a) of NECPA, 42 U.S.C. § 8212(a), in describing the coverage of the RCS program, states, in part:

"This part shall apply *in any calendar year* to a public utility * * *." (Italic added.)

In addition, assuming the statute were silent on the point, the absence of congressional debate and explicit intent in the preenactment legislative history as to the duration of the RCS program does not reflect a congressional intent that the program was to be temporary. On the contrary, in that situation, the legal system presumes permanence.

Energy itself acknowledges the clarity of the statutory language on termination by stating:

"Reading all of these provisions together, it is clear that the covered utilities are under no obligation to inform customers of the availability of any RCS service after January 1, 1985, * * *. It is also clear that the statute does not expressly provide an expiration date for utilities' obligations under subsection 215(b) to offer (and implicitly to provide) the specified services * * *." (Page 3.)

Accordingly, the principle of *expressio unius est exclusio alterius* is applicable. This principle of statutory construction provides that where the manner and operation of a statute is designated, there is an inference that all omissions should be understood as exclusions. *Duke v. Univ. of Texas at El Paso,* 663 F.2d 522 (5th Cir. 1981), *cert. denied* —— U.S. ——, expresses the learning of common experience, one should not assume that the omissions were inadvertent but rather they were purposeful. Consequently, here when Congress specified in subsections 215(a), 215(d) and 217(a)(1) of NECPA, 42 U.S.C. §§ 8216(a), 8216(d) and 8218(a)(1), a termination date of January 1, 1985, for the RCS program announcement requirements and failed to specify any ter-

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"Since the firms that produce insulating materials are presently operating near their optimal plant capacity, the Ad Hoc Committee is concerned that taxpayers, in their desire to use the credit before the expiration date, would increase demand above the industry's ability to produce insulation. The additional 2 years should moderate demand sufficiently to enable producers to fill each year's orders.

"The extension of the solar and wind credit is designed to further encourage the installation of this newly commercialized technology for residential use." H.R. Rep. No. 543, Vol. 1, 95th Cong., 1st Sess. 51 (1977).

[8] "The committee is mindful of potential supply problems that the fiberglass insulation industry might encounter. Thus, while the credit is provided for a limited number of years, that period of time was made sufficient in length (through 1985) so that the damand generated for this insulation by the credit would not be sharply increased in any one year." S. Rep. No. 529, 95th Cong., 1st Sess. 30 (1977).

[9] A subsequent owner may request another audit, however. 42 U.S.C. § 8216(d).

mination date(s) for the remaining portions of the program, an inference arises from these omissions that Congress intended these portions of the program to be excluded from a definite termination date and to remain in effect indefinitely until Congress repealed or modified them.

Moreover, the statute does not expressly or by necessary implication link the expiration of the program with the one and only termination date explicity provided, which by its terms is only applicable to the program announcement requirement. Nor did we find anything in the legislative history that mandates or directly suggests a linkage of the two. In addition, they are not so inherently interdependent that continuation of the remainder of the RCS program after the expiration of the program announcement requirement would be impracticable.[10] The most that can be said is that the remaining RCS program functions may be somewhat less effective without the periodic program announcement requirements. However, even this consequence is mitigated by the fact that customers have already been made aware of energy conservation measures through past program announcements.

Nor do we believe, as Energy asserts, that the reason the statute is silent on the expiration date is because of the "impracticability" of fixing a date certain for all covered utilities to complete their duties under section 215. We find no support for Energy's position in the legislative history. Moreover, if a reasonable termination point can be implied, it could have been explicitly provided for if Congress so chose. Further, Congress could have at any time since the inception of the program amended the statute to provide for a time limitation, and it chose not to do so.

We therefore conclude that, with the exception of the RCS program announcement duties which expired by the specific terms of NECPA on January 1, 1985, the RCS program remains legally in effect until terminated by future legislation.

As agreed with your staff, this opinion will not be made publicly available for 30 days or until its prior release by your Office.

Sincerely yours,

MILTON J. SOCOLAR,
for Comptroller General
of the United States.

APPENDIX

The pertinent parts of section 215 of the National Energy Conservation Policy Act, as amended, 42 U.S.C. § 8216, are as follows:

"(a) Each utility program shall include procedures designed to inform, no later than January 1, 1980, or the date six months after the approval of the applicable plan under section 212, if later, and each two years thereafter before January 1, 1985, each of its residential customers who owns or occupies a residential building, of—

"(1) the suggested measures for the category of buildings which includes such residential building;

"(2) the savings in energy costs that are likely to result from installation of the suggested measures in typical residential buildings in such category;

"(3) the availability of the arrangements described in subsection (b) of this section and the lists referred to in section 213(a) (2) and (3); and

"(4) suggestions of energy conservation techniques, including suggestions developed by the Secretary, such as adjustments in energy use patterns and modifications of household activities which can be employed by the residential customer to save energy and which do not require the installation of energy conservation measures (including the savings in energy costs that are likely to result from the adoption of such suggestions).

"(b) Each utility program shall include—

"(1) procedures whereby the public utility, no later than January 1, 1980, or the date six months after the approval of the applicable plan under section 212, if later, will, for each residential building, offer to—

"(A) inspect the residential building (either directly or through one or more inspectors under contract) to determine and inform the residential customer of the estimated cost of purchasing and installing the suggested measures and the savings in energy costs that are likely to result from the installation of such measures (a report of which inspection shall be kept on file for not less than 5 years which shall be available to any subsequent owner without charge), except that a utility shall be required to make only one inspection of a residence unless a new owner requests a subsequent inspection;

"(B) arrange to have the suggested measures installed (except for furnace efficiency modifications with respect to which the inspection prohibition of section 213(a)(2)(B) applies, unless the customer requests in writing arrangements for such modifications in writing); and

"(C) arrange for a lender to make a loan to such residential customer to finance the purchase and installation costs of suggested measures; and

"(2) procedures whereby the public utility provides to each of its residential customers the lists as described in section 213(a) (2) and (3).

* * * * *

"(d) In the case of any person who becomes a residential customer of a utility carrying out a utility program under this section after January 1, 1980 (or the date six months after approval of the applicable plan, if later), and before January 1, 1985, not later than 60 days after such person becomes a residential customer of such utility, such utility shall inform such person of the items listed in subsection (a), the offer required under subsection (b)(1)(A), and shall offer such person the opportunity to enter into arrangements referred to in subparagraphs (B) and (C) of subsection (b)(1)."

Mr. TRIBLE. Mr. President, I rise in support of S. 410, the Conservation Service Reform Act of 1985, and want to commend my colleagues on their efforts to respond to the changes in the marketplace.

Rising energy costs and temporary shortages created a demand for sophisticated energy conservation methods and technological developments—and the private sector promptly met that demand. Many businesses now provide audit services identical to those which utilities would have been federally mandated to provide under the CACS Program.

I joined with my colleague from Virginia [Mr. WARNER] and the Senator from Louisiana [Mr. JOHNSTON] in sponsoring S. 410 because the evidence was clear that the CACS Program would achieve minimal energy savings but would require the investment of millions of dollars by public utilities which had no expertise or experience in this field. Moreover, these costs would have been borne by the utilities' residential and commercial ratepayers. In short, it was far from clear that CACS was cost-effective conservation program.

I do, however, have reservations about this legislation. As originally proposed, the bill contemplated the repeal of the Commercial and Apartment Conservation Service Program. During committee deliberations, the Residential Conservation Service Program [RCS] was extended for an additional 3 years. This program has fallen far short of expectations. Study after study has been conducted indicating that the millions of dollars paid by the utility companies have realized minimal, if any, energy savings. Indeed, in my State of Virginia, energy conservation by Virginia residential consumers matched that of Maryland consumers even though no RCS Program was available in Virginia. Maryland, on the other hand, had implemented the program for 5 full years.

Although I question the worth of this program, I am willing to concede that an extensive cost-benefit analysis by GAO may be in order to resolve the controversy regarding its merits. A 3-year extension of RCS with a fixed termination date of January 1, 1988, seems adequate to study this issue. I applaud the committee for providing a definite termination date.

All of us in the Senate support energy conservation. indeed, these conservation efforts are in large measure responsible for today's plentiful energy supply. However, our support must be tempered by consideration of cost effectiveness and circumstances, and S. 410 meets both tests.

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[10] The program announcement requirements are contained in subsection 215(a) of NECPA, 42 U.S.C. § 8216(a), which provides:

"Each utility program shall include procedures designed to inform, no later than January 1, 1980, or the date six months after the approval of the applicable plan * * *, if later, and each two years thereafter before January 1, 1985, each of its residential customers who owns or occupies a residential building, of—

"(1) the suggested measures for the category of buildings which includes such residential building;

"(2) the savings in energy costs that are likely to result from installation of the suggested measures in typical residential buildings in such category;

"(3) the availability of the arrangements described in * * * [the project management requirements]; and

"(4) suggestions of energy conservation techniques, including suggestions developed by the Secretary, such as adjustments in energy use patterns and modifications of household activities which can be employed by the residential customer to save energy and which do not require the installation of energy conservation measures (including the savings in energy costs that are likely to result from the adoption of such suggestions)."

AMENDMENT NO. 548

(Purpose: To provide a procedure to waive certain requirements of the Residential Conservation Service program and for other purposes)

Mr. JOHNSTON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Lousisiana [Mr. JOHNSTON] for himself, Mr. EVANS, Mr. GRASSLEY, and Mr. MCCLURE, proposes an amendment numbered 548.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill add a new section 5 as follows:

SEC. 5. (a) Part 1 of title II of the National Energy Conservation Policy Act (42 U.S.C. 8211 et seq.) is amended by adding at the end thereof the following:

"SEC. 226. WAIVER FOR REGULATED AND NONREGULATED UTILITIES.

"(a) WAIVER.—Any utility subject to this part may, upon request, receive a waiver from the Secretary from any provision of this part or from any provision of a State residential energy conservation plan under this part if the utility shows in appropriate State proceedings and the appropriate State officials find that—

"(1) the existing and planned residential energy conservation programs that will be implemented by the utility if a waiver from such provision is approved will result in savings in petroleum, natural gas or electric energy consumed in residential buildings served by the utility that are equal to or greater than the savings that would be achieved if the utility were subject to the provision; and

"(2) adequate procedures are in effect that prevent unfair, deceptive or anticompetitive acts or practices affecting commerce that relate to the implementation of such residential energy conservation programs, including provisions to assure that any person who alleges any injury resulting from unfair, deceptive or anticompetitive acts or practices in connection with such programs shall be entitled to redress under such procedures as may be established by the Governor in the State in which the utility provides utility service.

"(b) DEFINITION.—For purposes of this section the term "residential energy conseration program" means any program carried out by a utility that has as its purpose

"(1) increasing the efficiency with which petroleum, natural gas or electric energy is consumed in residential buildings served by such utility; or

"(2) utilizing solar or other forms of renewable energy in residential buildings served by such utility.

"(c) APPROVAL.—The Secretary shall approve a request of a utility for a waiver under subsection (a) if the Secretary determines that

"(1) opportunity for a hearing on the request for a waiver has been provided in the State in which the utility provides utility service; and

"(2) in the case of a regulated utility, the Governor of the State in which the utility provides utility service and the State regulatory authority that has ratemaking authority with respect to such utility both

"(A) find that the showings under subsection (a) (1) and (2) are sufficient; and

"(B) support the request by the utility for the waiver; or

"(3) in the case of a nonregulated utility subject to a State residential energy conservation plan under section 212(c)(2), the Governor of the State in which the utility provides utility service

"(A) finds that the showings under subsections (a) (1) and (2) are sufficient; and

"(B) supports the request by the utility for the waiver.

"(d) ANNUAL REVIEW AND REVOCATION OF WAIVER.—(1) The provisions of this subsection do not apply to a nonregulated utility unless such utility is subject to a State residential energy conservation plan under section 212(c)(2).

"(2) Any utility that receives a waiver under this section shall provide the Governor of the State in which that utility provides utility service with an annual report describing the performance of its residential energy conservation programs in relation to the showings of such utility under subsections (a) (1) and (2).

"(3) The Secretary shall revoke any waiver received by a utility under this section upon a request under this subsection by the Governor of the State in which the utility provides utility service. Such a request shall be made upon a finding

"(A) in the case of a regulated utility, by such Governor with the concurrence of the State regulatory authority that has ratemaking authority with respect to such utility; or

"(B) in the case of a nonregulated utility subject to a State residential energy conservation plan under section 212(c)(2), by such Governor,

that the savings described in subsection (a)(1) on an annual basis are less than the savings in the year prior to the approval of the waiver or that the procedures referred to in subsection (a)(2) are no longer adequate.

"(4) A request under paragraph (3) with respect to any utility may be submitted to the Secretary by a Governor only after review and opportunity for a hearing on the performance of the residential energy conservation programs of such utility. In order to facilitate such review and hearing, the utility shall provide to the Governor such information as the Governor requests about such residential energy conservation programs."

(b) The table of contents for the National Energy Conservation Policy Act is amended by adding at the end of the table of contents for part 1 of title II the following:

"Sec. 226. Waiver for regulated and nonregulated utilities."

Mr. JOHNSTON. Mr. President, I offer this amendment on behalf of myself, the distinguished Senator from Washington [Mr. EVANS], the distinguished Senator from Idaho [Mr. MCCLURE], as well as the distinguished Senator from Iowa [Mr. GRASSLEY].

This was worked out carefully after a hearing in the Energy Committee. The amendment provides for those utilities which want to run their own conservation program, and some of them are doing that now and doing it very successfully, a mechanism for them to continue to do so or to get permission to do so.

What it provides is that those utilities would demonstrate to the Governor and the State public utilities commission that the plan is a workable and fair one; whereupon, the Governor and the State PUC would both jointly be required to make necessary findings with respect to the program.

If the Governor and the PUC should agree they would then request a waiver from the Department of Energy that, upon concurring with those findings of the Governor and the State PUC, would grant a permit or a waiver, in effect, from the otherwise requirements of the bill.

The amendment further provides that the waiver would be revoked if the Governor and the PUC find that programs with the waiver were not actually increasing energy savings or that there were not procedures to protect against anticompetitive practices in the plant.

In effect, Mr. President, it gives the utilities a chance to put their money where their mouth is, to give Congress the chance to see how the alternative program might operate.

I think it is very carefully and very tightly drawn fully to protect the public.

As I stated, the plan must pass muster with the Governor, with the State PUC and then, upon approval by them, by the Department of Energy. And then the plan must operate successfully to save more energy than the general law would do; otherwise, the waiver would be revoked.

So I believe, Mr. President, that this amendment, when proposed, will be a good addition to this bill. It has been, as I say, carefully worked out on a bipartisan basis.

I yield the floor.

Mr. NICKLES. Will the Senator yield for a comment?

Mr. JOHNSTON. Yes.

Mr. NICKLES. I wish to congratulate Senator JOHNSTON for work that he has done on this bill. We did have a hearing on it before our Senate Energy Regulation and Conservation Subcommittee. We had bipartisan support for the legislation and also for the amendment which Senator JOHNSTON alluded to concerning studying the effectiveness of residential conservation services and others.

So we have worked on this in a bipartisan way. I think it is a good bill. I hope that we will be able to resolve some of the conflicts concerning other amendments and be able to move forward and pass the bill in short order.

Mr. EVANS. Mr. President, I join with my colleague from Louisiana in commenting on the amendment which he has made reference to. I think it is

particularly important to try to attract better ideas, and if we can do so by giving States an opportunity to initiate their own programs, prove that they at least meet the standards of the Federal act, and then given their opportunity can do even better, that makes good sense.

I know that in the Pacific Northwest, and in my own State of Washington, there have been many utility devised programs which have had very much larger penetration rates—in other words, the rate of response from consumers—than the national average or any of the national programs have attained. They have been very successful and very well received by consumers throughout the Pacific Northwest.

I think the amendment not only is a worthwhile amendment but it is attached to a bill which has been worked out in detail by the committee. I certainly endorse the bill, its amendments so far, and shortly this afternoon I will try to make it an even better bill.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment.

The amendment (No. 548) was agreed to.

AMENDMENT NO. 549

(Purpose: Clarifying amendment)

Mr. NICKLES. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Oklahoma [Mr. NICKLES] proposes an amendment No. 549.

Mr. NICKLES. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike from "The report" on page 2, line 19 through "Conservation Service." on page 4, line 9 and insert in lieu thereof:

" 'The Secretary of Energy shall conduct a survey in consultation with the Comptroller General to collect the information the Comptroller General determines is necessary for the preparation of such report. The report shall examine and assess, for the programs under this part:

(1) the potential for achievable energy savings through implementation of residential energy conservation measures in residential dwellings in the United States and the importance of the Residential Conservation Service in achieving these savings;

(2) Residential Conservation Service program costs from a representative sample of states, taking into account costs to the taxpayer and ratepayers of affected utilities;

(3) Residential Conservation Service program benefits from a representative sample of states, taking into account the value of energy conservation and the value of deferral of investment in new capacity to provide energy;

(4) efforts of utilities to encourage the implementation of residential energy efficiency measures by their customers and the relationship between these efforts and the observed response rate under Residential Conservation Service Programs;

(5) measured energy savings achieved in residential dwellings in which measures are installed under such programs;

(6) to the extent to which utilities have adopted programs voluntarily or under State law that offer more promise in encouraging energy efficiency than has been the case under the Residential Conservation Service;

(7) to the extent to which modifications in the regulations implementing the Residential Conservation Service could improve the cost effectiveness of the program;

(8) legislative changes that are necessary to improve the cost effectiveness of the program;

(9) the extent of unfair, deceptive or anticompetitive acts or practices affecting commerce that relate to the implementation of such residential energy conservation programs, and the adequacy of procedures which are in effect to prevent such unfair, deceptive or anticompetitive acts or practices; and

(10) such other matters as seem appropriate in order to assist Congress in deciding the future of the Residential Conservation Service.' ".

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment.

The amendment (No. 549) was agreed to.

AMENDMENT NO. 550

(Purpose: To keep commercial and apartment conservation State plans approved before August 1, 1984 in effect)

Mr. NICKLES. Mr. President, I send an amendment to the desk on behalf of Senator LEVIN and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Oklahoma [Mr. NICKLES], for Mr. LEVIN, proposes an amendment numbered 550.

Mr. NICKLES. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, after line 7 add the following new subsection:

(c) Notwithstanding subsection (a) any state energy conservation plan for commercial buildings and multifamily dwellings approved under Section 721 of the National Energy Conservation Policy Act prior to August 1, 1984, may with respect to regulated utilities, continue in effect until one year after the date of enactment of this Section if such plan meets the requirements of Section 722 of such Act as in effect on August 1, 1984.

Mr. LEVIN. Mr. President, the amendment I am offering today addresses a problem which Michigan will face if the Commercial and Apartment Conservation Service [CACS] is unconditionally repealed.

Although the Department of Energy [DOE] has approved 21 CAS plans, Michigan is the only State which has a CACS Program in actual operation. The other States are not yet offering commercial energy audits services.

In 1980, the Congress passed the Energy Security Act which added the CACS title to the National Energy Conservation Policy Act [NECPA]. The law required States to submit their CACS State plans to DOE by June 4, 1984. Michigan's CACS plan was approved in July 1984 and utilities in Michigan have been offering commercial audits since January of this year.

So Congress required States like Michigan to go ahead and prepare a CACS plan which cost Michigan approximately $1 million to implement. Now Congress is preparing to repeal that law—we are in effect penalizing Michigan for complying with the law.

My amendment simply extends the CACS statute for Michigan because its State plan was approved before August 1, 1984—until the State has had adequate time to pass a State law authorizing the program—a period of 1 year after enactment.

This will hopefully give the State adequate time to pass State legislation without having to interrupt the CACS Program which is already in effect. Without Federal or State statutory authority, Michigan utilities face a real threat of antitrust litigation. Michigan utilities have already been subjected to legal challenge with respect to the Residential Conservation Program.

I strongly feel that the Federal Government has an obligation to help States continue programs which it originally mandated. If the Congress feels it must repeal the Commercial Energy Audit Program, let's at least give States like Michigan adequate time to pass State law authorizing this program.

I urge adoption of this amendment.

Mr. McCLURE. The committee recognizes the difficulty utilities in Michigan and the State of Michigan would be faced with if no Federal statute for CACS remained in effect for the CACS Program which is already in operation. I commend Senator LEVIN for bringing his State's unique problem of total repeal of CACS to the committee's attention and agree that his amendment will allow Michigan's program to continue for up to 1 year. This year will provide Michigan with the opportunity to pass State legislation authorizing continuation of their CACS Program beyond 1 year if the State so chooses. I move the amendment be adopted.

Mr. LEVIN. I thank the distinguished chairman of the committee

and the ranking member, Mr. JOHNSTON, for their cooperation in this matter.

Mr. NICKLES. Mr. President, I move adoption of the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 550) was agreed to.

AMENDMENT NO. 551

(Purpose: Clarify rights of persons to take actions with respect to anticompetitive acts or practices related to activities under the RCS program, and for other programs)

Mr. NICKLES. Mr. President, I send to the desk an amendment on behalf of Senator SPECTER and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Oklahoma [Mr. NICKLES], for Mr. SPECTER, proposes an amendment numbered 551.

Mr. NICKLES. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add a new section 6 as follows:

"SEC. 6. Subsection 220(b) of Title II of the National Energy Conservation Policy Act (42 U.S.C. 8211 et seq.) is amended by inserting after 'Acts.—', '(1)', and by inserting after the words 'acts or practices.' the following new paragraph:

'(2) Nothing in this Part shall be construed to—

'(A) bar any person from taking an action with respect to any anticompetitive act or practice related to activities conducted under any program established under this Part, including activities conducted under subsections 216(b), (d), or (e); or

'(B) convey to any person immunity from civil or criminal liability, create defenses to actions under antitrust laws, or modify or abridge any private right of action under such laws."

Mr. SPECTER. Mr. President, today I am proposing an amendment to S. 410 that is designed to clarify the protections in existing law against unfair or anticompetitive acts or practices in the business of selling and installing residential energy conservation equipment.

The National Energy Conservation Policy Act [NECPA] has long contained safeguards at the Federal level to make sure that competition between public utilities and private contractors takes place on a level playing field. NECPA also contains important provisions preserving the discretion of our State governments to provide means for the protection and promotion of vigorous competition within their economies. For instance, section 220(b) of NECPA specifically states that noting in the statutory provisions dealing the residential conservation program "shall be construed as restricting the authority of any agency or instrumentality * * * of any State under any provision of law to prevent unfair methods of competition and unfair or deceptive acts or practices." Moreover, so far as the 1980 amendments to NECPA are concerned, section 548 of the Energy Security Act provides even more broadly that nothing in those amendments "bar(s) any person from taking any action with respect to any anticompetitive act of practice related to activities conducted under any program established under this title. * * *" Still other provisions provide even further confirmation of Congress' intention of leaving State powers almost entirely untouched.

Almost everyone who has studied these provisions agrees that, taken together, they give State governments the freedom to establish procedures to terminate or modify exemptions obtained by public utilities from NECPA's restrictions on participation by such utilities in residential energy conservation equipment sales and installations. Nothing in NECPA requires the State to exercise this authority, or tells them how to do it. But the States are left room to maneuver as they wish.

Unfortunately, some State agencies have apparently been unwilling to accept the view that Congress left them so much latitude, claiming that the law is ambiguous. This has sometimes led States to deny small contractors a forum in which to obtain a resolution of allegations of anticompetitive activity, not because the State does not wish to provide one, but because of the mistaken view that Federal law does not permit it to do so.

My amendment makes it crystal clear that Federal law provides no excuse for denying a forum to those who claim to be victims of anticompetitive practices. If State decide not to provide such a forum for their own reasons, that remains their prerogative. But nothing Congress has done should be claimed as the reason.

The amendment achieves this result in a very simple way. It takes the language of section 548 of the Energy Security Act and makes it applicable to all of NECPA's residential conservation programs by placing it squarely in the residential conservation sections of the statute. The wording is modified slightly to make clear that it applies to all sections of the residential part of the act, not just the 1980 amendments. And a specific reference is added to the section 216 exemptions, eliminating any shadow of a doubt about the fact that States have the discretion to make decisions terminating or revoking those exemptions if they wish to do so.

Mr. President, because my amendment is designed only to restate and clarify the law that Congress has already adopted, it should not be regarded as controversial. I urge my colleagues to adopt it forthwith.

Mr. President, I would like to direct an inquiry to the distinguished chairman of the Energy and Natural Resources Committee, Senator MCCLURE. I have been contacted by a number of wholesalers, suppliers, and contractors in the plumbing, heating, air-conditioning, and lumber businesses who are concerned about maintaining their ability to compete against public utilities for the business of selling and installing energy conservation equipment. This business flows naturally from the energy audit mandated under the Residential Conservation Service Program. I endorse the idea that there must be a level playing field for competition between all of those enterprises engaged in this kind of business. These contractors and suppliers, many of whom are in Pennsylvania, ask only for the chance to be heard. They believe that unfair competition can sometimes result from a waiver of the Federal prohibitions that otherwise keep public utilities out of the sales and installation business. Proceedings before State public utility commissions are sometimes inadequate, because the commissions take the position that they have no authority to consider issues of competition. Antitrust proceedings in the courts are simply beyond the resources of these small businesses. And since the residential conservation service is a Federal program, some State government agencies even take the position that they have no authority voluntarily to consider any issues not specified in the National Energy Conservation Policy Act.

I believe that these contractors and suppliers deserve an opportunity at the State level to have their concerns addressed. I have examined the bill before us today, and the law that it extends, and it appears to me that under existing law, as well as under the law we are about to pass, State governments enjoy full authority to convene proceedings to consider the competitive effects of waiver applications. I would like to inquire of the distinguished chairman, whose deep familiarity with these issues is well known, whether he concurs with this conclusion?

Mr. MCCLURE. The distinguished Senator from Pennsylvania is correct. The original intent of Congress in adopting the National Energy Conservation Policy Act in 1978 was to leave States entirely free to convene proceedings to consider these and any other issues they consider important. And certainly, S. 410 does not change that intent. I also agree with the Senator from Pennsylvania that it is highly advisable for States to afford opportu-

nities under State law for contractors, suppliers, and other affected parties to bring their concerns about unfair competition to the attention of State officials. Each State must decide for itself, of course, how to implement such opportunities. But as a matter of policy, simple fairness certainly militates in favor of hearing these issues out.

Mr. SPECTER. I thank the distinguished Senator from Idaho. I think his comments remove any doubt, if any doubt there ever was, about State authority in this area. We agree that no State should decline to afford affected parties an opportunity to be heard on the grounds that this is a Federal program and that the statute creating it omits exclusive mention of such authority. We agree on the affirmative advisability of States making such forums available.

The amendment that I am offering this morning is intended to confirm the interpretation of the law that we just discussed. I take it that the distinguished chairman has no difficulty in accepting my amendment?

Mr. McCLURE. That is correct.

Mr. SPECTER. I thank the distinguished Chairman.

Mr. FORD. Mr. President, the amendments we are making to the Residential Conservation Service Program are designed to get us better utility energy conservation programs. We have a waiver option put in by Senators JOHNSTON, EVANS, MCCLURE, and GRASSLEY that will allow utilities to have more flexible, more effective energy conservation activities.

We have an amendment by Senator SPECTER that applies to the entire RCS Program the same savings clause—Section 548—that applied to RCS amendments enacted in 1980. This savings clause preserves the rights of persons to take actions with respect to anticompetitive acts or practices related to activities under RCS and makes clear that no one obtains immunity from liability under the antitrust laws.

Nothing in this amendment grants any new authority to States to terminate RCS activities such as the supply, installation or financing of energy conservation measures. This amendment merely clarifies the application of existing law to this program.

Mr. METZENBAUM. Mr. President, I am pleased to support S. 410, a bill which repeals the Commercial and Apartment Conservation Service while providing for a 3-year extension of the Residential Conservation Service.

On balance, this bill is a worthy compromise between those of us who favored continuing both the Residential and Commercial Conservation Programs and those who favored repeal of one or both of those programs. While I would have preferred to continue the CACS Program, I think this bill represents an important reaffirmation of our commitment to a strong Residential Energy Conservation Program.

That is especially important at a time when the present administration has lost interest in conservation.

They say we are awash in oil and gas;

They want to stop filling the strategic petroleum reserve;

They want to cut funding for energy conservation;

They want to relax fuel efficiency standards; and

They want to end the Federal Residential and Commercial Conservation Services.

I believe they are pursuing a policy that may be penny wise but is certainly energy foolish.

In certain areas of the country, the Residential Conservation Service has been tremendously effective, especially where utilities aggressively marketed the availability of the service; of course, I recognize that the Residential Conservation Service has not yielded all we hoped.

But you do not improve results by killing the program. With changes, RCS can still make important contributions to energy security.

A September 1983 General Accounting Office report noted that the RCS Program is one of two Federal conservation mandates "that seem to spark most state or utility conservation efforts."

A Congressional Research Service study for the House Subcommittee on Energy Conservation and Power concluded that residential conservation could supply the equivalent of 131,000 megawatts—that is about 131 powerplants—by 1990 at a cost below that of building new powerplants.

A followup study concluded that the Nation could have used 28 to 38-percent less residential energy than it did in 1981 if cost-effective conservation improvements had been made in the Nation's homes.

But the administration will not give RCS a chance. In March, the DOE issued a bizarre opinion that the legal authority for the RCS Program has expired.

A few weeks ago, the Comptroller General concluded that DOE's position was dead wrong. GAO said that the administration's legal analysis was "premised on a fundamental error of statutory construction" and that the RCS Program "remains legally in effect until terminated by future legislation."

Despite the GAO ruling, DOE is intent on pursuing its ill-conceived plan to dismantle the RCS Program.

This bill would stop them.

It extends the RCS Program for 3 years and requires the GAO to conduct a comprehensive evaluation of the program.

Senator JOHNSTON's amendment would give States additional discretion to implement residential conservation strategies that would result in greater savings than the Federal RCS Program. I support this amendment. I am also pleased that Senator JOHNSTON agreed to modify the original amendment so that if the Governor determines that a State program failed to achieve better results than the RCS Program the Governor would be required to ask the Department of Energy to revoke the waiver—and DOE would be required to do so. This change is designed to prevent States from using the waiver authority to avoid Federal regulation for the sake of avoiding Federal regulation. Under this amendment, the only way a State can get—and keep—a waiver is if the Governor finds that the State's own program actually results in conservation equal to or greater than the Federal program. Otherwise, the Governor must ask DOE to revoke the waiver.

In sum, S. 410, along with the amendment of Senator JOHNSTON, allows us to continue a good Federal program, with incentives for States to adopt even better programs.

Mr. GRASSLEY. Mr. President, as a cosponsor of the amendment offered by Senator JOHNSTON, I urge my colleagues to support the waiver process for State residential conservation energy plans. Over the past 2 years, I have been an outspoken critic of the Residential Conservation Service Program as a good idea with a bad track record. This amendment, however, will improve the program by allowing States and utilities to operate alternative conservation programs which are more effective than the DOE-approved program.

My dissatisfaction with the program has led me to introduce legislation to repeal both the Residential Conservation Service Program and the Commercial and Apartment Conservation Service Program, which has not yet been fully implemented. My criticism has not been aimed at the intent of the RCS Program. Energy conservation is a laudable goal, however, the actual implementation of the program has fallen far short of meeting that goal.

The RCS Program was conceived in a period of rapidly rising energy shortages, with the expectation of continued energy price increases. The purpose of the service was to provide energy users with an audit of their usage and suggestions on how to improve their energy conservation. Homeowners were encouraged to take actions to improve their energy efficiency and a special emphasis was placed on achieving savings for low-income homes. Public utilities were to provide this service for a charge of $15.

Certainly, the above scenario is a worthwhile one. However, instead of encouraging energy conservation among the lower income homeowners, the RCS Program has developed into a "seal of approval" for upper income homeowners who have already taken steps to improve energy efficiency. Low-income individuals generally do not utilize the service, and furthermore, if they do, they seldom have the financial resources to take the action recommended by the utilities as a result of the energy audit.

The real cost of an audit is almost nine times as high as the allowed utility charge. Therefore, the cost of the service is included in the rate base for all utility customers. As a result, nonparticipating, low-income households are actually subsidizing the energy audits for their affluent neighbors.

Additionally, the cost-effectiveness of the RCS Program and the participation rate have been tremendously disappointing. The program has elicited response from only 4 percent of eligible participants, despite extensive utility advertising, and has resulted in minimal energy savings. Audited customers, who took conservation steps only marginally more often than those not audited, saved only 2.8 percent in dollar savings compared to nonaudited customers. It is estimated that the RCS Program has only reduced national energy use by one-hundredth of 1 percent.

The manner in which the Department of Energy has chosen to implement the program has made the RCS Program even more ineffective. States must follow rigid Federal guidelines in structuring the program, and DOE has virtually no flexibility in granting States leeway in fashioning the program to meet individual State needs.

The State of Iowa was one of the first States to adopt a RCS Program and conducted exhaustive studies to tailor the program to benefit Iowa's energy customers. The State found that in addition to offering its full-blown federally mandated audit, it could offer a scaled-back audit which concentrates on installation of low-cost quick-payback items, such as caulking and furnace wraps.

This program has achieved a 40-percent participation rate in Fort Dodge, ten times the participation rate nationwide, and promises more energy conservation than the DOE-approved program. The Department, however, has determined that Iowa is not in compliance with Federal guidelines and has threatened to step in and run Iowa's program under the Federal standby plan.

It seems incredible to this Senator that a State could develop a superior plan to the Federal RCS Program, one that is better suited to its energy consumers and has an outstanding participation rate, and not be allowed to operate such a program.

It is clear that the residential conservation service as it exists today is not an effective means to achieve energy conservation. However, it is kept alive under the guise of being proconsumer. I suggest there is little about the program that is proconsumer or proconservation. Rather, it has become an infrequently used service utilized by those most able to afford an energy audit, the cost of which is picked up by the entire rate paying public in the form of higher utility bills.

Mr. President, I would just as soon see the Residential Conservation Program repealed, to allow those States that are serious about pursuing energy conservation programs a chance to do so without Federal interference. If my colleagues insist on extending the RCS Program, however, I urge them to adopt this amendment. This amendment will allow States and utilities the flexibility to operate alternative conservation programs which are as effective or more effective than the DOE Program.

Mr. NICKLES. Mr. President, I move adoption of the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 551) was agreed to.

Mr. NICKLES. Mr. President, I have no further amendments. Unless someone else has an amendment, and I hope they do not, I am prepared to move to third reading.

Mr. EVANS addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

AMENDMENT NO. 552

Mr. EVANS. Mr. President, I hate to disappoint my colleague, but I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Washington [Mr. EVANS], for himself, Mr. DANFORTH, Mr. HARKIN, Mr. BENTSEN, Mr. KENNEDY, Mr. CRANSTON, Mr. BOSCHWITZ, Mr. GORTON, Mr. KERRY, Mr. PELL, Mr. PROXMIRE, Mr. WEICKER, Mr. EAGLETON, Mr. HEINZ, Mr. COHEN, Mr. INOUYE, Mr. MATSUNAGA, Mr. LAUTENBERG, Mr. BAUCUS, and Mr. HOLLINGS, proposes an amendment numbered 552.

Mr. EVANS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(a) Since: (1) This Nation should pursue an energy policy that encourages energy efficiency and reduces our vulnerability to interruptions of foreign supplies;

(2) Corporate average fuel economy (CAFE) standards, in addition to price-induced conservation, have been responsible for the near doubling since 1975 of the average fuel economy of new cars sold in the United States;

(3) Previous Government estimates of United States domestic oil and gas reserves, especially offshore supplies, recently have been revised significantly downward;

(4) General Motors, Ford, and a number of Japanese and European automobile manufacturers have petitioned the Administrator of the National Highway Traffic Safety Administration (NHTSA) to roll back the CAFE standard beginning with the 1986 model year; and

(5) The Administrator has issued a notice of proposed rulemaking to reduce the current standard from 27.5 mpg to 26 mpg.

(b) It is the sense of the Senate that the Administrator of the National Highway Traffic Safety Administration (NHTSA) should retain the CAFE (corporate average fuel economy) standard for passenger automobiles specified in current law.

Mr. EVANS. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second. There is a sufficient second.

The yeas and nays were ordered.

Mr. EVANS. Mr. President, over the past few weeks we have been subjected to, first, a ruling by the Environmental Protection Agency and, second, by the Department of Transportation, both of which affect the fuel efficiency standards on American automobiles. The combination of these two amendments represent, in my view, a serious relaxation of a long-standing devotion to greater fuel efficiency and the benefits that brings in energy independence to the United States.

Let me read the first two paragraphs of a letter I sent to my colleagues a few days ago.

Corporate average fuel economy standards have been under assault in recent weeks. Within the past month the Environmental Protection Agency promulgated a final rule that grants credits to automobile manufacturers for their fuel efficiency achievements retroactively to 1980. The effect of the EPA action is to lower the standards for new automobiles from .3 to .8 miles per gallon.

If that weren't enough, last week the National Highway Traffic Safety Administration took a similar step and issued a proposed rule which would, if made final, result in lowering congressionally established fuel efficiency standards from 26.5 to 26 miles per gallon. I believe those decisions are unwarranted, uncalled for and unwise.

I recently introduced Senate Resolution 78 which expresses the sense of the Senate that the Administrator of the National Highway Traffic Safety Administration should not roll back the standards. By passing the resolution during the public comment period, which ends on August 21, the Senate can express to the Traffic Safety Administration the view that it

is imperative we not step back from our commitment to energy conservation. Today I have introduced an amendment, the language of which is identical to that resolution.

To some who say that we have already passed 10 years ago a fuel efficiency standard and that encompassed in that was the authority for the Secretary of Transportation to eliminate or to rollback that standard, certainly, it is also true that the Senate, like all other Americans, has the opportunity to comment and to offer its opinion to the Secretary of Transportation during the comment period which ends on August 21. That is precisely what this sense-of-the-Senate resolution does, offer the comments of this body on what the Administrator, quite legitimately, has the power to do, and that is to relax those standards.

But I hope this effort will be sufficient to cause the Administrator to propose a final rule calling for no rollback. If that does not happen, and if there is no rollback, I suspect I will once again come to the Senate, this time with an amendment that is more specific in nature.

I am offering this amendment at what might be considered a curious time. We seem to be awash in oil. Gasoline prices are falling. OPEC seems to be in substantial disarray. All in all, our immediate energy picture, insofar as transportation is concerned, appears to be positive indeed.

However, I am not sanguine about our energy future and I do not think any American ought to be. That goes particularly if we fail to consistently strive to save and use as efficiently as possible whatever energy whenever we can.

I am not here to propose draconian measures. I am not here to force us into the unhappiness that some kinds of energy conservation might provide. But I remember the deep unhappiness of 10 years ago, the long gasoline lines, the sharp increases in energy prices, the emergencies which we faced and found difficult indeed to react to.

It seems logical that if we are at all serious about energy conservation, if we are at all concerned about the dependence on foreign oil, we should look for solutions to that sector of the economy that uses the most petroleum, the transportation sector.

Over 60 percent of all petroleum used in this Nation is used by the transportation sector.

Let us look at the future a little bit. We know what the past has been. Anyone who can remember the last 10 years remembers the successive fuel crises and fuel shortages which we went through. Everyone, if their memory is not too short, remembers that gasoline once cost 25 to 30 cents per gallon and is now five times that.

A 1985 study by the Energy Information Administration of the Department of the Interior states that from 1985 to 1995, the next 10 years, domestic production of petroleum will fall from 11.1 to 7.6 million barrels per day. Net oil imports during the same period will rise from 5.1 to 11.7 million barrels per day. That is a doubling of imported oil, and even if we are much more successful than is now anticipated in domestic search and bringing into production of domestic oil, we still will gradually, inexorably, unless we uphold the highest of efficiency standards, move toward a greater and greater dependence on imported oil once again.

Where had these imports come from? Well, 57 percent of the world's proven oil supply and oil and gas reserves lie under the sands of Middle Eastern countries. Another 12 percent is controlled by Communist-bloc countries. Moreover, many countries we now rely on for oil, such as Ecuador, Indonesia, and Nigeria, are developing countries which, within the next decade, will likely use virtually all the oil they produce or all that their own development demands. Available oil supplies then will be increasingly concentrated in the hands of Saudi Arabia, Iraq, Iran, and, to a lesser extent, Kuwait and the United Arab Emirates.

Mr. President, we have been down that road once. We did not like it. Through fuel efficiency standard legislation and a good many other private and public initiatives, we have extricated ourselves from that grip. Are we now going to undo all that we have done during the past 10 years and, once again, be subject to an OPEC cartel? Another estimate by the Office of Technology Assessment indicates a dramatic reduction in expected U.S. petroleum reserves. Most is due to downward revision in reserve estimates for the Alaskan North Slope where, 4 years ago, we expected 12 billion barrels. Now it is down to a little over 3 billion barrels. For the entire United States, that same Office of Technology Assessment said that reserve estimates for oil have dropped by 55 percent and for gas by 44 percent.

Mr. President, I hope and I think everybody in this body hopes that they are wrong. I hope and everyone in this body hopes that new discoveries will be made domestically. But the most optimistic picture of all does not do much better than hold us at current expectations for production domestically. And if we are going to embark on larger and larger total use, particularly in the transportation sector, we are simply going to be faced with a greater dependence on imports.

That is why I am here today, Mr. President. But, frankly, I am saddened that I feel impelled to support energy conservation standards that are being assaulted by some of our largest automobile makers. These automobile makers, for the better part of this century, have, in many respects, been the miracle workers. As they have grown, they have faced challenges boldly. They have, through ingenuity and perseverance, accomplished extraordinary engineering feats. They have offered millions of jobs to Americans and they have helped fuel the dramatic industrialization of this Nation. They have always been on the offensive and they have been the challengers. Now, however, I am afraid we can best characterize them as defensive. Their response to competition from Japan was to cry out for import restrictions. Now they are saying let the free market decide whether fuel efficiency standards are required.

You really cannot have it both ways. A totally free market would reopen to the American consumer as many imported automobiles as they felt they wanted to buy. The automobile manufacturers do not want that. I am not even sure that the country wants that. But we ought to understand that it is not a totally free market. We ought to understand that every time we put limits on imports, the price to the consumer for automobiles, both domestic and foreign, goes up. The result has been fewer and higher priced imports, less choice for the American consumer, and even higher prices for American automobiles.

Now they have cried out once again for relief—relief which was in an act that was passed almost 10 years ago.

President John Kennedy, when he first came into office, gave a dramatic speech to America suggesting that we focus on space and that, within 10 years, we put a man on the Moon. We did not have the technology at that time to do it. We were a long way from anything other than the very first American satellite which had been put into space. But less than 9 years later, the first American did stand on the Moon, a dramatic response to American ingenuity.

Almost 10 years ago, Congress asked the automobile manufacturers to meet certain standards in terms of automobile fuel efficiency. I suggest that was a whale of a lot smaller technological request than the one President Kennedy laid before this Nation 25 years ago. But they have not met it as dramatically, at least some. They come back to Congress saying they just cannot do it because the marketplace will not allow it; people want to buy bigger and bigger cars.

But that is not the real case, Mr. President. There are many families in America who need larger cars. There are many who have a good many children; there are those who want roomy station wagons. But what is really at stake here? It is not those automobiles, many of which, according to today's technology, can, in conjunc-

tion with the other mix of automobiles, readily meet the fuel efficiency standards. What relief are the automobile companies really crying out for?

Well, it is for the ability to sell more gas-guzzling vanity cars, the pretentious, flamboyant, ostentatious, splashy automobiles, not those that are needed by American citizens because of large families or for other reasons. What I do object to is that the manufacturers simply have failed, compared to their aerospace competitors, to meet the national challenge set a decade ago.

The technology is here today. It is available now. It is being used in some automobiles. Let us make no mistake, the staff doing the analysis at the National Highway Traffic Safety Administration recommended against lowering the standards. The staff which did the analysis recommended against lowering the standards. It was only as the recommendations went up the ladder in the Department, away from those who did the analysis and toward those who are the policymakers, that somehow, that recommendation was changed.

The biggest single factors—let us face it—for Ford and General Motors not meeting the standards was their failure to discontinue production of fuel-inefficient cars as they introduced their new technology successors of the same size, the same capacity, the same result insofar as consumers were concerned.

The overall conclusion of the National Highway Traffic Safety Administration staff was that in relation to the technology we now have available and which is now being utilized in automobiles on the market, many cars still being sold are too heavy, the engines too large, and there are too few new and fuel-efficient transmissions.

The sales mix is not the problem. Manufacturers are today selling more small automobiles as a percentage of the total mix than was anticipated in 1977. If there is such a demand for big cars, I would expect General Motors and Ford to retool those plants and build the new-technology cars and comply with the law instead of spending their efforts to buy computer and defense companies.

Let me give a couple of very specific examples, Mr. President, and there are scores of others like them, of the difference between new- and old-technology automobiles.

A Chrysler Fifth Avenue is even an old technology car. They might not quite agree with that, but nonetheless the list cost is approximately $18,000, a six-passenger car with rear-wheel drive and a V-8 engine. The EPA miles per gallon in the city is 16. On the highway it is 21 to 24. A Chrysler New Yorker with new technology, same price, same size, four-cylinder turboengine and front-wheel drive, miles per gallon, in the city, 22; highway, 25 to 27. And to quote the automobile dealer, "Basically, the same car in terms of what it will do for you." But certainly different in terms of what it does for fuel efficiency—22 in the city compared with 16; 25 to 27 on the highway compared with 21 to 24, and that difference is ample to allow fuel efficiency standards to be met.

Well, another example. From General Motors. The Fleetwood Brougham Cadillac, which is the top of the line, the old model, still being sold, rear-wheel drive, 4.1-liter engine, four-door automobile, $27,000 to $30,000, city mileage 16, highway 22. The new, essentially same automobile in terms of passengers and what it will do and how it will take you from place to place, in style I might add, is a front-wheel drive, same engine, about $1,000 less expensive, same size, city gasoline mileage 18½, and the highway 24½, in both cases about 2½ miles per gallon better than the old model.

If the major automobile manufacturers raised their big car miles per gallon by an average of 2.7, they could clearly meet the standards. They could do it. They not only have the technology, they are already manufacturing the automobiles. If they want to build the old automobiles, the old models, with the old technology, even if the list price is the same, I suspect the difference is that the automobile manufacturers have long since depreciated the cost of that automobile in terms of its design and have an exceptionally large profit margin in those old automobiles as compared with the new.

Remember, this has not been just something recent. They have had 10 years to come into compliance.

I am a little disturbed—more than a little disturbed, I am greatly disturbed by the economic blackmail by Ford and General Motors. They argue that if the standard is not lowered, they would have to restrict large car production and cut jobs so as not to be in an "unlawful" situation. Now, how gullible do they think we are? This is a specious argument used by the automakers as a smokescreen to obscure the fact that it was the automakers themselves that made the conscious marketing decisions which caused them to miss the standard.

Now, we all ought to understand, and particularly those consumers who go into buy automobiles, that the profit on a large car can be upward of $1,500 while on a smaller car only a couple of hundred or less. Obviously, it is in the best interests of the manufacturers to sell as many large automobiles as they can and especially those large automobiles of old technology where the profit margin is even larger. Their objective, as I suppose it should be, is to maximize profits. No doubt they decided they could make more money by holding back on capital investments and selling old technology big cars and then pay the fine. They could do that and end up better off than if they met their legal obligation. But I want to indicate that the job analysis can cut both ways.

Right now, to be counted as part of a domestic manufacturer's fuel efficiency, a car must be manufactured, at least 75 percent of it, in the United States. Thus, if carmakers want to build large, low mileage cars, they must build compensating small automobiles in the United States to meet the standards.

If we lower the standard, presumably they then can abandon a share of their small car production or move it overseas, which some are already suggesting doing.

Now that it is apparent that General Motors is going to build their Saturn plant in Tennessee, as reported at least in several newspapers, maybe we do not have to worry about that overseas production at least for that one company, but I think we ought to remember that very clearly, that to the degree we lower standards in order to supposedly continue the manufacture of larger automobiles, we give the automobile companies a chance to move smaller automobile production overseas.

Now, while the focus of this proposal is on the Department of Transportation, I think it is important to mention at least in passing the recent decision of the Environmental Protection Agency because they both work in concert. As we look at legislation in the future, I want to serve notice that we ought to look—and we will insofar as I can have you look, Mr. President—at ways to ensure that future adjustments in the way we measure fuel efficiency take into account those factors which have the effect of lowering the standards but also those factors which have the effect of increasing standards. EPA made a selective decision just a month or so ago. They added up all of the factors that would result in lowering the measurements on fuel efficiency, and even though the staff and the analysis which had been done showed there were other factors which would have raised the measurement, they chose to ignore those. It was a one-sided operation, a benefit, a bonus, if you will, to all of those manufacturers who were having their automobiles measured.

Now, Mr. President, while I am saddened by the inability of those great manufacturers of this Nation to meet even a respectably small technological requirement, I am outraged at what has been happening at the National Highway Traffic Safety Administration. Let me be very clear. The automobile makers, while they have been

begging for a rollback, have at the same time been making a much less well publicized appeal for carryback credits from future years. Let me reiterate that. A much less well publicized, in fact pretty confidential, appeal for carryback credits from future years. Now, in order to get carryback credits a manufacturer must exceed the standard. The Traffic Safety Administration has proposed that the standard be reduced to 26 miles per gallon for model year 1986. Now, in confidential memorandums which have been submitted to the National Highway Traffic Safety Administration, in estimates by automobile companies for their average miles per gallon, to be achieved in 1986—and listen to this—they reduce the standards to 26 miles per gallon. Ford estimates it will achieve 26.4. GM will achieve 26.2. Chrysler will achieve 28.1. That makes the Highway Transportation Agency and everyone who votes against this amendment even more generous than Santa Claus. They are going to give presents even when you have been bad, for heaven's sake.

The automobile companies cannot meet the standards. They ask for relief. Relief is granted. That puts them at the point where they not only meet but beat—you might say by just a small margin—the standards in 1986. But if the estimates of those mileages submitted by the companies are correct and if you assume 1984 sales levels, General Motors next year, instead of being out of compliance, will get a credit of approximately $48 million, while Ford will get a credit of approximately $41 million.

I think it is unconscionable for us to relax the standards and, in relaxing the standards, to give them a credit, to allow them to pursue the same old technologies and miss, for even more years, the fuel efficiency we asked them to gain 10 years ago.

Mr. President, I will conclude by reading from a letter written by a man whose automobile company has met the challenge set by Congress. I hold no brief, necessarily, for any of the automobile manufacturers. I might say that few, if any, of them have plants in my State. My own constituents buy a good many of their products from all three manufacturers. I admire all of them, as I have said, for the enormous contributions they have made to the American economy in the last 80 years, but that does not make this a right thing to do. So let me read a portion of this letter from the chairman of the Chrysler Corp., Lee Iaccoca. It is from a letter written to Secretary Dole, a copy of which was sent to my office. He says:

But the unfairness the Chrysler isn't as important as the unfairness to America.

Ten years ago, the whole country was held hostage by OPEC. We had a gun to our head, and reacted responsibly by getting tough on ourselves. The EPCA Act of 1975 was designed to reduce our vulnerability, and it has been effective. Now we're considerning relaxing that discipline, and leaving ourselves open to becoming hostages again. But the deteriorating situation in the Middle East should move us toward a tougher, not an easier, energy policy, because we don't know who will control all that oil in the future.

Instead of asking for renewed discipline, the administration is sending wildly mixed signals on energy. For example, between the first and second Treasury Department tax reform proposals, someone determined that the oil interests should keep a $30 billion break because we need an adequate fuel supply for national security.

Now the Transportation Department is considering relaxing the CAFE standards, which, if enforced, would help accomplish the same thing.

A barrel of oil is a barrel of oil, whether you pump it or save it. So, if the oil is precious, it doesn't make sense to give tax breaks to produce more, and then relax the CAFE law so people can burn more.

I don't understand those mixed signals.

I do, however, after 40 years as a businessman, understand profits. I'm afraid, in this case, I understand them all too well.

I also understand how our tax policies give Americans the cheapest gas in the world. And that there is very little economic incentive for the consumer today to save gas. Dialing back the CAFE standards can only hasten our return to the profligate ways of our past.

I think if we should have learned anything from the energy crises of the seventies, it's that effective energy planning has to be disciplined, and it has to look ten years ahead.

Relaxing the CAFE standards would not be looking ahead. It would be looking back, and not back ten years when we were unified in our determination to be energy independent, but back twenty years when we were mindlessly joyriding into an ambush.

Ten years ago, the public blamed shortsighted leadership in Detroit for our problems. The next time, the blame will clearly fall on shortsighted leadership in Washington.

As chairman of Chrysler Corporation, and as an American, I intend to take every opportunity during the coming months to oppose the easing of the CAFE standards. I intend to point out how patently unfair it would be to Chrysler, and how dangerous it would be for all Americans.

Mr. President, I ask unanimous consent that the entire letter from Mr. Iaccoca be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CHRYSLER CORP.,
July 22, 1985.

Hon. ELIZABETH H. DOLE,
Secretary of Transportation,
U.S. Department of Transportation,
Washington, DC.

DEAR MRS. DOLE: Recently you and I had a frank and positive discussion on dialing back the passenger car CAFE standards. I gave you my views on the implications for Chrysler and, much more importantly, for the country. So you can understand my deep disappointment July 18 when NHTSA issued its NPR to take the 1986 standard down from 27.5 to 26 MPG.

It appears that for the second time in a year, the administration may send the strongest possible signal to the American public that the energy crisis is over. And it will also send another signal—that companies who ignored that crisis, and the law of the land, will be rewarded for their foresight.

I've already told you how unfair this is to Chrysler. We invested billions to meet the law. We proved that the standards could be met. We did so because we believed the law made sense, and because we fully expected to pay a severe penalty for not meeting it.

General Motors and Ford, with their great resources could have met the law with even less effort. They chose not to. They chose not to invest in the technology, but rather to produce larger, less fuel efficient, and more profitable models that they knew all along could not meet the law.

They now say that it is simply consumer demand that keeps them from meeting the standards. Doesn't anybody understand that curbing demand for these cars is exactly what the law was intended to do? Of course there is some demand for these cars, largely as a result of cheap gas. But if that demand were as pressing as the others say, you would not see the sales incentives that exist today on those cars.

The facts are simple:

It's technologically feasible to meet the law. Chrysler has proved it.

It's economically feasible to meet the law. Chrysler has never been more profitable than it is today.

Chrylser invested to meet the law, and the other companies did not.

Some people have tried to cloud these simple facts with phony claims and idle threats. It's not true, for example, that Chrysler only meets the law because it offers a limited product line. We sell a complete line, and as the attached chart shows, our sales in the "family segments" of the industry are substantially above Ford's. We also satisfy customer demands for larger, upscale cars, but we do it within the law.

And I hope nobody takes seriously General Motors's threat to reduce big car production and throw people out of work if the standards aren't lowered. It won't happen. There's too much profit from those models, even with the penalties under the current law.

If the standards are eased, Chrysler will pay a competitive penalty for obeying the law. The others, meanwhile, reap a windfall for scoffing at that law. They've already avoided the investment in technology. They'll avoid the penalties stated in the law. And they'll continue to enjoy the higher profits that come from the very cars that the law was intended to eliminate.

But the unfairness to Chrysler isn't as important as the unfairness to America.

Ten years ago, the whole country was held hostage by OPEC. We had a gun to our head, and reacted responsibly by getting tough on ourselves. The EPCA Act of 1975 was designed to reduce our vulnerability, and it has been effective. Now we're considering relaxing that discipline, and leaving ourselves open to becoming hostages again. But the deteriorating situation in the Middle East should move us toward a tougher, not an easier, energy policy, because we don't know who will control all that oil in the future.

Instead of asking for renewed discipline, the administration is sending wildly mixed signals on energy. For example, between the first and second Treasury Department tax

reform proposals, someone determined that the oil interests should keep a $30 billion break because we need an adequate fuel supply for national security.

Now the Transportation Department is considering relaxing the CAFE standards, which, if enforced, would help accomplish the same thing.

A barrel of oil is a barrel of oil, whether you pump it or save it. So, if the oil is precious, it doesn't make sense to give tax breaks to produce more, and then relax the CAFE law so people can burn more.

I don't understand those mixed signals.

I do, however, after 40 years as a businessman, understand profits. I'm afraid, in this case, I understand them all too well.

I also understand how our tax policies give Americans the cheapest gas in the world. And that there is very little economic incentive for the consumer today to save gas. Dialing back the CAFE standards can only hasten our return to the profligate ways of our past.

I think if we should have learned anything from the energy crises of the seventies, it's that effective energy planning has to be disciplined, and it has to look ten years ahead.

Relaxing the CAFE standards would not be looking ahead. It would be looking back, and not back ten years when we were unified in our determination to be energy independent, but back twenty years when we were mindlessly joyriding into an ambush.

Ten years ago, the public blamed shortsighted leadership in Detroit for our problems. The next time, the blame will clearly fall on shortsighted leadership in Washington.

As chairman of Chrysler Corporation, and as an American, I intend to take every opportunity during the coming months to oppose the easing of the CAFE standards. I intend to point out how patently unfair it would be to Chrysler, and how dangerous it would be for all Americans.

Sincerely,

LEE IACOCCA.

[From the Wall Street Journal, May 13, 1985]

CHRYSLER: A FULL-LINE MANUFACTURER? YOU BET!

Chrysler Corporation responds to all of the demands of the automotive marketplace with a full line of modern, fuel-efficient vehicles which meet the needs of Americans in all walks of life. These vehciles—products of some of the most technologically-advanced assembly plants in the world—range from the sub-compact Omni/Horizon to the luxurious Chrysler Fifth Avenue and the turbopowered, front-wheel-drive New Yorker to the most innovative automotive people mover in America—the Caravan/Voyager mini-van which, with its front-wheel-drive, fuel-efficient, 4-cyclinder power plant and its easy-access, 7-passenger capacity, makes the so called "large family station wagon" an anachronistic throwback to an era now outmoded and passed by.

For some reason Chrysler's competitors point to the EPA fuel economy categories to support a contention that Chrysler is not a full-line manufacturer. Using the EPA measuring stick, Chrysler is clearly a full-line manufacturer with more than 62 percent of its 1985 model year car sales in cars which EPA rates as mid-size and larger. Ford Motor Company, by contrast, has only 36 percent of its sales in these categories which it claims are necessary to be considered a full-line manufacturer. (see attached chart)

The argument that Chrysler is not a full-line manufacturer leans on the fallacious presumption that says you have to stick with the outmoded technology of its competitors which market big "luxury" cars accounting for barely 5 percent of all car sales and large wagons which manifest "bigness" and "conspicuous consumption" with little or no regard for efficiency of passenger packaging or fuel utilization.

State-of-the-art, front-wheel-drive technology coupled with space-saving, transverse-mounted, 4-cylinder power plants has enabled Chrysler to offer downsized vehicles from the utilitarian to the luxurious and still meet the CAFE standards of the Energy Policy and Conservation Act.

A look at Chrysler's 1985 fleet confirms its commitment not only to fuel economy but to responding to the transportation needs of all America! Chrysler's hugely successful mini-vans are an excellent example of this commitment. The Plymouth Voyager and the Dodge Caravan prove that modern technology and fuel economy will sell extremely well and that it is not necessary to persist with outmoded 1970-era vehicles to satisfy "market demand."

Chrysler is clearly responding to the dictates of these "market forces" while it compile with the law. Chrysler's share of the domestic car market has improved by 30 percent over the past five years; GM's has remained flat!

In summary, the "full line" argument is just a smokescreen not supported by an objective look at the facts. The facts remain incontrovertible—Chrysler meets the requirements of the law—GM and Ford do not! All manufacturers had the same 10 years to meet the CAFE standards. Chrysler did the job! GM and Ford did not!

1985 SALES RESULTS IN FAMILY CARS

CHRYSLER VS. FORD

(1985 Model Year Sales through June 20, 1985 Mid-size and Larger Cars Per the EPA Classification):

Percent of Each Company's Car Sales in the "Family Segments."

Chryler—62.8 percent.

Ford—36.0 percent.

(1) Actual number of cars sold model year through 6/20/85:

Chrysler—514,427.

Ford—547,109

Without including the modern, state-of-the art Caravan/voyager mini-vans, Chrysler comes within 32,632 units of outselling Ford.

(2) Chrysler Caravan/Voyager sales are more than double the combined sales of Ford's mid- and large-size outmoded rear-wheel-drive station wagons—154,892 vs. 66,000.

Mr. EVANS. Mr. President, as I said earlier, I do not speak here on behalf of any one automobile company nor against any one automobile company. Rather, I speak on behalf of sensible energy conservation administration. I believe we were right 10 years ago. We have made remarkable strides, and it is no time at this point to retract from those.

Mr. NICKLES. Mr. President, will the Senator yield for a question?

Mr. EVANS. I yield.

Mr. NICKLES. Mr. President, I appreciate the efforts of the Senator from Washington in energy conservation. I have the pleasure of serving with him on the Energy Regulation Conservation Subcommittee. He is a faithful and diligent member and works very hard and does his homework.

Does the Senator from Washington find it a little inconsistent that the chairman of Chrysler Corp., Mr. Iacocca, criticizes the Department of Transportation for the proposed rollback from 27.5 miles per gallon to 26 miles per gallon, when in 1979 they petitioned successfully the Department of Transportation to revise the light truck fuel economy standards, I believe, from 18 miles per gallon to 16.7 miles per gallon for two-wheel drive trucks, and from 15.5 miles per gallon to 15 miles per gallon for four-wheel drive trucks?

How could it make sense that he would be so critical of a rollback today for automobiles, but successfully petitioned for a rollback a few years ago for their light trucks?

Mr. EVANS. That is a question the Senator, obviously, would have to ask Mr. Iacocca.

I said that I do not in any respect carry the water for any automobile company, nor do I attempt here to object to any automobile company in the management of their own affairs.

What I am here today to suggest is that we continue to need to have good, overall fuel efficiencies.

I suspect if you added all those together, including the amounts that were dropped so far as Chrysler Corp. is concerned, they would still be over all fuel efficiency standards. They are still above the standards by a substantial amount. The expectation next year is that it would be 28.1 miles per gallon, which is 0.6 of a gallon on their overall automobile fleet more than is called for by our amendment.

As to the specifics of that, I do not know. The Senator would have to ask Mr. Iaccoca.

I suspect that I would have objected just as strenuously to that reduction then. I did not have the opportunity that I have today, but I would be just as strenuous in my objection then as I am now.

Mr. NICKLES. I agree with the Senator. Personally, I find that somewhat inconsistent on behalf of Chrysler.

Let me ask another question:

The Senator mentioned that the Department of Transportation staff or the National Highway Traffic Administration staff was also against the rollback. I conducted hearings and participated in the hearings, as did the Senator, before the Commerce Committee. I never heard that in the statements made by any of the Administration witnesses to that effect.

Also, I am concerned about hearing it. I wish to know if there is any substantiation of that fact.

I am aware of the fact that the Department of Transportation staff did prepare the economic impact analysis which clearly reflects the need to go to 26 miles per gallon.

So is there any clarification that the staff was reversed in this case?

Mr. EVANS. Of course, the people we heard from in the hearings were the administrators and the policymakers of that division. We have looked at a good many of the materials that had been drafted by their staff and, just as I have said that staff material, the analytical material, suggested that this not be a wise idea.

I think the policymakers make the determination from all that they have in front of them and they essentially made their determination.

Mr. NICKLES. I appreciate the Senator's response.

Mr. EVANS. Mr. President, do I still have the floor?

The PRESIDING OFFICER (Mr. COCHRAN). The Senator from Washington does have the floor.

Mr. EVANS. I shall be brief. Mr. President, I will conclude very shortly.

Mr. President, I ask unanimous consent that Senator BENTSEN and Senator BIDEN be added as original cosponsors of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EVANS. Mr. President, I ask unanimous consent to have printed in the RECORD a letter supporting Senate Resolution 178 and this amendment signed by 20 public interest organizations; an article by Hobart Rowen in the Washington Post, Thursday, July 25, 1985; an editorial in the Los Angeles Times of May 28, 1985; an article in the New York Times, Tuesday, May 21, 1985; an editorial in the Spokane, WA, Spokesman-Review of June 14, 1985; and an article in the New York Times, Sunday, July 21, 1985.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

JULY 16, 1985.

DEAR SENATOR: We, the below signed representatives of twenty public interest organizations, are concerned about the future of the federal fuel economy program, and urge you to support Senator Evans' S. Res. 178—which expresses opposition to a rollback of the automobile fuel economy standard—and other efforts aimed at protecting the standards.

S. Res. 178 was introduced in response to the National Highway Traffic Safety Administration's (NHTSA) apparent willingness to grant a Ford and GM request to roll back the passenger automobile fuel economy standard from 27.5 mpg to 26 mpg for 1986 and subsequent model years.

Rolling back the standard would reserve eight years of steady increases in the passenger auto fuel economy standard. It would be an admission that our energy problems are behind us, and that we can relax our drive toward energy efficiency. Yet, our energy problems are not behind us. Despite the current oil glut and low oil prices, long-term oil problems are still severe and demand long-term plans to deal with them, like improved auto fuel economy. The International Energy Agency issued a report only a few weeks ago warning of potential world oil supply problems starting in 1990.

A rollback of the standard is not the first time the fuel economy program has been weakened. In fact, it would follow a long succession of changes that have weakened the program.

NHTSA staff devoted to the fuel economy program has been cut from its 1980 level of 27 employees to its present level of 6. Many of the agency's fuel economy research records have been discarded and its research stopped. At the end of 1984 the light truck fuel economy standard was rolled back from 21 mpg to 19.5 mpg. The Department of Energy has drastically cut its publication of Gas Mileage Guides (a statutorily mandated consumer guide that lists new car and light truck fuel economy ratings). The Federal Trade Commission is now proposing that advertisers of new cars be allowed to use the fuel economy ratings of their choosing in their advertisments, instead of the standardized EPA rating. And most recently, the EPA changed its method of calculating automobile fuel economy, which has the effect of substantially weakening the fuel economy standards and relieves the auto companies of hundreds of millions of dollars of fines for failing to meet the standards.

The record is long and consistent. The fuel economy program is being destroyed, and is in near shambles. A rollback of the standard is almost enough to render it totally ineffective.

Were it not for the enormous conservation efforts of the United States over the last ten years, and the near doubling of automobile fuel economy required by the federal mileage standards, our country might not now be enjoying the fruits of cheap and plentiful oil. Lest we be surprised by expensive and scarce oil again, for a third time, our drive for efficiency should continue. Please help prevent a rollback of the standard.

Sincerely,

Marc Ledbetter, Energy Conservation Coalition; Jan Beyea, National Audubon Society; Debbie Bleviss, Federation of American Scientists; Ruth Caplan, Environmental Action; Karl Gawell, National Wildlife Federation; David Goldstein, Natural Resources Defense Council; Jaydee Hanson, United Methodist Church, Board of Church and Society; Brooks Yeager, Sierra Club; Mark Cooper, Consumer Federation of America; Charles M. Clusen, Wilderness Society; Paul Markowitz, Public Citizen; Joan Moody, Solar Lobby; Norris McDonald, Environmental Policy Institute; Robert Percival, Environmental Defense Fund; Grant Thompson, Conservation Foundation; Linda Golodner, National Consumers League; Geoff Webb, Friends of the Earth; James McKenzie, Union of Concerned Scientists; Ellen Berman, Consumer Energy Council of America; Clarence Ditlow, Center for Auto Safety.

[From the Washington Post, July 25, 1985]

COP-OUT ON FUEL EFFICIENCY

(By Hobart Rowen)

Ford and General Motors last week pulled off an outrageous coup: They pushed a weak-spined government regulatory agency into a tentative decision to reduce the federal fuel-economy standard for 1986 model cars from 27.5 miles per gallon to 26 miles.

Unless public indignation rises, forcing transportation Secretary Elizabeth Dole to reverse a ruling by the National Highway Traffic Safety Administration, this cop-out will lower the Corporate Average Fuel Economy standard mandated by a 1975 congressional act. In turn, this would short-circuit what has been a brilliant energy-conservation drive, a key factor in depressing oil prices and OPEC power.

Ford and General Motors told the NHTSA that unless the agency bowed to their demand, they would curtail production of bigger, high-performance cars that are selling well—and eating up more gasoline. The cost, the Ford and General Motors lawyers said, could be more than 100,000 jobs.

Horsefeathers!

Ford and General Motors—like Chrysler and Japanese and European car-makers—have had 10 years notice that they would be required to get average consumption down to 27.5 miles per gallon by this time. Chrysler, which strongly supports the standards and is put at a competitive disadvantage by the ruling, reportedly has spent close to $5 billion in obtaining the necessary fuel economies.

Nonetheless, the two biggest producers appear to have sold their sob story to NHTSA. It issued a preliminary ruling that Ford and GM would suffer "severe adverse economic consequences" if they obey the law. It's not the first time that the agency, operating in the Ronald Reagan-inspired deregulation atmosphere, has acted to take the industry off the hook.

Soon after Reagan took office, NHTSA began to sabotage a decision made earlier that fuel-economy standards in the post-1985 period would have to be even tougher "to assure that this country minimizes its reliance on imported oil."

Instead, the agency abruptly announced on April 16, 1981, that "market pressures are adequate" to curb petroleum use in the national interest. It's been downhill ever since. Clarence M. Ditlow III, director of the nonprofit Center for Auto Safety, ticked off NHTSA's anti-conservation steps in testimony before the Senate Commerce Committee:

Semi-annual reports the companies had been making on their progress toward achieving fuel efficiency were abandoned, and the agency made plain it had no interest in pursuing fuel-economy standards beyond 1985.

Standards for light trucks—advertised by the car companies as substitutes for passenger cars—were relaxed for 1984 and then for 1985 models. The latter step, Ditlow said, "we believe to be illegal since it was done after the model year . . . only to relieve GM and Ford of paying penalties."

NHTSA accepted GM and Ford excuses that they don't have the technology to meet tougher mileage standards. Chrysler Executive Vice President Robert S. Miller Jr. told the Senate Energy Committee on May 14, 1985: "Chrysler will meet the 27.5 MPG standard in 1986. Therefore, the standard must be technologically feasible. . . . So what's going on here? The technology is there, as Chrysler has proven."

What's going on? The answer is spelled M-O-N-E-Y. The major factor in the refusal of GM and Ford to match the mileage performance required by law, according to Ditlow, is the deferral of plans to replace old rear-wheel drive cars introduced in the mid-1970's with more efficient front-wheel drive cars of the same size.

It's not just "consumer demand" for rear-wheel drives that keeps the Ford LTD and Crown Victoria, or the Chevrolet Malibu and Caprice in production, says Ditlow, but the big bucks that go with each sale. With the investment costs on these cars long-since recovered, "these models are vitual cash cows," each yielding as much as $1,500 in profit.

Relaxation of the oil crisis doubtless has diminished the need for fuel efficiency in the eyes of some auto buyers. But the NHTSA, pre-Reagan, forsaw that a nation determined to conserve oil could not simply rely on the market, fulfilling whatever happens to be consumer demand. It noted that consumers continued to purchase, and the industry happily supplied, gas-guzzlers even after the 1973-74 Arab oil embargo.

A conscientious NHTSA said that it comes down to an issue of lead time: It takes about five years for the industry to put the technology of greater fuel efficiency into commercial applications. Now, by bowing to Ford's and GM's greed, easing the current standard, and abandoning the effort to do even better in the next decade, the Reagan administration, is once again playing into the hands of the oil cartel and exposing the whole nation to needless economic and political risks.

[From the Los Angeles Times, May 28, 1985]

LET THEM TRY HARDER

A decade ago, with the energy crisis much on its mind, Congress hardened its heart against the moans and groans of the auto industry and ordered tough fuel-efficiency standards for new cars. The payoff has been impressive. Steadily improved mileage gains have shaved foreign oil purchases by billions of barrels, and saved motorists billions of dollars. But now Ford and General Motors, most of whose business comes from selling bigger and thus less fuel-efficient cars, are crying for relief. They have the Reagan Administration on their side.

Ford and GM have fallen short of meeting the fuel standards for the last two years, but because of earlier success in meeting the requirements they had credits to offset these deficiencies. But now the credits are running out, and Ford and GM, unable to meet this year's 27.5-miles-per-gallon fleet average on the cars that they sell, face heavy fines. In Ford's case those could come to $150 million, and for GM as much as $500 million. The Big Two want the fuel-economy requirement rolled back to 26 miles per gallon. Both the Energy Department and the National Highway Traffic Safety Administration, which administers the standards, sympathize with that request.

The Administration's unsurprising position is that auto-efficiency standards should be set in the marketplace, rather than by government controls. Now the marketplace is a wonderful thing, and it can usually be counted on eventually to give consumers what they want. Of course, the last time there was a free market in cars millions of people each year chose to buy Japanese products, not least because of the superior mileage that they delivered compared to American models.

The free market worked so well in the late 1970's, in fact, that U.S. auto companies came close to losing their shirts and hundreds of thousands of auto workers lost their jobs. In response the Reagan Administration, without any great objection from a worried Congress, pressured Japan into slashing its auto exports. This form of government control, however, was considered salutary by everyone involved—except, of course, consumers, who had trouble getting the cars that they wanted and who were forced to overpay for what they bought.

Four years of quotas worked to keep at least 2 million high-mileage cars from Japan off American roads, and in so doing lowered the overall fuel efficiency of the U.S. vehicle population. Meanwhile, after 10 and more years of trying, the Big Two American auto companies find that they still can't economically build and sell enough small cars to raise their fleet-mileage average to acceptable levels. This they blame on the public's revived preference for the bigger and more profitable cars that they choose to build.

Chrysler, however, *is* able to build and sell small cars, and is able to meet existing federal mileage standards. That's why Chrysler opposes changing the mileage rules now. Its argument, and it's a good one, is that to roll back the standards would be to punish Chrysler for its success and put it at a competitive disadvantage in the marketplace. There's no more justification for doing that than there is generally for watering down the mileage standards. They've worked, to the national benefit, and they should be retained. Ford and GM ought to be told that they will just have to try harder.

[From The New York Times, May 21, 1985]

THE "FREEDOM" TO GUZZLE GAS

"Free-market factors," not Government, asserts the Reagan Administration, should determine how much gasoline America's cars consume. Therefore the Transportation Department wants to lower the current average standard of 27.5 miles per gallon, which Ford and General Motors are unable to meet. It also wants Congress to enact a looser standard for future years.

The Administration's argument is that the consumer knows best what products are worth buying. That's right, more often than not. But in the case of auto fuel consumption, the public is party to every purchase: it bears some of the costs. The more fuel cars consume, the higher the price of all oil and the greater the risk of a supply crisis.

Unless Government represents this public interest, the "free-market" choice is bound to be an inefficient one. A mileage standard for auto fuel is not the only way to correct this inefficiency, and it certainly isn't the best way. But for the moment, it is the only way we have.

Mileage standards were decreed by Congress in 1975. Since then, the amount of gasoline needed for the average new car has been nearly halved. With oil plentiful and getting cheaper, Ford and General Motors are struggling, unsuccessfully, to sell enough small cars to make the average for their entire fleets comply with the current standard.

Both are capable of turning out large, peppy cars that manage 30 or more miles to the gallon. But that would require expensive, radical retooling. Then why not let consumers buy the cars they want and pay the price at the pump? Because excessive gasoline consumption threatens national security.

Oil is now in glut. Yet American consumption is rising while American production is declining. Eventually, the world oil market will tighten again; the only question is when. Cars designed today for sale in the 1990's will still be on the road at the turn of the century. The gasoline they require will determine the degree of America's dependence on foreign oil suppliers.

Our foreign sources of oil are more diverse than in the 1970's, and our ability to cope with a shortage has probably improved. But even if we manage to avoid a 1979-style shock and the resulting worldwide recession, gas guzzling still would impose enormous costs on the entire nation.

The price of oil is highly sensitive to demand. If world consumption were to grow quickly by, say, 10 percent, prices would skyrocket and, at least for a time, OPEC would be back in the driver's seat. Conversely, if the major oil consuming nations could manage to grow without greatly increasing their oil consumption, their import bills would probably continue to fall for a while.

The ideal way to let these true market forces express themselves is to hold car buyers to account—by taxing gasoline, not the machines that consume it. Some consumers would then drive less. Others would choose smaller cars, or pay a premium for fuel-efficient cars. Still others would wince and pay up. The decision would be theirs; the real costs of their choices would be plain.

But Congress reacts to the idea of a gasoline tax the way 8-year-olds react to brussels sprouts. The awkward but appropriate alternative to such a tax is a mileage standard. A fine for the sale of too many high-consumption cars raises their price and forces the consumer to weigh the true cost.

The Administration is right to want commerce to be shaped by the market. But removing the mileage standard without substituting a gas tax is to distort the market and guarantee the wrong result.

[From the Spokesman-Review, Spokane, Wash., June 14, 1985]

NO TIME TO RELAX IN BATTLE FOR ENERGY SELF-SUFFICIENCY

American consumers, primarily motorists, have done an admirable job of curtailing their thirst for imported petroleum during the past five years.

When U.S. oil imports peaked in 1980, we gave foreign producers $74.9 billion worth of business. But by 1984, conservation conscious Americans imported only $51.7 billion worth of petroleum.

That progress seems to have inspired a misguided sense of confidence, at least at General Motors Corp. and Ford Motor Co. The nation's two largest automakers, unable to comply with fuel-efficiency standards set down by Congress in 1975, have petitioned the U.S. Department of Transportation to relax those requirements.

Transportation Secretary Elizabeth Dole could decide next week whether to reduce the corporate average fuel economy requirement from 27.5 miles per gallon to 26 miles per gallon.

This is one case when what is good for General Motors definitely is not good for the country.

The 1975 law, which established a timetable for achieving the 27.5-miles-per-gallon standard, provides for a rollback to 26 miles per gallon if automakers can convince the transportation secretary that other federal requirements, such as clean-air equipment, have had an adverse effect on mileage.

However, Ford's and GM's petition (which, incidentally, is supported by certain European automakers who also manufacture large cars) deals only in passing with the impact of airpollution controls on mileage.

Mainly, it dwells on the fact that American buyers want large cars and that the

price of gasoline has not soared to the levels that an embargo-stunned Congress expected 10 years ago.

Chrysler Corp., which has met the standards by putting more emphasis on small cars, objects to having Dole rescue its competitors from their own shortsightedness.

Chrysler has a legitimate complaint, but the automakers' marketplace dispute is overshadowed by a serious question involving national energy policy:

At a time when public commitment to conservation practices clearly is working, is it wise to abandon the effort and reward GM and Ford for working against the goal of energy self-sufficiency?

Even with the progress of the past five years, the nation continues to import a third of its oil. Last year, petroleum imports accounted for 48 percent of a record $107.6 billion U.S. trade deficit.

Washington's Republican Sen. Daniel J. Evans who has introduced a resolution calling on Dole to keep the current mileage standards in place, warns that a rollback would amount to serious erosion in the efforts to achieve energy independence.

The automakers can be expected to interpret moderation in the world petroleum market to their own advantage. Dole, like Evens, has an obligation to the public to take a more farsighted look.

[From The New York Times, July 21, 1985]

CAR MAKERS ARE GETTING BACK IN THE DRIVER'S SEAT

(By Reginald Stuart)

WASHINGTON—Forcing Detroit to design engines that did not burn vast amounts of gasoline once seemed a No. 1 priority among Federal rule-makers. So did the building of cars and trucks that would not fold like accordions in accidents. Complaints from automobile manufacturers about the cost of the Government's rules were largely shrugged off.

But now Washington's regulators are shifting gears, and some critics contend that the Reagan Administration has put the process into reverse. The Transportation Department last week proposed lowering the required fuel-economy standard for passenger cars for the 1986 model year to an average of 26 miles to the gallon, down from 27.5 miles a gallon.

The current standard failed to meet the statutory test of "economic practicability," the agency said, because the General Motors Corporation and the Ford Motor Company had said they could not reach the required mileage level without shutting plants that make less fuel efficient cars and laying off workers.

The change would allow manufacturers to sell bigger, less fuel efficient (and more profitable) passenger cars. It would also spare G.M. and Ford, the first and second largest automobile manufacturers respectively, from paying millions of dollars in fines for being unable to meet the higher standard.

A Ford official called the fuel proposal "a common-sense victory for consumers who need and want to buy family sedans and station wagons." General Motors, which had requested a three-year relaxation of the rules, said it would continue to seek a further reduction in the standard.

Last week's announcement was not exactly a surprise; in what was regarded as a sign of things to come, the transportation agency in November eased its fuel economy standards for light trucks. Nonetheless, the department's newest proposal, which will not become final for several months, was soundly criticized by members of Congress and by consumer groups. "Transportation Secretary [Elizabeth Hanford] Dole has destroyed the most effective energy conservation program operating today," declared the consumer advocate Ralph Nader.

Lee A. Iacocca, chairman of the Chrysler Corporation and an opponent of the change, complained that his company had nearly gone broke retooling to meet the Federal standards. "I guess it's turning out we were pretty damned stupid," he said. "Now it looks like we are going to get penalized for obeying the law."

The furor almost matched that of a year ago when transportation officials in Washington issued a new standard for passive restraints. The standard requires all new passenger cars to be equipped with automatic seat belts or air bags by the fall of 1989; however, a provision sharply criticized by insurance companies and spokesmen for consumer groups added that the requirement would be dropped automatically if mandatory seat-belt laws were passed in enough states to include two-thirds of the nation's population.

In October, in another move that drew fire, the three largest auto makers said they were recalling more than four million cars because of potential safety defects, but the Federal agency elected to not supervise the recall, even though it was the largest in more than a decade, Meanwhile, bumper collision standards have been eased, and attempts, unsuccessfull so far, have been made to eliminate tire quality grading standards.

By most accounts, the Government began easing up on Detroit in the late 1970's—well before Ronald Reagan moved into the Oval Office and advocates of deregulation were appointed to top policy making jobs—when the finances of the big American car makers were nosediving. Some officials now say the Government in shrewdly, but not recklessly, accelerating the easing of rules that cover the industry.

"I think it's a conscious decision to go with more sensible regulation," said Diane K. Steed, head of the transportation Department's National Highway Traffic Safety Administration. "If we see an area where Government regulation makes sense and the benefits outweigh costs, we are not going to shirk our responsibility."

The Administration has stirred a lot of criticism from powerful Republicans and Democrats on Capitol Hill for saying, in effect, that marketplace forces would be a better governor of fuel economy than Government regulations. "It's a pretty appalling record," said Timothy E. Wirth, Democrat of Colorado and chairman of the House subcommittee on telecommunications, consumer protection and finance.

Legislation is pending that would, among other things, raise the minimum fuel economy requirements, increase the bumper collision standard to its former level of 5 miles an hour from the lowered 2-miles-an-hour level and order certain passenger-safety tests.

In Detroit, some experts say that the industry still has plenty to worry about. "What is happening [in Washington] is a loosening on one hand and tightening on the other," said Gerald Greenwald, vice chairman of Chrysler. While allowing that "the direct regulatory process has become sensible," he asserted that lingering doubts about the implications of massively out-of-balance Federal budgets, huge trade deficits and proposed tax changes has Detriot wondering whether Washington is really on its side.

Mr. EVANS. Thank you, Mr. President. I yield the floor.

Mr. DURENBERGER. Mr. President, I rise in support of the amendment by my colleagues, Senators EVANS and METZENBAUM, which expresses that it is the sense of the Senate that the Administrator of the National Highway Traffic Safety Administration [NHTSA] should retain the CAFE standard for automobiles.

The motor vehicle fuel economy standards mandated by Congress in the Energy Policy and Conservation Act [EPCA] represent the most significant energy conservation program in this country. The express purpose of the fuel economy program was to reduce the U.S. vulnerability to foreign events, by improving vehicle fuel efficiency over 1974 levels by 50 percent by 1980, and 100 percent, to 27.5 miles/gallon by 1985.

Although there is a shortfall between the mileage new cars actually get on the road and the CAFE standards, there can be little doubt that the congressionally mandated fuel economy standards are a spectacular success that should be encouraged rather than dropped. When the National Highway Traffic Safety Administration [NHTSA] produced its last detailed annual fuel economy report in 1981, the agency estimated that in 1980 alone the mileage standards reduced foreign oil imports by $3 billion. Purchasers of a 1985 car would save $3,300 in gasoline costs due to the mileage standards.

On a broader level, the CAFE standards have advanced major national policies. These include enhanced national security through reduced dependence on imported oil; significantly reduced fuel consumption; improved U.S. balance of trade and balance of payments resulting from reduced oil imports; reduced inflationary pressure, lessened dependence of the U.S. economy on foreign petroleum supplies; and stimulation of substantial innovation in automotive design and production technology. There can be little doubt that the CAFE standards by decreasing the demand for petroleum have helped break OPEC's ability to fix high oil prices.

The current discussion centers around the increased demand for large cars, the historic gas guzzler, which some say is the result of the oil glut and stabilized gasoline prices. GM and Ford argue that they cannot meet the CAFE standards this year because the consumer does not want the small car. Chrysler, on the other hand, exceeds the standards on all their models, large and small.

To a large extent, the choices made by the driving public is determined by

the price at the pump. Prices have stabilized, the economy is improving, and Americans are taking to the roads again.

How quickly they forget the gas lines, the high prices, and the crunch of the energy crisis.

But just because the driving public forgets does not mean we can forget. Reduction of fuel efficiency standards signals an abandonment of long-term energy independent and national security goals. It tells the American people that our oil supplies are endless, we don't need to develop energy independence and you don't need to practice energy conservation.

Transportation is the largest sector in the U.S. economy with respect to oil use. It is almost totally independent on oil and uses over 60 percent of all the oil in the United States. Now is not the time to abandon the road to energy independence. CAFE standards are an important link to that goal. Let us not weaken them.

Mr. DOMENICI. Mr. President, I take a moment to comment on this legislation in the context of the Senate budget resolution. According to CBO, S. 410 could result in net additional outlays of $100,000 to $350,000 in excess of the levels assumed in the Senate budget resolution for fiscal year 1986. However, the Senate Energy and Natural Resources Committee should be commended for taking a step to eliminate an unneeded program, the commercial and apartment conservation service. As a result, this legislation will provide net outlay savings of almost $1 million over fiscal year 1986 to 1988. I congratulate the managers of the bill and the Senate Energy and Natural Resources Committee and urge the passage of this legislation.

Mr. EVANS. Mr. President, I voted for S. 410 with some reluctance in the Energy Committee. The reluctance stems from my strong belief that our country is not doing enough to encourage greater energy efficiency efforts from residential and industrial users of electricity. It comes from my experience as chairman of the Northwest Power Council for 3 years, where we identified about 8,000 megawatts of cost-effective conservation over the next 20 years. It also comes from my experience in oversight hearings before the Energy Committee, where I have learned the Department of Energy's conservation efforts are inadequate and uncoordinated.

Yet I conclude that the Commercial and Apartment Conservation Service [CACS] was not the appropriate vehicle to realize such savings. CACS focuses on the small energy users with its eligibility requirements of less than 4,000 kilowatt-hours per month of electricity or 100 mBtu maximum for other sources. These are not the areas with the largest savings. For example, we are finding in the Pacific Northwest that the aluminum companies may provide the largest resource of electricity over the next 10 years. The aluminum load in the region today amounts to about 2,300 megawatts in installed capacity, or about 19 percent of the Bonneville Power Administration's load. And one company has come up with a plan to conserve about 170 megawatts over 5 years. This may just be the beginning.

I have also concluded that the Residential Conservation Service [RCS] has not been the most effective way to achieve conservation savings in the residential sector. Basically, RCS is a program that requires utilities to notify its customers that energy audits are available at a cost of not more than $15. But it does little more than that. The results of the RCS Program in the Pacific Northwest have been minimal, mainly due to the fact that Northwest utilities have already put programs into place that achieve more energy savings. Most of the utilities, such as Seattle City Light and Puget Power & Light, have programs to provide interest-free, 10-year loans for single-family residences to implement conservation measures. The savings by these non-RCS programs have been substantial and the penetration rates of energy audits have been high. In that context, the RCS Program has become more of a burdensome reporting requirement than an aggressive, effective program.

But I realize that RCA may be an effective program in other parts of the country. That is why I believe that a study by the GAO is appropriate in order to collect and analyze original data on what the program has actually done over the last 7 years. DOE does not have original data by which to evaluate the program and has been relying on secondary data. In fact, some of the most interesting data on the results of actual conservation efforts will be forthcoming soon from the Hood River conservation project in The Dalles, OR. I hope that the GAO will visit the Dalles and study the methodology that they have employed as part of the overall study.

When I voted for the bill in committee, I agreed to work with Senators JOHNSTON and MCCLURE on drafting an amendment to provide a waiver for those utilities that can achieve greater energy savings through programs other than RCS. At that markup, I was assured by the chairman of the committee, Senator MCCLURE, that the CACS repeal did not mean an end to the efforts of the Energy Committee to address seriously energy-efficiency issues. In that light, I am sending today a letter to Senator NICKLES, the chairman of the Energy Regulation and Conservation Subcommittee, requesting a hearing in September on innovative approaches in industrial efficiency. The private sector has been developing new approaches to share the savings in carrying out energy conservation in industrial and commercial buildings. This is an example of the type of conservation programs that I think the Energy Committee should consider.

Mr. President, I believe that the waiver amendment is explained in more detail by Senators JOHNSTON and MCCLURE in their statements. In brief, I believe that it is appropriate to give each State the primary responsibility to evaluate a utility's request for a waiver from RCS requirements. Each State, both the Governor's office and the public utility commission, has the best information on the energy conservation programs of each utility and should be able to make the right decision. The Secretary of Energy will approve the waiver after reviewing the request from the Governor of the State in which the utility operates.

Mr. President, I thank the chairman and ranking minority members of the committee—Senators JOHNSTON and MCCLURE—for their cooperation in drafting this amendment. I was pleased to cooperate in our joint efforts to report an RCS/CACS bill from the Energy Committee and the full Senate.

Mr. NICKLES. Mr. President, I rise in opposition to my good friend and colleague, Senator EVANS, on his amendment concerning the CAFE amendment—corporate average fuel economy.

Most Senators probably are not aware of CAFE and have not heard about it. I am sure before the day is over they will have an opportunity to vote on it. It is important. It is an issue that affects a lot of people and affects a lot of jobs. Most importantly, Mr. President, it affects a lot of consumers directly.

I think our colleagues and Senators who are voting on this issue today need to realize what the economic impact of this resolution really is.

I chaired the committee, as I stated earlier, when we had the hearing, and we had some outstanding witnesses from both sides before the Energy Committee, and the Commerce Committee did as well.

I think a lot of Senators when they go into a meeting like that might say, "Well, I am not sure. I kind of like the idea of having the higher average fuel economy. That makes sense. I would like to see that happen."

And this Senator would agree with that.

But, also, Mr. President, I have a problem. At times when we see the regulations or statutes that are written, sometimes with very good intentions, they sometime have adverse results, and in many cases we find we need to make adjustments.

Congress, when it passed the Energy Policy Conservation Act of 1975, allowed a mechanism where manufacturers could petition the National Highway Traffic Administration for an adjustment.

This is a law, Mr. President, passed over 10 years ago that each year would set up various fuel averages or goals that they hoped they would make, and, by and large, they have made them. The manufacturers have done some good. I do not think it is directly as a result just because of this piece of legislation that Congress passed. The times have changed, the price of fuel went up substantially, conservation was important, and conservation in many and most cases has been achieved.

There has been a substantial amount of progress in the last 10 years. As a matter of fact, the automobiles today are actually averaging about 10 miles per gallon more today than what they were in 1975. I do not think it is solely because of this act. Incidently, I think it has more to do with economics. But we have seen the average miles per gallon increase from 15 miles-per-gallon average in 1975 to 25 miles per gallon in 1985.

I would argue with some. You talk about energy conservation and if that is the objective, and I believe it is a well intentioned objective of this legislation and of this resolution, I would argue whether or not it would actually increase conservation. I think there is a big argument that could be made that, yes, you are going to, as a result of this legislation, make fewer cars and if you make fewer big cars that means the person that you know in Mississippi or the friends that I have in Oklahoma may not be able to replace their gas guzzler with a newer, more fuel-efficient car if that fuel-efficient car may get 26 miles per gallon; it may not make the 27½, but it is probably about 8 or 10 miles per gallon more fuel-efficient than the old gas guzzler they have been driving for years. The net result, if this resolution is passed, is we are going to make fewer big cars, and it just so happens that consumers are demanding more big cars, and so we in Congress are going to say, "Oh, no, that is wrong, you cannot have that. Manufacturers have to make less big cars or more small cars."

In my opinion, you are going to see more imports coming in from overseas. So you are going to see more small cars and less big cars, and if you happen to be situated with a large family or if you happen to do a lot of traveling, maybe as a salesperson, you want to have a little bigger car because you live in the automobile, Congress is going to say, "Yes, you can have it, but since the manufacturers can only make so many, since they are limited by their numbers, the cost of that big car is going to go up and go up substantially." And, if anyone thinks that big cars are cheap today, you are wrong. They are not cheap.

The effect of this resolution is going to make them more expensive. I think people need to be aware of that.

If you go down to the store today or to the auto dealer and you look at the window price on a full-sized car, you will find out they are quite high, and I do not think we should arbitrarily, by a resolution, be dictating in this or anywhere else, yes, we want fewer big cars and increase the price for consumers and our constituents. I think that is a fallacy. I hope we do not do it.

I hope we will be successful.

At the appropriate time, either myself or the majority leader, I believe, will move to table this amendment.

I think there are a lot of things that do need to be considered. We talk about jobs. I heard the comments made earlier, well, this is a veiled threat. It is going to shut down plants and going to decrease jobs.

Quite frankly, if we in Congress say no, you cannot make as many big cars, you are going to see some plants in all likelihood either curtail or shut down, and you are going to see a loss of employment and, again, in this Senator's opinion, probably making up some of that by more imports.

I think we need to be helping domestic industry as much as we possibly can in this country and certainly not doing anything that would encourage more imports in this industry.

I am kind of bothered by it when I hear some of those statements. I hope that that will not be the case.

It is estimated that, if in this resolution we mandated the higher standards and 27½ miles per gallon, we could lose or be actually having a reduction of 1 million vehicles per year and a loss of over 100,000 jobs. I think that is significant. I think it is serious. And, again, I hope that the Senate today will not support the resolution.

I have also heard the fact that well, technology has failed or the technology is there if the manufacturers would just use it. Again, I think most people would realize that if we had projected energy costs as high today as they were projected in 1975 we probably would not be sitting here today.

If we are looking at $2 gasoline, I think most people would agree with the fact that you would see less big cars and these fuel standards at 27½ or even greater would be met.

I have heard the argument, "Well, we are not energy independent and we need to do everything we can to be less dependent on imports." I certainly agree with that argument but, again, I do not think this piece of legislation is it.

I think if you really want to talk about energy independence, we could talk about other things that have a far, far greater impact—things such as actually some oil and gas leasing offshore and not the moratoriums that we see coming from the Department of the Interior or from the Appropriations Committee; we could see possibly a licensing of nuclear powerplants and not the strung out and long delays we see there; we could see deregulation of the natural gas, again, a significant option that we could take that would decrease our dependence on imports. This resolution will not do that.

There are a lot of things that are involved. Mr. President, I ask unanimous consent that a letter that was sent to all Senators from the Secretary of Transportation, Elizabeth Dole, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF TRANSPORTATION,
Washington, DC, July 18, 1985.

DEAR SENATOR: The Department of Transportation is issuing today a Notice of Proposed Rulemaking (NPRM) proposing to revise the corporate average fuel economy standard for model year 1986 passenger automobiles from 27.5 miles per gallon to 26.0 mpg. The proposal is issued under authority provided by Congress in the Energy Policy and Conservation Act of 1975.

Our review of the data indicates that the current standard does not meet the statutory test of "economic practicability" for model year 1986. Two of the large domestic automobile manufacturers are not expected to meet the 27.5 mpg standard, and serious adverse economic consequences—such as plant closings, unemployment, and restrictions on consumer choice—could result if the standard is not changed.

General Motors and Ford filed petitions on March 1, 1985, which requested a reduction in the passenger car standard to 26.0 mpg for model year 1986 and beyond. Our National Highway Traffic Safety Administration (NHTSA) had requested public comments on the GM and Ford petitions in the Federal Register on March 28.

Although the 1975 law established the 27.5 mpg standard for 1985 and later years as a goal to strive for, Congress also recognized that such long-term goals are subject to considerable uncertainty. Accordingly, the Act permits the standard for any year to be raised or lowered, if the Secretary of Transportation determines that some other standard represents the "maximum feasible average fuel economy level." In making this determination, the Act, requires us to consider four factors: technological feasibility, economic practicability, the effect of other federal motor vehicle standards on fuel economy and the need of the nation to conserve energy.

Our proposal carefully considers all four factors. Our NPRM and the supporting preliminary regulatory impact analysis indicate that GM and Ford, the two largest domestic automakers, have made substantial, good-faith efforts to meet the current standard, and they have achieved considerable success in raising their fuel economy levels over the past ten years. However, our analysis also shows that the manufacturers' efforts have

been partically offset in recent years by unforeseen events, such as falling gasoline prices and shifts in consumer demand. Our analysis also indicates that a 26.0 mpg standard is consistent with energy conservation needs, and the Department of Energy supports the issuance of the NPRM.

As a result, we have tentatively concluded that the maximum feasible average fuel economy level for model year 1986 is 26.0 mpg, and we have proposed to set the corporate average fuel economy standard at that level.

Since the proposed rule may be of interest to many of your constituents, I have enclosed a copy of a fact sheet summarizing its major provisions. We are inviting comments on the NPRM through August 21, 1985. We will also hold a public hearing on the proposal in Washington on August 8 and 9. All comments and new data will be carefully considered before a final rule is issued. We plan to complete this rulemaking in an expeditious manner before the start of the new model year.

We look forward to receiving comments from you and your constituents on this matter. If you have any questions on the proposal, please feel free to contact the Department's Office of Congressional Affairs.

With best wishes.

Sincerely,

ELIZABETH HANFORD DOLE.

Mr. NICKLES. Mr. President, I will not read all of it, but I will read the second paragraph, which is somewhat the conclusion. It says:

Our review of the data indicates that the current standard does not meet the statutory test of "economic practicability" for model year 1986. Two of the large domestic automobile manufacturers are not expected to meet the 27.5 mpg standard, and serious adverse economic consequences—such as plant closings, unemployment, and restrictions on consumer choice—could result if the standard is not changed.

Mr. President, I also ask unanimous consent to have printed in the RECORD a letter from Richard Shay, who is Acting General Counsel of the United States Department of Commerce.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WASHINGTON, DC,
April 30, 1985.

Re: Docket No. FE-85-01.

Hon. DIANE K. STEED,
Administrator, National Highway Traffic Safety Administration, Washington, DC.

DEAR MS. STEED: This responds to the National Highway Traffic Safety Administration's (MHTSA) request for comments on the petitions submitted by General Motors (GM) and Ford to reduce the passenger car fuel economy standards for the 1986 model year and beyond from 27.5 mpg to 26.0 mpg. NHTSA specifically requested comments on the issues raised by GM and Ford with respect to model year 1986.

The Department of Commerce supports reducing the model year 1986 passenger car fuel economy standard, based on NHTSA's determination of the maximum feasible level for that year. We believe that such a reduction would not have important consequences for the nation's energy security. The Department further urges that prompt consideration be given by NHTSA to the petitioners' request to reduce the postmodel year 1986 passenger car fuel economy standards. These actions are necessary in view of recent major changes in the U.S. automobile industry's operating environment, which were not contemplated when the present standard was set at 27.5 mpg.

The enclosed comments state or views in detail.

Sincerely,

RICHARD H. SHAY,
Acting General Counsel.

Mr. NICKLES. Mr. President, in summary, without reading the entire letter, it says:

The Department of Commerce supports reducing the model year 1986 passenger car fuel economy standard, based on the National Highway Traffic Safety Administration's determination of the maximum feasible level for that year.

Mr. President, the data that was submitted by the Secretary of Transportation is 69 pages long. I will not ask that the entire report be printed in the RECORD. It is available if Senators would like to see it. They went into great length and detail in their study. I will highlight the results. This is from page 55 of their statement. It says:

The agency made several tentative conclusions concerning the manufacturers' abilities to improve their projected CAFE levels. First, given the imminence of the 1986 model year, there is insufficient time now for the manufacturers to make further significant technological changes to their product plans. Therefore, any additional efforts by the manufacturers to increase their MY 1986 CAFE would largely be limited to attempts to change product mixes through increased marketing efforts and/or product restrictions. Second, based on past experience and current competitive conditions, NHTSA tentatively concludes that GM and Ford cannot significantly improve their CAFE's by increased marketing efforts. Third, the types of product restrictions that would be required for GM and Ford to significantly improve their CAFE's could result in significant adverse economic impacts and restrict consumer choice to an unreasonable degree. The unacceptability of the resulting product mix to a significant segment of the consuming public would likely result in MY 1986 sales losses well into the hundreds of thousands of units and job losses well into the tens of thousands. The agency considers these effects to be beyond the realm of economic practicability.

Mr. President, I believe the evidence, if one wants to listen to the evidence and look at the results, would be higher prices for the big cars. I hope Congress does not adopt that.

Mr. President, I ask unanimous consent that an editorial from the Tulsa Tribune, dated May 13, 1985; an editorial from the Washington Post, dated May 23, 1985; an editorial from the Wall Street Journal, dated May 8, 1985; an editorial from the New York Times, dated May 13, 1985; an editorial from the Washington Times, dated April 8, 1985; an editorial from the USA Today, dated May 23, 1985; and also an article from the Christian Science Monitor, dated May 22, 1985, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Tulsa Tribune, May 13, 1985]

FOR EASING MILEAGE

The 1985 mandated average of 27.5 miles per gallon for all automobiles produced by a single company is currently producing a war in Washington. Ford and General Motors are pressing the Department of Transportation to ease the requirement to 26 mpg for the next five years. On the other side are environmentalist groups, pleading a continued necessity for fuel conservation, and the Chrysler Corp., which says it will have no difficulty in meeting the government goal.

Chrysler is in good shape because Lee Iacocca, in re-engineering the line, nearly got out of the big car business. GM and Ford say the popularity of their larger cars and the difficulty of selling smaller cars against Japanese competition has upset their projections for reaching the 27.5 average.

GM and Ford make a sound point. With $2 gas no longer a near-term prospect, fewer Americans than had been anticipated have been driven to small cars. Many prefer large-body comfort and safety. If companies are to be fined for failing to meet the 27.5 average, they must reduce larger car production below market demand. Where demand exceeds supply, prices will go up. Parents with more than two children, seeking ample-sized cars and unable to afford such prices, will retain or buy on the used car markets old, large and fuel-inefficient autos.

For the government to hold GM and Ford to the 27.5 mpg average at the same time it lets down the bars on Japanese imports could hardly help employment in the U.S. industry. Backing off 1.5 miles per gallon could, by encouraging the retirement of old fuel-hungry clunkers, actually save gas.

[From the Washington Post, May 23, 1985]

HOW MANY MILES PER GALLON?

The two biggest American automobile companies, General Motors and Ford, are asking the government to relax its fuel standard for the coming year. The current standard requires each company's cars—large and small taken together—to average 27.5 miles per gallon. Neither GM nor Ford is likely to meet it this year.

The chief reason is that the price of gasoline has been falling for four years and the market is swinging back toward big cars. And there's another, more recent, reason: the Reagan administration's decision to allow rising imports of Japanese cars means that the American companies will sell fewer of their small models than they had expected.

Under present law the secretary of transportation, Elizabeth Dole, has the authority to drop the required average to 26 miles per gallon, and that's what GM and Ford are asking. If they don't get it, they will have to conform next year by raising the price of their bigger cars high enough to force their customers to choose small ones.

The industry is not unanimous, Chrysler is vigorously opposing any relaxation. Since it no longer makes big cars and will easily meet the present standard, it indignantly asks why it should now be put at a disadvantage in favor of those who have not complied. That's not a trivial objection.

But neither does it settle the case. The purpose of the gasoline efficiency standard is to save fuel and reduce American depend-

ence on imported oil. The reality is that the Reagan administration is not prepared to lift a finger in support of that purpose and, with imports currently declining again, Congress itself is divided. The administration simply says: let the market settle it.

The market? The same oil market that twice in the past dozen years has shot upward and then slowly sunk downward? The market that has twice lurched toward much smaller and more efficient cars, and them each time slowly begun to slide back toward bigger and more powerful ones? The market has its virtues; but in oil and automobiles it is radically unstable and a terrible forecaster. These sudden unpredictable swings have severely whipsawed the auto companies, and have proved immensely costly to the country as a whole.

The way to stabilize both oil demand and the auto market, pushing both toward conservation, is to impose a steadily rising gasoline tax. But since neither President Reagan nor Congress has the slightest intention of doing anything like that, Secretary Dole would be justified—as a very second-best expedient—in reducing the standard by a-mile-and-a-half per gallon. It's unfair to require an industry to bear the full burden of a public policy that the president himself declines to support.

[From the Wall Street Journal, May 8, 1985]

BACK TO THE SAD CAFE

"Congress shall punish companies found guilty of indulging the wishes and needs of consumers."

We have read the United States Constitution caretully and nowhere in it do we find that sentence, or any other evidence that the Founding Fathers wanted legislators to ride herd on the buying tastes of Americans. And yet U.S. auto producers are once more wrestling with a 10-year-old law that sets "Corporate Average Fuel Economy" (CAFE) standards for U.S. auto makers, thereby putting a ceiling on their ability to meet consumer demand for large and less fuel-efficient cars.

CAFE has been an economic mischief-maker from the very beginning. Its first important effect was to yield unintended benefits to the Japanese auto industry. Because of the Washington-created "energy crisis," U.S. consumers were already switching to smaller cars in the mid-1970s, but Congress, which was in a corporation-bashing mood, didn't want to wait for the market. As a concession to the UAW, it limited the ability of U.S. auto makers to bring in cars from their plants abroad to meet the CAFE standards and small-car demand. This forced the U.S. companies into crash retooling programs, at large costs in equipment and in the quality of their products. The Japanese, who had already achieved design quality and large economies of scale in small cars, moved in. When the U.S. then slapped on "voluntary" quotas, the Japanese made the most of their quotas by moving in on the midsize car market as well.

The most recent development is an intramural struggle for regulatory advantage between General Motors and Ford on the one hand and Chrysler on the other. Chrysler years ago focused production and sales efforts on small and midsized cars, attaining a higher CAFE. GM and Ford retained some large cars. Now that the energy crisis is long forgotten and Americans are more prosperous, demand for big cars is rising. GM and Ford want the National Highway Traffic Safety Administration to roll back the CAFE standard for 1986 models to 26 miles per gallon from the current 27.5. Chrysler, naturally, objects. Transportation Secretary Elizabeth Dole must decide whether to favor Ford, GM and would-be buyers of large cars or to protect Chrysler.

Chrysler, with refreshing candor, complained that this deregulatory move would give GM and Ford a competitive advantage. Sens. John Heinz and Daniel Evans dashed off a letter to Secretary Dole urging her to reject the proposed lowered standard on "economic and moral" grounds. They were done one better by Rep. Pete Stark, who introduced a bill (HR 1425) to rescind the transportation secretary's authority to reduce fuel-economy standards without congressional approval.

So now we will have an argument in Congress over which auto company the U.S. government shall favor. None of this has anything to do with either economics or morality. It is merely unwarranted interference, born out of an earlier dimwitted era of economic-policy mismanagement, with the rights of consumers to buy products that fit their wishes and needs.

[From the New York Times, May 13, 1985]

IT IS TIME TO TAKE ANOTHER LOOK AT THE FUEL-ECONOMY LAW

To the Editor:

"Reject the Plea From Ford, G.M." by Senators Daniel J. Evans and John Heinz (Op-Ed, April 20) was disappointing in view of their well-earned reputations for fairness and objectivity. But, by suggesting the law affords vehicle manufacturers the alternative of paying civil penalties instead of complying with fuel-economy standards, they do a disservice to readers and to the cause of promoting understanding of the havoc wrought by the fuel-economy law.

The National Highway Traffic Safety Administration recently ruled that such suggestions "evidence a misunderstanding of the act."

"Noncompliance with fuel economy standards," the ruling continued, "is unlawful conduct. Petitioners appear to assume that penalties are merely a tax. In assisting economic practicability, the agency must consider the ability to meet a standard rather than the ability to pay the penalties for not meeting a standard."

If the civil penalty was simply a tax, the Senators' concern that the Federal treasury will be deprived of hundreds of dollars would assume some substance.

If full-line manufacturers are unable to sell enough small cars to meet the standard and are unwilling to engage in unlawful conduct, the alternative would be to cut back and, if necessary, stop production of the lower-fuel-economy family—not just luxury—cars, station wagons and utilitarian trucks that many of the authors' constituents need. The economic consequences are too obvious to need elaboration.

Contrary to the implication that the current average is about 17 miles to the gallon, the Traffic Safety Administration's ninth annual report to Congress states that the total fleet average of 1984 model cars is 26.5. The report indicates that the averages for Ford and G.M. are 25.3 and 24.8, respectively, which for Ford represents an 82 percent improvement since the law was enacted in 1975. This is a remarkable accomplishment.

The fuel-economy standard is forcing manufacturers to ignore the needs of consumers, to take actions that are neither in their own interest nor that of the economy and to consider even more sourcing of products offshore—with obvious adverse employment consequences in North America. By contrast, the net impact of granting the requests of Ford and G.M. to relax the 1966 standard, for example, from 27.5 miles to the gallon to 26 would be only .06 percent of total U.S. petroleum consumption.

Rather than prejudging these requests and prejudicing the process, is it not time to engage in an evaluation of whether fuel economy could be achieved without impairing the interests of the public, government and industry?

LOUIS R. ROSS,
Executive Vice President, Automotive Operations, Ford Motor Company, Dearborn, Mich., April 26, 1985.

[From the Washington Times, April 8, 1985]

AMERICAN CAFE

"Why did General Motors announce in April 1984 that because large car sales were unusually strong, it would extend small car production until October or November?" The answer to this intriguing question, posed by economist David R. Henderson in the current Regulation magazine, is that federal energy regulations are still forcing American car makers to make noncompetitive decisions, damaging the American auto industry and hurting consumers.

Under federal Corporate Average Fuel Economy (CAFE) standards, in force since the government created the "energy crisis" of the mid-70's. Washington takes all the cars a company sells in a year—big cars, little cars, medium-size cars—and averages their gas mileage, which is required to meet a minimum standard. In 1985 it's 27.5 miles per gallon. Because American consumers, who like big cars better than small ones, bought more large GM cars than the company expected, GM found itself facing up to $150 million in fines. To avoid the fines, it boosted its average by selling small cars at a loss, cutting overall profits and weakening GM's capital position, making it a less powerful competitor for foreign car makers.

Because CAFE is calculated separately for domestics and imports, it also discourages American car makers from importing small cars to be sold under American labels. According to Regulation, Ford's former chief economist says Ford dropped its German-built Fiesta because its sales potential was so good. Selling more of the less-promising but domestically built Escort. Instead let Ford meet its CAFE requirement. The United Auto Workers likes CAFE, because it acts like a domestic content bill. This may be shortsighted. Probably many Fiestas were replaced not by Escorts, but by Hondas.

Without government bullying, the post-energy crisis car market probably would have looked very much like the pre-crisis car market. The Japanese and the Germans would have built lots of little cars, which they're good at and American car companies would have built mostly mid-size and large cars, which they're good at. Since large cars produce larger profits, that would have been nice. Instead, American auto makers are being forced to build small cars that are decidedly inferior to Japan's small cars, and they have been taking a beating.

CAFE is still defended by Club of Rome types, who think we're running out of oil and ozone and everything else. In fact, the only thing we were running out of in the 70's was leaders who understood markets. Under current relatively free-market energy policies, oil is plentiful and prices do all

that's needed to encourage conservation. Repeal CAFE and buy American.

[From USA Today, May 23, 1985]

JUNK FUEL STANDARD, LET MARKETPLACE RULE

Twenty-two million people across the USA will be on the road this Memorial Day weekend. They will drive 15.3 billion miles in search of beaches, parks, or just some time on the farm with Aunt Sue and Uncle Ned.

Driving is fun again. Even though gas costs about $1.25 a gallon, there is enough to go around.

In 1973 and 1974, during the Arab oil embargo, driving was no fun at all. Gas that used to cost 30 cents a gallon suddenly shot up to 50 and 60 cents a gallon, if you could find it. Our cars averaged only 14 miles to a gallon.

Since then, we have changed our cars, and our driving habits. Today's cars average 25 miles to the gallon. Even mid-size models get 30 miles per gallon on the highway.

Automakers have spent billions on lighter cars that run on smaller engines and use less gas.

They didn't do it voluntarily. In 1975, a federal law set mileage standards, and by 1978, all the cars a company made had to average 18 miles to the gallon. Now it's 27.5.

Chrysler meets that standard. But Ford and General Motors say their family-size cars are so popular, the fleets they will build won't average 27.5 miles per gallon. They make many smaller, high-mileage cars, but they're less popular. So they want the standard reduced to 26 mpg for 1986.

Twelve years ago, when the energy crunch created a crisis, government was right to enforce strict mileage standards. That emergency measure forced automakers to build what consumers needed—fuel-efficient cars.

Now that the auto companies have responded, the government controls should be junked. The Reagan administration is right: The rules have done their job.

The government doesn't dictate how much electricity a manufacturer can use, or how much fuel an airline can burn, or how many diesel rigs a trucker can put on the road. Why should it dictate the efficiency of an auto engine?

But that does not mean that consumers and car companies can be complacent about conservation, or foolish about fuel. If another oil shock hits, and it could, then carmakers and consumers must be ready for it.

Consumers must continue to demand fuel-efficient cars. And manufacturers must continue to develop and build cars that will take us even farther on a gallon of gas.

But we should let carmakers use their creativity to continue to cut fuel consumption, without a government hammer over their heads.

They must understand that if they fail, or if short-sighted consumers demand only muscle cars and gas guzzlers, then government will be forced to bring that hammer down again—on car companies and consumers alike.

If we insist on driving gas guzzlers and forget the lessons of the last energy crisis, we'll invite a new crisis—with lines at the pump, high prices, and regulations that are stricter than ever.

[From the Christian Science Monitor, May 22, 1985]

U.S. SHOULD SCRAP LAW ON CAR FUEL ECONOMY

(By Murray L. Weidenbaum)

A decade ago the United States faced an energy situation that had the public clamoring for the federal government to "do something." The Energy Policy and Conservation Act of 1975 was the quick response. One section of that law required new automobiles to meet certain corporate average fuel economy (CAFE) standards.

Ten years later the energy situation has changed dramatically, but the CAFE "leftovers" remain unchanged. Though these regulations have been of dubious worth from the start, they have also been relatively harmless. But changing consumer preferences and stable gasoline prices now call CAFE in question.

The CAFE regulations are also an example of how government interference begets more government interference. In reaction to the dramatic increase in the price of oil imports, Washington placed controls on the price of domestic oil in 1975. Sensing that such action discourages conservation, lawmakers mandated greater fuel economy from new automobiles. A freely determined market price for gasoline would have produced far greater conservation than regulating only a small portion of the fuel users: new car owners.

The 1975 law requires manufacturers of more than 10,000 autos annually to meet average fuel efficiency standards for the cars they sell in a given model year. These standards were set for 1978 and selected other years, notably 27.5 miles per gallon (m.p.g.) in 1985. Congress also specified a fine of $5 per auto sold be levied for each tenth of a mile per gallon that the overall fleet average fell below CAFE standards.

Until recently, however, CAFE regulations have escaped public attention, because they have been irrelevant. In 1974, new autos averaged 14.2 miles per gallon. The 1985 models for General Motors, Ford, and Chrysler are expected to average 25.1, 25.9, and 27.5 m.p.g., respectively. Auto producers exceeded CAFE requirements in each year before 1983 primarily because the consumer—rather than the federal government—demanded fuel-efficient cars.

Another reason that CAFE regulations have not been big news is that "voluntary" export restraints by the Japanese from March 1981 to March 1985 helped the sales of domestic small cars. Had imports been available in greater quantities, American buyers might have bought fewer U.S. subcompacts, thus making it much more difficult for domestic automakers to meet the standards. While quotas may be good news for auto manufacturers and their employees, they are bad news for the consumer. They resulted in auto prices some $1,300 higher for Japanese imports and $660 higher for domestic models in '84. Now that trade restraints have expired, meeting government standards will be more difficult.

How important are CAFE regulations in holding down oil consumption? William Niskanen, former member of the President's Council of Economic Advisers, points out that autos account for only 30 percent of US oil consumption. New cars represent only 10 percent of the auto inventory. Thus, whether new cars average 27.5 m.p.g. or 25 m.p.g. makes less than a 0.3 percent difference in oil consumption. Furthermore, when oil prices were decontrolled in '81, the original justification for fuel economy standards was removed. Given how sensitive consumer preferences for fuel-efficient autos are to changes in gas prices, why does CAFE linger on?

One answer is that the regulations preserve employment in the US auto industry, at least for now. By forcing manufacturers to produce more small cars domestically (imports by US auto companies do not count in calculating average fuel efficiency), jobs are maintained. Buyers of intermediate and full-size cars pay for this unofficial jobs programs, since low profitability on subcompacts is made up by higher prices for larger cars.

Then there are those who fear the rest of the world has overestimated, and thereby underpriced, oil supplies. The fact that these requirements result in only a minor difference in oil consumption is ignored.

If the fuel economy standards are not lowered or rescinded, buyers of Ford and GM products will suffer. If the two automakers elect to incur the CAFE fines and produce the large cars American consumers want, a 1986 Ford may well cost an average of $80 extra, while GM price increases could average $120. Another possibility is that the two producers will attempt to comply by reducing large-car production to increase average fuel economy. In that case, the consumer will pay dearly for the fewer large autos, while auto workers and stockholders will suffer from less production and less profit.

As gas prices have stabilized, consumers have begun to value size and comfort. This is good news for U.S. automakers and their employees, since these manufacturers enjoy an advantage over imports in larger cars. CAFE, however, has turned this silver lining into a cloud. But in the final analysis, CAFE is a consumer issue. Rather than allowing an obsolete law to deny American consumers the opportunity to purchase a US-made automobile of their choice, it is time for Congress to throw out the CAFE "leftovers"!

Mr. NICKLES. Mr. President, I yield the floor.

Mr. EVANS. Mr. President, will my colleague from Oklahoma yield for a question?

Mr. NICKLES. I am happy to yield.

Mr. EVANS. Mr. President, there has been much talk about the companies restricting production or somehow finding it impossible to go ahead and make those large cars, even though, as I suggested, the technology is there to make them and make them fuel efficient. The only penalty, as I understand it, which is provided is a civil penalty, a fine. Does the Senator from Oklahoma agree that over the last several years the automobile companies have, in essence, been paying a fine because they have been failing to meet the fuel efficiency standards and that they have not cut back jobs, they have not cut back employment, they have not restricted the manufacture of various models of automobiles? They have merely paid the fine out of credits which they had achieved in previous years. So the only difference is whether they pay the credits out of past years or whether they pay the credits out of their own pocket.

My specific question is: What would encourage automobile manufacturers the most for the years 1987, 1988, and 1989 to continue aggressively to move toward more fuel-efficient automobiles, maintaining the standard, or reducing it this year and giving them the hope that perhaps next year we would reduce it and continue to do that? Would the Senator not agree that that would act to delay movement toward fuel efficiency if the automobile manufacturers thought we were not serious?

Mr. NICKLES. Mr. President, in response to the Senator's question, I do not think what we do is going to make any difference on 1986. It is too late to change 1986.

Mr. EVANS. I am talking about 1987 and beyond. What we do for 1986 clearly could have an effect, from the view of the manufacturers, as to what was going to happen in 1987 and beyond and what is going to push them in those future years most actively toward better and more fuel-efficient cars and newer technology.

Mr. NICKLES. Again, in response to the Senator's question, it is not my belief that the act that we are now looking at is largely responsible for increased fuel efficiency. It may or may not have contributed somewhat.

I think the result of the increase in fuel prices is largely responsible for the fact that we have made—I say "we have made"—that the industry has made an increase in 10 miles per gallon in the last 10 years. And I also think that if the price of fuel had continued to increase that the standard of 27.5 would not really have been a significant problem.

Mr. EVANS. If I might pursue that, does the Senator suggest that with today's cheap gas we should abandon the search for more fuel efficiency?

Mr. NICKLES. I would question whether or not we have cheap gas. It may be cheap in relation to what Congress passed some time ago. But it still takes $20 for a lot of people to fill up their cars. That is not exactly cheap on many people's budgets. I just want to reiterate the fact, and if you want to take the Senator's argument very far, what is sanctimonious about 27½? Why not make it 40 or 50? There are probably many Members that would want to.

Mr. EVANS. I would say to the Senator from Oklahoma: That may come next.

Mr. NICKLES. This Senator will oppose it because I would still like to see where consumers have some input in this agrument and not have it be mandated by Congress.

Mr. JOHNSTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. JOHNSTON. Mr. President, let me speak in opposition to the amendment. But as one who basically supports the CAFE standards, I was in Congress when we we enacted that legislation which provided for the CAFE standards. I quite agree with the distinguished Senator from Washington. I think it has had a very salutary effect upon fuel efficiency of automobiles. I for one would strongly oppose junking the whole system of CAFE standards. I think it is a very important step forward. However, Mr. President, I do oppose this amendment. Let me tell you why.

First of all, the amount of savings by this amendment would be almost infinitesimally small, less than two-tenths of 1 percent per year, at most. So what we are dealing with is a very small amount of change in terms of total overall fuel efficiency. On the other hand, the impact upon the automobile industry would be a very big impact at least. The U.S. Department of Commerce, of course, has estimated that the product restrictions that could result from the imposition of these regulations could result in possible sale losses of 1 million vehicles for Ford and GM, as well as losses of 110,000 jobs.

I am not certain that is correct, Mr. President. But I know that the Department of Commerce has projected that. When you weigh on the one hand a possibility of two-tenths of 1 percent savings on fuel standards as against the possibility of 110,000 jobs and a million vehicles for Ford and GM, the choice is a rather clear one. We can neither prove the savings of two-tenths of 1 percent nor the loss of jobs. But it seems to me when the Department of Commerce makes that projection it is one that the Congress ought to listen to. We have very little to gain by this amendment. We have the possibility of losing a great deal.

Mr. President, at the time we enacted this legislation—and as I say I was a strong proponent of it—we did so in the face of projected cost of gasoline for 1985 of $2.50 per gallon. My colleagues who were here at the time will remember that those were the days when we were projecting the price of crude oil to be over $100 a barrel, and that the price of gasoline likewise would be at $2.50. The Congress did know at that time that predicting of energy prices was a chancy exercise at best, and for that reason we built into the statute the very kind of discretion which is at issue here; that is to say, we wanted to give to the Department the discretion to lower those standards if in fact the price of gasoline was not $2.50 a gallon, but was more than $1 less than that price. We wanted the Department of Commerce to be able to look at the whole situation, weigh the possible savings on the one hand, as opposed to the possible job impact on the other hand. That is the way we wrote the law at that time. It seems to me the Department has properly applied that law in this case. We are not asking for a change in the law. We are simply asking that the rules under which all of the companies have operated which is the law of the land be continued, that the Department of Commerce be allowed to make what I think was a sound decision in the face of all the facts. We are not asking that we junk CAFE standards. To the contrary, we are asking for the law to be kept as it is so that companies will know that CAFE standards are going to be the law of the land in the future but they will be administered with some degree of discretion particularly in light of the facts.

Mr. President, I strongly urge my colleagues not to adopt this amendment, to keep our commitment to CAFE standards, but to do so in light of the law as presently written.

Mr. NICKLES. Will the Senator yield for a question?

Mr. JOHNSTON. Certainly.

Mr. NICKLES. This Senator was not here when this act originally passed, but when you did pass it, did you not leave in it the flexibility—since it was a 10-year program, not knowing really what gasoline prices would be, not knowing what supply and demand would be 10 years hence—nor a caveat that would allow the administration to review the circumstances, and after they heard the testimony and so on to have some discretion to allow the rollback.

Mr. JOHNSTON. The Senator is precisely correct. I might say that nobody—I will not say no one—dreamed that the price of gasoline would be as low as it is now, or the price of crude oil. We may have dreamed it, but in our conscious thought, nobody ever thought that would be so. But we knew we could never predict it with any degree of precision. That is why we put in the discretion. It seems to me we wanted to put in that discretion for the very kind of circumstance we find ourselves in; that is, where there is a surplus of crude oil in the world, where the price is down and they are asking for only a very small change, if we do not give them that change or if we take away that change legislatively, you could risk 110,000 jobs. Is the Department of Commerce correct? I do not know. But we have very little to gain by taking away this discretion.

Mr. BENTSEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. BENTSEN. Mr. President, I want to state my support in the strongest possible terms of this sense of the Senate resolution to retain the corporate average fuel economy standards.

Mr. President, when we put this piece of legislation into effect we did it because we wanted to promote conservation in this country. We understood the price we were paying, along with the long gasoline lines, we had transferred power and wealth to the Middle East. We understood what it was doing to our balance of trade. I can recall the manufacturers coming in and swearing that they could not do it—that it was technologically impossible, and that we were absolutely going to put them out of business if we required them to meet these CAFE standards. If we had not required them to comply with this kind of conservation, they would be out of business. They would be broke today if it were not for that legislation. The Japanese would have run them out of business. The Japanese would have taken over the automobile market because the Japanese understood what the American people wanted. The Congress acted because it understood what was in the long-term interests of the people of this country.

These standards were set with good reason, and the evidence shows that they are doing what they were designed to do. Frankly, I think the whole matter of a reduction in these standards is irresponsible.

I can remember the car I was driving at the particular time the standards were set was getting 11 miles per gallon; the one I am driving today gets far more than that.

Now they have the nerve—the audacity—to come in here and say they cannot meet the standards. I do not accept that. Chrysler has doubled its fuel economy since 1975 and expects to meet the 27.5 miles per gallon that we are talking about for this year.

That helps all of us in trying to meet the objectives that are important to our country.

My friend was talking about the price of oil coming down. That is right. But I am sure neither my friend from Louisiana, nor I, believe that is going to last. That bubble will burst. We spend all kinds of money trying to develop alternative sources of fuel. Because of budget constraints, we are backing off and not developing those sources.

I think my friends, that the CAFE legislation is one of the best actions that the Congress has taken over the last several years.

I think the people who want to reverse the standards—these manufacturers that are trying to do so—are certainly shortsighted, and they are putting short-term profits ahead of what is in the long-term best interests of this country.

Under the Energy Policy and Conservation Act, failure to meet fuel economy standards means very large fines. There has never been any secret about that.

The manufacturers have known it for years.

Some manufacturers chose to meet the law, to make the enormous capital investment to try to accomplish what the Congress set out for them to do in the way of energy conservation for our country. But others said, "No, we can get out of that. We can cop out. We can get Congress to give us a loophole and not enforce the law."

My friend says they want to know what the law of the land is for the future. I do not know, especially if we do this type of thing.

My friend says it is not that much of an incremental gain.

I say when you have been increasing mileage and achieving higher standards and then turn around and reduce the standards, that sends a full, clear signal that from now on all one has to do is come up here and plead one's case and get an exception.

Let us stop and recall what this was all about. There was an energy shortage, and Congress came to the conclusion that we needed to take action on the issue. Our memory is not so short that we have forgotten just how vulnerable we are to interruptions of foreign supplies. Has someone discovered some vast new pool of energy that makes conservation no longer necessary?

I read where we should reduce the standards because oil is in surplus, and we do not need to worry about mileage any more. I can assure my colleagues that this is a myth. We have less oil and gas today than we did yesterday, and we will have even less tomorrow. It would be tragic to send a signal that indicates anything less to Americans who support conservation measures.

I don't know anyone who enjoyed those long lines at the service stations, sitting idly by at the mercy of OPEC. But we knew then and we know now that it could have been much worse, and we can't risk it. We can't be mislead by temporary market conditions.

In response to those threats from OPEC, we set out to seek new forms of energy for the future, cutting back consumption, getting people to turn back their thermostats in their homes, driving at 55 miles per hour or less. We were greatly concerned, and this country was pulled together in that effort. We have taken enormous strides.

Those that do not meet these standards have only themselves to blame. To those who say that the standards are not fair, I quote columnist Hobart Rowan on the subject in a recent article in the Washington Post. He said: "Horse feathers."

I can think of other descriptions, but that is not a bad one. I, for one, am fed up with the shortsighted attitude on the part of a few American manufacturers who should be more concerned with their responsibility to their country. I hope we pass this resolution and send it to each and every one of them and the National Highway Traffic Safety Administration. I would like to see a copy hanging on their walls. They need to be reminded that we set a reasonable target and that their efforts to get out from under the standards would serve the Nation better if directed at efforts to achieve those standards. We should not say to those who have spent the billions of dollars necessary to comply with that law: "Tough luck. You should have known that the Congress would not hold you to this kind of a statute."

We should say, instead, to those who refuse to make the investment: "Next time comply with the law as it is written."

Mr. EAGLETON. Mr. President, I am a cosponsor of the resolution and strongly support its adoption as an amendment to this bill.

I also represent Missouri, a State which ranks second in auto assembly, with five plants in the St. Louis area and three in the Kansas City region. No one could have a greater concern for the future of the U.S. auto industry than I, and that concern is a major factor in my cosponsoring this measure.

The arguments we are hearing today from a couple of domestic automakers—that Americans love big cars and ought to be able to buy whatever they want—are the exact arguments we heard in 1974 and 1975 when Congress was considering the fuel economy legislation. I put it to my colleagues: With all the problems U.S. automakers have competing against Japanese autos as it is, where would they be if they were still turning out those 14-mile-per-gallon land barges of the early 1970's because that's what the American consumer wants? In response to that question, I submit there would not be much cause for this debate because there would not be a domestic auto industry left to plead for a return to the good old, gas-guzzling days.

Harvard Business School Prof. Malcolm Salter, writing in a recent edition of the Washington Post, made the point as well as anyone:

> Only fuel economy regulations, which forbid U.S. auto makers from counting new vehicles with less than 75 percent local manufacturing content in their corporate fuel economy averages, will keep U.S. auto makers from totally abandoning the domestic production of small cars.

There is no question that the market for larger, less fuel-efficient cars has enjoyed a small, temporary comeback as a result of the easing of gasoline supplies and prices. But, we should not be deluded by a short-term blip on our energy-consumption graph. The long-range picture remains as bleak as ever and the need for mean-

ingful conservation policies remains as vital as ever for the future of this country.

Only a few weeks ago, for example, the Department of Interior and the Office of Technologies Assessment [OTA] released a radically revised assessment of U.S. offshore oil reserves which reduced by 55 percent the reserves estimated only a few years before. Further, oil imports are on the rise again and, according to the OTA report, could reach or exceed the heavy dependence levels of the 1970's sometime in the next 10 years.

On this point of conservation, Mr. President, there is considerable talk these days about a possible tax on oil both as a way of producing new revenues and of encouraging conservation. I want to say that, if it's done in the right way, I will support such a tax.

But let me ask those who are arguing today for less fuel-efficient cars, what are you going to tell your constituents when you vote for an oil tax which means higher gasoline prices? How are you going to explain your effort to have it both ways?

You want to help bring back the gas guzzler while at the same time supporting an increase in gasoline prices?

Of course, that is a rhetorical question. After the rationalizations I have heard from that side today, I have no doubt they will find some line of argument to bridge this logical gap. I will just predict they are not going to find many people back home who are going to buy it.

Is this the time for Congress to say to the American people, "Forget about our energy future, this is the roaring 1980's?" Is now the time to tell the public, "There's time enough to worry about gasoline when the needle's on empty?" Make no mistake about it, that is what is at issue here today. Are we going to abandon our most important and visible commitment to conservation, or are we going to continue a reasonable policy which serves the interests of this and future generations?

In recent weeks, there has been something of a scare campaign afoot to persuade people that unless the Ford and GM petition for a lower fuel standard is approved, some companies may curtail big-car production, resulting in the loss of thousands of jobs.

Weigh that rhetoric against the fact that U.S. automakers reap huge profits on big cars and will continue to do so even if they have to pay fines for violating the fuel standards. Domestic automakers will not voluntarily walk away from those fat profits.

If production of big cars is cut back, it will not be because of Federal fuel standards. It will be because consumers do not want relics of the wasteful past and even million-dollar ad campaigns and discount financing are not going to sell them. Analysts already are pointing to weakness in the market for big, rear-wheel vehicles as the primary cause of the sales slump that some automakers are now feeling.

Mr. President, as a practical matter, General Motors and Ford have already violated the 1986 fuel economy standard even before their petition was submitted to the National Highway Traffic Safety Administration. There was no way the cars they will introduce in showrooms next month could be reengineered to meet the requirement. Thus, the only real question before the agency was whether these two corporate giants should be forgiven the roughly $500 million in fines they owe for noncompliance.

I believe reducing the auto fuel economy standard is totally unjustified and would sacrifice our energy future on the altar of short-term profits. I urge the adoption of the amendment.

Mr. President, I yield the floor.

Mr. FORD. Mr. President, this is a very difficult situation for a good many Senators, Senators who have auto manufacturing in their States. As the distinguished senior Senator from Missouri [Mr. EAGLETON] just said, his State is the second largest manufacturer of automobiles in this country.

I remember, when we passed this legislation, how hard it was to get it into place and how sensitive we were to not having a crystal ball to see what the future would hold. We set up certain items in that legislation to be sure that there was a pressure valve; that if we had made a mistake, there would be procedures to follow. And now that we see this well-crafted legislation at work, we find ourselves objecting to it. That is perfectly legitimate, and I understand it very well. But what has happened now, as I understand it, Ford and General Motors have applied to the Secretary of Transportation for an extension of time as it relates to compliance to the 27½ miles-per-gallon fleet average. That was part of the legislation.

As I understand it, the Department has said they will extend the time 1 year, and they are now going through the normal procedure for comments, for hearings to put it together, as we would in other operations, to see if, in the judgment of those who testify, the 1-year extension is warranted.

What is a 1-year extension? Two-tenths of 1 percent. There is the requested extension for 2 years, which will go beyond; we will have the hearings, and that will come together. But what really bothers me is that we have a process, and that process has been triggered, but all who have spoken made two points:

One. If the Congress had not acted, we would not be in the position we are today as it relates to fuel economy;

Two. We misjudged the cost of gasoline; we misjudged the glut.

Mr. President, there are several hundred million dollars in fines if this finding is not approved by the Department of Transportation. We have seen billions of dollars spent in order to comply with the congressional mandate, and additional billions of dollars being spent in order to have that small car built by the major car manufacturers by 1989.

We have seen a lot of publicity in the papers recently about 500,000 automobiles, a possibility of up to 60 miles per gallon on the road and 45 miles per gallon in the city—an American-made automobile.

That technology is in place. That commitment has been made—$3.5 billion, 6,000 new American jobs, 14,000 new jobs related to that industry. And now we are standing on the Senate floor today wanting to kick them in the teeth and say, "Look, you missed it. Therefore, you are going to pay and you are going to pay dearly"—one company will pay an additional $6 million or $8 million, another one almost $100 million. And they are spending billions of dollars to try to comply with the mandate that Congress enacted 10 years ago.

It is a lesson in our ability to project and understand. I remember when we had so much dependency on foreign oil that we were standing in line. They had the power to bring us to our knees. That bothered me a great deal. But it is very difficult today to see those who would stand up and support this amendment and at the same time dismantle the Synthetic Fuels Corporation. That money is being set aside to try to find new sources of energy so that we can be energy independent, yet they want to dismantle that corporation which was set up by this body in order to find new sources of energy.

We are talking now about methanol mixed with gasoline that would give 100 miles per gallon. All of this technology is coming on board, yet we want to say to our auto manufacturers, "You didn't comply; you couldn't make it and so we want to stick it to you."

It bothers me some, Mr. President, that we find ourselves in that position. What we passed 10 years ago was a good law. Look how far it has brought us down the road to energy self-sufficiency. It has brought us a long, long way. Prior to the passage of the Average Fuel Economy Act, the average miles per gallon for a new American car was around 14 or less miles per gallon. Now the American automakers are turning out cars that are averaging 25 or 26 miles per gallon for the fleet. In my opinion, that almost 100 percent improvement is a great milestone. As a result, we have been saving millions and millions of barrels of oil each day, oil that we would otherwise have to import.

I hear another proposal that is getting some activity these days, a tax on oil imports, $5 a barrel, $10 a barrel as it relates to oil products, and what is that supposed to do? Well, that is supposed to bring in a few billion dollars to help us balance the budget and allow our domestic refiners to raise their prices up to that level, which is supposed to increase the drilling for new sources of energy.

So all we have to do is to impose a tax and everything is going to be all right. Sometimes I wonder about that. But 10 years ago this Chamber made a good judgment. It said to the auto manufacturers, "We want you to have 27½ miles per gallon fleet average by next year."

We also said, "Let's trigger it. We can't see into the future. We can't understand everything that is going to happen."

But at that time we were projecting $2.50 per gallon of gasoline. It is $1 less than that today. We made a mistake; we missed that. Now the law is triggering. It says that the manufacturers have the opportunity to petition the Department. The Department has said with that petition we are going to have a hearing on a 1-year extension. And then we are going to possibly broaden that, after we make the decision, to 2 years.

That brings me back to the statement I made earlier, Mr. President, that the major auto manufacturer has committed $3.5 to $4 billion to the construction of a plant that will produce 500,000 automobiles a year which will get 45 miles per gallon in town and 60 miles per gallon on the road.

I promise you today that if we had gone far enough with the research and development as it relates to methanol, they would be getting 100 miles per gallon, based on the law we have written. Yet, we want to kill research. Yet, we want to kill the development of the possibility of increasing our energy independence.

There is no question in my mind, Mr. President, that the congressional planning and foresight in the mid-1970's has resulted in greater energy security for America. It is a point that I think we all should understand.

Now we are at a point where we must reexamine just where we are going in our quest for further energy independence. Specifically, we must ask ourselves whether the gains we have yet to make can really be achieved by continuing to put the squeeze on our domestic oil industry. We must also look at the big picture, at the overall economy, and determine the point at which these stringent regulations become self-defeating.

Before us is the amendment by the distinguished Senator from Washington and several of our other colleagues attempting to express a sense of the Senate that the 1986 CAFE standards should be retained at 27.5 miles per gallon. If not, one company will be fined between $600 and $800 million and another between $50 and $100 million as a result of that sense of the Senate, if that has any influence on the department.

I suppose the first question that comes to mind is, why should these two major manufacturing companies apply for this extension? It appears that both GM and Ford will not be able to reach that 27.5 miles per gallon standard. They will miss it by about a mile and a half per gallon. Do we want to punish them for this? If so, the penalties are as I have just stated. What is it we want? Our pound of flesh? Force the automobile companies to pay hundreds of millions of dollars when they have already committed billions to reach that goal by 1989? I seriously question the wisdom of this approach. Our auto industry is struggling.

The distinguished Senator from Missouri talked about the 75 percent domestic content. I remember when domestic content was a sort of hot item around here 2 or 3 years ago, maybe 4 years ago. All of a sudden, we are beginning to see cars previously made in other countries now being manufactured here, hiring Americans, and selling the cars to Americans. That is what I think we should do.

We hear a great deal about the large automobile market today. At one GM dealer in my hometown, all the large cars will be gone, except one station-wagon of one model in 1986. All the cars are small now. They are meeting the standard. The overall is not.

I want to bring one fact to attention and to restate it. We have heard several times this afternoon that when this standard was set, almost all the experts were predicting that the retail price of gasoline would be $2.50.

(Mr. ANDREWS assumed the chair.)

Mr. LONG. Mr. President, will the Senator yield at that point?

Mr. FORD. I yield to the distinguished Senator from Louisiana.

Mr. LONG. I am sure the Senator heard some of the arguments that were made. One that impressed me—and I ask him if he thinks it has merit—is that the people do not want to buy all these small cars that can be made available. There is nothing new about that. In the first big energy crisis, we called upon everybody to buy the small cars. Then when the crisis passed, the people would not buy the small cars. The fuel was available, and they wanted to drive the larger, more comfortable cars—and the safer cars, I might say—as they had done before.

In the main, the people of this country would like to buy the larger cars as long as energy is available freely, as it is now, at a lower price than it was at a previous point.

Assuming that the people who prefer to buy the larger cars are not permitted to do so because the cars are not available in sufficient number, it is argued that many of those people will simply defer making any purchase, will not buy any, and will wait until a later date to buy something more suitable to their needs.

Mr. FORD. The Senator is absolutely correct.

I can name neighbors and friends of mine who still have 1978 and 1979 cars and they are holding on to them.

Mr. LONG. At the time when we had the big cars and you could buy them, a good friend of mine bought three big Lincolns and put two of them on blocks in a warehouse. When one wore out, he would get the next one. They were the big, comfortable Lincolns, the gas guzzlers we call them. But the argument was that you would not be able to get them in the future and he wanted the big, comfortable automobiles, and he bought them while he could. Others would make the old car last longer.

I have an old car that I suppose I will trade in this year for whatever it brings. It is a big, comfortable thing that would certainly be classified as a gas guzzler by these standards.

That is one thing about the big cars—they will take you a long, long way. In World War II we learned that we could make the old cars last throughout the entire war without building more than a quarter of a million automobiles a year, whereas we used to build 7 million or 8 million.

If they continue to drive old automobiles we will get even less mileage than with the new equipment. We would get less mileage because we declined to let the companies produce something more in line with what the country is interested in buying.

Mr. FORD. The Senator is correct.

If my neighbor could trade in his 1978 for a 1986, which is a fairly good sized automobile, he would be getting twice the miles per gallon with the 1986 than he is now getting with his 1978.

So we would have that improved. They say there would be two-tenths of 1 percent loss if we delay this 27.5 miles for a year or two or three. Well, what have we gained if that fellow trades in his 1978, which is a gas guzzler, and buys a 1986 which gets twice the mileage? We gain a good bit.

Let me make another point to the Senator about big automobiles. The Japanese are our biggest competitor with respect to automobiles. What are they going to? They are going to the larger automobiles. That is where the market is; that is where they are bringing their cars. So they are bringing in the biggest cars they make and are putting those on the market. They may get a mile or two better mileage,

but we are on the verge of catching them.

So I hate to see us kick our own manufacturers in the teeth, so to speak, while we let the foreign imports come in, and they are selling more and more of the larger automobiles.

Mr. LONG. Mr. President, if the Senator will yield further, just given a few more years, there is no doubt, in my mind, that the automobile companies can find ways to get even better mileage without so drastically reducing the size of the automobiles.

For example, just new technology of which this Senator has some knowledge that has not yet been installed in the automobile, it should make it possible to reduce the size of the differential so you reduce the size of the gears you have to carry around. You will find something smaller, even more efficient to do the same job. So you have efficient automobiles with less weight to carry. Every time you can reduce the weight——

Mr. FORD. You improve the mileage.

Mr. LONG. You improve your mileage.

Mr. FORD. Right.

Mr. LONG. So as they find more ways to reduce the weight of the automobile they are able to give the public a more comfortable automobile, more like what the public wants to buy.

When you really get down to it, what they are really talking about here is are we going to let the American people buy the kind of automobiles they want to buy. That is what is involved if you put the penalty on General Motors and put the penalty, I believe it is, on the Ford Motor Co. that is also hit.

Mr. FORD. Both of them.

Mr. LONG. You penalize General Motors and penalize Ford. All you are really doing is telling the American people they cannot buy the automobiles they would like to buy. So what a great number would do is just postpone the purchase. That means they would be using more gasoline rather than less and we would have a less fuel-efficient automobile fleet out there on the highway than they would if we told them to go ahead and build the automobile they are trying to build.

Mr. FORD. Is it not strange, also, that when General Motors has just committed $3½ billion to make a more fuel-efficient automobile, they have to build the plant in order to do it, and it would take them roughly 3½ years to construct a plant, another 6 months or so to have it up, so to speak, to begin producing those cars, so by 1989 they are going to have a car on the road that gets 60 miles per gallon on the road, 45 miles per gallon in town, yet we are going to say no to them, we do not want you to have any kind of break, we want to fine you $800 million while you commit $3½ billion to building a new plant to have the automobile on the road that more than meets the standards.

So it just does not make any sense to me that we want to do those sorts of things to those who are providing jobs for Americans.

Mr. LONG. I ask the Senator is this new automobile the Senator is speaking about the Saturn automobile?

Mr. FORD. The Senator is correct.

Mr. LONG. There has been all sorts of publicity around the United States about the site. The site has been selected, I believe, in Tennessee, not in Louisiana or Kentucky, but that is the breaks of the game, as it goes.

Mr. FORD. The Senator is correct.

Mr. LONG. So they have developed the technology and are building the machines and are going to install them at a location in Tennessee.

Mr. FORD. That is correct.

Mr. LONG. And they will proceed to build these new automobiles that will get the kind of mileage to which the Senator refers.

Mr. FORD. That is correct.

Mr. LONG. So the automobiles will be built, they will be designed and, in fact, I think the prototypes are already out, are they not?

Mr. FORD. The Senator is correct.

Mr. LONG. They have been on display and they have had a chance to test the performance and see what they will do. So the automobiles will be built.

But we are talking about what happens between now and then and with the capacity we can build automobiles the public would like to buy. The question is do we let the companies build and sell the product, produce what public would like, which will increase the mileage and give us a more modern fleet of cars on the highway, or do we tell them, oh, no, we know that is what the public wants to buy but we are going to insist that you provide something that will have a little more miles per gallon.

Mr. FORD. The Senator is absolutely correct, as I find him most often, and I hope that those Members who are listening to him now will see his wise advice and help us to defeat this amendment this afternoon on this sense-of-the-Senate resolution.

Mr. LONG. Mr. President, I am simply agreeing with the Senator from Kentucky because I believe he is right.

May I say to the Senator I think my record would indicate I have nothing against the Chrysler Co., and I am not saying this is just a fight between automobile companies, but the Chrysler people oppose it because they are not building this size automobile. They feel it would give the other people of a competitive advantage.

But I do not know how the Senator voted. Did he vote as I did with the Chrysler loan?

Mr. FORD. I sure did.

Mr. LONG. If it had not been for Senators like the Senator from Kentucky and the Senator from Louisiana, Chrysler would not even be in business. So we thought enough of Chrysler to fight for them and help Chrysler to have whatever financial assistance was needed to keep that company going through bad times, and I am glad we did.

Mr. FORD. I am, too.

Mr. LONG. I am sure the Senator joins me. We are just tickled to death that the Chrysler Co. is succeeding in making good. We are glad we voted to do whatever was necessary to help sustain that great company through a bad time and help make it succeed.

To anyone who thinks we do not love Chrysler, I say why did we vote to save them if we did not feel kindly toward that great company and toward their very able chief executive officer, Mr. Lee Iacocca?

We have a situation where the statute clearly contemplates that at this point in our history the automobile makers have the right to come before this Board and to ask that there be some adjustment in the projected increase in the mileage that they would have, and it was intended.

Mr. FORD. That is right. The Senator is absolutlely right. It was put there because we could not see 10 years in the future.

Mr. LONG. And it was intended that certain factors be considered.

Mr. FORD. That is right, and if we were right at the $2.50 a gallon cost of gasoline today at 10 years ago then everything would be fine. But we were wrong on that. Maybe we were wrong on mandating 27.5 miles per gallon in 1986.

Mr. LONG. Is it not true that this Board is one that was appointed by the President and confirmed by Congress or the Senate at least?

Mr. FORD. That is the way I understand.

Mr. LONG. So here are people who are appointed to do this job and to pass on such a request.

Mr. FORD. But you go through the public hearings and all those who hear testimony, and you get all those things. It is just like you are going through the whole law again, but there is only 1 year extension involved and then they will expand it, as I understand it, to 2 years beyond that, but only have to look at a 1-year grant.

Mr. LONG. Is it correct to say that this Board either has or will hold extensive hearings and hear from all those people who have arguments to make for both sides of the argument.

Mr. FORD. They have already scheduled 2 full days of the hearings already.

Mr. LONG. I would like to ask the Senator, can the Senator explain to

me why we, without knowing what the hearings would produce, should undertake to judge the case for them in advance, to deny them the opportunity or at least to try to dictate what their answer would be when we have not even held the hearing.

Mr. FORD. The Senator is absolutely correct. We are prejudging, and I would venture to say that not many people understand the full impact of what this means until all the facts are out on the table. I would hate to have a jury make a judgment for me before the facts are known fully.

So what I see happening here is that we are prejudging what the testimony and hearings will develop and they will hear, "We just want to have our input to say you should not do it, and we are going to put this sense of the Senate in, it is not binding, but we want that to be a part of the hearing."

That is well and good. But we are prejudging. We are making a judgment before all the facts are in—and the Senator is absolutely right.

Mr. LONG. If you assume for the sake of argument that we do our duty just as we expect others to do theirs, and the President did his duty in appointing people he thought properly qualified and we did our duty in confirming people after looking at them and examining their credentials and deciding these were the kinds of people who were well qualified to do this job, can the Senator explain to me why we should dictate to them that they decide it one way before we even have an opportunity to hear what their decision would be and the reasons for it?

Mr. FORD. The Senator just said that we pass laws, we labor through putting it together and sometimes in very minute detail, we dot every i and cross every t, and then at a point we say this is the law and this is the procedure and this is what we have to follow and we demand that those we govern do that, but yet we are saying no, we want to change all that. We want our input. We want to say you should not do it even though we pass the law to allow it to happen. Everyone is following the law. The tract is there. And what we said is now happening. It is transpiring. But yet there is a sense-of-the-Senate resolution here that says do not do it.

Mr. LONG. Is it not true that those of us who are supporting the position taken by the Senator from Kentucky are not seeking to change the law?

Mr. FORD. That is correct.

Mr. LONG. We are not seeking to change what the law contemplated.

Mr. FORD. The Senator is correct.

Mr. LONG. All we are seeking is that the law and the people appointed pursuant to the law do their duty as they were expected to do.

Mr. FORD. The Senator is absolutely correct.

Mr. LONG. And we are not trying to prejudge the case before we have heard it.

Mr. FORD. That is correct. The Senator could not be more right and his statements, I think, are very emphatic as to what is trying to be done here. We are trying to say, "Follow the law."

Mr. LONG. I thank the Senator.

Mr. FORD. In closing, Mr. President, let me just say, no matter what we do here today, no matter what the Secretary of Transportation ultimately decides with respect to the General Motors and Ford Motor Co. petitions, Americans are still going to demand the larger car. If GM and Ford are not allowed to fill that demand, I am sure there are foreign car manufacturers who are only happy to satisfy that market.

So, Mr. President, the CAFE standards have been good for America. Nobody argues that they have been bad. They forced American automobile manufacturers to drastically improve the fuel economy of their products. Nobody is arguing that they have not. And they have helped reduce our Nation's dependence on foreign oil. We have come a long way. We have come a long way from the days of Arab oil embargo and gasoline shortages. Now, we must reassess our objectives.

At a time when gasoline prices and availability have stabilized, we must determine whether the goal of even higher automobile fuel efficiency is worth the risk of crippling our domestic auto manufacturers who are merely trying to satisfy the demand of the American consumer.

I believe it is not worth the risk. It is not worth the jobs it will cost. It is time to declare victory in our efforts to improve our fuel economy and back off a little—1 mile; back off a little bit—and just give them another year or two to comply.

Vast improvements have been made, and I could not feel any stronger about the position that the distinguished Senator from Louisiana took. If we do not give them an opportunity to get the kind of car they want, they are going to keep their old guzzler, getting about 10 or 11 miles per gallon. They can trade it in and get 20, 22, 24 miles per gallon on a new car, and that satisfies them. And if that is not improvement—that is 100 percent. I yield the floor.

Mr. DANFORTH. Mr. President, America's dependence on foreign oil has been a subject of great concern for more than a decade. Our Nation has made substantial progress in our efforts to achieve energy independence in recent years, but we should not become complacent about this progress. The oil crisis has eased for now, but future disruptions in oil supply certainly are possible.

One of the key factors in the reduction of our energy needs has been the corporate average fuel economy [CAFE] standard for motor vehicles. The CAFE standard was established in 1975, with an amendment to the Motor Vehicle Information and Cost Savings Act by the Energy Policy and Conservation Act. The fuel economy program has helped to bring about a near doubling of the fuel economy of new automobiles. But further improvements in fuel economy remain technologically feasible.

Earlier this year, however, General Motors [GM] and Ford submitted petitions to the National Highway Traffic Safety Administration [NHTSA] requesting that NHTSA reduce the CAFE standard for passenger cars for the 1986 model year and beyond from 27.5 to 26.0 miles per gallon. GM and Ford argued that they cannot meet the 27.5 miles per gallon standard, primarily due to strong consumer demand for large cars. These large cars, which are less fuel efficient than their small counterparts, are in such demand mainly due to low fuel prices. Without a reduction in the CAFE requirement for model year 1986, GM and Ford would be subject to large fines for not meeting the standard and, according to these companies, possibly be forced to shut down some production facilities. Ford and GM also maintain that any fuel savings brought about by the 27.5, as opposed to a 26.0 miles per gallon standard, would be negligible.

On July 17, NHTSA issued a notice of proposed rulemaking [NPRM] on the automakers' petitions to reduce the CAFE standard. In this NPRM, NHTSA tentatively concluded that the maximum feasible average fuel economy level for model year 1986 is 26 miles per gallon. NHTSA said that Ford and GM's efforts to meet the 27.5 miles-per-gallon standard "have been overtaken by unforeseen events."

But why can Ford and GM and others not meet the standard? At a June 20 Commerce Committee hearing on Senate Resolution 178, Chrysler pointed out that it consistently has met the CAFE requirements and will meet the 27.5 miles-per-gallon standard in model year 1986. Chrysler undertook a significant investment—about $5 billion—to improve the fuel efficiency of its cars and is continuing to develop fuel-efficient high-performance engines. Chrysler believes any weakening of the CAFE standard would put Chrysler at a competitive disadvantage to its competitors.

As for energy considerations, the Environmental Policy Institute maintains that if the CAFE standard were reduced to 26 miles per gallon, U.S. fuel consumption could increase by approximately 100,000 barrels per day, rising to 200,000 barrels per day by the

mid-1990's. Even NHTSA estimates a maximum increase in fuel consumption associated with a 26 miles-per-gallon CAFE standard would be 1.54 billion gallons, 37 million barrels, over the life of the model year 1986 fleet. This translates into a yearly impact on U.S. gasoline consumption of 210 million gallons.

I am concerned about NHTSA's recent action to reduce the CAFE standard for cars. We must take steps to reduce further our Nation's energy consumption. For this reason, I am pleased to be a cosponsor of Senate Resolution 178, which was introduced by Senator EVANS. This resolution notes the importance of encouraging fuel efficiency and expresses the sense of the Senate that NHTSA should retain the 27.5 miles-per-gallon passenger car CAFE standard specified in current law.

NHTSA will issue its final regulation soon on the model year 1986 CAFE standard. It is not too late for the Senate, however, to take action to encourage NHTSA not to reduce the standard. I urge my colleagues to join me in supporting this important amendment.

Mr. President, I compliment the Senator from Washington for his amendment. It reflects an interest that has been taken by Senator EVANS for some time on the whole question of the energy policy or lack of energy policy in this country. He has raised it today for the Senate to consider.

Mr. President, the issue that is before us now is not a new issue at all. It is an issue which goes back 10 years because, in 1975, the Congress created the concept of the corporate average fuel economy, the so-called CAFE standard. In 1975, Congress believed that if we set targets over a period of years for automobile fuel efficiency, those targets could be phased in over a period, the automobile companies could adjust and plan for those targets, and they could create fuel-efficient cars. The theory that was adopted by Congress in 1975 was that while market principles generally are sufficient to serve national purposes, in the case of fuel economy, we needed something more than just market standards; we needed to do something which would move auto industry in the direction of more fuel-efficient cars, a direction toward which they would not move solely because of market forces. Therefore, we created a table.

We agreed to the table back in 1975. That table provided, among other things, that 10 years later, in 1985, automobiles would have to meet a standard of 27.5 miles. Now, Mr. President, what has happened is that two of the automobile companies, Ford and General Motors, have appealed to the Department of Transportation and have asked that the standard that was set by Congress 10 years ago should not be adhered to and that there should be a rollback.

I think there are two problems with the rollback. The first problem is that it is not fair. The second problem is that the rollback is contrary to the policy that was created 10 years ago and would mean the increased consumption of oil and the increased consumption of gasoline in the United States.

Why is it not fair? The auto industry is a competitive industry. We have three leading manufacturers of automobiles in this country—Ford, General Motors, and Chrysler. All three were told the standard that was to be met; all three were able to plan to meet those standards. Chrysler worked on it, and did meet the standard, and can meet the standard of 27.5 miles per gallon by 1985. Ford and GM claim that consumer preference is for the larger car and that they want a 26-mile standard and they cannot meet 27.5.

So we have created in Congress a set of rules. We have told the auto manufacturers 10 years in advance the rules that they should abide by. Now the Department of Transportation says, let us change the rules. I do not think that is fair. I do not think that is fair to Chrysler, which played by the rules.

Mr. President, if consumer preference were all that should be considered in the fuel efficiency of automobiles, then we would never have passed the law in the first place back in 1975. If it is enough to establish our national policy with respect to energy to say that the consumers prefer large cars, then there is no energy policy. Then we are simply saying to the auto manufacturers, "Build large cars, advertise large cars, promote large cars because that is good enough for us."

Chrysler met the standard. Chrysler played by the rules. Chrysler is being penalized for playing by the rules by the Department of Transportation and it is not fair.

Second, Mr. President, there is still the question of national energy policy and what we are to do, if anything, in order to try to control the consumption of oil within the United States.

The indication from NHTSA itself is that the difference between a 27.5-mile standard and a 26-mile-per-gallon standard is 210 million gallons of gasoline a year, or 1.54 billion gallons of gasoline over the life of the fleet that would be built next year, a difference of 1.5 billion gallons of gasoline.

Now, Mr. President, I suppose the argument can be made, "Well, we now have a glut of oil. There is no current oil shortage, and therefore we don't have to be concerned about it."

I do not share that view. The United States is still dependent on foreign sources of oil. If there is any unstable region of the world, it is the Middle East. The United States is a vulnerable country. The Middle East is liable to do anything at any time. If we cannot protect our passengers on a TWA flight, how can we protect our source of energy? To say that the Department of Transportation should take a step which is going to mean the consumption of 1.5 billion gallons of gasoline over the life of the fleet is to say that energy is no longer a problem, that consumption is fine, that the day of the gas guzzler can return.

The position of the Department of Transportation is not fair. The position of the Department of Transportation is contrary to what should be the energy policy of this country. Therefore, Mr. President, I am pleased to join with the Senator from Washington in urging the adoption of his amendment.

The PRESIDING OFFICER (Mr. MCCONNELL). The Senator from Washington is recognized.

Mr. GORTON. Mr. President, in these times of complacency about our Nation's long-term energy outlook, I commend my distinguished colleague from Washington for his foresight in introducing the amendment that we are considering today. While gasoline prices may now be at an unanticipated low, and supplies at an unexpected high, we would be naive to presume that these conditions will prevail indefinitely. Our foreign oil sources continue to be vulnerable and unpredictable because they are for the most part located in politically volatile regions, and because of their own interests in high prices. Moreover it has recently come to light that our domestic sources are not as plentiful as we had believed. We must therefore remain diligent in our efforts to conserve energy.

The CAFE standards were developed in 1975 to require American auto manufacturers to develop the technology to market fleets of fuel efficient cars. On the whole, these standards have been a great success, leading to a reduction in our Nation's reliance on foreign oil supplies. But now two auto companies have successfully petitioned the National Highway Traffic Safety Administration, gaining at least temporary relief from their obligations to achieve the final standards required under the CAFE law. Their justification is that consumer demand requires them to sell so many large, low mileage cars that they simply cannot meet their overall fleet average requirement. This argument is not new. If it had been heeded in 1975, there would have been no CAFE laws, and American cars would be substantially less fuel-efficient, and competitive, as a result.

In addition to representing a retreat from sound energy policy, a reduction in CAFE standards would be a conces-

sion to the special interests of Ford and GM at the expense of Chrysler, which has fully complied with its CAFE requirements. I believe this unfairly penalizes Chrysler, which has incurred substantial expense in order to meet its obligations under the law.

Again, I wish to commend the Senator from Washington for his leadership on this issue, and I lend my full support to his effort.

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, my colleagues know that I originally cosponsored this resolution with the distinguished Senator from Washington, and I rise today to indicate my concern and my strong feeling that Congress has an obligation to speak out to defend the integrity of the CAFE standard. It is both an important symbol of our national commitment to energy conservation and, frankly speaking, one of our most effective energy efficiency measures. Even the Department of Energy admitted that fuel efficiency improvements have yielded savings of 1 million barrels of oil per day.

Now, that is not exactly hay—a million barrels of oil a day is a major energy factor. But to be quite frank, I think we all must recognize that events have outpaced this resolution. Two weeks ago the National Highway Traffic Safety Administration announced that it planned to roll back the CAFE standard from its current level of 27½ miles per gallon to 27 miles per gallon for the 1986 model year. The decision to lower this 10-year-old standard was in response to a plea from Ford and General Motors, who faced hundreds of millions of dollars in fines for refusing to comply with the standard. The concerted efforts of Ford, General Motors, and NHTSA to roll back the standard have been one of the most shameless displays of cynicism and greed that I have seen in a long time. For this reason I believe that if we adopt the resolution under consideration, it will fall on deaf ears. The decision has been made regardless of what the Senate of the United States says. Only strong and direct legislative action will protect the CAFE standard.

Ford and General Motors are reneging. They are reneging on a series of commitments they made to Congress, but, more important, than that, they are also reneging on the series of commitments they made to the country.

Over the last 10 years they continually promised to meet the CAFE standard of 27½ miles per gallon. In fact, in 1977 and 1978 Senator Jackson, of revered memory, and I worked hard to establish mandatory mileage minimums. Our proposal would have banned the production of cars achieving less than 16 miles per gallon and increased the minimum by 1 mile per gallon per year until the minimum standard for all cars was 21 miles per gallon.

I am frank to say to my colleagues that I have a car that is less than 2 years old and gets somewhere between 12 and 14 miles per gallon. If that minimum standard has been enacted, we would be getting anywhere from 7 to 9 miles per gallon more, and it is a small car. It is a Ford. If we had had that mandatory minimum, we would have ensured there would be no gas guzzlers to hold down the overall corporate average. But the car companies opposed us. They assured us, they promised us that they would meet the CAFE standard without the additional regulation. As a matter of fact, as recently as last year Ford and General Motors were telling a House subcommittee that they would meet the standard. Now, facing hundreds of millions of dollars in fines, they suddenly ask the administration to change the standard under the law to protect them. Why? Ford and General Motors would tell us that they are victims of the market, that consumer demand for large gas-guzzling cars has prevented them from complying with the standard.

Well, let me say this. If you read your newspapers, if you watch your TV ads, you would find that General Motors and Ford were hyping, were pushing, were advocating the sale of their big cars. And they were willing to sell those big cars and give a lower interest rate than would otherwise be charged in financing an automobile.

Ford and General Motors overstate the consumers' shift to large cars. As a matter of fact, Government studies show that the demand for large cars has remained fairly constant since 1980, in spite of the extra push and hype of GM and Ford. These companies are not victims. Ford and General Motors spend millions and millions of dollars each year to convince the American people of what kind of car they want. What do they push? Big cars. Why do they push them? Because they make a bigger dollar in selling the big cars.

Mr. President, it is very telling that even the Automotive News, the newspaper of the industry, accused Ford and GM of speaking out of both sides of their mouths when they ask that the CAFE standard be surrendered to the forces of the free market, while simultaneously employing artificial marketing standards to push their gas guzzlers.

Mr. President, I ask unanimous consent to have printed in the RECORD the editorial from Automotive News.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Automative News, July 8, 1985]

MILEAGE AND MARKETING

EPA has given automobile makers an early Christmas present on fuel-economy adjustments, and just about every maker except Chrysler is happy as a clam.

But the really big question is yet to be settled and that has to do with whether NHTSA will change the 27.5-MPG Corporate Average Fuel Economy (CAFE) and higher numbers that lurk ahead for the domestic and import automobile makers.

While we have previously discussed the pros and cons of big cars and small cars, there is one thing that continues to trouble us. We think it is an industry practice that should be stopped.

We have heard the arguments over the years about a free marketplace—arguments that the automobile industry should let the consumers decide just what automobiles they want to drive and buy and that the government should not get involved in this aspect of a free economy. All that is well and good and it would be pretty hard to argue with that aspect of marketing and a free economy.

At the same time, we believe that it is in the best interest of society to help convince the public that smaller, more-fuel-efficient automobiles are a great way of helping conserve our limited resources.

The automobile industry has made some gigantic strides in the last decade in developing safer, more-fuel-efficient and cleaner automobiles. Cars that used to get 12 MPG are now getting 22 MPG, and it is no longer breathtaking to hear about an automobile that gets 40 or 50 MPG on the open road.

And let us not forget that almost all of those improvements resulted from laws that mandated safer, more-fuel-efficient and cleaner automobiles. If there is any doubt, just look at any other country with lower standards and you will find that cars are built to the minimum standards necessary to comply with the laws of that nation. Some car companies, different countries, different laws.

In the U.S., automobile companies are still building passenger vehicles that meet truck safety, emission and fuel standards and are used and marketed as passenger cars.

We are seeing too many incentives for cars that have less than the average fuel economy. If we believe in a free economy, we should not create artificial marketing standards to pump up sales of larger, less-fuel-efficient cars by using rebates and other marketing devices that are designed to inflate sales. If an auto company wants a free marketplace, it should let the marketplace exist without promotions and incentives for the cars that don't meet the standards and the public didn't want in the first place.

If the public doesn't want big cars, then don't help to change its mind. The auto makers are talking out of both sides of their mouths.

Mr. METZENBAUM. Mr. President, it is also important to note that Ford and General Motors clearly had the opportunity and ability to meet the standard. They refused to comply with the law because they could make more money by selling older, inefficient large cars than if they replaced them with more fuel-efficient models.

Their motivation is not the national interest. It is greed, just pure and simple greed. The Reagan administra-

tion, with such a tough reputation for law enforcement, in this instance is abetting the strategy for Ford and General Motors. No one says that they are violating the law, because the law did provide that there could be a modification, that the regulations could be changed. But those averages were set with the understanding that they would be met, and Chrysler lived up to them, and everybody expected General Motors and Ford to do so as well.

In early July, the Environmental Protection Agency retroactively increased CAFE ratings for the 1980 and later model years.

Then, as already noted, NHTSA announced plans to rollback the 1986 CAFE standard. The combined effect of these two actions will allow the two companies which have chosen to disregard the standards set under the law to be absolved of the hundreds of millions of dollars in fines they face, and escape bearing the responsibility of their actions.

What is now coming to light is the fact that NHTSA may have set the standard at a level below what Ford and GM claim they will be able to achieve.

The most recent 1986 CAFE projection submitted to NHTSA by Ford shows that the company expects to exceed that 26 mpg level in 1986. There are indications that the latest GM projection reaches a similar conclusion.

How NHTSA can determine the most technically feasible and economically practicable standard is at a level lower than the companies themselves say they expect to achieve is beyond comprehension. But we know what is going on. The fix is in. The die has been determined. We knew it months ago. We knew that the two automakers were going to get what they wanted and that nobody was going to be able to stand in the way of General Motors and Ford.

General Motors and Ford came down to Congress, telling us about all the unemployment that would result and telling us that if we did not change the standard, it was going to be a travesty, and they would be laying off workers. Whom are they kidding? Would they really lay off workers and shutdown, or would they figure out some way to pay the penalties they owe and continue making the hundreds of millions of dollars they have been making?

NHTSA is setting the standard so low that Ford and General Motors are guaranteed to exceed it and build up enough credits to offset the huge penalties they face.

It is quite clear that the administration acted to protect these two powerful corporations from the law, rather than enforce a standard which has been met by many other auto companies, including two American firms.

We make a mockery of the fuel-efficiency standards and our national commitment to energy conservation when we permit the administration to get away with it.

What Ford, General Motors, and NHTSA have shown us is that it is easier and more profitable to get the administration to change the rules than it is to comply with them.

So it is up to Congress to step in and reaffirm our commitment to energy security and preserve the fuel-efficiency standard.

That is why I am reluctant to use this resolution as the vehicle.

I believe that we must do more than urge this administration to retain the current CAFE standard. If it is to be preserved, it will be necessary for Congress to mandate that it be retained.

Mr. President, I am going to vote with the distinguished Senator from Washington. I am going to support the resolution. I urge my colleagues to support the resolution—not because I believe that the resolution will solve the problem, because I do not believe it will; but if this body has the temerity and the courage to stand up to General Motors and Ford and to support the Evans resolution, then I think we can return and, perhaps by legislation, do that which we should be doing in the first instance.

The defeat of a motion to table the resolution and subsequent adoption of the resolution would send a loud and strong signal to the administration that we do not approve of their actions favoring Ford and General Motors.

Mr. EVANS. Mr. President, we have listened to arguments on both sides of this issue, and I should like to take a few moments toward the end of this debate to respond to some of those who are against this resolution.

Several Members talked about the potential of jobs lost if companies were not able to meet the standards. Even in the Department of Commerce study, they did not suggest that some of those expectations would happen. They only said that in a worst case scenario that could happen.

Ford and General Motors, faced with the alternative of not meeting the standards and paying a fine or closing down some of those plants, would obviously pay a fine. It is no more credible to believe that they would shut down those plants than it is credible to believe that someone driving round and round a busy place to which he wants to go, finding the parking lots full and suddenly finding a place in front—illegal to park in, but nonetheless available—would not find it tempting to pull in, park, and pay the fine. Of course they would. But that is not what is really at stake. It is not a question of paying the fine or laying off people. It is doing every possible thing to meet the standards as they were established 10 years ago.

The distinguished junior Senator from Louisiana talked about the price versus the amount of gasoline, and there has been much emphasis on the miscalculation as to the price of gasoline today as compared with our expectations of 10 years ago. There has been a lot of talk about a glut of oil. There is no glut of oil. There is not one more gallon of oil on this Earth today than there was 10 years ago, if you take from that the amount that was used in the intervening period of time. There is only so much. The so-called glut is just a question of demand versus supply.

There are a good many sitting up in this gallery who are young, who have a long life to live, and because of the perceived glut of oil, the perceived low price of oil, we simply are going to use an inordinate share of what remains because it is convenient.

I do not think that it is appropriate for the Senate, I do not think it is appropriate for the country.

Some have suggested that somehow we passed a law 10 years ago giving the Department of Transportation a chance to ameliorate these standards, and they are going through the process of attempting to do that now and somehow that it is wrong, therefore, for the Senate to express its opinion.

If it is wrong for the Senate to ever express its opinion on the actions or the activities of the executive branch of Government, we could shorten our yearly sessions by several months, because we spend an inordinate amount of time perhaps dealing with actions of administrative agencies. We do it all the time.

I think that the method I have chosen is one which is particularly appropriate. After all, this does not interfere with the process that has been established by Congress 10 years ago; in effect, a public comment during the comment period by a group of concerned citizens.

If we are not concerned citizens, if we have not the opportunity and the privilege of presenting our views during this public comment period, then something is wrong. Rather than interfering with the process, I suggest that it contributes to its vitality, and certainly the Secretary of Transportation I think would like to hear from the Senate and from the House of Representatives, for that matter.

Some have suggested that, well, it really does not make much difference. It is only a fraction of 1 percent decrease in what otherwise would be called for.

That reminds me of the famous statement of Senator Everett Dirksen many, many years ago: "A billion here and a billion there, and pretty soon it adds up to real money."

A tenth of a gallon here and a tenth of a gallon there and multiplied by the number of miles and the number of automobiles it does add up to real gallons.

Some have talked about the need to do this. Well, the major consideration is that while prices of fuel can change overnight, today if we have not met the standards as suggested it is because prices are too low, that they are not where they were expected to be 10 years ago. Well, that may be true. We also know that prices can change virtually without notice. It has already happened twice in the last 10 years. But you do not change automobile models overnight. You do not change them in a week or a year. It takes several years of lead time and to consider only price, as some have suggested, to consider only price is simply inadequate, and, in fact, it is inadequate according to the law.

Listen to the four factors that the National Highway Traffic Safety Administration was required to consider. Now, I personally think they paid no more than lip service to everything except one of those four determinations.

To determine the maximum feasible average fuel economy the Secretary shall consider, first, technological feasibility.

I think it is quite clear that the technological feasibility is there. It has been there. It is there not only for small cars. It is there for large cars as well.

Let me repeat, for the benefit of some of those who may not have heard it, a couple of those examples which I think are important to understand.

Large cars: Chrysler Fifth Avenue old model, $18,000, six-passenger, rear-wheel drive, V-8, gets 16 miles to a gallon in the city and 21 to 24 miles per gallon on the highway; the Chrysler New Yorker, a new technology automobile, same price, same size, four-cylinder, turbine engine, front-wheel drive, gets 22 miles per gallon in the city and 25 to 27 on the highway, and what is more it has every bit the same acceleration, the same performance, will do everything for you that the old model will do, with one exception—it gets a whale of a lot better gas mileage. And both are available. Why anyone buys the old one I will never know.

Or Cadillac Eldorado or Fleetwood Brougham, the top-of-the-line Cadillac, a $30,000 automobile, the old one, rear-wheel drive, 4.1-liter engine, 16 miles to a gallon in the city and 22 on the highway; the new car, same model, front-wheel drive, same engine, about $1,000 less expensive, same size, 18½ miles in the city and 24½ on the highway.

The technological feasibility—no question that it is there.

The effect of other Federal motor vehicle standards on fuel economy, No. 2—now since the original estimates were made, the only motor vehicle standard which is relevant that has affected fuel economy estimates is simply the failure of the industry to implement mandatory restraints which would have reduced, by approximately four-tenths of a mile per gallon, the fuel efficiency estimates. That is a choice which could have been made and which, because it was not made, the automakers have received some benefits on the fuel efficiency standard.

The third consideration: the need of the Nation to conserve energy. That need is still there. It still must be considered.

Some suggest that this is not very much, but the differences we are talking about adds up, just for this one model year to 12 days' worth of oil imports. It is equivalent to 12 days' worth of withdrawals from the strategic petroleum reserve (SPR), and we have a preciously difficult time getting anyone to add to that supply, saying that it costs too much; we did not have the budget; we want to delay filling SPR. Here is the way to add to SPR, in a sense. It is just the same thing. You cut down the use or you add to the amount that you put in reserve.

I have stated before extensively the increasing dependence which we now have on foreign sources—others have talked about the same thing—that clearly points up the need of the Nation to conserve energy.

That is three of the four considerations.

It seems to me all three of those, particularly the technological feasibility and the need of the Nation to conserve energy, speaks strongly for maintaining the standards, and it is only economic practicability that some suggest require its lowering.

I have already pointed out that the cars are available. They are on the lots. They could be sold. The advertising could lead people in that direction.

But let us talk about for just a moment this question of people demanding large cars. Is that really true?

Well, if you look through the market share for our domestic fleet over the last 4 years, and I can pick the last 3 years, 6 years, 5 years—going back to 1980 is a good example—to look at the number of large cars. The market share of large cars in 1980 was 19.2 percent; in 1984 it is 18.9 percent. It is down, not up. Mid-sized cars, the next smaller, 1980, 43.9 percent; in 1984 it is 37.7 percent, which incidentally is the lowest at any time in the last 6 years. In 1980, the number of compact cars—the number of compact cars is up from 6 percent to 27 percent, and the number of subcompact cars down—here is where it is down from 26.9 to 14.3 percent.

If there has been a real movement in market share it has not been to the large cars. That market share is down. It has not been to mid-sized cars. That market share is down. What is has been is a movement from subcompact to compact cars, and in both of those areas all manufacturers clearly meet the fuel efficiency standard.

So the purported demand of people for large cars may be a good anecdote, but it is not borne out by the facts. It is not borne out by the sales records. It is not borne out by the market share.

Mr. President, I think the four standards set by this Congress 10 years ago, if looked at adequately, honestly, and completely, would lead to but one conclusion, and that is we ought not to retreat from what we started to do 10 years ago but to keep the standards where they are. It is perfectly appropriate for this Senate, through a sense-of-the-Senate resolution, to tell the Secretary of Transportation that this is what we believe. Certainly we have every right, just as other citizens do, to express our opinions in a public comment period.

Mr. NICKLES. Mr. President, I think the arguments on this issue have been hashed back and forth and probably repeated. I will endeavor not to repeat those.

I will make about two or three comments and then hopefully the majority leader will make a tabling motion, which I hope the Senate will adopt.

Just to maybe correct or give a counter viewpoint of a couple of items, I have heard three or four speakers in the last several minutes mention that if we do not adopt the Evans-Metzenbaum resolution that we are being unfair to Chrysler. Well, Mr. President, I totally disagree. I think our colleagues should know and should be aware of the fact that Chrysler, in 1979, also petitioned the Department to revise their standards and roll them back for light trucks, which the Department did.

Now we have GM and Ford that are petitioning for a rollback, and now we hear it said that it is unfair. They also say, "Well, they are competitors. We need to treat them equally."

I do not recall that GM or Ford received billions of dolllars' worth of Government loans. So I do not think that argument holds up and I hope that Members will be aware of that.

We have also heard, "Well, we are changing the rules at the 12th hour."

Mr. President, the law written by Congress in 1975 allowed for the manufacturers to petition if they felt it damaged their companies. It allowed them to petition to roll back the standard. That is exactly what they are doing. They are doing it exactly as prescribed by the law.

I personally believe they have legitimate gripes. It is not just those manufacturers. We have heard how greedy they are. We have also heard it would not cost jobs. I heard someone mention, "Well, it really would not cost jobs."

I will quote from the Department of Commerce report.

The Department of Commerce estimated that the effect of GM and Ford achieving 27.5 miles per gallon CAFE in 1986 could mean sales losses ranging from 750,000 to 1 million units. Based on the labor required for producing large domestic cars, including suppliers, the Department estimated job losses between 80,000 and 110,000 jobs.

I think that is important. I hope that people will realize that.

Then we talk about being fair. "Well, they just don't want to pay their fines." Well, I heard GM and I heard Ford. No; they did not want to be fined millions of dollars, but they also did not want the board of directors saying, "Wait a minute, we are breaking the law." So, they want to be in compliance with the law. It is not just the fines.

In the second place, if they paid the fines, who is going to pay the fines? It is going to be the people buying these cars and the cars are going to cost that much more. The net result of this ruling will be that we are mandating to the manufacturers that they do not make as many big cars, and if they do not make as many big cars, those cars are going to cost that much more, as well. I think it is in the interest of the consumers not to be mandating GM and Ford to make less big cars and, therefore, the prices go up and up.

I hope we will support the majority leader's motion to table.

Mr. LEVIN. Mr. President, I am voting to table the Evans amendment for reasons which are mainly those of carrying out congressional intent.

The law provides the Secretary of Transportation the flexibility to—

Amend the average fuel economy standard to a level which he determines is the maximum feasible average fuel economy level for such model year.

The law goes on to make an exception to that flexibility as follows:

Except that any amendment which has the effect of increasing an average fuel economy standard to a level in excess of 27.5 mi/gal or of decreasing any such standard to a level below 26.0 mi/gal * * * shall not take effect if either House of the Congress disapproves such amendment in accordance with the procedures specified in such section.

The legislative history also addresses this issue. The House Committee report says:

The committee in this instance set the standard at the highest potential level of fuel economy (28 mi/gal) which any of the studies available to the committee indicated was attainable, but provided that the standard could be modified administratively (subject to congressional veto) on the basis of information which becomes available in the next 5 years. It is the committee's hope that this procedure will provide the industry with a clear target for 1985 while at the same time providing the program with the necessary flexibility.

The Conference Report on the Energy Policy and Conservation Act [EPCA] makes it very clear that:

The Secretary of Transportation is given authority to adjust the "1985 and thereafter" standard within the range 26.0–27.5 mi/gal to a level which he determines is the maximum feasible average fuel economy level for any such model year.

What is implicit in these statements is that as long as the Secretary of Transportation sets the standard for 1985 between 26.0 and 27.5 mi/gal, it is presumed reasonable and the Secretary should have the flexibility to set standards within that framework.

The Secretary of Transportation has proposed to set the standard at 26.0 mi/gal for model year 1986. If I were the Secretary of Transportation, I might have proposed another standard. However, the statute and the congressional reports with regard to this law seems to point to the range of 26.0–27.5 mi/gal as being within the flexibility given to the Secretary.

Mr. President, for these reasons I will support the motion to table the amendment.

Mr. McCONNELL. Mr. President, I not only disagree with the substance of this amendment but with the tactic, as well. The Senator's amendment "urges" the Department of Transportation not to roll back the Federal auto fuel efficiency standards. I believe this is neither our place nor should this be our goal.

On July 18, the Department of Transportation issued a Notice of Proposed Rulemaking to revise the Corporate Average Fuel Economy [CAFE] standards from 27.5 to 26 mi/gal. When Congress passed the Energy Policy and Conservation Act in 1975, it recognized that unforeseen circumstances might dictate different standards. For that reason, Congress granted the Department the discretionary authority to modify the standards, up or down. Circumstances have changed, Mr. President, and it is only practical and feasible that the Department has chosen to exercise its authority to modify the standards.

The Department of Transportation has found that the 26 mi/gal standard is consistent with our energy conservation goals. The Department of Energy supports this view. If this is the case, and I trust that it is, then I see no justificable reason for pushing a standard that was set 10 years ago. Times have changed, Mr. President. There was a time and a place for mandating increasingly higher fuel economy standards. But that time has passed.

Our car manufacturers have responded to our energy supply problems by retooling and producing a more energy-efficient fleet. They should not now be penalized for the strides that have been made over the past decade or for their efforts to respond to market demand. These penalties could be far-reaching.

It is my understanding that product restrictions imposed by the higher standard could result in possible sales losses of 1 million vehicles for Ford and General Motors. In addition, 110,000 jobs, and possibly more, could be lost. Are we willing to let this happen to our domestic manufacturers and their employees just because Congress happened to determine some standard 10 years ago. I hope not, Mr. President, and I urge defeat of the amendment.

Mr. LAUTENBERG. Mr. President, I rise today in support of Senator Evans' amendment expressing a sense of the Senate to retain the current fuel efficiency [CAFE] standard. I am a cosponsor of the original resolution that was introduced to retain the standards because I believe that the Nation's conservation goals will not be served by rolling back the standard. Maintaining the CAFE standard is an important part of our commitment to energy conservation, and it has proven to be a cost-effective way of conserving energy while reducing U.S. vulnerability to foreign supply interruptions.

Congress must stay involved in energy management. While we are currently enjoying lower gas prices and an oil surplus, we must not forget that America's natural resources are limited. Recent estimates by the Department of the Interior indicate that U.S. offshore oil and gas reserves have decreased by 50 percent in the last 5 years and that Alaska, considered the last major U.S. oil frontier, will decline in production by 70 percent by 1990. The Congressional Research Service predicts that total domestic production of oil will decline by as much as 30 percent by the year 2000. Meanwhile, oil imports rose last year for the first time since 1979. The United States imports one third of its crude oil, much of it from unstable regions in the world.

With the proposed decrease of corporate average fuel economy standards to 26 mi/gal from 27.5 mi/gal, Americans would use an additional 2.6 billion gallons of gas a year. And if all the cars on the road today achieved the 27.5 mi/gal standard rather than the current average of 17 mi/gal, oil imports could be reduced by more than 29 billion gallons of gas a year. The Americans for energy independence estimate that, with current technology, a 35 mi/gal target is not unrealistic.

Mr. President, lowering the CAFE standard would send the wrong signal to the American public. We must continue efforts to become energy independent.

Mr. HOLLINGS. Mr. President, I support retention of the Corporate Average Fuel Economy [CAFE] standards established for passenger automobiles under the Energy Policy and Conservation Act [EPCA] of 1975. The motor vehicle fuel economy standards represent one of the most significant energy conservation programs in this country. Although Federal law grants the Secretary of Transportation the power to roll back the CAFE standard, it was Congress which created the law. In 1975, I played a key role in seeking passage of the Automobile Fuel Economy Act of 1975, which was incorporated into EPCA.

That was 1975. We Americans had just had our first cruel lesson in the politics of the world energy market. The 1973 Arab oil embargo woke us up to the fact that America was woefully dependent on foreign oil, and that energy policy was just too important to our economic well-being and national security to be left totally to the uncertainties of the marketplace. So we in Washington set out to establish long range planning, with the particular goal of reducing our dependency on foreign oil. EPCA and the CAFE standards are part of that legacy.

Now, 10 years later, we are realizing how valuable this planning has been. New passenger car fuel economy has almost doubled, thanks to the CAFE standards, and because of that we're saving more than 1 million barrels of oil each day. Thanks partly to our conservation efforts and partly to stabilization in the world market, gasoline has not hit $2 per gallon as we had projected in 1975. The price is significantly lower.

Although the Nation's energy situation has eased greatly since the previous decade, the single largest item in the U.S. trade deficit is still petroleum. Our Nation's recoverable offshore oil and gas reserves may take us through the next decade, but our supply is limited and is unexpectedly lower than we anticipated. Maintaining mandatory fuel economy standards is necessary not only to conserve energy in the best possible manner, but to reduce our Nation's dependency upon foreign energy supplies now and in the future.

Congress adopted the CAFE standards to improve vehicle fuel efficiency over 1974 levels by 50 percent in 1980, and 100 percent in 1985. The 1985 standard was set at 27.5 mi/gal. The Secretary of Transportation was also given authority to amend the standard for a given model year by considering the following four criteria: First, technological feasibility; second, economic practicability; third, the effect of other Federal motor vehicle standards on fuel economy and; fourth, the Nation's need to conserve energy. Now, after 10 years notice, GM and Ford, two of the largest automobile manufacturers in the world, have petitioned the National Highway Traffic Safety Administration [NHTSA] to lower the present CAFE standard from 27.5 to 26 miles per gallon. I find this hard to believe when Chrysler and other car manufacturers can and will meet both the transportation needs of the public and the current CAFE standards.

I would hope we have learned from our experiences of the past how important it is to reduce this Nation's dependency on foreign oil. Although we are now experiencing energy complacency, there is no guarantee that we'll never again be the target of an oil embargo similar to that of 1973. It may be summer now, but we should still be prepared for the possibility of a long, hard winter.

I support the amendment urging the Administrator of NHTSA to retain the current automobile fuel economy standards for passenger automobiles.

Mr. BUMPERS. Will the Senator from Oklahoma yield?

Mr. NICKLES. Yes.

Mr. BUMPERS. I have just one or two questions. In the past, I believe that the automobile industry has taken advantage of a rule which permits, for example, General Motors, if they exceed the standards, they are entitled to some credit, are they not?

Mr. NICKLES. The Senator is correct.

Mr. BUMPERS. And they will have used up all of those credits sometime this year, is that correct?

Mr. NICKLES. I believe the Senator is correct.

Mr. JOHNSTON. Will the Senator yield?

Mr. NICKLES. Yes.

Mr. JOHNSTON. Am I not correct that they would not have used them all up but they expire at the end of 3 years? I think they have some unused credits which would expire this year and, therefore, could not be used next year. I believe that is correct.

Mr. BUMPERS. Well, let me ask the Senator this: Does NHTSA have the authority to waive the 3-year rule, or is that statutory?

Mr. JOHNSTON. If the Senator will yield, I believe that is statutory.

Mr. BUMPERS. My second question is: Under the present proposal—and I do not guess it is in the form of a proposal yet, it is just a regulation about to be issued by the Department of Transportation—if a 1-year moratorium is declared and the 26-mile-per-gallon limit prevails for 1986, will General Motors and Ford, are they proposing to pay back the excess that they exceeded the standards by in 1986 by achieving the standards at sometime in the future, or is this lost forever?

Mr. NICKLES. I am not sure.

Mr. BUMPERS. Do I need to repeat the question?

Mr. NICKLES. Let me try and answer what little bit I know on that. I believe that GM and Ford are petitioning for a 3-year extension. It would be 26 for the next 3 years instead of 27½ the next 3 years. But the ruling today is just for 1986 and the Transportation Department would then make a decision on subsequent years.

Mr. BUMPERS. Well, General Motors and Ford are not proposing, then, to exceed the 27½ or meet the 27½-mile standard by some period of time, or exceed it by some period of time to make up for the deficiencies that might accrue if we had not waived the rules over the next 3 years.

In other words, they get the benefit of this mile-and-a-half standard over the next 3 years and they are not proposing to pay it back after that; is that correct?

I understood in hearings—and I believe the Senator was there—I understood in hearings that General Motors, for example, is saying once they get their Saturn plant operational they will achieve the standards by far.

Mr. NICKLES. That may well be the case. But the Senator is also aware the Saturn will not really be produced until probably beyond the years that we are talking about. I would be surprised if the Saturn rolled off before 1988.

Mr. BUMPERS. The answer to my question is, no, they are not proposing to ever make up for the deficiency that will exist over the next 3 years?

Mr. NICKLES. Not to my knowledge.

Mr. DOLE. Mr. President, I move to table amendment No. 552 offered by the distinguished Senator from Washington, Senator EVANS and others, and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DOLE. Mr. President, there will be one additional vote after this.

Mr. HELMS. Mr. President, I ask unanimous consent that I may be allowed to proceed for 1 minute with a suggestion.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I have an amendment which I think will be unanimously agreed to, but I do want a rollcall vote on it. I suggest to the majority leader, if it be his wish, that we lay aside this pending amendment temporarily and let me talk on mine, get the yeas and nays on it, and then you could stack the votes.

Mr. DOLE. Is that all right with the managers? How much time does the Senator need?

Mr. HELMS. Four minutes, equally divided.

Mr. DOLE. Let us see if we can clear that on the other side.

Mr. JOHNSTON. Will the distinguished Senator tell us what the subject matter is?

Mr. HELMS. I will read it. It is a very short amendment.

At the appropriate place, insert the following: It is the sense of the Senate that the Congress should not adjourn in August of 1985 until the Congress has agreed to a conference report on S. Con. Res. 32 and until the Senate has undertaken consideration of the farm bill, S. 616.

Mr. JOHNSTON. I cannot agee to that without discussing it on our side.

Mr. HELMS. I would say to the Senator that we will vote on it this afternoon, one way or the other. I am just trying to save the time of the Senate.

Mr. JOHNSTON. As the floor manager, I simply cannot agree to that. It is not that I oppose it, however.

Mr. HELMS. I understand. Very well.

I thank the Chair.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kansas to lay on the table the amendment of the Senator from Washington. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Alabama [Mr. DENTON], the Senator from Virginia [Mr. TRIBLE], and the Senator from Connecticut [Mr. WEICKER] are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Delaware [Mr. BIDEN], the Senator from New Mexico [Mr. BINGAMAN], the Senator from New Jersey [Mr. BRADLEY], the Senator from New York [Mr. MOYNIHAN], the Senator from Georgia [Mr. NUNN], and the Senator from Michigan [Mr. RIEGLE] are necessarily absent.

The PRESIDING OFFICER [Mr. MATTINGLY]. Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 52, nays 39, as follows:

[Rollcall Vote No. 166 Leg.]

YEAS—52

Abdnor	Gore	Melcher
Andrews	Gramm	Murkowski
Boren	Grassley	Nickles
Boschwitz	Hatch	Pressler
Bumpers	Hawkins	Pryor
Byrd	Hecht	Quayle
Chafee	Heflin	Rockefeller
Cochran	Helms	Sasser
D'Amato	Humphrey	Simpson
DeConcini	Inouye	Stennis
Dodd	Johnston	Stevens
Dole	Kassebaum	Symms
Domenici	Kasten	Thurmond
East	Levin	Wallop
Exon	Long	Warner
Ford	Lugar	Wilson
Garn	McClure	
Goldwater	McConnell	

NAYS—39

Armstrong	Chiles	Dixon
Baucus	Cohen	Durenberger
Bentsen	Cranston	Eagleton
Burdick	Danforth	Evans
Glenn	Lautenberg	Pell
Gorton	Laxalt	Proxmire
Harkin	Leahy	Roth
Hart	Mathias	Rudman
Hatfield	Matsunaga	Sarbanes
Heinz	Mattingly	Simon
Hollings	Metzenbaum	Specter
Kennedy	Mitchell	Stafford
Kerry	Packwood	Zorinsky

NOT VOTING—9

Biden	Denton	Riegle
Bingaman	Moynihan	Trible
Bradley	Nunn	Weicker

So the motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. McCLURE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, let me indicate that there is a good likelihood of one additional vote. It should not take any lengthy period of time, but I am advised by the distinguished Senator from North Carolina that he will offer an amendment and he does want a vote on the amendment. I am notifying Senator DOMENICI, who wanted to modify the amendment. It is my hope we can dispose of it rather quickly.

AMENDMENT NO. 1553

(Purpose: To express the sense of the Senate that the Senate will not recess until the Congress has agreed to a conference report on S. Con Res. 32 and until the Senate has undertaken consideration of the Farm Bill, S. 616)

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, I have an amendment at the desk which I call up and ask to have considered.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from North Carolina [Mr. HELMS] proposes an amendment numbered 553.

At an appropriate place, insert the following new section:

SEC. . It is the sense of the Senate that the Congress should not adjourn in August of 1985 until the Congress has agreed to a conference report on S. Con. Res. 32 and until the Senate has undertaken consideration of the farm bill, S. 616.

Mr. MELCHER addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina has the floor.

Mr. HELMS. Mr. President, it has been suggested that I seek a time agreement on this amendment. I am perfectly willing to do so: 4 minutes equally divided. I propound that as a unanimous-consent request.

Mr. DANFORTH. I object Mr. President.

The PRESIDING OFFICER. The objection is heard.

Mr. MELCHER addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina has the floor. Does the Senator from North Carolina yield?

Mr. HELMS. Mr. President, I shall yield the floor in just a minute, because if ever a piece of legislation or proposed piece of legislation spoke for itself, this does.

Throughout this country, the American people are wondering what is going on in Washington, DC. And my answer to that is "practically nothing." We have spent 7 months. We are hung up on the budget. We are hung up on the farm bill, even though, I might add, we are moving along toward resolution of the latter. But I think we ought to send word through this sense-of-the-Senate amendment to the effect that this Senate is willing to forgo, if necessary, a part of its August recess in order to complete the business of the people.

Now, Senator DOMENICI has suggested a slight alteration of the wording with reference to the budget resolution conference report, and I am perfectly willing to accept his modification if and when he comes to the floor. Otherwise, Mr. President, I hope we can vote up-or-down on this amendment.

Mr. NICKLES. Will the Senator yield?

Mr. HELMS. Yes.

Mr. NICKLES. Will the Senator be kind enough to make me a cosponsor of his amendment?

Mr. HELMS. I will be honored to do so. I ask unanimous consent.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ABDNOR. Will the Senator yield?

Mr. HELMS. Yes.

Mr. ABDNOR. Mr. President, I, too would like to be added as a cosponsor. If I might say so, just today I wrote our majority leader asking him to do this very thing. I know of nothing that is more vital to my State and probably to the Midwest than this matter of passing farm legislation. By the time I am home in the August recess, near the end of it, the farmers will be in the field planting their crops for the fall and for next year. When you have the number one industry in this country wondering what the floor plan is going to be, what the rules are, what the regulations are, I cannot think of asking it to go out and try to plan for the future, invest all this money and not know what the program is going to entail.

I am not suggesting it is anyone's fault, but I am saying we better stay here until we pass a piece of legislation dealing with the new farm program.

Mr. HELMS. I thank the Senator, and I certainly agree with him. I am honored to add Senator NICKLES and Senator ABDNOR as cosponsors.

Mr. GOLDWATER. Will the Senator yield?

Mr. HELMS. And Senator MATTINGLY as well.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. HELMS. Yes, I am delighted to yield to my friend.

Mr. GOLDWATER. I would like to have my name added as a cosponsor to this resolution.

Mr. HELMS. I thank the Senator. I ask unanimous consent that the able Senator from Arizona [Mr. GOLDWATER] be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MELCHER addressed the Chair.

Mr. HELMS. And Senator BOSCHWITZ and Senator FORD.

Mr. EXON addressed the Chair.

Mr. HELMS. I yield the floor.

MR. EXON. Mr. President, I would like to be added as a cosponsor to the amendment introduced by the Senator from North Carolina.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. MELCHER. Mr. President, this is a sense-of-the-Senate resolution, and it is just as binding as the Senate wishes to make it. Let me state that under a unanimous-consent arrangement this bill was brought before the Senate with no farm-related legislation to be attached to it by amendment. Now, it could be construed that this sense-of-the-Senate resolution is farm related. However, it is not what I was seeking to prevent, but I will tell you what I was seeking.

I seek to prevent bringing to the floor as an amendment the farm bill unless it is brought to the floor the way the committee has acted on it, plus filling in some chinks, some pieces, and some sections on which the committee has not yet acted. But the committee did act on a very key part in the commodity section of the bill. We have been looking at this bill for some weeks, or months I think it is accurate to say, with not sufficient resolution of some of the key parts.

Last Thursday, just a few days ago, one of those key parts was addressed. It has to do with whether or not the target prices for wheat and feedgrains would be held at their present level for the life of the bill, which we anticipate would likely be 4 years. That amendment carried by a vote of 9 to 8, eight Democrats and one Republican. There are only 17 on the committee so everybody was recorded.

Now, since that time—Thursday—we met on Friday. And even late Thursday we were urged to back off of that position, having just carried the day on something we sought to do as a key part of the bill, in the commodity title of the bill. We were asked immediately to back off from it. We did not. We were told that if we would back off, then everything could be wrapped up quickly and we were holding up the bill by not backing off.

Mr. President, I do not think you are holding up a bill when you finally get to a vote on a key section where you are going to protect the remnants of what we call the safety net for grain producers. We have reduced this target price previously enacted into law, and we are trying now to hold it where it is. That is it. That was the amendment. That is what we would like to keep. We are told to agree to water it down, to take away two-thirds of what we gained.

So, Mr. President, we may lose by votes, but I hope we do not have to agree to lose what we worked so hard by an arbitration procedure, so to speak, where, "OK, so you won, you got the majority of votes, but let us arbitrate to reduce it."

The reason I think this is a very important part of this bill is that, naturally, nobody in the grain business likes to be told they are going to lower that safety net when times are tough. And times are, indeed, tough.

Now, the farm credit situation has not improved since last winter and early this spring when we debated it and we were very concerned about how many farmers were being liquidated. In fact, it has gotten worse. The number of loans that are under stress has increased during the past several months for those agricultural producers, not just grain producers but other types of producers. But what I am addressing right now just applies to grain producers.

Because the credit situation is so bad and has deteriorated over the last several months, and looks like it is going to be even worse during the next several months, I believe this part of the bill is very vital and for that reason, Mr. President, I have not been able to say, "Well, we will arbitrate that down and then we will wrap this bill up and get it on the floor, we will start debating it this week," even though it cannot be completed this week and it will be held over until September.

The resolution that we have would say let us stay here until we finish the farm bill. Mr. President, I am not adverse to that. I think it would take some time, however. I recognize that and I think the chairman of the Agriculture Committee, the Senator from North Carolina, has indeed expressed a very troublesome matter, a double-barreled troublesome matter where it is a budget resolution and where it is a farm bill, and so if the Senator chooses to stay here during August, I think it would be a wise step and I will not oppose this amendment, nor make a point of order at this time on this proposal because I think it would be wise to stay here. However, realistically, let me tell you what this means in terms of the farm bill.

We could probably get through with the farm bill—a weak bill, a good bill, a bad bill—sometime this week. It is not complete yet. There is a farm credit title to the bill that needs to be completed. A food stamp title of the bill needs to be completed. There is an export title of the bill which will be the hopeful part of the bill, because we can do a better job on exporting American agricultural products, which could stabilize commodity prices and give some hope for a rise in commodity prices for agricultural producers. That needs a little work, but not much. We could complete action on that this week.

We could take it up at the very end of the week. There is no report with it, and therefore, the 3-day rule would not necessarily have to be waived. We could take it up sometime close to the end of this week and debate it the week following, and perhaps the week following that, and it could go to conference if the House passes the bill. If we are lucky, we could get out of conference in 2 or 3 weeks, and we would be able to complete action on the bill sometime after Labor Day.

All that can be done, and I say well and good. The Senate would work its will, the House would work its will; and the farmers, as my friend from South Dakota admonishes us—correctly, by the way—need to know what kind of legislation we are going to have for the coming year and the years thereafter.

I do not know about the budget part of it. Others can speak to the budget part. I understand that there is some problem in resolving that. Since the President has expressed his opposition, I imagine that is going to have some bearing on what the conferees on the budget resolution are going to do. Others who are more knowledgeable can express their views on that.

For my part, I am not going to resist this resolution. I shall not make a point of order on it. If other amendments are attached to it that are legislation dealing with the farm legislation, I hope I can be recognized again, and I will seek to make a point of order on that.

What we really need to do for farm legislation is to come back with a strong bill.

The last thing we need to do is to get a turkey for a farm bill. We are very good about getting bad farm bills. We can let the process roll, and 9 chances out of 10 we will get a bad farm bill, a real turkey.

For my part, I am going to do what is obvious. You try to do the best job possible in the committee; and if you can, you bring that bill, a good bill, to the floor. But I shall resist any effort to attach a contrived bill on the Senate floor, on a bill such as is before us. That means just what I said.

Why should we settle for a turkey when we happen to have a pretty good

section that was carried by a 9 to 8 vote? I hope it holds, because it means a lot to the grain producers of this country if it does hold. If it does not hold, we will have to give in, but it will not make me like it any better. But I am not going to give in by arbitrating what we worked long and hard—weeks, mind you—to gain.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, I say to the distinguished Senator from Montana that there is absolutely no intention to add any part of the farm bill to this amendment. But I have made my point, and I withdraw the amendment.

WHEAT FARMERS TO SUFFER FINANCIALLY WITHOUT 1986 PROGRAM DETAILS

Mr. NICKLES. Mr. President, imagine this scenario, the Congress is on vacation, the farm bill is in committee, and the farmer is in the field wondering what to do.

This is the path we are headed down and I warn my colleagues that if we take a monthlong recess without setting guidelines for farm programs we will be doing wheat farmers throughout the Nation a great disservice.

This is the third time I've stood before the Senate stressing the need to complete action on the wheat title of the farm bill prior to a congressional vacation. In my opinion, Congress is misdirected if it feels justified in going home with such important work unfinished.

Be assured, farmers aren't taking a vacation during the month of August. Right now, they are in the fields, preparing the seedbed for the 1986 crop of winter wheat. They're wondering how much land Congress is going to require them to set aside in order to receive program benefits. Will it be 30 percent as proposed by the House? Will it be 20 percent as the Senate is working on in committee? The answers to these questions make a difference to farmers.

Farmers make production decisions based on program details. An acre of land set aside for conservation purposes does not and need not receive the same treatment as an acre of land intended for harvest. Faced with rising production costs and low prices, farmers are forced to squeeze cost savings wherever possible. By knowing program provisions prior to planting and fertilizing, farmers can achieve much needed savings on set aside acreage.

Putting this in dollars and cents, the 10-percent difference in set-aside requirements between the House and Senate versions of the farm bill could cost an 800-acre wheat farmer an unnecessary $3,600 and possibly much, much more. According to Oklahoma ASCS personnel, on average, wheat farmers in my State spend a little over $50 preparing and planting an acre of land for harvest. On the other hand, they can spend as little as $5 per acre to establish the cover crop required on conservation acreage. It is a difference of extensive seedbed preparation, fertilization, and planting versus minimum tillage and allowing the cover crop to grow volunarily. More important to the farmer, it is a difference of $45 per acre. If the 800-acre farmer gears up for harvest under the Senate proposal, he will prepare and plant all but 20 percent of his land, or 640 acres. Yet, if the House set-aside proposal of 30 percent were to prevail, he would be out $45 on 10 percent of his land, or 80 acres, resulting in an unnecessary outlay of $3,600.

Mr. President, if Congress goes home before outlining next year's wheat program, I hope my colleagues realize the burden they will be placing on an industry that is already suffering from more than its fair share of hard knocks.

AMENDMENT NO. 554

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I send an amendment to the desk on behalf of myself and the Senator from Maryland [Mr. MATHIAS].

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Massachusetts [Mr. KENNEDY], for himself and Mr. MATHIAS, proposes an amendment numbered 554:

At the appropriate place add the following new section:

SEC. —

"Whereas August 6 marks the 40th anniversary of the detonation of the nuclear bomb at Hiroshima, and whereas the Soviet Union has announced its intention to begin a moratorium on nuclear testing on August 6, and whereas the United States has invited the Soviet Union to send its experts to monitor a U.S. nuclear test, therefore

"It is the sense of the Senate that,

"At the earliest possible date, the President of the United States should propose to the Soviet Union the immediate resumption of negotiations toward conclusion of a verifiable comprehensive test ban treaty."

The PRESIDING OFFICER. The amendment contains a preamble and is not in order.

Mr. KENNEDY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. DOLE. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. BUMPERS. Objection is heard?

The PRESIDING OFFICER. That is correct.

The assistant legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. DOLE. I object.

The PRESIDING OFFICER. Objection is heard.

The assistant legislative clerk continued the call of the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I think we have reached some resolution here, at least overnight, on a number of amendments that might want to be considered. I would hope what we could do is go ahead and pass by a voice vote the pending S. 410 and then agree that following the action on the DOD authorization conference report, which we have promised we would take up at 2 p.m. tomorrow afternoon, following action on that, the distinguished Senators from Massachusetts and Maryland, Senators KENNEDY and MATHIAS, could offer their proposition as a freestanding whatever, and then that could not in any way prejudice the rights of the distinguished Senator from North Carolina.

Is that satisfactory?

Then we could go home tonight.

Mr. STEVENS. Mr. President, what is the subject?

Mr. KENNEDY. That is perfectly satisfactory for us.

Mr. DOLE. Could the Senator kind of give a summary of what he has in mind that passed the Senate last year by a vote of 77 to 26? That would give the distinguished Senators on the committee time to look at it sometime tomorrow.

Mr. KENNEDY. Mr. President, we expect that the modified amendment would be printed in the RECORD this evening.

It is basically urging the President to resume the discussions on a comprehensive test ban, given the recend developments today that the Soviet Union has announced a moratorium for a period of 5 months starting on the date of August 6, the date of the Hiroshima explosion.

I say to the majority leader, in terms of his proposal, the point I wish to make is that obviously if it is just a sense-of-the-Senate resolution or joint resolution, points of order would lie against it. I imagine what the majority leader is asking is a unanimous-consent request that it be in order for the Senate to be able to consider that for a period tomorrow after the conclusion of the DOD authorization.

Mr. DOLE. The Senator is correct. I have not yet propounded the unanimous-consent request because the distinguished minority leader is not in the Chamber. I would not want to do that in his absence.

It would be my hope that the Senator might introduce the resolution now and we could agree to take it up following the DOD authorization conference report tomorrow, complete action on S. 410, and then dispose of it, hopefully with rather brief debate, tomorrow afternoon.

Mr. KENNEDY. That is satisfactory to me. The only point that I would make is that as proposed by the leader now any Senator could raise an objection to it unless unanimous-consent be in order. They could raise an objection and it would go to the calendar and have to run through the legislative days and other procedures.

I want to accommodate the leader. The procedure which he has outlined is perfectly satisfactory. I want to make sure that we would not be excluded by a procedural point on this. I know that is not the intention of the leader. But I just want to be protected, after we go ahead and pass the other bill.

Mr. DOLE. Mr. President, let me find out. I will not do anything until the minority leader is present.

I would inquire of my colleagues would there be any objection in the event a unanimous consent request was proposed, that it be in order following the DOD authorization bill.

Mr. McCLURE. Mr. President, will the Senator yield?

Mr. DOLE. I am happy to yield.

Mr. McCLURE. I have not had an opportunity to read the proposal and it may well be that I will oppose it, but I will certainly not object to it coming up and for the opportunity to debate and its disposition by the Senate.

Mr. DOLE. Mr. President, let me now propound a unanimous-consent request.

The PRESIDING OFFICER. Will there please be order in the Senate?

The majority leader.

Mr. DOLE. Mr. President, I ask unanimous consent that, following the disposition of the DOD authorization bill on tomorrow, it be in order for the distinguished Senator from Massachusetts, Senator KENNEDY, and the Senator from Maryland, Senator MATHIAS, to call up their resolution, the Comprehensive Test Ban Treaty resolution.

Mr. BYRD. Mr. President, reserving the right to object, as the request is stated, if the DOD authorization conference report is not disposed of tomorrow, then the request will not guarantee the taking up by the Senate of the Senators' proposal.

Mr. DOLE. I could draw that to indicate whenever the conference report on the DOD authorization is disposed of; I am advised it will probably take 2 hours. It is my hope we will be on the Comprehensive Test Ban Treaty resolution by about 4 o'clock. But I would amend the request not on tomorrow but when the DOD authorization conference report is disposed of.

Mr. BYRD. Mr. President, I have no objection.

Mr. HELMS. Mr. President, reserving the right to object, and I shall not object, do I assume correctly that it would be the intent of the Senator from Massachusetts to lay down his amendment tonight?

Mr. DOLE. I would hope he might introduce the resolution tonight.

Mr. KENNEDY. Mr. President, we are prepared to just have the resolution printed in the RECORD so it would be available for the Members. We would not expect to be involved in debate on it this evening. I would indicate to the leader we are quite prepared to get into a reasonable time agreement if that is the desire of the leader. So the resolution will be printed in the RECORD this evening.

Mr. HELMS. That is not quite responsive. Continuing to reserve the right to object, that is not responsive to my question. Will the resolution be laid down tonight under the terms of the unanimous-consent request propounded by the majority leader?

Mr. KENNEDY. As far as I am concerned, I think what was outlined by the leader is a perfectly satisfactory way to proceed.

Mr. HELMS. I am just asking what it is.

Mr. KENNEDY. We can introduce it.

Mr. DOLE. Let me respond to the Senator from North Carolina that the request pending would be to take up the resolution following disposition of the conference report on DOD authorization bill. The Senator from Massachusetts could introduce it this evening and lay it aside. Does the Senator from Massachusetts have it in final form? Could it be introduced this evening?

Mr. KENNEDY. Yes. It was sent to the desk as an amendment. I now have it as a joint resolution. I would just send it to the desk and have it printed tonight.

Mr. DOLE. Does the Senator have any trouble with having us pass S. 410 and making the resolution the pending business?

Mr. KENNEDY. That would be satisfactory.

Mr. DOLE. Then we could set it aside.

Mr. HELMS. I still do not understand. Is the Senator laying down the resolution or is he not?

Mr. DOLE. He is prepared to lay down the resolution if we dispose of S. 410. Then we will get consent to lay it aside, if necessary, take care of some other unanimous-consent requests this evening and the DOD conference report tomorrow afternoon.

Mr. HELMS. So the distinguished Senator from Massachusetts is in fact sending his resolution to the desk to lay it down?

Mr. DOLE. That is correct. After we dispose of S. 410.

Mr. HELMS. Why does he not do it now by unanimous consent and get it out of the way?

REQUESTING THE PRESIDENT OF THE UNITED STATES TO RESUME NEGOTIATIONS WITH THE SOVIET UNION FOR A VERIFIABLE COMPREHENSIVE TEST BAN TREATY

Mr. KENNEDY. Mr. President, I send a joint resolution to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

S.J. RES. 179

Whereas August 6 marks the 40th anniversary of the detonation of the nuclear bomb at Hiroshima, and whereas the Soviet Union has announced its intention to begin a moratorium on nuclear testing on August 6, and whereas the United States has invited the Soviet Union to send its experts to monitor a U.S. nuclear test: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That it is the sense of the Congress that at the earliest possible date, the President of the United States should propose to the Soviet Union the immediate resumption of negotiations toward conclusion of a verifiable comprehensive test ban treaty.

Mr. HELMS. Mr. President, I send a substitute to the desk and ask for its immediate consideration.

Mr. BYRD. Mr. President, has the Senator's request been acted on yet?

The PRESIDING OFFICER. Is there objection to the immediate consideration of this joint resolution?

Mr. NICKLES. Mr. President, reserving the right to object.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I ask unanimoius consent that it be in order for me to file a substitute to the resolution of the Senator from Massachusetts and that the form be considered in order.

The PRESIDING OFFICER. Is there objection?

Mr. MELCHER. Mr. President, could we be advised what it is? Reserving the right to object.

Mr. HELMS. Mr. President, I object to the unanimous-consent request. We will put an end to this.

The PRESIDING OFFICER. Objection is heard.

AMENDMENT NO 555

Mr. KENNEDY. Mr. President, I call up our previous amendment.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Massachusetts [Mr. KENNEDY] proposes an amendment numbered 555.

It is the sense of the Senate that, at the earliest possible date, the President of the United States should propose to the Soviet Union the immediate resumption of negotiations toward conclusion of a verifiable comprehensive test ban treaty.

Mr. KENNEDY. Mr. President, I offer this proposal in behalf of myself and the Senator from Maryland [Mr. MATHIAS]. It is self-evident from the reading by the clerk what this sense-of-the-Senate resolution incorporates. We have seen the Soviet Union propose the moratorium—earlier today. It seems to me that the best way for reaching real restraint in terms of testing is to do it as a result of negotiations between the United States, the Soviet Union, and Great Britain, and that has been a part of these negotiations for a period of many years.

Every President since Eisenhower has supported a comprehensive test ban proposal. We have addressed this issue in previous Congresses. Clearly, in any proposal, if any negotiations were to be successful, they would report back to the Congress outlining in very particular detail the kinds of verification which they believe would be essential for our national security. We had a similiar resolution which included urging the Senate to consider favorably the passage of the 1974 and 1976 treaties of last year. That is not a part of this particular resolution.

In our resolution last year we asked that the President send to the Congress any additional requests that he felt were necessary to ensure adequate verification. This amendment is a very clear, simple statement that calls the Soviet Union to the task of finding out whether they really are interested in a comprehensive test ban. We believe those that support this resolution feel that the best way to really test that concept is through negotiations.

I hope that we will get about the business of accepting this particular amendment, and that we will be able to find out exactly who is really interested in getting some restraint in terms of additional testing. I hope the Senate will accept this amendment.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, I support the amendment of the Senator from Massachusetts and the Senator from Maryland. The language is very clear as to the intention. It is a joint resolution which expresses the sense of the Senate and the House saying that we ought to continue negotiating a comprehensive test ban treaty. It does not dictate the terms of such a treaty. It does not say where the negotiations ought to occur. There is not a single mandate in the resolution. It is an idea. And it is a valid idea. I really fail to see how anybody can object in these tenuous, perilous times to try to take one small step in the Senate of the United States at 6:55 on July 29—one small step to bring just one little step of sanity to the nuclear arms race.

In this month's Harpers—the August issue, and I recommend it to all of my colleagues—a retired major general makes the comment that President Reagan and Mikhail Gorbachev ought to be required to meet twice a year—whether they like each other or not, and whether they get along or not. During that meeting they ought to pick out all of the potential hot spots in the world where our interests may come into conflict, and try as best they can to resolve them before they start. Dr. Oppenheimer after the nuclear blast at Hiroshima which is alluded to in this resolution said that man has always had a predisposition to kill his fellow man. It has always been that way. After the dropping of the first bomb, the difference is that man will not change his predisposition but he just is going to have to be more selective about the weapons he uses.

Mr. President, can I have the attention of the majority leader? Did the majority leader have a potential solution to what seems to be a developing impasse? I am just talking to avoid putting in a quorum call. [Laughter.]

Mr. DOLE. If the Senator will yield, there is a ball game in Baltimore. I do not know. It involves a number of staff who really call the shots around here. We try to accommodate.

Mr. BUMPERS. Will the Senator let the staff work this thing out?

Mr. DOLE. Senators do not want to go to the ball game. It is the staff. [Laughter.]

If we let the staff go, I know we cannot work it out. But in any event, I think the Senator from North Carolina has a little substitute. I do not know what will happen after that. I appreciate your assistance.

(The names of Senators HATFIELD, KERRY, MELCHER, and CRANSTON were added as cosponsors of the amendment.)

Mr. McCLURE. Mr. President, will the Senator yield?

Mr. BUMPERS. I yield for a question.

Mr. McCLURE. If the Senator will permit the Senator from Idaho just a very few brief comments—without losing his right to the floor—my comments are pertinent to the resolution which is pending.

Mr. BUMPERS. Let me say I just have another minute or two. I just want to say that I remember President Kennedy took a very bold initiative in stopping unilaterally atmospheric testing by the United States. You can imagine the outcry in this country when he said we are going to stop testing in the atmosphere because it is having a devastating effect. The Soviet Union said that is fine and good for you, because you know you are light years ahead of us. President Kennedy went ahead with his moratorium. The Soviet Union made one more exploration in the atmosphere, and then signed a test ban treaty. Sometimes it just takes a bold initiative on the part of a leader who has the confidence, intelligence, and the perception to get something that noble done. We stopped atmospheric testing.

I am not suggesting the United States be that bold again. But I do not see anything wrong with it. This resolution is not nearly that bold. It just says let us invite the Soviet Union back to the conference table, and talk about a comprehensive test ban treaty. Who can argue with that?

I yield the floor.

Mr. McCLURE addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. McCLURE. Mr. President, I have read very carefully the text of the resolution that is pending before us now. I have no objection. As a matter of fact, I support the statement of the resolution because in addition to what it does, there are some things it does not do. There are those who argue with us that we should have a unilateral or even a bilateral cessation or moratorium on testing pending the resolution of the discussion. I note that this resolution does not call for a moratorium on testing.

But I am grateful that it does not because I have very strong feelings that the Soviet Union probably came to the point in their testing where they had nothing planned for the next 5 or 6 months. So it is easy for them to call for a moratorium because they did not plan anything anyway.

As a matter of fact, we have seen with SALT I and SALT II that those agreements really did not inhibit or limit very much what the Soviet Union was planning to do. Therefore, they were willing to enter into an agreement that did not inhibit them but limited what we could do.

So I am grateful that the formulation does not call for a moratorium pending the negotiations.

I would say to my good friend from Arkansas that, indeed, sometimes initiatives——

Mr. DOLE. Mr. President, may we have order?

The PRESIDING OFFICER (Mr. HECHT). The Senate will be in order. Will Senators please take their seats?

The Senator from Idaho.

Mr. McCLURE. Sometimes the initiatives of a unilateral nature do lead to good results. I think the ban on at-

mospheric testing was, over the long period of time, proven to be a good initiative which brought a good result, even though there was a period of time following the Russian test that followed our cessation that they may have, because of that test, had some incremental advantage in terms of technology that would work to the disadvantage of the United States.

But over the period of time since then, whatever that advantage may have been, it has been erased.

I think we can also point to another action taken by a President of the United States in declaring an absolute cessation of any activity by the United States with respect to the development of biological weapons.

We stopped. The President of the United States stopped that, and I think it was a very good expression of emotion, of an emotional response on the part of Americans. We said, "We do not want to go down the road in the development of that kind of horrible mass destruction to put mass pestilence on humans during a conflict."

The fact is that the evidence indicates the Soviet Union did not stop. They may have modified their program, but they have continued their program. As a result of that unilateral cessation on our part and the continuation on their part, the United States is more exposed to a risk of one of the most horrible potentials for mankind that we have known in modern times and may indeed outstrip our concern with respect to chemical weapons.

So while we may point in one instance to a happy result, unfortunately we can point in another instance to a very unhappy result, the reduction of our capacity to protect our own security as we took unilateral action which was not matched, which has not yet been matched, by the Soviet Union.

While I express the hope that in this instance we will not take unilateral action by way of a moratorium, that we do not even impose a moratorium upon ourselves in the presence of these negotiations, I join with my colleagues in urging that the negotiations be undertaken in the hope that indeed we will be able to negotiate an agreement which is bilateral, which does limit both sides, that is comprehensive, and that is verifiable.

I put some emphasis on verification because I think we sometimes allow ourselves, as we have in the Threshold Test Ban Treaty, to set up the standard of verification and then allow ourselves to be diverted away from their violations by the inconclusive scientific nature of the question of whether or not there is a violation of that test ban treaty, as I believe most observers believe there is.

There are some who believe that the evidence is inconclusive enough or ambiguous enough that we cannot charge violation. But in my opinion that is one of the pitfalls with respect to verification. You cannot demand proof that would stand up in a court of law when you are dealing with questions of this nature. So there is a problem with verification.

Having said that, I do not think it is impossible to negotiate treaties that have adequate procedures for verification, verification that can give us confidence that indeed the treaty is being complied with or, in the absence of compliance verification, that gives us confidence that indeed we know that the Soviet Union is not complying with the terms of the treaty.

For those reasons, I have no objection to and will indeed support the statement in the resolution which the distinguished Senators from Massachusetts and Maryland have introduced, but I would not want that support to indicate anything that I have outlined in my remarks.

Mr. KENNEDY. Mr. President, I welcome the support of the Senator from Idaho.

We have disagreements on some areas of arms control but the merit of a Comprehensive Test Ban Treaty has long been obvious to a large majority of the Senate.

I would hope that our resolution will give this critical idea in arms control new momentum, at a time when the entire country, and indeed all the world, will be considering the initiation taken today by the Soviet Union.

Mr. MATHIAS addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. MATHIAS. Mr. President, I welcome the support of the Senator from Idaho. I am happy to say that the sponsors of this resolution are in accord with him on the concept that it must be thoroughly verifiable. But the history of the comprehensive test ban negotiations has always been based upon the theory that they would, in fact, be adequately and fully verifiable, and, in fact, I can assure the Senator from Idaho, there is a rather interesting history relating to the proposals for verification of a Comprehensive Test Ban Treaty. That has been the Soviet Union has not agreed, as indeed we have agreed, to on-site inspection, that there would be mutual on-site inspection. This is, of course, of great precedental value in addition to the substantive contribution for verification because it would provide a precedent for such on-site inspection which we have been willing to accept, and, in fact, which President Reagan has just now agreed to in a proposal we are planning to undertake.

So what we are talking about is moving forward not only with an important proposal to comprehensively ban nuclear tests, but also to move forward in the whole field of international agreement, and, in effect, international procedures, providing for on-site inspections. I believe that we can meet the test proposed by the Senator from Idaho, that we can do something that is constructive, something which I believe will move us forward.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, I wonder if we might try one more time to see a way for taking this up tomorrow without prejudicing anyone's rights. Would the distinguished Senator from Massachusetts and the distinguished Senator from Maryland be willing to withdraw this amendment, let us complete action on S. 410, and then agree that following the disposition of the DOD authorization report, it would be in order for the distinguished Senators to go forward with the resolution, the comprehensive test ban resolution, which would be subject to amendment?

It would not prejudice the right of the distinguished Senator from North Carolina. It would allow the distinguished Senator from Arizona to complete action on the conference report tomorrow, which he tells me will take about 2 hours. Then we can recess for the evening. Is there objection?

Mr. KENNEDY. That would be perfectly satisfactory to me.

Mr. DOLE. The Senator is willing to withdraw his amendment?

Mr. KENNEDY. Yes, if there is an agreement.

Mr. STEVENS. Reserving the right to object, Mr. President, is the amendment to be submitted tomorrow in the same language as today?

Mr. KENNEDY. It is the same language. There are some technical changes. It is prepared one way for a joint resolution and a different way as an amendment. They are virtually identical.

Mr. MATHIAS. I would agree.

Mr. MELCHER. Mr. President, reserving the right to object, can I inquire of the majority what will be the amendment?

Mr. DOLE. There will not be farm amendments. We will do that tomorrow afternoon.

Mr. MELCHER. I thank the Chair.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DOLE. Third reading.

The PRESIDING OFFICER. The bill is before the Senate and open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

So the bill (S. 410), as amended, was passed, as follows:

S. 410

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Conservation Service Reform Act of 1985".

SEC. 2. (a) IN GENERAL.—Title VII of the National Energy Conservation Policy Act (relating to energy conservation for commercial buildings and multifamily dwellings) is hereby repealed.

(b) CLERICAL AMENDMENT.—The table of contents for such Act is amended by striking out the items relating to title VII.

(c) Notwithstanding subsection (a) any State energy conservation plan for commercial buildings and multifamily dwellings approved under section 721 of the National Energy Conservation Policy Act prior to August 1, 1984, may with respect to regulated utilities, continue in effect until one year after the date of enactment of this section if such plan meets the requirements of section 722 of such Act as in effect on August 1, 1984.

SEC. 3. (a) INFORMATION REQUIREMENTS.—Sections 215(a), 215(d), and 217(a)(1) of the National Energy Conservation Policy Act (relating to utility programs and home heating supplier programs) are amended by striking out "January 1, 1985" each place it appears and inserting in lieu thereof "January 1, 1988".

(b) REPORT.—The Comptroller General shall prepare and transmit to Congress before June 30, 1986 a report evaluating the utility and home heating supplier programs of the Residential Conservation Service implemented under part 1 of title II of the National Energy Conservation Policy Act. The Secretary of Energy shall conduct a survey in consultation with the Comptroller General to collect the information the Comptroller General determines is necessary for the preparation of such report. The report shall examine and assess, for the programs under this part:

(1) the potential for achievable energy savings through implementation of residential energy conservation measures in residential dwellings in the United States and the importance of the Residential Conservation Service in achieving these savings;

(2) Residential Conservation Service program costs from a representative sample of States, taking into account costs to the taxpayer and ratepayers of affected utilities;

(3) Residential Conservation service program benefits from a representative sample of States, taking into account the value of energy conservation and the value of deferral of investment in new capacity to provide energy;

(4) efforts of utilities to encourage the implementation of residential energy efficiency measures by their customers and the relationship between these efforts and the observed response rate under Residential Conservation Service Programs;

(5) measured energy savings achieved in residential dwellings in which measures are installed under such programs;

(6) to the extent to which utilities have adopted programs voluntarily or under State law that offer more promise in encouraging energy efficiency than has been the case under the Residential Conservation Service;

(7) to the extent to which modifications in the regulations implementing the Residential Conservation Service could improve the cost effectiveness of the program;

(8) legislative changes that are necessary to improve the cost effectiveness of the program;

(9) the extent of unfair, deceptive or anticompetitive acts or practices affecting commerce that relate to the implementation of such residential energy conservation programs, and the adequacy of procedures which are in effect to prevent such unfair, deceptive or anticompetitive acts or practices; and

(10) such other matters as seem appropriate in order to assist Congress in deciding the future of the Residential Conservation Service.

(c) EXPIRATION.—The provisions of part 1 of title II of the National Energy Conservation Policy Act shall expire on January 1, 1988, but such expiration shall not affect any action or pending proceeding not finally determined on such date of expiration nor any action or proceeding based upon such act committed prior to such date of expiration.

SEC. 4. Section 218(a) of the National Energy Conservation Policy Act is amended by striking the last sentence thereof and inserting "Such temporary exemption may be granted or renewed until such date as determined by the Secretary.".

SEC. 5. (a) Part 1 of title II of the National Energy Conservation Policy Act (42 U.S.C. 8211 et seq.) is amended by adding at the end thereof the following:

"SEC. 226. WAIVER FOR REGULATED AND NONREGULATED UTILITIES.

"(a) WAIVER.—Any utility subject to this part may, upon request, receive a waiver from the Secretary from any provision of this part or from any provision of a State residential energy conservation plan under this part if the utility shows in appropriate State proceedings and the appropriate State officials find that—

"(1) the existing and planned residential energy conservation programs that will be implemented by the utility if a waiver from such provision is approved will result in savings in petroleum, natural gas or electric energy consumed in residential buildings served by the utility that are equal to or greater than the savings that would be achieved if the utility were subject to the provision; and

"(2) adequate procedures are in effect that prevent unfair, deceptive or anticompetitive acts or practices affecting commerce that relate to the implementation of such residential energy conservation programs, including provisions to assure that any person who alleges any injury resulting from unfair, deceptive or anticompetitive acts or practices in connection with such programs shall be entitled to redress under such procedures as may be established by the Governor in the State in which the utility provides utility service.

"(b) DEFINITION.—For purposes of this section the term 'residential energy conservation program' means any program carried out by a utility that has as its purpose

"(1) increasing the efficiency with which petroleum, natural gas or electric energy is consumed in residential buildings served by such utility; or

"(2) utilizing solar or other forms of renewable energy in residential buildings served by such utility.

"(c) APPROVAL.—The Secretary shall approve a request of a utility for a waiver under subsection (a) if the Secretary determines that

"(1) opportunity for a hearing on the request for a waiver has been provided in the State in which the utility provides utility service; and

"(2) in the case of a regulated utility, the Governor of the State in which the utility provides utility service and the State regulatory authority that has ratemaking authority with respect to such utility both

"(A) find that the showings under subsection (a) (1) and (2) are sufficient; and

"(B) support the request by the utility for the waiver; or

"(3) in the case of a nonregulated utility subject to a State residential energy conservation plan under section 212(c)(2), the Governor of the State in which the utility provides utility service

"(A) finds that the showings under subsections (a) (1) and (2) are sufficient; and

"(B) supports the request by the utility for the waiver.

"(d) ANNUAL REVIEW AND REVOCATION OF WAIVER.—(1) The provisions of this subsection do not apply to a nonregulated utility unless such utility is subject to a State residential energy conservation plan under section 212(c)(2).

"(2) Any utility that receives a waiver under this section shall provide the Governor of the State in which that utility provides utility service with an annual report describing the performance of its residential energy conservation programs in relation to the showings of such utility under subsections (a) (1) and (2).

"(3) The Secretary shall revoke any waiver received by a utility under this section upon a request under this subsection by the Governor of the State in which the utility provides utility service. Such a request shall be made upon a finding

"(A) in the case of a regulated utility, by such Governor with the concurrence of the State regulatory authority that has ratemaking authority with respect to such utility; or

"(B) in the case of a nonregulated utility subject to a State residential energy conservation plan under section 212(c)(2), by such Governor,

that the savings described in subsection (a)(1) on an annual basis are less than the savings in the year prior to the approval of the waiver or that the procedures referred to in subsection (a)(2) are no longer adequate.

"(4) A request under paragraph (3) with respect to any utility may be submitted to the Secretary by a Governor only after review and opportunity for a hearing on the performance of the residential energy conservation programs of such utility. In order to facilitate such review and hearing, the utility shall provide to the Governor such information as the Governor requests about such residential energy conservation programs.".

(b) The table of contents for the National Energy Conservation Policy Act is amended by adding at the end of the table of contents for part 1 of title II the following:

"Sec. 226. Waiver for regulated and nonregulated utilities.".

SEC. 6. Subsection 220(b) of title II of the National Energy Conservation Policy Act (42 U.S.C. 8211 et seq.) is amended by inserting after "Acts. —", "(1)", and by inserting after the words "acts or practices.", the following new paragraph:

"(2) Nothing in this part shall be construed to—

"(A) bar any person from taking an action with respect to any anticompetitive act or practice related to activities conducted

under any program established under this part, including activities conducted under subsection 216 (b), (c), (d), or (e); or

"(B) convey to any person immunity from civil or criminal liability, create defenses to actions under antitrust laws, or modify or abridge any private right of action under such laws.".

Mr. DOLE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. JOHNSTON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, there will be no more votes this evening.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the resolution which was introduced by myself and Senator MATHIAS be printed at this point in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. I ask unanimous consent that Senators HATFIELD, KERRY, MELCHER, and CRANSTON be added as cosponsors at this point in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

Text of the joint resolution follows:

S.J. RES. 179

"Whereas August 6 marks the 40th anniversary of the detonation of the nuclear bomb at Hiroshima, and whereas the Soviet Union has announced its intention to begin a moratorium on nuclear testing on August 6, and whereas the United States has invited the Soviet Union to send its experts to monitor a U.S. nuclear test,

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, that

"It is the sense of the Congress that at the earliest possible date, the President of the United States should propose to the Soviet Union the immediate resumption of negotiations toward conclusion of a verifiable comprehensive test ban treaty."

EXECUTIVE SESSION

Mr. SIMPSON. Mr. President, I ask unanimous consent that the Senate now go into executive session to consider the following nomination on the Executive Calendar: Calendar No. 332, Douglas H. Ginsburg.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The nomination will be stated.

DEPARTMENT OF JUSTICE

The assistant legislative clerk read the nomination of Douglas H. Ginsburg, of Massachusetts, to be an Assistant Attorney General.

The PRESIDING OFFICER. The nomination is considered and confirmed.

Mr. SIMPSON. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SIMPSON. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of this nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. SIMPSON. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT OF THE MERCHANT MARINE ACT OF 1936

Mr. SIMPSON. Mr. President, I send a bill to the desk and ask for its first reading.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 1522) to amend section 607 of the Merchant Marine Act of 1936 to ensure consistent use of funds made available for capital construction of vessels, and for other purposes.

Mr. STEVENS. Mr. President, today, along with Senator INOUYE, I am introducing a bill to amend section 607 of the Merchant Marine Act, 1936, as amended, to help preserve an important and successful maritime program. Section 607 established the Capital Construction Fund [CCF] under which operators of ships can make deposits on a tax deferred basis to replace their fleets. Many operators have done so. In fact, there are over 125 such funds today. But those operators who have established the funds and made their deposits are now suddenly finding themselves as targets for corporate takeovers by those who would siphon off these accumulations of dollars, rather than build ships.

Presently, there are two ways of withdrawing these deposits. The first is called a qualified withdrawal which goes into the building or acquisition of capital assets. The second is a nonqualified withdrawal which requires approval of the Secretary of Transportation. There is no sanction for failure to secure approval. It was recognized in the original act that nonqualified withdrawals might be necessary to take care of unforseen financial conditions in a company. A nonqualified withdrawal, with or without approval, is subject to the applicable tax plus an interest penalty. But this penalty is so modest that it would have little or no effect on an outsider expecting to invade the funds and take out the cash for other reasons. Thus, the companies which have followed the law and have attempted to build cash reserves for the construction of American-flag ships could face severe problems from those who simply seek the accumulated cash.

The bill I am proposing provides that where there is a hostile change of control, as determined by the Secretary of Transportation after a hearing on the record, and such change is inconsistent with the purposes for which the fund was established, the Secretary shall terminate the fund and assess a penalty for withdrawal of up to 50 percent of the balance of the fund after applicable taxes and interest. If the Secretary does not make such determination, it will be presumed that a nonqualified withdrawal made or requested within 3 years after a hostile change of control is inconsistent with the purpose of the fund and the Secretary shall terminate the agreement with the same penalties.

I cite an example of this problem which is going on today. Sea-Land, the largest American-flag container shipping company, which has deposits of hundreds of millions of dollars in such a fund, is the only liner company that is currently building American-flag ships in this country. Sea-Land now faces a possibiliity of an attack on those deposits from outsiders. Clearly, this is detrimental to the future of the American merchant marine. Companies will be discouraged from making such deposits if this is allowed. We need this legislation to keep that from happening. In offering the bill I recognize that the President's proposed tax amendments would terminate all capital construction funds within 10 years. But we have to face the more urgent issue of improper use of the fund in the interim.

I hope that the Senate will take quick action on this pressing matter.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1522

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 607(i) of the Merchant Marine Act, 1936 (46 App. U.S.C. 1177(i)) is amended—

(1) by inserting "(1)" immediately before "Under";

(2) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively; and

(3) by adding at the end thereof the following:

"(2)(A) Notwithstanding any other provision of law, if a hostile change in control of a corporation that has entered into an agreement pursuant to this section occurs on or after August 1, 1985, the Secretary shall hold an evidentiary hearing to determine if such change in control is inconsistent with the purpose of such agreement (as provided in subsection (a) of this section) or is otherwise inconsistent with the purposes

of this Act. Such hearing shall be conducted in accordance with the provisions of title 5, United States Code.

"(B) If the Secretary determines, as a result of such hearing, that such hostile change in control is inconsistent with the purpose of such agreement or with the purposes of this Act, as provided in subparagraph (A) of this paragraph, the Secretary may terminate such agreement.

"(C) Notwithstanding the provisions of subparagraph (B) of this paragraph, if a nonqualified withdrawal under subsection (h) is made or requested within three years after the date on which such hostile change in control occurs, there shall be a conclusive presumption that such hostile change in control was inconsistent with the purpose of such agreement. The Secretary shall terminate such agreement.

"(D) If the Secretary terminates an agreement pursuant to subparagraphs (B) or (C) of this paragraph, there shall be imposed a penalty of not to exceed 50 percent of the amount of the balance of the nonqualified withdrawal, after calculation of taxes and interest. Such penalty shall be in addition to any taxes and interest which may be applicable under this section.

"(E) The existence of control of a corporation and whether a hostile change in control of a corporation has occurred shall be determined by the Secretary. No minimum stock ownership shall be required for such determination. If a majority of the directors of such corporation in office prior to a change in control determine that the change is or would be hostile, such determination shall be conclusive and binding upon the Secretary. Trusts or other similar arrangements established or used to circumvent the purposes of this section shall be deemed by the Secretary as part of a hostile change in control.

"(F) For purposes of this paragraph, the term 'control' means the power, directly or indirectly, to direct the management or policies of a corporation.".

Mr. BYRD. Mr. President, I ask for second reading.

The PRESIDING OFFICER. Is there objection?

Mr. SIMPSON. There is objection.

The PRESIDING OFFICER. Objection having been heard to the second reading of the bill, the bill will remain at the desk pending the second reading on the next legislative day.

WATER QUALITY RENEWAL ACT OF 1985

Mr. SIMPSON. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 1128.

The assistent legislative clerk laid before the Senate the amendment of the House of Representatives to the bill (S. 1128) to amend the Clean Water Act, and for other purposes.

(The amendment of the House is printed in the RECORD of July 23, 1985, beginning at page 20088.

Mr. SIMPSON. Mr. President, I move that the Senate disagree to the House amendments and request a conference on the disagreeing votes thereon and the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer [Mr. HECHT] appointed Mr. STAFFORD, Mr. CHAFEE, Mr. SIMPSON, Mr. DURENBERGER, Mr. BENTSEN, Mr. MITCHELL, and Mr. MOYNIHAN conferees on the part of Senate.

TENTH ANNIVERSARY OF THE SIGNING OF THE HELSINKI FINAL ACT

Mr. SIMPSON. Mr. President, I send the enclosed joint resolution to the desk on behalf of Senator D'AMATO and ask for its immediate consideration.

The PRESIDING OFFICER. The joint resolution will be stated by title.

The assistant legislative clerk read as follows:

A joint resolution (S.J. Res. 180) commemorating the 10th anniversary of the signing of the Helsinki Final Act.

There being no objection, the Senate proceeded to consider the joint resolution.

Mr. D'AMATO. Mr. President, I rise today in support of the joint resolution commemorating the 10th anniversary of the signing of the Helsinki Final Act.

Ten years ago, on August 1, 1975, the United States, Canada, and 33 European states, including the Soviet Union and its Warsaw Pact allies, adopted the Helsinki Final Act, a many faceted agreement that took 3 years to negotiate. This agreement since has come to be known as the Helsinki accords. The Helsinki accords are a balanced agreement the provisions of which foresaw cooperation among the signatory states in a wide variety of endeavors, including military security, economic and environmental initiatives, cultural and education exchanges, and human contacts. Most importantly, the signatory states adopted 10 basic principles of conduct between states as provided for in the United Nations Charter. Among these principles are respect for national sovereignty, nonuse of force, respect for human rights and fundamental freedoms, and fulfillment of obligations under international law.

From the moment of its adoption, the Helsinki Final Act generated controversy and misunderstanding in the West. Critics said we had "sold out," that the Helsinki Final Act legitimized post-World War II Soviet control of the Baltic and Central European nations in return for empty promises in the area of human rights. Critics charged that the Soviets and their Warsaw Pact allies never intended to honor their commitments to respect human rights. Also, overly optimistic advocates of détente saw the Helsinki Final Act as heralding a new era of cooperation between East and West. They believed that détente would eradicate the basic differences between the free societies of the West and the totalitarian systems of the East.

Neither of these views was valid. The U.S. Government has never accepted the status of the captive nations of Europe as a fait accompli, nor did we have any illusions about the prospects of substantial change in the basic political structure of the East bloc countries. What the West sought at Helsinki was recognition by all the signatory states that human rights is integral to the entire question of security and cooperation in Europe. The representatives of the East accepted this reality as a matter of international law with their signatures on the Helsinki accords.

Clearly, the Soviet Government and its allies have not lived up to their human rights pledges in the Helsinki Final Act. The human rights records of the Soviet Union and its allies are well known. Since the signing of the Helsinki accords, thousands of citizens of the Warsaw Pact states have been persecuted for attempting to take advantage of those rights to which they are entitled under the Helsinki accords. The bitter fates of individuals like Sakharov, Shcharansky, Orlov, and many other human rights activities are far to familiar to us.

Since the Soviet invasion of Afghanistan, the Soviet leadership has conducted a severe and continuing campaign of repression intended to punish those who desire to exercise the basic human rights and fundamental freedoms guaranteed to the citizens of all signatory states by the Helsinki Final Act. The Soviet leaders employ the KGB, their Committee for State Security, as an instrument of internal terror to enforce their barbaric purposes.

More than five million Soviet citizens suffer behind the barbed wire fences of the Gulag Archipelago, or slave under the machine guns of bored, brutal guards. More than 10,000 of these helpless captives are prisoners of conscience—political prisoners. Many others, officially classified as criminals, are in fact the victims of a thinly disguised conscript labor scheme which employs the police and courts as slave catchers for the masters of the Gulag's factories.

The Soviets have made a special effort to deny the exercise of freedom of conscience and religion. Terrified by the combined power of Polish Solidarity and a vital, active Polish Roman Catholic Church, the Soviets are attempting to suppress all religious activity outside state authorized, controlled, and supervised organizations. As a result, Baptists, Pentacostals, Catholics, Jews, Muslims, and Russian Orthodox believers have suffered under a range of KGB-directed actions intended to deny them the right to freely practice their faiths.

How do we respond to this dismal and tragic record? Should we abrogate the Helsinki accords unilaterally, or, on the other hand, continue "business as usual" while human rights activists languish in the gulag? Obviously, "business as usual" is unacceptable. While I understand the views of those who would have us abandon the Helsinki accords as a failure, I also reject this course. If we abandoned the Helsinki accords, we would also be abandoning those behind the Iron Curtain who look to us for support in their struggle.

Let us make no mistake about it. The Helsinki accords put the Kremlin on the defensive. By signing the Helsinki accords, Chairman Brezhnev assured that his country's leadership could not dismiss discussion of human rights as an illegal interference in the Soviet Union's internal affairs. By agreeing to the inclusion of human rights as an integral element in a package of security and trade measures, the Soviet Government has accepted a process in which measures favorable to its narrow, parochial interests are legitimately linked to measures intended to alleviate the oppressive situation under which Soviet citizens continue to suffer.

This is the rationale behind this resolution. This is not merely a commemorative message on the Helsinki anniversary, but instead a reaffirmation, if any is needed, of the Senate's commitment to human rights as a guiding principle of American foreign policy. It is also condemnation of the Soviet Union for its continuing violations of the human rights provisions of the Helsinki accords and other international agreements. In addition, this resolution expresses the sense of Congress that not only the Soviets, but also our allies, must understand the importance the Congress attaches to the issue of human rights in international diplomacy. And finally, this resolution calls upon the President to use every opportunity to stress the inherent link between respect for human rights and the achievement of lasting peace.

Mr. President, the linkage between this respect for human rights and the achievement of lasting peace has been noted on numerous occasions by Dr. Andrei Sakharov, currently in illegal internal exile in Gorky, U.S.S.R. Let us stand with Sakharov, if only in spirit, by adopting this resolution. I call upon all of my colleagues who share my deep concern over the suffering of those behind the Iron Curtain who are struggling for recognition of their basic dignity as human beings and for respect for their human rights to join me in support of this resolution.

The PRESIDING OFFICER. The question is on the engrossment and the third reading of the joint resolution.

The joint resolution was ordered to be engrossed and to be read a third time.

The joint resolution was read the third time and passed.

The preamble was agreed to.

The joint resolution (S.J. Res. 180), together with its preamble, is as follows:

S.J. RES. 180

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

Whereas, on August 1, 1975 the United States joined thirty-four other nations, including the Soviet Union and other Warsaw Pact states, as signatories to the Final Act of the Conference on Security and Cooperation in Europe, known as the Helsinki Final Act, and

Whereas, the Final Act is a balanced document incorporating provisions concerning human rights and fundamental freedoms, military security, cooperation in the fields of economic, scientific, cultural and educational affairs, free flow of information, and humanitarian affairs, and

Whereas, the Helsinki process has evolved into the primary tool of East-West human rights diplomacy and continues to serve as a beacon of hope to victims of oppression in the Soviet Union and Eastern Europe, and

Whereas, the United States, our NATO Allies and a number of neutral and nonaligned countries have documented and protested many serious violations of the human rights and human contacts provisions of the Final Act by the Soviet Union and other Warsaw Pact states, and

Whereas, the Soviet Union displays contempt for basic civil and political rights, such as freedom of thought, conscience, religion and belief; confines in prisons, labor camps and psychiatric institutions or internally exiles hundreds of citizens who have sought to know and act upon their rights, among them thirty-seven imprisoned members of Helsinki monitoring groups, and

Whereas, the Soviet Union callously disregards its pledge to facilitate human contacts and has drastically reduced the numbers of Soviet citizens permitted to emigrate; has consistently denied exit permission to Soviet citizens married to U.S. citizens and to other individuals who have claims to U.S. citizenship; and deliberately impedes the East-West flow of information by jamming Western radio broadcasts, and

Whereas, disregard for human righs also is evident in the other Warsaw Pact states of Eastern Europe, and

Whereas, inter alia, Bulgaria maintains virtually total control over the life of its people and recently has engaged in a campaign of forcible assimilation aimed at the Turkish minority population;

Czechoslovakia harshly represses independent social, political, religious, minority and cultural expression and persecutes members of Charter '77 and VONS (Committee for the Defense of the Unjustly Persecuted); The German Democratic Republic enforces a restrictive emigration policy; Hungary continually harasses citizens who publish or possess unofficial material; Poland outlaws the Solidarity Union, harasses and prosecutes Solidarity and human rights advocates and currently imprisons over 200 persons for exercising their human and workers' rights; Romania maintains a repressive internal regime and seriously violates the freedoms of conscience, expression and association, as well as religious liberty and minority rights; and

Whereas, meetings of Helsinki signatory states present important opportunities for Western democracies to call the Soviet Union and its allies to account for these human rights violations, and

Whereas, at the recent Ottawa Human Rights Experts Meeting of Helsinki signatory states, East Bloc human rights violations were raised and deplored by U.S. Ambassador Richard Schifter and by other Western and Neutral envoys on behalf of their respective states, and

Whereas, U.S. Secretary of State George P. Shultz will lead the U.S. Delegation to the 10th anniversary commemoration of the signing of the Final Act,

Now, therefore be it resolved by the Senate and the House of Representatives of the United States of America in Congress assembled, That

(1) the Congress strongly reaffirms the human rights principles and humanitarian provisions of the Helsinki Final Act and Madrid Concluding Document;

(2) the Congress recognizes and condemns continued East Bloc violations of international obligations under the U.N. Charter, the Universal Declaration on Human Rights, the Helsinki Final Act, the Madrid Concluding Document, and other relevant international instruments;

(3) the Congress requests that the President of the United States direct the U.S. Department of State to convey to the Soviet Union and its allies the United States' deep and abiding human rights concerns;

(4) the Congress urges the President to direct the U.S. Department of State to take full advantage of the opportunities provided by all upcoming meetings of Helsinki signatory states to call the Soviet Union and its allies to account for ongoing human rights violations and to work constructively with the governments of the other Western democracies to promote human rights progress in the Eastern signatory states; and

(5) the Congress calls upon the President to use every opportunity to stress the inherent link—explicitly stated in the Helsinki Final Act and the Madrid Concluding Document—between respect for human rights and the achievement of lasting peace.

Mr. SIMPSON. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

PROLIFE ACTION TASK FORCE

Mr. HUMPHREY. Mr. President, I wish to make an announcement regarding a hearing to be held Wednesday, July 31, 1985, from 1 p.m. to 4 p.m. in room 628 Dirksen SOB. This marks the first hearing to be held under the auspices of the newly formed Prolife Action Task Force for Women, Children and the Unborn. This hearing will investigate the most recent developments in fetal diagnosis and fetal surgery. We will also explore some of the ethical questions surrounding the issue.

PRESIDENT REJECTS COMPROMISE BUDGET PLAN

Mr. EXON. Mr. President, I should like to enter into the RECORD the following story by the United Press wire indicating President Reagan has rejected the compromise budget plan offered by the Republican leadership of the U.S. Senate. I do that only to show how difficult our job is with no cooperation whatsoever in solving the deficit crisis from the President of the United States.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PRESIDENT REJECTS COMPROMISE BUDGET PLAN

(By Henry David Rosso)

WASHINGTON.—President Reagan Monday rejected a budget proposal drafted by Senate Republican leaders and said Congress must find a compromise plan that reduces the deficit before it takes its summer recess.

White House spokesman Larry Speakes said Reagan, in a telephone call to Senate Republican leader Robert Dole, rejected any plan that imposes oil import fees, tampers with income tax indexing or deviates from his stand on social security.

Paraphrasing Reagan's message, Speakes said: "A Federal budget for 1986 is essential for maintaining economic recovery. It is up to Congress to act on the budget before they leave for summer vacation."

Despite the items swept off the bargaining table, Speakes said Reagan "firmly believes there is sufficient ground for a compromise between the Senate and the House that can provide in excess of $50 billion in deficit reductions."

"Deficit reduction is the No. 1 issue in America," Speakes said. "The only way to have deficit reduction is to cut Federal spending and to do so this year."

The hardline position taken by Reagan torpedoed a proposal crafted by Senate Republicans to reduce the deficit by some $340 billion over three years and cast new doubt over whether the budget impasse on Capitol Hill can be broken.

Speakes said Reagan hoped his action would help "break the logjam," White House Chief of Staff Donald Regan scheduled meetings in the afternoon with the chairmen of the House and Senate Budget Committees to reinforce Reagan's position.

"Reasonable men and women can agree," Speakes said. "Its up to the conferees to meet without delay and act with dispatch. They need to put aside their differences, get down to business and produce a budget."

Dole said Sunday that congressional leaders would have to agree on curbing social security cost-of-living hikes and raising revenue with an oil import fee for a budget compromise to be achieved. Dole also said he was willing to delay Friday's scheduled start of the congressional recess if Reagan and O'Neill reached an accord on the budget.

Speakes said possible postponement of the recess is "a decision up to the leadership."

MESSAGES FROM THE HOUSE

At 12:03 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following joint resolution, without amendment:

S.J. Res. 161. Joint resolution to appeal for the release of Soviet Jewry.

The message also announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 3037. An act making appropriations for Agriculture, Rural Development, and Related Agencies programs for the fiscal year ending September 30, 1986, and for other purposes.

At 1:19 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bill, with amendments, in which it requests the concurrence of the Senate:

S. 1128. An act to amend the Clean Water Act, and for other purposes.

The message also announced that the House has passed the following bills and joint resolutions, in which it requests the concurrence of the Senate:

H.R. 2908. An act to amend title XI of the Education Amendments of 1978, relating to Indian Education programs;

H.R. 3038. An act making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1986, and for other purposes; and

H.J. Res. 187. Joint resolution to approve the "Compact of Free Association," and for other purposes.

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent, and referred as indicated:

H.R. 3037. An act making appropriations for Agriculture, Rural Development, and Related Agencies programs for the fiscal year ending September 30, 1986, and for other purposes; to the Committee on Appropriations.

H.R. 3038. An act making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1986, and for other purposes; to the Committee on Appropriations.

MEASURES PLACED ON THE CALENDAR

The following bill and joint resolution were read the first and second times, and placed on the calendar:

H.R. 2908. An act to amend title XI of the Education Amendments of 1978, relating to Indian Education programs.

H.J. Res. 187. Joint resolution to approve the "Compact of Free Association", and for other purposes.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-359. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Agriculture, Nutrition, and Forestry.

CONCURRENT RESOLUTION 278

"Whereas, the 1981 Farm Bill passed by the U.S. Congress contained a highly successful sugar program which will expire after the harvest of the 1985 crop; and

"Whereas, the current sugar program has been simple to operate and has not cost the government any money; and

"Whereas, the current sugar program has helped the consumer by stabilizing the price of sugar while, at the same time, it has helped sugar producers by insuring a fair market price for their product; and

"Whereas, the production of sugar cane in Louisiana involves over 245,000 acres and employs approximately 925 farmers, 5090 permanent workers, and 8350 seasonal workers; and

"Whereas, the production of raw sugar from sugar cane in Louisiana involves 21 sugar mills which employ approximately 1220 permanent workers and 2310 seasonal workers; and

"Whereas, the continuation of the sugar industry in Louisiana and the United States depends upon the continuation of a sugar program similar to our current sugar program; and

"Whereas, the Congress should support the continuation of the current sugar program in order to preserve the sugar industry in Louisiana and the United States and to avoid dependence upon the importation of sugar from the unstable and unreliable world sugar market.

"Therefore, be it resolved that the Legislature of Louisiana does hereby memorialize Congress to support the continuation of a sugar program similar to the one now in place, with the adjustment of Commodity Credit Corporation loan levels to reflect increases in production costs.

"Be it further resolved, that a copy of this Resolution shall be transmitted to the presiding officer of each house of Congress and to each member of the Louisiana delegation to Congress."

POM-360. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on the Judiciary.

"HOUSE CONCURRENT RESOLUTION No. 182

"Whereas, the federal government has, since 1964, embarked on a course of continuous and ever increasing deficit spending; and

"Whereas, the public debt engendered thereby now exceeds hundreds of billions of dollars, and current budget proposals include provision for a further deficit; and

"Whereas, such national debt is, in and of itself, a major contributor to unemployment to which the United States is committed to reducing; and

"Whereas, This massive national debt is inimical to the public welfare, limiting the amount of credit available to private citizens, thus curtailing opportunities for economic and thus employment growth; and

"Whereas, continued fiscal irresponsibility can only result in an eventual financial debacle; and

"Whereas, payment of the massive interest reqired to service national debt imposes an undue hardship on the citizenry, particularly those on fixed incomes; and

"Whereas, the ability of the federal government to avoid the difficult budgetary choices posed by zero debt financing has re-

sulted in a lack of objective budgetary analysis and thus the funding of unnecessary or ineficient programs.

"Therefore, be it resolved that the Legislature of Louisiana does hereby memorialize the Congress of the United States to propose a constitutional amendment to authorize the president of the United States to line-item veto the Federal Budget.

"Be it further resolved that this application by the Legislature of Louisiana constitutes a continuing application pursuant to Article V of the Constitution of the United States.

"Be it further resolved that a duly attested copy of this Resolution be immediately transmitted to the president of the United States, to the secretary of the United States Senate, to the clerk of the United States House of Representatives, to each member of the Louisiana delegation to the United States Congress, and to the presiding officer of each house of each state legislature in the United States."

POM-361. A resolution adopted by the House of Representatives of the State of Kentucky; to the Committee on Foreign Relations.

"RESOLUTION

"Whereas, the government of Nicaragua is presently creating an "iron curtain" by burying tens of thousands of land mines along the Nicaragua/Honduras border; and

"Whereas, during the last several weeks the Nicaragua/Honduras border south from El Paraiso to El Triunfo and extending to the Gulf of Fonseca has been mined by Sandinista troops; and

"Whereas, the mining of national borders in this hemisphere is unprecedented; and

"Whereas, this action prevents refugees from escaping Nicaragua and is dangerous to the civilian populations of both countries; and

"Whereas, last week three women, as well as a farmer herding his cows, were blown up by mines; and

"Whereas, communist troops in Nicaragua have buried mines as far as one kilometer inside Honduras; now, therefore,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

"Section 1. That this honorable body urges President Reagan to take appropriate measures to stop the killing and maiming of innocent noncombatants in Central America.

"Section 2. That the Clerk of the House is directed to transmit a copy of this resolution to President Reagan, the U.S. State Department, the Kentucky Congressional delegation, the Embassy of Nicaragua, the Associated Press Wire Service, the United Press International Wire Service, and the Kentucky Network."

POM-362. A resolution adopted by the Philadelphia Council of AFL-CIO regarding hospital cost containment; to the Committee on Labor and Human Resources.

POM-363. A resolution adopted by the School Board of Dade County, Florida opposing S. 415 and H.R. 1523, the Education of All Handicapped Children Act; to the Committee on Labor and Human Resources.

POM-364. A resolution adopted by the Whitesboro United Methodist Church relating to alcohol; ordered to lie on the table.

POM-365. A resolution adopted by the House of Representatives of the State of Kentucky; to the Committee on Veterans' Affairs.

"RESOLUTION

"Whereas, legislation establishing financial assistance to United States Veterans for educational programs, and commonly referred to as the G.I. bill, has been provided since the 1940s; and

"Whereas, hundreds of thousands of veterans have enrolled in educational programs and participated in on the job training and apprenticeship programs under G.I. bills enacted during the World War II era, the Korean War era and the Vietnam War era; and

"Whereas, the most recent version of the G.I. bill, which was enacted during the 99th Session of Congress and became effective July 1, 1985, deleted the provision for veterans to elect to participate in on the job training and apprenticeship programs in lieu of pursuing a formal educational curricula; and

"Whereas, G.I. bills have historically recognized the paramount importance of providing alternatives to veterans for securing on the job training as opposed to obtaining a formal college education; and

"Whereas, thousands of Kentucky veterans have benefited from the on the job training and apprenticeship programs of the G.I. bill; and

"Whereas, on the job training and apprenticeship programs benefit employers as well as veterans; and

"Whereas, Senators Cohen and Cranston have introduced Senate Bill 962 which if enacted, would amend Title 38, Chapter 30, U.S.C., to include the provisions of on the job training and apprenticeship programs for veterans in the newly enacted G.I. bill; Now, Therefore, be it

Resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

"SECTION 1. That the House rallies behind Senators Cohen and Cranston for sponsoring Senate Bill 962.

"Sec. 2. That this honorable body fully supports Senate Bill 962 and urges Congress to swiftly enact this needed legislation.

"Sec. 3. That the Clerk of the House is directed to transmit a copy of this resolution to President Ronald Reagan, the President of the United States Senate, the Speaker of the House of Representatives and the members of the Kentucky Congressional delegation."

POM-366. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Banking, Housing, and Urban Affairs.

"CONCURRENT RESOLUTION 248

"Whereas, federal flood insurance programs are extremely vital in obtaining federal financing for homes and businesses; and

"Whereas, many communities are still under the Federal Emergency Insurance Rating System and are having difficulty in qualifying for regular federal flood insurance rates prior to September 1, 1985.

"Therefore, be it resolved, That the Legislature of Louisiana does hereby memorialize the Congress of the United States to extend the Federal Emergency Flood Insurance Program for an additional three years, through 1988.

"Be it further Resolved, That certified copies of this Resolution shall be forwarded to the secretary of the Senate and the clerk of the House of Representatives of the Congress of the United States, and to each member of the Louisiana Congressional delegation."

POM-367. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Finance.

"CONCURRENT RESOLUTON/178

"Whereas, the regional administrator of Region VI Health Care Financing Administration has mandated direct pricing for eight manufacturers and a ten and one-half percent reduction of Average Wholesale Price guidelines utilized by the Pharmacy Program to establish maximum acquisition costs for drugs dispensed by participating pharmacists; and

"Whereas, this mandate was received from the regional administrator of Dallas Region VI Health Care Financing Administration without benefit of federal regulation or application to all states who participate in Medicaid reimbursement for prescription drug services; and

"Whereas, this mandate is in violation of 42 CFR 447.332(c) and the Louisiana State Plan agreement with the Health Care Financing Administration; and

"Whereas, this mandate reduction is based on an Office of Inspector General report (Audit Control Number 06-40206) in which the Health Care Financing Administration was criticized for its alternative pricing data; and

"Whereas, the Office of Inspector General report found that states with a Maximum Allowable Cost (MAC) program have reduced acquisition costs for reimbursement of drugs purchased by providers; and

"Whereas, Louisiana's Maximum Allowable Cost program is the third largest in the nation; and

"Whereas, an audit was performed only upon the three largest pharmacists in the state and no audits have been performed in Louisiana on a representative sample of participating pharmacies; and

"Whereas, no comparison has been allowed by the regional administrator of the Region VI Health Care Financing Administration office to demonstrate equal or greater acquisition cost reduction than the mandated reduction through the State Maximum Allowable Cost Program; and

"Whereas, fiscal sanctions have been threatened by the Dallas Region VI Health Care Financiing Administration if the mandated reduction is not adopted by Louisiana by July 1, 1985; and

"Whereas, the effects of this reimbursement limit will have a severe impact on the ability of needy recipients to obtain the necessary medication prescribed by their treating physicians and dentists and on rural pharmacies in Louisiana.

"Therefore, be it resolved, That the Legislature of Louisiana does hereby memorialize the Congress of the United States and in particular the members of the Louisiana Congressional delegation to intercede and preclude Dallas Region VI Health Care Financing Administration from reducing Medicaid funding for drug reimbursement until a fair and representative audit has been performed by Louisiana.

"Be it further resolved, That the legislature also memorializes Congress to take action to provide that any proposed action to implement a drug reimbrusement limit of Average Wholesale Price less ten and one-half percent and direct pricing for eight manufacturers be delayed until audits are performed by Louisiana on a representive sample of participating Louisiana pharmacies and compared with the cost savings currently derived from our state Maximum Allowable Cost Program and that any pro-

posed sanctions be withdrawn until further study of Estimated Acquisition Cost is completed by the Health Care Financing Administration and a new methodology is established or further expansion of Maximum Allowable Cost regulations is authorized through revised federal regulations.

"Be it further resolved, That certified copies of this Resolution shall be forwarded to the regional administrator of the Health Care Financing Administration of Region VI, Dallas, Texas, to the secretary of the Senate and the clerk of the House of Representatives of the Congress of the United States, and to each member of the Louisiana Congressional delegation."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. GOLDWATER, from the committee of conference:

Conference report on the disagreeing votes of the two Houses on the amendments of the House to the bill (S.1160) to authorize appropriations for the military functions of the Department of Defense and to prescribe personnel levels for the Department of Defense for fiscal year 1986, to authorize certain construction at military installations for such fiscal year, to authorize appropriations for the Department of Energy for national security programs for such fiscal year, and for other purposes (Rept. No. 99-118).

By Mr. PACKWOOD, from the Committee on Finance, with an amendment:

S.J. Res. 77. Joint resolution to approve the "Compact of Free Association", and for other purposes.

By Mr. THURMOND, from the Committee on the Judiciary, with an amendment in the nature of a substitute:

S. 104. A bill to amend chapter 44, title 18, United States Code, to regulate the manufacture and importation of armor piercing bullets.

By Mr. HATCH, from the Committee on Labor and Human Resources, without amendment:

S. Res. 205. An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 974; referred to the Committee on the Budget.

By Mr. SYMMS, from the Committee on Environment and Public Works, without amendment:

S. 1514. An original bill to approve the Interstate Cost Estimate and Interstate Substitute Cost Estimate.

● Mr. SYMMS. Mr. President, I am pleased that the Committee on Environment and Public Works has acted unanimously and quickly to approve the Interstate Cost Estimate [ICE] and Interstate Substitute Cost Estimate [ISCE] so that $3.6 billion in interstate construction, $538 million in interstate highway substitute, approximately $650 million in minimum allocation, and the interstate transit substitute funds can be released on October 1 of this year.

The Surface Transportation Assistance Act of 1982 [STAA of 1982] provided authorization of the interstate construction program through fiscal year 1990 and the other Federal-aid highway categories through fiscal year 1986. A policy was continued in the STAA of 1982 which directs that before interstate construction funds can be appropriated to the States, Congress must approve an interstate cost estimate. In addition, the STAA of 1982 included a new provision which required Congress to approve an interstate substitute cost estimate before interstate substitute funds can be released to the States.

In the past, Congress has generally approved an ICE for 2 years. States are required to update this interstate cost completion information and submit to the Department of Transportation every 2 years. The STAA of 1982 also required the States to submit information to the Secretary regarding interstate substitute projects. In the past, approval of the ICE has been a fairly routine matter. However, during the past 2 years Congress has had difficulty in reaching agreement on an ICE and ISCE approval.

I cannot emphasize enough how important it is to make these funds available to the States on time if we are serious about completing the Interstate Highway System in a reasonable amount of time and for a reasonable cost. Highway user fees have been collected from people using our highway system with the promise that these funds would be available to construct a superior network of highways that would aid mobility, productivity, and the national defense. It is time we kept that promise to those paying highway user fees.

In order to expedite consideration and approval of the cost estimates, the Committee on Environment and Public Works reported an original bill which contains only a 1-year approval of the ICE and ISCE. We did not include any other items. There is no provision for an administrative release of these funds in the future even though the committee has strongly supported that concept and continues to do so. There is no amendment concerning the minimum allocation program even though our distinguished ranking member believes very strongly in that concept. There are no special projects. The committee members have agreed to postpone items they consider to be of great important so that the interstate money can go to the States on time. I hope all my distinguished colleagues in the Senate and the House will follow their lead so that over $5 billion can be used in every State this fall on critically needed highway projects.

The approval of the ICE also does not resolve the disagreement over the eligibility of depressing the central artery in Boston. Committee Print 99-68 contains a neutral number for this project which has been used in the previous two cost estimates approved by Congress. We have taken the figures for the central artery and the third harbor crossing contained in the 1981 cost estimate and updated them for inflation. The committee intends that the approval of the cost estimate contained in Committee Print 99-68 continues the status quo situation with regard to the central artery.

The Subcommittee on Transportation is holding a series of hearings on the reauthorization of the Federal-aid Highway Program. The many witnesses who have already testified have raised many issues of vital concern and importance to the Federal Highway Program. I know many of my colleagues also have important items. I want to assure them that the committee will give careful attention to all these items during the reauthorization process. We will move as expeditiously as possible on the reauthorization legislation.

Mr. President, Secretary Dole has also been greatly concerned about the timely release of the interstate construction funds. I ask that a copy of a letter I received from her be placed in the RECORD.

Mr. President, many witnesses who testified during the subcommittee's hearings during this past month took the opportunity to express their support for the early passage of a simple ICE and ISCE bill. They all agreed that the interstate construction funds should be released now and all other issues should be resolved later in reauthorization legislation.

Mr. President, I want to thank the distinguished chairman of the Environment and Public Works Committee [Mr. STAFFORD], the ranking member [Mr. BENTSEN] and the ranking member of the Transportation Subcommittee [Mr. BURDICK] for their tireless efforts and support for a strong, effective Federal-aid Highway Program.

I ask that a letter and enclosed resolution from Mr. Francis B. Francois, executive director of the American Association of State Highway and Transportation Officials be included in the RECORD. This organization is made up of the State officials who carry out the Federal-aid Highway Program and who have made it such a successful Federal program. I believe they clearly state the negative impact any further delays will have on the highway program.

Mr. President, I ask unanimous consent that the bill reported by the Environment and Public Works Committee be printed in the RECORD along with Committee Prints 99-68 and 99-69 shown as tables 3, 4, and 5 and the attached apportionment tables.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1514

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

APPROVAL OF INTERSTATE COST ESTIMATE FOR FISCAL YEAR 1987

SEC. 1. The Secretary of Transportation shall apportion for the fiscal year ending September 30, 1987, the sums authorized to be appropriated for such period by section 108(b) of the Federal-Aid Highway Act of 1956, as amended, for expenditure on the National System of Interstate and Defense Highways using the apportionment factors contained in revised table 5 of the committee print numbered 99-68 of the Committee on Environment and Public Works of the Senate.

APPROVAL OF INTERSTATE SUBSTITUTE COST ESTIMATE FOR FISCAL YEAR 1986

SEC. 2. The Secretary of Transportation shall apportion for the fiscal year ending September 30, 1986, the sums to be apportioned for such year under section 103(c)(4) of title 23, United States Code, for expenditure on substitute highway and transit projects, using the apportionment factors contained in the committee print numbered 99-69 of the Committee on Environment and Public Works and the Committee on Banking, Housing and Urban Affairs of the Senate.

AMERICAN ASSOCIATION OF STATE HIGHWAY AND TRANSPORTATION OFFICIALS,

July 26, 1985.

Hon. STEVEN D. SYMMS,
Chairman, Transportation Subcommittee of the Committee on Environment and Public Works, Hart Senate Office Building, Washington, DC.

DEAR MR. CHAIRMAN: The Policy Committee of AASHTO met this week in Itasca, Illinois, and on July 23 reviewed progress this year in the Federal-aid highway program. From that review, it is clear that all of the obligation authority provided by the Congress for Fiscal Year 1985 will be utilized by the states by October 1, 1985, and that on that date there will be an extensive backlog of ready-to-go projects.

It is also clear that unless an Interstate Cost Estimate and Interstate Substitute Cost Estimate are available before October 1, there will again be significant disruptions in the nation's highway program. Accordingly, the members of the Policy Committee adopted a motion on July 23 urging enactment of a clean ICE-ISCE bill on or before October 1. A copy of Policy Resolution 1-85 is enclosed, which contains the motion as passed.

We are aware of your public statements that an ICE-ISCE should be approved this fall by Congress, to avoid a repetition of the disruptions to the highway program we have seen in the recent past. We share your hope that legislation can be enacted during September, to allow the distribution of obligation authority for Fiscal Year 1986 to occur as scheduled on October 1.

If there is any way we can be of further assistance, we of course are as usual prepared to respond.

Very truly yours,

FRANCIS B. FRANCOIS,
Executive Director.

POLICY RESOLUTION 1-85

(Title: Supporting Enactment of an ICE-ISCE by October 1, 1985)

Whereas, meeting in Itasca, Illinois on July 23, 1985, the Policy Committee of the American Association of State Highway and Transportation Officials reviewed the record of the 50 states, the District of Columbia and Puerto Rico to date during Fiscal Year 1985 in obligating Federal-aid highway funds; and

Whereas, it was reported that to date a total of $10.623 billion has been obligated, and that all remaining currently available obligation authority will be utilized by October 1, 1985; and

Whereas, it was further reported that it is expected that the member departments of AASHTO will collectively be in a position to request some $3 billion or more in additional obligation authority this year in the redistribution of obligational authority process, against only about 10 percent or less of this amount that is expected to be available; and

Whereas, it was further reported that several states have already fully obligated their available Interstate completion funds for this fiscal year, and cannot move further toward completion of their portion of the National System of Interstate and Defense Highways without further action by Congress; and

Whereas, it was the consensus of the Policy Committee that if the some $5 billion in funds dependent upon the timely passage of an Interstate Cost Estimate and Interstate Substitute Cost Estimate is not made available for obligation in Fiscal Year 1986 as scheduled on October 1, 1985, this will cause severe disruption to state highway programs, and will result in extended delays and increased costs in Interstate and other highway projects that will adversely affect everyone.

Therefore, it was moved by James Harrington, North Carolina, seconded by Robert Hunter, Missouri, and approved by more than the required two-thirds favorable vote of all 52 members of the Policy Committee:

That the American Association of State Highway and Transportation Officials support a prompt, diligent effort to obtain enactment of a clean Interstate Cost Estimate and Interstate Substitute Cost Estimate prior to October 1, 1985.

THE SECRETARY OF TRANSPORTATION,
Washington, DC, July 19, 1985.

Hon. STEVEN D. SYMMS,
Chairman, Subcommittee on Transportation, Committee on Environment and Public Works, U.S. Senate, Washington, DC.

DEAR STEVE: I would like to ask your help on a very important issue. On October 1, 1985, a little over two months from now, the Federal Highway Administration will be unable to make a timely apportionment of more than $4.7 billion of Interstate construction, Interstate substitution and minimum allocation funds unless Congress has acted to approve the 1985 Interstate Cost Estimate (ICE) and to release Interstate substitution funds. Enclosed you will find a state-by-state analysis of the amounts that will be available for obligation in fiscal year 1986, once Congress has acted.

It is time once again to make the ICE approval an orderly process that can be relied on by the States. The past two years have been characterized by delays that serve only to disrupt construction plans and prevent the timely completion of the Interstate system. These delays directly affect the people who depend on our Interstate highway system.

I would encourage the Committee not to link the 1985 ICE approval bill to the reauthorizing legislation. There is insufficient time before October 1 to approve the ICE as part of a bill reauthorizing the Surface Transportation Assistance Act of 1982. There will be many complicated issues in the reauthorization bill that will require more time for careful analysis than we have available at this point.

I urge the Committee to schedule action quickly on the clean ICE approval bill that has been introduced on behalf of the Administration. Your continuing leadership and concern for this issue are sincerely appreciated.

With best wishes.

Sincerely,

ELIZABETH HANFORD DOLE.

U.S. Department of Transportation, Federal Highway Administration, estimated apportionment of fiscal year 1987 interstate construction funds

States:	*Amount*
Alabama	94,151,253
Alaska	18,201,000
Arizona	60,071,761
Arkansas	18,201,000
California	328,248,078
Colorado	62,767,502
Connecticut	79,574,283
Delaware	18,201,000
Florida	285,815,116
Georgia	109,393,839
Hawaii	90,989,582
Idaho	29,486,748
Illinois	18,201,000
Indiana	18,201,000
Iowa	18,201,000
Kansas	18,201,000
Kentucky	82,902,359
Louisiana	192,995,093
Maine	18,201,000
Maryland	90,923,020
Massachusetts	145,237,211
Michigan	75,680,435
Minnesota	94,916,711
Mississippi	18,201,000
Missouri	18,201,000
Montana	18,201,000
Nebraska	18,201,000
Nevada	18,201,000
New Hampshire	18,201,000
New Jersey	131,026,329
New Mexico	18,201,000
New York	323,122,842
North Carolina	51,984,538
North Dakota	18,201,000
Ohio	30,551,732
Oklahoma	18,737,065
Oregon	26,824,288
Pennsylvania	174,391,152
Rhode Island	18,201,000
South Carolina	46,859,302
South Dakota	18,201,000
Tennessee	18,201,000
Texas	187,869,857
Utah	68,192,265
Vermont	18,201,000
Virginia	154,156,453
Washington	163,275,380
West Virginia	18,201,000
Wisconsin	18,201,000
Wyoming	18,201,000
District of Columbia	21,432,806
Total	3,640,200,000

ESTIMATED DISTRIBUTION OF INTERSTATE CONSTRUCTION (FISCAL YEAR 1987), INTERSTATE HIGHWAY AND TRANSIT SUBSTITUTE PROJECTS (FISCAL YEAR 1986) AND MINIMUM ALLOCATION FUNDS

[Dollars in thousands]

State	Interstate construction	Interstate highway transfers	85 percent min. allocation	Total
Alabama	99,366	0	0	99,366
Alaska	18,201	0	0	18,201
Arizona	60,936	0	0	60,936
Arkansas	18,201	0	3,996	22,197
California	331,959	8,715	114,095	454,769
Colorado	64,027	8,263	0	72,290
Connecticut	77,867	79,686	0	157,553
Delaware	18,201	0	0	18,201
District of Columbia	20,928	12,559	0	33,487
Florida	279,622	0	0	279,622
Georgia	119,085	9,092	0	128,177
Hawaii	93,353	0	0	93,353
Idaho	29,293	0	0	29,293
Illinois	18,201	119,037	0	137,238
Indiana	18,201	4,699	52,533	75,433
Iowa	18,201	25,877	0	44,078
Kansas	18,201	0	0	18,201
Kentucky	81,562	0	0	81,562
Louisiana	189,864	0	0	189,864
Maine	18,201	0	0	18,201
Maryland	92,883	91,755	0	184,638
Massachusetts	138,098	14,362	0	152,460
Michigan	74,004	0	3,246	77,250
Minnesota	91,304	3,515	0	94,819
Mississippi	18,201	1,760	0	19,961
Missouri	18,201	0	0	18,201
Montana	18,201	0	0	18,201
Nebraska	18,201	0	0	18,201
Nevada	18,201	0	0	18,201
New Hampshire	18,201	0	0	18,201
New Jersey	127,651	31,421	0	159,072
New Mexico	18,201	0	0	18,201
New York	312,543	10,427	0	322,970
North Carolina	49,112	0	58,573	107,685
North Dakota	18,201	0	0	18,201
Ohio	39,740	16,742	76,666	133,148
Oklahoma	20,894	0	45,456	66,350
Oregon	27,176	11,466	0	38,642
Pennsylvania	172,631	10,352	0	182,983
Rhode Island	18,201	55,274	0	73,475
South Carolina	48,138	0	9,666	57,804
South Dakota	18,201	0	0	18,201
Tennessee	18,201	21,091	8,922	48,214
Texas	189,965	0	195,963	385,928
Utah	69,973	0	0	69,973
Vermont	18,201	0	0	18,201
Virginia	151,669	2,218	0	153,887
Washington	163,494	0	0	163,494
West Virginia	22,641	0	0	22,641
Wisconsin	18,201	0	35,335	53,536
Wyoming	18,201	0	0	18,201
Puerto Rico	0	0	0	0
Total	3,640,200	538,311	604,453	4,782,964

REVISED TABLE 3.—ESTIMATED FEDERAL FUNDS REQUIRED TO COMPLETE SUBSTITUTE HIGHWAY PROJECTS AND APPORTIONMENT FACTORS FOR DISTRIBUTION OF 75 PERCENT OF THE FISCAL YEAR 1986 AUTHORIZATION

[Revised from the 1984 interstate substitution cost estimate to reflect the latest allocations of discretionary funds, apportionment of fiscal years 1984 and 1985 funds, and a reduction to Maryland's cost to complete under section 7 of Public Law 98–229]

State	Withdrawal area	Highway cost to complete	Highway amounts already available	Estimated additional funds required to complete substitute highway projects	Apportionment factors (percent)
Arizona	Tucson	21,101,957	18,490,214	2,611,743	0.066
California	Sacramento	0	0	0	0.000
	San Francisco	22,155,767	4,521,825	17,633,942	0.443
Colorado	Denver	131,886,812	53,584,033	78,302,779	1.966
Connecticut	Bolton to Killingly	402,226,379	75,224,024	327,002,355	8.209
	Hartford-New Britain	502,319,938	122,729,220	379,590,718	9.529
District of Columbia	Washington	157,947,729	47,530,988	110,416,741	2.772
Georgia	Atlanta	112,582,644	30,445,244	82,137,400	2.062
Illinois	Chicago	912,378,477	269,848,669	642,529,808	16.130
Indiana	Indianapolis	63,602,212	23,272,790	40,329,422	1.012
Iowa	Waterloo	291,974,615	67,383,041	224,591,574	5.638
Maryland	Baltimore	679,269,172	150,136,824	529,132,348	13.283
	Bowie to Millersville	93,471,532	19,051,436	74,420,087	1.868
	Washington	8,264,910	1,683,991	6,580,919	0.165
Massachusetts	Boston	98,816,877	25,411,120	73,405,757	1.843
	Fall River to Providence	13,209,372	4,214,324	8,995,048	0.226
Minnesota	Duluth	52,960,507	34,739,103	18,221,404	0.457
	Minneapolis-St. Paul	77,693,969	58,794,468	18,899,501	0.474
Nebraska	Omaha	33,233,797	16,355,762	16,878,035	0.424
New Jersey	New York City	70,251,865	26,078,739	44,173,126	1.109
	New York City to Trenton	223,014,370	43,616,624	179,397,747	4.504
	Philadelphia	74,610,983	21,217,047	53,393,936	1.340
New York	Albany	15,982,494	7,716,143	8,266,351	0.208
	New York City	112,320,477	31,419,516	80,900,961	2.031
Ohio	Cleveland	156,069,254	40,615,106	115,454,148	2.898
Oregon	Portland	191,862,711	100,090,880	91,771,831	2.304
	Salem	29,593,530	19,333,990	10,259,540	0.258
Pennsylvania	Philadelphia	73,382,223	29,874,972	43,507,251	1.092
	Pittsburgh	65,405,395	15,398,843	50,006,552	1.255
Rhode Island	Rhode Island	638,467,468	171,397,147	467,070,321	11.725

REVISED TABLE 3.—ESTIMATED FEDERAL FUNDS REQUIRED TO COMPLETE SUBSTITUTE HIGHWAY PROJECTS AND APPORTIONMENT FACTORS FOR DISTRIBUTION OF 75 PERCENT OF THE FISCAL YEAR 1986 AUTHORIZATION—Continued

[Revised from the 1984 interstate substitution cost estimate to reflect the latest allocations of discretionary funds, apportionment of fiscal years 1984 and 1985 funds, and a reduction to Maryland's cost to complete under section 7 of Public Law 98–229]

State	Withdrawal area	Highway cost to complete	Highway amounts already available	Estimated additional funds required to complete substitute highway projects	Apportionment factors (percent)
Tennessee	Memphis	214,481,823	46,955,836	167,525,987	4.206
Virginia	Washington	25,149,582	5,129,932	20,019,650	0.503
Totals		5,569,688,832	1,582,261,851	3,983,426,981	100.000

[1] Amounts are in Federal funds.

REVISED TABLE 4.—ESTIMATED FEDERAL FUNDS REQUIRED TO COMPLETE SUBSTITUTE TRANSIT PROJECTS AND APPORTIONMENT FACTORS FOR DISTRIBUTION OF 50 PERCENT OF THE FISCAL YEAR 1986 AUTHORIZATION [1]

[Revised from the 1984 interstate substitution cost estimate to reflect apportionment of fiscal years 1984 and 1985 funds and the latest allocation of discretionary funds]

State	Withdrawal area	Transit cost to complete	Transit amounts already available	Estimated additional funds required to complete substitute transit projects	Apportionment factors (percent)
Arizona	Tucson	0	0	0	0.000
California	Sacramento	63,744,663	47,699,224	16,045,439	1.749
	San Francisco	66,114,221	18,628,507	47,485,714	5.176
Colorado	Denver	0	0	0	0.000
Connecticut	Bolton to Killingly	402,629	95,672	306,957	0.034
	Hatford-New Britain	40,142,198	24,435,438	15,706,760	1.712
District of Columbia	Washington	6,201,874	1,312,438	4,889,436	0.533
Georgia	Atlanta	0	0	0	0.000
Illinois	Chicago	675,215,931	229,812,763	445,403,168	48.544
Indiana	Indianapolis	3,872,220	1,628,463	2,243,757	0.245
Iowa	Waterloo	11,754,309	2,582,254	9,172,055	1.000
Maryland	Baltimore	325,991,052	108,391,922	217,599,130	23.716
	Bowie to Millersville	0	0	0	0.000
	Washington	0	0	0	0.000
Massachusetts	Boston	98,816,877	51,890,956	46,925,921	5.114
	Fall River to Providence	1,024,865	224,695	800,170	0.087
Minnesota	Duluth	5,884,501	3,627,084	2,257,417	0.246
	Minneapolis-St. Paul	0	0	0	0.000
Nebraska	Omaha	0	0	0	0.000
New Jersey	New York City	81,235	81,235	0	0.000
	New York City to Trenton	4,990,511	1,013,152	3,977,359	0.434
	Philadelphia	9,886,166	7,097,083	2,789,083	0.304
New York	Albany	1,775,833	478,808	1,297,025	0.141
	New York City	12,480,053	6,934,897	5,545,156	0.604
Ohio	Cleveland	47,323,748	11,766,405	35,557,343	3.875
Oregon	Portland	17,263,584	12,176,751	5,086,833	0.554
	Salem	0	0	0	0.000
Pennsylvania	Philadelphia	0	0	0	0.000
	Pittsburgh	0	0	0	0.000
Rhode Island	Rhode Island	40,753,243	8,970,734	31,782,509	3.464
Tennessee	Memphis	29,197,526	6,551,519	22,646,007	2.468
Virginia	Washington	0	0	0	0.000
Totals		1,462,917,239	545,400,000	917,517,239	100.000

[1] Amounts are in Federal funds.

TABLE 5.—ESTIMATED FEDERAL-AID AND STATE MATCHING FUNDS TO COMPLETE THE SYSTEM AND APPORTIONMENT FACTORS FOR DISTRIBUTION OF THE 1987 FISCAL YEAR AUTHORIZATION

[Revised from table 5 committee print 99–1 to reflect transfers, apportionments, discretionary allocations, and other adjustments]

State	Estimated Federal-aid and State matching funds required to complete system (thousands)	Estimated Federal share of funds required to complete system (thousands)	Apportionment factors (percent)
Alabama	479,135	431,222	2.829
Alaska	0	0	0.000
Arizona	291,755	275,125	1.805
Arkansas	0	0	0.000
California	1,643,172	1,503,667	9.863
Colorado	315,809	287,481	1.886
Connecticut	405,087	364,579	2.391
Delaware	0	0	0.000
District of Columbia	109,140	98,226	0.644
Florida	1,454,676	1,309,208	8.588
Georgia	556,744	501,070	3.287
Hawaii	463,114	416,803	2.734
Idaho	146,302	135,037	0.886
Illinois	89,463	80,517	0.528
Indiana	70,809	63,728	0.418
Iowa	0	0	0.000
Kansas	70,360	63,324	0.415
Kentucky	422,044	379,839	2.491
Louisiana	928,340	884,106	5.799
Maine	0	0	0.000
Maryland	462,835	416,551	2.732
Massachusetts	739,285	665,357	4.364
Michigan	385,201	346,681	2.274

TABLE 5.—ESTIMATED FEDERAL-AID AND STATE MATCHING FUNDS TO COMPLETE THE SYSTEM AND APPORTIONMENT FACTORS FOR DISTRIBUTION OF THE 1987 FISCAL YEAR AUTHORIZATION—Continued

[Revised from table 5 committee print 99–1 to reflect transfers, apportionments, discretionary allocations, and other adjustments]

State	Estimated Federal-aid and State matching funds required to complete system (thousands)	Estimated Federal share of funds required to complete system (thousands)	Apportionment factors (percent)
Minnesota	483,146	434,831	2.852
Mississippi	43,928	39,535	0.259
Missouri	34,474	31,026	0.203
Montana	42,956	39,180	0.257
Nebraska	0	0	0.000
Nevada	32,372	30,753	0.202
New Hampshire	24,369	21,932	0.144
New Jersey	615,261	600,161	3.937
New Mexico	54	50	0.000
New York	1,644,698	1,480,229	9.709
North Carolina	264,667	238,200	1.562
North Dakota	0	0	0.000
Ohio	155,516	139,964	0.918
Oklahoma	95,347	85,812	0.563
Oregon	133,184	122,822	0.806
Pennsylvania	887,585	798,826	5.240
Rhode Island	0	0	0.000
South Carolina	238,531	214,677	1.408
South Dakota	0	0	0.000
Tennessee	67,554	60,798	0.399
Texas	956,269	860,642	5.645
Utah	331,659	312,324	2.049
Vermont	0	0	0.000
Virginia	784,564	706,108	4.632
Washington	825,212	747,972	4.906
West Virginia	63,459	57,113	0.375
Wisconsin	0	0	0.000
Wyoming	0	0	0.000
Total	16,812,074	15,245,476	100.000

TABLE 1.—U.S. DEPARTMENT OF TRANSPORTATION, FEDERAL HIGHWAY ADMINISTRATION, ESTIMATED APPORTIONMENT OF FISCAL YEAR 1986 HIGHWAY INTERSTATE TRANSFER FUNDS, TECHNICAL ASSISTANCE FOR TOM KINGFIELD

Withdrawal area	Factor	Percent	Amounts	State totals
HFS–31/6–25–85				
Arizona: Tucson	.0660	.066,000,000	355,286	355,286
California:				
Sacramento				
San Francisco	.4430	.443,000,000	2,384,722	2,384,724
Colorado: Denver	1.9660	1.966,000,000	10,583,224	10,583,224
Connecticut:				
Bolton to Killingly	8.2090	8.209,000,000	44,190,073	
Hartford-New Britain	9.5290	9.529,000,000	51,295,798	95,485,871
Georgia: Atlanta	2.0620	2.062,000,000	11.100,004	11,100,004
Illinois: Chicago	16.1300	16.130,000,000	86,829,506	86,829,806
Indiana: Indianapolis	1.0120	1.012,000,000	5.447,723	5,447,723
Iowa: Waterloo	5.6380	5.638,000,000	30,350,059	30,350,059
Maryland:				
Baltimore	13.2830	13.283,000,000	71,504,049	
Bowie to Millersville	1.8680	1.868,000,000	10.055,578	
Washington, DC	.1650	.165,000,000	889,216	82,447,943
Massachusetts:				
Boston	1.8430	1.843,000,000	9,921,099	
Fall River to Providence	.2260	.226,000,000	1,215,586	11,137,685
Minnesota:				
Duluth	.4570	.457,000,000	2,460,088	
Minneapolis-St. Paul	.4740	.474,000,000	2,551,601	5,011,689
Nebraska: Omaha	.4240	.424,000,000	2,282,445	2,282,445
New Jersey:				
New York City	1.1090	1.109,000,000	5,969,886	
Philadelphia	1.3400	1.340,000,000	7,213,388	
New York City to Trenton	4.5040	4.504,000,000	24,245,595	37,428,869
New York:				
Albany	.2080	.208,000,000	1,119,690	
New York City	2.0310	2.031,000,000	10,933,127	12,052,817
Ohio: Cleveland	2.8980	2.898,000,000	15,600,296	15,600,296
Oregon:				
Portland	2.3040	2.304,000,000	12,402,720	
Salem	.2580	.258,000,000	1,383,546	13,791,566
Pennsylvania:				
Philadelphia	1.0920	1.092,000,000	5,873,372	
Pittsburgh	1.2550	1.255,000,000	6,755,522	12,634,194
Rhode Island	11.7250	11.725,000,000	63,117,141	63,117,141
Tennessee: Memphis	4.2060	4.206,000,000	22,641,424	22,641,424
Virginia: Washington, DC	.5030	.503,000,000	2,707,712	2,707,712
District of Columbia: Washington, DC	2.7720	2.772,000,000	14,922,022	14,922,022
Total	100.0000	100.000,000,000	538,312,500	538,312,500
HNG–13/7–26–85				
Arizona: Tucson	0.0000	.000,000,000	0	0
California:				
Sacramento	1.749	1.749,000,000	2,186,250	
San Francisco	5.176	5.176,000,000	6,470,000	8,656,250
Colorado: Denver	0.000	0.000,000,000	0	0
Connecticut:				
Bolton to Killingly	0.034	0.034,000,000	42,500	
Hartford-New Britain	1.712	1.712,000,000	2,140,000	2,182,500
District of Columbia: Washington, DC	0.533	0.533,000,000	666,250	666,250
Georgia: Atlanta	0.000	0.000,000,000	0	
Illinois: Chicago	48.544	48.544,000,000	60,680,000	60,680,000
Indiana: Indianapolis	0.245	0.245,000,000	306,250	306,250

TABLE 1.—U.S. DEPARTMENT OF TRANSPORTATION, FEDERAL HIGHWAY ADMINISTRATION, ESTIMATED APPORTIONMENT OF FISCAL YEAR 1986 HIGHWAY INTERSTATE TRANSFER FUNDS, TECHNICAL ASSISTANCE FOR TOM KINGFIELD—Continued

Withdrawal area	Factor	Percent	Amounts	State totals
Iowa: Waterloo	1.000	1.000,000,000	1,250,000	1,250,000
Maryland:				
Baltimore	23.716	23.716,000,000	29,645,000	
Bowie to Millersville	0.000	0.000,000,000	0	0
Washington, DC	0.000	0.000,000,000	0	29,645,000
Massachusetts:				
Boston	5.114	5.114,000,000	6,392,500	
Fall River to Providence	0.087	0.087,000,000	108,750	6,501,250
Minnesota:				
Duluth	0.246	0.246,000,000	307,500	
Minneapolis-St. Paul	0.000	0.000,000,000	0	307,500
Nebraska: Omaha	0.000	0.000,000,000	0	0
New Jersey:				
New York City	0.000	0.000,000,000	0	
New York City to Trenton	0.434	0.434,000,000	542,500	
Philadelphia	0.304	0.304,000,000	380,000	922,500
New York:				
Albany	0.141	0.141,000,000	176,250	
New York City	0.604	0.604,000,000	755,000	931,250
Ohio: Cleveland	3.875	3.875,000,000	4,843,750	4,843,750
Oregon:				
Portland	0.554	0.554,000,000	692,500	
Salem	0.000	0.000,000,000	0	692,500
Pennsylvania:				
Philadelphia	0.000	0.000,000,000	0	
Pittsburgh	0.000	0.000,000,000	0	0
Rhode Island	3.464	3.464,000,000	4,330,000	4,330,000
Tennessee: Memphis	2.468	2.468,000,000	3,085,000	3,085,000
Virginia: Washington, DC	0.000	0.000,000,000	0	0
Totals	100.000	100.000,000,000	125,000,000	125,000,000
Arizona: Tucson	0.0000	.000,000,000	0	0
California:				
Sacramento	1.749	1.749,000,000	3,498,000	
San Francisco	5.176	5.176,000,000	10,352,000	13,850,000
Colorado: Denver	0.000	0.000,000,000	0	0
Connecticut:				
Bolton to Killingly	0.034	0.034,000,000	68,000	
Hartford-New Britain	1.712	1.712,000,000	3,424,000	3,492,000
District of Columbia: Washington, DC	0.533	0.533,000,000	1,066,000	1,066,000
Georgia: Atlanta	0.000	0.000,000,000	0	0
Illinois: Chicago	48.544	48.544,000,000	97,088,000	97,088,000
Indiana: Indianapolis	0.245	0.245,000,000	490,000	490,000
Iowa: Waterloo	1.000	1.000,000,000	2,000,000	2,000,000
Maryland:				
Baltimore	23.716	23.716,000,000	47,432,000	
Bowie to Millersville	0.000	0.000,000,000	0	
Washington, DC	0.000	0.000,000,000	0	47,432,000
Massachusetts:				
Boston	5.114	5.114,000,000	10,228,000	
Fall River to Providence	0.087	0.087,000,000	174,000	10,402,000
Minnesota:				
Duluth	0.246	0.246,000,000	492,000	
Minneapolis-St. Paul	0.000	0.000,000,000	0	492,000
Nebraska: Omaha	0.000	0.000,000,000	0	0
New Jersey:				
New York City	0.000	0.000,000,000	0	
New York City to Trenton	4.434	0.434,000,000	868,000	
Philadelphia	0.304	0.304,000,000	608,000	1,476,000
New York:				
Albany	0.141	0.141,000,000	282,000	
New York City	0.604	0.604,000,000	1,208,000	1,490,250
Ohio: Cleveland	3.875	3.875,000,000	7,750,000	7,750,000
Oregon:				
Portland	0.5540	0.554,000,000	1,108,000	
Salem	0.000	0.000,000,000	0	1,108,000
Pennsylvania:				
Philadelphia	0.000	0.000,000,000	0	
Pittsburgh	0.000	0.000,000,000	0	0
Rhode Island	3.464	3.464,000,000	6,928,000	6,928,000
Tennessee: Memphis	2.468	2.468,000,000	4,936,000	4,936,000
Virginia: Washington, DC	0.000	0.000,000,000	0	0
Totals	100.0000	100.000,000,000	200,000,000	200,000,000

● Mr. STAFFORD. Mr. President, the Environment and Public Works Committee acted unanimously today to report the approval of an Interstate Cost Estimate [ICE] and Interstate Substitute Cost Estimate [ISCE]. These approvals are necessary so the Department of Transportation can apportion interstate construction, interstate substitute, and minimum allocation funds to the States on October 1. After 2 years of uncertainty and delays in approving cost estimates, I believe it is time Congress carries out its responsibilities on time.

The Surface Transportation Assistance Act of 1982 provided authorizations for these categories through fiscal year 1986. These funds are already authorized so we are not creating any new budget authority in this legislation. Second, the Federal-aid Highway Program is financed entirely by user fees so we are not adding to the Federal deficit by approving this legislation. Once Congress has approved these cost estimates and the President has signed the legislation into law, the Department of Transportation can apportion and allocate over $5 billion in interstate construction, interstate substitute, and minimum allocation funds on October 1, 1985.

Approval of these cost estimates will permit States to continue with necessary projects this fall. Even though 18 months of interstate funds were released only 5 months ago, as of July 1, nine States had already obligated most of their funds and need additional money to go forward with interstate construction projects. Those States are Arizona, Florida, Georgia, Illinois, Minnesota, Missouri, Nevada, Tennessee, and Wyoming.

Mr. President, I am very pleased that the members of the Environment and Public Works Committee have joined together to support simple, unencumbered cost-estimate approvals.

They all have issues that are important to them and they have agreed to lay them aside so that each State can make use of highway funds which have already been authorized and for which highway user fees have already been collected. I want to take this opportunity to especially thank Senator BENTSEN, the ranking member of the committee, for his statesmanship in agreeing to postpone consideration of an issue of extreme importance to him—the minimum allocation provision. I would call on my colleagues in the Senate and the House to follow Senator BENTSEN'S, and that of the other committee members, fine example of supporting a clean ICE and ISCE approval and resolving all other issues during the reauthorization process.

The Subcommittee on Transportation is in the process of holding hearings on the entire Federal-aid Highway Program and is working on legislation to reauthorize the program by October 1, 1986. I assure my colleagues that the committee will work hard on this legislation and move it as quickly as possible. We will be happy to review any concerns Members have and work toward a resolution beneficial to the highway program.

The Committee on Environment and Public Works did not file a committee report with the original legislation reported today. However, the committee reported similar legislation in February of this year—Senate Joint Resolution 44—and did file a report, 99-3, to accompany that legislation which explains the purpose and history of cost estimate approvals.

The legislation reported by the committee today is a simple, 1-year approval of the ICE and ISCE. No other provisions are included. Because of extensive discussion and debate in the past on the eligibility of the depression of a segment of I-93 through downtown Boston, I want to point out that nothing in this legislation or in Committee Print 99-68 changes the current status of that project or any other interstate highway project. In order to retain a neutral position with regard to the Boston project, a number was used in the ICE which takes the amount in the 1981 ICE and adjusts it for inflation. Congress has used this figure in the past two ICE approvals. Any disagreements over the eligibility of interstate projects should be resolved by legislation during the reauthorization process and should not be debated during approval of a simple, 1-year ICE approval.

It is my position that the numbers contained in any House or Senate committee print are merely estimates of the cost to complete the Interstate System in that State. These numbers have no bearing on or any relation to the eligibility of any elements of any project or any entire project. It is also my position that any headnote or footnote in any Senate or House committee print regarding the interstate cost estimate is only explanatory and has no effect on the eligibility of any project or element of a project for interstate construction funds.

Mr. President, I want to thank the Environment and Public Works Committee for their cooperation and support in reporting this legislation today. I particularly want to thank Senator BENTSEN, ranking member of the committee, Senator SYMMS, chairman of the Transportation Subcommittee, and Senator BURDICK, ranking member of the subcommittee, for their outstanding work on this legislation. I want to urge my colleagues to join with us in support of this legislation so that the National System of Interstate and Defense Highways can be completed.●

By Mr. HUMPHREY, from the Committee on Environment and Public Works, without amendment:

S. 1515. An original bill to authorize a partial transfer of the authority of the Maine-New Hampshire Interstate Bridge Authority to the States of Maine and New Hampshire.

● Mr. HUMPHREY. Mr. President, today Senator MITCHELL and I are offering a bill which will serve to ratify legislation regarding the Maine-New Hampshire Interstate Bridge Authority.

In late June, the States of Maine and New Hampshire enacted identical bills which would change the compact governing the Maine-New Hampshire Interstate Bridge Authority. These bills require congressional ratification in order to be implemented.

The authority, which was created by acts of the Maine Legislature and the New Hampshire Legislature in 1936-37. The compact between the States was approved by the Congress of the United States on June 16, 1938. Construction of the bridge over the Piscataqua River was financed by proceeds of a bond issue. This bridge, 2,798 feet in length with a 224-foot center-lift span, was opened to vehicular traffic on November 8, 1940.

Due to inflation and declining revenues over the past decade, the condition of the Maine-New Hampshire Interstate Bridge Authority facilities have been deteriorating at an accelerated rate. A recent report concluded that funding for the maintenance and operation of the existing facilities combined with needed capital improvements in the near future would be insufficient, resulting in the demise of the authority.

The authority facilities are critical for commerce between the States of Maine and New Hampshire. Additionally, the bridge serves as an important transportation link for our national defense. A joint task force of officials from the State of Maine Department of Transportation and the New Hampshire Department of Public Works and Highways was established to analyze available alternatives for the operation of the interstate bridge authority. The objective of the task force was to review the various alternatives to keep authority facilities in adequate condition for the future with a minimal impact upon the two States.

The task force recommended the transfer of the roadway approaches and grade separation structures to the States while the interstate bridge authority would retain control of the main river structure and approach spans. Some assets of the authority would be used for roadway and grade separation improvements. This spring, both State legislatures adopted legislation that would provide for the revised maintenance responsibilities.

The plan will also require congressional ratification. The bill we are offering will facilitate such ratification. The bill does not authorize any new Federal spending, and it has been cleared by the administration. We would like to move forward as quickly as possible with the bill, and I thank the leadership of the committee for their cooperation in this matter.

I believe that the revised compact between the States of Maine and New Hampshire will ensure the continued integrity of the facilities of the interstate authority for the benefit of the citizens of northern New England and the Nation.●

● Mr. MITCHELL. Mr. President, in late June, both Maine and New Hampshire enacted identical bills regarding the Maine-New Hampshire Interstate Bridge Authority [IBA]. These measures require congressional ratification in order to be implemented. This legislation, which I have sponsored with my colleague from New Hampshire, Senator HUMPHREY, would accomplish this.

The IBA was created by an act of Congress in 1937 to oversee the construction, maintenance, and operation of a toll bridge and approach roads between Kittery, ME, and Portsmouth, NH. This facility presently constitutes what is commonly referred to as the U.S. Route 1 Bypass connecting Kittery and Portsmouth, and provides the only rail service to the Portsmouth Naval Shipyard.

The discontinuance of tolls on October 31, 1972, combined with limited revenues derived from interest on the IBA endowment account and high inflation in the last decade, have forced the authority to delay or cancel several capital improvement projects for the facility. As a result, the entire facility is experiencing increasingly rapid deterioration.

A task force comprised of representatives from both State transportation agencies analyzed the mandate, operation, and viability of the IBA. It found, after assessing numerous alternatives over the past 2 years, that the IBA cannot financially carry out its mandate. The authority needs the assistance of both States and their available Federal funds in order to continue to provide transportation services for the shipyard and for vehicles utilizing the bypass. The State and Federal bills would provide them assistance.

The Federal legislation would constitute an amendment to the original 1937 compact as ratified by Congress. No additional funds are necessary to support this legislation as the proposed realignment of responsibilities will be funded by a combination of authority assets and currently allocated Federal highway funds.

The provisions of the proposed act would accomplish the following:

Transfer ownership of the approach roadways and grade separation structures—underpasses, overpasses, and so forth—to the respective State transportation agencies;

Allow each State to channel available Federal-aid primary highway funds to the transferred portion of the facility for capital improvements and rehabilitation;

Require the authority to fund the non-Federal share of such capital improvements and rehabilitation when deemed necessary by the authority and engineering representatives of both States;

Continue the authority's obligation for the main bridge structure as well as the roadway and railway facilities presently on the structure;

Transfer authority employees to Maine or New Hampshire's transportation agency, thus providing comparable wages and benefits; and

Transfer authority equipment presently used on the facility to the respective State transportation agencies.

I would like to submit a letter from the Governor of Maine, Joseph E. Brennan, requesting prompt consideration of this proposal, as well as copies of the Maine and New Hampshire bills; and I ask unanimous consent that they be printed in the RECORD. I believe this legislation is noncontroversial and I hope that congressional approval of its provisions will proceed expeditiously.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATE OF MAINE,
OFFICE OF THE GOVERNOR,
Augusta, Maine, July 9, 1985.

Senator GEORGE J. MITCHELL,
Russell Senate Building, Washington, DC

Re: Congressional Ratification of Legislation Regarding the Maine-New Hampshire Interstate Bridge Authority.

DEAR GEORGE: I am seeking your support of legislation recently enacted in both Maine and New Hampshire regarding the Maine-New Hampshire Interstate Bridge Authority (IBA) which requires Congressional ratification.

As you know, the Authority was created by an Act of Congress in 1937 to oversee the construction, maintenance and operation of a toll bridge and approach roads between Kittery, Maine, and Portsmouth, New Hampshire. This facility presently constitutes what is commonly referred to as the U.S. Route 1 Bypass connecting Kittery and Portsmouth, and provides the only rail service to the Portsmouth Naval Shipyard. The discontinuance of tolls on October 31, 1972, combined with limited revenues derived from interest on the IBA Endowment Management Account and high inflation in the last decade, have forced the Authority to delay or cancel several capital improvement projects for the facility. As a result, the entire facility is experiencing increasingly rapid deterioration.

In order to provide a framework which will preserve the life of the facility for an extended period at the lowest cost possible, a task force comprised of representatives from both State transportation agencies analyzed the mandate, operation and viability of the IBA. It found, after assessing numerous alternatives over the past two years, that the IBA cannot financially carry out its mandate. The Authority needs the assistance of both States and their available Federal funds in order to continue to provide transportation services for the Shipyard and for vehicles utilizing the Bypass. I believe the legislation before you represents the best long term allocation of responsibilities and resources to address this situation.

The Federal legislation would constitute an amendment to the original 1937 Compact as ratified by Congress. No additional Federal funds are necessary to support this legislation as the proposed realignment of responsibilities will be funded by a combination of Authority assets and currently allocated Federal Highway Funds.

The provisions of the proposed Act would accomplish the following:

(a) Transfer ownership of the approach roadways and grade separation structures (underpasses, overpasses, etc.) to the respective State transportation agencies;

(b) Allow each State to channel available federal funds to the transferred portion of the facility for capital improvements and rehabilitation;

(c) Require the Authority to fund the non-federal share of such capital improvements and rehabilitation when deemed necessary by the Authority and engineering representatives of both States;

(d) Continue the Authority's obligation for the main bridge structure as well as the roadway and railway facilities presently on the structure;

(e) Transfer Authority employees to Maine or New Hampshire's transportation agency, thus providing comparable wages and benefits;

(f) Transfer Authority equipment presently used on the facility to the respective State transportation agencies.

In short, this legislation, if passed by Congress, would assure the continued use of this major facility while providing the most cost-effective expenditure of state and federal funds.

Ratification prior to the August Congressional recess would allow the Authority, the Maine Department of Transportation and the New Hampshire Department of Public Works and Highways to formulate a smooth, efficient and expeditious transfer of responsibilities, employees and equipment prior to the upcoming fall and winter maintenance seasons.

I appreciate your help in this matter, George. As always, members of my staff and the Maine Department of Transportation are available to provide whatever assistance you may need.

Sincerely,

JOSEPH E. BRENNAN,
Governor.

S.P. 601—L.D. 1577

(An Act Relating to the Maine-New Hampshire Interstate Bridge Authority, Portsmouth-Kittery Bridge and Approaches Thereto)

Be it enacted by the People of the State of Maine as follows:

P&SL 1937, c. 18, § 20 is enacted to read:

Sec. 20. Compact amendment relating to the Maine-New Hampshire Interstate Bridge Authority Portsmouth-Kittery Bridge and approaches thereto.

1. Amendment of compact between Maine and New Hampshire.

Whereas, the states of Maine and New Hampshire, with the express consent of the United States Congress, have entered into a compact creating the Maine-New Hampshire Interstate Bridge Authority, which has resulted in the construction, operation and maintenance of a bridge across the Piscataqua River between Kittery, Maine and Portsmouth, New Hampshire and approach roads thereto; and

Whereas, the United States Congress expressly reserved the right to alter or amend the provisions of this compact; and

Whereas, the condition of the Maine-New Hampshire Interstate Bridge Authority highway and railroad bridge now serving vehicular and rail traffic over and across the Piscataqua River between the State of New Hampshire and the State of Maine and the approach roads thereto have been deteriorating at an accelerated rate due to facility age, inflation and effective declining revenues; and

Whereas, the present Maine-New Hampshire Interstate Bridge Authority financial obligations for maintenance, operation and repair of the bridge and its approaches have expanded to the extent that the authority's financial resources face rapid depletion in the near future; and

Whereas, the states of Maine and New Hampshire do not have the financial resources to undertake the costs for proper maintenance, operation and repair on the bridge and its approaches without cooperation with the Maine-New Hampshire Interstate Bridge Authority; and

Whereas, the Maine-New Hampshire Interstate Bridge Authority's bridge and road facilities remain critical for national defense and interstate rail and highway transportation and commerce; and

Whereas, the realignment of various responsibilities between the Maine-New Hampshire Interstate Bridge Authority and the states of New Hampshire and Maine will allow the authority to continue to provide adequate highway and rail service for the citizens of both states while providing for the least burdensome financial impact upon the states; and

Whereas, the best remedy for the conditions now existing which would have the least long-term financial impact on the

states of New Hampshire and Maine is to transfer some of the responsibility of the Maine-New Hampshire Interstate Bridge Authority to the states; and

Whereas, such a result can best be accomplished through the joint cooperation of the Maine-New Hampshire Interstate Bridge Authority and the states of Maine and New Hampshire to effectuate such a transfer;

Now, therefore, the Maine-New Hampshire Interstate Bridge Authority and the states of New Hampshire and Maine do hereby agree and pledge each to the other as follows:

ARTICLE I

DEFINITIONS

1. "Main River Structure" shall include only that portion of the present Maine-New Hampshire Interstate Bridge Authority facility which spans the Piscataqua River from the New Hampshire bridge abutment to the Maine bridge abutment, inclusive, for a distance of 2,880 feet or 0.5456 mile.

2. "Approach Roads" shall include those roadway portions of the present Maine-New Hampshire Interstate Bridge Authority facility known as the U.S. Route 1 Bypass running from the New Hampshire bridge abutment of the main river structure to the U.S. Route 1 Bypass/U.S. Route 1 Junction in Portsmouth, New Hampshire, a distance of approximately 2.4 miles, and running from the Maine bridge abutment of the main river structure to the U.S. Route 1 Bypass/U.S. Route 1 Junction in Kittery, Maine, a distance of approximately 1.4 miles.

3. "Grade Separation Structures" shall include 10 structures on the present Maine-New Hampshire Interstate Bridge Authority facility which allows the approach roads to pass either over or under predecessor facilities, namely, at Stark Street, U.S. Route 1, Maplewood Avenue, Middle Road, Hodgton Brook, Islington Street, and at the B & M Railroad, all located in Portsmouth, New Hampshire, and at Route 236, Eliot Road and an abandoned railroad tunnel, located in Kittery, Maine.

4. "Authority" shall mean the Maine-New Hampshire Interstate Bridge Authority.

5. "Compact" shall mean the compact set forth in Maine Private and Special Laws, Chapter 18, Session of 1937, and New Hampshire R.S.A. Chapter 234:43.

ARTICLE II

The authority shall transfer the approach roads to the main river structure, all grade separation structures on said approach roads and any of its real property incidental to present or future highway use to the respective states of Maine and New Hampshire. The respective state transportation agencies shall therefore assume the responsibility for the maintenance, operation and repair of those grade separation structures and that portion of said approach roads which lie within the territorial limits of each state, except as set forth in Article III herein. The authority shall retain all responsibilities and obligations for the main river structure from the New Hampshire abutment to the Maine abutment, inclusive.

ARTICLE III

The authority shall be responsible for providing authority funds to be used in possible combination with Federal Aid funds through the states of New Hampshire and Maine for capital improvements to the main river structure as well as the transferred approach roads and grade separation structures. The authority's responsibility for capital improvements on the transferred approach roads and grade separation structures will be limited to one major improvement for each grade separation structure and approach road segment. The specific type capital improvement and the timing for the performance of each said improvement shall be determined by the authority in conjuction with the joint findings of an annual inspection performed by engineering representatives of each state.

ARTICLE IV

Authority employees and their positions of employment shall be transferred to the Maine Department of Transportation and the New Hampshire Department of Public Works and Highways. In effecting said transfer, the respective state transportation agencies shall endeavor to provide each tranferred employee with comparable wages and benefits afforded similarly situated state employees. Said transfer shall be in accordance with the agreement between the State of Maine and the Maine State Employees Association, 1984-1986. For those authority employees being transferred to Maine, notwithstanding 5 M.R.S.A. Section 1092(14), all funds held by the Maine State Retirement System in the Members' Contribution Fund to the credit of employees of the authority shall be transferred on the records of the Maine State Retirement System to the state account in the Members' Contribution Fund. Creditable service rendered by these employees for retirement purposes shall be the same as if the employment had been rendered as a state employee. Former employees of the authority who have retired under the Maine State Retirement System shall have their retirement benefits continued at the same level as would be paid if those retired employees had retired from state service. Said former employees may not obtain military service credit pursuant to 5 M.R.S.A. Section 1094(13). Funds held by the Maine State Retirement System in the account of the authority in the Retirement Allowance Funds which were paid by the authority, shall be transferred to the state account in the Retirement Allowance Fund to pay benefits to retired persons and for future retirees. If, after a review by the Actuary of the Maine State Retirement System, it is determined that additional funds are required to finance in full the accrued retirement benefits for present and retired employees of the authority, the authority shall provide funds necessary to fulfill this obligation within a period of time mutually agreeable between the authority and the Board of Trustees of the Maine State Retirement System. Former employees of the authority and those who are not transferred to the Maine Department of Transportation who have not withdrawn their contributions shall be treated in the same manner as if they had been state employees with respect to Maine State Retirement System rights and benefits. Former employees who have withdrawn their contribution may repurchase creditable service time with the authority from the Maine State Retirement System only if said former employees become contributing members on or before January 1, 1986

ARTICLE V

The authority shall transfer its equipment necessary for the operation, maintenance and repair of the transferred approach roads and grade separation structures to the New Hampshire Department of Public Works and Highways and the Maine Department of Transportation by mutual agreement. The Authority shall contract with the states of Maine and New Hampshire for performance of necessary services on the roadway portion of the main river structure.

ARTICLE VI

The respective states and the authority agree to and pledge, each to the other, continued faithful co-operation in both the implementation and execution of the provisions of this compact amendment in addition to the faithful cooperation for the operation, maintenance and repair of the facility in the future.

ARTICLE VII

The provisions of the compact creating the authority shall remain in full force and effect except for those provisions inconsistent with the provisions of this compact amendment.

1. Additional legislation. This act contemplates corresponding and concurrent legislation be enacted by the Legislature of the State of New Hampshire. Thereafter, the respective state enactments contemplate an Act by the United States Congress to ratify the provisions of said state enactments. Only when both congressional ratification occurs and the respective state enactments become effective shall said enactments become binding upon the respective states.

2. Filing of compact. This compact amendment, when signed and sealed by the Governors and Attorneys General of each state and ratified by the United States Congress and shall be filed in the offices of the secretaries of state for each state.

3. Implementation. The states of Maine and New Hampshire shall make every reasonable effort to implement the provisions of this compact amendment as expeditiously as possible, so as to prevent any undue hardship to or burden upon authority employees or the transportation agencies of the respective states. Said states shall endeavor to implement the provisions of said compact amendment within 6 months of the binding date of this amendment.

4. Separability clause. In the event any provision of this compact amendment is rendered invalid for any reason, the remainder of said amendment shall not be affected by such invalidity. This Act shall be liberally construed so as to effectuate the purposes thereof.

COMMITTEE OF CONFERENCE REPORT ON SB 4

The committee of conference to which was referred Senate Bill 4, an Act relative to funding for the department of public works and highways federal aid construction program having considered the same, report the same with the following recommendations:

That the Senate recede from its position of nonconcurrence with the House amendment, and concur with the House amendment, and

That the Senate and House adopt the following new amendment to the bill as amended by the House, and pass the bill as so amended:

Amend the bill by striking out section 6 and inserting in place thereof the following:

6. Compact Amendment. Amend RSA 234 by inserting after section 59 the following new sections:

234:60. Compact Amendment. The governor, with the advice and consent of the council, shall enter into, with the state of Maine, by and through the governor of the state of Maine, an agreement or compact subtantially in the following form:

COMPACT AMENDMENT

Whereas, the states of Maine and New Hampshire, with the express consent of the United States Congress, have entered into a compact creating the Maine-New Hampshire Interstate Bridge Authority, which has resulted in the construction, operation, and maintenance of a bridge across the Piscataqua River between Kittery, Maine, and Portsmouth, New Hampshire, and its approach roads; and

Whereas, the United States Congress expressly reserved the right to alter or amend the provisions of this compact; and

Whereas, the condition of the Maine-New Hampshire Interstate Bridge Authority highway and railroad bridge now serving vehicular and rail traffic over and across the Piscataqua River between the state of New Hampshire and the state of Maine and the approaches to it have been deteriorating at an accelerated rate due to facility age, inflation, and effective declining revenues; and

Whereas, the present financial obligations of Maine-New Hampshire Interstate Bridge Authority for maintenance, operation, and repair of the bridge and its approaches have expanded to the extent that the Authority's financial resources face rapid depletion in the near future; and

Whereas, the states of Maine and New Hampshire do not have the financial resources to undertake the costs for proper maintenance, operations, and repair on the bridge and its approaches without cooperation with the Maine-New Hampshire Interstate Bridge Authority; and

Whereas, the Maine-New Hampshire Interstate Bridge Authority's bridge and road facilities remain critical for national defense and interstate rail and highway transportation and commerce; and

Whereas, the realignment of various responsibilities between the Maine-New Hampshire Interstate Bridge Authority and the states of New Hampshire and Maine will allow the authority to continue to provide adequate highway and rail service for the citizens of both states while providing for the least burdensome financial impact upon the states; and

Whereas, the best remedy for the conditions now existing which would have the least long-term financial impact on the states of New Hampshire and Maine is to transfer some of the responsibility of the Maine-New Hampshire Interstate Bridge Authority to the states; and

Whereas, such a result can best be accomplished through the joint cooperation of the Maine-New Hampshire Interstate Bridge Authority and the states of Maine and New Hampshire to effectuate such a transfer;

Now, therefore, the Maine-New Hampshire Interstate Bridge Authority and states of New Hampshire and Maine do hereby agree and pledge each to the other as follows:

ARTICLE I

In this compact:

I. "Maine river structure" means only that portion of the present Maine-New Hampshire interstate bridge authority facility which spans the Piscataqua river from the New Hampshire bridge abutment to the Maine bridge abutment, inclusive, for a distance of 2,880 feet or 0.5456 mile.

II. "Approach roads" means those roadway portions of the present Maine-New Hampshire interstate bridge authority facility known as the U.S. Route 1 Bypass running from the New Hampshire bridge abutment of the main river structure to the U.S. Route 1 Bypass/U.S. Route 1 junction in Portsmouth, New Hampshire, a distance of approximately 2.79 miles, and running from the Maine bridge abutment of the main river structure to the U.S. Route 1 Bypass/U.S. Route 1 junction of Kittery, Maine, a distance of approximately 1.4 miles.

III. "Grade separation structures" means 10 structures on the present Maine-New Hampshire Interstate Bridge Authority facility which allow the approach roads to pass either over or under predecessor facilities, namely, at Stark Street, U.S. Route 1, Maplewood Avenue, Middle Road, Hodgson Brook, Islington Street, and at the B and M Railroad, all located in Portsmouth, New Hampshire, and at Route 236, Eliot Road, and an abandoned railroad tunnel, located in Kittery, Maine.

IV. "Authority" means the Maine-New Hampshire Interstate Bridge Authority.

V. "Compact" means the compact set forth in Maine Private and Special Laws, Ch. 18, Session of 1937 and New Hampshire RSA 234:43.

ARTICLE II

The authority shall transfer the approach roads to the main river structure, all grade separation structures on the approach roads, and any of its real property incidental to present or future highway use to the respective states of Maine and New Hampshire. The respective state transportation agencies shall thereafter assume the responsibility for the maintenance, operation, and repair of those grade separation structures and that segment of the approach roads which lie within the territorial limits of each state, except as set forth in Article III herein. The Authority shall retain all responsibilities and obligations for the main river structure from the New Hampshire abutment to the Maine abutment, inclusive.

ARTICLE III

The Authority shall be responsible for providing Authority funds to be used in possible combination with federal aid funds through the states of New Hampshire and Maine for capital improvements to the main river structure as well as the transferred approach roads and grade separation structures. The Authority's responsibility for capital improvements on the transferred approach roads and grade separation structures shall be limited to one major capital improvement for each grade separation structure and approach road segment. The specific type of capital improvement and the timing for the performance of each improvement shall be determined by the Authority in conjunction with the joint findings of an annual inspection performed by engineering representatives of each state.

ARTICLE IV

Authority employees and their positions of employment shall be transferred to the Maine department of transportation and the New Hampshire department of public works and highways. In effecting the transfer, the respective state transportation agencies shall endeavor to provide each transferred employee with comparable wages and benefits afforded similarly situated state employees. For retirement benefit purposes, creditable service rendered by the employees shall be the same as if the employment had been rendered as a state employee. If, after review by the board of trustees of the New Hampshire retirement system, it is determined that additional funds are required to finance in full the accrued retirement benefits for present and retired employees of the Authority, the Authority will provide the funds necessary to fulfill this obligation within a period of time mutually agreeable to the Authority and board of trustees of the New Hampshire retirement system.

ARTICLE V

The Interstate Bridge Authority shall transfer its equipment necessary for the operation, maintenance, and repair of the transferred approach roads and grade separation structures to the New Hampshire department of public works and highways and the Maine department of transportation by mutual agreement. The Authority shall contract with the states of Maine and New Hampshire for performance of necessary services on the roadway portion of the main river structure.

ARTICLE VI

The respective states and the Authority agree to and pledge, each to the other, continued faithful cooperation in both the implementation and execution of the provisions of this compact amendment in addition to the faithful cooperation for the operation, maintenance, and repair of the facility in the future.

ARTICLE VII

The provisions of the compact creating the Maine-New Hampshire Interstate Bridge Authority shall remain in full force and effect except for those provisions inconsistent with the provisions of this compact amendment.

234:61. Additional Legislation. The state of New Hampshire contemplates that corresponding and concurrent legislation will be enacted by the legislature of the state of Maine. Thereafter, the respective state enactments contemplate an act by the United States Congress to ratify the provisions of the state enactments. Only when both congressional ratification occurs and the respective state enactments are effective shall the enactments by Maine and New Hampshire become binding upon the respective states.

234:62. Filing of Compact. This compact amendment, when signed and sealed by the governors and attorneys general of each state and ratified by the United States Congress shall be filed in the offices of the secretaries of state for each state.

234:63. Implementation. The states of Maine and New Hampshire shall make every reasonable effort to implement the provisions of this compact amendment as expeditiously as possible, to prevent any undue hardship to or burden upon authority employees or the transportation agencies of the respective states. The states shall endeavor to implement the provisions of this compact amendment within 6 months of the binding date as specified in RSA 234:61.

234:64. Severability Clause. If any provision of this compact amendment is held invalid for any reason, the remainder of the amendment shall not be affected by such invalidity. This compact amendment shall be liberally construed to effectuate its purposes.

234:65. Former Authority Employee Retirement Benefit Obligations. The board of trustees of the New Hampshire Retirement System shall accept as members of the system, pursuant to RSA 100-A:3, all Maine-New Hampshire Interstate Bridge Authority employees who, pursuant to Article IV of this compact amendment, transfer to the department of public works and highways, whether or not the employees are currently members of the New Hampshire retirement system. Acceptance shall be with full credit

for service rendered by the employees while employees of the authority and shall be conditional only upon the payment, within a period of time agreeable to the board of trustees of the New Hampshire retirement system, of any funds required to finance in full the accrued retirement benefits of the employees.

7 Interim Funding. The funding required to effectuate the purposes of the compact amendment, including the funding necessary for the transfer of employees and their positions of employment pursuant to Article IV of the compact amendment and of equipment pursuant to Article V of the compact amendment to the department of public works and highways, in the interim between the binding date of the compact amendment and the effective date of the appropriation to the department of public works and highways for fiscal year 1988, shall be supplied by the highway surplus account, as provided in RSA 228:12.

8 New Members. Amend RSA 100-A:3 by inserting after paragraph VII the following new paragraph:

VIII. The board of trustees of the New Hampshire retirement system shall accept as members of the system all Maine-New Hampshire Interstate Bridge Authority employees, who, pursuant to RSA 234:65, are transferred to the department of public works and highways, whether or not the employees are currently members of the New Hampshire retirement system. Acceptance shall be with full credit for service while employees of the Authority, and shall be conditional only upon the payment, within a period of time agreeable to the board of trustees of the New Hampshire retirement system, of any funds required to finance in full the accrued retirement benefits of the employees.

9 Positions Authorized. The positions of 2 drawbridge operators and 6 gatemen shall be authorized, for the biennium ending June 30, 1987, to be funded from funds available from the highway surplus account under RSA 228:12. The authorization for these positions shall become effective upon the effective date of this act; provided, however, the positions shall be filled only when and as vacancies occur in like positions on the Maine department of transportation Memorial Bridge operation and maintenance crew and after the state of Maine agrees to refund the state of New Hampshire ½ of the total operating cost of department of public works and highways expenditures for the operation and maintenance of the Memorial Bridge. The details shall be incorporated in a formal agreement between the Maine department of transportation and the New Hampshire department of public works and highways.

10 Effective Dates.

I. Sections 1-3 and 10 of this act shall take effect upon its passage.

II. Sections 4 and 5 of this act shall take effect 60 days after its passage.

III. Sections 6-9 of this act shall take effect 60 days after its passage, or upon the effective date of similar legislation in Maine, whichever is later.●

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. THURMOND, from the Committee on the Judiciary:

Vinton DeVane Lide, of South Carolina, to be United States Attorney for the District of South Carolina for the term of four years.

By Mr. STAFFORD, from the Committee on Environment and Public Works:

William P. Horn, of Virginia, to be Assistant Secretary for Fish and Wildlife, Department of the Interior; and

J. Winston Porter, of Virginia, to be Assistant Administrator, Office of Solid Waste, of the Environmental Protection Agency.

(The above nomination was reported from the Committee on Environment and Public Works with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. ROTH, from the Committee on Governmental Affairs:

Patti Birge Tyson, of Texas, to be a Commissioner of the Postal Rate Commission for the term expiring November 22, 1990.

(The above nomination was reported from the Committee on Governmental Affairs with the recommendation that it be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Curtis E. vonKann, of the District of Columbia, to be an Associate Judge of the Superior Court of the District of Columbia for a term of fifteen years.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. PROXMIRE:

S. 1512. A bill to repeal provisions of law authorizing the provisional listing of color additives; to the Committee on Labor and Human Resources.

By Mr. BAUCUS (for himself, Mr. GRASSLEY, Mr. PRYOR, Mr. BOREN, Mr. HARKIN and Mr. MITCHELL):

S. 1513. A bill to amend the Internal Revenue Code of 1954 to allow monthly deposits of payroll taxes for employers with monthly payroll tax payments under $5,000, and for other purposes; to the Committee on Finance.

By Mr. SYMMS, from the Committee on Environment and Public Works:

S. 1514. An original bill to approve the Interstate Cost Estimate and Interstate Substitute Cost Estimate; placed on the calendar.

By Mr. HUMPHREY, from the Committee on Environment and Public Works:

S. 1515. An original bill to authorize a partial transfer of the authority of the Maine-New Hampshire Interstate Bridge Authority to the States of Maine and New Hampshire; placed on the calendar.

By Mr. HEFLIN:

S. 1516. A bill to amend title 11 of the United States Code with respect to proceedings under chapter 11 and chapter 13 therein involving debtors who are family farmers, and for other purposes; to the Committee on the Judiciary.

By Mr. McCLURE:

S. 1517. A bill to amend the Low-Level Radioactive Waste Policy Act of 1980 to authorize continued financial and technical assistance of the Department of Energy to the regional low-level waste compact regions, and to revise the guidelines and procedures for the establishment and use of regional disposal facilities for low-level radioactive waste, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. GLENN (for himself, Mr. DIXON and Mr. QUAYLE):

S. 1518. a bill to provide for cost efficiency in the shipment of the United States Government cargoes, to establish the Great Lakes and Saint Lawrence Seaway Advisory Council, and for other purposes; to the Committee on Governmental Affairs.

By Mr. NICKLES:

S. 1519. A bill to provide a separate appropriation for all Congressional foreign travel, and for other purposes; to the Committee on Rules and Administration.

By Mr. HATCH:

S. 1520. A bill to amend the Federal Food, Drug, and Cosmetic Act and related statutes, and for other purposes; to the Committee on Labor and Human Resources.

S. 1521. A bill to clarify the intent of the Racketeer Influenced and Corrupt Organizations Act with respect to private civil actions; to the Committee on the Judiciary.

By Mr. SIMPSON (for Mr. STEVENS (for himself and Mr. INOUYE)):

S. 1522. A bill to amend section 607 of the Merchant Marine Act, 1936, to ensure consistent use of funds made available for capital construction of vessels, and for other purposes; read the first time.

By Mr. MATHIAS (for himself and Mr. BENTSEN):

S. 1523. A bill to amend title 28 of the United States Code to set up a regime of repose for certain archeological and ethnological material and cultural property; to the Committee on the Judiciary.

By Mr. KENNEDY (for himself, Mr. MATHIAS, Mr. HATFIELD, Mr. KERRY, Mr. MELCHER, and Mr. CRANSTON):

S.J. Res. 179. Joint resolution requesting the President of the United States to resume negotiations with the Soviet Union for a verifiable comprehensive test ban treaty; read the first time.

By Mr. SIMPSON (for Mr. D'AMATO (for himself, Mr. PELL, Mr. BOSCHWITZ, Mr. DECONCINI, Mr. LEAHY, Mr. HEINZ, Mr. HUMPHREY, Mr. LEVIN, and Mr. SPECTER)):

S.J. Res. 180. Joint resolution commemorating the 10th anniversary of the signing of the Helsinki Final Act; considered and passed.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. HATCH, from the Committee on Labor and Human Resources:

S. Res. 205. An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 974; to the Committee on the Budget.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. PROXMIRE:

S. 1512. A bill to repeal provisions of law authorizing the provisional listing of color additives; to the Committee on Labor and Human Resources.

(The remarks of Mr. PROXMIRE on this legislation appear earlier in today's RECORD.)

By Mr. BAUCUS (for himself, Mr. GRASSLEY, Mr. PRYOR, Mr. BOREN, Mr. HARKIN, and Mr. MITCHELL):

S. 1513. A bill to amend the Internal Revenue Code of 1954 to allow monthly deposits of payroll taxes for employers with monthly payroll tax payments under $5,000, and for other purposes; to the Committee on Finance.

SMALL BUSINESS TAX SIMPLIFICATION AND TAXPAYER PROTECTION ACT

● Mr. BAUCUS. Mr. President, today, I am introducing legislation for myself and Senators GRASSLEY, PRYOR, BOREN, and HARKIN, to make the Tax Code more responsive to the needs of small businesses.

As we in Congress look for ways to spur economic growth, we must not forget that strengthening small businesses will play a large part in that recovery.

The Nation's economy rests on a solid foundation of small businesses.

As former Montana Senator James Murray said to the New York Times in 1941:

Small business is the biggest business of them all. No one can properly understand America if he underestimates the tremendous importance of the little fellow in our present day economy.

Today, new employment is coming almost exclusively from small business. According to the State of Small Business Report to the President for 1985, firms with fewer than 20 employees accounted for a staggering 233 percent of net jobs created between 1980–82. In other words, small business provided all of the 1-million new jobs generated during the recession years of 1981 and 1982, while large business laid off its workers.

Firms with fewer than 20 workers employ one-fifth on this Nation's work force. Companies employing fewer than 100 workers employ two-fifths.

And yet, small businesses produce half of all major innovations at about 4 percent of what it costs big business and government to produce the remainder.

In Montana, small business is even more important than it is in the Nation in general.

We have only 13 businesses with more than 500 people. But we have over 18,000 businesses employing 50 or less. The small retailer—averaging fewer than 10 employees—is the State's largest employer.

In States like Montana, small business is the only business.

SMALL BUSINESS TAX HEARINGS

Yet the overwhelming evidence is that our tax code does little to encourage small business growth.

I recently conducted hearings in my State to hear what small business people had to say about the Tax Code. Those hearings convinced me that tax reform is needed, but that simplicity, stability, and fairness are critical.

Simplicity is critical, according to one accountant who testified, because the public perception is that a complex Tax Code is an unfair Tax Code.

A former IRS employee stated:

Because of the complexities of the laws and the all-consuming tax shelter audit programs, the agents are getting very frustrated with the system. This certainly makes it difficult for the administrators of our taxing system to function properly.

If an IRS officer in the field lacks understanding and confidence in the system, then the taxpaying public cannot be expected to feel any better about it.

It is absolutely essential that taxpayers be able to see for themselves that it is fair.

Fair is everyone paying his/her share.

In the words of one witness:

This perception of fairness is at the heart of the voluntary compliance system that has worked effectively in this country.

It is a system that has, up to now, had the support and confidence of the country. The former IRS agent himself testified that, "99 percent of the taxpayers whose returns I examined wanted to pay their fair share of the tax bill under the law."

And fairness also means that small business taxpayers are willing to lose cherished deductions as long as other taxpayers also make similar sacrifices.

One young farmer said he would be better off without many of the deductions and shelters in agriculture. He rightly pointed out that many of those incentives have only attracted investors who use the farms as a tax write-off.

Perhaps the most important plea throughout the hearings was for consistency in the Tax Code.

Listen to some of those comments:

Based on an extrapolation of the size of the past three (major tax reform) bills, it would appear that the proposed 1985 tax simplification act will run approximately 1,800 pages in length with the concise explanation running 680 pages. This will probably be followed by the Technical Corrections Act of 1986 and the Tax Reform Act of 1987.

And;

We had the Reduction Act of 1975, Reform Act of 1976, Reduction and Simplification Act of 1977, Economic Recovery Act of 1981, Equity and Fiscal Responsibility Act of 1982, and the Reform Act of 1984. We cannot stand anymore reduction, reform, equity or simplification!

ARE WE LISTENING?

Mr. President, I was most disturbed to find that small business people feel excluded from the decisionmaking process in Washington.

One witness, admonished by a colleague before the hearing, was told:

You're just wasting your time in testifying. Why do you want to participate in this charade? The small businessman will not get a fair shake on the proposed tax revision. These hearings are nothing more than a political platform to further someone's political career.

Another person commented:

(Small business people) feel the so-called poor have the ear of Congress, the elderly have the ear of Congress, big business have the ear of Congress, the big organized unions with their powerful lobbyists have the ear of Congress, yet the small retailer, the small business people feel frustrated and ignored.

TAX REFORM

"Treasury I," the first tax package proposed by the administration last November, shows why those feelings are unwarranted.

The proposal flunked the crucial test of fairness by eliminating graduated corporate tax rates. Under this proposal, for example, the taxes for more than 60 percent of Montana corporations would have doubled.

That is why I and Senator ARMSTRONG, along with our colleagues, Senators BUMPERS, WEICKER, and HEINZ, sponsored Concurrent Resolution 41 expressing the sense of the Senate that corporate tax rates should remain graduated.

I was delighted that the President revised his proposal and restored graduated corporate tax rates under "Treasury II."

But there is a lot more that needs to be done to reform the Tax Code for the benefit or small businesses.

The President wisely made simplicity one of his three major tax reform objectives. The legislation I am introducing today would help simplify the tax system by reducing tax related paperwork and increasing protections against unreasonable IRS conduct.

BAUCUS BILL: THE SMALL BUSINESS TAX SIMPLIFICATION AND TAXPAYER PROTECTION ACT

PAYROLL TAX DEPOSIT DATE RELIEF

The most significant tax for small business is the payroll tax. This tax has been increasing steadily—from about 6 percent of Federal Revenue in 1946 to about 30 percent now—and so has the paperwork associated with it. To reduce this paperwork, section 2 of my bill permits some small businesses to file payroll tax payments less frequently than they otherwise would have to.

Under current law, all employers must withhold Federal FICA and income taxes from employees' paychecks and deposit them with the IRS, according to a schedule established by IRS regulations. Those regulations re-

quire employers whose monthly deposits are more than $500 but less than $3,000 to make their deposits once a month, and employers whose monthly deposits are more than $3,000 to make their deposits eight times a month.

For a small business, the difference between the two schedules is mammoth. The accelerated eight times a month schedule substantially increases paperwork and the likelihood of confusion, mistakes, and unnecessary confrontations with the IRS.

Section 2 would provide relief for these very small businesses. Specifically, it would increase the accelerated payment schedule threshold from $3,000 to $5,000—a level that generally includes businesses employing 20 or fewer employees; thereafter, the threshold would be indexed. That way, section 2 would reduce paperwork burdens and increase cash-flow.

In 1983, Senator ARMSTRONG and I offered an amendment to the Social Security package similar to this provision. The Senate approved it 96 to 0, but it was dropped in conference this time. I hope we can enact it into law.

REGULATORY FLEXIBILITY

Many other paperwork burdens have been imposed on small businesses. Frequently, these burdens arise because regulatory agencies draft their regulations with large businesses in mind and without considering the regulations' potential impact on small businesses that have fewer resources to keep informed about complicated regulations and comply with them.

In 1980, Congress responded to this problem by enacting the Regulatory Flexibility Act, directing Federal regulatory agencies, in the words of the Judiciary Committee's report, to "tailor regulations to the size and resources of those who will be affected by them."

To accomplish this, the RFA requires agencies to prepare a regulatory flexibility analysis that describes the impact proposed regulations will have on small businesses and describes regulatory alternatives that could minimize that impact.

These regulatory flexibility analyses are important tools. However, some agencies take the position that the RFA does not apply to interpretive regulations that are exempt from section 553(b) of the Administrative Procedures Act. As a practical matter, such an exception would amount to a blanket exemption for many important IRS regulations that have a major impact on small businesses.

For example, in late 1984 the IRS issued regulations implementing the automobile recordkeeing requirements of the 1984 tax bill. These regulations required every small business that used an automobile for business purposes to keep a detailed log of all business trips. Obviously, this requirement imposed great burdens on small businesses. Nevertheless, the IRS asserted that:

> The Internal Revenue Service has concluded that the regulations proposed herein are interpretive and that the notice and public procedure requirements of U.S.C. section 553 do not apply. Accordingly, these proposed regulations do not constitute regulations subject to the Regulatory Flexibility Act.

Whether or not these automobile recordkeeping regulations and other similar IRS regulations technically are interpretive, they have a dramatic practical impact. They are heavily relied upon by IRS agents, courts, tax advisors, and small business operators. In light of this, I believe, as John Motley of the National Federation of Independent Businesses told the Finance Committee a few weeks ago, that:

> As a part of tax reform, the IRS [should] be brought into the mainstream and be required to perform regulatory flexibility analyses on new regulations.

Accordingly, section 3 of the Small Business Tax Simplication Act and Taxpayer Protection Act would apply the RFA to all IRS rules and regulations, including interpretive ones.

ATTORNEYS' FEES

One consequence of the proliferation of Government regulations is more frequent Government litigation against small businesses over the interpretation and application of those regulations. In fact, a few years ago, a survey revealed that 1 out of every 25 small businesses had been subject to Federal fines—many of them quite large—during the preceding 2 years.

During such litigation, small businesses face a significant disadvantage. Challenging a Federal agency can cost a great deal of time and money.

Before 1980, the so-called American rule prevented small businesses and other taxpayers from recovering their litigation costs, even if they prevailed against the Government and the Government's position had been unreasonable.

In 1980, Congress responded to this unfair situation by enacting the Equal Access to Justice Act, which provides that parties prevailing in certain civil litigation against the Government can recover their attorneys' fees and other litigation expenses, unless the Government demonstrates that its position was "substantially justified." Unfortunately, the EAJA did not apply to the Tax Court, were about 80 percent of civil tax litigation occurs.

Even before the EAJA passed, I advocated awarding attorneys' fees in certain Tax Court cases, beginning with the introduction of S. 1444 in 1979. In the 97th Congress, this work finally paid off, when the Tax Equity and Fiscal Responsibility Act added the Baucus-Grassley attorneys' fees provision as Tax Code section 7430. Briefly stated, section 7430 permits a prevailing taxpayer to recover up to $25,000 in attorneys' fees and other litigation expenses from the IRS if he demonstrates that the IRS's position was unreasonable.

Both the EAJA and section 7430 expire at the end of this year. Last week, the Senate approved legislation, S. 1987, reauthorizing the EAJA. Without further action, however, coverage for the tax cases will expire.

Section 4 of the Small Business Tax Simplification and Taxpayer Protection Act would augment our recent action by reauthorizing section 7430 and making it permanent. It would also reform section 7430 in four significant ways.

First, section 4 would change the standard for evaluating the Government's position to conform to the EAJA standard. The EAJA standard is whether the Government's position was "substantially justified"; the section 7430 standard is whether the Government's position was not "reasonable." Some courts have concluded that the section 7430 reasonableness standard is lower—and hence favors the Governme , more—than the EAJA standard.

There is no compelling reason to have two standards, much less to apply a lower standard to the IRS than to other agencies. By conforming the section 7430 standard to the EAJA "substantial justification" standard, we will establish a uniform, consistent rule for all attorneys' fees cases, which should benefit small businesses and simplify this issue considerably.

Second, section 4 would shift the burden of proof from the taxpayer to the Government so that in Tax Court cases—as currently in all cases under the EAJA—the Government would bear the burden of proving that its position had been "substantially justified." This makes sense because it is much easier for the Government to explain its position than for a taxpayer to gather the necessary facts from the Government and try to determine why the Government acted as it did.

Third, section 4 would expand the definition of the "position of the United States" subject to review. Section 7430 currently defines this as the position taken by the IRS "in the civil proceedings" themselves. Usually, this position will be the same as the action that initiated the proceeding—for example, the issuance and administrative litigation of a deficiency notice. But sometimes it will be different, and making an arbitrary distinction between the position taken in the civil proceeding itself and in the prior administrative action will affect the outcome of the attorneys' fees issue. For example, one court has refused to consider awarding attorneys' fees incurred during administrative proceedings because the Government had reversed

its position and consented to a judgment for the taxpayer 1 day before answering the complaint. The court said that "although this court is sympathetic with plaintiff's concern that the Government should be required to set reasonably both the litigation and in its administrative proceedings, to consider the Government's administrative position in determining whether to award fees and costs * * * would be clearly contrary to the specific wording of section 7430." And another court has held that fees could not be awarded because the IRS had consented to judgment for the taxpayer shortly after litigation began, even though "clearly, the position of the IRS in the underlying case was unreasonable."

To eliminate this artificial and unnecessary distinction, section 4 expands section 7430 to permit the court to consider not only the position the Government took in the civil litigation itself, but also the agency action or failure to act which led to the litigation.

Fourth, section 4 removes the $25,000 cap on reimbursable costs but imposes limits on attorneys' hourly fees and experts' fees in conformity with the EAJA system.

Mr. President, these reforms are important to small businesses. They will ease the inappropiate burden imposed by Government convenience, restore their confidence in the Government and the tax system, and allow them to refocus their time and energy on their businesses.

I hope my colleagues will study these measures carefully, discuss them with their small business constituencies, and join us in passing this bill as quickly as possible.●

● Mr. PRYOR. Mr. President, I'm pleased to join my colleague from Montana [Mr. BAUCUS] and others in introducing the Small Business Tax Simplification and Taxpayers Protection Act of 1985. This bill, if enacted, would help the small businesses of this country cope with Government regulation and would ease the paperwork burden many of them face.

Mr. President, we've all heard the horror stores about unreasonable Government regulation and how some innocent businesses have had to spend literally thousands of dollars and hundreds of hours correcting mistakes made by Government agencies, including the Internal Revenue Service [IRS]. This bill offers us a chance to change three provisions of existing law to ensure that small businesses can continue being productive—instead of spending needless hours filling out forms—and if they are subjected to unnecessary and unfounded charges, will have some recourse.

The bill being introduced today has three parts:

First, it will change existing IRS regulations dealing with deposit of payroll taxes. Under present law, businesses with monthly payroll deposits exceeding $3,000 must make payroll deposits eight times a month. If you're under $3,000 you only have to make the deposit once a month. The $3,000 limitation is too low and requires many very small businesses to employ people who spend a great deal of time simply meeting this requirement. In fact, I've heard from small businessmen in Arkansas who have stated that this provision is extremely onerous and should be changed. The bill will increase the $3,000 threshold to $5,000. This change, I might point out, was offered as an amendment by Senators BAUCUS and ARMSTRONG and approved by the Senate unanimously, but was later dropped in conference with the House.

Second, the bill will extend the provisions of the Equal Access to Justice Act of the IRS, and will change the standard for allowing the taxpayer to recover costs and attorney fees when the action of the Government wasn't substantially justified. The Equal Access to Justice Act was passed in order to give private citizens the opportunity to recover attorney's fees when the position of the Government in litigation was later found not to have been substantially justified. This burden was on the Federal agency. Initially, however, this act did not apply to the IRS. Later, in 1982, when it was extended to the IRS, the burden of proof was put on the taxpayer—not the IRS—and the taxpayer has to prove the position of the Government was unreasonable. The bill being introduced today will change the standard and make it conform with that of other agencies. Thus, the IRS will have to prove its position was substantially justified. Further, the bill makes the provision—contained in section 7430 of the Tax Code—a permanent provision. Currently, it is scheduled to expire at the end of this year.

Third, the bill will extend the provisions of the Regulatory Flexibility Act to the IRS. If there is one area where small businesses need the most help it is in complying with the massive amount of paperwork, particularly in the tax area. Recently, at a hearing of the Senate Finance Committee, a representative of the National Federation of Independent Business told us that in his opinion 6 out of every 10 forms filled out by small businesses were tax forms. This is a figure that should be reduced. Extending the provisions of the Regulatory Flexibility Act, which will require the agency to consider the effect of all proposed regulations on small entities should help in reducing both the number of regulations, and the amount of forms these businesses must fill out.

Mr. President, this bill is a step in the right direction toward reducing paperwork and allowing businesses, which create the most jobs and provide the real growth in this economy, to pay more attention to the forces of the marketplace and less attention to the demands of agencies of the Federal Government. There will obviously be other steps we can take, and I look forward to working with my colleagues on them. I commend the efforts of the Senator from Montana. I hope we can have hearings on this measure, and other steps that can be taken to alleviate the paperwork burden on small businesses, and I hope this bill is adopted by the full Senate.●

● Mr. GRASSLEY. Mr. President, last Wednesday the Senate took a major step toward protecting the rights of small businesses and individuals harmed by the arbitrary and unjustified acts of Federal agency bureaucrats.

By a 95-to-2 vote, the Senate passed and sent to the President S. 1487, my bill to permanently reauthorize the Equal Access to Justice Act. As you know, the EAJA allows small businesses and individuals to recover their legal expenses when they prevail in court against the Federal Government and when the Government cannot show its actions to be substantially justified. The EAJA levels the legal playing field for these parties. It allow them to fight back when they've been wronged, without having to go bankrupt in order to win relief.

This is a law that has worked well for 3 years and at minimal cost to the Government. More important, agencies think twice before they act contrary to the clear rights of our citizens. That's the reason why we made the law permanent.

But the job is not through yet. You see, one agency remains beyond the scope of the EAJA's coverage. And that one agency has the capacity to be the most arbitrary in its dealings with private citizens. That one agency is, of course, the Internal Revenue Service. This agency is subject to a much more lenient standard before being required to pay fees to a party that has just beaten the IRS in court. In fact, over the last 3 years, it has been demonstrated in case after case that's it's virtually impossible to win an award against the IRS. We all know that this result is not attributable to the IRS always being reasonable either.

There is no reason to have inconsistency in attorney fees treatment. That's why I'm happy to cosponsor this bill, which reflects much of the language we recently sent to the President on the EAJA.

I'm also happy to support the provision in the bill which makes clear the applicability of the Regulatory Flexibility Act to IRS rulemakings. The RFA ensures that agencies consider and analyze the impact of rules that substantially impact small firms. IRS

rules often have a substantial impact on small business. However, the agency has taken a position that the RFA does not apply to interpretive rulemaking; the bulk of IRS rules are interpretive, in the agency's view. This position means that nearly all tax regulations escape the scrutiny of the standards of the RFA. Section 4 of this bill would conform IRS practice to the spirit, if not the letter, of the RFA. This is an area within the jurisdiction of my Judiciary Subcommittee on Administrative Practice and Procedure, and it is a matter on which I plan continued oversight.

Section 2 of this bill is a provision supported by the NFIB and others. Raising the limit upon which small businesses must withhold taxes, and reducing the frequency of their reporting requirements will help to reduce their paperwork burden, without risking a loss of Federal revenues.●

By Mr. HEFLIN:

S. 1516. A bill to amend title 11 of the United States Code with respect to proceedings under chapter 11 and chapter 13 therein involving debtors who are family farmers, and for other purposes; to the Committee on the Judiciary.

FAMILY FARM CREDIT REHABILITATION ACT

Mr. HEFLIN. Mr. President, I rise today to introduce a legislative remedy for the protection of our family farmers. Similar legislation, H.R. 2211, unanimously passed the House of Representatives on June 24, 1985. Passage of H.R. 2211 was the culmination of hearings, discussions, and a continued study of the farm credit crisis under the leadership of House Judiciary Committee Chairman PETER RODINO and Congressman MIKE SYNAR. This legislation is a concrete and workable solution to the plight of American farmers.

I have long been deeply concerned about the economic conditions affecting Alabama agriculture as well as other food and fiber-producing States scattered across our great land. This vital legislation goes right to the heart of the problem: Helping family farmers keep their most important asset—their land.

The latest USDA data is clear—the number of commercial farms experiencing financial stress has exploded in recent years. In early 1985, one-third of commercial farms were estimated to be in financial trouble. More farmers than ever before are being forced to seek the protection of title 11 of the United States Code.

For example, in my home State of Alabama, farm bankruptcies increased by 57 percent from 1981 to 1983. Farmer's Home Administration data indicates that in 1984, 42 percent of all their loans were delinquent. Faced with the prospect of an upward trend in farm failures, the time to act is now.

Existing Federal law provides two mechanisms for financial rehabilitation and reorganization for individuals and businesses within title 11 of the United States Code. Chapter 11 provides for relief for most businesses and individuals with considerable assets and liabilities. Chapter 13 provides a less complicated procedure, designed to assist wage earners and individuals with significantly less financial responsibility.

Currently, many farmers forced to file for protection under the Federal bankruptcy laws must do so under chapter 11, because the amount of their indebtedness, in most cases, is too high to file under chapter 13 provisions. Currently, to be eligible to file under chapter 13, a debtor must have noncontingent, liquidated, unsecured debts of less than $100,000 and noncontingent liquidated debts of less than $350,000. Many family farmers have debts in excess of this ceiling and cannot utilize chapter 13. Chapter 13 is less expensive, quicker, simpler, and more flexibile in its procedures, affording debtors a greater opportunity to retain their farm land than chapter 11.

My bill allows the family farmer, defined as a person who has more than 80 percent of his debt arising from farming operations, a greater opportunity to file for relief under chapter 13. It raises the debt ceiling for family farmers so that a family farmer can file under chapter 13 if the total of the farmer's secured and unsecured debts is less than $1.5 million.

This legislation affords the family farmer flexibility and increases his chances of retaining his farmland while still making payments to his creditors, and makes several other modifications in current law. Under this bill, the family farmer is given the right to modify secured debt on a principal residence if the residence is used in connection with farming operations. Because many family farmers live on the land they farm, this is often the largest part of their debt. Under current law, farmers cannot modify this secured debt.

Farmers currently have trouble meeting the 30-day deadline for first payments on their debt repayment plan, since farm income is sporadic and tied to seasonal harvests. The presiding judge is provided the flexibility to adjust the 30-day requirement for the debtor's first payment on his plan. The court is also authorized to provide family farmers filing under chapter 13 up to 7 years, increased from the statutory 5 years, to make their complete payments under the plan.

Farmers filing under chapter 11 will also benefit from this bill, as the time period for filing a plan under chapter 11 is extended from 120 days to 240 days. If no plan has been filed after 240 days, creditors can file their own proposed repayment plan. Farmers often have difficulty in meeting this deadline through an inability to determine how successful their next harvest season will be.

The House has taken the initial step toward much-needed relief for American's family farmers. Now is the time to move on necessary amendments to our bankruptcy law. My legislation makes modifications to H.R. 2211, and through the hearing process and further examination, other concerns as to appropriate relief in this area will be advanced.

Mr. President, I urge my colleagues to join me in this effort and support this desperately needed assistance for our family farmers in financial straits. We all hope that conditions will improve and the burden on our farmers will be lifted. However, we cannot ignore the upward statistical trends, and must act now to offer relief to farmers who are struggling to make ends meet. This modest effort will make a difference for family farmers faced with a financial crisis beyond their control and enable them to continue their livelihood—farming—despite adverse financial setbacks.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1516

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "The Family Farm Credit Rehabilitation Act".

DEFINITIONS

SEC. 2. Section 101 of title 11, United States Code, is amended—

(1) in paragaph (17) by inserting "(except when such term appears in the term 'family farmer')" after "means",

(2) by redesignating paragraphs (17) through (49) as paragraphs (18) through (50), respectively, and

(3) by inserting after paragraph (16) the following new paragraph:

"(17) 'family farmer' means a person not less than 80 percent of the aggregate amount of whose debts, at the time the case commences, arises out of a farming operation owned or operated by such person and, if such person is a corporation—

"(A) more than half of the aggregate value of the outstanding equity securities of such corporation are held by one family or by one family and the relatives of the members of such family; and

"(B) if such corporation issues stock, such stock is not publicly traded;

except that such aggregate amount does not include a debt for the principal residence of such person unless such debt arises out of a farming operation;".

WHO MAY BE A DEBTOR

SEC. 3. Section 109(e) of title 11, United States Code, is amended—

(1) by striking out "or an individual" and inserting in lieu thereof "; an individual", and

(2) by inserting before the period to the end thereof "; or a family farmer with regular annual income that owes on the date of the filing of the petition noncontingent, liquidated, secured and unsecured debts of less than $1,500,000".

INVOLUNTARY CASES

SEC. 4. Section 303(a), of title 11, United States Code, is amended by inserting ", family farmer," after "farmer".

FILING OF PLAN

SEC. 5. (a) PERIOD FOR FILING BY DEBTOR.—Section 1121(b) of title 11, United States Code, is amended by inserting before the period at the end thereof "or, in the case of a debtor who is a farmer, until after 240 days after the date of the order for relief under this chapter".

(b) FILING BY ANY PARTY IN INTEREST.—Section 1121(c) of title 11, United States Code, is amended—

(1) in paragraph (2)—

(A) by inserting "(other than a farmer)" after "debtor", and

(B) by inserting before the semicolon at the end thereof the following: "or, in the case of a debtor who is a farmer, before 240 days after the date of the order for relief under this chapter", and

(2) by amending paragraph (3) to read as follows:

"(3) the debtor has not filed a plan that has been accepted—

"(A) in the case of a debtor who is not a farmer, before 180 days; or

"(B) in the case of a debtor who is a farmer, before 300 days;

after the date of the order for relief under this chapter, by each class of claims or interests that is impaired under the plan.".

(c) AUTHORITY TO EXTEND PERIODS.—Section 1121(d) of title 11, United States Code, is amended by striking out "the 120-day period or the 180-day period referred to in" and inserting in lieu thereof "any period referred to in subsection (b) or (c) of ".

COMPENSATION OF TRUSTEE

SEC. 6. (a) AMENDMENT TO TITLE 11 OF THE UNITED STATES CODE.—Section 1302(e)(1)(B) is amended to read as follows:

"(B) a percentage fee not to exceed—

"(i) in the case of a debtor who is not a family farmer, ten percent; or

"(ii) in the case of a debtor who is a family farmer, the sum of—

"(A) not to exceed ten percent of the payments made under the plan of such debtor, with respect to payments in an aggregate amount not to exceed $450,000; and

"(B) three percent of payments made under the plan of such debtor, with respect to payments made after the aggregate amount of payments made under the plan exceeds $450,000;

based on such maximum annual compensation and the actual, necessary expenses incurred by such individual as standing trustee."

(b) AMENDMENT TO TITLE 28 OF THE UNITED STATES CODE.—Section 586(e)(1)(B) of title 28, United States Code, is amended to read as follows:

"(B) a percentage fee not to exceed—

"(i) in the case of a debtor who is not a family farmer, ten percent; or

"(ii) in the case of a debtor who is a family farmer, the sum of—

"(A) not to exceed ten percent of the payments made under the plan of such debtor, with respect to payments in an aggregate amount not to exceed $450,000; and

"(B) three percent of payments made under the plan of such debtor, with respect to payments made after the aggregate amount of payments made under the plan exceeds $450,000;

based on such maximum annual compensation and the actual, necessary expenses incurred by such individual as standing trustee."

CONVERSION

SEC. 7. (a) AMENDMENT TO CHAPTER 11.—Section 1112(c) of title 11, United States Code, is amended by inserting ", family farmer," after "farmer".

"(b) AMENDMENT TO CHAPTER 13.—Section 1307(e) of title 11, United States Code, is amended by inserting "or family farmer" after "farmer".

CONTENTS OF PLAN

SEC. 8. (a) CONTENTS OF PLAN.—Section 1322(b)(2) of title 11, United States Code, is amended by striking out "debtor's principal residence" and inserting in lieu thereof "principal residence of a debtor who is not a family farmer whose principal residence is located on real property used by such family farmer in connection with a farming operation or is located within a reasonable proximity to the farming operation of such family farmer".

"(b) PERIOD FOR PAYMENTS UNDER PLAN.—Section 1322(c) of title 11, United States Code, is amended by inserting before the period at the end thereof the following: "in the case of a debtor who is not a family farmer, or longer than ten years in the case of a debtor who is a family farmer".

PAYMENTS

SEC. 9. Section 1326(a)(1) of title 11, United States Code, is amended by adding at the end thereof the following: "If the debtor is a family farmer who requests, not later than 15 days after the order for relief, that the court hold a hearing to determine whether to order a different time for the commencement of payments proposed by the plan, then the court shall, not later than 30 days after the date of such request, hold a hearing and determine from the facts and circumstances of the debtor and the case a reasonable time after the plan is filed within which the debtor shall commence making the payments proposed by the plan.".

TECHNICAL AMENDMENTS

SEC. 10. (a) The table of chapters for title 11 of the United States Code is amended in the item relating to chapter 13 by inserting "or a Family Farmer" after "Individual".

"(b) The heading for chapter 13 of title 11 of the United States Code is amended by inserting "OR A FAMILY FARMER" after "INDIVIDUAL".

APPLICABILITY OF AMENDMENTS

SEC. 11. The amendments made by this Act shall not apply with respect to cases commenced under title 11 of the United States Code before the date of the enactment of this Act.

By Mr. McCLURE:

S. 1517. A bill to amend the Low-Level Radioactive Waste Policy Act of 1980 to authorize continued financial and technical assistance of the Department of Energy to the regional low-level waste compact regions, and to revise the guidelines and procedures for the establishment and use of regional disposal facilities for low-level radioactive waste, and for other purposes; to the Committee on Energy and Natural Resources.

LOW-LEVEL RADIOACTIVE WASTE POLICY ACT AMENDMENTS

● Mr. McCLURE. Mr. President, today I am introducing legislation that is crucial to the avoidance of a crisis in the future of low-level radioactive waste disposal. This legislation is needed primarily because the January 1, 1986, deadline set in the original Low-Level Radioactive Waste Policy Act of 1980 is nearly upon us, yet we are a long way from ratification of the regional compacts, let alone the establishment of new low-level disposal facilities, which was the purpose of the original bill.

Since the passage of the 1680 act, six regional compacts covering 40 States have been formed and sent to Congress. Yet, no new waste facilities are expected to open before the January 1, 1986, deadline. In fact, it now appears that siting, design, construction, and licensing of these new facilities may require much more time than Congress anticipated in 1980.

Meanwhile, the three States with existing disposal facilities—at Barnwell, SC; Beatty, NV; and Hanford, WA—are growing weary of the burden they have borne for so long.

We cannot let a potential impasse develop between the sited and unsited regions of the country. We need to provide adequate time for environmentally sound development of new sites. Yet, we cannot afford to force utilities, pharmaceutical companies, or hospitals to shut down because of lack of low-level waste storage options. Neither can we rely on the Department of Energy to unfairly bear the burden of providing emergency storage capacity. And we must avoid as much as possible the proliferation of a crop of small, interim storage facilities dotted all over the country that would unnecessarily increase worker exposure, add to consumer costs, and could conceivably reduce the pressure on States to develop permanent disposal sites.

The bill I am introducing today seeks a reasonable balance of these concerns, and provides for an interim period of time during which the regions can proceed toward an ultimate resolution of their disposal problems. The bill would deny out-of-region access to the existing disposal facilities if compact ratification is not achieved by July 1, 1986. The bill would extend, until January 1, 1993, the deadline for regional development of new low-level waste storage facilities, while at the same time, it would restrict the volume of waste going to the three existing disposal facilities. Thus, it would relieve the current disposal facilities of an unfair and open-ended responsibility to accept wastes from outside

their region. More importantly, the bill would extend the authority of the Department of Energy to continue its technical and financial assistance to States for the timely establishment of new disposal sites, and would require the Department to report to Congress on an annual basis the progress toward that end.

Mr. President, this bill is a necessary ingredient of the Nation's formula to provide for regional disposal of low-level radioactive wastes. It is the responsibility of this Congress to provide a reasonable, predictable, and timely mechanism by which the States and the various compact regions can proceed to meet the low-level waste disposal needs of their region. I urge the Congress to give prompt attention to this matter.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1517

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Low-Level Radioactive Waste Policy Act Amendments of 1985".

SEC. 2. The Low-Level Radioactive Waste Policy Act (42 U.S.C. 2021b et seq.) is amended by striking out section 4 and inserting in lieu thereof the following:

"SEC. 4. (a) It is the policy of the Federal Government that—

"(1) each State is responsible for providing for the availability of capacity either within or outside the State for the disposal of low-level radioactive waste generated within its borders except for waste generated as a result of defense.

"(2) low-level radioactive waste can be most safely and efficiently managed on a regional basis.

"(b) To carry out the policy set forth in paragraph (a), the States may enter into such compacts as may be necessary to provide for the establishment and operation of regional disposal facilities for low-level radioactive waste.

"(c) A compact entered into under subparagraph (1) shall not take effect until the Congress has by law consented to the compact. Each such compact shall provide that every 5 years after the compact has taken effect the Congress may by law withdraw its consent.

"DEPARTMENT OF ENERGY FINANCIAL AND TECHNICAL ASSISTANCE

"SEC. 5. (a) The Secretary shall, to the extent provided in appropriations Acts, provide to compact regions, States that are members of compacts, and States that are not members of compacts, that are determined by the Secretary to require assistance for purposes of carrying out this Act—

"(1) continuing technical assistance to assist them in fulfilling their responsibilities under this Act. Such technical assistance shall include, but not be limited to, technical guidelines for site selection, alternative technologies for low-level radioactive waste disposal, volume reduction options, management techniques to reduce low-level waste generation, transportation practices for shipment of low-level wastes, and health and safety considerations in the storage, shipment, and disposal of low-level radioactive wastes, and

"(2) at least through the end of fiscal year 1993, financial assistance to assist them in fulfilling their responsibilities under this Act.

"(b) The Secretary shall prepare and submit a report to Congress on an annual basis which (1) summarizes the progress of low-level waste disposal siting and licensing activities within each compact region, (2) reviews the available volume reduction technologies, their applications, effectiveness, and costs on a per unit volume basis, (3) reviews interim storage facility requirements, costs, and usage, (4) summarizes transportation requirements for such wastes on an inter- and intra-regional basis, (5) summarizes the data on the total amount of low-level waste generated on a yearly basis, the proportion of such wastes that underwent volume reduction, the average volume reduction attained, and the proportion of wastes stored on an interim basis, and (6) projects the interim storage and final disposal volume requirements anticipated for the upcoming year, on a regional basis.

"APPLICABILITY TO FEDERAL REGULATIONS

"SEC. 6. Nothing contained in this Act or any compact may be construed to limit the applicability of any Federal law or to diminish or otherwise impair the jurisdiction of any Federal agency, including the regulatory responsibilities of the Nuclear Regulatory Commission and the Department of Transportation.

"LIMITED AVAILABILITY OF REGIONAL DISPOSAL FACILITIES FOR LOW-LEVEL RADIOACTIVE WASTE GENERATED OUTSIDE COMPACT REGION

"SEC. 7. (a) IN GENERAL.—Subject to the limitations in subsection (b), each compact region that has a regional disposal facility in operation before January 1, 1985, shall, before the expiration of the 3-month period following the date of the enactment of the Low-Level Radioactive Waste Policy Amendments of 1985, offer to enter into agreements with any compact region that does not have such a regional disposal facility in operation (and with any State that is not a member of a compact region and does not have a low-level radioactive waste disposal facility in operation) to allocate all available disposal capacity to such compact regions (and States) through January 1, 1993, for the disposal of low-level radioactive waste generated in such compact regions (and States). Each such offer to enter into agreements shall remain available for not less than a 9-month period.

"(b) LIMITATIONS.—The availability of regional disposal facilities under subsection (a) shall be subject to the following limitations:

"(1) The regional disposal facility located at Barnwell, in the State of South Carolina, shall not be required under subsection (a) in any year beginning after December 31, 1985, to dispose of more than 60 percent of the number of cubic feet of low-level radioactive waste received for disposal at such facility from outside the compact region in 1983.

"(2) The regional disposal facility located at Hanford, in the State of Washington, shall not be required under subsection (a) in any year beginning after December 31, 1985, to dispose of more than 60 percent of the number of cubic feet of low-level radioactive waste received for disposal at such facility from outside the compact region in 1983.

"(3) The regional facility located at Beatty, in the State of Nevada, shall not be required under subsection (a) in any year beginning after December 31, 1985, to dispose of more than 150,000 cubic feet of low-level radioactive waste.

"(c) SURCHARGES.—(1) Each agreement entered into under subsection (a) may provide for a surcharge on any low-level radioactive waste disposed of under such agreement that is not in excess of the limits established in subsection (b). Such surcharge shall be in addition to the fees generally applicable for disposal of low-level radioactive waste in the disposal facility involved, and may not exceed $5 per cubic foot of low-level radioactive waste.

"(2) Each agreement entered into under subsection (a) may provide for a surcharge on any low-level radioactive waste disposed of under such agreement that is in excess of the limits established in subsection (b). Such surcharge shall be in addition to the fees generally applicable for disposal of low-level radioactive waste in the disposal facility involved, and may not exceed $10 per cubic foot of low-level radioactive waste.

"(d) NONDISCRIMINATION.—Except as provided in subsections (b) and (c), low-level radioactive waste disposed of under an agreement entered into under section (a) shall be subject without discrimination to all applicable legal requirements of the compact region and State in which the disposal facility is located as if such low-level radioactive waste were generated within such compact region.

"(e) RECIPROCITY.—Each compact region that does not have a regional disposal facility and that enters into an agreement under subsection (a) shall be required to accept wastes from the State with whom such an agreement has been made, the amount of such wastes to be equivalent to the aggregate wastes shipped prior to January 1, 1993, from the nonsited compact region that is in excess of the amounts as defined under subsection (b).

"(f) LIMITATION ON ACCESS TO EXISTING DISPOSAL FACILITIES—If any non-sited compact region or non-member State fails to ratify compact legislation or fails to enact legislation to develop its own disposal facility by July 1, 1986, any low-level radioactive waste generated within such non-sited compact region or non-member State may be denied access to the existing regional disposal facilities.●

By Mr. GLENN (for himself, Mr. DIXON, and Mr. QUAYLE):

S. 1518. A bill to provide for cost efficiency in the shipment of U.S. Government cargoes, to establish the Great Lakes and Saint Lawrence Seaway Advisory Council, and for other purposes; to the Committee on Governmental Affairs.

GREAT LAKES CARGO ENHANCEMENT

Mr. GLENN. Mr. President, for too long, the Great Lakes, this Nation's fourth seacoast, has been functioning at a competitive disadvantage in overseas shipping when compared to the other U.S. coastal ranges. The fourth seacoast is the only seacoast which operates under any form of user fee. The limitations imposed by the locks on the St. Lawrence Seaway have hindered the use of larger, more efficient vessels on the lakes. And some would

even argue that the application of cargo preference laws has adversely impacted the lakes due to the lack of U.S.-flag vessels serving the lakes in overseas trade. These are all serious concerns within the Great Lakes region. There are no simple remedies to these problems, nor is there a unified position for addressing these problems by Great Lakes interests.

Today, I wish to address just one aspect of the lakes' problem. One which is all too familiar to each Great Lakes Senate and congressional office. We all are aware that the Federal Government generates a substantial amount of cargo for overseas trade. Even though a large percentage of this cargo is grown or manufactured in the Great Lakes region, it is often diverted, at greater Government expense, to other coastal ranges for overseas transport.

One very good example of this occurred just this year. The U.S. Department of Agriculture negotiated the sale of surplus butter oil to the Egyptian Government. The Department also intended to transport this cargo by truck or rail to the east of gulf coast to meet an Egyptian vessel.

This would have been fine except for the fact that the cargo had originated near Milwaukee, WI. Milwaukee, by the way, has a fine port and an aggressive port director. Through the work of Senators PROXMIRE and KASTEN, Congressman KLECZKA, and Dan Shaughnessy of the Western Great Lakes Maritime Association, the Department of Agriculture was convinced to move this cargo from the Port of Milwaukee, at a savings to the Federal Government of over $100,000.

To encourage continued savings of this type and ensure competitive equity for the Great Lakes, I am introducing, along with four of my Senate Great Lakes colleagues, Senators DIXON, QUAYLE, LEVIN, PROXMIRE, legislation directing Federal agencies to move Government impelled cargo at the least cost to the U.S. Government.

Before I describe the provisions of this legislation, let me assure my colleagues that this bill is neither an attack upon nor an endorsement of cargo preference. Personally, I support cargo preference because I believe the United States needs to maintain a strong merchant marine fleet for strategic purposes as well as to guarantee that U.S. exports are not held hostage to foreign shippers. However, many of the cosponsors and supporters of this legislation do not share my views. So it should be obvious from the outset that this legislation is not a cargo preference bill.

Let me briefly outline the significant provisions and intentions of this bill. First, it would establish a new principle in shipping Government impelled cargo to be known as least cost to the Federal Government. This principle is based, in part, upon the lowest landed cost principle developed by Senator DIXON in the 98th Congress. I have included the good work done by Senator DIXON, directing agencies to ship cargoes fully paid for by the Government at the lowest landed cost. This legislation also would direct agencies to ship commodities partially paid for or financed by the Federal Government under a least cost principle.

This should ensure that Great Lakes ports have the opportunity to compete in the movement of such cargoes. And, by ensuring the most efficient use of Government funds, this proposal will guarantee that the creative financing programs authorized by Congress will be available to encourage even more U.S. exports.

Another provision included in this legislation would encourage U.S. ship operators to serve the Great Lakes in overseas trade. This legislation requires Federal agencies to solicit bids from U.S. ship operators for the movement of cargoes available at U.S. ports not served or underserved by U.S. ship operators. Currently, only one regularly scheduled U.S.-flag liner company serves the Great Lakes.

Finally, this legislation would establish a Great Lakes Advisory Council to study the shipping problems plaguing the Great Lakes and report to Congress with possible solutions. While other reports have been done on the lakes, I believe the makeup of this body will add extra credibility to the findings. This council would include the Secretaries of Commerce, Transportation, and Agriculture, along with other high level Government officials and individuals representing various Great Lakes interests.

This legislation would not establish set-asides or subsidies for the lakes. It would not give the lakes any special advantage in shipping Government impelled cargoes. It is only intended to guarantee competitive equity for the Great Lakes in moving Government impelled cargoes.

In closing I would like to mention that in developing this legislation I have worked with representatives of the maritime and agricultural industries and have tried to address their concerns. It is endorsed by the International Association of Great Lakes Ports, and the Western Great Lakes Maritime Association. I am sure that upon further review other groups will join the current list and endorse this legislation.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1518

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—COST EFFICIENCY IN THE SHIPMENT OF UNITED STATES GOVERNMENT CARGOES

FINDINGS

SEC. 101. The Congress finds that—

(1) it is in the best interests of the United States to maintain a strong merchant marine fleet for the efficient transport of United States Government cargo;

(2) it is in the best interests of the United States to ensure fair and reasonable participation for all four port ranges in the movement of United States Government impelled cargo; and

(3) such cargo should be shipped in the most efficient manner, at the lowest cost to the United States Government, which is not inconsistent with the provisions of section 901(b) of the Merchant Marine Act of 1936 (46 U.S.C. 1241(b)), the joint resolution entitled "Joint Resolution Requiring agricultural or other products to be shipped in vessels of the United States where the Reconstruction Finance Corporation or any other instrumentality of the Government finances the exporting of such products", approved March 26, 1934 (46 U.S.C. 1241-1), section 603 of the Foreign Assistance Act of 1961 (22 U.S.C. 2353), and section 2631 of title 10, United States Code (commonly known as the cargo preference laws).

DEFINITIONS

SEC. 102. For purposes of this title—

(1) the term "least cost to the United States" means the lowest expense to the United States Government determined by calculating the total cost of a commodity and all related transport costs, including but not limited to inland, freight, ocean freight, wharfage, dockage, terminal transfer, stevedoring charges, freight forwarding, customs brokers, and freight differential charges; and

(2) the term "lowest landed cost" means—

(A) in the case of export cargo, all costs associated with the procurement and transportation of cargo from the United States to the port of entry abroad; and

(B) in the case of import cargo, the cost of transporting the cargo from the originating port abroad to the point of final destination in the United States.

SHIPMENT OF UNITED STATES GOVERNMENT CARGO AT LOWEST COST

SEC. 103. (a) Any agency of the United States that ships, generates, finances, or otherwise impels United States Government cargo shall ship such cargo at the lowest cost to the United States. Such cargo shall be shipped at—

(1) the least cost to the United States if such cargo is—

(A) an agricultural commodity that—

(i) the sale and exportation of which is fully paid by the Commodity Credit Corporation; and

(ii) is exported under an agreement with a foreign nation pursuant to title I of the Agricultural Trade Development and assistance Act of 1954;

(B)(i) shipped, generated, financed, or otherwise impelled by the Department of Defense; and

(ii) is not cargo shipped at the lowest landed cost pursuant to paragraph (2)(B);

(C) a commodity shipped pursuant to an agreement financed by the Export-Import Bank of the United States;

(D) a commodity shipped pursuant to chapter 4 of part II of the Foreign Assistance Act of 1961 pursuant to an agreement financed under the Commodity Import Pro-

gram, or any other export generating program administered by the Agency for International Development; or

(E) any other United States Government cargo, except a cargo shipped at the lowest landed cost pursuant to paragraph (2); and

(2) the lowest landed cost to the United States if such cargo is—

(A) an agricultural commodity that—

(i) the sale or donation of which, including freight and associated expenses, is financed by the Commodity Credit Corporation; and

(ii) is exported as assistance or a donation pursuant to title II of the Agricultural Trade Development and Assistance Act of 1954; or (B) shipped, generated, financed, or otherwise impelled by the Department of Defense and such Department pays all expenses associated with such cargo.

(b) Nothing in the provisions of subsection (a) shall be construed to supercede, or applied inconsistently with the provisions of—

(1) section 901(b) of the Merchant Marine Act of 1936 (46 U.S.C. 1241(b));

(2) the joint resolution entitled "Joint Resolution Requiring agricultural or other products to be shipped in vessels of the United States where the Reconstruction Finance Corporation or any other instrumentality of the Government finances the exporting of such products", approved March 26, 1934 (46 U.S.C. 1241-1);

(3) section 2631 of title 10, United States Code; or

(4) section 603 of the Foreign Assistance Act of 1961 (22 U.S.C. 2353).

PROMPT PAYMENT TO UNITED STATES SHIPPING INTEREST FOR THE SHIPMENT OF UNITED STATES GOVERNMENT CARGO

SEC. 104. (a) Any agency of the United States that contracts with a foreign entity for the sale or transfer of United States Government cargo shall include as a term of such contract a provision for—

(1) the prompt payment within thirty days of any cost incurred by a United States shipping interest; and

(2) a late charge or interest penalty based on the principal amount owed, if such prompt payment provision is breached.

(b) If a foreign entity breaches a prompt payment provision of such contract made pursuant to subsection (a)(1), the affected United States shipping interest may petition the Federal agency that negotiated the contract to take action regarding payment. If such foreign entity has not made such payment within thirty days after the filing of the petition, the agency, in cooperation with the affected shipping interest, shall file suit in the appropriate Federal district court for the recovery of such payment and the late charge or interest penalty for late payment.

(c)(1) If the prompt payment provision included as a term of a contract pursuant to subsection (a)(1) provides that a Federal agency shall make such payment to a United States shipping interest and such agency breaches such provision, such shipping interest aggrieved by nonpayment may—

(A) file a petition for such payent and the amount of the late charge or interest penalty included in such contract pursuant to subsection (a)(2); and

(B) after thirty days from the date of filing of a petition under subparagraph (A), file suit in the appropriate Federal district court for recovery of such payment and the late charge or interest penalty.

(2) If the district court determines that the United States agency is liable in any suit filed pursuant to subparagraph (B) of paragraph (1), the court may award to the shipping interest an amount equal to three times the late charge or interest penalty in addition to the principal amount owed and the late charge or interest penalty.

(d) For the purposes of this section the term—

(1) "foreign entity" means any foreign nation, agent of a foreign nation, or foreign person; and

(2) "United States shipping interest" means any person or business concern of the United States involved in the transport of such cargo, including but not limited to port authorities, stevedoring companies, producers and processors, ship owners, and inland freight companies.

EFFICIENT USE OF THE UNITED STATES MERCHANT MARINE FLEET

SEC. 105. (a) Any Federal agency shipping United States Government cargo shall solicit bids from any ship operator for the transport of United States Government cargo over a route which is not serviced by such ship operator if—

(1)(A) there is no ship operator using United States-flag vessels that services such route; or

(B) any ship operator using United States-flag vessels that services such route is unable or unwilling to transport such cargo;

(2) such cargo would be transported in United States-flag vessels; and

(3) the transport of such cargo shall result in the lowest cost to the United States pursuant to section 103.

(b) Notwithstanding any other provision of law, any United States-flag vessel constructed in the United States may transport United States Government cargo on any route if such transport—

(1) is the first voyage of such vessel; and

(2) shall result in the lowest cost to the United States pursuant to section 103.

REPORT TO CONGRESS

SEC. 106. Within twenty-four months after the date of enactment of this Act, the General Accounting Office shall review the compliance of all Federal agencies with the provisions of this title and report the findings and recommendations from such review to Congress.

TITLE II—THE GREAT LAKES AND SAINT LAWRENCE SEAWAY ADVISORY COUNCIL

FINDINGS

SEC. 201. The Congress finds that it is in the long-term economic interests of the Nation to develop a coordinated economic revitalization strategy for shipping activities on the Great Lakes, the connecting channels, and the Saint Lawrence Seaway (commonly known as the fourth seacoast of the United States) in order to increase exports from the Great Lakes region and favorably affect the United States balance of trade.

COUNCIL ESTABLISHED

SEC. 202. (a) There is hereby established a council to be known as the Great Lakes and Saint Lawrence Seaway Advisory Council (hereinafter referred to as the "Council").

(b) The Council shall be composed of twelve members which shall include—

(1) the Secretary of Commerce, or his designee, who shall chair the Council;

(2) the Secretary of Transportation, or his designee;

(3) the Secretary of Agriculture, or his designee;

(4) the Assistant Secretary of the Army for Civil Works;

(5) the Administrator of the Saint Lawrence Seaway Development Corporation or his designee;

(6) the Administrator of the Environmental Protection Agency, or his designee;

(7) the Chairman of the Council of Great Lakes Governors; and

(8) five members of the transportation industry, appointed by the Chairman from nominations by the industry of whom—

(A) two shall represent ports on the Great Lakes, of whom—

(i) one shall represent ports on Lakes Michigan and Superior; and

(ii) one shall represent ports on Lakes Huron, Erie, and Ontario and connecting channels;

(B) one shall represent operators of ocean going United States-flag vessels;

(C) one shall represent operators of ocean going foreign-flag vessels; and

(D) one shall represent maritime unions active on the Great Lakes.

(c) Members of the Council shall serve until the expiration of the Council.

(d) Seven members of the Council shall constitute a quorum but a lesser number may hold hearings.

(e) The Council shall meet at the call of the Chairman or a majority of its members.

FUNCTIONS OF THE COUNCIL

SEC. 203. (a) The Council shall make a complete study of the means to develop and implement a comprehensive economic strategy to improve the capacity of the Great Lakes region to market and transport commodities in a timely manner and to maximize the efficiency and benefits of market products produced in the Great Lakes region and products shipped through the Great Lakes Saint Lawrence Seaway system. The strategy shall include—

(1) methods to improve and promote both bulk and general cargo overseas trade through Great Lakes ports;

(2) methods to accelerate the movement of grains and other agricultural commodities through the Great Lakes;

(3) methods materials, and programs to promote trade from the Great Lakes region and through Great Lakes ports, particularly with European, Mediterranean, African, Caribbean, Central American, and South American nations;

(4) methods to increase the overseas routing of cargoes owned, financed, and sponsored by the Government of the United States through Great Lakes ports; and

(5) methods to encourage United States-flag vessels to engage in international trade from the Great Lakes.

(b) In developing the strategy, the Council shall conduct and consider the results of—

(1) an analysis of the constraints on overseas shipments of agricultural products through the Seaway resulting from marketing problems caused by—

(A) a late harvest season;

(B) the need for additional storage capacity;

(C) the loss of grain shipment from Great Lakes ports due to diversion by rail to Canadian or United States tidewater ports; and

(D) other constraints identified by agricultural interests;

(2) an analysis of—

(A) the types and quantities of export cargoes produced in the Midwest and North Central region that are owned, financed, and sponsored by the Government of the United States;

(B) the constraints on the shipment of such cargoes through the Great Lakes and Saint Lawrence Seaway system; and

(C) administrative and statutory changes that could achieve increased shipments of such cargoes through Great Lakes ports; and

(3) an analysis of—

(A) the effectiveness of ongoing promotional programs by Federal, regional, State, and local agencies directed at attracting shippers to the Great Lakes and Saint Lawrence Seaway system; and

(B) recommendations on types of promotional programs to enhance the image and awareness of the Great Lakes and Saint Lawrence Seaway system by importers and exporters in the United States or overseas.

(c) No later than September 30, 1987, the Council shall transmit to the President and to each House of the Congress a report stating the strategy developed under this section and the results of each analysis conducted under this section. Such report shall contain a detailed statement of the findings and conclusions of the Council together with its recommendations for such legislative and administrative actions as it considers appropriate to carry out such strategy and to assure maximum economic benefits to the Great Lakes region.

(d) The Council shall cease to exist one-hundred and eighty days after submitting its report pursuant to subsection (c).

POWERS AND ADMINISTRATIVE PROVISIONS

SEC. 204. (a) The Council may, for the purpose of carrying out the provisions of this title, hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence, as the Council considers appropriate.

(b) Subject to such rules as may be adopted by the Council, the Chairman, without regard to the provisions of title 5, United States Code, governig appointments in the competitive service, and without regard to the provisions of chapter 51 of subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, is authorized—

(1) to appoint and fix the compensation of such staff personnel as he deems necessary, including an executive director who may be compensated at a rate not in excess of that provided for level V of the Executive Schedule in title 5, United States Code, and

(2) to procure the services of experts and consultants in accordance with section 3109 of title 5, United States Code.

(c) Each department, agency, and instrumentality of the executive branch of the Federal Government, including independent agencies, is authorized and directed to furnish to the Council, upon request made by the Chairman, such information as the Council deems necessary to carry out its functions.

(d) Upon request of the Council, the head of any Federal agency is authorized to detail, on a reimbursable basis, any of the personnel of such agency to the Council to assist the Council in carrying out its duties.

(e) The Administrator of General Services shall provide to the Council on a reimbursable basis such administrative support services as the Council may request.

(f) The Council may use the United States mail in the same manner and under the same conditions as other departments and agencies of the United States.

(g) Any member or agent of the Council may, if so authorized by the Council, take any action which the Council is authorized to take by this section.

COMPENSATION OF MEMBERS

SEC. 205. Members of the Council shall serve without compensation, but shall be reimbursed for travel or transportation expenses under subchapter I of chapter 57 of title 5, United States Code, while away from home or a regular place of business and engaged in the actual performance of duties vested in the Council.

AUTHORIZATION OF APPROPRIATIONS

SEC. 206. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this title.

Mr. DIXON. Mr. President, I am pleased to join my colleague, Senator GLENN, in introducing this bill to provide for cost efficiency in the shipment of United States Government cargoes, and to encourage the use of the Great Lakes as an international trade route for these cargoes.

Increasing the volume of government cargo shipments through the Great Lakes has been a major priority of mine since I have been in the Senate. The Great Lakes/St. Lawrence Seaway system is an important and integral part of our national water transportation system. This system affords the significant farming and manufacturing interests in the Midwest access to low-cost water transportation, which, in turn, allows our region to provide low-cost waterborne commodities to world markets. In doing so, the Great Lakes creates thousands of jobs and generates millions of dollars of economic activity in our farm and manufacturing sectors as well as in our maritime industries.

At the same time, the Great Lakes region is underserved by the U.S. merchant marine fleet. Eight years ago, there were 18 U.S. flag shipping lines operating on the Great Lakes. Today, there are only three. This decline has had a devastating impact on our region's ability to attract and to transport government cargoes, even in instances in which those cargoes are manufactured or grown in our region and near our ports. For example, although 38 percent of the Defense Department cargoes are manufactured in the Great Lakes region, less than one-tenth of one percent of those cargoes are presently transported via Great Lakes ports.

This bill goes a long way toward correcting this problem by requiring all Government agencies to ship their goods at the lowest possible cost. This requirement, which was the basis for bills that I introduced in the 97th and the 98th Congresses, will provide the Great Lakes with an opportunity to compete for those cargoes. By forcing the Government to ship at the lowest cost, this bill will place our region on equal footing with other coastal ranges. No longer can cargoes be transported overland out of the Great Lakes to other ports at a higher cost to the Federal Government.

This bill will save the United States Government and the taxpayers a significant amount of money. The Government finances for export a wide range of products through many Federal agencies. According to a recent General Accounting Office study, U.S. flag vessels carried 12.4 million tons of preference cargoes in 1980, which was more than one-third of all U.S. flag cargo shipped between U.S. and foreign ports.

In order to increase the use of Great Lakes ports by these U.S. flag vessels, the bill will solicit bids from any ship operator for Government cargo transport on a trade route that is not being serviced by that operator. This provision will provide the opportunity for U.S. ships to compete for cargoes if they use the Great Lakes.

In addition, this bill does not alter existing Cargo Preference laws that protect our national merchant marine. It is my understanding that the bill has the support of all maritime interests.

Mr. President, this bill will enact into law some very important principles that the Federal Government must follow in its contracting policies if it is to be faithful to the taxpayer and to the businesses of this country. The most important of these is competition—the bill will require agencies to ship at the lowest possible cost, and it will provide access to these cargoes for all interested parties and for all coastal ranges, including the Great Lakes.

I applaud Senator GLENN for his leadership on this issue, and I urge my colleagues to support this bill.

Mr. QUAYLE. Mr. President, I am pleased to join my colleague, Senator GLENN, and seven of my fellow Great Lakes Senators in cosponsoring the Government Cargo Transport bill. This legislation encourages Federal agencies to ship cargoes on the basis of least cost to the Federal Government. Such a goal would encourage greater movement of government generated cargoes through the Great Lakes ports and hopefully, attract more U.S. flagged vessels to engage in international trade from the Great Lakes.

As Chairman of the Senate Armed Service's Subcommittee on Defense Acquisition Policy, I have experienced a firsthand education on the problems of controlling costs in our Federal agencies. As we have witnessed in the Department of Defense, procurement practices exist that do not serve the interests of efficiency or frugality. The U.S. taxpayer rightfully demands that the Federal Government operate as any other business operation. The Government Cargo Transport bill can assure least cost to the taxpayers by encouraging Federal agencies which generate Government cargoes to ship those cargoes at the lowest cost to the Government.

The Government Cargo Transport bill also establishes a prompt payment process for government cargo transactions. Under this provision, the Federal agencies would be required to act as responsible business partners. Agencies would be required to pay for transport of government cargoes within 30 days or face penalty payments.

In addition, it is important to note the interest in this legislation by the Great Lakes States and its ports. I believe it is fair and reasonable to seek equal participation of all four of our Nation's seacoasts for government cargoes. I have worked together with a number of Senators from Great Lakes States to encourage greater movement of government generated cargoes through the Great Lakes ports. This effort has met with some degree of success and I am pleased to acknowledge the presence of a new U.S. flag carrier serving the Lakes. I believe that Great Lakes shipping will continue to prove competitive with the other coasts and can offer the Federal Government efficient and cost-effective service.

I am pleased to cosponsor this bill and I urge prompt consideration of the Government Cargo Transport bill, as we continue to strive for effective management by agencies of the Federal Government.

By Mr. NICKLES:

S. 1519. A bill to provide a separate appropriation for all congressional foreign travel, and for other purposes; to the Committee on Rules and Administration.

CONGRESSIONAL FOREIGN TRAVEL ACCOUNTABILITY ACT

● Mr. NICKLES. Mr. President, it seems appropriate to me as we near the eve of Congress' departure for the August recess, that I reintroduce my bill entitled the Congressional Foreign Travel Accountability Act. The purpose of this bill is to allow the public to scrutinize how their tax dollars are being spent, and who is doing the spending.

Let me be quick to add, Mr. President, that if Congress' travel expenses became public, I believe that in many cases, the public would learn that the tax-dollar-sponsored travels of their elected representatives are legitimate and proper. However, until disclosure is required, sensationalized reports of "junketeering" will continue and will undermine legitimate trips.

Congress funds the activities of all of Government, but it does not directly fund its own travel expenses. Rather, money comes from some seemingly secret State Department accounts, U.S. Embassies around the globe and even the defense budget. My bill would require that Congress appropriate each year the amount of money it will allow for foreign travel. It would eliminate the indirect funding for congressional travel from the State Department, Defense Department, and any other agencies presently underwriting this expense.

Further, in the name of eliminating duplication of efforts, my bill also requires Congress to keep track of what trips its Members take and for what purpose. The report must list the accomplishments of the trip along with itemized expenditures. Most cost-conscious businesses require this type of accounting of their employees; can Congress, in the face of our ever-growing deficit, afford not to?

Mr. President, national cynicism about congressional travel has deteriorated to the point where every trip is labeled a "junket." I first introduced this reform measure in June of last year. Since then, our national debt has increased by a whopping $262 billion. It it wasn't time then, then certainly it must be time now that we in Congress demonstrate our willingness to do our share in reducing wasteful and unnecessary spending.●

By Mr. HATCH:

S. 1520. A bill to amend the Federal Food, Drug, and Cosmetic Act and related statutes, and for other purposes; to the Committee on Labor and Human Resources.

FOOD, DRUG, AND DEVICE AMENDMENTS

Mr. HATCH. Mr. President, today I am introducing the Food, Drug, and Device Amendment of 1985. This bill, drafted by the Department of Health and Human Services and representing administration policy, makes several worthwhile improvements to the Federal Food, Drug, and Cosmetic Act.

First, this bill would amend the medical device provisions of the Federal Food, Drug, and Cosmetic Act (the Act) to make those provisions more sensible and efficient. Under present law, devices in class I are subject only to general controls under the act while the Secretary of Health and Human Services is arguably required to establish performance standards for all devices in class II.

This provision of the medical device law has proven very difficult for the Food and Drug Administration to administer. Since the enactment of the 1977 Medical Device Amendments, the Food and Drug Administration has placed or proposed to place 1,100 different device types in class II. To date, however, none of the corresponding technical performance standards have been published. It has become widely recognized that issuance and enforcement of mandatory standards for each of these 1,100 devices is simply not practicable. As pointed out in a 1983 General Accounting Office report, the system is not working and is not providing any real advantage to the public. GAO confirmed in its 1984 study, Federal Policies and the Medical Device Industry, that: "The fact remains that, as a practical matter, there is little possibility that standards can be formulated for the large number of device types that have been placed in class II."

GAO noted elsewhere that, given rapid development in the technologically advanced medical devices industry, and the cumbersome standards-setting procedure called for in the statute, performance standards would often be obsolete upon final publication, serving little purpose other than to put a damper on further innovation. And based on current experience, for many class II devices the general controls of the act and the adoption of voluntary standards by industry have proved entirely sufficient.

Thus the amendments I am proposing would incorporate the flexibility advocated by the General Accounting Office. They would combine current classes I and II into a new class I, and would clarify that the Secretary is authorized, but not required, to establish a performance standard for any device upon a finding that a standard is necessary to provide reasonable assurance of safety or effectiveness.

This step would fully protect the consumer while removing from FDA the debilitating and pointless burden of promulgating standards for all 1,100 devices.

Further, as I have mentioned, in those cases where a Federal performance standard is desirable, the present cumbersome statutory procedure is extremely time-consuming and wasteful of administrative resources. The procedure requires, at a minimum, six separate publications in the Federal Register to establish a standard for a device, resulting in both governmental waste and unnecessary expense to affected persons participating in this procedure. The amendments I am proposing would streamline the procedure by substituting informal notice-and-comment rulemaking under the Administrative Procedure Act, with a stipulation that the Secretary of Health and Human Services consult with an appropriate advisory committee.

Let me pause for a moment to note that some commentators argue that these amendments could be interpreted as broadening the authority of the Food And Drug Administration to require premarket approval for devices that do not now require such approval. Briefly, the bill deletes language that places in class III those devices which lack certain data and which support or sustain life, or are employed for a use which is substantially important in preventing impairment of human health, or which present a potential unreasonable risk of illness or injury. The mirror-image converse of these criteria is also stated negatively in the current class I definition. Rather than

maintaining this needless duplication of criteria, this bill states simply that class II devices (the new class for which pre-market approval would be required under this proposal) are those that cannot be classified as class I. And the new class I retains the current language excluding, under appropriate conditions, life support/sustaining/impairment/unreasonable risk devices.

I am assured by the Department of Health and Human Services that the intent of this revision is nonsubstantive and reflects no more than an effort to streamline a long and detailed statute.

I concur with the Department that the effect of the amended language should be merely to simplify the statutory scheme, not expand or contract the number of devices requiring premarket approval. It is my belief that the language of the bill accomplishes no more than this. If, however, it becomes apparent on further reflection that a greater measure of specificity would be prudent, I will consider offering an amendment to utilize the present law's criteria when the committee considers the bill.

The bill would also make various other amendments intended to improve the ability of the Department of Health and Human Services to administer the act, and would reduce administrative burdens both for the Department and for regulated firms without compromising the protection of the public health. The bill would enable the Secretary to obtain injunctions against the manufacture and distribution of counterfeit drugs. As we have learned recently, the counterfeiting problem is much larger than previously suspected. FDA needs this basic injunctive tool in order to better protect the public from this pernicious fraud. Further, the bill would repeal the requirement that the Department certify batches of antibiotic drugs upon request by the manufacturer; would repeal reporting requirements concerning electronic product radiation; and it would repeal the obsolete Filled Milk Act.

Mr. President, I ask unanimous consent that the text of the bill and a section-by-section summary be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1520

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Food, Drug, and Device Amendments of 1985".

AMENDMENT TO COMBINE CLASSES I AND II MEDICAL DEVICES INTO A SINGLE CLASS I

SEC. 2. (a)(1) Section 513(a)(1)(A)(i) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 360c(a)(1)(A)(i)) is amended by inserting "514," after "510".

(2) Section 513(a)(1)(A)(ii) of that Act (21 U.S.C. 360c(a)(1)(A)(ii)) is amended in the matter preceding clause (I) by striking out "or to establish a performance to provide such assurance".

(3) Section 513(a)(1)(B) of that Act (21 U.S.C. 360c(a)(1)(B)) is repealed.

(4) Section 513(a)(1)(C) of that Act (21 U.S.C. 360c(a)(1)(C)) is redesignated as section 513(a)(1)(B), and is amended to read as follows—

"(C) CLASS II, PREMARKET APPROVAL.—A device which cannot be classified as a class I device is to be subject, in accordance with section 515, to premarket approval to provide reasonable assurance of its safety and effectiveness.".

(5) Section 513(c)(2)(A) of that Act (21 U.S.C. 360c(c)(2)(A)) is amended by striking out "section 514" and all that follows and inserting instead "section 514 to a device recommended to be classified in class I or II, or of section 515 to a device recommended to be classified in class II.".

(6) Section 513(c)(2)(C) of that Act (21 U.S.C. 360c(c)(2)(C)) is amended by striking out "class III" each place it occurs and inserting instead "class II".

(7) Section 513(d)(2)(B) of that Act (21 U.S.C. 360c(d)(2)(B)) is amended by striking out "class III" each place it occurs and inserting instead "class II".

(8) Section 513(d)(3) of that Act (21 U.S.C. 360c(d)(3)) is amended by striking out "class II" and inserting instead "class I" and by striking out "class III" and inserting instead "class II".

(9) Section 513(e) of that Act (21 U.S.C. 360c(e)) is amended by striking out "from class III to class II" and inserting instead "from class II to class I".

(1) Section 513(f) of that Act (21 U.S.C. 360c(f)) is amended—

(A) by striking out "class III" each place it occurs and inserting instead "class II";

(B) by striking out "or II" each place it occurs;

(C) in paragraph (2)(A), by striking out "or class II";

(D) in the second sentence of paragraph (C)(i), by striking out "or class II" and by striking out "or (a)(1)(B))".

(11) Section 513(h)(1) of that Act (21 U.S.C. 360c(h)(1)) is amended by inserting "514," after "510,".

(12) Section 513(h)(2) of that Act (21 U.S.C. 360c(h)(2)) is amended to read as follows:

"(2) a reference to "class I" or "class II" is a reference to a class of medical devices described in subparagraph (A) or (B) of subsection (a)(1), and".

(b) Section 510(h) of that Act (21 U.S.C. 360(h)) is amended by striking out "or III".

(c)(1) Section 515 of that Act (21 U.S.C. 360e) is amended by striking out "class III" each place it occurs and inserting instead "class II".

(2) Section 515(c)(1)(D) of that Act (21 U.S.C. 360e(c)(1)(D)) is amended by striking out "class II" and inserting instead "class I".

(d)(1) Section 520(c) of that Act (21 U.S.C. 360j(c)) is amended by striking out "from class III to class II" each place it occurs and inserting instead "from class II to class I".

(2) Section 520(1) of that Act (21 U.S.C. 360j(1) is amended—

(A) by striking out "class III" each place it occurs and inserting instead "class II";

(B) in paragraph (1)(F), by striking out "or II";

(C) in the first sentence of paragraph (2), by striking out "or class II";

(D) in the third sentence of paragraph (2), by striking out "section 513(a)(1)(A)" and all that follows and inserting instead "section 513(a)(1)(A), of the device in class I.";

(E) in paragraph (4), by striking out subparagraph (B) and redesignating subparagraph (C) as subparagraph (B).

(e) All devices classified (or proposed for classification) in class II under section 513 of that Act (21 U.S.C. 360c) on the date of enactment of this Act are deemed to be devices classified (or proposed for classification) in class I; such devices are not subject to the requirements of sections 513(c)(2)(B) and 513(d)(2)(A) of that Act with respect to exemptions from section 510, 519, and 520(f). All devices classified (or proposed for classification) in class III under section 513 of that Act on the date of enactment of this Act are deemed to be devices classified (or proposed for classification) in class II. For purposes of this subsection, the term "classified" includes the term "reclassified", and the term "classification" includes the term "reclassification".

REVISION OF PROCEDURES FOR ESTABLISHING MEDICAL DEVICE PERFORMANCE STANDARDS

SEC. 3. (a)(1) Section 514(a)(1) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 360d(a)(1)) is amended by striking out "for a class II device" and all that follows and inserting instead "for a device if the Secretary finds that the other general controls are by themselves insufficient, and that such a standard is necessary to provide reasonable assurance of the safety or effectiveness of the device with respect to one or more aspects of the performance of the device".

(2) Section 514(a)(4) of that Act (21 U.S.C. 360d(a)(4)) is amended—

(A) in subparagraph (B), by inserting ", and consider any relevant standards developed by," before "other Federal agencies",

(B) by striking out "and" at the end of the subparagraph (B),

(C) by redesignating subparagraph (C) as subparagraph (D), and

(D) by inserting after subparagraph (B) the following new subparagraph:

"(C) consider relevant safety and effectiveness data, and relevant voluntary standards developed by private organizations, and".

(3) Section 514(a) of that Act (21 U.S.C. 360d(a)) is further amended by adding at the end the following new paragraphs:

"(5) The Secretary may by regulation amend or revoke any performance standard prescribed under this section.

"(6) In promulgating, amending, or revoking any performance standard prescribed under this section, the Secretary shall consult with the appropriate panel or panels established under section 513.".

(b) Section 514(b) of that Act (21 U.S.C. 360d(b)) is repealed.

(c) Section 514(c) of that Act (21 U.S.C. 360d(c)) is amended—

(1) in the caption, by striking out "Invitation for Standards" and inserting instead "Establishment of Standards";

(2) in paragraph (1), to read as follows:

"(c)(1) A proceeding for the establishment of a performance standard for a device shall be initiated by the Secretary by the publication in the Federal Register of a notice of proposed rulemaking to establish a performance standard for the device. Such notice shall set forth the basis of the findings required under subparagraph (a)(1).";

(3) by repealing paragraphs (2) through (4) and replacing them with the following new paragraphs:

"(2) A notice of proposed rulemaking for the establishment of a performance standard for a device published under paragraph (1) shall set forth proposed findings with respect to the risk of illness or injury designed to be eliminated or reduced by the proposed standard and the benefit to the public from the device.

"(3) After the expiration of the period for comment on a notice of proposed rulemaking published under paragraph (1) respecting a performance standard, and after consideration of such comments and any report from the appropriate panel or panels established under section 513, the Secretary shall publish in the Federal Register (i) a regulation establishing a performance standard, together with findings on the matters referred to in paragraph (2), or (ii) a notice terminating the proceeding for the development of the standard, together with the reasons for such termination.

"(4) Each regulation prescribing, amending, or revoking a standard shall specify the date on which it shall take effect which, in the case of any regulation prescribing or amending any standard, may not be sooner than one year after the date on which such regulation is issued, unless the Secretary determines that an earlier effective date is necessary for the protection of the public health and safety, in which case such earlier date shall apply." Such effective date shall be selected so as to minimize, consistent with the public health and safety, economic loss to, and disruption or dislocation of, domestic and international trade."

(d) Subsections (d) through (g) of section 514 of that Act (21 U.S.C. 360d(d) through (g)), including the captions thereof, are repealed.

(e) Section 517(a)(3) of that Act (21 U.S.C. 360g(a)(3)) is amended by striking out "514(b)(2) or".

(f) Section 517(c) of that Act (21 U.S.C. 360g(c)) is amended in the second sentence by striking out "(2) or".

(g) Section 520(i) of that Act (21 U.S.C. 360j(i)) is amended by striking out "section 514(g)(5)(B) or".

AUTHORITY TO ENJOIN PROHIBITED ACTS INVOLVING COUNTERFEIT DRUGS

SEC. 4. Section 302(a) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 332(a)) is amended by striking out ", (i),".

REPEAL OF REQUIREMENT TO CERTIFY BATCHES OF ANTIBIOTIC DRUGS UPON REQUEST BY MANUFACTURER

SEC. 5. Section 507(c) of the Federal Food, Drug, and Cosmetic Act is amended by striking out the third sentence.

REPEAL OF ELECTRONIC RADIATION REPORT REQUIREMENTS

SEC. 6. (a) Section 357 of the Public Health Service Act (42 U.S.C. 263e) is repealed.

(b) Section 360D of the Public Health Service Act (42 U.S.C. 2631) is repealed.

REPEAL OF THE FILLED MILK ACT

SEC. 7. (a) The Act of March 4, 1923 (42 Stat. 1486), known pursuant to Fifty-seventh Statutes at Large, page 499 (1943) as the Filled Milk Act, is repealed.

(b) Section 902(c) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 392(c)) is amended by striking out "the Filled Milk Act of March 4, 1923 (U.S.C. 1946 ed., title 21, ch. 3, secs. 61-64);".

SECTION-BY-SECTION SUMMARY

SHORT TITLE

Section 1 would provide the short title of the bill. When enacted, it would be cited as the "Food, Drug, and Devices Amendments of 1985".

AMENDMENT TO COMBINE CLASS I AND CLASS II MEDICAL DEVICES INTO A SINGLE CLASS I

Section 2 of the draft bill would combine into a single class I the medical devices currently in class I (for which general controls under the Federal Food, Drug, and Cosmetic Act (FFD&C Act) are sufficient to provide reasonable assurance of safety and effectiveness) and class II (for which performance standards are required). Current class III (devices for which premarket approval is required) would be redesignated class II.

REVISION OF PROCEDURES FOR ESTABLISHING MEDICAL DEVICE PERFORMANCE STANDARDS

Section 3 of the draft bill would authorize the Secretary to establish a performance standard for any medical device, regardless of its classifications, if she finds that such a standard is necessary to provide reasonable assurance of the safety or effectiveness of the device with respect to one or more aspects of the performance of the device. Under present law, the Secretary may establish performance standards only for class II devices.

This section would also repeal the present statutory procedures under the FFD&C Act for developing and establishing performance standards for medical devices, and would substitute a procedure similar to the one presently in use for prescribing performance standards for radiation-emitting electronic products under section 358 of the Public Health Service Act. Under this revised procedure, the Secretary would set standards by informal notice-and-comment rulemaking under the Administrative Procedure Act, in consultation with an appropriate advisory committee.

AUTHORITY TO ENJOIN PROHIBITED ACTS INVOLVING COUNTERFEIT DRUGS

Section 4 of the draft bill would eliminate the provision of the FFD&C Act which bars the Secretary from obtaining injunctions against the manufacture and distribution of counterfeit drugs and the making, selling, or concealing of the equipment used to make counterfeit drugs.

REPEAL OF REQUIREMENT TO CERTIFY BATCHES OF ANTIBIOTIC DRUGS UPON REQUEST BY MANUFACTURER

Section 5 of the draft bill would repeal a provision of the FFD&C Act which requires the Secretary, upon request by a manufacturer, to certify batches of antibiotics for conformity to applicable standards of identify, strength, quality, and purity. This provision, which has never been used, is included under the requirement that the Secretary certify each batch of antibiotics unless she has specifically exempted the antibiotic from this requirement.

Because of improvements in manufacturing, it has been determined that batch certification of antibiotics is no longer necessary to protect the public health, and the Department has, through regulations, exempted all antibiotics from batch certification requirements. (Batch certification could be reinstated temporarily where needed.) The remaining requirement for certification of batches of antibiotics upon demand by manufacturers is not necessary to protect the public health, and would be repealed by this proposed amendment.

REPEAL OF ELECTRONIC RADIATION REPORT REQUIREMENTS

Section 6(a) of the draft bill would repeal the requirement in the Public Health Service Act that the Secretary periodically study and report to the Congress on State and Federal control of health hazards from electronic product radiation, standards for the use of nonmedical electronic products, and procedures for the detection and measurement of electronic product radiation. This information would continue to be supplied to the Congress upon request and, as appropriate, in the FDA annual report.

Subsection (b) would repeal the requirement that the Secretary annually submit to the President for submission to the Congress a report on the administration of the electronic product radiation control program. This information would continue to be supplied to the Congress upon specific request and, as appropriate, in the FDA annual report.

REPEAL OF THE FILLED MILK ACT

Section 7 of the draft bill would repeal the Filled Milk Act. The Act, which bars interstate shipment of milk, cream, or skimmed milk which has any added fat or oil other than milk fat, was declared unconstitutional in 1972 and is not enforced.

By Mr. HATCH:

S. 1521. A bill to clarify the intent of the Racketeer Influenced and Corrupt Organizations Act with respect to private civil actions; to the Committee on the Judiciary.

CIVIL RICO AMENDMENTS ACT

Mr. HATCH. Mr. President, today I am introducing S. 1521, the Civil RICO Amendments Act of 1985.

The Racketeer Influenced and Corrupt Organizations Act (RICO), Public Law 91-452, title IX, 84 Stat. 941, as amended, 18 U.S.C. 1961-68, has, as a result of the Supreme Court's ruling in Sedima versus Imrex Co., Inc., evolved to encompass situations never intended by Congress to be covered by that act. The Court's decision, handed down on July 1, 1985, threatens to further burden the caseload of the Federal judiciary, as well as to distort the integrity and original purpose of RICO.

The civil provisions of the RICO statute, like the rest of RICO, were intended to combat the infiltration of legitimate businesses by organized crime. Unfortunately, civil RICO has been distorted to harm legitimate businesses. It now permits, for example, a customer who elects not to sell a security when the market is declining to sue his broker solely because the broker might have recommended over the telephone that the customer not sell the security.

When RICO was first enacted, the provisions for civil suits within its purveiw were little used. In recent years, however, garden-variety business and contractual disputes have blossomed into extensive Federal litigation under section 1964(C) in increasing numbers. Of 270 district court civil RICO decisions prior to this year, only 3 percent

(nine cases) were decided throughout the 1970's, 2 percent were decided in 1980, 7 percent in 1981, 13 percent in 1982, 33 percent in 1983, and 43 percent in 1984. Report of the ad hoc civil RICO task force of the ABA section of corporation, banking, and business law 53A, 55 (1985) (hereinafter ABA report). As the Sedima Court recognizes, the ABA task force that studied civil RICO found that 40 percent of the reported cases litigated under the civil RICO provisions involved securities fraud, 37 percent involved commonlaw fraud in a commercial and business setting, and only 9 percent of all civil RICO cases have involved allegations of criminal activity normally associated with professional criminals. (ABA report, 55-56). The Racketeer Influenced and Corrupt Organizations Act is instead becoming a "business disputes-litigation act."

There has been an exponential increase in the number of civil suits dealing with situations that Congress never envisaged would be litigated under the authority of RICO. The Court's ruling in Sedima would allow a private RICO action based on nothing more than two allegedly fraudulent mailings or uses of the wires occurring within 10 years of each other. For example, a business which transmits two or more accounting errors through the mails within a 10-year period could conceivably be subject to treble damages in a civil suit. Even the Supreme Court concedes in the majority opinion in Sedima that "in its private civil version, RICO is evolving into something quite different from the original conception of its enactors." (Majority opinion, at 19). Yet the Court goes on to conclude that it is compelled by the statutory language to construe section 1964(C) to encompass small-time fraud and breach of contract cases. An examination of the statute and legislative history indicates that the Court was correct in noting that the abuse of civil RICO provisions is "quite different" from Congress' intent.

CONGRESSIONAL INTENT

RICO was passed as title IX of the Organized Crime Control Act of 1970. Its authors did not want or intend RICO to be used to harass legitimate businesses. It was not to be used for business litigation at all. The statement of findings and purpose of the Organized Crime Control Act of 1970, section 1 of Public Law 91-452, state Congress' intent clearly:

The Congress finds that (1) organized crime in the United States is a highly sophisticated, diversified, and widespread activity that annually drains billions of dollars from America's economy by unlawful conduct and the illegal use of force, fraud, and corruption; (2) organized crime derives a major portion of its power through money obtained from such illegal endeavors as syndicated gambling, loan sharking, the theft and fencing of property, the importation and distribution of narcotics and other dangerous drugs, and other forms of social exploitation; (5) organized crime continues to grow because of defects in the evidence-gathering process of the law, inhibiting the development of the legally admissible evidence necessary to bring criminal and other sanctions or remedies to bear on the unlawful activities of those engaged in organized crime and because the sanctions and remedies available to the Government are unnecessarily limited in scope and impact.

It is the purpose of this act to seek the eradication of organized crime in the United States by strengthening the legal tools in the evidence-gathering process. By establishing new penal prohibitions, and by providing enhanced sanctions and new remedies to deal with the unlawful activities of those engaged in organized crime (Emphasis added).

RICO was enacted as a response to a growing concern on the part of Congress and the public about the ability of organized crime to profit from illegal activity. The avowed purpose of RICO was to decrease the incidence of, and act as a deterrent to, organized crime. Nowhere do these purposes mention private business litigation. The only reason RICO contained civil provisions at all was that some authors were concerned about limited enforcement capability on the part of the Government in the fight against organized crime. Therefore, RICO was written broadly to fill an existing gap in civil remedies and to provide a means of compensation that otherwise did not exist for the honest businessman harmed by the unfair economy pressure of "racketeers."

PRESENT CIVIL RICO PROVISIONS

As I mentioned, the provisions for private civil suit were included in RICO to provide economic victims of organized crime adequate redress for their injuries. Section 1964(C), Title 18, United States Code, grants a private right of action to any person "injured in his business or property by reason of a violation of section 1962." Section 1962, in turn, makes it unlawful to invest funds "derived from a pattern of racketeering activity," or to acquire or operate an interest in a business enterprise through "a pattern of racketeering activity," or to conduct or participate in the conduct of a business "through a pattern of racketeering activity." Section 1961(1) defines "racketeering activity" as any of numerous acts "chargeable" or "indictable" under enumerated State and Federal laws, including State-law murder, arson, and bribery statutes, Federal mail and wire fraud statutes, and the anti-fraud provisions of Federal securities laws. It states that "a pattern" of racketeering activity requires proof of at least two acts of racketeering within 10 years.

Section 1964(C) further states that any person so "injured in his business or property * * * may sue therefor in any appropriate U.S. district court and * * * recover threefold the damages he sustains and the cost of the suit, including a reasonable attorney's fee." This private civil action was linked to "racketeering activity" to enhance enforcement against organized crime, not to create a vehicle for commercial and business litigation. Unfortunately, however, the breadth of the Federal mail and wire fraud statutes made it easy for business litigation to qualify under the technical definition of "racketeering activity." Moreover, the breadth of the definition of "pattern of racketeering activity" made it possible for two technical violations of those broad statutes to give rise to Federal civil litigation under RICO. Another aspect of RICO contributed to this unanticipated civil use of RICO.

EFFECT OF ABSENCE OF SEPARATE RACKETEERING INJURY

By its terms, section 1964(C) grants a cause of action to a person injured "by reason of a violation of section 1962." In Sedima, the Supreme court held that a plaintiff need only allege an injury occuring by reason of a predicate, or racketeering, act—that is, one of the offenses listed in section 1961(1)—in order to get Federal jurisdiction. To the contrary, section 1964(C) does not by its terms provide a remedy on the basis of such easy allegations; it should be read to require a separate injury by reason of section 1962. In other words:

While section 1962 prohibits the involvement of an "enterprise" in "racketeering activity," racketeering itself is not a violation of section 1962. Thus, a construction of RICO permitting recovery for damages arising out of the racketeering acts simply does not comport with the statute as written by Congress. In effect, the broad construction replaces the rule that treble damages can be recovered only when they occur "by reason of a violation of section 1962," with a rule permitting recovery of treble damages whenever there has been a violation of section 1962. Such unwarranted judicial interference with the act's plain meaning cannot be justified. Comment 76 NW.L. Rev. 100, 28 (1981).

The Supreme Court, with its broad interpretation of civil RICO in Sedima, has replaced the requirement that private plaintiffs suing under section 1964(C) be injured by reason of a violation of section 1962 with a requirement that the plaintiff need only to have suffered injury by one of the predicate acts named in section 1961(1). (See also Bridges, private RICO litigation based upon "Fraud in the Sale of Securities," 18 GA.L. Rev. 43, 67 (1983); Blakey, the RICO civil fraud action in context: reflection on Bennett versus Berg, 58 Not. Dam. L. Rev. 237). In other words, a plaintiff should be required to show a "racketeering injury" to the infiltrated or endangered business beyond the harm caused by the predicate crime. The harm caused by the predicate crimes are redressable under State law.

The status clearly contemplates recovery for injury resulting from the confluence of events described in section 1962 and not merely from the commission of a predicate act. The Court's contrary interpretation distorts the statutory language under the guise of adopting a plain meaning definition. Moreover, the Court offers no indication of congressional intent that justifies a deviation from what actually is the plain meaning of the statute. Even conceding that the statutory language might be ambiguous, the scope of the civil RICO provision should not be expanded because an interpretation requiring a racketeering injury separate from the injury from the predicate acts themselves finds strong support in the legislative history.

The committee reports and hearings in no way suggest that Congress considered and rejected a requirement of a separate and distinct racketeering injury. On the contrary, Congress offered considerable indication that the kind of injury it primarily sought to attack and compensate was that for which existing civil and criminal remedies were inadequate or nonexistent. The kind of injury necessary to give rise to a civil RICO suit should thus be different in kind from that resulting from the underlying predicate acts.

The principal target of Congress was the economic power of racketeers and its tool on legitimate businessmen. To this end, Congress sought to fill a gap in the civil and criminal laws and to provide new remedies broader than those already available to private or Government antitrust plaintiffs, different from those available to Government and private citizens under State and Federal laws, and significantly narrower than those adopted by the Court in Sedima.

The Court's expansion of the civil RICO provision has several unintended ramifications. Aside from the obvious flood of cases from private business and commercial litigants, who are attracted to RICO because of treble damages, attorneys' fees, and a guaranteed Federal forum, further burdening the Federal judicial system, there are other, substantial—and negative—impacts resulting from the Court's decision in Sedima.

FEDERALIZATION OF STATE LAW

The Court's interpretation of the civil RICO statute federalizes broad areas of State common law of frauds. It also displaces well-established Federal remedial provisions. Prior to RICO, no Federal statute had expressly provided a private damage remedy based on a violation of the broadly written mail or wire fraud statutes, which make it a Federal crime to use the mail or wires in furtherance of a scheme to defraud. Moreover, courts of appeals consistently had held that no implied Federal private courses of action accrue to victims of these Federal violations. (See, E.G., *Ryan* v. *Ohio Edison Co.*, 611 F.2D 1170, 1178-1179 (CA6 1979) (mail fraud); *Napper* v. *Anderson, Henley, Shields, Bradford & Pritchard*, 500 F.2D 634, 636 (CA5 1974) (wire fraud), cert. denied, 423 U.S. 837 (1975).) The victims were restricted to bringing actions in State court under common-law fraud theories.

Since the Supreme Court's ruling, two fraudulent mailings or uses of the wires occurring within 10 years of each other might lead to civil RICO liability. In recent years, there has been an extraordinary expansion of mail and wire fraud statutes to permit Federal prosecution for conduct that some had thought was subject only to State criminal and civil law. In bringing criminal actions under those statutes, prosecutors need not show either a substantial connection between the Scheme to defraud and the mail and wire fraud statutes, see *Pereira* v. *U.S.*, 347 U.S. 1, 8 (1954), or that the fraud involved money or property.

The only restraining influence on the inexorable expansion of the mail and wire fraud statutes has been the prudent use of prosecutorial discretion. Prosecutors simply do not invoke the mail and wire fraud provisions in every case in which a violation of the relevant statute can be proved. The responsible use of prosecutorial discretion is particularly important with respect to criminal RICO prosecutions, which often rely on mail and wire fraud as predicate acts.

In the context of civil RICO, however, the restraining influence of prosecutors is completely absent. Unlike the Government, private litigants have no reason to avoid displacing State common-law remedies. On the contrary, such litigants, lured by the prospect of treble damages and attorney's fees, have a strong incentive to invoke RICO's provisions whenever they can allege two instances of mail or wire fraud. The defendant, facing financial exposure and the threat of being labeled a racketeer, has a strong incentive to settle the dispute. Many a prudent defendant, facing ruinous exposure, will decide to settle even a case with little merit. It is thus not surprising that civil RICO has been used for extortive purposes, giving rise to the very evils that it was designed to combat. (ABA report, 69). See Rakoff, some personal reflections of the Sedima case and on reforming RICO, in RICO: Civil and Criminal 400 (Law Journal Seminars—Press 1984).

The civil RICO provision consequently stretches the mail and wire fraud statutes to their absolute limits and federalizes important areas of civil litigation that until now were solely within the domain of the States.

DISPLACEMENT OF FEDERAL LAW

In addition to fundamentally altering the Federal-State balance in civil remedies. The broad reading of the civil RICO provision also displaces important areas of Federal law. For example, one predicate offense under RICO is "fraud in the sale of securities." By alleging two instances of such fraud, a plaintiff may bring a case within the scope of the civil RICO provision. It does into take great legal insight to realize that such a plaintiff would pursue the case under RICO rather than do so solely under the Securities Act of 1933 or the Securities Exchange Act of 1934, which provide both express and implied causes of action for violations of the Federal securities laws. The Federal securities laws contemplate only compensatory damages and ordinarily do not authorize recovery of attorney's fees. By invoking RICO, in contrast, a successful plaintiff will recover both treble damages and attorney's fees.

The Court's interpretation of the civil RICO provisions virtually eliminates decades of legislative and judicial development of private civil remedies under the Federal securities laws. Securities law has developed special requirements regarding standing, culpability, causation, reliance, and materiality, as well as definitions of "Securities" and "fraud." See, for example, *Blue Chip Stamps* v. *Manor Drug Stores*, 421 U.S. 723 (1975). All these requirements of securities law have been endangered because plaintiffs can avoid the limitations of securities law merely by alleging violations of other predicate acts. For example, even in cases in which the investment instrument is not a "security" covered by the Federal securities laws, RICO provides a treble damage remedy to a plaintiff who can prove the required pattern of mail or wire fraud. Cf. *Crocker National Bank* v. *Rockwell International Corp.*, 555 F. supp. 47 (ND Cal. 1982). Before RICO, the plaintiff could not have recovered under Federal law for the mail or wire fraud violation.

As discussed earlier, a customer who refrains from selling a security during a period in which its market value is declining could allege that, on two occasions. His broker recommended by telephone, as part of a scheme to defraud, that the customer not sell the security. The customer might thereby prevail under civil RICO even though, as neither a purchaser nor a seller, he would not have had standing to bring an action under the Federal securities laws. The circuit court's decision in Sedima, 741 F.2d 482, also said that two misstatements in a proxy solicitation could subject any director in any national corporation to racketeering charges and the threat of treble damages and attorney's fees.

The effect of civil RICO on Federal remedial schemes is not limited to the

securities laws. For example, even though commodities fraud is not a predicate offense listed in section 1961, the carefully crafted private damage causes of action under the Commodity Exchange Act may be circumvented in a commodities case through civil RICO actions alleging mail or wire fraud. See, for example, *Parnes* v. *Heinold Commodities, Inc.*, 487 F. Supp. 645 (ND Ill. 1980). The list goes on and on.

Nothing in the language or legislative history of RICO suggests that Congress intended either the federalization of State common law or the displacement of existing Federal remedities. Quite to the contrary, all that the statute and the legislative history reveal as to these matters is what Judge Oakes called a clanging silence, 741 F.2d, at 492.

Moreover, if Congress had intended to bring about drastic changes in the nature of commercial litigation, it would at least have paid more than cursory attention to the civil RICO provision. This provision was added in the House of Representatives after the Senate already had passed its version of the RICO bill; the House itself adopted a civil remedy provision almost as an afterthought; and the Senate thereafter accepted the House's version of the bill without even requesting a conference. This is not the way Congress acts when it intends to effect fundamental changes in the structure of the law.

THE CIVIL RICO AMENDMENTS ACT OF 1985

It is to restore the original intent of Congress regarding civil RICO provisions that I am introducing S. 1521, the Civil RICO Admendments Act of 1985. S. 1521 will clarify the scope of the civil remedies available under section 1964(C) and restore desplaced State and Federal law. S. 1521 has three major provisions: First, It requires private plaintiffs suing under the authority of RICO to have suffered an injury separate from the injury of the predicate acts themselves mentioned in section 1961. This amendment requires that any civil plaintiff suing under section 1964 suffer a competitive, investment, or other injury in his business as a result of a violation of section 1962 involving a pattern of racketeering practice. The language of this provision is taken directly from the dissent in Sedima:

> The only way to give effect to Congress' concern is to require that plaintiffs plead and prove that they suffered RICO injury—injury to their competitive, investment, or other business interests resulting from the defendant's conduct of a business, or infiltration of a business or a market, through a pattern of racketeering activity . . . (t)his requirement is manageable, and it puts the statute to the use to which it was addressed. In addition, this requirement is faithful to the language of the statute, which does not appear to provide recovery for injuries incurred by reason if individual predicate acts.

The sentiments of the dissent in Sedima echo the opinion of the Second Circuit Court of Appeals. This idea, then, is based on important case law, and it is by no means an unmanageable standard. It has been defined by the courts which have already required such a "racketeering injury. The treble damages, attorneys' fees, and Federal forum provisions have been retained.

Second, this bill requires that at least one act of racketeering activity required under RICO must be an act of racketeering activity other than first, an act indictable under Section 1341, Title 18, U.S.C. or second, an act indictable under 1343, Title 18, U.S.C. or third, an act which is an offense involving fraud in the sale of securities. This provision serves to limit application of the civil remedy. Since one of the injurious acts must be a predicate offense other than mail, wire, or securities fraud, civil plaintiffs suing under RICO will have to focus on true organized criminal activity. This was the real intent of Congress when it originally included the civil remedy in the RICO Act.

Finally, this bill allows a judge, in his or her discretion, to award attorneys' fees to the defendant if the judge finds the suit which has been brought to be frivolous. This provision is necessary to discourage would-be plaintiffs from litigating their conventional business and commercial injuries under the auspices of civil RICO.

Mr. President, I am pleased to sponsor S. (1521), the Civil RICO Amendments Act of 1985. It will restore the intent of Congress in enacting the Organized Crime Control Act. The civil RICO provisions should be used to combat organized crime, not to harass legitimate business enterprises. I urge my fellow Senators to join me in reinstating the true intent of Congress in regard to the civil RICO provisions.

By Mr. MATHIAS (for himself and Mr. BENTSEN):

S. 1523. A bill to amend title 28 of the United States Code to set up a regime of repose for certain archeological and ethnological material and cultural property; to the Committee on the Judiciary.

CULTURAL PROPERTY REPOSE ACT

● Mr. MATHIAS. Mr. President, today I introduce the Cultural Property Repose Act of 1985 to create a Federal statute of limitations against civil suits by foreign governments seeking the return of art, artifacts, and other cultural property. It establishes a sliding scale of limitations ranging from 2 to 10 years, depending on who holds the object and how it is held. Thus, an institution that openly displayed an object or publicized its acquisition could not be sued after 2 years. A private collector would enjoy protection after 5 years, if for 3 of those years the object was publicly exhibited or its acquisition publicized. A 10-year repose would apply to all others unless the foreign state could prove the holder aware of the object's illegal removal from the country of origin.

I want to make clear that this bill would not shield from suit the purchasers of objects that the buyer knew were stolen or were removed from the country of origin in violation of that country's laws. Instead, the Cultural Property Repose Act reduces some of the uncertainties surrounding ownership of cultural property in this country. Under current law, the various anomolous state statutes of limitation encourage foreign governments to engage in civil litigation. These governments may press suits against owners of items acquired in the distant past and obtained in good faith. The recent suit of the Romanian Government against the Kimbell Art Museum in Fort Worth, TX, to recover an El Greco painting, and the blanket Peruvian claim to all pre-Columbian artifacts, are examples of this practice. Those countries make their claims today despite the fact that their own laws would bar a reciprocal suit by the United States, or indeed any other nation, to recover legitimately held cultural property within their borders.

This bill complements Public Law 97-446, which implemented the 1970 UNESCO Convention on the Means of Prohibiting Illicit Imports, Exports and Transfer of Ownership of Cultural Property. Under this law, foreign governments may request that the United States enter into treaties to restrict the import of designated items, in response to specific problems of pillage. The law provides for seizure and return of the items, subject to a sliding scale of repose ranging from 3 to 20 years. Public Law 97-446 represents 10 years of carefully constructed legislation. It does not apply to items imported into the United States before the date of mutual designation, nor does it apply to undesigned items regardless of date of export. And it applies only to a suit by the United States to enforce import restrictions.

The Cultural Property Repose Act would extend the protection of the law to areas not covered by Public Law 97-446. It applies to all cultural property as defined in the UNESCO convention, regardless of when the objects were acquired, and whatever the form of civil litigation. Moreover, if fulfills the goals established by enacting Public Law 97-446. This bill permits legal trade by protecting the rights of those who legally acquire cultural property. It discourages illegal trade by exempting from repose illicitly obtained items.

I ask unanimous consent that the text of the bill be printed in the RECORD.

S. 1523

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Cultural Property Repose Act of 1985".

SEC. 2. (a) Title 28, United States Code, is amended by adding the following new chapter after chapter 99:

"CHAPTER 101—REPOSE FOR CERTAIN ITEMS OF ARCHEOLOGICAL AND ETHNOLOGICAL MATERIAL AND CULTURAL PROPERTY

"§ 1641. Repose for certain items of archeological and ethnological material and cultural property

"(a) Notwithstanding any other provision of Federal or State law, no foreign state shall, except as provided in subsection (b) of this section, bring an action in any court of the United States or of any State, including the District of Columbia, to recover possession of, or to obtain damages related to, any archeological or ethnological material or any article of cultural property which, before the institution of such action—

"(1) has been held in the United States for five years prior to the date of enactment of this chapter, and no such action shall be maintained if, on the date of enactment of this chapter, the archeological or ethnological material or cultural property, with respect to which such action was instituted, has been held in the United States for five years; or

"(2) has been held in the United States for two years irrespective of the date of enactment of this chapter by a recognized museum or religious or secular monument or similar institution, if, for that period, the institution has exhibited the item or has made knowledge of it available through publication, cataloguing, or otherwise; or

"(3) has been held in the United States for five years irrespective of the date of enactment of this chapter if, for three years of that period, that fact of such holding was public through public exhibition or publication, through consultation by the holder with scholars or experts, through published studies or otherwise; or

"(4) has been held in the United States for ten years irrespective of the date of enactment of this chapter unless the foreign state establishes that the United States holder acquired the item with actual knowledge that it had been removed from the possession of the country of origin in violation of the law of the country of origin, in which event the foreign state shall have two years from the date such state acquired knowledge of the identity of the holder in which to bring such action.

"(b) Notwithstanding any other provision of Federal or State law, no foreign state shall bring an action in any court of the United States or of any State, including the District of Columbia, to recover possession of, or to obtain damages related to, particular archeological or ethnological material or any article of cultural property, which was exported from the country of origin after designation pursuant to section 305 of the Convention on Cultural Property Implementation Act (19 U.S.C. 2602), or after the President has applied import restrictions pursuant to section 304 of such Act, and which, before the institution of such action, qualified for exemption to section 312 of such Act.

"(c) For purposes of this section—

"(1) the term 'any archeological or ethnological material or any article of cultural property' means any article described in Artical 1 (a) through (k) of the Convention on the Means of Prohibiting and Preventing the Illicit Import, Export, and Transfer of Ownership of Cultural Property, adopted by the General Conference of the United Nations Educational, Scientific, and Cultural Organization on November 14, 1970, whether or not any such article has been designated as such by a foreign state for the purposes of such article; and

"(2) the term 'foreign state' means a foreign state (as defined in section 1603 of this title) and includes any assignee or successor in interest of a foreign state with respect to archeological ethnological material or articles of cultural property.".

(b) The Chapter analysis of part IV of title 28, United States Code, is amended by adding at the end thereof the following:

"101. Repose for Certain Items of Archeological and Ethnological Material and Cultural Property

SEC. 3. The amendments made by this Act shall apply with respect to any proceeding which is pending on or after the date of the enactment of this Act.●

● Mr. BENTSEN. Mr. President, I am pleased to join my friend and colleague [Senator MATHIAS] in cosponsoring the Cultural Property Repose Act of 1985. Through a Federal statute of limitations, the act creates a regime of repose against civil claims by foreign governments for cultural property that is legitimately held in the United States.

Foreign governments have threatened, by civil suit, to claim works of art that have been in the United States for many years, owned by both collector and museum alike. Many individuals and institutions have acquired these art works in good faith. An example is the Government of Peru, which is claiming title to all pre-Columbian artifacts from that region by virtue of a 1929 "patrimony" law, no matter how long the artifacts have resided in this country. Such litigation in this country is actually prompted by State statutes of limitations which look to the date of a foreign government's demand for the cultural property to start the limitation period running, rather than the date of the original export from the country of origin, the date of import into the United States, or other relevant date. Thus, foreign nations are proceeding on the theory that they may sue in the United States for the possession of objects that left their country in the distant past, even when their own laws would bar a reciprocal suit by the U.S. Government to recover property held within their borders.

This bill complements the action taken by the 97th Congress when it implemented, in Public Law 97-446, the UNESCO convention on the means of prohibiting and preventing the illicit import, export, and transfer of ownership of cultural property. By carrying forward that law's twin purposes of discouraging illegal trade in cultural property while affording proper protection for the rights long established to items that are held here legitimately.●

ADDITIONAL COSPONSORS

S. 383

At the request of Mr. BUMPERS, the name of the Senator from Arkansas [Mr. PRYOR] was added as a cosponsor of S. 383, a bill to authorize appropriations for a highway demonstrations project in the vicinity of Fort Smith, AR, that would widen a segment of the Federal-aid urban system and would improve signalization on such segment.

S. 384

At the request of Mr. BUMPERS, the name of the Senator from Arkansas [Mr. PRYOR] was added as a cosponsor of S. 384, a bill to authorize appropriations for a highway demonstration project on U.S. Highway 71 between Alma, AR, and Bella Vista, AR, that would increase the number of lanes on this segment of the route from two to four.

S. 415

At the request of Mr. WEICKER, the name of the Senator from Kansas [Mr. DOLE] was added as a cosponsor of S. 415, a bill to amend the Education of the Handicapped Act to authorize the award of reasonable attorneys' fees to certain prevailing parties, and to clarify the effect of the Education of the Handicapped Act on rights, procedures, and remedies under other laws relating to the prohibition of discrimination.

S. 434

At the request of Mr. D'AMATO, the name of the Senator from Alaska [Mr. MURKOWSKI] was added as a cosponsor of S. 434, a bill to extend the authorization of the Robert A. Taft Institute Assistance Act.

S. 797

At the request of Mr. HATCH, the names of the Senator from Idaho [Mr. SYMMS], the Senator from Kentucky [Mr. MCCONNELL], and the Senator from Alaska [Mr. MURKOWSKI] were added as cosponsors of S. 797, a bill to authorize an employer to pay a youth employment opportunity wage to a person under 20 years of age from May through September under the Fair Labor Standards Act of 1938 which shall terminate on September 30, 1987, and for other purposes.

S. 841

At the request of Mr. BUMPERS, the name of the Senator from Arkansas [Mr. PRYOR] was added as a cosponsor of S. 841, a bill to amend section 144 of title 23, United States Code, to give States the discretion of using a portion of their bridge replacement funds to replace certain bridges of ferryboat operations.

S. 865

At the request of Mr. MATHIAS, the name of the Senator from Iowa [Mr. HARKIN] was added as a cosponsor of S. 865, a bill to award special congressional gold medals to Jan Scruggs, Robert Doubek, and Jack Wheeler.

S. 974

At the request of Mr. WEICKER, the name of the Senator from Utah [Mr. HATCH] was added as a cosponsor of S. 974, a bill to provide for protection and advocacy for mentally ill persons.

S. 987

At the request of Mr. EXON, the names of the Senator from Ohio [Mr. GLENN], the Senator from Wisconsin [Mr. PROXMIRE], and the Senator from Alabama [Mr. HEFLIN] were added as cosponsors of S. 987, a bill to recognize the organization as the Daughters of Union Veterans of the Civil War 1861-65.

S. 1084

At the request of Mr. GOLDWATER, the names of the Senator from Utah [Mr. GARN] and the Senator from Indiana [Mr. QUAYLE] were added as cosponsors of S. 1084, a bill to authorize appropriations of funds for activities of the Corporation for Public Broadcasting, and for other purposes.

S. 1233

At the request of Mr. D'AMATO, his name was added as a cosponsor of S. 1233, a bill to amend the Animal Welfare Act to ensure the proper treatment of laboratory animals.

S. 1292

At the request of Mr. BAUCUS, the name of the Senator from Montana [Mr. MELCHER] was added as a cosponsor of S. 1292, a bill to amend title VII of the Tariff Act of 1930 in order to apply countervailing duties with respect to resource input subsidies.

S. 1298

At the request of Mr. ANDREWS, the name of the Senator from New Jersey [Mr. BRADLEY] was added as a cosponsor of S. 1298, a bill to coordinate and expand services for the prevention, identification, and treatment of alcohol and drug abuse among Indian youth, and for other purposes.

S. 1301

At the request of Mr. GRAMM, the names of the Senator from Nevada [Mr. HECHT], the Senator from South Dakota [Mr. PRESSLER], and the Senator from Idaho [Mr. SYMMS] were added as cosponsors of S. 1301, a bill to strengthen the counterintelligence capabilities of the Department of Defense, to amend the Uniform Code of Military Justice to establish penalties for espionage in peacetime, to provide increased penalties for espionage, and for other purposes.

S. 1406

At the request of Mr. DECONCINI, the name of the Senator from Utah [Mr. HATCH] was added as a cosponsor of S. 1406, a bill to make permanent the formula for determining fees for the grazing of livestock on public rangelands.

S. 1418

At the request of Mr. HELMS, the name of the Senator from Nevada [Mr. HECHT] was added as a cosponsor of S. 1418, a bill to amend the Agricultural Adjustment Act of 1938 and the Agricultural Act of 1949 to improve the Tobacco Program, and for other purposes.

S. 1454

At the request of Mr. TRIBLE, the name of the Senator from Virginia [Mr. WARNER] was added as a cosponsor of S. 1454, a bill to amend title 5, United States Code, to expand the class of individuals eligible to receive a rebate or other return of contributions when amounts held in contingency reserve under the Federal Employees Health Benefits Program exceed certain levels.

S. 1506

At the request of Mr. NUNN, the name of the Senator from Massachusetts [Mr. KENNEDY] was added as a cosponsor of S. 1506, a bill to amend the act establishing the Martin Luther King, Jr. National Historic Site.

SENATE JOINT RESOLUTION 156

At the request of Mr. MURKOWSKI, the name of the Senator from Georgia [Mr. MATTINGLY] was added as a cosponsor of Senate Joint Resolution 156, a joint resolution authorizing a memorial to be erected in the District of Columbia or its environs.

SENATE JOINT RESOLUTION 166

At the request of Mr. MOYNIHAN, the names of the Senator from Ohio [Mr. GLENN], the Senator from Missouri [Mr. EAGLETON], and the Senator from South Carolina [Mr. HOLLINGS] were added as cosponsors of Senate Joint Resolution 166, a joint resolution to appeal for the release of Dr. Yury Orlov and other Helsinki Final Act monitors.

At the request of Mr. DURENBERGER, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of Senate Joint Resolution 166, supra.

SENATE JOINT RESOLUTION 168

At the request of Mr. TRIBLE, the name of the Senator from Maryland [Mr. MATHIAS] was added as a cosponsor of Senate Joint Resolution 168, a joint resolution designating August 13, 1985, as "National Neighborhood Crime Watch Day."

SENATE CONCURRENT RESOLUTION 49

At the request of Mr. GLENN, the names of the Senator from Michigan [Mr. LEVIN], and the Senator from Indiana [Mr. LUGAR] were added as cosponsors of Senate Concurrent Resolution 49, a concurrent resolution expressing congressional approval of the plans being made to commemorate the 200th anniversary of the Northwest Ordinance, and calling for a national celebration of such anniversary.

SENATE RESOLUTION 205—ORIGINAL RESOLUTION REPORTED WAIVING CONGRESSIONAL BUDGET ACT

Mr. HATCH, from the Committee on Labor and Human Resources, reported the following original resolution; which was referred to the Committee on the Budget:

S. RES. 205

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 482(a) of such Act are waived with respect to the consideration of S. 974, a bill to provide for protection and advocacy for mentally ill persons. Such waiver is necessary to permit the authorization of funds for allotments for the purpose of establishing systems for the protection and advocacy of the established rights of mentally ill persons.

AMENDMENTS SUBMITTED

REPEAL OF COMMERCIAL AND APARTMENT CONSERVATION SERVICE

JOHNSTON (AND OTHERS) AMENDMENT NO. 548

Mr. JOHNSTON (for himself, Mr. EVANS, Mr. GRASSLEY and Mr. MCCLURE) proposed an amendment to the bill (S. 410) to repeal the Commercial and Apartment Conservation Service, and for other purposes; as follows:

At the end of the bill add a new section 5 as follows:

SEC. 5. (a) Part 1 of title II of the National Energy Conservation Policy Act (42 U.S.C. 8211 et seq.) is amended by adding at the end thereof the following:

"SEC. 226. WAIVER FOR REGULATED AND NONREGULATED UTILITIES.

"(a) WAIVER.—Any utility subject to this part may, upon request, receive a waiver from the Secretary from any provision of this part or from any provision of a State residential energy conservation plan under this part if the utility shows in appropriate State proceedings and the appropriate State officials find that—

"(1) the existing and planned residential energy conservation programs that will be implemented by the utility if a waiver from such provision is approved will result in savings in petroleum, natural gas or electric energy consumed in residential buildings served by the utility that are equal to or greater than the savings that would be achieved if the utility were subject to the provision; and

"(2) adequate procedures are in effect that prevent unfair, deceptive or anticompetitive acts or practices affecting commerce that relate to the implementation of such residential energy conservation programs, including provisions to assure that any person who alleges any injury resulting from unfair, deceptive or anticompetitive acts or practices in connection with such programs shall be entitled to redress under

such procedures as may be established by the Governor in the State in which the utility provides utility service.

"(b) DEFINITION.—For purpose of this section the term "residential energy conservation program" means any program carried out by a utility that has as its purpose.

"(1) increasing the efficiency with which petroleum, natural gas or electric energy is consumed in residential buildings served by such utility; or

"(2) utilizing solar or other forms of renewable energy in residential buildings served by such utility.

"(c) APPROVAL.—The Secretary shall approve a request of a utility for a waiver under subsection (a) if the Secretary determines that—

"(1) opportunity for a hearing on the request for a waiver has been provided in the State in which the utility provides utility service; and

"(2) in the case of a regulated utility, the Governor of the State in which the utility provides utility service and the State regulatory authority that has ratemaking authority with respect to such utility both

"(A) find that the showing under subsection (a) (1) and (2) are sufficient; and

"(B) support the request by the utility for the waiver; or

"(3) in the case of a nonregulated utility subject to a State residential energy conservation plan under section 212(c)(2), the Governor of the State in which the utility provides utility service—

"(A) finds that the showings under subsections (a) (1) and (2) are sufficient; and

"(B) supports the request by the utility for the waiver.

"(d) ANNUAL REVIEW AND REVOCATION OF WAIVER.—(1) The provisions of this subsection do not apply to a nonregulated utility unless such utility is subject to a State residential energy conservation plan under section 212(c)(2).

"(2) Any utility that receives a waiver under this section shall provide the Governor of the State in which that utility provides utility service with an annual report describing the performance of its residential energy conservation programs in relation to the showings of such utility under subsections (a) (1) and (2)

"(3) The Secretary shall revoke any waiver received by a utility under this section upon a request under this subsection by the Governor of the State in which the utility provides utility service. Such a request shall be made upon a finding—

"(A) in the case of a regulated utility, by such Governor with the concurrence of the State regulatory authority that has ratemaking authority with respect to such utility; or

"(B) in the case of a nonregulated utility subject to a State Residential energy conservation plan under section 212(c)(2), by such Governor,

that the savings described in subsection (a)(1) on an annual basis are less than the savings in the year prior to the approval of the waiver or that the procedures referred to in subsection (a)(2) are no longer adequate.

"(4) A request under paragraph (3) with respect to any utility may be submitted to the Secretary by a Governor only after review and opportunity for a hearing on the performance of the residential energy conservation programs of such utility. In order to facilitate such review and hearing, the utility shall provide to the Governor such information as the Governor requests about such residential energy conservation programs."

(b) The table of contents for the National Energy Conservation Policy Act is amended by adding at the end of the table of contents for part 1 of title II the following:

"Sec. 226. Waiver for regulated and nonregulated utilities."

NICKLES AMENDMENT NO. 549

Mr. NICKLES proposed an amendment to the bill S. 410, supra; as follows:

Strike from "The report" on page 2, line 19 through "Conservation Service." on page 4, line 9 and insert in lieu thereof:

" 'The Secretary of Energy shall conduct a survey in consultation with the Comptroller General to collect the information the Comptroller General determines is necessary for the preparation of such report. The report shall examine and assess, for the programs under this part:

(1) the potential for achievable energy savings through implementation of residential energy conservation measures in residential dwellings in the United States and the importance of the Residential Conservation Service in achieving these savings;

(2) Residential Conservation Service program costs from a representative sample of states, taking into account costs to the taxpayer and ratepayers of affected utilities;

(3) Residential Conservation Service program benefits from a representative sample of states, taking into account the value of energy conservation and the value of deferral of investment in new capacity to provide energy;

(4) efforts of utilities to encourage the implementation of residential energy efficiency measures by their customers and the relationship between these efforts and the observed response rate under Residential Conservation Service Programs;

(5) measured energy savings achieved in residential dwellings in which measures are installed under such programs;

(6) to the extent to which utilities have adopted programs voluntarily or under State law that offer more promise in encouraging energy efficiency than has been the case under the Residential Conservation Service;

(7) to the extent to which modifications in the regulations implementing the Residential Conservation Service could improve the cost effectiveness of the program;

(8) legislative changes that are necessary to improve the cost effectiveness of the program;

(9) the extent of unfair, deceptive or anticompetitive acts or practices affecting commerce that relate to the implementation of such residential energy conservation programs, and the adequacy of procedures which are in effect to prevent such unfair, deceptive or anticompetitive acts or practices; and

(10) such other matters as seem appropriate in order to assist Congress in deciding the future of the Residential Conservation Service.' ".

LEVIN AMENDMENT NO. 550

Mr. NICKLES (for Mr. LEVIN) proposed an amendment to the bill S. 410, supra; as follows:

On page 2, after line 7, add the following new subsection:

(c) Notwithstanding subsection (a) any state energy conservation plan for commercial buildings and multifamily dwellings approved under Section 721 of the National Energy Conservation Policy Act prior to August 1, 1984, may with respect to regulated utilities, continue in effect until one year after the date of enactment of this Section if such plan meets the requirements of Section 722 of such Act as in effect on August 1, 1984.

SPECTER AMENDMENT NO. 551

Mr. NICKLES (for Mr. SPECTER) proposed an amendment to the bill S. 410, supra; as follows:

At the end of the bill, add a new section 6 as follows:

"SEC. 6. Subsection 220(b) of Title II of the National Energy Conservation Policy Act (42 U.S.C. 8211 et seq.) is amended by inserting after 'Acts.—', '(1)', and by inserting after the words 'acts or practices.', the following new paragraph:

'(2) Nothing in this Part shall be construed to—

'(A) bar any person from taking an action with respect to any anticompetitive act or practice related to activities conducted under any program established under this Part, including activities conducted under subsections 216(b), (d), or (e); or

'(B) convey to any person immunity from civil or criminal liability, create defenses to actions under antitrust laws, or modify or abridge any private right of action under such laws."

EVANS (AND OTHERS) AMENDMENT NO. 552

Mr. EVANS (for himself, Mr. DANFORTH, Mr. HARKIN, Mr. BENTSEN, Mr. KENNEDY, Mr. CRANSTON, Mr. BOSCHWITZ, Mr. GORTON, Mr. KERRY, Mr. PELL, Mr. PROXMIRE, Mr. WEICKER, Mr. EAGLETON, Mr. HEINZ, Mr. COHEN, Mr. INOUYE, Mr. MATSUNAGA, Mr. LAUTENBERG, Mr. BAUCUS, Mr. HOLLINGS, and Mr. BIDEN) proposed an amendment to the bill S. 410, supra; as follows:

(a) Since,

(1) This Nation should pursue an energy policy that encourages energy efficiency and reduces our vulnerability to interruptions of foreign supplies;

(2) Corporate average fuel economy (CAFE) standards, in addition to price-induced conservation, have been responsible for the near doubling since 1975 of the average fuel economy of new cars sold in the United States;

(3) Previous Government estimates of United States domestic oil and gas reserves, especially offshore supplies, recently have been revised significantly downward;

(4) General Motors, Ford, and a number of Japanese and European automobile manufacturers have petitioned the Administrator of the National Highway Traffic Safety Administration (NHTSA) to roll back the CAFE standard beginning with the 1986 model year; and

(5) The Administrator has issued a notice of proposed rulemaking to reduce the current standard from 27.5 mpg to 26 mpg.

(b) It is the sense of the Senate that the Administrator of the National Highway Traffic Safety Administration (NHTSA) should retain the CAFE (corporate average fuel economy) standard for passenger automobiles specified in current law.

HELMS (AND OTHERS) AMENDMENT NO. 553

Mr. HELMS (for himself, Mr. ABDNOR, Mr. GOLDWATER, Mr. NICKLES, Mr. MATTINGLY, Mr. BOSCHWITZ, Mr. FORD, and Mr. EXON) proposed an amendment to the bill S. 410, supra; as follows:

At an appropriate place, insert the following new section:

SEC. . It is the sense of the Senate that the Congress should not adjourn in August of 1985 until the Congress has agreed to a conference report on S. Con. Res. 32 and until the Senate has undertaken consideration of the farm bill, S. 616.

KENNEDY (AND MATHIAS) AMENDMENT NO. 554 AND 555

Mr. KENNEDY (for himself and Mr. MATHIAS) proposed an amendment to the bill S. 410, supra; as follows:

AMENDMENT No. 554

At the appropriate place add the following new section:

SEC.

"Whereas August 6 marks the 40th anniversary of the detonation of the nuclear bomb at Hiroshima, and whereas the Soviet Union has announced its intention to begin a moratorium on nuclear testing on August 6, and whereas the United States has invited the Soviet Union to send its experts to monitor a U.S. nuclear test, therefore

"It is the sense of the Senate that,

At the earliest possible date, the President of the United States should propose to the Soviet Union the immediate resumption of negotiations toward conclusion of a verifiable comprehensive test ban treaty."

KENNEDY (AND OTHERS) AMENDMENT NO. 555

Mr. KENNEDY (for himself. Mr. MATHIAS, Mr. HATFIELD, Mr. KERRY, mr. MELCHER, and Mr. CRANSTON) proposed an amendment to the bill S. 410, supra; as follows:

AMENDMENT No. 555

At the appropriate place add the following new section:

SEC.

"It is the sense of the Senate that,

At the earliest possible date, the President of the United States should propose to the Soviet Union the immediate resumption of negotiations toward conclusion of a verifiable comprehensive test ban treaty."

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. MATTINGLY. Mr. President, I ask unanimous consent that the Committee on Environment and Public Works be authorized to meet during the session of the Senate on Monday, July 29, at 2 p.m., to consider the nominations of William Horn, to be Assistant Secretary of Interior; and Winston Porter, to be Assistant Administrator of EPA.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. MATTINGLY. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Monday, July 29, 1985, in order to receive testimony concerning S. 1300, individual treble damage liability.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON HEALTH

Mr. MATTINGLY. Mr. President, I ask unanimous consent that the Subcommittee on Health, of the Committee on Finance, be authorized to meet during the session of the Senate on Monday, July 29, at 1:30 p.m., to hold a hearing on adjustment factors for disproportionate share hospitals.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

CONGRESSIONAL CALL TO CONSCIENCE FOR SOVIET JEWRY

● Mr. HUMPHREY. Mr. President, I am pleased to join in the Congressional Call to Conscience for Soviet Jewry. This week marks the 10th Anniversary of the signing of the Helsinki Final Act, which held promise for an increased flow of Jewish emigration from the Soviet Union. That promise has faded, and the Soviet reign of oppression against their Jewish citizens continues. In 1979, a high of 51,320 Jews were allowed to leave the Soviet Union. Last year, an all-time low of only 869 Soviet Jews were granted exit visas. In June 1983, the official Soviet Anti-Zionist Committee announced that Jewish emigration was essentially completed. However, at least 10,000 dissidents continue actively to seek emigration.

Meanwhile, the repression against Soviet Jews continues to worsen. More than twenty Jewish prisoners of conscience are being held by the government. A concerted campaign against unofficial Hebrew teachers and Jewish cultural leaders has begun. Jewish refuseniks face harassment from the authorities, job loss or demotion, constant surveillance and must live under a never-ending threat of prosecution.

These actions are egregious violations of the Helsinki accords. As a member of the U.S. Helsinki Commission on Security and Cooperation in Europe, I have urged the administration to emphasize the inherent link between the pursuit of peace and the promotion of human rights. It is our duty as Americans to speak for those who are silenced.

Mr. President, in recognition of the plight of the Soviet Jews and the 10th Anniversary of the Helsinki accords, I would like to share with you an article in the New York Times entitled "Soviet Human Rights Battle: Only the Isolated Voices Remain." This article is a chilling account of what Soviet repression has done to the dissident movement in that country. Ten years after Helsinki, the human rights situation in the Soviet Union is worse than before. As we mark the 10th anniversary of the signing of the Helsinki accords, we must seize the opportunity to reaffirm our commitment to the cause of human rights and to the freedom for Soviet Jewry.

I ask that the following article be printed in the RECORD.

SOVIET HUMAN RIGHTS BATTLE: ONLY ISOLATED VOICES REMAIN

(By Seth Mydans)

Moscow, July 28—Naum Meiman laughs when he remembers the noisy scenes in his apartment, where groups of dissidents used to gather with Western reporters in the heyday of the human rights movement.

"There was certainly humor in it," he said the other day. "Everbody with his story to be told, nobody waiting for anybody else."

Today, a decade after the signing of the Helsinki accords that touched off that flurry of dissident activity, 18 of the 20 people who joined the Moscow Helsinki watch group have been imprisoned or sent into internal exile or have gone abroad.

ONLY A FEW ISOLATED VOICES

Apart from a few isolated voices, the dissident movement of the 1970's is dead, and Mr. Meiman says that after his years of activism and the imprisonment of many of his friends, the human rights situation in the Soviet Union is worse today than it was when the Helsinki pact was signed.

Mr. Meiman, a 74-year-old mathematician, is one of the two group members who are in the Soviet Union and not in prison or in exile. He, too, has given up agitating for the rights of others and appears to be preoccupied with his personal tragedy: a seemingly hopeless quest to gain medical treatment abroad for his wife, who is dying of cancer.

"After my years of working for the rights of others," he tells visitors, with a touch of embarrassment, "I feel I have earned the right to plead for help for my own case."

When Mr. Meiman remembers those days in the late 1970's, he said, his thoughts turn to the friends who are now suffering for their participation—people such as the Jewish activist Anatoly B. Shcharansky, the computer programmer Tatyana Osipova, the poet Viktor Nekipelov and the physicist Yuri F. Orlov, who founded the Helsinki group in May 1976.

All these are in prison, in labor camps, or in a harsh exile, and most are in deteriorating health, Mr. Meiman said.

"I like to believe that all we did was not in vain," he said. "But of course, I feel a great heaviness and distress both for my friends personally and for society."

On Aug. 1, 1975, the United States, the Soviet Union and 33 other nations signed the final act of the Helsinki Conference on Cooperation and Security in Europe. The document included commitments to ease cultural and informational exchanges, family reunification across borders, international travel and the like. A few months later the Moscow group was formed to monitor the Soviet Government's behavior under the humanitarian provisions of the act.

Now, 10 years later, Mr. Meiman agreed, the hopes the Helsinki accords fired in the Soviet Union have died out.

"It is hard for me to say I am optimistic," he said. "I have a difficult personal situation, and that always colors one's feelings."

Mr. Meiman's wife, Inna Kitrosskaya, 52, has been seeking for two years to travel to the West for treatment of a tumor on her neck that he said Soviet doctors concede they are not equipped to treat.

ENERGIES DEFLECTED

His concentration on his own problems is another small victory for the authorities here, who throughout the 1970's successfully deflected the energies of the Helsinki group away from broad social issues to a narrow defense of their own associates.

The heady activism of that time spread across the country from the Moscow group to small Helsinki watch groups in Latvia, Armenia, Georgia and the Ukraine and was reflected in specialized groups that publicized purported abuses of psychiatry and religious oppression. But that activism appears to have been crushed with a thoroughness nobody seems to have expected at the time.

The mutual support that was growing among intellectuals agitating for democratic rights, Jews who wanted to emigrate, Russian orthodox activists, Pentecostalists and others has again become fragmented.

Andrei D. Sakharov, the physicist who became a symbol of dissent in the Soviet Union and won the Nobel prize for Peace in 1975, was banished to the city of Gorky, 250 miles east of Moscow in 1980.

He is said to have gone on a hunger strike, he is said to be ill, he is said to be in a hospital. But the authorities have succeeded so remarkably in cutting him off from the outside world—Gorky is not open to foreigners, and Russians have apparently been kept from extensive contact with him—that nobody really knows what has become of him.

As the Kremlin must have intended, even Dr. Sakharov's name has faded bit by bit from the attention of the world.

The authorities have also ignored campaigns on behalf of Mr. Shcharansky, Mr. Orlov and others, proving, as Soviet Government spokesmen have insisted all along, that they will not bow to pressure on what they consider their internal affairs.

One disappointment for human rights activists here is that a new generation of idealists has not sprung up to take the places of those who have been arrested.

"That was the sadness and the failure of the Helsinki group in its last years," Mr. Meiman said. "It was impossible to bring in young people because of the certainty of arrest."

REPRESSION, THEN THE END

Asked why he thought the human rights movement had not rejuvenated itself, one Western diplomat said, "Maybe repression works."

In September 1982, as the arrests and harassment continued, the last three members of the Moscow Helsinki watch group who remained in the Soviet Union held a final news conference to say: "The group cannot fulfill its duties and is forced, under pressure from the authorities, to discontinue its work."

At that news conference, in an atmosphere very different from the ones Mr. Meiman likes to recall, were Yelena G. Bonner, Sofiya V. Kalistratova and Mr. Meiman.

Mrs. Bonner, who is the wife of Dr. Sakharov, was convicted last August of "anti-Soviet slander" and sentenced to five years of confinement with her husband in Gorky.

Mrs. Kalistratova, a 78-year-old-lawyer, was threatened with criminal prosecution. The prosecution was suspended because of her ill health, but it hangs over her head as a warning against further activism.

As Mr. Meiman sits alone in the study where dissidents once gathered, his wife in bed in a back room, he sees around him a country that seems content, even relieved, to have left behind the difficult issue of human rights.

For the moment, the country seems caught up in hopes of material progress under Mikhail S. Gorbachev, the new leader. Nothing has occurred in the first four months of his rule to suggest that any new atmosphere of liberalism may affect human rights.

The excitement of those very different days in the late 1970's did at times, as Mr. Meiman recalls, have its comic aspect, as roomfuls of the nation's oppressed and unfortunate interrupted each other to read out long statements of their woes, each more horrifying than the last.

'SHORT AND SWEET'

"All right, hurry up, hurry up," Mr. Meiman would order as some frightened Bapist or Volga German or Crimean Tatar told his story to a group of Western reporters. "These people like to hear it short and sweet."

Mr. Orlov, a quiet, pipe-smoking physicist, was arrested in the first months of 1977, as were Mr. Shcharansky and Aleksandr I. Ginzburg, a young man whose entire life seemed to have been devoted to human rights activism. Their three trials in the spring and summer of 1978 marked the climax of the crackdown on human rights in the period of detenté.●

TIMBER

● Mr. PRYOR. Mr. President, I have made speeches on several occasions in this Chamber about the serious trade problems that are devastating our timber industry. In particular, massive subsidies by the Canadian Government have seriously harmed our timber industry, one that is vital to the economic health of the State of Arkansas.

I frequently tell the story that, due to stumpage subsidies of the Canadian Government, lumber can be grown, cut, and transported from that country to southern Arkansas, and sold cheaper than lumber locally produced. Simply put, Mr. President, it's due to unfair subsidies by that government, and should not be tolerated. That's why I've joined several of my colleagues in introducing legislation aimed at curbing this practice and putting our timber producers on equal footing with foreign competitors.

On July 9, 1985, the Board of Forestry Commissioners of the State of Arknasas adopted a resolution calling on the Congress to take steps to correct these trade problems. Imported timber from Canada now accounts for 38 percent of all sales in Arkansas, according to a letter I received from Edwin Waddell, State forester, and accounts for about one-third of all sales in the country. This industry, which accounts for 51,000 jobs in Arkansas and adds $2 billion to Arkansas' economy, needs the attention and help of the Congress.

Mr. President, I ask that the resolution adopted by the Arkansas Forestry Commission by printed in the RECORD.

The resolution follows:

RESOLUTION

Whereas, forestry is Arkansas' largest manufacturing industry producing $2 billion annually while providing jobs for over 51,000 people; and

Whereas, forests occupy almost 50% of the State's total land area and provide present and future raw materials and natural resources for citizens of Arkansas and the nation; and

Whereas, the continued unfair competition from Canadian forest products seriously reduces Arkansas' forest industry related jobs and its economic security; and

Whereas, Arkansas' forest industry is a vital part of the growth and development of the state. Now Therefore

Be it resolved, That the Arkansas Forestry Commission proposes a strong commitment to the correction of these unfair trade practices caused by the import of subsidized Canadian forest products; and

Be it further resolved, That the State Legislature, the Arkansas Congressional Delegation, and the Federal Administration be called upon to provide necessary corrective measures.

In witness whereof we have hereunto affixed our signatures this ninth day of July in the year of our Lord, nineteen hundred and eighty-five.●

THE ANIMAL WELFARE ACT AMENDMENT TO ENSURE THE PROPER TREATMENT OF LABORATORY ANIMALS

● Mr. D'AMATO. Mr. President, I rise today to cosponsor an important piece of legislation introduced by my revered colleague, the majority leader. This legislation, S. 1233, amends the Animal Welfare Act to ensure the proper treatment of laboratory animals.

S. 1233 addresses the enormous issue of proper and humane treatment of animals, particularly while used in laboratory experiments. This issue has been a concern for many years, but a comprehensive piece of legislation has yet to address all of the concerns involved.

This legislation calls for humane treatment of animals by requiring pre- and postsurgical care, pain-relieving drugs to relieve unnecessary suffering, anesthesia to be used with paralytic drugs, and an avoidance of using the same animal for multiple painful procedures. These requirements are minimal precautions that should be taken to ensure the well-being of animals used for biological research.

Another significant provision of S. 1233 is the establishment of an infor-

mation service at the National Agricultural Library. An information center will help researchers coordinate their efforts and will provide information on alternative types of research that do not require the use of animals. This center also will help to proliferate progressive and promising research and, at the same time, will alleviate duplicate research which harms animals for no beneficial research purpose.

S. 1233 encourages researchers to consider other research techniques which do not require the use of animals and to use less painful methods when animals must be involved. This type of encouragement will raise the consciousness of researchers. Because the individual researcher is ultimately responsible for his or her relationship to the animal, this aspect of the legislation is essential.

A final area that this legislation addresses is the need for continual assessment and evaluation, both from within the laboratory and from the outside. All researchers involved with a project must be instructed about humane practices toward animals. Furthermore, a representative of the community who exhibits a concern for the care of animals would be allowed to monitor and inspect the laboratory to be certain animals are treated in a respectful and caring manner. The legislation ensures that individuals who work in research laboratories cannot be discriminated against for reporting animal abuses. It is my belief that these precautions will help researchers check themselves, to continually remind themselves of their responsibility to treat animals humanely and respectfully.

This bill is a joint effort of the animal welfare and biomedical research communities to approach the problems created by the use of animals in experimental research and to come to some reasonable and progressive conclusions. This effort addresses numerous areas that have proven to be problems with the use of animals in research laboratories. It is my hope that the all-encompassing nature of this legislation will protect our animals from unnecessary violations and will help to make the research community more aware of the need for humane treatment of animals while performing experiments.

I hope my colleagues will look into this legislation and will join me in this effort to ensure the safety of the animals of this country.●

THE U.S. DEPARTMENT OF ENERGY'S SUPERCOMPUTING HIGH SCHOOL HONORS PROGRAM

● Mr. PRYOR. Mr. President, from August 11 through August 24, 1985, the Department of Energy's first High School Supercomputing Honors Program will be held at the Lawrence Livermore National Laboratory in Livermore, CA. High school students from each of the 50 States, the District of Columbia, and Puerto Rico will participate in the program, using the facilities of the National Magnetic Fusion Energy Computer Center. These accomplished young people were selected on the basis of their scholastic aptitude, with particular emphasis placed on competence in math and science.

The program will feature presentations about career opportunities, and extensive tours of the Livermore National Laboratory. The students will work on individual programming projects, under the guidance of the National Laboratory's esteemed computer science specialists, obtaining hands-on experience using one of the most highly developed computer systems in operation today.

Ms. Barbara Mulach, a senior at Central High School in Little Rock, is Arkansas' finalist to the program. This outstanding young woman has demonstrated excellent proficiency in both science and math programs, and her selection from among the many gifted and talented students in my State is a tribute to her tremendous capability.

Energy Secretary John Herrington, along with the staff of the Department's Office of Energy Research, should be commended for the leadership shown in coordinating such a unique learning situation. I urge my colleagues to join with me in congratulating each of the program finalists.●

MEL FISHER—AMERICAN SUCCESS STORY

● Mrs. HAWKINS. Mr. President, I am sure the Members of the Senate have joined with the majority of Americans in thrilling to the success of Mel Fisher and his associates in discovering the lost treasure of the Spanish galleon *Nuestra Senora de Atocha.* This is truly a classic American success story—years of adversity, even tragedy, ending in success beyond anyone's wildest dreams.

Mel, whom I have known for many years, is indeed a man with an all-consuming dream. He has pursued his dream—the treasure of the *Atocha*—for 16 years, with a singlemindedness not often seen today. From the beginning, he has had to endure ridicule, financial problems, governmental harrassment, and seemingly endless fruitless searches. Yet the spirit of his characteristic slogan, "Today's the day," carried him through.

Ironically, the worst tragedy occurred 10 years to the day before the discovery of the treasure. On July 20, 1975, one of his ships capsized in the search area, drowning his son, his daughter-in-law, and crew. But like the true American dreamer, Mel persevered in his efforts.

Last Saturday, Mel's dream came true. Divers found a veritable reef of silver bars. The main treasure of the *Atocha* had been discovered at last.

My interest in all this lies less in the fact of Mel's success—although he surely deserves his rewards—than in the realization that our Nation still has such people, and that we still permit determined men and women to pursue such dreams, to success or failure.

I would be remiss, however, if I did not point out that Mel Fisher found his treasure only after overcoming disgraceful efforts by the State and Federal governments to take it away from him. From the moment in 1971 when he first removed artifacts enabling him to confirm that he was on the trail of the *Atocha,* he suffered from the efforts of the Federal and Florida governments to claim the yet-undiscovered treasure, efforts based on appallingly flimsy grounds.

Florida contended that because the area of the wreck was once thought to be under State jurisdiction, the treasure should belong to the State when it was discovered. This absurdity was resolved in Fisher's favor. Even worse, however, was the Justice Department's claim that it had somehow inherited the "sovereign prerogatives of George III" and was thus somehow entitled to the gold and silver. Three opinions of the Fifth Circuit Court of Appeals and one by the Supreme Court, along with hundreds of thousands of dollars in legal fees, were necessary before Mel Fisher had uncontested right to his discovery.

This attitude on the part of government, that is entitled to all or part of every effort by its citizens, is in my judgment one of the primary evils of modern political life. It is foreign to our traditions, and I sincerely hope that this is not the last case where citizens prevail over government in these matters.

It was for this reason that I last year opposed legislation that would give unrestricted control over ancient wrecks to the States, repealing the very rights of access to the Federal courts that enabled Mel Fisher to succeed. Yes, it is important that the salvage of ancient wrecks be accompanied by proper archeological efforts, so we receive knowledge along with artifacts and gold; but it is also important that the rights of our citizens to fulfill their dreams not be blocked by the paternalistic hand of government.

Mr. President, I ask that three articles from the Miami Herald and one from the New York Times on the discovery be printed in the RECORD at this point.

The articles follow:

TREASURE HUNTERS HIT JACKPOT OFF KEY WEST

(By Patty Shillington)

KEY WEST.—Treasure-seekers, teased by an undersea trail of gold for 16 years, discovered Saturday what they believe to be the mother lode of a Spanish galleon laden with untold riches when it sank in a 1622 hurricane.

"Put the charts away—we've got it! Silver bars . . . we've got it!" the captain of one search ship screamed over a radio to Bleth McHaley, vice president of Treasure Salvors Inc. in Key West.

"The captain said there are millions of coins and copper ingots," McHaley said. "We don't know how much is there yet. It's going to take weeks and weeks and weeks and weeks.

"It's incredible, just incredible."

Mel Fisher, founder of Treasure Salvors, has been trailing the spilled cargo of Nuestra Señora de Atocha for 16 years.

"It's like when you put the last piece in a jigsaw puzzle," said Fisher, 62. "It's fantabulous."

Over the years, divers using electronic sensors off the Lower Keys have brought up gold bars and chains, silver, jewels and artifacts worth about $60 million. But the bulk of the 17th Century treasure, valued at up to $300 million, was elusive.

Up until now, that is. The five-foot wall just discovered under the sea 41 miles west of Key West is Atocha's main ballast, adorned with a huge amount of treasure, McHaley said.

But the salvors can't even measure the value of the other royal treasure believed to be buried underneath the main ballast: the wreckage of the three-masted Atocha, bound for Spain in a fleet when a Sept. 4, 1622, hurricane sent it and the galleon Santa Margarita to the ocean depths.

Archeologists call Saturday's find "the primary cultural deposit," but the phrase belied the mood at Treasure Salvors' offices in Key West, where employees celebrated with passion as spirits flowed.

"It's been mayhem here all day," Fisher said. "We've been toasting and congratulating."

Treasure fever has soared in Key West since the Memorial Day weekend, when Fisher's divers found a piece of the ship's timber, 13 gold bars, seven feet of gold chain, 414 silver coins and 16 emeralds set in gold—all worth about $2 million.

Fisher knew he was close to the mother lode. But in the last week there was much frustration.

"It was perplexing about three or four days ago when we couldn't find anything," Fisher said.

Nuestra Señora de Atocha, built in Havana and on her maiden voyage, was heading to Spain when the hurricane disabled much of the fleet off the Cuban coast. In all, nine ships were lost and about 550 people aboard the vessels were killed.

Along with the galleon Santa Margarita, Atocha was swept over a barrier reef and into the Florida Straits. The two vessels sank three miles apart in about 50 feet of water.

A month later, another hurricane wrought violent currents that broke up the pair, scattering debris over an eight-square-mile area. Then for 3½ centuries, tides and shifting undersea silt buried the wreckage.

As with past treasure finds, profits from the ship will be split among investors, with Treasure Salvors crewmen getting a share.

But legal battles with state authorities, who claimed sovereign rights to the treasure, have been expensive. The federal courts finally ruled that Fisher owned his rich hauls. Now he is fighting federal proposals that would give the state ownership of treasure found in its waters.

For Fisher, the consuming hunt has also been costly outside the courtroom.

The salvage ship Northwind capsized 10 years ago, claiming four lives, including one of Fisher's sons, Dirk, and the latter's wife Angela.

But Saturday, a jubilant Fisher repeated the phrase of hope he has uttered every day for years:

"Today's the day."

JUBILANT DIVERS MINE SILVER LODE

(By Patty Shillington)

KEY WEST.—A jubilant crew on the converted tugboat Dauntless lowered milk crates into the ocean Sunday and hauled up load after load of heavy 17th Century silver bars—booty from the mother lode of a sunken Spanish galleon.

"I'm going to be loading up till I can't take no more!" whooped Kane Fisher, 26, captain of the Dauntless and son of Treasure Salvors founder Mel Fisher, who has searched 16 years for the underwater remains of the Nuestra Señora de Atocha.

That search ended Saturday, 41 miles off Key West, when Treasure Salvors divers found the main ballast of the three-masted Atocha, which sank in a 1622 hurricane after it left Cuba laden with riches.

Treasure Salvors officials said Sunday it was the most valuable sunken treasure ever found. Its worth: $300 million to $400 million, which doesn't include the $60 million trail of treasure that led divers to the wreck.

"It looked just like I dreamed it would," said diver Shaky Jake, 33. "There were some rocks and some pieces of wood and then bars, bars, bars, bars. And there were lobsters all around the bars."

"When we hit the silver," added Del Scruggs, 23, "It was like ecstasy! They're beautiful!"

And valuable. The 16-inch-long, four-inch-thick silver bars weigh between 70 and 100 pounds and are worth from $40,000 to $100,000 each. There were 1,200 bars on the Atocha, according to the ship's manifest.

Divers, 45 feet underwater, stacked the bars together and loaded them into the rusty milk crates attached to an electric winch on the deck of the Dauntless. By Sunday afternoon, about 200 bars had been lifted aboard the 65-foot salvage vessel, then taken to a storage space below.

Ten-gallon buckets filled with silver coins and silver plates also sat on the deck while copper ingots were piled on the sides of the vessel.

"There's gold down there, too," Kane Fisher said. "We just haven't found it yet."

In addition to 161 registered gold bars, the personal jewels of the Atocha's passengers are yet to be found. They are believed to be buried under the ballast.

To shipwreck archaeologist R. Duncan Mathewson III, the real treasure is the remains of the Atocha itself—one in a fleet of Spanish galleons bound for Spain when the Sept. 4, 1622 hurricane hit. Nine ships were lost and 550 people killed.

Sunday, Mathewson examined an 18-foot-long, six-foot-wide section of the Atocha's ribs and began mapping and surveying the wreckage.

"Oh, it looks terrific! They [the timbers] are in good condition," Mathewson said when he emerged from the ocean depths and climbed aboard the Dauntless. "By studying her timber, we'll learn a lot about shipbuilding in the 17th Century."

Divers have used electronic devices to find treasure from the Atocha and the Santa Margarita, the other Spanish galleon that was swept over a barrier reef and into the Florida Straits before it sank.

But they put the equipment away Sunday, needing only the unaided eye to gather up the treasure.

"It's all visual now," said Kim Dickson, 24, the only woman on the Dauntless's nine-member crew.

The silver has been well-preserved in a layer of mud under the sandy bottom. Insignias on some of the coins are visible after just a superficial cleaning.

Dubuque, Iowa, native Greg Wareham, 26, was the first diver to stumble upon the mother lode. He, like all crew members, will get a share of the profits.

"It's probably one of the most significant things I'll ever do in my life," Wareham said. "There was a big pile of silver and some ballast stone. I was surprised that I found it."

Three other search and salvage vessels were anchored at the site Sunday, but the press outnumbered the crew. Photographers and reporters hired charter boats to take them to the wreck, about 2½ hours from Key West riding a 40-foot fishing boat.

Singer Jimmy Buffett went out to the site to serenade the salvage crews.

"My life is different after seeing that," one scuba-diving photographer said after snapping some underwater pictures.

The salvage operation is expected to take weeks.

Back in Key West, tourists gathered Sunday at Mel Fisher's Treasure Salvors headquarters, which boasts the world's largest public exhibition of sunken treasure.

Visitors posed for pictures in front of the museum, as a contagious case to treasure fever swept the island.

FISHER LEAVES THE GOVERNMENT HIGH AND DRY

(By Carl Hiaasen)

One afternoon six years ago, treasure hunter Mel Fisher squinted into the Key West sun, fingered a serpentine gold necklace, and said: "It was never the money. It was the hunt, the challenge. Some guys go to Siberia for polar bears."

Mel Fisher went down to the sea. He lost a son but found the Spanish galleon of his dreams. And when he finally began to raise its treasure, bit by bit, from a marly grave off the Marquesas, everyone wanted a piece.

Now Fisher's divers have found the mother lode, the crusted guts of his beloved Nuestra Senora de Atochia, shipwrecked in 1622. It's a discovery of unfathomable proportions—a hill of gold coins, silver bars, copper ingots—and there is no telling what it will someday be worth.

But the best part is this: Every splendid doubloon belongs to Mel Fisher, his divers and his investors.

The two governments that for years connived to get their plundering paws on Fisher's fortune get absolutely nothing. "They can eat their hearts out," says Bleth McHaley, vice president of Fisher's Treasure Salvors Inc.

Mel Fisher's legal nightmare is too complicated to recount in detail. At times, both the state of Florida and Uncle Sam have tried to claim the galleon—despite the fact that Fisher's company alone had located the wreck, explored it and mined its bounty.

U.S. District Judge William Mehrtens was so appalled that in 1978 he wrote: "As grave as the perils of the sea are and were, the gravest perils to the treasure itself come not from the sea but from two unlikely sources, agents of two governments . . .

"It would amaze and surprise most citizens of this country, when their dreams at the greatest of costs were realized, that agents of respective governments would, on the most flimsy of grounds, lay claim to the treasure . . ."

Ultimately, it took eight years and a trip to the U.S. Supreme Court for Mel Fisher to prove that the Atocha lay outside state territorial waters and that no government had a right to the wreck.

Ironically, from that spring day in 1971 when the first musketball was found among the sea dunes, Fisher had always agreed to share the riches; he had even offered to donate 25 percent to the state so that his investors could get a tax break.

In the early days, he turned over hundreds of artifacts to the good folks in Tallahassee who, characteristically, managed to misplace or destroy 523 pieces worth about $400,000. The state said the artifacts were lost "in cleaning"—lost by the same geniuses who's said Fisher wasn't qualified to protect the treasure.

True, Mel is not exactly a model businessman; more than one contract has been inked on the back of a cocktail napkin, and more than one payday has slipped by unmarked. And there have been assorted expeditions when the crafty 62-year-old diver certainly tested the limits of salvage law.

Jealous rivals occasionally have branded him a huckster, but Fisher is really just a dreamer, befuddled by legalities and stubborn as a barnacle. All he ever wanted was to find sunken treasure.

He has paid a terrible price. Last week's triumph of a lifetime came 10 years to the day after Mel Fisher's darkest tragedy. In the morning darkness of July 20, 1975, 21-year-old Dirk Fisher, his wife, Angel, and diver Rick Gage drowned when their salvage vessel suddenly capsized near the galleon site.

"I felt in my heart Dirk wanted me to continue, to bring in the rest of the treasure. That's why I'm still working on it," Fisher told me, years ago.

At the time, the Atocha surrendered teasing trinkets and little else. But Mel talked, as always, of striking the main ballast—today, tomorrow, next week. Meanwhile, he was busily scrounging money, squiring investors, fighting his heart out in court.

Now the long quest is over, the ship is his. It is a magnificent victory over the sea, over the centuries and over all those government landlubbers who couldn't find their aft with both hands.

SUNKEN TREASURE SHIP LURING ARCHEOLOGISTS

(By Jon Nordheimer)

KEY WEST, FL, July 23.—Late last night, as wind and rain from a tropical storm swept the puddled streets of Key West, jubilant treasure hunters and investors sang rousing choruses of "We're in the Money" and "The Impossible Dream," pounded out by a piano player in the Two Friends bar.

Besides yielding riches of silver and gold that had been buried in the ocean floor for more than three centuries, the sunken Spanish royal galleon they discovered last weekend may prove to be a scientific bonanza, their chief archeologist said today.

"It's a virgin shipwreck in situ, one of the greatest treasure finds from an ancient shipwreck recorded anywhere," said Duncan Mathewson, chief archeologist for Treasure Salvors Inc. of Key West. Backers of the limited partnership spent years and millions of dollars to search hundreds of square miles of sea bottom 40 miles west of here for the remains of Nuestra Señora de Atocha, the 550-ton flagship of a Spanish treasure fleet sunk in a hurricane in 1622.

On Saturday, working 54 feet under the choppy, bottle-green surface, divers found the prize. Powerful gusts of water pumped down from their ship blew up a storm of sand and exposed a jumbled mound of hundreds of silver bars each 15 inches in length, that weighed 70 pounds each. Nearby gold and silver coins and jewels spilled from a well-preserved cedar treasure chest.

An excited diver rose and broke the surface with clenched fists of triumph. "It's here!" he shouted to those aboard the rocking ship, who at first feared some underwater emergency. "We found it! We found the main pile!"

The discovery touched off a celebration among the 40 or so employees of Treasure Salvors and sent investors rushing to catch planes to Key West. Among the latter were Frank Perdue, the poultry producer, and Melvin Joseph of Delaware, who has investments in construction and poultry farms.

At first, members of the company estimated the treasure was worth more than $400 million.

Mel Fisher, the baldish guiding spirit of Treasure Salvors, winced today at the figures and said they might be too high, a turnaround of sorts for a man whose critics asserted in the past that he had inflated estimates of the value of artifacts recovered by his divers.

"The figures are kind of wild," said Mr. Fisher, 62 years old, beaming in his office in Key West this morning. Around his neck dangled $12,000 in gold, including a doubloon, souvenirs of earlier treasure hunts.

"None of it's going to be sold anyway," he said. "At least, none of my share will be sold."

An inventory of what his divers have found may take years, Mr. Fisher said. An archeological excavation of the underwater site is being prepared and the initial plan calls for careful removal of the buried treasure and everything else in the watery grave.

"We're not treasure hunters as much as we are an archeological recovery team," explained Mr. Mathewson. "We are somewhere between treasure hunters and scientific excavators."

In this respect, he continued in a interview, he was distressed to learn that the divers removed 200 silver ingots in their first flush of enthusiasm.

High winds from the tropical storm kept crews away from the find today, and no other removal of treasure is to take place until additional divers and archeological assistants can be hired.

"What we think we have is most of the hull and cargo of the Atocha, pinned under the mound of bars and nicely preserved," Mr. Mathewson said.

'ENORMOUS TIME CAPSULE'

If that turns out to be correct, he continued enthusiastically, the Atocha could be seen as "an enormous time capsule, as important as Pompeii or even King Tut's tomb."

By any measure, the cargo carried by the Atocha when she and nine other treasure ships sank was priceless. The Atocha alone was bore 47 tons of gold and silver when the fleet set sail from Havana to deliver the riches of the New World to Spain. The Spanish sent salvage crews to reclaim part of the cargo of the two other royal galleons that sank in the same storm, the Rosario and the Santa Margarita, but after an initial sighting no trace was ever found of the Atocha and her riches.

Scholars over the years have frequently criticized the methods and claims of Mr. Fisher's operations. But news of the discovery of the Atocha brought heightened academic interest.

"From what I've heard it sounds like a spectacular find," said Dr. George Bass, director of archeology for the Institute of Nautical Archeology at Texas A&M University, in a telephone interview, "It is a special thing to find an intact cargo that can give a picture of 17th century exploration in the New World."

VARIED INSIGHTS EXPECTED

Mr. Mathewson, who holds a master's degree in marine archeology, said he hoped a scientific examination of the Atocha and her cargo would provide insight into a range of subjects.

Noting that the Atocha was built in Havana in 1618, a generation after the wreck of the Spanish Armada off the English coast, he said the wreck could shed light on what innovations were incorporated into galleon design by Spanish shipwrights.

Also, the excavation of the Margarita, which lies a few miles to the northeast of the Atocha, could add to this study, he said. The Margarita was built in Spain at the same time the Atocha was being constructed in Cuba, he added.

Mr. Fisher, after turns with his family's poultry business and the running of a divers' shop in Torrence, Calif., was lured to Florida in 1962 by tales of Spanish treasure. Using modern electronics, he and associates were able to recover gold and other artifacts from wrecks of the Spanish plate fleet destroyed in a storm off Florida in 1715.

By 1969 his divers were scouring the waters off the Florida Keys in search of the Atocha. Years were wasted searching in the wrong spot before Eugene Lyons, a Ph.D. candidate doing research in Spanish archives came up with documents that placed the sunken Atocha to the west of the Marquesas, islands 35 miles off Key West.

Acting on this and a hunch, Mr. Fisher dispatched his divers to search off a short underwater reef that ran east-west about 10 miles southwest of the Marquesas. He reckoned that the 1622 fleet, poorly designed to ride out a storm, and been driven on the reef.

As the events now make clear, his original hunch was essentially correct. But on July 4, 1973, three silver bars were found in shallower water five miles to the northwest. This moved the focus away from the deeper water. As things turned out, the discovery of the silver, and later the Atocha's anchor, in the shallow waters, which are called the Quicksands, was a costly and frustrating reversal.

"I wished we had never found them," said Bleth McHaley, vice president of Treasure Salvors. "It was a false lead that cost us years."

The hull with the treasure had remained in the deep water where the Atocha first sank. It is now believed that a storm that struck the area one month after that sinking wrenched the rigging and upper decks away from the hull, heavy with ballast and

treasure, and carried the superstructure five miles or more to the northwest, strewing anchor, gold pieces and other artifacts along a wide trail leading to the Quicksands.

The last 10 years were spent following a teasing trail of artifacts and ballact back toward the reef, crisscrossing thousands of acres of ocean floor.

It was a decade of frustration for Mr. Fisher, as well as one filled with lawsuits, missed payrolls and tragedy.

On July 20, 1975, Mr. Fisher's oldest son, Dirk, 21, drowned when his diving work boat capsized at night. Dirk's wife and another hand were drowned in the same accident.

"It was Dirk who was convinced that the Atocha was in deeper waters," said Ed Stevens, a 25-year-old diver from Fort Lauderdale. "He had a dream about the Atocha, a very vivid dream that told him the treasure was where they had first looked. There was nothing logical about it, but Dirk's death and the dream convinced Mel to search again in deeper waters."

Saturday's discovery came 10 years after Dirk Fisher's death, and another son, Kane Fisher, was the captain of the lead boat in the search.

The average share of a diver in the company is expected to be one-tenth of 1 percent, which could range from $100,000 to $300,000 depending on what is eventually taken out of the Atocha. Long-time hands, numbering about a dozen, stand to get a full 1 percent which may make them millionaires.●

THE BUDGET DEFICIT

● Mr. BOREN. Mr. President, I am very disappointed that a broad bipartisan effort to agree to a plan to reduce budget deficits has again collapsed. We cannot afford to play politics with deficits that will wreck our economy if we do not deal with them. It is disappointing to see both the President and Speaker TIP O'NEILL backing away from taking the tough steps necessary to make progress. So far they leave us with deficits still approaching $200 billion per year as late as 1988.

I am especially sorry that the proposed oil import fee was not accepted. As an American and as an Oklahoman, it galls me that domestic oil and gas production is heavily taxed with income and so-called windfall profit taxes while foreign production is not.

Someone has given the President bad advice on the oil import fee issue. I hope that he was not misled by the phony estimates of gasoline price increases of as much as 36 cents put out by some groups over the weekend including the so-called Citizens-Labor-Energy Coalition. The oil import fee would phase out when oil reached $30 per barrel. In 1984 when oil was at that price gasoline prices were only 1 cent higher on the average at the pump than they are now.

The 36-cent estimate was apparently arrived at by adding the two fees: the $5 on crude and $10 on refined products to reach a total of $15. Of course, the bill would not work to add the two together. It is an alternative fee. They then assumed that the fee would be paid on all oil used to make gasoline when of course only one-third of all U.S. gasoline is made from foreign crude. They also failed to consider that the fee phases out when domestic prices reach $30 per barrel.

Even the more reliable American Petroleum Institute made the mistake of not realizing that the fee plus the current price could never exceed $30. They assumed a $5 oil import fee on top of the current price of $26.50 which is in error.

It is a shame that misleading figures would be used to support policies which continue to transfer jobs and income out of States like Oklahoma to foreign countries.

The whole country will suffer if domestic oil prices collapse and drilling is severely cut back here at home.

I hope that the President will reconsider his portion on the oil import fee. I have not given up on the proposal and plan to present it again when the tax reform bill comes to the Senate.

I will continue to work to get both Republicans and Democrats to put aside politics and get to work to get these deficits reduced.●

S. 1468—U.S. PEACE TAX FUND BILL

● Mr. MATHIAS. Mr. President, I was pleased to join the distinguished Senator from Oregon [Mr. HATFIELD] as a cosponsor of the U.S. peace tax fund bill, S. 1468. It seems to me that a democratic society ought to be able to find a way for all its citizens to meet their full tax obligations without violating the dictates of their faith. As things stand now, there is no way for conscientious objectors to accommodate both conscience and country. These are Americans who want to support their country but cannot in good conscience pay that portion of their taxes that is devoted to military spending. The result is reduced revenues for the Federal Treasury and more headaches for the IRS enforcement teams. Nobody is happy with this state of affairs.

The U.S. peace tax fund bill provides a way out of this moral and legal dilemma. It would establish a fund to receive that portion of a conscientious objector's gift and tax payments that would otherwise be devoted to the military budget. Revenues in this fund would then be allocated to nonmilitary activities, such as the retraining of individuals displaced by conversion from military to nonmilitary production, or international exchanges to promote world peace.

It is important to understand that this bill will not reduce the tax obligations of conscientious objectors. Nor will it reduce the size of the defense budget. It simply provides a way for conscientous objectors to support their country without compromising their deeply held moral convictions. We have already provided legal alternatives to military service for conscientious objectors who want to meet the demands of both their country and their conscience. I see the U.S. peace tax fund bill as a logical extension of that constitutionally acknowledged option.●

LINDA GOES TO LAW SCHOOL

● Mr. JOHNSTON. Mr. President, this week Linda Jean Mason will leave the staff of the Committee on Energy and Natural Resources to attend the University of Virginia School of Law. Linda leaves the staff after nearly 4 years as a professional staff member for the minority.

Linda was born and raised in Everett, WA, the hometown of our late, beloved colleague Scoop Jackson. She went to Skidmore College in Saratoga Springs, NY, where she was elected to the Phi Beta Kappa Society and graduated with honors in 1981. During her tenure at Skidmore, she served as a parliamentary research assistant in the British House of Commons and as an advisory assistant for the Pennsylvania Public Utility Commission.

Her interest in government and energy policy quite naturally led her to Washington where she joined the committee staff in September 1981. While on the committee staff, Linda has been involved primarily in coal policy issues. She has worked on various legislative issues including; First, coal slurry pipelines; second, leasing of coal on Federal lands; third, surface mining of coal; and fourth, mining and mineral education. She did much of the staff work on the legislation establishing a national wildlife refuge on Protection Island, WA.

Linda's personality is a delightful combination of professionalism and enthusiasm. She learns quickly and has excellent analytic capabilities. She has repeatedly demonstrated her ability to work constructively with Senators, congressional staff, executive branch officials, and industry and interest group representatives to identify areas of agreement and disagreement, and arrive at acceptable solutions. At the same time, Linda has a genial and caring attitude and a keen sense of humor that has endeared her to her colleagues. These qualities have made her an asset to the minority staff. They should also serve her well during her law school career.

I applaud her decision to go to law school. I thank her for her good work. I know that Linda's many friends and staff colleagues here in the Senate join me in wishing her good luck and Godspeed in the work ahead. We will miss her.●

ORDERS FOR TUESDAY

RECESS UNTIL 9:30 A.M.

Mr. SIMPSON. Mr. President, after conferring with the Democratic leader, I ask unanimous consent that, when the Senate completes its business today, it stand in recess until 9:30 a.m. on Tuesday, July 30.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF CERTAIN SENATORS

Mr. SIMPSON. Mr. President, I ask unanimous consent that, following the recognition of the two leaders under the standing order, there be special orders in favor of the following Senators for not to exceed 15 minutes each: Senators D'AMATO, DOLE, MCCLURE, HUMPHREY, HEINZ, DECONCINI, LEAHY, NICKLES, PROXMIRE, and BAUCUS.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. SIMPSON. Mr. President, following the special orders just identified, I ask unanimous consent that there be a period for the transaction of routine morning business not to extend beyond the hour of 12 noon, with statements therein limited to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS FROM 12 NOON UNTIL 2 P.M.

Mr. SIMPSON. Mr. President, I ask unanimous consent that the Senate stand in recess between the hours of 12 noon and 2 p.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. SIMPSON. Mr. President, when the Senate reconvenes following the prescribed recess tomorrow, it will be the intention of the majority leader to turn to S. 876, veterans health care; the conference report to accompany S. 1160, the Department of Defense authorization bill; and the conference report to accompany S. 960, the foreign assistance authorization bill. Rollcall votes can be expected throughout the day on Tuesday.

By unanimous consent, Mr. President, following the Department of Defense authorization conference report, Senators KENNEDY and MATHIAS will be recognized to offer their comprehensive test ban resolution.

Mr. President, I thank the minority leader for his assistance and cooperation. I inquire as to whether he has further business to conduct.

Mr. BYRD. Mr. President, I thank the distinguished Senator. I have nothing further.

RECESS UNTIL 9:30 A.M. TOMORROW

Mr. SIMPSON. Mr. President, in accordance with the previous order, I move that the Senate stand in recess.

The motion was agreed to, and at 7:22 p.m., the Senate recessed until tomorrow, Tuesday, July 30, 1985, at 9:30 a.m.

CONFIRMATION

Executive nomination confirmed by the Senate July 29, 1985:

DEPARTMENT OF JUSTICE

Douglas H. Ginsburg, of Massachusetts, to be an Assistant Attorney General.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

HOUSE OF REPRESENTATIVES—*Monday, July 29, 1985*

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

I was hungry, and You gave me to eat, I was thirsty, and You gave me drink; A stranger, and You took me in, naked, and You clothed me.—Matthew 25:35, 36.

Merciful God, make as instruments of Your power for good—as keepers for those less fortunate, as healers for those who are ill in body or spirit, as messengers of the good news of hope, and as workers for justice and peace. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a joint resolution and concurrent resolution of the House of the following titles:

H.J. Res. 164. Joint resolution to designate August 4, 1985, as "Freedom of the Press Day"; and

H. Con. Res. 172. Concurrent resolution to celebrate the tenth anniversary of the Apollo-Soyuz rendezvous in space.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title with amendments in which the concurrence of the House is requested:

S. 1147. An act to amend the orphan drug provisions of the Federal Food, Drug, and Cosmetic Act and related laws.

The message also announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 2796. An act to improve security standards for international air transportation.

The message also announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S.J. Res. 168. Joint resolution designating August 13, 1985, as "National Neighborhood Crime Watch Day."

PERMISSION FOR MANAGERS TO FILE CONFERENCE REPORT ON H.R. 2577, SUPPLEMENTAL APPROPRIATIONS ACT, 1985

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on the bill (H.R. 2577) making supplemental appropriations for the fiscal year ending September 30, 1985, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

MAKING IN ORDER ON WEDNESDAY, JULY 31, 1985, OR ANY DAY THEREAFTER CONSIDERATION OF CONFERENCE REPORT AND ANY AMENDMENT IN DISAGREEMENT ON H.R. 2577, SUPPLEMENTAL APPROPRIATIONS ACT, 1985

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that it may be in order on Wednesday, July 31, or any day thereafter, to consider the conference report and any amendment in disagreement on the bill (H.R. 2577) making supplemental appropriations for the fiscal year ending September 30, 1985, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

PERMISSION FOR COMMITTEE ON ARMED SERVICES TO FILE REPORT ON S. 1160, DEPARTMENT OF DEFENSE AUTHORIZATION ACT, 1986

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent that the Committee on Armed Services have until midnight tonight, July 29, to file the conference report on the Senate bill (S. 1160) entitled "An act to authorize appropriations for the military functions of the Department of Defense and to prescribe personnel levels for the Department of Defense for fiscal year 1986, to authorize certain construction at military installations for such fiscal year, to authorize appropriations for the Department of Energy for national security programs for such fiscal year, and for other purposes."

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

NATIONAL CONFERENCE ON THE DECADE OF WOMEN

(Mrs. BOGGS asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. BOGGS. Mr. Speaker, within the hour, the plane will alight down at Andrews Air Force Base returning the U.S. delegates to the United Nations Conference on the Decade of Women in Nairobi, Kenya.

Mr. Speaker, I rise in gratitude to all of the U.S. delegates to that conference, and in tribute to our Nation's first daughter, Maureen Reagan. Her intelligence, her tenacity, her splendid preparation, and her skills at organization and articulation brought that conference to consensus decisions on the problems and solutions to problems, the hopes and the aspirations of the women of the developing world, and maintained the U.S. position on all international matters.

I think, Mr. Speaker, that not only are we in this Nation in her debt, but so are the women of the developing world and their families.

COMPARABLE WORTH IS NOT EQUAL PAY FOR EQUAL WORK

(Mr. COMBEST asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. COMBEST. Mr. Speaker, I rise before this distinguished body today to voice my concerns about pending comparable worth legislation, H.R. 3008.

My colleague Ms. OAKAR's bill is, at first glance, a harmless study designed to examine wage policies in various occupations. But, H.R. 3008 is far more than a study and would have numerous far-reaching effects on our economy.

If enacted, Ms. OAKAR's bill would introduce Federal intervention into our free-market economy and encourage Government wage-setting practices. Policy regarding comparable worth could be made through court interpretation rather than through proper legislative channels. In effect, H.R. 3008 would establish a wage-rating system that would have horrendous implications on our Nation's economic and employment policies.

While I certainly champion the idea of equal pay for equal work, I cannot support legislation that reeks of intrusive Government practices. A careful

examination of H.R. 3008 will reveal its potentially adverse effects on our growing economy—an economy that is providing numerous opportunities for women and minorities.

I urge my colleagues to vote against H.R. 3008 when it is considered on the House floor. Equal work should be compensated with equal pay, but our free market should determine appropriate wages—not the Federal Government.

THE FEDERAL OCCUPATIONAL DISEASE COMPENSATION ACT

(Mr. WILLIAMS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WILLIAMS. Mr. Speaker, this year, at least 23,000 Americans will die from cancer which they contracted because of their workplace. The cancer-exposed worker population in the United States includes at least 11 million workers exposed to thousands of suspected cancer-causing substances or processes.

Two million workers exposed to benzene with an increased risk of leukemia 5 times greater than normal; 1,600,000 workers exposed to asbestos, with an increased risk of lung cancer 5 times greater than normal; 1,500,000 workers exposed to chromium, with an increased risk of cancer 5 to 9 times greater than normal; 1,400,000 workers exposed to nickel, with an increased risk of cancer 5 to 10 times greater than normal.

Mr. Speaker, it is well past time that this Congress pass a Humane Occupational Disease Compensation Act for America's workers exposed to and dying from cancers by the tens of thousands each year.

WILDERNESS

(Mr. REID asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REID. Mr. Speaker, last week, I told you about my recent trip around the State of Nevada to survey possible wilderness areas. During that trip I was able to develop a better understanding of what wilderness is and what such protection of land can mean to the State of Nevada.

Wilderness is recognized as an area where the Earth and its community of life are untrammeled by man—where man himself is a visitor and does not remain. It includes areas that are pristine in character, roadless, and larger than 5,000 acres.

Nevada has more than 100 roadless areas representing 3.6 million acres or 70 percent of the National Forest System land in the State.

In 1979 a Forest Service study to determine wilderness areas was deemed inadequate. So, more than 3 million acres of roadless areas in the Humboldt and Toiyabe forests currently retain de facto wilderness status until Congress acts to designate how much of the State will be wilderness lands.

Nevada is one of the last States to develop wilderness legislation. That's why we in Congress must take special care to design a wilderness plan that is fair to all interests and the people of Nevada and the Nation.

PERMISSION FOR CONFEREES TO FILE CONFERENCE REPORT ON S. 960, INTERNATIONAL SECURITY AND DEVELOPMENT COOPERATION ACT OF 1985

Mr. FASCELL. Mr. Speaker, I ask unanimous consent that the conferees have until midnight tonight to file a conference report on the Senate bill (S. 960) entitled "An Act to amend the Foreign Assistance Act of 1961, the Arms Export Control Act, and other Acts to authorize appropriations for the fiscal year 1986 for international security and development assistance, the Peace Corps, the Inter-American Foundation, and the African Development Foundation, and for other purposes."

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

NATIONAL CHAMBER OF COMMERCE MISINFORMS CONGRESS ABOUT COMPARABLE WORTH STUDY

(Ms. OAKAR asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. OAKAR. Mr. Speaker, one of my colleagues on the other side of the aisle just got up a few minutes ago and attacked a bill that I introduced this year which would require the Federal Government to do a study on how it treats its classified employees.

We have not done that kind of a study since 1923 when civil service began. It would relate to how we treat women in particular, and minorities and Hispanics. Because we know from a GAO study that they are at the bottom rungs of an 18-point system classification.

This is an internal study, related to Federal employees only. It has nothing to do with the private sector, and I think the misrepresentation of what the bill is, is very, very unfortunate. I think the National Chamber of Commerce, which purports to represent businesses across the country, is giving Members of Congress gross misinformation.

□ 1210

I was proud of my chamber of commerce in Cleveland, OH, that told them that they ought to be more worried about the trade deficit and the deficit of this country than a simple study that relates to our Government employees.

So all businesses do not agree with this kind of misrepresentation, and I am proud of those businesses that have conducted their own internal studies, like AT&T, United States Steel, J. Byrons & Son, and others. They have their own internal study. We think we should have our internal study about how we treat our Government workers.

COMPARABLE WORTH, A HAREBRAINED IDEA

(Mr. ARMEY asked and was given permission to address the House for 1 minute.)

Mr. ARMEY. Mr. Speaker, obviously this body is beginning to debate in earnest this concept called comparable worth. Clarence Pendleton labeled the concept the looniest thing since "Looney Tunes." I believe that is a bit unfair, Mr. Speaker, because comparable worth is no laughing matter.

Let me quote the President of the United States from his radio address last Saturday and get a keener perspective on this matter. According to the President, "Workers searching for jobs and advancement can't break free if Government upsets the marketplace with harebrained ideas like federally mandated comparable worth, a proposal that would take salary decisions out of the hands of employers and employees and give Government the power to determine what a fair salary is."

Mr. Speaker, comparable worth has been studied. Indeed, it has been studied by several corporations and by several States. Mr. Speaker, intelligent men and women who study this concept reject the concept because it is, as the President said, a harebrained idea that would deny men and women work opportunities and the opportunity for equal employment and equal pay for equal work.

CENSORSHIP

(Mr. FAZIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FAZIO. Mr. Speaker, the other day when the House debated the legislative branch appropriations bill, we made a mistake. The House of Representatives voted to censor the reading material of the blind.

Members of the Conservative Opportunity Society, supposedly the wave of the future, under the guise of saving money, forced a vote whose purpose was censorship, clear and simple.

These Republican statesmen argued that the translation of Playboy into braille was a gross waste of the taxpayers' dollars. If their real goal was to save the taxpayers' money in this $4 million program rather than to dictate to blind people what they can and cannot read, these would-be budget cutters should have cut the magazine or book which costs the most to translate and print per reader, not the seventh most popular of the 36 chosen by the committee of blind people themselves.

Even the Wall Street Journal, no friend of big spenders, said, and I quote:

> Such a pointed reduction is not economizing but censorship, a kind of legislative nannyism that treats the handicapped like children.

In the last few years, Playboy has had inverview articles with a number of conservative luminaries who apparently do not consider the magazine a waste nor a letter of sin. William F. Buckley, Milton Friedman, William Simon, Anita Bryant, George Gilder, Edward Teller, Charlton Heston, G. Gordon Liddy all have been interviewed by Playboy. Some consider the magazine such an effective conduit for their ideas that they have written articles for Playboy. These include, again, William F. Buckley, Ron Nessen, and perhaps most interesting of all, the President's son, Ron Reagan Jr., who wrote an article for the Christmas issue of Playboy.

In the heat of last week's debate, I did make an inaccurate statement. I said that the Reverend Jerry Falwell had given an interview to Playboy. I stand corrected; an interview by Mr. Falwell never appeared in Playboy. Rather, Mr. Falwell was featured in Penthouse, apparently against his will. I can only say, Mr. Speaker, that I for one would have thought such an oversight would be best forgotten, but many of Mr. Falwell's friends have brought the issue up in most urgent terms. So let me set the record straight: Mr. Falwell was in Penthouse, not in Playboy.

AN INCREASING HAZARD IN AIRLINE TRAVEL

(Mr. OBERSTAR asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OBERSTAR. Mr. Speaker, I take this moment to alert my colleagues, most of whom travel virtually every weekend, of an increasing hazard in airline travel.

Today, the FAA Administrator, Mr. Engen, announced that the number of near midair collisions is up one-third over last year. The Subcommittee on Investigations and Oversight of the Public Works and Transportation Committee, a subcommittee that I chair, has completed several days of hearings on near midair collisions in which we warned the Administrator of internal problems in his agency and the essential failure of the critical handoff between air controllers and ground controllers where great mistakes are being made. The air traffic control system has not been rebuilt since the firing of the air traffic controllers in the summer of 1981, and this news is bad news indeed for the traveling public. The FAA should address that issue immediately along the lines of the direction our subcommittee has given the Administrator at the conclusion of our hearings.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, DC,
July 25, 1985.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: This is to notify you, pursuant to Rule L(50) of the Rules of the House of Representatives, that I have recently been served with a subpoena issued by the United States District Court for the District of Columbia. I will, in consultation with my General Counsel, make the determinations required by the Rule and will promptly notify you of those determinations.

Sincerely,

BENJAMIN J. GUTHRIE,
Clerk, House of Representatives.

COMMUNICATION FROM THE HONORABLE BILL McCOLLUM, MEMBER OF CONGRESS

The SPEAKER laid before the House the following communication from the Honorable BILL MCCOLLUM, Member of Congress:

HOUSE OF REPRESENTATIVE.,
Washington, DC, July 26, 1985.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House, The Capitol, Washington, DC.

DEAR MR. SPEAKER: I am writing to notify you, pursuant to Rule L(50) of the Rules of the House, that three members of my district office staff have been served with witness subpoenas issued by the County Court for Orange County, Florida. After consultation with the General Counsel to the Clerk of the House, I will reach the determinations required by Rule L(50) and will promptly notify you with regard to same.

Sincerely,

BILL MCCOLLUM,
Member of Congress.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to the provisions of clause 5, rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken on Tuesday, July 30, 1985.

INDIAN EDUCATION TECHNICAL AMENDMENTS ACT OF 1985

Mr. KILDEE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2908) to amend title XI of the Education Amendments of 1978, relating to Indian education programs, as amended.

The Clerk read as follows:

H.R. 2908

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; REFERENCE.

(a) SHORT TITLE.—This Act may be cited as the "Indian Education Technical Amendments Act of 1985".

(b) REFERENCE.—References in this Act to "the Act" refer to the Education Amendments of 1978.

SEC. 2. STANDARDS FOR THE BASIC EDUCATION OF INDIAN CHILDREN IN BUREAU OF INDIAN AFFAIRS SCHOOLS

(a) ESTABLISHMENT OF STANDARDS.—Section 1121(d) of the Act (25 U.S.C. 2001(d)) is amended—

(1) by striking out "thereafter" in the second sentence and inserting in lieu thereof ", within 60 days thereafter,"; and

(2) by adding at the end thereof the following new sentences: "Such revised standards shall be established by the Secretary unless such standards are specifically rejected by the Secretary for good cause and the Secretary notifies each affected tribe and local school board in writing of such rejection. Such rejection shall be final and not reviewable.".

(b) IMPLEMENTATION OF STANDARDS.—Section 1121(e) of the Act is amended—

(1) by striking out "Within two years" and all that follows through "Education Assistance Act" in paragraph (2) and inserting in lieu thereof the following: "Within two years after the date of enactment of the Indian Education Technical Amendments Act of 1985, or two years after the date of the initial contract for the provision of educational services under the Indian Self-Determination and Education Assistance Act, whichever is later,";

(2) by adding at the end of paragraph (2) the following: "The Secretary shall not rescind or fail to renew a contract because of this paragraph until at least one year after notifying the school of a failure to comply. During such one-year period, the Secretary shall render technical assistance to aid the school to comply."; and

(3) by striking out paragraph (3) and inserting in lieu thereof the following:

(3) Within one year of the date of the enactment of the Indian Education Technical Amendments Act of 1985, the Bureau shall, either directly or through contract with an Indian organization, establish a consistent system of reporting standards for fiscal control and fund accounting for all contract schools. Such standards shall yield data results comparable to those used by Bureau schools.".

(c) PERSONNEL ACTIONS.—Section 1121(f) of the Act is amended by striking out the last sentence.

(d) CLOSING, CONSOLIDATION, AND CURTAILMENT.—Section 1121(g) of the Act is amended—

(1) in paragraph (1) by striking out "no school operated by the Bureau of Indian Affairs on January 1, 1984, may be closed or its program curtailed" and inserting in lieu thereof "no school or peripheral dormitory operated by the Bureau of Indian Affairs on or after the date of enactment of the Indian Education Technical Amendments Act of 1985 may be closed or consolidated or have its program substantially curtailed";

(2) by adding at the end of such paragraph the following new sentence: "The requirements of this subsection shall not apply when a temporary closure, consolidation, or substantial curtailment is required by plant conditions which constitute an immediate hazard to health and safety.";

(3) in paragraph (2) by striking out "closing or consolidation" and inserting in lieu thereof "closing, consolidation, or substantial curtailment"; and

(4) by striking out paragraphs (3), (4), and (5) and inserting in lieu thereof the following:

"(3) Such standards and procedures shall require that whenever closure, consolidation, or substantial curtailment of a school is under active consideration or review by any division of the Bureau or the Department of the Interior, the affected tribe, tribal governing body, and designated local school board will be notified as soon as such consideration or review begins, kept fully and currently informed, and afforded an opportunity to comment with respect to such consideration or review. When a formal decision is made to close, consolidate, or substantially curtail a school, the affected tribe, tribal governing body, and designated local school board shall be notified at least 6 months prior to the end of the school year preceding the proposed effective date. Copies of any such notices and information shall be transmitted promptly to the Congress and published in the Federal Register.

"(4) The Secretary shall make a report to Congress, the affected tribe, and the designated local school board describing the process of the active consideration or review referred to in paragraph (3). At a minimum, the report shall include a study of the impact of such action on the student population, with every effort to identify those students with particular educational and social needs, and to insure that alternative services are available to such students. Such report shall include the description of the consultation conducted between the potential service provider, current service provider, parents, tribal representative and the tribe or tribes involved, and the Director of the Office of Indian Education Programs within the Bureau regarding such students. No irreversible action may be taken in furtherance of any such proposed school closure, consolidation, or substantial curtailment (including any action which would prejudice the personnel or programs of such school) until the end of the first full academic year after such report is made.".

SEC. 3. SCHOOL BOUNDARIES.

Section 1124(b) of the Act is amended to read as follows:

"(b) On or after the date of enactment of the Indian Education Technical Amendments Act of 1985, no attendance area shall be changed or established with respect to any such school unless the tribal governing body or the local school board (if so designated by the tribal governing body) has been (i) afforded at least six months notice of the intention of the Bureau to change or establish such attendance area, and (ii) given the opportunity to propose alternative boundaries. Any tribe may petition the Secretary for revision of existing attendance area boundaries. The Secretary shall accept such proposed alternative or revised boundaries unless the Secretary finds, after consultation with the affected tribe or tribes, that such revised boundaries do not reflect the needs of the Indian students to be served or do not provide adequate stability to all of the affected programs.".

SEC. 4. BUREAU OF INDIAN AFFAIRS EDUCATION FUNCTIONS.

(a) COORDINATION.—Section 1126(b) of the Act (25 U.S.C. 2006(b)) is amended by striking out the second and third sentences and inserting in lieu thereof the following: "The Assistant Secretary for Indian Affairs shall provide for the adequate coordination between the affected Bureau Offices and the Office to facilitate the consideration of all contract functions relating to education, except that the Secretary shall review the applications for the new school starts which were filed with the Bureau before October 1, 1984, under the rules and guidelines in effect on the date the application was filed. Nothing in this Act shall be construed to require the provision of separate support services for Indian education.".

(b) FACILITIES.—Section 1126(d) of the Act is amended—

(1) in paragraph (1), by striking out "and" at the end of subparagraph (A), by striking out the period at the end of subparagraph (B) and inserting in lieu thereof "; and", and by inserting after subparagraph (B) the following new subparagraph:

"(C) including a 5-year plan for capital improvements.";

(2) by striking out the second sentence of paragraph (2);

(3) by striking out "the allocation" in paragraph (2)(C) and inserting in lieu thereof "a notice of an allocation";

(4) in paragraph (2), by striking out "and" at the end of subparagraph (B), by striking out the period at the end of subparagraph (C) and inserting in lieu thereof "; and", and by inserting after subparagraph (C) the following new subparagraph:

"(D) a system for the conduct of routine preventive maintenance.";

(5) by striking out "expended or transferred" in the next to last sentence of paragraph (2) and inserting in lieu thereof "authorized for expenditure";

(6) by striking out paragraph (3) and redesignating paragraph (4) as paragraph (3); and

(7) in paragraph (3), as so redesignated, by striking out "Indian Education Amendments of 1984" and inserting in lieu thereof "Indian Education Technical Amendments Act of 1985".

SEC. 5. ALLOTMENT FORMULA.

(a) SPECIAL COST FACTORS.—Section 1128(a)(2) of the Act (25 U.S.C. 2008(a)(2)) is amended—

(1) by inserting "and" at the end of subparagraph (G);

(2) by striking out "and" at the end of subparagraph (H); and

(3) by striking out subparagraph (I).

(b) SEPARATE FUND FOR EMPLOYEE COSTS.—Section 1128(e) of the Act is amended to read as follows:

"(e) Supplemental appropriations enacted to meet increased pay costs attributable to school level personnel shall be distributed under this section.".

SEC. 6. UNIFORM DIRECT FUNDING AND SUPPORT.

(a) AVAILABILITY OF APPROPRIATIONS.—Section 1129(a) of the Act (25 U.S.C. 2009(a)) is amended—

(1) by striking out "this section" each place it appears and inserting in lieu thereof "section 1128";

(2) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively;

(3) by adding at the end of paragraph (1) the following new sentence: "Amounts appropriated for distribtution under this section may be made available under paragraph (2) or under paragraph (3), as provided in the appropriation Act.";

(4) by inserting after paragraph (1) the following new paragraph:

"(2)(A) For the purpose of affording adequate notice of funding available pursuant to the allotments made by section 1128, amounts appropriated in the appropriations Act for any fiscal year shall become available for obligation by the affected schools on October 1 of the fiscal year for which they are appropriated without further action by the Secretary, and shall remain available through six months of the succeeding fiscal year. In order to effect the transition to the advance funding method of distribuiton described in the preceding sentence, there are authorized to be appropriated, in an appropriations Act or Acts for the same fiscal year, two separate appropriations for such allotments, the first of which shall not be subject to the preceding sentence.

"(B) The Secretary shall, on the basis of the amount appropriated in accordance with this paragraph—

"(i) publish, on July 1 preceding the fiscal year for which the funds are appropriated, allotments to each affected school made under section 1128 of 75 per centum of such appropriations, based on the school's student count for the preceding academic year; and

"(ii) publish no later than November 1 of the fiscal year for which funds are appropriated the allotments to be made from the remaining 25 per centum, adjusted to reflect actual student count, such funds to be immediately available for obligation by the affected schools.";

(5) by striking out "Notwithstanding any law" in paragraph (4) (as redesignated by paragraph (1) of this subsection) and inserting in lieu thereof "Pursuant to guidelines established by the Assistant Secretary, notwithstanding any law";

(6) by striking out "expend no more than 10 percent" in such paragraph and inserting in lieu thereof "expend more than $25,000 annually"; and

(7) by striking out "with or" in such paragraph.

(b) USE OF SELF-DETERMINATION GRANTS.—Section 1129(c) of the Act is amended—

(1) by striking out "shall institute a program" and inserting in lieu thereof "may approve applications"; and

(2) by inserting before the period at the end therof the following: "from funds appropriated pursuant to section 104(a) of such Act".

SEC. 7. ANNUAL REPORTING.

Section 1136(b) of the Act (25 U.S.C. 2016(b)) is amended by striking out "the Bureau, the Office, and".

SEC. 8. VOLUNTARY SERVICES.

Section 1140 of the Act (25 U.S.C. 2020) is amended—

(1) by striking out "an officer or employee of the Bureau or the Office" and inserting in lieu thereof "the Secretary";

(2) by striking out "and contract"; and

(3) by adding the following at the end thereof: "An individual providing volunteer services under this section is a Federal employee only for purposes of chapter 81 of title 5, United States Code, and chapter 171 of title 28, United States Code.".

SEC. 9. ADDITIONAL TECHNICAL AMENDMENTS.

(a) REDESIGNATION AND REPEAL.—The act is further amended—

(1) by redesignating sections 1141 and 1142 (as added by the Education Amendments of 1984) as sections 1140A and 1140B, respectively; and

(2) by striking section 1143 (as added by such Amendments).

(b) PRORATION OF PAY.—Section 1140A(a) of the Act (as so redesignated) is amended—

(1) by inserting "including laws relating to dual compensation," after "provision of law,"; and

(2) by inserting ", including benefits under unemployment or other Federal or federally-assisted programs," after "pay or benefits".

(c) EXTRACURRICULAR ACTIVITIES.—Section 1140B of the Act (as so redesignated) is amended—

(1) by striking out "Secretary shall provide" in subsection (a) and inserting in lieu thereof "Secretary may provide, for each Bureau area,";

(2) by strking out subsection (b); and

(3) by redesignating subsections (c) and (d) as subsections (b) and (c), respectively.

SEC. 10. EFFECTIVE DATES.

(a) IN GENERAL.—Except as provided in subsection (b) but notwithstanding any other provision of law, the amendments made by this Act and by the Indian Education Amendments of 1984 to title XI of the Education Amendments of 1978 shall be effective on the date of enactment of this Act and shall apply with respect to any expenditure of funds for the operation or support of Bureau of Indian Affairs schools and Indian controlled contract schools for school years beginning after August 1, 1985.

(b) EXCEPTION.—The amendments made by sections 504, 505, and 506 of the Indian Education Amendments of 1984 shall be effective on October 1, 1985.

The SPEAKER. Is a second demanded?

Mr. GUNDERSON. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Michigan [Mr. KILDEE] will be recognized for 20 minutes and the gentleman from Wisconsin [Mr. GUNDERSON] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Michigan [Mr. KILDEE].

Mr. KILDEE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today I am pleased to call up legislation which will help to substantially improve education for Indian students attending Federal schools. H.R. 2908 will amend and perfect Indian education amendments passed in 1984. This bill was reported unanimously by the Education and Labor Committee. I think this is a classic example of what can be accomplished by bipartisan cooperation. The gentleman from Wisconsin [Mr. GUNDERSON] and the gentleman from Pennsylvania [Mr. GOODLING] joined with me to assure both the development and passage of this bill. The gentleman from Vermont [Mr. JEFFORDS] expedited its passage through the committee. An identical bill, Mr. Speaker, has been reported by the Senate committee. However, I have been informed that the Senate, by unanimous consent, intends to take up this bill as soon as it arrives in that body.

The Indian Education Amendments of 1984, which was introduced by myself, was passed last year with bipartisan support. However, the Bureau of Indian Affairs and the Senate Committee on Indian Affairs asked for further consideration and review of certain provisions of that bill. H.R. 2908 does just that as a result of that review over this past year.

□ 1220

This bill clarifies the 1984 act regarding school closures and attendance boundaries. We have answered some questions regarding facilities management, stipends and local procurement. Sections dealing with personnel and standards, the waiver of rent, and contracting responsibilities have been deleted.

Mr. Speaker, this bill represents a multipartite effort to improve Indian education. Involved in it were the Senate Committee on Indian Affairs, which performed tirelessly in this effort. The Bureau of Indian Affairs agreed to a daylong meeting with us where we had a very frank and honest discussion, and ultimately, a very fruitful discussion.

The Indian tribes and organizations throughout this country showed patience, understanding, and support of this bill. My own chairman, the chairman of the full Education and Labor Committee, Mr. HAWKINS, extended to me very close cooperation during these long negotiations.

Mr. Alan Lovesee, the counsel for the committee, has been the constant and faithful overseer of this bill, and he has earned the gratitude of the Indians of this country.

Mr. Speaker, I will continue my interest and concern of Indian education, knowing that today we are taking some steps to improve it. Mr. Speaker, another school year is rapidly approaching; no one wishes to lose time; I therefore urge that my colleagues support this measure.

Mr. Speaker, I reserve the balance of my time.

Mr. GUNDERSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I join my colleague from Michigan [Mr. KILDEE] in supporting this legislation. The Indian Education Technical Amendments Act of 1985 are the result of a bipartisan effort involving both the House and Senate. Their purpose is to address a number of concerns raised by the Bureau of Indian Affairs and the Indian community over provisions contained in the Indian Education Amendments of 1984.

During deliberation of the 1984 amendments in the Education and Labor Committee, I questioned a number of the provisions that also caused concern for the Bureau. The amendments we are considering today successfully address those concerns and are in fact the product of negotiations between the House, Senate, Indian community, and the Bureau of Indian Affairs. Now that the major objections to this legislation have been removed, I am hopeful that the key provisions of last year's amendments will take effect.

The Indian education system is one that deserves our special attention. It has great potential to be a positive influence in the lives of many Indian students. Yet, to date it has not fulfilled that potential. Through the efforts of Mr. KILDEE and other Members of the House and Senate this legislation takes a step toward improving those schools and giving Indian students greater educational opportunity.

Let me just add that this legislation entails no new spending. I urge my colleagues on both sides of the aisle to join me in supporting these technical amendments.

Mr. Speaker, I yield back the balance of my time.

● Mr. GOODLING. Mr. Speaker, I rise to speak in support of the Indian Education Technical Amendments of 1985. These amendments originated in the Elementary, Secondary, and Vocational Education Subcommittee and are the result of bipartisan efforts in both the House and the Senate.

The provisions contained in this legislation address a number of concerns raised by the Bureau of Indian Affairs and the Indian community over the Indian Education Amendments of 1984. The compromise reached on these points has erased the objections of the the administration while maintaining the support of the Indian people.

I hope that the amendments we are considering here today will help Indian schools attain the same degree of excellence sought by educators throughout the country. I commend my colleague from Michigan [Mr. KILDEE] for his work in this area and hope to continue this bipartisan effort to improve the educational system serving Indian students.●

Mr. KILDEE. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by

the gentleman from Michigan [Mr. KILDEE] that the House suspend the rules and pass the bill, H.R. 2908, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr KILDEE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 2908, the bill just passed.

The SPEAKER pro tempore (Mr. MONTGOMERY). Is there objection to the request of the gentleman from Michigan?

There was no objection.

CIVIL SERVICE RETIREMENT CONTRIBUTIONS FOR MILITARY SERVICE

Ms. OAKAR. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1131) to amend title 5, United States Code, to modify the method for determining the amount payable by a Federal employee or Member of Congress in order to receive credit under the civil service retirement system based on certain military service, as amended.

The Clerk read as follows:

H.R. 1131

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 8334(j)(1) of title 5, United States Code, is amended—

(1) in the first sentence, by striking out "7 percent" and inserting in lieu thereof "a percentage (as determined under the following sentence)"; and

(2) by inserting after the first sentence the following: "In computing an amount payable under this paragraph, the applicable percentage for any period shall be the percentage which would apply under subsection (c) of this section if the service had been performed as such an employee or Member, as the case may be.".

(b) The amendments made by subsection (a) shall take effect October 1, 1985, and shall apply with respect to individuals retiring on or after such date.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentlewoman from Ohio [Ms. OAKAR] will be recognized for 20 minutes and the gentleman from Alaska [Mr. YOUNG] will be recognized for 20 minutes.

The Chair recognizes the gentlewoman from Ohio [Ms. OAKAR].

Ms. OAKAR. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today the House is considering H.R. 1131, a bill that would modify the method for determining the amount payable by a Federal employee or Member of Congress in order to receive credit under the civil service retirement system for military service.

H.R. 1131 was introduced by my good friend and colleague, Congressman JAMES OBERSTAR OF Minnesota. I would like to thank Congressman OBERSTAR for his fine efforts on behalf of this important legislation.

The basic purpose of this bill is very straightforward. It provides that former members of the armed forces who wish to receive civil service retirement credit for military service after 1956 contribute the same amount as civilian employees to the civil service retirement fund.

Mr. Speaker, H.R. 1131 is needed to correct an inequity caused by Public Law 97-253. This law allowed, for the first time, former military personnel to receive credit toward civil service retirement for their years of military service after 1956 by contributing 7 percent of their basic pay to the retirement fund.

From 1957 through 1969, however, civilian employees only contributed 6.5 percent to the civil service retirement system. Former military personnel are required, under current law, to pay one-half percent more to the retirement fund than their civilian counterparts for the same years of credit.

On June 27, Mr. Speaker, I conducted a hearing on this bill at which testimony was presented to the subcommittee on compensation and employee benefits that clearly pointed out the unfairness of the current law and the need for swift enactment of H.R. 1131. All of the witnesses testified that enactment of this legislation would correct a serious deficiency in existing law by requiring equality of contributions between former military personnel and civilian employees.

On July 23, the subcommittee on compensation and employee benefits considered and unanimously approved an amendment which I introduced in the nature of a substitute to H.R. 1131. My substitute amendment simply made technical changes to the legislation, and clarified that the bill applies only to employees who retire on or after the effective date, October 1, 1985.

Following the lead of the Subcommittee on Compensation and Employee Benefits, the Post Office and Civil Service Committee, on July 24, unanimously approved by voice vote H.R. 1131 as amended.

I would like to thank the minority members of my subcommittee, Mr. MYERS of Indiana and Mr. YOUNG of Alaska, for their cooperation and partnership in passing this legislation. It is certainly a pleasure to work with them. In addition, I would especially like to thank Congressman JAMES OBERSTAR for introducing this legislation.

Finally, Mr. Speaker, I urge my colleagues to vote to suspend the rules and pass H.R. 1131.

Mr. Speaker, I reserve the balance of my time.

□ 1230

Mr. YOUNG of Alaska. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H.R. 1131, which was reported out of the Post Office and Civil Service Committee without a dissenting vote. The purpose of the bill is simple. It provides that the deposit required for crediting military service to the civil service retirement system be identical to the employee contribution rate in effect at the time the military service was performed. This is only fair.

Under existing law, certain Federal civilian employees can count post-1956 military service toward civil service retirement benefits if they deposit an amount equal to 7 percent of their post-1956 military pay. H.R. 1131 would calculate the deposit to reflect the civil service retirement contribution rates in effect during the period of military service rather than base the contribution on the constant 7 percent now stipulated. From 1956 to 1970, the civil service retirement contribution was 6.5 percent of pay. The rate was increased to 7 percent in 1970. As a result, under existing law former military personnel are required to pay one-half of 1 percent of pay more to the retirement fund for service performed between 1956 and 1969 than their civilian counterparts paid during the same period.

Testimony received by our subcommittee clearly spotlighted the unfairness of the current law and the need for a prompt solution. I urge immediate enactment of H.R. 1131.

Mr. Speaker, I yield back the balance of my time.

Ms. OAKAR. Mr. Speaker, at this time I yield such time as he may consume to the author of the legislation, the gentleman from Minnesota [Mr. OBERSTAR].

Mr. OSERSTAR. I thank the gentlewoman for yielding time to me.

Mr. Speaker, I thank the gentlewoman from Ohio [Ms. OAKAR] who has steered this legislation through to its present position on the House floor, and I would like also to express appreciation to the minority members who have devoted a great deal of time.

It is not often recognized that legislation takes a great deal of time and effort on both sides of the aisle, especially to bring a measure of this kind that generally is not one of the top, biting issues of our time, and yet it is one that cries out for justice. This legislation does justice to people who have been denied for so many years.

It is a great tribute to the gentlewoman from Ohio that she has been willing to devote as much time as she has out of genuine concern for people who have been denied justice in matters of pay equity. This is one of such matters that has been overlooked, but yet one that has not been forgotten.

So many letters have I received, and I am sure the gentlewoman from Ohio and the members on the minority side, over a period of a decade, about this problem and why, those letters ask, can Congress not do something to correct the inequity and inequality in contributions to the retirement system.

Today we take a major step forward achieving that goal of equality, and for that I thank the gentlewoman fron Ohio.

Ms. OAKAR. Mr. Speaker, I have no further requests for time, and I ask for swift consent for the passage of this bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Ohio [Ms. OAKAR] that the House suspend the rules and pass the bill, H.R. 1131, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Ms. OAKAR. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on H.R. 1131, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

AUTHORIZING THE USE OF OFFICIAL MAIL TO AID IN THE LOCATION AND RECOVERY OF MISSING CHILDREN

Mr. McCLOSKEY. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 1195) to require that a portion of the mail of Congress and the executive branch include a photograph and biography of a missing child, as amended.

The Clerk read as follows:

S. 1195

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AUTHORITY TO USE PENALTY AND FRANKED MAIL.

(a) AUTHORITY.—(1) Chapter 32 of title 39, United States Code, is amended by adding at the end thereof the following:

"§ 3220. Use of official mail in the location and recovery of missing children

"(a)(1) The Office of Juvenile Justice and Delinquency Prevention, after consultation with appropriate public and private agencies, shall prescribe general guidelines under which penalty mail may be used to assist in the location and recovery of missing children. The guidelines shall provide information relating to—

"(A) the form and manner in which materials and information relating to missing children (such as biographical data and pictures, sketches, or other likenesses) may be included in penalty mail;

"(B) appropriate sources from which such materials and information may be obtained;

"(C) the procedures by which such materials and information may be obtained; and

"(D) any other matter which the Office considers appropriate.

(2) Each executive department and independent establishment of the Government of the United States shall prescribe regulations under which penalty mail sent by such department or establishment may be used in conformance with the guidelines prescribed under paragraph (1).

"(b) The Senate Committee on Rules and Administration and the House Commission on Congressional Mailing Standards shall prescribe for their respective Houses rules and regulations, and shall take such other action as the Committee or Commission considers necessary and proper, in order that purposes similar to those of subsection (a) may, in the discretion of the congressional official or office concerned, be carried out by the use of franked mail sent by such official or office.

"(c) As used in this section, 'Office of Juvenile Justice and Delinquency Prevention' and 'Office' each means the Office of Juvenile Justice and Delinquency Prevention within the Department of Justice, as established by section 201 of the Juvenile Justice and Delinquency Prevention Act of 1974.".

(2) The analysis for chapter 32 of title 39, United States Code, is amended by adding at the end thereof the following:

"3220. Use of official mail in the location and recovery of missing children.".

(b) DEFINITION.—Section 3201 of title 39, United States Code, is amended—

(1) in paragraph (4), by striking out "and";

(2) in paragraph (5), by striking out the period and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following:

"(6) 'missing child' has the meaning provided by section 403(1) of the Juvenile Justice and Delinquency Prevention Act of 1974.".

(c) CONFORMING AMENDMENT.—Section 3204(a) of title 39, United States Code, is amended by striking out "section," and inserting in lieu thereof "section or section 3220(a) of this title,".

SEC. 2. ISSUANCE OF GUIDELINES, RULES, AND REGULATIONS.

(a) GUIDELINES.—The guidelines described in section 3220(a)(1) of title 39, United States Code, as added by this Act, shall be prescribed not later than ninety days after the date of the enactment of this Act.

(b) RULES AND REGULATIONS.—The regulations described in subsection (a)(2) of section 3220 of title 39, United States Code, as added by this Act, and the rules and regulations described in subsection (b) of such section, as so added, shall be prescribed not later than one hundred and eighty days after the date of the enactment of this Act.

SEC. 3. REPORTS.

(a) GENERAL REQUIREMENTS.—Not later than two years after the date of the enactment of this Act, a written report containing the matter described in subsection (b) shall be prepared by—

(1) the Office of Juvenile Justice and Delinquency Prevention and submitted to the President, the President pro tempore of the Senate, and the Speaker of the House of Representatives;

(2) the Senate Committee on Rules and Administration and submitted to the President pro tempore of the Senate; and

(3) the House Commission on Congressional Mailing Standards and submitted to the Speaker of the House of Representatives.

(b) CONTENT OF REPORTS.—Each report under this section shall include—

(1) an assessment of the effectiveness with which any authority provided by section 3220 of title 39, United States Code, as added by this Act, has (during the period covered by the report) been used, insofar as such authority was subject to guidelines or rules and regulations prescribed by the reporting entity;

(2) recommendations as to whether the authority under such section should, insofar as such authority was subject to such guidelines or rules and regulations, be extended beyond the termination date otherwise applicable under section 5; and

(3) any other information which the reporting entity considers appropriate.

SEC. 4. CLARIFICATION RELATING TO COORDINATION OF GOVERNMENT PROGRAMS.

Notwithstanding any other provision of law, the authority provided by section 3220(b) of title 39, United States Code, as added by this Act, shall not be considered to be subject to the authority of any agency within the executive branch of the Government of the United States to coordinate programs relating to missing children.

SEC. 5. TERMINATION DATE.

The amendments made by section 1 and any guidelines, rules, or regulations prescribed to carry out such amendments shall cease to be effective two and one-half years after the date of the enactment of this Act.

The SPEAKER pro tempore. Is a second demanded?

Mr. YOUNG of Alaska. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Indiana [Mr. McCLOSKEY] will be recognized for 20 minutes and the gentleman from Alaska [Mr. YOUNG] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Indiana [Mr. McCLOSKEY].

Mr. McCLOSKEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, for several years now it has been apparent that this country is faced with a growing and frightening problem: an increasing incidence of missing children. Almost every day we hear a new story of heartbreak, where

a child is abruptly taken from a loving family and never heard from again. The fear, pain, and guilt of parents who suddenly lose a child in this way is very difficult to describe.

Often, these feeling are compounded by another; that of frustration at the limited means available for tracking down a child who disappears. Forced to rely only on their own resources, families see hope slip away as time passes and no leads are found.

Let me take a moment to list just some of the difficulties faced by families who fear their child has been taken by a stranger. First, local police authorities are often reluctant to list a child as missing, and will do so only after several days have passed. By this time, a kidnaper can gain the needed leeway to transport a child well beyond the reach of local law enforcement efforts. Also, there exists no mechanism for placing the vital details of a particular case in a nationwide computer bank. Such a national system would accomplish more in a few minutes than families working on their own could do in many months. Finally, there is some reluctance on the part of both the law enforcement community and the general public to even acknowledge that the problem is a significant one.

Children disappear from their homes for a number of reasons. Many do run away and return within a few days. Others are kidnapped by estranged spouses. And still others are taken by strangers. In the last two instances, the chances of a child returning home unharmed are very slim. The kidnaper, with both physical and psychological power over the child, can easily prevent him or her from getting help. It is clearly up to us, the adults, to devise a means of finding and aiding these helpless victims.

Recently, initiatives have been taken in the private sector to disseminate information about missing children through pictures on grocery bags, toll booth tickets, and milk cartons, and these have been reportedly very successful. It is becoming clear that Congress has a role to play as well. The passing of the Missing Children's Assistance Act in the 98th Congress was the first action taken by the National Legislature to address this complicated issue. Among other things, the act created the National Center for Missing and Exploited Children. The center provides a clearinghouse for information about missing children. Each day, the center fields calls from across the country from people who might have information on a missing child. After only 1 year of existence, the center has already aided in the location of over 800 missing children.

The legislation before us today, S. 1195, is a further step along the road of congressional involvement. I believe the key aspect of the bill is the comprehensive, broad distribution of information that will be obtained by placing the pictures of missing children on Government mail. Everyone receives mail, and Federal Government mail in particular. Exposure for particular cases of missing children for the first time will be nationwide, a feature that has been difficult to achieve in past programs. A national effort is needed to combine and distribute the various sources of information concerning missing children.

S. 1195 will allow executive branch agencies and Members of Congress to participate in this national effort by amending current law to permit discretionary use of penalty and franked mail for purposes of helping to locate missing children. I would stress that it is discretionary, voluntary, and not mandatory. From testimony received at hearings held by the Subcommittee on Postal Personnel and Modernization, consultation with persons deeply involved in the effort to locate missing children, comments from affected executive branch agencies, and dialog with my colleagues on both sides of the aisle, an effective piece of legislation has been formulated.

Guidelines for implementation of the requirements of the bill would be formulated by the Office of Juvenile Justice and Delinquency Prevention within 90 days after enactment. Specific rules and regulations for each agency would be developed after 180 days. Within Congress, the program would be administered by the Senate Committee on Rules and Administration and the House Commission on Congressional Mailing Standards. Guidelines for the congressional program would also be developed within 180 days after enactment.

I would note, also, that there is a sunset provision. We would have a report on the program's effectiveness before 2 years is up, and indeed, for it to go on after that there would have to be another positive vote by the Congress.

I would also like to commend the minority members of the Postal Subcommittee and the full committee for their particular support, particularly the gentleman from Alaska [Mr. YOUNG].

I urge my colleagues to join in the effort to locate this Nation's missing children and return them to their homes and families by supporting this worthwhile piece of legislation today.

Mr. Speaker, I reserve the balance of my time.

Mr. YOUNG of Alaska. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of S. 1195 and urge that my colleagues suspend the rules and approve this important legislation.

The tragedy of missing children is an important problem facing this Nation. The National Center for Missing and Exploited Children estimates that as many as 1.5 million children disappear each year. That is more than 500 each day. Clearly, steps have to be taken to aid in the search for and safe return of our children.

Americans have banded together to assist in these efforts. The National Center for Missing and Exploited Children provides a nationwide clearinghouse for information on missing children. Broadcasters and private industry have also joined in the search with public service announcements and other educational programs.

Congress has played a role also, through legislation such as the Missing Children Act and the Missing Children's Assistance Act. Passage of S. 1195 will further expand Federal assistance in the search for missing children.

The Subcommittee on Postal Personnel and Modernization has held extensive hearings on the bill. Problems with legislation, as identified by our witnesses, have been addressed. I want to compliment Chairman MCCLOSKEY, and Mr. BURTON of Indiana, a member of the subcommittee, for their efforts to achieve a workable piece of legislation.

This bill will encourage Members of Congress and executive agencies to include photos and biographies of missing children in their mailings. If it allows for the return of only one child, S. 1195 will be well worth the effort.

Mr. Speaker, I reserve the balance of my time.

□ 1240

Mr. MCCLOSKEY. Mr. Speaker, I thank the gentleman from Alaska [Mr. YOUNG]. Indeed we can never express enough appreciation for his work, his cooperation, and his leadership in this matter.

Mr. Speaker, I yield such time as she may consume to the gentlewoman from Ohio [Ms. OAKAR].

Ms. OAKAR. Mr. Speaker, I thank the subcommittee chairman for yielding this time to me.

I simply rise to commend the chairman of the subcommittee, the gentleman from Indiana [Mr. MCCLOSKEY], and the ranking minority member, the gentleman from Alaska [Mr. YOUNG], for their fine work on this legislation. What they have done is provide another access for people to be aware of who the missing children in this country are. That is one of the great tragedies in this country, that we have thousands of individuals who are so concerned about their children and have no possible ideas as to what happened to those children.

One of the things we have discovered by having the dairy industry and other industries put the pictures of these children on their cartons, and so

forth, is that to some extent this helps in finding these children. Now, here you have ironed out all the wrinkles relating to what happened on the Senate side with respect to providing Members the opportunity to give access to making sure that the entire country knows that this is a national tragedy and that there are children who can be identified possibly through this means.

I know these gentlemen had to deal with very many kinds of nitty-gritty targets and arguments in order to rectify the problems of the legislation, and I think the patience they displayed and their willingness to take up the subject hastily shows the very, very fine mutual cooperation that has existed on that subcommittee. It is a tribute to the leadership of the gentleman from Indiana [Mr. McCLOSKEY]. I think the parents who have those children who are missing will be forever grateful to him if, as my colleague, the gentleman from Alaska, said, one child is found as a result of our providing this access.

So, Mr. Speaker, I want to commend both these gentlemen. I think this is very, very special legislation, and I extend my congratulations to them.

Mr. McCLOSKEY. Mr. Speaker, I yield such time as she may consume to the distinguished gentlewoman from Louisiana [Mrs. BOGGS].

Mrs. BOGGS. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, as the chairman of the Crisis Intervention Task Force of the Select Committee on Children, Youth and Families, I rise to commend this subcommittee for bringing forth this very, very important piece of legislation. I commend the Chair and the ranking member and all the members of the subcommittee.

I can think of nothing that is more important to the encouragement of all the persons involved in trying to find the missing children in this country than this piece of legislation, and I commend all the subcommittee members for bringing it forth and bringing it to our attention in such a manner, as was done, with such swiftness and with such intelligence and with such patience.

Mr. Speaker, I do indeed urge the passage of this legislation.

Mr. McCLOSKEY. Mr. Speaker, I have no further requests for time.

Mr. YOUNG of Alaska. Mr. Chairman, I yield 11 minutes to the gentleman from Indiana [Mr. COATS].

Mr. COATS. Mr. Speaker, I rise not to oppose S. 1195 because it certainly is indeed one of many efforts that have been under way across the country to deal with an important issue, one that grips the hearts of anyone with children at home, and that is missing children.

Some of the Members may have heard my 1-minute speech on the House floor last week in which I tried to put the issue, however, somewhat in perspective. It appears that we are dealing with some erroneous information, and it is widely quoted throughout the country that there are 1.5 million missing children, and that there are 50,000 children each year abducted by strangers. Of course, these kinds of figures and the attendant publicity to these kinds of figures has given rise to considerable paranoia and fear and concern among parents and individuals throughout the country.

To try to put that somewhat in perspective, I indicated that according to the latest FBI estimates, the figure is not 1.5 million missing children but, rather, closer to some 30,000 missing children. The figure is not 50,000 children abducted by strangers each year but, rather, 67. I know those figures are in conflict with the figures given by the Center for Missing Children, but our minority staff on the Select Committee on Children, Youth, and Families has visited the Missing Children's Center, and I have talked to a number of people that have been involved in this area, and at the very least there is considerable dispute about the numbers.

That does not in any way diminish the importance of one abducted child; that does not in any way diminish the importance of one missing child. It simply gives us information by which perhaps we can better fashion legislation to deal with the problem.

Helen Goodman in her article that was printed in the Washington Post, entitled "Missing Children, Facts and Fears," not too long ago indicated these numbers and also indicated that it is important that we understand not only the correct numbers but the causes for these missing children. It is estimated by a number of authorities—and Ms. Goodman indicated this in her article—that of the 30 some thousand missing children, fully 90 percent and perhaps 98 percent are children who are missing of their own volition. They are runaway children or they are throwaway children. They are children that have been kicked out of the house. Now, that is a tragedy and that is a problem in both respects, but I suggest the solution to that problem is different than the solution to the problem of missing children. As we look at this problem, we need to come up with varying solutions for these varied problems.

Our committee, as the gentlewoman from Louisiana [Mrs. BOGGS] has said, has studied this problem and looked into it, and I anticipate we will do more. We should do more, and we are unquestionably concerned about it.

But, Mr. Speaker, I wanted to bring these facts out to those listening today and those involved with the legislation so that we will not do what is so often done as legislative remedies, that is, simply come up with one solution to take care of it, pass it here in the House of Representatives by unanimous vote or voice vote, and say, "There, we have handled our responsibility to missing children. Look how wonderful we are. We have done the job. Now let us go on to something else."

This is a far more complex problem than one that is involved by simply printing a biography and a picture on a piece of franked mail. We are going to have to deal with the problem of runaway children, children who of their own volition are leaving the house and not coming back or leaving the house for short periods of time. We need to deal with the causes of those problems and with the problems that are within the family that is causing that to happen.

We need to deal with the problem of throwaway children, those children who are being kicked out of the house for one reason or another and told by their parents, "I don't want to see you anymore. Don't walk back in this house."

I suggest that the solution to those problems—and that accounts for as much as 98 percent of the missing children numbers—the solution is going to be considerably different than putting their pictures on a milk carton, a move which I heartily endorse and support, or printing their pictures or biographies on franked or penalty mail.

□ 1250

I wonder if I could take this opportunity to ask the sponsor of this legislation some questions concerning this legislation that is before us. I am unsure or unclear as to the exact nature of how this is going to be accomplished. I noted that the Senate mandated a certain percentage of franked and penalty mail carried biographies and pictures, but apparently the gentleman has changed that legislation. Could the gentleman describe to me why it was changed and what the change is?

Mr. McCLOSKEY. I would say to the gentleman from Indiana [Mr. COATS] that we had more than one full day of testimony, both technically and on the substance of these issues, as the gentleman has so eloquently talked about. As we got the measure from the other body, as well-intentioned and committed to helping on the overall problem as it was, we thought that the real problem was that it made it mandatory on 75 percent of all congressional mailings and 50 percent of all Federal mailings. I think that would be very, very difficult, for example, to pass in this House.

Also, the bill as passed in the other body contained no administrative de-

tails. For example, the Franking Committee is handling the question of regulations in the House. The appropriate body in the Senate handles it in the Senate.

Also, the regulations would be drawn up and proposed generally for the Federal agencies and not the congressional agencies by the Office of Juvenile Justice and Juvenile Deliquency.

As I noted in my opening statement, it has a sunset provision. It would expire within about 2 years without subsequent reenactment, and also provides for the Office of Juvenile Justice and Juvenile Deliquency Prevention to provide a working report before that amount of time for the Congress to judge how it would operate. Within about 180 days after passage, regulations would be available; but I guess one of the main points I was making is that it would be voluntary and not discretionary.

Mr. COATS. That raises a question in my mind, and I appreciate the gentleman clarifying that issue. It raises the question with three or four different agencies prescribing regulations, is there a provision in the bill which would allow for coordination, so that one agency is not defining a missing child and the rules and regulations by which we publicize this differ from another agency?

It seems to me that could lead to some confusion if the executive branch was using a different set of guidelines than the legislative branch.

Mr. McCLOSKEY. Our report suggests that both the Federal agency and the congressional parties involved coordinate with the National Center for Missing and Exploited Children, which has a very definite interest and a substantial amount of expertise in these matters.

Mr. COATS. As I understand it, the Office of Juvenile Justice and Delinquency Prevention was given an appropriation of about $4 million and part of this was earmarked for a national incident study of just what the situation is. To my knowledge, that has not been completed.

I guess I would just like to ask the gentleman if he is aware of this and if there is something we can do to get them off the dime and get them studying this question so that we can get the proper information before us so that we do not have to dispute these numbers.

Is the gentleman aware of that and is there any progress on this that he can report?

Mr. McCLOSKEY. Actually, we are in very good shape as to the gentleman's concerns. J. Howell testified for about 30 minutes before our committee. He is the Executive Director of the National Center. He gave us very positive ideas, rounding out a full day of testimony, as to ways we could improve on the legislation and pledged his utmost cooperation. He was quite enthusiastic about it.

As to another concern, I am glad the gentleman brought it up. In no way does this bill ever purport to be the final solution as to how to help in this terrible problem of missing children. It is just one significant effort. I would hope this would highlight the concerns and the needs and not pretend to be the last congressional word on it.

Another thing I might note is that the national estimates are 50,000 to 67,000 stranger abducted children yearly. Of course, mailings such as this can also help on problems as to runaways and other children.

The committee deliberately decided not to make a definitive finding as to the numbers involved, because there are different estimates and they can get to be controversial, but I think it is widely recognized as a very major national problem.

Mr. COATS. I thank the gentleman for his response.

I guess the only point I want to make is that there is considerable discrepancy here between the FBI and other estimates as to stranger abducted children in the number of missing children. The FBI says 67 and the Center says 50,000. That is a pretty big gap. We need to find out just what the situation is.

Second, inasmuch as we do know that a considerable number of these children are away from home for reasons other than being abducted by strangers, we need to be sensitive to that and try to do all we can to vary our legislative responses in that regard.

I do thank the gentleman for his effort and work in this area. It is an important area, one that we should focus on. We should make every possible attempt not only to locate these children, but to raise this issue to a level of public consciousness so that we can mobilize this country against this tragedy that is existing.

My final point, just to repeat, it is a multidimensional tragedy, one that we want to be fully aware of all the facts and figures so that we can fashion the right responses.

I thank the gentleman from Alaska for yielding.

Mr. YOUNG of Alaska. Mr. Speaker, I yield 4 minutes to the gentleman from Iowa [Mr. TAUKE].

Mr. TAUKE. Mr. Speaker, I thank the gentleman for yielding the time.

Mr. Speaker, as ranking Republican on the Human Resources Subcommittee which deals with the missing children issue, I commend my colleagues on the Post Office and Civil Service Committee for bringing forward this piece of legislation and, frankly, improving it substantially from the version that came out of the Senate.

I have listened with interest to my colleague, the gentleman from Indiana, who has just talked about the statistics and the problems we have in determining the extent of the missing children problem. While the gentleman is concerned about misleading statistics being offered by the National Center for Missing Children, I am concerned that the statistics which the gentleman offers are substantially misleading.

Let me attempt to say a few words about the extent of the problem. When the National Center for Missing Children talks about 1.5 million children missing in the course in a year, of course, that seems like an astonishing figure. One has to realize that the figures one uses are based in large part on the length of time being discussed. Are we talking about a child being missing for a couple hours or a couple days? Obviously, that makes a great deal of difference.

Also, as the gentleman from Indiana indicated, there are many different kinds of missing children, children abducted by strangers, children abducted by parents in a custody dispute, children who are runaways from home, children who are throw-aways.

I am not certain that I can stand here and vouch for the figures from the National Center for Missing Children. There certainly is substantial question about those figures, but I know that I can say that the FBI's statistics are totally inadequate and inaccurate and should not be relied upon. The FBI statistics are garnered from local police forces who have no uniform method for collecting these statistics. Many local police forces never report missing children at all to the FBI or any national organization.

Moreover, many police forces have as a matter of policy an operation which permits them to classify any child over a certain age who is missing as a runaway child.

We have had testimony within our subcommittee of many tragic circumstances where law enforcement officials, while well intentioned, have simply misclassified individuals as runaways, when in fact they have been abducted; so I do not think my colleagues in the Congress should be lulled in any way by the statistics that have been compiled by the FBI, because those statistics, Mr. Speaker, are absolutely wrong.

This legislation, obviously, is not going to solve all the problems of missing children, but this legislation does complement very well activities already undertaken in the private sector. There is ample evidence that publicizing the faces and information about missing children helps rescue those children. Many people in the private sector have already been involved in the publication of the images and information about missing chil-

dren. This legislation allows government to get into the same business.

□ 1300

This legislation allows the Federal Government to engage in a complementary activity to the private sector by allowing additional publications of faces and names. That, I think, will alert the public to these children and their plight, and that alert to the public will certainly result in more information being made available to local law enforcement officials, and will result in the rescuing of more children.

We have a lot of work to do in Congress in determining the extent of the problem and additional ways to deal with it, but this legislation is a step in the right direction, and I commend my colleague for bringing it to the floor of the House, and I urge its adoption.

S. 1195, as amended by the committee, is a constructive step toward directly involving Federal agencies and Congress in the location and recovery of missing children. When implemented, this Government involvement will complement actions already being taken by hundreds of businesses and individuals in the private sector to disseminate pictures and information about missing children.

The bill instructs the Office of Juvenile Justice and Delinquency Prevention to consult with public and private agencies and issue guidelines under which penalty mail may be used in this effort. I encourage the Office to utilize the expertise and resources of the National Center for Missing and Exploited Children and other organizations in developing practical and effective guidelines on how official mail may best be used to locate and recover missing children.

Consideration should be given to the use of inserts in official mail, as well as the printing of pictures of and information about missing children on penalty and franked envelopes. It is crucial to the efficient and effective use of the huge volume of congressional and agency mail that the information used in this effort be current and accurate.

It has been documented that the controlled dissemination of pictures and information about missing children is an effective means of locating and recovering those children. I therefore urge the timely issuance of regulations as prescribed by this bill and encourage all of my colleagues to participate in this meaningful and important program, which will give further national attention to this serious problem.

It is estimated that 1.5 million children are missing for short periods of time each year. This includes runaways, throwaways, parental abductions, and stranger abductions. Regardless of the cause of the disappearance, the tragedy of a missing child is unparalleled. I am pleased to support this measure as another step toward solving the national problem of missing children.

Mr. McCLOSKEY. Mr. Speaker, I thank the gentleman from Iowa for his eloquent statement, which I think is most in keeping with the substance and spirit of this bill.

● Mr. FORD of Michigan. Mr. Speaker, I rise in strong support of S. 1195, as amended.

I wish to commend the gentleman from Indiana [Mr. McCLOSKEY], for his outstanding leadership. The skill which he brought to this important and complex task was the key to the achievement of the outstanding piece of legislation we have before us today.

Enactment of S. 1195, as amended by the Committee on Post Office and Civil Service, undoubtedly will be of immense assistance in finding missing children. It also solves or avoids the many administrative problems which would have been created by enactment of the original bill as referred to the committee. The final product is representative of the legislative process at its best.

I also wish to thank Chairman FRANK ANNUNZIO of the Committee of House Administration and Chairman GUS HAWKINS of the Committee on Education and Labor for their cooperation and assistance in allowing us to bring this vitally important measure to the floor today.

I urge passage of S. 1195, as amended.●

● Mr. BIAGGI. Mr. Speaker, I urge my colleagues to support S. 1195, as amended, a bill which will allow official Government mail to be used in efforts to locate missing children.

Children disappear for a number of reasons. They leave home voluntarily, they may be victims of noncustodial parental kidnapping, or they may be abducted by total strangers. Of particular concern is the abduction or false imprisonment of children by nonfamily members. While there are statistics which purport to show the magnitude of this problem, I maintain that the data are an inadequate indication of its scope. On June 4, 1985, in a major statement on missing children, I pointed out that ultimately we will learn that this tragedy affects many thousands in this country each year. For this reason, I think it is imperative that we expand Government efforts to assist State, local and private organizations in dealing with this critical problem. S. 1195, as amended, is an important step in the right direction.

I will support this bill as I have supported all legislation directed at the problem of missing children. It will give Federal agencies and congressional offices discretion in determining how the mail they send out may be used to help locate missing children. I appeal to my colleagues to join me in support of this bill. The thousands of families that have been visited by this tragedy deserve no less.●

Mr. McCLOSKEY. Mr. Speaker, I yield back the balance of my time and I urge passage of S. 1195.

Mr. YOUNG of Alaska. Mr. Speaker, I have no further request for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Indiana [Mr. McCLOSKEY] that the House suspend the rules and pass the Senate bill, S. 1195, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill, as amended, was passed.

The title of the Senate bill was amended so as to read: "An act to amend title 3, United States Code, to authorize the use of penalty and franked mail in efforts relating to the location and recovery of missing children."

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. McCLOSKEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous matter, on the Senate bill, S. 1195.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

MAKING MISCELLANEOUS CHANGES IN LAWS AFFECTING THE COAST GUARD

Mr. STUDDS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2466) to make miscellaneous changes in laws affecting the U.S. Coast Guard, and for other purposes, as amended.

The Clerk read as follows:

H.R. 2466

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subtitle II of title 46, United States Code, is amended as follows:

(1) In section 2101(14)(C), strike "Material" and substitute "Materials".

(2) Section 2101(21) is amended as follows:

(A) In subclause (A)(ii), strike "crewmember." and substitute "crewmember or other individual engaged in the business of the vessel who has not contributed consideration for carriage on board the vessel.".

(B) Strike subclause (B)(v)-(vii) and substitute the following:

"(v) a guest on board a vessel being operated only for pleasure who has not contributed consideration for carriage on board; or

"(vi) an individual on board a towing vessel of at least 50 gross tons who has not

contributed consideration for carriage on board.".

(C) At the end, add the following new subclause:

"(F) on a sailing school vessel, means an individual carried on the vessel except—

"(i) the owner or representatives of the owner;

"(ii) the master or a crewmember engaged in the business of the vessel who has not contributed consideration for carriage and who is paid for services;

"(iii) an employee of the owner of the vessel engaged in the business of the owner, except when the vessel is operating under a demise charter;

"(iv) an employee of the demise charterer of the vessel engaged in the business of the demise charterer;

"(v) a guest on board the vessel who has not contributed consideration for carriage on board; or

"(vi) a sailing school instructor or sailing school student.".

(D) Strike "or a sailing school vessel," in clause (B).

(3) In section 3302(i)(5), strike "charter" and substitute charterer".

(4) At the end of section 3302, add the following new subsection:

"(k) Only the boiler, engine, and other operating machinery of a steam vessel that is a recreational vessel of not more than 65 feet overall in length are subject to inspection under section 3301(9) of this title.".

(5)(A) Section 3304 is amended as follows:

(i) In the section catchline, strike "Carrying" and substitute "Transporting".

(ii) In subsection (a), strike "carrying cargo that carries" and "vessel." and substitute "transporting cargo that transports" and "vessel if the vessel is otherwise subject to inspection under this chapter.", respectively.

(iii) In subsection (b), strike "Before an individual in addition to the crew is carried" and substitute "Except when subsection (e) of this section applies, before an individual in addition to the crew is transported".

(iv) In subsection (c), strike "The privilege" and substitute "A privilege".

(v) Add at the end the following new subsection:

"(e) The Secretary may by regulation allow individuals in addition to the crew to be transported in an emergency, or under section 2304 of this title.".

(B) In item 3304 in the analysis of chapter 33, strike "Carrying" and substitute "Transporting".

(6) In section 3318(f), before clause (1), strike "then" wherever it appears and substitute "than".

(7)(A) Section 3503 is amended as follows:

(i) Insert "(a)" at the beginning of the section;

(ii) strike the last sentence and substitute "Before November 1, 1993, this section does not apply to a vessel in operation before January 1, 1968, and operating only on the inland waters.".

(iii) add at the end the following:

"(b)(1) When a vessel is exempted from the five-retardant standards of this section—

"(A) the owner, charterer, managing operator, or agent of the vessel shall notify prospective passengers that the vessel does not comply with applicable fire safety standards due primarily to the wooden construction of passenger berthing areas; and

"(B) the owner or managing operator of the vessel may not disclaim liability to a passenger for death, injury, or any other loss caused by fire due to the negligence of the owner or managing operator; and

"(C) the penalties provided in section 3504(c) of this title apply to a violation of this subsection.

"(2) The Secretary shall prescribe regulations under this subsection on the manner in which prospective passengers are to be notified.".

(B) Until the regulations required by clause (7) of this section become effective, the owner, charterer, managing operator, or agent shall notify prospective passengers in all promotional literature and on each ticket that the vessel does not comply with those standards due primarily to the wooden construction of passengers berthing areas.

(8) In section 3714(a)(4), strike "charter" and substitute "charterer".

(9) Section 4308 is amended by striking "operator" wherever it appears and substituting "individual in charge".

(10) In section 7111, strike "Part" and substitute "part".

(11) In section 7312(e) strike "able seaman—limited" and substitute "able seamen—limited".

(12) Section 8104(k) is amended by striking "watchers" and substituting "watches".

(13) In section 8502(a)(4)(A), strike "Part" and substitute "part".

(14) Chapter 89 is amended as follows:

(A) In item 8903 in the chapter analysis, strike "Uninspected" and substitute "Self-propelled, uninspected".

(B) In the catchline of section 8903, strike "Uninspected" and substitute "Self-propelled, uninspected".

(C) In the text of section 8903, strike "An" and substitute "A self-propelled,".

(15) In section 10709(a)(1), before clause (A)—

(A) strike "then $1,500 in value, and" and substitute "than $1,500 in value, the court,"; and

(B) strike "wages, the court" and substitute "wages,".

(16) Section 12122(a) is amended by adding at the end the following sentence: "Each day of a continuing violation is a separate violation.".

(17) In section 13102(a)(4), strike "coordinate carrying the State" and substitute "coordinate carrying out the State".

(18) Section 13104(b) is amended by inserting after "Secretary" the words "for State recreational boating safety programs".

(19) Effective August 26, 1983, chapter 111 is amended as follows:

(A) At the end of the chapter analysis, add the following new item:

"§ 11112. Master's lien for wages."

(B) At the end of the chapter, add the following new section:

"§ 11112. Master's lien for wages

"The master of a documented vessel has the same lien against the vessel for the master's wages and the same priority as any other seaman serving on the vessel.".

SEC. 2. (a) The Coast Guard may enter into a lease in excess of one fiscal year to acquire a site on the State pier in New Bedford, Massachusetts, for construction of maintenance assistance team and vessel support facilities on that pier.

(b) Any lease under this section is effective only to the extent that amounts are provided for in appropriation laws.

(c) Notwithstanding section 322 of the Act of June 30, 1932 (40 U.S.C. 278a), and beginning in fiscal year 1986, the Coast Guard may spend appropriated amounts for the construction of fixed facilities and improvements on that portion of the State pier leased from Massachusetts for the use of a maintenance assistance team and Coast Guard vessels.

SEC. 3. Notwithstanding any other law, the Coast Guard Yard, Curtis Bay, Maryland, and the Coast Guard Aircraft Repair and Supply Center, Elizabeth City, North Carolina, are exempt from statutory and administrative personnel ceilings through September 30, 1988.

SEC. 4. The body of water known as Lawyer's Ditch located at block 5000 in the city of Newark, County of Essex, New Jersey, is declared to be a nonnavigable waterway of the United States within the meaning of the laws of the United States relating to the construction of bridges over navigable waters. The right to alter, amend, or repeal this section is expressly reserved.

SEC. 5. Notwithstanding the last sentence of section 81 of title 14 of the United States Code, the Coast Guard may not, except for the installation of fixed aids to navigation, carry out by contract the determination of the location, or the placement, of aids to maritime navigation in the Intracoastal Waterway in New Jersey.

SEC. 6. The Coast Guard may enter into a contract, agreement, or letter of intent with a municipal utility within the Seventeenth Coast Guard District to provide electricity to a Coast Guard facility without complying with the provisions of section 14 of Public Law 98-557.

SEC. 7. (a) There is established a National Offshore Vessel Operators Safety Advisory Committee (hereinafter in this section referred to as the "Committee"). The Committee shall advise, consult with, and make recommendations to the Secretary of the department in which the Coast Guard is operating (hereinafter in this section referred to as the "Secretary") on matters relating to the safety aspects of offshore oil, gas, and other mineral operations subject to regulation by the Secretary. The Secretary shall consult the Committee before promulgating any general regulations or orders affecting the safety of such offshore operations. Any advice or recommendation made by the Committee to the Secretary shall reflect the independent judgment of the Committee on the matter concerned. The Committee is authorized to make available to Congress any information, advice, and recommendations which the Committee is authorized to give to the Secretary. The Committee shall meet at the call of the Secretary, but in any event not less than once during each calendar year. All proceedings of the Committee shall comply with the Federal Advisory Committee Act (5 U.S.C. App. I).

(b)(1) The Committee shall consist of fifteen members, who have particular expertise, knowledge, and experience regarding the transportation and other technology, equipment, and techniques that are used, or are being developed for use, in the exploration for, or the recovery of, offshore oil, gas, or other mineral resources, as follows:

(A) Two members representing enterprises engaged in the production of oil, gas, or other mineral resources, except that not more than one member may represent companies included on the list of restricted joint bidders prepared by the Department of the Interior;

(B) Two members representing enterprises specializing in offshore drilling;

(C) Two members representing enterprises specializing in the supply of offshore oil,

gas, or other mineral exploration or recovery operations by water;

(D) One member representing those engaged in each of the following specialities;

(i) Construction of offshore exploration or recovery facilities;

(ii) Diving services related to offshore construction; and

(iii) Helicopter services related to offshore construction;

(E) Two members representing individuals employed in offshore operations;

(F) Two members representing environmental interests; and

(G) Two members representing the general public.

(2) The Secretary shall appoint the members of the Committee after first soliciting nominations by notice published in the Federal Register. The Secretary may request the head of any other Federal agency or department to designate a representative to advise the Committee on matters within the jurisdiction of that agency or department.

(3) The Committee shall elect, by majority vote at its first meeting, one of the members of the Committee as the Chairman and one of the members as the Vice Chairman. The Vice Chairman shall act as Chairman in the absence or incapacity of, or in the event of a vacancy in, the Office of the Chairman.

(4) Terms of members appointed to the Committee shall be for three years, except that the terms of those members first appointed under subsection (c)(1) (A), (B), and (C) shall be for two years. The Secretary shall, not less often than once a year, publish notice in the Federal Register for solicitation of nominations for membership on the Committee.

(c)(1) Members of the Committee who are not officers or employees of the United States shall serve without pay and members of the Committee who are officers or employees of the United States shall receive no additional pay on account of their service on the Committee. While away from their homes or regular places of business, members of the Committee may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code. The Secretary shall furnish to the Committee an executive secretary and such secretarial, clerical, and other services as are considered necessary for the conduct of its business. There are authorized to be appropriated such sums as may be necessary to implement the provision of this section.

(2) Unless extended by subsequent Act of Congress, the Committee shall terminate five years from the date of enactment of this section.

SEC. 8. (a) Bayou Lafourche, in the State of Louisiana, between Canal Boulevard, city of Thibodaux, Parish of Lafourche and the Southern Pacific Railroad bridge crossing the bayou, city of Thibodaux, Parish of Lafourche, is hereby declared to be a nonnavigable waterway of the United States within the meaning of the laws of the United States relating to the construction of bridges across navigable waters.

(b) The right to alter, amend, or repeal this section is hereby expressly reserved.

SEC. 9. Notwithstanding any other provision of law, the Coast Guard shall transfer, or cause to transfer, to the Keweenaw County Historical Society, Eagle Harbor, Michigan, the Second Order Fresnel Lens from the Rock of Ages Lighthouse, Keweenaw County, Michigan.

SEC. 10. The Port of Houston Authority bridge over Greens Bayou approximately two and eight-tenths miles upstream of the confluence of Greens Bayou, Texas and the Houston Ship Channel is declared to be a lawful bridge for all purposes of the Act entitled "An Act to provide for the alteration of certain bridges over navigable waters of the United States, for the apportionment of the cost of such alterations between the United States and the owners of such a bridge, and for other purposes", approved June 21, 1940 (33 U.S.C. 511 et seq.). The Secretary of the department in which the Coast Guard is operating is authorized to reimburse the owner of the bridge for work done prior to the date of enactment of this section that would be the responsibility of the United States under the Act of June 21, 1940 (33 U.S.C. 511 et seq.) if performed after the date of enactment of this section. The total of all Federal funds authorized to be expended under any law as the result of the declaration made in the first sentence of this subsection shall not exceed $450,000.

The SPEAKER pro tempore. Is a second demanded?

Mr. DAVIS. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Massachusetts [Mr. STUDDS] will be recognized for 20 minutes and the gentleman from Michigan [Mr. DAVIS] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Massachusetts [Mr. STUDDS].

Mr. STUDDS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this legislation makes miscellaneous changes in laws effecting the Coast Guard. The most notable change it makes is to extend for 5 years the current exemption from certain fire safety requirements that has been granted to the paddle wheel river boat, the *Delta Queen*. It also waives personnel ceilings at the Coast Guard's vessel and aircraft repair centers, and authorizes the Coast Guard to make necessary improvements to a State-owned pier in Massachusetts, in order to base two new cutters at that port. H.R. 2466 was amended at the markup held by the Subcommittee on Coast Guard and Navigation to prohibit the Coast Guard from contracting out its aids to navigation function on the New Jersey intracoastal waterway. It was further amended at subcommittee markup to designate lawyer's ditch in New Jersey as a nonnavigable waterway. This designation will eliminate the need for the Coast Guard to issue a permit for the construction of a bridge over the ditch. Several technical and clarifying changes to title 46 of the United States Code were also made at the subcommittee markup.

This bill was further amended by the Full Merchant Marine and Fisheries Committee to establish an advisory committee that will advise the Coast Guard on matters relating to safety in offshore oil and gas operations. Additional amendments at the full committee markup will permit the Coast Guard to enter into a contract to buy electrical power from a municipal utility in Alaska, and will designate Bayou Lafourche, LA as a nonnavigable waterway. That designation will eliminate the need for a Coast Guard permit for the construction of a bridge over the waterway. The full committee also amended the bill to direct the Coast Guard to transfer an unused lighthouse lens to a historical society in Michigan, and to make the Port of Houston eligible for reimbusrement for alterations made to a bridge for purposes of navigation.

There is also one small change being made to this bill today. It clarfies the role of the Offshore Safety Advisory Committee, to ensure that the day-to-day operations of the Coast Guard will not be hindered by the requirement that the Secretary of Transportation consult with the advisory committee.

This legislation will improve the efficiency of Coast Guard operations in several areas; it will result in no significant increase in costs; and I strongly urge its passage.

Mr. DAVIS. Mr. Speaker, I yield myself such time as I may consume.

Mr. DAVIS. Mr. Speaker, my colleague has very clearly described the provisions of H.R. 2466. I support the bill and it is legislation supported by the minority of the Merchant Marine and Fisheries Committee. The miscellaneous changes that are made in laws affecting the Coast Guard are necessary for the continued efficiency of the Coast Guard and are noncontroversial.

There is a provision in this bill which I would like to address. During full committee consideration of H.R. 2466, I offered an amendment which will allow the Coast Guard to give the Keweenaw County Historical Society in my congressional district in Michigan an old lighthouse lens. This lens, a Second Order Fresnel Lens, was once part of the Rock of Ages Lighthouse in Eagle Harbor, MI. The Keweenaw County Historical Society has a museum which attracts some 8,000 visitors a year. They feel very strongly that this artifact should stay in the area and be on display for local residents and tourists alike to enjoy.

The Coast Guard informed me that because of Federal procedures involving excess property, they had to offer the lens to other Federal agencies ahead of local historical societies. In this case, the National Park Service had been designated the recipient of the lens for installation on Isle Royale, a wilderness island off the coast of Michigan in Lake Superior. Isle Royale, although a popular camping and hiking ground for the serious outdoorsperson, is not a place to

which the average tourist travels. It is accessible only by boat and is open only in the summer months.

For these reasons, H.R. 2466 allows the Coast Guard to donate directly to the local museum this artifact, bypassing the normal progression of excess property disposal. I believe that in the case of a highly educational and historical artifact, local placement is far more desirable and only serves to increase the public awareness of, and community involvement with, our U.S. Coast Guard.

The Coast Guard has agreed to make the transfer as a result of the amendment I offered in committee, and the Department of the Interior has voiced no objections to it.

I am very pleased that we are able to have the bill on the floor today and I strongly urge its passage.

Mr. Speaker, I yield such time as he may consume to the gentleman from Alaska [Mr. YOUNG].

Mr. YOUNG of Alaska. Mr. Speaker, I rise in support of H.R. 2466, which makes miscellaneous changes in laws affecting the Coast Guard. In particular, it contains 1 section that affects St. Paul, AK.

On another subject, Mr. Speaker, I would like to support other changes, primarily the *Delta Queen.* Although opposed by the administration, I believe it is the proper thing for this bill to continue the life of the *Delta Queen* on the Mississippi, part of our historical legacy in the South.

The waiting period of 30 legislative days after congressional notification required by the Coast Guard Authorization Act of 1984, may effectively block a municipal $1.2 million power generation project on St. Paul Island, AK. The municipal utility needs a commitment from GSA or the Coast Guard to retain its financing and meet construction deadlines for this summer. This provision calls for an exemption from the notification requirements so that valuable time is not lost due to compliance with these procedures. The exemption from these requirements is discretionary with the Coast Guard so that any agreement would meet their operational requirements.

The Coast Guard presently generates its own power on St. Paul for its long-range electronic aids to navigation facility. The proposed request is for a wind-generating power system with full capacity diesel backup generators. If the project is completed as planned, the Coast Guard would be able to get out of the power business and receive the benefits of: First, economical and reliable power; second, reduced manning requirements; and third, reduced costs in the long run from fully automating the facility. This would also be fully consistent with the general policy of not competing with private enterprise.

This provision would in short be fiscally responsible as well as encourage the local economy and innovative energy generation technology. For this reason, I urge my colleagues to support this bill.

Mr. STUDDS. Mr. Speaker, I yield 2 minutes to the distinguished gentlewoman from Louisiana [Mrs. BOGGS].

Mrs. BOGGS. Mr. Speaker, I thank the gentleman for yielding time to me.

I appreciate the committee's consideration of my request to extend the existing exemption for the *Delta Queen* from the requirements of the Safety of Life at Sea Convention. I also commend the committee for its insistence that the owners of the *Delta Queen* continue to maintain the highest standards of safety preparedness and training on the vessel due to this unique exemption.

Mr. Speaker, I would like to ask the gentleman from Massachusetts to clarify some language for me.

Besides extending the exemption, this legislation requires a special notification to be given to potential passengers of the *Delta Queen* noncompliance with SOLAS fire safety standards for construction materials in passenger berthing areas.

Could the gentleman tell me if it is his intent that this notification be given to the public at large in all advertising or is this notification intended for those potential passengers who have expressed some interest in booking passage on the *Delta Queen*?

Mr. STUDDS. Mr. Speaker, will the gentlewoman yield?

Mrs. BOGGS. I yield to the gentleman from Massachusetts.

Mr. STUDDS. Mr. Speaker, when the Merchant Marine and Fisheries Committee approved H.R. 2466, it was our intention that the owners of the *Delta Queen* would be required to include in all promotional literature and on each ticket a notice that the *Delta Queen* does not met U.S. fire safety standards. It was not our intention that the notification requirement be extended to newspaper and magazine advertisements.

Thus, it is our understanding that all prospective passengers will be notified of the fire safety standards exemption.

Mrs. BOGGS. Mr. Speaker, I thank the gentleman for the clarification.

Mr. STUDDS. Mr. Speaker, I yield 2 minutes to the gentleman from Louisiana [Mr. BREAUX].

Mr. BREAUX. Mr. Speaker, I thank the gentleman for yielding this time to me. I would ask the chairman of the subcommittee, and I did not discuss this with him prior, but I offered an amendment to the gentleman's bill in committee which would establish an off-shore advisory committee of industry to work with the Coast Guard in the promulgation of their safety regulations and other standards that affect the industry, and principally in trying to establish a working industry group. We spelled out the type of professional folks that would be serving on that committee.

I learned recently that apparently in our description of the types we would like to serve on that advisory committee we would not specifically include those representatives of the geophysical industry which is a large part of the off-shore industry. I wonder if perhaps at the appropriate time, and today is not the appropriate time, but if the gentleman would be agreeable to seeing if we could possibly include the geophysical industry as one of the descriptive types of be included in thisoff advisory organization?

Mr. STUDDS. Mr. Speaker, will the gentleman yield?

Mr. BREAUX. I yield to the gentleman from Massachusetts.

Mr. STUDDS. I would say to the gentleman that I have no objection to that whatsoever. At the appropriate parliamentary time, which this is not, as the gentleman knows, I would be perfectly amenable to attempting to make those changes.

Mr. BREAUX. I thank the gentleman.

● Mr. JONES of North Carolina. Mr. Speaker, H.R. 2466 is a type of bill about which all of you are familiar. Each year the committees of the House are requested to make various changes to laws over which they have jurisdiction. H.R. 2466 is this type of bill and it makes changes to Coast Guard laws and programs over which the Subcommittee on Coast Guard and Navigation has jurisdiction.

The subcommittee and the full committee have unanimously approved H.R. 2466, as amended. Many of the provisions are merely corrections and clarifications to current Coast Guard laws. The other sections of the bill deal with particular programs and projects of the Coast Guard that the committee decided to legislatively alter in order to meet the needs of particular areas of the country.

The administration has opposed three sections of the bill. First, they oppose the exemption from fire safety standards for the *Delta Queen.* The older vessels in the United States are made of wood, and by this criteria alone, no older vessel made of wood can pass a Coast Guard fire safety standard. The safety record of the *Delta Queen* in untainted. Because of its safe operating history, and because of the requirement the committee has added to the legislation that requires the owners of the *Delta Queen* to inform all passengers of the fire safety exemption, the committee has chosen to continue the exemption for the *Delta Queen.*

The committee has also chosen to waive personnel ceilings at the Coast

Guard aircraft repair center in Elizabeth City, NC, and the ship repair yard in Baltimore, MD. The administration's reductions-in-force are often based upon arbitrary and capricious numbers. Although the committee has reluctantly accepted some of these cuts, we have determined that the Coast Guard's ship repair and aircraft facilities should not be included in the personnel ceilings set arbitrarily by OMB.

The administration has also been arduously pushing the agencies, often against their better judgment, to contract out government services to the private sector. Congressman BILL HUGHES disagrees with the administration's decision, not the Coast Guard's decision, to contract out the positioning of aids to navigation in the New Jersey Intracoastal Waterway. The Coast Guard has been responsible for this function in the past and has made the area safe for boaters. The committee believes, in the interest of safety, the Coast Guard's expertise is still necessary to assure the proper positioning of navigational aids in this area.

I urge passage of this bill, H.R. 2466.●

● Ms. MIKULSKI. Mr. Speaker, I rise in very strong support of H.R. 2466, legislation making miscellaneous changes in laws affecting the U.S. Coast Guard.

I want to thank the chairman of the Coast Guard Subcommittee, my friend and colleague, Representative GERRY STUDDS, as well as the chairman of the full committee, Representative WALTER JONES, for their efforts in bringing this legislation to the floor in such a timely fashion.

In particular, I am pleased that H.R. 2466 contains a provision, included at my request, which would waive the personnel ceilings for hiring civilian employees at the Coast Guard Yard in Curtis Bay, MD, through the end of fiscal 1988.

As my colleagues know, the Coast Guard is really an extension of our national defense. It protects our coastal borders, plays a key role in stopping illegal drug traffic, and responds to emergencies in our coastal waters.

Unfortunately, existing statutory personnel hiring ceiling are preventing the Coast Guard from hiring additional individuals to upgrade its fleet at its shipyard in Curtis Bay, MD, a facility located in my congressional district.

The Curtis Bay Yard has a long standing tradition of efficient and cost-effective work for the Coast Guard, enabling the Coast Guard to obtain superior shipbuilding and ship repair craftsmanship at considerable budgetary saving.

In fact, the Navy recently reaffirmed this quality of activity at Curtis Bay in a study evaluating the Port of Baltimore as a potential homeport for naval vessels.

Section 3 of H.R. 2466 will guarantee that the civilian personnel employed in industrial activities funded through the Coast Guard yard fund will be managed each fiscal year solely on: First, the basis of, and consistent with, the workload required to carry out the functions and activities of the yard; and second, the funds made available to the yard for each fiscal year.

In addition, the civilian personnel at the Curtis Bay Yard shall not be subject to any statutory or regulatory constraints or limitations—man-year or full-time equivalent—on the number of personnel that may be employed.

While personnel assignments at the yard will remain subject to available appropriations, the language in section 3 of H.R. 2466 will increase the Coast Guard's flexibility in determining the most efficient use of its personnel and its ship repair funds.

Finally, this legislation will mean jobs for the people of Maryland, and the third Congressional District. The Coast Guard will be able to hire anywhere from 125 to 150 employees for work at Curtis Bay immediately, with the potential to hire as many as 450 additional people in the future, provided annual appropriations are available.

Maryland is proud of the contributions it makes to a more efficient and cost-effective Federal Government. At a time when we are concerned about record budget deficits, it is important that the Coast Guard has the facilities which will enable its fleet to be adequately maintained and upgraded, at the least cost to taxpayers.

Providing more work for Curtis Bay is a key way for the Coast Guard to do this. The yard has the equipment and capabilities, all it needs is the authority to hire enough workers.

Because of the importance of section 3 to the Coast Guard's work, and the other changes made in H.R. 2466, I urge my colleagues to support it. Thank you.●

Mr. STUDDS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. DAVIS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Massachusetts [Mr. STUDDS] that the House suspend the rules and pass the bill, H.R. 2466, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

□ 1310

GENERAL LEAVE

Mr. STUDDS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

ENDANGERED SPECIES ACT AUTHORIZATION FOR FISCAL YEARS 1986, 1987, AND 1988

Mr. BREAUX. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1027), to authorize appropriations to carry out the Endangered Species Act of 1973 during fiscal years 1986, 1987, and 1988, as amended.

The Clerk read as follows:

H.R. 1027

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. LISTING.

(a) CANDIDATE SPECIES.—Subparagraph (C) of section 4(b)(3) of the Endangered Species Act of 1973 (16 U.S.C. 1533(b)(3)(C)) is amended by adding at the end thereof the following clause:

"(iii) The Secretary shall implement a system to monitor effectively the status of all species with respect to which a finding is made under subparagraph (B)(iii) and shall make prompt use of the authority under paragraph 7 to prevent a significant risk to the well being of any such species.".

(b) SIMILARITY OF APPEARANCE.—Subsection (e) of such section 4 (16 U.S.C. 1533(e)) is amended by striking out "regulation," and inserting in lieu thereof "regulation of commerce or taking,".

SEC. 2. TREATMENT OF MARINE MAMMALS.

(a) IMPACT STATEMENTS.—Paragraph (4) of section 7(b) of the Endangered Species Act of 1973 (16 U.S.C. 1536(b)(4)) is amended—

(1) by striking out "and" at the end of subparagraph (A);

(2) by inserting "and" after the semicolon at the end of subparagraph (B);

(3) by inserting after subparagraph (B) the following new subparagraph:

"(C) if an endangered species or threatened species of a mammal is involved, the taking will not contravene the purposes and policies of section 2 of the Marine Mammal Protection Act of 1972;";

(4) by striking out "and" at the end of clause (ii);

(5) by redesignating clause (iii) as clause (iv) and by striking out "clause (ii)" in that clause and inserting in lieu thereof "clauses (ii) and (iii); and

(6) by inserting after clause (ii) the following new clause:

"(iii) in the case of marine mammals, specifies those reasonable and prudent measures that the Secretary considers necessary or appropriate to further the purposes and policies of section 2 of the Marine Mammal Protection Act of 1972 with regard to such taking, and to minimize the impact on the species taken for subsistence uses pursuant to section 101(b) of that Act, and

(b) EXEMPTIONS TO TAKING.—Subsection (o) of section 7 of such Act of 1973 (16 U.S.C. 1536(o)) is amended—

(1) by amending the matter preceding paragraph (1)—

(A) by inserting ", sections 101 and 102 of the Marine Mammal Protection Act of 1972," immediately before "or any regulation", and

(B) by striking out "either" and inserting in lieu thereof "any"; and

(2) by striking out "subsection (b)(4)(iii)" in paragraph (2) and inserting in lieu thereof "subsection (b)(4)(iv)".

SEC. 3. EXCEPTION.

Subparagraph (B) of section 10(a)(1) of the Endangered Species Act of 1973 (16 U.S.C. 1539(a)(1)(B)) is amended by inserting "or (C)" immediately after "section 9(a)(1)(B)".

SEC. 4. AUTHORIZATION OF APPROPRIATIONS.

Section 15 of the Endangered Species Act of 1973 (16 U.S.C. 1542) is amended—

(1) by striking out "$27,000,000 for each of fiscal years 1983, 1984, and 1985" in subsection (a)(1) and inserting in lieu thereof "$27,000,000 for fiscal year 1986, $31,000,000 for fiscal year 1987, and $35,000,000 for fiscal year 1988";

(2) by striking out "$3,500,000 for each of fiscal years 1983, 1984, and 1985" in subsection (a)(2) and inserting in lieu thereof "$3,500,000 for fiscal year 1986, $3,800,000 for fiscal year 1987, and $4,000,000 for fiscal year 1988";

(3) by striking out "$1,850,000 for each of fiscal years 1983, 1984, and 1985" in subsection (a)(3) and inserting in lieu thereof "$1,850,000 for fiscal year 1986, $2,000,000 for fiscal year 1987, and $2,200,000 for fiscal year 1988";

(4) by striking out "$6,000,000 for each of fiscal years 1983, 1984, and 1985." in subsection (b) and inserting in lieu thereof "$6,000,000 for fiscal year 1986, $9,000,000 for fiscal year 1987, and $12,000,000 for fiscal year 1988.";

(5) by striking out "1983, 1984, and 1985." in subsection (c) and inserting in lieu thereof "1986, 1987, and 1988."; and

(6) by striking out "$150,000 for each of fiscal years 1983 and 1984, and not to exceed $300,000 for fiscal year 1985," in subsection (d) and inserting in lieu thereof "$300,000 for fiscal year 1986, $350,000 for fiscal year 1987, and $400,000 for fiscal year 1988,".

SEC. 5. TRANSLOCATION OF CALIFORNIA SEA OTTERS.

(a) DEFINITIONS.—For purposes of this section—

(1) The term "Act" means the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.).

(2) The term "agency action" has the meaning given that term in section 7(a)(2) of the Act.

(3) The term "experimental population" means the population of sea otters provided for under a plan developed under subsection (b).

(4) The phrase "parent population" means the population of sea otters existing in California on the date on which proposed regulations setting forth a proposed plan under subsection (b) are issued.

(5) The phrase "prospective action" refers to any prospective agency action that—

(A) may affect either the experimental population or the parent population; and

(B) has evolved to the point where meaningful consultation under section 7(a) (2) or (3) of the Act can take place.

(6) The term "Secretary" means the Secretary of the Interior.

(7) The term "Service" means the United States Fish and Wildlife Service.

(b) PLAN SPECIFICATIONS.—The Secretary may develop and implement, in accordance with this section, a plan for the relocation and management of a population of California sea otters from the existing range of the parent population to another location. The plan, which must be developed by regulation and administered by the Service in cooperation with the appropriate State agency, shall include the following:

(1) The number, age, and sex of sea otters proposed to be relocated.

(2) The manner in which the sea otters will be captured, translocated, released, monitored, and protected.

(3) The specification of a zone (hereinafter referred to as the "translocation zone") to which the experimental population will be relocated. The zone must have appropriate characteristics for furthering the conservation of the species.

(4) The specification of a zone (hereinafter referred to as the "management zone") that—

(A) surrounds the translocation zone; and

(B) does not include the existing range of the parent population or adjacent range where expansion is necessary for the recovery of the species.

The purpose of the management zone is to (i) facilitate the management of sea otters and the containment of the experimental population within the translocation zone, and (ii) to prevent, to the maximum extent feasible, conflict with other fishery resources within the management zone by the experimental population. Any sea otter found within the management zone shall be treated as a member of the experimental population. The Service shall use all feasible non-lethal means and measures to capture any sea otter found within the management zone and return it to either the translocation zone or to the range of the parent population.

(5) Measures, including an adequate funding mechanism, to isolate and contain the experimental population.

(6) A description of the relationship of the implementation of the plan to the status of the species under the Act and to determinations of the Secretary under section 7 of the Act.

(c) STATUS OF MEMBERS OF THE EXPERIMENTAL POPULATION.—(1) Any member of the experimental population shall be treated while within the translocation zone as a threatened species for purposes of the Act, except that—

(A) section 7 of the Act shall only apply to agency actions that—

(i) are undertaken within the translocation zone,

(ii) are not defense-related agency actions, and

(iii) are initiated after the date of the enactment of this section; and

(B) with respect to defense-related actions within the translocation zone, members of the experimental population shall be treated as members of a species that is proposed to be listed under section 4 of the Act.

For purposes of this paragraph, the term "defense-related agency action" means an agency action proposed to be carried out directly by a military department.

(2) For purposes of section 7 of the Act, any member of the experimental population shall be treated while within the management zone as a member of a species that is proposed to be listed under section 4 of the Act. Section 9 of the Act applies to members of the experimental population; except that any incidental taking of such a member during the course of an otherwise lawful activity within the management zone, may not be treated as a violation of the Act or the Marine Mammal Protection Act of 1972.

(d) IMPLEMENTATION OF PLAN.—The Secretary shall implement the plan developed under subsection (b)—

(1) after the Secretary provides an opinion under section 7(b) of the Act regarding each prospective action for which consultation was initiated by a Federal agency or requested by a prospective permit or license applicant before April 1, 1986; or

(2) if no consultation under section 7(a)(2) or (3) regarding any prospective action is initiated or requested by April 1, 1986, at any time after that date.

(e) CONSULTATION AND EFFECT OF OPINION.—A Federal agency shall promptly consult with the Secretary, under section 7(a)(3) of the Act, at the request of, and in cooperation with, any permit or license applicant regarding any prospective action. The time limitations applicable to consultations under section 7(a)(2) of the Act apply to consultations under the preceding sentence. In applying section 7(b)(3)(B) with respect to an opinion on a prospective action that is provided after consultation under section 7(a)(3), that opinion shall be treated as the opinion issued after consultation under section 7(a)(2) unless the Secretary finds, after notice and opportunity for comment in accordance with section 553 of title 5, United States Code, that a significant change has been made with respect to the action or that a significant change has occurred regarding the information used during the initial consultation. Any interested party may petition the Secretary to make a finding under the preceding sentence. The Secretary may implement any reasonable and prudent alternatives specified in any opinion referred to in this subsection through appropriate agreements with any such Federal agency, prospective permit or license applicant, or other interested party.

(f) CONSTRUCTION.—For purposes of implementing the plan, no act by the Service, an authorized State agency, or an authorized agent of the Service or such an agency with respect to a sea otter that is necessary to effect the relocation or management of any sea otter under the plan may be treated as a violation of any provision of the Act or the Marine Mammal Protection Act of 1972 (16 U.S.C. 1361 et seq.).

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Louisiana [Mr. BREAUX] will be recognized for 20 minutes and the gentleman from Alaska [Mr. YOUNG] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Louisiana [Mr. BREAUX].

Mr. BREAUX. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 1027 would extend the authorization for appropriations for the Endangered Species Act and make a number of relatively minor changes in that legislation.

The current Endangered Species Act was enacted in 1973 to address the concern of scientists and naturalists that the rate of species extinctions was increasing rapidly and a number of very visible species, such as the bald

eagle and the whooping crane, were threatened with extinction. Although the publicity surrounding endangered species has focused on the more glamorous species such as the bald eagle, scientists are perhaps more concerned about the loss of biological diversity caused by the increased rate of extinction of both plants and animals. They point to the loss of genetic traits that could provide advances in medicine or agriculture. With the great naturalist, Aldo Leopold, they argue that the first rule of intelligent tinkering is to save all of the pieces.

We last considered the Endangered Species Act in 1982 and developed a series of amendments that were designed to make the act function more effectively to protect endangered species. Some of the changes that we made have been implemented and are working well. For example, the number of listings under the act has increased dramatically since 1982. Only 11 species were listed in 1982; this past year, 46 species were listed.

Unfortunately, many of the changes have not been implemented by regulations. The regulations on section 7 of the act have not been published in final form. As a result, agency practices have been inconsistent throughout the country and the predictability we tried to provide in 1982 has not been realized.

I believe it is essential for the agencies to promulgate the regulations and that we give the act a chance to work. For this reason, the package of amendments we propose are mostly of a technical nature, addressing inconsistencies that have become apparent over the last 3 years. None of the amendments affect the basic elements of the act. The one major provision, involving the translocation of sea otters, reflects a consensus we have worked out among interests that has previously been unable to agree on a plan to conserve the otter.

Mr. Speaker, the legislation before us contains a number of amendments. The first amendment deals with candidate species. These are species for which the Secretary has made a finding that the proposal to list the species is warranted, but for which he does not have the resources to proceed with the listing proposal. Testimony at the hearing revealed that a number of species have become extinct while waiting to be proposed. Our amendment would simply require the Secretary to implement a system to monitor the status of the species on the candidate list and use the existing emergency listing authority where it is warranted.

The bill also contains a provision that would resolve a conflict between the Endangered Species Act and the Marine Mammal Protection Act. Under the 1982 amendments to the ESA, if the Fish and Wildlife Service or the National Fisheries Service finds, after consultation as provided by section 7 of the act, that an action will not jeopardize the continued existence of a species but there may be some incidental take, that take can be allowed if the parties concerned take actions to minimize and mitigate it. Since the Marine Mammal Protection Act prohibits virtually all take of marine mammals, this provision cannot be used for endangered marine mammals. H.R. 1027, as amended, would allow the take if it is consistent with the overall purposes of the Marine Mammal Protection Act. I would point out that quite often the take in question is not lethal but simply minor harassment and would not affect the recovery of the species. I would also point out that the environmental community does not object to this amendment. Another provision in the substitute amendment would simply make a clarifying change to allow for extension of conservation plans to the high seas.

H.R. 1027 also contains a provision to encourage the development and implementation of a plan for the establishment, management, and protection of an experimental population of California sea otters. The translocation is intended to minimize the likelihood that a single oil spill would simultaneously place the parent and experimental populations in jeopardy. The amendment provides, in conjunction with the translocation of sea otters, assurances to the State, commercial, and recreational fishing interests, the oil and gas industry, and involved environmental organizations regarding the relationship to, and effect of, the translocation to their respective activities and areas of concern. In fact, the provision represents a consensus among the various entities involved on how best to provide for the establishment and management of an experimental population of California sea otters.

The initiative for this particular amendment arises, in part, out of a possible conflict between the goals of section 10(j) of the act and the taking prohibitions of the Marine Mammal Protection Act. Section 10(j) was enacted in order to facilitate the recovery of endangered or threatened species through the establishment of experimental populations. Translocation of animals, however, requires the taking of animals to establish the experimental colony. Takings would also be required for purposes of containing otters within a designated translocation zone.

Under section 101(a)(3)(B) of the Marine Mammal Protection Act, however, takings of an endangered or threatened marine mammal such as the California sea otter, may be authorized only for purposes of scientific research. In order to provide increased flexibility for managing a translocated population and to make clear that takings for purposes of furthering the conservation of California sea otters are authorized, this amendment specifies that the taking prohibitions of the Marine Mammal Protection Act shall not apply to those actions that are necessary for translocating, containing, or protecting members of the experimental population. This provision is not intended to establish precedents for either species specific amendments, or for how other experimental populations should be achieved.

In taking this action, we have not addressed the question of whether the translocation could be conducted as scientific research under the existing provisions of the Marine Mammal Protection Act. Moreover, it should be understood that all provisions of the Marine Mammal Protection Act and the Endangered Species Act continue to apply to the parent population except when members of the parent population are within the management zone.

In addition to addressing the possible conflict between the goals of section 10(j) of the Endangered Species Act and the taking prohibitions of the Marine Mammal Protection Act, this legislation sets forth the procedure that has been worked out among the interested parties for developing and implementing a plan for translocating California sea otters. In this regard, the Southern Sea Otter Recovery Plan indicates that one or more translocations may be necessary to bring about the recovery of the species. The provisions of this amendment are not intended to preclude other appropriate means of accomplishing future translocations or to imply that more than one translocation is necessary.

The central component in this procedure is the development of a translocation plan that would specify how the translocation, management, and protection of the experimental population will be carried out. As required by section 5(b) of the amendment, this plan is to be developed by regulation and administered by the Fish and Wildlife Service in cooperation with the appropriate State agency. The translocation plan is required to include the following:

First, the number, age, and sex of the sea otters that are proposed to be translocated;

Second, the manner in which sea otters will be captured, translocated, released, monitored, and protected;

Third, the specification of a translocation zone;

Fourth, the specification of a management zone;

Fifth, the measures that will be taken, including the provision or acquisition of funding, for containing the experimental population; and

Sixth, a description of the relationship of the plan to the status of the species under the Endangered Species Act and to future determinations of the Secretary under section 7 of the Act.

Considerable significance is attached to the specification of the translocation and management zones. These zones define the protections that will apply to members of the experimental population and establish boundaries for purposes of containment. In doing so, the zones are expected to assure adequate protection to the experimental population while minimizing possible conflicts between translocated otters and fisheries and other resource uses and providing as much certainty as practicable to agencies and permit applicants conducting or authorizing activities that may affect the experimental population.

The translocation zone is the area within which otters will be relocated. For this reason, the zone is to include those characteristics that are appropriate for furthering the conservation of the experimental population. Those characteristics would include adequate and suitable food resources, rafting sites, and kelp beds. In addition, the zone should encompass a buffer area, the purpose of which is to insulate the experimental population from the adverse effects of activities that may occur outside of the translocation zone. In delineating this buffer area, the Service is expected to take into account factors such as wind and wave patterns, offshore currents and other oceanographic variables, as well as the type and magnitude of the activities that may adversely affect the experimental population.

The management zone is that area surrounding the translocation zone from which the translocated animals are to be excluded. The management zone is intended to minimize potential conflicts, within that zone, between fisheries and other resource uses and the translocated sea otters. Otters found within the management zone will be treated as part of the experimental population and, consequently, will be captured by feasible, nonlethal means and returned to either the translocation zone or to the range of the parent population.

This legislation emphasizes the importance of maintaining an otter-free management zone. For this reason, the Service has been delegated broad authority to capture and remove otters from any location within the management zone. Should otters migrate into a unit of the National Park System or a marine sanctuary located within the management zone, for example, the Service has the authority and the responsibility to remove those otters. In addition, as pointed out in the committee report, nothing in this amendment is intended to limit the Service's authority to conduct research on sea otters. Especially important in this regard is research to refine the most effective and humane methods for containing otters.

At various points during the discussions on this amendment, the interested parties have acknowledged that the recovery of the sea otter under both the Endangered Species Act and the Marine Mammal Protection Act in a manner that minimizes controversy and reduces or avoids conflicts with other resources uses could be greatly improved by the successful implementation of what has been called the "Zonal management" concept. Under this approach, certain "sea otter zones" where the otters would be protected, would be designated, as would "otter-free zones" where threats to the otters might be too severe or the conflicts between otters and fisheries and other resource uses too substantial. It is my hope and expectation that the Service will actively pursue the zonal management concept in its planning process for bringing about the recovery of the California sea otter.

The translocation plan is also required to include a description of the relationship between implementation of the plan and the status of the species under the act and future determinations that may be made under section 7(a)(2). The purpose of this description is to set forth the effect that translocation is expected to have on the overall recovery of the California sea otter.

As noted above, the Southern Sea Otter recovery plan identifies the translocation of otters to one or more locations as one of the principal achievements necessary, in conjunction with the continued protection and the vitality of the present population, to bring about recovery under the Endangered Sepcies Act. Consequently, it is appropriate that the translocation plan describe the factors that will be taken into account by the Secretary in determining the relationship between a successful translocation and the status of the California sea otter under section 4 of the act. Similarly, the plan should describe how a successful translocation is likely to be taken into account in rendering future biological opinions under section 7(a)(2) of the act.

The translocation plan is to provide for the implementation of an important component of the recovery plan. While addressing a number of general issues related to the long-term management of California sea otters, it is primarily a planning mechanism for the translocation itself. Specifications with respect to long-term management of the California sea otter, including establishment of recovery goals and future translocation needs, should also be contained in the recovery plan for the California sea otter. The Fish and Wildlife Service is expected to address these aspects in its next update of the recovery plan. The translocation plan itself, while discussing these issues, is not intented to replace the recovery plan as the primary long-term management document.

Section 5(c) of the amendment addresses the status of the experimental population under the Endangered Species Act. Under this section, the applicability of section 7 and 9 of the Endangered Species Act, as well as the related taking prohibitions of the Marine Mammal Protection Act, depend on in which of the two zones the activities subject to those authorities would take place. The full protections of section 7 are to apply throughout the translocation zone to nondefense-related agency actions that are initiated after the date of enactment of this legislation. Defense-related actions that occur within the translocation zone, as well as agency actions that take place within the management zone, are subject only to the informal conferral procedure of section 7(a)(4). This amendment in no way limits the applicability of section 7 with respect to agency actions that may affect the parent population except with regard to members of the parent population within the management zone.

Sections 4(d) and 9 of the act and the taking prohibitions of the Marine Mammal Protection Act apply to all activities occuring within the translocation zone, except for defense-related activities. Within the management zone, however, the taking prohibitions of the two acts apply only to directed takings and not to lawful activities that result in incidental takings. As explained above, directed taking by authorized personnel within the management zone for purposes of containment, protection, or to otherwise facilitate implementation of the translocation plan would be allowed.

In order to inject as much certainty into this process as possible, section 5(e) of this amendment provides for an early consultation procedure to be initiated and completed prior to the translocation of otters to the proposed translocation site. The early consultation procedure, with certain exceptions, is in conformity with provisions which already exist in section 7(a)(3) of the act. These exceptions require completion of the early consultation within a given timeframe and establish procedural requirements that must be met before the Secretary may determine, under section 7(b)(3)(B) of the act, that an early consultation biological opinion should not be confirmed. As required by section 5(e), confirmation of a biological opinion issued pursuant to this early consultation procedure may be withheld only

if the Secretary finds, after notice and comment rulemaking, that a "significant change" has occurred with respect to the agency action or the information used during the section 7(a)(3) review. For example, a decline in either the parent or experimental populations could serve as the basis for not confirming an opinion issued during the early consultation. As another example, a change in the nature or magnitude of oil and gas activities that would result in a significantly increased probability of an oilspill harmful to otters could require that an early consultation biological opinion not be confirmed. If a biological opinion issued as a result of early consultation is not confirmed, formal consultation should be initiated under section 7(a)(2).

The Secretary has the authority to determine the information that is required for meaningful consultation. In the case of oil and gas activity in the Outer Continental Shelf, it should be sufficient to initiate early consultation if the action agency and the Service have been provided with appropriately detailed information including such matters as location of lease tracts, number of platforms, expected reserves, cumulative impacts, the type of oil transportation system that will be used, anticipated date of project implementation and data on relevant oceanographic and environmental variables. In all cases, consultation must be initiated through the action agency. However, it is expected that the consultation shall proceed on any prospective action if the Secretary determines that enough information exists for meaningful conclusions to be made. It should be kept in mind that an early consultation requested by the action agency may result in either a jeopardy or a no-jeopardy opinion.

Much of the discussion of management of the sea otter within the translocation zone assumes the successful translocation of an experimental population of sea otters. The Service should specify in the section 5(b) plan what would constitute a successful translocation. Important factors that should be taken into account in determining the success of the translocation include the size and growth rate of the experimental population, the age and sex composition, survival rates for males and females in different age groups, and the status of the habitat. If the Service determines that the translocation is not successful, it should, through the informal rulemaking process, repeal the rule authorizing the translocation. Translocated animals should be returned to the parent population. After the rule is repealed, the limiting provisions of the act would no longer apply. Thus, section 7 and section 9 of the ESA would apply to otters within the management zone.

As noted earlier, the amendment is intended to facilitate the recovery of the California sea otter. The intent is not to establish a separate population for the purpose of providing an additional population to be listed under the act. In the event, however, of a catastrophic event affecting the parent population, such a designation for the experimental population may be necessary and could be accomplished pursuant to the Secretary's listing authority under section 4(a) of the act.

Additionally, while the presence of the experimental population should have some effect upon the evaluation of proposed activities on the parent population, it will be some time before the success of the translocation will be known. Moreover, there is no way that other material factors, including failure to reduce existing risks and increased risks to the parent and experimental populations due to internal or external threats, which might develop in the future, can be predicted. For this reason, this amendment strikes a balance between providing assurances to affected interests and maintaining sufficient protections and management flexibility to meet the recovery needs of the California sea otter.

H.R. 1027 would extend the authorizations for appropriations for 3 years. The authorization for fiscal year 1986 is frozen at the fiscal year 1985 level. The amendment provides for moderate increases for fiscal year 1987 and fiscal year 1988. In particular, we would encourage a greater emphasis on State grants by raising the section 6 authorization from its current level of $6 million to $12 million in fiscal year 1988.

H.R. 1027 does not contain an amendment relating to the take of endangered species by Native Americans for traditional purposes. While there have been conflicting court decisions on this issue, it is clear from the language of the ESA and the legislative history that the ESDA is a nondiscriminatory conservation statute that applies to all citizens equally. It is our understanding that the Departments of Justice and Interior are interpreting the statute in this manner and that they will request the Supreme Court to grant certiorari in the case of *U.S.* v *Dion*, 725 F. 2d 1261 (1985) to resolve this issue.

Mr. Speaker, H.R. 1027 is not designed to strengthen or weaken the Endangered Species Act, but to make it work better. We have tried to resolve the problems that have arisen in the last 3 years and make the act more effective in protecting endangered and threatened species. Our legislation is supported by both environmental and industry groups and I urge its adoption.

Mr. Speaker, I reserve the balance of my time.

Mr. YOUNG of Alaska. Mr. Speaker, I yield myself such time as I may consume.

Mr. YOUNG of Alaska. Mr. Speaker, it has indeed been a pleasure to cosponsor this bill with the distinguished gentleman from Louisiana. As you know, the Endangered Species Act is among the world's strongest laws in providing a multifaceted approach for the protection of endangered species. During its history, the act has been modified several times to provide a balance between species protection and needed development. The goals of the act are indeed noble and, if applied correctly, can be beneficial to species recovery. Though, if misused, the act can impede construction, cause controversy, and bring about unnecessary conflict.

The intent of H.R. 1027 is not to weaken the Endangered Species Act, but to simply make it work better. I concur with the assessment of the gentleman from Louisiana in his explanation of the bill, and support the adoption of it by this body. Our actions will do much to enhance the chances for survival of many endangered and threatened species, and I urge my colleagues to support the passage of this bill.

● Mr. JONES of North Carolina. Mr. Speaker, the Endangered Species Act of 1973 is among the world's foremost conservation statutes. It has set an example for other nations and it has assisted our country in slowing, if not reversing, what had been a headlong dash toward extinction by many species.

H.R. 1027, which is before the House for consideration today, will reauthorize appropriations to carry out programs under this act for the next 3 fiscal years and will make minor modifications to the act to deal with certain problems which have arisen, including the need to translocate part of the existing population of California sea otters to lessen the threat of possible oilspills.

This act, which was passed more than a decade ago, was necessarily broad in scope and complicated in application; yet, it has successfully weathered numerous legislative storms and emerged not only stronger but more effective. Not too long ago, its reauthorization was cause for open conflict between development and conservation interests. Fortunately, in more recent years my committee has been able to bring together such diverse interests and to produce legislation which can be supported by all concerned. I am pleased and proud to say this is again the case with H.R. 1027.

Mr. Speaker, I urge the Members of the House to join with me in passing

H.R. 1027 to reauthorize the Endangered Species Act so that future generations of Americans can enjoy and benefit from the diversity of species with which our country has been blessed.●

● Mr. LENT. Mr. Speaker, I rise in strong support of H.R. 1027, legislation that will reauthorize appropriations to carry out the Endangered Species Act during fiscal years 1986, 1987, and 1988. The Endangered Species Act is among the world's strongest laws in preventing species extinction. It has set an example for other nations and has assisted our country in slowing, if not reversing, what had been a headlong dash toward extinction by many species.

The bill before us today will reauthorize appropriations to carry out programs under this act for the next 3 fiscal years and will make minor modifications to the act to deal with certain problems which have arisen, including the need to translocate part of the existing population of California sea otters to lessen the threat of possible harm to the species.

We last considered the Endangered Species Act in 1982 and enacted a series of amendments that were key elements in a strong endangered species program to better preserve our rich natural heritage, both at home and abroad.

We have come a long way since the Endangered Species Act was passed in 1973. Hundreds of species have been protected and over 800 species have been listed on the endangered species list.

I would like to congratulate the fine efforts of the members of the Merchant Marine and Fisheries Committee, conservation groups, and staff for working together in bringing forth a piece of legislation that will allow future generations of Americans to enjoy a benefit from the diversity of species with which our country has been blessed. I urge the adoption of H.R. 1027 by the Members of the House.

Thank you, Mr. Speaker.●

● Mr. FIELDS. Mr. Speaker, as a cosponsor of H.R. 1027, I am extremely pleased that we are today considering the merits of reauthorizing the Endangered Species Act.

This is the fourth time that Congress has debated legislation to extend this landmark environmental law.

First enacted in 1973 to implement the provisions of the Convention on International Trade in Endangered Species of Wild Fauna and Flora, the importance of the Endangered Species Act has grown considerably over the years.

In fact, during our subcommittee hearing on H.R. 1027, one of the best characterizations of the act was that of Mr. David Attenborough, host of the television series "The Living Planet," who stated that "the Endangered Species Act is a courageous national statement that Americans care about the magnificent land and its wealth of living resources."

In my own State of Texas, which adopted its own Endangered Species Act in 1973, we have witnesses the positive effects that Federal and State statutes have had in providing vital protection to a number of wildlife species. One of the best examples of this protection has been the miraculous resurgence from the brink of extinction of the stately whooping crane.

Today, more than half of the world's 137 whooping cranes live at least part of the year in the Aransas National Wildlife Refuge which is northeast of Corpus Christi, TX, on the Gulf of Mexico.

From the all-time low of 20 in 1941, the whooping cranes' survival is one of the remarkable achievements of the Endangered Species Act. I am convinced that without this law we would have lost forever a variety of wildlife species, including the whooping crane, the brown pelican, the peregrin falcon, the bald eagle, the grizzly bear and many others. As David Attenborough so aptly described: Extinction is a one-way process.

As a Member of Congress, I believe one of our primary goals should be to preserve natural and wildlife resources for future generations. By reauthorizing the Endangered Species Act, we will ensure that millions of people will have an opportunity to see majestic whooping cranes alive in their winter refuge in the State of Texas.

As one of the great conservationists of all time, Theodore Roosevelt, once noted:

> The Nation behaves well if it treats its natural resources as assets which it must turn over to the next generation increased and not impaired in value.

Mr. Speaker, I am proud to be a part of this bipartisan effort to reauthorize the Endangered Species Act and I urge my colleagues to overwhelmingly approve this important legislation.

In this era of difficult and contentious issues, it is indeed rare that we have an opportunity, like H.R. 1027, to enthusiastically support a bill that contributes so much to such a wide variety of living creatures who coexist with us on this planet.

The Endangered Species Act has been an inspiration to people the world over and it is vitally important that this act be extended.

Thank you, Mr. Speaker.●

Mr. YOUNG of Alaska. Mr. Speaker, I have no further requests for time and I yield back the balance of my time.

Mr. BREAUX. Mr. Speaker, I have no further requests for time and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Louisiana [Mr. BREAUX] that the House suspend the rules and pass the bill, H.R. 1027, as amended.

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the bill, as amended, was passed.

The title of the bill was amended so as to read: "A bill to authorize appropriations to carry out the Endangered Species Act of 1973 during fiscal years 1986, 1987, and 1988, and for other purposes."

A motion to reconsider was laid on the table.

SIKES ACT AUTHORIZATION FOR FISCAL YEARS 1986, 1987, AND 1988

Mr. BREAUX. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1202), to authorize appropriations to carry out conservation programs on military reservations and public lands during the fiscal years 1986, 1987, and 1988, as amended.

The Clerk read as follows:

H.R. 1202

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. NATURAL RESOURCES AND FISH AND WILDLIFE MANAGEMENT ON MILITARY RESERVATIONS; REPORT ON MILITARY EXPENDITURES FOR FISH AND WILDLIFE MANAGEMENT.

(a) NATURAL RESOURCES MANAGEMENT.—The Secretary of each military department shall manage the natural resources of each military reservation within the United States that is under the jurisdiction of the Secretary—

(1) so as to provide for sustained multipurpose uses of those resources; and

(2) to provide the public access that is necessary or appropriate for those uses;

to the extent that those uses and that access are not inconsistent with the military mission of the reservation.

(b) FISH AND WILDLIFE MANAGEMENT SERVICES.—The Secretary of each military department shall ensure, to the extent feasible, that the services necessary for the development, implementation, and enforcement of fish and wildlife management on each military reservation within the United States under the jurisdiction of the Secretary are provided by the Department of Defense personnel who have professional training in those services.

(c) FISH AND WILDLIFE MANAGEMENT REPORT.—The Secretary of each military department shall submit to each House of the Congress, before the close of the one-hundred-and-eighty-day period occurring after the close of fiscal year 1986, a detailed report setting forth the amount and purpose of all expenditures made during fiscal year 1986 for fish and wildlife management on each military reservation in the United States under the jurisdiction of the Secretary.

(d) DEFINITIONS.—As used in this section—

(1) The term "military department" means the Department of the Army, the Department of the Navy, and the Department of the Air Force.

(2) The term "United States" means the States, the District of Columbia, the Commonwealth of Puerto Rico, and the territories and possessions of the United States.

SEC. 2. SIKES ACT AMENDMENTS.

(a) COOPERATIVE PLANS.—(1) Section 101 of the Act of September 15, 1960 (commonly referred to as the "Sikes Act"; 16 U.S.C. 670a) is amended to read as follows:

"SEC. 101. (a). The Secretary of Defense is authorized to carry out a program of planning for, and the development, maintenance, and coordination of, wildlife, fish, and game conservation and rehabilitation in each military reservation in accordance with a cooperative plan mutually agreed upon by the Secretary of Defense, the Secretary of the Interior, and the appropriate State agency designated by the State in which the reservation is located.

"(b) Each cooperative plan entered into under subsection (a)—

"(1) shall provide for—

"(A) fish and wildlife habitat improvements or modifications,

"(B) range rehabilitation where necessary for support of wildlife,

"(C) control of off-road vehicle traffic, and

"(D) specific habitat improvement projects and related activities and adequate protection for species of fish, wildlife, and plants considered threatened or endangered;

"(2) must be reviewed as to operation and effect by the parties thereto on a regular basis, but not less often than every 5 years;

"(3) must require that the parties thereto will cooperate in, and take the cooperative plan into account during, the development and review of any multiuse natural resources management plan applicable to the reservation covered by the cooperative plan; and

"(4) may stipulate the issuance of special State hunting and fishing permits to individuals and require payment of nominal fees therefor, which fees shall be utilized for the protection, conservation, and management of fish and wildlife, including habitat improvement and related activies in accordance with the cooperative plan; except that—

"(A) the Commanding Officer of the reservation or persons designated by that Oficer are authorized to enforce such special hunting and fishing permits and to collect the fees therefor, acting as agent or agents for the State if the cooperative plan so provides, and

"(B) the fees collected under this paragraph may not be expended with respect to other than the military reservation on which collected.

"(c) After a cooperative plan is agreed to under subsection (a)—

"(1) no sale of land, or forest products from land, that is subject to that plan may be made under section 2665 (a) or (b) of title 10, United States Code; and

"(2) no leasing of land that is subject to that plan may be made under section 2667 of such title 10;

unless the effects of that sale or leasing are compatible with the purposes of the plan.

"(d) With regard to the implementation and enforcement of cooperative plans agreed to under subsection (a)—

"(1) neither Office of Management and Budget Circular A-76 nor any successor circular thereto applies to the procurement of services that are necessary for that implementation and enforcement; and

"(2) priority shall be given to the entering into of contracts for the procurement of such implementation and enforcement services with Federal and State agencies having responsibility for the conservation or management of fish or wildlife.

"(e) Cooperative plans agreed to under the authority of this section and section 102 shall not be deemed to be, nor treated as, cooperative agreements to which the Federal Grant and Cooperative Agreement Act of 1977 (41 U.S.C. 501 et seq.) applies.".

(2) Subsection (d)(1) of such section 101 (as added by paragraph (1)) shall not affect any contract entered into before the date of the enactment of this Act for the provision of services to implement or enforce a cooperative plan under this Act on any military installation; but shall apply to the renewal, after such date of enactment, of any such contract.

(b) FUNDS COLLECTED UNDER PLANS.—Subsection (a) of section 106 of the Sikes Act (16 U.S.C. 670f(a)) is amended by adding at the end thereof the following new sentence: "All funds that are so collected shall remain available until expended.".

(c) AUTHORIZATION OF APPROPRIATIONS.—Subsections (b) and (c) of section 106 of the Sikes Act (16 U.S.C. 670f (b) and (c)) are each amended by striking out "and 1985," and inserting in lieu thereof "1985, 1986, 1987, and 1988,".

(2) Subsections (a) and (b) of section 209 of the Sikes Act (16 U.S.C. 670o (a) and (b)) are each amended by striking out "and 1985," and inserting in lieu thereof "1985, 1986, 1987, and 1988,".

SEC. 3. FOREST PRODUCTS ON MILITARY RESERVATIONS.

Section 2665(f) of title 10, United States Code, is amended—

(1) by amending paragraph (1)(C) to read as follows:

"(C) for natural resources management that implements approved plans and agreements.", and

(2) by amending paragraphs (2) and (3) to read as follows:

"(2) There shall be deposited into the reserve account the total amount received by the United States as proceeds from the sale of forest products sold under subsections (a) and (b) less—

"(A) reimbursements of appropriations made under subsection (d), and

"(B) payments made to States under subsection (e).

"(3) The reserve account may not exceed $4,000,000 on December 31 of any calendar year. Unobligated balances exceeding $4,000,000 on that date shall be deposited into the United States Treasury.".

The SPEAKER pro tempore (Mr. GRAY of Illinois). Pursuant to the rule, a second is not required on this motion.

The gentleman from Louisiana [Mr. BREAUX] will be recognized for 20 minutes and the gentleman from Alaska [Mr. YOUNG] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Louisiana [Mr. BREAUX].

Mr. BREAUX. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 1202 would reauthorize appropriations for the Sikes Act through fiscal year 1988. This act provides a mechanism for cooperative fish and wildlife conservation and management efforts on U.S. military reservations and other public lands. For military installations, the Secretary of Defense is authorized to enter into cooperative plans with the Secretary of the Interior and the appropriate State fish and wildlife agency to develop and implement fish and wildlife conservation activities on military lands. Over 19 million acres are presently included under these cooperative plans.

During the subcommittee hearing on reauthorization of the Sikes Act it became apparent that the effectiveness of the cooperative plans varied from base to base, depending in part upon the interest of the base commander and the willingness of the commander to initiate requests for assistance from the State and the U.S. Fish and Wildlife Service. My colleague and ranking minority member of the Subcommittee on Fisheries and Wildlife Conservation and the Environment, Mr. YOUNG of Alaska, proposed an amendment to improve the functioning of the Sikes Act. The amendment, contained in H.R. 1202, would address the need for improvement in the cooperative planning program, would ensure that trained professional personnel are actively involved in fish and wildlife conservation activities, and would ensure that revenues generated from renewable natural resources programs on military reservations would be available for resource management on those lands.

Mr. Speaker, I would like to commend the gentleman from Alaska for his strong interest and active involvement in improving the Sikes Act. The Committee on Merchant Marine and Fisheries has worked closely with the Armed Services Committee, and both committees have concurred unanimously in the amendments contained in H.R. 1202. The authorization levels contained in the bill are $1.5 million annually to the Secretary of Defense and $3 million annually to the Secretary of the Interior to carry out the purpose of the act on military lands. Also authorized are $10 million annually to the Secretary of the Interior and $12 million annually to the Secretary of Agriculture to carry out the purposes of the Sikes Act on other public lands, including U.S. Forest Service, Bureau of Land Management, NASA, and the Department of Energy lands. These authorization levels all represent a freeze in authorization at the fiscal year 1985 level. The bill has my strong support, and I urge my colleagues to join with me in approving H.R. 1202.

Mr. Speaker, I reserve the balance of my time.

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Mr. YOUNG of Alaska. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 1202, a bill to authorize appropriations to carry out conservation programs on military reservations and public lands through fiscal year 1988.

Referred to as the Sikes Act, this legislation has been reported favorably by both the Committee on Merchant Marine and Fisheries and Armed Services Committee.

The Sikes Act was first enacted by Congress in 1960 and last amended in 1982. The act originally authorized the Secretary of Defense to carry out a program of planning, development, and maintenance of fish and wildlife conservation on military reservations. These installations encompass more than 19 million acres of valuable fish and wildlife habitat. This is equal to almost one-quarter of the land protected in the entire National Wildlife Refuge System. While some of this land provides habitat for endangered, migratory, and nongame species, it represents a major reservoir for resident game species such as deer, grouse, pheasant, and quail, which are of prime interest to American hunters. Clearly, these lands represent a substantial portion of our Nation's wildlife, fish, and game resources and must, to the extent practical, with the primary mission of national defense, be managed as effectively as possible for the protection of these resources.

As passed by the Committees on Merchant Marine and Fisheries and Armed Services, H.R. 1202 would extend the Sikes Act through fiscal year 1988 and amend it in the following ways:

First, require the Secretary of each military department to manage the wildlife and fishery resources under his jurisdiction with trained professionals and to provide sustained multipurpose use and public access.

Second, require that priority in the contracting out for fish and wildlife conservation activities be given to Federal and State fish and wildlife agencies in order to secure the services of trained professionals.

Third, require that cooperative fish and wildlife plans be reviewed by all parties on a regular basis and not less than once every 5 years.

Fourth, require the preparation of a detailed report setting forth the amount and purpose of all expenditures during fiscal year 1986 for fish and wildlife management on each military reservation.

In addition, H.R. 1202 would amend section 2665 of title 10, United States Code, in three ways. It would:

First, modify the existing timber reserve account managed by the Department of Defense to provide for the deposit therein of the total amount, instead of one-half, of the net proceeds for the sale of forest products on military installations;

Second, require that the funds in the reserve account be available for all natural resource management, rather than just forestry as permitted now; and

Third, establish that the reserve account may not exceed $4 million on December 31 of any calendar year.

Mr. Speaker, H.R. 1202 reauthorizes the Sikes Act for fiscal years 1986, 1987, and 1988 at the present level and provides an equitable means of managing fish and wildlife resources on military lands, recognizing the needs of national defense. As my colleagues know, I have been a strong proponent over the years in bringing about a greater emphasis for proper wildlife and fisheries management on our military lands. The members of the Merchant Marine and Fisheries Committee, along with the members of the Armed Services Committee, strongly believe that the bill will provide this assistance.

Mr. Speaker, this summarizes the key provisions of the legislation before us, and I urge my colleagues to support its adoption.

Mr. HUCKABY. Mr. Speaker, I yield 4 minutes to the gentleman from Mississippi [Mr. MONTGOMERY].

Mr. MONTGOMERY. Mr. Speaker, I rise in support of H.R. 1202, which would authorize appropriations to carry out conservation programs on military reservations and public lands through fiscal years 1986, 1987, and 1988.

Referred to as the Sikes Act, this legislation was sequentially referred to the Committee on Armed Services on May 15, after it was reported favorably by the Committee on Merchant Marine and Fisheries.

The Sikes Act was first enacted by Congress in 1960 and last amended in 1982. The act originally authorized the Secretary of Defense to carryout a program of planning, development, and maintenance of fish and wildlife conservation on military reservations. These installations encompass more than 25 million acres of valuable fish and wildlife habitat. In 1974, Congress amended the act to also require fish and wildlife conservation on lands under the jurisdiction of the Secretaries of the Interior and Agriculture.

As passed by the Committee on Merchant Marine and Fisheries, H.R. 1202 would extend the Sikes Act through fiscal year 1988 and amend it in the following ways:

Require the Secretary of each military department to manage the wildlife and fishery resources under his jurisdiction with trained professionals and to provide sustained multipurpose use and public access.

Require that priority in the contracting out for fish and wildlife conservation activities be given to Federal and State fish and wildlife agencies in order to secure the services of trained professionals.

Require that cooperative fish and wildlife plans be reviewed by all parties on a regular basis and not less than once every 5 years.

Require the preparation of a detailed report setting forth the amount and purpose of all expenditures during fiscal year 1986 for fish and wildlife management on each military reservation.

In addition, H.R. 1202, would amend section 2665 of title 10, United States Code, in three ways.

It would:

Modify the existing timber reserve account managed by the Department of Defense to provide for the deposit therein of the total amount, instead of one-half, of the net proceeds from the sale of forest products on military installations.

Require that the funds in the reserve account be available for all natural resource management, rather than just forestry as permitted now.

Establish that the reserve account may not exceed $4 million on December 31 of any calendar year.

The Subcommittee on Military Installations and Facilities held a hearing on this legislation on June 18, 1985. After taking testimony from the Department of Defense and reviewing H.R. 1202, as amended by the Committee on Merchant Marine and Fisheries, the Committee on Armed Services voted unanimously to approve the bill.

Mr. Speaker, we believe that the fish and wildlife conservation programs on military installations resulting from the Sikes Act are extremely worthwhile. In implementing the act, the Department of Defense has entered into cooperative planning agreements with the Fish and Wildlife Service and the directors of the fish and game departments in the States in which the installations are located. To date, more than 19 million acres of fish and wildlife habitat have been protected by these cooperative agreements. This is equal to almost one-quarter of the land protected in the entire National Wildlife Refuge System.

It is clear that this legislation continues a very important program of conservation. On behalf of the Armed Service Committee, I urge the passage of H.R. 1202, as amended.

Mr. YOUNG of Alaska. Mr. Speaker, I yield 5 minutes to the gentleman from Colorado [Mr. KRAMER].

Mr. KRAMER. Mr. Speaker, I rise in support of the reenactment of the Sikes Act, H.R. 1202, both in an individual capacity and as ranking member of the Subcommittee on Military Installations and Facilities of the Committee on Armed Services.

As my colleague from Mississippi [Mr. MONTGOMERY] has just stated, the intent of this act is to improve the

management of fish and wildlife on military installations.

First enacted in 1960, the Sikes Act has accomplished much of that which Congress intended.

H.R. 1202 would require that a priority in any contracting out for managing fish and wildlife resources on military installations be given to Federal and State fish and wildlife agencies in order to secure the service of trained professionals in dealing with the conservation and management of fish and wildlife.

Mr. Speaker, let me assure my colleagues that of course the military missions come first and are foremost. This bill, as amended, would require that professional fish and wildlife personnel be included in the management of wildlife resources in a way that the future harvesting of timber on military installations would not, and I repeat, would not adversely affect the wildlife in those surroundings.

I would like to commend the chairman and members of the Committee on Merchant Marine and Fisheries for their diligent and concerned efforts on this jointly referred legislation, and also the efforts of my colleague from Alaska, Mr. YOUNG, who came in front of our subcommittee and made a very, very excellent presentation.

Mr. Speaker, I believe that H.R. 1202 would provide an equitable means of managing the fish and wildlife resources on our military bases, while recognizing the needs of national defense.

I urge its passage.

● Mr. JONES of North Carolina. Mr. Speaker, I rise in strong support of H.R. 1202, legislation to amend the Sikes Act and reauthorize it through fiscal year 1988. I would also like to take this opportunity to commend my colleague and friend, the Honorable DON YOUNG, who initiated the proposed changes to the act.

The Sikes Act, as passed by Congress in 1960, authorized the Secretary of Defense to carry out a program of planning, development, maintenance, and coordination of wildlife, fish, and game conservation on military lands pursuant to cooperative plans agreed to by the Secretary of the Interior and the appropriate State fish and wildlife agency. To date, more than 19 million acres have been covered by these cooperative plans.

In 1974, Congress amended the act to include development of cooperative plans to manage fish and wildlife resources on other public lands, such as Forest Service lands.

H.R. 1202 would extend the current annual authorization of $1.5 million for the Secretary of Defense and $3 million for the Secretary of the Interior through fiscal year 1988 to carry out the provisions of the Sikes Act on military lands. It also extends the current annual authorization of $10 million for the Secretary of the Interior and $12 million for the Secretary of Agriculture through fiscal year 1988 to carry out the provisions of the Sikes Act on other public lands.

Amendments to the act would further strengthen it by requiring that plans be developed for each military reservation in cooperation with all the appropriate State and Federal parties and that Federal and State agencies with expertise in fish and wildlife management be given priority in any contracting.

Finally, the legislation would modify the existing timber reserve account to permit all proceeds received from the sale of forest products to be used for management of all natural resources, rather than just forestry.

This legislation was reported by unanimous voice vote by both the Merchant Marine and Fisheries Committee and the Armed Services Committee. It is a good, solid piece of conservation legislation which I urge my colleagues to support.●

Mr. BREAUX. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. YOUNG of Alaska. Mr. Speaker, I have no requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Louisiana [Mr. BREAUX] that the House suspend the rules and pass the bill, H.R. 1202, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title of the bill was amended so as to read: "A bill to enhance the carrying out of fish and wildlife conservation and natural resource management programs on military reservations, and for other purposes."

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BREAUX. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 1202, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

AUTHORIZATION FOR CERTAIN COMPONENTS OF THE NATIONAL WILDLIFE REFUGE SYSTEM

Mr. BREAUX. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1789) relating to the authorization of appropriations for certain components of the National Wildlife Refuge System, as amended.

The Clerk read as follows:

H.R. 1789

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. BON SECOUR NATIONAL WILDLIFE REFUGE.

Section 5(1) of the Act entitled "An Act to establish the Bon Secour National Wildlife Refuge", approved June 9, 1980 (Public Law 96-267, 94 Stat. 484) is amended to read as follows:

"(1) $15,300,000 for the period beginning October 1, 1985, for the acquisition of the refuge; and".

SEC. 2. TENSAS RIVER NATIONAL WILDLIFE REFUGE.

Section 5 of the Act entitled "An Act to establish the Tensas River National Wildlife Refuge", approved June 28, 1980 (Public Law 96-285, 94 Stat. 597) is amended to read as follows:

"SEC. 5. For purposes of carrying out this Act, there are authorized to be appropriated—

"(1) beginning October 1, 1985, not to exceed $10,000,000 to the Department of the Interior; and

"(2) beginning October 1, 1980, not to exceed $40,000,000 to the Department of the Army.

These sums are to remain available until expended.".

SEC. 3. BOGUE CHITTO NATIONAL WILDLIFE REFUGE.

Section 5 of the Act entitled "An Act to establish the Bogue Chitto National Wildlife Refuge", approved June 28, 1980 (Public Law 96-288, 94 Stat. 604) as amended—

(1) by striking out "beginning October 1, 1980";

(2) by amending subsection (a) to read as follows:

"(a) beginning October 1, 1985, $10,000,000 for the acquisition of lands and interests therein, to remain available until expended; and"; and

(3) by amending subsection (b) to read as follows:

"(b) $1,000,000 for construction of the refuge headquarters and boat launching facilities and the accomplishment of boundary surveys, to remain available until expended.".

SEC. 4. TINICUM NATIONAL ENVIRONMENTAL CENTER.

Section 1 of the Act entitled "An Act to provide for additional authorization of appropriations for the Tinicum National Environmental Center", approved July 25, 1980 (Public Law 96-315, 94 Stat. 957) is amended by striking out "September 30, 1985" and inserting in lieu thereof "expended".

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Louisiana [Mr. BREAUX] is recognized for 20 minutes and the gentleman from Alaska [Mr. YOUNG] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Louisiana [Mr. BREAUX].

Mr. BREAUX. Mr. Speaker, H.R. 1789 would extend the authorization for four units of the National Wildlife Refuge System. The four refuges include the Tensas River and Bogue Chitto National Wildlife Refuges in Louisiana, the Bon Secour National Wildlife Refuge in Alabama and the

Tinicum Environmental Center in Pennsylvania.

The Tensas River National Wildlife Refuge encompasses almost 50,000 acres of bottomland hardwoods in northeast Louisiana. Most of this refuge was purchased by the Corps of Engineers as a "mitigation bank" to provide mitigation for a number of projects along the Red River. This approach allowed us to save one of the last large areas of hardwood bottomlands while at the same time providing for the appropirate environmental balance for important flood control and navigation projects.

The Tensas Refuge provides habitat for a viable population of black bears and large populations of game animals, including turkey, deer, and fox. Migratory waterfowl use the area as wintering habitat and more than 70 species of nongame birds have been recorded. H.R. 1789 would provide for an additional $10 million for acquisition of bottomland hardwood wetlands, a type of habitat that is critical to our wintering waterfowl. The money would be available until expended.

The Bogue Chitto National Wildlife Refuge protects a unique backwater swamp area along the lower Pearl River in Louisiana and Mississippi. Because of its proximity to New Orleans, it provides a unique natural environment for public recreation and natural resource education. A total of 150 bird species use the refuge for breeding or wintering habitat, in addition to a number of mammals, including bobcat and river otter. H.R. 1789 would provide for an additional $10 million for acquisition of lands within the refuge boundaries. The money would be available until expended.

Bon Secour Refuge was established to preserve a fragile coastal barrier habitat along the Alabama gulf coast. It contains one of the last remaining large segments of undeveloped beaches and dunes along the gulf coast. The diversity of habitat of the Bon Secour Refuge is matched only by the variety of fish and wildlife species found in the area. It is the last major landfall and staging area for at least 90 species of migratory birds during their transgulf fall migration and the first landfall reached upon their return in the spring. In addition, the area supports approximately 125 wintering, 100 resident and 40 nonresident nesting species of birds.

H.R. 1789 would authorize an additional $10 million for the purchase of lands within the refuge boundaries. The authorization would be available until the money is appropriated.

The Tinicum Environmental Center is a wetland refuge within the boundaries of the city of Philadelphia. It has a remarkable variety of bird life for an urban refuge and fills an important role in environmental education. H.R. 1789 would extend the current authorization until expended.

Mr. Speaker, H.R. 1789 recognizes both the value of these lands as wildlife habitat and the fact that we are in a period where the funds are limited. We have made the authorizations open-ended, available until the funds are appropriated. I would note that the bill recently reported by the Appropriation's Committee did not contain funding for any of these refuges. We believe, however, that they are important additions to our refuge system and should be acquired when funds become available. I urge my colleagues to support this legislation.

□ 1330

Mr. Speaker, I reserve the balance of my time.

Mr. YOUNG of Alaska. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 1789, which would extend the authorization for appropriations for four units of the National Wildlife Refuge System. The four units include the Tensas River and Bogue Chitto National Wildlife Refuges in Louisiana, The Bon Secour National Wildlife Refuge in Alabama, and the Tinicum National Environmental Center in Pennsylvania.

Each of these refuges has a unique quality beneficial to many wildlife species in their respective areas and make up an important component of the total National Wildlife Refuge System. They provide valuable habitat for many fish and wildlife species and provide unique opportunities for the general public to appreciate our fish and wildlife resources. Mr. Speaker, I concur with the assessment of the gentleman from Louisiana that appropriations for these refuges be made available until expended and, therefore, urge my colleagues that the four units of the National Wildlife Refuge System addressed in H.R. 1789 be reauthorized. I urge the adoption of this bill by the Members of this body.

Mr. BREAUX. Mr. Speaker, I yield such time as he may consume to the gentleman from Louisiana [Mr. HUCKABY].

Mr. HUCKABY. I thank the gentleman for yielding time to me.

Mr. Speaker, I rise in support of H.R. 1789, legislation to reauthorize certain components of the National Wildlife System. I want to particularly express my support for reauthorizing the Tensas River National Wildlife Refuge located in my Fifth Congressional District, northeast Louisiana. The original authorization for the Tensas Refuge expires at the end of this fiscal year. I believe it is critical to the enhancement and maintenance of this unique wildlife ecosystem that we reauthorize the establishment of the Tensas Refuge for acquisition and administration purposes.

Back in 1980, we initiated the establishment of the Tensas and it has been a long but steady progression toward acquiring a significant amount of some of the finest bottomland hardwood forest left in America today. Out of 25 million acres in the lower Mississippi floodplain, about 19 million has been cleared and drained for agricultural development. Much credit can be given to my esteemed colleague from Louisiana, Congressman JOHN BREAUX, and local conservationists in helping to preserve this contiguous block of land along the Tensas River with its unique fish and wildlife habitat.

The enabling legislation authorized the Secretary of the Interior to expend $10 million for land acquisition, and the U.S. Army Corps of Engineers $40 million to partially mitigate fish and wildlife resource losses in the corps' Vicksburg District. The Congress last appropriated in fiscal 1985, $12.5 million for completion of the Tensas Refuge acquisition, for a total of $47.6 million. Language was inserted in the conference report accompanying the appropriations bill requiring the corps to use savings and slippage funds of their own to bring the total expenditure up to $50 million. This amount will allow for the total purchase of approximately 51,500 to 52,000 acres. The corps has informed me that it anticipates completion of the entire Tensas Refuge acquisition process by early August of this year. The U.S. Fish and Wildlife Service is responsible for managing the refuge and is already doing so on 37,065 acres. It is expected that the remaining acreage will be transferred to the Service by October 1985.

The primary owner of this tract of land is Chicago Mill & Lumber Co., who has been willing to sell its property to the Federal Government from the onset. A total of 34 tracts amounting to 11,365 acres owned by landowners other than Chicago Mill have been identified as having potential value to the Tensas River National Wildlife Refuge. Some of these tracts are entirely within the boundaries of the refuge and some are adjacent to the refuge. All these lands are needed for boundary definition, administrative office sites, wildlife preservation, water management, public access, or for more efficient refuge management.

The Corps of Engineers intends to purchase up to six to eight of these individual private tracts before its funds are expended. The reauthorizing legislation enables the U.S. Fish and Wildlife Service to buy the remaining lands over an indefinite period of time, since they will be purchased strictly on a willing-seller basis.

H.R. 1789 authorizes $10 million to be appropriated for this additional

land acquisition, until expended. Because of everyone's concern for our soaring Federal deficit and the need for budget constraints, this amount is less than what would be needed to purchase all 34 tracts. However, I think we must assume some fiscal courage to bring Government spending under control. As such, the bill only calls for $10 million for Tensas.

Overall, this is a sound and fiscally responsible bill that protects and enhances our environmental heritage contained in our national refuges. It deserves your support and I urge that you vote for its passage.

● Mr. JONES of North Carolina. Mr. Speaker, the next bill for consideration is H.R. 1789, legislation to reauthorize four components of the National Wildlife Refuge System. This legislation was reported by unanimous voice vote by both the Subcommittee on Fisheries and Wildlife Conservation and the Environment and the full Committee on Merchant Marine and Fisheries.

Simply stated, and additional $30 million is authorized by this legislation to acquire lands which Congress included in three National Wildlife Refuges. This money would remain available until expended. The legislation also extends the current authorization of $19.5 million for the Tinicum National Environmental Center to remain available until expended.

Collectively, on these 4 refuges, there are 16 endangered or threatened species, 436 species of birds, 50 species of mammals, and 10 fish species.

The administration has proposed a 3-year moratorium on land acquisition for the Fish and Wildlife Service. I would like to point out that this legislation would have no effect on such a moratorium. The money in H.R. 1789 is authorized until expended. This simply means that whenever the funds become available, these refuge lands can be acquired without further action by Congress.

I support this bill and I strongly urge my colleagues in the House of Representatives to approve it.●

● Mr. EDGAR. Mr. Speaker, I rise in strong support of H.R. 1789, a bill to authorize funding for components of our National Wildlife Refuge System. I commend Chairman BREAUX, Chairman JONES, and the members of the Merchant Marine and Fisheries for bringing this important legislation before us today.

Section 4 of this bill contains an authorization for the Tinicum National Environmental Center in my congressional district. The Tinicum NEC, a marsh at the confluence of Darby Creek and the Delaware River, provides a safe refuge for fish and wildlife in the highly populated and industrialized Philadelphia area. Over 280 bird species have been seen at the center, with 50 species nesting there. The marsh is the only Pennsylvania location of the eastern mud turtle and the one of only three places in the State where the large red-bellied turtle is found. Both of these species are on the State endangered species list.

In addition to being a wildlife habitat, the Tinicum NEC provides an opportunity for a wildlife experience for residents of southeastern Pennsylvania, southern New Jersey, and Delaware. Tinicum had nearly 45,000 visitors in 1983, more than a twofold increase in 5 years. As Congress intended, Tinicum NEC provides high-quality programs in environmental education and wildlife-oriented recreation. Approximately 2,300 students and teachers used the center on educational outings in 1983. The programs at the Tinicum NEC reach even more students through its environmental education training program, which has graduated nearly 300 area teachers.

Mr. Speaker, the Tinicum NEC was first authorized in 1972, and was expanded in 1976 and 1977 to a total authorized acquisition area of about 1,325 acres—I was proud to be the author of Public Law 95-152, the first expansion legislation. By the end of fiscal year 1984, 898 acres had been acquired. In 1980, we authorized $19.5 million for acquisition of remaining land, construction of an educational center, and other projects. Of this sum, $9.6 million has been appropriated for acquisition and $485,000 for other development. The remaining $9.415 million is available until the end of this fiscal year, September 30, 1985.

In order to complete the Tinicum NEC, H.R. 1789 would make the $19.5 million authorized in 1980 available until expended. This amount would be sufficient to complete land acquisition and necessary projects at Tinicum.

The completion of Tinicum is even more important in light of recent events. Last year I joined local officials in urging the Environmental Protection Agency's Region III office to perform additional testing at the Clearview Landfill, located up Darby Creek from Tinicum. Local residents feared that the landfill leached toxic substances into Darby Creek and, eventually, into Tinicum marsh. Region III EPA allayed our concerns by performing soil, water, and air samples which revealed only minimal "background" levels of the PCB's and pesticides that we know are at the Clearview Landfill.

However, at the same time, the U.S. Fish and Wildlife Service sampled fishes and turtles in the marsh for traces of contamination. The results revealed action levels exceeding the standards judged acceptable by the Federal Food and Drug Administration. Because of the inconsistencies of the results, I have requested that Region III EPA investigate and determine the source of the animal contamination. Because Clearview Landfill does not seem to be the source of contamination, I have asked that they pay special attention to the possibility that toxics are leaching from the nearby Folcroft Landfill. I have also requested that the Pennsylvania State Department of Environmental Resources issue a health warning and ban fishing and swimming in the area.

Mr. Speaker, these events underline once again the fragility of our environment and the importance of preserving our natural heritage for future generations. Our work is not over when we designate an area for preservation of make it into a park. In fact, our work is just beginning. Across Pennsylvania and the Nation there are thousands of parks, refuges, and wilderness areas like Tinicum that we must continue to preserve and protect. Fifteen years ago, our Nation experienced an environmental revolution, and we passed the first group of environmental protection laws, like the Clean Water Act and the Clean Air Act. Today, however, we must work for a second environmental revolution, one which protects, the gains we have made and makes a start on solving the more hidden problems like toxic waste contamination. This is the challenge of the 1980's and 1990's.

To this end, I strongly support this bill and its goals of completing one of our most important urban wildlife refuges. Tinicum stands as a tribute to our efforts in protecting the environment in which we live while serving as a source of enjoyment and education for residents of my region. Tinicum should be preserved for future generations, and I recommend passage of H.R. 1787.●

● Mr. LIVINGSTON. Mr. Speaker, I want to express my support for H.R. 1789 which extends and amends the present authorizations which created several important national wildlife refuges, including the bogue Chitto and Tensas National Wildlife Refuges in Louisiana.

First, I would like to thank my colleague from Louisiana, Mr. BREAUX and my friend Mr. YOUNG of Alaska for the support they have given to these refuges since their inception. The passage of Public Law 96-288, which created the Bogue Chitto Refuge, was due in large part to their efforts, as well as those of our colleague, Senator J. BENNETT JOHNSTON, and our departed colleague and friend, Ed Forsythe of New Jersey. Continued support for the Bogue Chitto Refuge and valuable refuge habitats like the Tensas Wildlife Refuge in Northeast Louisiana, are very much appreciated by the people of Louisiana.

Mr. Speaker, extending and amending the current authorization for the Bogue Chitto National Wildlife

Refuge will allow the U.S. Fish and Wildlife service to continue the acquisition of valuable and rare bottomland hardwood wetlands from willing sellers. The current authorization for acquiring these lands expires September 30 of this year, so quick action is vital.

The Bogue Chitto National Wildlife Refuge is located in the Pearl River basin along the border between southern Louisiana and Mississippi. The Refuge consists primarily of low flood plain bottomland hardwood habitat in the heart of the Bogue Chitto Swamp, and has been identified by the U.S. Fish and Wildlife service as one of the most valuable, diverse, and productive wildlife habitats in the Nation. Particularly impressive is the abundance and diversity of flora and fauna it offers. Included in the rich array of wildlife are nearly 150 species of breeding and wintering birds, 47 species of mammals, 131 different reptiles and amphibians, and over 140 species of fish. The Bogue Chitto River Swamp supports tremendous populations of game species such as whitetailed deer, gray and fox squirrel, and eastern wild turkey. Furbearers found there include the raccoon, bobcat, river otter, beaver, muskrat, nutria, gray and red fox, weasel, and mink. At least 9 species of waterfowl winter in the area, and the moist wetland complex provides excellent nesting habitat for the resident wood duck.

Mr. Speaker, my chief concern in asking the House to support this reauthorization is to ensure the protection of bottomland hardwood swamp habitat of up to or near the 40,000 acres originally authorized in Public Law 96-288. As documented in the debate and legislative history on the original Bogue Chitto authorization legislation in 1980, purchase of this acreage from willing sellers should continue. Bottomland hardwood habitat is disappearing in our area of the country at a rate of 300,000 acres per year. Of the 25 million acres of forested wetlands existing just 50 years ago in the Mississippi River Delta, only about 3 million acres remain.

Since Public Law 96-288 was signed into law on June 28, 1980, annual appropriations have been approved by Congress totaling nearly $13 million for the purchase of 23,131 acres, $190,000 for initial start up costs for the refuge, and $450,000 for initial construction costs for the visitor contact station.

My conversations with local community leaders and local and regional Wildlife and Fisheries Service officials reveal that the $10 million in additional authority above what was approved in June 1980, is needed for land acquisition of approximately 8,500 more acres. Second, $400,000 in additional authority above the amount of $1 million originally authorized in Public Law 96-288 is necessary to continue construction of refuge headquarters and other facilities.

The increase in additional spending authority for land acquisition is a result of inflated land cost estimates since the original authorization of $13 million in 1980. The additional $400,000 in spending authority for construction is also inflation related, but will also allow the service to meet the final design criteria for the visitor contact station and wildlife trails for the refuge as well as meet the annual increases in refuge visits in years to come. While the committee did not include additional funds for refuge facilities and construction, these funds can be appropriated under the existing authority of the Fish and Wildlife Act of 1956 (16 U.S.C. 742) and the National Wildlife Refuge Administration Act (16 U.S.C. 668dd) this funding is critical because this refuge, only 30 miles from New Orleans, experienced a 23-percent increase in visits from 1983 to 1984.

Mr. Speaker, I urge this body to approve H.R. 1789.●

Mr. YOUNG of Alaska. Mr. Speaker, I yield back the balance of my time.

Mr. BREAUX. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Louisiana [Mr. BREAUX] that the House suspend the rules and pass the bill, H.R. 1789, as amended.

The question was taken; and (two-thirds have voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

NONGAME FISH AND WILDLIFE CONSERVATION AUTHORIZATION

Mr. BREAUX. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1406) to authorize appropriations for nongame fish and wildlife conservation during fiscal years 1986, 1987, and 1988.

The Clerk read as follows:

H.R. 1406

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 11 of the Fish and Wildlife Conservation Act of 1980 (16 U.S.C. 2910) is amended by striking out "and 1985." and inserting in lieu thereof "1985, 1986, 1987, and 1988.".

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Louisiana [Mr. BREAUX] will be recognized for 20 minutes and the gentleman from Alaska [Mr. YOUNG] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Louisiana [Mr. BREAUX].

Mr. BREAUX. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the bill before us, H.R. 1406, would reauthorize the Fish and Wildlife Conservation Act of 1980, or Nongame Act, through fiscal year 1988. This act is designed to promote the conservation of fish and wildlife species which are not normally subject to harvest for recreational or commercial purposes. These so-called nongame species make up about 90 percent of the Nation's vertebrate species of fish and wildlife.

The Nongame Act reflects a State-Federal partnership approach in the management and conservation of our valuable fish and wildlife resources. Under the act, States develop comprehensive and coordinate plans for fish and wildlife conservation. When such plans are approved by the Secretary of the Interior, the States are then eligible for partial reimbursement of the expenses associated with plan development, revision and implementation. The Nongame Act is intended to complement other existing programs, such as the Wallop-Breaux Program, which promote efforts on behalf of game species of fish and wildlife.

The U.S. Fish and Wildlife Service estimates that over 93 million Americans enjoy nongame related activities each year, and that those citizens expend over $1 billion annually on recreational activities associated with nongame species. Whether this recreation takes the form of bird watching, nature photography, or simply a stroll though the woods which is made more enjoyable by the prospect of viewing wildlife, it is important that these opportunities be maintained through the wise conservation of our fish and wildlife resources.

The bill before us today would authorize appropriations of up to $5 million annually for the next 3 fiscal years. This represents a freeze of this program at the fiscal year 1985 authorization level. The States have made great progress in developing dedicated funding sources to meet their portion of the costs which would be associated with this program. Thus far, no Federal funds have been appropriated under the Act. However, I believe that the existence of this act provides needed visibility for nongame programs and an incentive for continued development of comprehensive fish and wildlife conservation efforts. I ask my colleagues to join me in support of H.R. 1406.

Mr. Speaker, I reserve the balance of my time.

Mr. YOUNG of Alaska. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 1406, regarding the reauthorization of the Fish and Wildlife Conservation Act of 1980.

As many of my colleagues will recall, the primary initiative for this particular act was brought about by our late friend and colleague, the Honorable Ed Forsythe of New Jersey.

The primary focus of the act, which provides matching funds to the States for the development of comprehensive conservation plans for fish and wildlife, will be to species that are not hunted, the so-called nongame species. The act has the ability of providing funds for fish and wildlife species that provide recreational benefit to over 90 million people each year.

Mr. Speaker, H.R. 1406 would authorize a very modest appropration of up to $5 million per year to support implementation of the Nongame Act. This is the same authorization level that is currently in effect. Fish and wildlife are indeed a significant resource for America, and I urge my colleagues to continue to support the purposes of the act through support of H.R. 1406.

● Mr. JONES of North Carolina. Mr. Speaker, today we are considering H.R. 1406, legislation to extend the current authorization of $5 million annually for the Fish and Wildlife Conservation Act of 1980 through fiscal year 1988.

This act, commonly called the Nongame Act, is designed to promote the conservation of fish and wildlife species which are not normally subject to harvest for recreation, food, or fur.

Under this act, the States prepare conservation plans and, upon approval by the Secretary of the Interior, would receive matching funds from the Federal Government as reimbursement for the development and implementation of the plans. However, there has been no funding for this act to date, so the States have not received any matching money. Despite this lack of Federal assistance, the States have made a major effort to prepare plans and promote protection of nongame species. By extending this authorization, we can encourage a continuation of their efforts and follow through on our commitment to the States at a time when we are asking them to assume more financial responsibility in all areas.

Both the Subcommittee on Fisheries and Wildlife Conservation and the Environment and the full Merchant Marine and Fisheries Committee unanimously reported this bill. I wholeheartedly support it and recommend that H.R. 1406 pass the House of Representatives.●

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. BREAUX. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offerd by the gentleman from Louisiana [Mr. BREAUX] that the House suspend the rules and pass the bill, H.R. 1406

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BREAUX. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

NATIONAL AQUACULTURE IMPROVEMENT ACT OF 1985

Mr. BREAUX. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1544) to authorize appropriations to carry out the National Aquaculture Act of 1980 during fiscal years 1986, 1987, and 1988, as amended.

The Clerk read as follows:

H.R. 1544

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Aquaculture Improvement Act of 1985".

SEC. 2. FINDINGS, PURPOSE, AND POLICY.

Section 2 of the National Aquaculture Act of 1980 (which Act is hereinafter referred to as the "Act of 1980") (16 U.S.C. 2801) is amended—

(1) by amending subsection (a)(3)—

(A) by striking out "10 per centum" and inserting in lieu thereof "13 percent", and

(B) by striking out "3 per centum" and inserting in lieu therof "6 percent";

(2) by amending subsection (a)(7) by inserting "scientific," before "economic,", and by inserting "the lack of supportive Government policies," immediately after "management information,";

(3) by amending subsection (b)—

(A) by striking out "and" at the end of paragraph (2),

(B) by redesignating paragraph (3) as paragraph (4), and

(C) by inserting after paragraph (2) the following new paragraph:

"(3) establishing the Department of Agriculture as the lead Federal agency with respect to the coordination and dissemination of national aquaculture information by designating the Secretary of Agriculture as the permanent chairman of the coordinating group and by establishing a National Aquaculture Information Center within the Department of Agriculture; and"; and

(4) by amending subsection (c) by inserting "for reducing the United States trade deficit in fisheries products," immediately after "potential" in the first sentence.

SEC. 3. DEFINITIONS.

(1) Section 3 of the Act of 1980 (16 U.S.C. 2802) is amended—

(1) by redesignating paragraph (8) as paragraph (9); and

(2) by inserting after paragraph (7) the following new paragraph:

"(8) The term 'Secretary' means the Secretary of Agriculture.".

SEC. 4. NATIONAL AQUACULTURE DEVELOPMENT PLAN.

Section 4 of the Act of 1980 (16 U.S.C. 2803) is amended as follows:

(1) Subsection (a) is amended—

(A) by striking out "Secretaries" each place it appears in paragraph (2) and inserting in lieu thereof "Secretary";

(B) by amending the first sentence of paragraph (2) by inserting "the Secretary of Commerce and the Secretary of the Interior," immediately after "shall consult with".

(C) by striking out paragraph (3).

(2) Subsection (b) is amended—

(A) by inserting "to" immediately after "determine" in paragraph (1);

(B) by striking out "Secretaries deem" in paragraph (6) and inserting in lieu thereof "Secretary deems"; and

(C) by striking out "Secretaries" in the matter following paragraph (6) and inserting in lieu thereof "Secretary".

(3) Subsection (c) is amended—

(A) by striking out "Secretaries determine" in paragraph (1) and inserting in lieu thereof "Secretary determines";

(B) by striking out "and" at the end of subparagraph (A);

(C) by striking out the period at the end of subparagraph (B) and inserting in lieu thereof "; and"; and

(D) by inserting immediately after subparagraph (B) the following new subparagraph:

"(C) the concurrence of the Secretaries.".

SEC. 5. FUNCTIONS AND POWERS OF SECRETARIES.

Section 5 of the Act of 1980 (16 U.S.C. 2804) is amended as follows:

(1) Subsection (c) is amended to read as follows:

"(c) INFORMATION SERVICES.—(1) In addition to performing such other mandatory functions under this Act—

"(A) the Secretaries shall collect and analyze scientific, technical, legal, and economic information relating to aquaculture, including acreages, water use, production, marketing, culture techniques, and other relevant matters;

"(B) the Secretary shall—

"(i) establish, within the Department of Agriculture, a National Aquaculture Information Center that shall serve as a repository for the information generated under subparagraph (A) and other provisions of this Act and shall, on a request basis, make that information available to the public,

"(ii) arrange with foreign nations for the exchange of information relating to aquaculture and support a translation service, and

(iii) conduct a study of the extent to which the United States aquaculture industry has access to relevant Federal programs which assist the agricultural sector and report to Congress on the findings of such study by December 31, 1986;

"(C) the Secretary of Commerce shall conduct a study, and report to Congress thereon by December 31, 1987, to determine whether existing capture fisheries could be adversely affected by competition from products produced by commercial aquacultural enterprises and include in such study an assessment of any adverse effect, by species and by geographical region, on such fisheries and recommend measures to ameliorate any such effect; and

"(D) the Secretary of the Interior, in consultation with the Secretary of Commerce, shall undertake a study, and report to Con-

gress thereon by December 31, 1987, to identify exotic species introduced into the United States waters as a result of aquaculture activities, and to determine the potential benefits and impacts of the introduction of exotic species.

"(2) Any production information submitted to the Secretaries under paragraph (1)(A) shall be confidential and may only be disclosed if required under court order. The Secretaries shall preserve such confidentiality. The Secretaries may release or make public any information in any aggregate or summary form that does not directly or indirectly disclose the identity, business transactions, or trade secrets of any person who submits such information.".

(2) Subsection (d) is amended—

(A) by striking out "Secretaries" each place it appears and inserting in lieu thereof "Secretary";

(B) by inserting "and in consultation with the Secretary of Commerce and the Secretary of the Interior," immediately after "group" in the first sentence;

(C) by striking out "under section 4(d)" in the second sentence;

(D) by striking out "deem" in the second sentence and inserting in lieu thereof "deems"; and

(E) by striking out the last sentence and inserting in lieu thereof "The first report required under this subsection shall be submitted to Congress by February 1, 1987, and subsequent reports on February 1 of every other year thereafter.".

SEC. 6. COORDINATION OF NATIONAL ACTIVITIES REGARDING AQUACULTURE.

Section 6 of the Act of 1980 (16 U.S.C. 2805) is amended as follows:

(1) Subsection (a) is amended by inserting ", who shall be the permanent chairman of the coordinating group" immediately after "Agriculture" in paragraph (1).

(2) Subsection (c) is repealed.

(3) Subsections (d), (e), and (f) are redesignated as subsections (c), (d), and (e), respectively.

(4) Subsection (e) (as redesignated) is amended—

(A) by striking out "subsection (d)" in the second sentence and inserting in lieu thereof "subsection (c)".

SEC. 7. AUTHORIZATION OF APPROPRIATIONS.

Section 10 of the Act of 1980 (16 U.S.C. 2809) is amended by striking out "1985" in each of paragraphs (1), (2), and (3) and inserting in lieu thereof "1985, and $1,000,000 for each fiscal years 1986, 1987, and 1988".

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The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Louisiana [Mr. BREAUX] will be recognized for 20 minutes and the gentleman from Alaska [Mr. YOUNG] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Louisiana [Mr. BREAUX].

Mr. BREAUX. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the next bill is H.R. 1544, the National Aquaculture Improvement Act of 1985 which was also unanimously reported to the House by the Committee on Merchant Marine and Fisheries. I believe this legislation represents a well-planned and fiscally conservative investment in what is a very promising U.S. industry. The U.S. aquaculture industry has enormous potential for providing high protein food, augmenting natural fishery stocks, and for supporting various commercial enterprises such as bait and pet suppliers. Aquaculture has also begun to provide a much needed supplementary income and viable alternative to many traditional farmers facing a very uncertain economic future. Confronting an apparent shift in Federal agricultural assistance policy many farmers in my home State of Louisiana, for example, are rapidly shifting production from rice to crawfish and catfish.

Because this infant industry is so diverse and is comprised of many small-scale operations, H.R. 1544 would establish a National Aquaculture Information Center to serve as a clearinghouse for information and as a central contact point for the industry. The U.S. Department of Agriculture would operate the Center and would be designated as the lead agency in the previously established Interagency Joint Subcommittee on Aquaculture. H.R. 1544 would also ensure that the status of the industry is monitored and that priority research is continued within the U.S. Fish and Wildlife Service and the National Marine Fisheries Service.

In order to ensure that aquaculture development in the United States is achieved in the most constructive manner, the bill further directs that studies be conducted to assess the relationship between aquaculture production and more traditional means of seafood production, and on the effects of introducing exotic species into U.S. waters.

Mr. Speaker, H.R. 1544 would provide for the authorization of $1 million each for the Departments of Agriculture, Commerce, and the Interior for each of fiscal years 1986, 1987, and 1988. These expenditures represent a minor Federal investment which will help diversify and promote significant returns to both the agricultural and fisheries sectors of our economy. Expanded domestic aquaculture production may also contribute to the reduction of the $5 billion annual trade deficit we currently generate in fisheries products. I urge my colleagues here today to join me in supporting this important piece of legislation.

● Mr. DE LA GARZA. Mr. Speaker, I rise in support of H.R. 1544, the National Aquaculture Improvement Act of 1985. This act does two principal things: First, it extends the authorization for appropriations for the National Aquaculture Act of 1980 through fiscal years 1986, 1987, and 1988; and second, it amends the 1980 act to provide a better coordinated role for the Federal Government in promoting the development of the U.S. aquaculture industry to fully realize the potential for aquaculture development in this Nation.

Mr. Speaker, this legislation is the product of cooperative efforts by the Committee on Merchant Marine and Fisheries and the Committee on Agriculture from years past to the present.

H.R. 1544 reflects the combined views and agreements of the membership of our respective committees. It is a pleasure to bring this floor H.R. 1544 that takes into consideration the deverse interests, factors, and parties, resolves all differences, and results in a bill acceptable to all.

Mr. Speaker, first of all, I want to compliment my distinguished colleagues from the Committee on Merchant Marine and Fisheries—especially Mr. BREAUX, the very able chairman of the Subcommittee on Fisheries and Wildlife Conservation and the Environment, and the ranking minority member, Mr. DON YOUNG. Their interest in this legislation and their commitment to further the growth and development of a domestic aquaculture industry is to be commended. I had the privilege and the pleasure of testifying before their subcommittee when this legislation was being originally considered as H.R. 2676. It is important to note that although this legislation gives the Department of Agriculture the lead role in acquaculture, it nevertheless continues to protect the rights, interests, and roles of the Departments of Commerce and the Interior. Once again, I want to thank these gentlemen and their colleagues on the full committee, for their dedication and spirit of cooperation in helping us to bring this legislation to the House.

Now I would like to briefly explain why we are proposing changes in the 1980 act.

The 1980 act was written at a time when there was no clear Federal aquaculture program. There was no clearly understood policy for coordinating the research and development activities necessary for a healthy and viable aquaculture industry. It now seems clear that in drafting that pioneering law, Congress made the mistake of failing to concentrate responsibility for the new Federal effort in a single place.

The 1980 act made three officials—the Secretaries of Agriculture, Commerce, and Interior—equally responsible for developing, implementing, and coordinating Federal aquaculture policy. But one of the lessons that history teaches us is that when a lot of people are in charge, nobody is really in charge. The failure to centralize the direction of the Federal effort in aquaculture has become a substantial barrier to the effective implementation of the act. The result has been that no agency has taken the initiative to encourage and facilitate an effective Federal aquaculture program.

In the opinion of our Committee on Agriculture—an opinion shared by the

Committee on Merchant Marine and Fisheries—H.R. 1544 embodies a better way to get the job done.

The key to developing a really effective Federal effort to support private industry to developing aquaculture lies in providing better coordination and leadership. This is what the National Aquaculture Improvement Act of 1985 does.

First, H.R. 1544 moves to provide both improved coordination and leadership by selecting a single Federal official to take the lead in coordinating Government operations under the act. This official will be the Secretary of Agriculture. In addition, the bill requires the Secretary of Agriculture to establish a National Aquaculture Information Center that will serve as a repository for scientific, technical, legal, and economic information relating to aquaculture, including acreages, water use, production, marketing, culture techniques, and other relevant matters, which, upon request, shall be made available to the public.

While the pending legislation designates the Department of Agriculture as the lead agency for aquaculture programs, this bill also maintains important roles for the Departments of Commerce and the Interior. They must be encouraged to carry out their responsibilities and every effort must be made to be sure that Federal support for aquaculture is carried out in a manner which is fair to all geographical areas and which deals equitably with both warm and estuarine species.

Mr. Speaker, some may ask, "What is so important about developing a domestic aquaculture industry?" The answer is simple. It is important because development of this industry can create jobs and can bring substantial benefits to consumers and the national economy. At present, our fishery industries do not supply our full domestic demand, and we have a very great trade deficit in fishery products. If aquaculture production is fully developed in the United States, it can cut that trade deficit and can provide more ample consumer supplies at reasonable prices. Beyond that, the products of aquaculture can be a great strategic resource—they can play a major role in the years ahead in meeting the world's constantly growing protein needs.

Mr. Speaker, I urge the Members to join me in support of H.R. 1544, as amended.●

Mr. BREAUX. Mr. Speaker, I reserve the balance of my time.

Mr. YOUNG of Alaska. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the bill before us today, H.R. 1544, the National Aquaculture Act.

The National Aquaculture Act of 1980 was enacted for the purpose of promoting Aquaculture in the United States. This has been accomplished, to a certain degree, despite the lack of appropriations and the lack of administration support.

The National Aquaculture Act states that "it is the national policy to encourage the development of aquaculture in the United States," and further that "a principal responsibility for the development of aquaculture in the United States must rest with the private sector."

The private sector has made great strides in aquaculture in the past few years by almost doubling production since 1980. This is a significant accomplishment, but does not mean the objectives of the act have been met. The Government has acted as a catalyst for private sector initiatives by providing support through research and extension services. A continued Federal role through reauthorization of the National Aquaculture Act can go a long way in supporting and encouraging development of the aquaculture industry.

The bill before us contains one amendment which was adopted unanimously by the Merchant Marine and Fisheries Committee. The amendment established the Department of Agriculture as the lead agency with respect to aquaculture and, within that department, established a National Aquaculture Information Center to coordinate and collect all types of information related to aquaculture.

This is an important change in the original law because there is a need for information to be made available to the aquaculture industry in one centralized location. This will alleviate the problem of wasting both time and money in the search for information.

With appropriate consideration and support, the aquaculture industry will continue to develop, and thus supply new jobs, replenish our fisheries, and help reduce the staggering trade deficit in fishery products.

H.R. 1544, as amended, strengthens the National Aquaculture Act and succeeds in making it a more effective piece of legislation. I urge my colleagues to support the passage of this bill.

● Mr. JONES of North Carolina. Mr. Speaker, I rise in support of H.R. 1544, the National Aquaculture Improvement Act of 1985.

Aquaculture is a growing industry in the United States. This industry is capable of creating new jobs and has the potential to help decrease our trade deficit in fisheries products which was $5 billion in 1984.

The private sector has made great strides in aquaculture over the past few years, particularly regarding those species for which the Federal Government funded and carried out fundamental aquaculture research and development.

This bill would designate the Department of Agriculture as the lead Agency in coordinating aquaculture activities and collecting and disseminating aquaculture information. An Aquaculture Information Center would also be created within the USDA. This bill would authorize a total of $3 million in each fiscal year, divided equally among the Departments of Commerce, Interior, and Agriculture.

A continued Federal role could stimulate further development of the U.S. aquaculture industry and, for that reason, I encourage my colleagues to support this bill.●

● Mr. FIELDS. Mr. Speaker, as a consponsor of H.R. 1544, I am pleased that we are considering this bill to reauthorize and improve the National Aquaculture Act of 1980.

The purpose of this legislation is to extend this important act for 3 additional years and to facilitate aquaculture development in this Nation.

Mr. Speaker, aquaculture has the potential to satisfy the nutritional needs of millions of Americans, to create thousands of new jobs, and to reduce our huge trade deficit which includes some $4.9 billion in imported fisheries products.

While I am disappointed that the administration has decided not to support H.R. 1544, our subcommittee did receive testimony from administration witnesses which indicated there should be a Federal presence for aquaculture coordination.

Mr. Speaker, I believe it serves no useful purpose to return to those days prior to the National Aquaculture Act, when there was no Federal agency nor department where a potential aquaculturalist could obtain some basic information of a technical or economic nature.

Since the enactment of Public Law 96-362, U.S. aquaculture production has increased from 94,000 metric tons in 1980 to about 208,000 metric tons in 1983. While these figures are far below aquaculture production in a number of foreign countries, U.S. aquaculture production does account for about 11 percent of our total edible fish and shellfish products. This is a significant increase from the 3 percent figure in 1980.

On an annual basis, the U.S. aquaculture industry is producing some 220 million pounds of catfish, 60 million pounds of crawfish, 50 million pounds of trout, 23 million pounds of oyster meat, 20 million pounds of Pacific salmon, 1.6 million pounds of clam meat, 775,000 pounds of mussel meat, and 275,000 pounds of freshwater prawns.

In my own State of Texas, the aquaculture industry, while still in its infancy, has made great strides in crawfish and shrimp farming. Within the

next 3 years, it is anticipated that you will see the growth of a $10 million industry which will produce between 500,000 and 1 million pounds of shrimp.

While this may cause some heartache among various fishermen, this concern is unfounded. Aquaculture is not the enemy nor a competitor of those Americans who make a living harvesting products from the waters off our shores.

The common enemy is the more than $5 billion worth of fish and seafood products we import from the nations of the world and the thousands of American jobs and incomes that figure represents.

Mr. Speaker, during our committee consideration of H.R. 1544, our distinguished Subcommittee Chairman, JOHN BREAUX offered a substitute amendment to further refine and improve this proposal.

I strongly supported this amendment which designated the Department of Agriculture as the lead Federal agency for aquaculture development and established a National Aquaculture Information Center to coordinate the dissemination of scientific, technical, legal, and economic information.

At the same time, this amendment was drafted to reflect our current budgetary problems. H.R. 1544 authorized $3 million a year for aquaculture assistance, which is a 40-percent reduction from its existing statutory authority.

Mr. Speaker, this small amount of Federal support is needed to facilitate additional aquaculture research, to keep and distribute appropriate statistical data, to update the national aquaculture development plan and to assist this new industry in developing proper marketing strategies for its food products.

It is my firm belief that with this small Federal investment of $3 million each year, our Nation can enjoy the tremendous potential benefits that aquaculture has to offer.

Aquaculture can and should play an increasingly important role in meeting the future food needs of both this Nation and the world.

Mr. Speaker, I urge my colleagues to join with me in strongly supporting the passage of H.R. 1544, the National Aquaculture Improvement Act of 1985.

Thank you, Mr. Speaker.●

● Mr. ROBERTS. Mr. Speaker, as the ranking member of the Subcommittee on Department Operations, Research, and Foreign Agriculture of the Committee on Agriculture, I wish to comment on this bill because aquaculture is a matter that is jurisdictionally shared by the Committee on Agriculture and the Committee on Merchant Marine and Fisheries.

This bill continues the provisions of the National Aquaculture Act of 1980 with certain amendments such as that which establishes the U.S. Department of Agriculture as the lead agency for coordinating and carrying out the Federal Government's various functions under the act and authorizes USDA to establish a National Aquaculture Information Center.

Somewhat similar legislation was considered in the 98th Congress that was objected to by one of the committees in the other body that had jurisdiction over the legislation. The Committee on Agriculture had reported favorably on that bill (H.R. 2676, H. Rept. 98-155, Pt. 2).

The controversial "board" provided for in H.R. 2676 that the other body objected to in the 98th Congress has been dropped from H.R. 1544.

I believe that if this legislation is to be enacted into law that the U.S. Department of Agriculture is the proper agency to exercise that authority. While our committee did not claim sequential referral of this bill, I commend my colleagues on the Committee on Merchant Marine and Fisheries for resolving the "dead agency" authority in favor of the U.S. Department of Agriculture.

However, I do not consider that I should comment on the funding provided for in this bill because it was not referred to our committee and I have not examined the issue in detail. I should point out to my colleagues that the "catfish" that is one of the primary aquaculture products contributing to substantial aquaculture growth in this country since 1980 is the State fish of the great State of Kansas.●

Mr. YOUNG of Alaska. Mr. Speaker, I yield back the balance of my time.

Mr. BREAUX. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Louisiana [Mr. BREAUX] that the House suspend the rules and pass the bill, H.R. 1544, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title of the bill was amended so as to read: "A bill to authorize appropriations to carry out the National Aquaculture Act of 1980 during fiscal years 1986, 1987, and 1988, and for other purposes."

A motion to reconsider was laid on the table.

PARLIAMENTARY INQUIRY

Mr. BREAUX. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. BREAUX. Mr. Speaker, I would like to know if I insert the remarks of the gentleman from Texas [Mr. DE LA GARZA] the chairman of the full House Agriculture Committee, would the remarks be included in the body of the debate on the bill?

The SPEAKER pro tempore. Under general leave, the gentleman is absolutely correct.

Mr. BREAUX. I thank the Chair.

GENERAL LEAVE

Mr. BREAUX. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana.

There was no objection.

INTERJURISDICTIONAL FISHERIES RESEARCH ACT OF 1985

Mr. BREAUX. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1028) to promote and encourage management of priority interjurisdictional fishery resources, as amended.

The Clerk read as follows:

H.R. 1028

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Interjurisdictional Fisheries Research Act of 1985".

SEC. 2. PURPOSES.—The purposes of this Act are—

(1) to promote and encourage State research in support of the management of priority interjurisdictional fishery resources; and

(2) to promote and encourage management of priority interjurisdictional fishery resources throughout their range.

SEC. 3. DEFINITIONS.—For the purposes of this Act:

(1) The term "Federal fishery management plan" means a plan developed pursuant to "An Act to provide for the conservation and management of the fisheries, and for other purposes", approved April 13, 1976 (Public Law 94-265; 90 Stat. 331 et seq.).

(2) The term "fishery resource" means finfish, mollusks, crustaceans, and any other form of marine animal or plant life, other than marine mammals and birds.

(3) The term "interjurisdictional fishery resource" means—

(A) a fishery resource for which there exists a Federal fishery management plan and for which a fishery occurs in waters under the jurisdiction of one or more States and the Exclusive Economic Zone established by Proclamation Numbered 5030, dated March 10, 1983;

(B) a fishery resource for which there exists an interstate fishery management plan; or

(C) a fishery resource which migrates between the waters under the jurisdiction of two or more States bordering on the Great Lakes.

For purposes of applying section 5 during fiscal year 1986, a Federal fishery management plan or an interstate fishery management plan for the fishery resource need not be in existence, but a plan of either kind for that resource must be in the development process during that year.

(4) The term "interstate fishery management plan" means a plan for managing fisheries developed and adopted by an interstate commission.

(5) The term "interstate commission" means a commission or other administrative body established by an interstate compact.

(6) The term "interstate compact" means a compact that has been entered into by two or more States, established for the purposes of conserving and managing interjurisdictional fishery resources throughout their range, and consented to and approved by Congress.

(7) The term "project" means a program for research in support of the management of an interjurisdictional fishery resource.

(8) The term "Secretary" means the Secretary of Commerce.

(9) The term "State" means any of the several States of the United States, the Commonwealth of Puerto Rico, American Samoa, the Virgin Islands, Guam, or the Northern Mariana Islands.

(10) The term "State agency" means any department, agency, commission, or official of a State authorized under the laws of the State to regulate commercial fisheries.

SEC. 4. APPORTIONMENT.—(a)(1) Funds appropriated under section 8(a) of this Act shall be apportioned by the Secretary among the States on October 1 of each fiscal year, or as soon thereafter as practicable. The amount of funds apportioned to each State shall be determined by the Secretary as the ratio which the equally weighed average of the volume and value of fishery resources harvested by domestic commercial fishermen and received within such State during the three most recent calendar years for which data satisfactory to the Secretary are available bears to the total equally weighted average of the volume and value of all fishery resources harvested by domestic commercial fishermen received within all of the States during those calendar years.

(2) No State may receive an apportionment under this subsection for any fiscal year if the equally weighted average of the volume and value of fishery resources harvested by domestic commercial fishermen and received within such State during the three most recent calendar years for which data satisfactory to the Secretary are available is less than one-tenth of 1 per centum of the total equally weighted average of the volume and value of all fishery resources harvested by domestic commercial fishermen and received within all of the States during those three calendar years unless—

(A) the State is a signatory to an interstate fishery compact; or

(B) the State borders one or more of the Great Lakes.

(3) No State which is a signatory to an interstate fishery compact, or which borders one or more of the Great Lakes, may receive an apportionment for any fiscal year under this subsection which is less than 1 per centum of the total amount of funds available for apportionment for that fiscal year.

(4) No State may receive an apportionment for any fiscal year under this subsection which is more than 6 per centum of the total amount of funds available for apportionment for such fiscal year.

(b) Any part of an apportionment for any fiscal year to any State—

(1) that is not obligated during that year;

(2) with respect to which the State notifies the Secretary that it does not wish to receive that part; or

(3) that is returned to the Secretary by the State—

may not be considered to be apportioned to that State and shall be added to such funds as are appropriated pursuant to section 8(a) for the next fiscal year (and shall be treated as having been appropriated for such next year) for apportionment under subsection (a). Any notification or return of funds referred to in paragraph (2) and (3) by a State is irrevocable.

SEC. 5. STATE PROJECTS.—(a)(1) Any State may, through its State agency or an interstate commission, submit to the Secretary a proposal for a project which includes full plans, specifications, and cost estimates for such project. The total cost of all items included for engineering, planning, inspection, and unforeseen contingencies in connection with any works to be constructed as part of such a proposed project shall not exceed 10 per centum of the total cost of such works, and shall be paid by the State as a part of its contribution to the total cost of the works.

(2) No part of any funds appropriated under any authorization contained in section 8 may be obligated with respect to any project until the proposal for such project has been submitted under paragraph (1) and approved by the Secretary. The Secretary, before approving any proposal for a project, must evaluate the proposal as to—

(A) the soundness of design;

(B) the possibilities of securing productive results;

(C) the minimization of duplication with other research projects in support of the management of interjurisdictional fishery resources and carried out under this Act or under any other law or regulation;

(D) the organization and management of the project;

(E) the methods proposed for monitoring and evaluating the success or failure of the project;

(F) the consistency of the project with the purposes of this Act specified in section 2; and

(G) such other criteria as the Secretary may prescribe.

(3) The Federal share of the cost of any project conducted pursuant to this Act shall not exceed 75 per centum of the total estimated cost of the project unless—

(A) the State has adopted the interstate fishery management plan for the resource to which the project applies; or

(B) the State has adopted fishery regulations which the Secretary has determined are consistent with the Federal fishery management plan for the species to which the project applies;

in which case the Federal share shall not exceed 90 per centum of the total estimated cost of the project.

(4)(A) If the Secretary approves or disapproves a proposal for a project, he shall promptly give written notification, including, if disapproved, a detailed explanation of the reasons for the disapproval, to the State agency submitting the proposal or, if the proposal is submitted through an interstate commission, such commission and the State.

(B) For the purposes of this Act, funds apportioned under this section to any State shall be treated as having been obligated with respect to a project during the fiscal year in which the written notification of approval required under subparagraph (A) for the project proposal is made.

(b) The expenditure of funds under this Act shall be applied only to projects for which a proposal has been approved under subsection (a), and if otherwise applied such funds shall be replaced by the State before the State may receive any additional funds under this Act.

(c) When the Secretary determines that a project carried out under a proposal approved by him has been completed, or where he otherwise deems it appropriate, he shall cause to be paid to the proper authority of the State, or to the official or depository designated by the interstate commission if the State agency specifies that payment is to be made to the interstate commission, the Federal share of the project. Any payment made to an interstate commission shall be charged against the apportionment of the State concerned.

SEC. 6. PROPERTY.—(a) All work, including the furnishing of labor and materials, needed to complete any project approved by the Secretary shall be performed in accordance with applicable Federal and State laws under the direct supervision of the State agency, and in accordance with regulations as the Secretary may prescribe. Title to all property, real and personal, acquired for the purposes of completing any project approved by the Secretary, vests in the State.

(b) If a State disposes of any real or personal property acquired under this chapter, the State shall pay into the Treasury of the United States the amount of any proceeds resulting from the property disposed to the extent of and in the same ratio that funds provided by this chapter were used in the acquisition of the property. In no case shall the amount paid into the Treasury of the United States under this section exceed the amount of funds provided by this chapter for the acquisition of the property involved.

SEC. 7. REPORTS.—After consultation with the States receiving funds under this Act and with any interstate commission involved in carrying out a project under this Act, the Secretary shall submit to the Committee on Merchant Marine and Fisheries of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate not later than ninety days after the end of the fiscal year 1987, and each second fiscal year occurring after that fiscal year, a report which contains—

(1) a description of each project receiving funds under this Act during the last two fiscal years ending before such report is submitted;

(2) a specification of the total amount of funds from the Federal Government and the total amount of funds from each State spent on each project receiving funds under this Act during the last two fiscal years ending before such report is submitted;

(3) an assessment of each project receiving funds under this Act during the last two fiscal years ending before such report is submitted to determine whether such project is furthering the purposes of this Act; and

(4) a statement specifying all funds which have been apportioned pursuant to section 5(a) and are available for obligation by a State or the Secretary but which have not been obligated.

SEC. 8. AUTHORIZATION OF APPROPRIATION.—(a) There are authorized to be appropriated to the Department of Commerce for apportionment to carry out the purposes of this Act $5,000,000 for each of fiscal years 1986, 1987, and 1988.

(b) In addition to the amounts authorized in subsection (a), there are authorized to be appropriated to the Department of Commerce $2,500,000 for each of fiscal years 1986, 1987, and 1988, which shall be available in such amounts as the Secretary may determine appropriate for the purposes of this Act: *Provided*, That the Secretary shall give a preference to those States in which he determines there is a commercial fishery failure or serious disruption affecting future

production due to a fishery resource disaster arising from natural or undetermined causes in providing funds to States under this subsection, and any sums made available under this subsection may be used either by the States or directly by the Secretary in cooperation with the States for any purpose that the Secretary determines is appropriate to restore the fishery affected by such failure or to prevent a similar failure in the future: *Provided further*, That the funds authorized to be appropriated under this subsection shall not be available to the Secretary for use as grants for chartering fishing vessels. Amounts appropriated pursuant to this subsection shall remain available until expended.

(c) In addition to the amounts authorized under subsections (a) and (b), there are authorized to be appropriated to the Department of Commerce $350,000 for each of fiscal years 1986, 1987, and 1988 to support the efforts of the following interstate commissions to develop interstate fishery management plans for interjurisdictional fishery resources:

(1) The commission established by the Atlantic States Marine Fisheries Compact, as consented to and approved by Public Law 77-539 (56 Stat. 267), approved May 4, 1942.

(2) The commission established by the Pacific Marine Fisheries Compact, as consented to and approved by Public Law 80-232 (61 Stat. 419), approved July 24, 1947.

(3) The commission established by the Gulf States Marine Fisheries Compact, as consented to and approved by Public Law 81-66 (63 Stat. 70), approved May 19, 1949.

SEC. 9. REPEAL.—The Commercial Fisheries Research and Development Act of 1964 (16 U.S.C. 779 et seq.) is repealed.

SEC. 10. EFFECTIVE DATE.—The provisions of this Act shall take effect on October 1, 1985.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Louisiana [Mr. BREAUX] will be recognized for 20 minutes and the gentleman from Alaska [Mr. YOUNG] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Louisiana [Mr. BREAUX].

Mr. BREAUX. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the next bill I bring to the floor is H.R. 1028, the Interjurisdictional Fisheries Research Act of 1985. This bill also has been sent to the floor today with the unanimous approval of the Subcommittee on Fisheries and Wildlife Conservation and the Environment and the Committee on Merchant Marine and Fisheries.

H.R. 1028 is designed to improve through research the management of this Nation's priority interjurisdictional fishery resources. Because of their interjurisdictional nature, these valuable resources present especially complex management problems because they are often subject to a variety of inconsistent State and Federal management strategies. Some good examples are the striped bass and salmon which we all know have suffered greatly under such situations.

H.R. 1028 would repeal the existing Commercial Fisheries Research and Development Act. This 20-year-old legislation has been seriously challenged by our committee and the administration for supporting research and development projects that would be more appropriately funded by the States or the fishing industry itself. In its place, H.R. 1028 would establish a new program which would maintain a Federal partnership with the States through a matching grant program, but would stipulate that funds be applied only for research projects which are in support of the management of: First those species which migrate between State and Federal waters and for which there exists a Federal fishery management plan [FMP] developed pursuant to the Fishery Conservation and Management Act [FCMA]; second, those species which migrate between State waters and for which there exists an interstate fishery management plan developed by a congressionally approved interstate fishery commission; or third, those species which migrate between the waters of States bordering the Great Lakes.

By limiting the program to research in support of the management of interjurisdictional species, the bill focuses on the objective of achieving coordinated management of fishery resources throughout their range; a national policy well established in U.S. fishery law. By focusing primarily on species for which there exists a management plan, the bill limits the program to only those species which have already been determined to be of a Federal conservation and management priority. By creating incentives for States to participate in the interstate management of fishery resources and to achieve consistency with interstate and Federal fishery management objectives the bill even further promotes the coordinated and consistent management of migratory species throughout their range. As such, I believe the bill provides a very defensible alternative for a State/Federal fisheries partnership even in a tight budgetary climate.

The bill provides an authorization of appropriations of $5 million for each of fiscal years 1986, 1987, and 1988 for carrying out the purposes of this act. In addition, the bill provides a separate authorization of appropriations of $350,000 for 3 years to support the efforts of the three Interstate Fisheries Commissions to develop and implement interstate management plans for fishery resources on the Atlantic, Pacific, and gulf coasts. Last, the bill continues an existing authorization of $2.5 million to support projects designed to mitigate the impacts of fishery resource disasters whenever they occur. My colleagues should note that, aside from the disaster relief money which is only appropriated through supplementals on an "as needed" basis, funding for this legislation has already been approved and included in the House fiscal year 1986 appropriations legislation.

Mr. Speaker, effective management of our Nation's fishery resources requires a coordinated and well-conceived effort on the part of the states and the Federal Government. I believe H.R. 1028 will be effective in addressing those objectives. I wholeheartedly endorse this legislation and urge my fellow Members to do the same.

Mr. Speaker, I reserve the balance of my time.

Mr. YOUNG of Alaska. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 1028 as reported by the Committee on Merchant Marine and Fisheries and urge its passage.

The bill before us today provides the necessary funding to individual States so that they can conduct research on fish resources, which is essential if sound conservation and management decisions are to be made.

H.R. 1028 repeals the existing Commercial Fisheries Research and Development Act and establishes an Interjurisdictional Fisheries Research Program. The law originally was enacted for the purpose of stimulating the development of commercial fishery resources by providing assistance to the States in the form of matching grants to conduct research and development projects. As modified, this new bill focuses entirely on research in support of high priority interjurisdictional fisheries. The changes reflect the importance of directing Federal research money where it is most needed in this time of fiscal austerity.

During committee markup, amendments were introduced that expand the scope of the program to include nonmigratory shellfish such as oysters and clams, but only if an interstate or Federal fishery management plan exists for such species. Another amendment, which I suggested, allows a 1-year grace period for projects to qualify for the program when a plan for the species in question is still under development. After the 1-year grace period, eligibility will be limited to only those species covered by a plan. As witnesses testified during the hearings, the prime need for research occurs when a plan is under development. This will provide the support for that need. After adopting the amendments, the Merchant Marine and Fisheries Committee reported the bill unanimously.

As I am sure some of my colleagues will point our during debate today, this bill was previously taken up in the House under suspension on March 19. At that time it failed to receive the necessary two-thirds majority, al-

though it did receive well over 50 percent of the votes of the Members present. Members who voted against the bill did so primarily for fiscal reasons. They believed that we were providing too much money for unimportant reasons.

I wish to dispel that myth before the House today. The fisheries resources found within our 200-mile zone are crucially important to the economy of this Nation. Presently, imports of fish products account for 5 percent of our balance of trade deficit. If we are able to develop fully those resources so that Americans can catch, process, and market all the fish that are available, we will have made a great dent in a major economic problem facing this Nation today.

Let me remind you, however, that we cannot achieve this goal unless we know what we are dealing with. Research funding is always one of the first things to be cut. We've seen this numerous times whether we are talking about fish, science, or defense. Unless we do the research that is needed, we are not going to be able to develop our commercial fishing industry.

I urge the Members of this body not to be penny-wise and dollar-foolish. The benefits that we will achieve from passage of this legislation far outweigh any temporary costs that might be incurred.

Mr. Speaker, I urge passage of this bill.

● Mr. JONES of North Carolina. Mr. Speaker, H.R. 1023, the Interjurisdictional Fisheries Research Act of 1985, is a careful attempt to redirect Federal funds to improve the management of our fishery resources.

It repeals the existing Commercial Fisheries Research and Development Act, a Federal-State program to encourage research, management, and development of our commercial fisheries. Under this act, matching funds are provided to the States for fishery projects, if such projects are approved by the Secretary of Commerce. The Federal matching share is 75 percent; however, for projects supporting interstate fishery management plans, this share may be up to 90 percent.

The administration has criticized this program as an improper use of Federal funds. However, the National Marine Fisheries Service says that from 45 to 90 percent of such funds actually support Federal fishery management plans or international fishery obligations. Moreover, H.R. 1028 would ensure that national fishery needs and goals are better addressed.

H.R. 1028 would rewrite existing law to support research needed to manage: first, those species for which there exists a Federal fishery management plan and for which fisheries take place in Federal and State waters; second, those species for which there are interstate fishery management plans; and third, those species which migrate between the waters of States on the Great Lakes.

The Federal share would be the same but States harvesting less than one-tenth of 1 percent of the U.S. total volume and value of fish landed would not receive funding unless they are party to an interstate fishery compact. Eligible States would receive from 1 to 6 percent of available funds.

H.R. 1028 would authorize $5 million for fishery research projects, $2.5 million to mitigate for commercial fishery resource disasters due to natural or unknown causes, and $350,000 for the Atlantic States, Gulf States, and Pacific Marine Fishery Commissions in each of fiscal years 1986, 1987, and 1988.

Under this program, State contributions mean Federal dollars will accomplish anywhere from 10 to 25 percent more than those invested in strictly Federal programs. Also, the States typically carry out such research for less cost, thus assuring even more mileage for Federal dollars.

I urge the Members to vote in support of this important measure.●

Mr. YOUNG of Alaska. Mr. Speaker, I yield back the balance of my time.

Mr. BREAUX. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Louisiana [Mr. BREAUX] that the House suspend the rules and pass the bill, H.R. 1028, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

ALASKA NATIVE CLAIMS SETTLEMENT ACT AMENDMENTS

Mr. SEIBERLING. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1092) to amend the Alaska Native Claims Settlement Act, as amended.

The Clerk read as follows:

H.R. 1092

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. The Alaska Native Claims Settlement Act (85 Stat. 688, 43 U.S.C. 1601-28), as amended, is further amended by adding at the end thereof the following new sections.

SEC. 34. (a) For purposes of this section the following terms shall have the following meanings:

(1) the term "The Agreement" or "Agreement" means the agreement entitled "Terms and Conditions Governing Legislative Land Consolidation and Exchange between NANA Regional Corporation, Inc., and the United States" executed by the Secretary of the Interior and the President of NANA Regional Corporation, Inc., on January 31 and January 24, 1985, respectively.

(2) the term "transportation system" means the Red Dog Mine Transportation System described in Exhibit B of the Agreement.

(3) the term "NANA" means NANA Regional Corporation, Inc., a corporation formed for the Natives of Northwest Alaska pursuant to the provisions of this Act.

(b) Except as otherwise provided by this section, the Secretary shall convey to NANA, in accordance with the terms and conditions set forth in the Agreement, lands and interests in lands specified in the Agreement in exchange for lands and interests in lands of NANA, specified in the Agreement, upon fulfullment by NANA of its obligations under the Agreement.

(c)(1) The Secretary shall convey to NANA, pursuant to the provisions of paragraph A(1) of the Agreement, the right, title and interest of the United States only in and to those lands designated as "Amended A(1) Lands" on the map entitled "Modified Cape Krusenstern Land Exchange," dated July 18, 1985. The charges to be made pursuant to paragraphs B(2) and 27 of the Agreement against NANA's land entitlements under this Act shall be reduced by an amount equivalent to the difference between that acreage conveyed pursuant to this subsection and the acreage that would have been conveyed to NANA pursuant to paragraph A(1) of the Agreement but for this subsection.

(2) Notwithstanding the provisions of paragraph A(3) of the Agreement, the Secretary shall not convey to NANA any right, title and interest of the United States in the lands described in such paragraph A(3) and the Secretary shall make no charge to NANA's remaining entitlements under this Act with respect to such lands. Such lands shall be retained in federal ownership but shall be subject to the easement described in Exhibit D to the Agreement as if the lands had been conveyed to NANA pursuant to paragraph A(3) of the Agreement.

(d)(1) There is hereby granted to NANA an easement in and to the lands designated as "Transportation System Lands" on the map entitled "Modified Cape Krusenstern Land Exchange," dated July 18, 1985, for use in the construction, operation, maintenance, expansion and reclamation of the transportation system. Use of the easement for such purposes shall be subject only to the terms and conditions governing the construction, operation, maintenance, expansion and reclamation of the transportation system, as set forth in Exhibit B to the Agreement.

(2) The easement granted pursuant to this section shall be for a term of 100 years. The easement shall terminate prior to the 100-year term:

(i) if it is relinquished to the United States; or

(ii) if construction of the transportation system has not commenced within 20 years of the enactment of this subsection. Computation of the 20-year period shall exclude periods when construction could not commence because of force majeure, act of God or order of a court; or

(iii) upon completion of reclamation pursuant to the reclamation plan required by Exhibit B to the Agreement.

(3) Within 60 days after enactment of this section the Secretary shall execute the necessary documents evidencing the grant to NANA of the easement granted by this section.

(4) Except as regards the trail easement described in Exhibit D to the Agreement (to which the "Transportation System Lands" shall be subject as if such lands had been conveyed to NANA pursuant to paragraph A(1) of the Agreement), access to the lands subject to the easement granted by this section shall be subject to such limitations, restrictions or conditions as may be imposed by NANA, its successors and assigns, but NANA and its successors and assigns shall permit representatives of the Secretary such access as the Secretary determines is necessary for the monitoring required by this section.

(e) The easement granted by this section makes available land for the transportation system, and is intended to be sufficient to permit NANA to comply with the laws of the State of Alaska which may be necessary to secure financing of the construction of the transportation system and the operation, maintenance or expansion thereof by the State of Alaska or by the Alaska Industrial Development Authority.

(f) The easement granted to NANA by this section may be reconveyed by NANA, but after any such reconveyance the terms and conditions specified in Exhibit B of the Agreement shall continue to apply in full to the easement.

(g) NANA is hereby granted the right to use, develop and sell sand, gravel and related construction materials from borrow sites located within the easement granted pursuant to this section as required for the construction, operation, maintenance, expansion and reclamation of the transportation system, subject to the terms and conditions specified in Exhibit B of the Agreement.

(h)(1) The construction, operation, maintenance, expansion and reclamation of any portion of the transportation system on any of the lands subject to the easement granted to NANA by this section shall be governed solely by the terms and conditions of the Agreement, including the procedural and substantive provisions of Exhibit B to the Agreement, as if the lands covered by the easement granted to NANA by this section had been conveyed to NANA pursuant to Paragraph A(1) of the Agreement.

(2) The Secretary of the Interior, acting through the National Park Service, shall monitor the construction, operation, maintenance, expansion and reclamation of the transportation system, as provided in the Agreement. Any complaint by any person or entity that any aspect of the construction, operation, maintenance, expansion or reclamation of the portion of the transportation system on the lands subject to the easement granted to NANA by this section is not in accordance with the terms and conditions specified in the Agreement shall be made to the Secretary in writing. The Secretary shall review any such complaint and shall provide to NANA or its successors or assigns and to the complainant a decision in writing on the complaint within 30 days of receipt thereof. If the Secretary determines that the activity made the subject of a complaint is not in accordance with the terms specified in the Agreement, and NANA or its successors or assigns disagrees with that determination, the dispute shall be resolved according to the procedures established in Exhibit B to the Agreement.

(i) The Secretary shall make available to NANA and its successors and assigns the right to use sand, gravel and related construction materials located in Sections 23, 24, 25, 26, 35 and 36 of Township 26 North, Range 24 West, Kateel River Meridian, Alaska, if the Secretary determines either (1) that use of such sand, gravel and related construction materials is necessary because there is no other sand, gravel and related construction materials reasonably available for the construction, operation, maintenance, expansion or reclamation of the transportation system; or (2) that use of such sand, gravel and related construction materials is necessary in order to construct, operate, maintain, expand, or reclaim the transportation system in an environmentally sound manner, consistent with the requirements of Exhibit B of the Agreement. The right to use such sand, gravel and related construction materials shall be subject to the terms and conditions of Paragraph A of Exhibit B of the Agreement and such other reasonable terms and conditions as the Secretary may prescribe.

(j) Notwithstanding Paragraph 23 of the Agreement, the Secretary shall not agree to any amendment to the Agreement without first consulting with the Committee on Interior and Insular Affairs of the House of Representatives and the Committee on Energy and Natural Resources of the Senate and shall transmit copies of the text of any amendment to the Agreement to those Committees at the time of his agreeing to such amendment.

SEC. 35. (a) NANA Regional Corporation, Inc. ("NANA"), may convey by quit-claim deed to the United States any interest it has in the surface or subsurface estate in any lands located within the boundaries of any Conservation System Unit, as established and defined by the Alaska National Interest Lands Conservation Act (Public Law 96-487; 94 Stat. 2371, et seq.) and conveyed to NANA pursuant to this Act, as amended. Whenever NANA executes a quit-claim deed pursuant to this subsection, it shall be entitled to designate and have conveyed to it any lands outside the boundaries of a Conservation System Unit covered by any of its pending selection applications filed under any of the entitlement provisions of this Act, as amended, without regard to the entitlement provision under which such application was filed. Lands conveyed to NANA pursuant to this subsection shall be of a like estate and equal in acreage to that conveyed by NANA to the United States. The lands conveyed to NANA pursuant to this subsection shall be in exchange for the lands conveyed by NANA to the United States and there shall be no change in the charges previously made to NANA's land entitlements with respect to the lands conveyed by NANA to the United States. Lands received by NANA pursuant to this subsection are Settlement Act lands.

(b) NANA may relinquish any interest it has under selection applications filed pursuant to this Act, as amended, in the surface or subsurface estate in any lands located within the boundaries of the Cape Krusenstern National Monument or any other Conservation System Unit, as established and defined by the Alaska National Interest Lands Conservation Act (Public Law 96-487; 94 Stat. 2371, et seq.), by formally withdrawing such application pursuant to this subsection. Whenever NANA formally withdraws a selection application pursuant to this subsection, it shall be entitled to designate and have conveyed to it lands outside the boundaries of a Conservation System Unit pursuant to any of its pending selection applications filed under any of the entitlement provisions of this Act, without regard to the entitlement provision under which the application was filed. Lands conveyed to NANA under this subsection shall be of a like estate and equal in acreage to the interest which NANA relinquished, and when the lands are conveyed to NANA, the conveyance shall be charged against the same entitlement of NANA as if the lands had been conveyed pursuant to the relinquished selection applications. Lands received by NANA pursuant to this subsection are Settlement Act lands.

(c) The provisions of this section shall remain in effect only until December 18, 1991.

(d) Nothing in this section shall be deemed to alter or amend in any way NANA's selection rights or to increase or diminish NANA's total entitlement to lands pursuant to this Act.

The SPEAKER pro tempore. Is a second demanded?

Mr. YOUNG of Alaska. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Ohio [Mr. SEIBERLING] will be recognized for 20 minutes and the gentleman from Alaska [Mr. YOUNG] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Ohio [Mr. SEIBERLING].

Mr. SEIBERLING. Mr. Speaker, I yield myself such time as I may consume.

□ 1350

Mr. Speaker, I rise in support of H.R. 1092, a bill to amend the Alaska Native Claims Settlement Act, in the form that it has been favorably reported by the Committee on Interior and Insular Affairs.

As reported, this bill would grant to NANA Regional Corporation, Inc., an easement across the Cape Krusenstern National Monument for construction of a road between that Native Corporation's mineral properties on Red Dog Creek and a port site on the Chuckchi Sea. It would also ratify, in modified form, a land-exchange proposed by the Department of the Interior involving the consolidation of NANA's inholdings in the Cape Krusenstern National Monument; and it would amend the Alaska Native Claims Settlement Act so as to provide an incentive for NANA to move toward reducing its holdings within that national monument and other conservation system units.

All in all, in return for giving a 100-year easement for the highway across the one tip of the national monument, NANA would give up inholdings amounting to well over 100,000 acres within the national monument. I believe this is a very fair exchange from all points of view.

Our subcommittee reviewed the proposed route of this road and determined that since a road corridor was necessary in order to develop these

mineral properties that this was the least damaging of the various possible alternatives and would, in fact, have a minimal impact on the area and on the wildlife that is important to the natives and to the preservation of important species.

Without going into all the details, let me say that this was worked out on a bipartisan basis. It is supported by some important national environmental organizations such as the National Parks and Conservation Association and the Audubon Society.

Mr. Speaker, the bill before us today has a considerable history. Since the late 1960's, the Red Dog Creek area in the Delong Mountains of northwestern Alaska has been identified as an area of high promise for minerals. After enactment of the Alaska Native Claims Settlement Act in 1971, NANA—the regional corporation for northwestern Alaska—selected lands in the Red Dog area with an eye to their potential value for mineral development.

It is now generally agreed that NANA's Red Dog properties have a very high potential for development of a valuable lead-zinc mine.

Obviously, development of this is very important to NANA, especially since they estimate that it could involve the creation of about 400 jobs directly related to the mineral development and a significant number of support jobs, in a region where unemployment is chronic. But more than NANA's 4,800 Native shareholders—4,000 of whom live in the region—are involved. Under section 7(i) of the Alaska Native Claims Settlement Act, 70 percent of all the revenues received by each of the regional corporations—such as NANA—from timber and subsurface resources are divided among all the regional corporations, on the basis of population. Thus, development of the Red Dog area by NANA is of great significance for all members of the Native community in Alaska.

All this was well known at the time of the congressional debates over the Alaska Lands Act, which finally became law through the signature of President Carter in December 1980.

When we drew the boundaries of the Cape Krusenstern National Monument as part of that act, we left a corridor of lands between that area and the Noatak National Preserve, to the east, out of conservation system status partly because it had been suggested to us that that was likely route for a road to connect the Red Dog Creek area with tidewater.

Since then, however, engineering studies and other assessments have led to the conclusion that that route is not as feasible as a route that would trend westward, rather than south, and terminate on the Chuckcki Sea. It is such a route that would be made possible by the bill now before us.

Mr. Speaker, at this point I should explain that when Congress drafted the Alaska Lands Act, we anticipated that cases like this could arise. We foresaw that because of the size of the Alaskan conservation areas, and the undeveloped state of surface transportation in Alaska, Congress might be called upon at some point to approve a transportation corridor across a conservation system unit which would otherwise be closed against such development. For that very reason, we included in the Alaska Lands Act an entire title—title XI—dealing with this and related questions of access.

Title XI of the Alaska Lands Act contains specific and detailed provisions which spell out how it was intended that a decision to approve a transportation corridor such as that before us would be presented to Congress. In drafting those provisions, care was taken to see to it that the Congress would be able to make such a decision on the basis of a full and complete evaluation of all the relevant economic, environmental, and other factors.

However, Mr. Speaker, I regret to say that the procedures of title XI have not been followed in this case. They have not been followed because the administration had chosen to bring this issue before us in another way, a way that I believe is directly contrary to the fundamental policies of the Alaska Lands Act—namely, through a land exchange.

As a matter of fact, the administration has never yet issued its regulations for implementation title XI—almost 5 years after the Alaska Lands Act became law. Their priorities with regard to Alaska have been directed elsewhere than toward implementing the law in the way that it was intended for it to be implemented. They have concentrated on land exchanges—including the absurd and outrageous exchange proposal involving St. Matthews Island which was rejected by the Federal District court in Alaska—and on such other things as trying to adjust the boundary of the Admiralty Island National Monument by a misapplication of the law that would have removed carefully-crafted restrictions which now apply to mineral development in the northern part of that spectacular area.

In view of this, Mr. Speaker, it would have been easy for our committee to have reacted to the administration's deplorable record of distortions and outrages with respect to the Alaska Lands Act by summarily rejecting the land-exchange which H.R. 1092 as introduced would have ratified. Some of the supporters of the act, who deserve much of the credit for its enactment, urged us to do just that. And in fact such a course is only what the administration deserves.

But to simply reject the proposal put before the committee would not have been a responsible thing to do. We on the Committee on Interior and Insular Affairs, and we in the Congress as a whole, certainly do have a responsibility to safeguard the heritage of the American people contained in the conservation system units in Alaska as created or enlarged by the Alaska Lands Act. And we have a duty to see to it that the act is obeyed. But we also have a responsibility to see to it that the native peoples of Alaska are not deprived of the full value of their entitlements under the Alaska Native Claims Settlement Act, a solemn commitment of the Nation which preceded and laid the basis for the Alaska Lands Act.

In the discharge of this responsibility with regard to the Native Claims Settlement Act, the committee did not reject out of hand the land-exchange which H.R. 1092 would have ratified. Instead, after a careful exploration of all that was involved, we spent 2 months working with NANA in an effort to modify the bill so that it would still permit the timely development of the road which NANA seeks, while conforming as closely as possible to the policies and requirements of title XI and other relevant parts of the Alaska Lands Act. As a result of that effort, the committee has amended the bill by adoption of a substitute text, and it's that substitute that we bring before the House today.

Our committee has concluded, Mr. Speaker, that those urging rejection of the proposed road have not made a convincing showing that this route is unacceptable, and so we are approving use of the proposed route. But we are doing so in a way that more closely conforms to the policies and provisions of title XI of the Alaska Lands Act.

Thus, the bill as it comes to the floor does not transfer out of Federal ownership the title to the lands where the road is proposed to be built. Instead, Federal title to those lands is retained but an easement is granted to NANA for the road right-of-way. That easement is subject to all the terms and conditions which were to apply to the lands under the original exchange agreement, including detailed stipulations designed to protect the resources and values of the National Monument, including its wildlife, during and after construction of the road. About 20,000 acres are involved here.

Similarly, under the bill as reported by our committee, NANA will not take title to about 28,700 acres in the northwest corner of the Cape Krusenstern National Monument, including lands along the coast, which would have gone to NANA under the original exchange agreement.

Thus, under the bill before us, NANA will receive only about 42,000

acres of land, in return for relinquishing its rights with regard to more than 100,000 acres of land within the boundaries of the Cape Krusenstern National Monument.

The lands that NANA will receive as a result of enactment of H.R. 1092 as reported will continue to be subject to the terms and conditions of the original land-exchange agreement, designed to assure that the lands are used in a manner which takes proper account of the need to protect the values and resources of the Cape Krusenstern National Monument. Further, those terms and conditions run with the land so that they will apply to any future owner even in the event that NANA should decide not to turn the lands back to the United States for management as part of the National Monument.

However, Mr. Speaker, it may well be that NANA will in fact decide to turn these newly-obtained lands back for Federal management as part of the Cape Krusenstern National Monument. That is NANA's decision to make, and NANA's alone. But we believe that decision may in fact be influenced—in a positive way, and not in any coercive way—by other provisions in the bill as reported.

The provisions I refer to are in the second part of the bill as reported, which would add a new section 35 to the Alaska Native Claims Settlement Act. Under that new section, until December 18, 1991, NANA would have an opportunity to relinquish or reconvey its holdings in the Cape Krusenstern National Monument and other conservation system units, and to receive instead other lands which are outside conservation system units and which NANA has already indicated an interest in receiving, without being subject to some of the restrictions that now apply to their receipt of such lands under the Alaska Native Claims Settlement Act.

Nothing in the bill before us, Mr. Speaker, would enlarge or diminish NANA's land rights under the Settlement Act, and nothing in the bill would adversely affect any valid existing rights of third parties such as the State of Alaska. However, the bill would give NANA a use it or lose it opportunity to improve its land-selection pattern by reducing the number and extent of its inholdings in the National Parks and other conservation system units in northwestern Alaska.

I have received written assurances from NANA that if this new section which the bill would add to the Settlement Act becomes law, NANA would be encouraged to proceed expeditiously in reviewing its pending selections throughout the NANA region, and that they would give priority attention to the so-called A-1 lands in the northern part of the Cape Krusenstern National Monument—that is, the lands which they are to receive under the exchange which would be ratified—in modified form—by H.R. 1092 as reported. Thus, the bill may indeed aid in consolidating land ownership and in reducing inholdings—to the benefit both of the conservation system units and land-management in general.

Mr. Speaker, I believe that the bill now before the House is one which deserves support and enactment. It is vastly different from the bill as introduced, and from the companion bill which has already passed the other body. It is a sound and balanced bill, one that no doubt is not perfect, but one which I believe is much more in harmony with the sound policies of the Alaska Lands Act.

I urge all our colleagues to support H.R. 1092 as reported, and I include letters concerning the bill from the National Parks and Conservation Association, the National Audubon Society, and NANA Regional Corp., Inc., and other material.

The letters referred to are as follows:

NATIONAL PARKS AND CONSERVATION ASSOCIATION,
Washington, DC, July 22, 1985.

DEAR CONGRESSMAN: We are writing with regard to the bill, HR 1092, which would provide for a land exchange and road corridor at Cape Krusenstern National Monument in Alaska. The Subcommittee on Public Lands will be marking up the bill this week.

The National Parks and Conservation Association (NPCA) supports the enactment of HR 1092, together with the Seiberling amendments thereto.

NPCA believes the proposed exchange will result in a better and more effectively managed national monument. The lands to be exchanged to the NANA Regional Corporation represent only about ½ of the Omikviorik drainage and consequently, the National Park Service is probably incapable of fully protecting the resource values of the area at present. However, lands to be acquired by the Park Service contain the upper portions of several drainages cited in resource documents as important sources of sediments for the Cape Krusenstern beach ridges, and important for effective management of fish and wildlife. The inclusion of complete watersheds within park unit boundaries is a goal of ANILCA and a goal NPCA supports.

Thus in NPCA's view, the land exchange authorized by HR 1092 benefits Cape Krusenstern National Monument exclusive of the road corridor issue. The Seiberling amendments, while not materially altering the terms of the land exchange, will provide for a greater degree of resource protection.

Thank you.

Sincerely,

STEVEN C. WHITNEY,
Natural Resources Coordinator.

NATIONAL AUDUBON SOCIETY,
Washington, DC, July 22, 1985.

Hon. JOHN F. SEIBERLING,
Chairman, House Subcommittee on Public Lands, U.S. House of Representatives, Washington, DC.

DEAR CONGRESSMAN SEIBERLING: As you know, the National Audubon Society supports passage of HR 1092 as the best means to resolve land and resource conflicts at the northern end of the Cape Krusenstern National Monument in Alaska. Although companion legislation (SB 444) has passed the U.S. Senate unamended, we understand that a series of amendments are under consideration by your subcommittee to improve HR 1092.

This is to advise you that Audubon will not object to amending HR 1092 if your subcommittee determines it to be in the greater public interest. We consider it vitally important, however, that all parties to the land exchange agreement also be in support of such amendments. Furthermore, we caution your subcommittee against developing amendments that would place impossible burdens on the National Park Service to administer a mining road, or encourage MANA to select its land entitlements elsewhere in the region where more rather than fewer conflicts with national interest values would inevitably occur.

Please know that our continued support of HR 1092 is not contingent upon the proposed amendments, for we believe the legislation as originally drafted is in the public interest.

Your consideration of these comments is greatly appreciated.

Sincerely,

DAVID R. CLINE,
Regional Vice President.

NANA REGIONAL CORP., INC.,
Kotzebue, AK, July 24, 1985.

Hon. JOHN SEIBERLING,
Chairman, Subcommittee on Public Lands of the Committee on Interior and Insular Affairs, Washington, DC.

DEAR CONGRESSMAN SEIBERLING: NANA has worked with Committee staff members on your proposed substitute to H.R. 1092. While NANA favors the enactment of H.R. 1092, as introduced, NANA does not object to adoption of your substitute.

The substitute as now drafted retains many of the important features of the Agreement between NANA and the Department of the Interior. However, any other substantive amendments would make the Agreement unworkable and would be detrimental to NANA.

NANA therefore supports adoption of the substitute during mark-up of H.R. 1092, but would be unable to support any other amendments.

Sincerely,

JOHN W. SCHAEFFER, Jr.,
President.

NANA REGIONAL CORP., INC.,
Kotzebue, AK, July 24, 1985.

Hon. JOHN SEIBERLING,
Chairman, Subcommittee on Public Lands of the Committee on Interior and Insular Affairs, Washington, DC.

DEAR CONGRESSMAN SEIBERLING: You have inquired about NANA's intentions regarding the relinquishment of any of its selection applications filed pursuant to the Alaska Native Claims Settlement Act and located within Conservation System Units within the NANA Region.

It is NANA's intention to relinquish, at the proper time, selection applications which are not needed by NANA to protect receipt of its total Settlement Act land entitlements. Also, under H.R. 1092, as amended by your substitute, there would be an immediate reduction of in-holdings within the Cape Krusenstern National Monument of approximately 49,000 acres. And additional provisions which your amendment would

add to the Alaska Native Claims Settlement Act, dealing with the relinquishment or reconveyance of in-holdings, would have the effect of enabling and encouraging NANA to proceed expeditiously to review the status of its pending selection throughout our region. In doing so we will give priority attention to the so-called "A-1" lands in the northern part of the Cape Krusenstern Monument.

Sincerely,

JOHN W. SCHAEFFER, Jr.,
President.

TESTIMONY OF DAVID R. CLINE, REGIONAL VICE PRESIDENT, ALASKA NATIONAL AUDUBON SOCIETY

Mr. Chairman and members of the subcommittee, I am David R. Cline, regional vice president for the National Audubon Society in Alaska. As one of the oldest and largest conservation organizations in the United States, Audubon has a long-standing commitment to helping protect Alaska's national interest lands, including Cape Krusenstern National Monument.

After thoroughly evaluating the natural and human values associated with the legislation before you today, and having personally visited the areas in question on several occasions, we are satisifed that the National Park Service [NPS], NANA Regional Corporation, Inc. [NANA] and COMINCO Alaska, Inc. [COMINCO] have used the best available scientific information to structure a land exchange that is in the public interest. We, therefore, support enactment of H.R. 1092 as a means to resolve a number of land and resource conflicts in Alaska's Cape Krusenstern National Monument.

Our position in support of this legislation was not arrived at easily. On the contrary, we are well aware that on the one hand the land exchange does nto resolve all the inholding problems in the national monument. And on the other, it will undoubtedly expedite construction of an industrial road/railroad between the proposed Red Dog Mine and tidewater on the Chuckchi Sea coast. Regardless of where such an industrial transportation corridor is located in northwest Alaska, the wild character of this beautiful part of Alaska will be changed forever. And so too, the lifestyles of the people living there. But we are also aware that NANA and its resident stockholders have evaluated their options for survival given the social and economic realities of 20th century America. We respect the fact they have looked very carefully at the natural and human values at stake in this legislation. Furthermore, we think it important to recognize that NANA is the regional corporation that supported passage of the Alaska National Interst Lands Act of 1980 [ANILCA] with more national park and monument acreage in its region than any other in Alaska. Since that time, we have found NANA to be very responsible land stewards greatly concerned with proper protection and management of its own lands, as well as the national parklands in its region.

In conservation, just as in life, difficult tradeoffs must frequently be made. In arriving at its current position on this legislation, Audubon tried very hard to balance real human needs with the natural resource values that are at stake. It is our conclusion that H.R. 1092 strikes a pretty fair balance between these values, providing a number of related concerns are carefully examined by your subcommittees. I will elaborate on these concerns before concluding my testimony.

Whether or not road/railroad and port facilities are ever built to support development of the proposed Red Dog Mine, Audubon believes that the land exchange as legislated in H.R. 1092 will enable the National Park Service to better protect and manage the Cape Krusenstern National Monument. This will be accomplished by removal of a significant acreage of potential private inholdings, enabling NPS to better protect caribou winter range and upper watersheds of three streams (Agarak, Rabbit, and Jade) that geophysical research studies have shown contribute sediments to the beach deposition process at Cape Krusenstern. This deposition process is vital to preservation of the series of beach ridges and their world class archeological resources that constitute the most significant national resources to be protected in this national monument. NPS acquisition of these private inholdings is, therefore, important to the public interest.

We are also convinced that the preferred 55-mile-long transportation corridor from the Red Dog Mine to tidewater is the best available route from a natural resource perspective. COMICO has conducted some of the best preplanning engineering we have seen from a resource development company in Alaska. Time and again the company realigned its road corridor to avoid sensitive environmental areas, including fish spawning, overwintering and rearing areas; peregrine falcon and golden eagle eyries; waterfowl and shorebird staging areas; sensitive permafrost zones; favored subsistence hunting and fishing grounds; caribou and musk oxen winter range; and grizzly bear denning and Dall sheep-lambing areas. Thus, we are absolutely convinced that their preferred route will have the least possible adverse impact on wildlife and other important natural resources.

COMINCO, NANA, MPS, and local native residents have all concluded that the alternative transportation corridors that have been identified would cause far more serious conflicts with fish, wildlife, and other natural resources. We concur in this conclusion. For example, the alternative corridor immediately north of the existing national monument boundary would cross approximately 11 miles of primary wetland areas which support large populations of waterfowl and shorebirds. This in turn would force relocating both the proposed port to VABM-17 site at Ipiavik Lagoon. This coastal lagoon is one of the largest staging areas for resident waterfowl and shorebirds, and constitutes an important subsistance hunting area. The lagoon is also an important rearing area for adult and juvenile salmon and arctic char. Furthermore, preliminary studies have shown that the site has more ice-rich soils than at the preferred port site (VABM-28), and greater depths to bedrock. These environmental constraints would require large volumes of fill material to provide the necessary stabilization.

A second alternative that has been proposed is to locate the road even further north, crossing the Wulik River and its northern tributaries. The Wulik drainage has long been recognized as supporting perhaps that finest arctic char fishery in Alaska. This was confirmed by COMINCO's resource evaluations. If the road were built through this drainage, critical spawning, feeding, rearing, and overwintering habitats for arctic char, salmon, and arctic grayling could all be adversely affected. This alternative would thus impose unnecessary risk on this rich fishery, with its highly significant recreational and subsistance values, while causing serious engineering problems and increased costs, as well.

We think it would be a travesty to force COMINCO to choose an alternative corridor for its road that would intrude any further on the wetlands and numerous tributary streams of the Wulik River. From our experience with the North Slope Haul Road, serious problems including sedimentation and erosion, blocked fish passage and intensive fishing pressure have all occurred at numerous stream- and river-crossings along the haul road.

When Congress established the Cape Krusenstern National Monument in 1980, the primary reason for doing so was to protect and interpret a series of archeological sites depicting every known cultural period in arctic Alaska. It is vitally important to recognize that these sites are primarily along the monument's 75 mile coastline. Yet only about 20 miles of this coastline (26 percent) is actually in federal ownership with the remainder in individual native allotments. Unfortunately, the land exchange under consideration could not involve trade of these allotments since they are owned by individuals rather than NANA itself.

To get at this problem, we strongly urge your subcommittees to consider establishing a "Cape Krusenstern Cultural Resource Protection Fund." The principal intent of such a fund would be acquisition of nationally significant archeological and/or culturral sites that might someday become available for purchase on a willing seller basis only. Even with sale or lease of the allotments, subsistence efforts would be fully protected by inclusion of the lands in the national monument. Perhaps a simple transfer of moneys from the existing Land and Water Conservation Fund could be used to establish the new fund.

Fortunately, NPS has recognized the importance of these allotment inholdings, and even prioritized their importance in a draft-land-protection plan currently out for public review. I would like to refer you to pages 4-22 through 4-25 of the draft plan where the land protection priority groups are described and depicted on a map (please see exhibit A attached). We agree with the Park Service's priorities, and are particularly concerned that close attention be paid to the allotments at Cape Krusentern and Shishalik Spit. It is at these two coastal locations that the most outstanding archeological sites are located.

Considering the possible number of willing sellers that might wish to lease or dispose of their inholdings in the monument or at Onion Portage on the Kobuk River, we estimate that perhaps a one-half million dollar deposit to the fund each year for a period of 4 to 5 years would enable the NPS to acquire the nationally significant lands that may become available.

Another important matter related to this legislation that we would like to bring to the two subcommittees' attention is the corridor of lands that was set aside in ANILCA between the Cape Krusenstern National Monument and the Noatak National Preserve for the express purpose of providing access between the proposed Red Dog Mine and tidewater at Hotham Inlet. Since this corridor has been found inappropriate, we urge that you recommend in your subcommittee reports that the boundaries be closed and all undesignated Federal lands in the corridor be included in the preserve at such time as the land ownership pattern in the corridor is settled.

We would like to take this opportunity to commend COMINCO, NANA and NPS for the process which led to this proposal for a legislated land exchange. Based on years of experience in working with native, industry, and Government interests in Alaska in attempts to resolve difficult land and resource conflicts, we have found that the three parties have dealt with us in a highly professional manner on this issue. They have consistently responded to our recommendations in an honest and timely way, and have made a sincere effort to accommodate our concerns. We are confident that this spirit of cooperation will continue. The National Audubon Society intends to remain involved in this issue and wishes to be helpful in every way possible. At such time as road and port construction proceed, we want to help assure that monitoring by a qualified fish and wildlife biologist is ongoing. We have also made it known to NANA and the State of Alaska that we wish to work with them in finding mutually acceptable ways to protect fish and wildlife values on non-Federal lands in the Wulik River watershed.

Unfortunately, the public process which produced this exchange was routinely denied in other land exchanges conducted by the Department of the Interior. Before closing our remarks today, therefore, we would like to take this opportunity to alert the committee to the failure of the Department to exercise its land exchange authority responsibly.

Especially in these times of fiscal austerity, land exchanges provide a potentially useful tool for acquiring the many inholdings that now riddle the national conservation systems in Alaska. The land exchange authority contained in ANILCA was obviously provided to deal with the inholding problem. Nonetheless, because the Department has failed to promulgate regulations spelling out procedures and standards for its use of the land exchange authority, that authority has too often been exercised in an arbitrary and irresponsible fashion that threatens to undermine the act itself.

The Department's abuse of its land exchange authority under ANILCA is perhaps best illustrated by the St. Matthew Island land exchange. That exchange, the product of secret negotiations with no opportunities for public comment, opened St. Matthew Island, a national wildlife refuge and wilderness area, to development that would have had devastating consequences for seabird and marine mammal populations, while acquiring for the Department scattered refuge inholdings not threatened in any way. Audubon challenged the exchange in court and the court declared the exchange invalid.

The St. Matthew exchange stands in stark contrast to the exchange before the subcommittees today. First, and most importantly, the St. Matthew exchange would have caused far greater harm to wildlife and other natural resources: The island is one of the world's richest seabird nesting colonies, and its waters are inhabited by seven endangered species of whales. Second, the land interests acquired by the Department in the St. Matthew exchange were less valuable and less extensive than those acquired in the Cape Krusenstern National Monument. Third, there is no evidence that development of St. Matthew Island was or is necessary to support development of the Navarin Basin OCS lease area (the intended purpose), or that it is the best site from a natural resource perspective. In contrast, we are convinced that the road corridor provided by this exchange is necessary to development of the Red Dog Mine, and that it is, from a natural resource perspective, the optimal route. Finally, the St. Matthew Island exchange was accomplished administratively; in this exchange, the parties have agreed to submit the terms to Congress. We believe that congressional review is necessary for any exchange of this magnitude.

Unfortunately, however, the St. Matthew exchange is more nearly typical of the Department's implementation of its land exchange authority—clandestine and ad hoc. This approach has spawned controversy that can be greatly reduced if the Department will adopt regulations establishing a sensible and open approach to land exchanges. We, therefore, urge the committee to demand that the Department adopt the following measures:

1. Establish a system for setting acquisition priorities. Under such a system, the Department should, for each inholding, consider: (1) whether the inholding will pose any threat to protection or management of park or refuge resources; (2) the relative importance and probability of any such threats; and, (3) the alternatives, short of acquisition, available to address such threats. These priorities can perhaps best be set through the refuge and park planning processes, although it can, of course, be an ongoing review.

2. Establish a system for identifying lands available for exchange, drawing upon all the Federal lands in Alaska, and perhaps elsewhere. Consistent with congressional intent, such a system should establish a preference for lands outside the national conservation system. Under the current system, the Department has been giving away park and refuge lands to get park and refuge lands. Yet congressional intent and commonsense both dictate that the Department should be giving away the lands with lowest public values, typically lands held by BLM and the Forest Service. Until the Department establishes a system for identifying lands available for exchange, there will continue to be a strong institutional bias toward exchanges within agencies, e.g., park lands for park lands, and the conservation systems will suffer unnecessary losses.

3. Establish a public process for the development and approval of land exchanges so that the Department can benefit from the views and information the public has to offer, and so that land exchanges will not be tainted by the odor of clandestine negotiation and back room dealings. At a minimum, this process should provide that: (1) all land exchanges will be developed and approved in accordance with applicable laws, including NEPA, ESA, and ANILCA title XI; and (2) all reasonable alternatives are considered.

4. Establish criteria for development and approval of land exchanges, including factors to be considered in determining "the public interest." These criteria should require that a land exchange involving conservation system lands may be approved only if it will serve the purposes of the affected conservation units, and will benefit the conservation system.

We are convinced that with adoption of these modest, commonsense measures, the Department can develop an effective program for acquisition of inholdings, and minimize the controversy which has beset such efforts to date. We hope that the subcommittees will consider these proposals and urge their adoption by the Department. If such a process is adopted, the National Audubon Society would look forward to working closely with the Department as both a public participant and supporter of this initiative.

Thank you, Mr. Chairman, for providing us this opportunity to comment on H.R. 1092. Please know that the National Audubon Society greatly appreciates the outstanding record of achievement of both the Subcommittee on Public Lands and Subcommittee on National Parks and Recreation in helping resolve difficult land and resource issues in Alaska that involve the national interest.

GENERAL MANAGEMENT PLAN/ENVIRONMENTAL ASSESSMENT LAND PROTECTION PLAN, WILDERNESS SUITABILITY REVIEW, MARCH 1985

EXHIBIT A—CAPE KRUSENSTERN NATIONAL MONUMENT/ALASKA

V. RECOMMENDATIONS

The National Park Service is able to address a series of land protection actions in a logical order by applying a combination of the available methods. The major consideration in selecting site specific land protection alternatives is the need to comply with the intent of congressional legislation that established the monument. This authority emphasizes the preservation and protection of the monument's resources. In all cases, the minimum interest needed to carry out the intent of Congress will be defined and sought. Fee simple acquisition is justified to protect significant resources that are essential to the purposes of the monument, to provide for public use, or for improved resource management capability. A conservation easement is appropriate to protect the monument from incompatible developments that would impair its environment and detract from the public's use of the monument. Cooperative agreements are proposed to ensure that the management of private lands would be consistent with monument objectives. The following list of priorities is based on the resource values of the monument; potential threats to the land and resources; and non-Federal landowners' interests in selling, trading, exchanging, or entering into an agreement of one form or another.

Priorities

Priority Group 1

This group consists primarily of Native allotments located between the outlet of Krusenstern Lagoon (Tukruk River) on the south and Battle Rock on the north. The group includes the allotments located on Cape Krusenstern itself. The primary reason for creating the monument was to protect the known significant cultural resources of the beach ridges at the cape. Some of the allotments are believed to lie atop known significant cultural resources, while others are suspected to be located where there is a high probability of significant cultural resources. (See Land Protection Priority Groups Map, page 4-25.)

Priority Group 2

This group contains Native village and regional corporation lands that would be involved in the proposed Cape Krusenstern Land Exchange. These lands are located along the extreme northwestern boundary (parts of three townships) and along the extreme eastern boundary (all or parts of seven townships). In the exchange proposal, the Native lands in the northeastern portion of the monument (approximately 103,338 acres) and a small parcel along the northwestern coast (approximately 1,345 acres) would be exchanged for monument

lands (approximately 62,084 acres) located in the northwestern portion of the monument. In addition, the National Park Service would receive a conservative easement on 10,942 acres of Native land in the southeastern corner of the monument (see priority group 3) and an easement and public use and occupancy right for a 5-acre administrative site within or near the Onion Portage Historic District in Kobuk Valley National Park. (See Land Protection Priority Groups Map, page 4-25.)

Priority Group 3

This group contains Native allotments and Native lands in the southeastern portion of the monument. The allotments, mostly along the coastline, are in areas where less is known about the cultural resources than those in Group 1, but where the probability for significant resources is considered to be high, especially on Sheshalik Spit. Some of the Native corporation lands in this group would be affected by the proposed Cape Krusenstern Land Exchange, but fee simple title would not change hands. Instead, the National Park Service would receive a conservation easement on the lands (approximately 10,942 acres) for the protection and study of resource values. (See Land Protection Priority Groups Map, page 4-25.)

Priority Group 4

This group consists of allotments located between Battle Rock and Imik Lagoon. Little work has been done to investigate the potential for cultural resources in this area. But the proximity to sites such as Battle Rock would indicate that there is reason to suspect a high occurrence of cultural resource sites. (See Land Protection Priority Groups Map, page 4-25.)

Mr. Speaker, I reserve the balance of my time.

Mr. YOUNG of Alaska. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of this legislation, which would allow a beneficial land exchange within the Cape Krusenstern National Monument in Alaska to occur.

NANA Regional Corp. is a regional corporation formed by the Natives of northwest Alaska under the Alaska Native Claims Settlement Act which presently has inholdings within the Cape Krusenstern National Monument established by Congress in 1980. By this legislation, NANA would receive an easement to construct an access road to the Red Dog mine, a world class deposit of lead and zinc north of the monument. With unemployment in the region typically approaching 70 percent, the mine will allow the Natives of northwest Alaska the opporunity to find jobs close to home, and develop economically consistent with the purposes of the Alaska Native Claims Settlement Act.

The reason access across the monument is required is simple. This route is by far the most environmentally sound route for the road to take. While some have suggested a northern route which would reach the mine without passing through the monument, any objective analysis of the routes would compel the selection of the southern route. The proposed road is much less damaging to fish and wildlife because it crosses one major stream while the northern route crosses six streams. Further, the people of the region who live off the land prefer the southern route because the northern route would traverse their subsistence hunting grounds. Clearly, those who support the environment's integrity must come down in support of this bill.

This is a good bill. It will create jobs in an area plagued with joblessness. It will improve the park—although not as much as my original bill. And it will allow development of a major mineral deposit right here in the United States, where no one can interdict the flow of those minerals necessary to this country's defense and economic health.

I wish to thank Chairman SEIBERLING and Chairman VENTO, as well as Mr. MARLENEE for their assistance in bringing this matter to the floor, and wish to thank Chairman UDALL for his assistance and leadership in this matter.

Mr. Speaker, I reserve the balance of my time.

Mr. SEIBERLING. Mr. Speaker, I was very pleased and happy to have shared the hearing with the chairman of the National Parks and Recreation Subcommittee. We held a joint hearing on this subject, and I am very grateful for the support that he and his subcommittee have given to the working out of this legislation.

According, Mr. Speaker, I now yield 5 minutes to the gentleman from Minnesota [Mr. VENTO].

Mr. VENTO. I thank the gentleman for yielding this time to me, and for his kind and generous comments.

Mr. Speaker, this measure is a good measure and deserves the support of Members today. It is in no small part because of the work done by the gentleman from Ohio [Mr. SEIBERLING], the chairman of the Subcommittee on Public Lands, and our good friend and colleague, the ranking minority member of the committee, the gentleman from Alaska [Mr. YOUNG].

Mr. Speaker, subsequent to hearings held jointly by the Subcommittee on Public Lands and Subcommittee on National Parks and Recreation on this bill, I discussed several issues of concern with our able colleague and chairman of the Public Lands Subcommittee, JOHN SEIBERLING. Among these was the need to retain the transportation corridor ownership by the park service, to encourage NANA to trade out of the boundary of Cape Krusenstern National Mounument as soon as possible and to assure ourselves that there would not be any other transportation corridors approved in this region of Alaska. I am pleased that the first two issues have been resolved in the amended version of H.R. 1092. However, because of the short time frame and the complexity of requiring any future mining ventures in the region to use the facilities of this transportation corridor rather than building a new one no such legislative language was included in the bill. That should not be construed by anyone to be lessened interest by myself or many other members of the committee in prohibiting any other such transportation corridors in this region of Alaska. The committee was assured by a number of witnesses, including the witness representing the State of Alaska, that the route to be sanctioned by this legislative was the least environmentally damaging of all of the routes studied and that the roadway to be constructed would be used by any future mine developer. I have accepted that commitment and look to the State of Alaska to be diligent in cooperating with us to assure that no further routes will be approved.

Mr. Speaker, H.R. 1092, by reference, includes the agreement between NANA Regional Corp. and the United States which calls for exchanging lands within a unit of the National Park System. While such exchanges are permitted under authority granted by the Alaska National Interest Lands Conservation Act of 1980 [ANILCA] and apply only to units of the National Park System in Alaska, it was intended that exchanges be used to diminish and ultimately eliminate inholdings in these park units. I believe the situation at Cape Krusenstern to be an unusual one and the exchange provisions to be, on balance, helpful to the monument. However, ANILCA specifically addresses this issue of transportation corridors in title XI and requires the Secretary of the Interior to implement that title through appropriate regulations. It has now been almost 5 years and there are still no such regulations. I urge the Secretary to finalize these regulations as soon as possible and to adhere to the requirements of title XI in any further submittals regarding transportation corridors.

During our hearings, Deputy Under Secretary William Horn testified that no environmental impact study [EIS] had been prepared on the land exchange proposed by the Department of the Interior because section 910 of ANILCA exempted the action from the provisions of the National Environmental Policy Act. This is a gross distortion in interpretation of the purpose of this section. Section 910 was intended to assure that native corporations would receive their full entitlements as quickly as possible and was not and is not, an excuse to take actions that might degrade the resources of any conservation unit without the full and complete investigation, including public scrutiny, that is re-

quired by NEPA. All such exchanges proposed in the future should only be considered after completion of an EIS.

Mr. Speaker, I wish to thank the chairman of the Subcommittee on Public Lands for his leadership and cooperation in resolving this difficult controversy.

Mr. YOUNG of Alaska. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. SEIBERLING. Mr. Speaker, I simply want to thank the gentleman from Alaska [Mr. YOUNG] for his working with the other members of the subcommittee in working out what I consider to be a very successful resolution of this matter. I would hope that it augurs well for future dealings with similar problems in his great State.

On that note, Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio [Mr. SEIBERLING] that the House suspend the rules and pass the bill, H.R. 1092, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

Mr. SEIBERLING. Mr. Speaker, I ask unanimous consent that the Committee on Interior and Insular Affairs be discharged from further consideration of the Senate bill (S. 444) to amend the Alaska Native Claims Settlement Act, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 444

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. The Alaska Native Claims Settlement Act (85 Stat. 688, 43 U.S.C. 1601-28), as amended, is further amended by adding at the end thereof the following new section.

"SEC. 42. The Secretary shall convey to NANA Regional Corporation, Incorporated, in accordance with the terms and conditions set forth in an agreement entitled 'Terms and Conditions Governing Legislative Land Consolidation and Exchange between NANA Regional Corporation, Incorporated, and the United States', which was executed by the parties on January 31, 1985, lands and interests in lands in exchange for lands and interests in lands of NANA Regional Corporation, Incorporated, upon fulfillment by NANA Regional Corporation, Incorporated, of its obligations under said agreement.".

AMENDMENT OFFERED BY MR. SEIBERLING

Mr. SEIBERLING. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SEIBERLING: Strike all after the enacting clause and insert the text of H.R. 1092 as passed by the House.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Ohio [Mr. SEIBERLING].

The amendment was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 1092) was laid on the table.

□ 1400

GENERAL LEAVE

Mr. SEIBERLING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

RECOGNIZING THE ACCOMPLISHMENTS OF THE HISTORIC SITES ACT OF 1935

Mr. SEIBERLING. Mr. Speaker, I ask unanimous consent for the immediate consideration of the joint resolution (H.J. Res. 299) recognizing the accomplishments over the past 50 years resulting from the passage of the Historic Sites Act of 1935, one of this Nation's landmark preservation laws.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

Mr. YOUNG of Alaska. Mr. Speaker, reserving the right to object, I shall not object, but I would just like to ask the gentleman to explain this request to us.

Mr. SEIBERLING. Mr. Speaker, will the gentleman yield?

Mr. YOUNG of Alaska. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Speaker, the purpose of House Joint Resolution 299 is to recognize the 50-year accomplishments of the Historic Sites Act of 1935.

The Historic Sites Act of 1935 (16 U.S.C. 461-467) is one of the cornerstones of our Nation's modern historic preservation program. It stated for the first time the national policy to preserve nationally significant historic sites and monuments, regardless of whether they were in Federal ownership. It gave the Secretary of the Interior broad authority to initiate and oversee national preservation activities. It provided authority for the professional documentation of historic sites and structures by the Historic American Buildings Survey [HABS] and, subsequently, the Historic American Engineering Record [HAER]. It called for a nationwide survey to identify sites significant in American history, which led to the designation of national landmarks and, later, establishment by Congress in 1966 of the National Register of Historic Places. It also established what has become the National Park System Advisory Board to provide advice on cultural and natural resources in units of the National Park System and led to the establishment of over 300 museums to serve park visitors throughout the country.

House Joint Resolution 299 notes the various achievements resulting from the Historic Sites Act and provides recognition for its many contributions to the identification and protection of the Nation's cultural heritage. The resolution was introduced on June 4, 1985, and referred to the Committee on Interior and Insular Affairs. The Subcommittee on Public Lands and National Parks held a hearing on it on July 23, 1985, and recommended it to the full committee. The full committee ordered it reported, with no amendments, on July 24, 1985, and recommends its approval by the House.

I would like to point out that at the hearing on House Joint Resolution 299, it was noted that advisory committees for the HABS and HAER Programs formerly provided advice to the National Park Service through the services of professional architects, historians and engineers. The authority which provided for the existence of the two committees was allowed to lapse in 1978. The National Park Service is encouraged to reactivate administratively the advisory committees for the purpose of reviewing documents prepared through the HABS and HAER Programs and as a way to encourage and educate the private sector in the work of these programs.

Before closing I would like to thank our colleague, Mr. BUSTAMANTE, for introducing this legislation, and Melissa Hilton of his staff for her assistance. I would also like to thank Loretta Neumann and Melanie Beller of the subcommittee staff and Laura Beaty of the National Parks and Conservation Association, Charles Peterson, FAIA, and Jerry Rogers, National Park Service.

I am inserting in the RECORD, following these remarks, a listing of the organizations supporting this resolution.

Following, in alphabetical order, are the organizations supporting the legislation: American Association of Museums; American Institute of Architects; American Society of Civil Engineers; American Society of Landscape Architects; Coordinating Committee for the Promotion of History; Council on America's Military Past; National Parks and Conservation Association; National Trust for Historic Preservation; Preserva-

tion Action; Society for American Archaeology; the Archaeological Conservancy; and U.S. Conference of Mayors.

Mr. YOUNG of Alaska. Mr. Speaker, I thank the gentleman from Ohio [Mr. SEIBERLING] for his explanation, and I rise in support of House Joint Resolution 299.

Mr. Speaker, House Joint Resolution 299 recognizes the accomplishments over the past 50 years resulting from the passage of the Historic Sites Act of 1935.

The Historic Sites Act is considered one of the cornerstones of our Nation's historic preservation program. It stated for the first time the national policy to preserve nationally significant historic sites and monuments, regardless of whether they were in Federal ownership. It gave the Secretary of the Interior broad authority to initiate and oversee national preservation activities. It provided authority for the historic American buildings survey and, subsequently, the Historic American Engineering Record. It called for a nationwide survey to identify sites significant in American history, which led to the creation of national landmarks and, later, the National Register of Historic Places. It also established what has become the National Park System Advisory Board to provide advice on the cultural and natural resources in units of the National Park System.

The administration "wholeheartedly endorses" passage of this resolution; and I urge my colleagues to do the same.

● Mr. BUSTAMANTE. Mr. Speaker, I rise to urge passage of House Joint Resolution 299, a resolution which I introduced to commend the Historic Sites Act on its 50th anniversary. The resolution has received the support of the members of the Subcommittee on Public Lands and the Subcommittee on Interior. August 21 will mark the 50th anniversary of the signing into law of the Historic Sites Act, a landmark preservation law of our Nation. It is timely that the House act now, so that this resolution will become law before the anniversary occasion.

The Historic Sites Act laid the foundation for preservation efforts in our country. Its scope was broad, and its impact has been significant.

Prior to enactment of the Historic Sites Act, there was no national preservation policy. Passage of the Historic Sites Act paved the way for preservation efforts in our country. Virtually every successful preservation program has grown out of the 1935 act. The Historic Sites Act set forth a national policy on preservation which has aided public and private groups. According to the act, it is a "national policy to preserve for public use historic sites, buildings, and objects of national significance for the inspiration and benefit of the people of the United States."

We can be proud of our history and the Nation we have become. We should continue to protect and preserve our heritage for ourselves and for future generations. By visiting historic sites, we experience our history. We learn about the people, the events, and the values that shaped our country.

I believe it is appropriate on this anniversary occasion to recognize the achievements of the Historic Sites Act. I ask the support of my colleagues and urge passage of House Joint Resolution 299.●

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 299

Whereas the Act popularly known as the Historic Sites Act, enacted in 1935, for the first time stated that the national policy on historic preservation is "to preserve for public use historic sites, buildings and objects of national significance for the inspiration and benefit of the people of the United States";

Whereas the Historic Sites Act gave rise to a national Historic Sites Survey, which identified hundreds of sites that are important to understanding and commemorating the history of the United States;

Whereas based on the results of that nationwide survey and continuing investigations of historical properties, the National Historic Landmarks Program and the National Register of Historic Places were begun to identify sites of National, State, and local historical significance;

Whereas the Act fostered the documentation of unique examples of American architecture and engineering by the Historic American Buildings Survey and the Historic American Engineering Record; and

Whereas it would be appropriate and in the public interest to mark the 50th anniversary of the enactment of the Historic Sites Act and the preservation of our National heritage that continues as a result of that landmark legislation: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act to provide for the preservation of historic American sites, buildings, objects, and antiquities of national significance, and for other purposes" (approved August 21, 1935; 49 Stat. 666) is hereby recognized for its substantial contributions over the past 50 years to the identification and protection of the Nation's cultural heritage.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SEIBERLING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislastive days in which to extend their remarks on the joint resolution just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

CONFERENCE REPORT ON S. 1160, DEPARTMENT OF DEFENSE AUTHORIZATION ACT, 1986

Mr. PRICE submitted the following conference report and statement on the Senate bill (S. 1160) entitled "An Act to authorize appropriations for the military functions of the Department of Defense and to prescribe personnel levels for the Department of Defense for fiscal year 1986, to authorize certain construction at military installations for such fiscal year, to authorize appropriations for the Department of Energy for national security programs for such fiscal year, and for other purposes:"

CONFERENCE REPORT (H. REPT. NO. 99-235)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1160) to authorize appropriations for the military functions of the Department of Defense and to prescribe personnel levels for the Department of Defense for fiscal year 1986, to authorize certain construction at military installations for such fiscal year, to authorize appropriations for the Department of Energy for national security programs for such fiscal year, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS

(a) SHORT TITLE.—This Act may be cited as the "Department of Defense Authorization Act, 1986".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—PROCUREMENT

PART A—FUNDING AUTHORIZATIONS

Sec. 101. Army.
Sec. 102. Navy and Marine Corps.
Sec. 103. Air Force.
Sec. 104. Reserve components.
Sec. 105. Defense Agencies.
Sec. 106. NATO cooperative programs.
Sec. 107. Reductions in authorizations due to savings from lower inflation and prior-year cost savings.
Sec. 108. Provisions relating to transfers of prior-year funds.
Sec. 109. Report on reductions and transfers.
Sec. 110. Improvement in conventional readiness capability.

PART B—ARMY PROGRAM LIMITATIONS

Sec. 121. Sergeant York Division Air Defense (DIVAD) gun.
Sec. 122. Bradley fighting vehicle.
Sec. 123. Conditions on procurement of certain combat vehicles.
Sec. 124. Sale of L119 howitzers overseas.

Sec. 125. Restrictions on purchase of 5-ton trucks.
Sec. 126. Other Army programs.
PART C—NAVY PROGRAM LIMITATIONS
Sec. 131. A6 aircraft rewing program.
Sec. 132. Limitations on Navy aircraft procurement.
PART D—AIR FORCE PROGRAM LIMITATIONS
Sec. 141. MX missile program.
Sec. 142. Competition for Air Force fighter aircraft procurement.
Sec. 143. Advanced technology bomber.
Sec. 144. Special operations forces HH-53 helicopters.
PART E—OTHER LIMITATIONS
Sec. 151. C-12 aircraft.
Sec. 152. Adequate airlift for special operations forces.
TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION
PART A—AUTHORIZATIONS OF APPROPRIATIONS AND PROGRAM LIMITATIONS
Sec. 201. Authorization of appropriations.
Sec. 202. Reductions in authorizations due to savings from lower inflation and prior-year cost savings.
Sec. 203. Authorization of transfers of prior-year funds.
Sec. 204. Limitations on funds for the Army.
Sec. 205. Limitations on funds for the Navy (including the Marine Corps).
Sec. 206. Limitations on funds for the Air Force.
Sec. 207. Limitations on funds for the Defense Agencies.
Sec. 208. Testing of antisatellite weapons and space survivability program.
Sec. 209. Small intercontinental ballistic missile program.
Sec. 210. Advanced Medium-Range Air-to-Air Missile (AMRAAM) system.
Sec. 211. High-speed Anti-Radiation Missile (HARM) program.
PART B—STRATEGIC DEFENSE INITIATIVE
Sec. 221. Funding for fiscal year 1986.
Sec. 222. Requirement for specific authorization for deployment of Strategic Defense Initiative system.
Sec. 223. Reports on Strategic Defense Initiative.
Sec. 224. Congressional policy regarding consultation with other members of NATO on the Strategic Defense Initiative.
Sec. 225. Congressional expression on the Strategic Defense Initiative and the ABM Treaty.
Sec. 226. Report on strategic and theater ballistic missile defenses.
TITLE III—OPERATION AND MAINTENANCE
Sec. 301. Authorization of appropriations.
Sec. 302. Authorization of appropriations for working-capital funds.
Sec. 303. Limitation on the use of O&M funds to purchase investment items.
Sec. 304. Assistance for the Tenth International Pan American Games.
Sec. 305. Authorization of appropriations for transportation of humanitarian relief supplies to Afghan refugees.
Sec. 306. Extension and expansion of authority of the Secretary of Defense to transport humanitarian relief supplies to certain countries.
Sec. 307. Limitation concerning Air National Guard and Air Force Reserve flying units.
Sec. 308. Commissary and exchange privileges for survivors of certain reservists.
TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS
PART A—ACTIVE FORCES
Sec. 401. Authorization of end strengths.
Sec. 402. Extension of quality control on enlistments into the Army.
PART B—RESERVE FORCES
Sec. 411. Authorization of average strengths for Selected Reserve.
Sec. 412. Authorization of end strengths for Reserves on active duty in support of the reserve components.
Sec. 413. Increase in number of certain personnel authorized to be on active duty in support of the reserve components.
PART C—MILITARY TRAINING
Sec. 421. Authorization of training student loads.
TITLE V—DEFENSE PERSONNEL POLICY
PART A—CIVILIAN PERSONNEL
Sec. 501. Waiver of civilian personnel ceilings for fiscal year 1986.
Sec. 502. Prohibition on managing civilian personnel by end-strengths during fiscal year 1986.
Sec. 503. Exercise of certain authorities relating to civilian employees of the Department of Defense.
Sec. 504. Modification and study of Department of Defense civilian personnel classification and pay systems.
PART B—ACTIVE MILITARY PERSONNEL
Sec. 511. Adjustment in Marine Corps officer grade table.
Sec. 512. Service agreements of cadets and midshipmen.
Sec. 513. Transfers to and from temporary disability retired list.
Sec. 514. Change in title of grade of commodore to rear admiral (lower half).
Sec. 515. Temporary increase in the number of general and flag officers authorized to be on active duty in three- and four-star grades.
Sec. 516. Grade of retired regular members recalled to active duty.
PART C—RESERVE MILITARY PERSONNEL
Sec. 521. Extension of certain reserve officer management programs.
Sec. 522. Retention until age 60 of reserve civilian technicians.
Sec. 523. Authority to retain in active status until age 62 up to 10 Army reserve major generals.
Sec. 524. Requirement of muster test of Army Individual Ready Reserve.
PART D—MISCELLANEOUS
Sec. 531. Appointments of warrant officers.
Sec. 532. Prisoner-of-war medal.
Sec. 533. Clarification of precedence of the award of the purple heart.
Sec. 534. Espionage under the UCMJ.
TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS
PART A—BASIC PAY AND ALLOWANCES
Sec. 601. Military pay raise for fiscal year 1986.
Sec. 602. Adjustments in variable housing allowance program.
Sec. 603. Payment of variable housing allowance in Alaska and Hawaii.
Sec. 604. Authority to pay BAQ and VHA in advance.
Sec. 605. Eligibility for basic allowance for quarters.
Sec. 606. Reimbursement for accommodations in place of quarters.
Sec. 607. Increase in family separation allowance.
PART B—TRAVEL AND TRANSPORTATION
Sec. 611. Increase in dislocation allowance.
Sec. 612. Revision of travel and transportation allowances.
Sec. 613. Temporary lodging expenses.
Sec. 614. Allowances for transportation of baggage and household effects.
Sec. 615. Travel allowance for travel performed in connection with certain leave.
Sec. 616. Travel during ship overhaul.
Sec. 617. Definition of residence of a student dependent.
Sec. 618. Extension of test program for flat rate per diem system.
Sec. 619. Travel and transportation allowances for travel within the administrative limits of a member's duty station.
Sec. 620. Transportation allowances for survivors of deceased member to attend burial ceremonies of deceased member.
PART C—BONUSES AND SPECIAL AND INCENTIVE PAYS
Subpart 1—Active Forces
Sec. 631. Lump-sum payments of selective reenlistment bonuses.
Sec. 632. Special pay for nuclear officers.
Sec. 633. Incentive pay for submarine duty.
Sec. 634. Career sea pay.
Sec. 635. Incentive pay for hazardous duty.
Sec. 636. Extension of aviation officer continuation pay.
Sec. 637. Change in definition of engineering and scientific duty.
Sec. 638. Incentive pay for duty subject to hostile fire.
Sec. 639. Revision of special pay for dental officers.
Sec. 640. Special pay for medical officers.
Sec. 641. Special pay for qualified enlisted members extending duty at certain locations overseas.
Subpart 2—Reserve Forces
Sec. 642. Selected Reserve enlistment bonus.
Sec. 643. Selected Reserve reenlistment bonus.
Sec. 644. Selected Reserve enlistment bonus for prior-service personnel.
Sec. 645. Selected Reserve affiliation bonus.
Sec. 646. Individual Ready Reserve bonuses.
Sec. 647. Selected Reserve hazardous-duty incentive pay.
PART D—HEALTH-CARE MATTERS
Sec. 651. CHAMPUS dental care for active-duty dependents.
Sec. 652. Enhanced health-care benefits for survivors of certain reservists.
Sec. 653. Licensure requirement for defense health-care professionals.
Sec. 654. Study of medical casualty investigations.
PART E—MILITARY RETIREMENT
Sec. 666. Limitation on amounts available for obligation for basic pay and for retired pay accrual charge.
Sec. 667. Legislative proposal to amend military retirement system for new entrants.

PART F—EDUCATIONAL ASSISTANCE PROGRAM
Sec. 671. Department of Defense educational loan repayment programs.
Sec. 672. Specialized training assistance in the health profession for members of reserve components.
Sec. 673. Right of members of naval service to transfer certain educational entitlement to spouse or dependent children.
Sec. 674. Changes in eligibility requirements for the all-volunteer force educational assistance program.
PART G—MISCELLANEOUS
Sec. 681. Legal representation of civilians overseas.
Sec. 682. Accrued leave.
Sec. 683. Pay allotments for Navy and Marine Corps.
Sec. 684. Extension to PHS and NOAA of authority to collect debts from pay of members.
Sec. 685. Surcharge for sales at animal disease prevention and control centers.
TITLE VII—SURVIVOR BENEFIT PLAN IMPROVEMENTS
Sec. 701. Short title.
PART A—GENERAL PROGRAM CHANGES
Sec. 711. Establishment of two-tier benefit system and elimination of social security offset.
Sec. 712. SBP coverage for members who die after 20 years of service.
Sec. 713. Annuity for survivors of certain retirement-eligible reservists.
Sec. 714. Indexing of threshold amount for calculation of reduction of retired pay.
Sec. 715. SBP coverage upon remarriage.
Sec. 716. Option to cover both a former spouse and dependent children of a member.
Sec. 717. Authority to repay refunded SBP deductions in installments.
Sec. 718. Effective date of DIC offset.
Sec. 719. Technical amendments to SBP statute.
PART B—PROVISIONS RELATING TO RIGHTS FOR SPOUSES AND FORMER SPOUSES
Sec. 721. Spousal concurrence for elections.
Sec. 722. Clarification of status of spousal agreements.
Sec. 723. Former spouse coverage to be provided in spouse category rather than insurable interest category.
Sec. 724. Notice of elections available.
PART C—EFFECTIVE DATE AND REPORT
Sec. 731. Effective date.
Sec. 732. Report on establishing needs-based survivor benefit annuity program for surviving spouses of certain retired reservists.
TITLE VIII—MILITARY FAMILY POLICY AND PROGRAMS
Sec. 801. Short title.
Sec. 802. Office of Family Policy.
Sec. 803. Transfer of Military Family Resource Center.
Sec. 804. Surveys of military families.
Sec. 805. Family members serving on advisory committees.
Sec. 806. Employment opportunities for military spouses.
Sec. 807. Youth sponsorship program.
Sec. 808. Dependent student travel within the United States.
Sec. 809. Relocation and housing.
Sec. 810. Food programs.
Sec. 811. Reporting of child abuse.
Sec. 812. Miscellaneous reporting requirements.
Sec. 813. Effective date.
TITLE IX—PROCUREMENT POLICY REFORM AND OTHER PROCUREMENT MATTERS
Sec. 901. Short title.
PART A—PROGRAM MANAGEMENT MATTERS
Sec. 911. Regulations relating to allowable costs.
Sec. 912. Multiple sources for major defense acquisition programs.
Sec. 913. Minimum percentage of competitive procurements.
Sec. 914. Regulations to control prices that may be paid for spare parts.
Sec. 915. Should-cost analyses.
Sec. 916. Limitations on progress payments.
Sec. 917. Cost and price management in defense procurement.
Sec. 918. Contracted advisory and assistance services.
Sec. 919. Revision and extension of procurement technical assistance cooperative agreement program.
PART B—PROCUREMENT PERSONNEL MATTERS
Sec. 921. Post-Government-service bars on senior defense officials.
Sec. 922. Improved reporting and disclosure for former employees of the Department of Defense; prevention of conflicts of interest.
Sec. 923. Requirements relating to private employment contacts between certain Department of Defense procurement officials and defense contractors.
Sec. 924. Management of Department of Defense procurement personnel.
Sec. 925. Assignment of principal contracting officers.
PART C—FALSE CLAIMS, DEBARMENT, BURDEN OF PROOF, AND RELATED MATTERS
Sec. 931. Increased penalties for false claims in defense procurement.
Sec. 932. Prohibition on felons convicted of defense-contract-related felonies and penalty on employment of such persons by defense contractors.
Sec. 933. Burden of proof in Government contract dispute resolution.
Sec. 934. Reimbursement, interest charges, and penalties for overpayments.
Sec. 935. Subpoenas of defense contractor records.
PART D—REPORTS
Sec. 951. Report on prohibition on including general and administrative overhead expenses in the computation of contractor profits.
Sec. 952. Report on use of independent cost estimates for major defense acquisition programs.
Sec. 953. GAO study of feasibility of civilian defense acquisition agency.
Sec. 954. Report on suspension and debarment of defense contractors.
Sec. 955. Report on the use of competition under section 8(a) set-aside program.
Sec. 956. Report on efforts to increase defense contract awards to Indian-owned business.
PART E—TECHNICAL AMENDMENTS
Sec. 961. Technical corrections to Federal procurement law.
TITLE X—MATTERS RELATING TO ARMS CONTROL
Sec. 1001. Policy on compliance with existing strategic offensive arms agreements.
Sec. 1002. Annual report on Soviet compliance with arms control commitments.
Sec. 1003. Study of arms control verification capabilities.
Sec. 1004. Sense of Congress relating to United States-Soviet negotiations on reduction in nuclear arms.
Sec. 1005. Pilot program for exchange of certain high-ranking military and civilian personnel with the Soviet Union.
Sec. 1006. Report on nuclear winter findings and policy implications.
TITLE XI—MATTERS RELATING TO NATO
Sec. 1101. Limited authority to exceed permanent ceiling on United States forces assigned to NATO.
Sec. 1102. North Atlantic Treaty Organization cooperative projects.
Sec. 1103. NATO cooperative research and development.
TITLE XII—DEPARTMENT OF DEFENSE MANAGEMENT
PART A—MANAGEMENT OF FACILITIES AND DOD ORGANIZATION
Sec. 1201. Annual Selected Acquisition Reports.
Sec. 1202. Base closures and realignments.
Sec. 1203. Demonstration project to test the use of a certain computer system in military hospitals.
Sec. 1204. Continued operation by the Secretary of Defense of the Defense Dependents' education system.
Sec. 1205. Authority to enroll certain children in overseas schools of the Defense Dependents' education system.
Sec. 1206. Limitation on size of headquarters staffs.
Sec. 1207. Report on organizational structure of the military health-care delivery system.
Sec. 1208. Annual report on Guard and Reserve equipment.
Sec. 1209. Moratorium on franchise agreements by military exchange services.
Sec. 1210. Priority for Air Force Shuttle Operations and Planning Complex.
Sec. 1211. Provision of uranium tetrafluoride to contractors for production of conventional ammunition.
Sec. 1212. Prohibition of certain restrictions on institutions eligible to provide educational services.
PART B—PERSONNEL MANAGEMENT
Sec. 1221. Counterintelligence polygraph program.
Sec. 1222. Reduction in security clearance backlog.
Sec. 1223. Authority for independent criminal investigations by Navy and Air Force investigative units.
Sec. 1224. Establishment of minimum drinking age on military installations.
Sec. 1225. Cash awards for disclosures leading to cost savings.
PART C—CONTRACTING-OUT FOR PERFORMANCE OF CERTAIN FUNCTIONS
Sec. 1231. Specification of core-logistics

functions subject to contracting-out limitation.
Sec. 1232. One-year extension of prohibition on contracting for the performance of firefighting and security functions.
Sec. 1233. Services and activities to be performed by non-Government personnel.
Sec. 1234. Increase in thresholds applicable to statutory contracting-out procedures.

PART D—ECONOMY AND EFFICIENCY

Sec. 1241. Flextime for Federal contractor employees.
Sec. 1242. Prohibition on establishment of pay rates for prevailing rate employees of the Department of Defense using surveys of wages paid outside the local wage area.

TITLE XIII—TECHNICAL AND CLERICAL AMENDMENTS

Sec. 1301. Elimination of certain statutory gender-based distinctions.
Sec. 1302. Technical amendments relating to benefits for certain DIA personnel.
Sec. 1303. General clerical amendments.
Sec. 1304. Clerical amendments to Federal procurement law.

TITLE XIV—GENERAL PROVISIONS

PART A—FINANCIAL MATTERS

Sec. 1401. Transfer authority.
Sec. 1402. Authorization of transfers for FY85 pay supplemental.
Sec. 1403. Special Defense Acquisition Fund.
Sec. 1404. Revisions to defense budget plan.
Sec. 1405. Two-year budget cycle for the Department of Defense.
Sec. 1406. Report on budgeting for inflation.
Sec. 1407. Report of unobligated balances.
Sec. 1408. Authorization of appropriations for purchase of foreign currencies.

PART B—CHEMICAL WEAPONS

Sec. 1411. Conditions on spending funds for binary chemical munitions.
Sec. 1412. Destruction of existing stockpile of lethal chemical agents and munitions.
Sec. 1413. Report concerning the testing of chemical warfare agents.

PART C—DRUG INTERDICTION, LAW ENFORCEMENT, AND OTHER SPECIFIC PROGRAMS

Sec. 1421. Enhanced drug-interdiction assistance.
Sec. 1422. Establishment, operation, and maintenance of drug law enforcement assistance organizations of the Department of Defense.
Sec. 1423. Military cooperation information programs for civilian law enforcement officials.
Sec. 1424. Study on the use of the E-2 aircraft for drug interdiction purposes.
Sec. 1425. Strategic bomber programs.
Sec. 1426. Restrictions on certain nuclear programs.

PART D—MISCELLANEOUS REPORTING REQUIREMENTS

Sec. 1431. Extension of time for submission of reports by Commission on Merchant Marine and Defense.
Sec. 1432. Report on naval shipbuilding and repair base.
Sec. 1433. Nuclear reactor components for SSN-21 class submarines.
Sec. 1434. Aircraft fuel conservation report.
Sec. 1435. Report concerning poseidon-class submarine.
Sec. 1436. Report and demonstration project concerning the sale of certain United States meat in military commissaries overseas.
Sec. 1437. Report on retention of basic point defense missile system.
Sec. 1438. Report on retirement benefits of Philippine scouts.
Sec. 1439. Report on death penalty for espionage.
Sec. 1440. Report on impact of foreign exports on the defense industrial base of the United States.
Sec. 1441. Sense of Congress regarding the firing of tactical missiles for training purposes.
Sec. 1442. Report on feasibility of drug testing of prospective recruits.

PART E—MISCELLANEOUS PROVISIONS

Sec. 1451. Sense of Congress on introduction of Armed Forces into Nicaragua for combat.
Sec. 1452. Sense of Congress concerning protection of United States military personnel against terrorism.
Sec. 1453. Readiness of special operations forces.
Sec. 1454. Authority to provide excess personal property for humanitarian purposes.
Sec. 1455. Encouragement of construction in United States shipyards of combatant vessels for United States allies.
Sec. 1456. Defense industrial base for textile and apparel products.
Sec. 1457. Encouragement of technology transfer.
Sec. 1458. Civil air patrol.
Sec. 1459. National Science Center for Communications and Electronics.
Sec. 1460. Donations by commissary stores of certain unmarketable food.
Sec. 1461. Limitation on gratuities at naval shipbuilding ceremonies.
Sec. 1462. Authority to transfer certain aircraft.
Sec. 1463. Authority to lease Air Force helicopters to the State of California.
Sec. 1464. Sense of Congress concerning establishment of travel offices or acquisition of travel services.
Sec. 1465. American stage equipment for United States patriotic events.
Sec. 1466. Sale of certain recordings of United States Air Force Band.

TITLE XV—DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

Sec. 1501. Short title.

PART A—NATIONAL SECURITY PROGRAMS AUTHORIZATIONS

Sec. 1511. Operating expenses.
Sec. 1512. Plant and capital equipment.

PART B—RECURRING GENERAL PROVISIONS

Sec. 1521. Reprogramming.
Sec. 1522. Limits on general plant projects.
Sec. 1523. Limits on construction projects.
Sec. 1524. Fund transfer authority.
Sec. 1525. Authority for construction design.
Sec. 1526. Authority for emergency construction design.
Sec. 1527. Funds available for all national security programs of the Department of Energy.
Sec. 1528. Adjustments for pay increases.
Sec. 1529. Availability of funds.

PART C—PROGRAM REVISIONS AND MISCELLANEOUS PROVISIONS

Sec. 1531. General reduction.
Sec. 1532. Community assistance payments.
Sec. 1533. Improvements to Department of Energy building at Oak Ridge, Tennessee.
Sec. 1534. Costs not allowed under covered contracts.
Sec. 1535. Technical amendments.

TITLE XVI—OTHER GENERAL PROVISIONS

PART A—CIVIL DEFENSE

Sec. 1601. Authorization of appropriations.

PART B—NATIONAL DEFENSE STOCKPILE

Sec. 1611. Funding for National Defense Stockpile.
Sec. 1612. Prohibition of reductions in stockpile goals.
Sec. 1613. Study of loss of production capacity of critical ferroalloy products.

PART C—OTHER PROVISIONS

Sec. 1621. Sense of the Congress expressing support for the Selective Service registration program.
Sec. 1622. Prohibition on civil service employment of persons who fail to register under the Military Selective Service Act.
Sec. 1623. Authority to provide Coast Guard commandant residence-to-work transportation provided other service chiefs.
Sec. 1624. Acceptance of certain volunteer services.
Sec. 1625. Authority to exempt certain physicians at Soldiers' and Airmen's Home from reductions in retired pay.
Sec. 1626. Management of military records maintained by the National Archives and Records Administration.
Sec. 1627. Robert C. Byrd Honors Scholarship program.
Sec. 1628. Postage stamp commemorating the 350th anniversary of the establishment of the United States National Guard.

TITLE I—PROCUREMENT

PART A—FUNDING AUTHORIZATIONS

SEC. 101. ARMY

(a) AUTHORIZATION OF APPROPRIATIONS.—Funds are hereby authorized to be appropriated for fiscal year 1986 for procurement for the Army as follows:

(1) For aircraft, $3,676,100,000.

(2) For missiles, $3,272,700,000.

(3) For weapons and tracked combat vehicles, $5,211,000,000.

(4) For ammunition, $2,549,000,000.

(5) For other procurement, $5,323,500,000, of which—

(A) $1,002,700,000 is for tactical and support vehicles;

(B) $3,131,300,000 is for communications and electronics equipment;

(C) $1,307,400,000 is for other support equipment; and

(D) $105,300,000 is for non-centrally managed items.

(b) AUTHORIZATION OF TRANSFERS OF PRIOR-YEAR FUNDS.—There are hereby authorized to be transferred to, and merged with, amounts appropriated for procurement for the Army for fiscal year 1986 pursuant to the authorization of appropriations in subsection (a) the following amounts:

(1) AIRCRAFT.—$101,800,000 for procurement of aircraft, to be derived from amounts appropriated for fiscal year 1985 for procurement of aircraft for the Army.

(2) MISSILES.—$25,000,000 for procurement of missiles, to be derived from amounts appropriated for fiscal year 1985 for procurement of missiles for the Army.

(3) WEAPONS AND TRACKED COMBAT VEHICLES.—$117,900,000 for procurement of weapons and tracked combat vehicles, of which—

(A) $52,600,000 shall be derived from amounts appropriated for fiscal year 1984 for procurement of weapons and tracked combat vehicles for the Army;

(B) $40,000,000 shall be derived from amounts appropriated for fiscal year 1985 for procurement of weapons and tracked combat vehicles for the Army;

(C) $25,300,000 shall be derived from amounts available for fiscal year 1985 for procurement of weapons and tracked combat vehicles for the Army resulting from the sale of M48A5 tanks under a letter of offer issued pursuant to section 21(a)(1) of the Arms Export Control Act;

(4) AMMUNITION.—$140,000,000 for procurement of ammunition, of which—

(A) $30,000,000 shall be derived from amounts appropriated for fiscal year 1984 for procurement of ammunition for the Army; and

(B) $110,000,000 shall be derived from amounts appropriated for fiscal year 1985 for procurement of ammunition for the Army.

(5) OTHER PROCUREMENT.—$230,600,000 for other procurement, of which—

(A) $79,000,000 shall be derived from amounts appropriated for fiscal year 1984 for other procurement for the Army; and

(B) $151,600,000 shall be derived from amounts appropriated for fiscal year 1985 for other procurement for the Army.

(c) AUTHORIZED MULTIYEAR CONTRACTS.—(1) Subject to paragraph (3), the Secretary of the Army may enter into multiyear contracts in accordance with section 2306(h) of title 10, United States Code, for procurement of the following:

T-700 series engines.

Chassis for the M1A1 tank.

AGT 1500 turbine engine for the M1 tank.

Laser range finder and thermal integrated sight fire control components for the M1 tank.

Electronic unit and control panel components for the ballistic computer for the M1 tank.

Transmission system for the Bradley Fighting Vehicle.

(2) The Secretary of the Army may not enter into a multiyear contract for procurement of the Armored Combat Earthmover.

(3) A multiyear contract authorized by paragraph (1) may not be entered into unless the total anticipated cost over the period of the contract is no more than 90 percent of the total anticipated cost of carrying out the same program through annual contracts.

(d) REMOVAL OF LIMITATION ON CONTRACTORS FOR 120-MILLIMETER MORTAR.—The Secretary of the Army may select a contractor for the supply of 120-millimeter mortars for the Army as if section 101(e) of the Department of Defense Authorization Act, 1985 (Public Law 98-525; 98 Stat. 2499), had not been enacted.

(e) MULTIYEAR CONTRACT FOR 1985 MLRS PROGRAM PROCUREMENT.—Notwithstanding section 1502(a) of title 31, United States Code, or any other Act, funds appropriated for the multiple-launch rocket system (MLRS) program of the Army for fiscal year 1985 may be used to enter into contracts for purchases in economic-order quantities of materials and components for use with end items under the program proposed for procurement during fiscal year 1989.

SEC. 102. NAVY AND MARINE CORPS

(a) AIRCRAFT.—(1) Funds are hereby authorized to be appropriated for fiscal year 1986 for procurement of aircraft for the Navy in the amount of $11,599,900,000.

(2) Funds appropriated for fiscal year 1985 for procurement of aircraft for the Navy are hereby authorized to be transferred to, and merged with, amounts appropriated for procurement of aircraft for the Navy for fiscal year 1986 pursuant to the authorization of appropriations in paragraph (1) in the amount of $109,000,000.

(b) WEAPONS.—(1)(A) Funds are hereby authorized to be appropriated for fiscal year 1986 in the total amount of $5,655,100,000 for procurement of weapons (including missiles and torpedoes) for the Navy.

(B) There are hereby authorized to be transferred to, and merged with, amounts appropriated for procurement of weapons for the Navy for fiscal year 1986 the amount of $15,000,000, to be derived from amounts appropriated for fiscal year 1985 for procurement of weapons for the Navy.

(2) Funds appropriated or otherwise made available for procurement of weapons for the Navy for fiscal year 1986 pursuant to the authorizations in paragraph (1) are available as follows:

(A) For missile programs, $4,430,400,000.

(B) For torpedo programs:

For the MK-48 torpedo program, $417,400,000.

For the MK-46 torpedo program, $129,100,000.

For the MK-60 CAPTOR mine program, $59,600,000.

For the MK-30 mobile target program, $20,600,000.

For the MK-38 minimobile target program, $3,500,000.

For the antisubmarine rocket (ASROC) program, $15,600,000.

For the modification of torpedoes and related equipment, $141,200,000.

For the torpedo support equipment program, $47,400,000.

For the antisubmarine warfare range support program, $23,200,000.

(C) For other weapons:

For the MK-15 close-in weapon system program, $150,100,000.

For the MK-75 76-millimeter gun mount program, $20,000,000.

For other weapons programs, $77,300,000.

(D) For spares and repair parts, $166,600,000.

(c) SHIPBUILDING AND CONVERSION.—(1)(A) Funds are hereby authorized to be appropriated for fiscal year 1986 for shipbuilding and conversion for the Navy in the total amount of $10,001,200,000.

(B) Funds appropriated for fiscal years before fiscal year 1986 are hereby authorized to be transferred to, and merged with, amounts appropriated pursuant to the authorization of appropriations in subparagraph (A) in the total amount of $859,600,000. Such amount shall be derived in accordance with paragraph (3).

(2) Funds appropriated or otherwise made available for shipbuilding and conversion for fiscal year 1986 pursuant to the authorizations in paragraph (1) are available as follows:

For the Trident submarine program, $1,481,800,900.

For the SSN-688 nuclear attack submarine program, $2,698,400,000.

For the aircraft carrier service life extension program (SLEP), $133,400,000.

For the CG-47 Aegis cruiser program, $2,766,200,000.

For the DDG-51 guided missile destroyer program, $164,300,000.

For the LSD-41 landing ship dock program, $414,400,000.

For the LHD-1 amphibious assault ship program, $1,314,200,000.

For the MCM-1 mine countermeasures ship program, $167,100,000.

For the MSH-1 coastal mine hunter ship program, $184,500,000.

For the TAO-187 fleet oiler program, $328,500,000.

For the TAGOS ocean surveillance ship program, $115,100,000.

For the acoustic research vessel program, $68,900,000.

For the strategic sealift ready reserve program, $228,400,000.

For the TACS auxiliary crane ship program, $82,500,000.

For the TAVB aviation logistics support ship program, $26,900,000.

For the LCAC landing craft air cushion program, $307,000,000.

For the battleship reactivation program, $53,500,000.

For service craft and landing craft, $72,100,000.

For the moored training ship program, $26,500,000.

For outfitting and post delivery, $341,100,000.

(3) Amounts transferred pursuant to paragraph (1)(B) to amounts appropriated for shipbuilding and conversion pursuant to the authorization of appropriations in paragraph (1)(A) shall be derived from amounts appropriated for shipbuilding and conversion for the Navy for fiscal years before fiscal year 1986 as follows:

(A) $357,500,000 shall be derived from amounts appropriated for fiscal years before fiscal year 1983.

(B) $153,000,000 shall be derived from amounts appropriated for fiscal year 1983.

(C) $156,100,000 shall be derived from amounts appropriated for fiscal year 1984.

(D) $193,000,000 shall be derived from amounts appropriated for fiscal year 1985.

(4)(A) The Secretary of the Navy is hereby authorized to transfer to and merge with amounts appropriated pursuant to the authorizations of appropriations in paragraph (1) amounts described in subparagraph (B).

(B) Amounts that may be transferred under subparagraph (A) are amounts appropriated for fiscal year 1985 and prior years for shipbuilding and conversion for the Navy and remaining available for obligation as a result of cost savings in carrying out shipbuilding programs for fiscal year 1985 and prior years. Any such transfer is in addition to the transfers described in paragraph (3).

(5)(A) The Secretary of the Navy may transfer to amounts available for the battleship reactivation program for fiscal year 1986 such amounts as may be available as a result of cost savings in carrying out shipbuilding programs for fiscal year 1986 and prior years. Any such transfer is in addition to the transfers described in paragraphs (3) and (4).

(B) Section 1401 shall not apply to any transfer under this paragraph of funds appropriated for fiscal year 1986.

(d) OTHER PROCUREMENT, NAVY.—(1)(A) Funds are hereby authorized to be appropriated for fiscal year 1986 for other procure-

ment for the Navy in the amount of $6,040,800,000.

(B) There is hereby authorized to be transferred to, and merged with, amounts appropriated for other procurement for the Navy, the amount of $221,000,000, to be derived from amounts appropriated for fiscal years 1984 and 1985 for other procurement for the Navy, of which—

(i) $70,000,000 shall be derived from amounts appropriated for fiscal year 1984; and

(ii) $151,000,000 shall be derived from amounts appropriated for fiscal year 1985.

(2) Funds appropriated or otherwise made available for other procurement for the Navy for fiscal year 1986 pursuant to the authorizations in paragraph (1) are available as follows:

(A) $935,000,000 is available only for the ship support equipment program;

(B) $2,134,500,000 is available only for the communications and electronics equipment program;

(C) $1,206,800,000 is available only for aviation support equipment;

(D) $1,396,500,000 is available only for the ordnance support equipment program;

(E) a total of $685,000,000 is available only for programs for civil engineering support equipment, supply support equipment, and personnel/command support equipment;

(F) $279,800,000 is available only for spares and repair parts; and

(G) $125,300,000 is available only for noncentrally managed items.

(e) PROCUREMENT, MARINE CORPS.—(1) Funds are hereby authorized to be appropriated for fiscal year 1986 for procurement for the Marine Corps (including missiles, tracked combat vehicles, and other weapons) in the amount of $1,727,400,000.

(2) There is hereby authorized to be transferred to, and merge with, amounts appropriated for procurement for the Marine Corps for fiscal year 1986 pursuant to the authorization of appropriations in paragraph (1) $28,000,000 to be derived from amounts appropriated for fiscal year 1985 for procurement for the Marine Corps.

(f) AUTHORIZED MULTIYEAR CONTRACTS.—(1) The Secretary of the Navy may enter into multiyear contracts in accordance with section 2306(h) of title 10, United States Code, for procurement of the following:

LHD-1 class amphibious assault ships.

MK-46 torpedoes and modification kits.

(2) The Secretary of the Navy may not enter into a multiyear contract for the procurement of the P-3C Orion antisubmarine warfare patrol aircraft.

(g) FUNDING FOR SHIP CONTRACT DESIGN.—Any request submitted to Congress for appropriations for a fiscal year after fiscal year 1986 for ship contract design necessary to support the procurement of ships included (at the time the request is submitted) in the Navy's five-year shipbuilding and conversion plan shall be reflected in the Shipbuilding and Conversion account of the Navy.

SEC. 103. AIR FORCE

(a) AUTHORIZATION OF APPROPRIATIONS.—Funds are hereby authorized to be appropriated for fiscal year 1986 for procurement for the Air Force as follows:

(1) For aircraft, $24,435,300,000.

(2) For missiles, $9,008,600,000.

(3) For other procurement, $8,571,100,000, of which—

(A) $1,432,400,000 is for munitions and associated support equipment;

(B) $320,800,000 is for vehicular equipment;

(C) $2,635,800,000 is for electronics and telecommunications equipment;

(D) $4,655,400,000 is for other base maintenance and support equipment; and

(E) $54,700,000 is available only for noncentrally managed items.

(b) AUTHORIZATION OF TRANSFERS OF PRIOR-YEAR FUNDS.—There are hereby authorized to be transferred to, and merged with, amounts appropriated for procurement for the Air Force for fiscal year 1986 pursuant to the authorization of appropriations in subsection (a) the following amounts:

(1) AIRCRAFT.—$406,000,000 for procurement of aircraft, to be derived from amounts appropriated for fiscal year 1985 for procurement of aircraft for the Air Force.

(2) MISSILES.—$42,800,000 for procurement of missiles, to be derived from amounts appropriated for fiscal years before fiscal year 1986 for procurement of missiles for the Air Force, of which—

(A) $35,000,000 shall be derived from amounts appropriated for fiscal year 1985; and

(B) $7,800,000 shall be derived from amounts appropriated for fiscal years before fiscal year 1985.

(3) OTHER PROCUREMENT.—$282,000,000 for other procurement, to be derived from amounts appropriated for fiscal years before fiscal year 1986 for other procurement for the Air Force, of which—

(A) $86,000,000 shall be derived from amounts appropriated for fiscal year 1984; and

(B) $196,000,000 shall be derived from amounts appropriated for fiscal year 1985.

SEC. 104. RESERVE COMPONENTS

(a) AUTHORIZATION OF APPROPRIATIONS.—Funds are hereby authorized to be appropriated for fiscal year 1986 for procurement of aircraft, missiles, tracked combat vehicles, ammunition, other weapons, and other procurement for the reserve components of the Armed Forces as follows:

For the Army National Guard, $223,400,000.

For the Air National Guard, $210,000,000.

For the Naval Reserve, $45,000,000.

For the Marine Corps Reserve, $60,000,000.

For the Air Force Reserve, $120,000,000.

(b) AUTHORIZATIONS IN ADDITION TO OTHER AMOUNTS.—The authorizations of appropriations contained in subsection (a) are in addition to any other amounts authorized to be appropriated by this or any other Act.

SEC. 105. DEFENSE AGENCIES

(a) AUTHORIZATION OF APPROPRIATIONS.—Funds are hereby authorized to be appropriated for fiscal year 1986 for the Defense Agencies in the amount of $1,342,300,000.

(b) AUTHORIZATION OF TRANSFERS OF PRIOR-YEAR FUNDS.—There is hereby authorized to be transferred to, and merged with, amounts appropriated for procurement for the Defense Agencies for fiscal year 1986 pursuant to the authorization of appropriations in subsection (a) the amount of $36,000,000, to be derived from amounts appropriated for fiscal years before fiscal year 1986 for procurement for the Defense Agencies, of which—

(1) $15,000,000 shall be derived from amounts appropriated for fiscal year 1984; and

(2) $21,000,000 shall be derived from amounts appropriated for fiscal year 1985.

SEC. 106. NATO COOPERATIVE PROGRAMS

(a) AUTHORIZATION OF APPROPRIATIONS FOR COOPERATIVE DEFENSE PROGRAMS.—(1) There is hereby authorized to be appropriated to the Secretary of Defense for fiscal year 1986 the amount of $75,000,000 for North Atlantic Treaty Organization cooperative defense programs as follows:

For acquisition of point air defense of United States airbases in the Federal Republic of Germany, $30,000,000.

For acquisition of point air defense of United States airbases and other critical United States military facilities in Italy, $15,000,000.

For acquisition of point air defense and port defense for facilities in Belgium, $15,000,000.

For acquisition of point air defense of United States airbases in Turkey, $15,000,000.

(2) None of the amounts appropriated pursuant to the authorizations in paragraph (1) may be obligated—

(A) for implementation of a cooperative program until the Secretary of Defense submits to the Committees on Armed Services of the Senate and House of Representatives a copy of each government-to-government agreement relating to that program; or

(B) for acquisitions in connection with a NATO cooperative defense program in which the financial obligations of the United States exceed the collective financial obligations of European countries in connection with such program.

(b) EXTENSION OF AUTHORITY PROVIDED SECRETARY OF DEFENSE IN CONNECTION WITH THE NATO AWACS PROGRAM.—Effective on October 1, 1985, section 103(a) of the Department of Defense Authorization Act, 1982 (Public Law 97-86; 95 Stat. 1100), is amended by striking out "fiscal year 1985" both places it appears and inserting in lieu thereof "fiscal year 1986".

SEC. 107. REDUCTIONS IN AUTHORIZATIONS DUE TO SAVINGS FROM LOWER INFLATION AND PRIOR-YEAR COST SAVINGS

(a) CERTAIN FY86 AUTHORIZATION REDUCTIONS TO BE FROM COST SAVINGS.—Authorization reductions described in subsection (b)—

(1) may not be derived through cancellation of any authorized program, stretchout of procurement under any authorized program, or any other change in an authorized program; but

(2) may be derived only through cost reductions in programs of the Department of Defense under this title that are achieved without a reduction in the quantity or quality of goods or services acquired by the Department, including reductions due to the rate of inflation for fiscal year 1986 being lower than the rate assumed in the President's budget for fiscal year 1986.

(b) IDENTIFICATION OF AMOUNTS.—Subsection (a) applies to the following amounts that represent reductions from amounts requested in the President's Budget for fiscal year 1986 and that have been incorporated into the amounts authorized in sections 101 through 105:

(1) Aircraft, Army, $5,000,000.

(2) Missiles, Army, $4,000,000.

(3) Weapons and tracked combat vehicles, Army, $7,000,000.

(4) Ammunition, Army, $3,000,000.

(5) Other procurement, Army, $5,000,000.

(6) Aircraft, Navy, $15,000,000.

(7) Weapons, Navy, $7,000,000.

(8) Shipbuilding and conversion, Navy, $14,000,000.

(9) Other procurement, Navy, $6,000,000.

(10) Procurement, Marine Corps, $2,000,000.

(11) Aircraft, Air Force, $32,000,000.

(12) Missiles, Air Force, $13,000,000.

(13) Other Procurement, Air Force, $9,000,000.

(14) Defense Agencies, $1,000,000.

SEC. 108. PROVISIONS RELATING TO TRANSFERS OF PRIOR-YEAR FUNDS

(a) AUTHORIZATION OF TRANSFERS SUBJECT TO PROVISIONS OF APPROPRIATIONS ACTS.—Transfers authorized by this title (other than a transfer described in section 102(c)(5)(B)) may be made only to the extent provided in appropriation Acts.

(b) SOURCE OF TRANSFERRED FUNDS.—(1) All amounts transferred under this title shall be derived from funds that remain available for obligation.

(2) Except as provided in paragraphs (3) and (4), such funds—

(A) may not be derived through cancellation of any program, stretchout of procurement under any program, or any other program change; but

(B) may be derived only through cost reductions (including reductions due to rates of inflation being lower than rates assumed when such funds were budgeted) under programs for which such funds were authorized and appropriated that are achieved without a reduction in the quantity or quality of goods or services acquired by the Department of Defense.

(3)(A) Funds for the transfer authorized by section 101(b)(3)(B) may be derived from the Sergeant York Air Defense Gun.

(B) Funds for the transfer authorized by section 101(b)(4)(B) may be derived from 120-millimeter mortar ammunition.

(C) Funds for the transfer authorized by section 101(b)(5)(B) may be derived from the Single Channel Objective Tactical Terminal and M9 Armored Combat Earthmover programs.

(4) Paragraph (2) shall not apply to funds for the transfers authorized by section 101(b)(3)(C) and section 131(c).

SEC. 109. REPORT ON REDUCTIONS AND TRANSFERS

The Secretary of Defense may not implement a program change under a reduction described in section 107 or under a transfer under this title until the Secretary submits to the Committees on Armed Services of the Senate and House of Representatives a report describing the programs in which such reductions will be made in accordance with section 107 and the programs that are the source of the funds transferred under this title.

SEC. 110. IMPROVEMENT IN CONVENTIONAL READINESS CAPABILITY

(a) SENSE OF CONGRESS.—It is the sense of Congress that the United States should place greater emphasis on the improvement of the capabilities of United States conventional forces, particularly in cooperation with other member nations of the North Atlantic Treaty Organization, and that such an improvement would reduce the threat of nuclear war.

(b) INCREASED AUTHORIZATIONS FOR CONVENTIONAL CAPABILITY.—Accordingly, authorizations of appropriations for programs to improve the conventional readiness capabilities of the Armed Forces in addition to the amounts requested in the President's budget for fiscal year 1986 have been included in the appropriate provisions of this Act, and similar emphasis on conventional defense capabilities is to be expected in future legislation authorizing appropriations for the Department of Defense.

PART B—ARMY PROGRAM LIMITATIONS

SEC. 121. SERGEANT YORK DIVISION AIR DEFENSE (DIVAD) GUN

(a) LIMITATION ON FURTHER PROCUREMENT.—The Secretary of the Army may not obligate funds to execute option III of the production contract for procurement of fire units of the Sergeant York Division Air Defense (DIVAD) Gun system or to enter into a new contract for production and assembly of that system until—

(1) the initial production testing and the follow-on evaluation I are completed and the results of the testing and evaluation demonstrate that the Sergeant York System meets or exceeds the pass/fail criteria of the tests established jointly by the Secretary of the Army and the Secretary of Defense;

(2) the Director of Operational Test and Evaluation of the Department of Defense submits to the Secretary of Defense and the Committees on Armed Services of the Senate and House of Representatives a report giving the Director's evaluation of the results of such testing and evaluation;

(3) the Secretary of Defense reports to those committees on the results of such testing and evaluation and certifies that such testing reliably demonstrates that the operational capabilities of the Sergeant York system meet or exceed the performance specifications of the contract;

(4) the Secretary of the Army submits to those committees a report describing a contractor guarantee of the performance of the system described in subsection (b)(1); and

(5) 30 days have elapsed after the report under paragraph (4) is received by those committees.

(b) PERFORMANCE GUARANTEE.—(1) The guarantee of the contractor under subsection (a)(4) shall provide that each fire unit of the system shall operate in accordance with the performance specifications of the contract for the system for the maximum feasible duration and in any event for not less than one year.

(2) The terms of a guarantee under this subsection shall be in addition to terms of any previous guarantee or warranty of the system by the contractor required under section 2403 of title 10, United States Code, or any predecessor provision.

(3) A guarantee under this subsection shall apply to contracts for fiscal years after fiscal year 1985.

SEC. 122. BRADLEY FIGHTING VEHICLE

(a) REQUIREMENT FOR REPORTS ON TESTING.—The Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives two reports with respect to the Bradley Fighting Vehicle. The reports shall describe the results of the first and second phases, respectively, of the live-fire survivability testing program being carried out with respect to such vehicle. The reports shall be submitted in both classified and unclassified versions.

(b) REQUIRED ELEMENTS OF TESTING PROGRAM.—In phase 1 of the testing program referred to in subsection (a), at least 10 live-fire tests using antiarmor weapons of the Soviet Union shall be conducted against such vehicle in its current configuration. In phase 2 of the testing program, similar tests shall be conducted against such vehicle in a configuration with enhanced survivability features.

(c) CONTENT OF REPORTS.—The reports required by this section shall include the following:

(1) A complete analysis of the results of the testing program referred to in subsection (a), including an accounting of all of the test shots which were fired at the test vehicle, the distances from which the shots were fired, and the effects of such shots.

(2) A description and justification for the measures of merit and the pass/fail criterion used in the testing program.

(3) A justification for exempting from the testing program any overmatch or undermatch weapon which would likely be encountered in combat conditions.

(4) Potential problems that were revealed by the tests and a proposed design modification for remedying such problems.

(5) The estimated unit cost of each proposed survivability modification and the overall program cost for the modifications.

(6) A comparison of the estimated unit cost of the Bradley Fighting Vehicle in both the configuration used in phase 1 of the testing program and the configuration in phase 2 of the testing program.

(d) DATE FOR SUBMISSION OF REPORTS.—The reports required by this section shall be submitted as follows:

(1) The report regarding the results of phase 1 of the testing program shall be submitted by December 1, 1985.

(2) The report regarding the results of phase 2 of the testing program shall be submitted by June 1, 1986.

SEC. 123. CONDITIONS ON PROCUREMENT OF CERTAIN COMBAT VEHICLES

(a) TESTING REQUIREMENTS.—(1) Chapter 139 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 2362. Testing requirements: wheeled or tracked armored vehicles

"(a) The Secretary of Defense shall provide that a contract for procurement by the Department of Defense under a major vehicle program may not be entered into unless the testing carried out during the development of the vehicle meets the requirements of subsection (b).

"(b) The testing of a vehicle referred to in subsection (a) shall include testing of the vulnerability of such vehicle to the most capable weapon that is likely to be a combat threat to the vehicle and against which the vehicle is designed to survive. Such tests—

"(1) shall be carried out in a manner modeled after the Joint Live-Fire Test Program for the Bradley Fighting Vehicle; and

"(2) if the test vehicle is to replace an existing vehicle, shall at least include test shots fired under the same conditions at both the test vehicle and the vehicle it is to replace, with each vehicle being equipped with all of the elements with which the vehicle would be equipped in combat.

"(c)(1) The Secretary of Defense shall submit to the defense committees a report with respect to the testing of each vehicle for which testing is required under this section.

"(2) A report under paragraph (1)—

"(A) shall be submitted in both a classified and unclassified form;

"(B) shall be submitted with the first request to Congress for appropriations for procurement—

"(i) of the vehicle; or

"(ii) of modifications to an existing vehicle.

"(3) Each such report shall include—

"(A) a complete description of the firing parameters used in the testing and an analysis of the effect on the vehicle of each test shot made;

"(B) a description and justification of the merit and pass/fail criterion used in carrying out the test;

"(C) a description of the potential shortcomings of the vehicle that were revealed by the testing and (if any were revealed) the plan of the Secretary to incorporate into the design of the vehicle changes that are considered cost effective and that are necessary to overcome such shortcomings; and

"(D) if the test vehicle is to replace an existing vehicle, a comparison—

"(i) of the estimated unit cost of each newly developed vehicle (or of the newly developed survivability modifications being made to an existing vehicle); with

"(ii) the unit cost of the vehicle that is to be replaced by the test vehicle.

"(d) The Secretary of Defense shall include in the Department of Defense plan referred to as the Test and Evaluation Master Plan that is established for any major vehicle program an estimated cost and schedule of the testing to be carried out with respect to the program.

"(e) In this section:

"(1) 'Major vehicle program' means a major defense acquisition program for the acquisition of—

"(A) a newly developed combat wheeled or tracked armored vehicle; or

"(B) a combat wheeled or tracked armored vehicle with significant newly developed survivability modifications.

"(2) 'Major defense acquisition program' means a program subject to the Selected Acquisition Report requirements of section 139a of this title.

"(3) 'Defense committees' means the Committees on Armed Services and on Appropriations of the Senate and House of Representatives.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"2362. Testing requirements: wheeled or tracked armored vehicles.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on January 1, 1987.

SEC. 124. SALE OF L119 HOWITZERS OVERSEAS

(a) LIMITATION ON SALE TO FOREIGN GOVERNMENTS.—Howitzers designated as L119 howitzers that are produced by a United States arsenal may be sold to a friendly foreign government only if not less than 30 percent of the dollar value of such howitzers is produced in the United Kingdom, as follows:

(1) Five percent of the dollar value consists of basic issue items.

(2) Ten percent of the dollar value consists of fire control items.

(3) Fifteen percent of the dollar value consists of commercial items.

(b) PERIOD OF APPLICABILITY.—Subsection (a) applies only during the period of coproduction of the L119 howitzer, as determined jointly by the United States and the United Kingdom.

SEC. 125. RESTRICTIONS ON PURCHASE OF 5-TON TRUCKS

(a) TESTING OF COMPETING ENGINES BEFORE CONTRACT AWARD.—(1) Except as provided in subsection (b), the Secretary of the Army may not enter into a new contract for the procurement of 5-ton trucks for the Army until the Secretary certifies to the Committees on Armed Services of the Senate and House of Representatives that each truck engine described in paragraph (2) has been tested as provided in paragraph (3).

(2) The truck engines referred to in paragraph (1) are engines that—

(A) meet the specifications of the Army for engines for 5-ton trucks; and

(B) are commercially available from sources competing for the award of a contract for the supply of engines to the Army for the 5-ton trucks that are to be procured under a multiyear contract that is to succeed the multiyear contract referred to in subsection (b).

(3) The testing referred to in paragraph (1) shall be carried out in 5-ton trucks configured in the M939 validated technical data package of the Army and shall include tests to determine—

(A) whether the engine is durable after testing in a mission profile for at least 20,000 miles; and

(B) whether the performance reliability of the engine for high ambient temperature cooling, cold starting, deep water fording, grade climbing, and noise is acceptable.

(b) AUTHORITY FOR EXTENSION OF EXISTING MULTIYEAR CONTRACT.—(1) The Secretary of the Army may extend for a period not to exceed 18 months the multiyear contract for the procurement of 5-ton trucks that is in effect on the date of the enactment of this Act.

(2) Funds available to the Army for the procurement of 5-ton trucks during fiscal year 1985 and funds appropriated for the procurement of 5-ton trucks for the Army for fiscal year 1986 may be used for the procurement of 5-ton trucks under an extension of the contract referred to in paragraph (1).

(c) NEW MULTIYEAR CONTRACT.—(1) Subject to paragraph (2), the Secretary of the Army shall take such action as is appropriate, consistent with the limitation set out in subsection (a), to award a multiyear contract for the procurement of 5-ton trucks not later than May 1, 1986. Such a contract shall be for a period of five fiscal years. A contract under this paragraph may only be entered into in accordance with section 2306(h) of title 10, United States Code.

(2) A contract under paragraph (1) may not be entered into unless the anticipated cost over the period of the contract is no more than 90 percent of the anticipated cost of carrying out the same program through annual contracts.

(3) Not later than February 1, 1986, the Secretary shall determine whether it is impracticable to award a contract under paragraph (1) on or before May 1, 1986. If the Secretary determines that such action is impracticable, he shall notify the Committees on Armed Services of the Senate and the House of Representatives of the determination on or before February 1, 1986.

SEC. 126. OTHER ARMY PROGRAMS

(a) COPPERHEAD PROJECTILE PROGRAM.—Of the amount authorized in section 101 for procurement of ammunition, $235,000,000 is authorized for the Copperhead projectile. Not more than $200,000,000 may be obligated or expended for that projectile from funds appropriated or otherwise made available to the Army for fiscal year 1986, after the date of the enactment of this Act, until the Secretary of Defense submits to Congress a written plan to establish a second production source for the Copperhead projectile.

(b) SAFETY MODIFICATIONS FOR PERSHING II MISSILE PROGRAM.—(1) In carrying out the Pershing II missile program for fiscal year 1986, the Secretary of the Army may purchase safety modifications (including 36 inert missile motors for the Pershing II missile) using funds made available for such program for such fiscal year.

(2) The Secretary may not obligate any funds for the safety modifications authorized by paragraph (1) until the Secretary submits to the Committees on Armed Services of the Senate and House of Representatives a report providing a detailed plan for the purchase of such safety modifications.

(c) AH-64 APACHE HELICOPTERS.—The Secretary of the Army may not obligate funds appropriated or otherwise made available for a fiscal year after fiscal year 1985 for procurement of AH-64 Apache attack helicopters until the Director of the Defense Contract Audit Agency reports to the Secretary that the contractor for such helicopters has demonstrated to the satisfaction of the Director—

(1) that the contractor has implemented an effective and reliable system of internal accounting controls; and

(2) that the contractor has accumulated documentation (including journals, vouchers, invoices, and expense data) to support the contractor's final submission for settlement of indirect expenses for calendar years 1979 through 1983 and that such documentation is available to the Director.

PART C—NAVY PROGRAM LIMITATIONS

SEC. 131. A6 AIRCRAFT REWING PROGRAM

(a) AUTHORIZED PROGRAM.—The Se4retary of the Navy is authorized to carry out a program to replace the wings of the A6 aircraft. The amount obligated to carry out such program during fiscal year 1985 may not exceed $240,000,000.

(b) REQUIRED WARRANTY.—Funds may be obligated for the program authorized by subsection (a) only under a firm fixed-price contract which includes a warranty guaranteeing a wing fatigue life of at least 8,800 hours.

(c) AUTHORIZATION FOR TRANSFER OF FUNDS.—There are hereby authorized to be transferred to, and merged with, amounts appropriated for procurement for aircraft for the Navy for fiscal year 1985, to the extent provided in appropriation Acts, $240,000,000 for the program authorized by subsection (a). Such amount shall be derived from amounts appropriated for procurement of aircraft for the Navy for fiscal years before fiscal year 1986 as follows:

(1) $103,000,000 shall be derived from amounts appropriated for fiscal years before fiscal year 1985 remaining available for obligation.

(2) $137,000,000 shall be derived from amounts appropriated for fiscal year 1985 remaining available for obligation.

SEC. 132. LIMITATIONS ON NAVY AIRCRAFT PROCUREMENT

Funds appropriated for fiscal year 1986 for aircraft for the Navy—

(1) may not be obligated for procurement of A6E aircraft until the Secretary of the Navy certifies to the Committees on Armed Services of the Senate and House of Representatives that the wing for the A6E aircraft to be procured is warranted for at least a 4,000-hour test-equivalent fatigue life; and

(2) may be obligated for procurement of F14 aircraft only for aircraft that are configured so as to incorporate the F110 engine.

PART D—AIR FORCE PROGRAM LIMITATIONS

SEC. 141. MX MISSILE PROGRAM

(a) LIMITATIONS ON FY86 MX PROGRAM.—(1) Not more than 12 MX missiles may be procured with funds appropriated or otherwise made available in an appropriation law for fiscal year 1986 for the procurement of missiles for the Air Force.

(2) Of the funds appropriated or otherwise made available in an appropriation law for fiscal year 1986 for the procurement of missiles for the Air Force—

(A) $1,746,000,000 shall be available only for the procurement of 12 MX missiles and related weapons system and support costs; and

(B) $105,000,000 shall be available only for the procurement of initial spares for the MX missile program.

(b) LIMITATIONS ON DEPLOYMENT AND BASING OF MX MISSILES.—(1) The number of MX missiles deployed at any time in existing Minuteman silos may not exceed 50.

(2) Funds appropriated pursuant to this or any other Act may not be used—

(A) to modify, or prepare for modification, more than 50 existing Minuteman silos for the deployment of MX missiles;

(B) to acquire basing sets to modify more than 50 existing Minuteman silos for the deployment of MX missiles; or

(C) to procure long-lead items for the deployment of more than 50 MX missiles.

(c) ADDITIONAL LIMITATIONS ON THE DEPLOYMENT AND BASING OF MX MISSILES.—Unless a basing mode for the MX missile other than existing Minuteman silos is specifically authorized by legislation enacted after the date of the enactment of this Act, after procurement of 50 MX missiles for deployment in existing Minuteman silos—

(1) further procurement of MX missiles shall be limited to those missiles necessary to support the operational test program and for the MX missile reliability testing program; and

(2) during fiscal year 1987, depending upon the most efficient production rate, from 12 to 21 MX missiles should be procured for such purposes.

SEC. 142. COMPETITION FOR AIR FORCE FIGHTER AIRCRAFT PROCUREMENT

(a) REQUIRED COMPETITION.—The Secretary of the Air Force shall establish during fiscal year 1986 a competition for the procurement of fighter aircraft to meet the requirements of the active and reserve forces of the Air Force. Such competition shall be among all suitable aircraft.

(b) COMPLIANCE WITH APPLICABLE LAW.—Procurement of tactical fighter aircraft for the Air Force for fiscal year 1986 shall be carried out in accordance with all applicable provisions of law, including section 136a (relating to the Director of Operational Test and Evaluation), section 139c (relating to independent cost estimates), and chapter 137 (relating to competition in contracting), of title 10, United States Code.

SEC. 143. ADVANCED TECHNOLOGY BOMBER

(a) REPORT ON TOTAL PROGRAM COST.—Not later than February 1, 1986, the Secretary of Defense shall transmit to Congress a report setting forth the total program cost for the advanced technology bomber program. The Secretary shall include in the report the Secretary's evaluation of the reliability of the cost estimates for the program.

(b) LIMITATION ON EXPENDITURE OF PROCUREMENT FUNDS.—No funds appropriated pursuant to the authorizations of appropriations in this title may be obligated or expended for the advanced technology bomber program until the report required by subsection (a) is transmitted to Congress.

SEC. 144. SPECIAL OPERATIONS FORCES HH-53 HELICOPTERS

(a) AIR FORCE AIRCRAFT FUNDS.—Of the amount authorized in section 103(a) for procurement of aircraft for the Air Force, $50,000,000 is available only for modification of HH-53 helicopters to the PAVE LOW mission configuration.

(b) CERTIFICATION REQUIREMENT.—None of the amount described in subsection (a) may be obligated or expended until the Secretary of the Air Force certifies that sufficient funds have been budgeted in the fiscal year 1987 five-year defense plan to meet, at the earliest practicable date, and sustain the highest readiness level prescribed for all PAVE LOW HH-53 helicopters in the Joint Chiefs of Staff Unit Status Report System.

PART E—OTHER LIMITATIONS

SEC. 151. C-12 AIRCRAFT

None of the funds appropriated pursuant to authorizations in this title may be obligated or expended for procurement of C-12 aircraft unless such aircraft are procured through competitive procedures (as defined in section 2302(2) of title 10, United States Code), which shall be restricted to turboprop aircraft.

SEC. 152. ADEQUATE AIRLIFT FOR SPECIAL OPERATIONS FORCES

None of the funds appropriated pursuant to authorizations in this title may be obligated or expended for the procurement of MC-130 aircraft or the modification of HH-53 or CH-47 helicopters until the Secretary of Defense—

(1) submits, in consultation with the Chairman of the Joint Chiefs, to the Committees on Armed Services in the Senate and House of Representatives a plan for meeting the immediate airlift requirements of the Joint Special Operations Command and a second plan for meeting, by 1991, the airlift requirements of the Joint Special Operations Command and the special operations forces of unified commanders-in-chief; and

(2) certifies that the plans required by paragraph (1) are funded in the Fiscal Year 1987 Five-Year Defense Plan.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

PART A—AUTHORIZATIONS OF APPROPRIATIONS AND PROGRAM LIMITATIONS

SEC. 201. AUTHORIZATION OF APPROPRIATIONS

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal year 1986 for the use of the Armed Forces for research, development, test, and evaluation in amounts as follows:

(1) For the Army, $4,848,663,000.

(2) For the Navy (including the Marine Corps), $10,106,401,000.

(3) For the Air Force, $13,719,721,000.

(4) For the Defense Agencies, $6,813,969,000 of which $93,500,000 is authorized for the activities of the Director of Test and Evaluation, Defense.

(b) GENERAL AUTHORIZATION FOR CIVILIAN PAY CONTINGENCIES.—There are authorized to be appropriated for fiscal year 1986, in addition to the amounts authorized to be appropriated in subsection (a), such sums as may be necessary for unbudgeted amounts for salary, pay, retirement, and other employee benefits authorized by law for civilian employees of the Department of Defense whose compensation is provided for by funds authorized to be appropriated in subsection (a).

SEC. 202. REDUCTIONS IN AUTHORIZATIONS DUE TO SAVINGS FROM LOWER INFLATION AND PRIOR-YEAR COST SAVINGS

(a) CERTAIN FY 86 AUTHORIZATION REDUCTIONS TO BE FROM COST SAVINGS.—Authorization reductions described in subsection (b)—

(1) may not be derived through cancellation of any authorized program or any other change in an authorized program; but

(2) may be derived only through cost reductions (including reductions due to the rate of inflation being lower than the rate assumed in the President's budget for fiscal year 1986) in programs of the Department of Defense under this title that are achieved without a reduction in the quantity or quality of goods or services acquired by the Department.

(b) IDENTIFICATION OF AMOUNTS.—Subsection (a) applies to the following amounts that represent reductions from amounts requested in the President's Budget for fiscal year 1986 and that have been incorporated into the amounts authorized in section 201:

(1) For the Army, $4,000,000.

(2) For the Navy (including the Marine Corps), $11,000,000.

(3) For the Air Force, $14,000,000.

SEC. 203. AUTHORIZATION OF TRANSFERS OF PRIOR-YEAR FUNDS

(a) AUTHORIZED TRANSFERS.—There are hereby authorized to be transferred to, and merged with, amounts appropriated for research, development, test, and evaluation for the Armed Forces pursuant to the authorizations of appropriations in section 201 the following amounts:

(1) ARMY.—$85,000,000, to be derived from amounts appropriated for fiscal year 1985 for research, development, test, and evaluation for the Army.

(2) NAVY.—$183,000,000, to be derived from amounts appropriated for fiscal year 1985 for research, development, test, and evaluation for the Navy (including the Marine Corps).

(3) AIR FORCE.—$256,000,000, to be derived from amounts appropriated for fiscal year 1985 for research, development, test, and evaluation for the Air Force.

(4) DEFENSE AGENCIES.—$47,000,000, to be derived from amounts appropriated for fiscal year 1985 for research, development, test, and evaluation for the Defense Agencies.

(b) AUTHORIZATION OF TRANSFERS SUBJECT TO PROVISIONS OF APPROPRIATIONS ACTS.—Transfers authorized by subsection (a) may be made only to the extent provided in appropriation Acts.

(c) SOURCE OF TRANSFERRED FUNDS.—(1) All amounts transferred under this section shall be derived from funds that remain available for obligation.

(2) Such funds—

(A) may not be derived through cancellation of any program, stretchout of procurement under any program, or any other program change; but

(B) may be derived only through cost reductions (including reductions due to rates of inflation being lower than rates assumed when such funds were budgeted) under programs for which such funds were authorized and appropriated that are achieved without a reduction in the quantity or quality of goods or services acquired by the Department of Defense.

(d) REPORT ON REDUCTIONS AND TRANSFERS.—The Secretary of Defense may not implement a program change under a reduction described in section 202 or under a transfer under this section until the Secretary submits to the Committees on Armed Services of the Senate and House of Representatives a report describing the programs in which such reductions will be made in accordance with section 202 and the programs that are the source of the funds transferred under this section.

SEC. 204. LIMITATIONS ON FUNDS FOR THE ARMY

(a) IN GENERAL.—Of the amount authorized in section 201 for the Army—

(1) $52,836,000 is available only for the Missile/Rocket Components program, of which—

(A) $10,000,000 is available only for the development of the Fiber Optics Guided Missile; and

(B) $10,000,000 is available only for development of the Hypervelocity Missile;

(2) $23,583,000 is available only for the Stinger Missile program;

(3) $18,898,000 is available only for the M1 E1 Tank Development program, of which $15,000,000 is available only for a fuel-efficient modification for the AGT-1500 tank engine;

(4) $20,000,000 is available only for the development, test integration, and evaluation of the Hellfire Missile for the Blackhawk helicopter; and

(5) $42,000,000 is available only for the Software Initiative (STARS) program.

(b) REPORT.—Not later than December 15, 1985, the Secretary of the Army shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report delineating a program plan for the fuel-efficient modification for the AGT-1500 transverse-mounted tank engine and for the Advanced Integrated Propulsion system. Such plan shall include the total system cost and system milestones for such programs.

SEC. 205. LIMITATIONS ON FUNDS FOR THE NAVY (INCLUDING THE MARINE CORPS)

(a) IN GENERAL.—Of the amount authorized in section 201 for the Navy (including the Marine Corps)—

(1) $17,500,000 is available only for the Low-Cost Anti-Radiation Seeker program;

(2) $4,464,000 is available only for the Advanced Mine Development program;

(3) $5,900,000 is available only for the Naval Oceanography program;

(4) $12,000,000 is available only for the Battlegroup Quick Reaction Surveillance System program;

(5) $4,000,000 is available only for unique Wallops Island Test Range activity;

(6) $10,000,000 is available only for the Skipper/Practice Bomb program;

(7) $1,500,000 is available only for a classified sensor development program; and

(8) $2,500,000 is available only to establish a second source for the competitive procurement of the Navy Five-Inch and Army 155-Millimeter Guided Projectile systems.

(b) REPORT.—Not later than December 15, 1985, the Secretary of the Navy shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report delineating a program plan for the Low-Cost Anti-Radiation Seeker Program. Such plan shall include the total system cost and system milestones for such program.

(c) SSN-21 COMBAT SYSTEM ADVANCED AND ENGINEERING PROGRAMS.—(1) Of the amount authorized in section 201 for the Navy, $200,000,000 is available only for the SSN-21 Combat System Advanced and Engineering program. None of such amount may be obligated or expended for the Submarine Advanced Combat System (SUBACS) program unless the Secretary of the Navy submits to the Committees on Armed Services of the Senate and House of Representatives written certification that—

(A) the Secretary has initiated action to negotiate and sign prior to February 1, 1986, a modification to the full-scale engineering development contract which would provide for—

(i) a cost ceiling for such development with no liability of the United States for cost growth above such ceiling; and

(ii) penalties for late delivery of equipment and failure to meet performance criteria;

(B) before completion of full-scale engineering development for the SUBACS Basic system under such program, such contractor will provide to the United States a complete technical data package—

(i) at no additional cost to the Government;

(ii) contaning no manufacturing or proprietary data rights; and

(iii) of such quality as to allow production of such system by a second source;

(C) the Secretary has begun action to provide, to the maximum extent possible, competition for procurement of components for production of the SUBACS Basic system; and

(D) the Secretary has begun action to establish competition in development and production of the follow-on systems to the SUBACS Basic system.

(2) During the period of any negotiations for a contract modification referred to in paragraph (1)(A), the monthly rate of expenditure for the SUBACS program may not exceed the rate of expenditure for such program.

(3) The Secretary shall also provide, within the amount of funds provided for the SSN-21 Combat System Advanced Engineering Program, that one or more firms that are potential competitors for the attack submarine combat system for fiscal year 1989 be established as associate contractors for the SUBACS Basic program with full access to all SUBACS development information.

(4) If the Secretary determines that it is not possible to make a certification under paragraph (1), the Secretary may obligate and expend funds necessary to develop an advanced combat system (other than SUBACS) for the SSN-21 submarine and other applicable platforms.

(d) ROLLING AIRFRAME MISSILE PROGRAM.—Funds appropriated for fiscal year 1986 for research, development, test, and evaluation for the Navy may not be obligated for the Rolling Airframe Missile program or the NATO Sea Sparrow program unless the Secretary of the Navy certifies to the Committees on Armed Services of the Senate and House of Representatives that—

(1) the Secretary has entered into a firm fixed-price production contract for the Rolling Airframe Missile program;

(2) such contract includes options of the United States for procurement under such program for fiscal years after fiscal year 1986 with maximum prices established for such options; and

(3) the contractor for such contract has provided a complete data package to the Navy—

(A) at no additional cost to the United States; and

(B) containing no manufacturing or proprietary data rights of the contractor.

(e) ACQUISITION OF ANTI-SUBMARINE WARFARE TRAINING SYSTEMS.—The Secretary of the Navy shall initiate a competitive procurement of three service test models of the LAMPS Mark I anti-submarine warfare shipboard training system for the Naval Reserve during fiscal year 1986. Of the funds appropriated pursuant to the authorizations of appropriations in section 201(a)(2), $6,800,000 may not be obligated before such test models are procured.

SEC. 206. LIMITATIONS ON FUNDS FOR THE AIR FORCE

Of the amount authorized in section 201 for the Air Force—

(1) $60,000,000 is available only for research, development, test, and evaluation for the Integrated Electronic Warfare system (INEWS) and the Integrated Communication, Navigation, Identification Avionics (ICNIA) system;

(2) $22,000,000 is available only for the research, development, test, and evaluation to modify the F-4 aircraft to satisfy the Air Force air defense mission;

(3) $19,570,000 is available only for a classified reconnaissance system;

(4) $211,276,000 is available only for the Very High Speed Integrated Circuits (VHSIC) program;

(5) $15,000,000 is available only for the Pave Tiger system; and

(6) $11,742,000 is available only for the Software Engineering Institute.

SEC. 207. LIMITATIONS ON FUNDS FOR THE DEFENSE AGENCIES

(a) IN GENERAL.—Of the amount authorized in section 201 for the Defense Agencies—

(1) $300,000,000 is available only for the Joint Advanced Systems program;

(2) $81,250,000 is available only for the University Research Initiative program, of which $1,000,000 is available only for computer and related research at Syracuse University, Syracuse, New York;

(3) $1,000,000 is available for use by the Defense Logistics Agency to conduct a demonstration of advanced clothing manufacturing technology and to procure and field test military clothing produced using advanced manufacturing techniques;

(4) $500,000 is available only for use by the Defense Logistics Agency for the Military Sewn Products Automation Program (MILSPA); and

(5) $142,000,000 is available only for the Strategic Computing Initiative.

(b) LIMITATION OF FUNDS FOR THE JOINT TACTICAL INFORMATION DISTRIBUTION SYSTEM (JTIDS).—Of the amount authorized in section 201 for the Defense Agencies, $200,000,000 is available only for research and development of a common Joint Tactical Information Distribution System (JTIDS) program. None of such amount may be obligated or expended until the Secretary of Defense selects a single JTIDS program to meet the operational requirements of both the Navy and the Air Force. If the Secretary of Defense determines that such a selection is not feasible or is not practicable, the Secretary shall submit to the Committees on Armed Services of the Senate and House of Representatives a report in writing setting forth the specific reasons for not proceeding with a common JTIDS program. The Secretary may not obligate or expend funds for the development or procurement of separate JTIDS programs for the Navy and Air Force until seven days of continuous session of Congress have expired following the date on which such report was submitted. For purposes of the preceding sentence, continuity of a session of Congress is determined as provided in section 7307(b)(2) of title 10, United States Code.

SEC. 208. TESTING OF ANTISATELLITE WEAPONS AND SPACE SURVIVABILITY PROGRAM

(a) REQUIREMENT REGARDING THE USE OF FUNDS.—None of the funds appropriated pursuant to an authorization in this or any other Act may be obligated or expended to

test against an object in space the miniature homing vehicle (MHV) anti-satellite warhead launched from an F-15 aircraft unless the President has made a determination and a certification to the Congress as provided in section 8100 of the Department of Defense Appropriations Act, 1985, (as contained in section 101(h) of Public Law 98-473 (98 Stat. 1941)).

(b) LIMITATION ON NUMBER OF TESTS.—Not more than three tests described in subsection (a) may be conducted before October 1, 1986.

(c) FUNDING FOR AIR FORCE SPACE SURVIVABILITY PROGRAM.—Of the amount authorized to be appropriated for the Air Force in section 201, $15,000,000 is available only for the satellite survivability project of the Air Force Space Survivability Program.

SEC. 209. SMALL INTERCONTINENTAL BALLISTIC MISSILE PROGRAM

(a) AMOUNT AUTHORIZED FOR FY86.—Of the amount authorized in section 201 for the Air Force, $724,500,000 is available only for research, development, test, and evaluation carried out with respect to the small mobile intercontinental ballistic missile within the intercontinental ballistic missile modernization program.

(b) MAINTENANCE OF PRIORITY FOR SMALL MOBILE ICBM PROGRAM.—The Secretary of Defense shall continue to carry out the program to develop a small mobile intercontinental ballistic missile, and to provide for the allocation of defense industrial resources for that program, in accordance with the priority for that program (known as "Brick-Bat") in effect on June 1, 1985, under the system provided by existing laws and regulations for determining relative program precedence for assignment of production resources.

(c) PROCEDURES REQUIRED BEFORE DECISIONS ON FULL-SCALE DEVELOPMENT AND BASING SITE SELECTION FOR SMALL ICBM.—(1) Before any decision may be made by the President or the Secretary of Defense with regard to the full-scale development of a small intercontinental ballistic missile or the selection of basing areas for the deployment of such missile, the Secretary of the Air Force shall prepare and submit to the appropriate committees of Congress a legislative environmental impact statement with respect to such development and such selection. In making any such decision, the President and the Secretary of Defense shall take into consideration the findings and conclusions contained in any such report.

(2) The legislative environmental impact statement required by paragraph (1) shall be prepared in accordance with the requirements applicable to such statements prepared under section 1506.8 of title 40 of the Code of Federal Regulations (as in effect on May 16, 1985).

(3) A legislative environmental impact statement prepared and submitted to the appropriate committees pursuant to paragraph (1) shall be deemed to meet all the requirements of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) with respect to all aspects of the full-scale development of a small intercontinental ballistic missile and the selection of basing areas for the deployment of such missile.

(4) Preparation of a legislative environmental impact statement pursuant to paragraph (1) shall not relieve the Secretary of Defense from any obligation for the subsequent preparation of administrative environmental impact statements with respect to the environmental impact on specifically selected sites within the chosen areas for the deployment and peacetime operation of small intercontinental ballistic missiles.

SEC. 210. ADVANCED MEDIUM-RANGE AIR-TO-AIR MISSILE (AMRAAM) SYSTEM

(a) LIMITATION ON FUNDING.—(1) Of the amount authorized in section 201 for the Air Force, $101,382,000 is available for the Advanced Medium-Range Air-to-Air Missile (AMRAAM) program.

(2) Of the amount appropriated pursuant to the authorization in section 201 for the Air Force, $54,382,000 may not be obligated or expended until the Secretary of Defense submits to the Committees on Armed Services of the Senate and House of Representatives a certification as described in subsection (b).

(b) CERTIFICATION.—A certification under subsection (a) shall be in writing and shall include confirmation by the Secretary of the following:

(1) That (A) the design of the AMRAAM system has been completed, (B) system performance has not been degraded from the original development specification (DS 32050-000, as amended by the draft Development Concept Paper (DCP) of June 14, 1985), and (C) the flight test program has been revised to incorporate the maximum practicable number of selected changes in the design of the AMRAAM system that reduce the costs of the system and that are qualified and flight tested before production.

(2) That a fixed-price type contract for an amount not more than $556,580,480 has been entered into with the development contractor for research, development, test, and evaluation for such program.

(3) That the total production cost for the program, for a minimum of 17,000 missiles, will not exceed $5,200,000,000 (in fiscal year 1984 dollars) and that the missiles procured will perform in accordance with the development specification referred to in paragraph (1).

(c) NONCERTIFICATION.—If the Secretary of Defense cannot make a certification under subsection (a) by March 1, 1986, the AMRAAM program shall be terminated as of that date with no subsequent Government liability.

SEC. 211. HIGH-SPEED ANTI-RADIATION MISSILE (HARM) PROGRAM

(a) LIMITATION ON NAVY FUNDING.—Of the amount appropriated pursuant to the authorization in section 201 for the Navy (including the Marine Corps), $100,000,000 may not be obligated or expended until the Secretary of the Navy submits to Congress a certification as described in subsection (c) or a report as described in subsection (d).

(b) LIMITATION ON AIR FORCE FUNDING.—Of the amount appropriated pursuant to the authorization in section 201 for the Air Force, $50,000,000 may not be obligated or expended until the Secretary of the Air Force submits to Congress a certification as described in subsection (c) or a report as described in subsection (d).

(c) CERTIFICATION.—A certification under subsection (a) or (b) shall be in writing and shall include a certification by the Secretary concerned of the following:

(1) That the test and evaluation of the High-Speed Anti-Radiation Missile (HARM) shows conclusively that the missile system meets all performance specifications and objectives delineated in the HARM weapon system specification—AS 3400 Revision A, dated August 6, 1982.

(2) That a current production missile has been disassembled and that there is complete correlation with such missile and the current technical-data package (including the engineering drawings and software) and that HARM production missiles are being constructed to these drawings.

(3) That the HARM missile system is capable of engaging the intended threat as approved by the Director of Central Intelligence.

(4) That the program to develop the HARM low-cost seeker is structured to meet an intended Initial Operational Capability (IOC) date during 1991.

(d) REPORT ON DEFICIENCIES.—(1) If the Secretary of the Navy cannot make a certification under subsection (c) because of deficiencies in the HARM system, then the Secretary may obligate and expend funds without regard to the limitation in subsection (a) after submitting to Congress a written report described in paragraph (3).

(2) If the Secretary of the Air Force cannot make a certification under subsection (c) because of deficiencies in the HARM system, then the Secretary may obligate and expend funds without regard to the limitation in subsection (b) after submitting to Congress a written report described in paragraph (3).

(3) A report under paragraph (1) or (2) shall include—

(A) a detailed list of the deficiencies in the HARM system; and

(B) a plan to correct such deficiencies, including milestones and required levels of funding, and a request to Congress to reprogram funds for the purpose of correcting such deficiencies.

(e) PROHIBITION ON EXPENDITURES TO CORRECT SPECIFIED DEFICIENCIES.—The Secretary of the Navy and the Secretary of the Air Force may not obligate or expend any funds to correct deficiencies in the HARM system in order to meet the weapons system performance specifications described in subsection (c)(1).

PART B—STRATEGIC DEFENSE INITIATIVE

SEC. 221. FUNDING FOR FISCAL YEAR 1986

Of the amount authorized in section 201 for the Defense Agencies, $2,750,000,000 is available for the Strategic Defense Initiative, of which $12,500,000 is available only for the medical application of free-electron lasers and associated material and physical science research.

SEC. 222. REQUIREMENT FOR SPECIFIC AUTHORIZATION FOR DEPLOYMENT OF STRATEGIC DEFENSE INITIATIVE SYSTEM

A strategic defense system developed as a consequence of research, development, test, and evaluation conducted on the Strategic Defense Initiative program may not be deployed in whole or in part unless—

(1) the President determines and certifies to Congress in writing that—

(A) the system is survivable (that is, the system is able to maintain a sufficient degree of effectiveness to fulfill its mission, even in the face of determined attacks against it); and

(B) the system is cost effective at the margin to the extent that the system is able to maintain its effectiveness against the offense at less cost than it would take to develop offensive countermeasures and proliferate the ballistic missiles necessary to overcome it; and

(2) funding for the deployment of such system has been specifically authorized by legislation enacted after the date on which the President makes the certification to Congress.

SEC. 223. REPORTS ON STRATEGIC DEFENSE INITIATIVE

(a) REPORT ON POTENTIAL RESPONSES TO SDI AND ON RDT&E COSTS.—(1) The Secretary of Defense shall submit to Congress a report as to—

(A) what probable responses can be expected from potential enemies should the Strategic Defense Initiative programs be carried out to procurement and deployment, such as what increase may be anticipated in offensive enemy weapons in an enemy's attempt to penetrate the defensive shield by increasing the numbers or qualities of its offensive weapons;

(B) what can be expected from potential enemies in the deployment of weapons not endangered by the Strategic Defense Initiative, such as cruise missiles and low trajectory submarine missiles;

(C) the degree of the dependency of success for the Strategic Defense Initiative upon a potential enemy's anti-satellite weapons capability; and

(D) the cost estimates for the research, development, test, and evaluation for the proposed Strategic Defense Initiative.

(2) The report required by paragraph (1) shall be submitted to Congress with the request of the Secretary of Defense for appropriations for the Strategic Defense Initiative for fiscal year 1987.

(b) REPORT ON PROCUREMENT AND DEPLOYMENT COSTS.—The Secretary of Defense shall submit to Congress a report on the cost estimates for procurement and deployment of Strategic Defense Initiative programs. The report shall be submitted as soon as possible, but not later than submission of the budget request of the Department of Defense for fiscal year 1989.

SEC. 224. CONGRESSIONAL POLICY REGARDING CONSULTATION WITH OTHER MEMBERS OF NATO ON THE STRATEGIC DEFENSE INITIATIVE

(a) COMMENDATION OF PRESIDENT'S ACTION.—The Congress commends the President's attempts to initiate cooperation between the United States and other member nations of the North Atlantic Treaty Organization (NATO) on the Strategic Defense Initiative.

(b) CONSULTATION AND COOPERATION WITH OTHER NATO NATIONS.—It is the sense of Congress—

(1) that the mutual defense of NATO member nations is strengthened when there is a high degree of consultation and cooperation among member nations; and

(2) that the President should continue consultations with other member nations of NATO on the Strategic Defense Initiative program and, to the maximum extent feasible and within national security guidelines, keep such member nations informed of the progress, plans, and potential proposals of the United States regarding such program.

SEC. 225. CONGRESSIONAL EXPRESSION ON THE STRATEGIC DEFENSE INITIATIVE AND THE ABM TREATY

(a) FINDINGS REGARDING ABM TREATY.—The Congress finds—

(1) that the President's Commission on Strategic Forces declared in its report to the President, dated March 21, 1984, that "One of the most successful arms control agreements is the Anti-Ballistic Missile Treaty of 1972"; and

(2) that the Secretary of State has stated that the "ABM Treaty requires consultations, and the President has explicitly recognized that any ABM-related deployments arising from research into ballistic missile defenses would be a matter for consultations and negotiation between the Parties".

(b) SENSE OF CONGRESS REGARDING SDI AND THE ABM TREATY.—It is the sense of Congress—

(1) that it fully supports the declared policy of the President that a principal objective of the United States in negotiations with the Soviet Union on nuclear and space arms is to reverse the erosion of the Anti-Ballistic Missile Treaty of 1972;

(2) that action by the Congress in approving funds for research on the Strategic Defense Initiative—

(A) does not express or imply an intention on the part of the Congress that the United States should abrogate, violate, or otherwise erode such treaty; and

(B) does not express or imply any determination or commitment on the part of the Congress that the United States develop, test, or deploy ballistic missile strategic defense weaponry that would contravene such treaty; and

(3) that funds appropriated for the Strategic Defense Initiative program should not be used in a manner inconsistent with any of the treaties commonly known as the Limited Test Ban Treaty, the Threshold Test Ban Treaty, the Outer Space Treaty, or the Anti-Ballistic Missile Treaty of 1972.

SEC. 226. REPORT ON STRATEGIC AND THEATER BALLISTIC MISSILE DEFENSES

(a) REQUIREMENT FOR STUDY.—The Secretary of Defense shall conduct a study to examine the feasibility and military value of the early application of defenses against ballistic missile attack from the standpoint of—

(1) defending high value United States and allied capabilities abroad; and

(2) defending United States strategic deterrent capabilities.

(b) MATTERS TO BE INCLUDED IN STUDY.—The study shall specifically address—

(1) the contribution such defenses could make to deterrence stability;

(2) the adequacy in this regard of existing programs, including in particular the Strategic Defense Initiative; and

(3) the adequacy of the Army's Anti-Tactical Missile (ATM) program for allied defense.

(c) REPORT ON STUDY.—The Secretary of Defense shall submit to Congress a report containing the results of such study not later than February 15, 1986.

TITLE III—OPERATION AND MAINTENANCE

SEC. 301. AUTHORIZATION OF APPROPRIATIONS

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal year 1986 for the use of the Armed Forces and other activities and agencies of the Department of Defense for expenses, not otherwise provided for, for operation and maintenance in amounts as follows:

For the Army, $19,177,351,000.

For the Navy, $24,608,847,000.

For the Marine Corps, $1,626,700,000.

For the Air Force, $20,096,089,000.

For the Defense Agencies, $7,553,333,000.

For the Army Reserve, $780,100,000.

For the Naval Reserve, $900,590,000.

For the Marine Corps Reserve, $57,170,000.

For the Air Force Reserve, $902,144,000.

For the Army National Guard, $1,625,780,000.

For the Air National Guard, $1,806,162,000.

For the National Board for the Promotion of Rifle Practice, $920,000.

For Defense Claims, $143,300,000.

For the Court of Military Appeals, $3,200,000.

(b) GENERAL AUTHORIZATION FOR CONTINGENCIES.—There are authorized to be appropriated for fiscal year 1986, in addition to the amounts authorized to be appropriated in subsection (a), such sums as may be necessary—

(1) for unbudgeted increases in fuel costs;

(2) for unbudgeted increases as a result of inflation in the cost of activities authorized by subsection (a); and

(3) for unbudgeted amounts for salary, pay, retirement, and other employee benefits authorized by law for civilian employees of the Department of Defense whose compensation is provided for by funds authorized to be appropriated in subsection (a).

(c) ADDITIONAL AUTHORIZATION FOR ARMY NATIONAL GUARD.—In addition to the amounts authorized to be appropriated in subsection (a), there are authorized to be appropriated such sums as may be necessary for the Army National Guard for—

(1) armory operating costs;

(2) modification or repair of work space for full-time National Guard personnel; and

(3) partial Federal funding for major repair and renovation of National Guard facilities.

(d) TRANSFER OF FUNDS.—Funds are hereby authorized to be transferred, to the extent provided in appropriation Acts, from the Foreign Currency Fluctuations, Defense fund to the operation and maintenance accounts of the military departments in amounts as follows:

For the Army, $156,000,000.

For the Navy, $156,000,000.

For the Air Force, $156,000,000.

SEC. 302. AUTHORIZATION OF APPROPRIATIONS FOR WORKING-CAPITAL FUNDS

Funds are hereby authorized to be appropriated for fiscal year 1986 to provide capital for working-capital funds of the Department of Defense in amounts as follows:

For the Army Stock Fund, $393,000,000.

For the Navy Stock Fund, $638,500,000.

For the Marine Corps Stock Fund, $37,700,000.

For the Air Force Stock Fund, $415,900,000.

For the Defense Stock Fund, $174,500,000.

SEC. 303. LIMITATION ON THE USE OF O&M FUNDS TO PURCHASE INVESTMENT ITEMS

Funds appropriated for fiscal year 1986 for operation and maintenance of the Department of Defense pursuant to the authorizations of appropriations in section 301 may not be used to purchase any item with a unit cost of $5,000 or more if purchases of such item during fiscal year 1985 were chargeable to appropriations made to the Department of Defense for procurement.

SEC. 304. ASSISTANCE FOR THE TENTH INTERNATIONAL PAN AMERICAN GAMES

(a) AUTHORITY TO PROVIDE SUPPORT SERVICES.—The Secretary of Defense may—

(1) provide logistical support and personnel services to the Tenth Pan Am Games;

(2) lend and provide equipment in support of the Tenth Pan Am Games; and

(3) provide such other services in support of the Tenth Pan Am Games as the Secretary considers advisable.

(b) AUTHORIZATION OF APPROPRIATIONS; LIMITATION.—(1) There is authorized to be appropriated to the Secretary of Defense for fiscal year 1986 an amount not to exceed $10,000,000 for the purpose of carrying out subsection (a).

(2) Except as provided in paragraph (3), funds may not be obligated for the purpose of carrying out subsection (a) unless specifically appropriated for such purpose.

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(3) Paragraph (2) does not apply to funds used for pay and non-travel-related allowances for members of the Armed Forces (other than pay and allowances of members of the reserve components called or ordered to active duty to provide support for the Tenth Pan Am Games).

(4) The costs for pay and non-travel-related allowances of members of the Armed Forces (other than members of the reserve components called or ordered to active duty to provide support for the Tenth Pan Am Games) may not be charged to appropriations made pursuant to the authorization in paragraph (1).

(c) DEFINITION.—For the purposes of this section, the term "Tenth Pan Am Games" means the Tenth International Pan American Games, to be held at Indianapolis, Indiana, during the period beginning on August 7, 1987, and ending on August 23, 1987.

SEC. 305. AUTHORIZATION OF APPROPRIATIONS FOR TRANSPORTATION OF HUMANITARIAN RELIEF SUPPLIES TO AFGHAN REFUGEES

(a) AUTHORIZATION OF FUNDS.—There is hereby authorized to be appropriated to the Department of Defense for fiscal year 1986 the sum of $10,000,000 for the purpose of providing transportation for humanitarian relief for persons displaced or who are refugees because of the invasion of Afghanistan by the Soviet Union.

(b) TRANSPORTATION UNDER DIRECTION OF THE SECRETARY OF STATE.—Transportation provided with funds appropriated pursuant to the authorization in this section shall be under the direction of the Secretary of State.

(c) MEANS OF TRANSPORTATION TO BE USED.—Transportation for humanitarian relief provided with funds appropriated pursuant to the authorization in this section shall be by the most economical commercial or military means available, unless the Secretary of State determines that it is in the national interest of the United States to use means other than the most economical available. Such means may include the use of aircraft and personnel of the reserve components of the Armed Forces.

SEC. 306. EXTENSION AND EXPANSION OF AUTHORITY OF THE SECRETARY OF DEFENSE TO TRANSPORT HUMANITARIAN RELIEF SUPPLIES TO CERTAIN COUNTRIES

(a) Section 1540(a) of the Department of Defense Authorization Act, 1985 (Public Law 98-525; 98 Stat. 2637), is amended—

(1) by striking out "fiscal year 1985" and inserting in lieu thereof "fiscal years 1985 and 1986"; and

(2) by striking out "Central America" and inserting in lieu thereof "any area of the world".

(b) The heading of section 1540 of such Act is amended to read as follows:

"AUTHORIZATION FOR SECRETARY OF DEFENSE TO TRANSPORT HUMANITARIAN RELIEF SUPPLIES TO FOREIGN COUNTRIES".

SEC. 307. LIMITATIONS CONCERNING AIR NATIONAL GUARD AND AIR FORCE RESERVE FLYING UNITS

Funds appropriated to or for the use of the Secretary of the Air Force may not be used to deactivate or divest of its flying mission any flying unit of the Air National Guard or the Air Force Reserve until—

(1) the Secretary has notified in writing the Committees on Armed Services of the Senate and House of Representatives of the Secretary's intent to expend funds for such purpose; and

(2) 60 days have elapsed following receipt of that notification.

SEC. 308. COMMISSARY AND EXCHANGE PRIVILEGES FOR SURVIVORS OF CERTAIN RESERVISTS

(a) BENEFITS FOR CERTAIN DEPENDENTS.—The Secretary of Defense shall prescribe regulations to allow dependents of members of the uniformed services described in subsection (b) to use commissary and exchange stores on the same basis as dependents of members of the uniformed services who die while on active duty for a period of more than 30 days.

(b) COVERED DEPENDENTS.—A dependent referred to in subsection (a) is a dependent of a member of a uniformed service who died—

(1) while on active duty, active duty for training, or inactive duty training (regardless of the period of such duty); or

(B) while traveling to or from the place at which the member is to perform, or has performed, active duty, active duty for training, or inactive duty training (regardless of the period of such duty).

(c) DEFINITION.—For the purposes of this section, the term "uniformed services" has the meanings given such terms in section 101 of title 37, United States Code.

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

PART A—ACTIVE FORCES

SEC. 401. AUTHORIZATION OF END STRENGTHS

The Armed Forces are authorized strengths for active-duty personnel as of September 30, 1986, as follows:

(1) The Army, 780,800.

(2) The Navy, 581,300.

(3) The Marine Corps, 198,800.

(4) The Air Force, 606,470.

SEC. 402. EXTENSION OF QUALITY CONTROL ON ENLISTMENTS INTO THE ARMY

Effective on October 1, 1985, section 302(a) of the Department of Defense Authorization Act, 1981 (10 U.S.C. 520 note), is amended by striking out "October 1, 1984" and "September 30, 1985" and inserting in lieu thereof "October 1, 1985" and "September 30, 1986", respectively.

PART B—RESERVE FORCES

SEC. 411. AUTHORIZATION OF AVERAGE STRENGTHS FOR SELECTED RESERVE

(a) IN GENERAL.—For fiscal year 1986, the Selected Reserve of the reserve components of the Armed Forces shall be programmed to attain average strengths of not less than the following:

(1) The Army National Guard of the United States, 440,025.

(2) The Army Reserve, 290,639.

(3) The Naval Reserve, 134,212.

(4) The Marine Corps Reserve, 41,900.

(5) The Air National Guard of the United States, 108,700.

(6) The Air Force Reserve, 75,600.

(7) The Coast Guard Reserve, 12,500.

(b) ADJUSTMENTS.—The average strengths prescribed by subsection (a) for the Selected Reserve of any reserve component shall be proportionately reduced by (1) the total authorized strength of units organized to serve as units of the Selected Reserve of such component which are on active duty (other than for training) at any time during the fiscal year, and (2) the total number of individual members not in units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory participation in training) without their consent at any time during the fiscal year. Whenever such units or such individual members are released from active duty during any fiscal year, the average strength prescribed for such fiscal year for the Selected Reserve of such reserve component shall be proportionately increased by the total authorized strength of such units and by the total number of such individual members.

SEC. 412. AUTHORIZATION OF END STRENGTHS FOR RESERVES ON ACTIVE DUTY IN SUPPORT OF THE RESERVE COMPONENTS

(a) IN GENERAL.—Within the average strengths prescribed in section 411, the reserve components of the Armed Forces are authorized, as of September 30, 1986, the following number of Reserves to be serving on full-time active duty or, in the case of members of the National Guard, on full-time National Guard duty for the purpose of organizing, administering, recruiting, instructing, or training the reserve components or the National Guard:

(1) The Army National Guard of the United States, 23,731.

(2) The Army Reserve, 12,157.

(3) The Naval Reserve, 19,010.

(4) The Marine Corps Reserve, 1,475.

(5) The Air National Guard of the United States, 7,269.

(6) The Air Force Reserve, 635.

(b) AUTHORITY TO INCREASE END-STRENGTH LIMIT.—Upon a determination by the Secretary of Defense that such action is in the national interest, the end strengths prescribed by subsection (a) may be increased by a total of not more than the number equal to 2 percent of the total end strengths prescribed.

SEC. 413. INCREASE IN NUMBER OF CERTAIN PERSONNEL AUTHORIZED TO BE ON ACTIVE DUTY IN SUPPORT OF THE RESERVE COMPONENTS

(a) SENIOR ENLISTED MEMBERS.—The table in section 517(b) of title 10, United States Code, is amended to read as follows:

"Grade	Army	Navy	Air Force	Marine Corps
E-9	517	165	80	9
E-8	2,295	381	358	74".

(b) OFFICERS.—The table in section 524(a) of such title is amended to read as follows:

"Grade	Army	Navy	Air Force	Marine Corps
Major or Lieutenant Commander	2,317	850	476	100
Lieutenant Colonel or Commander	1,152	520	318	60
Colonel or Navy Captain	348	177	189	25".

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall take effect on October 1, 1985.

PART C—MILITARY TRAINING

SEC. 421. AUTHORIZATION OF TRAINING STUDENT LOADS

(a) IN GENERAL.—For fiscal year 1986, the components of the Armed Forces are authorized average military training student loads as follows:

(1) The Army, 79,686.

(2) The Navy, 71,018.

(3) The Marine Corps, 20,766.

(4) The Air Force, 43,389.

(5) The Army National Guard of the United States, 18,886.

(6) The Army Reserve, 16,985.

(7) The Naval Reserve, 3,355.

(8) The Marine Corps Reserve, 3,790.

(9) The Air National Guard of the United States, 2,751.

(10) The Air Force Reserve, 2,118.

(b) ADJUSTMENTS.—The average military student loads for the Army, the Navy, the

Marine Corps, and the Air Force and the reserve components authorized in subsection (a) for fiscal year 1986 shall be adjusted consistent with the personnel strengths authorized in parts A and B. Such adjustment shall be apportioned among the Army, the Navy, the Marine Corps, and the Air Force and the reserve components in such manner as the Secretary of Defense shall prescribe.

TITLE V—DEFENSE PERSONNEL POLICY

PART A—CIVILIAN PERSONNEL

SEC. 501. WAIVER OF CIVILIAN PERSONNEL CEILINGS FOR FISCAL YEAR 1986

The provisions of section 138(c)(2) of title 10, United States Code, shall not apply with respect to fiscal year 1986 or with respect to the appropriation of funds for that year.

SEC. 502. PROHIBITION ON MANAGING CIVILIAN PERSONNEL BY END-STRENGTHS DURING FISCAL YEAR 1986

(a) PROHIBITION.—During fiscal year 1986, the civilian personnel of the Department of Defense may not be managed on the basis of any end-strength, and the management of such personnel during that fiscal year shall not be subject to any constraint or limitation (known as an "end-strength") on the number of such personnel who may be employed on the last day of such fiscal year.

(b) FY86 REPORTS.—Not later than February 1, 1986, the Secretary of Defense and the Director of the Office of Management and Budget shall each submit to the Committees on Armed Services of the Senate and House of Representatives a report on the experience of the Department of Defense during fiscal years 1985 and 1986 (to the date of the report) concerning the management of civilian personnel of the Department without a congressionally imposed civilian end strength and with a statutory prohibition on the management during those fiscal years of such civilian personnel by end strength. Each such report shall include the views of the Secretary or Director, as appropriate, with respect to the desirability of managing such personnel in such a manner.

(c) QUARTERLY REPORTS.—(1) The Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives quarterly reports on the obligation of funds appropriated for civilian personnel of the Department of Defense for fiscal year 1986. Each report shall include—

(A) for each appropriation account, the amounts authorized and appropriated for such personnel for fiscal year 1986;

(B) for each appropriation account and for the entire Department—

(i) the actual number of such personnel employed, and the amount of funds obligated for such personnel, as of the end of the fiscal year quarter described in the report; and

(ii) the projected number of such personnel to be employed, and the amount of funds that will be obligated for such personnel, as of the end of fiscal year 1986.

(2) Each report required by paragraph (1) shall be submitted as soon as possible after the end of the fiscal year quarter described in the report.

SEC. 503. EXERCISE OF CERTAIN AUTHORITIES RELATING TO CIVILIAN EMPLOYEES OF THE DEPARTMENT OF DEFENSE

(a) FINDINGS.—The Congress finds—

(1) that in National Security Decision Directive 84, issued by the President on March 11, 1983, the President directed the Attorney General to establish, after consultation with the Director of the Office of Personnel Management, an interdepartmental group to—

(A) study security procedures in effect with respect to Federal employees; and

(B) recommend appropriate revisions in Executive orders, regulations, and guidelines pertaining to such procedures; and

(2) that on May 1, 1984, the interdepartmental group referred to in clause (1) requested, in a memorandum to the Assistant to the President for National Security Affairs, that guidance be furnished to the group on matters relating to the study referred to in paragraph (1)(A).

(b) DIRECTION TO FURNISH GUIDANCE.—Before the end of the 60-day period beginning on the date of the enactment of this Act, the President shall transmit to the interdepartmental group referred to in subsection (a) the guidance requested in the memorandum referred to in subsection (a)(2).

(c) REPORT REQUIREMENT.—Before the end of the 90-day period beginning on the date that the President transmits the guidance pursuant to subsection (b), the interdepartmental group shall transmit to Congress a report on its findings and recommendations.

(d) AUTHORITY OF THE SECRETARY OF DEFENSE.—Subject to subsection (e), the Secretary of Defense shall exercise the following authorities with respect to civilian employees of the Department of Defense:

(1) Authorities assigned to the Director of the Office of Personnel Management under section 5.2(a) of Executive Order Number 10577 (5 U.S.C. 3301 note), relating to investigation of the suitability of applicants.

(2) Authorities assigned to the Office of Personnel Management under Executive Order Number 10450 (5 U.S.C. 7311 note), relating to security requirements for Federal employees.

(e) AUTHORITY OF THE PRESIDENT.—(1) Subsection (d) shall not take effect if the President directs, on or before the date of the transmittal to Congress of the report described in subsection (c), that the authorities referred to in subsection (d) shall not be exercised by the Secretary of Defense.

(2) The authority of the President under paragraph (1) may not be delegated.

SEC. 504. MODIFICATION AND STUDY OF DEPARTMENT OF DEFENSE CIVILIAN PERSONNEL CLASSIFICATION AND PAY SYSTEMS

(a) CIVILIAN FACULTY MEMBERS OF AIR FORCE INSTITUTE OF TECHNOLOGY.—(1) Section 9314 of title 10, United States Code, is amended—

(A) by inserting "(a)" before "When"; and

(B) by adding at the end thereof the following new subsection:

"(b)(1) The Secretary of the Air Force may employ as many civilian faculty members at the United States Air Force Institute of Technology as is consistent with the needs of the Air Force and with Department of Defense personnel limits.

"(2) The Secretary shall prescribe regulations determining—

"(A) titles and duties of civilian members of the faculty; and

"(B) rates of basic pay of civilian members of the faculty, notwithstanding chapter 53 of title 5, but subject to the limitation set out in section 5308 of title 5.".

(2)(A) The heading of such section is amended by striking out the colon and the last word.

(B) The item relating to such section in the table of sections at the beginning of chapter 901 of such title is amended by striking out the colon and the last word.

(b) EXCLUSION FROM CIVIL SERVICE CLASSIFICATION SYSTEM.—Section 5102(c) of title 5, United States Code, is amended—

(1) by striking out "or" at the end of clause (26);

(2) by striking out the period at the end of clause (27) and inserting in lieu thereof "; or"; and

(3) by adding at the end thereof the following new clause:

"(28) civilian members of the faculty of the Air Force Institute of Technology whose pay is fixed under section 9314 of title 10.".

(c) TRANSITION.—Section 9314(b)(2) of title 10, United States Code (as added by subsection (a)(1)(B)), and section 5102(c)(28) of title 5, United States Code (as added by subsection (b)), shall not apply to any person who on the date of the enactment of this Act—

(1) is a civilian member of the faculty of the United States Air Force Institute of Technology;

(2) is paid a rate of basic pay under the General Schedule; and

(3) elects, under procedures prescribed by the Secretary of the Air Force, to continue to be paid under the General Schedule.

(d) REPORT.—Not later than December 31, 1985, the Secretary of Defense shall submit to Congress an evaluation of the effects of the pay and classification systems applicable to civilian employees of the Department of Defense on recruitment and retention of scientists, engineers, technicians, and other highly skilled personnel in scientific and engineering organizations in the Department.

PART B—ACTIVE MILITARY PERSONNEL

SEC. 511. ADJUSTMENT IN MARINE CORPS OFFICER GRADE TABLE

(a) INCREASE IN AUTHORIZED NUMBER OF MARINE CORPS MAJORS.—The table in section 523(a)(1) of title 10, United States Code, is amended by striking out "2,717", "2,936", "3,154", "3,373", and "3,591" in the items relating to the Marine Corps under the column headed "Major" and inserting in lieu thereof "2,766", "3,085", "3,404", "3,723", and "4,042", respectively.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 1985.

SEC. 512. SERVICE AGREEMENTS OF CADETS AND MIDSHIPMEN

(a) MILITARY ACADEMY.—Section 4348 of title 10, United States Code, relating to agreements of cadets at the United States Military Academy, is amended to read as follows:

"§ 4348. Cadets: agreement to serve as officer

"(a) Each cadet shall sign an agreement with respect to the cadet's length of service in the armed forces. The agreement shall provide that the cadet agrees to the following:

"(1) That the cadet will complete the course of instruction at the Academy.

"(2) That upon graduation from the Academy the cadet—

"(A) will accept an appointment, if tendered, as a commissioned officer of the Regular Army or the Regular Air Force; and

"(B) will serve on active duty for at least five years immediately after such appointment.

"(3) That if an appointment described in paragraph (2) is not tendered or if the cadet is permitted to resign as a regular officer before completion of the commissioned service obligation of the cadet, the cadet—

"(A) will accept an appointment as a commissioned officer as a Reserve for service in the Army Reserve or the Air Force Reserve; and

"(B) will remain in that reserve component until completion of the commissioned service obligation of the cadet.

"(b)(1) The Secretary of the Army may transfer to the Army Reserve, and may order to active duty for such period of time as the Secretary prescribes (but not to exceed four years), a cadet who breaches an agreement under subsection (a). The period of time for which a cadet is ordered to active duty under this paragraph may be determined without regard to section 651(a) of this title.

"(2) A cadet who is transferred to the Army Reserve under paragraph (1) shall be transferred in an appropriate enlisted grade or rating, as determined by the Secretary.

"(3) For the purposes of paragraph (1), a cadet shall be considered to have breached an agreement under subsection (a) if the cadet is separated from the Academy under circumstances which the Secretary determines constitute a breach by the cadet of the cadet's agreement to complete the course of instruction at the Academy and accept an appointment as a commissioned officer upon graduation from the Academy.

"(c) The Secretary of the Army shall prescribe regulations to carry out this section. Those regulations shall include—

"(1) standards for determining what constitutes, for the purpose of subsection (b), a breach of an agreement under subsection (a);

"(2) procedures for determining whether such a breach has occurred; and

"(3) standards for determining the period of time for which a person may be ordered to serve on active duty under subsection (b).

"(d) In this section, 'commissioned service obligation', with respect to an officer who is a graduate of the Academy, means the period beginning on the date of the officer's appointment as a commissioned officer and ending on the sixth anniversary of such appointment or, at the discretion of the Secretary of Defense, any later date up to the eighth anniversary of such appointment.

"(e)(1) This section does not apply to a cadet who is not a citizen or national of the United States.

"(2) In the case of a cadet who is a minor and who has parents or a guardian, the cadet may sign the agreement required by subsection (a) only with the consent of a parent or guardian.".

(b) NAVAL ACADEMY.—Section 6959 of such title, relating to agreements of midshipmen at the United States Naval Academy, is amended to read as follows:

"§ 6959. Midshipmen: agreement for length of service

"(a) Each midshipman shall sign an agreement with respect to the midshipman's length of service in the armed forces. The agreement shall provide that the midshipman agrees to the following:

"(1) That the midshipman will complete the course of instruction at the Naval Academy.

"(2) That upon graduation from the Naval Academy the midshipman—

"(A) will accept an appointment, if tendered, as a commissioned officer of the Regular Navy, the Regular Marine Corps, or the Regular Air Force; and

"(B) will serve on active duty for at least five years immediately after such appointment.

"(3) That if an appointment described in paragraph (2) is not tendered or if the midshipman is permitted to resign as a regular officer before completion of the commissioned service obligation of the midshipman, the midshipman—

"(A) will accept an appointment as a commissioned officer in the Naval Reserve or the Marine Corps Reserve or as a Reserve in the Air Force for service in the Air Force Reserve; and

"(B) will remain in that reserve component until completion of the commissioned service obligation of the midshipman.

"(b)(1) The Secretary of the Navy may transfer to the Naval Reserve or the Marine Corps Reserve, and may order to active duty for such period of time as the Secretary prescribes (but not to exceed four years), a midshipman who breaches an agreement under subsection (a). The period of time for which a midshipman is ordered to active duty under this paragraph may be determined without regard to section 651(a) of this title.

"(2) A midshipman who is transferred to the Naval Reserve or Marine Corps Reserve under paragraph (1) shall be transferred in an appropriate enlisted grade or rating, as determined by the Secretary.

"(3) For the purposes of paragraph (1), a midshipman shall be considered to have breached an agreement under subsection (a) if the midshipman is separated from the Naval Academy under circumstances which the Secretary determines constitute a breach by the midshipman of the midshipman's agreement to complete the course of instruction at the Naval Academy and accept an appointment as a commissioned officer upon graduation from the Naval Academy.

"(c) The Secretary of the Navy shall prescribe regulations to carry out this section. Those regulations shall include—

"(1) standards for determining what constitutes, for the purpose of subsection (b), a breach of an agreement under subsection (a);

"(2) procedures for determining whether such a breach has occurred; and

"(3) standards for determining the period of time for which a person may be ordered to serve on active duty under subsection (b).

"(d) In this section, 'commissioned service obligation', with respect to an officer who is a graduate of the Academy, means the period beginning on the date of the officer's appointment as a commissioned officer and ending on the sixth anniversary of such appointment or, at the discretion of the Secretary of Defense, any later date up to the eighth anniversary of such appointment.

"(e)(1) This section does not apply to a midshipman who is not a citizen or national of the United States.

"(2) In the case of a midshipman who is a minor and who has parents or a guardian, the midshipman may sign the agreement required by subsection (a) only with the consent of a parent or guardian.".

(c) AIR FORCE ACADEMY.—Section 9348 of such title, relating to agreements of cadets at the United States Air Force Academy, is amended to read as follows:

"§ 9348. Cadets: agreement to serve as officer

"(a) Each cadet shall sign an agreement with respect to the cadet's length of service in the armed forces. The agreement shall provide that the cadet agrees to the following:

"(1) That the cadet will complete the course of instruction at the Academy.

"(2) That upon graduation from the Academy the cadet—

"(A) will accept an appointment, if tendered, as a commissioned officer of the Regular Air Force; and

"(B) will serve on active duty for at least five years immediately after such appointment.

"(3) That if an appointment described in paragraph (2) is not tendered or if the cadet is permitted to resign as a regular officer before completion of the commissioned service obligation of the cadet, the cadet—

"(A) will accept an appointment as a commissioned officer as a Reserve in the Air Force for service in the Air Force Reserve; and

"(B) will remain in that reserve component until completion of the commissioned service obligation of the cadet.

"(b)(1) The Secretary of the Air Force may transfer to the Air Force Reserve, and may order to active duty for such period of time as the Secretary prescribes (but not to exceed four years), a cadet who breaches an agreement under subsection (a). The period of time for which a cadet is ordered to active duty under this paragraph may be determined without regard to section 651(a) of this title.

"(2) A cadet who is transferred to the Air Force Reserve under paragraph (1) shall be transferred in an appropriate enlisted grade or rating, as determined by the Secretary.

"(3) For the purposes of paragraph (1), a cadet shall be considered to have breached an agreement under subsection (a) if the cadet is separated from the Academy under circumstances which the Secretary determines constitute a breach by the cadet of the cadet's agreement to complete the course of instruction at the Academy and accept an appointment as a commissioned officer upon graduation from the Academy.

"(c) The Secretary of the Air Force shall prescribe regulations to carry out this section. Those regulations shall include—

"(1) standards for determining what constitutes, for the purpose of subsection (b), a breach of an agreement under subsection (a);

"(2) procedures for determining whether such a breach has occurred; and

"(3) standards for determining the period of time for which a person may be ordered to serve on active duty under subsection (b).

"(d) In this section, 'commissioned service obligation', with respect to an officer who is a graduate of the Academy, means the period beginning on the date of the officer's appointment as a commissioned officer and ending on the sixth anniversary of such appointment or, at the discretion of the Secretary of Defense, any later date up to the eighth anniversary of such appointment.

"(e)(1) This section does not apply to a cadet who is not a citizen or national of the United States.

"(2) In the case of a cadet who is a minor and who has parents or a guardian, the cadet may sign the agreement required by subsection (a) only with the consent of a parent or guardian.".

(d) DEADLINE FOR REGULATIONS.—The Secretary of each military department shall prescribe the regulations required by section 4348(c), 6959(c), or 9348(c), as appropriate, of title 10, United States Code (as added by the amendments made by subsections (a), (b), and (c)) not later than the end of the 90-day period beginning on the date of the enactment of this Act.

(e) APPLICABILITY OF AMENDMENTS.—The amendments made by subsections (a), (b), and (c) (other than with respect to the authority of the Secretary of a military department to prescribe regulations)—

(1) shall take effect with respect to each military department on the date on which

regulations prescribed by the Secretary of that military department in accordance with subsection (d) take effect; and

(2) shall apply with respect to each agreement entered into under sections 4348, 6959, and 9348, respectively, of title 10, United States Code, that is entered into on or after the effective date of such regulations and shall apply with respect to each such agreement that was entered into before the effective date of such regulations by an individual who is a cadet or midshipman on such date.

SEC. 513. TRANSFERS TO AND FROM TEMPORARY DISABILITY RETIRED LIST

(a) IMPROVEMENTS IN ADMINISTRATION OF TEMPORARY DISABILITY RETIRED LIST.—Chapter 61 of title 10, United States Code, relating to retirement or separation for physical disability, is amended as follows:

(1)(A) Sections 1201(1) and 1204(1) are amended by inserting "and stable" after "permanent nature".

(B) Sections 1202 and 1205 are amended by inserting "and stable" after "permanent nature" the first place it appears in each section.

(2) Section 1210 is amended—

(A) by inserting "and stable" in subsections (b), (c), and (d) after "permanent nature"; and

(B) in subsection (f)—

(i) by inserting "(1)" after "(f)"; and

(ii) by striking out "and rating" and all that follows and inserting in lieu thereof "or rating, the Secretary shall—

"(A) treat the member as provided in section 1211 of this title; or

"(B) discharge the member, retire the member, or transfer the member to the Fleet Reserve, Fleet Marine Corps Reserve, or inactive Reserve under any other law if, under that law, the member—

"(i) applies for and qualifies for that retirement or transfer; or

"(ii) is required to be discharged, retired, or eliminated from an active status.

"(2)(A) For the purpose of paragraph (1)(B), a member shall be considered qualified for retirement or transfer to the Fleet Reserve or Fleet Marine Corps Reserve or is required to be discharged, retired, or eliminated from an active status if, were the member reappointed or reenlisted under section 1211 of this title, the member would in all other respects be qualified for or would be required to be retired, transferred to the Fleet Reserve or Fleet Marine Corps Reserve, discharged, or eliminated from an active status under any other provision of law.

"(B) The grade of a member retired, transferred, discharged, or eliminated from an active status pursuant to paragraph (1)(B) shall be determined under the provisions of law under which the member is retired, transferred, discharged, or eliminated. The member's retired, retainer, severance, readjustment, or separation pay shall be computed as if the member had been reappointed or reenlisted upon removal from the temporary disability retired list and before the retirement, transfer, discharge, or elimination. Notwithstanding section 8301 of title 5, a member who is retired shall be entitled to retired pay effective on the day after the last day on which the member is entitled to disability retired pay.".

(3) The second sentence of section 1211(c) is amended—

(A) by inserting "and if the member is not discharged, retired, or transferred to the Fleet Reserve or Fleet Marine Corps Reserve or inactive Reserve under section 1210 of this title," after "subsection (a) or (b),"; and

(B) by inserting "and the member shall be discharged" before the period.

(b) CONFORMING AMENDMENT.—Section 1448(c) of such title is amended by inserting "disability" before "retired pay".

SEC. 514. CHANGE IN TITLE OF GRADE OF COMMODORE TO REAR ADMIRAL (LOWER HALF)

(a) CHANGE IN TITLE.—(1) Section 5501 of title 10, United States Code, is amended by striking out "Commodore" in clause (4) and inserting in lieu thereof "Rear admiral (lower half)".

(2) Section 41 of title 14, United States Code, is amended by striking out "commodores" and inserting in lieu thereof "rear admirals (lower half)".

(3) Section 24 of the Coast and Geodetic Survey Commissioned Officers' Act of 1948 (33 U.S.C. 853u) is amended by striking out "commodore" each place it appears and inserting in lieu thereof "rear admiral (lower half)".

(b) CONFORMING AMENDMENTS TO TITLE 10.—(1) The following sections of title 10, United States Code, are amended by striking out "commodore" each place it appears and inserting in lieu thereof "rear admiral (lower half)": 101(41), 525(a), 601(c)(2), 611(a), 612(a)(3), 619(a)(2)(B), 619(c)(2)(A)(ii), 625(a), 625(c), 634, 635, 637(b)(2), 638(a)(3), 638(b), 638(c), 645(1)(A)(ii), 5138(a), 5149(b), 5442, 5444, 5457(a), and 6389(f).

(2) Section 5444 of such title is amended by striking out "commodores" in subsections (a) and (f) and inserting in lieu thereof "rear admirals (lower half)".

(3) The tables in sections 5442(a) and 5444(a) of such title are amended by striking out "commodores" and inserting in lieu thereof "rear admirals (lower half)".

(4)(A) The heading of section 625 of such title is amended to read as follows:

"§ 625. Authority to vacate promotions to grades of brigadier general and rear admiral (lower half)".

(B) The item relating to such section in the table of sections at the beginning of subchapter II of chapter 36 of such title is amended to read as follows:

"625. Authority to vacate promotions to grades of brigadier general and rear admiral (lower half).".

(5)(A) The heading of section 635 of such title is amended to read as follows:

"§ 635. Retirement for years of service: regular brigadier generals and rear admirals (lower half)".

(B) The item relating to such section in the table of sections at the beginning of subchapter III of chapter 36 of such title is amended to read as follows:

"635. Retirement for years of service: regular brigadier generals and rear admirals (lower half).".

(6)(A) The heading of section 5442 of such title is amended to read as follows:

"§ 5442. Navy: line officers on active duty; rear admirals (lower half) and rear admirals".

(B) The item relating to such section in the table of sections at the beginning of chapter 533 of such title is amended to read as follows:

"5442. Navy: line officers on active duty; rear admirals (lower half) and rear admirals.".

(7)(A) The heading of section 5444 of such title is amended to read as follows:

"§ 5444. Navy: staff corps officers on active duty; rear admirals (lower half) and rear admirals".

(B) The item relating to such section in the table of sections at the beginning of chapter 533 of such title is amended to read as follows:

"5444. Navy: staff corps officers on active duty; rear admirals (lower half) and rear admirals.".

(8) The table in section 741(a) of such title is amended by striking out "Commodore" and inserting in lieu thereof "Rear admiral (lower half)".

(c) CONFORMING AMENDMENTS TO TITLE 14.—(1) The following sections of title 14, United States Code, are amended by striking out "commodore" each place it appears and inserting in lieu thereof "rear admiral (lower half)": 42(b), 256(a), 259(b), 271(d), 289(a), 290(a), 421(b), 724(b), 729(e), 736(b), 740(a), 742(b), and 743.

(2)(A) The heading of section 290 of such title is amended to read as follows:

"§ 290. Rear admirals and rear admirals (lower half); continuation on active duty; involuntary retirement".

(B) The item relating to such section in the table of sections at the beginning of chapter 11 of such title is amended to read as follows:

"290. Rear admirals and rear admirals (lower half); continuation on active duty; involuntary retirement.".

(3)(A) The heading of section 743 of such title is amended to read as follows:

"§ 743. Rear admiral and rear admiral (lower half); maximum service in grade".

(B) The item relating to such section in the table of sections at the beginning of chapter 21 of such title is amended to read as follows:

"743. Rear admiral and rear admiral (lower half); maximum service in grade.".

(d) CONFORMING AMENDMENTS TO TITLE 37.—(1) The table in section 201(a) of title 37, United States Code, is amended by striking out "Commodore" in the third column and inserting in lieu thereof "Rear admiral (lower half)".

(2)(A) Section 202 of such title is amended by striking out "commodore" and inserting in lieu thereof "rear admiral (lower half)".

(B) The heading of such section is amended to read as follows:

"§ 202. Pay grades: retired Coast Guard rear admirals (lower half)".

(C) The item relating to such section in the table of sections at the beginning of chapter 3 of such title is amended to read as follows:

"202. Pay grades: retired Coast Guard rear admirals (lower half).".

(e) TRANSITION PROVISION.—(1) An officer who on the day before the date of the enactment of this Act is serving in or has the grade of commodore shall as of the date of the enactment of this Act be serving in or have the grade of rear admiral (lower half).

(2) An officer who on the day before the date of the enactment of this Act is on a list of officers selected for promotion to the grade of commodore shall as of the date of the enactment of this Act be considered to be on a list of officers selected for promotion to the grade of rear admiral (lower half).

SEC. 515. TEMPORARY INCREASE IN THE NUMBER OF GENERAL AND FLAG OFFICERS AUTHORIZED TO BE ON ACTIVE DUTY IN THREE-AND FOUR-STAR GRADES

During fiscal year 1986, the numbers of officers authorized under section 525(b) of title 10, United States Code, to be on active duty in grades above major general and rear admiral are increased as follows:

(1) ARMY LIEUTENANT GENERALS.—The number of officers of the Army authorized to be serving on active duty in grades above major general is increased by one during any period of that fiscal year that an officer of the Army is serving as the Director of the Department of Defense Task Force on Drug Enforcement. An additional officer in a grade above major general by reason of this paragraph may not be in the grade of general.

(2) AIR FORCE GENERALS.—The number of officers of the Air Force authorized to be serving on active duty in the grade of general is increased by one.

(3) NAVY VICE ADMIRALS.—The number of officers of the Navy authorized to be serving on active duty in a grade above rear admiral is increased by three. None of the additional officers in grades above rear admiral by reason of this paragraph may be in the grade of admiral.

(4) MARINE CORPS GENERAL OFFICERS.—The number of officers of the Marine Corps authorized to be serving on active duty in grades above major general is increased by one, plus an additional one during any period of that fiscal year that an officer of the Marine Corps is serving as the Commander-in-Chief of the United States Central Command. An additional officer in a grade above major general by reason of this paragraph may not be in the grade of general, unless a Marine Corps officer is serving as the Commander-in-Chief of the United States Central Command, in which case one of the additional officers authorized by this paragraph may serve in the grade of general.

SEC. 516. GRADE OF RETIRED REGULAR MEMBERS RECALLED TO ACTIVE DUTY

Section 688 of title 10, United States Code, is amended by adding at the end thereof the following new subsection:

"(d)(1) Except as provided in paragraph (2), a retired member ordered to active duty under this section shall be ordered to active duty in his retired grade.

"(2) A retired member ordered to active duty under this section whose retired grade is above the grade of major general or rear admiral shall be ordered to active duty in the highest permanent grade held by such member while serving on active duty.".

PART C—RESERVE MILITARY PERSONNEL

SEC. 521. EXTENSION OF CERTAIN RESERVE OFFICER MANAGEMENT PROGRAMS

(a) GRADE DETERMINATION FOR RESERVE MEDICAL OFFICERS.—Sections 3359(b) and 8359(b) of title 10, United States Code, are amended by striking out "September 30, 1985" and inserting in lieu thereof "September 30, 1987".

(b) PROMOTION OF CERTAIN RESERVE OFFICERS SERVING ON ACTIVE DUTY.—Sections 3380(d) and 8380(d) of such title are amended by striking out "September 30, 1985" and inserting in lieu thereof "September 30, 1987".

(c) YEARS OF SERVICE FOR MANDATORY TRANSFER TO THE RETIRED RESERVE.—Section 1016(d) of the Department of Defense Authorization Act, 1984 (Public Law 98-94; 97 Stat. 668), is amended by striking out "September 30, 1985" and inserting in lieu thereof "September 30, 1987".

SEC. 522. RETENTION UNTIL AGE 60 OF RESERVE CIVILIAN TECHNICIANS

(a) ARMY.—(1) Section 3848(c) of title 10, United States Code, relating to reserve component officers of the Army who may be removed from an active status after completing 28 years of service, is amended to read as follows:

"(c) Notwithstanding subsections (a) and (b), the Secretary of the Army may authorize the retention in an active status until age 60 of an officer who would otherwise be removed from an active status under this section who—

"(1) is an officer of the Army National Guard of the United States assigned to a headquarters or headquarters detachment of a State or territory, the Commonwealth of Puerto Rico, the Canal Zone, or the District of Columbia; or

"(2) is employed—

"(A) as a technician under section 709 of title 32 in a position for which membership in the National Guard is required as a condition of employment; or

"(B) as a technician of the Army Reserve in a position for which membership in the Army Reserve is required as a condition of employment.".

(2) Section 3851(c) of such title, relating to reserve component officers of the Army who may be removed from an active status after completing 30 years of service, is amended to read as follows:

"(c) Notwithstanding subsections (a) and (b), the Secretary of the Army may authorize the retention in an active status until age 60 of an officer who would otherwise be removed from an active status under this section who—

"(1) is an officer of the Army National Guard of the United States assigned to a headquarters or headquarters detachment of a State or territory, the Commonwealth of Puerto Rico, the Canal Zone, or the District of Columbia; or

"(2) is employed—

"(A) as a technician under section 709 of title 32 in a position for which membership in the National Guard is required as a condition of employment; or

"(B) as a technician of the Army Reserve in a position for which membership in the Army Reserve is required as a condition of employment.".

(b) AIR FORCE.—(1) Section 8848(c) of title 10, United States Code, relating to reserve component officers of the Air Force who may be removed from an active status after completing 28 years of service, is amended to read as follows:

"(c) Notwithstanding subsections (a) and (b), the Secretary of the Air Force may authorize the retention in an active status until age 60 of an officer who would otherwise be removed from an active status under this section who—

"(1) is employed as a technician under section 709 of title 32 in a position for which membership in the National Guard is required as a condition of employment; or

"(2) is employed as a technician of the Air Force Reserve in a position for which membership in the Air Force Reserve is required as a condition of employment.".

(2) Section 8851(c) of such title, relating to reserve component officers of the Air Force Reserve who may be removed from an active status after completing 30 years of service, is amended to read as follows:

"(c) Notwithstanding subsections (a) and (b), the Secretary of the Air Force may authorize the retention in an active status until age 60 of an officer who would otherwise be removed from an active status under this section who—

"(1) is employed as a technician under section 709 of title 32 in a position for which membership in the National Guard is required as a condition of employment; or

"(2) is employed as a technician of the Air Force Reserve in a position for which membership in the Air Force Reserve is required as a condition of employment.".

SEC. 523. AUTHORITY TO RETAIN IN ACTIVE STATUS UNTIL AGE 62 UP TO 10 ARMY RESERVE MAJOR GENERALS

Section 3852 of title 10, United States Code, relating to mandatory retirement or discharge of reserve major generals, is amended—

(1) by inserting "(a)" at the beginning of the text of the section; and

(2) by adding at the end thereof the following new subsection:

"(b) Notwithstanding subsection (a), an officer in the reserve grade of major general who would otherwise be removed from an active status under this section may, in the discretion of the Secretary of the Army, be retained in an active status, but not later than the date on which he becomes 62 years of age. Not more than 10 officers may be retained under this subsection at any one time.".

SEC. 524. REQUIREMENT OF MUSTER TEST OF ARMY INDIVIDUAL READY RESERVE

(a) REQUIREMENT OF MUSTER TEST.—The Secretary of Defense shall conduct a test of the ability of the Army to muster members of the Individual Ready Reserve of the Army in time of war or national emergency. The test—

(1) shall be national in scope; and

(2) shall be conducted through voluntary calls to active duty.

(b) REPORT.—Not later than February 1, 1986, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives a report on the muster test. The report shall include the findings of the Secretary concerning—

(1) the availability and fitness for duty of members of the Army Individual Ready Reserve; and

(2) the adequacy of current call-up procedures.

PART D—MISCELLANEOUS

SEC. 531. APPOINTMENTS OF WARRANT OFFICERS

(a) REGULAR WARRANT OFFICERS.—Section 555(b) of title 10, United States Code, is amended to read as follows:

"(b) Permanent appointments of regular warrant officers, W-1, shall be made by warrant by the Secretary concerned. Permanent appointments of regular chief warrant officers shall be made by commission by the President.".

(b) RESERVE WARRANT OFFICERS.—Section 597(b) of such title is amended to read as follows:

"(b) Appointments made in the permanent reserve grade of warrant officer, W-1, shall be made by warrant by the Secretary concerned. Appointments made in a permanent reserve grade of chief warrant officer shall be made by commission by the Secretary concerned.".

(c) TRANSITION.—(1) The amendments made by subsections (a) and (b) apply to any appointment of a warrant officer or chief warrant officer on or after the effective date of this section.

(2) An officer who on the effective date of this section is serving in a chief warrant officer grade under an appointment by war-

rant may be appointed in that grade by commission under section 555(b) or 597(b) of title 10, United States Code, as appropriate. The date of rank of an officer who receives an appointment under this paragraph is the date of rank for the officer's appointment by warrant to that grade.

(d) EFFECTIVE DATE.—This section takes effect six months after the date of the enactment of this Act.

SEC. 532. PRISONER-OF-WAR MEDAL

(a) AUTHORITY TO ISSUE PRISONER-OF-WAR MEDAL.—(1) Chapter 57 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 1128. Prisoner-of-war medal: issue

"(a) The Secretary concerned shall issue a prisoner-of-war medal to any person who, while serving in any capacity with the armed forces, was taken prisoner and held captive—

"(1) while engaged in an action against an enemy of the United States;

"(2) while engaged in military operations involving conflict with an opposing foreign force; or

"(3) while serving with friendly forces engaged in an armed conflict against an opposing armed force in which the United States is not a belligerent party.

"(b) The prisoner-of-war medal shall be of appropriate design, with ribbons and appurtenances.

"(c) In prescribing regulations establishing the order of precedence of awards and decorations authorized to be displayed on the uniforms of members of the armed forces, the Secretary concerned shall accord the prisoner-of-war medal a position of precedence, in relation to other awards and decorations authorized to be displayed—

"(1) immediately following decorations awarded for individual heroism, meritorious achievement, or meritorious service, and

"(2) before any other service medal, campaign medal, or service ribbon authorized to be displayed.

"(d) Not more than one prisoner-of-war medal may be issued to a person. However, for each succeeding service that would otherwise justify the issuance of such a medal, the Secretary concerned may issue a suitable device to be worn as the Secretary determines.

"(e) For a person to be eligible for issuance of a prisoner-of-war medal, the person's conduct must have been honorable for the period of captivity which serves as the basis for the issuance.

"(f) If a person dies before the issuance of a prisoner-of-war medal to which he is entitled, the medal may be issued to the person's representative, as designated by the Secretary concerned.

"(g) Under regulations to be prescribed by the Secretary concerned, a prisoner-of-war medal that is lost, destroyed, or rendered unfit for use without fault or neglect on the part of the person to whom it was issued may be replaced without charge.

"(h) The Secretary of Defense shall ensure that regulations prescribed by the Secretaries of the military departments under this section are uniform so far as practicable.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"1128. Prisoner-of-war medal: issue.".

(b) EFFECTIVE DATE.—Section 1128 of title 10, United States Code, as added by subsection (a), applies with respect to any person taken prisoner and held captive after April 5, 1917.

SEC. 533. CLARIFICATION OF PRECEDENCE OF THE AWARD OF THE PURPLE HEART

Section 1127 of title 10, United States Code, is amended by striking out "the lowest position accorded any award or decoration for valor" and inserting in lieu thereof "the bronze star".

SEC. 534. ESPIONAGE UNDER THE UCMJ

(a) NEW PUNITIVE ARTICLE.—Chapter 47 of title 10, United States Code (the Uniform Code of Military Justice), is amended by inserting after section 906 (article 106) the following new subsection (article):

"§ 906a. Art. 106a. Espionage

"(a)(1) Any person subject to this chapter who, with intent or reason to believe that it is to be used to the injury of the United States or to the advantage of a foreign nation, communicates, delivers, or transmits, or attempts to communicate, deliver, or transmit, to any entity described in paragraph (2), either directly or indirectly, any thing described in paragraph (3) shall be punished as a court-martial may direct, except that if the accused is found guilty of an offense that directly concerns (A) nuclear weaponry, military spacecraft or satellites, early warning systems, or other means of defense or retaliation against large scale attack, (B) war plans, (C) communications intelligence or cryptographic information, or (D) any other major weapons system or major element of defense strategy, the accused shall be punished by death or such other * * *

"(2) An entity referred to in paragraph (1) is—

"(A) a foreign government;

"(B) a faction or party or military or naval force within a foreign country, whether recognized or unrecognized by the United States; or

"(C) a representative, officer, agent, employee, subject, or citizen of such a government, faction, party, or force.

"(3) A thing referred to in paragraph (1) is a document, writing, code book, signal book, sketch, photograph, photographic negative, blueprint, plan, map, model, note, instrument, appliance, or information relating to the national defense.

"(b)(1) No person may be sentenced by court-martial to suffer death for an offense under this section (article) unless—

"(A) the members of the court-martial unanimously find at least one of the aggravating factors set out in subsection (c); and

"(B) the members unanimously determine that any extenuating or mitigating circumstances are substantially outweighed by any aggravating circumstances, including the aggravating factors set out in subsection (c).

"(2) Findings under this subsection may be based on—

"(A) evidence introduced on the issue of guilt or innocence;

"(B) evidence introduced during the sentencing proceeding; or

"(C) all such evidence.

"(3) The accused shall be given broad latitude to present matters in extenuation and mitigation.

"(c) A sentence of death may be adjudged by a court-martial for an offense under this section (article) only if the members unanimously find, beyond a reasonable doubt, one or more of the following aggravating factors:

"(1) The accused has been convicted of another offense involving espionage or treason for which either a sentence of death or imprisonment for life was authorized by statute.

"(2) In the commission of the offense, the accused knowingly created a grave risk of substantial damage to the national security.

"(3) In the commission of the offense, the accused knowingly created a grave risk of death to another person.

"(4) Any other factor that may be prescribed by the President by regulations under section 836 of this title (article 36).".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of subchapter X of such chapter is amended by inserting after the item relating to section 906 (article 106) the following new item:

906a. Art. 106a. Espionage.".

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

PART A—BASIC PAY AND ALLOWANCES

SEC. 601. MILITARY PAY RAISE FOR FISCAL YEAR 1986

(a) WAIVER OF SECTION 1009 ADJUSTMENT.—Any adjustment required by section 1009 of title 37, United States Code, in elements of the compensation of members of the uniformed services to become effective during fiscal year 1986 shall not be made.

(b) THREE PERCENT PAY RAISE.—The rates of basic pay, basic allowance for subsistence, and basic allowance for quarters of members of the uniformed services are increased by 3 percent effective on October 1, 1985.

SEC. 602. ADJUSTMENTS IN VARIABLE HOUSING ALLOWANCE PROGRAM

(a) VHA FOR CERTAIN MEMBERS PAYING CHILD SUPPORT.—Subsection (a) of section 403a of title 37, United States Code, is amended by adding at the end thereof the following new paragraph:

"(4) In the case of a member with dependents—

"(A) who is assigned to duty inside the United States;

"(B) who is authorized to receive the basic allowance for quarters at the rate established for a member with dependents solely by reason of the payment of child support by the member; and

"(C) who is not assigned to a housing facility under the jurisdiction of a uniformed service,

the member may be paid a variable housing allowance at the rate applicable to a member without dependents serving in the same grade and at the same location.".

(b) LIMITATIONS ON VHA.—Subsection (b) of such section is amended—

(1) by striking out "is not entitled to" in the matter preceding paragraph (1) and inserting in lieu thereof "may not be paid"; and

(2) by striking out paragraph (2) and inserting in lieu thereof the following:

"(2) in the case of a member with dependents who is authorized the basic allowance for quarters at the rate established for a member with dependents solely by reason of the payment of child support by the member, if—

"(A) the member is assigned to a housing facility under the jurisdiction of a uniformed service; or

"(B) the member (i) is assigned to duty outside the United States or in Alaska or Hawaii, and (ii) is authorized a station housing allowance under section 405 of this title; or".

(c) CLARIFICATION OF AUTHORITY TO PAY VHA AT WITH-DEPENDENTS RATE; ELIMINATION OF EXCESS HOUSING COST PAYMENTS.—(1) Subsection (c) of such section is amended by inserting "and with the same dependency status" in paragraph (1) after "in the

same pay grade" both places it appears and in paragraph (4) after "in the same pay grade" both places it appears.

(2) Such subsection is further amended by adding at the end thereof the following new paragraph:

"(6)(A) The monthly variable housing allowance that would otherwise be paid to a member under this section shall be reduced by an amount equal to one-half of the amount (if any) by which—

"(i) the total monthly housing allowance prescribed for members of the same grade as such member who are assigned to duty in the same area as such member (or in the same area in which the dependents of the member reside, as appropriate); exceeds

"(ii) the monthly housing costs of the member in the area in which the member is assigned to duty (or in the area in which the dependents of the member reside, as appropriate).

"(B) In subparagraph (A), 'total monthly housing allowance' means, in the case of any member, the sum of—

"(i) the monthly basic allowance for quarters to which the member is entitled; and

"(ii) the monthly variable housing allowance prescribed for the same grade as such member for the area in which the member is assigned to duty (or in the area in which the dependents of the member reside, as appropriate).".

(d) REQUIRED REGULATIONS.—Subsection (e) of such section is amended by—

(1) inserting "(1)" before "The President"; and

(2) adding at the end thereof the following new paragraph:

"(2) Any regulations prescribed under paragraph (1) may not allow—

"(A) an increase in the variable housing allowance rate for a pay grade in a survey area solely to prevent the variable housing allowance rate for a lower pay grade in the survey area from exceeding such rate; or

"(B) a failure to lower the variable housing allowance rate for a pay grade in a survey area in accordance with a decrease in housing costs for such pay grade in such area reported on the variable housing allowance survey.

"(3) Paragraph (2) shall not apply to regulations prescribed with respect to any pay grade in a survey area for which available data describe fewer than 50 persons in the pay grade.".

(e) SAVINGS PROVISION.—A member described in paragraph (4) of section 403a(a) of title 37, United States Code, as added by subsection (a), who on September 30, 1985, is receiving variable housing allowance at the rate applicable to a member with dependents shall continue to be entitled to variable housing allowance at the appropriate rate applicable to a member with dependents until the member departs his duty station as a result of a permanent change of station.

(f) EFFECTIVE DATE.—(1) The amendments made by subsections (a), (b), and (d) shall take effect on October 1, 1985.

(2) The amendments made by subsection (c)(1) shall apply as if included in the enactment of section 403a of title 37, United States Code, by section 602(d) of the Department of Defense Authorization Act, 1985 (Public Law 98-525).

(3) The amendment made by subsection (c)(2) shall take effect on the first day of the first month beginning 90 days or more after the date of the enactment of this Act.

SEC. 603. PAYMENT OF VARIABLE HOUSING ALLOWANCE IN ALASKA AND HAWAII

(a) REPEAL OF AUTHORITY FOR PAYMENT OF STATION HOUSING ALLOWANCE IN ALASKA AND HAWAII DURING FISCAL YEAR 1985.—Section 8108 of the Department of Defense Appropriations Act, 1985 (as contained in section 101(h) of Public Law 98-473 (98 Stat. 1943)), is repealed.

(b) CONFORMING AND TECHNICAL AMENDMENTS TO VHA TRANSITION PROVISION.—Paragraph (2) of section 602(f) of the Department of Defense Authorization Act, 1985 (Public Law 98-525; 98 Stat. 2537), is amended to read as follows:

"(2)(A) A member shall be entitled to receive a station housing allowance under section 405 of title 37, United States Code, as if the amendments made by subsection (e) had not been enacted, if the member, on the date of the enactment of the Department of Defense Authorization Act, 1986—

"(i) is assigned to a permanent duty station in Alaska or Hawaii; and

"(ii) is entitled to payment of a temporary lodging allowance or a station housing allowance under section 405 of such title.

"(B) A member who is entitled to a station housing allowance by reason of subparagraph (A) shall only be entitled to such allowance until the earlier of—

"(i) the date on which the member departs that station as a result of a permanent change of duty station; or

"(ii) the expiration of the four-year period beginning on the date of the enactment of the Department of Defense Authorization Act, 1986.

"(C) Any member who is entitled to a station housing allowance by reason of subparagraph (A) shall not be entitled to a variable housing allowance under paragraph (1) or (2) of section 403a of such title (as added by subsection (d)).".

SEC. 604. AUTHORITY TO PAY BAQ AND VHA IN ADVANCE.

(a) BASIC ALLOWANCE FOR QUARTERS.—Section 403(a) of title 37, United States Code, is amended by adding at the end thereof the following new sentence: "The allowance authorized by this section may be paid in advance.".

(b) VARIABLE HOUSING ALLOWANCE.—Section 403a(a)(1) of such title is amended by adding at the end thereof the following new sentence: "The allowance authorized by this section may be paid in advance.".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1985.

SEC. 605. ELIGIBILITY FOR BASIC ALLOWANCE FOR QUARTERS.

(a) MEMBERS WITHOUT DEPENDENTS ASSIGNED TO FIELD DUTY OR SEA DUTY.—Section 403(c) of title 37, United States Code, is amended—

(1) by striking out "is not entitled to a basic allowance for quarters while he is on field duty" in paragraph (1) and inserting in lieu thereof "who makes a permanent change of station for assignment to a unit conducting field operations is not entitled to a basic allowance for quarters while on that initial field duty";

(2) by striking out "and who is on sea duty" in the second sentence of paragraph (2) and all that follows and inserting in lieu thereof "who is assigned to sea duty under a permanent change of station is not entitled to a basic allowance for quarters if the unit to which the member is ordered is deployed and the permanent station of the unit is different than the permanent station from which the member is reporting."; and

(3) by striking out paragraph (3).

(b) EFFECTIVE DATES.—(1) The amendments made by paragraphs (1) and (2) of subsection (a) shall take effect on October 1, 1985.

(2) The amendment made by paragraph (3) of subsection (a) shall take effect on January 1, 1986.

SEC. 606. REIMBURSEMENT FOR ACCOMMODATIONS IN PLACE OF QUARTERS

(a) LIMITATION ON AMOUNT AVAILABLE FOR REIMBURSEMENT FOR FISCAL YEAR 1986.—Section 7572(b)(3) of title 10, United States Code, is amended—

(1) by striking out "and" after "fiscal year 1984,"; and

(2) by inserting ", and $1,421,000 for fiscal year 1986" after "fiscal year 1985".

(b) EXTENSION OF AUTHORITY.—Section 3 of Public Law 96-357 (10 U.S.C. 7572 note) is amended by striking out "September 30, 1985" and inserting in lieu thereof "September 30, 1986".

SEC. 607. INCREASE IN FAMILY SEPARATION ALLOWANCE

(a) MONTHLY ALLOWANCE.—Section 427(b) of title 37, United States Code, is amended by striking out "$30" and inserting in lieu thereof "$60".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 1985, and shall apply only to family separation allowances payable for months beginning on or after that date.

PART B—TRAVEL AND TRANSPORTATION

SEC. 611. INCREASE IN DISLOCATION ALLOWANCE

(a) AMOUNT PAYABLE.—Section 407 of title 37, United States Code, is amended by striking out "one month" and inserting in lieu thereof "two months".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to moves begun after September 30, 1985.

SEC. 612. REVISION OF TRAVEL AND TRANSPORTATION ALLOWANCES

(a) IN GENERAL.—Subsection (d) of section 404 of title 37, United States Code, is amended—

(1) by striking out the first sentence and inserting in lieu thereof the following: "(1) The travel and transportation allowances authorized for each kind of travel may not be more than one of the following:

"(A) Transportation in kind, reimbursement therefor, or, under regulations prescribed by the Secretaries concerned, when travel by privately-owned conveyance is authorized or approved as more advantageous to the Government, a monetary allowance in place of the cost of transportation, at the rates provided in section 5704 of title 5, based on distances established over the shortest usually traveled route, under mileage tables prepared under the direction of the Secretary of the Army.

"(B) Transportation in kind, reimbursement therefor, or a monetary allowance as provided in subparagraph (A) of this paragraph, plus a per diem in place of subsistence in an amount not more than $50 determined by the Secretaries concerned to be sufficient to meet normal and necessary expenses in the area to which travel is to be performed.

"(C) A mileage allowance at a rate per mile prescribed by the Secretaries concerned and based on distances established under clause (1) of this subsection."; and

(2) by designating the second sentence as paragraph (2) and by striking out "clause (2)" in such sentence and inserting in lieu thereof "paragraph (1)(B)".

(b) TRANSPORTATION ALLOWANCE FOR DEPENDENTS.—Section 406(a)(1) of such title is amended by striking out "for his dependents" and all that follows through "to be prescribed" and inserting in lieu thereof ", reimbursement therefor, or a monetary allowance in place of the cost of transportation, plus a per diem, for the member's dependents at rates prescribed by the Secretaries concerned".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to travel performed after September 30, 1985.

SEC. 613. TEMPORARY LODGING EXPENSES

(a) ENTITLEMENT.—Section 404a(a) of title 37, United States Code, is amended—

(1) in the first sentence, by striking out "may" and inserting in lieu thereof "shall";

(2) in the second sentence, by striking out "may" the first place it appears and inserting in lieu thereof "are to"; and

(3) in the third sentence, by striking out "may" the first place it appears and inserting in lieu thereof "are to".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 1985.

SEC. 614. ALLOWANCES FOR TRANSPORTATION OF BAGGAGE AND HOUSEHOLD EFFECTS

(a) AUTHORITY TO PAY FOR CERTAIN LABOR PROVIDED BY MEMBER.—Section 406(k) of title 37, United States Code, is amended—

(1) by inserting "(1)" after "(k)";

(2) in the first sentence, by inserting "or in which a member provides all or a part of the labor in connection with the transportation of the baggage and household effects of the member (including packing, crating, and loading)" after "rental vehicle"; and

(3) by adding at the end thereof the following new paragraph:

"(2) The Secretary concerned may prescribe in any regulations authorizing the payment of a monetary allowance to a member who participates in a program in which the member provides all or a part of the labor in connection with the transportation of the baggage and household effects of the member—

"(A) the extent to which payment to the member will be made for such labor, and

"(B) the manner in which liability will be allocated among the member, the United States, and the common carriers involved in the event of loss of or damage to any baggage or household effects packed, crated, or loaded by the member.".

(b) TERMINATION OF AUTHORITY.—The amendments made by subsection (a) shall expire on September 30, 1989.

(c) PROHIBITION ON RETROACTIVE PAYMENTS.—No allowance may be paid to any member of a uniformed service by virtue of the amendments made by subsection (a) in connection with the transportation of the baggage and household effects provided the member before the date of the enactment of this Act.

(d) REPORT REQUIREMENT.—The Secretary of Defense shall submit a report to the Congress not later than September 30, 1988, regarding the operation of any program carried out by the military departments under which payment of a monetary allowance is made to a member who provides all or a part of the labor in connection with the transportation of the baggage and household effects of the member and shall include in such report such recommendations for legislative action the Secretary considers appropriate.

SEC. 615. TRAVEL ALLOWANCE FOR TRAVEL PERFORMED IN CONNECTION WITH CERTAIN LEAVE

(a) IN GENERAL.—Section 411b(a)(1) of title 37, United States Code, is amended—

(1) by striking out "if he is a member without dependents,";

(2) by striking out ", if either" and all that follows and inserting in lieu thereof a period; and

(3) by adding at the end thereof the following new sentence: "Such allowances may be paid for the member and for the dependents of the member who are authorized to, and do, accompany him at his duty stations.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply with respect to orders to change a permanent station that are effective after September 30, 1985.

SEC. 616. TRAVEL DURING SHIP OVERHAUL

(a) IN GENERAL.—Section 406b of title 37, United States Code, is amended—

(1) by inserting "(a)" before "Under";

(2) by striking out ", ninety-first, and one hundred and fifty-first calendar day" and inserting in lieu thereof "calendar day, and every sixtieth calendar day after the thirty-first calendar day"; and

(3) by adding at the end thereof the following new subsections:

"(b) Transportation in kind, reimbursement for personally procured transportation, or a monetary allowance in place of the cost of transportation as provided in section 404(d)(1) of this title may be provided, in lieu of the member's entitlement to transportation, for the member's dependents from the location that was the home port of the ship before commencement of overhaul or inactivation to the port of overhaul or inactivation. The total reimbursement for transportation for the member's dependents may not exceed the cost of Government-procured commercial roundtrip travel.

"(c) A member of the uniformed services on permanent duty aboard a ship which undergoes a change of home port to the overhaul or inactivation port and the member's dependents may be provided the transportation allowances prescribed in subsections (a) and (b) of this section in lieu of the transportation authorized by section 406 of this title and section 2634 of title 10.

"(d) Section 420 of this title does not apply with respect to transportation or allowances provided under this section.".

(b) EFFECTIVE DATE.—The travel allowances authorized by the amendments made by this section are payable only for travel that commences after September 30, 1985, but may be paid for members assigned to vessels being overhauled or inactivated away from home port on the date of the enactment of this Act.

(c) CLERICAL AMENDMENTS.—(1) The heading for such section is amended by striking out the last four words.

(2) The item relating to such section in the table of sections at the beginning of chapter 7 of such title is amended by striking out the last four words.

SEC. 617. DEFINITION OF RESIDENCE OF A STUDENT DEPENDENT

(a) IN GENERAL.—Section 406 of title 37, United States Code, is amended by adding at the end thereof the following new subsection:

"(l) For the purposes of this section, the residence of a dependent of a member who is a student not living with the member while at school shall be considered to be the permanent duty station of the member or the designated residence of dependents of the member if the member's dependents are not authorized to reside with the member.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to orders to change a permanent station that are effective after September 30, 1985.

SEC. 618. EXTENSION OF TEST PROGRAM FOR FLAT RATE PER DIEM SYSTEM

(a) AUTHORITY FOR TEST PROGRAM.—The Secretary concerned may carry out a program to test a flat rate per diem system for travel allowances for travel performed by members of the Armed Forces while on temporary duty.

(b) AMOUNT OF FLAT RATE.—Per diem allowances paid under such a test program shall be in an amount determined by the Secretary concerned to be sufficient to meet normal and necessary expenses in the area in which travel is performed, but may not exceed $75 for each day a member is in travel status within the continental United States.

(c) REGULATIONS.—The test program under this section shall be carried out under regulations prescribed by the Secretary concerned.

(d) DEFINITION OF SECRETARY CONCERNED.—For the purposes of this section, the term "Secretary concerned" means—

(1) the Secretary of each military department with respect to matters concerning the respective military departments; and

(2) the Secretary of Defense with respect to matters concerning the defense agencies.

(e) DURATION OF PROGRAM.—The test program under this section shall be carried out during the period beginning on October 1, 1985, and ending on September 30, 1986.

SEC. 619. TRAVEL AND TRANSPORTATION ALLOWANCES FOR TRAVEL WITHIN THE ADMINISTRATIVE LIMITS OF A MEMBER'S DUTY STATION

(a) AUTHORITY TO PAY PARKING FEES.—The second sentence of section 408 of title 37, United States Code, is amended by inserting "plus parking fees" after "fixed rate a mile".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to parking fees incurred after September 30, 1985.

SEC. 620. TRANSPORTATION ALLOWANCES FOR SURVIVORS OF DECEASED MEMBER TO ATTEND BURIAL CEREMONIES OF DECEASED MEMBER

(a) AUTHORITY TO PROVIDE ROUND-TRIP TRAVEL ALLOWANCE.—(1) Chapter 7 of title 37, United States Code, is amended by inserting after section 411e the following new section:

"§ 411f. Travel and transportation allowances: transportation for survivors of deceased member to attend the member's burial ceremonies

"(a) Under uniform regulations prescribed by the Secretaries concerned, round trip travel and transportation allowances may be provided the dependents of a member who dies while on active duty for a period of 30 days or more in order to attend the burial ceremonies of the deceased member.

"(b)(1) Except as provided in paragraph (2), allowances under this section are limited to travel and transportation to a location in the United States, Puerto Rico, and the possessions of the United States and may not exceed the rates for 2 days.

"(2) If a deceased member was ordered or called to active duty from a place outside the United States, Puerto Rico, or the pos-

sessions of the United States, the allowances authorized under this section may be provided to and from such place and may be extended to accommodate the time necessary for such travel.

"(c) In this section, the term 'dependents' includes the dependents specified in paragraphs (1) and (2) of section 401 of this title. However, if no person qualifies under such paragraphs, the parents of a member (including stepparent or parent by adoption, or any person, including a former stepparent, who has stood in loco parentis to the member at any time for a continuous period of at least 5 years before the member became 21 years of age) may be paid the travel and transportation allowances authorized under this section.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 411e the following new item:

"411f. Travel and transportation allowances: transportation for survivors of deceased member to attend the member's burial ceremonies.".

(b) EFFECTIVE DATE.—The travel and transportation allowance authorized by the amendments made by this section is payable only for travel that commences after September 30, 1985.

PART C—BONUSES AND SPECIAL AND INCENTIVE PAYS

Subpart 1—Active Forces

SEC. 631. LUMP-SUM PAYMENTS OF SELECTIVE REENLISTMENT BONUSES

(a) SPECIFICATION OF MINIMUM TO BE PAID IN ADVANCE.—Paragraph (1) of section 308(b) of title 37, United States Code, is amended to read as follows:

"(b)(1) Not less than 75 percent of the amount of a bonus under this section shall be paid in a lump sum at the beginning of the period for which the bonus is paid, with any remaining amount paid in equal annual installments.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to bonuses paid for reenlistments or extensions of enlistment effective after September 30, 1986.

SEC. 632. SPECIAL PAY FOR NUCLEAR OFFICERS

(a) CONTINUATION PAY.—(1) Subsection (a) of section 312 of title 37, United States Code, is amended—

(A) by inserting "and" at the end of clause (2);

(B) by striking out clause (3);

(C) by redesignating clause (4) as clause (3) and striking out "for one period of four years" in such clause and inserting in lieu thereof "for a period of three, four, or five years, so long as the new period of obligated active service does not extend beyond the end of 26 years of commissioned service,"; and

(D) in the matter following such clause—

(i) by striking out "$7,000" and inserting in lieu thereof "$12,000";

(ii) by striking out "semiannually" and "six-month period" in the second sentence and inserting in lieu thereof "annually" and "12-month period", respectively; and

(iii) by striking out "shall become fixed" and all that follows through the end of subsection (a) and inserting in lieu thereof "shall be paid in equal annual installments over the length of the contract, commencing at the expiration of any existing period of obligated active service. The Secretary (or his designee) may accept an active service agreement under this section not more than one year in advance of the end of an officer's existing period of obligated active service under such an agreement. In such a case, the amount of the special pay may be paid commencing with the date of acceptance of the agreement, with the number of installments being equal to the number of years covered by the contract plus one.".

(2) Subsection (b) of such section is repealed.

(3) Subsection (c) of such section is redesignated as subsection (b) and is amended by striking out "of four years".

(4) Subsection (d) of such section is redesignated as subsection (c) and is amended—

(A) by striking out "four years'" in the second sentence; and

(B) by striking out "at the end of the four year period" in that sentence.

(5) Such section is further amended by inserting after subsection (c) (as so redesignated) the following new subsection (d):

"(d)(1) An officer who is performing obligated service under an agreement under subsection (a) of this section may, if the amount that may be paid under such subsection is higher than at the time the officer executed such agreement, execute a new agreement under that subsection. The period of such an agreement shall be a period equal to or exceeding the original period of the officer's existing agreement, so long as the period of obligated active service under the new agreement does not extend beyond the end of 26 years of commissioned service. If a new agreement is executed under this subsection, the existing active-service agreement shall be cancelled, effective on the day before an anniversary date of that agreement after the date on which the amount that may be paid under this section is increased.

"(2) This subsection shall be carried out under regulations prescribed by the Secretary of the Navy.".

(6) Subsection (e) of such section is amended by striking out "September 30, 1987" and inserting in lieu thereof "September 30, 1990".

(b) NUCLEAR-CAREER ACCESSION BONUS.—(1) Subsection (a)(1) of section 312b of such title is amended—

(A) by striking out "of $3,000" and inserting in lieu thereof "not to exceed $8,000"; and

(B) by adding at the end thereof the following new sentence: "Upon acceptance of the agreement by the Secretary, the amounts payable upon selection for training and upon completion of training, respectively, as determined under subsection (b) of this section, shall become fixed.".

(2) Subsection (b) of such section is amended to read as follows:

"(b) The Secretary of the Navy shall determine annually the total amount of the bonus to be paid under this section and of that amount the portions that are to be paid—

"(1) upon selection for officer naval nuclear power training; and

"(2) upon successful completion, as a commissioned officer, of training for duty in connection with the supervision, operation, and maintenance of naval nuclear propulsion plants.".

(3) Subsection (d) of such section is amended by striking out "September 30, 1987" and inserting in lieu thereof "September 30, 1990".

(c) ANNUAL INCENTIVE BONUS.—(1) Subsection (a) of section 312c of such title is amended as follows:

(A) The first sentence is designated as paragraph (1) and amended—

(i) by redesignating clauses (1) through (5) as clauses (A) through (E), respectively;

(ii) by striking out ", but has completed less than twenty-six years of commissioned service" in clause (C) (as so designated); and

(iii) by striking out "$6,000" and "October 1, 1987" and inserting in lieu thereof "$10,000" and "October 1, 1990", respectively.

(B) The second sentence is designated as paragraph (2) and is amended by inserting "technically" before "qualified".

(C) The third sentence is designated as paragraph (3) and is amended by striking out "nuclear service year" the second place it appears and all that follows in that sentence and inserting in lieu thereof "nuclear service year on which he—

"(A) was not on active duty;

"(B) was not technically qualified for duty in connection with the supervision, operation, and maintenance of naval nuclear propulsion plants;

"(C) was performing obligated service as the result of an active-service agreement executed under section 312 of this title; or

"(D) was entitled to receive aviation career incentive pay in accordance with section 301a while serving in a billet other than a billet that required the officer—

"(i) be technically qualified for duty in connection with the supervision, operation, and maintenance of naval nuclear propulsion plants; and

"(ii) be qualified for the performance of operational flying duties.".

(D) The fourth sentence is repealed.

(2) Subsection (b) of such section is amended as follows:

(A) The first sentence is designated as paragraph (1) and amended—

(i) by redesignating clauses (1) through (4) as clauses (A) through (D), respectively; and

(ii) by striking out "$3,500" and "October 1, 1987" and inserting in lieu thereof "$4,500" and "October 1, 1990", respectively.

(B) The second sentence is designated as paragraph (2) and is amended by inserting "technically" before "qualified".

(C) The third sentence is designated as paragraph (3) and is amended by striking out "nuclear service year" and all that follows in that sentence and inserting in lieu thereof "nuclear service year on which he—

"(A) was not in an assignment involving the direct supervision, operation, or maintenance of naval nuclear propulsion plants;

"(B) was performing obligated service as the result of an active-service agreement executed under section 312 of this title; or

"(C) was entitled to receive aviation career incentive pay in accordance with section 301a while serving in a billet other than a billet—

"(i) involving the direct supervision, operation, or maintenance of naval nuclear propulsion plants; and

"(ii) that required the officer be qualified for the performance of operational flying duties.".

(3) Subsection (e) of such section is amended by striking out "October 1, 1987" and inserting in lieu thereof "October 1, 1990".

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1985.

SEC. 633. INCENTIVE PAY FOR SUBMARINE DUTY

(a) INCREASE IN RATES OF INCENTIVE PAY FOR OFFICERS.—The table pertaining to commissioned officers in section 301c(b) of title 37, United States Code, is amended to read as follows:

"COMMISSIONED OFFICERS

Pay grade	Years of service computed under section 205						
	2 or less	Over 2	Over 3	Over 4	Over 6	Over 8	Over 10
0–10	$265	$265	$265	$265	$265	$265	$265
0–9	265	265	265	265	265	265	265
0–8	265	265	265	265	265	265	265
0–7	265	265	265	265	265	265	265
0–6	440	440	440	440	440	440	440
0–5	440	440	440	440	440	440	440
0–4	270	270	270	300	440	440	440
0–3	265	265	265	290	440	440	440
0–2	175	175	175	175	175	175	265
0–1	130	130	130	130	130	130	265

"COMMISSIONED OFFICERS

Pay grade	Years of service computed under section 205						
	Over 12	Over 14	Over 16	Over 18	Over 20	Over 22	Over 26
0–10	$265	$265	$265	$265	$265	$265	$265
0–9	265	265	265	265	265	265	265
0–8	265	265	265	265	265	265	265
0–7	265	265	400	395	395	305	265
0–6	440	440	440	440	440	440	440
0–5	440	440	440	440	440	440	440
0–4	440	440	440	440	440	440	440
0–3	440	440	440	440	440	440	440
0–2	265	265	265	265	265	265	265
0–1	265	265	265	265	265	265	265".

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 1985.

SEC. 634. CAREER SEA PAY

(a) INCREASE IN RATES FOR OFFICERS.—The tables pertaining to warrant officers and commissioned officers in section 305a(b) of title 37, United States Code, are amended to appear as follows:

"WARRANT OFFICERS

"Pay grade	Years of sea duty								
	1 or less	Over 1	Over 2	Over 3	Over 4	Over 5	Over 6	Over 7	Over 8
W–1	$130	$135	$140	$150	$170	$175	$200	$250	$270
W–2	150	150	150	150	170	260	265	265	270
W–3	150	150	150	150	170	270	280	285	290
W–4	150	150	150	150	170	290	310	310	310

"Pay grade	Years of sea duty							
	Over 9	Over 10	Over 11	Over 12	Over 14	Over 16	Over 18	Over 20
W–1	$275	$280	$290	$300	$300	$300	$300	$300
W–2	275	280	290	310	330	350	370	390
W–3	300	310	310	330	350	370	390	410
W–4	310	320	330	350	370	390	410	410

"COMMISSIONED OFFICERS

"Pay grade	Years of sea duty						
	Over 3	Over 4	Over 5	Over 6	Over 7	Over 8	Over 9
0–1	$150	$160	$185	$190	$195	$205	$215
0–2	150	160	185	190	195	205	215
0–3	150	160	185	190	195	205	215
0–4	185	190	200	205	215	215	220
0–5	225	225	225	225	230	245	250
0–6	225	230	230	240	255	265	280

"Pay grade	Years of sea duty						
	Over 10	Over 11	Over 12	Over 14	Over 16	Over 18	Over 20
0–1	$225	$225	$240	$250	$260	$270	$280
0–2	225	225	240	250	260	270	280
0–3	225	225	240	260	270	280	290
0–4	225	225	240	270	280	290	300
0–5	260	265	265	285	300	315	340
0–6	290	300	310	325	340	355	380".

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 1985.

SEC. 635. INCENTIVE PAY FOR HAZARDOUS DUTY

(a) HAZARDOUS DUTY INCENTIVE PAY FOR OFFICERS AND FOR CERTAIN ADDITIONAL DUTIES.—(1) Subsection (a) of section 301 of title 37, United States Code, is amended—

(A) in clause (1), by striking out "an enlisted crew member" and inserting in lieu thereof "a crew member"; and

(B) by striking out clause (10) and inserting in lieu thereof the following:

"(10) involving (A) the servicing of aircraft or missiles with highly toxic fuels or propellants, (B) the testing of aircraft or missile systems (or components of such systems) during which highly toxic fuels or propellants are used, or (C) the handling of chemical munitions (or components of such munitions); or".

(2) Subsection (b) of such section is amended to read as follows:

"(b) For the performance of hazardous duty described in clause (1) of subsection (a) of this section, a member is entitled to monthly incentive pay as follows:

"Pay Grade	Monthly Rate
O–10	$110
O–9	110
O–8	110
O–7	110
O–6	250
O–5	250
O–4	225
O–3	175
O–2	150
O–1	125
W–4	250
W–3	175
W–2	150
W–1	125
E–9	200
E–8	200
E–7	200
E–6	175
E–5	150
E–4	125
E–3	110
E–2	110
E–1	110."

(3) Paragraph (1) of subsection (c) of such section is amended to read as follows:

"(1) For the performance of hazardous duty described in clauses (2) through (10) of subsection (a) of this section, a member is entitled to $110 a month. However, a member performing hazardous duty described in clause (3) of that subsection who also performs as an essential part of such duty parachute jumping at a high altitude with a low opening is entitled to $165 a month.".

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1985.

SEC. 636. EXTENSION OF AVIATION OFFICER CONTINUATION PAY

Effective on October 1, 1985, section 301b of title 37, United States Code, is amended by striking out "September 30, 1985" in subsections (e)(2), (e)(3), and (f) and inserting in lieu thereof "September 30, 1987".

SEC. 637. CHANGE IN DEFINITION OF ENGINEERING AND SCIENTIFIC DUTY

(a) DEFINITION.—(1) Subsection (a) of section 315 of title 37, United States Code, is amended to read as follows:

"(a) In this section, 'engineering or scientific duty' means service performed by an officer—

"(1) that requires an engineering or science degree; and

"(2) that requires a skill designated (under regulations prescribed by the Secretary of Defense for the armed forces, by the Secretary of Commerce for the National Oceanic and Atmospheric Administration, or by the Secretary of Health and Human Services for the Public Health Service) as critical and as a skill in which there is a critical shortage of officers in the uniformed service concerned.".

(2) The matter preceding clause (1) of section 315(b) of such title is amended to read as follows:

"(b) Under regulations prescribed by the Secretary concerned, an officer of a uniformed service who—".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 1985.

SEC. 638. INCENTIVE PAY FOR DUTY SUBJECT TO HOSTILE FIRE

(a) INCREASE IN INCENTIVE PAY FOR DUTY SUBJECT TO HOSTILE FIRE.—The first sentence of section 310 of title 37, United States Code, is amended by striking out "at the rate of $65 a month" and inserting in lieu thereof "at the lowest rate for hazardous duty incentive pay specified in section 301(c)(1) of this title".

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 1985.

SEC. 639. REVISION OF SPECIAL PAY FOR DENTAL OFFICERS

(a) IN GENERAL.—Section 302b of title 37, United States Code, is amended to read as follows:

"§ 302b. Special pay: dental officers of the armed forces

"(a)(1) An officer who—

"(A) is an officer of the Dental Corps of the Army or the Navy or an officer of the Air Force designated as a dental officer; and

"(B) is on active duty under a call or order to active duty for a period of not less than one year,

is entitled to special pay in accordance with this subsection.

"(2) An officer described in paragraph (1) of this subsection who is serving in a pay grade below pay grade O–7 is entitled to variable special pay at the following rates:

"(A) $1,200 per year, if the officer is undergoing dental internship training or has less than three years of creditable service.

"(B) $2,000 per year, if the officer has at least three but less than six years of creditable service and is not undergoing dental internship training.

"(C) $4,000 per year, if the officer has at least six but less than 10 years of creditable service.

"(D) $6,000 per year, if the officer has at least 10 but less than 14 years of creditable service.

"(E) $4,000 per year, if the officer has at least 14 but less than 18 years of creditable service.

"(F) $3,000 per year, if the officer has 18 or more years of creditable service.

"(3) An officer described in paragraph (1) of this subsection who is serving in a pay grade above pay grade O–6 is entitled to

variable special pay at the rate of $1,000 per year.

"(4) Subject to subsection (b) of this section, an officer entitled to variable special pay under paragraph (2) or (3) of this subsection is entitled to additional special pay for any 12-month period during which the officer is not undergoing dental internship or residency training. Such additional special pay shall be paid at the following rates:

"(A) $6,000 per year, if the officer has at least three but less than 14 years of creditable service.

"(B) $8,000 per year, if the officer has at least 14 but less than 18 years of creditable service.

"(C) $10,000 per year, if the officer has 18 or more years of creditable service.

"(5) An officer who is entitled to variable special pay under paragraph (2) or (3) of this subsection and who is board certified is entitled to additional special pay at the following rates:

"(A) $2,000 per year, if the officer has less than 12 years of creditable service.

"(B) $3,000 per year, if the officer has at least 12 but less than 14 years of creditable service.

"(C) $4,000 per year, if the officer has 14 or more years of creditable service.

"(b)(1) An officer may not be paid additional special pay under subsection (a)(4) of this section for any 12-month period unless the officer first executes a written agreement under which the officer agrees to remain on active duty for a period of not less than one year beginning on the date the officer accepts the award of such special pay.

"(2) Under regulations prescribed by the Secretary of Defense under section 303a(a) of this title, the Secretary of the military department concerned may terminate at any time an officer's entitlement to the special pay authorized by subsection (a)(4) of this section. If such entitlement is terminated, the officer concerned is entitled to be paid such special pay only for the part of the period on active duty that the officer served, and the officer may be required to refund any amount in excess of that entitlement.

"(c) Regulations prescribed by the Secretary of Defense under section 303a(a) of this title shall include standards for determining—

"(1) whether an officer is undergoing internship or residency training for purposes of subsections (a)(2)(A), (a)(2)(B), and (a)(4) of this section; and

"(2) whether an officer is board certified for purposes of subsection (a)(5) of this section.

"(d) Special pay payable to an officer under paragraphs (2), (3), and (5) of subsection (a) of this section shall be paid monthly. Special pay payable to an officer under subsection (a)(4) of this section shall be paid annually at the beginning of the 12-month period for which the officer is entitled to such payment.

"(e) An officer who voluntarily terminates service on active duty before the end of the period for which a payment was made to such officer under subsection (a)(4) of this section shall refund to the United States an amount which bears the same ratio to the amount paid to such officer as the unserved part of such period bears to the total period for which the payment was made.

"(f) A discharge in bankruptcy under title 11 shall not release a person from an obligation to reimburse the United States required under the terms of an agreement described in subsection (b) of this section if the final decree of the discharge in bankruptcy was issued within a period of five years after the last day of a period which such person had agreed to serve on active duty. This subsection applies to a discharge in bankruptcy in any proceeding which begins after September 30, 1985.

"(g) For purposes of this section, creditable service of an officer is computed by adding—

"(1) all periods which the officer spent in dental internship or residency training during which the officer was not on active duty; and

"(2) all periods of active service in the Dental Corps of the Army or Navy, as an officer of the Air Force designated as a dental officer, or as a dental officer of the Public Health Service.".

(b) REPEAL OF CONTINUATION PAY FOR DENTISTS.—Section 311 of such title is repealed.

(c) AUTHORITY FOR CERTAIN DENTAL OFFICERS TO EXECUTE NEW AGREEMENTS.—(1) Subject to paragraphs (2) and (3), a dental officer who on October 1, 1985, is performing obligated service under an agreement under section 311 of title 37, United States Code, that—

(A) was executed after June 29, 1985; and

(B) is affected by the limitation in section 8091 of the Department of Defense Appropriations Act, 1985 (as contained in section 101(h) of Public Law 98-473), may execute a new agreement under section 302b of such title (as amended by subsection (a)).

(2) A dental officer may not execute a new agreement under paragraph (1) unless the amount that may be paid such officer under an agreement under section 302b of title 37, United States Code (as amended by subsection (a)), is greater than the amount to be paid the officer under the existing agreement of the officer under section 311 of such title.

(3) In executing a written agreement under paragraph (1), the officer shall agree to remain on active duty for an additional length of time equal to or exceeding the length of time originally required by the existing agreement, beginning on the date the officer accepts the award of special pay under the new agreement.

(4) If a new agreement is executed under this subsection, the existing agreement of the officer shall be canceled.

(5) For the purposes of this section, the term "dental officer" has the meaning given that term in section 101 of title 10, United States Code.

(d) SAVE PAY.—(1) An officer described in paragraph (2) who, after September 30, 1985, is entitled to special pay under section 302b of title 37, United States Code (as amended by subsection (a)), shall be entitled to such pay in an annual amount that is not less than the total annual amount of dental continuation pay under section 311 of title 37, United States Code, and special pay for dental officers under section 302b of that title to which that officer was entitled on September 30, 1985.

(2) Paragraph (1) applies to an officer who on September 30, 1985, is entitled to dental continuation pay under section 311 of title 37, United States Code, or to special pay for dental officers under section 302b of that title.

(e) CLERICAL AMENDMENTS.—The table of sections at the beginning of chapter 5 of such title is amended—

(1) by striking out the item relating to section 302b and inserting in lieu thereof the following:

"302b. Special pay: dental officers of the armed forces."; and

(2) by striking out the item relating to section 311.

(f) EFFECTIVE DATE.—The amendments made by this section take effect on October 1, 1985.

SEC. 640. SPECIAL PAY FOR MEDICAL OFFICERS

Section 302 of title 37, United States Code, is amended—

(1) by striking out "is not" in subsection (h)(1)(B) and inserting in lieu thereof "who is"; and

(2) by adding at the end thereof the following new subsection:

"(i) A discharge in bankruptcy under title 11 that is entered less than 5 years after the termination of an agreement under this section does not discharge the person signing such agreement from a debt arising under such agreement or under paragraph (1) of this subsection. This paragraph applies to any case commenced under title 11 after September 30, 1985.".

SEC. 641. SPECIAL PAY FOR QUALIFIED ENLISTED MEMBERS EXTENDING DUTY AT CERTAIN LOCATIONS OVERSEAS

(a) INCREASE IN RATE OF MONTHLY SPECIAL PAY.—Section 314(a) of title 37, United States Code, is amended by striking out "$50" and inserting in lieu thereof "$80".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 1985.

Subpart 2—Reserve Forces

SEC. 642. SELECTED RESERVE ENLISTMENT BONUS

Section 308c of title 37, United States Code, is amended by striking out "September 30, 1985" in subsection (f) and inserting in lieu thereof "September 30, 1987".

SEC. 643. SELECTED RESERVE REENLISTMENT BONUS

(a) INCREASE IN RATES; TWO-YEAR EXTENSION.—Section 308b of title 37, United States Code, is amended—

(1) in subsection (b)—

(A) by striking out "$450" and "$900" in paragraph (1) and inserting in lieu thereof "$1,250" and "$2,500", respectively; and

(B) by striking out "$150" in paragraph (2) and inserting in lieu thereof "$416.66";

(2) by striking out "$25" in subsection (d)(2) and inserting in lieu thereof "$69.44"; and

(3) by striking out "September 30, 1985" in subsection (g) and inserting in lieu thereof "September 30, 1987".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 1985.

SEC. 644. SELECTED RESERVE ENLISTMENT BONUS FOR PRIOR-SERVICE PERSONNEL

(a) IN GENERAL.—(1) Chapter 5 of title 37, United States Code, is amended by inserting after section 308h the following new section:

"§ 308i. Special pay: prior service enlistment bonus

"(a)(1) A person who is a former enlisted member of an armed force who enlists in the Selected Reserve of the Ready Reserve of an armed force for a period of three or six years in a critical military skill designated for such a bonus by the Secretary concerned and who meets the requirements of paragraph (2) may be paid a bonus as prescribed in subsection (b).

"(2) A bonus may only be paid under this section to a person who—

"(A) has completed his military service obligation but has less than 10 years of total military service;

"(B) has received an honorable discharge at the conclusion of military service;

"(C) is not being released from active service for the purpose of enlistment in a reserve component; and

"(D) has not previously been paid a bonus for enlistment, reenlistment, or extension of enlistment in a reserve component.

"(b) The bonus to be paid under subsection (a) shall be—

"(1) an initial payment of—

"(A) an amount not to exceed $1,250, in the case of a member who enlists for a period of three years; or

"(B) an amount not to exceed $2,500 in the case of a member who enlists for a period of six years; and

"(2) a subsequent payment of an amount not to exceed $416.66 upon the completion of each year of the period of such reenlistment or extension of enlistment during which such member has satisfactorily participated in unit training.

"(c) A member may not be paid more than one bonus under this section.

"(d) A person who receives a bonus payment under this section and who fails during the period for which the bonus was paid to serve satisfactorily in the element of the Selected Reserve of the Ready Reserve with respect to which the bonus was paid shall refund to the United States an amount that bears the same relation to the amount of the bonus paid to such person as the period that such person failed to serve satisfactorily bears to the total period for which the bonus was paid.

"(e) An obligation to reimburse the United States imposed under subsection (d) of this section is, for all purposes, a debt owed to the United States.

"(f) Under regulations prescribed pursuant to subsection (h) of this section, the Secretary concerned may remit or cancel the whole or any part of an obligation to reimburse the United States imposed under subsection (d) of this section.

"(g) A discharge in bankruptcy under title 11 that is entered less than five years after the termination of an enlistment for which a bonus was paid under this section shall not discharge the person receiving such bonus payment from the debt arising under subsection (d) of this section. This subsection applies to any case commenced under title 11 after September 30, 1985.

"(h) This section shall be administered under regulations prescribed by the Secretary of Defense for the armed forces under his jurisdiction and by the Secretary of Transportation for the Coast Guard when the Coast Guard is not operating as a service in the Navy.

"(i) No bonus may be paid under this section to any person for an enlistment after September 30, 1987.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 308h the following new item:

"308i. Special pay: prior service enlistment bonus.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 1985.

SEC. 645. SELECTED RESERVE AFFILIATION BONUS

(a) INCREASE AND EXTENSION.—Section 308e of title 37, United States Code, is amended—

(1) by striking out "$25" in subsection (c)(1) and inserting in lieu thereof "up to $50 as determined by the Secretary concerned"; and

(2) by striking out "September 30, 1985" in subsection (e) and inserting in lieu thereof "September 30, 1987".

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1985.

SEC. 646. INDIVIDUAL READY RESERVE BONUSES

(a) TWO-YEAR EXTENSION OF REENLISTMENT AND ENLISTMENT BONUSES.—(1) Sections 308g(h) and 308h(g) of such title are amended by striking out "September 30, 1985" and inserting in lieu thereof "September 30, 1987".

(b) ENHANCED IRR BONUS FOR PERSONS WITH CRITICAL SKILLS.—(1) Subsection (a)(1) of section 308h of title 37, United States Code, is amended by striking out "for a period of not less than three years" and inserting in lieu thereof "for a period of three years, or for a period of six years,".

(2) Subsection (b) of such section is amended—

(A) by inserting "(1)" after "(b)";

(B) by striking out ", except that" and all that follows and inserting in lieu thereof a period; and

(C) by adding at the end thereof the following new paragraphs:

"(2) The amount of a bonus under this section—

"(A) may not exceed $1,500, in the case of a person who enlists for a period of six years; and

"(B) may not exceed $750 in the case of a person who enlists for a period of three years.

"(3) A bonus paid under this section shall be paid as follows:

"(A) In the case of a bonus under paragraph (2)(A) of this subsection—

"(i) $500 shall be paid at the time of the reenlistment, enlistment, or extension of enlistment for which the bonus is paid; and

"(ii) the remainder shall be paid in equal annual increments.

"(B) In the case of a bonus under paragraph (2)(B) of this subsection, the amount of the bonus shall be paid in equal annual increments.".

(c) AUTHORITY TO REQUIRE MUSTER OR DRILL FOR ENHANCED BONUS.—Subsection (f) of such section is amended—

(1) by inserting "(1)" after "(f)"; and

(2) by adding at the end thereof the following new paragraph:

"(2) Regulations under this section may require that as a condition of receiving a bonus under this section the person receiving the bonus agree to participate in an annual muster of the Reserves, or in active duty for training, as may be required by the Secretary concerned.".

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1985.

SEC. 647. SELECTED RESERVE HAZARDOUS DUTY INCENTIVE PAY

(a) MODIFICATION OF COMPUTATION OF HAZARDOUS DUTY PAY FOR RESERVES.—Section 301(f) of title 37, United States Code, relating to incentive pay for hazardous duty, is amended—

(1) by inserting "(1)" after "(f)";

(2) by inserting "for the entire month" before the period at the end; and

(3) by adding at the end thereof the following new paragraph:

"(2)(A) If in any calendar month a member performs duty as described in paragraph (1) of this subsection and while entitled to basic pay also performs hazardous duty as described in the same clause of subsection (a) as constitutes the predicate for his entitlement under paragraph (1) of this subsection, the earned units of measuring entitlement for incentive pay under this section shall be combined. If the sum of units determined under the preceding sentence equals or exceeds the minimum standard prescribed by the President for entitlement to pay specified under subsections (b) and (c) of this section for a member of corresponding grade who is entitled to basic pay for the entire relevant month, the member shall be entitled to an increase in compensation equal to 1/30 of the monthly incentive pay authorized by subsection (b) or (c) of this section for the performance of that hazardous duty by a member of corresponding grade who is entitled to basic pay for the entire month.

"(B) A member who qualifies for entitlement under this paragraph is entitled to the increase for each day in the relevant month in which he is entitled to basic pay pursuant to section 204 of this title or to compensation under section 206 of this title.

"(C) In this paragraph, 'units' means the significant increments of performance prescribed as qualifying standards in regulations promulgated by the President pursuant to this section.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to payments of incentive pay for hazardous duty performed after September 30, 1985.

PART D—HEALTH-CARE MATTERS

SEC. 651. CHAMPUS DENTAL CARE FOR ACTIVE-DUTY DEPENDENTS

(a) DENTAL BENEFITS FOR DEPENDENTS OF ACTIVE-DUTY MEMBERS.—(1) Chapter 55 of title 10, United States Code, is amended by inserting after section 1076 the following new section:

"§ 1076a. Dependents' dental program

"(a)(1) The Secretary of Defense may establish dental benefit plans for spouses and children (as described in section 1072(2)(D) of this title) of members of the uniformed services who are on active duty for a period of more than 30 days. Any plan under this section shall provide for voluntary enrollment of participants and shall include provisions for premium-sharing between the Department of Defense and members enrolling in the program.

"(2) A plan under this section shall be administered under regulations prescribed by the Secretary of Defense in consultation with the other administering Secretaries.

"(b)(1) Members enrolling in a dental benefit plan established under subsection (a) shall be required to pay a share of the member's premium.

"(2) The Secretary of Defense shall establish the amount of the premium to be paid by a member enrolled in a plan under this section.

"(c) A member's share of the premium for a plan established under subsection (a) shall be paid by deductions from the basic pay of the member.

"(d) The dental benefits provided under such a plan may not include a benefit other than—

"(1) diagnostic, oral examination, and preventive services and palliative emergency care; and

"(2) basic restorative services of amalgam and composite restorations and stainless steel crowns for primary teeth, and dental appliance repairs.

"(e) Any such plan shall provide that a member whose spouse or child receives care under a plan established under this section—

"(1) may not be required to pay for any charge for care described in subsection (d)(1); and

"(2) shall be required to pay 20 percent of the charges for care described in subsection (d)(2).

"(f) If a member who is enrolled in a plan established under this section is transferred to a duty station where dental care is provided to the member's spouse or children under a program other than a plan established under this section, the member may discontinue participation under the plan established under this section. If the member is later transferred to a station where dental care is not provided to such member's spouse or children except under a plan established under this section, the member may re-enroll in such a plan.

"(g) The authority of the Secretary of Defense to enter into a contract under this section for any fiscal year is subject to the availability of appropriations for that purpose.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1076 the following new item:

"1076a. Dependents' dental program.".

(b) CONFORMING AMENDMENT.—Section 1077 of such title is amended by adding at the end thereof the following new subsection:

"(c) A dependent participating under a dental plan established under section 1076a of this title may not be provided dental care under section 1076(a) of this title except for emergency dental care and care that is not covered by such plan.".

(c) EFFECTIVE DATE.—The Secretary of Defense may not enter into a contract under section 1076a of title 10, United States Code, as added by subsection (a), or otherwise obligate funds under that section before September 30, 1986.

SEC. 652. ENHANCED HEALTH-CARE BENEFITS FOR SURVIVORS OF CERTAIN RESERVISTS

(a) MEDICAL AND DENTAL CARE IN FACILITIES OF THE UNIFORMED SERVICES.—Section 1076(a) of title 10, United States Code, is amended to read as follows:

"(a)(1) A dependent described in paragraph (2) is entitled, upon request, to the medical and dental care prescribed by section 1077 of this title in facilities of the uniformed services, subject to the availability of space and facilities and the capabilities of the medical and dental staff.

"(2) A dependent referred to in paragraph (1) is a dependent of a member of a uniformed service—

"(A) who is on active duty for a period of more than 30 days or who died while on that duty; or

"(B) who died from an injury or illness incurred or aggravated—

"(i) while on active duty under a call or order to active duty of 30 days or less, on active duty for training, or on inactive duty training; or

"(ii) while traveling to or from the place at which the member is to perform, or has performed, such active duty, active duty for training, or inactive duty training.".

(b) CHAMPUS CARE.—Section 1086(c)(2) of such title is amended to read as follows:

"(2) A dependent (other than a dependent covered by section 1072(2)(E) of this title) of a member of a uniformed service—

"(A) who died while on active duty for a period of more than 30 days; or

"(B) who died from an injury or illness incurred or aggravated—

"(i) while on active duty under a call or order to active duty of 30 days or less, on active duty for training, or on inactive duty training; or

"(ii) while traveling to or from the place at which the member is to perform, or has performed, such active duty, active duty for training, or inactive duty training.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply only with respect to dependents of members of the uniformed services whose deaths occur after September 30, 1985.

SEC. 653. LICENSURE REQUIREMENT FOR DEFENSE HEALTH-CARE PROFESSIONALS

(a) IN GENERAL.—(1) Chapter 55 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§1094. Licensure requirement for health-care professionals

"(a)(1) A person under the jurisdiction of the Secretary of a military department may not provide health care independently as a health-care professional under this chapter unless the person has a current license to provide such care.

"(2) The Secretary of Defense may waive paragraph (1) with respect to any person in unusual circumstances. The Secretary shall prescribe by regulation the circumstances under which such a waiver may be granted.

"(b) The commanding officer of each health care facility of the Department of Defense shall ensure that each person who provides health care independently as a health-care professional at the facility meets the requirement of subsection (a).

"(c)(1) A person (other than a person subject to chapter 47 of this title) who provides health care in violation of subsection (a) is subject to a civil money penalty of not more than $5,000.

"(2) The provisions of subsections (b) and (d) through (g) of section 1128A of the Social Security Act (42 U.S.C. 1320a-7a) shall apply to the imposition of a civil money penalty under paragraph (1) in the same manner as they apply to the imposition of a civil money penalty under that section, except that for purposes of this subsection—

"(A) a reference to the Secretary in that section is deemed a reference to the Secretary of Defense; and

"(B) a reference to a claimant in subsection (e) of that section is deemed a reference to the person described in paragraph (1).

"(d) In this section:

"(1) 'License'—

"(A) means a grant of permission by an official agency of a State, the District of Columbia, or a Commonwealth, territory, or possession of the United States to provide health care independently as a health-care professional; and

"(B) includes, in the case of such care furnished in a foreign country by any person who is not a national of the United States, a grant of permission by an official agency of that foreign country for that person to provide health care independently as a health-care professional.

"(2) 'Health-care professional' means a physician, dentist, clinical psychologist, or nurse and any other person providing direct patient care as may be designated by the Secretary of Defense in regulations.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"1094. Licensure requirement for health-care professionals.".

(b) TRANSITION.—Section 1094 of title 10, United States Code, as added by subsection (a), does not apply during the three-year period beginning on the date of the enactment of this Act with respect to the provision of health care by any person who on the date of the enactment of this Act is a member of the Armed Forces.

SEC. 654. STUDY OF MEDICAL CASUALTY INVESTIGATIONS

(a) IN GENERAL.—The Secretary of Defense shall study the procedures used by the military departments for medical casualty investigations relating to members of the Armed Forces who die or are seriously injured while on active duty.

(b) SCOPE OF STUDY.—The study by the Secretary under subsection (a) shall include consideration of the following:

(1) The need, and appropriate standards, for uniform policies of the military departments with respect to autopsies of members of the Armed Forces who die while on active duty, taking into account religious sensibilities of members and their families.

(2) The need, and appropriate standards, for a policy of the Department of Defense with respect to independent review of autopsies, and other aspects of medical casualty investigations, conducted by the Armed Forces, including the appropriate role of the Armed Forces Institute of Pathology.

(3) Appropriate policies and procedures for retaining, in safekeeping, all medical investigative materials (including photographs, specimens, slide and other records of any autopsy) and, to the extent not inconsistent with national security, making such materials available to survivors of members of the Armed Forces who die while on active duty.

(4) The desirability of establishing an independent board of medical examination in the Department of Defense, to consist of five or more practitioners of medicine who are recognized experts in the investigation of causes of death, with the function of advising the Secretary of Defense on the operation of the Armed Forces Institute of Pathology and on the reliability and independence of the Institute's investigations of military casualties.

(c) REPORT.—(1) The Secretary of Defense shall submit to Congress a report on the results of the study under subsection (a). The report shall include—

(A) the Secretary's findings and recommendations;

(B) an analysis and description of all actions taken by the Department of Defense to implement any such recommendation; and

(C) the Secretary's recommendations with respect to any legislation needed to implement any such recommendation.

(2) The report shall be submitted not later than one year after the date of the enactment of this Act.

PART E—MILITARY RETIREMENT

SEC. 666. LIMITATION ON AMOUNTS AVAILABLE FOR OBLIGATION FOR BASIC PAY AND FOR RETIRED PAY ACCRUAL CHARGE

From amounts appropriated or otherwise available to the Department of Defense for military personnel accounts for fiscal year 1986, the total amount obligated from each such account for military basic pay and payments into the Department of Defense Military Retirement Fund pursuant to section 1466(a) of title 10, United States Code, may not exceed the following:

(1) For the Department of the Army—

(A) for payments from the appropriation account "Military Personnel, Army", $15,951,800,000;

(B) for payments from the appropriation account "Reserve Personnel, Army", $1,595,500,000; and

(C) for payments from the appropriation account "National Guard Personnel, Army", $2,503,600,000.

(2) For the Department of the Navy—

(A) for payments from the appropriation account "Military Personnel, Navy", $11,689,900,000;

(B) for payments from the appropriation account "Military Personnel, Marine Corps", $3,659,600,000;

(C) for payments from the appropriation account "Reserve Personnel, Navy", $939,300,000; and

(D) for payments from the appropriation account "Reserve Personnel, Marine Corps", $202,200,000.

(3) For the Department of the Air Force—

(A) for payments from the appropriation account "Military Personnel, Air Force", $13,533,500,000;

(B) for payments from the appropriation account "Reserve Personnel, Air Force", $437,300,000; and

(C) for payments from the appropriation account "National Guard Personnel, Air Force", $754,500,000.

SEC. 667. LEGISLATIVE PROPOSAL TO AMEND MILITARY RETIREMENT SYSTEM FOR NEW ENTRANTS

(a) REQUIREMENT FOR SUBMISSION OF LEGISLATIVE PROPOSAL MAKING CHANGES IN MILITARY RETIREMENT SYSTEM.—(1) Not later than September 15, 1985, the Secretary of Defense shall submit to Congress a report (including draft legislation) proposing two separate sets of changes in the military nondisability retirement system.

(2)(A) Each of the sets of changes to be proposed in the report under paragraph (1) shall include changes which, if enacted, would result in reductions in the amount required to be paid by the Secretary of Defense into the Department of Defense Military Retirement Fund pursuant to section 1466(a) of title 10, United States Code, during fiscal year 1986 in a total amount that would enable the Department of Defense to remain within the limits on obligations for basic pay and payments into such Fund prescribed by section 666 solely through such reductions.

(B) One of the sets of changes to be proposed in such report shall consist only of changes in the military retirement system other than changes in the procedure for periodic cost-of-living adjustments in retired or retainer pay which, if enacted, would result in the required reductions.

(3) Structural changes in the military retirement system to be proposed by the Secretary of Defense in either set of changes proposed in the report under paragraph (1)—

(A) should apply only to individuals who initially become members of the Armed Forces after the effective date of such changes; and

(B) should, to the maximum extent possible and consistent with military requirements, encourage members who are eligible for retirement to remain on active duty beyond 20 years of service.

(4) At the same time the Secretary of Defense submits the report required by paragraph (1), the Secretary shall submit separate reports on the following:

(A) The anticipated effects that the changes proposed in the report under paragraph (1) would have on recruiting and retention in the Armed Forces.

(B) Proposed or additional changes in other elements of the military compensation system or in other military personnel programs, including changes in promotion and retention policies.

(C) A description of the changes in military retirement, compensation, or personnel programs that would be necessary if the reductions resulting from the funding limitations set forth in section 666 were $1,800,000,000, $2,900,000,000, $3,600,000,000, $4,000,000,000, or $5,400,000,000, as well as an evaluation of the effects such changes would have on recruiting and retention in the Armed Forces.

(D) A plan that could be used to implement over a period of four or more years the changes proposed in the report under paragraph (1).

(b) SPECIFICATION OF ACTUARIAL METHODS AND ASSUMPTIONS FOR FY86 RETIREMENT LEGISLATION.—In determining the cost, or the amount to be saved, as the result of the enactment of any legislative proposal that would make changes in the military retirement system effective during fiscal year 1985 or 1986, the actuarial methods and assumptions used shall be the same as those approved by the Board of Actuaries (in accordance with section 1465(d) of title 10, United States Code) for use in calculating the military retirement accrual percentage for the President's budget for fiscal year 1986.

(c) RECALCULATION OF ACCRUAL PERCENTAGE UPON CHANGE IN BENEFITS.—(1) If a significant change in the military retirement system is enacted into law that takes effect during fiscal year 1985 or 1986, the accrual percentage shall be recalculated taking into account that change in law. Any such recalculation shall be made using the actuarial methods and assumptions described in subsection (b).

(2) In making determinations under section 1466(a) of title 10, United States Code, for months during fiscal years 1985 and 1986 beginning on or after the effective date of any such change in law, the accrual percentage as recalculated under paragraph (1) shall be used in lieu of the accrual percentage that would otherwise be applicable.

(d) DEFINITION OF ACCRUAL PERCENTAGE.—For purposes of this section, the term "accrual percentage" means the single level percentage of basic pay determined under section 1465(c)(1) of title 10, United States Code, for the purposes of computations under sections 1465(b) and 1466(a) of that title.

PART F—EDUCATIONAL ASSISTANCE PROGRAMS

SEC. 671. DEPARTMENT OF DEFENSE EDUCATIONAL LOAN REPAYMENT PROGRAMS

(a) CODIFICATION OF SECTION 902 PROGRAM.—(1) Part III of subtitle A of title 10, United States Code, is amended by adding at the end thereof the following new chapter:

"CHAPTER 109—EDUCATIONAL LOAN REPAYMENT PROGRAMS

"Sec.
"2171. General educational loan repayment program.
"2172. Education loans for certain health professionals who serve in the Selected Reserve.

"§ 2171. General educational loan repayment program

"(a)(1) Subject to the provisions of this section, the Secretary of Defense may repay—

"(A) any loan made, insured, or guaranteed under part B of title IV of the Higher Education Act of 1965 (20 U.S.C. 1071 et seq.); or

"(B) or any loan made under part E of such title (20 U.S.C. 1087aa et seq.).

Repayment of any such loan shall be made on the basis of each complete year of service performed by the borrower.

"(2) The Secretary may repay loans described in paragraph (1) in the case of any person for—

"(A) service performed—

"(i) as an enlisted member of the Selected Reserve of the Ready Reserve of an armed force; and

"(ii) in a reserve component and military specialty specified by the Secretary of Defense; or

"(B) service performed on active duty as an enlisted member in a military specialty specified by the Secretary.

In the case of service described in clause (A) of the first sentence of this paragraph, the Secretary may repay a loan described in paragraph (1) only if the person to whom the loan was made performed such service after the loan was made.

"(b) The portion or amount of a loan that may be repaid under subsection (a) is—

"(1) 15 percent or $500, whichever is greater, for each year of service, in the case of service described in subsection (a)(2)(A); or

"(2) 33⅓ percent or $1,500, whichever is greater, for each year of service, in the case of service described in subsection (a)(2)(B).

"(c) If a portion of a loan is repaid under this section for any year, interest on the remainder of such loan shall accrue and be paid in the same manner as is otherwise required.

"(d) Nothing in this section shall be construed to authorize refunding any repayment of a loan.

"(e) Any individual who transfers from service described in clause (A) or (B) of subsection (a)(2) to service described in the other clause of such subsection during a year shall be eligible to have repaid a portion of such loan determined by giving appropriate fractional credit for each portion of the year so served, in accordance with regulations of the Secretary concerned.

"(f) The Secretary of Defense shall, by regulation, prescribe a schedule for the allocation of funds made available to carry out the provisions of this section during any year for which funds are not sufficient to pay the sum of the amounts eligible for repayment under subsection (a).

"§ 2172. Education loans for certain health professionals who serve in the Selected Reserve

"(a) Under regulations prescribed by the Secretary of Defense and subject to the other provisions of this section, the Secretary concerned may repay—

"(1) a portion of a loan made, insured, or guaranteed under part B of title IV of the Higher Education Act of 1965 (20 U.S.C. 1071 et seq.);

"(2) a loan made under part E of such title (20 U.S.C. 1087aa et seq.) after October 1, 1975; and

"(3) a health education assistance loan made or insured under part C of title VII of the Public Health Service Act (42 U.S.C. 294 et seq.).

"(b) The Secretary concerned may repay loans described in subsection (a) only in the case of a person who—

"(1) performs satisfactory service as an officer in the Selected Reserve of an armed force; and

"(2) possesses professional qualifications in a health profession that the Secretary of Defense has determined to be needed criti-

cally in order to meet identified wartime combat medical skill shortages.

"(c)(1) The amount of any repayment of a loan made under this section on behalf of any person shall be determined on the basis of each complete year of service that is described in subsection (b)(1) and performed by the person after the date on which the loan was made.

"(2) Subject to paragraph (3), the portion of a loan that may be repaid under this section on behalf of any person may not exceed $3,000 for each year of service described in paragraph (1).

"(3) The total amount that may be repaid on behalf of any person under this section may not exceed $20,000.

"(d) The authority provided in this section shall apply only in the case of a person first appointed as a commissioned officer before October 1, 1988.".

(2) The tables of chapters at the beginning of subtitle A of such title and at the beginning of part III of such subtitle are amended by inserting after the item relating to chapter 108 the following new item:

"109. Educational Loan Repayment Programs..... 2171".

(3) Section 902 of the Department of Defense Authorization Act, 1981 (10 U.S.C. 2141 note), is repealed.

(b) PERSONS TO WHOM APPLICABLE.—(1) The authority provided under section 2171 of title 10, United States Code, as added by subsection (a), shall apply only—

(A) in the case of persons who enlist or reenlist in the Selected Reserve of the Ready Reserve of an Armed Force or enlist or reenlist for service on active duty after September 30, 1980;

(B) with respect to service performed after that date; and

(C) with respect to loans made after October 1, 1975.

(2) The authority provided under section 2172 of title 10, United States Code, as added by subsection (a), shall apply only—

(A) in the case of a person who is first appointed as a commissioned officer of an Armed Force after September 30, 1985; and

(B) with respect to service performed after that date.

SEC. 672. SPECIALIZED TRAINING ASSISTANCE IN THE HEALTH PROFESSION FOR MEMBERS OF RESERVE COMPONENTS

(a) AUTHORIZATION OF PROGRAM.—The Secretary of each military department, under regulations prescribed by the Secretary of Defense, may establish and maintain a program to provide financial assistance to persons engaged in specialized training in the health professions.

(b) ELIGIBILITY REQUIREMENTS.—To be eligible for financial assistance under this section, a person must be—

(1) a commissioned officer in the Selected Reserve of a reserve component of the Armed Forces; and

(2) engaged in a course of specialized training (approved by the Secretary of the military department concerned) in a health profession.

(c) AMOUNT OF ASSISTANCE.—A person participating in the program provided for under this section shall be entitled to a monthly stipend at the rate paid, on October 1, 1985, to persons participating in the Armed Forces Health Professions Scholarship Program under chapter 105 of title 10, United States Code. That rate shall be increased annually by the Secretary of Defense effective on July 1 of each year by an amount (rounded to the next highest multiple of $1) equal to—

(1) the amount of such stipend (as previously adjusted (if at all)), multiplied by

(2) the overall precentage of the adjustment (if such adjustment is an increase) in the rates of basic pay for members of the uniformed services made effective for the fiscal year in which the school year ends.

(d) QUALIFICATIONS.—To be eligible for participation in the program provided for in this section, a person must be a citizen of the United States and must—

(1) be qualified in a health profession as required in regulations prescribed by the Secretary of Defense;

(2) sign an agreement that, unless sooner separated, the participant will—

(A) complete the specialized program of training approved by the Secretary of the military department concerned; and

(B) meet such other requirements as the Secretary concerned may prescribe.

(e) SELECTED RESERVE OBLIGATION.—A member who participates in a program provided for under this section incurs a Selected Reserve obligation of three years for each year or part thereof for which financial assistance is provided under this section.

(f) FAILURE TO COMPLETE PROGRAM OF TRAINING.—(1) A member of the program who, under regulations prescribed by the Secretary of Defense, is dropped from the program for deficiency in training, or for other reasons, shall be required, at the discretion of the Secretary concerned—

(A) to perform one year of active duty for each year (or part thereof) for which such person was provided financial assistance under this section; or

(B) repay the United States an amount equal to the total amount paid to such person under the program.

(2) The Secretary of a military department, under regulations prescribed by the Secretary of Defense, may relieve a member participating in the program who is dropped from the program from any requirement that may be imposed under paragraph (1), but such relief shall not relieve him from any military obligation imposed by any other law.

(g) LIMITATIONS ON NUMBER OF PARTICIPANTS.—The number of persons who may be provided financial assistance under this section at any one time, when added to the total number of persons who are participating in the scholarship program provided for under chapter 105 of title 10, United States Code, at any time, may not exceed 6,000.

(h) DEFINITION.—For the purposes of this section, the term "specialized course of training" means a course of advanced training—

(1) in a health profession; and

(2) designated by the Secretary of the military department concerned to be training in a health profession skill critically needed by the military department concerned.

(i) CHANGE IN NUMBER OF PERSONS AUTHORIZED TO RECEIVE FINANCIAL ASSISTANCE.—Section 2124 of title 10, United States Code, is amended by striking out "5,000" and inserting in lieu thereof "6,000".

(j) EFFECTIVE DATE.—This section shall take effect on October 1, 1985.

SEC. 673. RIGHT OF MEMBERS OF NAVAL SERVICE TO TRANSFER CERTAIN EDUCATIONAL ENTITLEMENT TO SPOUSE OR DEPENDENT CHILDREN

Section 2147(a)(1) of title 10, United States Code, is amended—

(1) by inserting "(A)" after "(a)(1)";

(2) by striking out the second sentence; and

(3) by adding at the end thereof the following:

"(B) The Secretary of the Navy may authorize a member of the Navy or Marine Corps who is entitled to educational assistance under section 2142 of this title and whose enlistment that established such entitlement was the member's second reenlistment as a member of the armed forces to transfer all or part of such entitlement to the spouse or dependent child of such member after the completion of four years of active service of that second reenlistment if that reenlistment was for a period of at least six years.

"(C) A transfer under this paragraph may be revoked at any time by the person making the transfer.".

SEC. 674. CHANGES IN ELIGIBILITY REQUIREMENTS FOR THE ALL-VOLUNTEER FORCE EDUCATIONAL ASSISTANCE PROGRAM.

Chapter 30 of title 38, United States Code, is amended—

(1) in section 1411(a)(1)(B), by striking out "and without a break in service on active duty since December 31, 1976,"; and

(2) in section 1412(a)(1)(B) by striking out "and without a break in service on active duty since December 31, 1976,".

PART G—MISCELLANEOUS

SEC. 681. LEGAL REPRESENTATION OF CIVILIANS OVERSEAS

(a) IN GENERAL.—Section 1037(a) of title 10, United States Code, is amended by striking out the period at the end of the first sentence and inserting in lieu thereof "and of persons not subject to the Uniform Code of Military Justice who are employed by or accompanying the armed forces in an area outside the United States and the territories and possessions of the United States, the Northern Mariana Islands, and the Commonwealth of Puerto Rico.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to costs incurred after September 30, 1985.

SEC. 682. ACCRUED LEAVE

Section 501 of title 37, United States Code, is amended by striking out "September 1, 1976" in subsections (b)(3) and (f) and inserting in lieu thereof "February 9, 1976".

SEC. 683. PAY ALLOTMENTS FOR NAVY AND MARINE CORPS

(a) STANDARDIZATION OF NAVAL SERVICE PAY ALLOTMENTS WITH ARMY AND AIR FORCE.—(1) Section 701 of title 37, United States Code, is amended—

(A) by striking out "of the Army or the Air Force" in subsections (a), (c), and (d)(1) and inserting in lieu thereof "of the Army, Navy, Air Force, or Marine Corps";

(B) by striking out "of the Army or the Air Force" in subsections (b) and (d)(2) and inserting in lieu thereof "of the Army, Navy, or Air Force"; and

(C) by striking out "Secretary of the Army or the Secretary of the Air Force, as the case may be" in subsections (a) and (d) and inserting in lieu thereof "Secretary of the military department concerned".

(2) The heading of such section is amended to read as follows:

"§ 701. Members of the Army, Navy, Air Force, and Marine Corps; contract surgeons".

(3) The item relating to such section in the table of sections in the beginning of chapter 13 of such title is amended to read as follows:

"701. Members of the Army, Navy, Air Force, and Marine Corps; contract surgeons.".

(b) CONFORMING AMENDMENTS.—(1) Sections 702, 705, and 805 of such title are repealed.

(2) The table of sections at the beginning of chapter 13 of such title is amended by striking out the items relating to sections 702 and 705.

(3) The table of sections at the beginning of chapter 15 of such title is amended by striking out the item relating to section 805.

SEC. 684. EXTENSION TO PHS AND NOAA OF AUTHORITY TO COLLECT DEBTS FROM PAY OF MEMBERS

Section 1007(c) of title 37, United States Code, is amended by striking out "armed forces" and inserting in lieu thereof "uniformed services".

SEC. 685. SURCHARGE FOR SALES AT ANIMAL DISEASE PREVENTION AND CONTROL CENTERS

(a) REQUIRED SURCHARGE.—The Secretary of Defense shall require that each time a sale is recorded at a military animal disease prevention and control center the person to whom the sale is made shall be charged a surcharge of $2.

(b) DEPOSIT OF RECEIPTS IN TREASURY.—Amounts received from surcharges under this section shall be deposited in the Treasury in accordance with section 3302 of title 31.

(c) CONFORMING AMENDMENT.—Section 1033 of the Department of Defense Authorization Act, 1984 (Public Law 98-94; 97 Stat. 672), is repealed.

(d) EFFECTIVE DATE.—This section shall take effect on October 1, 1985.

TITLE VII—SURVIVOR BENEFIT PLAN IMPROVEMENTS

SEC. 701. SHORT TITLE

This title may be cited as the "Survivor Benefit Plan Amendments of 1985".

PART A—GENERAL PROGRAM CHANGES

SEC. 711. ESTABLISHMENT OF TWO-TIER BENEFIT SYSTEM AND ELIMINATION OF SOCIAL SECURITY OFFSET

(a) REVISION IN SBP ANNUITY COMPUTATION.—Section 1451 of title 10, United States Code, is amended to read as follows:

"§ 1451. Amount of annuity

"(a)(1) In the case of a standard annuity provided to a beneficiary under section 1450(a) of this title (other than under section 1450(a)(4)), the monthly annuity payable to the beneficiary shall be determined as follows:

"(A) If the beneficiary is under 62 years of age when becoming entitled to the annuity, the monthly annuity shall be the amount equal to 55 percent of the base amount (as the base amount is adjusted from time to time under subsection 1401a of this title).

"(B) If the beneficiary is 62 years of age or older when becoming entitled to the annuity, the monthly annuity shall be the amount equal to 35 percent of the base amount (as the base amount is adjusted from time to time under section 1401a of this title). However, if the beneficiary is eligible to have the annuity computed under subsection (e) and if, at the time the beneficiary becomes entitled to the annuity, computation of the annuity under that subsection is more favorable to the beneficiary, the annuity shall be computed under that subsection.

"(2) In the case of a reserve-component annuity provided to a beneficiary under section 1450(a) of this title (other than under section 1450(a)(4)), the monthly annuity payable to the beneficiary shall be determined as follows:

"(A) If the beneficiary is under 62 years of age when becoming entitled to the annuity, the monthly annuity shall be the amount equal to a percentage of the base amount (as the base amount is adjusted from time to time under section 1401a of this title) that—

"(i) is less than 55 percent; and

"(ii) is determined under subsection (f).

"(B) If the beneficiary is 62 years of age or older when becoming entitled to the annuity, the monthly annuity shall be the amount equal to a percentage of the base amount (as the base amount is adjusted from time to time under section 1401a of this title) that—

"(i) is less than 35 percent; and

"(ii) is determined under subsection (f).

However, if the beneficiary is eligible to have the annuity computed under subsection (e) and if, at the time the beneficiary becomes entitled to the annuity, computation of the annuity under that subsection is more favorable to the beneficiary, the annuity shall be computed under that subsection.

"(b)(1) In the case of a standard annuity provided to a beneficiary under section 1450(a)(4) of this title, the monthly annuity payable to the beneficiary shall be the amount equal to 55 percent of the retired pay of the person who elected to provide the annuity after the reduction in that pay in accordance with section 1452(c) of this title.

"(2) In the case of a reserve-component annuity provided to a beneficiary under section 1450(a)(4) of this title, the monthly annuity payable to the beneficiary shall be the amount equal to a percentage of the retired pay of the person who elected to provide the annuity after the reduction in such pay in accordance with section 1452(c) of this title that—

"(A) is less than 55 percent; and

"(B) is determined under subsection (f)).

"(3) For the purposes of paragraph (2), a person—

"(A) who provides an annuity that is determined in accordance with that paragraph;

"(B) who dies before becoming 60 years of age; and

"(C) who at the time of death is otherwise entitled to retired pay,

shall be considered to have been entitled to retired pay at the time of death. The retired pay of such person for the purposes of such paragraph shall be computed on the basis of the rates of basic pay in effect on the date on which the annuity provided by such person is to become effective in accordance with the designation of such person under section 1448(e) of this title.

"(c)(1) In the case of an annuity provided under section 1448(d) or 1448(f) of this title, the amount of the annuity shall be determined as follows:

"(A) If the person receiving the annuity is under 62 years of age when the member or former member dies, the monthly annuity shall be the amount equal to 55 percent of the retired pay to which the member or former member would have been entitled if the member or former member had been entitled to that pay based upon his years of active service when he died.

"(B) If the person receiving the annuity is 62 years of age or older when the member or former member dies, the monthly annuity shall be the amount equal to 35 percent of the retired pay to which the member or former member would have been entitled if the member or former member had been entitled to that pay based upon his years of active service when he died. However, if the beneficiary is eligible to have the annuity computed under subsection (e) and if, at the time the beneficiary becomes entitled to the annuity, computation of the annuity under that subsection is more favorable to the beneficiary, the annuity shall be computed under that subsection.

"(2) An annuity computed under paragraph (1) that is paid to a surviving spouse shall be reduced by the amount of dependency and indemnity compensation to which the surviving spouse is entitled under section 411(a) of title 38. Any such reduction shall be effective on the date of the commencement of the period of payment of such compensation under title 38.

"(3) In the case of an annuity provided by a member described in section 1448(d)(1)(C) of this title, the retired pay to which the member would have been entitled when he died shall be determined based upon the rate of basic pay in effect at the time of death for the highest grade other than a commissioned officer grade in which the member served on active duty satisfactorily, as determined by the Secretary concerned.

"(4) In the case of an annuity paid under section 1448(f) of this title, the retired pay of the person providing the annuity shall for the purposes of paragraphs (1) and (2) be computed on the basis of the rates of basic pay in effect on the effective date of the annuity.

"(d)(1) The annuity of a person whose annuity is computed under clause (A) of subsection (a)(1), (a)(2), or (c)(1) shall be reduced on the first day of the month after the month in which the person becomes 62 years of age.

"(2)(A) Except as provided in subparagraph (B), the reduced amount of the annuity shall be the amount of the annuity that the person would be receiving on that date if the annuity had initially been computed under clause (B) of that subsection.

"(B) In the case of a person eligible to have the annuity computed under subsection (e) and for whom, at the time the person becomes 62 years of age, an annuity computed with a reduction under subsection (e)(3) is more favorable than an annuity with a reduction described in subparagraph (A), the reduction in the annuity shall be computed in the same manner as a reduction under subsection (e)(3).

"(e)(1) The following beneficiaries under the plan are eligible to have an annuity under the Plan computed under this subsection:

"(A) A beneficiary receiving an annuity under the Plan on October 1, 1985, as the widow or widower of the person providing the annuity.

"(B) A spouse beneficiary of a person who on October 1, 1985—

"(i) is a participant in the Plan;

"(ii) is entitled to retired pay or is qualified for that pay except that he has not applied for and been granted that pay; or

"(ii) would be eligible for retired pay under chapter 67 of this title but for the fact that he is under 60 years of age.

"(2) Subject to paragraph (3), an annuity computed under this subsection shall be determined as follows:

"(A) In the case of a beneficiary of a standard annuity under section 1450(a) of this title, the annuity shall be the amount equal to 55 percent of the base amount (as the base amount is adjusted from time to time under section 1401a of this title).

"(B) In the case of a beneficiary of a reserve-component annuity under section

1450(a) of this title, the annuity shall be the percentage of the base amount (as the base amount is adjusted from time to time under section 1401a of this title) that—

"(i) is less than 55 percent; and

"(ii) is determined under subsection (f).

"(C) In the case of a beneficiary of an annuity under section 1448(d) or 1448(f) of this title, the annuity shall be the amount equal to 55 percent of the retired pay of the person providing the annuity (as that pay is determined under subsection (c)).

"(3) An annuity computed under this subsection shall be reduced by the lesser of—

"(A) the amount of the survivor benefit, if any, to which the widow or widower would be entitled under title II of the Social Security Act (42 U.S.C. 401 et seq.) based solely upon service by the person concerned as described in section 210(l)(1) of such Act (42 U.S.C. 410(l)(1)) and calculated assuming that the person concerned lives to age 65; or

"(B) 40 percent of the amount of the monthly annuity as determined under paragraph (2).

"(4)(A) For the purpose of paragraph (3), a widow or widower shall not be considered as entitled to a benefit under title II of the Social Security Act (42 U.S.C. 401 et seq.) to the extent that such benefit has been offset by deductions under section 203 of such Act (42 U.S.C. 403) on account of work.

"(B) In the computation of any reduction made under paragraph (3), there shall be excluded any period of service described in section 210(l)(1) of the Social Security Act (42 U.S.C. 410(l)(1))—

"(i) which was performed after December 1, 1980; and

"(ii) which involved periods of service of less than 30 continuous days for which the person concerned is entitled to receive a refund under section 6413(c) of the Internal Revenue Code of 1954 of the social security tax which the person had paid.

"(f) The percentage to be applied in determining the amount of an annuity computed under subsection (a)(2), (b)(2), or (e)(2)(B) shall be determined under regulations prescribed by the Secretary of Defense. Such regulations shall be prescribed taking into consideration—

"(1) the age of the person electing to provide the annuity at the time of such election;

"(2) the difference in age between such person and the beneficiary of the annuity;

"(3) whether such person provided for the annuity to become effective (in the event he died before becoming 60 years of age) on the day after his death or on the 60th anniversary of his birth;

"(4) appropriate group annuity tables; and

"(5) such other factors as the Secretary considers relevant.

"(g)(1) Whenever retired pay is increased under section 1401a of this title (or any other provision of law), each annuity that is payable under the Plan shall be increased at the same time by the same total percent. The amount of the increase shall be based on the monthly annuity payable before any reduction under section 1450(c) of this title or under subsection (c)(2).

"(2) The monthly amount of an annuity payable under this subchapter, if not a multiple of $1, shall be rounded to the next lower multiple of $1.".

(b) CONFORMING AMENDMENT.—Section 641 of the Department of Defense Authorization Act, 1985 (Public Law 98-525; 98 Stat. 2545), is repealed, effective as of September 1, 1985.

(c) OPTION FOR CERTAIN PARTICIPANTS TO WITHDRAW.—A person who during the period beginning on October 19, 1984, and ending on the date of the enactment of this Act became a participant in the Survivor Benefit Plan under subchapter II of chapter 73 of title 10, United States Code, may elect to withdraw from the Plan before the end of the one-year period beginning on the date of the enactment of this Act. Any person who makes a withdrawal shall be paid the amount of the contributions by such person under the Plan, plus interest on such amount as determined by the Secretary of Defense.

SEC. 712. SBP COVERAGE FOR MEMBERS WHO DIE AFTER 20 YEARS OF SERVICE

(a) IN GENERAL.—Section 1448(d) of title 10, United States Code, is amended to read as follows:

"(d)(1) The Secretary concerned shall pay an annuity under this subchapter to the surviving spouse of a member who dies on active duty after—

"(A) becoming eligible to receive retired pay;

"(B) qualifying for retired pay except that he has not applied for or been granted that pay; or

"(C) completing 20 years of active service but before he is eligible to retire as a commissioned officer because he has not completed 10 years of active commissioned service.

"(2) The Secretary concerned shall pay an annuity under this subchapter to the dependent child of a member described in paragraph (1) if the member and the member's spouse die as a result of a common accident.

"(3) If a member described in paragraph (1) is required under a court order or spousal agreement to provide an annuity to a former spouse upon becoming eligible to be a participant in the Plan or has made an election under subsection (b) to provide an annuity to a former spouse, the Secretary—

"(A) may not pay an annuity under paragraph (1) or (2); but

"(B) shall pay an annuity to that former spouse as if the member had been a participant in the Plan and had made an election under subsection (b) to provide an annuity to the former spouse, or in accordance with that election, as the case may be, if the Secretary receives a written request from the former spouse concerned that the election be deemed to have been made in the same manner as provided in section 1450(f)(3) of this title.

"(4) An annuity that may be provided under this subsection shall be provided in preference to an annuity that may be provided under any other provision of this subchapter on account of service of the same member.

"(5) The amount of an annuity under this subsection is computed under section 1451(c) of this title.".

(b) PERSONS COVERED.—(1) Section 1448(d) of title 10, United States Code, as amended by subsection (a), applies to the surviving spouse and dependent children of a person who dies on active duty after September 20, 1972, and the former spouse of a person who dies after September 7, 1982.

(2) In the case of the surviving spouse and children of a person who dies during the period beginning on September 21, 1972, and ending on October 1, 1985, the Secretary concerned shall take appropriate steps to locate persons eligible for an annuity under section 1448(d) of title 10, United States Code, as amended by subsection (a). Any such person must submit an application to the Secretary for such an annuity before October 1, 1988, to be eligible to receive such annuity. Any such annuity shall be effective only for months after the month in which the Secretary receives such application.

SEC. 713. ANNUITY FOR SURVIVORS OF CERTAIN RETIREMENT-ELIGIBLE RESERVISTS

(a) ELIGIBILITY.—Section 1448 of title 10, United States Code, is amended by adding at the end thereof the following new subsection:

"(f)(1) The Secretary concerned shall pay an annuity under this subchapter to the surviving spouse of a person who is eligible to provide a reserve-component annuity and who dies—

"(A) before being notified under section 1331(d) of this title that he has completed the years of service required for eligibility for retired pay under chapter 67 of this title; or

"(B) during the 90-day period beginning on the date he receives notification under section 1331(d) of this title that he has completed the years of service required for eligibility for retired pay under chapter 67 of this title if he had not made an election under subsection (a)(2)(B) to participate in the Plan.

"(2) The Secretary concerned shall pay an annuity under this subchapter to the dependent child of a person described in paragraph (1) if the person and the person's spouse die as a result of a common accident.

"(3) If a person described in paragraph (1) is required under a court order or spousal agreement to provide an annuity to a former spouse upon becoming eligible to be a participant in the Plan or has made an election under subsection (b) to provide an annuity to a former spouse, the Secretary—

"(A) may not pay an annuity under paragraph (1) or (2); but

"(B) shall pay an annuity to that former spouse as if the person had been a participant in the Plan and had made an election under subsection (b) to provide an annuity to the former spouse, or in accordance with that election, as the case may be, if the Secretary receives a written request from the former spouse concerned that the election be deemed to have been made in the same manner as provided in section 1450(f)(3) of this title.

"(4) The amount of an annuity under this subsection is computed under section 1451(c) of this title.".

(b) EFFECTIVE DATE OF ANNUITY.—Section 1450(j) of such title is amended by adding at the end thereof the following new sentence: "An annuity payable under section 1448(f) of this title shall be effective on the day after the date of the death of the person upon whose service the right to the annuity is based.".

(c) PERSONS COVERED.—(1) Section 1448(f) of title 10, United States Code, as added by subsection (a), shall apply to the surviving spouse and dependent children of any person who dies after September 30, 1978, and the former spouse of a person who dies after September 7, 1982.

(2) In the case of the surviving spouse and dependents of a person who dies during the period beginning on September 30, 1978, and ending on October 1, 1985, the Secretary concerned shall take appropriate steps to locate persons eligible for an annuity under section 1448(f) of title 10, United States Code, as added by subsection (a). Any such person must submit an application to the Secretary for such an annuity before October 1, 1988, to be eligible to receive

such annuity. Any such annuity shall be effective only for months after the month in which the Secretary receives such application.

SEC. 714. INDEXING OF THRESHOLD AMOUNT FOR CALCULATION OF REDUCTION OF RETIRED PAY

(a) IN GENERAL.—Section 1452(a) of title 10, United States Code, is amended—

(1) by inserting "(1)" after "(a)";

(2) in the first sentence—

(A) by redesignating clauses (1) and (2) as clauses (A) and (B), respectively;

(B) in clause (A) (as so redesignated)—

(i) by inserting "(as adjusted from time to time under paragraph (4))" after "$300"; and

(ii) by striking out "an annuity by virtue of eligiblity under section 1448(a)(1)(A) of this title" and inserting in lieu thereof "a standard annuity"; and

(C) in clause (B) (as so redesignated), by striking out "an annuity by virtue of eligibility under section 1448(a)(1)(A)" and inserting in lieu thereof "a reserve-component annuity";

(3) by designating the second sentence as paragraph (2) and striking out "As long as" and all that follows through "that amount" and inserting in lieu thereof "If there is a dependent child as well as a spouse or former spouse, the amount prescribed under paragraph (1)";

(4) by designating the third sentence as paragraph (3) and in such sentence—

(A) by striking out "the first sentence of this subsection" and inserting in lieu thereof "paragraph (1)"; and

(B) by inserting "or former spouse" after "eligible spouse"; and

(5) by adding at the end thereof the following new paragraph:

"(4)(A) Whenever there is an increase in the rates of basic pay of members of the uniformed services effective on or after October 1, 1985, the amount under paragraph (1)(A) with respect to which the percentage factor of 2 1/2 is applied shall be increased by the overall percentage of such increase in the rates of basic pay. The increase under the preceding sentence shall apply only with respect to persons whose retired pay is computed based on the rates of basic pay in effect on or after the date of such increase in rates of basic pay.

"(B) In addition to the increase under paragraph (4)(A), the amount under paragraph (1)(A) with respect to which the percentage factor of 2 1/2 is applied shall be further increased at the same time and by the same percentage as an increase in retired pay under section 1401a of this title effective on or after October 1, 1985. Such increase under the preceding sentence shall apply only with respect to persons who initially participate in the Plan on a date which is after both the effective date of such increase under section 1401a and the effective date of the rates of basic pay upon which their retired pay is computed.".

(b) EFFECTIVE DATE.—The amendments made by clause (5) of subsection (a) shall apply only with respect to persons who first participate in the Plan on or after the effective date of this title.

SEC. 715. SBP COVERAGE UPON REMARRIAGE

(a) OPTION NOT TO RESUME COVERAGE UPON REMARRIAGE.—Section 1448(a) of title 10, United States Code, is amended by adding at the end thereof the following new paragraph:

"(6)(A) A person—

"(i) who is a participant in the Plan and is providing coverage for a spouse or a spouse and child;

"(ii) who does not have an eligible spouse beneficiary under the Plan; and

"(iii) who remarries,

may elect not to provide coverage under the Plan for the person's spouse.

"(B) If such an election is made, no reduction in the retired pay of such person under section 1452 of this title may be made. An election under this paragraph—

"(i) is irrevocable;

"(ii) shall be made within one year after the person's marriage; and

"(iii) shall be made in such form and manner as may be prescribed in regulations under section 1455 of this title.

"(C) If a person makes an election under this paragraph—

"(i) not to participate in the Plan;

"(ii) to provide an annuity for the person's spouse at less than the maximum level; or

"(iii) to provide an annuity for a dependent child but not for the person's spouse,

the person's spouse shall be notified of that election.

"(D) This paragraph does not affect any right or obligation to elect to provide an annuity to a former spouse under subsection (b).".

(b) OPTION TO PROVIDE HIGHER COVERAGE UPON PAYMENT OF AMOUNTS NOT PREVIOUSLY WITHHELD.—Section 1448 of such title is amended by adding after subsection (f), as added by the amendment made by section 713(a), the following new subsection:

"(g)(1) A person—

"(A) who is a participant in the Plan and is providing coverage under subsection (a) for a spouse or a spouse and child, but at less than the maximum level; and

"(B) who remarries,

may elect, within one year of such remarriage, to increase the level of coverage provided under the Plan to a level not in excess of the current retired pay of that person.

"(2) Such an election shall be contingent on the person paying to the United States the amount determined under paragraph (3) plus interest on such amount at a rate determined under regulations prescribed by the Secretary of Defense.

"(3) The amount referred to in paragraph (2) is the amount equal to the difference between—

"(A) the amount that would have been withheld from such person's retired pay under section 1452 of this title if the higher level of coverage had been in effect from the time the person became a participant in the Plan; and

"(B) the amount of such person's retired pay actually withheld.

"(4) An election under paragraph (1) shall be made in such manner as the Secretary shall prescribe and shall become effective upon receipt of the payment required by paragraph (2).

"(5) A payment received under this subsection by the Secretary of Defense shall be deposited into the Department of Defense Military Retirement Fund. Any other payment received under this subsection shall be deposited in the Treasury as miscellaneous receipts.".

SEC. 716. OPTION TO COVER BOTH A FORMER SPOUSE AND DEPENDENT CHILDREN OF A MEMBER

(a) OPTION TO PROVIDE COVERAGE.—Section 1448(b) of title 10, United States Code, is amended—

(1) by inserting "(other than a child who is a beneficiary under an election under paragraph (4))" in the second sentence of paragraph (2) after "that spouse or child";

(2) by redesignating paragraph (4) as paragraph (5); and

(3) by inserting after paragraph (3) the following new paragraph (4):

"(4) A person who elects to provide an annuity for a former spouse under paragraph (2) or (3) may, at the time of the election, elect to provide coverage under that annuity for both the former spouse and a dependent child, if the child resulted from the person's marriage to that former spouse.".

(b) REVISION FOR FORMER SPOUSE COVERAGE ALREADY IN EFFECT.—A person who before the date of the enactment of this Act made an election under section 1448(b) of title 10, United States Code, to provide an annuity for a former spouse may elect, within the one-year period beginning on that date of enactment, to change that election so as to provide an annuity for the former spouse and the dependent children of the person, as authorized by paragraph (4) of that section added by subsection (a). Such an election may be made even though the former spouse for whom the annuity was provided has died.

SEC. 717. AUTHORITY TO REPAY REFUNDED SBP DEDUCTIONS IN INSTALLMENTS

Section 1450(k) of title 10, United States Code, is amended—

(1) by inserting "(1)" after "(k)";

(2) by striking out "had never been made," and all that follows and inserting in lieu thereof "had never been made."; and

(3) by adding at the end thereof the following new paragraph:

"(2) A widow or widower whose annuity is readjusted under paragraph (1) shall repay any amount refunded under subsection (e) by reason of the adjustment under subsection (c). If the repayment is not made in a lump sum, the widow or widower shall pay interest on the amount to be repaid commencing on the date on which the first such payment is due and applied over the period during which any part of the repayment remains to be paid. The manner in which such repayment shall be made, and the rate of any such interest, shall be prescribed in regulations under section 1455 of this title. An amount repaid under this paragraph (including any such interest) received by the Secretary of Defense shall be deposited into the Department of Defense Military Retirement Fund. Any other amount repaid under this paragraph shall be deposited into the Treasury as miscellaneous receipts.".

SEC. 718. EFFECTIVE DATE OF DIC OFFSET

Section 1450(c) of title 10, United States Code, is amended by adding at the end thereof the following new sentence: "A reduction in an annuity under this section required by the preceding sentence shall be effective on the date of the commencement of the period of payment of such compensation under title 38.".

SEC. 719. TECHNICAL AMENDMENTS TO SBP STATUTE

Subchapter II of chapter 73 of title 10, United States Code, is amended as follows:

(1) Section 1447 is amended by adding at the end thereof the following new paragraphs:

"(11) 'Retired pay' includes retainer pay.

"(12) 'Standard annuity' means an annuity provided by virtue of eligibility under section 1448(a)(1)(A) of this title.

"(13) 'Reserve-component annuity' means an annuity provided by virtue of eligibility under section 1448(a)(1)(B) of this title.".

(2) Section 1447(2)(C) is amended—

(A) by striking out "an annuity by virtue of eligibility under section 1448(a)(1)(A) of this title" in subclause (i) and inserting in lieu thereof "a standard annuity"; and

(B) by striking out "an annuity by virtue of eligiblity under section 1448(a)(1)(B) of this title" in subclause (ii) and inserting in lieu thereof "a reserve-component annuity".

(3) Paragraphs (1) and (2) of section 1448(b) are each amended by striking out "an annuity under this paragraph by virtue of eligiblity under subsection (a)(1)(B)" and inserting in lieu thereof "a reserve-component annuity".

(4) Section 1450(b) is amended by striking out "under this section" and inserting in lieu thereof "under the Plan".

(5) Section 1450(j) is amended by striking out "any person providing an annuity by virtue of eligiblity under section 1448(a)(1)(B) of this title" and inserting in lieu thereof "a person providing a reserve-component annuity".

(6) Section 1450(l) is amended—

(A) by striking out "the plan" both places it appears in the first sentence of paragraph (1) and inserting in lieu thereof "the Plan"; and

(B) by striking out "the provision of" in paragraph (2).

(7) Section 1452(c) is amended—

(A) by striking out "the annuity by virtue of eligibility under section 1448(a)(1)(A) of this title" and inserting in lieu thereof "a standard annuity";

(B) by striking out "the annuity by virtue of eligibility under section 1448(a)(1)(B) of this title" and inserting in lieu thereof "a reserve-component annuity"; and

(C) by striking out "this section" in the third sentence and inserting in lieu thereof "this subsection".

(8)(A) The following sections are each amended by striking out "or retainer" each place it appears: 1448(a)(1)(A), 1448(a)(2)(A), 1448(b)(3)(B), 1450(d), 1450(e), 1450(l)(1), 1450(l)(3)(A)(i), 1452.

(B) The heading for section 1452, and the item relating to that section in the table of sections at the beginning of such subchapter, are each amended by striking out the penultimate and antepenultimate words.

PART B—PROVISIONS RELATING TO RIGHTS FOR SPOUSES AND FORMER SPOUSES

SEC. 721. SPOUSAL CONCURRENCE FOR ELECTIONS

(a) CONCURRENCE FOR SBP COVERAGE.—Section 1448(a) of title 10, United States Code, is amended—

(1) by inserting "(with his spouse's concurrence, if required under paragraph (3))" in paragraph (2)(A) after "unless he elects"; and

(2) by striking out paragraph (3) and inserting in lieu thereof the following:

"(3)(A) A married person who is eligible to provide a standard annuity may not without the concurrence of the person's spouse elect—

"(i) not to participate in the Plan;

"(ii) to provide an annuity for the person's spouse at less than the maximum level; or

"(iii) to provide an annuity for a dependent child but not for the person's spouse.

"(B) A married person who elects to provide a reserve-component annuity may not without the concurrence of the person's spouse elect—

"(i) to provide an annuity for the person's spouse at less than the maximum level; or

"(ii) to provide an annuity for a dependent child but not for the person's spouse.

"(C) A person may make an election described in subparagraph (A) or (B) without the concurrence of the person's spouse if the person establishes to the satisfaction of the Secretary concerned—

"(i) that the spouse's whereabouts cannot be determined; or

"(ii) that, due to exceptional circumstances, requiring the person to seek the spouse's consent would otherwise be inappropriate.

"(D) This paragraph does not affect any right or obligation to elect to provide an annuity for a former spouse (or for a former spouse and dependent child) under subsection (b)(2).

"(E) If a married person who is eligible to provide a standard annuity elects to provide an annuity for a former spouse (or for a former spouse and dependent child) under subsection (b)(2), that person's spouse shall be notified of that election.".

(b) CONCURRENCE FOR ELECTION OF COVERAGE AT LESS THAN MAXIMUM AMOUNT.—Section 1447(2)(C) of such title is amended by inserting "(with the concurrence of the person's spouse, if required under section 1448(a)(3) of this title)" after "designated by the person".

SEC. 722. CLARIFICATION OF STATUS OF SPOUSAL AGREEMENTS

Section 1450(f)(3) of title 10, United States Code, is amended—

(1) in subparagraph (A)—

(A) by inserting "or has been filed with the court of appropriate jurisdiction in accordance with applicable State law" after "by a court order"; and

(B) by inserting "or receives a statement from the clerk of the court (or other appropriate official) that such agreement has been filed with the court in accordance with applicable State law" before the period; and

(2) in subparagraphs (B) and (C), by inserting "or filing" after "court order".

SEC. 723. FORMER SPOUSE COVERAGE TO BE PROVIDED IN SPOUSE CATEGORY RATHER THAN INSURABLE INTEREST CATEGORY

(a) SPECIFICATION OF BENEFICIARIES.—Section 1450(a) of title 10, United States Code, is amended—

(1) by inserting "or the eligible former spouse" in clauses (1) and (2) after "widow or widower";

(2) in clause (3)—

(A) by inserting "(with the concurrence of the person's spouse, if required under section 1448(a)(3) of this title)" after "title applies"; and

(B) by inserting "or former spouse" after "the spouse"; and

(3) by striking out "former spouse or other" both places it appears in clause (4).

(b) CONFORMING AMENDMENTS.—(1) Section 1450 of such title is amended by striking out "widow or widower" each place it appears and inserting in lieu thereof "widow, widower, or former spouse".

(1) by inserting "or former spouse" after "spouse" the first two places it appears in subsection (a); and

(2) Section 1452 of such title is amended—by inserting "or former spouse" after "spouse" both places it appears in subsection (b).

(c) ONE-YEAR OPEN PERIOD TO SWITCH COMPUTATION OF SBP ANNUITY.—A person who, before the effective date of this title, participated in the Survivor Benefit Plan under subchapter II of chapter 73 of title 10, United States Code, and had elected to provide an annuity to a former spouse may, with the concurrence of such former spouse, elect to terminate such annuity and provide an annuity to such former spouse under section 1450(a)(1) of such title. Any such election shall be made before the end of the 12-month period beginning on the date of the enactment of this Act.

(d) ONE-YEAR OPEN PERIOD FOR NEW FORMER SPOUSE COVERAGE.—A person who before the effective date of this part was a participant in the Survivor Benefit Plan and did not elect to provide an annuity to a former spouse may elect to provide an annuity to a former spouse under the Plan. Any such election shall be made before the end of the 12-month period beginning on the date of the enactment of this Act.

SEC. 724. NOTICE OF ELECTIONS AVAILABLE

Section 1455 of title 10, United States Code, is amended by striking out paragraphs (1) and (2) and inserting in lieu thereof the following:

"(1) provide that before the date the member becomes entitled to retired pay—

"(A) if the the member is married, the member and the member's spouse shall be informed of the elections available under section 1448(a) of this title and the effects of such elections; and

"(B) if the notification referred to in section 1448(a)(3)(E) of this title is required, any former spouse of the member shall be informed of the elections available and the effects of such elections; and

"(2) establish procedures for depositing the amounts referred to in sections 1448(g), 1450(k)(2), and 1452(d) of this title.".

PART C—EFFECTIVE DATE AND REPORT

SEC. 731. EFFECTIVE DATE

(a) EFFECTIVE DATE.—Except as otherwise provided in this title, the amendments made by this title shall take effect on the first day of the first month beginning more than 90 days after the date of the enactment of this Act.

(b) PROSPECTIVE BENEFITS ONLY.— No benefit shall accrue to any person by reason of the enactment of this title for any period before the effective date under subsection (a).

SEC. 732. REPORT ON ESTABLISHING NEEDS-BASED SURVIVOR BENEFIT ANNUITY PROGRAM FOR SURVIVING SPOUSES OF CERTAIN RETIRED RESERVISTS

(a) REQUIREMENT FOR REPORT.—The Secretary of Defense shall submit to Congress a report containing a plan for establishing a needs-based survivor annuity program for surviving spouses of members of the uniformed services who—

(1) died before September 30, 1978; and

(2) at the time of death would have been eligible for retired pay under chapter 67 of title 10, United States Code, but for the fact they were under 60 years of age.

(b) SCOPE OF PLAN.—The plan shall take into consideration the surviving spouse's income for purposes of determining eligibility under the plan. In developing the plan, the Secretary of Defense should analyze a variety of options, including a plan similar to the Minimum Income Widows Program established pursuant to Public Law 92-425, and shall provide an accounting of the number of potential beneficiaries and the projected cost under each such option.

(c) DEADLINE FOR REPORT.—The report required by this section shall be submitted by December 31, 1985.

TITLE VIII—MILITARY FAMILY POLICY AND PROGRAMS

SEC. 801. SHORT TITLE

This title may be cited as the "Military Family Act of 1985".

SEC. 802. OFFICE OF FAMILY POLICY

(a) ESTABLISHMENT.—There is hereby established in the Office of the Secretary of Defense an Office of Family Policy (hereinafter in this section referred to as the "Office"). The Office shall be under the As-

sistant Secretary of Defense for Force Management and Personnel.

(b) DUTIES.—The Office—

(1) shall coordinate programs and activities of the military departments to the extent that they relate to military families; and

(2) shall make recommendations to the Secretaries of the military departments with respect to programs and policies regarding military families.

(c) STAFF.—The Office shall have not less than five professional staff members.

(d) REPORT.—The Secretary of Defense shall submit a report to Congress concerning the Office no later than September 30, 1986. The report shall include—

(1) a description of the activities of the Office and the composition of its staff; and

(2) the recommendations of the Office for legislative and administrative action to enhance the well-being of military families.

SEC. 803. TRANSFER OF MILITARY FAMILY RESOURCE CENTER

The Military Family Resource Center of the Department of Defense is hereby transferred from the Office of the Assistant Secretary of Defense for Health Affairs to the Office of the Assistant Secretary for Force Management and Personnel.

SEC. 804. SURVEYS OF MILITARY FAMILIES

The Secretary of Defense may conduct surveys of members of the Armed Forces serving on active duty, members of the families of such members, and retired members of the Armed Forces to determine the effectiveness of existing Federal programs relating to military families and the need for new programs. Responses to surveys conducted under this section shall be voluntary. With respect to such surveys, family members or members of the Armed Forces and retired members of the Armed Forces shall be considered to be employees of the United States for purposes of section 3502(4)(A) of title 44, United States Code.

SEC. 805. FAMILY MEMBERS SERVING ON ADVISORY COMMITTEES

A committee within the Department of Defense which advises or assists the Department in the performance of any function which affects members of military families and which includes members of military families in its membership shall not be considered an advisory committee under section 3(2) of the Federal Advisory Committee Act (5 U.S.C. App.) solely because of such membership.

SEC. 806. EMPLOYMENT OPPORTUNITIES FOR MILITARY SPOUSES

(a) AUTHORITY.—The President shall order such measures as the President considers necessary to increase employment opportunities for spouses of members of the Armed Forces. Such measures may include—

(1) excepting, pursuant to section 3302 of title 5, United States Code, from the competitive service positions in the Department of Defense located outside of the United States to provide employment opportunities for qualified spouses of members of the Armed Forces in the same geographical area as the permanent duty station of the members; and

(2) providing preference in hiring for positions in nonappropriated fund activities to qualified spouses of members of the Armed Forces stationed in the same geographical area as the nonappropriated fund activity for positions in wage grade UA-8 and below and equivalent positions and for positions paid at hourly rates.

(b) REGULATIONS.—The Secretary of Defense shall prescribe regulations—

(1) to implement such measures as the President orders under subsection (a);

(2) to provide preference hiring to qualified spouses of members of the Armed Forces in hiring for any position in the Department of Defense above grade GS-7 (or its equivalent) if the spouse is among persons determined to be best qualified for the position and if the position is located in the same geographical area as the permanent duty station of the member;

(3) to ensure that notice of any vacant position in the Department of Defense is provided in a manner reasonably designed to reach spouses of members of the Armed Forces whose permanent duty stations are in the same geographic area as the area in which the position is located; and

(4) to ensure that the spouse of a member of the Armed Forces who applies for a vacant position in the Department of Defense shall, to the extent practicable, be considered for any such position located in the same geographic area as the permanent duty station of the member.

(c) STATUS OF PREFERENCE ELIGIBLES.—Nothing in this section shall be construed to provide a spouse of a member of the Armed Forces with preference in hiring over an individual who is a preference eligible.

SEC. 807. YOUTH SPONSORSHIP PROGRAM

The Secretary of Defense shall direct that there be established at each military installation a youth sponsorship program to facilitate the integration of dependent children of members of the Armed Forces into new surroundings when moving to that military installation as a result of a parent's permanent change of station. Such a program shall, to the extent feasible, provide for involvement of dependent children of members presently stationed at the military installation.

SEC. 808. DEPENDENT STUDENT TRAVEL WITHIN THE UNITED STATES

Funds available to the Department of Defense for the travel and transportation of dependent students of members of the Armed Forces stationed overseas may be obligated for transportation allowances for travel within or between the contiguous States.

SEC. 809. RELOCATION AND HOUSING

(a) RELOCATION ASSISTANCE.—The Secretary of Defense shall submit to Congress a report on the desirability and feasibility of providing relocation assistance to members of the uniformed services and their families through contracts entered into by the Department of Defense with firms which provide such assistance to individuals. Such report shall be submitted not later than March 1, 1986.

(b) AMORTIZATION PERIOD FOR PARKING FACILITIES FOR HOUSE TRAILERS AND MOBILE HOMES.—Section 403(k) of title 37, United States Code, is amended by striking out "15-year period" and inserting in lieu thereof "25-year period".

(c) COST OF UNACCOMPANIED PERSONNEL HOUSING FOR MEMBERS OF UNIFORMED SERVICE.—Section 5911 of title 5, United States Code, is amended by adding at the end thereof the following new subsection:

"(h) A member of the uniformed service on a permanent change of duty station or temporary duty orders and occupying unaccompanied personnel housing—

"(1) is exempt from the requirement of subsection (c) to pay a rental rate or charge based on the reasonable value of the quarters and facilities provided; and

"(2) shall pay such lesser rate or charge as the Secretary of Defense establishes by regulation.".

SEC. 810. FOOD PROGRAMS

(a) FOOD COSTS FOR CERTAIN ENLISTED MEMBERS.—Section 1011 of title 37, United States Code, is amended by adding at the end thereof the following new subsection:

"(c) Spouses and dependent children of enlisted members in pay grades E-1, E-2, E-3, and E-4 may not be charged for meals sold at messes in excess of a level sufficient to cover food costs.".

(b) REPORT ON ISSUANCE OF FOOD STAMPS COUPONS TO OVERSEAS HOUSEHOLDS OF MEMBERS STATIONED OUTSIDE THE UNITED STATES.—(1) The Secretary of Defense shall submit to Congress a report on the feasibility of having the Department issue food stamp coupons to overseas households of members stationed outside the United States.

(2) The report shall include—

(A) an estimate of the cost of providing the coupons; and

(B) legislative and administrative recommendations for providing for the issuance of the coupons.

(3) The report shall be submitted not later than December 31, 1985.

SEC. 811. REPORTING OF CHILD ABUSE

(a) IN GENERAL.—The Secretary of Defense shall request each State to provide for the reporting to the Secretary of any report the State receives of known or suspected instances of child abuse and neglect in which the person having care of the child is a member of the Armed Forces (or the spouse of the member).

(b) DEFINITION.—For purposes of this section the term "child abuse and neglect" shall have the same meaning as provided in section 3(1) of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5102).

SEC. 812. MISCELLANEOUS REPORTING REQUIREMENTS

(a) HOUSING AVAILABILITY.—(1) The Secretary of Defense shall submit to Congress a report on the availability and affordability of off-base housing for members of the Armed Forces and their families.

(2) The report shall—

(A) examine the availability of affordable housing for each pay grade and for all geographic areas within the United States and for appropriate overseas locations; and

(B) examine the relocation assistance provided by the Department of Defense incident to a permanent change of station by a member of the Armed Forces in locating housing at the member's new duty station and in disposing of housing at the member's old duty station.

(3) The report shall be submitted within one year after the date of the enactment of this Act.

(b) NEED FOR ASSISTANCE TO DEPENDENTS ENTERING NEW SECONDARY SCHOOLS.—The Secretary of Defense shall submit to Congress a report recommending administrative and legislative action to assist families of members of the Armed Forces making a permanent change of station so that a dependent child who transfers between secondary schools with different graduation requirements is not subjected to unnecessary disruptions in education or inequitable, unduly burdensome, or duplicative education requirements. Such report shall be submitted within one year after the date of the enactment of this Act.

SEC. 813. EFFECTIVE DATE

This title shall take effect on October 1, 1985.

TITLE IX—PROCUREMENT POLICY REFORM AND OTHER PROCUREMENT MATTERS

SEC. 901. SHORT TITLE

This title may be cited as the "Defense Procurement Improvement Act of 1985".

PART A—PROGRAM MANAGEMENT MATTERS

SEC. 911. REGULATIONS RELATING TO ALLOWABLE COSTS

(a) REGULATION OF ALLOWABLE COSTS PAYABLE TO DEFENSE CONTRACTORS.—(1) Chapter 137 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§2324. Allowable costs under defense contracts

"(a)(1) The Secretary of Defense shall require that a covered contract provide that if the contractor submits to the Department of Defense a proposal for settlement of indirect costs incurred by the contractor for any period after such costs have been accrued and if that proposal includes the submission of a cost which is unallowable because the cost violates a cost principle in the Federal Acquisition Regulation or the Department of Defense Supplement to the Federal Acquisition Regulation, the cost shall be disallowed.

"(2) If the Secretary determines by clear and convincing evidence that a cost submitted by a contractor in its proposal for settlement is unallowable under paragraph (1), the Secretary shall assess a penalty against the contractor in an amount equal to—

"(A) the amount of the disallowed costs; plus

"(B) interest (to be computed based on regulations issued by the Secretary) to compensate the United States for the use of any funds which a contractor has been paid in excess of the amount to which the contractor was entitled.

"(b) If the Secretary determines that a proposal for settlement of indirect costs submitted by a contractor includes a cost determined to be unallowable in the case of such contractor before the submission of such proposal, the Secretary shall assess a penalty against the contractor, in addition to the penalty assessed under subsection (a), in an amount equal to two times the amount of such cost.

"(c) An action of the Secretary under subsection (a) or (b)—

"(1) shall be considered a final decision for the purposes of section 6 of the Contract Disputes Act of 1978 (41 U.S.C. 605); and

"(2) is appealable in the manner provided in section 7 of such Act (41 U.S.C. 606).

"(d) If any penalty is assessed under subsection (a) or (b) with respect to a proposal for settlement of indirect costs, the Secretary may assess an additional penalty of not more than $10,000 per proposal.

"(e)(1) The following costs are not allowable under a covered contract:

"(A) Costs of entertainment, including amusement, diversion, and social activities and any costs directly associated with such costs (such as tickets to shows or sports events, meals, lodging, rentals, transportation, and gratuities).

"(B) Costs incurred to influence (directly or indirectly) legislative action on any matter pending before Congress or a State legislature.

"(C) Costs incurred in defense of any civil or criminal fraud proceeding or similar proceeding (including filing of any a false certification) brought by the United States where the contractor is found liable or has pleaded nolo contendere to a charge of fraud or similar proceeding (including filing of false certification).

"(D) Payments of fines and penalties resulting from violations of, or failure to comply with, Federal, State, local, or foreign laws and regulations, except when incurred as a result of compliance with specific terms and conditions of the contract or specific written instructions from the contracting officer authorizing in advance such payments in accordance with applicable regulations of the Secretary of Defense.

"(E) Costs of membership in any social, dining, or country club or organization.

"(F) Costs of alcoholic beverages.

"(G) Contributions or donations, regardless of the recipient.

"(H) Costs of advertising designed to promote the contractor or its products.

"(I) Costs of promotional items and memorabilia, including models, gifts, and souvenirs.

"(J) Costs for travel by commercial aircraft which exceed the amount of the standard commercial fare.

"(2) The Secretary shall prescribe regulations to implement this section. Such regulations may establish appropriate definitions, exclusions, limitations, and qualifications.

"(f)(1) The Secretary shall prescribe proposed regulations to amend those provisions of the Department of Defense Supplement to the Federal Acquisition Regulation dealing with the allowability of contractor costs. The amendments shall define in detail and in specific terms those costs which are unallowable, in whole or in part, under covered contracts. These regulations shall, at a minimum, clarify the cost principles applicable to contractor costs of the following:

"(A) Air shows.

"(B) Membership in civic, community, and professional organizations.

"(C) Recruitment.

"(D) Employee morale and welfare.

"(E) Actions to influence (directly or indirectly) executive branch action on regulatory and contract matters (other than costs incurred in regard to contract proposals pursuant to solicited or unsolicited bids).

"(F) Community relations.

"(G) Dining facilities.

"(H) Professional and consulting services, including legal services.

"(I) Compensation.

"(J) Selling and marketing.

"(K) Travel.

"(L) Public relations.

"(M) Hotel and meal expenses.

"(N) Expense of corporate aircraft.

"(O) Company-furnished automobiles.

"(P) Advertising.

"(2) The regulations shall require that a contracting officer not resolve any questioned costs until he has obtained—

"(A) adequate documentation with respect to such costs; and

"(B) the opinion of the defense contract auditor on the allowability of such costs.

"(3) The regulations shall provide that, to the maximum extent practicable, the defense contract auditor be present at any negotiation or meeting with the contractor regarding a determination of the allowability of indirect costs of the contractor.

"(4) The regulations shall require that all categories of costs designated in the report of the defense contract auditor as questioned with respect to a proposal for settlement be resolved in such a manner that the amount of the individual questioned costs that are paid will be reflected in the settlement.

"(g) The regulations of the Secretary required to be prescribed under subsections (e) and (f)(1) shall require, to the maximum extent practicable, that such regulations apply to all subcontractors of a covered contract.

"(h)(1) A proposal for settlement of indirect costs applicable to a covered contract shall include a certification by an official of the contractor that, to the best of the certifying official's knowledge and belief, all indirect costs included in the proposal are allowable. Any such certification shall be in a form prescribed by the Secretary.

"(2) The Secretary of Defense or the Secretary of the military department concerned may waive the requirement for certification under paragraph (1) in the case of any contract if the Secretary—

"(A) determines in such case that it would be in the interest of the United States to waive such certification; and

"(B) states in writing the reasons for that determination and makes such determination available to the public.

"(i) The submission to the Department of Defense of a proposal for settlement of costs for any period after such costs have been accrued that includes a cost that is expressly specified by statute or regulation as being unallowable, with the knowledge that such cost is unallowable, shall be subject to the provisions of section 287 of title 18 and section 3729 of title 31.

"(j) In this section, 'covered contract' means a contract for an amount more than $100,000 entered into by the Department of Defense other than a fixed-price contract without cost incentives.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"2324. Allowable costs under defense contracts.".

(b) REGULATIONS.—(1) Not later than 150 days after the date of the enactment of this Act, the Secretary of Defense shall prescribe the regulations required by subsections (e) and (f) of section 2324 of title 10, United States Code, as added by subsection (a). Such regulations shall be published in accordance with section 22 of the Office of Federal Procurement Policy Act (41 U.S.C. 418b).

(2) The Secretary shall review such regulations at least once every five years. The results of each such review shall be made public.

(c) EFFECTIVE DATE.—Section 2324 of title 10, United States Code, as added by subsection (a), shall apply only to contracts for which solicitations are issued on or after the date on which such regulations are prescribed.

SEC. 912. MULTIPLE SOURCES FOR MAJOR DEFENSE ACQUISITION PROGRAMS

(a) IN GENERAL.—(1) Chapter 137 of title 10, United States Code, is amended by inserting after section 2305 the following new section:

"§ 2305a. Major programs: competitive alternative sources

"(a)(1) The Secretary of Defense may not begin full-scale development under a major program until—

"(A) the Secretary prepares an acquisition strategy for the program; and

"(B) the Secretary submits to the Committees on Armed Services of the Senate and House of Representatives a report describing the acquisition strategy for that program.

"(2) The report required by paragraph (1)(B) shall be submitted not later than the

date of the submission of the President's budget to Congress for the fiscal year for which the initial request is made for appropriations for full-scale development of the program.

"(3) If the Secretary proposes to revise an acquisition strategy prepared under paragraph (1) after the report on that strategy is submitted under that paragraph, the Secretary shall submit to the committees a report describing the proposed revision. Such a revision may not be implemented until 60 days after the date on which the report on the revision is received by those committees.

"(4) The Secretary shall ensure that contracts for each major program are awarded in accordance with the acquisition strategy for such program.

"(b)(1) The acquisition strategy prepared under subsection (a) for a major program shall provide that there will be competitive alternative sources available for the system (and each major subsystem) under the program throughout the period from the beginning of full-scale development through the end of production.

"(2) In carrying out this subsection, the Secretary may provide that the requirement for competitive alternative sources for a system or subsystem is satisfied even though the sources for that system or subsystem do not develop or produce identical systems if the systems developed or produced serve similar functions and compete effectively with each other.

"(c)(1) In preparing an acquisition strategy for a major program, the Secretary may waive subsection (b) with respect to full-scale development of that program if the Secretary determines that the application of that subsection to full-scale development of that program—

"(A) would not materially reduce the technological risks associated with the program;

"(B) would not likely result in an improvement in design commensurate with the additional cost;

"(C) would result in unacceptable delays in fulfilling the needs of the Department of Defense; or

"(D) would be adverse to the national security interests of the United States.

"(2) In preparing an acquisition strategy for a major program, the Secretary may waive the requirement of subsection (b) with respect to production under the program if the Secretary determines that the application of that subsection to production under the program—

"(A) would increase the total cost for the program;

"(B) would result in unacceptable delays in fulfilling the needs of the Department of Defense; or

"(C) would be adverse to the national security interests of the United States.

"(3) If the Secretary grants a waiver under paragraph (1) or (2), the report submitted under subsection (a) with respect to that program—

"(A) shall include notice that the waiver has been made; and

"(B) shall set forth the reasons for the waiver, together with supporting documentation of comparative cost and schedule estimates and other background material.

"(4) The Secretary shall separately exercise the authority under paragraphs (1) and (2) for each major defense acquisition program.

"(d) In this section:

"(1) 'Major program' means a major defense acquisition program, as such term is defined in section 139a(a) of this title.

"(2) 'Major subsystem', with respect to a major program, means a subsystem of the system developed under the program that is purchased directly by the United States and for which—

"(A) the amount for research, development, test and evaluation is 10 percent or more of the amount specified in section 139a(a)(1)(B) of this title as the research, development, test and evaluation funding criterion for identification of a major defense acquisition program; or

"(B) the amount for production is 10 percent or more of the amount specified in section 139a(a)(1)(B) of this title as the production funding criterion for identification of a major defense acquisition program.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2305 the following new item:

"2305a. Major programs: competitive alternative sources."

(b) EFFECTIVE DATE.—Section 2305a of title 10, United States Code, as added by subsection (a), shall apply with respect to major defense acquisition programs for which funds for full-scale development are first requested for a fiscal year after fiscal year 1986.

SEC. 913. MINIMUM PERCENTAGE OF COMPETITIVE PROCUREMENTS

(a) ANNUAL GOAL.—The Secretary of Defense shall establish for each fiscal year a goal for the percentage of defense procurements to be made during that year (expressed in total dollar value of contracts entered into) that are to be competitive procurements.

(b) ANNUAL REPORT.—(1) The Secretary shall submit to Congress a report each year on the goal for the next fiscal year. Such report shall propose means for promoting and expanding competition in Department of Defense procurement and shall summarize the accomplishments in meeting the established goals for the prior fiscal year.

(2) The report shall be submitted not later than April 1 of each year with respect to the next fiscal year.

(c) DEFINITION.—For the purposes of this section, the term "competitive procurements" means procurements made by the Department of Defense through the use of competitive procedures, as defined in section 2304 of title 10, United States Code.

SEC. 914. REGULATIONS TO CONTROL PRICES THAT MAY BE PAID FOR SPARE PARTS

(a) IDENTIFICATION OF MANAGEMENT PROBLEMS.—The Congress determines that in the acquisition of spare parts the Department of Defense has in some instances paid unreasonably high prices due to the following management problems:

(1) Some parts have been built to overly detailed specifications.

(2) Some parts have been designed and fabricated in such a manner that excessive engineering and manufacturing steps have been involved resulting in a price in excess of the intrinsic value of the part.

(3) Some parts have been purchased in very small, and thus highly uneconomic, quantities.

(4) Some parts have had inappropriate amounts of corporate overhead assigned to them, resulting in a price in excess of the intrinsic value of the part.

(5) Some parts have not been purchased directly from the manufacturer, and thus the Government has unnecessarily paid an additional profit to the seller.

(6) Some parts have not been purchased through a competitive process.

(7) Some parts have been sold with unreasonably high profits included in the price.

(b) REPORT.—(1) The Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives a report—

(A) describing the specific actions taken by the Department of Defense to address the management problems identified in subsection (a); and

(B) evaluating such actions to determine whether the actions have been successful in remedying those management problems.

(2) The report shall be submitted not later than January 31, 1986.

(c) PROPOSALS FOR ADDITIONAL ADMINISTRATIVE OR LEGISLATIVE REMEDIES.—If the Secretary of Defense concludes that the management problems identified in subsection (a) have not been successfully remedied by actions of the Department of Defense, the Secretary—

(1) shall issue proposed regulations to limit the prices that may be charged by defense contractors for spare parts; and

(2) shall, if the Secretary determines that legislation is necessary to remedy any of such problems, submit to Congress proposed legislation to remedy those problems.

(d) CONSTRUCTION OF SECTION.—This section does not supersede the requirements of section 1245 of the Department of Defense Authorization Act, 1985 (Public Law 98-525), the provisions of which the Secretary of Defense has failed to comply with as of July 25, 1985.

SEC. 915. SHOULD-COST ANALYSES

(a) REPORT ON ANNUAL PLAN.—The Secretary of Defense shall submit to Congress an annual report setting forth the Secretary's plan for the performance during the next fiscal year of cost analyses for major defense acquisition programs for the purpose of determining how much the production of covered systems under such programs should cost. The report shall describe—

(1) which covered systems the Secretary plans to apply such an analysis to;

(2) which covered systems the Secretary does not plan to apply such an analysis to and, in each such case, the reasons for not applying such an analysis; and

(3) which systems were determined not to be covered systems under a major defense acquisition program and the reasons for that determination.

(b) COVERED SYSTEMS.—For the purposes of subsection (a), a system under a major defense acquisition program shall be considered to be a covered system if—

(1) a production contract for the system is to be awarded during the year following the next fiscal year using procedures other than full and open competition;

(2) initial production of the system has already taken place;

(3) the current plans for the Department of Defense include production of substantial quantities of identical or similar items in fiscal years beyond the next fiscal year;

(4) the work to be performed under the contract is sufficiently defined to permit an effective analysis of what production of the system by the contractor should cost; and

(5) major changes in the program are unlikely.

(c) SUBMITTAL OF REPORT.—The report required by subsection (a) shall be submitted to the Committees on Armed Services of the Senate and the House of Representatives not later than the date on which the budget for the next fiscal year is submitted each year.

(d) DEFINITION.—The term "major defense acquisition program" has the meaning given such term in section 139a(a)(1) of title 10, United States Code.

(e) EFFECTIVE DATE.—This section shall apply to covered systems for which initial production funds are first appropriated for a fiscal year after fiscal year 1986.

SEC. 916. LIMITATIONS ON PROGRESS PAYMENTS

(a) IN GENERAL.—The Secretary of Defense shall ensure that any payment for work in progress (including materials, labor, and other items) under a defense contract that provides for such payments is commensurate with the work, which meets standards of quality established under the contract, that has been accomplished.

(b) REQUIREMENTS WITH RESPECT TO UNDEFINITIZED CONTRACTS.—The Secretary shall ensure that progress payments referred to in subsection (a) are not made for more than 80 percent of the work accomplished under a defense contract so long as the Secretary has not made the contractual terms, specifications, and price definite.

(c) WAIVER OF SMALL PURCHASES.—This section does not apply to contracts for amounts less than the threshold for small purchases applicable under section 2304(g)(2) of title 10, United States Code.

(d) EFFECTIVE DATE.—This section shall apply only to contracts for which solicitations are issued on or after 150 days after the enactment of this Act.

SEC. 917. COST AND PRICE MANAGEMENT IN DEFENSE PROCUREMENT

(a) IN GENERAL.—Chapter 141 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 2406. Cost and price management

"(a) In this section:

"(1) 'Covered contract' means a contract that is awarded by a defense agency using procedures as defined in chapter 137 of this title and that is subject to the provisions of section 2306(f) of this title, including contracts for full-scale engineering, development, or production.

"(2) 'Defense agency' means the Department of Defense, the Department of the Army, the Department of the Navy, the Department of the Air Force, and the Defense Logistics Agency.

"(b)(1) A defense agency that is responsible for the acquisition of property (including major manufactured end items) or services under a covered contract shall cause to be recorded the contractor's proposed and negotiated cost and pricing data acquired by the agency into appropriate categories. Such categories shall include labor costs, material costs, subcontract costs, overhead costs, general and administrative costs, fee or profit, recurring costs, and nonrecurring costs.

"(2)(A) A defense agency that is responsible for the acquisition of major manufactured end items under a covered contract shall cause to be recorded the proposed and negotiated bills of labor for labor use by the prime contractor and each associate contractor in manufacturing the item and for labor used by each such contractor in performing routine testing relating to the item. The bill of labor relating to the labor used by any such contractor shall reflect such contractor's computation of the work required in manufacturing parts and subassemblies for the end item and in performing routine testing of such parts and subassemblies.

"(B) Each contractor preparing a bill of labor referred to in subparagraph (A) shall specify in the bill of labor the current industrial engineering standard hours of work content (also known as 'should-take times') for the work included in a component of the bill of labor and for the total work included in the bill of labor. The contractor shall base the standard hours of work content specified in the bill of labor on the 'fair day's work' concept, as such term is understood in competitive commercial manufacturing industries in the United States. The contractor's standard hours of work content included in the bill of labor may not vary from time standards derived from commercially available predetermined time standard systems widely used in the United States, as determined by the defense agency, subject to verification by audit.

"(C) The head of a defense agency acquiring a bill of labor referred to in subparagraph (A) shall provide for the maintenance of the information relating to standard hours of work content included under subparagraph (B) and shall review such information to determine changes in measured work content as work progresses under the contract to which the bill of labor relates.

"(3) A defense agency that is responsible for the acquisition of major manufactured end items under a covered contract shall cause to be recorded the proposed and negotiated bills of material used by the prime contractor and each associate contractor under the contract in manufacturing the item and of material used by each such contractor in performing routine testing relating to the item. The bill of material used by any such contractor shall reflect such contractor's computation of the material required for manufacturing parts and subassemblies for the end item and for routine testing of such parts and subassemblies. The costs set out in the bill of material shall be expressed in current dollars and shall be maintained and received in a manner similar to the manner provided for bills of labor in paragraph (2)(C).

"(4) A defense agency that is responsible for the acquisition of property (including major manufactured end items) or services under a covered contract shall cause to be recorded incurred costs under the contract in the same manner as the defense agency categorizes and records proposed and negotiated costs, including grouping the costs as provided under paragraph (1).

"(c)(1) Nothing in this section shall prohibit a contractor from submitting a request for payment or reimbursement for any bill of labor or any bill of material developed pursuant to an approved system of cost principles and procedures.

"(2) Nothing in this section shall require the submission of the information to be submitted under this section if the contractor does not maintain such information on the date of the enactment of this section.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"2406. Cost and price management.".

SEC. 918. CONTRACTED ADVISORY AND ASSISTANCE SERVICES

(a) ACCOUNTING PROCEDURE.—(1) The Secretary of Defense shall require that there be established within each military department an accounting procedure to aid in the identification and control of expenditures for services identified as contracted advisory and assistance services.

(2) Not later than six months after the date of the enactment of this Act, the Secretary shall submit to Congress a report describing the accounting procedure established in accordance with paragraph (1) and the implementation of that procedure in each military department.

(b) REGULATIONS TO IDENTIFY CONTRACTED ADVISORY AND ASSISTANCE SERVICES.—(1) The Secretary shall prescribe regulations which specifically describe—

(A) what services the Department of Defense considers to be contracted advisory and assistance services; and

(B) of those services, which services are carried out in direct support of a weapon system and are essential to the development, production, or maintenance of the system.

(2) In prescribing regulations under paragraph (1), the Secretary shall consider the following areas:

(A) Management and professional services.

(B) Special studies and analyses.

(C) Management and support services for research and development activities.

(D) Training.

(E) Management review of program-funded organizations.

(F) Public relations.

(G) Other consulting services.

(H) Engineering development and operational systems development related to research and development activities and production activities.

(I) Technical assistance.

(J) Technical representation.

(K) Quality control, testing, and inspection services.

(L) Specialized medical services.

(M) Architectural and engineering services, other than in connection with construction.

(N) Technical and management assistance for weapons systems management and review.

(3) Regulations required by paragraph (1) shall be prescribed not later than six months after the date of the enactment of this Act.

(c) CONGRESSIONAL BUDGET DOCUMENTS.—Budget documents presented to Congress in support of the annual budget for the Department of Defense—

(1) shall identify the total amount requested for contracted advisory and assistance services (as defined under regulations prescribed under subsection (b));

(2) shall identify the amount requested for each category of such services established by regulations prescribed under subsection (b); and

(3) within each such category, shall separately set forth amounts for such services described in subsection (b)(1)(B).

SEC. 919. REVISION AND EXTENSION OF PROCUREMENT TECHNICAL ASSISTANCE COOPERATIVE AGREEMENT PROGRAM

(a) PROGRAM REVISIONS.—Sections 2411 through 2414 of title 10, United States Code, are amended to read as follows:

"§ 2411. Definitions

"In this chapter:

"(1) 'Eligible entity' means—

"(A) a State (as defined in section 6302(5) of title 31);

"(B) a local government (as defined in section 6302(2) of title 31); and

"(C) a private, nonprofit organization.

"(2) 'Distressed entity' means an eligible entity (within the meaning of paragraph (1)(B)) that—

"(A) has a per capita income of 80 percent or less of the State average; or

"(B) has an unemployment rate one percent greater than the national average for the most recent 24-month period for which statistics are available.

"(3) 'Secretary' means the Secretary of Defense acting through the Director of the Defense Logistics Agency.

"§ 2412. Purposes

"The purposes of the program authorized by this chapter are—

"(1) to increase assistance by the Department of Defense to eligible entities furnishing procurement technical assistance to business entities; and

"(2) to assist eligible entities in the payment of the costs of establishing and carrying out new procurement technical assistance programs and maintaining existing procurement technical assistance programs.

"§ 2413. Cooperative agreements

"(a) The Secretary, in accordance with the provisions of this chapter, may enter into cooperative agreements with eligible entities to carry out the purposes of this chapter.

"(b) Under any such cooperative agreement, the eligible entity shall agree to furnish procurement technical assistance to business entities and the Secretary shall agree to defray not more than one-half of the eligible entity's cost of furnishing such assistance, except that in the case of an eligible entity that is a distressed entity, the Secretary may agree to furnish more than one-half, but not more than three-fourths, of such cost.

"(c) In entering into cooperative agreements under subsection (a), the Secretary shall assure that at least one procurement technical assistance program is carried out in each Department of Defense contract administration services region during each fiscal year.

"§ 2414. Limitation

"The value of the assistance furnished by the Secretary to any eligible entity to carry out a procurement technical assistance program under a cooperative agreement under this chapter during any fiscal year may not exceed $150,000.".

(b) FUNDING.—Section 2415 of such title is amended—

(1) in subsection (a)—

(A) by striking out "fiscal year 1985 is 50 percent and during fiscal year 1986" in paragraph (2) and inserting in lieu thereof "fiscal years 1986 and 1987"; and

(B) by adding at the end the following new paragraph:

"(3) This subsection shall apply only to the first $3,000,000 appropriated to carry out this chapter in each of fiscal years 1986 and 1987.";

(2) by striking out "fiscal year 1986" in subsection (b) and inserting in lieu thereof "fiscal year 1987"; and

(3) by adding at the end thereof the following new subsection:

"(c) For any amount appropriated to carry out this chapter for fiscal year 1986 or 1987 in excess of $3,000,000, the Secretary shall allocate funds available for assistance under this chapter equally to each Defense Contract Administration Services region. If in any such fiscal year there is an insufficient number of satisfactory proposals in a region for cooperative agreements to allow effective use of the funds allocated to that region, the funds remaining with respect to that region shall be reallocated among the remaining regions.".

(c) AUTHORIZATION OF APPROPRIATIONS.—(1) There are authorized to be appropriated $5,000,000 for fiscal year 1986 and $6,000,000 for fiscal year 1987 to be available for the purpose of furnishing assistance to carry out procurement technical assistance programs under cooperative agreements entered into under chapter 142 of title 10, United States Code.

(2) Amounts appropriated for fiscal years 1986 and 1987 for operation and maintenance for the Department of Defense are available to defray the expenses of administering the provisions of such chapter during each such fiscal year, including the expenses related to the employment of any additional personnel necessary to administer such provisions.

(d) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall take effect on October 1, 1985.

PART B—PROCUREMENT PERSONNEL MATTERS

SEC. 921. POST-GOVERNMENT-SERVICE EMPLOYMENT BARS ON SENIOR DEFENSE OFFICIALS

Whoever being a Presidential appointee in Federal employment acts as a primary government representative in the negotiation of a government contract or the settlement thereof with a defense contractor shall not within two years after the termination of said activities with such contractor accept employment from that contractor and upon a knowing violation of this provision the employee shall be punished, upon conviction, with a prison term of up to one year and a fine of up to $5,000 and said defense contractor shall forfeit up to $50,000 in liquidated damages to the Federal Government which shall be provided for in the contract. The Secretary of Defense shall implement this provision by appropriate regulations.

SEC. 922. IMPROVED REPORTING AND DISCLOSURE FOR FORMER EMPLOYEES OF THE DEPARTMENT OF DEFENSE; PREVENTION OF CONFLICTS OF INTEREST

(a) REPORTING AND DISCLOSURE BY FORMER EMPLOYEES.—Subsection (a)(1) of section 2397 of title 10, United States Code, is amended—

(1) by striking out "by negotiation"; and

(2) by striking out "$10,000" and inserting in lieu thereof "$25,000".

(b) PENALTIES.—Subsection (b)(2) of such section is amended to read as follows:

"(2)(A) If a person to whom this subsection applies (i) was employed by, or served as a consultant or otherwise to, a defense contractor at any time during a year at an annual pay rate of at least $25,000 and the defense contractor was awarded contracts by the Department of Defense during the preceding year that totaled at least $10,000,000, and (ii) within the 2-year period ending on the day before the person began the employment or consulting relationship, the person served on active duty or was a civilian employee for the Department, the person shall file a report with the Secretary of Defense in such manner and form as the Secretary may prescribe. The person shall file the report not later than 90 days after the date on which the person began the employment or consulting relationship.

"(B) The person shall file an additional report each time, during the 2-year period beginning on the date the active duty or civilian employment with the Department terminated, that the person's job with the defense contractor significantly changes or the person commences an employment or consulting relationship with another defense contractor under the conditions described in the first sentence. A person required to file an additional report under this subparagraph shall file the report within 30 days after the date of the change or the date the employment or consulting relationship commences, as the case may be.".

(c) REPORTS.—Subsection (b)(3) of such section is amended—

(1) by striking out clause (D) and inserting in lieu thereof the following:

"(D) A description of the duties and work performed or to be performed by the person for the defense contractor, and a description of any similar duties or work performed for which the person had at least partial responsibility as a civilian official or employee of the Department of Defense or a member of the armed forces during the 2-year period referred to in paragraph (2)(A)(ii).";

(2) in clause (F)—

(A) by striking out "brief"; and

(B) by striking out "3-year period before that duty or service ended" and inserting in lieu thereof "2-year period referred to in paragraph (2)(A)(ii) and a description of the type of work performed and the extent to which such work was performed by the person for the defense contractor that has employed the person or has retained the person as a consultant"; and

(3) by adding at the end thereof the following new clause:

"(I) A statement describing any disqualification action taken by the person during the 2-year period referred to in paragraph (2)(A)(ii) with respect to any involvement in a matter concerning the defense contractor.".

(d) FORMER CONTRACTOR EMPLOYEES.—(1) Subsection (c)(1) of such section is amended—

(A) by striking out "fiscal" each place it appears; and

(B) in clause (B)—

(i) by striking out "3-year" and inserting in lieu thereof "2-year"; and

(ii) by striking out "$15,000" and inserting in lieu thereof "$25,000".

(2) Subsection (c)(2) of such section is amended—

(A) by striking out clause (C) and inserting in lieu thereof the following:

"(C) A description of the duties and work performed by the person with the Department and a description of any similar duties or work for which the person had at least partial responsibility as an employee or consultant of the defense contractor during the 2-year period referred to in paragraph (1)(B)."; and

(B) by striking out clause (F) and inserting in lieu thereof the following:

"(F) A description of the duties and work performed by the person for the defense contractor and a description of the type of work and the extent to which such work was performed by the person in connection with contracts of the defense contractor with the Department during the 2-year period referred to in paragraph (1)(B).".

(e) REPORTS NOT TO BE ON FISCAL YEAR BASIS.—Subsection (e) of such section is amended by striking out "fiscal".

(f) ADMINISTRATIVE PENALTY.—Subsection (f) of section 2397 of such title is amended to read as follows:

"(f)(1) A person who fails to comply with the filing requirements of this section shall be liable to the United States for an administrative penalty in the amount of $10,000, or in such lesser amount as may be determined by the Secretary of Defense, considering all the relevant circumstances.

"(2) The Secretary shall determine whether a person has failed to file a report required by this section and shall determine the amount of the penalty under paragraph

(1). The Secretary shall make the determinations on the record after opportunity for an agency hearing as provided in subchapter II of chapter 5 of title 5, United States Code. The determinations of the Secretary shall be subject to judicial review under chapter 7 of such title.".

SEC. 923. REQUIREMENTS RELATING TO PRIVATE EMPLOYMENT CONTACTS BETWEEN CERTAIN DEPARTMENT OF DEFENSE PROCUREMENT OFFICIALS AND DEFENSE CONTRACTORS

(a) IN GENERAL.—(1) Chapter 141 of title 10, United States Code, is amended by inserting after section 2397 the following new section:

"§ 2397a. Requirements relating to private employment contacts between certain Department of Defense procurement officials and defense contractors

"(a) In this section:

"(1) 'Contract' has the same meaning as provided in section 2397(a)(1) of this title.

"(2) 'Covered defense official' means any individual who is serving—

"(A) as a civilian officer or employee of the Department of Defense in a position for which the rate of pay is equal to or greater than the minimum rate of pay payable for grade GS-11 under the General Schedule; or

"(B) on active duty in the armed forces in a pay grade of O-4 or higher.

"(3) 'Defense contractor' has the same meaning as provided in section 2397(a)(2) of this title.

"(4) 'Designated agency ethics official' has the same meaning as the term 'designated agency official' in section 209(10) of the Ethics in Government Act of 1978 (92 Stat. 1850; 5 U.S.C. App.).

"(5) 'Employment' means a relationship under which an individual furnishes services in return for any payment or other compensation paid directly or indirectly to the individual for the services.

"(6) 'Procurement function' includes, with respect to a contract, any function relating to—

"(A) the negotiation, award, administration, or approval of the contract;

"(B) the selection of a contractor;

"(C) the approval of changes in the contract;

"(D) quality assurance, operation and developmental testing, the approval of payment, or auditing under the contract; or

"(E) the management of the procurement program.

"(b)(1) If a covered defense official who has participated in the performance of a procurement function in connection with a contract awarded by the Department of Defense contacts, or is contacted by, the defense contractor to whom the contract was awarded (or an agent of such contractor) regarding future employment opportunities for the official with the defense contractor, the official (except as provided in paragraph (2)) shall—

"(A) promptly report the contact to the official's supervisor and to the designated agency ethics official (or his designee) of the agency in which the covered defense official is employed; and

"(B) for any period for which future employment opportunities for the covered defense official have not been rejected by either the covered defense official or the defense contractor, disqualify himself from all participation in the performance of procurement functions relating to contracts of the defense contractor.

"(2) A covered defense official is not required to report the first contact with a defense contractor under paragraph (1)(A) or to disqualify himself under paragraph (1)(B) if the defense official terminates the contact immediately. However, if an additional contact of the same or a similar nature is made by or with the defense contractor, the covered defense official shall report (as provided in paragraph (1)) the contact and all contacts of the same or a similar nature made by or with the defense contractor during the 90-day period ending on the date the additional contact is made.

"(c) A report required by subsecton (b)(1) shall include—

"(1) the date of each contact covered by the report; and

"(2) a brief description of the substance of the contact.

"(d)(1)(A) If the Secretary of Defense determines under paragraph (2) that a person has failed promptly to make a report required by subsection (b)(1)(A) or (b)(2) or has failed to disqualify himself in any case in which he is required to do so under subsection (b)(1)(B)—

"(i) the person may not accept or continue employment with the defense contractor during the 10-year period beginning with the date of separation from Government service; and

"(ii) the Secretary may impose on the person an administrative penalty in the amount of $10,000, or in such lesser amount as may be prescribed by the Secretary, taking into consideration all the circumstances.

"(B) An individual who accepts or continues employment prohibited by subparagraph (A)(i) shall be liable to the United States for an administrative penalty as provided in subparagraph (A)(ii). Such penalty may be in addition to any penalty previously imposed on the individual under subparagraph (A)(ii) for failure promptly to make a report relating to the defense contractor by whom the individual is employed as required by subsection (b)(1)(A) or (b)(2).

"(C) The Secretary of Defense may take action against an individual under this paragraph before, on, or after the date on which the individual's employment with the Government is terminated.

"(2)(A) The Secretary of Defense shall determine—

"(i) whether an individual has failed promptly to make a report required by subsection (b)(1)(A) or (b)(2) or has failed to disqualify himself in any case in which he is required to do so under subsection (b)(1)(B) and whether to impose a penalty under paragraph (1)(A)(ii) and the amount of such penalty; and

"(ii) whether an individual is liable to the United States for an administrative penalty under paragraph (1)(B) and the amount of such penalty.

There shall be a rebuttable presumption in favor of a covered defense official that failure to report a contact with a defense contractor or failure to disqualify himself from participation in the performance of certain procurement functions is not a violation of subsection (b)(1)(A) or (b)(2) or subsection (b)(1)(B), as the case may be, if the defense official has received an opinion in writing from the designated agency ethics official under subsection (e) stating that a report or disqualification by the official was not necessary.

"(B) Determinations of the Secretary under subparagraph (A) shall be made on the record after opportunity for an agency hearing as provided in subchapter II of chapter 5 of title 5. The determinations of the Secretary shall be subject to judicial review under chapter 7 of such title.

"(e) If a designated agency ethics official or his designee receives a report required by subsection (b) or a request for advice from a covered defense official relating to a contact described in such subsection, the designated agency ethics official or his designee may issue a written opinion regarding the necessity of a covered defense official to file a report or disqualify himself from participation in certain procurement functions, as the case may be.

"(f) A covered defense official should request the advice of his supervisor and the appropriate designated agency ethics official (or his designee) on matters to which this section applies.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2397 the following new item:

"2397a. Requirements relating to private employment contacts between certain Department of Defense procurement officials and defense contractors.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect with respect to contacts (referred to in section 2397a of title 10, United States Code, as added by subsection (a) of this section) made on or after the date of enactment of this Act.

SEC. 924. MANAGEMENT OF DEPARTMENT OF DEFENSE PROCUREMENT PERSONNEL

(a) REQUIREMENTS FOR EDUCATION, TRAINING, AND EXPERIENCE.—(1) Part II of subtitle A of title 10, United States Code, is amended by adding at the end thereof the following new chapter:

"CHAPTER 85—PROCUREMENT MANAGEMENT PERSONNEL

"Sec.
"1621. Definitions.
"1622. Education, training, and experience requirements: program managers.
"1623. Education, training, and experience requirements: general and flag officers.
"1624. Training program: quality assurance personnel.

"§ 1621. Definitions

"In this chapter:

"(1) 'Program manager' means an officer or employee of the Department of Defense or member of the armed forces assigned by the Secretary of a military department to have overall responsibility for acquisitions under a major defense acquisition program.

"(2) 'Procurement command' means the Army Materiel Command, the systems commands of the Navy, the Air Force Systems Command, or Air Force Logistics Command (or any successor organization of any such command).

"(3) 'Major defense acquisition program' has the meaning given that term in section 139a(a)(1) of this title.

"§1622. Education, training, and experience requirements: program managers

"(a) The Secretary of each military department shall prescribe regulations establishing requirements for the education, training, and experience of any person assigned to duty as the program manager of a major defense acquisition program. Such regulations shall be subject to the approval of the Secretary of Defense.

"(b) Regulations under subsection (a) shall require that, before being assigned to duty as a program manager, a person—

"(1) must have attended the program management course at the Defense Systems Management College or a comparable program management course at another institution; and

"(2) must have at least eight years experience in the acquisition, support, and maintenance of weapon systems, at least two of which were performed while assigned to a procurement command.

"(c) A period of time spent pursuing a program of postgraduate education in a technical or management field or attending the course referred to in subsection (b)(1) may be counted toward the eight-year requirement prescribed in subsection (b)(2).

"(d) In assigning any person to duty as a program manager, the Secretary concerned may waive the requirements of subsection (b) in individual cases. The authority to waive such requirements may not be delegated.

"§1623. Education, training, and experience: flag and general officers

"(a) The Secretary of each military department shall prescribe regulations establishing requirements for the education, training, and experience of general or flag officers assigned to duty in a procurement command. Such regulations shall be subject to the approval of the Secretary of Defense.

"(b) Regulations prescribed under subsection (a) shall require that in order for an officer of a military department to serve in a flag or general officer grade while assigned to duty in a procurement command, the officer must meet the education and experience requirements for program managers prescribed in section 1622(b) of this title.

"(c) The Secretary concerned may waive the requirements for assignment to duty described in subsection (a). The authority to waive such requirements may not be delegated.

"§ 1624. Training program: quality assurance personnel

"The Secretary of Defense shall develop a training program for all personnel of the Department of Defense who are responsible for assuring quality in contractor facilities. The program shall be at least four weeks in duration. A person assigned to perform quality assurance duties in the Department of Defense shall, to the maximum extent practicable, attend such program during the first six months of the assignment to such duties.".

(2) The tables of chapters at the beginning of subtitle A of title 10, United States Code, and at the beginning of part II of such subtitle are each amended by inserting after the item relating to chapter 83 the following new item:

"85. Procurement Management Personnel.....1621".

(b) EFFECTIVE DATES.—(1) Section 1623 of title 10, United States Code (as added by subsection (a)), shall take effect on July 1, 1990.

(2) Section 1624 of title 10, United States Code (as added by subsection (a)), shall take effect on January 1, 1987.

(3) The regulations prescribed under subsection (a) of section 1622 of title 10, United States Code (as added by subsection (a)), shall provide that—

(A) the requirement described in subsection (b)(1) of such section shall take effect on July 1, 1987; and

(B) the requirement described in subsection (b)(2) of such section shall take effect on July 1, 1989.

SEC. 925. ASSIGNMENT OF PRINCIPAL CONTRACTING OFFICERS

(a) DEVELOPMENTAL POLICY.—The Secretary of Defense shall develop a policy regarding the mobility and regular rotation of principal administrative and corporate administrative contracting officers in the Department of Defense.

(b) REPORT.—The Secretary shall submit to the Committees on Armed Services of the Senate and House of Representatives not later than January 1, 1986, a report on such policy.

(c) IMPLEMENTATION.—Such policy shall be implemented not later than April 1, 1986.

PART C—FALSE CLAIMS, DEBARMENT, BURDEN OF PROOF, AND RELATED MATTERS

SEC. 931. INCREASED PENALTIES FOR FALSE CLAIMS IN DEFENSE PROCUREMENT

(a) CRIMINAL FINES.—Notwithstanding sections 287 and 3623 of title 18, United States Code, the maximum fine that may be imposed under such section for making or presenting any claim upon or against the United States related to a contract with the Department of Defense, knowing such claim to be false, fictitious, or fraudulent, is $1,000,000.

(b) CIVIL PENALTIES.—Notwithstanding section 3729 of title 31, United States Code, the amount of the liability under that section in the case of a person who makes a false claim related to a contract with the Department of Defense shall be a civil penalty of $2,000, an amount equal to three times the amount of the damages the Government sustains because of the act of the person, and costs of the civil action.

(c) EFFECTIVE DATE.—Subsections (a) and (b) shall be applicable to claims made or presented on or after the date of the enactment of this Act.

SEC. 932. PROHIBITION ON FELONS CONVICTED OF DEFENSE-CONTRACT-RELATED FELONIES AND PENALTY ON EMPLOYMENT OF SUCH PERSONS BY DEFENSE CONTRACTORS

(a) PROHIBITION.—A person who is convicted of fraud or any other felony arising out of a contract with the Department of Defense shall be prohibited from working in a management or supervisory capacity on any defense contract for a period, as determined by the Secretary of Defense, of not less than one year from the date of the conviction.

(b) PENALTY.—A defense contractor who knowingly employs a person under a prohibition under subsection (a) shall be fined not more than $500,000.

(c) EFFECTIVE DATE.—Subsection (a) shall apply only with respect to crimes committed after the date of the enactment of this Act.

SEC. 933. BURDEN OF PROOF IN GOVERNMENT CONTRACT DISPUTE RESOLUTION

In a proceeding before the Armed Services Board of Contract Appeals, the United States Claims Court, or any other Federal court in which the reasonableness of indirect costs for which a contractor seeks reimbursement from the Department of Defense is in issue, the burden of proof shall be upon the contractor to establish that such costs are reasonable.

SEC. 934. REIMBURSEMENT, INTEREST CHARGES, AND PENALTIES FOR OVERPAYMENTS

(a) COST AND PRICING DATA.—If the United States makes an overpayment to a contractor under a contract with the Department of Defense subject to 2306(f) of title 10, United States Code, and the overpayment was due to the submission by the contractor of inaccurate, incomplete, or noncurrent cost and pricing data, the contractor shall be liable to the United States—

(1) for interest on the amount of such overpayment to be computed from the date the payment was made to the contractor to the date the Government is repaid by the contractor at the applicable rate prescribed by the Secretary of the Treasury pursuant to Public Law 92-41 (85 Stat. 97); and

(2) if the submission of such inaccurate, incomplete, or noncurrent cost and pricing data was a knowing submission, an amount equal to the amount of the overpayment.

(b) DEFENSE PRODUCTION ACT AMENDMENT.—Section 719 of the Defense Production Act of 1950 (50 U.S.C. App. 2168) is amended by striking out the third sentence in subsection (h)(1) and inserting in lieu thereof the following: "Such interest shall be set at a rate established by the Secretary of the Treasury pursuant to Public Law 92-41. Such interest shall accrue from the time such payments were made to the contractor or subcontractor to the time such price adjustment is effected.".

(c) EFFECTIVE DATE.—This section shall apply only to contracts entered into on or after the date of the enactment of this Act.

SEC. 935. SUBPOENAS OF DEFENSE CONTRACTOR RECORDS

Section 2313 of title 10, United States Code, is amended by adding at the end thereof the following new subsection:

"(d)(1) The Director of the Defense Contract Audit Agency (or any successor agency) may require by subpoena the production of books, documents, papers, or records of a contractor, access to which is provided to the Secretary of Defense by subsection (a) or by section 2306(f) of this title.

"(2) Any such subpoena, in the case of contumacy or refusal to obey, shall be enforceable by order of an appropriate United States district court.

"(3) The authority provided by paragraph (1) may not be redelegated.

"(4) The Director (or any successor official) shall submit an annual report to the Secretary of Defense on the exercise of such authority during the preceding year and the reasons why such authority was exercised in any instance. The Secretary shall forward a copy of each such report to the Committees on Armed Services of the Senate and House of Representatives.".

PART D—REPORTS

SEC. 951. REPORT ON PROHIBITION ON INCLUDING GENERAL AND ADMINISTRATIVE OVERHEAD EXPENSES IN THE COMPUTATION OF CONTRACTOR PROFITS

(a) REPORT.—The Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives a report in writing of his views regarding the desirability and advisability of legislation or regulations that would prohibit, in the case of a contract awarded by the Department of Defense using procedures other than competitive procedures (as defined in section 2304(c) of title 10, United States Code), the inclusion of any actual or imputed general and administrative expenses of the contractor in the total cost to which a percentage is applied in order to calculate anticipated profit to be earned by the contractor.

(b) DESIRABILITY OF WAIVER AUTHORITY.—If the Secretary states in the report that the Secretary favors such a prohibition, the Secretary shall indicate in the report the

desirability and advisability of including in any legislation or regulation imposing such a prohibition the authority for the Secretary to waive the prohibition in particular cases if necessary to avoid inequitable economic hardship or if necessary for other expressly stated reasons.

(c) DEADLINE FOR REPORT.—The report shall be submitted not later than 60 days after the date of the enactment of this Act.

SEC. 952. REPORT ON USE OF INDEPENDENT COST ESTIMATES FOR MAJOR DEFENSE ACQUISITION PROGRAMS

(a) REQUIREMENT FOR REPORT.—The Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives a report on the continued use of independent cost estimates in the planning, programing, budgeting, and selection process for major defense acquisition programs of the Department of Defense.

(b) MATTERS TO BE INCLUDED.—The report shall be a follow-on to the report required by section 1203(c) of the Department of Defense Authorization Act, 1984 (Public Law 98-94; 10 U.S.C. 1039 note), and shall include—

(1) an overall assessment of the extent to which such estimates were adopted by the Department of Defense in making decisions on the fiscal year 1987 budget and a general explanation of why such estimates might have been modified or rejected; and

(2) a statement as to whether adequate personnel and financial resources have been allocated at all levels of the Department of Defense to those organizations or offices charged with developing or assessing independent estimates of the costs of major defense acquisition programs.

(c) DEADLINE.—The report shall be submitted not later than April 1, 1986.

SEC. 953. GAO STUDY OF FEASIBILITY OF CIVILIAN DEFENSE ACQUISITION AGENCY

(a) STUDY.—The Comptroller General shall carry out a study to review all available evidence, studies, reports, and analyses concerning the organizational structure for defense procurement.

(b) REPORT.—(1) After conducting such study, the Comptroller General shall submit to Congress a report concerning the advantages and disadvantages of the establishment of an agency either within or outside the Department of Defense with the mission of coordinating, supervising, directing, and performing all procurement functions for the Department of Defense.

(2) The report required by paragraph (1) shall be submitted not later than one year after the date of the enactment of this Act.

SEC. 954. REPORT ON SUSPENSION AND DEBARMENT OF DEFENSE CONTRACTORS

(a) REQUIRED REPORT.—The Secretary of Defense shall submit to Congress a report on the policies prescribed and actions taken by the Secretary to implement the recommendations contained in the report of the Inspector General of the Department of Defense entitled "Review of Suspension and Debarment Activities Within the Department of Defense", dated May 1984.

(b) COOPERATION WITH THE OFFICE OF INSPECTOR GENERAL.—The report under subsection (a) shall be prepared in cooperation with the Office of the Inspector General of the Department of Defense.

(c) DEADLINE FOR REPORT.—The report shall be submitted not later than 180 days after the date of the enactment of this Act.

SEC. 955. REPORT ON THE USE OF COMPETITION UNDER SECTION 8(a) SET-ASIDE PROGRAM

(a) REQUIREMENT FOR REPORT.—The Secretary of Defense and the Administrator of the Small Business Administration shall each submit to the Committees on Armed Services and on Small Business of the Senate and House of Representatives a report on the feasibility of providing for the use of competitive procedures for contracts awarded by the Department of Defense under the set-aside program of the Small Business Administration under section 8(a) of the Small Business Act.

(b) DEADLINE FOR REPORTS.—The reports required by subsection (a) shall be submitted not later than 180 days after the date of the enactment of this Act.

SEC. 956. REPORT ON EFFORTS TO INCREASE DEFENSE CONTRACT AWARDS TO INDIAN-OWNED BUSINESSES

(a) REPORT REQUIREMENT.—The Secretary of Defense shall submit to Congress a report on the efforts by the Department of Defense during fiscal years 1984 and 1985 to increase contract awards to Indian-owned businesses in accordance with the memorandum of understanding between the Department of Defense and the Small Business Administration of September 29, 1983. Such report shall include, to the maximum extent practicable, any data regarding the number and value of prime contracts awarded by the Department during such fiscal years to such businesses.

(b) DEADLINE FOR REPORT.—Such report shall be submitted by March 31, 1986.

(c) DEFINITION.—For the purposes of this section, the term "Indian-owned business' means a business firm owned and controlled by American Indians, including a tribally owned for-profit entity.

PART E—TECHNICAL AMENDMENTS TO FEDERAL PROCUREMENT LAW

SEC. 961. TECHNICAL CORRECTIONS TO FEDERAL PROCUREMENT LAW

(a) SIMPLIFICATION OF PROCEDURES FOR CERTAIN NONCOMPETITIVE PURCHASES.—(1) The second sentence of section 2304(f)(2) of title 10, United States Code, is amended to read as follows: "The justification and approval required by paragraph (1) is not required—

"(A) when a statute expressly requires that the procurement be made from a specified source;

"(B) when the agency's need is for a brand-name commercial item for authorized resale;

"(C) in the case of a procurement permitted by subsection (c)(7); or

"(D) in the case of a procurement conducted under (i) the Act of June 25, 1938 (41 U.S.C. 46 et seq.), popularly referred to as the Wagner-O'Day Act, or (ii) section 8(a) of the Small Business Act (15 U.S.C. 637(a).".

(2) The second sentence of section 303(f)(2) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253(f)(2)) is amended to read as follows: "The justification and approval required by paragraph (1) is not required—

"(A) when a statute expressly requires that the procurement be made from a specified source;

"(B) when the agency's need is for a brand-name commercial item for authorized resale;

"(C) in the case of a procurement permitted by subsection (c)(7); or

"(D) in the case of a procurement conducted under (i) the Act of June 25, 1938 (41 U.S.C. 46 et seq.), popularly referred to as the Wagner-O'Day Act, or (ii) section 8(a) of the Small Business Act (15 U.S.C. 637(a).".

(b) NATO MUTUAL SUPPORT PROCUREMENT.—Section 2323(b) of chapter 138 of title 10, United States Code, is amended by striking out "section 2304(g)" and inserting in lieu thereof "section 2304(a)".

(c) ADP PROCUREMENT.—Section 111 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 759) is amended by adding at the end thereof the following new subsection:

"(i) The justifications and approvals required by section 303(f)(1) of this Act shall apply in the case of any procurement under this section for which the minimum needs are so restrictive that only one manufacturer is capable of satisfying such needs. Such procurement includes either a sole source procurement or a procurement by specific make and model. Such justification and approval shall be required notwithstanding that more than one bid or offer is made or that the procurement obtains price competition and such procurement shall be treated as a procurement using procedures other than competitive procedures for purposes of section 19(b) of the Office of Federal Procurement Policy Act (41 U.S.C. 417(b)).".

(d) CLARIFICATION OF REGULATIONS CONCERNING TECHNICAL DATA.—(1) Section 2320(a)(1) of title 10, United States Code, is amended by striking out "the technical data" and inserting in lieu thereof "the item or process to which the technical data pertains".

(2) Section 21(c)(1) of the Office of Federal Procurement Policy Act (41 U.S.C. 418a(c)(1)) is amended by striking out "the technical data" and inserting in lieu thereof "the item or process to which the technical data pertains".

(3) The second sentence of section 301(c) of the Small Business and Federal Procurement Competition Enhancement Act of 1984 (41 U.S.C. 418a note) is amended by striking out "July 1, 1985" and inserting in lieu thereof "October 19, 1985".

(e) EFFECTIVE DATE.—The amendments made by subsections (a), (b), and (c) shall take effect as if included in the enactment of the Competition in Contracting Act of 1984 (title VII of division B of Public Law 98-369).

TITLE X—MATTERS RELATING TO ARMS CONTROL

SEC. 1001. POLICY ON COMPLIANCE WITH EXISTING STRATEGIC OFFENSIVE ARMS AGREEMENTS

(a) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the United States should vigorously pursue with the Soviet Union the resolution of concerns of the United States over Soviet compliance with existing strategic arms control agreements and should seek corrective actions through confidential diplomatic channels, including, if appropriate, the Standing Consultative Commission and the Nuclear and Space Arms negotiations;

(2) the Soviet Union should take positive steps to resolve the compliance concerns of the United States about existing strategic offensive arms agreements in order to maintain the integrity of those agreements and to strengthen the positive environment necessary for the successful negotiation of a new strategic offensive arms agreement;

(3) the United States should continue, through December 31, 1986, to refrain from undercutting the provisions of existing strategic offensive arms agreements—

(A)(i) to the extent that the Soviet Union refrains from undercutting those provisions; and

(ii) if the Soviet Union actively pursues arms reduction agreements in the Nuclear and Space Arms negotiations; or

(B) until a new strategic offensive arms agreement between the United States and the Soviet Union is concluded;

(4) the President—

(A) should carefully consider the impact of any change in the current policy of the United States regarding existing strategic offensive arms agreements on the long-term security interests of the United States and its allies; and

(B) should consult with Congress before making any change in that policy; and

(5) any decision by the President to continue the existing United States no-undercut policy beyond December 31, 1986, should be a matter for consultation between the President and Congress and for subsequent review and debate by Congress.

(b) REQUIREMENT FOR REPORT.—Not later than February 1, 1986, the President shall submit to Congress a report containing the following:

(1) A range of projections and comparisons, on a year-by-year basis, of United States and Soviet strategic weapons dismantlements that would be required over the next five years if the United States and the Soviet Union were to adhere to a policy of not undercutting existing strategic arms control agreements.

(2) A range of projections and comparisons, on a year-by-year basis, of likely United States and Soviet strategic offensive force inventories over the next five years assuming a termination at the end of 1985 in the current no-undercut policy.

(3) An assessment of the possible Soviet political, military, and negotiating responses to the termination of the United States no-undercut policy.

(4) Recommendations regarding the future of United States interim restraint policy.

(c) PROPOSAL OF MEASURES.—If the President finds and reports to Congress that—

(1) the Soviet Union has violated the provisions of any strategic arms agreement; and

(2) such violations impair or threaten the security of the United States,

the President may propose to Congress such measures as he considers necessary to protect the security of the United States.

(d) SCOPE OF POLICY.—Nothing in this section shall be construed—

(1) to restrain or inhibit the constitutional powers of the President;

(2) to endorse unilateral United States compliance with existing strategic arms agreements;

(3) as prohibiting the United States from carrying out proportionate responses to Soviet undercutting of strategic arms provisions;

(4) as prohibiting or delaying the development, flight testing, or deployment of the small intercontinental ballistic missile (SICM) as authorized by law; or

(5) as establishing a precedent to continue the no-undercut policy beyond December 31, 1986.

SEC. 1002. ANNUAL REPORT ON SOVIET COMPLIANCE WITH ARMS CONTROL COMMITMENTS

Not later than December 1, 1985, and not later than December 1 of each following year, the President shall submit to the Congress a report (in both classified and unclassified versions) containing, with respect to the compliance of the Soviet Union with its arms control commitments, the findings of the President and any additional information necessary to keep the Congress currently informed.

SEC. 1003. STUDY OF ARMS CONTROL VERIFICATION CAPABILITIES

(a) INTERAGENCY STUDY.—The President shall provide for an interagency study with the purpose of determining possible avenues for cooperation between the United States and the Soviet Union in the development of capabilities not subject to national security restrictions for verification of compliance with arms control agreements. Areas of possible cooperation to be examined shall include—

(1) limited exchanges of data and scientific personnel; and

(2) the conduct of a joint technological effort in the area of seismic monitoring.

(b) AGENCIES INCLUDED.—The President shall provide for participation in the interagency study under subsection (a) by—

(1) the Secretary of State;

(2) the Secretary of Defense;

(3) the Secretary of Energy;

(4) the Director of the Arms Control and Disarmament Agency;

(5) the heads of appropriate intelligence agencies;

(6) the Joint Chiefs of Staff; and

(7) such other officers as the President may designate.

(c) REPORT.—(1) The President shall submit to Congress a report on the results of the interagency study.

(2) The report shall be submitted in both a classified and unclassified version.

(3) The report shall be submitted not later than May 1, 1986.

SEC. 1004. SENSE OF CONGRESS RELATING TO UNITED STATES-SOVIET NEGOTIATIONS ON REDUCTION IN NUCLEAR ARMS

It is the sense of the Congress—

(1) that the President of the United States and the General Secretary of the Communist Party of the Union of Soviet Socialist Republics should be commended for their willingness to meet to discuss major issues in United States-Soviet relations; and

(2) that following thorough preparation, such meetings should be used to work for the realization of mutual, equitable, and verifiable reductions in nuclear arms.

SEC. 1005. PILOT PROGRAM FOR EXCHANGE OF CERTAIN HIGH-RANKING MILITARY AND CIVILIAN PERSONNEL WITH THE SOVIET UNION

(a) SUBMISSION OF PLAN.—The Secretary of Defense shall submit to the appropriate committees of Congress a plan for the establishment and operation during fiscal year 1986 of a pilot program for the exchange of visits between—

(1) high-ranking officers of the Armed Forces of the United States and high-ranking civilian officials of the Department of Defense; and

(2) corresponding high-ranking officers and officials of the Soviet Union.

(b) REQUIREMENTS OF PLAN.—Such plan shall include—

(1) specific identification of the United States officers and officials selected for participation in the program;

(2) the proposed length of the exchange visits with the Soviet Union;

(3) a description of the specific goals of each exchange visit;

(4) an estimate of the cost to the United States of participation in each visit;

(5) a description of any special actions that will be taken to protect classified information of the United States during any visit to the United States by officers or officials of the Soviet Union who are participating in the program; and

(6) any other details of the program that the Secretary considers appropriate.

(c) AVAILABILITY OF FUNDS.—Of the funds appropriated pursuant to section 301(a), the sum of $100,000 shall be available only for costs required for participation by the United States in the pilot program described in subsection (a), including costs for travel, subsistence, and other support expenses.

(d) DEADLINE FOR PLAN.—The Secretary shall submit the plan required by subsection (a) not later than December 1, 1985.

SEC. 1006. REPORT ON NUCLEAR WINTER FINDINGS AND POLICY IMPLICATIONS

(a) CONTINUED PARTICIPATION IN INTERAGENCY STUDIES.—Notwithstanding any limitation in any other provision of this Act, the Secretary of Defense, in accordance with section 1107(a) of the Department of Defense Authorization Act, 1985 (Public Law 98-525), shall participate in any comprehensive interagency study conducted on the atmospheric, climatic, environmental, and biological consequences of nuclear war and the implications that such consequences have for the nuclear weapons strategy and policy, the arms control policy, and the civil defense policy of the United States.

(b) REPORT ON NUCLEAR WINTER FINDINGS.—Not later than March 1, 1986, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives an unclassified report suitable for release to the public, together with classified addenda (if required), concerning the subject described in subsection (a). The Secretary shall include in such report the following:

(1) A detailed review and assessment of the findings in the current body of domestic and international scientific literature on the atmospheric, climatic, environmental, and biological consequences of nuclear explosions and nuclear exchanges.

(2) A thorough evaluation of the implications that such findings have on—

(A) the nuclear weapons policy of the United States, especially with regard to strategy, targeting, planning, command, control, procurement, and deployment;

(B) the nuclear arms control policy of the United States; and

(C) the civil defense policy of the United States.

(3) A discussion of the manner in which the results of such evaluation of policy implications will be incorporated into the nuclear weapons, arms control, and civil defense policies of the United States.

(4) An analysis of the extent to which current scientific findings on the consequences of nuclear explosions are being studied, disseminated, and used in the Soviet Union.

TITLE XI—MATTERS RELATING TO NATO

SEC. 1101. LIMITED AUTHORITY TO EXCEED PERMANENT CEILING ON UNITED STATES FORCES ASSIGNED TO NATO

Section 1002(c)(1) of the Department of Defense Authorization Act, 1985 (Public Law 98-525; 98 Stat. 2575), is amended by adding at the end thereof the following new sentence: "The Secretary of Defense may exceed such permanent ceiling in any year by a number equal to not more than ½ of 1 percent for the purpose of achieving sound management in the rotation of members of the Armed Forces of the United States to and from assignment to permanent duty ashore in European member nations of

NATO, but only if the Secretary determines that the increase in such year is necessary for such purpose.

SEC. 1102. NORTH ATLANTIC TREATY ORGANIZATION COOPERATIVE PROJECTS

(a) REVISION OF AUTHORITY.—(1) Section 27 of the Arms Export Control Act (22 U.S.C. 2767) is amended to read as follows:

"SEC. 27. NORTH ATLANTIC TREATY ORGANIZATION COOPERATIVE PROJECTS

"(a) The President may enter into a cooperative project agreement with the North Atlantic Treaty Organization (NATO) or with one or more member countries of that organization.

"(b) As used in this section—

"(1) the term 'cooperative project' means a jointly managed arrangement, described in a written agreement among the parties, which is undertaken in order to further the objectives of standardization, rationalization, and interoperability of the armed forces of North Atlantic Treaty Organization member countries and which provides—

"(A) for one or more of the other participants to share with the United States the costs of research on and development, testing, evaluation, or joint production (including follow-on support) of certain defense articles;

"(B) for concurrent production in the United States and in another member country of a defense article jointly developed in accordance with clause (A); or

"(C) for procurement by the United States of a defense article or defense service from another member country; and

"(2) the term 'other participant' means a participant in a cooperative project other than the United States.

"(c) Each agreement for a cooperative project shall provide that the United States and each of the other participants will contribute to the cooperative project its equitable share of the full cost of the cooperative project and will receive an equitable share of the results of the cooperative project. The full costs of such cooperative project shall include overhead and administrative costs. The United States and the other participants may contribute their equitable shares of the full cost of such cooperative project in funds or in defense articles or defense services needed for the project. Military assistance and financing received from the United States Government may not be used by any other participant to provide its share of the cost of such cooperative project. Such agreements shall provide that no requirement shall be imposed by a participant for worksharing or other industrial or commercial compensation in connection with such agreement that is not in accordance with such agreement.

"(d) The President may enter into contracts or incur other obligations for a cooperative project on behalf of the other participants, without charge to any appropriation or contract authorization, if each of the other participants in the cooperative project agrees (1) to pay its equitable share of the contract or other obligations, and (2) to make such funds available in such amounts and at such times as may be required by the contract or such other obligations and to pay any damages and costs that may accrue from the performance of or cancellation of such contract or other obligations in advance of the time such payments, damages, or costs are due.

"(e) With the approval of the Secretary of State and the Secretary of Defense, a cooperative agreement entered into by the United States before the date of the enactment of the Department of Defense Authorization Act, 1986, that otherwise meets the requirements of this section may be treated on and after such date as having been made under this section.

"(f)(1) For those cooperative projects entered into on or after the date of the enactment of the Department of Defense Authorization Act, 1986, the President may reduce or waive the charge or charges which would otherwise be considered appropriate under section 21(e) of this Act in connection with sales under sections 21 and 22 of this Act when such sales are made as part of the cooperative project. However, the President may reduce or waive such charge or charges only if the other participants agree to reduce or waive corresponding charges.

"(2) Notwithstanding section 21(e)(1)(A) and section 43(b) of this Act, administrative surcharges shall not be increased on other sales made under this Act in order to compensate for reductions or waivers of such surcharges under this section. Funds received pursuant to such other sales shall not be available to reimburse the costs incurred by the United States Government for which reduction or waiver is approved by the President under this section.

"(g) Not less than 15 days before a cooperative project agreement is signed on behalf of the United States, the President shall transmit to the Speaker of the House of Representatives, the chairman of the Committee on Foreign Relations of the Senate, and the chairman of the Committee on Armed Services of the Senate a numbered certification with respect to such proposed agreement, setting forth—

"(A) a detailed description of the cooperative project with respect to which the certification is made;

"(B) an estimate of the quantity of the defense articles expected to be produced in furtherance of such cooperative project;

"(C) an estimate of the full cost of the cooperative project, with an estimate of that part of the full cost to be incurred by the United States Government for its participation in such cooperative project and an estimate of that part of the full costs to be incurred by the other participants;

"(D) an estimate of the dollar value of the funds to be contributed by the United States and each of the other participants on behalf of such cooperative project;

"(E) a description of the defense articles and defense services expected to be contributed by the United States and each of the other participants on behalf of such cooperative project;

"(F) a statement of the foreign policy and national security benefits anticipated to be derived from such cooperative project; and

"(G) to the extent known, whether it is likely that prime contracts will be awarded to particular prime contractors or subcontracts will be awarded to particular subcontractors to comply with the proposed agreement.

"(h) Section 36(b) of this Act shall not apply to sales made under section 21 or 22 of this Act and to production and exports made pursuant to cooperative projects under this section, and section 36(c) of this Act shall not apply to the issuance of licenses or other approvals under section 38 of this Act, if such sales are made, such production and exports ensue, or such licenses or approvals are issued as part of a cooperative project.

"(i) The authority under this section is in addition to the authority under sections 21 and 22 of this Act and under any other provision of law.

"(j) Notwithstanding the amendments made to this section by the Department of Defense Authorization Act, 1986, projects entered into under this section before the date of such amendments may be carried through to conclusion in accordance with the terms of this section as in effect immediately before the effective date of amendments.".

(2) Section 2(b) of such Act (22 U.S.C. 2752(b)) is amended to read as follows:

"(b) Under the direction of the President, the Secretary of State (taking into account other United States activities abroad, such as military assistance, economic assistance, and food for peace program) shall be responsible for the continuous supervision and general direction of sales, leases, financing, cooperative projects, and exports under this Act, including, but not limited to, determining—

"(1) whether there will be a sale to or financing for a country and the amount thereof;

"(2) whether there will be a lease to a country;

"(3) whether there will be a cooperative project and the scope thereof; and

"(4) whether there will be delivery or other performance under such sale, lease, cooperative project, or export,

to the end that sales, financing, leases, cooperative projects, and exports will be integrated with other United States activities and to the end that the foreign policy of the United States would be best served thereby.".

(3) Section 3(a) of such Act (22 U.S.C. 2753(a)) is amended—

(A) in the text preceding clause (1), by inserting ", and no agreement shall be entered into for a cooperative project (as defined in section 27(b) of this Act)," after "international organization,";

(B) in paragraph (2)—

"(i) by inserting ", or produced in a cooperative project (as defined in section 27 of this Act)" after "so furnished to it";

(ii) by inserting "(or the North Atlantic Treaty Organization or the specified member countries (other than the United States) in case of a cooperative project)" after "international organization" the second place it appears; and

(C) in paragraph (3), by inserting "or service" after "such article" both places it appears.

(4) Section 42(e) of such Act (22 U.S.C. 2791(e)) is amended—

(A) in paragraph (1), by inserting ", and each contract entered into under section 27(d) of this Act," after "of this Act"; and

(B) in paragraph (3), by inserting "or under contracts entered into under section 27(d) of this Act" after "of this Act".

(5) The amendments made by this subsection are repealed effective as of the effective date of similar amendments to the Arms Export Control Act in the International Security and Development Cooperative Act of 1985 or any other law.

(b) AMENDMENT TO TITLE 10, UNITED STATES CODE.—(1) Chapter 141 of title 10, United States Code (as amended by section 604(a)(1)), is amended by adding at the end thereof the following new section:

"§ 2407. Acquisition of defense equipment under North Atlantic Treaty Organization cooperative projects

"(a)(1) If the President delegates to the Secretary of Defense the authority to carry out section 27(d) of the Arms Export Control Act (22 U.S.C. 2767(d)), relating to

North Atlantic Treaty Organization (NATO) cooperative projects (as defined in such section), the Secretary may utilize his authority under this title in carrying out contracts or obligations incurred under such section.

"(2) Except as provided in subsection (c), chapter 137 of this title shall apply to such contracts (referred to in paragraph (1)) entered into by the Secretary of Defense. Except to the extent waived under subsection (c) or some other provision of law, all other provisions of law relating to procurement, if otherwise applicable, shall apply to such contracts entered into by the Secretary of Defense.

"(b) When contracting or incurring obligations under section 27(d) of the Arms Export Control Act for cooperative projects, the Secretary of Defense may require subcontracts to be awarded to particular subcontractors in furtherance of the cooperative project.

"(c)(1) Subject to paragraph (2), when entering into contracts or incurring obligations under section 27(d) of the Arms Export Control Act outside the United States, the Secretary of Defense may waive with respect to any such contract or subcontract the application of any provision of law, other than a provision of the Arms Export Control Act or section 2304 of this title, that specifically—

"(A) prescribe procedures to be followed in the formation of contracts;

"(B) prescribe terms and conditions to be included in contracts;

"(C) prescribe requirements for or preferences to be given to goods grown, produced, or manufactured in the United States or in United States Government-owned facilities or for services to be performed in the United States; or

"(D) prescribe requirements regulating the performance of contracts.

"(2) A waiver may not be made under paragraph (1) unless the Secretary determines that the waiver is necessary to insure that the cooperative project will significantly further NATO standardization, rationalization, and interoperability.

"(3) The authority of the Secretary to make waivers under this subsection may be delegated only to the Deputy Secretary of Defense or the Acquisition Executive designated for the Office of the Secretary of Defense.

"(d)(1) The Secretary of Defense shall notify the Congress each time he requires that a prime contract be awarded to a particular prime contractor or that a subcontract to be awarded to a particular subcontractor to comply with a cooperative agreement. The Secretary shall include in each such notice the reason for exercising his authority to designate a particular contractor or subcontractor, as the case may be.

"(2) The Secretary shall also notify the Congress each time he exercises a waiver under subsection (c) and shall include in such notice the particular provision or provisions of law that were waived.

"(3) A report under this subsection shall be required only to the extent that the information required by this subsection has not been provided in a report made by the President under section 27(e) of the Arms Export Control Act (22 U.S.C. 2767(e)).

"(e)(1) In carrying out a cooperative project under section 27 of the Arms Export Control Act, the Secretary of Defense may agree that a participant (other than the United States) may make a contract for requirements of the United States under the project if the Secretary determines that such a contract will significantly further NATO standardization, rationalization, and interoperability. Except to the extent waived under this section or under any other provision of law, the Secretary shall ensure that such contract will be made on a competitive basis and that United States sources will not be precluded from competing under the contract.

"(2) If a participant (other than the United States) in a NATO cooperative project makes a contract on behalf of such project to meet the requirements of the United States, the contract may permit the contracting party to follow its own procedures relating to contracting.

"(f) In carrying out a cooperative project, the Secretary of Defense may also agree to the disposal of property that is jointly acquired by the members of the project without regard to any laws of the United States applicable to the disposal of property owned by the United States. Disposal of such property may include a transfer of the interest of the United States in such property to one of the other governments participating in the cooperative agreement or the sale of such property. Payment for the transfer or sale of any interest of the United States in any such property shall be made in accordance with the terms of the cooperative agreement.

"(g) Nothing in this section shall be construed as authorizing—

"(1) the Secretary of Defense to waive any of the financial management responsibilities administered by the Secretary of the Treasury; or

"(2) to waive the cargo preference laws of the United States, including the Military Cargo Preference Act of 1904 (10 U.S.C. 2631) and the Cargo Preference Act of 1954 (46 U.S.C. 1241(b)).".

(2) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"2407. North Atlantic Treaty Organization cooperative projects.".

TITLE XI—MATTERS RELATING TO NATO

SEC. 1103. NATO COOPERATIVE RESEARCH AND DEVELOPMENT

(a) FINDINGS.—The Congress hereby finds—

(1) that for more than a decade the member nations of the North Atlantic Treaty Organization (NATO) have provided in the aggregate significantly larger resources for defense purposes than have the member nations of the Warsaw Treaty Organization;

(2) that, despite this fact, the Warsaw Treaty Organization member nations have produced and deployed many more major combat items such as tanks, armored personnel carriers, artillery pieces and rocket launchers, armed helicopters, and tactical combat aircraft than have the member nations of NATO; and

(3) that a major reason for this discouraging performance by NATO is inadequate cooperation among NATO nations in research, development, and production of military end-items of equipment and munitions.

(b) CONGRESSIONAL REQUEST FOR COOPERATION ON R&D.—The Congress, therefore, urges and requests the President, the Secretary of Defense, and the United States Representative to the North Atlantic Treaty Organization to pursue diligently opportunities for member nations of NATO to cooperate—

(1) in research and development on defense equipment and munitions; and

(2) in the production of defense equipment, including—

(A) coproduction of conventional defense equipment by the United States and other member nations of NATO; and

(B) production by United States contractors of conventional defense equipment designed and developed by other member nations of NATO.

(c) FUNDS FOR COOPERATIVE PROJECTS.—(1) Of the funds appropriated pursuant to the authorizations in section 201(a) $200,000,000 shall be available, in equal amounts, to the Army, Navy, Air Force, and Defense Agencies only for NATO cooperative research and development projects as provided in this section.

(2) As used in this section, the term "cooperative research and development project" means a project involving joint participation by the United States and one or more other member nations of NATO under a memorandum of understanding (or other formal agreement) to carry out a joint research and development program—

(A) to develop new conventional defense equipment and munitions; or

(B) to modify existing military equipment to meet United States military requirements.

(d) RESTRICTIONS.—(1) A memorandum of understanding (or other formal agreement) to conduct a cooperative research and development project may not be entered into unless the Secretary of Defense determines that the proposed project enhances the ongoing multinational effort to improve NATO's conventional defense capabilities through the application of emerging technology.

(2) The Secretary may not delegate the authority to make a determination under paragraph (1) except to the Deputy Secretary of Defense or the Under Secretary of Defense for Research and Engineering.

(e) RESTRICTIONS ON PROCUREMENT OF EQUIPMENT AND SERVICES.—In order to assure substantial participation on the part of other member nations of NATO in approved cooperative research and development projects, funds made available under subsection (c) for such projects may not be used to procure equipment or services from any foreign government, foreign research organization, or other foreign entity.

(f) COOPERATIVE OPPORTUNITIES DOCUMENT.—(1)(A) In order to ensure that opportunities to conduct cooperative research and development projects are considered during the early decision points in the Department of Defense's formal development review process in connection with any planned project of the Department of Defense, the Under Secretary of Defense for Research and Engineering shall prepare a formal arms cooperation opportunities document for review by the Defense Systems Acquisition Review Council at its formal meetings.

(B) The Under Secretary shall also prepare an arms cooperation opportunities document for review of each new project for which a Justification of Major Systems New Start document is prepared.

(2) The formal arms cooperation opportunities document referred to in paragraph (1) shall include the following:

(A) A statement indicating whether or not a project similar to the one under consideration by the Department of Defense is in development or production by one or more of the other NATO member nations.

(B) If a project similar to the one under consideration by the Department of Defense is in development by one or more

other member nations of NATO, an assessment by the Under Secretary of Defense for Research and Engineering as to whether that project could satisfy, or could be modified in scope so as to satisfy, the military requirements of the project of the United States under consideration by the Department of Defense.

(C) An assessment of the advantages and disadvantages with regard to program timing, developmental and life cycle costs, technology sharing, and Rationalization, Standardization, and Interoperability (RSI) of seeking to structure a cooperative development program with one or more other NATO member nations.

(D) The recommendation of the Under Secretary of Defense for Research and Engineering as to whether the Department of Defense should explore the feasibility and desirability of a cooperative development program with one or more other member nations of NATO.

(g) SIDE-BY-SIDE TESTING.—(1) It is the sense of Congress—

(A) that the Department of Defense should perform more side-by-side testing of conventional defense equipment manufactured by the United States and other member nations of NATO; and

(B) that such testing should be conducted at the late stage of the development process when there is usually only a single United States prime contractor.

(2) In addition to any funds appropriated for activities of the Director of Defense Test and Evaluation pursuant to section 201(a), $50,000,000 shall be available to the Director, from any other funds appropriated to the Department of Defense for fiscal year 1986, for the acquisition of items of the type specified in paragraph (3) manufactured by other member nations of NATO for side-by-side comparison testing with comparable items of United States manufacture.

(3) Items that may be acquired by the Director of Defense Test and Evaluation under paragraph (2) include the following:

(A) Submunitions and dispensers.

(B) Anti-tank and anti-armor guided missiles.

(C) Mines, for both land and naval warfare.

(D) Runway-cratering devices.

(E) Torpedoes.

(F) Mortar systems.

(G) Light armored vehicles and major subsystems thereof.

(H) Utility vehicles.

(I) High-velocity anti-tank guns.

(J) Short-Range Air Defense Systems (SHORADS).

(K) Mobile air defense systems and components.

(4) The Director of Defense Test and Evaluation shall notify the Committees on Armed Services and on Appropriations of the Senate and House of Representatives of his intent to obligate funds made available to carry out this subsection not less than 30 days before such funds are obligated.

(5) Not later than February 1 of each year, the Director of Defense Test and Evaluation shall submit to the Committees on Armed Services and on Appropriations of the Senate and House of Representatives a report—

(A) on the systems, subsystems, and munitions produced by other member nations of NATO that were evaluated during the previous fiscal year by the Director; and

(B) on the obligation of any funds under this subsection during the previous fiscal year.

(h) SECRETARY TO ENCOURAGE SIMILAR NATO PROGRAMS.—The Secretary of Defense shall encourage other member nations of NATO to establish programs similar to the one provided for in this section.

TITLE XII—DEPARTMENT OF DEFENSE MANAGEMENT

PART A—MANAGEMENT OF FACILITIES AND DOD ORGANIZATION

SEC. 1201. ANNUAL SELECTED ACQUISITION REPORTS

Subsection (c) of section 139a of title 10, United States Code, is amended to read as follows:

"(c)(1) Each Selected Acquisition Report for the first quarter for a fiscal year shall include—

"(A) the same information, in detailed and summarized form, as is provided in reports submitted under section 139 of this title;

"(B) the current program acquisition unit cost for each major defense acquisition program included in the report and the history of that cost from the date the program was first included in a Selected Acquisition Report to the end of the quarter for which the current report is submitted; and

"(C) such other information as the Secretary of Defense considers appropriate.

"(2) Each Selected Acquisition Report for the first quarter of a fiscal year shall be prepared and submitted with the same content as was used for the Selected Acquisition Report for the first quarter of fiscal year 1984.

"(3) In addition to the material required by paragraphs (1) and (2), each Selected Acquisition Report for the first quarter of a fiscal year shall include—

"(A) a full life-cycle cost analysis for each major defense acquisition program included in the report that—

"(i) is in the full-scale engineering development stage or has completed that stage; and

"(ii) was first included in a Selected Acquisition Report for a quarter after the first quarter of fiscal year 1985;

"(B) if the system that is included in that major defense acquisition program has an antecedent system, a full life-cycle cost analysis for that system; and

"(C) production information for each major defense acquisition program included in the report, including (with respect to each such program)—

"(i) specification of the baseline production rate for each year of production of the program, defined as the production rate for each fiscal year through completion of procurement assumed in the decision to proceed with production (commonly referred to as the "Milestone III" decision);

"(ii) specification of the production rate for each fiscal year through completion of procurement assumed in the cost-effectiveness analysis prepared in conjunction with the decision to proceed with full-scale engineering development (commonly referred to as the "Milestone II" decision);

"(iii) specification of the maximum production rate for each year of production under the program, defined as the production rate for each fiscal year through completion of procurement attainable with the facilities and tooling currently programmed to be available for procurement under the program or otherwise provided by Government funds;

"(iv) specification of the current production rate for each year of production, defined as the production rate for the fiscal year during which the report is submitted and the annual production rate currently programmed for each subsequent fiscal year through completion of procurement, based on the President's Budget for the following fiscal year;

"(v) estimation of any cost variance—

"(I) between the program acquisition unit cost at the current production rate specified under clause (iv) and the program acquisition unit cost at the baseline production rate specified under clause (i); and

"(II) between the total program cost at the current production rate specified under clause (iv) and the total program cost at the baseline production rate specified under clause (i);

"(vi) estimation of any cost variance—

"(I) between the program acquisition unit cost at the current production rate specified under clause (iv) and the program acquisition unit cost at the maximum production rate specified under clause (iii); and

"(II) between the total program cost at the current production rate specified under clause (iv) and the total program cost at the maximum production rate specified under clause (iii); and

"(vii) estimation of any schedule or delivery variance—

"(I) between total quantities assumed in the baseline production rate specified under clause (i) and the current production rate specified under clause (iv); and

"(II) total quantities assumed in the maximum production rate specified under clause (iii) and the current production rate specified under clause (iv).

"(4) Selected Acquisition Reports for the first quarter of a fiscal year shall be known as comprehensive annual Selected Acquisition Reports.".

SEC. 1202. BASE CLOSURES AND REALIGNMENTS

(a) IN GENERAL.—Section 2687 of title 10, United States Code, is amended to read as follows:

"§ 2687. Base closures and realignments

"(a) Notwithstanding any other provision of law, no action may be taken to effect or implement—

"(1) the closure of any military installation at which at least 300 civilian personnel are authorized to be employed;

"(2) any realignment with respect to any military installation referred to in paragraph (1) involving a reduction by more than 1,000, or by more than 50 percent, in the number of civilian personnel authorized to be employed at such military installation at the time the Secretary of Defense or the Secretary of the military department concerned notifies the Congress under subsection (b) of the Secretary's plan to close or realign such installation; or

"(3) any construction, conversion, or rehabilitation at any military facility other than a military installation referred to in clause (1) or (2) which will or may be required as a result of the relocation of civilian personnel to such facility by reason of any closure or realignment to which clause (1) or (2) applies,

unless and until the provisions of subsection (b) are complied with.

"(b) No action described in subsection (a) with respect to the closure of, or a realignment with respect to, any military installation referred to in such subsection may be taken unless and until—

"(1) the Secretary of Defense or the Secretary of the military department concerned notifies the Committees on Armed Services of the Senate and House of Representatives, as part of an annual request for authorization of appropriations to such Committees,

of the proposed closing or realignment and submits with the notification an evaluation of the fiscal, local economic, budgetary, environmental, strategic, and operational consequences of such closure or realignment; and

"(2) a period of 30 legislative days or 60 calendar days, whichever is longer, expires following the day on which the notice and evaluation referred to in clause (1) have been submitted to such committees, during which period no irrevocable action may be taken to effect or implement the decision.

"(c) This section shall not apply to the closure of a military installation, or a realignment with respect to a military installation, if the President certifies to the Congress that such closure or realignment must be implemented for reasons of national security or a military emergency.

"(d)(1) After the expiration of the period of time provided for in subsection (b)(2) with respect to the closure or realignment of a military installation, funds which would otherwise be available to the Secretary to effect the closure or realignment of that installation may be used by him for such purpose.

"(2) Nothing in this section restricts the authority of the Secretary to obtain architectural and engineering services under section 2807 of this title.

"(e) As used in this section:

"(1) 'Military installation' means a base, camp, post, station, yard, center, or other activity under the jurisdiction of the Secretary of a military department which is located within any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, the Virgin Islands, or Guam. Such term does not include any facility used primarily for civil works, rivers and harbors projects, or flood control projects.

"(2) 'Civilian personnel' means direct-hire, permanent civilian employees of the Department of Defense.

"(3) 'Realignment' includes any action which both reduces and relocates functions and civilian personnel positions, but does not include a reduction in force resulting from workload adjustments, reduced personnel or funding levels, skill imbalances, or other similar causes.

"(4) 'Legislative day' means a day on which either House of Congress is in session.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to closures and realignments completed on or after the date of the enacment of this Act, except that any action taken to effect or implement any closure or realignment for which a public announcement was made pursuant to section 2687(b)(1) of title 10, United States Code, after April 1, 1985, and before the date of enactment of this Act shall be subject to the provisions of section 2687 of such title as in effect on the day before such date of enactment.

SEC. 1203. DEMONSTRATION PROJECT TO TEST THE USE OF A CERTAIN COMPUTER SYSTEM IN MILITARY HOSPITALS

(a) TEST OF VETERANS' ADMINISTRATION DECENTRALIZED HOSPITAL COMPUTER PROGRAM (DHCP).—The Secretary of Defense (hereinafter in this section referred to as the "Secretary") shall carry out a demonstration project for the purpose of testing the use in military hospitals of the hospital-management computer system of the Veterans' Administration known as the Veterans' Administration's decentralized hospital computer program. The purpose of the test shall be to determine the feasibility and cost-effectiveness of the use in military hospitals of such system rather than the use of a centralized hospital-management computer system, including the Composite Health-Care System.

(b) DURATION AND LOCATION OF DEMONSTRATION PROJECT.—The demonstration project under subsection (a) shall be carried out over a six-month period beginning on March 1, 1986, in two military hospitals. One of such hospitals shall be the hospital at March Air Force Base, and the test of the Veterans' Administration decentralized hospital computer program at such Air Force Base shall be expanded to meet the requirements of this section. The second hospital at which the demonstration project shall be carried out shall be designated by the Secretay of Defense. Such hospital may not be under the jurisdiction of the Secretary of the Air Force and shall be significantly larger than the hospital at March Air Force Base.

(c) USE OF ALL COMPONENTS OF DHCP.—The Secretary, in consultation with the Administrator of Veterans' Affairs, shall ensure that all available components of the Veterans' Administration system referred to in subsection (a) (including equipment and software) are used at their current functional level in each hospital in which the system is tested under this section.

(d) ASSISTANCE FROM VETERANS' ADMINISTRATION.—The Administrator of Veterans' Affairs shall provide, on a reimbursable basis, such personnel and equipment as are requested by the Secretary and determined by the Administrator to be available in order to assist the Secretary in carrying out the demonstration project under subsection (a).

(e) REPORT BY SECRETARY OF DEFENSE.—The Secretary shall transmit to Congress a report describing the demonstration project carried out under this section. Such report shall include specific findings and conclusions by the Secretary, and by the Secretary of each military department, with respect to the feasibility and cost-effectiveness of using the Veterans' Administration system referred to in subsection (a) in military hospitals, including the cost advantage that would accrue from acquiring a hospital-management computer system in the near term rather than the date that would apply if the Secretary were to acquire a centralized computer system, including the Composite Health-Care System.

(f) COMPTROLLER GENERAL EVALUATION AND REPORTS.—(1) The Comptroller General shall evaluate—

(A) the acquisition and implementation of the Composite Health-Care System; and

(B) the conduct of the demonstration project.

(2) The Comptroller General shall submit to Congress the reports specified in subsection (g) with respect to such evaluations and such other reports on such evaluations as may be appropriate.

(3) The evaluations required by paragraph (1) shall include consideration of—

(A) whether the Department of Defense has carried out the demonstration project in accordance with this section;

(B) the results of the demonstration project, including the feasibility and cost-effectiveness of using the Veterans' Administration system referred to in subsection (a) in military hospitals in lieu of the Composite Health-Care System; and

(C) the competitive acquisition process followed by the Department of Defense in making the selection of, and contract awards to, vendors for the Composite Health-Care System.

(g) RESTRICTIONS.—(1) The Secretary may not select vendors for the competition phase of the acquisition of the Composite Health-Care System or enter into any contract related to that phase until the earlier of—

(A) June 1, 1986; or

(B) the end of the 60-day period beginning on the date the Comptroller General submits a report under subsection (f) on the competitive acquisition process followed by the Department of Defense in selecting vendors for such competition phase.

(2) The Secretary may not enter into a contract for the procurement of a centralized computer system for military hospitals, including the Composite Health-Care System, until the Secretary—

(A) evaluates the results of the project carried out under this section in accordance with subsection (e);

(B) submits to Congress a report on such evaluation; and

(C) a period of 60 days has passed after receipt by Congress of that report.

(3) The Secretary may not make the final selection of a vendor or enter into a contract for the procurement of a centralized computer system for military hospitals, including the Composite Health-Care System, until the earlier of—

(A) July 1, 1987; or

(B) the end of the 60-day period beginning on the date on which the Comptroller General submits a report under subsection (f) on—

(i) the results of the demonstration project carried out under this section; and

(ii) the competitive acquisition process followed by the Department of Defense leading to the final selection of a vendor.

(h) DEFINITIONS.—In this section:

(1) The term "military hospital" means a hospital or medical center under the jurisdiction of the Secretary of a military department.

(2) The term "Composite Health-Care System" means the centralized hospital-management computer system that the Department of Defense is in the process of acquiring (as of the date of the enactment of this Act) for its medical facilities.

SEC. 1204. CONTINUED OPERATION BY THE SECRETARY OF DEFENSE OF THE DEFENSE DEPENDENTS' EDUCATION SYSTEM

(a) AMENDMENTS TO DEPARTMENT OF EDUCATION ORGANIZATION ACT.—(1) Sections 202(e), 208, 302, 401(f), of the Department of Education Organization Act (20 U.S.C. 3412(e), 3418, 3442, and 3461(f)) are repealed.

(2) Section 419(a) of such Act (20 U.S.C. 3479(a)) is amended—

(A) by striking out "(1)" after "(a)"; and

(B) by striking out paragraph (2).

(3) Section 503(a) of such Act (20 U.S.C. 3503(a)) is amended—

(A) by striking out "(1)" after "(a)"; and

(B) by striking out paragraph (2).

(4) The table of contents at the beginning of such Act is amended by striking out the items relating to sections 208 and 302.

(5) Section 414(b) of such Act (20 U.S.C. 3474(b)) is amended by striking out "302,".

(b) AMENDMENTS TO DEFENSE DEPENDENTS' EDUCATION ACT OF 1978.—(1) SECTION 1402 OF THE DEFENSE DEPENDENTS' EDUCATION ACT OF 1978 (20 U.S.C. 921) IS AMENDED BY ADDING AT THE END THEREOF THE FOLLOWING NEW SUBSECTION:

"(c) The Secretary of Defense shall consult with the Secretary of Education on the

educational programs and practices of the defense dependents' education system.".

(2)(A) Subsection (a)(1) of section 1410 of such Act (20 U.S.C. 928) is amended by adding at the end thereof the following new sentence: "The membership of each such advisory committee shall also include one nonvoting member designated by the organization recognized as the exclusive bargaining representative of the employees working at the school.".

(B) The first sentence of subsection (b) of such section is amended by striking out "Members" and inserting in lieu thereof "Except in the case of a nonvoting member designated under the last sentence of subsection (a)(1), members".

(C) The second sentence of such subsection is amended by striking out "The Secretary of Education, in consultation with the Secretary of Defense," and inserting in lieu thereof "The Secretary of Defense".

(3)(A) Subsection (a) of section 1411 of such Act (20 U.S.C. 929) is amended to read as follows:

"(a)(1) There is established in the Department of Defense an Advisory Council on Dependents' Education (hereinafter in this section referred to as the 'Council'). The Council shall be composed of—

"(A) the Secretary of Defense and the Secretary of Education, or their respective designees;

"(B) 12 individuals appointed jointly by the Secretary of Defense and the Secretary of Education who shall be individuals who have demonstrated an interest in the field of primary or secondary education and who shall include representatives of professional employee organizations, school administrators, and parents of students enrolled in the defense dependents' education system, and one student enrolled in such system; and

"(C) a representative of the Secretary of Defense and of the Secretary of Education.

"(2) Individuals appointed to the Council from professional employee organizations shall be individuals designated by those organizations.

"(3) The Secretary of Defense, or the Secretary's designee, and the Secretary of Education, or the Secretary's designee, shall serve as cochairmen of the Council.

"(4) The Director shall be the Executive Secretary of the Council.".

(4) Subsection (b)(1) of such section is amended by inserting "the Secretary of Defense and" before "the Secretary of Education".

(5) Subsection (c) of such section is amended—

(A) by striking out "at least four times each year" and inserting in lieu thereof "at least two times each year";

(B) by striking out paragraph (2);

(C) by redesignating paragraphs (3), (4), and (5) as paragraphs (2), (3), and (4), respectively; and

(D) by striking out "Secretary of Education" in paragraph (4) (as redesignated by subparagraph (C) of this paragraph) and inserting in lieu thereof "Secretary of Defense".

(c) CONFORMING AMENDMENT.—Section 5316 of title 5, United States Code, is amended by striking out "Administrator of Education for Overseas Dependents, Department of Education.".

SEC. 1205. AUTHORITY TO ENROLL CERTAIN CHILDREN IN OVERSEAS SCHOOLS OF THE DEFENSE DEPENDENTS' EDUCATION SYSTEM

Section 1404 of the Defense Dependents' Education Act of 1978 (20 U.S.C. 923) is amended by adding at the end thereof the following new subsection:

"(d)(1) The Secretary of Defense may authorize the enrollment in schools of the defense dependents' education system of children in the following classes:

"(A) Children of officers and employees of the United States (including employees of nonappropriated fund activities of the Department of Defense) stationed in overseas areas.

"(B) Children of employees of contractors employed in carrying out work for the United States in overseas areas.

"(C) Children of other citizens or nationals of the United States or of foreign nationals, if the Secretary determines that enrollment of such children is in the national interest.

"(2) Notwithstanding subsection (c), the Secretary may not waive the tuition requirements of subsection (b)(1) with respect to children referred to in paragraph (1).".

SEC. 1206. LIMITATION ON SIZE OF HEADQUARTERS STAFFS

(a) FREEZE ON HEADQUARTERS PERSONNEL.—As of September 30, 1986, the total number of military and civilian personnel assigned to duty in the agencies of the Department of Defense and the military departments to perform management headquarters activities or management headquarters support activities may not exceed the total number of personnel assigned to perform such activities as of September 30, 1985.

(b) CAP ON OSD PERSONNEL.—The number of military and civilian personnel assigned to the Office of the Secretary of Defense as of September 30, 1986, may not exceed 1,765.

(c) EXCLUSIONS.—In computing the number of military and civilian personnel assigned to duty in any agency of the Department of Defense or any military department to perform management headquarters activities or management headquarters support activities, the number of personnel assigned to such duty in the National Security Agency/Central Security Service, the Defense Intelligence Agency, the Organization of the Joint Chiefs of Staff, or the Naval Intelligence Command shall not be included.

(d) DEFINITIONS.—For purposes of this section, the terms "management headquarters activities" and "management headquarters support activities" have the same meanings prescribed for such terms in Department of Defense Directive 5100.73 entitled "Department of Defense Management Headquarters and Headquarters Support Activities", dated January 7, 1985.

SEC. 1207. REPORT ON ORGANIZATIONAL STRUCTURE OF THE MILITARY HEALTH-CARE DELIVERY SYSTEM.

(a) REQUIREMENT FOR REPORT.—(1) The Secretary of Defense shall submit to Congress a report containing a plan for revising the organizational structure of the military health-care delivery system to accomplish the goals described in subsection (b). In addition to recommendations of the Secretary, the report shall contain an analysis and evaluation of the various alternatives for that organizational structure that have been proposed as well as such other measures as the Secretary considers appropriate.

(2) The report of the Secretary shall be prepared through the Office of the Assistant Secretary of Defense for Health Affairs.

(b) GOALS.—The goals referred to in subsection (a) are the following:

(1) Streamlining the process for allocation of resources of the military health-care delivery system, including—

(A) integrating and coordinating the planning, programming, and budgeting of military medical facilities, equipment, and staffing; and

(B) adopting uniform budgeting procedures, uniform measures of workload, and other actions to improve operational efficiency (including the elimination of incentives to the over-use inpatient care).

(2) Improving the quality of medical care, including adoption of uniform, rigorous quality assurance standards and procedures to monitor the implementation of those standards.

(3) Reducing the cost of health care provided by the Department of Defense (in military medical facilities and under the Civilian Health and Medical Program of the Uniformed Services) through adoption or adaptation, where possible, of competitive strategies, cost containment innovations, or other techniques from the private sector.

(4) Enhancing medical readiness, including—

(A) improving joint medical readiness planning within the continental United States and overseas;

(B) standardizing combat medical equipment;

(C) standardizing the methodology used to determine the number of personnel, force structure, and specialty mix necessary to meet wartime medical manpower requirements; and

(D) redirecting graduate medical education programs to provide training in critical combat specialties.

(c) VIEWS OF OTHER DOD COMPONENTS.—The Secretary of each military department and the Joint Chiefs of Staff shall each carry out an independent study of the matters described in subsection (a). The report submitted under subsection (a) shall include the results of each such study. The study carried out by the Joint Chiefs of Staff shall include comments and contributions from the commanders of each of the unified and specified commands.

(d) DEADLINE FOR REPORT.—The report required by subsection (a) shall be submitted not later than 6 months after the date of the enactment of this Act.

SEC. 1208. ANNUAL REPORT ON GUARD AND RESERVE EQUIPMENT

Section 138(b) of title 10, United States Code, is amended by adding at the end thereof the following new paragraph:

"(3) The Secretary shall include in each report under paragraph (2) the following:

"(A) A listing of each major item of equipment required by the Selected Reserve of the Ready Reserve of each reserve component indicating—

"(i) the full war-time requirement of that component for that item, shown in accordance with deployment schedules and requirements over successive 30-day periods following mobilization;

"(ii) the number of each such item in the inventory of the component;

"(iii) a separate listing of each such item in the inventory that is a deployable item and is not the most desired item;

"(iv) the number of each such item projected to be in the inventory at the end of the third succeeding fiscal year; and

"(v) the number of nondeployable items in the inventory as a substitute for a required major item of equipment.

"(B) A narrative explanation of the plan of the Secretary concerned to provide equipment needed to fill the war-time requirement for each major item of equipment to

all units of the Selected Reserve, including an explanation of the plan to equip units of the Selected Reserve that are short major items of equipment at the outset of war.

"(C) For each item of major equipment reported under paragraph (2)(C) in a report for one of the three previous years under this subsection as an item expected to be procured for the Selected Reserve or to be transferred to the Selected Reserve, the quantity of such equipment actually procured for or transferred to the Selected Reserve.".

SEC. 1209. MORATORIUM ON FRANCHISE AGREEMENTS BY MILITARY EXCHANGE SERVICES

(a) IN GENERAL.—During the period beginning on the date of enactment of this Act and ending 30 days after the date Congress receives the report required by subsection (b), but no later than May 1, 1986, the Commanders of the Army and Air Force Exchange Service, the Navy Exchange Service, and the Marine Corps Exchange Service may not begin construction of any facility that—

(1) is located on a military installation in the United States;

(2) is to be used for the operation of a commercial franchise business; and

(3) is not identified in a contract, supplemental agreement to a contract, a contract solicitation, or letter of intent agreed to before the date of the enactment of this Act.

(b) REPORT REQUIREMENT.—(1) Not later than February 1, 1986, the Secretary of Defense shall transmit to Congress a report on current and proposed commercial franchise business operations on military installations.

(2) The report required by paragraph (1) shall include the following:

(A) A description of current and proposed plans of the exchange services referred to in subsection (a) to operate, or to authorize the operation of, commercial franchise businesses on military installations, specifying the franchises, installations, and types of services provided or to be provided under such plans.

(B) An enumeration of any advantages to commencing or expanding commercial franchise business activities on military installations.

(C) A description of the type and value of appropriated fund support (including Federal land and facilities) provided to activities of the exchange services referred to in subsection (a).

(D) A description of review and approval procedures in effect for determining whether the exchange services will enter into new commercial business franchise activities or will expand existing commercial business franchise activities.

(E) A description of the procedure for deciding whether services should be provided under contract or franchise or by using the resources of the exchange services.

(F) A description of the process by which a military installation is selected for new or increased levels of activities of the exchange services.

(G) A description of the consideration given to the impact that the addition of a new commercial business franchise activity or an expansion of an existing commercial business franchise activity of an exchange service at a military installation will have on private commercial business operations in the vicinity of the installation.

(H) An estimate (after consultation with the Secretary of the Treasury) of—

(i) the amount of tax revenues lost annually by State and local jurisdictions as the result of the operation of commercial franchise businesses on military installations in the United States; and

(ii) the potential effect on State and local tax bases of expansion of such businesses.

(I) The legal basis for and propriety of the operation by an instrumentality of the United States of a commercial business on a military installation under a franchise arrangement.

(c) PRIOR NOTICE TO CONGRESS.—(1) An officer or employee of the Department of Defense may not enter into a contract for the construction of a facility for or operation of a commercial franchise business on a military installation in the United States until the Secretary of Defense notifies Congress of the intention to enter into the contract.

(2) Paragraph (1) shall expire at the end of the two-year period beginning on the date of the enactment of this Act.

SEC. 1210. PRIORITY FOR AIR FORCE SHUTTLE OPERATIONS AND PLANNING COMPLEX

(a) DATES FOR IOC.—(1) The Secretary of the Air Force shall give sufficient priority to the completion of the Air Force Shuttle Operations and Planning Complex (SOPC) to ensure an initial operational capability (IOC) date for mission control at such complex in November 1992.

(2) In order to meet that IOC date, the Secretary is encouraged to maximize, to the extent feasible and practicable, commonality of design and equipments at the SOPC with the planned modernization of shuttle control facilities at the Johnson Space Flight Center.

(b) REPORT.—At the time of the submission to Congress of the President's budget for fiscal year 1987, the Secretary of the Air Force shall submit to the Committees on Armed Services of the Senate and House of Representatives a report setting forth a program plan by which the IOC date as specified in subsection (a) may be met.

SEC. 1211. PROVISION OF URANIUM TETRAFLUORIDE TO CONTRACTORS FOR PRODUCTION OF CONVENTIONAL AMMUNITION

(a) IN GENERAL.—Subject to subsection (b), the Secretary of the Army, during fiscal year 1986, may provide uranium tetrafluoride (green salt) from stockpile materials available to the Secretary to a contractor for the production of conventional ammunition for the Army.

(b) CERTIFICATION BY THE SECRETARY.—The Secretary may not provide uranium tetrafluoride to a contractor under this section until the Secretary certifies to Congress that—

(1) such action is necessary to meet the fiscal year 1986 ammunition production requirement because neither uranium tetrafluoride nor depleted uranium metal of the appropriate quality is available to the contractor from commercial sources—

(A) in the quantity needed by the contractor;

(B) during the period in which the material is needed by the contractor; and

(C) at a reasonable price (to be determined by the Comptroller General of the United States after taking into account an appropriate profit and the investment made in facilities as a consequence of the decision of the Secretary to discontinue providing uranium tetrafluoride to contractors beginning in fiscal year 1986);

(2) the contractor has agreed to repay to the United States a quantity of uranium tetrafluoride equivalent to the quantity provided to the contractor by the Secretary and has presented the Secretary with a credible plan for the repayment of the material; and

(3) the contractor has agreed to pay interest (at a rate determined by the Secretary) for the period beginning on the date on which the uranium tetrafluoride is made available to the contractor and ending on the date on which the material is repaid to the United States.

SEC. 1212. PROHIBITION OF CERTAIN RESTRICTIONS ON INSTITUTIONS ELIGIBLE TO PROVIDE EDUCATIONAL SERVICES

(a) No solicitation, contract, or agreement for the provision of off-duty postsecondary education services for members of the Armed Forces of the United States, civilian employees of the Department of Defense, or the dependents of such members or employees may discriminate against or preclude any accredited academic institution authorized to award one or more associate degrees from offering courses within its lawful scope of authority solely on the basis of such institution's lack of authority to award a baccalaureate degree.

(b) No solicitation, contract, or agreement for the provision of off-duty postsecondary education services for members of the Armed Forces of the United States, civilian employees of the Department of Defense, or the dependents of such members of employees, other than those for services at the graduate or postgraduate level, may limit the offering of such services or any group, category, or level of courses to a single academic institution. However, nothing in this section shall prohibit such actions taken in accordance with regulations of the Secretary of Defense which are uniform for all armed services as may be necessary to avoid unnecessary duplication of offerings, consistent with the purpose of this provision of ensuring the availability of alternative offerors of such services to the maximum extent feasible.

(c) This section shall apply to contracts entered into after April 1, 1985.

(d) Nothing in this section shall be construed to require more than one academic institution to be authorized to offer courses aboard a particular naval vessel.

(e)(1) The Comptroller General of the United States shall carry out a study to determine (A) the educational needs of members of the Armed Forces of the United States and civilian employees of the Department of Defense stationed outside the United States and the educational needs of the dependents of such members and employees, (B) the most effective and feasible means of meeting such needs, and (C) the cost of providing such means.

(2) Not later than September 1, 1986, the Comptroller General shall transmit to the Congress a report on the study required by subsection (1). The report shall include the Comptroller General's findings and such recommendations for legislation as the Comptroller General considers appropriate.

SEC. 1221. COUNTERINTELLIGENCE POLYGRAPH PROGRAM

(a) IMPLEMENTATION OF PROGRAM.—During fiscal years 1986 and 1987, the Secretary of Defense shall implement a program of counterintelligence polygraph examinations based upon Department of Defense Directive 5210.48, dated December 24, 1984, for military and civilian personnel of the Department of Defense and personnel of defense contractors whose duties involve access to classified information at the level of top secret or classified information

within special access programs established under section 4.2(a) of Executive Order 12356.

(b) LIMITATION DURING FISCAL YEARS 1986 AND 1987.—The total number of persons required to take a counterintelligence polygraph examination under this section—

(1) may not exceed 3,500 during fiscal year 1986; and

(2) may not exceed 7,000 during fiscal year 1987.

(c) REPORTS.—(1) Not later than December 31, 1985, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives a report on his plans to expand the use of polygraph examinations in the Department of Defense. Such report shall include a discussion of the Secretary's plans for recruiting and training additional polygraph operators.

(2) Not later than December 31, 1986, the Secretary shall submit to the Committees on Armed Services of the Senate and House of Representatives a report on the use of polygraph examinations administered by or for the Department of Defense during fiscal year 1986. The report shall include—

(A) the number of polygraph examinations conducted during such fiscal year;

(B) a description of the purposes and results of such examinations;

(C) a description of the criteria used for selecting programs and individuals for examinations;

(D) the number of persons who refused to submit to an examination;

(E) a description of the actions taken, including denial of clearance or any adverse action, when an individual either failed or refused to take the examination;

(F) an explanation of the uses made of the results of the examinations; and

(G) a detailed accounting of those cases in which more than two examinations were needed to attempt to resolve discrepancies.

(d) POLYGRAPH RESEARCH PROGRAM.—(1) The Secretary of Defense shall carry out a continuing research program to support the polygraph activities of the Department of Defense. The program shall include—

(A) an on-going evaluation of the validity of polygraph techniques used by the Department;

(B) research on polygraph countermeasures and anti-countermeasures; and

(C) developmental research on polygraph techniques, instrumentation, and analytic methods.

(2) Not later than December 31 of each year, the Secretary shall submit to the Committees on Armed Services of the Senate and House of Representatives, the Select Committee on Intelligence of the Senate, and the Permanent Select Committee on Intelligence of the House of Representatives a report on the results during the preceding fiscal year of the research program referred to in paragraph (1).

(3) There is authorized to be appropriated to the Department of Defense for fiscal year 1986 the sum of $590,000 to carry out the research program referred to in paragraph (1).

(e) NON-APPLICATION OF SECTION.—This section does not apply—

(1) to an individual assigned or detailed to the Central Intelligence Agency or to any expert or consultant under a contract with the Central Intelligence Agency;

(2) to (A) an individual employed by or assigned or detailed to the National Security Agency, (B) an expert or consultant under contract to the National Security Agency, (C) an employee of a contractor of the National Security Agency, or (D) an individual applying for a position in the National Security Agency; or

(3) to an individual assigned to a space where sensitive cryptologic information is produced, processed, or stored.

SEC. 1222. REDUCTION IN SECURITY CLEARANCE BACKLOG

(a) FINDING.—The Congress finds that there are many persons with a security clearance at a level of top secret or above who have not been investigated for more than five years as a result of delays in the program of the Department of Defense for periodic reinvestigations of persons with clearances at such a level.

(b) REDUCTION IN CLEARANCE BACKLOG.—The Secretary of Defense shall take such action as may be necessary to achieve a substantial reduction in the backlog under such periodic-reinvestigation program by the end of fiscal year 1986. The Secretary should seek to obtain a 25 percent reduction in that backlog in fiscal year 1986.

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for fiscal year 1986 for operation and maintenance of defense agencies $25,000,000 which may be used only for the purpose of carrying out actions required by subsection (b).

(d) REPORT.—Not later than April 1, 1986, the Secretary shall submit to Congress a report on the level and manner of obligating the funds appropriated pursuant to the authorization in subsection (c) and on the level of reductions of the backlog achieved at the time of the report. Such report also shall include a description of resources and the funding level which would be needed in order to reduce by the end of fiscal year 1987 such backlog by 50 percent below the level of such backlog on the date of the enactment of this Act.

SEC. 1223. AUTHORITY FOR INDEPENDENT CRIMINAL INVESTIGATIONS BY NAVY AND AIR FORCE INVESTIGATIVE UNITS

The Secretary of the Navy shall prescribe regulations providing to the Naval Investigative Service authority to initiate and conduct criminal investigations on the authority of the Director of the Naval Investigative Service. The Secretary of the Air Force shall prescribe regulations providing to the Air Force Office of Special Investigations authority to initiate and conduct criminal investigations on the authority of the Commander of the Air Force Office of Special Investigations.

SEC. 1224. ESTABLISHMENT OF MINIMUM DRINKING AGE ON MILITARY INSTALLATIONS

(a) MINIMUM DRINKING AGE BASED ON STATE LAW.—Section 2683 of title 10, United States Code, is amended by adding at the end thereof the following new subsection:

"(c)(1) Except as provided in paragraphs (2) and (3), the Secretary concerned shall establish and enforce as the minimum drinking age on a military installation located in a State the age established by the law of that State as the State minimum drinking age.

"(2)(A) In the case of a military installation located—

"(i) in more than one State; or

"(ii) in one State but within 50 miles of another State or Mexico or Canada,

the Secretary concerned may establish and enforce as the minimum drinking age on that military installation the lowest applicable age.

"(B) In subparagraph (A), 'lowest applicable age' means the lowest minimum drinking age established by the law—

"(i) of a State in which a military installation is located; or

"(ii) of a State or jurisdiction of Mexico or Canada that is within 50 miles of such military installation.

"(3)(A) The commanding officer of a military installation may waive the requirement of paragraph (1) if such commanding officer determines that the exemption is justified by special circumstances.

"(B) The Secretary of Defense shall define by regulations what constitute special circumstances for the purposes of this paragraph.

"(4) In this subsection:

"(A) 'State' includes the District of Columbia.

"(B) 'Minimum drinking age' means the minimum age or ages established for persons who may purchase, possess, or consume alcoholic beverages.".

(b) CONFORMING AMENDMENTS.—(1) Section 2683(b) of such title is amended by striking out "section" in subsection (b) and inserting in lieu thereof "subsection (a)".

(2) Section 6 of the 1951 Amendments to the Universal Military Training and Service Act (50 U.S.C. App. 473) is amended by striking out "The" in the first sentence and inserting in lieu thereof "Subject to section 2683(c) of title 10, United States Code, the".

(c) CLERICAL AMENDMENTS.—(1) The heading of section 2683 of title 10, United States Code, is amended to read as follows:

"§2683. Relinquishment of legislative jurisdiction; minimum drinking age on military installations".

(2) The item relating to that section in the table of sections at the beginning of chapter 159 of such title is amended to read as follows:

"2683. Relinquishment of legislative jurisdiction; minimum drinking age on military installations.".

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect 90 days after the date of the enactment of this Act.

(e) REPORT.—(1) Not later than February 1, 1986, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on—

(A) the effects of the provisions of section 2683 of title 10, United States Code, as added by subsection (a); and

(B) the feasibility and desirability of permitting the sale to members of the Armed Forces who have not attained the minimum drinking age established on a military installation under such section, in establishments located on the military installation, of—

(i) low alcohol malt beverages (2.0 percent or less alcohol by weight); and

(ii) low alcohol wine beverages (6.0 percent or less alcohol by volume).

(2) The report required by paragraph (1) shall include—

(A) comments and recommendations by the Secretary concerning the feasibility and desirability of permitting the sale of the low alcohol beverages described in paragraph (1)(B);

(B) an analysis of any effects of such sale on—

(i) the incidence of members of the Armed Forces or their dependents operating motor vehicles while under the influence of alcohol or drugs; and

(ii) the incidence of persons operating motor vehicles on a military installation

while under the influence of alcohol or drugs;

(C) an analysis of any effects of the provisions of section 2683 of title 10, United States Code, as added by subsection (a), on—

(i) the incidence of members of the Armed Forces or their dependents operating motor vehicles while under the influence of alcohol or drugs; and

(ii) the incidence of persons operating motor vehicles on a military installation while under the influence of alcohol or drugs; and

(D) any comments or recommendations the Secretary may consider appropriate, including any proposal for legislative action.

SEC. 1225. CASH AWARDS FOR DISCLOSURES LEADING TO COST SAVINGS

(a) MEMBERS OF THE ARMED FORCES.—(1) Section 1124 of title 10, United States Code, is amended by inserting "disclosure," in subsections (a), (b), (c), and (f) before "suggestion".

(2)(A) The heading of such section is amended to read as follows:

"§ 1124. Cash awards for disclosures, suggestions, inventions, and scientific achievements".

(B) The item relating to such section in the table of sections at the beginning of chapter 57 of such title is amended to read as follows:

"1124. Cash awards for disclosures, suggestions, inventions, and scientific achievements.".

(3) The amendments made by this subsection shall take effect on October 1, 1985.

(b) CIVILIAN EMPLOYEES.—(1)(A) Section 4514 of title 5, United States Code, is amended to read as follows:

"§ 4514. Expiration of authority; reporting requirement

"(a) No award may be made under this subchapter after September 30, 1988.

"(b)(1) Not later than March 15, 1988, the Comptroller General shall submit to Congress a report on the effectiveness of the awards program under this subchapter.

"(2) The report shall include the views of the Comptroller General as to whether the authority to make awards under this subchapter should be continued after September 30, 1988, and, if so, whether any modification in such authority would be appropriate.".

(B) The item relating to such section in the table of sections for chapter 45 of such title is amended to read as follows:

"4514. Expiration of authority; reporting requirement.".

(2) Section 4512 of such title is amended by striking out subsection (c).

PART C—CONTRACTING OUT FOR PERFORMANCE OF CERTAIN FUNCTIONS

PART C—CONTRACTING FOR PERFORMANCE OF CERTAIN FUNCTIONS

SEC. 1231. SPECIFICATION OF CORE-LOGISTICS FUNCTIONS SUBJECT TO CONTRACTING-OUT LIMITATION

(a) IN GENERAL.—A function of the Department of Defense described in subsection (b) shall be deemed for the purposes of section 307(b) of the Department of Defense Authorization Act, 1985 (Public Law 98-525; 98 Stat. 2514), to be a logistics activity identified by the Secretary of Defense under section 307(a)(2) of such Act as necessary to maintain the logistics capability of the Department of Defense described in section 307(a)(1) of such Act.

(b) DESCRIPTION OF FUNCTIONS.—The functions to which subsection (a) applies are the following:

(1) Depot level maintenance of mission-essential materiel at the following activities of the Army:

Anniston Army Depot, Anniston, Alabama.

Corpus Christi Army Depot, Corpus Christi, Texas.

Crane Army Ammunition Plant, Crane, Indiana.

Fort Wingate Army Depot, Gallup, New Mexico.

Letterkenny Army Depot, Letterkenny, Pennsylvania.

Lexington-Blue Grass Army Depot, Lexington, Kentucky.

McAlester Army Ammunition Plant, McAlester, Oklahoma.

New Cumberland Army Depot, Harrisburg, Pennsylvania.

Pueblo Army Depot, Pueblo, Colorado.

Red River Army Depot, Texarkana, Texas.

Rock Island Arsenal, Rock Island, Illinois.

Sacramento Army Depot, Sacramento, California.

Savanna Army Depot, Savanna, Illinois.

Seneca Army Depot, Romulus, New York.

Sharpe Army Depot, Stockton, California.

Sierra Army Depot, Herlong, California.

Tobyhanna Army Depot, Tobyhanna, Pennsylvania.

Tooele Army Depot, Tooele, Utah.

Umatilla Army Depot, Umatilla, Oregon.

Watervliet Arsenal, Watervliet, New York.

(2) Depot-level maintenance of mission-essential materiel at the following activities of the Navy:

Naval Air Rework Facility, Alameda, California.

Naval Air Rework Facility, Cherry Point, North Carolina.

Naval Air Rework Facility, Jacksonville, Florida.

Naval Air Rework Facility, Norfolk, Virginia.

Naval Air Rework Facility, Pensacola, Florida.

Naval Air Rework Facility, North Island, San Diego, California.

Naval Aviation Supply Office, Philadelphia, Pennsylvania.

Naval Construction Battalion Center, Davisville, Rhode Island.

Naval Construction Battalion Center, Gulfport, Mississippi.

Naval Construction Battalion Center, Port Hueneme, California.

Naval Electronics Systems Engineering Center, San Diego, California.

Naval Ordnance Station, Indian Head, Maryland.

Naval Ordnance Station, Louisville, Kentucky.

Naval Shipyard, Charleston, South Carolina.

Naval Shipyard, Norfolk, Virginia.

Naval Shipyard, Long Beach, California.

Naval Shipyard, Mare Island, California.

Naval Shipyard, Philadelphia, Pennsylvania.

Naval Shipyard, Portsmouth, Kittery, Maine.

Naval Shipyard, Pearl Harbor, Hawaii.

Naval Shipyard, Puget Sound, Bremerton, Washington.

Naval Ship Repair Facility, Guam.

Naval Supply Center, Charleston, South Carolina.

Naval Supply Center, Jacksonville, Florida.

Naval Supply Center, Norfolk, Virginia.

Naval Supply Center, Oakland, California.

Naval Supply Center, Pearl Harbor, Hawaii.

Naval Supply Center, Puget Sound, Bremerton, Washington.

Naval Supply Center, San Diego, California.

Naval Undersea Warfare Engineering Station, Keyport, Washington.

Naval Weapons Station, Charleston, South Carolina.

Naval Weapons Station, Colts Neck, Earle, New Jersey.

Naval Weapons Station, Concord, California.

Naval Weapons Station, Seal Beach, California.

Naval Weapons Station, Yorktown, Virginia.

Naval Weapons Station, Crane, Indiana.

Navy Ships Parts Control Center, Mechanicsburg, Pennsylvania.

TRIDENT Refit Facility, Bangor, Bremerton, Washington.

(3) Depot-level maintenance of mission-essential materiel at the following activities of the Marine Corps:

Marine Corps Logistics Base, Albany, Georgia.

Marine Corps Logistics Base, Barstow, California.

(4) Depot-level maintenance of mission-essential materiel at the following activities of the Air Force:

Aerospace Guidance and Metrology Center, Newark Air Force Station, Ohio.

Ogden Air Logistics Center, Hill Air Force Base, Utah.

Oklahoma City Air Logistics Center, Tinker Air Force Base, Oklahoma.

Sacramento Air Logistics Center, McClellan Air Force Base, California.

San Antonio Air Logistics Center, Kelly Air Force Base, Texas.

Warner Robins Air Logistics Center, Robins Air Force Base, Georgia.

(5) Depot-level maintenance of mission-essential equipment at the following activities of the Defense Logistics Agency:

Defense Construction Supply Center, Columbus, Ohio.

Defense Depot Mechanicsburg, Mechanicsburg, Pennsylvania.

Defense Depot Memphis, Memphis, Tennessee.

Defense Depot Ogden, Ogden, Utah.

Defense Depot Tracy, Tracy, California.

Defense Electronics Supply Center, Dayton, Ohio.

Defense General Supply Center, Richmond, Virginia.

Defense Industrial Plant Equipment Center, Memphis, Tennessee.

Defense Industrial Supply Center, Philadelphia, Pennsylvania.

Defense Logistics Service Center, Battle Creek, Michigan.

Defense Subsistence Office, Bayonne, New Jersey.

(6) Depot-level maintenance of mission-essential materiel at the following activities of the Defense Mapping Agency:

Aerospace Center, Kansas City Field Office, Kansas City, Missouri.

Aerospace Center, St. Louis AFS, Missouri.

Office of Distribution Services, Brookmont, Maryland.

Office of Distribution Services, Clearfield, Utah.

Office of Distribution Services, Philadelphia, Pennsylvania.

(c) MATTERS INCLUDED WITHIN SPECIFIED FUNCTIONS.—The functions described in subsection (b) include—

(1) the facilities and equipment at the activities listed in that subsection; and

(2) the Government personnel who manage and perform the work at those activities.

(d) EXCLUSION OF CERTAIN FUNCTIONS.—Subsection (b) does not include any function that on the date of the enactment of this Act—

(1) is being performed under contract by non-Government personnel; or

(2) has been announced to Congress for review for conversion to performance by non-Government personnel under Office of Management and Budget Circular A-76.

(e) DEFINITION.—For the purposes of this section, the term "mission-essential materiel" means all materiel which is authorized and available to combat, combat support, combat service support, and combat readiness training forces to accomplish their assigned mission.

(f) TECHNICAL AMENDMENT.—Section 307(b)(4) of the Department of Defense Authorization Act, 1985 (Public Law 98-525; 98 Stat. 2515), is amended by striking out "30-day period" and inserting in lieu thereof "20-day period".

SEC. 1232. ONE-YEAR EXTENSION OF PROHIBITION ON CONTRACTING FOR THE PERFORMANCE OF FIREFIGHTING AND SECURITY FUNCTIONS

(a) EXTENSION OF PROHIBITION.—Section 1221(a) of the Department of Defense Authorization Act, 1984 (Public Law 98-94; 97 Stat. 691), is amended by striking out "October 1, 1985" and inserting in lieu thereof "October 1, 1986".

(b) REPORT.—(1) The Secretary of Defense shall submit to Congress a written report containing—

(A) an assessment of the special needs of the Department of Defense with respect to firefighting and base security; and

(B) an assessment of how those needs are met by both Federal employees and contract personnel.

(2) The report shall be prepared in consultation with the Administrator of the United States Fire Administration of the Federal Emergency Management Agency and shall include the comments of the Administrator on the report.

(3) The report shall be submitted not later than March 1, 1986.

SEC. 1233. SERVICES AND ACTIVITIES TO BE PERFORMED BY NON-GOVERNMENT PERSONNEL

The Secretary of Defense shall take such action as may be necessary to ensure that, in each case in which it has been determined in accordance with law that performance of a service or activity by non-Government personnel would be cost effective and in the best interests of national security, such service or activity is performed by non-Government personnel.

SEC. 1234. INCREASE IN THRESHOLDS APPLICABLE TO STATUTORY CONTRACTING-OUT PROCEDURES

(a) INCREASE IN NUMBERS.—Section 502 of the Department of Defense Authorization Act, 1981 (10 U.S.C. 2304 note), is amended—

(1) in subsection (a)(2)(D)(i), by striking out "50 employees" and inserting in lieu thereof "75 employees"; and

(2) in subsection (d), by striking out "10 or fewer" and inserting in lieu thereof "40 or fewer".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on January 1, 1986.

PART D—ECONOMY AND EFFICIENCY

SEC. 1241. FLEXTIME FOR FEDERAL CONTRACTOR EMPLOYEES

(a) AMENDMENTS TO CONTRACT WORK HOURS AND SAFETY STANDARDS ACT.—(1) Subsection (a) of section 102 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 328(a)) is amended to read as follows:

"(a) Notwithstanding any other provision of law, the wages of every laborer and mechanic employed by any contractor or subcontractor in his performance of work on any contract of the character specified in section 103 shall be computed on the basis of a standard workweek of forty hours, and work in excess of such standard workweek shall be permitted subject to provisions of this section. For each workweek in which any such laborer or mechanic is so employed such wages shall include compensation, at a rate not less than one and one-half times the basic rate of pay, for all hours worked in excess of forty hours in the workweek.".

(2) Section 102(b) of such Act is amended—

(A) by striking out "eight hours in any calendar day or in excess of" in paragraph (1); and

(B) by striking out "eight hours or in excess of" in paragraph (2).

(b) AMENDMENT TO WALSH-HEALEY ACT.—Subsection (c) of the first section of the Act entitled "An Act to provide conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes" (41 U.S.C. 35(c)), commonly known as the Walsh-Healey Act, is amended by striking out "eight hours in any one day or in excess of".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1986.

SEC. 1242. PROHIBITION ON ESTABLISHMENT OF PAY RATES FOR PREVAILING RATE EMPLOYEES OF THE DEPARTMENT OF DEFENSE USING SURVEYS OF WAGES PAID OUTSIDE THE LOCAL WAGE AREA

(a) AMENDMENT TO SECTION 5343 OF TITLE 5, U.S.C.—Paragraph (2) of section 5343(d) of title 5, United States Code, is amended to read as follows:

"(2) When the lead agency determines that there is a number of comparable positions in private industry insufficient to establish the wage schedules and rates, such agency shall—

"(A) establish the wage schedules and rates to be applicable to prevailing rate employees other than prevailing rate employees of the Department of Defense on the basis of—

"(i) local private industry rates; and

"(ii) rates paid for comparable positions in private industry in the nearest wage area that such agency determines is most similar in the nature of its population, employment, manpower, and industry to the local wage area for which the wage survey is being made; and

"(B) establish the wage schedules and rates to be applicable to prevailing rate employees of the Department of Defense only on the basis of local private industry rates.".

(b) PROHIBITION ON REDUCTION OF PAY.—The rate of pay payable to a prevailing rate employee employed by the Department of Defense on the day before the date of enactment of this Act may not be reduced by reason of the amendment made by subsection (a).

TITLE XIII—TECHNICAL AND CLERICAL AMENDMENTS

SEC. 1301. ELIMINATION OF CERTAIN STATUTORY GENDER-BASED DISTINCTIONS

(a) GENERAL MILITARY LAW.—(1) Section 772(c) of such title is amended by striking out the second sentence.

(2) Section 1431(b)(3) of title 10, United States Code, is amended by striking out "widow" and inserting in lieu thereof "surviving spouse".

(b) ARMY.—(1)(A) Section 3683 of title 10, United States Code, is repealed.

(B) The table of sections at the beginning of chapter 353 of such title is amended by striking out the item relating to section 3683.

(C) The repeal made by subparagraph (A) shall not apply in the case of a person who performed active service described in section 3683 of title 10, United States Code, as such section was in effect on the day before the date of the enactment of this Act.

(2)(A) Section 3963 of such title is repealed.

(B) The table of sections at the beginning of chapter 369 of such title is amended by striking out the item relating to section 3963.

(C) The repeal made by subparagraph (C) shall not apply in the case of a member of the Regular Army described in section 3963 of title 10, United States Code, as such section was in effect on the day before the date of the enactment of this Act.

(3)(A) Section 4309(b) of such title is amended by striking out "males" and inserting in lieu thereof "persons".

(B) Section 4313(a) of such title is amended by striking out "man" and inserting in lieu thereof "competitor".

(C) Section 4651 of such title is amended by striking out "male".

(4)(A) Section 4712(d) of such title is amended by striking out clauses (1) through (9) and inserting in lieu thereof the following:

"(1) The surviving spouse or legal representative.

"(2) A child of the deceased.

"(3) A parent of the deceased.

"(4) A brother or sister of the deceased.

"(5) The next-of-kin of the deceased.

"(6) A beneficiary named in the will of the deceased.".

(B) Section 4713(a)(2) of such title is amended by striking out clauses (A) through (I) and inserting in lieu thereof the following:

"(A) The surviving spouse or legal representative.

"(B) A child of the deceased.

"(C) A parent of the deceased.

"(D) A brother or sister of the deceased.

"(E) The next-of-kin of the deceased.

"(F) A beneficiary named in the will of the deceased.".

(c) NAVY.—(1) Section 6160(a) of title 10, United States Code, is amended by striking out "enlisted man" and inserting in lieu thereof "enlisted member".

(2) Section 6964(e) of such title is amended by striking out "men" and inserting in lieu thereof "persons".

(3)(A) Section 7601(a) of such title is amended by striking out "widows" and inserting in lieu thereof "widows and widowers".

(B) The heading of such section is amended to read as follows:

"§7601. Sales: members of the naval service and Coast Guard; widows and widowers; civilian employees and other persons".

(C) The item relating to section 7601 in the table of sections at the beginning of chapter 651 of such title is amended to read as follows:

"7601. Sales: members of the naval service and Coast Guard; widows and widowers; civilian employees and other persons.".

(d) AIR FORCE.—(1)(A) Section 8683 of title 10, United States Code, is repealed.

(B) The table of sections at the beginning of chapter 853 of such title is amended by striking out the item relating to section 8683.

(C) The repeal made by subparagraph (A) shall not apply in the case of a person who performed active service described in section 8683 of title 10, United States Code, as such section was in effect on the day before the date of the enactment of this Act.

(2)(A) Section 8963 of such title is repealed.

(B) The table of sections at the beginning of chapter 869 of such title is amended by striking out the item relating to section 8963.

(C) The repeal made by subparagraph (A) shall not apply in the case of an Air Force nurse or medical specialist described in section 8963 of title 10, United States Code, as such section was in effect on the day before the date of the enactment of this Act.

(3) Section 9651 of such title is amended by striking out "male".

(4)(A) Section 9712(d) of such title is amended by striking out clauses (1) through (9) and inserting in lieu thereof the following:

"(1) The surviving spouse or legal representative.

"(2) A child of the deceased.

"(3) A parent of the deceased.

"(4) A brother or sister of the deceased.

"(5) The next-of-kin of the deceased.

"(6) A beneficiary named in the will of the deceased.".

(B) Section 9713(a)(2) of such title is amended by striking out clauses (A) through (I) and inserting in lieu thereof the following:

"(A) The surviving spouse or legal representative.

"(B) A child of the deceased.

"(C) A parent of the deceased.

"(D) A brother or sister of the deceased.

"(E) The next-of-kin of the deceased.

"(F) A beneficiary named in the will of the deceased.".

(e) WORLD WAR II ERA ARMY NURSES.—(1) The Act entitled "An Act to authorize temporary appointment as officers in the Army of the United States of members of the Army Nurse Corps, female persons having the necessary qualifications for appointment in such corps, female dietetic and physical-therapy personnel of the Medical Department of the Army (exclusive of students and apprentices), and female persons having the necessary qualifications for appointment in such department as female dietetic or physical-therapy personnel, and for other purposes", approved June 22, 1944 (58 Stat. 324; 50 U.S.C. App. 1591 et seq.), is repealed.

(2) The repeal made by paragraph (1) shall not apply in the case of any person appointed and assigned under the first section of the Act repealed by such paragraph, as such Act was in effect on the day before the date of the enactment of this Act.

(f) SOLDIERS' AND AIRMEN'S HOME.—The first sentence of section 4 of the Act entitled "An Act prescribing regulations for the Soldiers' Home located at Washington, in the District of Columbia, and for other purposes", approved March 3, 1883 (24 U.S.C. 52), is amended—

(1) by striking out "wife" both places it appears and inserting in lieu thereof "spouse"; and

(2) by striking out "his" and inserting in lieu thereof "such".

(g) DEPENDENTS OF PERSONS MISSING IN ACTION.—Section 551(1)(A) of title 37, United States Code, is amended by striking out "wife" and inserting in lieu thereof "spouse".

SEC. 1302. TECHNICAL AMENDMENTS RELATING TO BENEFITS FOR CERTAIN DIA PERSONNEL

(a) CIVILIAN EMPLOYEES.—(1) Section 192 of title 10, United States Code, is transferred to the end of chapter 83 of such title, redesignated as section 1605, and amended—

(A) in subsections (a) and (b), by striking out "Director of the Defense Intelligence Agency, on behalf of the Secretary of Defense," and inserting in lieu thereof "Secretary of Defense";

(B) in subsection (a)—

(i) by striking out "military and";

(ii) by striking out "under sections 903, 705, and 2308" and inserting in lieu thereof "sections 705 and 903";

(iii) by striking out "22 U.S.C. 4025;"; and

(iv) by striking out "; 22 U.S.C. 4083" and all that follows in such subsection and inserting in lieu thereof ", 4025, 4083) and under section 5924(4) of title 5."; and

(C) by striking out subsection (c) and redesignating subsection (d) as subsection (c).

(2) The item relating to such section in the table of sections at the beginning of chapter 8 of such title is transferred to the end of the table of sections at the beginning of chapter 83 of such title and is amended by striking out "192" and inserting in lieu thereof "1605".

(3) Section 1603 of such title is amended by striking out "chapter" both places it appears and inserting in lieu thereof "sections 1601 and 1602 of this title".

(b) MEMBERS OF THE ARMED FORCES.—(1) Chapter 7 of title 37, United States Code, is amended by adding at the end thereof the following new section:

"§431. Benefits for certain members assigned to the Defense Intelligence Agency

"(a) The Secretary of Defense may provide to members of the armed forces who are assigned to Defense Attache Offices and Defense Intelligence Agency Liaison Offices outside the United States and who are designated by the Secretary of Defense for the purposes of this subsection allowances and benefits comparable to those provided by the Secretary of State to officers and employees of the Foreign Service under paragraphs (2), (3), (4), (6), (7), (8), and (13) of section 901 and sections 705 and 903 of the Foreign Service Act of 1980 (22 U.S.C. 4081 (2), (3), (4), (6), (7), (8), and (13), 4025, 4083) and under section 5924(4) of title 5.

"(b) The authority of the Secretary of Defense to make payments under subsection (a) of this section is effective for any fiscal year only to the extent that appropriated funds are available for such purpose.

"(c) Members of the armed forces may not receive benefits under both subsection (a) of this section and any other provision of this title for the same purpose. The Secretary of Defense shall prescribe such regulations as may be necessary to carry out this subsection.

"(d) Regulations prescribed pursuant to subsection (a) of this section shall be submitted to the Committee on Armed Services and the Permanent Select Committee on Intelligence of the House of Representatives and the Committee on Armed Services and the Select Committee on Intelligence of the Senate before such regulations take effect.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"431. Benefits for certain members assigned to the Defense Intelligence Agency.".

(3) The authority of the Secretary of Defense under section 431 of title 37, United States Code, as added by paragraph (1), may be delegated in accordance with section 133(d) of title 10, United States Code.

SEC. 1303. GENERAL CLERICAL AMENDMENTS

(a) AMENDMENTS TO TITLE 10.—Title 10, United States Code, is amended as follows:

(1) Section 124(c)(2) is amended by inserting "of the Joint Chiefs of Staff" after "Chairman".

(2) Section 139b(d)(3)(B)(i) is amended by inserting "percent" before the semicolon.

(3) Section 140c(b)(1) is amended by striking out "enactment of this section" and inserting in lieu thereof "September 24, 1983".

(4)(A) Section 520b is amended by striking out "enlistments" and inserting in lieu thereof "enlistment".

(B) The item relating to such section in the table of sections at the beginning of chapter 31 is amended by striking out "enlistments" and inserting in lieu thereof "enlistment".

(5) Section 555 is amended by striking out "section 201(c)" and inserting in lieu thereof "section 201(b)".

(6) The item relating to section 1043 in the table of sections at the beginning of chapter 53 is amended by striking out "Atomospheric" and inserting in lieu thereof "Atmospheric".

(7) Section 1074a(a) is amended by striking out "prescribed by" and all that follows through "the following persons" and inserting in lieu thereof "prescribed by the administering Secretaries, the following persons".

(8) Section 1085 is amended by indenting the first line of the text of the section.

(9) Section 1437(c)(3)(A) is amended by striking out "(notwithstanding section 144 of this title)".

(10) Section 1440 is amended by striking out "section 1437(c)(3)" and inserting in lieu thereof "section 1437(c)(3)(B)".

(11) Section 1450 is amended—

(A) by striking out "subsection (l)" in subsection (i) and inserting in lieu thereof "subsection (l)(3)(B)"; and

(B) by striking out "(notwithstanding subsection (h))" in subsection (l)(3)(A).

(12) Section 1489(a) is amended by striking out "Armed Forces" and inserting in lieu thereof "armed forces".

(13) Section 2304(a)(1)(B) is amended by striking out "krocedures" and inserting in lieu thereof "procedures".

(14) Paragraph (5) of section 2305(b) is reset full measure.

(15) Section 2306 is amended—

(A) by adding a period at the end of subsection (a); and

(B) by striking out "of this title" in subsection (b).

(16) Section 2310 is amended by inserting "this" after "2305 of".

(17) The heading of section 2691 is amended to read as follows:

"§ 2691. Restoration of land used by permit or lease from other agencies".

(18) Section 2821(b) is amended by striking out "paragraph" before the period at the end and inserting in lieu thereof "subsection".

(19) Section 2852 is amended by striking out "section 3324(a) and (b)" and inserting in lieu thereof "subsections (a) and (b) of section 3324".

(20)(A) Section 3843(b) is amended by striking out "after July 1, 1960,".

(B) Sections 3848(a), 3851(a), and 3852 are amended by striking out "After July 1, 1960, each" and inserting in lieu thereof "Each".

(21) Section 5985 is amended by striking out "the Act of March 4, 1911, ch. 265, 36 Stat. 1353, as amended," and inserting in lieu thereof "section 1304 of the Merchant Marine Act, 1936 (46 U.S.C. App. 1295c),".

(22) Section 6148 is amended by redesignating subsection (e) as subsection (d).

(23) Section 7204(a) is amended—

(A) by running "contribute, out of" in after "Secretary of the Navy may";

(B) by aligning clauses (1) through (4) so as to be cut in two ems; and

(C) by aligning the matter after clause (4) flush with the margin.

(24)(A) The heading of section 7309 is amended by striking out the fifth word.

(B) The item relating to that section in the table of sections at the beginning of chapter 633 is amended by striking out the fifth word.

(25) Section 7431(c) is amended—

(A) by striking out "the" at the beginning of paragraphs (1), (2), and (3) and inserting in lieu thereof "The";

(B) by striking out the semicolons at the end of paragraphs (1), (2), and (3) and inserting in lieu thereof periods;

(C) by striking out "a summary" at the beginning of paragraph (4) and inserting in lieu thereof "A summary";

(D) by striking out "; and" at the end of paragraph (4) and inserting in lieu thereof a period; and

(E) by striking out "such" at the beginning of paragraph (5) and inserting in lieu thereof "Such".

(26) The item relating to section 8202 in the table of sections at the beginning of chapter 831 is amended to read as follows:

"8202. Air Force: strength in grade; general officers.".

(27)(A) Section 8848(a) is amended by striking out "After June 30, 1960, each" and inserting in lieu thereof "Each".

(B) Sections 8851(a) and 8852(a) are amended by striking out "After June 30, 1960, except" and inserting in lieu thereof "Except".

(28) Section 9441(b) is amended by striking out "and" at the end of clause (8).

(b) AMENDMENTS TO TITLE 37.—Title 37, United States Code, is amended as follows:

(1) Section 203(a) is amended by inserting "or as otherwise prescribed by law" before the period.

(2) Section 301(c)(1) is amended by striking out the first comma after "(10)".

(3) Sections 308g(f) and 308h(e) are amended by striking out "the date of the enactment of the Department of Defense Authorization Act, 1984" and inserting in lieu thereof "September 24, 1983".

(4) Section 312b(c) is amended by striking out "make an annual report to the House and Senate Armed Services Committees" and inserting in lieu thereof "submit to the Committees on Armed Services of the Senate and House of Representatives an annual report".

(5) Section 402(b) is amended by inserting "or as otherwise prescribed by law" before the period at the end of the fourth sentence.

(6) Section 403(a) is amended by inserting "or as otherwise prescribed by law" after "of this title".

(7) The table of sections at the beginning of chapter 7 is amended—

(A) by striking out the semicolon in the item relating to section 404 and inserting in lieu thereof a colon;

(B) by striking out the item relating to section 405a and inserting in lieu thereof the following:

"405a. Travel and transportation allowances: departure allowances."; and

(C) by striking out the item relating to section 425 and inserting in lieu thereof the following:

"425. United States Navy Band; United States Marine Band: allowances while on concert tour.".

(8) The heading of section 405 is amended to read as follows:

"§405. Travel and transportation allowances: per diem while on duty outside the United States or in Hawaii or Alaska".

(9) Section 406(k) is amended by striking out "to carry out subsection (b)" and inserting in lieu thereof "for providing transportation of household effects of members of the armed forces under subsection (b)".

(10) Section 429 is amended by inserting "(20 U.S.C. 921 et seq.)" after "Defense Dependents' Education Act of 1978".

(11) Section 557(c) is amended by inserting "of this title" after "section 558" both places it appears.

(12) Section 1006(h) is amended by striking out "section 3324 (a) and (b)" and inserting in lieu thereof "subsections (a) and (b) of section 3324".

(13)(A) Section 1012 is amended—

(i) by striking out "under sections 206 (a), (b), and (d), 301(f), 309, 402(b) (last sentence), and 1002 of this title for pay" and inserting in lieu thereof "for the pay, under subsections (a), (b), and (d) of section 206, section 301(f), the last sentence of section 402(b), and section 1002 of this title,";

(ii) by striking out "Disbursements" and inserting in lieu thereof "All such disbursements"; and

(iii) by striking out "under the" and inserting in lieu thereof "as prescribed in those".

(B) The heading of that section is amended to read as follows:

"§1012. Disbursement and accounting: pay of enlisted members of the National Guard".

(C) The item relating to that section in the table of sections at the beginning of chapter 19 is amended to read as follows:

"1012. Disbursement and accounting: pay of enlisted members of the National Guard.".

(D) The amendments made by this paragraph shall take effect as if included in the enactment of section 2(i) of Public Law 97-258.

SEC. 1304. CLERICAL AMENDMENTS TO FEDERAL PROCUREMENT LAW

(a) DEFENSE PROCUREMENT LAW.—Chapter 138 of title 10, United States Code, is amended as follows:

(1) Sections 2321, 2322, 2323 (as amended by section 1171), 2324, 2325, 2326, 2327, and 2328 are redesignated as sections 2341 through 2348, respectively.

(2) Section 2329 is repealed.

(3) Sections 2330 and 2331 are redesignated as sections 2349 and 2350, respectively.

(4) Sections 2341 and 2342 (as so redesignated) are amended by striking out "section 2323" and inserting in lieu thereof "section 2343".

(5) Section 2323 (as so redesignated) is amended—

(A) by striking out "section 2321" both places it appears and inserting in lieu thereof "section 2341"; and

(B) by striking out "section 2322" both places it appears and inserting in lieu thereof "section 2342".

(6) The table of sections at the beginning of such chapter is amended—

(A) by striking out the item relating to section 2329; and

(B) by redesignating the remaining items in the table to reflect the redesignations made by paragraphs (1) and (3).

(b) CONFORMING AMENDMENT.—Section 2213(e)(2) of such title is amended by striking out "section 2331" and inserting in lieu thereof "section 2350".

(c) CIVILIAN AGENCY PROCUREMENT.—The Federal Property and Administrative Services Act of 1949 is amended as follows:

(1) Section 111(h)(3)(A) (40 U.S.C. 759(h)(3)(A)) is amended by striking out "Board" and inserting in lieu thereof "board".

(2) Section 303(f)(1)(C) (41 U.S.C. 253(f)(1)(C)) is amended by striking out "Any" and inserting in lieu thereof "any".

(3) Section 303(g)(1) (41 U.S.C. 253(g)(1) is amended by inserting a comma after "1984".

(4)(A) Sections 303D, 303E, 303F, 303G, and 303H (as added by title II of the Small Business and Federal Procurement Competition Enhancement Act of 1984 (Public Law 98-577)) are redesignated as sections 303C, 303D, 303E, 303F, and 303G, respectively.

(B) The items relating to those sections in the table of contents for such Act are redesignated to reflect the redesignations by subparagraph (A).

(d) MILITARY AND CIVILIAN PROCUREMENT.—Section 3551(1) of title 31, United States Code, is amended by striking out "executive agency" and inserting in lieu therof "Federal agency".

TITLE XIV—GENERAL PROVISIONS

PART A—FINANCIAL MATTERS

SEC. 1401. TRANSFER AUTHORITY

(a) AUTHORITY TO TRANSFER AUTHORIZATIONS.—(1) Upon determination by the Secretary of Defense that such action is necessary in the national interest, the Secretary may transfer amounts of authorizations made available to the Department of Defense in this Act between any such authorizations (or any subdivisions thereof). Amounts of authorizations so transferred shall be merged with and be available for the same purposes as the authorization to which transferred.

(2) The total amount of authorizations that the Secretary of Defense may transfer under the authority of this section may not exceed $2,000,000,000.

(b) LIMITATIONS.—The authority provided by this section to transfer authorizations—

(1) may only be used to provide authority for items that have a higher priority than the items from which authority is transferred; and

(2) may not be used to provide authority for an item that has been denied authorization by Congress.

(c) NOTICE TO CONGRESS.—The Secretary of Defense shall promptly notify Congress of transfers made under the authority of this section.

SEC. 1402. AUTHORIZATION OF TRANSFERS FOR FY85 PAY SUPPLEMENTAL

There is authorized to be transferred to, and merged with, amounts appropriated to the Department of Defense for operation and maintenance and for military personnel for fiscal year 1985 such sums as may be necessary to provide for civilian and military pay raises provided by law. Such amounts shall be derived from amounts previously appropriated to the Department of Defense remaining available for obligation and no longer required for the purposes for which they were originally provided. Transfers authorized by this section may be made only to the extent provided in appropriation Acts.

SEC. 1403. SPECIAL DEFENSE ACQUISITION FUND

Section 138(g) of title 10, United States Code, is amended by striking out "$300,000,000" and all that follows and inserting in lieu thereof "$1,000,000,000.".

SEC. 1404. REVISIONS TO DEFENSE BUDGET PLAN

(a) REVISED PLANS.—The Secretary of Defense shall submit to Congress a report containing—

(1) a budget plan for the Department of Defense for fiscal years 1987 through fiscal year 1990 in which the total amount of new budget authority proposed for the Department for each fiscal year is not more than three percent over the amount of new budget authority proposed for that Department for the previous fiscal year, adjusted for the official inflation projection for the fiscal year concerned; and

(2) a second budget plan for the Department for the fiscal years referred to in clause (1) in which the total amount of new budget authority proposed for the Department for each fiscal year is not more than the amount of new budget authority proposed for that Department for the previous fiscal year, adjusted for the official inflation projection for the fiscal year concerned.

(b) BASELINE.—The budget plans required by subsection (a) shall be based on the levels of authorizations of appropriations for the Department of Defense for fiscal year 1986 provided by this and any other Act.

(c) MATTERS TO BE INCLUDED.—The plans included in the report under subsection (a) shall include the following:

(1) A single amount for the amount of new budget authority proposed for each appropriation account of the Department of Defense, except that the amount of such new budget authority for the procurement appropriation accounts shall be shown at the budget-activity level.

(2) The annual procurement plan for each of the fiscal years covered for each major defense acquisition program, as defined in section 139a(a) of title 10, United States Code.

(d) DEADLINE FOR SUBMISSION.—The report required by subsection (a) shall be submitted not later than 60 days after the date of the enactment of this Act.

SEC. 1405. TWO-YEAR BUDGET CYCLE FOR THE DEPARTMENT OF DEFENSE

(a) FINDINGS.—The Congress finds that the programs and activities of the Department of Defense could be more effectively and efficiently planned and managed if funds for the Department were provided on a two-year cycle rather than annually.

(b) REQUIREMENT FOR TWO-YEAR BUDGET PROPOSAL.—The President shall include in the budget submitted to the Congress pursuant to section 1105 of title 31, United States Code, for fiscal year 1988 a single proposed budget for the Department of Defense and related agencies for fiscal years 1988 and 1989. Thereafter, the President shall submit a proposed two-year budget for the Department of Defense and related agencies every other year.

(c) REPORT.—Not later than April 1, 1986, the Secretary of Defense shall submit to the Committees on Armed Services and on Appropriations of the Senate and House of Representatives a report containing the Secretary's views on the following:

(1) The advantages and disadvantages of operating the Department of Defense and related agencies on a two-year budget cycle.

(2) The Secretary's plans for converting to a two-year budget cycle.

(3) A description of any impediments (statutory or otherwise) to converting the operations of the Department of Defense and related agencies to a two-year budget cycle beginning with fiscal year 1988.

SEC. 1406. REPORT ON BUDGETING FOR INFLATION

(a) REPORT ON SAVINGS FROM LOWER INFLATION.—Not later than 60 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report containing an explanation of what the Department of Defense does in any fiscal year with funds that are not expended as a result of a decrease in the anticipated rate of inflation during that year.

(b) PROPOSALS FOR NEW BUDGET SYSTEM FOR INFLATION ALLOWANCE.—The Secretary shall include in the report under subsection (a) a proposal, or alternative proposals, for a budget system under which—

(1) funds that are appropriated to the Department of Defense for any fiscal year for procurement or for research, development, test, and evaluation would be appropriated to the Department without the addition of an amount for anticipated inflation during such fiscal year; and

(2) requests would be made to Congress at the end of the fiscal year for any additional funds made necessary by reason of inflation during the fiscal year.

(c) RECOMMENDATIONS.—The Secretary shall include in such report—

(1) the Secretary's recommendations for procedures that would effectively implement a proposal submitted under subsection (b); and

(2) a discussion of the advantages and disadvantages of instituting such a proposal, together with any other comments and recommendations that the Secretary considers appropriate.

SEC. 1407. REPORT OF UNOBLIGATED BALANCES

(a) REQUIRED REPORTS.—The Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives reports containing an estimate of the amount of funds in each appropriation account of the Department of Defense that at the time of the report—

(1) is available for obligation; and

(2) is in excess of the amount needed to carry out the programs for which the funds were appropriated.

(b) MATTERS TO BE INCLUDED.—Each estimate under subsection (a) shall include amounts attributable to—

(1) inflation savings;

(2) foreign currency savings;

(3) excess working capital fund cash; and

(4) all other savings.

(c) UNANTICIPATED INCREASES.—The report shall also identify unanticipated cost increases resulting from adverse economic trends.

(d) SUBMISSION OF REPORT.—The reports shall be submitted to Congress each year with the President's budget for the next fiscal year, with the April Budget Update, and with the Mid-session Budget Review. However, the first such report shall be submitted not later than 30 days after the date of the enactment of this Act.

SEC. 1408. AUTHORIZATION OF APPROPRIATIONS FOR PURCHASE OF FOREIGN CURRENCIES

There is hereby authorized to be appropriated for fiscal year 1986 the amount of $2,100,000 for the purchase of foreign currencies from the Treasury Department to pay expenses incurred in carrying out programs of the Department of Defense.

PART B—CHEMICAL WEAPONS

SEC. 1411. CONDITIONS ON SPENDING FUNDS FOR BINARY CHEMICAL MUNITIONS

(a) LIMITATION ON FY86 FUNDS.—Funds appropriated pursuant to authorizations of appropriations in title I may not be used—

(1) for procurement or assembly of binary chemical munitions (or components of such munitions); or

(2) for establishment of production facilities necessary for procurement or assembly of binary chemical munitions (or components of such munitions),

except in accordance with subsections (b) and (c).

(b) NATO CONSULTATION.—Subject to subsection (c), funds referred to in subsection (a) may be used for procurement or assembly of binary chemical munitions or for the establishment of production facilities necessary for the procurement or assembly of binary chemical munitions (or components of such munitions) if the President certifies to Congress that the United States—

(1) has developed a plan under which United States binary chemical munitions can be deployed under appropriate contingency plans to deter chemical weapons attacks against the United States and its allies; and

(2) has consulted with other member nations of the North Atlantic Treaty Organization (NATO) on that plan.

A plan under clause (1) shall be developed in cooperation with the Supreme Allied Commander, Europe.

(c) CONDITIONS FOR FINAL ASSEMBLY.—Funds referred to in subsection (a) may not be used for the final assembly of complete binary chemical munitions before October 1, 1987, and may only be used for such purpose on or after that date if—

(1) a mutually verifiable international agreement concerning binary and other similar chemical munitions has not been entered into by the United States by that date;

(2) the President, after that date, transmits to Congress a certification that—

(A) final assembly of such complete munitions is necessitated by national security interests of the United States and the interests of other NATO member nations;

(B) performance specifications and handling and storage safety specifications established by the Department of Defense with respect to such munitions will be met or exceeded;

(C) applicable Federal safety requirements will be met or exceeded in the handling, storage, and other use of such munitions; and

(D) the plan of the Secretary of Defense for destruction of existing United States chemical warfare stocks developed pursuant to section 1412 (which shall, if not sooner transmitted to Congress, accompany such certification) is ready to be implemented;

(3) final assembly is carried out only after the end of the 60-day period beginning on

the date such certification is received by the Congress;

(4) the plan of the Secretary of Defense for land-based storage of such munitions within the United States during peacetime provides that the two components that constitute a binary chemical munition are to be stored in separate States; and

(5) the plan of the Secretary of Defense for the transportation of such munitions within the United States during peacetime provides that the two components that constitute a binary munition are transported separately.

(d) SENSE OF CONGRESS.—It is the sense of Congress that existing unitary chemical munitions currently stored in the United States and in European member nations of NATO should be replaced by modern, safer binary chemical munitions.

(e) REPORT.—Not later than October 1, 1986, the President shall submit to Congress a report describing the results of consultations among NATO member nations concerning the organization's chemical deterrent posture. The report shall include descriptions of any consultations concerning—

(1) efforts to provide key civilian workers at military support facilities in Europe—

(A) with personal and collective equipment to protect against the use of chemical munitions; and

(B) with the training required for the use of such equipment;

(2) efforts to upgrade the chemical reconnaissance, decontamination, and protective capabilities of the military forces of each NATO member nation to a level adequate to meet the chemical threat identified in NATO intelligence estimates;

(3) efforts to initiate a NATO-wide study of measures required to protect ports, airfields, logistics centers, and command and control facilities in European member nations of NATO against chemical attack; and

(4) efforts to initiate a NATO-wide study of equitable and efficient sharing among NATO member nations of responsibilities with regard to deterring the use of chemical munitions in Europe.

SEC. 1412. DESTRUCTION OF EXISTING STOCKPILE OF LETHAL CHEMICAL AGENTS AND MUNITIONS

(a) IN GENERAL.—(1) Notwithstanding any other provision of law, the Secretary of Defense (hereinafter in this section referred to as the "Secretary") shall, in accordance with the provisions of this section, carry out the destruction of the United States' stockpile of lethal chemical agents and munitions that exists on the date of the enactment of this Act.

(2) Such destruction shall be carried out in conjunction with the acquisition of binary chemical weapons for use by the Armed Forces.

(b) DATE FOR COMPLETION.—(1) Except as provided by paragraphs (2) and (3), the destruction of such stockpile shall be completed by September 30, 1994.

(2) If a treaty banning the possession of chemical agents and munitions is ratified by the United States, the date for completing the destruction of the United States' stockpile of such agents and munitions shall be the date established by such treaty.

(3)(A) In the event of a declaration of war by the Congress or of a national emergency by the President or the Congress or if the Secretary of Defense determines that there has been a significant delay in the acquisition of an adequate number of binary chemical weapons to meet the requirements of the Armed Forces (as defined by the Joint Chiefs of Staff as of September 30, 1985), the Secretary may defer, beyond September 30, 1994, the destruction of not more than 10 percent of the stockpile described in subsection (a)(1).

(B) The Secretary shall transmit written notice to the Congress of any deferral made under subparagraph (A) within 30 days after the date on which the determination to defer is made or by August 31, 1994, whichever is earlier.

(c) ENVIRONMENTAL PROTECTION AND USE OF FACILITIES.—(1) In carrying out the requirement of subsection (a)(1), the Secretary shall provide for—

(A) maximum protection for the environment, the general public, and the personnel who are involved in the destruction of the lethal chemical agents and munitions referred to in subsection (a); and

(B) adequate and safe facilities designed solely for the destruction of lethal chemical agents and munitions.

(2) Facilities constructed to carry out this section may not be used for any purpose other than the destruction of lethal chemical weapons and munitions, and when no longer needed to carry out this section, such facilities shall be cleaned, dismantled, and disposed of in accordance with applicable laws and regulations.

(d) PLAN.—(1) The Secretary shall develop a comprehensive plan to carry out this section.

(2) In developing such plan, the Secretary shall consult with the Secretary of Health and Human Services and the Administrator of the Environmental Protection Agency.

(3) The Secretary shall transmit a copy of such plan to the Congress not later than March 15, 1986.

(4) Such plan shall provide—

(A) an evaluation of the comparison of onsite destruction, regional destruction centers, and a national destruction site both inside and outside of the United States;

(B) for technological advances in techniques used to destroy chemical munitions;

(C) for the maintenance of a permanent, written record of the destruction of lethal chemical agents and munitions carried out under this section; and

(D) a description of—

(i) the methods and facilities to be used in the destruction of agents and munitions under this section;

(ii) the schedule for carrying out this section; and

(iii) the management organization established under subsection (e).

(e) MANAGEMENT ORGANIZATION.—(1) In carrying out this section, the Secretary shall provide for the establishment, not later than May 1, 1986, of a management organization within the Department of the Army.

(2) Such organization shall be responsible for management of the destruction of agents and munitions under this section.

(3) The Secretary shall designate a general officer as the director of the management organization established under paragraph (1). Such officer shall have—

(A) experience in the acquisition, storage, and destruction of chemical agents and munitions;

(B) training in chemical warfare defense operations; and

(C) outstanding qualifications regarding safety in handling chemical agents and munitions.

(f) IDENTIFICATION OF FUNDS.—Funds for carrying out this section shall be set forth in the budget of the Department of Defense for any fiscal year as a separate account. Such funds shall not be included in the budget accounts for any military department. Funds for military construction projects necessary to carry out this section may be set out in the annual military construction budget separately from other funds for such project.

(g) ANNUAL REPORT.—(1) Except as provided by paragraph (4), the Secretary shall transmit, by December 15 of each year, a report to the Congress on the activities carried out under this section during the fiscal year ending on September 30 of the calendar year in which the report is to be made.

(2) The first such report shall be transmitted by December 15, 1985, and shall contain—

(A) an accounting of the United States' stockpile of lethal chemical agents and munitions on the date of the enactment of this Act; and

(B) a schedule of the activities planned to be carried out under this section during fiscal year 1986.

(3) Each report other than the first one shall contain—

(A) a site-by-site description of the construction, equipment, operation, and dismantling of facilities (during the fiscal year for which the report is made) used to carry out the destruction of agents and munitions under this section, including any accidents or other unplanned occurrences associated with such construction and operation; and

(B) an accounting of all funds expended (during such fiscal year) for activities carried out under this section, with a separate accounting for amounts expended for—

(i) the construction of and equipment for facilities used for the destruction of agents and munitions;

(ii) the operation of such facilities;

(iii) the dismantling or other closure of such facilities;

(iv) research and development; and

(v) program management.

(4) The Secretary shall transmit the final report under this subsection not later than 120 days following the completion of activities under this section.

(h) PROHIBITION ON ACQUIRING CERTAIN LETHAL CHEMICAL AGENTS AND MUNITIONS.—(1) Except as provided in paragraph (2), no agency of the Federal Government may, after the date of the enactment of this Act, develop or acquire lethal chemical agents or munitions other than binary chemical weapons.

(2)(A) The Secretary of Defense may acquire any chemical agent or munition at any time for purposes of intelligence analysis.

(B) Chemical agents and munitions may be acquired for research, development, test, and evaluation purposes at any time, but only in quantities needed for such purposes and not in production quantities.

(i) REAFFIRMATION OF UNITED STATES POSITION ON FIRST USE OF CHEMICAL AGENTS AND MUNITIONS.—It is the sense of Congress that the President should publicly reaffirm the position of the United States as set out in the Geneva Protocol of 1925, which the United States ratified with reservations in 1975.

(j) DEFINITIONS.—For purposes of this section:

(1) The term "chemical agent and munition" means an agent or munition that, through its chemical properties, produces lethal or other damaging effects on human beings, except that such term does not include riot control agents, chemical herbi-

cides, smoke and other obscuration materials.

(2) The term "lethal chemical agent and munition" means a chemical agent or munition that is designed to cause death, through its chemical properties, to human beings in field concentrations.

(3) The term "destruction" means, with respect to chemical munitions or agents—

(A) the demolishment of such munitions or agents by incineration or by any other means; or

(B) the dismantling or other disposal of such munitions or agents so as to make them useless for military purposes and harmless to human beings under normal circumstances.

(k) EFFECTIVE DATE.—The provisions of this section shall take effect on October 1, 1985.

SEC. 1413. REPORT CONCERNING THE TESTING OF CHEMICAL WARFARE AGENTS

The Secretary of Defense shall, within 90 days after the date of enactment of this Act, transmit a report to the Committees on Armed Services of the Senate and House of Representatives describing the following matters concerning the testing of diluted or undiluted chemical warfare agents:

(1) The criteria and process used for selecting sites for such testing.

(2) The nature and extent of any consultation carried out with State and local officials before the site for such testing is selected.

(3) The consideration that is given to the proximity of residential dwelling units, schools, child care centers, nursing homes, hospitals, or other health care facilities to the testing site.

(4) Whether an environmental impact statement should be required prior to the approval of a contract for such testing.

(5) Any costs that may have to be incurred by the Federal Government to assist companies that carry out such testing to relocate to more isolated areas.

(6) The degree to which the Secretary estimates that such testing will increase or decrease.

(7) Any recurring problems associated with such testing or the site selection process for such testing.

(8) Any changes in site selection process that are to be implemented by the Secretary or for which legislative action is necessary.

PART C—DRUG INTERDICTION, LAW ENFORCEMENT, AND OTHER SPECIFIC PROGRAMS

SEC. 1421. ENHANCED DRUG-INTERDICTION ASSISTANCE

(a) MANDATORY ASSIGNMENT OF COAST GUARD PERSONNEL ON NAVAL VESSELS.—The Secretary of Defense and the Secretary of Transportation shall provide that there be assigned on board each surface naval vessel at sea in a drug-interdiction area at least one member of the Coast Guard who is trained in law enforcement and has power to arrest, search, and seize property and persons suspected of violations of law.

(b) LAW ENFORCEMENT FUNCTIONS.—Members of the Coast Guard assigned to duty on board naval vessels under this section shall perform such law enforcement functions (including drug-interdiction functions)—

(1) as may be agreed upon by the Secretary of Defense and the Secretary of Transportation; and

(2) as are otherwise within the jurisdiction of the Coast Guard.

(c) AUTHORIZATION OF NECESSARY COAST GUARD PERSONNEL; FUNDING.—(1) The active-duty military strength level for the Coast Guard for fiscal year 1986 is increased by 500. Additional members of the Coast Guard who are on active duty by reason of this subsection shall be assigned to duty as provided in subsection (a).

(2) Of the funds appropriated for operation and maintenance for the Navy for fiscal year 1986 the sum of $15,000,000 shall be transferred to the Secretary of Transportation and shall be available only for the additional personnel authorized by paragraph (1).

(d) DEFINITIONS.—For the purposes of this section:

(1) The term "drug-interdiction area" means an area outside the land area of the United States in which the Secretary of Defense (in consultation with the Attorney General) determines that activities involving smuggling of drugs into the United States are ongoing.

(2) The term "active-duty military strength level for the Coast Guard for fiscal year 1986" means the full-time equivalent strength level for active-duty military personnel of the Coast Guard for fiscal year 1986 required to be maintained by section 3 of the Coast Guard Authorization Act of 1984 (Public Law 98-557; 98 Stat. 2860).

SEC. 1422. ESTABLISHMENT, OPERATION, AND MAINTENANCE OF DRUG LAW ENFORCEMENT ASSISTANCE ORGANIZATIONS OF THE DEPARTMENT OF DEFENSE

(a) AUTHORIZATION OF FUNDS FOR ELEMENTS ASSISTING CIVILIAN DRUG INTERDICTION.—(1) There are authorized to be appropriated to the Department of Defense for fiscal year 1986 such sums as may be necessary for the establishment, operation, and maintenance of airborne surveillance, detection, and interdiction units in the Department of Defense.

(2) There are authorized to be appropriated to the Department of Defense for fiscal year 1986 such sums as may be necessary for the operation and maintenance of the Directorate of the Department of Defense Task Force on Drug Law Enforcement.

(b) COMMAND, CONTROL, AND COORDINATION.—A special operations headquarters element shall provide necessary command, control, and coordination of appropriate active or Reserve component special operations forces, combat rescue units, and other units for participation by such forces and units in drug law-enforcement assistance missions.

(c) REPORT ON PLANS TO ENHANCE COOPERATION WITH CIVILIAN DRUG ENFORCEMENT AGENCIES.—Not later than December 1, 1985, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the manner in which the Department of Defense plans to obligate and expend funds appropriated or expected to be appropriated pursuant to the authorizations contained in this section. The report shall include a description of—

(1) actions or proposed actions to establish, operate, and maintain Reserve component forces airborne surveillance, detection, and interdiction units, including—

(A) actions or proposed actions to consolidate or establish, in a Special Operations Wing of the Air Force (reserve or active component), command, control, and coordination of Air Force Special Operations aircraft (including aircraft assigned to the Special Operations Wing of the Regular Air Force on or before March 1, 1985); and

(B) in the case of any such aircraft which are not to remain assigned to a Special Operation Wing of the Air Force, the disposition or planned disposition of those aircraft;

(2) actions and proposed actions to use rotary-wing and fixed-wing aircraft of the Department of Defense as well as other measures necessary to furnish (commensurate with military readiness and the provisions of chapter 18 of title 10, United States Code) optimal support to civilian law enforcement agencies; and

(3) actions and proposed actions to promote dual use between the Reserve component forces and civilian law enforcement agencies of the Department of Defense aircraft and other Department of Defense resources made available to civilian law enforcement agencies for the purpose of carrying out drug interdiction missions.

SEC. 1423. MILITARY COOPERATION INFORMATION PROGRAMS FOR CIVILIAN LAW ENFORCEMENT OFFICIALS

(a) PROVISION OF LAW-ENFORCEMENT ASSISTANCE INFORMATION.—Section 373 of title 10, United States Code, is amended—

(1) by inserting "(a)" before "The"; and

(2) by adding at the end thereof the following new subsections:

"(b)(1) At least once each year, the Attorney General of the United States, in consultation with the Secretary of Defense, shall conduct a briefing of law enforcement personnel of each State, including law enforcement personnel of the political subdivisions of each State, regarding information, training, technical assistance, and equipment and facilities available to civilian law enforcement personnel from the Department of Defense.

"(2) Each briefing conducted under paragraph (1) shall include—

"(A) an explanation of the procedures for civilian law enforcement officials—

"(i) to obtain information under section 371 of this title, use of equipment and facilities under section 372 of this title, and training and advice under subsection (a); and

"(ii) to obtain surplus military equipment;

"(B) the types of information, equipment and facilities, and training and advice available to civilian law enforcement officials from the Department of Defense; and

"(C) a current, comprehensive list of military equipment which is suitable for law enforcement purposes and is available to civilian law enforcement officials from the Department of Defense or is available as surplus property from the Administrator of General Services.

"(c) The Attorney General of the United States and the Administrator of General Services shall—

"(1) establish or designate an appropriate office or offices to maintain the list described in subsection (b)(2)(C) and to furnish information to civilian law enforcement officials on the availability of surplus military equipment; and

"(2) make available to civilian law enforcement personnel nationwide, tollfree telephone communication with such office or offices.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on January 1, 1986.

SEC. 1424. STUDY ON THE USE OF THE E-2 AIRCRAFT FOR DRUG INTERDICTION PURPOSES

(a) STUDY BY SECRETARY OF THE NAVY.—The Secretary of the Navy shall conduct a test of the use of E-2 aircraft of the Navy to determine the effectiveness of that aircraft in drug interdiction. The study shall be conducted along the border between the United States and Mexico and shall be carried out over a period of six months.

(b) COLLECTION OF DATA.—As part of the test, the Secretary shall collect data on the contribution on the use of the E-2 aircraft to the apprehension of drug smugglers. This data shall include the number of intercepts which resulted in apprehensions.

(c) REPORT.—Not later than September 30, 1986, the Secretary shall submit to Congress a report on the results of the study.

SEC. 1425. STRATEGIC BOMBER PROGRAMS

(a) SENSE OF CONGRESS REGARDING THE ADVANCED TECHNOLOGY BOMBER AND THE ADVANCED CRUISE MISSILE.—It is the sense of Congress that—

(1) the capabilities inherent in the technologies associated with the Advanced Technology Bomber program and the Advanced Cruise Missile program are a critical national security asset for maintaining an adequate and credible deterrent posture;

(2) such technologies and programs should be developed as rapidly as feasible in order to produce and deploy advanced systems which will complicate the military planning of the Soviet Union and as a consequence enhance the deterrent posture of the United States;

(3) such technologies and programs should be funded at the levels authorized in this Act; and

(4) all the funds appropriated for such programs should be fully used for such programs.

(b) PROHIBITION ON USE OF FUNDS FOR ATB AND ACM FOR ANY OTHER PURPOSE.—None of the funds appropriated pursuant to an authorization of appropriations in this Act to carry out the Advanced Technology Bomber program or the Advanced Cruise Missile program may be used for any other purpose.

(c) SENSE OF CONGRESS ON B-1B BOMBER PROGRAM.—It is the sense of Congress that, consistent with the stated policy of the Department of Defense, the B-1B bomber aircraft procurement program should be terminated after acquisition under such program of 100 aircraft.

(d) LIMITATION ON NUMBER OF B-1B AIRCRAFT TO BE PROCURED.—None of the funds appropriated pursuant to an authorization contained in this Act may be obligated or expended for the conduct of research, design, demonstration, development, or procurement of more than 100 B-1B bomber aircraft (including any derivative or modified version of such aircraft).

SEC. 1426. RESTRICTIONS ON CERTAIN NUCLEAR PROGRAMS

(a) RESTRICTION ON FUNDING FOR MX MISSILE WARHEAD.—None of the funds appropriated pursuant to an authorization provided in this or any other Act may be obligated or expended for the production of W-87 warheads for the MX missile program in excess of the numbers of warheads required to arm the number of such missiles authorized by the Congress to be deployed and determined by the President to be necessary for quality assurance and reliability testing.

(b) EMPLOYMENT OF THE STANDARD MISSILE (SM-2(N)).—Except for the studies and report required by this section, none of the funds authorized to be appropriated by this Act may be expended for research, development, test, or procurement associated with a nuclear variant of the Standard Missile (SM-2(N)) or any associated nuclear warhead until 30 calendar days after the Secretary of the Navy submits to the Committees on Armed Services of the Senate and House of Representatives a report which includes the following information:

(1) A description of the circumstances under which the SM-2(N) would be used and an assessment of likely enemy response (including countermeasures).

(2) A description of the release procedures and circumstances under which release would be authorized for employment of the SM-2(N).

(3) An analysis of conventional alternatives to the SM-2(N), including any necessary modification to the SM-2 or alternative to the Standard Missile or warhead, and the associated costs of those alternatives.

(4) A summary of all studies previously conducted analyzing the impact of the use of nuclear naval surface-to-air missiles on our own vessels and electronics.

(5) A list of all United States ships which may receive the SM-2(N).

(6) The number of additional conventional armed missiles which could be carried by United States ships if the SM-2(N) were not deployed and the impact on fleet air defense from that reduced conventional load.

(7) Any plans or programs for the development of a nuclear naval surface-to-air or air-to-air missile for fleet defense other than the SM-2(N).

(c) REPORT ON REQUIREMENTS FOR SPECIAL NUCLEAR MATERIALS.—(1) Not later than March 1, 1986, the Secretary of Defense and the Secretary of Energy, after consultation with the Joint Chiefs of Staff and the Director of the Arms Control and Disarmament Agency, shall submit a report to the Committees on Armed Services of the Senate and House of Representatives detailing the military requirements for special nuclear materials through fiscal year 1991. The report shall include findings and recommendations concerning—

(A) requirements for production of plutonium, highly enriched uranium, and other special nuclear materials; and

(B) the recovery of special nuclear materials for military uses that have been transferred from military uses to civilian research and development uses.

(2) The report should also—

(A) address the availability of special nuclear materials to be derived from the retirement of existing nuclear weapons;

(B) address the feasibility of meeting military needs for special nuclear materials through the blending of high grade and low grade materials stocks;

(C) assess the impact of new materials separation, purification, and production technologies on nuclear proliferation; and

(D) contain the views of the Joint Chiefs of Staff and the Director of the Arms Control and Disarmament Agency.

PART D—MISCELLANEOUS REPORTING REQUIREMENTS

SEC. 1431. EXTENSION OF TIME FOR SUBMISSION OF REPORTS BY COMMISSION ON MERCHANT MARINE AND DEFENSE

Section 1536 of the Department of Defense Authorization Act, 1985 (Public Law 98-525; 98 Stat. 2633), is amended—

(1) by striking out "on September 30, 1985, and September 30, 1986" in subsection (b) and inserting in lieu thereof "12 months after the date of the enactment of the law first providing funds for the Commission and 24 months after such date";

(2) in subsection (g)—

(A) by striking out "June 30, 1985, and June 30, 1986" and inserting in lieu thereof "nine months after the date of the enactment of the law first providing funds for the Commission and not later than 21 months after such date"; and

(B) by striking out "September 30, 1985, and September 30, 1986" and inserting in lieu thereof "12 months after such date of enactment and not later than 24 months after such date of enactment"; and

(3) by striking out "September 30, 1987" in subsection (i) and inserting in lieu thereof "September 30, 1988".

SEC. 1432. REPORT ON NAVAL SHIPBUILDING AND REPAIR BASE

(a) REQUIREMENT FOR REPORT BY SECRETARY OF THE NAVY.—The Secretary of the Navy shall submit to the Committees on Armed Services of the Senate and House of Representatives a report on the industrial base for construction, overhaul, and repair of naval vessels (hereinafter in this section referred to as the "shipyard base").

(b) COMPETITION AND MOBILIZATION CAPABILITY.—The report shall consider the current competitive environment in the shipyard base and the current mobilization capability of the shipyard base.

(c) STUDY OF INCREASE IN NUMBER OF SHIPYARDS.—(1) The report shall include an assessment of how competition in the shipyard base and the mobilization capability of the shipyard base would each be affected by an increase in the number of shipyards in the shipyard base and shall assess alternative ways of achieving such an increase.

(2) In assessing ways to increase the number of shipyards in the shipyard base, the Secretary shall consider the feasibility and desirability of expanding by one the number of shipyards currently engaged in construction of each of the following types of vessels:

(A) Trident nuclear-powered fleet ballistic missile submarines.

(B) Nuclear-powered attack submarines.

(C) Nuclear-powered aircraft carriers.

(D) Complex surface combatants.

(E) Auxiliaries.

(3) In considering ways to increase the number of shipyards constructing each type of vessel listed in paragraph (2), the Secretary shall consider expansion of the shipbuilding base on the West Coast of the United States and increased use of public shipyards.

(d) FACTORS IN ASSESSMENT.—The assessment of the current capabilities of the shipyard base and of each alternative identified under subsection (c)—

(1) shall be made considering the requirements of both peacetime competition and wartime mobilization capability; and

(2) shall include a description of the possible costs and benefits of the current capabilities and each alternative.

(e) DEADLINE FOR REPORT.—The report required by subsection (a) shall be submitted not later than January 31, 1986.

SEC. 1433. NUCLEAR REACTOR COMPONENTS FOR SSN-21 CLASS SUBMARINES

Not more than one-half of the funds appropriated pursuant to authorizations of appropriations in this Act for the design or construction of nuclear reactor components for the SSN-21 class submarine may be obligated until the Secretary of the Navy submits to the Committees on Armed Services of the Senate and House of Representatives a report on the industrial base for the design and construction of nuclear components for the SSN-21 class submarine. The report shall evaluate the cost effectiveness of increasing the number of firms actively employed in the design of nuclear reactor components and the construction of nuclear reactor components.

SEC. 1434. AIRCRAFT FUEL CONSERVATION REPORT

(a) SUBMISSION OF REPORT.—The Secretary of Defense shall submit to Congress a report with respect to efforts by the Department

of Defense since 1981 to reduce the use of fuel by military aircraft—

(1) during takeoffs; and

(2) in other situations in which the Secretary determines that the use of fuel may be reduced without lowering safety standards.

(b) MATTERS TO BE INCLUDED.—The report shall include discussion of—

(1) specific fuel conservation initiatives;

(2) estimated cost savings from such initiatives; and

(3) ongoing efforts to further reduce the use of fuel by military aircraft.

(c) TIME FOR SUBMISSION OF REPORT.—The report shall be submitted not later than 90 days after the date of the enactment of this Act.

SEC. 1435. REPORT CONCERNING POSEIDON-CLASS SUBMARINE

(a) REPORT ON ALTERNATIVE USES.—The Secretary of Defense shall submit to Congress a report with respect to—

(1) the feasibility of converting a Poseidon-class submarine into an SSN-type submarine or SSGN-type submarine; and

(2) the feasibility of using a Poseidon-class submarine as a training platform.

(b) DEADLINE FOR REPORT.—The report shall be submitted not later than December 15, 1985.

SEC. 1436. REPORT AND DEMONSTRATION PROJECT CONCERNING THE SALE OF CERTAIN UNITED STATES MEAT IN MILITARY COMMISSARIES OVERSEAS

(a) FEASIBILITY STUDY AND DEMONSTRATION PROJECT.—The Secretary of Defense shall study the feasibility of providing beef, pork, and lamb produced in the United States for sale in American Military Forces' commissaries located overseas in volumes equivalent to beef, pork, and lamb secured for sale from non-United States producers. Such study—

(1) shall be carried out in consultation with the Secretary of Agriculture; and

(2) shall include a demonstration project in which beef, pork, and lamb produced in the United States shall be stocked in three commissaries on Air Force bases in Europe and in three commissaries located on Army bases in Europe for a six-month period in volumes equivalent to beef, pork, and lamb secured for sale from non-United States producers; such United States-produced products shall, to the best of the Secretary's ability, be made available at consumer prices which are competitive when compared with non-United States produced red-meat products offered for sale in the commissary system.

(b) REPORT.—Not later than one year after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report on the results of such study and the findings and conclusions of the Secretary under such study. Such report shall include any views provided by the Secretary of Agriculture.

SEC. 1437. REPORT ON RETENTION OF BASIC POINT DEFENSE MISSILE SYSTEM

(a) REQUIREMENT FOR REPORT BY SECRETARY OF THE NAVY.—The Secretary of the Navy shall submit to the Committees on Armed Services of the Senate and House of Representatives a report on the removal of the Basic Point Defense Missile System from naval amphibious vessels.

(b) REPLACEMENT OF THE BASIC POINT DEFENSE MISSILE SYSTEM.—(1) The report shall consider the current plans to replace the Basic Point Defense Missile System on amphibious vessels with the Close-in Weapon System (CIWS).

(2) The report shall include an assessment of the effectiveness of the anti-air warfare capabilities of amphibious vessels. This assessment shall be used by the Secretary of the Navy in considering augmenting rather than replacing the Basic Point Defense Missile System on amphibious vessels with the Close-in Weapon System.

(c) LIMITATIONS ON REMOVAL OF BASIC POINT DEFENSE MISSILE SYSTEM.—The Secretary of the Navy may not remove the Basic Point Defense Missile System from amphibious vessels until the report is submitted.

SEC. 1438. REPORT ON RETIREMENT BENEFITS OF PHILIPPINE SCOUTS

(a) IN GENERAL.—The Secretary of the Army (hereinafter in this section referred to as the "Secretary") shall conduct a study of—

(1) the disparity between the pay received by members of the Philippine Scouts who served during World War II and the pay received by other members of the United States Army during such war who had grades and lengths of service that correspond to the grades and lengths of service of such members of the Philippine Scouts; and

(2) the effect of this disparity on the retirement benefits of such members of the Philippine Scouts and their survivors.

(b) PARTICULAR SUBJECTS OF THE STUDY.—In carrying out such study, the Secretary shall—

(1) compile a list of all persons who served as members of the Philippine Scouts during the period beginning on December 7, 1941, and ending on December 31, 1946;

(2) compile a list of persons described in paragraph (1) who are alive on the date of enactment of this Act;

(3) determine the amount of basic pay each person described in paragraph (2) received for services rendered as a member of the Philippine Scouts during the period described in such paragraph and compare it with the amount of basic pay each such person would have received as a member of the Philippine Scouts during that period if the rates of basic pay during such period for the Philippine Scouts had been the same as the rates of basic pay for other members of the United States Army with corresponding grades and length of service during such period;

(4) determine the amount of retired pay that each person described in paragraph (2) is entitled to receive as retired pay from the Army as a result of service rendered as a Philippine Scout and compare it with the amount such person would receive for periods beginning after the date of enactment of this Act if the rate of basic pay payable to such person during the period described in paragraph (1) had been the rate of basic pay payable to any other member of the United States Army with the corresponding grade and length of service during such period; and

(5) determine possible options, and the costs of each, for recalculating the retirement pay of persons described in paragraph (2), including survivor benefits, in order to remedy the disparity in pay received by such persons during their service as Philippine Scouts.

(c) REPORT.—(1) The Secretary shall transmit, within one year after the date of enactment of this Act, to the Committees on Armed Services of the Senate and House of Representatives a report containing the findings and conclusions of the Secretary with respect to each of the matters described in paragraphs (1) through (5) of subsection (b).

(2) If the Secretary determines that—

(A) the documents necessary to compile the lists and make the determinations under subsection (b) are not attainable through reasonable efforts; or

(B) the cost of compiling such lists and making such determinations is excessive,

the Secretary shall make a report as soon as practicable to such Committees with a justification of such determination.

(3) If a report is made to the Committees under paragraph (2), the report to such Committees under paragraph (1) shall be based on the best information that can be reasonably obtained without excessive costs.

SEC. 1439. REPORT ON DEATH PENALTY FOR ESPIONAGE

(a) STUDY.—The Secretary of Defense shall conduct a study of the desirability of reinstating the death penalty as an alternative penalty for persons convicted of espionage relating to the national defense.

(b) REPORT.—The Secretary shall submit to Congress a report containing the results of such study, together with any related recommendations for legislation, not later than 30 days after the date of the enactment of this Act.

SEC. 1440. REPORT ON IMPACT OF FOREIGN EXPORTS ON THE DEFENSE INDUSTRIAL BASE OF THE UNITED STATES

(a) STUDY.—The Secretary of Defense shall conduct a study regarding the effects that foreign export subsidies have had on the defense industrial base of the United States.

(b) SPECIFIC REQUIREMENTS.—The Secretary shall include in such study the following:

(1) A compilation of the contracts (including the name of the contracting firms) valued in excess of $1,000,000 awarded to foreign firms by the Department of Defense during fiscal year 1984, fiscal year 1985, and the first six months of fiscal year 1986.

(2) In the case of a product procured by the Department of Defense which was exported to the United States under a contract compiled pursuant to paragraph (1), whether the Secretary of Commerce or the Secretary of the Treasury has determined since 1970 that the product exported to the United States under such contract is subject to a countervailing duty under title VII of the Tariff Act of 1930 (19 U.S.C. 1671 et seq.) and (if so) a description of the subsidy that led to such determination, including a description of the type and amount of the subsidy.

(c) SUBMISSION OF REPORT.—Not later than June 1, 1986, the Secretary shall submit to the Congress a report containing the results of the study required under subsection (a).

SEC. 1441. SENSE OF CONGRESS REGARDING THE FIRING OF TACTICAL MISSILES FOR TRAINING PURPOSES

(a) SENSE OF CONGRESS.—It is the sense of the Congress that, in carrying out the comprehensive analysis of the threat-based munitions and related expendables directed to be made by the Secretary of Defense pursuant to Senate Report 99-41, dated April 29, 1985, the Secretary should also develop standard criteria—

(1) for identifying, in the case of each tactical missile of the Department of Defense, the training objectives that are uniquely served by the live-firing of such missiles and to provide guidance for the development of live-firing and training requirements based on such criteria;

(2) for utilizing, to the maximum extent practicable, the use of tactical missile eval-

uation programs for live-firing training purposes;

(3) for improving the reporting and evaluation requirements with regard to the live-firing of missiles; and

(4) for increasing, to the maximum extent practicable and without degrading readiness, the use of training devices and simulators as alternatives to exercises involving the live-firing of missiles for training purposes.

(b) REPORT.—The Secretary shall submit a report to the Congress not later than February 1, 1986, informing the Congress of the actions taken by the Secretary to develop standard criteria with respect to the matters referred to in subsection (a).

SEC. 1442. REPORT ON FEASIBILITY OF DRUG TESTING OF PROSPECTIVE RECRUITS

(a) IN GENERAL.—The Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the feasibility of implementing a program in the Department of Defense designed to detect use of illegal drugs by persons who have been accepted for entry into the Armed Forces but who have not become members of the Armed Forces.

(b) MATTERS TO BE INCLUDED.—The Secretary shall include in the report required by subsection (a)—

(1) an explanation of how such a program would operate;

(2) the Secretary's assessment of the value of such a program;

(3) a discussion of any problems that might complicate the administration of such a program;

(4) a discussion of the advantages and disadvantages of instituting such a program;

(5) an estimate of any savings that the United States might realize by detecting use of illegal drugs by persons before they become members of the Armed Forces; and

(6) any recommendations for legislation that the Secretary considers necessary or appropriate to establish such a program.

(c) DEADLINE FOR REPORT.—The Secretary shall submit the report required under subsection (a) not later than October 1, 1985.

PART E—MISCELLANEOUS PROVISIONS

SEC. 1451. SENSE OF CONGRESS ON INTRODUCTION OF ARMED FORCES INTO NICARAGUA FOR COMBAT

It is the sense of Congress that United States Armed Forces should not be introduced into or over Nicaragua for combat. However, nothing in this section shall be construed as affecting the authority and responsibility of the President or Congress under the Constitution, statutes, or treaties of the United States in force.

SEC. 1452. SENSE OF CONGRESS CONCERNING PROTECTION OF UNITED STATES MILITARY PERSONNEL AGAINST TERRORISM

(a) FINDING.—The Congress finds that the protection of members of the Armed Forces against terrorist activity is among the highest national security concerns of the United States.

(b) SENSE OF CONGRESS.—Therefore, it is the sense of Congress that—

(1) the President should be supported in the vigorous exercise of his powers as Commander-in-Chief to protect members of the Armed Forces against terrorist activity; and

(2) such exercise of power should include the use of such measures as may be appropriate and consistent with law.

SEC. 1453. READINESS OF SPECIAL OPERATIONS FORCES

(a) CONGRESSIONAL FINDINGS.—The Congress finds that—

(1) the first duty of the Government is to provide for the common defense, including safeguarding the peace, safety, and security of the citizens of the United States;

(2) the incidence of terrorist, guerilla, and other violent threats to citizens and property of the United States has rapidly increased;

(3) the special operations forces of the Armed Forces provide the United States with immediate and primary capability to respond to terrorism; and

(4) the special operations forces are the military mainstay of the United States for the purposes of nation-building and training friendly foreign forces in order to preclude deployment or combat involving the conventional or strategic forces of the United States.

(b) SENSE OF THE CONGRESS.—In view of the findings in subsection (a), it is the sense of the Congress that—

(1) the revitalization of the capability of the special operations forces of the Armed Forces should be pursued as a matter of the highest priority;

(2) personnel and other resource allocations should reflect the priority referred to in paragraph (1);

(3) the political and military sensitivity and the importance to national security of the special operations forces require that the Office of the Secretary of Defense should improve its management supervision of such forces in all aspects of the special operations mission area;

(4) the joint command and control of the special operations forces must permit direct and immediate access by the President and Secretary of Defense; and

(5) the commanders-in-chief of the unified commands should have available, within their operational areas of responsibility, sufficient special operations assets to execute the operations plans for which they are responsible or to support additional contingency operations directed from the national level.

SEC. 1454. AUTHORITY TO PROVIDE EXCESS PERSONAL PROPERTY FOR HUMANITARIAN PURPOSES

(a) AUTHORITY TO PROVIDE NONLETHAL EXCESS PROPERTY.—Chapter 151 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"82547. Excess nonlethal supplies: humanitarian relief

"(a) The Secretary of Defense may make available for humanitarian relief purposes any nonlethal excess supplies of the Department of Defense.

"(b) Excess supplies made available for humanitarian relief purposes under this section shall be transferred to the Secretary of State, who shall be responsible for the distribution of such supplies.

"(c) This section does not constitute authority to conduct any activity which, if carried out as an intelligence activity by the Department of Defense, would require—

"(1) a finding under section 662 of the Foreign Assistance Act of 1961 (22 U.S.C. 2422); or

"(2) a notice to the intelligence committees under section 501(a)(1) of the National Security Act of 1947 (50 U.S.C. 413).

"(d)(1) The Secretary of State shall submit an annual report on the disposition of all excess supplies transferred by the Secretary of Defense to the Secretary of State under this section during the preceding year.

"(2) Such reports shall be submitted to the Committees on Armed Services and on Foreign Relations of the Senate and the Committees on Armed Services and on Foreign Affairs of the House of Representatives.

"(3) Such reports shall be submitted not later than June 1 of each year.

"(e) In this section:

"(1) 'Nonlethal excess supplies' means property, other than real property, of the Department of Defense—

"(A) that is excess property, as defined in regulations of the Department of Defense; and

"(B) that is not a weapon, ammunition, or other equipment or material that is designed to inflict serious bodily harm or death.

"(2) 'Intelligence committees' means the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"2547. Excess nonlethal supplies: humanitarian relief.".

SEC. 1455. ENCOURAGEMENT OF CONSTRUCTION IN UNITED STATES SHIPYARDS OF COMBATANT VESSELS FOR UNITED STATES ALLIES

(a) IN GENERAL.—The Secretary of the Navy shall take such steps as necessary—

(1) to encourage United States shipyards to construct combatant vessels for nations friendly to the United States, subject to the requirement to safeguard sensitive warship technology; and

(2) to ensure that no effort is made by any element of the Department of the Navy to inhibit, delay, or halt the provision of any United States naval system to a nation allied with the United States if that system is approved for export to a foreign nation, unless approval of such system for export is withheld solely for the purpose of safeguarding sensitive warship technology;

(3) if opportunities arise to construct combatant vessels (including diesel submarines) outside the United States in a shipyard of a friendly foreign nation, with some or all of the costs provided by United States funds—

(A) to encourage United States firms to participate in such construction to the maximum extent possible, subject to the requirement to safeguard sensitive warship technology; and

(B) to ensure, whenever practicable, that at least 51 percent of the dollar value of such construction is provided by United States firms.

(b) DEFINITION.—For the purposes of this section, the term "sensitive warship technology" means technology relating to the design or construction of a combatant naval vessel that is determined by the Secretary of Defense to be vital to United States security.

SEC. 1456. DEFENSE INDUSTRIAL BASE FOR TEXTILE AND APPAREL PRODUCTS

(a) CAPABILITY OF DOMESTIC TEXTILE AND APPAREL INDUSTRIAL BASE.—The Secretary of Defense shall monitor the capability of the domestic textile and apparel industrial base to support defense mobilization requirements.

(b) ANNUAL REPORT.—The Secretary shall submit to Congress not later than April 1 of each of the five years beginning with 1986 a report on the status of such industrial base. Each such report shall include—

(1) an identification of textile and apparel mobilization requirements of the Department of Defense that cannot be satisfied on a timely basis by the domestic industries;

(2) an assessment of the effect any inadequacy in the textile and apparel industrial base would have on a defense mobilization; and

(3) recommendations for ways to alleviate any inadequacy in such industrial base that the Secretary considers critical to defense mobilization requirements.

SEC. 1457. ENCOURAGEMENT OF TECHNOLOGY TRANSFER

(a) IN GENERAL.—Chapter 139 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§2362. Encouragement of technology transfer

"(a) The Secretary of Defense shall encourage, to the extent consistent with national security objectives, the transfer of technology between laboratories and research centers of the Department of Defense and other Federal agencies, State and local governments, colleges and universities, and private persons in cases that are likely to result in the maximum domestic use of such technology.

"(b) The Secretary shall examine and implement methods, in addition to the encouragement referred to in subsection (a), that are consistent with national security objectives and will enable Department of Defense personnel to promote technology transfer in cases referred to in subsection (a)."

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"2362. Encouragement of technology transfer.".

SEC. 1458. CIVIL AIR PATROL

(a) REIMBURSEMENT FOR MAJOR ITEMS OF EQUIPMENT.—Section 9441(b)(10) of title 10, United States Code, is amended by striking out "authorize the purchase with funds appropriated to the Air Force" and inserting in lieu thereof "reimburse the Civil Air Patrol for costs incurred for the purchase".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 1985.

SEC. 1459. NATIONAL SCIENCE CENTER FOR COMMUNICATIONS AND ELECTRONICS

(a) FINDINGS.—The Congress makes the following findings:

(1) Scientific and technological developments in communications and electronics are of particular importance to the United States in meeting its national security, industrial, and other needs.

(2) Enhanced training in the technical communications, electronics, and computer disciplines is necessary for a more efficient and effective military force.

(3) The Secretary of the Army, through the Training and Doctrine Command, is responsible for providing training to members of the Army.

(4) The Ninety-seventh Congress, in Senate Concurrent Resolution 130 of that Congress, encouraged the establishment within the United States of a national center dedicated to communications and electronics.

(5) The Secretary of the Army entered into a Memorandum of Understanding with the National Science Center for Communications and Electronics Foundation Incorporated, a nonprofit corporation of the State of Georgia, in which the Army and such foundation agreed to develop a science center for—

(A) the promotion of engineering principles and practices;

(B) the advancement of scientific education for careers in communications and electronics; and

(C) the portrayal of the communications, electronics, and computer arts.

(b) PURPOSE.—It is the purpose of this section—

(1) to recognize the relationship between the Army and the National Science Center for Communications and Electronics Foundation Incorporated (hereinafter in this section referred to as the "Foundation") for the development, construction, and operation of a national science center; and

(2) to authorize the Secretary of the Army (hereinafter in this section referred to as the "Secretary") to make available a suitable site for the construction of such a center, to accept title to the center facilities when constructed, and to provide for the management, operation, and maintenance of such a center after the transfer of title of the center to the Secretary.

(c) NATIONAL SCIENCE CENTER.—(1) Subject to paragraph (2), the Secretary may provide a suitable parcel of land at or near Fort Gordon, Georgia, for the construction by the Foundation of a National Science Center to meet the objectives expressed in subsection (a). Upon completion of the construction of the center, the Secretary may accept title to the center and may provide for the management, operation, and maintenance of the center.

(2) As a condition to making a parcel of land available to the Foundation for the construction of a National Science Center, the Secretary shall have the right to approve the design of the center, including all plans, specifications, contracts, sites, and materials to be used in the construction of such center and all rights-of-way, easements, and rights of ingress and egress for the center. The Secretary's approval of the design and plans shall be based on good business practices and accepted engineering principles, taking into consideration safety and other appropriate factors.

(d) GIFTS.—The Secretary may accept conditional or unconditional gifts made for the benefit of, or in connection with, the center.

(e) ADVISORY BOARD.—The Secretary may appoint an advisory board to advise the Secretary regarding the operation of the center in pursuit of the goals of the center described in subsection (a)(5). The Secretary may appoint to the advisory board such members of the Board of Directors of the Foundation as the Secretary considers appropriate. The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the advisory board appointed under this subsection.

(f) AVAILABILITY OF CENTER TO FOUNDATION.—Consistent with the mission of the Armed Forces and the efficient operation of the center, the Secretary may make facilities at the center available to the Foundation—

(1) for its corporate activities; and

(2) for such endeavors in the area of communications and electronics as the Secretary may consider appropriate.

(g) OTHER AUTHORIZED USES.—(1) The Secretary may make the center available to the public and to other departments and agencies of the Government for research and study and for public exhibitions. The Secretary may charge for such uses as he considers necessary and appropriate.

(2) Any money collected for the use of the facilities of the center shall be deposited to a special fund maintained by the Secretary for the maintenance and operation of the center. The Secretary shall require the Auditor General of the Army to audit the records of such fund at least once every two years and to report the results of the audits to the Secretary.

SEC. 1460. DONATIONS BY COMMISSARY STORES OF CERTAIN UNMARKETABLE FOOD

(a) IN GENERAL.—Chapter 147 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 2485. Commissary stores: donation of unmarketable food

"(a) The Secretary of a military department may donate commissary store food described in subsection (b) to authorized charitable nonprofit food banks.

"(b) Food that may be donated under this section is food of a commissary store—

"(1) that is—

"(A) unmarketable;

"(B) unsaleable; and

"(C) certified as edible by appropriate food inspection technicians; and

"(2) that would otherwise be destroyed as unusable.

"(c) A donation under this section shall take place at the site of the commissary that is donating the food.

"(d) A donation under this section may only be made to an entity that is authorized by the Secretary of Defense or the Secretary of Health and Human Services to receive donations under this section.

"(e) This section does not authorize any service (including transportation) to be provided in connection with a donation under this section.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"2485. Commissary stores: donation of unmarketable food.".

SEC. 1461. LIMITATION ON GRATUITIES AT NAVAL SHIPBUILDING CEREMONIES

(a) GENERAL RULE.—A Federal officer, employee, or Member of Congress may not accept, directly or indirectly, any tangible thing of value as a gift or memento in connection with a ceremony to mark the completion of a naval shipbuilding milestone.

(b) EXCLUSION.—Subsection (a) does not apply to a gift or memento that has a value of less than $100.

(c) DEFINITIONS.—For purposes of this section, the terms "officer", "employee", and "Member of Congress" have the meanings given those terms in sections 2104, 2105, and 2106, respectively, of title 5, United States Code.

SEC. 1462. AUTHORITY TO TRANSFER CERTAIN AIRCRAFT

(a) IN GENERAL.—The Secretary of the Navy may transfer title to an aircraft described in subsection (b) to the institution leasing the aircraft if the Secretary certifies—

(1) that at the time of the transfer the aircraft is being used by the organization holding the aircraft for a purpose consistent with the use intended when the aircraft was first leased to the institution; and

(2) that the Department of the Navy no longer needs the aircraft.

(b) COVERED AIRCRAFT.—The authority of the Secretary of the Navy under subsection (a) applies with respect to an aircraft—

(1) that on the date of the enactment of this Act is being leased by the Secretary to a State-supported educational institution; and

(2) for which a lease for such aircraft began with such institution on or before January 1, 1976.

(c) COMPENSATION.—A transfer under this section shall be made without compensation or reimbursement to the United States.

SEC. 1463. AUTHORITY TO LEASE AIR FORCE HELICOPTERS TO THE STATE OF CALIFORNIA

Notwithstanding any other provision of this or any other Act, the Secretary of the Air Force may lease not more that 12 UH-F1 helicopters to the Department of Forestry of the State of California for the purposes of fighting forest fires, search and rescue missions, and vegetation control activities. The lease of helicopters under this section shall be made subject to such terms and conditions as the Secretary considers fair, reasonable, and necessary to protect the interests of the United States.

SEC. 1464. SENSE OF CONGRESS CONCERNING ESTABLISHMENT OF TRAVEL OFFICES OR ACQUISITION OF TRAVEL SERVICES

It is the sense of the Congress that the Secretary of each military department should provide, in the establishment of travel offices or the acquisition of travel services for official travel, for free and open competition among commercial travel agencies, scheduled airline traffic offices (SATOs), and other entities which provide such services.

SEC. 1465. AMERICAN STAGE EQUIPMENT FOR UNITED STATES PATRIOTIC EVENTS

It is the sense of Congress that performing groups in the Armed Forces of the United States should use domestically manufactured entertainment support items, such as pianos and organs, sound and lighting equipment, and other items essential for quality entertainment, at patriotic and ceremonial events in the Capitol Building, on the Capitol Grounds, and at all Federal buildings, unless there is no domestically manufactured item of comparable quality and price.

SEC. 1466. SALE OF CERTAIN RECORDINGS OF UNITED STATES AIR FORCE BAND

(a) AUTHORIZED SALE.—Notwithstanding any other provision of law, the Secretary of the Air Force may produce recordings of the concert of the United States Air Force Band in Salt Lake City, Utah, on April 18 and 19, 1985, for commercial sale.

(b) AUTHORIZED CONTRACT.—The Secretary may enter into an appropriate contract, under such terms as the Secretary determines to be in the best interest of the Government, for the production and sale authorized by subsection (a).

TITLE XV—DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

SEC. 1501. SHORT TITLE

This title may be cited as the "Department of Energy National Security and Military Applications of Nuclear Energy Authorization Act of 1986".

PART A—NATIONAL SECURITY PROGRAMS AUTHORIZATIONS

SEC. 1511. OPERATING EXPENSES

Funds are authorized to be appropriated to the Department of Energy for fiscal year 1986 for operating expenses incurred in carrying out national security programs (including scientific research and development in support of the Armed Forces, strategic and critical materials necessary for the common defense, and military applications of nuclear energy and related management and support activities) as follows:

(1) For naval reactors development, $489,000,000.

(2) For weapons activities, $3,519,200,000, to be allocated as follows:

(A) For research and development, $850,300,000.

(B) For weapons testing, $537,800,000.

(C) For the defense inertial confinement fusion program, $145,000,000.

(D) For production and surveillance, $1,887,400,000.

(E) For program direction, $98,700,000.

(3) For verification and control technology, $90,975,000, of which $3,800,000 shall be used for program direction.

(4) For defense nuclear materials production, $1,556,300,000, to be allocated as follows:

(A) For uranium enrichment, $208,900,000.

(B) For production reactor operations, $576,380,000.

(C) For processing of defense nuclear materials, $493,145,000, of which $74,800,000 shall be used for special isotope separation.

(D) For supporting services, $256,575,000, of which $26,000,000 shall be used for the plasma separation process program.

(E) For program direction, $21,300,000.

(5) For defense nuclear waste and byproduct management, $395,037,000, to be allocated as follows:

(A) For interim waste management, $271,000,000.

(B) For long-term waste management technology, $96,567,000.

(C) For terminal waste storage, $25,070,000.

(D) For program direction, $2,400,000.

(6) For nuclear materials safeguards and security technology development program, $54,325,000, of which $6,925,000 shall be used for program direction.

(7) For security investigations, $33,400,000.

SEC. 1512. PLANT AND CAPITAL EQUIPMENT

Funds are authorized to be appropriated to the Department of Energy for fiscal year 1986 for plant and capital equipment (including planning, construction, acquisition, and modification of facilities, land acquisition related thereto, and acquisition and fabrication of capital equipment not related to construction) necessary for national security programs as follows:

(1) For weapons activities:

Project 86-D-101, general plant projects, various locations, $26,900,000.

Project 86-D-121, general plant projects, various locations, $28,700,000.

Project 86-D-103, decontamination and waste treatment facility, Lawrence Livermore National Laboratory, Livermore, California, $3,700,000.

Project 86-D-104, strategic defense facility, Sandia National Laboratories, Albuquerque, New Mexico, $4,000,000.

Project 86-D-105, Instrumentation Systems Laboratory, Sandia National Laboratories, Albuquerque, New Mexico, $6,200,000.

Project 86-D-122, structural upgrade of existing plutonium facilities, Rocky Flats Plant, Golden, Colorado, $3,000,000.

Project 86-D-123, environmental hazards elimination, various locations, $8,700,000.

Project 86-D-124, safeguards and site security upgrading, phase II, Mound Plant, Miamisburg, Ohio, $3,000,000.

Project 86-D-125, safeguards and site security upgrade, phase II, Pantex Plant, Amarillo, Texas, $1,500,000.

Project 86-D-130, Tritium loading facility replacement, Savannah River Plant, Aiken, South Carolina, $5,000,000.

Project 86-D-133, Data Communications Laboratory, Los Alamos National Laboratory, Los Alamos, New Mexico, $3,000,000.

Project 85-D-102, nuclear weapons research, development, and testing facilities revitalization, phase I, various locations, $65,400,000, for a total project authorization of $100,800,000.

Project 85-D-103, safeguards and security enhancements, Lawrence Livermore National Laboratory and Sandia National Laboratories, Livermore, California, $16,400,000, for a total project authorization of $21,100,000.

Project 85-D-105, combined device assembly facility, Nevada Test Site, Nevada, $7,000,000, for a total project authorization of $14,600,000.

Project 85-D-106, hardened engineering test building, Lawrence Livermore National Laboratory, Livermore, California, $1,900,000, for a total project authorization of $2,700,000.

Project 85-D-112, enriched uranium recovery improvements, Y-12 Plant, Oak Ridge, Tennessee, $15,300,000, for a total project authorization of $19,800,000.

Project 85-D-113, powerplant and steam distribution system, Pantex Plant, Amarillo, Texas, $18,500,000, for a total project authorization of $23,000,000.

Project 85-D-115, renovate plutonium building utility systems, Rocky Flats Plant, Golden, Colorado, $17,700,000, for a total project authorization of $20,600,000.

Project 85-D-121, air and water pollution control facilities, Y-12 Plant, Oak Ridge, Tennessee, $14,000,000, for a total project authorization of $19,000,000.

Project 85-D-123, safeguards and site security upgrade, phase I, Pantex Plant, Amarillo, Texas, $4,000,000, for a total project authorization of $5,000,000.

Project 85-D-124, safeguards and site security upgrade, Rocky Flats Plant, Golden, Colorado, $2,400,000, for a total project authorization of $3,400,000.

Project 85-D-125, tactical bomb production facilities, various locations, $6,000,000, for a total project authorization of $16,000,000.

Project 84-D-102, radiation-hardened integrated circuit laboratory, Sandia National Laboratories, Albuquerque, New Mexico, $15,500,000, for a total project authorization of $37,500,000.

Project 84-D-104, nuclear materials storage facility, Los Alamos National Laboratory, Los Alamos, New Mexico, $12,100,000, for a total project authorization of $19,300,000.

Project 84-D-107, nuclear testing facilities revitalization, various locations, $14,900,000, for a total project authorization of $65,940,000.

Project 84-D-112, Trident II warhead production facilities, various locations, $60,700,000, for a total project authorization of $140,700,000.

Project 84-D-113, anti-submarine warfare/standoff weapon warhead production facilities, various locations, $10,000,000.

Project 84-D-115, electrical system expansion, Pantex Plant, Amarillo, Texas, $3,300,000, for a total project authorization of $14,800,000.

Project 84-D-117, inert assembly and test facility, Pantex Plant, Amarillo, Texas, $400,000, for a total project authorization of $13,600,000.

Project 84-D-118, high-explosive subassembly facility, Pantex Plant, Amarillo, Texas, $33,000,000, for a total project authorization of $40,000,000.

Project 84-D-120, explosive component test facility, Mound Plant, Miamisburg, Ohio, $2,300,000, for a total project authorization of $22,300,000.

Project 84-D-211, safeguards and site security upgrading, Y-12 Plant, Oak Ridge, Tennessee, $7,500,000, for a total project authorization of $23,000,000.

Project 84-D-212, safeguards and site security upgrade, Pinellas Plant, Florida, $3,800,000, for a total project authorization of $7,500,000.

Project 83-D-199, buffer land acquisition, Lawrence Livermore National Laboratory and Sandia National Laboratories, Livermore, California, $10,000,000, for a total project authorization of $34,000,000.

Project 82-D-107, utilities and equipment restoration, replacement, and upgrade, phase III, various locations, $170,000,000, for a total project authorization of $740,400,000.

Project 82-D-111, interactive graphics systems, various locations, $4,000,000, for a total project authorization of $24,000,000.

Project 82-D-144, Simulation Technology Laboratory, Sandia National Laboratories, Albuquerque, New Mexico, $10,300,000, for a total project authorization of $34,000,000.

Project 79-7-0, Universal Pilot Plant, Pantex Plant, Amarillo, Texas, $4,500,000, for a total project authorization of $20,400,000.

(2) For materials production:

Project 86-D-146, general plant projects, various locations, $29,800,000.

Project 86-D-148, special isotope separation plant (design only), site undesignated, $8,000,000.

Project 86-D-149, productivity retention program, phase I, various locations, $24,200,000.

Project 86-D-150, in-core neutron monitoring system, N reactor, Richland, Washington, $4,460,000.

Project 86-D-151, PUREX electrical system upgrade, Richland, Washington, $2,500,000.

Project 86-D-152, reactor electrical distribution system, Savannah River, South Carolina, $2,000,000.

Project 86-D-153, additional line III furnace, Savannah River, South Carolina, $1,500,000.

Project 86-D-154, effluent treatment facility, Savannah River, South Carolina, $2,500,000.

Project 86-D-156, plantwide safeguards systems, Savannah River, South Carolina, $3,000,000.

Project 86-D-157, hydrofluorination system, FB-line, Savannah River, South Carolina, $2,200,000.

Project 85-D-137, vault safety special nuclear material inventory system, Richland, Washington, $1,900,000, for a total project authorization of $4,400,000.

Project 85-D-139, fuel processing restoration, Idaho Fuels Processing Facility, Idaho National Engineering Laboratory, Idaho, $12,000,000, for a total project authorization of $22,000,000.

Project 85-D-140, productivity and radiological improvements, Feed Materials Production Center, Fernald, Ohio, $12,000,000, for a total project authorization of $18,000,000.

Project 85-D-145, fuel production facility, Savannah River, South Carolina, $16,000,000, for a total project authorization of $25,800,000.

Project 84-D-135, process facility modifications, Richland, Washington, $15,000,000, for a total project authorization of $32,500,000.

Project 84-D-136, enriched uranium conversion facility modifications, Y-12 Plant, Oak Ridge, Tennessee, $7,200,000, for a total project authorization of $19,600,000.

Project 83-D-148, non-radioactive hazardous waste management, Savannah River, South Carolina, $3,100,000, for a total project authorization of $22,100,000.

Project 82-D-124, restoration of production capabilities, phases II, III, IV, and V, various locations, $43,900,000, for a total project authorization of $348,534,000.

Project 82-D-201, special plutonium recovery facilities, JB-Line, Savannah River, South Carolina, $4,400,000, for a total project authorization of $83,800,000.

(3) For defense waste and byproducts management:

Project 86-D-171, general plant projects, interim waste operations and long-term waste management technology, various locations, $24,451,000.

Project 86-D-172, B plant F filter, Richland, Washington, $1,000,000.

Project 86-D-173, central waste disposal facility, Oak Ridge, Tennessee, $1,000,000.

Project 86-D-174, low-level waste processing and shipping system, Feed Materials Production Center, Fernald, Ohio, $2,500,000.

Project 86-D-175, Idaho National Engineering Laboratory security upgrade, Idaho National Engineering Laboratory (INEL), Idaho, $2,000,000.

Project 85-D-157, seventh calcined solids storage facility, Idaho Chemical Processing Plant, Idaho National Engineering Laboratory, Idaho, $14,500,000, for a total project authorization of $21,500,000.

Project 85-D-158, central warehouse upgrade, Richland, Washington, $5,000,000, for a total project authorization of $5,700,000.

Project 85-D-159, new waste transfer facilities, H-Area, Savannah River, South Carolina, $9,000,000, for a total project authorization of $20,000,000.

Project 85-D-160, test reactor area security system upgrade, Idaho National Engineering Laboratory (INEL), Idaho, $2,250,000, for a total project authorization of $4,250,000.

Project 81-T-105, defense waste processing facility, Savannah River, South Carolina, $165,000,000, for a total project authorization of $597,500,000.

(4) For verification and control technology:

Project 85-D-171, space science laboratory, Los Alamos, New Mexico, $4,500,000, for a total project authorization of $5,500,000.

(5) Nuclear safeguards and security:

Project 86-D-186, Nuclear Safeguards Technology Laboratory, Los Alamos National Laboratory, Los Alamos, New Mexico, $1,000,000.

(6) For naval reactors development:

Project 86-N-101, general plant projects, various locations, $4,000,000.

Project 86-N-104, reactor modifications, advance test reactor, Idaho National Engineering Laboratory, $4,500,000.

Project 82-N-111, materials facility, Savannah River, South Carolina, $11,000,000, for a total project authorization of $176,000,000.

Project 81-T-112, modifications and additions to prototype facilities, various locations, $27,000,000, for a total project authorization of $137,000,000.

(7) For capital equipment not related to construction:

(A) for weapons activities, $267,750,000;

(B) for inertial confinement fusion, $10,000,000;

(C) for materials production, $123,440,000;

(D) for defense waste and byproducts management, $38,997,000;

(E) for verification and control technology, $5,600,000;

(F) for nuclear safeguards and security, $4,600,000; and

(G) for naval reactors development, $29,000,000.

PART B—RECURRING GENERAL PROVISIONS

SEC. 1521. REPROGRAMMING

(a) NOTICE TO CONGRESS.—Except as otherwise provided in this title—

(1) no amount appropriated pursuant to this title may be used for any program in excess of 105 percent of the amount authorized for that program by this title or $10,000,000 more than the amount authorized for that program by this title, whichever is the lesser, and

(2) no amount appropriated pursuant to this title may be used for any program which has not been presented to, or requested of, the Congress,

unless a period of 30 calendar days (not including any day on which either House of Congress is not in session because of adjournment of more than three calendar days to a day certain) has passed after receipt by the appropriate committees of Congress of notice from the Secretary of Energy (hereinafter in this part referred to as the "Secretary") containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such proposed action, or unless each such committee before the expiration of such period has transmitted to the Secretary written notice to the effect that such committee has no objection to the proposed action.

(b) LIMITATION ON AMOUNT OBLIGATED.—In no event may the total amount of funds obligated pursuant to this title exceed the total amount authorized to be appropriated by this title.

SEC. 1522. LIMITS ON GENERAL PLANT PROJECTS

(a) IN GENERAL.—The Secretary may carry out any construction project under the general plant projects provisions authorized by this title if the total estimated cost of the construction project does not exceed $1,200,000.

(b) REPORT TO CONGRESS.—If at any time during the construction of any general plant project authorized by this title, the estimated cost of the project is revised because of unforeseen cost variations and the revised cost of the project exceeds $1,200,000, the Secretary shall immediately furnish a complete report to the appropriate committees of Congress explaining the reasons for the cost variation.

SEC. 1523. LIMITS ON CONSTRUCTION PROJECTS

(a) IN GENERAL.—Whenever the current estimated cost of a construction project, which is authorized by section 1512 of this title, or which is in support of national security programs of the Department of Energy and was authorized by any previous Act, exceeds by more than 25 percent the higher of—

(1) the amount authorized for the project; or

(2) the amount of the total estimated cost for the project as shown in the most recent budget justification data submitted to the Congress,

construction may not be started or additional obligations incurred in connection with the project above the total estimated cost, as the case may be, unless a period of 30 calendar days (not including any day in which either House of Congress is not in session because of adjournment of more than three days to a day certain) has passed after receipt by the appropriate committees of Congress of written notice from the Secretary containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of the action, or unless each committee before the expiration of such period has notified the Secretary it has no objection to the proposed action.

(b) EXCEPTION.—Subsection (a) shall not apply to any construction project which has a current estimated cost of less than $5,000,000.

SEC. 1524. FUND TRANSFER AUTHORITY

To the extent specified in appropriation Acts, funds appropriated pursuant to this title may be transferred to other agencies of the Government for the performance of the work for which the funds were appropriated, and funds so transferred may be merged with the appropriations of the agency to which the funds are transferred.

SEC. 1525. AUTHORITY FOR CONSTRUCTION DESIGN

(a) IN GENERAL.—(1) Within the amounts authorized by this title for plant engineering and design, the Secretary may carry out advance planning and construction designs (including architectural and engineering services) in connection with any proposed construction project if the total estimated cost for such planning and design does not exceed $2,000,000.

(2) In any case in which the total estimated cost for such planning and design exceeds $300,000, the Secretary shall notify the appropriate committees of Congress in writing of the details of such project at least 30 days before any funds are obligated for design services for such project.

(b) SPECIFIC AUTHORITY REQUIRED.—In any case in which the total estimated cost for advance planning and construction design in connection with any construction project exceeds $2,000,000, funds for such design must be specifically authorized by law.

SEC. 1526. AUTHORITY FOR EMERGENCY CONSTRUCTION DESIGN

In addition to the advance planning and construction design authorized by section 1512, the Secretary may perform planning and design utilizing available funds for any Department of Energy defense activity construction project whenever the Secretary determines that the design must proceed expeditiously in order to meet the needs of national defense or to protect property or human life.

SEC. 1527. FUNDS AVAILABLE FOR ALL NATIONAL SECURITY PROGRAMS OF THE DEPARTMENT OF ENERGY

Subject to the provisions of appropriation Acts, amounts appropriated pursuant to this title for management and support activities and for general plant projects are available for use, when necessary, in connection with all national security programs of the Department of Energy.

SEC. 1528. ADJUSTMENTS FOR PAY INCREASES

Appropriations authorized by this title for salary, pay, retirement, or other benefits for Federal employees may be increased by such amounts as may be necessary for increases in such benefits authorized by law.

SEC. 1529. AVAILABILITY OF FUNDS

When so specified in an appropriation Act, amounts appropriated for "Operating Expenses" or for "Plant and Capital Equipment" may remain available until expended.

PART C—PROGRAM REVISIONS AND MISCELLANEOUS PROVISIONS

SEC. 1531. GENERAL REDUCTION

The total amount that may be appropriated pursuant to the authorizations in this title is the amount equal to the sum of the amounts authorized in this title reduced by $32,280,000. Of such reduction—

(1) $10,000,000 shall be derived from funds for acquisition of automated data processing and computer equipment;

(2) $14,000,000 shall be derived from savings from management initiatives; and

(3) $8,280,000 shall be derived from proposed rescission R85-80.

SEC. 1532. COMMUNITY ASSISTANCE PAYMENTS

(a) FINAL SETTLEMENT.—Subject to the provisions of appropriation Acts, the Secretary of Energy is authorized to obligate during fiscal year 1986 not more than $41,133,000 from funds available to the Department of Energy for the purpose of carrying out a contract with Anderson County and Roane County, Tennessee, and the City of Oak Ridge, Tennessee, that would provide a final financial settlement with those entities and terminate all annual assistance payments made to those entities pursuant to section 91 of the Atomic Energy Community Act of 1955 (42 U.S.C. 2391), and for advance payment of payments in lieu of property taxes for the fiscal years 1986 through 1996 authorized by section 168 of the Atomic Energy Act of 1954 (42 U.S.C. 2208).

(b) REPORT TO CONGRESS.—Not later than February 1, 1986, the Secretary of Energy shall submit to the appropriate committees of Congress a report and the Secretary's recommendations concerning any need for any further financial assistance payments to local governmental entities pursuant to the Atomic Energy Community Act of 1955. In making such recommendations, the Secretary shall consider—

(1) the criteria established by section 91 of the Atomic Energy Act of 1954;

(2) changes in the financial circumstances of State and local governmental entities since 1955;

(3) other forms of Federal assistance to State and local governmental entities provided since 1955; and

(4) the deficit of the Federal budget.

(c) LIMITATION.—No funds may be obligated for the purposes set forth in subsection (a) until—

(1) the Secretary has submitted to the appropriate committee of Congress a copy of an executed contract that complies with the requirements of that subsection; and

(2) a period of 30 calendar days (not including any day on which either House of Congress is not in session because of adjournment of more than three calendar days to a day certain) has passed after receipt of such contract.

SEC. 1533. IMPROVEMENTS TO DEPARTMENT OF ENERGY BUILDING AT OAK RIDGE, TENNESSEE

Subject to the provisions of appropriations Acts, the Secretary of Energy is authorized to obligate not more than $5,000,000 during fiscal year 1986 from funds available to the Department of Energy to renovate a building owned by the Department of Energy at Oak Ridge, Tennessee, if the Secretary determines that the Department's research and development requirements of the Strategic Defense Initiatives program require such renovations.

SEC. 1534. COSTS NOT ALLOWED UNDER COVERED CONTRACTS

(a) IN GENERAL.—The following costs are not allowable under a covered contract:

(1) Costs of entertainment, including amusement, diversion, and social activities and any costs directly associated with such costs (such as tickets to shows or sports events, meals, lodging, rentals, transportation, and gratuities).

(2) Costs incurred to influence (directly or indirectly) legislative action on any matter pending before Congress or a State legislature.

(3) Costs incurred in defense of any civil or criminal fraud proceeding or similar proceeding (including filing of any false certification) brought by the United States where the contractor is found liable or has pleaded nolo contendere to a charge of fraud or similar proceeding (including filing of false certification).

(4) Payments of fines and penalties resulting from violations of, or failure to comply with, Federal, State, local, or foreign laws and regulations, except when incurred as a result of compliance with specific terms and conditions of the contract or specific written instructions from the contracting officer authorizing in advance such payments in accordance with applicable regulations of the Secretary of Energy.

(5) Costs of membership in any social, dining, or country club or organization.

(6) Costs of alcoholic beverages.

(7) Contributions or donations, regardless of the recipient.

(8) Costs of advertising designed to promote the contractor or its products.

(9) Costs of promotional items and memorabilia, including models, gifts, and souvenirs.

(10) Costs for travel by commercial aircraft or by travel by other than common carrier that is not necessary for the performance of the contract and the cost of which exceeds the amount of the standard commercial fare.

(b) REGULATIONS.—Not later than 150 days after the date of the enactment of this Act, the Secretary of Energy shall prescribe regulations to implement this section. Such regulations may establish appropriate definitions, exclusions, limitations, and qualifications. Such regulations shall be published in accordance with section 22 of the Office of Federal Procurement Policy Act (41 U.S.C. 418b).

(c) DEFINITION.—In this section, "covered contract" means a contract for an amount more than $100,000 entered into by the Secretary of Energy obligating funds appropriated for national security programs of the Department of Energy.

(d) EFFECTIVE DATE.—Subsection (a) shall apply with respect to costs incurred under a covered contract on or after 30 days after the regulations required by subsection (b) are issued.

SEC. 1535. TECHNICAL AMENDMENTS

(a) IN GENERAL.—Sections 1623(a) and 1626 of the Department of Energy National Security and Military Applications of Nuclear Energy Authorization Act of 1985 (title XVI of Public Law 98-525) are amended by striking out "section 302" and inserting in lieu thereof "section 1602".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall be considered to have been made on the date of the enactment of the Department of Energy National Security and Military Applications of Nuclear Energy Authorization Act of 1985.

TITLE XVI—OTHER GENERAL PROVISIONS

PART A—CIVIL DEFENSE

SEC. 1601. AUTHORIZATION OF APPROPRIATIONS

There is hereby authorized to be appropriated for fiscal year 1986 to carry out provisions of the Federal Civil Defense Act of 1950 (50 U.S.C. App. 2251 et seq.) the sum of $130,000,000.

PART B—NATIONAL DEFENSE STOCKPILE

SEC. 1611. FUNDING FOR NATIONAL DEFENSE STOCKPILE

(a) ONE-YEAR EXTENSION OF FUNDING FOR STOCKPILE TRANSACTION FUND FROM NAVAL PETROLEUM RESERVE RECEIPTS.—Section 905 of the Department of Defense Authorization Act, 1985 (Public Law 98-525; 98 Stat. 2574), is amended by striking out "during fiscal year 1985" and inserting in lieu thereof "during fiscal years 1985 and 1986".

(b) CONFORMING AMENDMENT.—Section 903(b) of such Act (98 Stat. 2573) is amended by striking out "October 1, 1986" and inserting in lieu thereof "October 1, 1987".

SEC. 1612. PROHIBITION OF REDUCTIONS IN STOCKPILE GOALS

(a) FREEZE ON GOALS.—(1) No action may be taken before October 1, 1986, to implement or administer any change in a stockpile goal in effect on October 1, 1984, that results in a reduction in the quality or quantity of any strategic and critical material to be acquired for the National Defense Stockpile.

(b) DEFINITION.—For purposes of subsection (a), the term "stockpile goal" means a determination made by the President under section 3(a) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98b) with respect to the National Defense Stockpile.

SEC. 1613. STUDY OF LOSS OF PRODUCTION CAPACITY OF CRITICAL FERROALLOY PRODUCTS

(a) REQUIREMENT FOR STUDY.—Recognizing the vital role that ferroalloy products have in industries crucial to the national defense, the Secretary of Defense shall conduct a study to determine what effect the loss of all capacity by the United States to produce domestic ferroalloys would have on the defense industrial base and on industrial preparedness of the United States.

(b) SPECIFIC REQUIREMENTS.—Such study shall include an evaluation of the effect that the loss of production capacity by the United States for ferrochrome, ferromanganese, ferrosilicon (all grades), silicon manganese, chromium metal, and other militarily critical ferroalloy products would have on the industrial base and on industrial preparedness of the United States.

(c) CONSULTATION.—The Secretary shall conduct such study through the Undersecretary of Defense for Policy in consultation with the Director of the Federal Emergency Management Agency and the Secretary of the Interior.

(d) SUBMISSION OF REPORT.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report containing the results of the study conducted under subsection (a). Such report shall, to the extent practicable, be unclassified.

PART C—OTHER PROVISIONS

SEC. 1621. SENSE OF THE CONGRESS EXPRESSING SUPPORT FOR THE SELECTIVE SERVICE REGISTRATION PROGRAM

(a) FINDINGS.—The Congress makes the following findings:

(1) The program of peacetime registration of young men under the Military Selective Service Act contributes to the national security by reducing the time required for full defense mobilization.

(2) The Selective Service registration program is an important signal to our allies and to our potential adversaries of the United States defense commitment.

(3) Since the resumption of selective service registration, more than 13,500,000 young men have registered with Selective Service.

(b) SENSE OF CONGRESS.—In view of these findings, it is the sense of Congress that the President should recognize, by Presidential proclamation, the contribution of our young men to the success of the peacetime registration program.

SEC. 1622. PROHIBITION ON CIVIL SERVICE EMPLOYMENT OF PERSONS WHO FAIL TO REGISTER UNDER THE MILITARY SELECTIVE SERVICE ACT

(a) IN GENERAL.—(1) Subchapter I of chapter 33 of title 5, United States Code, is amended by adding at the end thereof the following new section:

"§ 3328. Selective Service registration

"(a) An individual—

(1) who was born after December 31, 1959, and is or was required to register under section 3 of the Military Selective Service Act (50 U.S.C. App. 453); and

(2) who is not so registered or knowingly and willfully did not so register before the requirement terminated or became inapplicable to the individual, shall be ineligible for appointment to a position in an executive agency of the Federal Government.

"(b) The Office of Personnel Management, in consultation with the Director of the Selective Service System, shall prescribe regulations to carry out this section. Such regulations shall include provisions prescribing procedures for the adjudication within the Office of determinations of whether a failure to register was knowing and willful. Such procedures shall require that such a determination may not be made if the individual concerned shows by a preponderance of the evidence that the failure to register was neither knowing nor willful.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 3327 the following new item:

"3328. Selective Service registration.".

(b) REPORT.—(1) The Office of Personnel Management shall submit to Congress a report—

(A) as to whether it is practicable to apply section 3328 of title 5, United States Code (as added by subsection (a)), to persons born before January 1, 1960; and

(B) on the relative costs and benefits of corroborating registration of individuals under the Military Selective Service Act for the purposes of that section on a spot-check basis or on an individual basis.

(2) The report shall be submitted not later than February 1, 1986.

SEC. 1623. AUTHORITY TO PROVIDE COAST GUARD COMMANDANT RESIDENCE-TO-WORK TRANSPORTATION PROVIDED OTHER SERVICE CHIEFS

Effective on October 1, 1985, section 660 of title 14, United States Code, is amended by adding at the end thereof the following new subsection:

"(e) Passenger motor vehicles of the United States may be used to provide transportation between the residence and place of work of the Commandant.".

SEC. 1624. ACCEPTANCE OF CERTAIN VOLUNTEER SERVICES

(a) EXTENSION OF AUTHORITY TO COAST GUARD.—Section 1588(a) of title 10, United States Code, is amended—

(1) by striking out "Secretary of a military department" and inserting in lieu thereof "Secretary concerned"; and

(2) by striking out "operated by that military department" and inserting in lieu thereof "operated by the military department concerned or the Coast Guard, as appropriate".

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1985.

SEC. 1625. AUTHORITY TO EXEMPT CERTAIN PHYSICIANS AT SOLDIERS' AND AIRMEN'S HOME FROM REDUCTIONS IN RETIRED PAY

(a) IN GENERAL.—The Governor of the United States Soldiers' and Airmen's Home may exempt, at any time, not more than two physicians employed by the Home from the restrictions in subsections (a), (b), and (c) of section 5532 of title 5, United States Code, if the Governor determines that such exemptions are necessary to recruit or retain well-qualified physicians for the Home. An exemption granted under this section shall terminate upon any break in employment with the Home by a physician of three days or more.

(b) APPLICABILITY.—An exemption granted to a person under subsection (a) shall apply to the retired pay of that person beginning with the first month after the month in which the exemption is granted.

SEC. 1626. MANAGEMENT OF MILITARY RECORDS MAINTAINED BY THE NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

(a) FINDINGS.—The Congress finds that—

(1) the National Archives and Records Administration has received a substantial number of military records; and

(2) by reason of the manner in which such records are maintained, many of such records are not readily accessible to the public.

(b) REPORT.—(1) Not later than March 31, 1986, the Archivist of the United States shall submit to Congress a report outlining a plan—

(A) for improving the management, maintenance, storage, and preservation of military records; and

(B) for improving public access to such records.

(2) In preparing the report, the Archivist shall consider recommendations received from—

(A) officials of the military departments responsible for the maintenance and storage of military records; and

(B) interested public groups.

SEC. 1627. ROBERT C. BYRD HONORS SCHOLARSHIP PROGRAM

(a) DESIGNATION OF PROGRAM.—Section 419A of the Higher Education Act of 1965 is amended by striking out "Federal Merit Scholarship Program" and inserting in lieu thereof "Robert C. Byrd Honors Scholarship Program".

(b) DESIGNATION OF BYRD SCHOLARS.—Section 419C of such Act is amended by adding at the end thereof the following new subsection:

"(d) Individuals awarded scholarships under this subpart shall be known as 'Byrd Scholars'.".

(c) CONFORMING AMENDMENTS.—Section 419E(3) of such Act is amended—

(1) by striking out "Federal"; and

(2) by inserting "under this subpart" after "scholarships".

(d) CLERICAL AMENDMENT.—The heading of subpart 6 of part A of title IV of such Act is amended to read as follows:

"Subpart 6—Robert C. Byrd Honors Scholarship Program".

SEC. 1628. POSTAGE STAMP COMMEMORATING THE 350th ANNIVERSARY OF THE ESTABLISHMENT OF THE UNITED STATES NATIONAL GUARD

It is the sense of the Senate that the United States Postal Service should issue a postage stamp during 1986 commemorating the 350th anniversary of the establishment of the United States National Guard.

And the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment, insert the following: "An Act to authorize appropriations for military functions of the Department of Defense and to prescribe military personnel levels for the Department of Defense for fiscal year 1986, to revise and improve military compensation programs, to improve defense procurement procedures, to authorize appropriations for fiscal year 1986 for national security programs of the Department of Energy, and for other purposes.".

And the House agree to the same.

From the Committee on Armed Services on all provisions:

LES ASPIN,
MELVIN PRICE,
WM. L. DICKINSON,

From the Committee on Armed Services on all provisions except sections 711, 713, 933 and 949 of the Senate bill and modifications committed to conference:

CHARLES E. BENNETT,
SAMUEL S. STRATTON,
BILL NICHOLS,
DAN DANIEL,
G.V. MONTGOMERY,
BEVERLY BYRON,
NICHOLAS MAVROULES,
EARL HUTTO,
G. WILLIAM WHITEHURST,
FLOYD SPENCE,
MARJORIE HOLT,
ELWOOD H. HILLIS,
ROBERT BADHAM,
BOB STUMP,
JIM COURTER,

As additional conferees, from the Permanent Select Committee on Intelligence, solely when differences regarding intelligence related activities are under consideration:

LEE H. HAMILTON,
LOUIS STOKES,
DICK CHENEY,

From the Committee on Education and Labor, solely for the consideration of sections 711, 713, 910, 919, 933, 949, 2136 and 2137 of the Senate bill and section 1190 of the House amendment and modifications committed to conference:

AUGUSTUS F. HAWKINS,
WILLIAM D. FORD,
DALE E. KILDEE,
AUSTIN J. MURPHY,
W.L. CLAY,
PAT WILLIAMS,
JIM JEFFORDS,
BILL GOODLING,
THOMAS E. PETRI,
STEVE BARTLETT,

Managers on the Part of the House.

BARRY GOLDWATER,
STROM THURMOND,
JOHN WARNER,
GORDON J. HUMPHREY,
BILL COHEN,
DAN QUAYLE,
JOHN EAST,
PETE WILSON,
JEREMIAH DENTON,
PHIL GRAMM,
SAM NUNN,
JOHN C. STENNIS,
GARY HART,
J.J. EXON,
CARL LEVIN,
EDWARD M. KENNEDY,
JEFF BINGAMAN,
ALAN J. DIXON,
JOHN GLENN,

Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1160) to authorize appropriations for the military functions of the Department of Defense and to prescribe personnel levels for the Department of Defense for fiscal year 1986, to authorize certain construction at military installations for such fiscal year, to authorize appropriations for the Department of Energy for national security programs for such fiscal year, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The House amendment to the text of the bill struck out all of the Senate bill after the enacting clause and inserted a substitute text.

The Senate recedes from its disagreement to the amendment of the House with an amendment which is a substitute for the Senate bill, and the House amendment. The differences between the Senate bill, the House amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

SUMMARY STATEMENT OF CONFERENCE ACTION

The conferees recommend authorizations for the Department of Defense procurement, research development, test and evaluation, operation and maintenance, and for civil defense, less savings estimated to accrue to the Department of Defense as a result of the repeal of the Walsh/Healy Act that total $215.3 billion. This figure is $15.2 billion below the President's budget request, $0.8 billion above the Senate bill and $8.3 billion above the House amendment.

The conferees have agreed to authorizations for Department of Energy National Security programs that total $7.7 billion. This figure is $0.3 billion below the President's budget request, $47 million above the comparable figure in the Senate bill and $34 million below the figure in the House amendment.

The Defense authorization bill provides authorizations for appropriations but does not provide budget authority. Budget authority will be provided in appropriation bills.

SUMMARY OF AUTHORIZATION IN THE BILL COMPARED TO THE REQUEST FOR FISCAL YEAR 1986
[Amounts in millions of dollars]

Item	Fiscal year 1985 Authorization Act Public Law 98-525	Fiscal year 1986 Request	House Passed	Senate passed	Conference Agreement	Change from request
DOD Authorization bill						
Procurement						
Army:						
Aircraft	3,852.2	3,892.5	3,490.7	3,737.5	3,676.1	(216.4)
Missiles	3,260.0	3,386.7	3,146.7	3,347.7	3,272.7	(114.0)
Weapons and tracked combat vehicles	4,838.6	5,739.1	5,051.3	5,213.3	5,211.0	(528.1)
Ammunition	2,338.9	2,635.0	2,499.4	2,408.3	2,549.0	(86.0)
Other procurement	5,457.7	5,712.8	5,122.2	5,049.5	5,323.5	(389.3)
Army National Guard	50.0	0.0	0.0	0.0		0.0
Total, Army	19,797.4	21,366.1	19,310.3	19,756.3	20,032.3	(1,333.8)
Navy:						
Aircraft	11,053.2	12,062.6	10,137.8	11,344.6	11,599.9	(462.7)
Weapons procurement	4,444.8	5,627.9	5,403.3	5,470.2	5,655.1	27.2
Shipbuilding and conversion	12,153.4	11,411.6	9,492.4	9,926.2	10,001.2	(1,410.4)
Other procurement	5,266.3	6,601.2	5,991.5	5,279.4	6,040.8	(560.4)
Navy Reserve Equipment	20.0	0.0	0.0	0.0		0.0
Procurement, Marine Corps	1,890.7	1,726.8	1,697.4	1,614.8	1,727.4	0.6
Marine Corps Reserve Equipment	20.0	0.0	0.0	0.0		0.0
Total, Navy	34,848.4	37,430.1	32,722.4	33,635.2	35,024.4	(2,405.7)
Air Force:						
Aircraft	26,101.7	26,165.5	22,088.4	24,265.1	24,435.3	(1,730.2)
Missiles	8,605.3	10,862.7	7,407.6	9,274.9	9,008.6	(1,854.1)
Other procurement	8,724.0	9,538.0	8,435.4	8,706.4	8,571.1	(966.9)
Air National Guard	20.0	0.0	0.0	0.0		0.0
Total, Air Force	43,451.0	46,566.2	37,931.4	42,246.4	42,015.0	(4,551.2)
DOD NATO Cooperative Programs	250.0	0.0	117.9	0.0	75.0	75.0
National Guard and Reserve Equipment	0.0	0.0	0.0	332.0	658.4	658.4
Defense agencies	1,180.2	1,391.9	1,290.1	1,318.1	1,342.3	(49.6)
Total, procurement	99,527.0	106,754.3	91,372.1	97,288.0	99,147.4	(7,606.9)
Research, Development, Test and Evaluation						

Item	Fiscal year 1985 Authorization Act Public Law 98-525	Fiscal year 1986 Request	House Passed	Senate passed	Conference Agreement	Change from request
Army	4,545.9	5,279.9	4,793.7	4,782.8	4,848.7	(431.2)
Navy (and Marine Corps)	9,401.1	11,264.3	9,637.6	10,468.6	10,106.4	(1,157.9)
Air Force	13,547.3	15,578.5	13,051.2	14,294.7	13,719.7	(1,858.8)
Defense agencies	4,577.3	7,157.4	6,285.3	6,126.3	6,814.0	(343.4)
Total, R.D.T.&E.	32,071.6	39,280.1	33,767.8	35,672.3	35,488.8	(3,791.3)
Operation and Maintenance						
Army	18,626.6	20,190.6	19,172.8	19,230.3	19,177.4	(1,013.2)
Navy	25,449.9	25,797.7	24,423.4	24,732.9	24,608.8	(1,188.9)
Marine Corps	1,648.2	1,667.4	1,623.4	1,628.0	1,626.7	(40.7)
Air Force	19,528.9	20,924.4	20,034.0	20,100.7	20,096.1	(828.3)
Defense agencies	7,127.8	7,568.9	7,606.5	7,503.3	7,553.3	(15.6)
Army Reserve	724.9	779.6	780.1	769.3	780.1	0.5
Navy Reserve	833.7	954.5	896.2	903.8	900.6	(53.9)
Marine Corps Reserve	58.6	61.6	57.3	56.9	57.2	(4.4)
Air Force Reserve	872.7	907.7	907.9	890.8	902.1	(5.6)
Army National Guard	1,437.7	1,605.2	1,626.1	1,591.6	1,625.8	20.6
Air Force National Guard	1,814.2	1,830.1	1,798.1	1,806.2	1,806.2	(23.9)
National Board for the promotion of rifle practice	0.9	0.9	0.9	0.9	0.9	(.0)
Claims, Defense	157.9	158.3	148.3	143.3	143.3	(15.0)
Court of Military Appeals	3.4	3.2	3.2	3.2	3.2	0.0
Pan American Games	0	0.0	10.0	0.0	10.0	10.0
Drug interdiction			0.0	0.0	0.0	0.0
Allowance for civilian pay			821.0	0.0	0.0	0.0
Aid to Afghanistan			10.0	0.0	0.0	0.0
Total, O&M	78,285.4	82,450.2	79,919.2	79,361.1	79,291.7	(3,158.5)
Working Capital Funds						
Army stock fund	366.4	442.0	412.0	393.0	393.0	(49.0)
Navy stock fund	473.0	716.5	681.5	638.5	638.5	(78.0)
Marine Corps stock fund	34.9	42.7	42.7	37.7	37.7	(5.0)
Air Force stock fund	631.8	464.9	439.9	415.9	415.9	(49.0)
Defense stock fund	130.7	193.5	183.5	174.5	174.5	(19.0)
Defense industrial fund	0.0	0.0	0.0	0.0	0.0	0.0
Total, Working Capital Funds	1,636.9	1,859.6	1,759.6	1,659.6	1,659.6	(200.0)
Civil Defense						
Total, Civil Defense	190.0	119.1	141.4	119.1	130.0	10.9

Item	Fiscal year 1985 Authorization Act Public Law 98-525	Fiscal year 1986 Request	House Passed	Senate passed	Conference Agreement	Change from request
General Provisions						
Comm on Merchant Marine and Defense	1.5	0.0	0.0	0.0	0.0	0.0
Base Closure Fund	0.0	0.0	0.0	1,000.0	0.0	0.0
Illiteracy Commission (Sec. 933)			0.0	0.5	0.0	0.0
Procurement Technical Assistance			7.5	3.0	5.0	5.0
Repeal of Walsh Healy Act				(555.0)	(416.3)	(416.3)
Special foreign currency	8.7	2.1	2.1	2.1	2.1	0.0
Commission on Defense Procurement			0.0	1.0	0.0	0.0
Total, DOD authorization	211,721.1	230,465.4	206,969.7	214,551.8	215,308.3	(15,157.1)
Department of Energy National Security Programs						
Weapons activities	4,217.1	4,542.1	4,419.3	4,361.6	4,421.6	(120.5)
Verification and control technology	76.7	93.6	93.6	103.6	101.1	7.5
Materials production	1,741.2	1,947.9	1,909.0	1,849.4	1,875.4	(72.5)
Defense waste and by-products management	723.6	712.8	661.7	660.8	660.7	(52.1)
Nuclear safeguards and security	62.7	59.9	59.9	59.9	59.9	.0
Security investigations	34.0	33.4	33.4	33.4	33.4	0.0
Naval reactors development	496.9	569.0	563.5	569.0	564.5	(4.5)
Misc. adjustments	0.0	0.0	(22.3)	0.0	(32.3)	(32.3)
Total, Department of Energy National Security Programs	7,352.2	7,958.7	7,718.1	7,637.7	7,684.3	(274.4)
Total, DOD and DOE Authorization	219,073.2	238,424.1	214,687.8	222,189.5	222,992.6	(15,431.5)
Summary by Service						
ARMY	45,499.9	49,664.4	46,095.9	46,524.2	46,858.2	(2,806.2)
NAVY	72,747.8	77,934.8	70,084.5	72,101.5	73,000.3	(4,934.5)
AIR FORCE	79,845.9	86,271.8	74,162.5	79,754.7	78,955.0	(7,316.8)
DEFENSE AGENCIES	13,435.9	16,475.3	16,477.9	15,602.7	16,776.1	300.8
CIVIL DEFENSE	190.0	119.1	141.4	119.1	130.0	10.9
OTHER	7,353.7	7,958.7	7,725.6	8,087.2	7,273.1	(685.7)
Total	219,073.2	238,424.1	214,687.8	222,189.5	222,992.6	(15,431.5)

NOTES: 1. Totals may not add due to rounding.

In order to relate the conference recommendation to the budget resolution, matters in addition to those addressed in the preceding table must be taken into account.

In addition to defense programs appropriated by dollar amount, the authorization bill establishes personnel levels and includes a number of legislative provisions affecting military compensation. In total, it is estimated that the conference agreement with respect to personnel matters would result in a reduction of $3.1 billion from the President's request.

Additionally, military construction authorizations will be provided in separate legislation.

The table below summarizes action as it relates to National Defense Function.

	Fiscal year 1986 Request	House Passed	Senate passed	Conference Agreement	Change from request
SUMMARY BY SUBFUNCTION AND FUNCTION (in billions of dollars)					
Military Personnel and contingencies.....	73.6	69.1	71.4	70.5	(3.1)
Operation and Maintenance.....	82.5	79.9	79.4	79.3	(3.2)
Working Capital Funds.....	1.9	1.8	1.7	1.7	(0.2)
Procurement.....	106.8	91.4	97.3	99.1	(7.6)
Research and Development.....	39.3	33.8	35.7	35.5	(3.8)
Military Contruction (authorized).....	10.3	9.6	8.8	9.2	(1.1)
Military Contruction (other).....	.0	.0	.0	.0	0.0
Other subfunction 051.....	(0.6)	(0.6)	(0.1)	(1.0)	(0.4)
subtotal, subfunction 051....	313.7	284.9	294.1	294.3	(19.4)
Department of Energy Military functions....	8.0	7.7	7.6	7.7	(0.3)
Other subfunction 053.....	0.1	0.1	0.1	0.1	0.0
subtotal, subfunction 053....	8.0	7.8	7.7	7.8	(0.3)
Civil Defense.....	0.1	0.1	0.1	0.1	.0
Other subfunction 054.....	0.3	0.3	0.3	0.3	0.0
subtotal, subfunction 054....	0.5	0.5	0.5	0.5	.0
Total, function 050.....	322.2	293.2	302.3	302.5	(19.7)

Note: 1. Authorizations for Military Construction are contained in other legislation. The figures in this table assume that the resolution of differences between the House and Senate versions will "split the difference".

2. Totals may not add due to rounding.

AIRCRAFT PROCUREMENT, ARMY

(DOLLARS IN MILLIONS)

LINE NO.	TITLE	FISCAL YEAR 1986 REQUEST		S. 1160 AS PASSED				H.R. 1872 AS PASSED				CONFERENCE			
				CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION	
		QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	FIXED WING														
	C-12D (HURON)	0	0.0				0.0	6	12.0	6	12.0	6	12.0	6	12.0
	ROTARY														
4	EH-60A HELICOPTER (QUICKFIX) (MYP)	18	148.4			18	148.4			18	148.4			18	148.4
	LESS: ADVANCE PROCUREMENT (FY)		-27.8				-27.8				-27.8				-27.8
	LESS: PRIOR YEAR AUTHORIZATION TRANSFER		---		-64.0		-64.0		-64.3		-64.3		-64.3		-64.3
	NET		118.6		-64.0		54.6		-64.3		54.3				54.3
5	ADVANCE PROCUREMENT (CY)		24.4				24.4				24.4				24.4
	PRIOR YEAR AUTHORIZATION TRANSFER		---		64.0		64.0				---				---
6	AH-64 ATTACK HELICOPTER (APACHE)	144	1269.2			144	1269.2			144	1269.2			144	1269.2
	LESS: ADVANCE PROCUREMENT (PY)		-91.0				-91.0				-91.0				-91.0
	NET		1178.2				1178.2				1178.2				1178.2
7	ADVANCE PROCUREMENT (CY)		55.3				55.3				55.3				55.3
8	UH-60A (BLACK HAWK) (MYP)	78	414.7			78	414.7			78	414.7			78	414.7
	LESS: ADVANCE PROCUREMENT (PY)		-147.7				-147.7				-147.7				-147.7
	NET		267.0				267.0				267.0				267.0
9	ADVANCE PROCUREMENT (CY)		199.0				199.0				199.0				199.0
	SUBTOTAL, AIRCRAFT		1842.5		0.0		1842.5		-52.3		1790.2		-52.3		1790.2
	MODIFICATION OF AIRCRAFT														
11	OV-1 SURVEILLANCE AIRPLANE (MOHAWK)		27.7				27.7		-20.0		7.7		-5.0		22.7
12	RC-12D RECON AIRPLANE		.5				.5				.5				.5
13	RV-1 RECON AIRPLANE		.5				.5				.5				.5

LINE NO.	TITLE	FISCAL YEAR 1986 REQUEST		S. 1160 AS PASSED				H.R. 1872 AS PASSED				CONFERENCE			
				CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION	
		QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
15	AH1S ATTACK HELICOPTER (COBRA-TOW)		124.5				124.5				124.5				124.5
	LESS: PRIOR YEAR AUTHORIZATION TRANSFER		---		-20.0		-20.0		-20.0		-20.0		-20.0		-20.0
	NET		124.5		-20.0		104.5		-20.0		104.5				104.5
	PRIOR YEAR AUTHORIZATION TRANSFER		---		20.0		20.0				---				---
17	CH-47 CARGO HELICOPTER (MYP)		413.2				413.2				413.2		-6.6		406.6
	LESS: ADVANCE PROCUREMENT (PY)		-159.9				-159.9				-159.9				-159.9
	LESS: PRIOR YEAR AUTHORIZATION TRANSFER		---		-20.0		-20.0		-24.1		-24.1		-17.5		-17.5
	NET		253.3		-20.0		233.3		-24.1		229.2				229.2
18	ADVANCE PROCUREMENT (CY)		124.8				124.8				124.8				124.8
	PRIOR YEAR AUTHORIZATION TRANSFER		---		20.0		20.0				---				---
19	CH-54 CARGO HELICOPTER (TARHE)		.5				.5				.5				.5
23	UH-1 UTILITY HELICOPTER (IROQUOIS)		12.2				12.2				12.2				12.2
24	UH-60A (BLACK HAWK) MODS		15.4				15.4				15.4				15.4
25	ARMY HELICOPTER IMPROVEMENT PROGRAM (AHIP)		206.0				206.0				206.0				206.0
	LESS: ADVANCE PROCUREMENT (PY)		-47.2				-47.2				-47.2				-47.2
	NET		158.8				158.8				158.8				158.8
26	ADVANCE PROCUREMENT (CY)		51.8				51.8				51.8				51.8
29	AIRBORNE AVIONICS		1.0				1.0				1.0				1.0
30	MODIFICATIONS UNDER $700,000 (AIRCRAFT)		.1				.1				.1				.1
31	ACFT SWW		17.0				17.0				17.0				17.0
	GROUND PROXIMITY WARNING SYSTEM		(0.0)				(0.0)				(3.0)		(3.0)		(3.0)
	SUBTOTAL, MODIFICATION OF A/C		788.1		0.0		788.1		-64.1		724.0		-49.1		739.0
32	SPARES AND REPAIR PARTS		949.7		-100.0		849.7		-100.0		849.7		-100.0		849.7
	SUPPORT EQUIPMENT AND FACILITIES														
33	AVIONICS SUPPORT EQUIPMENT		67.8				67.8				67.8				67.8
34	COMMON GROUND EQUIPMENT		35.0				35.0				35.0				35.0
35	AIR TRAFFIC CONTROL		9.4				9.4				9.4				9.4
36	SYNTHETIC FLIGHT TRAINING SYSTEMS	7	131.6			7	131.6			7	131.6			7	131.6
37	INDUSTRIAL FACILITIES		61.9				61.9				61.9				61.9
39	WAR CONSUMABLES		6.5				6.5				6.5				6.5
	UNDISTRIBUTED REDUCTION		---		-10.0		-10.0				---		-10.0		-10.0
	SUBTOTAL, SUPPORT EQUIPMENT & FACILITIES		312.2		-10.0		302.2		0.0		312.2		-10.0		302.2
	FY 87 AND SUBSEQUENT YEARS INFLATION		---		---		---		-180.4		-180.4				---
	INFLATION REESTIMATE FOR FY 86		---		-5.0		-5.0		-5.0		-5.0		-5.0		-5.0
	PRIOR YEAR PROGRAM SAVINGS		---		-40.0		-40.0		---		---				---
	TOTAL, ARMY AIRCRAFT		3892.5		-155.0		3737.5		-401.8		3490.7		-216.4		3676.1

C-12D cargo aircraft (Huron)

No authorization was requested for C-12D aircraft in fiscal year 1986. The House amendment would authorize $12.0 million for procurement of 6 C-12D aircraft in fiscal year 1986. The Senate bill contained no authorization for procurement of C-12D aircraft in fiscal year 1986.

The conferees recommend authorization of $12.0 million for procurement of 6 C-12D aircraft in fiscal year 1986. In addition, the conferees agreed to include a provision (section 151) requiring competitive procurement of all C-12 aircraft in fiscal year 1986. This competition is restricted to turboprop aircraft.

EH-60A utility helicopter (Quickfix)

The budget request contained $118.6 million for procurement of 18 aircraft in fiscal year 1986, inluding $24.4 million for advance procurement of 18 aircraft in fiscal year 1987. The House amendment would authorize $54.3 million for procurement of 18 aircraft in fiscal year 1986 and a prior year authorization transfeer of $64.3 million. The Senate bill would authorize $54.6 million for procurement of 18 aircraft in fiscal year 1986, including $24.4 million for advance procurement of 18 aircraft in fiscal year 1987, and a prior year authorization transfer of $64.0 million.

The conferees recommend authorization of $54.3 million for procurement of 18 aircraft in fiscal year 1986, including $24.4 for advance procurement of 18 aircraft in fiscal year 1987 and a prior year authorization transfer of $64.3 million.

Modification of Army aircraft

The budget request contained $788.1 million for Army aircraft modifications for fiscal year 1986, including $27.7 million for OV-1 modifications; $124.5 million for AH-1A modifications; and $253.3 million for CH-47 modifications, including $124.8 million for advance procurement for fiscal year 1987. The House amendment would authorize $724.0 million for Army aircraft modifications, including $7.7 million for OV-1 modifications; $104.5 million for AH-1A modifications; $229.2 million for CH-47 modifications, including $124.8 million for advance procurement for fiscal year 1987. The Senate bill would authorize $788.1 million for Army aircraft modification, including $27.7 million for OV-1 modification; $104.5 million for AH-1S modification; $233.3 million for CH-47 modification, including $124.8 million for advance procurement for fiscal year 1987.

The conferees recommend authorization of $739.0 million for Army aircraft modifications, including $22.7 million for OV-1 modification; $104.5 million for AH-1S modification; $229.2 million CH-47 modification, including $124.8 million for advance procurement for fiscal year 1987.

AH-64 (Apache) helicopter

The report (H. Rept. 99-81) accompanying the House amendment earmarked 18 of the 144 AH-64 helicopters authorized in fiscal year 1986 to the Army National Guard. The Senate bill and the accompaning report (S. Rept. 99-41) contained no similar language.

The conferees agreed with the House recommendation, only if sufficient appropriations are provided for the procurement of 144 AH-64 helicopters in fiscal year 1986.

Ground proximity warning system

The report (House Report 99-81) accompanying the House amendment directed that within the amonts authorized for Army aircraft procurement in fiscal year 1986 and prior years, $3.0 million should be used for the procurement of second generation or better ground proximity warning system hardware and associated aircraft modifications. The Senate report (Senate Report 99-41) contained no similar language.

The conferees recommend that $3.0 million may be used for such purposes on a discretionary basis.

Army aircraft support equipment and facilities

The budget request contained $312.2 million for Army aircraft support equipment and facilities in fiscal year 1986. The House amendment would authorize $312.2 million for Army aircraft support equipment and facilities. The Senate bill would authorize $302.2 million for this purpose.

The conferees recommend authorization of $302.2 million for Army aircraft support equipment and facilities in fiscal year 1987.

Army aircraft transfer from prior year

The Senate bill would authorize a general transfer of prior year funds in the amount of $40.0 million. The House amendment contained no authorization for transfer of prior year funds.

The Senate recedes.

MISSILE PROCUREMENT, ARMY

(DOLLARS IN MILLIONS)

LINE NO.	TITLE	FISCAL YEAR 1986 REQUEST		S. 1160 AS PASSED				H.R. 1872 AS PASSED				CONFERENCE			
				CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION	
		QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	SURFACE-TO-AIR MISSILE SYSTEMS														
1	CHAPARRAL	300	110.4			300	110.4		87.0	300	197.4			300	110.4
2	OTHER MISSILE SUPPORT		5.0				5.0				5.0				5.0
3	PATRIOT	585	983.4			585	983.4			585	983.4			585	983.4
4	STINGER	3439	304.1			3439	304.1	-530	-60.0	2909	244.1	-530	-60.0	2909	244.1
	AIR-TO-SURFACE MISSILE SYSTEM														
5	LASER HELLFIRE SYSTEM	6576	250.7			6576	250.7			6576	250.7			6576	250.7
	ANTI-TANK/ASSAULT MISSILE SYSTEM														
6	TOW 2	20100	226.9			20100	226.9	-5100	-35.0	15000	191.9			20100	226.9
7	ADVANCE PROCUREMENT (CY)		22.0				22.0				22.0				22.0
8	PERSHING		[ ]				[ ]				[ ]				[ ]
9	MULTIPLE LAUNCH ROCKET SYSTEM (MYP)	72000	579.5			72000	579.5			72000	579.5		-15.0	72000	564.5
	LESS: ADVANCE PROCUREMENT (PY)		-71.7				-71.7				-71.7				-71.7
	NET		507.8				507.8				507.8				492.8
10	ADVANCE PROCUREMENT (CY)		41.0				41.0				41.0				41.0
	SUBTOTAL, OTHER MISSILES		2786.0		0.0		2786.0		-8.0		2778.0		-75.0		2711.0
	MODIFICATION OF MISSILES														
12	PATRIOT		17.2				17.2				17.2				17.2
13	CHAPARRAL		112.9				112.9				112.9				112.9
14	HAWK		54.1				54.1				54.1				54.1
15	TOW		37.8				37.8				37.8				37.8
	SUBTOTAL, MODIFICATION OF MISSILES		222.0		0.0		222.0		0.0		222.0		0.0		222.0
21	SPARES AND REPAIR PARTS		322.0		-10.0		312.0		-10.0		312.0		-10.0		312.0
	SUPPORT EQUIPMENT AND FACILITIES														
22	AIR DEFENSE TARGETS		21.0				21.0				21.0				21.0
23	ITEMS LESS THAN $900,000 (MISSILES)		3.8				3.8				3.8				3.8
24	PRODUCTION BASE SPT		29.9				29.9				29.9				29.9
25	OTHER PRODUCTION CHARGES		2.0				2.0				2.0				2.0
	SUBTOTAL, SUPPORT EQUIPMENT & FACILITIES		56.7		0.0		56.7		0.0		56.7		0.0		56.7
	FY 87 AND SUBSEQUENT YEARS INFLATION		---		---		---		-193.0		-193.0				---
	INFLATION REESTIMATE FOR FY 86		---		-4.0		-4.0		-4.0		-4.0		-4.0		-4.0
	PRIOR YEAR PROGRAM SAVINGS		---		-25.0		-25.0		-25.0		-25.0		-25.0		-25.0
	TOTAL, ARMY MISSILES		3386.7		-39.0		3347.7		-240.0		3146.7		-114.0		3272.7

Chaparral missile system

The budget request contained $10.4 million for procurement of 300 Chaparral missiles. The House amendment would authorize $197.4 million for procurement of 300 Chaparral missiles, and 36 Chaparral fire units for the Army National Guard. The Senate bill would authorize $110.4 million for procurement of 300 Chaparral missiles.

The conferees agreed to authorize $110.4 million for procurement of 300 Chaparral missiles. Section 104 contains authorization of $58.4 million for 24 Chaparral fire units for the Army National Guard.

Stinger missile

The budget request contained $304.1 million for procurement of 3,439 Stinger missiles. The House amendment would authorize $244.1 million for procurement of 2,909 Stinger missiles. The Senate bill would authorize $304.1 million for procurement of 3,439 Stinger missiles.

The conferees agreed to authorize $244.1 million for procurement of 2,909 Stinger missiles.

The Senate recedes.

The conferees understand that the Pedestral-Mounted Stinger (PMS) program is directed toward improving the mobility and survivability of the man-portable air defense system. The conferees are concerned, however, that this program is being initiated prematurely to satisfy a special requirement for the 9th Infantry Division (motorized) and is not based on a comprehensive program of total Army requirements. Therefore, the conferees recommend no authorization for the procurement of PMS and direct that the program be clearly defined in the fiscal year 1987 budget submission based on total Army requirements.

TOW II missile

The Budget request contained $226.9 million for procurement of 20,100 TOW II missiles. The House amendment would authorize $191.9 million for procurement of 15,000 TOW II missiles. The Senate bill would authorize $226.9 million for procurement of 20,100 TOW II missiles.

The conferees agreed to authorize $226.9 million for procurement of 20,100 TOW II missiles.

The House recedes.

Multiple launch rocket system

The budget request contained $507.8 million for procurement of 72,000 rockets and self-propelled launcher loaders, and $41 million for advance procurement for fiscal year 1987. The House amendment would authorize $507.8 million for procurement of rockets and self-propelled launcher loaders, and $41 million for advance procurement. The Senate bill would authorize $507.8 million for procurement of rockets and self-propelled launcher loaders, and $41 million for advance procurement.

Based on anticipated savings from multiyear contracts, the conferees reduced by $15 million the authorization for procurement in fiscal year 1986. The conferees agreed to authorize $492.8 million for procurement of 72,000 rockets and self-propelled launcher loaders, and $41 million in advance procurement.

PROCUREMENT OF WEAPONS AND TRACKED COMBAT VEHICLES, ARMY

(DOLLARS IN MILLIONS)

LINE NO.	TITLE	FISCAL YEAR 1986 REQUEST		S. 1160 AS PASSED				H.R. 1872 AS PASSED				CONFERENCE			
				CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION	
		QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	TRACKED COMBAT VEHICLES														
1	CARRIER, COMMAND POST LIGHT, FT, M577A	115	23.6			115	23.6			115	23.6			115	23.6
2	CARRIER, PERSONNEL, FT, ARM, M113A2	325	82.9			325	82.9			325	82.9			325	82.9
3	BRADLEY FIGHTING VEHICLES (MYP)	716	1024.6			716	1024.6			716	1024.6		-25.0	716	999.6
	LESS: ADVANCE PROCUREMENT (PY)		-17.6				-17.6				-17.6				-17.6
	NET		1007.0				1007.0				1007.0				982.0
4	ADVANCE PROCUREMENT (CY)		27.6				27.6				27.6				27.6
5	BRADLEY FVS TRAINING DEVICES		79.4				79.4				79.4				79.4
6	FIELD ARTILLERY AMMO SUPPORT VEHICLE	197	101.5	-197	-101.5	0	0.0	-17	-13.2	180	88.3	-47	-29.5	150	72.0
8	RECOVERY VEHICLE, MED, FT, M88A1	240	215.8			240	215.8	-60	-53.0	180	162.8	-30	-27.0	210	188.8
9	ABRAMS TANK SERIES ROLL (MYP)	840	2063.2			840	2063.2			840	2063.2		-97.0	840	1966.2
	LESS: ADVANCE PROCUREMENT (PY)		-313.6				-313.6				-313.6				-313.6
	LESS: PRIOR YEAR AUTHORIZATION TRANSFER		---				---		-77.9		-77.9		-77.9		-77.9
	NET		1749.6				1749.6		-77.9		1671.7				1574.7
10	ADVANCE PROCUREMENT (CY)	(840)	359.2			(840)	359.2			(840)	359.2		-11.0	(840)	348.2
11	M60 SERIES TANK TRAINING DEVICES		20.4				20.4				20.4				20.4
12	M1 SERIES TANK TRAINING DEVICES		65.6				65.6				65.6				65.6
	MODIFICATION OF TRACKED COMBAT VEHICLES														
---	IMPROVED TOW VEHICLE (ITV) MOD		0.0				0.0	138	30.0	138	30.0				0.0
13	CARRIER, MOD		56.2				56.2				56.2				56.2
15	FIST VEHICLE (MOD)		80.8				80.8				80.8				80.8
16	BFVS SERIES (MOD)		19.0				19.0				19.0				19.0
17	HOWITZER, MED SP FT 155MM M109 SER (MOD)		25.4				25.4				25.4				25.4
19	ARMORED VEH LAUNCH BRIDGE (AVLB) (MOD)		20.4				20.4				20.4				20.4
20	TANK, COMBAT, FT, 105MM GUN, M60 (MOD) (MYP)		130.6		-20.0		110.6				130.6		-14.0		116.6
22	105MM TANK GUN (MOD)		6.0				6.0		-6.0		0.0		-6.0		0.0
23	TANK, M1 SERIES (MOD)		70.1				70.1				70.1				70.1
24	ROBOTIC OBST BREACHING ASSAULT TANK (MOD)		17.8		-17.8		0.0		-8.2		9.6		-8.2		9.6
	SUPPORT EQUIPMENT AND FACILITIES														
25	SPARES AND REPAIR PARTS		649.0		-30.0		619.0		-12.5		636.5		-21.0		628.0
26	VALUE ENGINEERING		1.0				1.0				1.0				1.0
27	ITEMS LESS THAN $900,000 (TCV-WTCV)		.8				.8				.8				.8
28	PRODUCTION BASE SUPPORT (TCV-WTCV)		95.8		-10.0		85.8				95.8		-5.0		90.8
	SUBTOTAL, TRACKED COMBAT VEHICLES		4905.5		-179.3		4726.2		-140.8		4764.7		-321.6		4583.9
	WEAPONS AND OTHER COMBAT VEHICLES														
30	SERGEANT YORK DIVAD GUN	117	506.5	-80	-256.5	37	250.0	-45	-156.5	72	310.0	-45	-196.5	72	310.0
	LESS: ADVANCE PROCUREMENT (PY)		-100.0				-100.0				-60.0		40.0		-60.0
	LESS: PRIOR YEAR AUTHORIZATION TRANSFER		---				---		-40.0		-40.0		-40.0		-40.0
	NET		406.5		-256.5		150.0		-196.5		210.0				210.0
31	ADVANCE PROCUREMENT (CY)		11.0				11.0				11.0				11.0
33	ARMOR MACHINE GUN, 7.62MM M240	4924	27.1			4924	27.1			4924	27.1			4924	27.1
34	SQUAD AUTOMATIC WEAPON (SAW) 5.56MM	6000	14.5			6000	14.5			6000	14.5			6000	14.5
35	GRENADE LAUNCHER, AUTO, 40MM, MK19-3	821	9.0			821	9.0			821	9.0			821	9.0
36	LAUNCHER, SMOKE GRENADE	3177	2.1			3177	2.1			3177	2.1			3177	2.1
37	MORTAR, 81MM, XM252	187	6.1			187	6.1	-187	-6.1	0	0.0			187	6.1
38	MORTAR, 120 MM	63	5.0			63	5.0	-63	-5.0	0	0.0	-5.0		0	0.0
39	M16 RIFLE	71990	39.3			71990	39.3		2.5	71990	41.8	2.5		71990	41.8
40	PERSONAL DEFENSE WEAPON, 9MM	25400	7.5	-25400	-7.5	0	0.0			25400	7.5			25400	7.5
41	VEH RAPID FIRE WPN--BUSHMASTER (MYP)	715	45.6			715	45.6			715	45.6			715	45.6
42	ADVANCE PROCUREMENT (CY)		8.3				8.3				8.3				8.3
43	TANK MUZZLE BORESIGHT DEVICE	2327	4.6			2327	4.6			2327	4.6			2327	4.6
	MODIFICATION OF WEAPONS AND OTHER COMBAT VEHICLES														
44	DIVAD (MODS)		.5		-.5		0.0		-.5		0.0		-.5		0.0
45	HOWITZER, 155MM, M114A2 (MOD)		1.7				1.7				1.7				1.7
46	M16A1 RIFLE MODS		3.3				3.3				3.3				3.3
48	MODIFICATIONS UNDER $900,000 (WOCV-WTCV)		.8				.8				.8				.8
	SUPPORT EQUIPMENT AND FACILITIES														
49	SPARES AND REPAIR PARTS		183.6				183.6				183.6				183.6
50	ITEMS LESS THAN $900,000 (WOCV-WTCV)		2.9				2.9				2.9				2.9
51	PRODUCTION BASE SUPPORT (WOCV-WTCV)		51.4				51.4				51.4				51.4
53	5.56 CARBINE XM4	4685	2.8			4685	2.8	-4685	-2.8	0	0.0			4685	2.8
	SUBTOTAL, WEAPONS & OTHER COMBAT VEHICLES		833.6		-264.5		569.1		-208.4		625.2		-199.5		634.1
	FY 87 AND SUBSEQUENT YEARS INFLATION		---				---		-331.6		-331.6				---
	INFLATION REESTIMATE FOR FY 86		---		-7.0		-7.0		-7.0		-7.0		-7.0		-7.0
	PRIOR YEAR PROGRAM SAVINGS		---		-75.0		-75.0		---		---				---
	TOTAL, ARMY WEAPONS & TRACKED COMBAT VEHICLES		5739.1		-525.8		5213.3		-687.8		5051.3		-528.1		5211.0

Bradley fighting vehicle

The budget request contained $1,007 million for procurement of 716 Bradley Fighting Vehicles, and $27.6 million for advance procurement to support procurement in fiscal year 1987. The House amendment would authorize $1,007 million for procurement of 716 Bradley Fighting Vehicles, and $27.6 million for advance procurement. The Senate bill would authorize $1,007 million for procurement of 716 Bradley Fighting Vehicles, and $27.6 million for advance procurement.

Based on anticipated savings from multiyear contracts, the conferees reduced by $25.0 million the authorization for procurement in fiscal year 1986. The conferees agreed to authorize $982 million for procurement of 716 Bradley Fighting Vehicles, and $27.6 million for advance procurement.

Field artillery ammunition support vehicle (FAASV)

The budget request contained $101.5 million to procure 197 Field Artillery Ammunition Support Vehicles (FAASV). The House amendment would authorize $88.3 million for procurement of 180 FAASVs. The Senate bill contained no authorization for the FAASV.

The Army's acquisition strategy associated with the fiscal year 1986 budget included a competitive multiyear contract award. The Army, however, has not yet performed an economic analysis that justifies the proposed strategy as cost effective.

The report (House Report 99-81) accompanying the House amendment directs the Secretary of the Army to submit to the Congress an economic analysis justifying the advantages of a competitive multiyear strategy for the FAASV prior to embarking on such a competition. This analysis should include consideration of maintaining a production base for FAASVs and self-propelled howitzers. The Senate Report (Senate Report 99-41) contained no similar direction. The Senate recedes.

The conferees agreed to authorize $72.0 million for procurement of 150 FAASVs.

M88A1 recovery vehicle

The budget request contained $215.8 million for procurement of 240 M88A1 recovery vehicles. The House amendment would authorize $162.8 million for procurement of 180 M88A1 recovery vehicles. The Senate bill would authorize $215.8 million for procurement of 240 M88A1 recovery vehicles.

The conferees agreed to authorize $188.8 million for procurement of 210 M88A1 recovery vehicles.

M1 Abrams tank

The budget request contained $1,749.6 million for procurement of 840 M1 tanks, and $359.2 million for advance procurement to support the production of 840 tanks in fiscal year 1987. The House amendment would authorize $1,671.7 million and $359.2 million for advance procurement. The House amendment also would authorize $52.6 million of fiscal year 1984 contract savings to be transferred forward to fiscal year 1986. Additionally, the House amendment would authorize $25.3 million from proceeds of foreign military sales of M48A5 tanks in fiscal year 1985 to be transferred forward to fiscal year 1986. The Senate bill would authorize $1,749.6 million for procurment, and $359.2 million for advance procurement.

The conferees were informed by the Department of the Army that additional contract savings of $97 million are anticipated in fiscal year 1986. The conferees, therefore, recommend authorization of $1,574.7 million for procurement of 840 tanks in fiscal year 1986, and $348.2 million for advance procurement. The conferees also recommend authorizing the transfer forward of $52.6 million of fiscal year 1984 contract savings, and $25.3 million from proceeds of foreign military sales of M48A5 tanks.

M1/BFVS subsystem

The report (S. Report 99-41) accompanying the Senate bill directed the Secretary of the Army to submit a report to the Committee on Armed Services of the Senate and the House of Representatives by January 1, 1986 regarding the feasibility of establishing second source manufacturers for M1 and BFVS subsystems.

The House report (H. Report 99-81) contained no similar language.

The House recedes.

Modification of tracked combat vehicles

The budget request contained $426.3 million for modification of tracked combat vehicle, including $130.6 million for M60 tank modifications, $6.0 million for 105mm tank gun modifications, and $17.8 million for ROBAT.

The House amendment would authorize $442.1 million for modification of tracked combat vehicles, including $30.0 million for Improved TOW Vehicles, $130.6 million for M60 tank modification, and $9.6 million for ROBAT. The House amendment contained no authorization for the 105mm tank gun modifications. The Senate bill would authorize $388.5 million for modification for tracked combat vehicles, including $110.6 million for M60 tank modifications and $6.0 million for 105mm tank gun modifications. The Senate bill contained no authorization for procurement of ROBAT.

The conferees agreed to authorize $398.1 million for modification of tracked combat vehicles, including $116.6 million for M60 tank modifications, and $9.6 million for ROBAT. The conferees agreed to provide no authorization for the 105mm tank gun modification program. Section 104 contains authorization of $15 million for Improved TOW Vehicles for the Army National Guard.

Support equipment and facilities

The budget request contained $746.6 million for support equipment and facilities, including $649.0 million for spares and repair parts, and $95.8 million for production base support.

The House amendment would authorize $734.1 million for support equipment and facilities, including $636.5 million for spares and repair parts, and $95.8 million for production base support. The Senate bill would authorize $706.6 for support equipment and facilities, including $619.0 million for spares and repair parts, and $85.8 million for production base support.

The conferees agree to authorize $720.6 million for support equipment and facilities, $628.0 million for spares and repair parts, and $90.8 million production base support.

Sergeant York gun

The budget request contained $406.5 million for procurement of 117 Sergeant York guns, and $11 million for advance procurement. The House amendment authorized $210.0 million for procurement of 72 Sergeant York guns and authorized the transfer of $40.0 million in prior year authorizations to be applied to the fiscal year 1986 weapons and other combat vehicles. The House amendment also authorized $11 million for advanced procurement. The Senate bill authorized $150.0 million for procurement of 37 Sergeant York guns and $11 million for advance procurement.

The conferees agreed to authorize $210.0 million for procurement of 72 Sergeant York guns and to authorize the transfer of $40.0 million in prior year authorizations to be applied to the fiscal year 1986 weapons and other combat vehicles. The conferees also recommend authorization of $11 million for advance procurement.

The Senate recedes. The conferees also direct that 12 of the 72 fire units authorized in fiscal year 1986 be used to equip the first Army National Guard Sergeant York Battery. No fire units, however, may be fielded to National Guard units until the forward-deployed forces scheduled to receive the Sergeant York have been provided their authorized levels of equipment.

XM252-81mm mortar

The budget request contained $6.1 million for procurement of 187 81 millimeter mortars. The House amendment contained no authorization for procurement of 81 millimeter mortars. The Senate bill would authorize $6.1 million for procurement of 187 81 millimeter mortars.

The conferees agreed to authorize $6.1 million for 187 81 millimeter mortars.

The House recedes.

120mm mortars

The budget request contained $5.0 million for procurement of 63 120 millimeter mortars. The House amendment contained no authorization for 120 millimeter mortars. The Senate bill would authorize $5.0 million for procurement 63 120 millimeter mortars.

The conferees agreed that no authorization be provided for procurement in fiscal year 1986. The conferees, however, would welcome a fiscal year 1986 reprogramming request for the 120mm mortars after the completion of the following actions:

1. The Mortar Master Plan has been delivered to the Congress;

2. The Army ensures competition among the bidders;

3. The Army provides for the purchase and validation of the technical data package for manufacture in the U.S.;

4. The Army conducts a cost-effectiveness analysis for the domestic manufacturing of the winning 120mm technical data package.

The conferees agreed that an appraisal of the manufacturing participation by the U.S. Army's arsenal system should be addressed in the cost-effectiveness analysis. This appraisal shall be evaluated in accordance with decision #B175703 (July 23, 1973) by the Comptroller General specifying allowable costs in government facilities for purposes of comparing government and private costs.

M16A2 rifle

The budget request contained $39.3 million for procurement of 71,990 M16A2 rifles. The House amendment would authorize $41.8 million for procurement of 71,990 M16A2 rifles and initiation of procurement of an optical sight. The Senate bill would authorize $39.3 million for procurement 71,990 M162A rifles.

The conferees agreed to authorize $41.8 million for procurement of 71,990 M16A2 rifles, and initiation of procurement of an optical sight.

The conferees agreed that an optical sight for the M-16 rifles is a practical product improvement that could enhance the capabilities of individual soldiers.

The conferees recommend that the Army select a sight on a basis of a full and open competition.

The Senate recedes.

9mm personal defense weapon

The budget request contained $7.5 million for procurement of 25,400 9mm personal defense weapons. The House amendment would authorize $7.5 million for procurement of 25,400 9mm personal defense weapons. The Senate bill contained no authorization for the 9mm personal defense weapons.

The conferees agree to authorize $7.5 million for procurement of 25,400 9mm personal defense weapons.

The Senate recedes.

Associated with the authorization for procurement of 9mm handguns, the conferees direct that the Army, as the executive agent for the Department of Defense, accelerate the remaining procurement actions associated with the conversion of the military services to 9mm handguns.

The conferees understand that a number of future procurements remain outside the scope of the existing five-year multiyear contract and are not presently planned for at least three years. Thus, the conferees direct that the Army initiate a study of all the remaining necessary procurement and design efforts during fiscal year 1986. For the remaining procurements, maximum use of competition and standardization are to be emphasized. The conferees note that this approach is consistent with previous congressional direction.

The conferees would welcome reprogramming during fiscal year 1986 to accelerate these actions. The fiscal year 1987 request should also include funds to continue these actions.

The conferees also direct that funds for the procurement of 9mm handguns may not be obligated until the lawsuits pending on the date of enactment are resolved by settlement or trial judgment, or on December 31, 1985, whichever is sooner.

Support equipment and facilities

The budget request contained $240.7 million for support equipment and facilities, including $2.8 million for procurement of 4,685 5.56mm carbines (XM4). The House amendment would authorize $237.9 million for support equipment and facilities, but no authorization for 5.56mm carbines. The Senate bill would authorize $240.7 million for support equipment and facilities, including $2.8 million for procurement of 4,685 5.56mm carbines.

The conferees authorized $2.8 million for procurement of 4,685 5.56mm carbines.

The House recedes, and the conferees direct that no funds be obligated for the procurement of the XM4 Carbine until the Secretary of the Army submits to the Committees on Armed Services of the Senate and the House of Representatives a detailed report concerning total Army requirements and the planned procurement objectives for the XM4 Carbine.

Army Weapons and tracked combat vehicles

The Senate bill would authorize a transfer of prior year funds in the amount of $75.0 million. The House amendment contained no authorization for transfer of prior year funds.

The Senate recedes.

PROCUREMENT OF AMMUNITION, ARMY

(DOLLARS IN MILLIONS)

LINE NO.	TITLE	FISCAL YEAR 1986 REQUEST		S. 1160 AS PASSED				H.R. 1872 AS PASSED				CONFERENCE			
				CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION	
		QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	AMMUNITION														
	ATOMIC MATERIEL														
1	NUCLEAR WEAPONS SUPPORT MATERIEL		5.2				5.2				5.2				5.2
	CONTROLLED ITEMS														
4	CTG, 5.56MM, BALL M193	114883	18.1			114883	18.1			114883	18.1			114883	18.1
5	CTG, 5.56MM, BLANK M200	84807	12.0			84807	12.0			84807	12.0			84807	12.0
6	CTG, 5.56MM, BLK M200, LKD F/SAW	8637	2.2			8637	2.2	3278	.8	11915	3.0	3278	.8	11915	3.0
7	CTG, 5.56MM, 4/B M855/1 TRCR M856 LKD	26884	9.6			26884	9.6			26884	9.6			26884	9.6
8	CTG, 5.56MM, BALL M16-A2	96289	25.0			96289	25.0			96289	25.0			96289	25.0
9	CTG, 5.56MM, TRACER M16-A2	21456	6.5			21456	6.5			21456	6.5			21456	6.5
10	CTG, 7.62MM, TRACER M62 LKD	1439	.5			1439	.5			1439	.5			1439	.5
12	CTG, 7.62MM, 4 BALL M80/1 TRCR M62 LKD	84525	25.0			84525	25.0	2839	.8	87364	25.8	2839	.8	87364	25.8
13	CTG, 7.62MM, BALL M80 LKD/M13	2428	.7			2428	.7			2428	.7			2428	.7
14	CTG, 7.62MM, LKD 4 BALL ITRACER OHF	4007	1.4			4007	1.4	1730	.6	5737	2.0	1730	.6	5737	2.0
16	CTG, 7.62MM, SPEC BALL M118	6433	1.9			6433	1.9			6433	1.9			6433	1.9
17	CTG, CAL .22, BALL LR	136179	2.7			136179	2.7			136179	2.7			136179	2.7
18	CTG, 9MM, BALL	8312	1.4	-8312	-1.4	0	0.0			8312	1.4			8312	1.4
19	CTG, CAL .45, BALL M1911	18759	2.2			18759	2.2			18759	2.2			18759	2.2
20	CTG, CAL .45, MATCH GRADE	5120	.8			5120	.8			5120	.8			5120	.8
22	CTG, CAL .50, LKD 4 BALL/1 TRCR W/M15A	65e0	9.6			65e0	9.6	1197	1.7	7757	11.3	1197	1.7	7757	11.3
23	CTG, CAL .50, API, M20 LKD	834	1.4			834	1.4			834	1.4			834	1.4
24	CTG, CAL .50, BALL LKD	2160	2.4			2160	2.4	1174	1.4	3334	3.8	1174	1.4	3334	3.8
25	CTG, CAL .50, BLK,M1A1,LKD W/M9LK F/M2	19582	15.0			19582	15.0	-19582	-15.0	0	0.0	-19582	-15.0	0	0.0
27	CTG, CAL .50, LKD TRACER M17	2682	4.1			2682	4.1	-2682	-4.1	0	0.0	-2682	-4.1	0	0.0
28	CTG, CAL .50, LKD 4/B/1 TRACER W/M9LK	33124	44.4			33124	44.4	6281	8.1	39405	52.5		3.6		48.0
29	CTG, 20MM, LKD TP-T M220 SERIES MLB M1	5175	19.3			5175	19.3	-2994	-11.4	2181	7.9	-2994	-11.4	2181	7.9
31	CTG, 25MM, HEI-T M792 W/F	648	18.9			648	18.9			648	18.9			648	18.9
32	CTG, 25MM, APDS-T M791 W/M28(MYP)	455	11.1			455	11.1			455	11.1			455	11.1
33	CTG, 25MM, TPT LKD M793 MLB M28	2400	37.7			2400	37.7			2400	37.7			2400	37.7
35	CTG, 30MM, LKD HEDP M789 W/FUZE(MYP)	881	26.0			881	26.0	-881	-26.0	0	0.0		-21.0		5.0
36	CTG, 30MM, LKD TP M788(MYP)	369	3.8			369	3.8	488	5.5	857	9.3	488	5.5	857	9.3
38	CTG, 40MM, TP-T M813 F/SGT YORK(MYP)	144	11.3	-144	-11.3	0	0.0	-68	-5.3	76	6.0	-68	-5.3	76	6.0
40	CTG, 40MM, HE W/PROX M822	144	31.0	-144	-31.0	0	0.0	-60	-13.0	84	18.0	-60	-13.0	84	18.0
41	CTG, 40MM, HEDP M430	2047	48.8			2047	48.8	440	4.0	2487	52.8		1.2		50.0
42	CTG, 40MM, TP F/MK19	485	4.8			485	4.8			485	4.8			485	4.8
43	CTG, 40MM, PRAC M781	2478	6.0			2478	6.0		-1.4	2478	4.6		-1.4	2478	4.6
44	CTG, 75MM, BLANK, M337A1 F/HOWITZER	174	2.8			174	2.8			174	2.8			174	2.8
46	CTG, 81MM, ILLUM IUK XM853	103	15.7			103	15.7	-103	-15.7	0	0.0			103	15.7
47	CTG, 81MM, HE IUK W/FUZE	170	31.7			170	31.7	-170	-31.7	0	0.0			170	31.7
48	CTG, 81MM, SMK RP IUK XM819	66	12.4			66	12.4	-66	-12.4	0	0.0			66	12.4
49	CTG, 81MM, IMP 1/10 RANGE TNG XM880	36	2.4			36	2.4	-36	-2.4	0	0.0			36	2.4
51	CTG, SUB CAL .22, PRACT CHG=2 M745	157	1.1			157	1.1			157	1.1			157	1.1
55	CTG, 4.2-INCH, ILLUM, W/FUZE	143	27.3			143	27.3			143	27.3			143	27.3
56	CTG, 4.2-INCH, SMOKE, WP	51	6.7			51	6.7			51	6.7			51	6.7
57	CTG, 120MM, HE W/MULTI-OPTION FUZE	83	30.3			83	30.3	-83	-30.3	0	0.0	-83	-30.3	0	0.0
58	CTG, 120MM, ILLUM	8	4.0			8	4.0	-8	-4.0	0	0.0	-8	-4.0	0	0.0
59	CTG, 120MM, SMOKE	41	11.2			41	11.2	-41	-11.2	0	0.0	-41	-11.2	0	0.0
61	CTG, 105MM, HEAT MP T M456A2	130	47.2			130	47.2		-5.6	130	41.6		-5.6	130	41.6
62	CTG, 105MM, TP-T, M490	347	51.2			347	51.2	125	19.8	472	71.0		8.8		60.0
63	CTG, 105MM, TRACE-P FOR M833		2.3				2.3				2.3				2.3
64	CTG, 105MM, DS-TP M724	433	89.4			433	89.4	84	16.8	517	106.2		5.6		95.0
65	CTG, 105MM, APFSDS-T M833	76	46.8			76	46.8			76	46.8			76	46.8
67	CTG, 120MM, APFSDS-T XM829	45	59.7			45	59.7	25	43.9	70	103.6		15.3		75.0
68	CTG, 120MM, HEAT-MP-T,M830(MYP)	13	27.3			13	27.3	3	7.8	16	35.1		3.7		31.0
69	CTG, 120MM, TP-T XM831(MYP)	31	29.6			31	29.6			31	29.6			31	29.6
70	CTG, 120MM, TPCSDS-T, M865(MYP)	49	29.7			49	29.7	28	17.0	77	46.7		5.3		35.0
71	PROJ, 155MM, HE, ICM M483 (MYP)	689	299.8			689	299.8	121	51.7	810	351.5	121	51.7	810	351.5
	PROJ, 8", HE, ICM (DP), M509		0.0				0.0	117	100.0	117	100.0		50.0		50.0
73	PROJ, 155MM, SMK, WP, M825	38	16.3			38	16.3			38	16.3			38	16.3
76	PROJ, 155MM, HE, ADAM M731 (MYP)	6	26.5			6	26.5	4	17.6	10	44.1		8.5		35.0
78	PROJ, 155MM, HE, RAAMS M741 (MYP)	41	71.6			41	71.6	29	50.0	70	121.6		28.4		100.0
80	PROJ, 155MM, HE, COPPERHEAD (EA)	6900	235.0			6900	235.0			6900	235.0			6900	235.0
81	PROJ, 155MM, CHEM GB-2		[ ]				[ ]				[ ]				[ ]
82	CHARGE, PROPELLING, 155MM, GR BAG M3	466	27.7			466	27.7	111	6.2	577	33.9	111	6.2	577	33.9
83	CHARGE, PROPELLING, 155MM, WH BAG M4	378	30.4			378	30.4	115	8.9	493	39.3	115	8.9	493	39.3
	PROJ, 8" RAP		0.0				0.0	14	17.9	14	17.9		10.0		10.0
84	CHARGE, PROPELLING, 155MM, R BAG M203	60	20.4			60	20.4			60	20.4			60	20.4
85	CHARGE, PROPELLING, 155MM, WH BAG M11	140	17.8			140	17.8			140	17.8			140	17.8
89	CHARGE, PROPELLING, 8-INCH WB, M188	129	29.2			129	29.2	129	28.2	258	57.4		14.6		43.2
92	FUZE, MTSQ M577/M577A1	758	49.3			758	49.3	517	35.6	1275	84.9		20.7		70.0
93	FUZE, MTSQ M582/M582A1	154	10.5			154	10.5			154	10.5			154	10.5
94	PRIMER, PERC, M82	1491	2.9			1491	2.9			1491	2.9			1491	2.9
95	GROUND IMP MINE SCAT SYS AP M74 (MYP)	36	14.5			36	14.5			36	14.5			36	14.5
96	GROUND IMP MINE SCAT SYS AT M75 (MYP)	134	26.5			134	26.5	84	16.8	218	43.3		8.5		35.0
97	CANISTER MINE PRACTICE XM88 (VOLCANO)	5	1.5			5	1.5			5	1.5			5	1.5
98	CANISTER MINE (VOLCANO) XM87	10	2.6			10	2.6			10	2.6			10	2.6
99	MINE, AT,BLU-91/B (VOLCANO) (MYP)	60	12.6			60	12.6			60	12.6			60	12.6
100	MINE, AP,BLU-92/B (VOLCANO) (MYP)	12	5.0			12	5.0			12	5.0			12	5.0
101	MTR RKT 5 IN MK22 MOD 4 (EA)	1412	5.4			1412	5.4			1412	5.4			1412	5.4
102	LINE CHARGE M58A3 (MICLIC) (EA)	1018	12.3			1018	12.3			1018	12.3			1018	12.3
103	LINE CHARGE INERT M68A2 (MICLIC) (EA)	103	1.2			103	1.2			103	1.2			103	1.2
104	MODULAR PACK MINE SYSTEM	3358	36.0			3358	36.0			3358	36.0			3358	36.0
106	DEMOLITION MUNITIONS & OTHER		16.5				16.5				16.5				16.5
107	DEMO KIT BANGALORE TORPEDO	6	3.0			6	3.0			6	3.0			6	3.0
108	LIGHTWEIGHT MULTI-PURPOSE SYSTEM	156	107.6			156	107.6	-156	-107.6	0	0.0		-66.0		41.6
109	LIGHTWEIGHT MULTI PURPOSE SYSTEM TRNR	1645	3.1			1645	3.1			1645	3.1			1645	3.1

LINE NO.	TITLE	FISCAL YEAR 1986 REQUEST		S. 1160 AS PASSED				H.R. 1872 AS PASSED				CONFERENCE			
				CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION	
		QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
110	HYDRA 70 RKT, MPSM HE M261 WHD(MYP)	36	28.9			36	28.9			36	28.9			36	28.9
111	HYDRA 70 RKT, MPSM PRAC M267 WHD	8	5.4			8	5.4			8	5.4			8	5.4
112	GRENADE, HAND, ALL TYPES		33.0				33.0				33.0				33.0
113	SIGNALS, ALL TYPES		33.5				33.5				33.5				33.5
114	SIMULATORS, ALL TYPES		28.7				28.7				28.7				28.7
	MISCELLANEOUS														
115	AMMO COMPONENTS/SUPPORT, ALL TYPES		21.3				21.3				21.3				21.3
116	ITEMS LESS THAN $900,000 (MISC-AMMO)		3.7				3.7				3.7				3.7
117	SPARES AND REPAIR PARTS		1.0				1.0				1.0				1.0
118	AMMUNITION PECULIAR EQUIPMENT		5.2				5.2				5.2				5.2
119	NITROGUANIDINE (LB)		25.0				25.0				25.0				25.0
120	COMP A-5		9.1				9.1				9.1				9.1
121	COMP C-4		9.0				9.0				9.0				9.0
122	COMP B		4.4				4.4				4.4				4.4
123	PBX 0280		1.6				1.6				1.6				1.6
124	CYCLOTOL 70/30		2.8				2.8				2.8				2.8
126	COMP LX-14		5.8				5.8				5.8				5.8
130	AMMO 9MM/ELT		1.7				1.7				1.7				1.7
	FIVAD 20MM		0.0				0.0		2.0		2.0				0.0
	SUBTOTAL, AMMUNITION		2266.6		-43.7		2222.9		166.0		2432.6		72.9		2339.5
	AMMUNITION PRODUCTION BASE SUPPORT														
131	PROVISION OF INDUSTRIAL FACILITIES		280.6		-40.0		240.6		-55.9		224.7		-15.9		264.7
132	COMPONENTS FOR PROVE-OUT		14.0				14.0				14.0				14.0
133	LAYAWAY OF INDUSTRIAL FACILITIES		22.5				22.5				22.5				22.5
134	JEFFERSON PROVING GROUND MODERNIZATION		2.0				2.0				2.0				2.0
135	CHEMICAL DEMILITARIZATION PROGRAM		49.3				49.3				49.3				49.3
	SUBTOTAL, AMMUNITION PROD BASE SUPPORT		368.4		-40.0		328.4		-55.9		312.5		-15.9		352.5
	PRIOR YEAR AUTHORIZATION TRANSFER (120 MORTAR AMMUNITION)		---				---		-28.1		-28.1		-28.1		-28.1
	PRIOR YEAR INFLATION SAVINGS		---		-78.0		-78.0		-78.0		-78.0		-78.0		-78.0
	INFLATION REESTIMATE FOR FY 86		---		-3.0		-3.0		-3.0		-3.0		-3.0		-3.0
	PRIOR YEAR PROGRAM SAVINGS		---		-62.0		-62.0		-33.9		-33.9		-33.9		-33.9
	FY 87 AND SUBSEQUENT YEARS INFLATION		---				---		-102.7		-102.7				---
	TOTAL, ARMY AMMUNITION		2635.0		-226.7		2408.3		-135.6		2499.4		-86.0		2549.0

Army ammunition

The budget request contained $2,635.0 million for Army ammunition procurement in fiscal year 1986. The House amendment would authorize $2,499.4 million for procurement of Army ammunition. The Senate bill would authorize $2,408.3 million for the same purpose.

The conferees recommend authorization of $2,549.0 million for procurement of Army ammunition in fiscal year 1986. The amounts requested for specific items that were in dispute, the amounts allowed by the House amendment and the Senate bill, and the amounts allowed by the conferees are listed in the foregoing table.

OTHER PROCUREMENT, ARMY

(DOLLARS IN MILLIONS)

LINE NO.	TITLE	FISCAL YEAR 1986 REQUEST		S. 1160 AS PASSED				H.R. 1872 AS PASSED				CONFERENCE			
				CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION	
		QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	TACTICAL VEHICLES														
1	CHASSIS TRAILER GEN 2 1/2 TON 2W M200A	1676	7.6			1676	7.6			1676	7.6			1676	7.6
2	DOLLY SET, TRANS SHELTER, 7 1/2T, M102	141	5.5			141	5.5			141	5.5			141	5.5
3	MOTORCYCLE, GED, 2W, ROUGH TERRAIN	1413	5.6			1413	5.6	-1413	-5.6	0	0.0		-3.6		2.0
5	SEMITRAILER, BB/CONT 34T M872 C/S	100	3.4			100	3.4			100	3.4			100	3.4
6	SEMITRAILER, LB, 12T M270A1-M269A1	238	9.3			238	9.3			238	9.3			238	9.3
7	SEMITRAILER, LOW BED, 40T M870 (C/S)	311	12.2			311	12.2			311	12.2			311	12.2
8	SEMITRAILER, LOW BED HET, XM1000	144	11.2			144	11.2	-144	-11.2	0	0.0			144	11.2
9	SEMITRAILER, TANK, 5000G	484	19.8			484	19.8			484	19.8			484	19.8
11	TRAILER, CARGO, 3/4T, 2W, M101A2 W/E	1241	5.3			1241	5.3			1241	5.3			1241	5.3
12	TRAILER, CARGO, 1 1/2T, 2W, M105A2	3099	11.1			3099	11.1			3099	11.1			3099	11.1
14	TRAILER, TANK WATER 400G 1 1/2T 2W M14	650	4.0			650	4.0			650	4.0			650	4.0
15	HI MOB MULTI-PURP WHL VEH (HMMWV)(MYP)	13383	326.0			13383	326.0			13383	326.0			13383	326.0
16	FAST ATTACK VEHICLE	88	3.1	-88	-3.1	0	0.0	-88	-3.1	0	0.0	-88	-3.1	0	0.0
	GENERAL REDUCTION FROM FY 85 PROGRAM		---				---		-7.4		-7.4		-7.4		-7.4
18	SMALL UNIT SUPPORT VEHICLE (SUSV)	135	14.8			135	14.8			135	14.8			135	14.8
19	TRUCK, 5T, 6X6, ABT (MYP)	2179	225.3			2179	225.3			2179	225.3			2179	225.3
20	TRUCK, 10T, 8X8, ABT (MYP)	770	128.7			770	128.7			770	128.7			770	128.7
21	TRUCK, TRACTOR, YARD TYPE, M878 (C/S)	42	3.1			42	3.1			42	3.1			42	3.1
22	MODIFICATION OF IN-SERVICE EQUIPMENT		.1				.1				.1				.1
23	SHOP EQUIPMENT, AUTO MAINT & REP	104	.9			104	.9			104	.9			104	.9
24	ITEMS LESS THAN $900,000 (TAC VEH)		1.7				1.7				1.7				1.7
	NON-TACTICAL VEHICLES														
25	PASSENGER CARRYING VEHICLES	2464	30.0			2464	30.0			2464	30.0			2464	30.0
26	GENERAL PURPOSE VEHICLES		39.9				39.9				39.9				39.9
27	SPECIAL PURPOSE VEHICLES		13.0				13.0				13.0				13.0
	SUPPORT EQUIPMENT AND FACILITIES														
28	SPARES AND REPAIR PARTS		135.2				135.2				135.2				135.2
	SUBTOTAL, TACTICAL AND SUPPORT VEHICLES		1016.8		-3.1		1013.7		-27.3		989.5		-14.1		1002.7
	COMMUNICATIONS AND ELECTRONICS EQUIPMENT														
	TELECOMM EQUIP - READ CMD COMM														
31	JCSE EQUIPMENT (USREDCOM)		.3				.3				.3				.3
32	CLASSIFIED PROJECT 9WW		14.2				14.2				14.2				14.2
	TELECOMM EQUIP - JOINT TACTICAL COMM PROG														
34	MOD RCRO TFC TERM (MRTT)		39.9				39.9				39.9				39.9
35	DIG GROUP MULTIPLEXER (DGM)		20.4				20.4				20.4				20.4
36	RFTR/TERM ASSMBLGS		15.7				15.7				15.7				15.7
37	RADIO TERMINALS AN/TRC-170		29.2				29.2				29.2				29.2
39	UNIT LEVEL SWITCHES		31.4				31.4				31.4				31.4
40	COM SYS CON EL AN/TYQ-16		15.9				15.9				15.9				15.9
41	DIG NSEC VTER TA-954	4500	4.0			4500	4.0			4500	4.0			4500	4.0
42	ANDVT-TAC TERM, CV-3591	159	4.0			159	4.0			159	4.0			159	4.0
43	LIGHTWEIGHT DIGITAL FACSIMILE	275	7.4			275	7.4			275	7.4			275	7.4
44	MOB SUBSCRIBER EQP		335.3				335.3				335.3				335.3
45	MOD OF IN-SVC EQ (TRI-TAC)		22.5				22.5				22.5				22.5
	TELECOMM EQUIP - COMBAT SUPPORT COMM														
46	COMM SYS (MTLD)		8.5				8.5				8.5				8.5
47	SINCGARS (ROLL)	16400	231.3			16400	231.3			16400	231.3			16400	231.3
48	COMMUNICATIONS CENTRAL, AN/TSC-99	3	11.7			3	11.7			3	11.7			3	11.7
51	IMP HF RADIO FAMILY		26.6				26.6				26.6				26.6
53	PWR SUPPLY PP-6148/U	110	.9			110	.9			110	.9			110	.9
55	RADIO SET AN/PRC-70	305	11.6			305	11.6			305	11.6			305	11.6
56	ANTENNA GROUP OE-254	4000	2.5			4000	2.5			4000	2.5			4000	2.5
57	SMALL UNIT TRANS AN/PRC - 68	510	1.0			510	1.0			510	1.0			510	1.0
61	TELETYPEWRITER TERMINAL AN/UGC-74	310	4.2			310	4.2			310	4.2			310	4.2
62	MOD OF IN-SVC EQUIP (CSC)		26.0				26.0				26.0				26.0
63	ROF COMM (S.W. ASIA)		19.5				19.5				19.5				19.5
64	ITEMS LESS THAN $900,000 (CSC-C-E)		10.1				10.1				10.1				10.1
66	SPEC OPS COMM SUP ELMT		7.3				7.3				7.3				7.3
	TELECOMM EQUIP - STARCOM NON-DCS														
69	AR TELECOM AUTO PR (ATCAP)		9.2				9.2				9.2				9.2
70	C-E FACILITIES/PROJECTS		20.5				20.5				20.5				20.5
71	SOUTHCOM C3 UPGRADE		26.9				26.9				26.9				26.9
72	ELECTROMAG COMP PROG(EMCP)		.6				.6				.6				.6
	LONG-HAUL COMMUNICATIONS (DCS)														
73	AUTODIN (DCS)		4.8				4.8				4.8				4.8
75	DEFENSE DATA NETWORK (DDN)		6.5				6.5				6.5				6.5
77	TRANSMISSION MEDIA (EUCOM)		16.2				16.2				16.2				16.2
78	TRANSMISSION MEDIA (PACOM)		30.9				30.9				30.9				30.9
79	WW TECH CON IMP PR (WWTCIP)		5.3				5.3				5.3				5.3

LINE NO.	TITLE	FISCAL YEAR 1986 REQUEST		S. 1160 AS PASSED				H.R. 1872 AS PASSED				CONFERENCE			
				CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION	
		QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	TELECOMM EQUIP - SATCOM-GRD ENVIRONMENT														
80	DIGITAL EQUIPMENT (DSCS)		40.0				40.0				40.0				40.0
81	INTERCONNECT FACILITY (DSCS)		7.9				7.9				7.9				7.9
82	JAM RESISTANT SECURE COM (JRSC)		22.9				22.9				22.9				22.9
83	MED SAT TERM AN/GSC		62.1				62.1				62.1				62.1
84	SPRD SPEC MUL ACC (DSCS)		23.0				23.0				23.0				23.0
85	DSCS OPERATIONS CONTROL SYS (DOCS)		40.4				40.4				40.4				40.4
86	MOD IN-SVC EQUIP (DSCS)		8.5				8.5				8.5				8.5
87	MFK SAT UHF TERM, AN/PSC-3	114	3.9			114	3.9			114	3.9			114	3.9
88	VEH SAT UHF TERM, AN/VSC-7	22	1.4			22	1.4			22	1.4			22	1.4
89	SINGLE CHANNEL OBJECT TACT TERM (SCOTT)		83.4		-83.4		0.0		-83.4		0.0		-83.4		0.0
90	MOD IN-SVC EQUIP (TAC SAT)		53.4				53.4				53.4				53.4
	TELECOMM EQUIP - EUCOM C3 SYSTEM														
91	EUCOM C3 (NWS)		98.6				98.6				98.6				98.6
93	EUCOM ALTERNATE SPT HQ (ASH)		11.5				11.5				11.5				11.5
	TELECOMM EQUIP - COMSEC EQUIPMENT														
96	AUTO KEY DC KGX-93/TSEC	147	4.3			147	4.3			147	4.3			147	4.3
97	SEC VO IMPRV PRG (COMSEC)		8.4				8.4	286	10.0	286	18.4		3.6		12.0
98	LOOP KEY GEN TSEC/KG-82	1520	2.1			1520	2.1			1520	2.1			1520	2.1
99	KEY VAR GEN TSEC/KG-83	59	.4			59	.4			59	.4			59	.4
100	DED LOOP ENCRYP DEV KG-84	5525	21.8			5525	21.8			5525	21.8			5525	21.8
101	TNK ENCRP DEV TSEC/KG-93	212	2.2			212	2.2			212	2.2			212	2.2
102	TSEC/KG-94	828	7.8			828	7.8			828	7.8			828	7.8
104	INT LEV T SET TSEC/ST-34	14	.8			14	.8			14	.8			14	.8
105	DIG SUB VOICE TSEC/KY-68	525	2.0			525	2.0			525	2.0			525	2.0
106	TSEC/KY-90	141	5.4			141	5.4			141	5.4			141	5.4
108	KEY GENERATOR, TSEC/KG-87	7	2.0			7	2.0			7	2.0			7	2.0
110	COMSEC MODULE, TSEC/KGV-13	320	5.1			320	5.1			320	5.1			320	5.1
111	FREQ MODULE, KGV-10/TSEC	17120	18.2			17120	18.2			17120	18.2			17120	18.2
113	ELEC TRAN DEV KYK-13/TSEC	7272	1.5			7272	1.5			7272	1.5			7272	1.5
114	NET CON DEV KYX-15/TSEC	2236	1.8			2236	1.8			2236	1.8			2236	1.8
115	SPEECH SECUR EQ TSEC/KY-57	7442	31.5			7442	31.5	6558	27.8	14000	59.3		3.5		35.0
118	TSEC/KYV-5 (VACTOR) SECURE EQUIP	205	.9			205	.9			205	.9			205	.9
119	TEMPEST (COMSEC)		1.1				1.1				1.1				1.1
122	TSEC/KGV-11/SECURE MODULE		1.3				1.3				1.3				1.3
124	UMSTEAD CC (CI-11-1)		3.0				3.0				3.0				3.0
125	UMSTEAD RT (CI-11-2)		6.8				6.8				6.8				6.8
126	BATSON II, TSEC/CI-14		8.4				8.4				8.4				8.4
127	ITEMS LESS THAN $900,000 (COMSEC)		4.5				4.5				4.5				4.5
	TELECOMM EQUIP - BASE COMM														
128	BASE COMM (CONUS)		34.6				34.6				34.6				34.6
129	BASE COMM (EUCOM)		6.8				6.8				6.8				6.8
130	BASE COMM (PACOM)		4.0				4.0				4.0				4.0
131	DA COMD & CON SYS (DACCS)		10.3				10.3				10.3				10.3
132	ARMY OPNS CTR		5.0				5.0				5.0				5.0
133	PENTAGON TELECOM CTR (PTC)		9.8				9.8				9.8				9.8
	TMDE FOR TELECOMM														
134	TMDE MODERNIZATION		27.0				27.0				27.0				27.0
	OTHER ELECT SYS/EQUIP - INTELLIGENCE SUPPORT														
138	TRAILBLAZER	2	38.4			2	38.4	-1	-19.2	1	19.2	-1	-19.2	1	19.2
139	TAC ELEC SURV SYS		15.8				15.8				15.8				15.8
141	MANPACK RADIO OF SYSTEM (MRDFS)	19	7.0			19	7.0			19	7.0			19	7.0
142	TEAM PACK	4	6.0			4	6.0			4	6.0			4	6.0
143	MOD IN SER EQ (INT SPT)		20.2				20.2				20.2				20.2
144	RESERVE TACTICAL INTEL ENHANCEMENT		.9				.9				.9				.9
145	ITEMS LESS THAN $900,000 (INT SPT-C-E)		4.7				4.7				4.7				4.7
146	FT DEVENS TRAINING SUPPORT		.4				.4				.4				.4
147	TROJAN		5.3				5.3				5.3				5.3
	OTHER ELECT SYS/EQUIP - GEN DEF INTEL PROG														
148	INTELLIGENCE DATA HANDLING SYS (IDHS)		[ ]				[ ]		-3.4		-3.4				[ ]
149	TECH RECON AND SURV SYS (TECRAS)		[ ]				[ ]				[ ]				[ ]
150	ITEMS LESS THAN $900,000 (GDIP-C-E)		[ ]				[ ]				[ ]				[ ]
	OTHER ELECT SYS/EQUIP - AUTO DATA PROCESS SYS														
151	VERT INSTL AUTO BASELINE (VIABLE-BASOPS)		18.7				18.7				18.7				18.7
152	VERTICAL FORCE DEVELOP MIS		6.3				6.3				6.3				6.3
154	BATTERY COMPUTER SYSTEM	89	17.7			89	17.7			89	17.7			89	17.7
156	ARMY DATA DISTRIBUTION SYSTEM-ADDS		21.6				21.6				21.6				21.6
158	USAREUR TACTICAL AUTOMATION		2.2				2.2				2.2				2.2
159	LIFE CYCLE SOFTWARE SUP (LCSS)		3.5				3.5				3.5				3.5
160	ADPE FOR NON TAC MGT INFO SYS		9.4		23.6		33.0				9.4		23.6		33.0
162	DIGITAL MESSAGE DEVICE	701	13.2			701	13.2		-10.0	701	3.2		-10.0	701	3.2
163	FIRE SUPPORT TEAM DIGITAL MESSAGE	427	17.2			427	17.2			427	17.2			427	17.2
164	MANEUVER CONTROL SYS		72.3				72.3				72.3				72.3
165	MOD IN-SVC CMD/CONTROL (C2)		2.9				2.9				2.9				2.9
166	CORPS/THEATER ADP SVC CTR (CTASC)		8.9				8.9				8.9				8.9
167	TACT ARMY CMBT COMPT SY(TACCS)	2522	44.7			2522	44.7			2522	44.7			2522	44.7
169	COMPUTER BALLISTICS: MORTAR XM-23	882	6.0			882	6.0			882	6.0			882	6.0
170	CSS LOG APPLC AUTO MARK/READ SYMBS		10.6				10.6				10.6				10.6
171	WW MIL COM & CONT SYS ADPE		7.1				7.1				7.1				7.1
172	UNIT LEVEL COMPUTER (ULC)		5.5				5.5				5.5				5.5

LINE NO.	TITLE	FISCAL YEAR 1986 REQUEST		S. 1160 AS PASSED: CHANGE FROM REQUEST		S. 1160 AS PASSED: RECOMMENDATION		H.R. 1872 AS PASSED: CHANGE FROM REQUEST		H.R. 1872 AS PASSED: RECOMMENDATION		CONFERENCE: CHANGE FROM REQUEST		CONFERENCE: RECOMMENDATION	
		QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	AUDIO VISUAL														
173	SUBTOTAL, AUDIO VISUAL)		4.3				4.3				4.3				4.3
174	DIG STRG & RTRVL ENGRG DATA SYS (DSREDS)		25.3				25.3				25.3				25.3
175	ITEMS LESS THAN $900,000 (A/V-C-E)		14.3				14.3				14.3				14.3
	OTHER ELECT SYS/EQUIP - ELECTRONIC WARFARE														
177	COUNTERMEASURES SET AN/TLQ-17A	12	5.7			12	5.7			12	5.7			12	5.7
179	TACJAM, AN/MLQ-34	6	19.0			6	19.0			6	19.0			6	19.0
180	EW (HTLD)		5.2				5.2				5.2				5.2
182	MOD IN-SVC EQUIP (EW)		2.1				2.1				2.1				2.1
183	ITEMS LESS THAN $900,000 (EW-C-E)		2.9				2.9				2.9				2.9
	OTHER ELECT SYS/EQUIP - TACTICAL ELECTRONICS														
184	CHARGER, RADIAC DETECTOR PP-4370/PD	2840	3.8			2840	3.8	-2840	-3.8	0	0.0	-2840	-3.8	0	0.0
185	BATTERY CHARGER PP-7286/U	450	3.5			450	3.5			450	3.5			450	3.5
186	POWER SUPPLY, PP-6224	631	1.9			631	1.9			631	1.9			631	1.9
187	COMPUTER/INDICATOR, CP-696/PD	1160	4.0			1160	4.0			1160	4.0			1160	4.0
188	METEROLOGICAL DATA SYS (FAMAS)	21	33.1			21	33.1			21	33.1			21	33.1
189	GROUND LASER LOCATOR DESIGNATOR (GLLD)	180	45.1			180	45.1			180	45.1			180	45.1
191	INTRUSION DETECTION DEVICES		16.6				16.6				16.6				16.6
192	NAVSTAR GLOBAL POSITIONING SYSTEM	264	9.7	-50	-2.0	214	7.7			264	9.7			264	9.7
193	POSITION/AZIMUTH DETERMINING SYSTEM	97	36.4			97	36.4			97	36.4			97	36.4
195	TAM-6 NIGHT SIGHT MAINTENANCE FACILITY	17	4.2			17	4.2			17	4.2			17	4.2
196	AN/TAM-3 TEST SET, NIGHT VISION SIGHT	83	2.3			83	2.3			83	2.3			83	2.3
199	NIGHT VISION GOGGLES		65.0				65.0				65.0				65.0
200	NIGHT VISION SIGHT INDIV WPN AN/PVS-4	3661	9.9			3661	9.9			3661	9.9			3661	9.9
201	POSITION LOCATION REPORTING SYS (PLRS)		45.1				45.1				45.1				45.1
204	RADIAC SET AN/VDR-2	827	2.0			827	2.0			827	2.0			827	2.0
205	REMBASS		22.0				22.0		-5.0		17.0				22.0
206	RPV TA/DESIGN AERIAL RECON SYS (TADARS)		134.6		-68.6		66.0		-68.9		65.7		-68.6		66.0
207	TACTICAL DOSIMETER, IM-185	5543	2.4			5543	2.4	-5543	-2.4	0	0.0	-5543	-2.4	0	0.0
209	MODIFICATION OF IN-SERVICE EQ (TAC EL)		3.5				3.5				3.5				3.5
210	ITEMS LESS THAN $900,000 (TACT ELEC-C-E)		14.5				14.5				14.5				14.5
	TMDE FOR TACTICAL ELECTRONICS														
211	TEST STA, ELECTRONIC EQUIP,AN/USM-410	6	8.9			6	8.9			6	8.9			6	8.9
213	TMDE FOR STE/ICE	981	5.6			981	5.6			981	5.6			981	5.6
214	CORE ELECTRONIC AUTO TEST (STE-X)	103	8.5			103	8.5			103	8.5			103	8.5
	OTHER ELECT SYS/EQUIP - SUP EQUIP AND FACILITIES														
215	SPARES AND REPAIR PARTS (TELECOM)		215.4		-15.1		200.3		-15.1		200.3		-15.1		200.3
216	SPARES AND REPAIR PARTS (COMSEC)		14.6				14.6				14.6				14.6
217	SPARES AND REPAIR PARTS (OTHER)		218.0				218.0		-4.3		213.7		-3.2		214.8
	TRAILBLAZER								(-3.3)				(-1.3)		
	DIGITAL MESSAGE DEVICE								(-1.1)				(-1.1)		
	CHARGER								(-.3)				(-.3)		
	RPV (AQUILA)								(-2.9)				(-2.9)		
	SECURE VOICE								(0.8)				(0.5)		
	SPEECH SECURE EQUIPMENT (VINSON)								(2.5)				(1.9)		
218	WAR RESERVE SPARES		32.8				32.8				32.8				32.8
219	SPECIAL PROGRAMS		95.0				95.0				95.0				95.0
220	QUICK RETURN ON INVESTMENT (QRIP) PGM		.5				.5				.5				.5
221	PRODUCTIVITY INVESTMENT FUNDING		40.7				40.7				40.7				40.7
222	PROD ENHANCING CAP INVESTMENT PROG (PECIP)		1.0				1.0				1.0				1.0
223	PRODUCTION BASE SUPPORT (C-E)		5.5				5.5				5.5				5.5
	SUBTOTAL, COMM AND ELEC EQUIPMENT		3306.3		-145.5		3160.8		-177.7		3128.6		-175.0		3131.3
	OTHER SUPPORT EQUIPMENT														
	CHEMICAL DEFENSIVE EQUIPMENT														
226	SIM DET CHEM AGENT AUTO ALARM XM81	692	4.7			692	4.7			692	4.7			692	4.7
227	DECONTAMINATE APP PWR DR LT WT XM17	379	6.4			379	6.4			379	6.4			379	6.4
230	MASK, PROTECTIVE, NBC	111490	30.3			111490	30.3			111490	30.3			111490	30.3
231	CHEMICAL AGENT MONITOR	3260	19.4			3260	19.4			3260	19.4			3260	19.4
232	SIMP COLL PROT EQUIP XM20	310	3.9			310	3.9			310	3.9			310	3.9
233	MODULAR/COLL PROT EQUIP FOR VV AND S	100	3.1			100	3.1			100	3.1			100	3.1
236	GEN SET, SMOKE, MECH: PUL JET,XM157	145	4.2			145	4.2			145	4.2			145	4.2
	BRIDGING EQUIPMENT														
239	BOAT, BRIDGE ERECTION, DE, 27 FT	185	25.4	-185	-25.4	0	0.0			185	25.4	-185	-25.4	0	0.0
240	BRIDGE, FLOAT-RIBBON, INTERIOR BAY	180	7.1			180	7.1			180	7.1			180	7.1
241	BRIDGE, FLOAT-RIBBON, RAMP	87	3.8			87	3.8			87	3.8			87	3.8
242	BRIDGE, FLOAT-RIBBON, TRANSPORTER	156	18.0			156	18.0			156	18.0			156	18.0
243	ITEMS LESS THAN $900,000 (BRIDGING)		.9				.9				.9				.9

LINE NO.	TITLE	FISCAL YEAR 1986 REQUEST		S. 1160 AS PASSED				H.R. 1872 AS PASSED				CONFERENCE			
				CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION	
		QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	ENGINEER (NON-CONSTRUCTION) EQUIPMENT														
245	GEMSS AUX MINE DISPNSR XM138 (FLIPPER)	237	2.0			237	2.0			237	2.0			237	2.0
246	DISPENSER MINE XM139	18	2.5			18.	2.5			18	2.5			18	2.5
247	LAUNCHER, MINE CLEARING LINE CHARGE	115	1.4			115	1.4			115	1.4			115	1.4
248	MARKING SYS, CLEAR LANE	65	3.0			65	3.0			65	3.0			65	3.0
249	E DET SET, MINE, MET/NON-MET, AN/PRS-8	5927	8.1			5927	8.1			5927	8.1			5927	8.1
252	MINE CLEARING ROLLER	50	3.5			50	3.5			50	3.5			50	3.5
253	REMOTE CONTROL UNIT (MOPMS)	581	4.6			581	4.6			581	4.6			581	4.6
254	M-9 ARMORED COMBAT EARTHMOVER (ACE)	70	65.0	-70	-65.0	0	0.0	-36	-22.6	34	42.4	-36	-22.6	34	42.4
	LESS: PRIOR YEAR AUTHORIZATION TRANSFER		---				---		-12.4		-12.4		-12.4		-12.4
	NET		65.0		-65.0		0.0		-35.0		30.0				30.0
255	ITEMS LESS THAN $900,000 (ENG NON CONSTR)		1.9				1.9				1.9				1.9
256	AIR CONDITIONERS VARIOUS SIZE/CAPACITIES		19.1				19.1				19.1				19.1
257	FIELD KITCHEN, MOBILE, TRL MTD.	327	5.3			327	5.3			327	5.3			327	5.3
259	DIVING EQUIPMENT		.4				.4				.4				.4
260	FIRETRUCKS		8.6				8.6				8.6				8.6
264	TAG PRINTING AND BINDING EQUIPMENT		5.4				5.4				5.4				5.4
265	HALON RECHARGE SERVICE KIT	132	2.1			132	2.1			132	2.1			132	2.1
266	ITEMS LESS THAN $900,000 (CSS-EQ)		10.0				10.0				10.0				10.0
267	MODIFICATIONS OF IN SERVICE EQUIP (CSE)		3.8				3.8				3.8				3.8
	PETROLEUM EQUIPMENT														
268	TANK ASSEMBLY FAB COLL FOL 50000 G	335	5.1			335	5.1			335	5.1			335	5.1
270	TANK ASSEMBLY FAB COLLAPS FOL 100000	492	5.8			492	5.8			492	5.8			492	5.8
273	TANK UNIT TRLR MTD 600 GAL	826	1.9			826	1.9			826	1.9			826	1.9
274	PUMP ASSY LIQ GAS WHL 4 IN OUT 350 GPM	361	5.8			361	5.8			361	5.8			361	5.8
277	SWA PETROLEUM DISTRIBUTION SYSTEM		38.9				38.9				38.9				38.9
278	ITEMS LESS THAN $900,000 (POL)		1.6				1.6				1.6				1.6
	WATER EQUIPMENT														
280	WTR PUR UNIT REV OS 2000/3000 GPM TK	16	14.0			16	14.0			16	14.0			16	14.0
281	WATER PUR UNIT, REV OSMOSIS, 600GPH	95	24.0			95	24.0			95	24.0			95	24.0
286	TACTICAL WATER DISTR SYS	2	8.3			2	8.3			2	8.3			2	8.3
289	TANK, FABRIC, COLL, WTR, SEMI-TRLR MTD	140	1.6			140	1.6			140	1.6			140	1.6
290	SMALL MOBILE WATER CHILLER (SMWC)	118	2.2			118	2.2			118	2.2			118	2.2
292	PUMP CENTRIFUGAL, 65GPM	2183	3.4			2183	3.4			2183	3.4			2183	3.4
293	ITEMS LESS THAN $900,000 (WATER EQ)		1.9				1.9				1.9				1.9
	MEDICAL EQUIPMENT														
294	DEPLOYABLE MEDICAL SYSTEM (DMS)		84.4				84.4				84.4				84.4
295	COMBAT SUPPORT EQUIPMENT MEDICAL		77.5				77.5				77.5				77.5
296	MEDICAL SUPPORT EQUIPMENT		83.9				83.9				83.9				83.9
	MAINTENANCE EQUIPMENT														
297	SHOP EQ CONTACT MAINT TRK MTD (MYP)	740	38.0			740	38.0			740	38.0			740	38.0
	LESS: ADVANCE PROCUREMENT (PY)		-11.0				-11.0				-11.0				-11.0
	NET		27.0				27.0				27.0				27.0
301	WELDING SHOP, TRAILER MTD	232	9.8			232	9.8			232	9.8			232	9.8
302	SHOP EQ ELECTRICAL RPR SEMI-TRL MTD	82	13.5			82	13.5			82	13.5			82	13.5
307	CALIBRATION SET SUPPORT		7.7				7.7				7.7				7.7
308	ITEMS LESS THAN $900,000 (MAIN EQUIP)		9.5				9.5				9.5				9.5
	CONSTRUCTION EQUIPMENT														
313	TRACTOR FULL TRACKED LOW SPEED DD MED	129	26.4			129	26.4			129	26.4			129	26.4
314	SMALL EMPLACEMENT EXCAVATOR (SEE)	356	25.3			356	25.3			356	25.3			356	25.3
320	ITEMS LESS THAN $900,000 (CONSTRUCTION)		7.7				7.7				7.7				7.7
	RAIL FLOAT CONTAINERIZATION EQUIPMENT														
321	LANDING, CRAFT, UTILITY	5	22.9			5	22.9	7	33.0	12	55.9			5	22.9
324	RO/RO DISCHARGE PLATFORM	2	11.8			2	11.8			2	11.8			2	11.8
325	CAUSEWAY SYSTEMS		13.4				13.4				13.4				13.4
329	MODIFICATIONS OF IN-SERV EQ (FLOAT/RAIL)		1.0				1.0				1.0				1.0
330	ITEMS LESS THAN $900,000 (FLOAT/RAIL)		4.2				4.2				4.2				4.2
	GENERATORS														
331	GEN AND ASSOCIATED EQUIP	5311	99.4			5311	99.4			5311	99.4			5311	99.4
	MATERIEL HANDLING EQUIPMENT														
333	TRUCK, FORK LIFT, GE, PT, 6000 LB	354	13.5			354	13.5			354	13.5			354	13.5
334	TRUCK, FORK LIFT, GE, SRT, 2000 LB	123	2.9			123	2.9			123	2.9			123	2.9
336	TRUCK, FORK LIFT, DE, PT, RT, 6000 LB	250	26.3			250	26.3	-250	-26.3	0	0.0	-8.3			18.0
337	TRUCK, FORK LIFT, ELEC, SRT, 6000 LB	116	4.6			116	4.6			116	4.6			116	4.6
338	TRUCK, FORK LIFT, ELEC, SRT FRT/SIDE	23	2.0			23	2.0			23	2.0			23	2.0

LINE NO.	TITLE	FISCAL YEAR 1986 REQUEST		S. 1160 AS PASSED				H.R. 1872 AS PASSED				CONFERENCE			
				CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION	
		QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
339	TRUCK, FORK LIFT, ELEC, SRT, 4000 LB	424	12.9			424	12.9			424	12.9			424	12.9
340	65 TON CRANE	11	6.2			11	6.2	-11	-6.2	0	0.0			11	6.2
341	ITEMS LESS THAN $700,000 (MHE)		6.0				6.0				6.0				6.0
	OTHER SUPPORT EQUIPMENT														
342	SPARES AND REPAIR PARTS		37.7				37.7		2.5		40.2				37.7
344	AREA ORIENTED DEPOT UPGRADE		73.8		-20.0		53.8				73.8		-10.0		63.8
345	VALUE ENGINEERING (VE)		.6				.6				.6				.6
348	PROJECT RESHAPE (MG DARCOM)		14.6		-8.6		6.0				14.6		-8.6		6.0
349	PRODUCTION BASE SUPPORT (OTH)		7.9				7.9				7.9				7.9
352	SPECIAL EQUIPMENT FOR USER TESTING		11..				11.2				11.2				11.2
353	HOST NATION SUPPORT - EUROPE		58.2				58.2				58.2				58..
354	NATIONAL TRAINING CTR SUP		13.3				13.3				13.3				13..
356	SWA STAGING BASES		6.4				6.4				6.4				6.4
357	TRAINING DEVICES, NONSYSTEM		177.8		-20.0		157.8		50.0		227.8				177.8
---	ARAFAHO		0.0				0.0		5.0		5.0		5.0		5.0
	SUBTOTAL, OTHER SUPPORT EQUIPMENT		1389.7		-139.0		1250.7		23.0		1412.7		-82.3		1307.4
	NONCENTRALLY MANAGED ITEMS		0.0				0.0		137.3		137.3		105.3		105.3
	UNDISTRIBUTED REDUCTION		---		-132.7		-132.7				---				---
	PRIOR YEAR INFLATION SAVINGS		---		-174.0		-174.0		-174.0		-174.0		-174.0		-174.0
	INFLATION REESTIMATE FOR FY 86		---		-5.0		-5.0		-5.0		-5.0		-5.0		-5.0
	PRIOR YEAR PROGRAM SAVINGS		---		-64.0		-64.0		-44.2		-44.2		-44.2		-44.2
	FY 87 AND SUBSEQUENT YEARS INFLATION		---				---		-322.7		-322.7				---
	TOTAL, ARMY OTHER PROCUREMENT		5712.8		-663.3		5049.5		-590.6		5122.2		-389.3		5323.5

Other Procurement, Army

The budget request contained $5,712.8 million for Army other procurement for fiscal year 1986. The House amendment would authorize $5,122.2 million for Army other procurement. The Senate bill would authorize $5,049.5 million for this purpose.

The conferees recommend authorization of $5,323.5 million for Army other procurement. The amounts requested for specific items that were in dispute, the amounts allowed by the House amendment and the Senate bill, and the amounts allowed by the conferees are listed in the foregoing table.

Tactical and support vehicles

The budget request contained $1,016.8 million for tactical and support vehicles, including $5.6 million for procurement of 1,413 motorcycles, and $11.2 million for procurement of 144 XM 1000 low bed semitrailers. The House amendment would authorize $989.5 million for tactical and support vehicles, including no authorization for motorcycles, and XM 1000 low bed semitrailers. The Senate bill would authorize $1,013.7 million for tactical and support vehicles, including $5.6 million for procurement of 1,413 motorcycles, and $11.2 million for procurement of 144 XM 1000 low bed semitrailers.

The conferees agreed to authorize $1002.7 million for tactical and support vehicles, including $2.0 million for procurement of motorcycles, and $11.2 million for procurement of 144 XM 1000 low bed semitrailers.

The conferees agreed to several actions pertaining to procurement for the 9th Infantry Division (Motorized). The conferees were not convinced that specialized items of equipment fielded in small numbers represented a cost-effective approach in view of the current budgetary limitations and the commitment to complete the necessary modernization of the Army's heavy forces. The conferees, however, support the innovative efforts at the Army Development and Employment Agency (ADEA) and encourage the Army to pursue low-cost approaches that are applicable throughout the total force in the future.

Fast attack vehicle

The budget request contained $3.1 million to procure 88 fast attack vehicles (FAV). The House amendment contained no authorization, reflecting the intent to terminate the program. The House amendment would also authorize a general reduction of $7.4 million to be made available from unobligated prior year authorizations for the FAV. The Senate bill contained no authorization for the FAV.

The conferees agreed to a general reduction of $7.4 million to be made available from unobligated prior-year authorizations for the FAV.

The Senate recedes.

Communications and electronic equipment

The budget request contained $3,306.3 million for communications and electronic equipment. The House amendment would authorize $3,128.6 million for communications and electronic equipment. The Senate bill would authorize $3,160.8 million for this purpose.

The conferees agreed to authorize $3,131.3 million for communications and electronic equipment.

Army, RPV

The report (S. Report 99-41) accompanying the Senate bill directed the Secretary of the Army to provide a report to the Committees on Armed Services no later than December 15, 1985 concerning the Army's Aquila program. This report should address specifically the restructuring of the Aquila program, and the proposed development of a family of RPVs. Consideration should also be given to procurement of off-shelf systems.

The House report (H. Report 99-81) contains no similar direction.

The House recedes.

Steerable null antenna processor (SNAP)

The budget request did not contain authorization for the procurement of Steerable Null Antenna Processor (SNAP). SNAP provides anti-jamming protection for the Army's current combat net radios, the VRC-12.

Although the conferees recognize that the Army is fielding a new combat net radio, they are concerned that the reserves will continue to retain large quantities of the VRC-12 radio.

The conferees believe that the Army should review its requirements for acquiring additional SNAP's and, should that review justify expanded procurement, initiate a reprogramming request to procure the additional anti-jam production.

Other support equipment

The budget request contained $1,389.7 million for other support equipment. The House amendment would authorize $1,412.7 million for other support equipment. The Senate bill would authorize $1,250.7 million for other support equipment. The conferees recommend authorization of $1,307.4 million for other support equipment.

M9 armored combat earthmover (ACE)

The budget request contained $65 million to procure 70 M9 Armored Combat Earthmover (ACE). The House amendment would authorize $30 million for procurement of 34 M9 ACE's. The House amendment also recommends authorizing the transfer forward of $12.4 million from prior year authorizations to support procurement in fiscal year 1986. The Senate bill contained no authorization for the M9 ACE.

The conferees recommend authorization of $30 million for procurement of 34 M9 ACEs. The conferees agreed to transfer forward $12.4 million from prior year authorizations to support procurement in fiscal year 1986.

The Senate recedes.

Training devices, non-system

The budget request contained $177.8 million for procurement of non-system training devices. The House amendment would au-

thorize $227.8 million, including authorization of $50 million designated for the Army National Guard. The Senate bill would authorize $157.8 million for procurement of non-system training devices.

The conferees agreed to authorize $177.8 million for procurement of non-system training devices. Section 104 also provides authorization of $50 million for procurement of non-system training devices for the Army National Guard.

The report (H. Report 99-81) accompanying the House amendment directs the Secretary of Defense to submit a report to the Committee on Armed Services of the Senate and the House of Representatives concerning the total requirement and acquisition plans for non-system training devices for the National Guard.

The Senate report (S. Rept. 99-41) contained no similar language.

The Senate recedes.

Arapaho

The budget request contained no authorization for procurement of Arapaho helicopter support system in fiscal year 1986. The House amendment would authorize $5.0 million for procurement of long-lead items for Arapaho support system. The Senate bill contained no authorization for procurement of Arapaho support system in fiscal year 1986.

The conferees recommend authorization of $5.0 million for procurement of Arapaho helicopter support system.

The Senate recedes.

Non-centrally managed items

The House amendment would authorize $137.3 million in the Other Procurement, Army account for non-centrally managed items valued in excess of $3,000 for which the budget request sought funds in the Operation and Maintenance, Army account. The House report on the authorization bill notes that such items are more properly considered investment items rather than expense items.

The Senate bill contained no similar authorization.

The conferees recommend authorization of $105.3 million for non-centrally managed items valued in excess of $5,000 in the Other Procurement, Army account. As discussed in the Operation and Maintenance section, non-centrally managed items with a cost of $3,000-$5,000 are authorized in Operation and Maintenance.

The Senate recedes with an amendment.

Army other procurement transfer from prior year

The Senate bill would authorize a general transfer of prior year funds in the amount of $64.0 million. The House amendment would authorize a transfer of prior year funds in the amount of $44.2 million.

The Senate recedes.

AIRCRAFT PROCUREMENT, NAVY

(DOLLARS IN MILLIONS)

LINE NO.	TITLE	FISCAL YEAR 1986 REQUEST		S. 1160 AS PASSED				H.R. 1872 AS PASSED				CONFERENCE			
				CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION	
		QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	COMBAT AIRCRAFT														
1	A-6E (ATTACK) INTRUDER	6	213.9			6	213.9	5	90.7	11	304.6	5	90.7	11	304.6
	LESS: ADVANCE PROCUREMENT (PY)		-11.3				-11.3				-11.3				-11.3
	NET		202.6				202.6		90.7		293.3				293.3
2	ADVANCE PROCUREMENT (CY)	(6)	11.6			(6)	11.6	(5)	9.3	(11)	20.9		9.3	(6)	20.9
3	EA-6B (ELECTRONIC WARFARE) PROWLER	12	467.5			12	467.5			12	467.5			12	467.5
	LESS: ADVANCE PROCUREMENT (PY)		-21.2				-21.2				-21.2				-21.2
	NET		446.3				446.3				446.3				446.3
4	ADVANCE PROCUREMENT (CY)		33.0				33.0				33.0				33.0
5	AV-8B (V/STOL)	46	972.9	-3	-45.0	43	927.9		-45.0	46	927.9		-45.0	46	927.9
	LESS: ADVANCE PROCUREMENT (PY)		-80.4				-80.4				-80.4				-80.4
	NET		892.5		-45.0		847.5		-45.0		847.5				847.5
6	ADVANCE PROCUREMENT (CY)		86.6		-10.0		76.6				86.6				86.6
7	F-14A (FIGHTER) TOMCAT	18	838.6	-3	-100.0	15	738.6		-100.0	18	738.6		-100.0	18	738.6
	LESS: ADVANCE PROCUREMENT (PY)		-185.0				-185.0				-185.0				-185.0
	NET		653.6		-100.0		553.6		-100.0		553.6				553.6
8	ADVANCE PROCUREMENT (CY)		148.2		-48.0		100.2				148.2		-24.0		124.2
9	F/A-18 (FIGHTER) HORNET	84	2701.4			84	2701.4		-40.0	84	2661.4		-14.0	84	2687.4
	LESS: ADVANCE PROCUREMENT (PY)		-207.7				-207.7				-207.7				-207.7
	NET		2493.7				2493.7		-40.0		2453.7				2479.7
10	ADVANCE PROCUREMENT (CY)	(102)	268.1		-53.0		215.1	(-18)	-63.0	(84)	205.1	(-18)	-58.0	(84)	210.1
11	CH/MH-53E (HELO) SUPER STALLION (MYP)	14	279.1		-6.0	14	273.1		-25.0	14	254.1		-25.0	14	254.1
	LESS: ADVANCE PROCUREMENT (PY)		-19.0				-19.0				-19.0				-19.0
	NET		260.1		-6.0		254.1		-25.0		235.1				235.1
12	ADVANCE PROCUREMENT (CY)		33.3				33.3				33.3				33.3
13	AH-1T (HELICOPTER) SEA COBRA	22	217.0			22	217.0			22	217.0			22	217.0
	LESS: ADVANCE PROCUREMENT (PY)		-15.0				-15.0				-15.0				-15.0
	NET		202.0				202.0				202.0				202.0
15	SH-60B (ASW HELO) SEAHAWK	18	373.5	6	41.0	24	414.5		-34.0	18	339.5			18	373.5
	LESS: ADVANCE PROCUREMENT (PY)		-57.9				-57.9				-57.9				-57.9
	NET		315.6		41.0		356.6		-34.0		281.6				315.6
16	ADVANCE PROCUREMENT (CY)		54.9				54.9				54.9				54.9
18	CV ASW HELO ADVANCE PROCUREMENT (CY)		30.0				30.0				30.0				30.0
19	P-3C (PATROL) ORION (MYP)	9	418.9		-7.0	9	411.9	-9	-329.9	0	89.0		-7.0	9	411.9
	LESS: ADVANCE PROCUREMENT (PY)		-89.0				-89.0				-89.0				-89.0
	NET		329.9		-7.0		322.9		-329.9		0.0				322.9
20	ADVANCE PROCUREMENT (CY)	(9)	156.6		-50.0		106.6	(-4)	-75.0	(5)	81.6		-50.0		106.6
22	E-2C (EARLY WARNING) HAWKEYE	6	358.0		-5.0	6	353.0			6	358.0		-5.0	6	353.0
	LESS: ADVANCE PROCUREMENT (PY)		-29.6				-29.6				-29.6				-29.6
	NET		328.4		-5.0		323.4				328.4				323.4
23	ADVANCE PROCUREMENT (CY)		31.3				31.3				31.3				31.3
24	SH-2F (ASW HELO) SEASPRITE	6	74.4	-6	-69.9	0	4.5		-4.5	6	69.9		-4.5	6	69.9
	LESS: ADVANCE PROCUREMENT (PY)		-4.5				-4.5				-4.5				-4.5
	NET		69.9		-69.9		0.0		-4.5		65.4				65.4
	SH-2F (ASW HELO) ADVANCE PROCUREMENT (CY)		0.0				0.0	(6)	4.5	(6)	4.5				0.0
	ROUNDING ADJUSTMENT		-.1				-.1				-.1				---
	SUBTOTAL, COMBAT AIRCRAFT		7048.0		-352.9		6695.1		-611.9		6436.1		-232.4		6815.7
	AIRLIFT AIRCRAFT														
27	UC-12B/CX	12	26.9	-12	-26.9	0	-0.0	2	17.1	14	44.0			12	26.9
	UC-12B	(12)	(26.9)	(-12)	(-26.9)	(0)	(0.0)			(12)	(26.9)				
	CX		(0.0)				(0.0)	(2)	(44.0)	(2)	(44.0)				
	PRIOR YEAR AUTHORIZATION TRANSFER		---				---		(-26.9)		(-26.9)				
	C-20A		0.0	1	22.0	1	22.0				0.0	2	44.0	2	44.0
28	C-2 (MYP)	8	177.9			8	177.9			8	177.9			8	177.9
	LESS: ADVANCE PROCUREMENT (PY)		-43.0				-43.0				-43.0				-43.0
	NET		134.9				134.9				134.9				134.9
29	ADVANCE PROCUREMENT (CY)		35.2				35.2				35.2				35.2
	SUBTOTAL, AIRLIFT AIRCRAFT		197.0		-4.9		192.1		17.1		214.1		44.0		241.0

LINE NO.	TITLE	FISCAL YEAR 1986 REQUEST QTY	FISCAL YEAR 1986 REQUEST AMOUNT	S. 1160 AS PASSED: CHANGE FROM REQUEST QTY	S. 1160 AS PASSED: CHANGE FROM REQUEST AMOUNT	S. 1160 AS PASSED: RECOMMENDATION QTY	S. 1160 AS PASSED: RECOMMENDATION AMOUNT	H.R. 1872 AS PASSED: CHANGE FROM REQUEST QTY	H.R. 1872 AS PASSED: CHANGE FROM REQUEST AMOUNT	H.R. 1872 AS PASSED: RECOMMENDATION QTY	H.R. 1872 AS PASSED: RECOMMENDATION AMOUNT	CONFERENCE: CHANGE FROM REQUEST QTY	CONFERENCE: CHANGE FROM REQUEST AMOUNT	CONFERENCE: RECOMMENDATION QTY	CONFERENCE: RECOMMENDATION AMOUNT
	TRAINER AIRCRAFT														
30	T-34C	38	49.4	-38	-49.4	0	0.0	-19	-24.7	19	24.7	-19	-24.7	19	24.7
32	ADVERSARY (F-16)	12	115.7			12	115.7			12	115.7			12	115.7
	SUBTOTAL, TRAINER AIRCRAFT		165.1		-49.4		115.7		-24.7		140.4		-24.7		140.4
	OTHER AIRCRAFT														
	KC-130T (TANKER) (HERCULES)		0.0				0.0	2	40.0	2	40.0				0.0
36	E-6A	2	395.0			2	395.0	-2	-297.3	0	97.7			2	395.0
	LESS: ADVANCE PROCUREMENT (PY)		-97.7				-97.7				-97.7				-97.7
	NET		297.3				297.3		-297.3		0.0				297.3
37	ADVANCE PROCUREMENT (CY)	(4)	58.3			(4)	58.3	(-4)	-58.3	(0)	0.0			(4)	58.3
	UH-60		0.0				0.0	4	25.0	4	25.0				0.0
40	VH-60	9	129.7			9	129.7	-9	-102.8	0	26.9			9	129.7
	LESS: ADVANCE PROCUREMENT (PY)		-26.9				-26.9				-26.9				-26.9
	NET		102.8				102.8		-102.8		0.0				102.8
	VH-60 ADVANCE PROCUREMENT (CY)		0.0				0.0	(9)	26.9	(9)	26.9				0.0
	SUBTOTAL, OTHER AIRCRAFT		458.4		0.0		458.4		-366.5		91.9		0.0		458.4
	MODIFICATION OF AIRCRAFT														
42	A-3 SERIES		5.4				5.4				5.4				5.4
43	A-4 SERIES		17.0				17.0				17.0				17.0
44	A-6 SERIES		240.5				240.5				240.5				240.5
45	EA-6 SERIES		45.4				45.4				45.4				45.4
46	A-7 SERIES		30.0				30.0				30.0				30.0
47	AV-8 SERIES		8.1				8.1				8.1				8.1
48	F-4 SERIES		5.0				5.0				5.0				5.0
49	RF-4 SERIES		2.5				2.5				2.5				2.5
50	F-14 SERIES		158.8				158.8				158.8				158.8
51	F-8 SERIES		.1				.1				.1				.1
52	F-5 SERIES		1.7				1.7				1.7				1.7
53	OV-10 SERIES		51.5				51.5				51.5				51.5
54	F-18 SERIES		17.8				17.8				17.8				17.8
55	H-46 SERIES		137.0				137.0				137.0				137.0
56	H-53 SERIES		40.3				40.3				40.3				40.3
57	SH-60 SERIES		1.6				1.6				1.6				1.6
58	H-1 SERIES		75.4				75.4				75.4				75.4
59	H-2 SERIES		33.9				33.9				33.9				33.9
60	H-3 SERIES		98.0				98.0				98.0				98.0
61	EP-3 SERIES		38.5				38.5				38.5				38.5
62	P-3 SERIES		152.9				152.9				152.9				152.9
63	S-3 SERIES		284.3				284.3		9.3		293.6		9.3		293.6
65	E-2 SERIES		72.1				72.1				72.1				72.1
67	TRAINER A/C SERIES		5.3				5.3				5.3				5.3
75	EC-130 SERIES		6.5				6.5				6.5				6.5
76	C-130 SERIES		12.5				12.5				12.5				12.5
77	FEWSG		22.7				22.7				22.7				22.7
78	CARGO/TRANSPORT A/C SERIES		6.9				6.9				6.9				6.9
80	VARIOUS		15.6				15.6				15.6				15.6
81	POWER PLANT CHANGES		8.3				8.3				8.3				8.3
82	MISC FLT SAFETY/OPER NECESSITY CHANGE		4.3				4.3				4.3				4.3
83	COMMON ECM EQUIPMENT		242.0				242.0				242.0				242.0
84	COMMON AVIONICS CHANGES		23.9				23.9				23.9				23.9
---	GROUND PROXIMITY WARNING SYSTEM		0.0				0.0		(7.0)		(7.0)		(7.0)		(7.0)
	UNDISTRIBUTED REDUCTION		---		-30.0		-30.0		-114.5		-114.5		-30.0		-30.0
	SUBTOTAL, MODIFICATION OF AIRCRAFT		1865.7		-30.0		1835.7		-105.2		1760.5		-20.7		1645.0
	AIRCRAFT SPARES														
85	SPARES AND REPAIR PARTS		1463.7		-88.0		1375.7		-119.1		1344.6		-38.5		1425.2
	F-18R		(87.8)				(87.8)		(-3.5)		(84.3)		(-3.5)		(85.3)
	P-3C		(9.9)				(9.9)		(-9.9)		(0.0)		(-9.9)		(9.9)
	UC-12B/CX		(0.0)				(0.0)		(4.0)		(4.0)		(4.0)		(4.0)
	E-6A		(44.6)				(44.6)		(-44.6)		(0.0)		(-44.6)		(44.6)
	VH-60		(25.1)				(25.1)		(-25.1)		(0.0)		(-25.1)		(25.1)
	UNDISTRIBUTED REDUCTION		---		(-88.0)		(-88.0)		(-40.0)		(-40.0)		(48.0)		(-40.0)
	AIRCRAFT SUPPORT EQUIPMENT AND FACILITIES														
86	COMMON GROUND EQUIPMENT		684.8				684.8				684.8				684.8
87	AIRCRAFT INDUSTRIAL FACILITIES		57.1				57.1				57.1				57.1
88	WAR CONSUMABLES		65.0				65.0				65.0				65.0
89	OTHER PRODUCTION CHARGES		57.7				57.7		-3.0		54.7		-1.7		56.0
	UNDISTRIBUTED REDUCTION		---		-64.8		-64.8		-75.0		-75.0		-64.8		-64.8
	SUBTOTAL, SUPPORT EQUIP AND FACILITIES		864.7		-64.8		799.9		-78.0		786.7		-66.5		798.2
	UNDISTRIBUTED REDUCTION		---		-4.0		-4.0				---				---
	INFLATION REESTIMATE FOR FY 86		---		-15.0		-15.0		-15.0		-15.0		-15.0		-15.0
	PRIOR YEAR PROGRAM SAVINGS		---		-109.0		-109.0		-82.1		-82.1		-109.0		-109.0
	FY 87 AND SUBSEQUENT YEARS INFLATION		---				---		-539.4		-539.4				---
	ROUNDING ADJUSTMENT		.1				.1				.1				---
	TOTAL, NAVY AIRCRAFT		12062.6		-718.0		11344.7		-1924.8		10137.8		-462.8		11599.9

A-6E aircraft (Intruder)

The budget request contained $202.6 million for procurement of 6 A-6E aircraft in fiscal year 1986, and $11.6 million for advanced procurement of 6 aircraft in fiscal year 1987. The House amendment would authorize $293.3 million for procurement of 11 A-6E aircraft in fiscal year 1986, and $20.9 million for advance procurement of 11 aircraft in fiscal year 1987. The Senate bill would authorize the requested amounts.

The conferees recommend authorization of $293.3 million for procurement of 11 A-6E aircraft in fiscal year 1986, and $20.9 million for advance procurement of 11 aircraft in fiscal year 1987. Section 132a limits the authority to procure only A-6E aircraft with an improved wing.

The Senate recedes.

AV-8B aircraft (Harrier)

The budget request contained $892.5 million for procurement of 46 AV-8B aircraft in fiscal year 1986, and $86.6 million for advanced procurement of 47 aircraft in fiscal year 1987. The House amendment would authorize $847.5 million for procurement of 46 aircraft in fiscal year 1986, and $86.6 million for advance procurement of 47 aircraft in fiscal year 1987. The Senate bill would authorize $847.5 million for procurement of 43 aircraft in fiscal year 1986 and $76.6 million for advance procurement in fiscal year 1987.

The conferees recommend authorization of $847.5 million for procurement of 46 AV-8B aircraft in fiscal year 1986 and $86.6 million for advance procurement of 47 aircraft in fiscal year 1987.

The Senate recedes.

F-14A aircraft (Tomcat)

The budget request contained $653.6 million for procurement of 18 F-14A aircraft in fiscal year 1986, and $148.2 million for advance procurement of 18 aircraft in fiscal year 1987. The House would authorize $553.6 million for procurement of 18 F-14A aircraft configured with the F-110 engine (designated F-14A "plus") in fiscal year 1986 and $148.2 for advanced procurement of 18 aircraft in fiscal year 1987. The Senate bill would authorize $553.6 million for procurement of 15 F-14A aircraft and $100.2 million for advanced procurement in fiscal year 1987.

The conferees recommend authorization of $553.6 million for procurement of 18 F-14A "plus" aircraft and $124.2 million for advanced procurement of 18 aircraft in fiscal year 1987. Section 131(b) limits the authority to procure only F-14A plus configured aircraft.

The Senate recedes with an amendment.

F/A-18 aircraft (Hornet)

The budget request contained $2,493.7 million for procurement of 84 F/A-18 aircraft and $268.1 million for advanced procurement of 102 aircraft in fiscal year 1987. The House amendment would authorize $2,453 6 million for procurement of 84 aircraft in fiscal year 1986 and $205.1 million for advance procurement of 84 aircraft in fiscal year 1987. The Senate bill would authorize $2,493.7 million for procurement of 84 aircraft in fiscal year 1986 and $215.1 million for advance procurement for fiscal 1987.

The conferees agreed to reduce the F/A-18 effort by $14.0 million. Accordingly, the conferees recommend authorization of $2,479.7 million for procurement of 84 F/A-18 aircraft in fiscal year 1986 and $210.1 million for advance procurement in fiscal year 1987.

CH/MH-53E helicopter (Super Stallion)

The budget request contained $260.1 million for procurement of 14 CH/MH-53E helicopters, and $33.3 million for advance procurement of 14 helicopters in fiscal year 1987. The House amendment would authorize $235.1 million for 14 helicopters in fiscal year 1986 and $33.3 million for advance procurement of 14 helicopters in fiscal year 1987. The Senate bill would authorize $254.1 million for procurement of 14 helicopters in fiscal year 1986 and $33.3 million for advance procurement in fiscal year 1987.

The conferees recommend authorization of $235.1 million for procurement of 14 CH/MH-53E helicopters in fiscal year 1986 and $33.3 million for advance procurement of 14 helicopters in fiscal year 1987.

The Senate recedes.

SH/60B helicopter (Seahawk)

The budget request contained $315.6 million for procurement of 18 helicopters in fiscal year 1986, and $54.9 for advance procurement of 18 helicopters in fiscal year 1987. The House amendment would authorize $281.6 million for 18 helicopters in fiscal year 1986 and $54.9 for advance procurement of 18 helicopters in fiscal year 1987. The Senate bill would authorize $356.6 million for 24 helicopters in fiscal year 1986, and $54.9 million for advance procurement in fiscal year 1987.

The conferees recommend authorization of $315.6 million for procurement of 24 SH-60B helicopters in fiscal year 1986, and $54.9 million for advance procurement of 18 helicopters in fiscal year 1987.

The House recedes with an amendment.

P-3C aircraft (Orion)

The budget request contained $329.9 million for procurement of 9 P-3C aircraft in fiscal year 1986, and $156.6 million for advance procurement of 9 P-3C aircraft in fiscal year 1987. The House amendment contained no authorization for the P-3C aircraft, but would authorize $81.6 million for advance procurement of 5 P-3C aircraft in fiscal year 1987. The Senate bill would authorize $322.9 million for 9 P-3C aircraft in fiscal year 1986, $106.6 million for advance procurement, and would deny authority to enter into multiyear procurement.

The conferees recommend authorization of $322.9 million for procurement of up to 9 P-3C aircraft in fiscal year 1986, and $106.6 million for advance procurement for fiscal year 1987. Sec. 102(f) denies multiyear procurement for the P-3C aircraft.

The House recedes.

The conferees believe the Navy must adopt new approaches to procuring resources for the long-range ASW mission. Three factors contribute to this conviction. First, the procurement program has become an annual struggle to retain funding at inefficient rates for P-3C production. That debate is not addressing the requirement to strengthen long-range ASW resources. The conferees believe a continuing investment in ASW patrol aircraft is essential in light of Soviet advances in submarine warfare. Second, insufficient competition exists in the P-3C program to contain costs. Competition should be expanded to include more of the government furnished (GFE) mission equipment and its integration or retrofit. Third, the Navy aviation accounts will likely be static in coming years at the same time that major commitments to new aircraft have been made.

These factors suggest a different direction is warranted. Therefore, the Secretary of the Navy may, at his direction, use up to $120.0 million of funds appropriated pursuant to an authorization of appropriation for procurement of new P-3C aircraft for fiscal year 1986, for modification of existing P3 aircraft with update III generation equipment.

The Navy may use the $120 million either for new production (buying up to 9 P-3s in fiscal year 1986) or for an expanded update III modification program, whichever provides the greatest benefit to the mission. However, the resulting modification program must be subject to competition.

In addition, the Navy shall submit a report with supporting analysis justifying the way in which it intends to allocate the $120.0 million cost-effectively before obligating any of the funds provided in this bill for P-3C aircraft or P3 aircraft modifications. The conferees expect the acquisition strategy to strike a balance between the continuing need to replace an aging P3 fleet and the need to increase the operational capabilities of the existing P3 inventory through modifications.

Further, the Navy shall establish a long range maritime patrol (VP) procurement plan to: (1) expand the capabilities of the current fleet through either upgrade or new acquisition, (2) introduce greater competition into the overall program, and (3) provide for greater capabilities within the general budget share reflected in the fiscal year 1986 budget request.

E-2C (Hawkeye)

The budget request contained $328.4 million for procurement of 6 E-2C aircraft in fiscal year 1986 and $31.3 million for advance procurement in fiscal year 1987. The House amendment would authorize the requested amounts. The Senate bill would authorize $323.4 million for procurement of 6 aircraft in fiscal year 1986 and $31.3 million for advance procurement in fiscal year 1987.

The conferees recommend authorization of $323.4 million for procurement of 6 E-2C aircraft in fiscal year 1986, and $31.3 million for advance procurement in fiscal year 1987.

The House recedes.

SH-2F (Seasprite)

The budget request contained $69.9 million for procurement of six SH-2F helicopters in fiscal year 1986 and no advance procurement. The House amendment would authorize $65.4 million for six helicopters and $4.5 million for advance procurement of six helicopters in fiscal year 1987. The Senate bill contained no authorization for the SH-2F helicopter.

The conferees recommend authorization of $65.4 million for procurement of six SH-2F helicopters in fiscal year 1986 and no advance procurement.

The Senate recedes with an amendment.

The conferees agreed that, faced with reduced growth in future defense budgets, together with an expanding need for modern ASW helicopters in both the active and reserve forces, lower cost alternatives to present helicopter/ship systems warrant consideration.

As an example, much of the total cost of introducing the SH-60B LAMPS MK-III helicopter is contained in the extensive ship modifications required to support this aircraft. Even without a full suite of supporting shipboard equipment, however, an autonomous SH-60B aircraft is more capable than earlier systems. This suggests that consideration should be given to a more austere ship conversion plan which might permit some ships to operate autonomous helicopter systems.

Similarly, the conferees believe that variations on the SH-60B series, or other helicopter ASW systems, might offer performance superior to the current SH-2F LAMPS MK-I aircraft, at less cost than the full SH-60B LAMPS MK-III and related shipboard conversion and modification costs. The conferees also recognize there is a continuing need to update the avionics mission equipment on older SH-2 helicopters to keep that system current with the Soviet threat.

The conferees agreed on the need to study the use of a variety of ASW helicopter/ship systems to improve the overall capabilities of those ships not scheduled for conversion to the LAMPS MK-III system. The conferees emphasize that the objective of this initiative would be to seek a lower cost ASW helicopter/ship system to complement, not replace, the ongoing conversion of ships to the full LAMPS MK-III configuration.

Accordingly, the Secretary of the Navy is directed to report to the Committee on Armed Services of the Senate and House of Representatives by January 15, 1986 as to the feasibility, operational desirability, and cost of alternative ASW helicopter/ship systems. The report should include among its alternatives a full range of helicopter/ship systems, including variations of the current SH-60 and SH-2 series helicopters. Lifecycle costs, timing, and capability against the projected threat should be among the analytical criteria. Should promising alternatives emerge, the Secretary should include funds in the fiscal year 1987 budget request to pursue such alternatives.

UC-12B/CX

The budget request contained $26.9 million for procurement of an appropriate mix of UC-12B and a complementary, longer range CX aircraft in fiscal year 1986. The House amendment would authorize $26.9 million for procurement of 12 UC-12B aircraft and $44.0 million for procurement of two C20A aircraft to satisfy the complementary CX requirement. The House amendment also would authorize the transfer of $26.9 million of prior year funds. The Senate bill would authorize no UC-12B aircraft and $22.0 million for one C20A aircraft.

The conferees recommend authorization of $26.9 million for procurement of 12 UC-12B aircraft and $44.0 million for procurement of two C20A aircraft in fiscal year 1986. Sec. 151 of this bill requires competitive procurement of all C-12 aircraft in fiscal year 1986. This competition is restricted to turboprop aircraft.

The Senate recedes with an amendment.

T-34C aircraft (Mentor)

The budget request contained $49.4 million for procurement of 38 T-34C aircraft in fiscal year 1986. The House amendment would authorize $24.7 million for procurement of 19 aircraft in fiscal year 1986. The Senate bill provided no funds for the T-34C aircraft.

The conferees recommend authorization of $24.7 million for procurement of 19 T-34C aircraft in fiscal year 1986.

The Senate recedes.

E-6A TACAMO aircraft

The budget request contained $297.3 million for the procurement of 2 E-6A TACAMO aircraft in fiscal year 1986 and $58.3 million for advance procurement of 4 E-6A TACAMO aircraft in fiscal year 1987. The House amendment contained no authorization for the program. The Senate bill would authorize the requested amounts.

The conferees recommend authorization of $297.3 million for procurement of 2 E-6A TACAMO aircraft in fiscal year 1986, and $58.3 million for advance procurement of 4 E-6A TACAMO aircraft in fiscal year 1987.

The conferees weighed the requirement for this aircraft and the programmatic and budgetary considerations that previously led to different findings by the two Houses. The conferees agreed that the United States' sea based deterrent can be no more effective or survivable than the communications relay capability to our SSBNs, especially to the Trident force in the Pacific.

The conferees are mindful of the considerable degree of concurrency in the program and reluctantly find this acceptable in this instance because of the critical importance of the program, and because of assurances that the technical risks in the program, which involves the integration of a proven communications suite in a proven airframe, should be minimal. The conferees direct the Navy to take all possible measures, short of slowing the program, to minimize the risks inherent in the concurrent approach to development and procurement.

Aware that an important issue regarding the E-6A has been one of affordability in the current and projected budget environment, the conferees are concerned about the continued commitment of the Department of Defense to the outyear funding requirement for this program. More specifically, the conferees find that the outyear funding requirements of the planned procurement rate will be particularly stressing on the Navy's aircraft procurement account, setting up competition between traditional naval aircraft needs and the national requirement for strategic connectivity. The Secretary of Defense is, therefore, directed to provide to the Committees on Armed Services of the Senate and House of Representatives at the time of submission of the fiscal year 1987 budget request, a plan whereby the Congress might be assured of funding continuity for this program.

VH-60 aircraft

The budget request contained $102.8 million for procurement of 9 VH-60 helicopters in fiscal year 1986. The House amendment contained no authorization for procurement of helicopters in fiscal year 1986, and advance procurement of $26.9 million for 9 helicopters in fiscal year 1987. The Senate bill would authorize the requested amounts.

The conferees recommend authorization of $102.8 million for procurement of 9 VH-60 helicopters in fiscal year 1986.

The House recedes.

Modification of aircraft

The budget request contained $1,865.7 million for modification of aircraft, including $284.3 million for S-3 series aircraft modifications. The House amendment would authorize $1,760.5 million for modification of aircraft; $293.6 million for S-3 series modifications including an increase of $9.3 million to accelerate procurement of an aerial refueling store (ARS) "buddy store" system for the S-3 and an undistributed reduction of $114.5 million. The Senate bill would authorize $1,835.7 million for modification of aircraft, including $284.3 million for S-3 series mods, and an undistributed reduction of $30.0 million. In addition, the report (H. Report 99-81) accompanying the House amendment directs that within the amounts authorized for Navy aircraft procurement in fiscal year 1986 and prior years, $7.0 million should be used for the procurement of second generation or better ground proximity warning system hardware and associated aircraft modifications. The Senate report (S. Report 99-41) contained no similar language.

The conferees recommended authorization of $1,845.0 million for modification of aircraft. Included are $293.6 million for S-3 series aircraft modification, an increase of $9.3 milion to accelerate procurement of the ARS "buddy store" capability, discretionary use of $7.0 million for ground proximity warning system and an undistributed reduction of $30.0 million.

Navy aircraft spares and repair parts

The budget request contained $1,463.7 million for procurement of Navy aircraft spares and repair parts in fiscal year 1986. The House amendment would authorize $1,344.6 million for Navy aircraft spares and repair parts in fiscal year 1986. The Senate bill would authorize $1,375.7 million for Navy aircraft spares and repair parts in fiscal year 1986.

The conferees recommend authorization of $1,425.2 million for procurement of Navy aircraft spares and repair parts in fiscal year 1986, including $85.3 million for F/A-18R spares, $4.0 million for C-20A spares, and an undistributed reduction of $40.0 million.

Navy aircraft support equipment and facilities

The budget request contained $864.7 million for Navy aircraft support equipment and facilities in fiscal year 1986, including $57.7 million for other production charges. The House amendment would authorize $786.7 million for Navy aircraft support equipment and facilities, including $54.7 million or other production charges, and an undistributed reduction of $75.0 million. The Senate bill would authorize $799.9 million for support equipment and facilities, including $57.7 million for other production charges, and an undistributed reduction of $64.8 million.

The conferees recommend authorization of $798.1 million for Navy aircraft support equipment and facilities in fiscal year 1986, including $56.0 million for other production charges, and an undistributed reduction of $64.8 million.

WEAPONS PROCUREMENT, NAVY

(DOLLARS IN MILLIONS)

LINE NO.	TITLE	FISCAL YEAR 1986 REQUEST		S. 1160 AS PASSED				H.R. 1872 AS PASSED				CONFERENCE			
				CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION	
		QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	BALLISTIC MISSILES														
1	UGM-73A (C-3) POSEIDON		5.0				5.0				5.0				5.0
2	UGM-96A (C-4) TRIDENT I		77.0		-30.0		47.0		-10.0		67.0		-30.0		47.0
	LESS: ADVANCE PROCUREMENT (PY)		-10.8				-10.8				-10.8				-10.8
	NET		66.2		-30.0		36.2		-10.0		56.2				36.2
3	TRIDENT II		312.7				312.7				312.7				312.7
4	ADVANCE PROCUREMENT (CY)		269.3				269.3				269.3				269.3
	MODIFICATION OF MISSILES														
5	UGM-73A (C-3) POSEIDON MODS		15.0		-10.0		5.0				15.0		-10.0		5.0
	SUPPORT EQUIPMENT AND FACILITIES														
7	MISSILE INDUSTRIAL FACILITIES		4.5				4.5				4.5				4.5
8	ASTRONAUTICS		12.6				12.6				12.6				12.6
	SUBTOTAL, BALLISTIC MISSILES		685.3		-40.0		645.3		-10.0		675.3		-40.0		645.3
	OTHER MISSILES														
	STRATEGIC MISSILES														
9	BGM-109 TOMAHAWK	249	698.2			249	698.2			249	698.2			249	698.2
	LESS: ADVANCE PROCUREMENT (PY)		-28.0				-28.0				-28.0				-28.0
	NET		670.2				670.2				670.2				670.2
10	ADVANCE PROCUREMENT (CY)		64.6		-10.0		54.6				64.6		-10.0		54.6
	TACTICAL MISSILES														
11	AIM/RIM-7 F/M SPARROW	1872	359.2			1872	359.2			1872	359.2			1872	359.2
12	ADVANCE PROCUREMENT (CY)		9.5				9.5		-9.5		0.0		-9.5		0.0
13	AIM-9L/M SIDEWINDER	1220	85.8			1220	85.8	630	40.0	1850	125.8	630	40.0	1850	125.8
14	ADVANCE PROCUREMENT (CY)		8.0				8.0		-8.0		0.0		-8.0		0.0
15	AIM-54A/C (PHOENIX)	265	368.0			265	368.0			265	368.0			265	368.0
	LESS: ADVANCE PROCUREMENT (PY)		-24.4				-24.4				-24.4				-24.4
	NET		343.6				343.6				343.6				343.6
16	ADVANCE PROCUREMENT (CY)		38.3				38.3		-13.5		24.8		-13.5		24.8
17	AGM-84A HARPOON	395	314.9			395	314.9			395	314.9			395	314.9
18	AGM-88A HARM	904	258.0			904	258.0			904	258.0			904	258.0
19	SM-1 MR		26.4				26.4				26.4		9.5		35.9
20	ADVANCE PROCUREMENT (CY)		9.5				9.5		-9.5		0.0		-9.5		0.0
21	SM-2 MR	846	509.7			846	509.7			846	509.7			846	509.7
22	SM-2 ER	470	312.2			470	312.2			470	312.2			470	312.2
24	RAM	117	44.7			117	44.7			117	44.7			117	44.7
25	SIDEARM	168	20.5			168	20.5	717	59.5	885	80.0	717	59.5	885	80.0
26	HELLFIRE	1304	55.1			1304	55.1			1304	55.1			1304	55.1
27	LASER MAVERICK	1500	194.3			1500	194.3			1500	194.3			1500	194.3
28	IIR MAVERICK	195	27.8			195	27.8			195	27.8			195	27.8
29	AERIAL TARGETS		105.6		-20.0		85.6		28.0		133.6				105.6
30	DRONES AND DECOYS		29.4				29.4		15.0		44.4				29.4
31	OTHER MISSILE SUPPORT		12.3				12.3				12.3				12.3
	MODIFICATION OF MISSILES														
32	TOMAHAWK MODS		2.5				2.5				2.5				2.5
33	AIM/RIM-7E/F SPARROW MOD		2.3				2.3				2.3				2.3
34	AIM-9 SIDEWINDER MOD		30.3				30.3				30.3				30.3
35	AIM-54A/C PHOENIX MOD		13.2				13.2				13.2				13.2
36	AGM-84A HARPOON MOD		9.5				9.5				9.5				9.5
37	STANDARD MISSILES MOD		17.1				17.1				17.1				17.1
	SUPPORT EQUIPMENT AND FACILITIES														
39	WEAPONS INDUSTRIAL FACILITIES		18.9				18.9				18.9				18.9
40	FLEET SATELLITE COMMUNICATIONS		56.3				56.3				56.3				56.3
41	DEFENSE METEOROLOGICAL SATELLITE PROG		8.8		-8.8		0.0				8.8		-3.8		5.0
42	ORDNANCE SUPPORT EQUIPMENT		71.9		-20.0		51.9				71.9				71.9
	SUBTOTAL, OTHER MISSILES		3730.5		-58.8		3671.7		102.0		3832.5		54.7		3785.1
	TORPEDOES AND RELATED EQUIPMENT														
44	TORPEDO MK-48 ADCAP	123	417.4			123	417.4			123	417.4			123	417.4
46	TORPEDO MK-46 (MYP)	500	105.5			500	105.5			500	105.5			500	105.5
47	ADVANCE PROCUREMENT (CY)		23.6				23.6				23.6				23.6
49	MK-60 CAPTOR		0.0	150	59.6	150	59.6				0.0	150	59.6	150	59.6
50	MOBILE TARGET MK-30 (MYP)	6	20.6			6	20.6			6	20.6			6	20.6
52	MK-38 MINI MOBILE TARGET	1200	3.5			1200	3.5			1200	3.5			1200	3.5
53	ASROC		15.6				15.6				15.6				15.6

LINE NO.	TITLE	FISCAL YEAR 1986 REQUEST		S. 1160 AS PASSED: CHANGE FROM REQUEST		S. 1160 AS PASSED: RECOMMENDATION		H.R. 1872 AS PASSED: CHANGE FROM REQUEST		H.R. 1872 AS PASSED: RECOMMENDATION		CONFERENCE: CHANGE FROM REQUEST		CONFERENCE: RECOMMENDATION	
		QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	MODIFICATION OF TORPEDOES AND RELATED EQUIPMENT														
55	MOBILE MINE MK-67	280	23.7			280	23.7			280	23.7			280	23.7
56	TORPEDO MK-46 MODS (MYP)	672	91.9			672	91.9			672	91.9			672	91.9
57	ADVANCE PROCUREMENT (CY)		8.4				8.4				8.4				8.4
59	CAPTOR MODS		15.7		-4.0		11.7				15.7				15.7
60	SWIMMER WEAPONS SYSTEM		1.5				1.5				1.5				1.5
	SUPPORT EQUIPMENT														
61	TORPEDO SUPPORT EQUIPMENT		47.4				47.4				47.4				47.4
A2	ASW RANGE SUPPORT		23.2				23.2				23.2				23.2
	SUBTOTAL, TORPEDOES & RELATED EQUIPMENT		798.0		55.6		853.6		0.0		798.0		59.6		857.6
	OTHER WEAPONS														
	GUNS AND GUN MOUNTS														
64	MK-15 CLOSE IN WEAPONS SYSTEM	39	150.1			39	150.1			39	150.1			39	150.1
65	MK-75 76MM GUN MOUNT	6	20.0			6	20.0			6	20.0			6	20.0
66	MK-19/40MM MACHINE GUN	56	1.2			56	1.2			56	1.2			56	1.2
67	25MM GUN MOUNT	29	5.5		-2.5	29	3.0			29	5.5			29	5.5
68	SMALL ARMS AND WEAPONS		11.3		-3.0		8.3				11.3				11.3
	9MM HANDGUN		(.5)				(0.0)				(.5)				(.5)
	MODIFICATION OF GUNS AND GUN MOUNTS														
69	CIWS MODS		37.1		-5.0		32.1				37.1				37.1
70	5"/54 GUN MOUNT MODS		14.1		-5.0		9.1				14.1				14.1
71	3"/50 GUN MOUNT MODS		.7				.7				.7				.7
72	MK 75 76MM GUN MOUNT MODS		4.2		-1.0		3.2				4.2				4.2
73	MODS UNDER $900,000		2.0		-1.0		1.0				2.0				2.0
	SUPPORT EQUIPMENT														
74	GUN SUPPORT EQUIPMENT		1.2				1.2				1.2				1.2
	SUBTOTAL, OTHER WEAPONS		247.5		-17.5		230.0		0.0		247.5		0.0		247.4
76	SPARES AND REPAIR PARTS		166.6		-50.0		116.6				166.6				166.6
	UNDISTRIBUTED REDUCTION		---		-25.0		-25.0				---		-25.0		-25.0
	CONVERTIBLE SPEC APPL SNIPER WEAPON		(0.0)				(0.0)		(2.3)		(2.3)		(2.3)		(2.3)
	INFLATION REESTIMATE FOR FY 86		---		-7.0		-7.0		-7.0		-7.0		-7.0		-7.0
	PRIOR YEAR PROGRAM SAVINGS		---		-15.0		-15.0		-15.0		-15.0		-15.0		-15.0
	FY 87 AND SUBSEQUENT YEARS INFLATION		---				---		-294.6		-294.6				---
	TOTAL, NAVY WEAPONS		5627.9		-157.7		5470.2		-224.6		5403.3		27.2		5655.1

WEAPONS PROCUREMENT, NAVY

The President's budget request contained $5,627.9 million for Navy weapons procurement.

The Senate bill would authorize $5,470.2 million and the transfer of $15 million for Navy weapons.

The House amendment would authorize $5,577.4 million and transfer of $15 million for Navy weapons.

The conferees recommend an authorization of $5,655.1 million and transfer of $15 million for Navy weapons.

UGM-96A (Trident I)

The budget request contained $66.2 million for UGM-96A Trident I missile. The House amendment would authorize $56.2 million for UGM-96A. The Senate bill would authorize $36.2 million for UGM-96A.

The conferees agree to authorize $36.2 million for UGM-96A.

UGM 73A Poseidon mods

The budget request contained $15.0 million for UGM 73A Poseidon mods. The House amendment would authorize $15.0 million for UGM 73A Poseidon mods. The Senate bill would authorize $5.0 million for UGM 73A Poseidon mods.

The conferees agree to authorize $5.0 million for UGM 73A Poseidon mods.

AIM/RIM 7 F/M missile (Sparrow)

The budget request contained $359.2 million for procurement of 1,872 Sparrow missiles in fiscal year 1986, and $9.5 million for advance procurement in fiscal year 1987. The House amendment would authorize $359.2 million for 1,872 missiles and no advance procurement. The Senate bill would authorize the requested amounts.

The conferees recommend authorization of $359.2 million for procurement of 1,872 Sparrow missiles in fiscal year 1986 and no advance procurement.

The Senate recedes.

AIM 9L/M (Sidewinder)

The budget request contained $85.8 million for procurement of 1,220 sidewinder missiles in fiscal year 1986 and $8.0 million for advance procurement for fiscal year 1987. The House amendment would authorize $125.8 million for procurement of 1,850 missiles and no authorization for advance procurement. The Senate bill would authorize the requested amounts.

The conferees recommend authorization of $125.8 million for procurement of 1,850 sidewinder missiles in fiscal year 1986 and no advance procurement.

The Senate recedes.

AIM-54A/C missiles (Phoenix)

The budget request contained $343.6 million for procurement of 265 AIM-54A/C missiles in fiscal year 1986, and $38.3 million for advance procurement of 420 missiles in fiscal year 1987. The House amendment would authorize $343.6 million for procurement of 265 missiles in fiscal year 1986, and $24.8 million for advance procurement of 265 missiles in fiscal year 1987. The Senate bill would authorize the requested amounts.

The conferees recommend authorization of $343.6 million for 265 AIM 54A/C missiles in fiscal year 1986, and $24.8 million for advance procurement of 265 missiles in fiscal year 1987.

The Senate recedes.

Standard missile-1 MR (RIM-66E)

The budget request contained $26.4 million for SM-1 missile program procurement in fiscal year 1986 and $9.5 million for advance procurement for fiscal year 1987. The House amendment would authorize $26.4 million for missile program procurement and no advance procurement. The Senate bill would authorize the requested amounts.

The conferees recommend authorization of $35.9 million for SM-1 MR missile program procurement and no advance procurement.

The Senate recedes with an amendment.

Sidearm missiles

The budget request contained $20.5 million for procurement of 168 Sidearm missiles in fiscal year 1986. The House amendment would authorize $80.0 million for procurement of 885 Sidearm missiles. The Senate bill would authorize the requested amounts.

The conferees recommend authorization of $80.0 million for procurement of 885 Sidearm missiles in fiscal year 1986.

The Senate recedes.

Aerial targets

The budget request contained $105.6 million for procurement of aerial targets in fiscal year 1986. The House amendment would authorize $133.6 million for aerial targets. The Senate bill would authorize $85.6 million for aerial targets.

The conferees recommend authorization of $105.6 million for aerial targets in fiscal year 1986.

Drones and decoys

The budget request contained $29.4 million for procurement of drones and decoys in fiscal year 1986. The House amendment would authorize $44.4 million for drones and decoys. The Senate bill would authorize the requested amount for drones and decoys.

The conferees recommend authorization of $29.4 million for procurement of drones and decoys in fiscal year 1986.

The House recedes.

Navy missile support equipment and facilities

The budget request contained $84.0 million for Navy missile support equipment and facilities in fiscal year 1986. The House amendment would authorize the requested amount. The Senate bill would authorize $75.2 million for support equipment and facilities including no authorization for the Defense Meteorological Satellite Program.

The conferees recommend authorization of $80.2 million for Navy missile support equipment and facilities including $5.0 million for the Defense Meteorological Satellite Program.

Ordnance support equipment

The budget request contained $71.9 million for Navy missile ordnance support equipment in fiscal year 1986. The House amendment would authorize the requested amount. The Senate bill would authorize $51.9 million for ordnance support equipment.

The conferees recommend authorization of $71.9 million for Navy missile ordnance support equipment in fiscal year 1986.

The Senate recedes.

MK-60 encapsulated torpedo (CAPTOR)

The budget requested no authorization for the MK-60 CAPTOR mine. The Senate bill would authorize $59.6 million for 150 units. The House amendment contained no authorization for CAPTOR.

The House recedes.

MK-60 encapsulated torpedo (CAPTOR) modifications

The budget request contained $15.7 million for CAPTOR modifications. The Senate bill would authorize $11.7 million; the House amendment would authorize the amount requested.

The Senate recedes.

25-millimeter gun mount

The budget request contained $5.5 million for 29 25-millimeter gun mounts. The Senate bill would authorize $3.0 million for 29 gun mounts. The House amendment would authorize the amount requested.

The Senate recedes.

Small arms and weapons

The budget request contained $11.3 million for small arms and weapons. The Senate bill would authorize $8.3 million. The House amendment would authorize the amount requested.

The Senate recedes.

MK-15 close-in weapon system (CIWS) modifications

The budget request contained $37.1 million for CIWS modifications. The Senate bill would authorize $32.1 million. The House amendment would authorize the amount requested.

The Senate recedes.

5"/54 gun mount modifications

The budget request contained $14.1 million for 5"/54 gun mount modifications. The Senate bill would authorize $9.1 million. The House amendment would authorize the amount requested.

The Senate recedes.

Mk-75 76-millimeter gun mount modifications

The budget request contained $4.2 million for Mk-75 76mm gun mount modifications. The Senate bill would authorize $3.2 million. The House amendment would authorize the amount requested.

The Senate recedes.

Modifications under $900,000

The budget request contained $2.0 million for modifications of guns and gun mounts of less than $900,000. The Senate bill would authorize $1.0 million. The House amendment would authorize the amount requested.

The Senate recedes.

Weapons procurement, Navy spares and repair parts

The budget request contained $166.6 million for spares and repair parts for weapons procurement items. The Senate bill would authorize $116.6 million. The House amendment would authorize the amount requested.

The Senate recedes.

Weapons procurement, undistributed reduction

The Senate bill would make an undistributed reduction to the Weapons Procurement, Navy account of $25 million. The House amendment contained no reduction.

The House recedes.

Authorization for special operations weapons for the Navy

Section 1203 of the House amendment would authorize the Secretary of the Navy to obligate $2.3 million of the amounts authorized for Navy weapons in section 1184 of the House amendment for the acquisition of convertible special application sniper weapons.

The Senate bill did not contain a similar provision.

The conferees agreed that $2.3 million of the amounts authorized for Navy weapons may be used for convertible special application sniper weapons.

SHIPBUILDING AND CONVERSION, NAVY

(DOLLARS IN MILLIONS)

LINE NO.	TITLE	FISCAL YEAR 1986 REQUEST		S. 1160 AS PASSED				H.R. 1872 AS PASSED				CONFERENCE			
				CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION	
		QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	FLEET BALLISTIC MISSILE SHIPS														
1	TRIDENT (NUCLEAR)	1	1547.7		-100.0	1	1447.7			1	1547.7		-50.0	1	1497.7
	LESS: ADVANCE PROCUREMENT (PY)		-264.1				-264.1				-264.1				-264.1
	NET		1283.6		-100.0		1183.6				1283.6				1233.6
2	ADVANCE PROCUREMENT (CY)		248.2				[illegible]				248.2				248.2
	SUBTOTAL, FLEET BALLISTIC MISSILE SHIPS		1531.8		-100.0		1431.8		0.0		1531.8		-50.0		1481.8
	OTHER WARSHIPS														
4	SSN-688 CLASS SUBMARINE (NUCLEAR)	4	2685.0		-10.0	4	2675.0			4	2685.0		-10.0	4	2675.0
	LESS: ADVANCE PROCUREMENT (PY)		-561.8				-561.8				-561.8				-561.8
	NET		2123.2		-10.0		2113.2				2123.2				2113.2
5	ADVANCE PROCUREMENT (CY)		585.2				585.2				585.2				585.2
8	BATTLESHIP REACT ADVANCE PROCUREMENT (CY)		53.5				53.5				53.5				53.5
10	CV SLEP ADVANCE PROCUREMENT (CY)		133.4				133.4				133.4				133.4
11	CG-47 AEGIS CRUISER (MYP)	3	2767.3			3	2787.3			3	2787.3			3	2787.3
	LESS: ADVANCE PROCUREMENT (FY)		-35.7				-35.7				-35.7				-35.7
	NET		2751.6				2751.6				2751.6				2751.6
12	ADVANCE PROCUREMENT (CY)		14.6				14.6				14.6				14.6
14	DDG-51 ADVANCE PROCUREMENT (CY)		164.3				164.3				164.3				164.3
	SUBTOTAL, OTHER WARSHIPS		5825.8		-10.0		5815.8		0.0		5825.8		-10.0		5815.8
	AMPHIBIOUS SHIPS														
15	LSD-41 LANDING SHIP DOCK	2	497.9			2	497.9			2	497.9			2	497.9
	LESS: ADVANCE PROCUREMENT (FY)		-83.5				-83.5				-83.5				-83.5
	NET		414.4				414.4				414.4				414.4
17	LHD-1 AMPHIBIOUS ASSAULT SHIP	1	1187.8			1	1187.8			1	1187.8			1	1187.8
	LESS: ADVANCE PROCUREMENT (PY)		-39.2				-39.2				-39.2				-39.2
	NET		1148.6				1148.6				1148.6				1148.6
18	ADVANCE PROCUREMENT (CY)		358.6		-193.0		165.6		-193.0		165.6		-193.0		165.6
	SUBTOTAL, AMPHIBIOUS SHIPS		1921.6		-193.0		1728.6		-193.0		1728.6		-193.0		1728.6
	MINE WARFARE & PATROL SHIPS														
22	MCM MINE COUNTERMEASURES SHIP	4	334.1	-2	-167.0	2	167.1			4	334.1	-2	-167.0	2	167.1
23	MSH-1 COASTAL MINE HUNTER	4	184.5			4	184.5			4	184.5			4	184.5
	SUBTOTAL, MINE WARFARE & PATROL SHIPS		518.6		-167.0		351.6		0.0		518.6		-167.0		351.6
	AUXILIARIES, CRAFT & PY PROG COSTS														
24	TAO FLEET OILER	2	328.5			2	328.5			2	328.5			2	328.5
25	TAGOS SURTASS SHIP	2	113.9			2	113.9			2	113.9			2	113.9
26	ADVANCE PROCUREMENT (CY)		1.2				1.2				1.2				1.2
28	AG SOUND BARGE	1	68.9			1	68.9			1	68.9			1	68.9
29	MTSD		26.5				26.5				26.5				26.5
35	SERVICE CRAFT		79.5		-41.8		37.7		-41.8		37.7		-41.8		37.7
36	LANDING CRAFT		34.4				34.4				34.4				34.4
37	STRATEGIC SEALIFT		203.4				203.4	2	25.0	2	228.4	2	25.0	2	228.4
38	LCAC LANDING CRAFT	12	307.5			12	307.5			12	307.5			12	307.5
	LESS: ADVANCE PROCUREMENT (PY)		-31.3				-31.3				-31.3				-31.3
	NET		276.2				276.2				276.2				276.2
39	ADVANCE PROCUREMENT (CY)		30.8				30.8				30.8				30.8
40	OUTFITTING		228.5				228.5				228.5				228.5
41	POST DELIVERY		112.6				112.6				112.6				112.6
43	TACS CRANE SHIP (CONV)	3	82.5			3	82.5			3	82.5			3	82.5
44	TAVB (CONV)	1	32.1			1	32.1			1	32.1			1	32.1
	LESS: ADVANCE PROCUREMENT (PY)		-5.2				-5.2				-5.2				-5.2
	NET		26.9				26.9				26.9				26.9
	SUBTOTAL, AUXIL, CRAFT & PY PROG COSTS		1613.8		-41.8		1572.0		-16.8		1597.0		-16.8		1597.0
	UNDISTRIBUTED REDUCTION		---		-100.0		-100.0				---		-100.0		-100.0
	PRIOR YEAR AUTHORIZATION TRANSFER		---		-437.6		-437.6		-437.6		-437.6		-437.6		-437.6
	PRIOR YEAR INFLATION SAVINGS		---		-337.0		-337.0		-337.0		-337.0		-337.0		-337.0
	INFLATION REESTIMATE FOR FY 86		---		-14.0		-14.0		-14.0		-14.0		-14.0		-14.0
	PRIOR YEAR PROGRAM SAVINGS		---		-85.0		-85.0		-85.0		-85.0		-85.0		-85.0
	FY 87 AND SUBSEQUENT YEARS INFLATION		---				---		-835.8		-835.8				---
	TOTAL, NAVY SHIPBUILDING AND CONVERSION		11411.6		-1485.4		9926.2		-1919.2		9492.4		-1410.4		10001.2

SHIPBUILDING AND CONVERSION, NAVY

The President's budget request contained $11,411.6 million for the construction, conversion, reactivation, service life extension, and acquisition of 28 naval vessels.

The Senate bill contained an authorization of $9,926.2 million and authorized the transfer of $859.6 million for 26 naval vessels.

The House amendment contained authorization of $10,739.2 million and authorized the transfer of $859.6 million for 28 naval vessels.

The conferees agreed to authorizations totaling $10,001.2 million and the transfer of $859.6 million for 26 naval vessels.

Trident ballistic missile submarine

The budget request contained $1,531.8 million for the Trident submarine program, including $1,283.6 million for the thirteenth submarine and $248.2 million for advance procurement for the fourteenth and fifteenth ships.

The Senate bill would authorize $1,183.8 million for the thirteenth Trident submarine and $248.6 million for advance procurement. The House amendment would authorize the amounts requested.

The conferees agreed to recommend $1,233.6 million for the thirteenth submarine and $248.2 million for advance procurement, a total of $1,481.2 million.

Los Angeles class attack submarine

The budget request contained $2,708.4 million for the Los Angeles class attack submarine program, including $2,123.2 million for 4 submarines and $585.2 million for advance procurement.

The Senate bill would authorize $2,698.4 million for the 4 submarines and $585.2 million for advance procurement. The House amendment would authorize the amounts requested.

The House recedes.

Mine countermeasures (MCM) ship

The budget request contained $334.1 million for 4 mine countermeasures ships.

The Senate bill would authorize $167.1 million for 2 ships. The House amendment would authorize the number of ships and the amount requested.

The House recedes.

LHD-1 class amphibious assault ship (sec.)

The Senate bill contained a provision (sec. 102(c)) that would authorize multiyear procurement of the LHD-1 class amphibious assault ship in accordance with section 2306(h) of title 10, United States Code and would limit cancellation ceilings on the LHD-1 multiyear contracts to the amount appropiated for the LHD-1 program. The House amendment contained a provision (sec. 102(g)) that would authorize multiyear procurement in accordance with section 2306(h) of title 10, United States Code.

The Senate recedes.

The conference agreement authorizes $1,314.2 million for the amphibious assault ship program, including $165.6 million for advance procurement. The conference agreement also authorizes multiyear procurement of three LHD-1 class ships in accordance with section 2306(h) of title 10, United States Code. Under the provisions of section 2306(h) the Secretary of the Navy, after determination that the statutory provisions necessary for multiyear procurement have been met, may for example, use termination liability clauses, adjust the timing and quantity of component orders, and accelerate the acquisition of material and initial fabrication in order to obtain the most advantageous terms and reduce costs.

Strategic sealift

The budget request contained $203.4 million for the purchase of strategic sealift vessels.

The House amendment would authorize $228.4 million for strategic sealift, an increase of $25 million. The Senate bill would authorize the amount requested.

The Senate recedes.

Shipbuilding and conversion, undistributed reduction

The Senate bill would make an undistributed reduction in the shipbuilding and conversion account of $100 million. The House amendment contained no similar reduction.

The House recedes.

DDG-51 helicopter support facilities

The present design for the Arleigh Burke (DDG-51) class destroyer would provide only minimal helicopter support facilities. The Navy has indicated that expanded helicopter facilities would be desirable, but were not included because they would have increased the ship's projected costs above the established cost ceiling. Now as a result of recent favorable contract negotiations, it appears the DDG-51 may cost less than anticipated, and additional helicopter support facilities could be included within the established cost ceiling.

Accordingly, the conferees direct the Secretary of the Navy to review options for expanding helicopter support facilities in some or all of the DDG-51 class ships, and to submit a detailed report with recommendations to the Committees on Armed Services and Appropriations of the Senate and House of Representatives not later than January 15, 1986.

The report should address the cost effectiveness of a suitable range of options. At a minimum, the alternatives considered should include full LAMPS MK-III installation and simply adding a helicopter rearming capability to the existing DDG-51 design.

OTHER PROCUREMENT, NAVY

(DOLLARS IN MILLIONS)

LINE NO.	TITLE	FISCAL YEAR 1986 REQUEST		S. 1160 AS PASSED				H.R. 1872 AS PASSED				---			
				CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION	
		QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	SHIP PROPULSION EQUIPMENT														
1	LM-2500 GAS TURBINE		13.3				13.3				13.3				13.3
2	ALLISON 501K GAS TURBINE	2	15.5			2	15.5			2	15.5			2	15.5
3	LM2500 SPECIAL SUPPORT EQUIPMENT		.9				.9				.9				.9
4	STEAM PROPULSION IMPROVEMENT PROGRAM		6.8				6.8				6.8				6.8
5	OTHER PROPULSION EQUIPMENT		19.9				19.9				19.9				19.9
	GENERATORS														
7	OTHER GENERATORS		16.0				16.0				16.0				16.0
	PUMPS														
8	OTHER PUMPS		11.6				11.6				11.6				11.6
	AIR COMPRESSORS														
9	HIGH PRESSURE AIR COMPRESSOR	12	3.3			12	3.3			12	3.3			12	3.3
	PROPELLERS														
11	SUBMARINE PROPELLERS	15	3.0			15	3.0			15	3.0			15	3.0
12	OTHER PROPELLERS AND SHAFTS		11.5				11.5				11.5				11.5
	NAVIGATION EQUIPMENT														
13	ELECTRICALLY SUSPENDED GYRO NAVIGATOR	8	36.8			8	36.8			8	36.8			8	36.8
14	CARRIER NAVIGATION SYSTEM		9.5				9.5				9.5				9.5
15	OTHER NAVIGATION EQUIPMENT		16.1				16.1				16.1				16.1
16	UNDERWAY REPLENISHMENT EQUIPMENT		8.5				8.5				8.5				8.5
	PERISCOPES														
17	TYPE 18 PERISCOPE		16.2				16.2				16.2				16.2
18	TYPE 8 PERISCOPES		.1				.1				.1				.1
19	PERISCOPES AND ACCESSORIES		5.4				5.4				5.4				5.4
	OTHER SHIPBOARD EQUIPMENT														
20	FIREFIGHTING EQUIPMENT		5.1				5.1				5.1				5.1
21	COMMAND AND CONTROL SWITCHBOARDS	12	10.6			12	10.6			12	10.6			12	10.6
22	POLLUTION CONTROL EQUIPMENT		9.3				9.3				9.3				9.3
23	SUBMARINE SILENCING EQUIPMENT		18.0				18.0				18.0				18.0
24	SURFACE SHIP SILENCING EQUIPMENT		3.4				3.4				3.4				3.4
25	SUBMARINE BATTERIES	37	8.3			37	8.3			37	8.3			37	8.3
26	STRATEGIC PLATFORM SUPPORT EQUIPMENT		56.5				56.5				56.5				56.5
27	OSSP EQUIPMENT		11.3				11.3				11.3				11.3
28	SEALIFT SUPPORT EQUIPMENT		59.0	12.0			71.0	15.0			74.0	12.0			71.0
	(SEASHEDS)		(30.4)	(12.0)			(42.4)	(12.0)			(42.4)	(12.0)			(42.4)
	(MODULAR CAUSEWAY)		(13.0)				(13.0)	(3.0)			(16.0)	(0.0)			(13.0)
30	MINESWEEPING CABLE		5.7				5.7				5.7				5.7
31	HM+E ITEMS UNDER 900K		10.8				10.8				10.8				10.8
32	SURFACE IMA		7.0				7.0				7.0				7.0
33	RADIOLOGICAL CONTROLS		2.3				2.3				2.3				2.3
34	MINI/MICROMINI ELECTRONIC REPAIR		1.0				1.0				1.0				1.0
35	CHEMICAL WARFARE DETECTORS	302	15.4			302	15.4			302	15.4			302	15.4
36	SUBMARINE LIFE SUPPORT SYSTEM	4	13.4			4	13.4			4	13.4			4	13.4
37	HM&E ENGINEERED MAINTENANCE		8.4				8.4				8.4				8.4
	REACTOR PLANT EQUIPMENT														
39	REACTOR POWER UNITS	6	163.4			6	163.4			6	163.4			6	163.4
40	REACTOR COMPONENTS		227.8				227.8				227.8				227.8
	OCEAN ENGINEERING														
41	MAN IN THE SEA		.9				.9				.9				.9
42	DIVING AND SALVAGE EQUIPMENT		8.3				8.3				8.3				8.3
43	NAVAL SPECIAL WARFARE EQUIPMENT		30.8				30.8				30.8				30.8
	SMALL BOATS														
44	SMALL BOATS	251	14.8			251	14.8			251	14.8			251	14.8
	TRAINING EQUIPMENT														
46	NEW SHIPS TRAINING EQUIP		19.6				19.6				19.6				19.6
47	OTHER SHIPS TRAINING EQUIPMENT		10.9				10.9				10.9				10.9
	PRODUCTION FACILITIES EQUIPMENT														
48	CALIBRATION EQUIPMENT		1.1				1.1				1.1				1.1
49	PRODUCTION SUPPORT FACILITIES		5.8				5.8				5.8				5.8
	UNDISTRIBUTED REDUCTION		---				---		-30.0		-30.0				---
	SUBTOTAL, SHIP PROPULSION EQUIPMENT		923.0		12.0		935.0		-15.0		908.0		12.0		935.0

LINE NO.	TITLE	FISCAL YEAR 1986 REQUEST		S. 1160 AS PASSED				H.R. 1872 AS PASSED				CONFERENCE			
				CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION	
		QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	COMMUNICATONS AND ELECTRONICS EQUIPMENT														
	SHIP RADARS														
52	AN/SPS-67	23	9.2			23	9.2			23	9.2			23	9.2
53	AN/SPS-40		14.8				14.8				14.8				14.8
54	AN/SPS-48		67.5				67.5				67.5				67.5
55	AN/SPS-49		14.1				14.1				14.1				14.1
56	AN/SYS-()	7	13.1			7	13.1			7	13.1			7	13.1
57	MK 23 TARGET ACQUISITION SYSTEM	3	19.9			3	19.9			3	19.9			3	19.9
58	RADAR SUPPORT		25.0				25.0				25.0				25.0
	SHIP SONARS														
59	AN/SQS-26/53/53A		7.9				7.9				7.9				7.9
60	AN/SQS-53B	5	30.9			5	30.9			5	30.9			5	30.9
62	AN/BQQ-5		101.0				101.0				101.0				101.0
63	TB-16 TOWED ARRAY (MYP)	9	2.9			9	2.9			9	2.9			9	2.9
	LESS: ADVANCE PROCUREMENT (PY)		-1.4				-1.4				-1.4				-1.4
	NET		1.5				1.5				1.5				1.5
65	SURF SONAR WINDOWS AND DOMES		8.5				8.5				8.5				8.5
66	SONAR SUPPORT EQUIPMENT		11.8				11.8				11.8				11.8
67	SONAR SWITCHES AND TRANSDUCERS		40.3				40.3				40.3				40.3
68	FBM SYSTEM SONARS		13.4				13.4				13.4				13.4
	ASW ELECTRONIC EQUIPMENT														
70	SUBMARINE ACOUSTIC WARFARE SYSTEMS		10.4				10.4				10.4				10.4
71	AN/SLQ-25 (NIXIE)	44	11.5			44	11.5			44	11.5			44	11.5
72	ACOUSTIC COMMUNICATIONS		.4				.4				.4				.4
73	SUBMARINE ADVANCED COMBAT SYSTEM		2.8				2.8				2.8				2.8
74	SOSUS		85.8				85.8				85.8				85.8
75	AN/SQR-17 ACOUSTIC PROCESSOR	20	15.2			20	15.2			20	15.2			20	15.2
76	AN/SQR-18 TOWED ARRAY SONAR		41.7				41.7				41.7				41.7
77	AN/SQR-15 TOWED ARRAY SONAR		1.9				1.9				1.9				1.9
78	AN/SQR-19 TOWED ARRAY SONAR	16	146.5			16	146.5			16	146.5			16	146.5
79	SURTASS		19.4				19.4				19.4				19.4
80	ASW OPERATIONS CENTER		30.0				30.0				30.0				30.0
81	CARRIER ASW MODULE		31.5				31.5				31.5				31.5
	ELECTRONIC WARFARE EQUIPMENT														
82	AN/SLQ-32		102.4				102.4				102.4				102.4
83	AN/SLQ-17		14.2				14.2				14.2				14.2
84	AN/WLR-1		3.5				3.5				3.5				3.5
85	AN/WLR-8	1	3.0			1	3.0			1	3.0			1	3.0
86	ICAD SYSTEMS		4.8				4.8				4.8				4.8
87	OFFBOARD DECEPTION DEVICES		22.2				22.2				22.2				22.2
88	EW SUPPORT EQUIPMENT		21.5				21.5				21.5				21.5
89	FLEET EW SUPPORT GROUP		1.7				1.7				1.7				1.7
90	C3 COUNTERMEASURES		8.5				8.5				8.5				8.5
	RECONNAISSANCE EQUIPMENT														
91	COMBAT CRYPTOLOGIC SUPPORT CONSOLE		4.0				4.0				4.0				4.0
92	COMBAT DF		25.1				25.1				25.1				25.1
93	OUTBOARD		36.4				36.4				36.4				36.4
94	NAVAL INTELLIGENCE PROCESSING SYSTEM		15.6				15.6				15.6				15.6
	SUBMARINE SURVEILLANCE EQUIPMENT														
95	AN/WLQ-4 DEPOT		5.4				5.4				5.4				5.4
96	AN/WLQ-4 IMPROVEMENTS		2.5				2.5				2.5				2.5
97	AN/BRD-7/8/9	4	12.8			4	12.8			4	12.8			4	12.8
100	SUBMARINE SUPPORT EQUIPMENT PROGRAM		4.5				4.5				4.5				4.5
---	AN/BLD-1		0.0				0.0	11.8			11.8	11.8			11.8
	OTHER SHIP ELECTRONIC EQUIPMENT														
101	NAVY TACTICAL DATA SYSTEM		130.9				130.9				130.9				130.9
102	TACTICAL FLAG COMMAND CENTER	4	20.8			4	20.8			4	20.8			4	20.8
104	MINESWEEPING SYSTEM REPLACEMENT		3.5				3.5				3.5				3.5
106	OMEGA SHIPBOARD EQUIPMENT	44	1.6			44	1.6			44	1.6			44	1.6
107	NAVSTAR GPS RECEIVERS	62	24.8	-45	-15.0	17	9.8			62	24.8	-4.0		62	20.8
108	HF LINK-11 DATA TERMINALS	14	3.9			14	3.9			14	3.9			14	3.9
109	ARMED FORCES RADIO AND TV		6.9				6.9				6.9				6.9
110	STRATEGIC PLATFORM SUPPORT EQUIPMENT		193.8				193.8				193.8				193.8
	TRAINING EQUIPMENT														
111	OTHER NAVELEX TRAINING EQUIPMENT		.1				.1				.1				.1
112	OTHER NAVSEA TRAINING EQUIPMENT		4.6				4.6				4.6				4.6

LINE NO.	TITLE	FISCAL YEAR 1986 REQUEST		S. 1160 AS PASSED				H.R. 1872 AS PASSED				CONFERENCE			
				CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION	
		QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	AVIATION ELECTRONIC EQUIPMENT														
113	NATCALS		16.3				16.3				16.3				16.3
115	SHIPBOARD AIR TRAFFIC CONTROL		13.3				13.3				13.3				13.3
116	AUTOMATIC CARRIER LANDING SYSTEMS		9.2				9.2				9.2				9.2
117	TACAN		4.8				4.8				4.8				4.8
118	AIR STATION SUPPORT EQUIPMENT		12.2				12.2				12.2				12.2
119	MICROWAVE LANDING SYSTEM	14	7.4			14	7.4			14	7.4			14	7.4
120	FACSFAC		49.3		-29.3		20.0				49.3		-29.3		20.0
121	RADAR AIR TRAFFIC CONTROL	10	1.5			10	1.5			10	1.5			10	1.5
122	MK XII AIMS IFF		2.7				2.7				2.7				2.7
	OTHER SHORE ELECTRONIC EQUIPMENT														
125	NAVAL SPACE SURVEILLANCE SYSTEM		3.1				3.1				3.1				3.1
126	SPACE SYSTEM PROCESSING		2.1				2.1				2.1				2.1
127	MULTOTS		.6				.6				.6				.6
128	NCCS ASHORE		35.0				35.0				35.0				35.0
129	RADIAC		8.6				8.6				8.6				8.6
131	REMOTE SENSORS		1.6				1.6				1.6				1.6
[illegible]	SPETE		28.6				28.6				28.6				28.6
133	INTEG COMBAT SYS TEST FACILITY		5.3				5.3				5.3				5.3
134	CALIBRATION STANDARDS		7.0				7.0				7.0				7.0
135	EMI CONTROL INSTRUMENTATION		10.0				10.0				10.0				10.0
136	SHORE ELECTRONIC ITEMS UNDER 900K		5.1				5.1				5.1				5.1
	SHIPBOARD COMMUNICATIONS														
137	SHIPBOARD HF COMMUNICATIONS		13.6				13.6				13.6				13.6
138	SHIPBOARD UHF COMMUNICATIONS		7.3				7.3				7.3				7.3
139	FLIGHT DECK COMMUNICATIONS		6.2				6.2				6.2				6.2
140	PORTABLE RADIOS	271	3.7			271	3.7			271	3.7			271	3.7
141	SHIPBOARD COMMUNICATIONS AUTOMATION		16.0				16.0				16.0				16.0
142	SHIP COMM ITEMS UNDER $900K		7.7				7.7				7.7				7.7
143	SEALIFT SHIP COMMUNICATIONS		4.8				4.8				4.8				4.8
	SUBMARINE COMMUNICATIONS														
144	ELF COMMUNICATIONS	34	13.2			34	13.2			34	13.2			34	13.2
145	SHORE LF/VLF COMMUNICATIONS		19.3				19.3				19.3				19.3
146	VERDIN		16.1				16.1				16.1				16.1
147	SSN INTEGRATED COMMUNICATIONS		1.7				1.7				1.7				1.7
149	SUBMARINE COMMUNICATIONS ANTENNAS		15.5				15.5				15.5				15.5
150	DATA COLLECTION AND RECORD SYSTEM	25	1.0			25	1.0			25	1.0			25	1.0
151	CIRCUIT MAYFLOWER		.3				.3				.3				.3
	SATELLITE COMMUNICATIONS														
152	SATCOM SHIP TERMINALS		46.2				46.2				46.2				46.2
153	SATCOM SHORE TERMINALS		22.9				22.9				22.9				22.9
	SHORE COMMUNICATIONS														
154	JCS COMMUNICATIONS EQUIPMENT		1.4				1.4				1.4				1.4
155	ELECTRICAL POWER SYSTEMS		.1				.1				.1				.1
156	SHORE HF COMMUNICATIONS		30.0				30.0				30.0				30.0
158	JOINT TACTICAL COMMUNICATIONS (TRI-TAC)		26.7				26.7				26.7				26.7
160	ASHORE MOBILE COMMUNICATIONS VANS	4	6.0			4	6.0			4	6.0			4	6.0
161	WORLDWIDE WIDEBAND COMMUNICATIONS		2.1				2.1				2.1				2.1
162	DEFENSE DATA NETWORK		2.8				2.8				2.8				2.8
163	WWMCCS COMMUNICATIONS EQUIPMENT		1.1				1.1				1.1				1.1
164	SHORE COMMUNICATIONS AUTOMATION		9.9				9.9				9.9				9.9
165	SHORE COMM ITEMS UNDER 900K		3.1				3.1				3.1				3.1
	CRYPTOGRAPHIC EQUIPMENT														
166	SINGLE AUDIO SYSTEM		18.2				18.2				18.2				18.2
167	TSEC/KY-71/72 (STU-II/STU-IIR)		15.8				15.8				15.8				15.8
168	TSEC/KG-84		27.1				27.1				27.1				27.1
169	TSEC/KY-57/58 (VINSON)		25.0				25.0				25.0				25.0
171	TSEC/KYV-5 (ANDVT)		4.6				4.6				4.6				4.6
172	TSEC/KW-46		14.3				14.3				14.3				14.3
173	TSEC/KG-72/KGV-14 (FDCS)		1.4				1.4				1.4				1.4
174	TSEC/KG-81 (WALBURN)		5.3				5.3				5.3				5.3
175	TSEC/KG-44 (DMSP)		7.9				7.9				7.9				7.9
177	TSEC/KG-58/KGV-6 (PLRS)		9.5				9.5				9.5				9.5
178	TRI-TAC CRYPTO (TENLEY)		11.9				11.9				11.9				11.9
179	TSEC/KY-67 (BANCROFT)		13.5				13.5				13.5				13.5
180	TSEC/KGV-11		4.5				4.5				4.5				4.5
181	COMMON FILL DEVICES		2.0				2.0				2.0				2.0
182	SIGNAL SECURITY		1.9				1.9				1.9				1.9
183	CRYPTOGRAPHIC ITEMS UNDER $900,000		5.5				5.5				5.5				5.5
	CRYPTOLOGIC EQUIPMENT														
186	CRYPTOLOGIC COMMUNICATIONS EQUIPMENT		4.9				4.9				4.9				4.9
187	SHIPS SIGNAL EXPLOITATION SPACE		4.8				4.8				4.8				4.8
188	CRYPTOLOGIC ITEMS UNDER 900K		6.0				6.0				6.0				6.0
189	CRYPTOLOGIC RESERVES EQUIPMENT		.8				.8				.8				.8
190	CRYPTOLOGIC FIELD TRAINING EQUIPMENT		2.1				2.1				2.1				2.1
191	SHORE CRYPTOLOGIC SUPPORT SYSTEM		2.3				2.3				2.3				2.3

LINE NO.	TITLE	FISCAL YEAR 1986 REQUEST		S. 1160 AS PASSED				H.R. 1872 AS PASSED				CONFERENCE			
				CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION	
		QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	OTHER ELECTRONIC SUPPORT														
192	ADVANCE BASE FUNCTIONAL COMPONENTS		.1				.1				.1				.1
193	ELEC ENGINEERED MAINTENANCE (NAVSEA)		5.3				5.3				5.3				5.3
194	ELEC ENGINEERED MAINTENANCE (NAVELEX)		2.1				2.1				2.1				2.1
---	9TH BATTALION C&E EQUIPMENT		0.0		2.0		2.0				0.0		2.0		2.0
	UNDISTRIBUTED REDUCTION		---				---		-80.0		-80.0				---
	SUBTOTAL, COMM & ELEC EQUIPMENT		2154.0		-42.3		2111.7		-68.2		2085.8		-19.5		2134.5
	AVIATION SUPPORT EQUIPMENT														
	SONOBUOYS														
196	AN/SSQ-36 (BT)	31600	4.4			31600	4.4			31600	4.4			31600	4.4
	LESS: ADVANCE PROCUREMENT (PY)		-2.0				-2.0				-2.0				-2.0
	NET		2.4				2.4				2.4				2.4
198	AN/SSQ-53 (DIFAR)		143.0				143.0				143.0				143.0
199	AN/SSQ-57 (SPECIAL PURPOSE)		3.1				3.1				3.1				3.1
200	AN/SSQ-62 (DICASS)		27.0				27.0				27.0				27.0
202	AN/SSQ-77 (VLAD)		82.1				82.1				82.1				82.1
204	AN/SSQ-86 (DLC)		3.0				3.0				3.0				3.0
205	SIGNAL UNDERWATER SOUND (SUS)		1.4				1.4				1.4				1.4
207	LOW COST SONOBUOY		11.1				11.1	150000	35.0	150000	46.1	150000	35.0	150000	46.1
	AIR LAUNCHED ORDNANCE														
208	SKIPPER	925	27.6			925	27.6	500	12.5	1425	40.1			925	27.6
209	GENERAL PURPOSE BOMBS		148.6				148.6				148.6				148.6
210	LASER GUIDED BOMB KITS	652	22.1			652	22.1	-652	-22.2	0	-.1			652	22.1
211	WALLEYE		37.6				37.6				37.6				37.6
212	ROCKEYE	2090	8.8			2090	8.8			2090	8.8			2090	8.8
213	ZUNI ROCKET		20.7				20.7				20.7				20.7
214	2.75 INCH ROCKET		28.0				28.0				28.0				28.0
215	PARACHUTE FLARES	307	2.1			307	2.1			307	2.1			307	2.1
216	MACHINE GUN AMMUNITION		27.0				27.0		-3.5		23.5				27.0
217	PRACTICE BOMBS		76.5		-20.0		56.5		-11.0		65.5		-16.5		60.0
218	CARTRIDGES + CARTRIDGE ACTUATED DEVICES		29.9				29.9				29.9				29.9
219	AIRCRAFT ESCAPE ROCKETS		8.1				8.1				8.1				8.1
220	AIRBORNE EXPENDABLE COUNTERMEASURES		91.7				91.7		-11.9		79.8				91.7
221	MARINE LOCATION MARKERS		7.8				7.8				7.8				7.8
222	DEFENSE NUCLEAR AGENCY MATERIAL		2.2				2.2				2.2				2.2
223	BIGEYE CHEMICAL WEAPON	425	21.5			425	21.5			425	21.5			425	21.5
224	JATOS		15.6				15.6				15.6				15.6
225	GATOR	1380	44.7			1380	44.7			1380	44.7			1380	44.7
226	MISC AIR LAUNCHED ORDNANCE		.2				.2				.2				.2
	AIRCRAFT SUPPORT EQUIPMENT														
227	WEAPONS RANGE SUPPORT EQUIPMENT		85.9		-10.0		75.9				85.9				85.9
229	EXPEDITIONARY AIRFIELDS		2.9				2.9				2.9				2.9
230	AIRCRAFT REARMING EQUIPMENT		79.0		-30.0		49.0				79.0				79.0
231	CATAPULTS AND ARRESTING GEAR		27.5				27.5				27.5				27.5
233	METEOROLOGICAL EQUIPMENT		2.4				2.4				2.4				2.4
234	OTHER PHOTOGRAPHIC EQUIPMENT		1.7				1.7				1.7				1.7
235	MISC SURVIVAL EQUIPMENT		17.7				17.7				17.7				17.7
236	AIRBORNE MINE COUNTERMEASURES		23.0				23.0				23.0				23.0
237	LAMPS MK III SHIPBOARD EQUIPMENT		42.7				42.7				42.7				42.7
238	REWSON PHOTOGRAPHIC EQUIPMENT		2.4				2.4				2.4				2.4
239	STOCK SURVEILLANCE EQUIPMENT		2.3				2.3				2.3				2.3
240	OTHER AVIATION SUPPORT EQUIPMENT		3.1				3.1				3.1				3.1
---	MOBILE VAN AMCM SUPPORT		0.0				0.0		4.3		4.3		4.3		4.3
	ROUNDING ADJUSTMENT		-.1				-.1				-.1				---
	SUBTOTAL, AVIATION SUPPORT EQUIPMENT		1184.0		-60.0		1124.0		3.2		1187.2		22.8		1206.8
	ORDNANCE SUPPORT EQUIPMENT														
	SHIP GUN AMMUNITION														
243	5 /38 GUN AMMUNITION		4.5				4.5				4.5				4.5
244	5 /54 GUN AMMUNITION		67.0				67.0				67.0				67.0
245	5 INCH GUIDED PROJECTILE		104.3				104.3				104.3				104.3
246	16 INCH GUN AMMUNITION		7.9				7.9				7.9				7.9
247	CIWS AMMUNITION		35.2				35.2				35.2				35.2
248	76MM GUN AMMUNITION		17.3				17.3				17.3				17.3
249	OTHER SHIP GUN AMMUNITION		18.4				18.4				18.4				18.4
	SHIP GUN SYSTEM EQUIPMENT														
250	GUN FIRE CONTROL EQUIPMENT		34.8				34.8				34.8				34.8
252	COAST GUARD GUN SYSTEM	3	28.8			3	28.8			3	28.8			3	28.8
	SHIP MISSILE SYSTEMS EQUIPMENT														
253	MK 92 FIRE CONTROL SYSTEM		2.9				2.9				2.9				2.9
254	HARPOON SUPPORT EQUIPMENT		13.0				13.0				13.0				13.0
255	TERRIER SUPPORT EQUIPMENT		112.1				112.1				112.1				112.1
256	TARTAR SUPPORT EQUIPMENT		106.8				106.8				106.8				106.8
257	POINT DEFENSE SUPPORT EQUIPMENT (MYP)		43.8				43.8				43.8				43.8
258	AIRBORNE ECM/ECCM		1.0				1.0				1.0				1.0

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				CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION	
		QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
260	AEGIS SUPPORT EQUIPMENT		61.8				61.8				61.8				61.8
261	SURFACE TOMAHAWK SUPPORT EQUIPMENT		86.6				86.6				86.6				86.6
262	SUBMARINE TOMAHAWK SUPPORT EQUIPMENT		19.0				19.0				19.0				19.0
263	VERTICAL LAUNCH SYSTEM	3	127.4			3	127.4			3	127.4			3	127.4
	FBM SUPPORT EQUIPMENT														
264	STRATEGIC PLATFORM SUPPORT EQUIPMENT		168.9				168.9				168.9				168.9
	ASW SUPPORT EQUIPMENT														
266	MK 117 FIRE CONTROL SYSTEM		60.0				60.0				60.0				60.0
267	SUBMARINE ASW SUPPORT EQUIPMENT		25.7				25.7				25.7				25.7
268	SURFACE ASW SUPPORT EQUIPMENT		20.8				20.8				20.8				20.8
269	MK 11[illegible] FIRE CONTROL SYSTEM	8	25.7			8	25.7			8	25.7			8	25.7
270	ASW RANGE SUPPORT EQUIPMENT		7.0				7.0				7.0				7.0
	OTHER ORDNANCE SUPPORT EQUIPMENT														
271	EXPLOSIVE ORDNANCE DISPOSAL EQUIP		11.0				11.0				11.0				11.0
272	SWIMMER WEAPONS SYSTEMS		1.2				1.2				1.2				1.2
273	UNMANNED SEABORNE TARGET		7.8				7.8				7.8				7.8
274	ANTI-SHIP MISSILE DECOY SYSTEMS	5	4.6			5	4.6			5	4.6			5	4.6
275	CALIBRATION EQUIPMENT		3.3				3.3				3.3				3.3
276	STOCK SURVEILLANCE EQUIPMENT		2.1				2.1				2.1				2.1
279	OTHER ORDNANCE TRAINING EQUIPMENT		1.5				1.5				1.5				1.5
	OTHER EXPENDABLE ORDNANCE														
281	SMALL ARMS AND LANDING PARTY AMMO		18.8				18.8				18.8				18.8
282	PYROTECHNIC AND DEMOLITION MATERIAL		25.5				25.5				25.5				25.5
283	QUICKSTRIKE		50.5				50.5				50.5				50.5
284	FLEET MINE SUPPORT EQUIPMENT		25.2				25.2				25.2				25.2
285	MINE NEUTRALIZATION DEVICES		3.2				3.2				3.2				3.2
286	DEFENSE NUCLEAR AGENCY MATERIAL		7.9				7.9				7.9				7.9
287	SHIPBOARD EXPENDABLE COUNTERMEASURES		33.2				33.2				33.2				33.2
	UNDISTRIBUTED REDUCTION		---				---		-70.0		-70.0				---
	SUBTOTAL, ORDNANCE SUPPORT EQUIPMENT		1396.5		0.0		1396.5		-70.0		1326.5		0.0		1396.5
	CIVIL ENGINEERING SUPPORT EQUIPMENT														
289	PASSENGER CARRYING VEHICLES	804	10.1			804	10.1			804	10.1			804	10.1
290	ARMORED SEDANS	1	.1			1	.1			1	.1			1	.1
291	TRUCKS	2775	38.1			2775	38.1			2775	38.1			2775	38.1
292	TRAILERS	271	4.0			271	4.0			271	4.0			271	4.0
293	CRUSH, MIX, BATCH, PAVE EQUIPMENT		4.7				4.7				4.7				4.7
294	DRILLING AND BLASTING EQUIPMENT		2.7				2.7				2.7				2.7
295	EARTH MOVING EQUIPMENT	228	11.4			228	11.4			228	11.4			228	11.4
296	LIGHTING AND POWER GENERATING EQUIP		3.5				3.5				3.5				3.5
297	MISC CONSTRUCTION AND MAINTENANCE EQUIP		3.5				3.5				3.5				3.5
298	FIRE FIGHTING EQUIPMENT	71	7.1			71	7.1			71	7.1			71	7.1
299	WEIGHT HANDLING EQUIPMENT	80	13.2			80	13.2			80	13.2			80	13.2
300	AMPHIBIOUS EQUIPMENT		73.0				73.0				73.0				73.0
301	COMBAT CONSTRUCTION SUPPORT EQUIPMENT		9.5				9.5				9.5				9.5
303	MOBILE UTILITIES SUPPORT EQUIPMENT		2.9				2.9				2.9				2.9
306	FLEET MOORINGS		7.3				7.3				7.3				7.3
307	POLLUTION CONTROL EQUIPMENT		2.7				2.7				2.7				2.7
310	FLEET HOSPITALS	1	27.7			1	27.7			1	27.7			1	27.7
---	9TH BATTALION EQUIPMENT		0.0		11.0		11.0				0.0		11.0		11.0
	SUBTOTAL, CIVIL ENGINEERING SUPP EQUIP		221.6		11.0		232.6		0.0		221.6		11.0		232.6
	SUPPLY SUPPORT EQUIPMENT														
312	FORKLIFT TRUCKS	217	9.1			217	9.1			217	9.1			217	9.1
313	OTHER MATERIALS HANDLING EQUIPMENT		3.3				3.3				3.3				3.3
314	AUTOMATED MATERIALS HANDLING SYSTEMS		12.9				12.9				12.9				12.9
316	POLLUTION CONTROL EQUIPMENT		2.3				2.3				2.3				2.3
322	SPECIAL PURPOSE SUPPLY SYSTEMS		34.9				34.9				34.9				34.9
	SUBTOTAL, SUPPLY SUPPORT EQUIPMENT		62.5		0.0		62.5		0.0		62.5		0.0		62.5
	PERSONNEL AND COMM SUPPORT EQUIPMENT														
	TRAINING DEVICES														
325	SURFACE SONAR TRAINERS		40.5				40.5				40.5				40.5
327	SUBMARINE SONAR TRAINERS		6.9				6.9				6.9				6.9
328	SURFACE COMBAT SYSTEM TRAINERS		23.7				23.7				23.7				23.7
329	SUBMARINE COMBAT SYSTEM TRAINERS		11.9				11.9				11.9				11.9
331	SHIP SYSTEM TRAINERS		15.3				15.3				15.3				15.3
342	TRAINING SUPPORT EQUIP		2.4				2.4				2.4				2.4
343	TRAINING DEVICE MODIFICATIONS		6.7				6.7				6.7				6.7
	COMMAND SUPPORT EQUIPMENT														
346	MEDICAL SUPPORT EQUIPMENT		17.2				17.2				17.2				17.2
347	INTELLIGENCE SUPPORT EQUIPMENT		56.9		-3.9		53.0		-3.2		53.7		-3.9		53.0
348	ITEMS UNDER 900K		1.2				1.2				1.2				1.2
351	OCEANOGRAPHIC SUPPORT EQUIPMENT		0.0		14.0		14.0				0.0		14.0		14.0
352	PHYSICAL SECURITY EQUIPMENT		17.2				17.2				17.2				17.2

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		QTY AMOUNT	QTY AMOUNT	QTY AMOUNT	QTY AMOUNT	QTY AMOUNT	QTY AMOUNT	QTY AMOUNT
353	COMPUTER ACQUISITION PROGRAM	176.5		176.5		176.5		176.5
356	PRODUCTIVITY INVESTMENT FUND (PIF)	3.4		3.4		3.4		3.4
	SUBTOTAL, PERSONNEL & COMM SUPP EQUIP	379.8	10.1	389.9	-3.2	376.6	10.1	389.9
358	SPARES AND REPAIR PARTS	279.8	0.0	279.8	-10.0	269.8	0.0	279.8
	NONCENTRALLY MANAGED ITEMS	0.0		0.0	170.8	170.8	125.3	125.3
	UNDISTRIBUTED REDUCTION	---	-1025.6	-1025.6		---	-495.0	-495.0
	PRIOR YEAR INFLATION SAVINGS	---	-168.0	-168.0	-168.0	-168.0	-168.0	-168.0
	INFLATION REESTIMATE FOR FY 86	---	-8.0	-8.0	-8.0	-8.0	-8.0	-8.0
	PRIOR YEAR PROGRAM SAVINGS	---	-53.0	-53.0	-53.0	-53.0	-53.0	-53.0
	FY 87 AND SUBSEQUENT YEARS INFLATION	---		---	-390.8	-390.8		---
	ROUNDING ADJUSTMENT	.1		.1		.1		---
	TOTAL, NAVY OTHER PROCUREMENT	6601.2	-1321.8	5279.4	-409.7	5991.5	-560.3	6040.8

OTHER PROCUREMENT, NAVY

The President's budget request contained $6,601.2 million for Navy other procurement.

The Senate bill contained an authorization of $5,279.4 million and authorized the transfer of $221 million.

The House amendment contained an authorization of $6,591.8 million and authorized the transfer of $221 million.

The conferees recommend authorizations totaling $6,040.8 million and transfers of $221 million.

Sealift support equipment

The budget request contained $59 million for sealift support equipment.

The Senate bill would authorize $71 million, an increase of $12 million for seasheds.

The House amendment would authorize $74 million, an increase of $12 million for seasheds and $3 million for the modular causeway.

The House recedes.

AN/BLD-1 microwave intercept receiver

The House amendment would authorize $11.8 million for the AN/BLD-1 microwave intercept receiver for installation on operational Los Angeles class submarines.

The budget request did not seek funds in the Navy other procurement account for the AN/BLD-1, and the Senate bill contained no authorization.

The Senate recedes.

NAVSTAR GPS receivers

The budget request contained $24.8 million for 62 NAVSTAR Global Positioning System (GPS) receivers.

The Senate bill would authorize $9.8 million for 17 receivers. The House amendment would authorize the quantity and amount requested.

The conferees recommend authorization of $20.8 million for 62 NAVSTAR GPS receivers.

The Senate recedes with an amendment.

Low cost sonobouy

The budget request contained $11.1 million for procurement of 100,000 low cost sonobouys in fiscal year 1986. The House amendment would authorize $46.1 million for procurement of 250,000 low cost sonobouys. The Senate bill would authorize the amounts requested.

The conferees recommended authorization of $46.1 million for procurement of 250,000 low cost sonobouys in fiscal year 1986.

The Senate recedes.

Mobile van airborne mine countermeasures (AMCM) support unit

The budget request did not include Mobile Van Airborne Mine Countermeasures (AMCM) Support Unit procurement in fiscal year 1986. The House amendment would authorize $4.3 million to support follow-on procurement in fiscal year 1987. The Senate bill contained no similar provision.

The equipment would be used to support AMCM operations operating from ships of opportunity.

The conferees recommend authorization of $4.3 million for Mobile Van AMCM Support Unit procurement in fiscal year 1986.

The Senate recedes.

Civil engineering support equipment

The budget request contained $221.6 million for civil engineering support equipment and contained no authorization for the 9th CE battalion in fiscal year 1986. The House amendment would authorize $221.6 million for civil engineering support equipment and no authorization for the 9th CE battalion. The Senate bill would authorize $232.6 million for civil engineering support equipment including $11.0 million to equip the 9th CE battalion.

The conferees recommend authorization of $232.6 million for civil engineering support equipment including $11.0 million for the 9th CE battalion.

The House recedes.

Oceanographic support equipment

The budget request did not include oceanographic support equipment in fiscal year 1986 nor did the House amendment. The Senate bill would authorize $14.0 million for use as described in the accompanying report (S. Report 99-41).

The conferees recommend authorization of $14.0 million for procurement of oceanographic support equipment in fiscal year 1986.

The House recedes.

Non-centrally managed items

The House amendment would authorize $170.8 million in the Other Procurement, Navy account for non-centrally managed items valued in excess of $3,000 for which the budget request sought funds in the Operation and Maintenance, Navy account. The House report on the authorization bill notes that such items are more properly considered investment items rather than expense items.

The Senate bill contained no similar authorization.

The conferees recommend authorization of $125.3 million for non-centrally managed items valued in excess of $5,000 in the Other Procurement, Navy account. As discussed in the Operation and Maintenance section, non-centrally managed items with a cost of $3,000-$5,000 are authorized in Operation and Maintenance.

The Senate recedes with an amendment.

Other procurement, Navy undistributed reductions

The Senate bill included $1,025.6 million in undistributed reductions in the Other Procurement, Navy account.

The House amendment included reductions by budget activities totaling $190 million, which included $30 million for ship support equipment; $80 million for communications and electronics equipment; $79 million for ordnance support equipment; and $10 million for spares and repair parts.

The conferees agreed to an undistributed reduction of $495 million.

The House recedes with an amendment.

PROCUREMENT, MARINE CORPS

(DOLLARS IN MILLIONS)

LINE NO.	TITLE	FISCAL YEAR 1986 REQUEST		S. 1160 AS PASSED				H.R. 1872 AS PASSED				CONFERENCE			
				CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION	
		QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	AMMUNITION														
1	LINEAR CHARGES (ALL TYPES)		3.2				3.2				3.2				3.2
2	SMALL ARMS AMMUNITION		9.6				9.6				9.6				9.6
3	MACHINE GUN AMMO (ALL TYPES)		34.9				34.9				34.9				34.9
4	MORTAR AMMUNITION (ALL TYPES)		33.3				33.3				33.3				33.3
5	GRENADES (ALL TYPES)		2.2				2.2				2.2				2.2
6	ROCKETS (ALL TYPES)		57.2				57.2				57.2				57.2
7	TRAINING AMMUNITION		29.0				29.0				29.0				29.0
8	155MM AMMUNITION		214.6				214.6	124261	50.0	124261	264.6		25.0		239.6
10	COPPERHEAD,155MM PROJ		52.1				52.1				52.1				52.1
11	8 INCH AMMUNITION		11.2				11.2				11.2				11.2
12	FUZES (ALL TYPES)		31.3				31.3				31.3				31.3
13	AMMO MODERNIZATION		5.7				5.7				5.7				5.7
	OTHER SUPPORT														
14	ITEMS LESS THAN $900,000		4.5				4.5				4.5				4.5
	SUBTOTAL, AMMUNITION		488.9		0.0		488.9		50.0		538.9		25.0		513.9
	WEAPONS AND TRACKED COMBAT VEHICLES														
	TRACKED COMBAT VEHICLES														
21	MODIFICATION KITS		1.1				1.1				1.1				1.1
22	M60 MINE PLOW	80	4.4			80	4.4			80	4.4			80	4.4
23	RECOVERY VEHICLE	5	4.5			5	4.5			5	4.5			5	4.5
24	ARMORED VEHICLE LAUNCHED BRIDGE	16	8.6			16	8.6	8	4.3	24	12.9			16	8.6
25	ITEMS LESS THAN $900,000		1.5				1.5				1.5				1.5
	ARTILLERY AND OTHER WEAPONS														
26	BATTERY COMPUTER SYSTEM AN/GYK-29	166	32.3			166	32.3			166	32.3			166	32.3
27	M198 HOWITZER, MEDIUM, TOWED 155MM	35	21.0	-35	-21.0	0	0.0	119	56.0	154	77.0		7.0		28.0
30	ITEMS LESS THAN $900,000		1.9				1.9				1.9				1.9
	WEAPONS														
32	PERSONAL DEFENSE WEAPON (9MM)	10000	3.0	-10000	-3.0	0	-0.0			10000	3.0			10000	3.0
33	MACHINE GUN, LIGHT, SQUAD, AUTO.(SAW)	1000	3.3			1000	3.3			1000	3.3			1000	3.3
34	M16A2 RIFLE 5.56MM	28186	14.1			28186	14.1			28186	14.1			28186	14.1
35	MK-19 MACHINE GUN, 40MM	150	1.0			150	1.0			150	1.0			150	1.0
36	EOD EQUIPMENT		.7				.7				.7				.7
38	83MM LAUNCHER ASSAULT ROCKET(SMAW)	535	4.7			535	4.7			535	4.7			535	4.7
	SUBTOTAL, WEAPONS AND COMBAT VEHICLES		102.1		-24.0		78.1		60.3		162.4		7.0		109.1
	GUIDED MISSILES AND EQUIPMENT														
	GUIDED MISSILES														
39	HAWK	550	140.0			550	140.0			550	140.0			550	140.0
40	HAWK MOD		39.1				39.1				39.1				39.1
41	STINGER	800	59.4			800	59.4			800	59.4			800	59.4
42	TOW	4782	44.5			4782	44.5			4782	44.5			4782	44.5
	OTHER SUPPORT														
44	MODIFICATION KITS		.7				.7				.7				.7
	SUBTOTAL, GUIDED MISSILES AND EQUIPMENT		283.7		0.0		283.7		0.0		283.7		0.0		283.7
	COMMUNICATIONS AND ELECTRONICS														
45	MANPACK RADIOS AND EQUIPMENT		12.7				12.7				12.7				12.7
46	VEHICLE MTD RADIOS AND EQUIP		10.6				10.6				10.6				10.6
	TELEPHONE AND TELETYPE EQUIPMENT														
48	UNIT LEVEL CIRCUIT SWITCH(ULCS)		18.6				18.6				18.6				18.6
49	ULCS LIFE CYCLE SUPPORT		17.1				17.1				17.1				17.1
50	AN/TGC-() TACTICAL COMM CENTER		4.0				4.0				4.0				4.0
	REPAIR AND TEST EQUIPMENT														
55	AN/USM-323 ELEC GENERATOR SIGNAL	456	5.6			456	5.6			456	5.6			456	5.6
56	SHOP SETS ELECTRONIC	80	5.3			80	5.3			80	5.3			80	5.3
57	AUTOMATIC TEST EQUIPMENT SYSTEM	45	5.2			45	5.2			45	5.2			45	5.2
60	ELECTRONIC TEST EQUIPMENT		1.0				1.0				1.0				1.0
	OTHER COMM/ELEC EQUIPMENT														
61	PP-7333 POWER SUPPLY	1012	3.8			1012	3.8			1012				1012	3.8
63	AN/GXC-7A FACSIMILE SET	359	6.7			359	6.7			359	6.7			359	6.7
64	ANDVT/TACTERM	34	1.5			34	1.5			34	1.5			34	1.5

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		QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	OTHER SUPPORT (TEL)														
66	TEST CALIBRATION AND MAINT SUPPORT		1.0				1.0				1.0				1.0
68	MODIFICATION KITS		3.6				3.6				3.6				3.6
69	ITEMS LESS THAN $900,000		.9				.9				.9				.9
	COMMAND AND CONTROL SYSTEMS (NON-TEL)														
70	POSITION LOCATION REPORTING SYS(PLRS)	2	59.1			2	59.1			2	59.1			2	59.1
72	TACTICAL AIR OPS MODULE (TAOM)	4	86.3		-23.0	4	63.3	-2	-11.0	2	75.3	-2	-11.0	2	75.3
	RADAR AND EQUIPMENT (NON-TEL)														
75	AN/TPS-59 DECOY	5	9.1			5	9.1			5	9.1			5	9.1
76	AN/PPN-19 RADAR TRANSPONDER BEACON	272	13.2			272	13.2			272	13.2			272	13.2
	INTELL/COMM EQUIPMENT (NON-TEL)														
80	REMOTE SENSOR EQUIPMENT		.7				.7				.7				.7
81	AN/TMQ-31 METEROLOGICAL DATA SYSTEM	9	13.3			9	13.3			9	13.3			9	13.3
	REPAIR AND TEST EQUIPMENT (NON-TEL)														
88	ELECTRONIC TEST EQUIPMENT		1.0				1.0				1.0				1.0
	OTHER COMM/ELEC EQUIPMENT (NON-TEL)														
93	AN/TAS-4 NIGHT VISION SIGHT (TOW)		10.5				10.5				10.5				10.5
94	PRODUCTIVITY INVESTMENT		.5				.5				.5				.5
95	AUTOMATED DATA PROCESSING EQUIPMENT		15.0				15.0				15.0				15.0
	OTHER SUPPORT (NON-TEL)														
96	TEST CALIBRATION AND MAINT SUPPORT		1.6				1.6				1.6				1.6
98	MODIFICATION KITS		8.4				8.4				8.4				8.4
99	ITEMS LESS THAN $900,000		.4				.4				.4				.4
	SUBTOTAL, COMM AND ELECTRONICS EQUIP		316.6		-23.0		293.6		-11.0		305.6		-11.0		305.6
	SUPPORT VEHICLES														
	ADMINISTRATIVE VEHICLES														
100	COMMERCIAL PASSENGER VEHICLES	203	2.7			203	2.7			203	2.7			203	2.7
101	COMMERCIAL CARGO VEHICLES		21.1				21.1				21.1				21.1
	TACTICAL VEHICLES														
102	HIGH MOB MULTI-WHL VEH (HMMWV) (MYP)	4832	121.7			4832	121.7			4832	121.7			4832	121.7
103	AIR/CRASH FIRE & RESCUE VEH	6	1.0			6	1.0			6	1.0			6	1.0
105	TRUCKS,5-TON (ALL TYPES)	396	39.7			396	39.7			396	39.7			396	39.7
106	5 TON RETROFIT	691	17.9			691	17.9			691	17.9			691	17.9
108	LOGISTICAL VEHICLE SYSTEM(LVS)	719	71.4			719	71.4			719	71.4			719	71.4
109	TRAILERS (ALL TYPES)	772	10.5			772	10.5			772	10.5			772	10.5
110	LUBRICATING AND SERVICING UNIT POWER	70	2.0			70	2.0			70	2.0			70	2.0
	OTHER SUPPORT														
112	MODIFICATION KITS		4.3				4.3				4.3				4.3
113	ITEMS LESS THAN $900,000		1.4				1.4				1.4				1.4
	SUBTOTAL, SUPPORT VEHICLES		293.8		0.0		293.8		0.0		293.8		0.0		293.8
	ENGINEER AND OTHER EQUIPMENT														
116	ENVIRONMENTAL CONTROL EQUIP		2.7				2.7				2.7				2.7
121	MOTORIZED ROAD GRADER	100	8.4			100	8.4			100	8.4			100	8.4
122	TRACTORS (ALL TYPES)	202	20.6			202	20.6			202	20.6			202	20.6
123	RUNWAY SWEEPER, VACUUM	18	2.3			18	2.3			18	2.3			18	2.3
124	SHOP EQUIP, GEN PUR, REPAIR, SEMI-TRL	8	1.7			8	1.7			8	1.7			8	1.7
125	CONTAINER HANDLER,RT 50,000 LB.	27	7.7			27	7.7			27	7.7			27	7.7
126	CH-53E HELICOPTER SLING	310	1.0			310	1.0			310	1.0			310	1.0
127	FORKLIFTS (ALL TYPES)	225	11.1			225	11.1			225	11.1			225	11.1
129	BATH SHOWER UNIT EXPEDITIONARY FIELD	100	2.3			100	2.3			100	2.3			100	2.3
130	REFRIGERATION UNIT, F/RIGID BOX	264	1.2			264	1.2			264	1.2			264	1.2
131	REFRIGERATOR, RIGID BOX	218	1.4			218	1.4			218	1.4			218	1.4
133	WATER PURIFICATION UNIT - REV OSMOSIS	125	20.6			125	20.6			125	20.6			125	20.6
137	FUEL, WATER, PUMP AND STORAGE MODULE		4.2				4.2				4.2				4.2
138	FUEL SYS AMPHB ASSAULT 60,000 GAL	5	5.9			5	5.9			5	5.9			5	5.9
139	HELICOPTER EXPEDIENT REFUELING SYSTEM	6	.7			6	.7			6	.7			6	.7
142	BOAT, BRIDGE ERECTION	21	5.2			21	5.2			21	5.2			21	5.2
143	MEDIUM GIRDER BRIDGE	17	11.1			17	11.1			17	11.1			17	11.1
144	POWER EQUIPMENT ASSORTED		8.5				8.5				8.5				8.5
145	ELECTRICAL POWER DISTRIBUTION SYSTEM	17	9.0			17	9.0			17	9.0			17	9.0
	MATERIALS HANDLING EQUIPMENT														
146	COMMAND SUPPORT EQUIPMENT		.8				.8				.8				.8
148	GARRISON MOBILE ENGINEER EQUIP		6.3				6.3				6.3				6.3
149	TELEPHONE SYSTEM		4.3				4.3				4.3				4.3
152	MATERIEL HANDLING EQUIPMENT		1.5				1.5				1.5				1.5

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				CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION	
		QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	GENERAL PROPERTY														
153	TRN DEVICES (AUDIO VISUAL)		1.6				1.6				1.6				1.6
154	TRN DEVICES (SIMULATORS)		10.4				10.4				10.4				10.4
156	SHELTER FAMILY	870	17.6			870	17.6			870	17.6			870	17.6
157	CONTAINER FAMILY	4900	7.0			4900	7.0			4900	7.0			4900	7.0
158	CHEMICAL ALARM SYSTEM	634	1.9			634	1.9			634	1.9			634	1.9
159	DECONTAMINATING APPARATUS	85	1.2			85	1.2			85	1.2			85	1.2
160	SANITATION SET, FIELD KITCHEN	75	1.2			75	1.2			75	1.2			75	1.2
	OTHER SUPPORT														
162	MODIFICATION KITS		2.8				2.8				2.8				2.8
163	ITEMS LESS THAN 900,000		3.5				3.5				3.5				3.5
	SUBTOTAL, ENGINEER AND OTHER EQUIPMENT		185.5		0.0		185.5		0.0		185.5		0.0		185.5
164	SPARES AND REPAIR PARTS		56.1		0.0		56.1				56.1				56.1
	NONCENTRALLY MANAGED ITEMS		0.0				0.0		12.6		12.6		9.7		9.7
	UNDISTRIBUTED REDUCTION		---		-35.0		-35.0				---				---
	INFLATION REESTIMATE FOR FY 86		---		-2.0		-2.0		-2.0		-2.0		-2.0		-2.0
	PRIOR YEAR PROGRAM SAVINGS		---		-28.0		-28.0		-28.0		-28.0		-28.0		-28.0
	FY 87 AND SUBSEQUENT YEARS INFLATION		---		---		---		-111.3		-111.3				---
	TOTAL, MARINE CORPS PROCUREMENT		1726.8		-112.0		1614.8		-29.4		1697.4		.7		1727.4

Ammunition

The budget request contained $488.9 million for ammunition, including $214.6 million for 155mm ammunition, and $55.2 million for procurement of the M483 155mm HE ICM DP round in fiscal year 1986. The House amendment would authorize $538.9 million for ammunition, including $264.6 million for 155mm ammunition, and $105.2 million for procurement of M483 rounds. The Senate bill would authorize the requested amount.

The conferees recommend authorization of $513.9 million for ammunition, including $239.6 million for 155mm ammunition, and $80.2 million for procurement of the M483 155mm HE ICM DP round in fiscal year 1986.

Armored vehicle launched bridge (AVLB)

The budget request contained $8.6 million for procurement of 16 AVLBs in fiscal year 1986. The House amendment would authorize $12.9 million for 24 AVLBs. The Senate bill would authorize the amounts requested.

The conferees recommend authorization of $8.6 million for procurement of 16 AVLBs in fiscal year 1986.

The House recedes.

M198 howitzer

The budget request contained $21.0 million for procurement of 35 M198 howitzers in fiscal year 1986. The House amendment would authorize $77.0 million for procurement of 154 M198 howitzers. The Senate bill contained no authorization for M198 howitzers.

The conferees recommend authorization of $28.0 million for procurement of 50 M198 Howitzers in fiscal year 1986.

Communications and electronics

The budget request contained $18.6 million for procurement of the Unit Level Circuit Switch (ULCS) in fiscal year 1986. The ULCS is a family of digital switching equipments that provide automatic secure telephone switching capability to the field. The main elements of the ULCS are the AN/TTC-42 large switch and the SB-3865 small switch. All three services intend to procure the ULCS.

Recently, the ULCS underwent a limited operational test conducted by the Marine Corps with Air Force participation. The independent test agencies of both services recommended that the AN/TTC-42 not enter production because of deficiencies discovered during the limited operational test and previous operational tests.

The Marine Corps, after subsequent negotiations with the contractor, overcame the objections of the test community and now recommends the AN/TTC-42 for production. This decision was reached after the contractor agreed to absorb some financial risks until first article test is successfully completed in fiscal year 1988.

The conferees believe that the problems with the AN/TTC-42 discovered during operational test must be resolved prior to full scale production. Therefore, the conferees recommend authorization of the requested amount but direct the department to expand funds only for those items required for first article testing until such time that the Committees on Armed Services of the Senate and the House of Representatives review the results of the first article test.

This would allow the obligation of funds but not permit their use for production quantities of the AN/TTC-42 except for first article test equipments.

The above direction does not apply to the SB-3865 small switch which successfully completed operational testing.

The above restrictions also apply to Air Force procurement of the ULCS.

Non-centrally managed items.

The House amendment would authorize $12.6 million in the procurement Marine Corps account for non-centrally managed items valued in excess of $3,000 for which the budget request sought funds in the Operation and Maintenance, Marine Corps account. The House report on the authorization bill notes that such items are more properly considered investment items rather than expense items.

The Senate bill contained no similar authorization.

The conferees recommend authorization of $9.7 million for non-centrally managed items valued in excess of $5,000 in the other procurement, Marine Corps, account. As discussed in the Operation and Maintenance section, non-centrally managed items with a cost of $3,000—$5,000 are authorized in Operation and Maintenance.

The Senate recedes with an amendment.

AIRCRAFT PROCUREMENT, AIR FORCE

(DOLLARS IN MILLIONS)

LINE NO.	TITLE	FISCAL YEAR 1986 REQUEST		S. 1160 AS PASSED				H.R. 1872 AS PASSED				CONFERENCE			
				CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION	
		QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	COMBAT AIRCRAFT														
	STRATEGIC OFFENSIVE														
1	ACM INTEGRATION		122.8		-122.8		0.0				122.8		-22.8		100.0
2	B-1B (MYP)	48	7632.7			48	7632.7			48	7632.7			48	7632.7
	LESS: ADVANCE PROCUREMENT (PY)		-2170.9				-2170.9				-2170.9				-2170.9
	NET		5461.8				5461.8				5461.8				5461.8
	TACTICAL FORCES														
4	F-15 C/D/E	48	2079.3		-30.0	48	2049.3	-6	-271.6	42	1807.7		-71.9	48	2007.4
	LESS: ADVANCE PROCUREMENT (PY)		-176.4				-176.4				-176.4				-176.4
	NET		1902.9		-30.0		1872.9		-271.6		1631.3				1831.0
5	ADVANCE PROCUREMENT (CY)		236.0				236.0		-24.0		212.0		-26.0		210.0
6	F-16 C/D (MYP)	180	3277.9		-52.0	180	3225.9	-30	-500.0	150	2777.9		-210.9	180	3067.0
	LESS: ADVANCE PROCUREMENT (PY)		-441.2				-441.2				-441.2				-441.2
	NET		2836.7		-52.0		2784.7		-500.0		2336.7				2625.8
7	ADVANCE PROCUREMENT (CY)		553.1				553.1		-92.1		461.0				553.1
	OTHER COMBAT AIRCRAFT														
8	KC-10A (ATCA) (MYP)	12	763.0			12	763.0			12	763.0			12	763.0
	LESS: ADVANCE PROCUREMENT (PY)		-524.2				-524.2				-524.2				-524.2
	NET		238.8				238.8				238.8				238.8
9	ADVANCE PROCUREMENT (CY)		208.2				208.2				208.2				208.2
10	MC-130H	1	83.9			1	83.9	-1	-73.6	0	10.3		-18.6	1	65.3
	LESS: ADVANCE PROCUREMENT (PY)		-10.3				-10.3				-10.3				-10.3
	NET		73.6				73.6		-73.6		0.0				55.0
11	ADVANCE PROCUREMENT (CY)		5.9				5.9		-5.9		0.0				5.9
	SUBTOTAL, COMBAT AIRCRAFT		11639.8		-204.8		11435.0		-967.2		10672.6		-350.2		11289.6
	AIRLIFT/TANKER AIRCRAFT														
	STRATEGIC AIRLIFT														
14	C-5B	16	2193.6		-102.0	16	2091.6		-102.0	16	2091.6		-102.0	16	2091.6
	LESS: ADVANCE PROCUREMENT (PY)		-251.5				-251.5				-251.5				-251.5
	NET		1942.1		-102.0		1840.1		-102.0		1840.1				1840.1
15	ADVANCE PROCUREMENT (CY)		326.0				326.0				326.0				326.0
	TACTICAL AIRLIFT														
	C-130H (HERCULES)		0.0				0.0	8	150.0	8	150.0				0.0
	OTHER AIRLIFT														
	C-12J		0.0				0.0	6	18.0	6	18.0				0.0
20	C-20A	8	168.8			8	168.8	-4	-84.4	4	84.4			8	168.8
	SUBTOTAL, AIRLIFT/TANKER AIRCRAFT		2436.9		-102.0		2334.9		-18.4		2418.5		-102.0		2334.9
	TRAINER AIRCRAFT														
	UPT TRAINERS														
21	T-46A (NGT)	33	165.1			33	165.1			33	165.1			33	165.1
	LESS: ADVANCE PROCUREMENT (PY)		-22.3				-22.3				-22.3				-22.3
	NET		142.8				142.8				142.8				142.8
22	ADVANCE PROCUREMENT (CY)		63.3				63.3				63.3				63.3
	SUBTOTAL, TRAINER AIRCRAFT		206.1		0.0		206.1		0.0		206.1		0.0		206.1
	OTHER AIRCRAFT														
	HELICOPTERS														
24	HH-60	3	100.0	-3	-94.0	0	6.0			3	100.0			3	100.0
	LESS: ADVANCE PROCUREMENT (PY)		-6.0				-6.0				-6.0				-6.0
	NET		94.0		-94.0		0.0				94.0				94.0
25	ADVANCE PROCUREMENT (CY)		22.0		-10.0		12.0				22.0		-10.0		12.0
	OTHER AIRCRAFT														
28	AURORA		80.1		-80.1		0.0		-80.1		0.0		-80.1		0.0

LINE NO.	TITLE	FISCAL YEAR 1986 REQUEST		S. 1160 AS PASSED				H.R. 1872 AS PASSED				CONFERENCE			
				CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION	
		QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
29	TR-1/U-2	8	352.4	-2	-64.1	6	288.3	-3	-64.1	5	288.3	-2	-41.7	6	310.7
	LESS: ADVANCE PROCUREMENT (PY)		-8.5				-8.5				-8.5				-8.5
	NET		343.9		-64.1		279.8		-64.1		279.8				302.2
	ADVANCE PROCUREMENT (CY)		0.0				0.0		10.7		10.7		9.0		9.0
	SUBTOTAL, OTHER AIRCRAFT		540.0		-248.2		291.8		-133.5		406.5		-122.8		417.2
	MODIFICATION OF IN-SERVICE AIRCRAFT														
	STRATEGIC AIRCRAFT														
31	B-52		463.6		-100.0		363.6				463.6		-35.0		428.6
32	FB-111		13.2				13.2				13.2				13.2
33	B-1B		5.1				5.1				5.1				5.1
	TACTICAL AIRCRAFT														
34	A-7		3.4				3.4				3.4				3.4
35	A-10		87.8				87.8				87.8				87.8
36	F/RF-4		174.2				174.2				174.2				174.2
37	F-5		25.7				25.7		-25.0		.7				25.7
38	F-15		141.8				141.8				141.8				141.8
39	F-16		73.7				73.7				73.7				73.7
40	F-111		294.5				294.5				294.5				294.5
42	TR-1A		11.7				11.7				11.7				11.7
	AIRLIFT AIRCRAFT														
44	C-5		9.8				9.8				9.8				9.8
45	C-141		2.1				2.1				2.1				2.1
	TRAINER AIRCRAFT														
46	T-38		40.1				40.1				40.1				40.1
	OTHER AIRCRAFT														
47	KC-10A (ATCA)		4.3				4.3				4.3				4.3
48	C-12		5.0				5.0				5.0				5.0
50	C-130		201.0				201.0		10.3		211.3		10.3		211.3
	MC-130		(13.4)				(13.4)		(10.3)		(23.7)				(23.7)
52	C-135		868.1				868.1				868.1				868.1
53	E-3		33.4				33.4				33.4				33.4
54	E-4		20.4				20.4				20.4				20.4
55	HH-53 AIRCRAFT		26.4				26.4		50.0		76.4		50.0		76.4
56	OTHER AIRCRAFT		133.2				133.2				133.2				133.2
	OTHER MODIFICATIONS														
57	CLASSIFIED PROJECTS		114.4				114.4		-4.0		110.4		-2.0		112.4
	CIVIL RESERVE AIRLIFT FLEET (CRAF)														
59	CIVIL RESERVE AIRLIFT FLEET (CRAF)		164.9				164.9				164.9				164.9
	GROUND PROXIMITY WARNING SYSTEM		0.0				0.0		(10.0)		(10.0)		(10.0)		(10.0)
	UNDISTRIBUTED REDUCTION		---		-240.0		-240.0		-106.3		-106.3		-150.0		-150.0
	SUBTOTAL, MOD OF IN-SERVICE AIRCRAFT		2917.8		-340.0		2577.8		-75.0		2842.8		-126.7		2791.1
	AIRCRAFT SPARES AND REPAIR PARTS														
60	SPARES AND REPAIR PARTS		4934.6				4934.6		-251.4		4683.2		-55.0		4879.6
	INITIAL SPARES		(1148.5)				(1148.5)		(-80.9)		(1067.6)				(1093.7)
	F-15		(85.5)				(85.5)		(-10.7)		(74.8)				(85.5)
	F-16		(303.6)				(303.6)		(-50.6)		(253.0)				(250.2)
	C-20		(16.8)				(16.8)		(-8.4)		(8.4)				(16.8)
	TR-1/U-2		(19.7)				(19.7)		(-7.4)		(12.3)				(19.1)
	MC-130		(3.8)				(3.8)		(-3.8)		(0.0)				(3.0)
	REPLENISHMENT SPARES		(3786.1)				(3786.1)		(-170.5)		(3615.6)				(3786.1)
	F-15		(38.5)				(38.5)		(-38.5)		(0.0)				(38.5)
	F-16		(132.0)				(132.0)		(-132.0)		(0.0)				(132.0)
	CLASSIFIED PROGRAM		(---)				(---)				(---)				(-0.2)
	UNDISTRIBUTED REDUCTION		---		-310.0		-310.0				---		-250.0		-250.0
	SUBTOTAL, A/C SPARES & REPAIR PARTS		4934.6		-310.0		4624.6		-251.4		4683.2		-305.0		4629.6
	AIRCRAFT SUPPORT EQUIPMENT AND FACILITIES														
61	COMMON GROUND EQUIPMENT		631.0				631.0				631.0				631.0
62	INDUSTRIAL RESPONSIVENESS		89.2		-15.0		74.2				89.2		-15.0		74.2
63	WAR CONSUMABLES		86.4				86.4				86.4				86.4
64	OTHER PRODUCTION CHARGES		2683.7		-242.4		2441.3		-676.3		2007.4		-270.5		2413.2
	CLASSIFIED PROGRAMS		(1630.0)		(-142.4)		(1487.6)		(-591.4)		(1038.6)				(1478.5)
	PLSS		(86.0)				(86.0)		(-43.0)		(43.0)				(43.0)
	LANTIRN		(420.7)				(420.7)		(-41.9)		(378.8)				(420.7)
	ALQ-131 ECM PODS		(124.6)		(-100.0)		(24.6)				(124.6)				(48.6)
	SUBTOTAL, SUPPORT EQUIP AND FACILITIES		3490.3		-257.4		3232.9		-676.3		2814.0		-285.5		3204.8
	FY 87 AND SUBSEQUENT YEARS INFLATION		---				---		-1517.3		-1517.3				---
	INFLATION REESTIMATE FOR FY 86		---		-32.0		-32.0		-32.0		-32.0		-32.0		-32.0
	PRIOR YEAR PROGRAM SAVINGS		---		-406.0		-406.0		-406.0		-406.0		-406.0		-406.0
	TOTAL, AIR FORCE AIRCRAFT		26165.5		-1900.4		24265.1		-4077.1		22088.4		-1730.2		24435.3

Bomber force study

The conferees note that the Committees on Armed Services of both the Senate and the House of Representatives included language in their reports on this legislation directing the Secretary of Defense to conduct a study and analysis of the future strategic bomber force. The conferees confirm the requirements set forth in both reports (S. Rept. 99-41 and H. Rept. 99-81) with respect to the bomber force study and direct the Secretary of Defense to submit his analysis and report to the Committee on Armed Services of the Senate and House of Representatives not later than February 1, 1986.

Advance cruise missile integration (ACM)

The budget request contained $122.8 million for ACM integration in fiscal year 1986. The House amendment would authorize $122.8 million for this purpose. The Senate bill contained no authorization for ACM integration in fiscal year 1986.

The conferees recommend $100.0 million for ACM integration in fiscal year 1986.

F-15 fighter aircraft (Eagle)

The budget request contained $1,902.9 million for procurement of 48 aircraft in fiscal year 1986, and $236.0 million for advance procurement of 48 aircraft in fiscal year 1987. The House amendment would authorize $1,631.3 million for procurement of 42 aircraft in fiscal year 1986, and $212.0 million for advance procurement of 48 aircraft for fiscal year 1987. The Senate bill would authorize $1,872.9 million for procurement of 48 aircraft in fiscal year 1986, and $236.0 million for advance procurement of 48 aircraft for fiscal year 1987.

The conferees recommend authorization of $1,831.0 million for procurement of 48 aircraft in fiscal year 1986, and $210.0 million for advance procurement of 48 aircraft for fiscal year 1987.

The House recedes with an amendment.

F-16 fighter aircraft (Falcon)

The budget request contained $2,836.7 million for procurement of 180 aircraft in fiscal year 1986, and $553.1 million for advance procurement of 180 aircraft in fiscal year 1987. The House amendment would authorize $2,336.7 million for procurement of 150 aircraft in fiscal year 1986, and $461.0 million for advance procurement of 150 aircraft for fiscal year 1987. The Senate bill would authorize $2,784.7 million for procurement of 180 aircraft in fiscal year 1986, and $553.1 million for advance procurement of 180 aircraft for fiscal year 1987.

The conferees recommend authorization of $2,625.8 million for procurement of 180 aircraft in fiscal year 1986, and $553.1 million for advance procurement of 180 aircraft for fiscal year 1987.

The House recedes with an amendment.

MC-130H (combat talon)

The budget request contained $73.6 million for procurement of one aircraft in fiscal year 1986, and $5.9 million for advance procurement of two aircraft in fiscal year 1987. A total of $10.3 million in the MC-130 program was intended for the modification of a specially configured C-130 to the MC-130 configuration. The House amendment shifted the $10.3 million from the MC-130 procurement program to the Modification of Aircraft account. The House amendment also contained no authorization for the aircraft in fiscal year 1986. The Senate bill contained $73.6 million for procurement of one aircraft in fiscal year 1986 and $5.9 million for advance procurement of two aircraft in fiscal year 1987.

The conferees recommend authorization of $55.0 million for procurement of one aircraft in fiscal year 1986, and $5.9 million for advance procurement to two aircraft in fiscal year 1987.

The conferees expressed concern over the troubled history of the Combat Talon program. The conferees believe that any further increase in cost or delay in schedule would justify termination. The conferees caution the Air Force to devote the highest degree of management attention, to stabilize the program management and to improve performance and cost disipline.

C-130H airlift aircraft (Hercules)

No authorization was requested for C-130H aircraft. The House amendment would authorize $150.0 million for procurement of 8 aircraft for the Air Force Reserve. The Senate bill contained a $150.0 million authorization for procurement of 8 C-130H aircraft for the Air National Guard.

The conferees recommend authorization of $270.0 million for procurement of 14 C-130H aircraft in fiscal year 1986. The authorization is contained in the Guard and Reserve section (sec. 104) of the conference report.

C-20A airlift aircraft

The budget request contained $168.8 million for procurement of 8 aircraft in fiscal year 1986. The House amendment would authorize $84.4 million for procurement of 4 aircraft in fiscal year 1986. The Senate bill would authorize $168.8 million for procurement of 8 aircraft in fiscal year 1986.

The conferees recommend authorization of $168.8 million for procurement of 8 aircraft in fiscal year 1986.

The House recedes.

HH-60A (Night Hawk)

The budget request contained $94.0 million for procurement of three aircraft in fiscal year 1986, and $22.0 million for advance procurement of 25 aircraft in fiscal year 1987. The House amendment would authorize the requested amount. The Senate bill contained no authorization for the aircraft in fiscal year 1986, but included $12.0 million for advance procurement in fiscal year 1987.

The conferees recommend authorization of $94.0 million for procurement of three aircraft in fiscal year 1986, and $12.0 million for advance procurement in fiscal year 1987.

TR-1/U-2 standoff surveillance aircraft

The budget request contained $343.9 million for procurement of 8 aircraft in fiscal year 1986. The House amendment would authorize $279.8 million for procurement of 5 aircraft in fiscal year 1986, and $10.7 million for advance procurement of 5 aircraft in fiscal year 1987. The Senate bill would authorize $279.8 million for 6 aircraft in fiscal year 1986.

The conferees recommend authorization of $302.2 million for procurement of 6 aircraft in fiscal year 1986, and $9.0 million for advance procurement of 4 aircraft in fiscal year 1987.

Modification of Air Force aircraft

The budget request contained $2,917.8 million for procurement for various Air Force aircraft modification for fiscal year 1986. The House amendment would authorize $2,842.1 million for Air Force aircraft modifications. The Senate bill would authorize $2,577.8 million for Air Force aircraft modifications.

The conferees recommend authorization of $2,793.1 million for Air Force aircraft modifications including the following specific authorizations:

B-52 modifications, $428.6 million;
F-5 modifications, $25.7 million;
C-130 modifications, $211.3 million; including MC-130 modifications, $23.7 million;
HH-53 modifications, $76.4 million;
Classified projects, $112.4 million;
Undistributed reduction, $150.0 million;
Ground proximity warning system, $10.0 million.

B-52 squadrons

The budget request contained $463.6 million for procurement associated with modifications for the B-52 bomber force. The House amendment would fully support the request. The Senate, for budgetary reasons, reduced the requested amount by $100 million. The conferees agreed that the authorization for this program be reduced by $35 million to $428.6 million and direct that there be no change in funding for either cruise missile related modifications, including the common strategic rotary launcher (CSRL) or for electronic countermeasures modifications.

Special operations forces

Special operations forces (SOF) received special attention in both the House and Senate bills. The House amendment contained a provision (sec. 1202) that would express the Sense of the Congress that greater attention should be devoted to the capabilities of special operations forces. The Senate receded with amendment. The conferees agreed that although management resources in the Department of Defense to supervise development and acquisition for SOF had received necessary expansion, similar and necessary increases had not occurred in the staff elements responsible for overall SOF policy formulation. The conferees believe that this inadequacy of resources should be remedied expeditiously.

The conferees agreed that both committees would review the joint command and control of SOF as part of their consideration of departmental and Joint Chiefs of Staff reorganization. This review will include an examination of the specific SOF mission area.

The House amendment would also add funds for the modification of 10 HH-53 helicopters to the PAVE LOW configuration for special operations as well as directing the timely modification of two HH-53s out of unobligated prior-year funding balances. The Senate receded with an amendment (sec. 144) specifying that the Secretary of the Air Force must certify that for the PAVE LOW fleet the fiscal year 1987 five year defense plan provides sufficient resources to achieve and maintain the highest readiness level specified in the JCS Unit Status Report System.

The Senate bill contained a provision (sec. 943) that would prohibit the Air Force from spending funds on MC-130s or HH-53 modifications, and the Army from spending funds for CH-47 modifications, until the Secretary of Defense submits a plan for meeting the immediate airlift requirements of the Joint Special Operations Command, and a second plan for meeting the airlift requirements of JSOC and the unified commanders-in-chief by calendar year 1991. The House receded. The conferees agreed that, because severe readiness deficiencies persist in the unified and specified commands because of prior year development and procurement shortages, the Air Force should ensure stable increases in the funding for annual development, modification or procurement of special operations and combat rescue variants of the C-130, HH-53, HH-60,

and CV-22 aircraft, are sufficient to meet the JSOC and unified commanders-in-chiefs' requirements within the fiscal year 1986 five year development plan.

Ground proximity warning system

The report (H. Rept. 99-81) accompanying the House amendment directed that within the amounts authorized for Air Force aircraft procurement in fiscal year 1986 and prior years, $10.0 million should be used for the procurement of second generation or better ground proximity warning system hardware and associated aircraft modifications. The Senate report (S. Rept. 99-41) contained no similar language.

The conferees agreed that $10.0 million may be used for such purposes on a discretionary basis.

EC-T-39 aircraft

The report (H. Rept. 99-81) accompanying the House amendment directed the Secretary of the Air Force, in conjunction with the Air National Guard, to test the efficacy of airborne electronic countermeasures (ECM) training using an existing T-39 aircraft and Air Force ECM equipment.

The conferees agreed to request the Air Force, with the participation of the Air National Guard, to evaluate the feasibility and cost-effectiveness of providing Air Force T-39 aircraft to the Air National Guard for ECM training purposes. This report shall be submitted to the Committees on Armed Services of the Senate and House of Representatives no later than March 1, 1986.

Undistributed reduction to Air Force aircraft modifications

The Senate bill reduced the request for aircraft modifications for Air Force aircraft procurement by $240.0 million, with report language directing that the reductions oe made against airlift aircraft modifications. The House bill reduced the account by $106.3 million.

The conferees agreed on $150 million reduction, to be distributed against all modification programs and not exclusively against airlift modifications.

Air Force aircraft spares and repair parts

The budget request contained $4,934.6 million for procurement of Air Force aircraft spares and repair parts for fiscal year 1986. The House amendment would authorize $4,683.2 million for Air Force aircraft spares and repair parts. The Senate bill would authorize $4,624.6 million for Air Force aircraft spares and repair parts.

The conferees recommend authorization of $4,629.6 million for Air Force aircraft spares and repair parts including the following specific authorizations:

Initial spares, $1,093.7 million;

F-15 spares, $85.5 million;

F-16 spares, $250.2 million;

C-20 spares, $16.8 million;

TR-1/U-2 spares, $19.1 million;

MC-130 spares $3.0 million;

Replenishment spares, $3,785.9 million;

Classified spares, $0.2 million;

Undistributed reduction, $250.0 million;

Air Force aircraft support equipment and facilities

The budget request contained $3,490.3 million for procurement of Air Force aircraft support equipment and facilities for fiscal year 1986. The House amendment would authorize $2,814.0 million for this purpose. The Senate bill would authorize $3,232.9 million for this purpose.

The conferees recommend authorization of $3,204.8 million for Air Force aircraft support equipment and facilities, including the following specific authorizations:

Common ground support equipment, $631.0 million;

Industrial responsiveness, $74.2 million;

War consumables, $86.4 million;

Other production charges, $2,413.2 million; classified programs, $1,478.5 million; PLSS, $43.0 million; LANTIRN, $420.7 million, ALQ 131 pod, $48.0 million.

MISSILE PROCUREMENT, AIR FORCE

(DOLLARS IN MILLIONS)

LINE NO.	TITLE	FISCAL YEAR 1986 REQUEST		S. 1160 AS PASSED				H.R. 1872 AS PASSED				CONFERENCE			
				CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION	
		QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	BALLISTIC MISSILES														
	STRATEGIC														
1	PEACEKEEPER (M-X)	48	3037.3	-36	-1291.0	12	1746.3	-48	-2116.3	0	921.0	-36	-1291.3	12	1746.0
	FORCE MODERNIZATION														
3	MISSILE REPLACEMENT EQUIPMENT--STRATE		86.7		-30.0		56.7		-10.0		76.7		-20.0		66.7
	SUBTOTAL, BALLISTIC MISSILES		3124.0		-1321.0		1803.0		-2126.3		997.7		-1311.3		1812.7
	OTHER MISSILES														
	STRATEGIC														
4	ADVANCED CRUISE MISSILE		[ ]				[ ]				[ ]				[ ]
	LESS: ADVANCE PROCUREMENT (PY)														
	NET		[ ]				[ ]				[ ]				[ ]
5	ADVANCE PROCUREMENT (CY)		[ ]				[ ]				[ ]				[ ]
6	AIR LAUNCH CRUISE MISSILE		34.4				34.4				34.4				34.4
	TACTICAL														
7	AIM-7F/M SPARROW	425	82.3			425	82.3			425	82.3			425	82.3
8	AIM-9L/M SIDEWINDER	800	43.3			800	43.3	702	38.0	1502	81.3	702	38.0	1502	81.3
9	AGM-130 POWERED GBU-15	97	48.5			97	48.5	-97	-32.5	0	16.0	-57	-28.5	40	20.0
10	AGM-65D MAVERICK	3500	504.0			3500	504.0	-550	-58.1	2950	445.9	-550	-58.1	2950	445.9
	LESS: ADVANCE PROCUREMENT (PY)		-15.0				-15.0				-15.0				-15.0
	NET		489.0				489.0		-58.1		430.9				430.9
13	AGM-88A HARM	1715	478.1			1715	478.1		-52.4	1715	425.7			1715	478.1
14	RAPIER		7.6				7.6		-4.0		3.6		-4.0		3.6
15	AMRAAM	90	395.9		-166.5	90	229.4	-90	-366.5	0	29.4		-216.5		179.4
	LESS: ADVANCE PROCUREMENT (PY)		-29.4				-29.4				-29.4				-29.4
	NET		366.5		-166.5		200.0		-366.5		0.0				150.0
16	ADVANCE PROCUREMENT (CY)		65.9				65.9		-65.9		0.0		-35.9		30.0
17	GRD LAUNCH CRUISE MISSILE	95	556.0			95	556.0		-10.0	95	546.0		-10.0	95	546.0
	LESS: ADVANCE PROCUREMENT (PY)		-11.9				-11.9				-11.9				-11.9
	NET		544.1				544.1		-10.0		534.1				534.1
18	ADVANCE PROCUREMENT (CY)		9.8				9.8				9.8				9.8
	TARGET DRONES														
21	TARGET DRONES		35.9				35.9				35.9				35.9
	TACTICAL DRONES														
23	INDUSTRIAL FACILITIES		12.9				12.9				12.9				12.9
24	MISSILE REPLACEMENT EQUIP--TACTICAL		14.5				14.5				14.5				14.5
	SUBTOTAL, OTHER MISSILES		2895.7		-166.5		2729.2		-551.4		2344.3		-315.0		2580.7
	MODIFICATION OF IN-SERVICE MISSILES														
25	CLASS IV		92.7				92.7				92.7				92.7
	CLASS V														
26	LGM-30F/G MINUTEMAN II/III		13.5				13.5		-5.1		8.4				13.5
	UPDATE														
30	AGM-88A HARM		3.0				3.0				3.0				3.0
31	UPDATED ALCM		16.5				16.5				16.5				16.5
32	GRD LAUNCH CRUISE MISSILE UPDATE		8.7				8.7				8.7				8.7
	SUBTOTAL, MOD OF IN-SERVICE MISSILES		134.5		0.0		134.5		-5.1		129.4		0.0		134.5
33	SPARES AND REPAIR PARTS		539.3		-25.0		514.3		-169.9		369.4		-74.0		465.3
	INITIAL SPARES														
	MX		(143.0)						(-143.0)		(0.0)				(105.0)
	CLASSIFIED PROGRAM		[ ]						(-15.0)		(-15.0)				[ ]
	MAVERICK		(.9)						(-.2)		(.7)				(.7)
	HARM		(7.2)						(-.9)		(6.3)				(7.2)
	AMRAAM		(6.1)						(-6.1)		(0.0)				(0.0)
	MODIFICATION OF INITIAL SPARES														
	MAVERICK		(2.2)						(-.3)		(1.9)				(1.9)
	REPLENISHMENT SPARES														
	MAVERICK		(8.6)						(-1.3)		(7.3)				(7.3)
	HARM		(5.2)						(-.6)		(4.6)				(5.2)
	RAPIER		(4.1)						(-2.2)		(1.9)				(1.9)
	AMRAAM		(.3)						(-.3)		(0.0)				(0.0)
	MX		(25.6)		(-25.0)		(.6)				(25.6)				(0.0)
	OTHER SUPPORT														

LINE NO.	TITLE	FISCAL YEAR 1986 REQUEST		S. 1160 AS PASSED				H.R. 1872 AS PASSED				CONFERENCE			
				CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION	
		QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	SPACE PROGRAMS														
34	SPACEBORNE EQUIP (COMSEC)		36.3				36.3				36.3				36.3
35	GLOBAL POSITIONING (MYP)	9	352.0			9	352.0			9	352.0			9	352.0
	LESS: ADVANCE PROCUREMENT (PY)		-154.6				-154.6				-154.6				-154.6
	NET		197.4				197.4				197.4				197.4
37	SPACE LAUNCH SUPPORT		381.1		-35.0		346.1				381.1		-35.0		346.1
	LESS: ADVANCE PROCUREMENT (PY)		-85.1				-85.1				-85.1				-85.1
	NET		296.0		-35.0		261.0				296.0				261.0
40	DEF METEOROLOGICAL SAT PROG (MYP)		54.0				54.0				54.0				54.0
42	DEFENSE SUPPORT PROGRAM		131.3				131.3				131.3				131.3
44	DEFENSE SATELLITE COMM SYSTEM (MYP)	2	187.7			2	187.7			2	187.7			2	187.7
	LESS: ADVANCE PROCUREMENT (PY)		-52.2				-52.2				-52.2				-52.2
	NET		135.5				135.5				135.5				135.5
45	ADVANCE PROCUREMENT (CY)		13.7				13.7				13.7				13.7
46	AF SATELLITE COMM SYSTEM	1	34.4			1	34.4			1	34.4			1	34.4
47	SPACE BOOSTERS	7	126.9			7	126.9			7	126.9			7	126.9
48	SPACE DEFENSE SYSTEM		[ ]				[ ]				[ ]		-65.0		-65.0
	LESS: ADVANCE PROCUREMENT (PY)														
	NET		[ ]				[ ]				[ ]				-65.0
49	ADVANCE PROCUREMENT (CY)		[ ]				[ ]				[ ]				[ ]
50	SPACE SHUTTLE		22.1				22.1				22.1				22.1
	SPECIAL PROGRAMS														
51	OTHER PROGRAMS		170.0				170.0				170.0				170.0
52	HAVE FLAG		[ ]				[ ]				[ ]				[ ]
53	FOREST GREEN		4.7				4.7				4.7				4.7
54	IONDS (MYP)		45.8				45.8				45.8				45.8
55	SPECIAL PROGRAMS		1915.8		-32.4		1883.4		-42.5		1873.3		-38.1		1877.7
56	SPECIAL UPDATE PROGRAMS		887.4		40.1		927.5				887.4		40.1		927.5
	CLASSIFIED PROGRAM		[ ]				[ ]		-75.0		-75.0				[ ]
	SUBTOTAL, OTHER SUPPORT		4169.2		-27.3		4141.9		-117.5		4051.7		-98.0		4071.2
	PRIOR YEAR AUTHORIZATION TRANSFER		---				---		-11.8		-11.8		-11.8		-11.8
	FY 87 AND SUBSEQUENT YEARS INFLATION		---				---		-429.1		-429.1				---
	INFLATION REESTIMATE FOR FY 86		---		-13.0		-13.0		-13.0		-13.0		-13.0		-13.0
	PRIOR YEAR PROGRAM SAVINGS		---		-35.0		-35.0		-31.0		-31.0		-31.0		-31.0
	ROUNDING ADJUSTMENT		.1				.1				.1				---
	TOTAL, AIR FORCE MISSILES		10862.7		-1587.8		9274.9		-3455.1		7407.6		-1854.0		9008.6

Peacekeeper (MX)

The Senate bill approved the full amount requested for research and development for the MX and provided for procurement of 12 MX missiles, equipment to support basing of not more than 50 MX missiles in existing silos, and full funding of the request for initial spares, for a total procurement of $1,889.3 million. In addition, the Senate bill expressed the sense of Congress that not more than 50 MX missiles should be deployed in existing Minuteman silos. The House amendment reduced the research and development request by $100 million, provided for the procurement of no additional MX missiles, and provided $921 million to support basing of not more than 40 deployed MX missiles.

The conferees agreed to a limitation in law of no more than 50 MX missiles in existing Minuteman silos. The conferees further agreed to provide $1,746.0 million to procure 12 MX missiles and 18 basing sets to support the silo based deployments of 50 MX missiles, $105 million for initial spares, and $734.1 million for MX research and development.

The conference provision is explicit with regard to the limitation on further deployment (beyond 50 MX missiles) in existing Minuteman silos and is equally explicit with regard to the possibility of further MX deployments should the President propose and the Congress approve a more survivable basing mode.

The conferees are in agreement that MX procurement shall continue to provide missiles necessary for the operational test program and the missile aging and surveillance program. Although the conferees did not address the ultimate size of the MX test program, the conference provision notes that from 12 to 21 missiles should be procured for these purposes in fiscal year 1987.

Missile replacement equipment—strategic

The budget request contained $86.7 million for procurement of strategic force modernization missile replacement equipment in fiscal year 1986. The House amendment would authorize $76.7 million for strategic force modernization missile replacement equipment in fiscal year 1986. The Senate bill would authorize $56.7 million for the same purpose.

The conferees agreed to authorize $66.7 million for procurement of strategic force modernization missile replacement equipment in fiscal year 1986.

AIM-9L/M Sidewinder

The budget request contained $43.3 million for procurement of 800 AIM-9L/M Sidewinder missiles in fiscal year 1986. The House amendment would authorize $81.3 million for procurement of 1502 AIM-9L/M Sidewinder missiles in fiscal year 1986. The Senate bill would authorize $43.3 million for procurement of 800 AIM-9L/M Sidewinder missiles in fiscal year 1986.

The conferees agreed to authorize $81.3 million for 1502 AIM-9L/M Sidewinder missiles in fiscal year 1986.

The Senate recedes.

AGM-130 powered GBU-15

The budget request contained $48.5 million for procurement of 97 AGM-130 powered GBU-15 missiles in fiscal year 1986. The House amendment would authorize $16.0 million for the AGM-130 powered GBU-15 missile. The Senate bill would authorize $48.5 million for procurement of 97 AGM-130 powered GBU-15 missiles in fiscal year 1987.

The conferees agreed to authorize $20.0 million for procurement of 40 AGM-130 powered GBU-15 missiles in fiscal year 1986.

AGM-65D Maverick

The budget request contained $489.0 million for procurement of 3500 AGM-65D Maverick missiles in fiscal year 1986. The House amendment would authorize $430.9 million for procurement of 2950 AGM-65D Maverick missiles in fiscal year 1986. The Senate bill would authorize $489.0 million for procurement of 3500 AGM-65D Maverick missiles in fiscal year 1986.

The conferees agreed to authorize $430.9 million for procurement of 2950 Maverick missiles in fiscal year 1986.

The Senate recedes.

AGM-88A HARM

The budget request contained $478.1 million for procurement of 1715 AGM-88A HARM missiles in fiscal year 1986. The House amendment would authorize $425.7 million for procurement of 1715 AGM-88A HARM missiles in fiscal year 1986. The Senate bill would authorize $478.1 million for procurement of 1715 AGM-88A HARM missiles in fiscal year 1986.

The conferees agreed to authorize $478.1 million for procurement of 1715 HARM missiles.

The House recedes.

Rapier

The budget request contained $7.6 million for procurement of Rapier missiles in fiscal year 1986. The House amendment would authorize $3.6 million for procurement of 1715 Rapier missiles in fiscal year 1986. The Senate bill would authorize $7.6 million for procurement of 1715 Rapier missiles in fiscal year 1986.

The conferees agreed to authorize $3.6 million for procurement of Rapier missiles.

The Senate recedes.

Advanced medium range air-to-air missile (AMRAAM)

The budget request contained $366.5 million to procure 90 AMRAAM missiles and $65.9 million for advance procurement.

The Senate bill would authorize $200.0 million for procurement of AMRAAM missiles and $65.9 million for advance procurement. The House amendment contained no funds for AMRAAM.

The conferees recommend authorization of $150.0 million for missile procurement for purposes of qualifying a second manufacturer and instituting producibility improvements and $30.0 million for advance procurement.

The conferees also agreed that unobligated funds totaling $29.4 million of fiscal year 1984 AMRAAM advanced procurement may be carried forward to fiscal year 1986.

The advance procurement funds totaling $59.4 million may not be obligated or expended until 30 days after the results of the Production Readiness Review (PRR) Number Four, scheduled for not later than June 1986, have been submitted to the Committees on Armed Services of the Senate and the House of Representatives.

BGM-109 (ground launched cruise missile)

The budget request contained $544.1 million for procurement of 95 BGM-109 (GLCM) missiles in fiscal year 1986 and $9.8 million for advance procurement of 76 missiles in fiscal year 1987. The House amendment would authorize $534.1 million for procurement of 95 BGM-109 missiles in fiscal year 1986 and $9.8 million for advance procurement of 76 missiles in fiscal year 1987. The Senate bill would authorize $544.1 million for procurement of 95 BGM-109 missiles in fiscal year 1986 and $9.8 million for advance procurement of 76 missiles in fiscal year 1987—the full amount requested.

The conferees agree to authorize $534.1 million for procurement of 95 BGM-109 CLCM missiles in fiscal year 1986 and $9.8 million for advance procurement of 76 missiles in fiscal year 1987.

Modification of missiles

The budget request contained $134.5 million for modification of missiles in fiscal year 1986, including $13.5 million for Class V modifications. The House amendment would authorize $129.4 million for modification of missiles in fiscal year 1986, including $8.4 million for Class V modifications. The Senate bill would authorize the full amount requested.

The House recedes.

Spares and repair parts

The budget request contained $539.2 million for missile spares and repair parts, including $143.0 million for MX initial spares, $0.9 million for Maverick spares, $7.2 million for HARM spares, $6.1 million for AMRAAM spares, and unspecified amounts for classified program spares. The House amendment would authorize $369.4 million for missile spares and repair parts, including $0.7 million for Maverick spares, and $6.3 million for HARM spares. The House amendment would make unspecified reductions in classified program spares. The House amendment does not contain authorization for MX initial spares or AMRAAM spares. The Senate bill would authorize $514.3 million for missile spares and repair parts, including $143.0 million for MX initial spares, $0.9 million for Maverick spares, $7.2 million for HARM spares, and $6.1 million for AMRAAM spares. The Senate bill would make unspecified reductions in classified program spares.

The conferees agree to authorize $465.3 million for Air Force missile spares and repair parts, including the following specific authorizations for initial spares:

MX initial spares, $105.0 million;
Classified program spares, [——];
Maverick spares, $0.7 million;
HARM spares, $7.2 million;
AMRAAM spares, $0.0 million;

Modification of spares

The budget request contained $2.2 million for modification of Maverick spares. The House amendment would authorize $1.9 million for modification of Maverick spares. The Senate bill would authorize $2.2 million for modification of Maverick spares.

The conferees recommend authorization of $1.9 million for modification of Maverick spares.

The Senate recedes.

Replenishment spares

The budget request contained $8.6 million for Maverick spares, $5.2 million for HARM spares, $4.1 million for Rapier spares, and $0.3 million for AMRAAM spares. The House amendment would authorize $7.3 million for Maverick spares, $4.6 million for HARM spares, $1.9 million for Rapier spares, and no authorization for AMRAAM spares. The Senate bill would authorize $8.6 million for Maverick spares, $5.2 million for HARM spares, $4.1 million for Rapier spares, and $0.3 million for AMRAAM spares.

The conferees recommend authorization of $7.3 million for Maverick spares, $5.2 million for HARM spares, $1.9 million for Rapier spares; no authorization for AMRAAM spares; and no authorization for MX spares.

Other support

Space launch support

The budget request contained $296.0 million for space launch support in fiscal year 1986. The House amendment would authorize the full amount requested. The Senate bill would authorize $261.0 million for space launch support in fiscal year 1986.

The House recedes.

Space defense system

The budget request contained $83.0 million for ASAT-related procurement under the space defense system program in fiscal year 1986, including $14.9 million for advance procurement for fiscal year 1987. The House amendment would authorize the requested amount. The Senate bill would authorize the requested amount.

The Committees on Armed Services are concerned with the technical problems being experienced in the ASAT program and the resulting schedule slippage and expect the Air Force to review and, If necessary, to restructure the program.

The conferees agreed to authorize $18.0 million for space defense systems in fiscal year 1986, and $14.9 million for advance procurement for fiscal year 1987. The conferees invite the Air Force to reprogram funds into the RDT & E program for the purpose of addressing technical issues.

Special programs

The budget request contained $1,915,8 million for special programs in fiscal year 1986. The House amendment would authorize $1,873.3 million for the same purpose. The Senate bill would authorize $1,883.4 million for the same purpose.

The conferees agreed to authorize $1,877.7 million for special programs in fiscal year 1986.

Special update programs

The budget request contained $887.4 million for special update programs in fiscal year 1986. The House amendment would authorize the requested amount. The Senate bill would authorize $927.5 million for special update programs in fiscal year 1986.

The conferees agreed to authorize $927.5 million for special programs in fiscal year 1986.

Prior year transfer

The House amendment authorized the transfer of $11.8 million in prior year appropriations to be applied to the fiscal year 1986 Air Force missile program. The Senate bill did not provide for similar authorization.

The conferees agreed to authorize the transfer of $11.8 million in prior year appropriations to be applied to the fiscal year 1986 Air Force missile program, including the following specific transfers:

Fiscal year 1985 Rapier, $4.0 million;

Fiscal year 1983 ALCM, $5.3 million;

Fiscal year 1983 AIM-9L/M Sidewinder, $0.3 million;

Fiscal year 1983 Defense meteorological satellite program, $2.2 million.

The Senate recedes.

OTHER PROCUREMENT, AIR FORCE

(DOLLARS IN MILLIONS)

LINE NO.	TITLE	FISCAL YEAR 1986 REQUEST		S. 1160 AS PASSED				H.R. 1872 AS PASSED				CONFERENCE			
				CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION	
		QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	MUNITIONS AND ASSOCIATED EQUIPMENT														
	ROCKETS AND LAUNCHERS														
1	2.75 INCH ROCKET MOTOR	100000	22.3			100000	22.3			100000	22.3			100000	22.3
2	GTR-18 MISSILE SIMULATOR	65867	2.0			65867	2.0			65867	2.0			65867	2.0
4	ROCKET TRAINING 35MM	52280	1.7			52280	1.7			52280	1.7			52280	1.7
5	ITEMS LESS THAN $900,000		4.6				4.6				4.6				4.6
	CARTRIDGES (THOUSANDS)														
6	9 MM PARABELLUM	10000	1.2	-10000	-1.2	0	0.0			10000	1.2			10000	1.2
8	5.56 MM	29513	4.5			29513	4.5			29513	4.5			29513	4.5
10	20 MM TRAINING	450	1.5			450	1.5			450	1.5			450	1.5
11	30 MM TRAINING	9000	100.4			9000	100.4	-340	-8.8	8660	91.6	-340	-8.8	8660	91.6
13	30 MM API	2165	30.6			2165	30.6			2165	30.6			2165	30.6
15	40 MM TP GRENADES	750	3.5			750	3.5			750	3.5			750	3.5
16	40 MM HE GRENADES	1009	16.6			1009	16.6			1009	16.6			1009	16.6
18	CART CHAFF, RR-170	5707	17.8			5707	17.8			5707	17.8			5707	17.8
19	CART CHAFF, RR-136	67	.5			67	.5			67	.5			67	.5
20	SIGNAL MK-4 MOD 3	1258	1.7			1258	1.7			1258	1.7			1258	1.7
21	MXU-4A/A ENGINE STARTER	50	5.0			50	5.0			50	5.0			50	5.0
22	CART IMP 3000 FT/LBS	1913	4.3			1913	4.3	-514	-1.1	1399	3.2	-514	-1.1	1399	3.2
24	ITEMS LESS THAN $900,000		8.7				8.7				8.7				8.7
	BOMBS														
25	MK-82 INERT/BDU-50	49638	13.4			49638	13.4			49638	13.4			49638	13.4
26	DURANDAL	3483	94.5			3483	94.5		-13.9	3483	80.6	-483	-7.9	3000	86.6
27	TIMER ACTUATOR FIN FUZE	5000	2.0			5000	2.0	-5000	-2.0	0	-0.0		-2.0		0.0
28	BSU-49 INFLATABLE RETARDER	51392	34.7			51392	34.7			51392	34.7			51392	34.7
29	BSU-50 INFLATABLE RETARDER	9300	10.2			9300	10.2			9300	10.2			9300	10.2
30	BOMB 2000 LB HIGH EXPLOSIVE	13006	34.1			13006	34.1	-1000	-11.9	12006	22.2			13006	34.1
31	CLUSTER BOMB, MK-20 (ROCKEYE)	1496	4.4			1496	4.4			1496	4.4			1496	4.4
32	LASER BOMB GUIDANCE KIT	2575	103.7	-2575	-103.7	0	0.0	-2575	-103.7	-2575	0.0	-2575	-103.7	0	0.0
33	GBU-15	715	127.9			715	127.9	-115	-17.7	600	110.2			715	127.9
34	BOMB, PRACTICE 25 POUND	100000	20.9			100000	20.9			100000	20.9			100000	20.9
35	BOMB, PRACTICE BDU-38	683	5.4			683	5.4			683	5.4			683	5.4
36	BOMB, PRACTICE MK-106	122472	1.3			122472	1.3			122472	1.3			122472	1.3
37	MK-84 BOMB-EMPTY	4736	6.8			4736	6.8			4736	6.8			4736	6.8
38	CBU-89 (TMD/GATOR)	4406	202.0			4406	202.0	-806	-37.0	3600	165.0	-706	-30.0	3700	172.0
39	CBU-87 (COMBINED EFFECTS MUNITION)	22500	552.9			22500	552.9			22500	552.9			22500	552.9
40	BIGEYE	425	22.1			425	22.1			425	22.1			425	22.1
41	ITEMS LESS THAN $900,000		1.5				1.5				1.5				1.5
	TARGETS														
42	AERIAL TOW TARGET	365	8.4			365	8.4	-165	-4.6	200	3.8	-65	-1.6	300	6.8
43	ITEMS LESS THAN $900,000		.3				.3				.3				.3
	OTHER ITEMS														
45	FLARE, IR MJU-7B	563040	13.3			563040	13.3			563040	13.3			563040	13.3
46	FLARE, PARA, LUU-4B	3600	1.4			3600	1.4			3600	1.4			3600	1.4
47	FLARE, IR MJU-2	100022	3.1			100022	3.1			100022	3.1			100022	3.1
49	M-206 CARTRIDGE FLARE	228000	1.4			228000	1.4			228000	1.4			228000	1.4
51	SIGNAL, SMOKE/ILLUM MK-6	20356	2.0			20356	2.0			20356	2.0			20356	2.0
52	SIGNAL SMOKE AND ILLUMINATING	109944	2.5			109944	2.5			109944	2.5			109944	2.5
53	MC-3468, RETARD DEVICE	153	1.9			153	1.9			153	1.9			153	1.9
54	RAPID MUNITIONS ASSEMBLY	46	3.9			46	3.9		-1.1	46	2.8		-1.1	46	2.8
58	SPARES AND REPAIR PARTS		9.5				9.5		-2.4		7.1		-2.4		7.1
59	MODIFICATIONS		.7				.7				.7				.7
60	ITEMS LESS THAN $900,000		21.3		-2.3		19.0				21.3		-2.3		19.0
	FUZES														
62	FMU-130	10500	8.4			10500	8.4	-10500	-8.4	0	0.0	-10500	-8.4	0	0.0
63	FMU-112/FMU-139	75000	61.7			75000	61.7	-18650	-20.0	50000	41.7	-25000	-20.0	50000	41.7
65	ITEMS LESS THAN $900,000		.2				.2				.2				.2
	OTHER WEAPONS														
66	M-203 GRENADE LAUNCHER	1314	.8			1314	.8			1314	.8			1314	.8
67	MACHINE GUN, 7.62MM, M-60	1259	3.8			1259	3.8			1259	3.8			1259	3.8
68	GAU-5 MACHINE GUN	2917	1.4			2917	1.4			2917	1.4			2917	1.4
69	40MM MACHINE GUN, MK-19	499	4.2			499	4.2			499	4.2			499	4.2
70	9MM HANDGUN	19000	6.8	-19000	-6.8	0	-0.0			19000	6.8			19000	6.8
	SUBTOTAL, MUNITIONS & ASSOCIATED EQUIP		1621.8		-114.0		1507.8		-232.6		1389.2		-189.4		1432.4
	VEHICULAR EQUIPMENT														
	PASSENGER CARRYING VEHICLES														
71	SEDAN, 4 DR 4X2	293	1.9			293	1.9			293	1.9			293	1.9
72	STATION WAGON, 4X2	283	2.2			283	2.2			283	2.2			283	2.2
73	BUS, 28 PASSENGER	155	4.8			155	4.8			155	4.8			155	4.8
74	BUS, INTERCITY	10	1.8			10	1.8			10	1.8			10	1.8
75	BUS, 44 PASSENGER	81	2.8			81	2.8			81	2.8			81	2.8
76	AMBULANCE, BUS	27	2.2			27	2.2	-22	-1.8	5	.3			27	2.2

LINE NO.	TITLE	FISCAL YEAR 1986 REQUEST		S. 1160 AS PASSED: CHANGE FROM REQUEST		S. 1160 AS PASSED: RECOMMENDATION		H.R. 1872 AS PASSED: CHANGE FROM REQUEST		H.R. 1872 AS PASSED: RECOMMENDATION		CONFERENCE: CHANGE FROM REQUEST		CONFERENCE: RECOMMENDATION	
		QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	CARGO & UTILITY VEHICLES														
78	TRUCK, STAKE/PLATFORM	540	6.8			540	6.8	-416	-2.3	124	4.5			540	6.8
79	TRUCK, CARGO-UTILITY, 3/4T, 4X4	406	4.5			406	4.5	-79	-.9	327	3.6			406	4.5
80	TRUCK, CARGO-UTILITY, 1/2T, 4X2	486	4.4			486	4.4			486	4.4			486	4.4
81	TRUCK, PICKUP, 1/2T, 4X2	850	6.5			850	6.5			850	6.5			850	6.5
82	TRUCK, PICKUP, COMPACT	1168	6.4			1168	6.4		-.6	1168	5.8			1168	6.4
84	TRUCK, MULTI-STOP 1 TON 4X2	751	11.7			751	11.7	-68	-1.0	683	10.7			751	11.7
85	TRUCK, PANEL, 4X2	348	3.5			348	3.5			348	3.5			348	3.5
86	SHOP VAN 4X4	20	.9			20	.9	-12	-.5	8	.4			20	.9
87	TRUCK, CARRYALL	571	7.5			571	7.5	-108	-1.4	463	6.1			571	7.5
88	COMMERCIAL UTILITY CARGO VEHICLE	258	3.6			258	3.6			258	3.6			258	3.6
89	TRUCK, CARGO, 2 1/2T, 6X6, M-35	371	15.6			371	15.6			371	15.6			371	15.6
90	TRUCK, CARGO 5T M-923,M-925	223	17.1			223	17.1			223	17.1			223	17.1
91	SEMI-TRAILER, 20 T	34	.4			34	.4			34	.4			34	.4
93	HIGH MOBILITY VEHICLE (MYP)	594	15.3			594	15.3			594	15.3			594	15.3
95	TRUCK, TRACTOR 5T M-932 (MYP)	15	1.0			15	1.0			15	1.0			15	1.0
96	TRUCK, TRACTOR, OVER 5T	102	4.4			102	4.4			102	4.4			102	4.4
97	TRUCK, WRECKER	7	.4			7	.4			7	.4			7	.4
98	TRUCK, WRECKER 5T M936 (MYF)	26	3.9			26	3.9			26	3.9			26	3.9
99	TRUCK, DUMP 5 TON	183	8.1			183	8.1			183	8.1			183	8.1
100	TRUCK, UTILITY	218	2.2			218	2.2	-81	-.8	137	1.4			218	2.2
102	ITEMS LESS THAN $900,000		8.4				8.4				8.4				8.4
	SPECIAL PURPOSE VEHICLES														
103	TRUCK, MAINT 4X2	287	2.6			287	2.6	-111	-1.6	176	1.0			267	2.6
104	TRUCK, MAINT, 4X4	101	1.2			101	1.2			101	1.2			101	1.2
105	TRUCK, MAINT, HI-REACH	26	2.1			26	2.1			26	2.1			26	2.1
106	TRUCK, TELEPHONE MAINTENANCE	26	3.8			26	3.8			26	3.8			26	3.8
107	TRUCK, TANK, 1200 GAL	56	2.0			56	2.0			56	2.0			56	2.0
108	TRUCK, TANK FUEL R-9	216	23.6			216	23.6			216	23.6			216	23.6
109	TRUCK, TANK, FUEL, M-49	31	1.8			31	1.8			31	1.8			31	1.8
111	TRUCK, TANK, LIQ NIT, C-5	2	.5			2	.5			2	.5			2	.5
113	TRACTOR, A/C TOW, MB-4	110	2.9			110	2.9			110	2.9			110	2.9
114	TRACTOR, TOW, FLIGHTLINE	260	3.9			260	3.9			260	3.9			260	3.9
115	TRACTOR, WHEELED, INDUSTRIAL	150	1.9			150	1.9			150	1.9			150	1.9
116	TRACTOR, DOZER	37	2.4			37	2.4			37	2.4			37	2.4
118	VEHICLE, LAW ENFORCEMENT	271	2.3			271	2.3	-144	-1.2	127	1.1			271	2.3
119	TRUCK, DEMINERAL WATER, 2600 GAL	9	.9			9	.9			9	.9			9	.9
120	TRUCK, HI LIFT C5	2	.1			2	.1			2	.1			2	.1
121	TRUCK, HI LIFT 3T	3	.2			3	.2			3	.2			3	.2
122	TRUCK, HI LIFT, 9T	3	.2			3	.2			3	.2			3	.2
123	TRUCK, REFUSE	23	1.8			23	1.8			23	1.8			23	1.8
124	TRUCK, HYDRANT FUEL	39	3.9			39	3.9			39	3.9			39	3.9
125	TRAILER WATER M149	21	.2			21	.2			21	.2			21	.2
126	TRAILER FUEL A1B	15	.2			15	.2			15	.2			15	.2
128	SEMI TRAILER COMPRESSED GAS	16	2.7			16	2.7			16	2.7			16	2.7
129	SEMI TRAILER TANK UDMH	1	.1			1	.1			1	.1			1	.1
131	DOLLY M832	19	.4			19	.4			19	.4			19	.4
133	TRACTOR WHEELED W DOZER	3	.4			3	.4			3	.4			3	.4
134	ITEMS LESS THAN $900,000		7.5				7.5				7.5				7.5
	FIRE FIGHTING EQUIPMENT														
135	TRUCK, CRASH P-4/P-19	140	23.8			140	23.8			140	23.8			140	23.8
136	TRUCK, CRASH P-15	5	3.5			5	3.5			5	3.5			5	3.5
137	TRUCK, CRASH P-2	18	8.2			18	8.2			18	8.2			18	8.2
138	TRUCK, WATER P-18	52	3.9			52	3.9			52	3.9			52	3.9
139	TRUCK, PUMPER P-8	16	1.9			16	1.9			16	1.9			16	1.9
140	TRUCK, PUMPER P-12	2	.2			2	.2			2	.2			2	.2
141	TRUCK, CRASH P-10	14	.4			14	.4			14	.4			14	.4
142	TRUCK, CRASH P-13/P-20	20	.5			20	.5			20	.5			20	.5
144	ITEMS LESS THAN $900,000		.8				.8				.8				.8
	MATERIALS HANDLING EQUIPMENT														
145	TRUCK, F/L 4,000 LB GED/DED 144'	151	2.2			151	2.2			151	2.2			151	2.2
146	TRUCK, F/L 6000 LB	203	4.9			203	4.9	-16	-.4	187	4.5			203	4.9
147	TRUCK, F/L 10,000 LB	196	10.9			196	10.9			196	10.9			196	10.9
148	TRUCK F/L LARGE CAPACITY AT	10	.6			10	.6			10	.6			10	.6
149	TRUCK, F/L 15000 LB	19	.8			19	.8			19	.8			19	.8
150	LARGE CAPACITY LOADER	10	4.3			10	4.3			10	4.3			10	4.3
151	25K A/C LOADER	45	6.3			45	6.3			45	6.3			45	6.3
153	TRACTOR, WHSE, 4,000 LB	101	.8			101	.8			101	.8			101	.8
154	CONTAINER, LIFT, TRUCK	20	4.5			20	4.5			20	4.5			20	4.5
155	ITEMS LESS THAN $900,000		2.7				2.7				2.7				2.7
	BASE MAINTENANCE SUPPORT														
156	LOADER, SCOOP	54	3.6			54	3.6			54	3.6			54	3.6
157	LOADER, SCOOP, W/BACKHOE	20	.7			20	.7			20	.7			20	.7
158	DISTRIBUTOR, WATER 1500 GALLON	69	3.5			69	3.5			69	3.5			69	3.5
160	CLEANER, RUNWAY/STREET	139	6.0			139	6.0			139	6.0			139	6.0
161	ROLLER, VIBRATING	29	.7			29	.7			29	.7			29	.7
162	TRUCK, DUMP 22T	9	.9			9	.9			9	.9			9	.9
163	GRADER, ROAD, MOTORIZED	54	3.1			54	3.1			54	3.1			54	3.1
164	CRANE, 7-50 TON	23	3.1			23	3.1			23	3.1			23	3.1
165	EXCAVATOR, DED, PT	38	4.3			38	4.3			38	4.3			38	4.3
166	WATERCRAFT	3	4.3			3	4.3			3	4.3			3	4.3
167	SPARES AND REPAIR PARTS		4.5				4.5				4.5				4.5
168	MODIFICATIONS		.2				.2				.2				.2
169	ITEMS LESS THAN $900,000		7.2				7.2				7.2				7.2
	UNDISTRIBUTED REDUCTION		---		-20.0		-20.0				---		-20.0		-20.0
	SUBTOTAL, VEHICULAR EQUIPMENT		340.9		-20.0		320.9		-12.5		328.4		-20.0		320.8

LINE NO.	TITLE	FISCAL YEAR 1986 REQUEST		S. 1160 AS PASSED				H.R. 1872 AS PASSED				CONFERENCE			
				CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION	
		QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	ELECTRONICS AND TELECOMMUNICATIONS EQUIPMENT														
	COMM SECURITY EQUIPMENT (COMSEC)														
170	SPACE SYSTEMS (COMSEC)		33.5				33.5				33.5				33.5
171	TEMPEST EQUIPMENT		.5				.5				.5				.5
172	TAC SECURE VOICE		13.2				13.2				13.2				13.2
173	DCS SECURE VOICE (COMSEC)		27.7				27.7				27.7				27.7
174	SECURE DATA		41.0				41.0				41.0				41.0
175	TRI-TAC (COMSEC)		28.6				28.6				28.6				28.6
176	SPARES AND REPAIR PARTS		7.6				7.6				7.6				7.6
177	MODIFICATIONS (COMSEC)		.3				.3				.3				.3
	INTELLIGENCE PROGRAMS														
178	INTELLIGENCE DATA HANDLING SYS		29.4		-5.6		23.8				29.4		-5.6		23.8
179	INTELLIGENCE TRAINING EQUIPMENT		9.1				9.1				9.1				9.1
180	INTELLIGENCE COMM EQUIP		4.6				4.6				4.6				4.6
182	COBRA SHOE		3.0				3.0				3.0				3.0
183	ITEMS LESS THAN $900,000		6.4				6.4				6.4				6.4
	ELECTRONICS PROGRAMS														
184	TRAFFIC CONTROL/LANDING		5.0				5.0				5.0				5.0
185	TACTICAL AIR CONTROL SYS IMPROVEMENT		95.4		-23.0		72.4	(-2)	-11.0	(2)	84.4		-11.0	(2)	84.4
186	WEATHER OBSERV/FORCAST		31.6				31.6				31.6				31.6
187	DEFENSE SUPPORT PROGRAM		117.8				117.8				117.8				117.8
188	OTH-B RADAR		237.0				237.0		-110.0		127.0		-70.0		167.0
189	SACDIN		1.1				1.1				1.1				1.1
190	SAC COMMAND AND CONTROL		11.1				11.1		-11.1		0.0				11.1
191	CHEYENNE MOUNTAIN COMPLEX		61.0		-5.9		55.1				61.0		-5.9		55.1
192	PAVE PAWS/SLBM WARNING SYSTEMS		9.0				9.0				9.0				9.0
193	BMEWS MODERNIZATION		70.8				70.8				70.8				70.8
194	SPACETRACK		10.1				10.1				10.1				10.1
195	NAVSTAR GPS		7.4		-4.0		3.4				7.4		-4.0		3.4
196	USAFE COMMAND/CONTROL SYSTEM		12.1				12.1		-5.7		6.4				12.1
197	PACAF COMMAND/CONTROL		9.9				9.9				9.9				9.9
198	DEFENSE METEOROLOGICAL SAT PROG		10.0		-2.0		8.0				10.0				10.0
200	CARIBBEAN BASIN RADAR NETWORK		4.4				4.4				4.4				4.4
201	MARS/USAF-FAA RADAR UPGRADE		16.6				16.6				16.6				16.6
202	TAC SIGINT SUPPORT		34.7				34.7				34.7				34.7
203	DIST EARLY WARNING RDR/NORTH WARNING		8.9				8.9				8.9				8.9
204	TRANSPORT GROUND INTERCEPT FACIL		17.5				17.5				17.5				17.5
205	TR-1 GROUND STATIONS		74.6				74.6		-20.0		54.6		-10.0		64.6
206	AIR BASE SURVIVABILITY		1.6				1.6				1.6				1.6
207	TEREC GROUND PROCESSOR		4.1				4.1				4.1				4.1
208	IMAGERY TRANS		37.5				37.5		-37.5		-0.0		-17.5		20.0
210	TACTICAL WARNING SYSTEMS SUPPORT		.4				.4				.4				.4
211	NORTH ATLANTIC DEFENSE C3		22.4				22.4				22.4				22.4
	SPECIAL COMM-ELECTRONICS PROJECTS														
212	AUTOMATIC DATA PROCESSING EQUIP		170.5				170.5				170.5				170.5
213	WWMCCS ADPE		36.4				36.4				36.4				36.4
214	MAC COMMAND AND CONTROL SUPPORT		13.3				13.3				13.3				13.3
215	GLCM COMMUNICATIONS		14.5				14.5				14.5				14.5
216	AIR BASE DEFENSE/AF PHYS SECURITY		52.5				52.5				52.5				52.5
217	WEAPONS STORAGE/SECURITY		2.9				2.9				2.9				2.9
218	RANGE IMPROVEMENTS		105.2		-15.0		90.2				105.2		-15.0		90.2
219	HF RADIO CONSOLIDATION		9.8				9.8				9.8				9.8
220	RADAR BOMB SCORER		9.1				9.1				9.1				9.1
221	PLSS		25.1				25.1				25.1				25.1
222	C3 COUNTERMEASURES		21.4				21.4				21.4				21.4
223	SPACE SHUTTLE		5.0				5.0				5.0				5.0
225	BASE LEVEL DATA AUTO PROGRAM		64.9				64.9		-17.0		47.9		-17.0		47.9
226	SATELLITE CONTROL FACILITY		66.3		-15.0		51.3				66.3				66.3
228	CONSTANT WATCH		15.9				15.9				15.9				15.9
229	CONSOLIDATED SPACE OPS CENTER		17.6				17.6				17.6				17.6
230	CMD CENTER PROCESSING/DISPLAY SYS		2.6				2.6				2.6				.6
231	HAMMER ACE		.8				.8				.8				.8
232	SAMTO TEST RANGES I&M		32.1		-10.0		22.1				32.1		-10.0		22.1
233	EMP HARDENING		12.7		-4.0		8.7				12.7				12.7
	AIR FORCE COMMUNICATIONS														
234	PROGRAM 698AJ		2.0				2.0				2.0				2.0
235	INFORMATION TRANSMISSION SYSTEMS		5.7				5.7				5.7				5.7
236	TELEPHONE EXCHANGE		52.9				52.9				52.9				52.9
237	JOINT TACTICAL COMM PROGRAM		161.9				161.9				161.9				161.9
238	USREDCOM		3.0				3.0				3.0				3.0
239	USCENTCOM		26.1		-10.0		16.1				26.1				26.1
241	AUTOMATED TELECOMMUNICATIONS PRG		19.1				19.1				19.1				19.1
243	TELETYPEWRITER EQUIPMENT		11.7				11.7				11.7				11.7
244	SATELLITE TERMINALS		65.1				65.1				65.1				65.1
	DCA PROGRAMS														
245	WIDEBAND SYSTEMS UPGRADE		45.7				45.7				45.7				45.7
247	MINIMUM ESSENTIAL EMER COMM NET		14.4				14.4				14.4				14.4
248	DCS SECURE VOICE EQUIPMENT		18.4				18.4				18.4				18.4
	ORGANIZATION AND BASE														
249	TACTICAL C-E EQUIPMENT		17.9				17.9		12.0		29.9				17.9
250	PRODUCTIVITY INV TELECOM		16.4				16.4				16.4				16.4

LINE NO.	TITLE	FISCAL YEAR 1986 REQUEST		S. 1160 AS PASSED				H.R. 1872 AS PASSED				CONFERENCE			
				CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION	
		QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
251	RADIO EQUIPMENT		38.6				38.6				38.6				38.6
253	FIBER OPTICS		1.4				1.4				1.4				1.4
254	TV EQUIPMENT (AFRTV)		4.5				4.5				4.5				4.5
255	CCTV/AUDIOVISUAL EQUIPMENT		4.7				4.7				4.7				4.7
257	E & I REQUIREMENTS		10.8				10.8				10.8				10.8
258	SPARES AND REPAIR PARTS		398.5				398.5		-16.8		381.7		-15.0		383.5
	TAC AIR CONTROL SYSTEM		(14.2)				(14.2)		(-5.0)		(9.2)				(9.2)
	IMAGERY TRANSMISSION		(1.8)				(1.8)		(-1.8)		(0.0)				(1.8)
	OTH-B		(26.9)				(26.9)		(-10.0)		(16.9)				(16.9)
259	ITEMS LESS THAN $900,000		15.5				15.5				15.5				15.5
	MODIFICATIONS														
260	COMM-ELECTRONICS CLASS IV		39.4				39.4				39.4				39.4
261	TRAFFIC CONTROL/LANDING		3.4				3.4				3.4				3.4
264	TACTICAL EQUIPMENT		25.4				25.4				25.4				25.4
265	ANTIJAM VOICE		19.0				19.0				19.0				19.0
	SUBTOTAL, ELECTRONICS & TELECOMM EQUIP		2816.8		-94.5		2722.3		-217.1		2599.7		-181.0		2635.8
	OTHER BASE MAINTENANCE AND SUPPORT EQUIPMENT														
	TEST EQUIPMENT														
266	BASE/ALC CALIBRATION PACKAGE		52.8		-7.8		45.0				52.8		-7.8		45.0
267	NEWARK AFS CALIBRATION PACKAGE		3.4				3.4				3.4				3.4
268	TEST EQUIPMENT-GEN PURP		39.7		-5.2		34.5				39.7		-5.2		34.5
269	ITEMS LESS THAN $900,000		42.0		-7.0		35.0				42.0		-7.0		35.0
	PERSONAL SAFETY AND RESCUE EQUIPMENT														
270	LIFE RAFT, 20 MAN	652	1.0			652	1.0			652	1.0			652	1.0
271	AUTOMATIC LIFE PERSERVER	3000	3.7			3000	3.7			3000	3.7			3000	3.7
272	NIGHT VISION GOGGLES	683	8.4			683	8.4			683	8.4			683	8.4
273	CHEMICAL/BIOLOGICAL DEF PROG		81.2				81.2				81.2				81.2
274	ITEMS LESS THAN $900,000		7.0				7.0				7.0				7.0
	DEPOT PLANT AND MATERIALS HANDLING EQUIPMENT														
275	BASE MECHANIZATION EQUIPMENT		37.5		-7.0		30.5				37.5				37.5
276	AIR TERMINAL MECHANIZATION EQUIP		1.2				1.2				1.2				1.2
276	ITEMS LESS THAN $900,000		18.5		-5.0		13.5				18.5		-5.0		13.5
	ELECTRICAL EQUIPMENT														
279	GENERATORS-MOBILE ELECTRIC		30.1		-3.0		27.1				30.1				30.1
280	FLOOD LIGHTS	900	10.7			900	10.7			900	10.7			900	10.7
281	ITEMS LESS THAN $900,000		.5				.5				.5				.5
	BASE SUPPORT EQUIPMENT														
283	MEDICAL/DENTAL EQUIPMENT		132.3		-12.3		120.0				132.3		-12.3		120.0
284	AIR BASE SURVIVABILITY		36.7				36.7				36.7				36.7
285	CDB ESSENTIAL FACILITIES		11.6				11.6		-11.6		0.0				11.6
287	BARRIER, AIRCRAFT ARRESTING SYSTEM	2	.2			2	.2			2	.2			2	.2
288	PALLET, AIR CARGO, 108'X88'	3000	2.7			3000	2.7			3000	2.7			3000	2.7
289	NET ASSEMBLY, 108'X88'		3.3				3.3				3.3				3.3
290	PUMPS AND COMPRESSORS		1.3				1.3				1.3				1.3
291	MOBILITY CONTAINERS	341	2.1			341	2.1			341	2.1			341	2.1
292	BLADDERS FUEL	183	2.7			183	2.7			183	2.7			183	2.7
293	TACTICAL SHELTER	72	17.8			72	17.8		-4.3	72	13.5			72	17.8
294	PHOTOGRAPHIC EQUIPMENT		6.5				6.5				6.5				6.5
296	PRODUCTIVITY INVESTMENTS		.9				.9				.9				.9
297	MOBILITY EQUIPMENT		43.1				43.1				43.1				43.1
298	WARTIME HOST NATION SUPPORT		5.1				5.1				5.1				5.1
299	SPARES AND REPAIR PARTS		14.3				14.3				14.3				14.3
300	ITEMS LESS THAN $900,000		17.8		-2.8		15.0				17.8		-2.8		15.0
	SPECIAL SUPPORT PROJECTS														
301	INTELLIGENCE PRODUCTION ACTIVITY		18.9				18.9				18.9				18.9
302	SCIENTIFIC/TECHNICAL INTELLIGENCE		4.6				4.6				4.6				4.6
303	TECH SURV COUNTERMEASURES EQ		4.9				4.9				4.9				4.9
304	DEFENSE DISSEMINATION SYSTEM		21.4		-6.7		14.7		-5.9		15.5		-5.9		15.5
305	AF TECHNICAL APPLICATION CENTER		15.9				15.9				15.9				15.9
306	PHOTO PROC/INTERPRET SYS		11.3		-1.3		10.0				11.3		-1.3		10.0
307	SELECTED ACTIVITIES		3933.1		-17.0		3916.1		-86.0		3847.1		-55.7		3877.4
308	SPECIAL UPDATE PROGRAM		86.5				86.5				86.5				86.5
309	INDUSTRIAL PREPAREDNESS		14.3				14.3				14.3				14.3
310	MISC EQUIPMENT		6.5				6.5				6.5				6.5
311	MODIFICATIONS		5.1				5.1				5.1				5.1
	SUBTOTAL, OTHER BASE MAINT & SUPP EQUIP		4758.6		-75.1		4683.5		-107.8		4650.8		-103.1		4655.4
	NONCENTRALLY MANAGED ITEMS		0.0				0.0		71.3		71.3		54.7		54.7
	UNDISTRIBUTED REDUCTION		---		-237.0		-237.0				---		-237.0		-237.0
	FY 87 AND SUBSEQUENT YEARS INFLATION		---				---		-312.9		-312.9				---
	PRIOR YEAR INFLATION SAVINGS		---		-242.0		-242.0		-242.0		-242.0		-242.0		-242.0
	INFLATION REESTIMATE FOR FY 86		---		-9.0		-9.0		-9.0		-9.0		-9.0		-9.0
	PRIOR YEAR PROGRAM SAVINGS		---		-40.0		-40.0		-40.0		-40.0		-40.0		-40.0
	TOTAL, AIR FORCE OTHER PROCUREMENT		9538.0		-831.6		8706.5		-1102.6		8435.4		-966.9		8571.1

Munitions and associated equipment

The budget request contained $1,621.8 million for munitions and associated equipment. The House amendment would authorize $1,389.2 million for munitions and associated equipment. The Senate bill would authorize $1,507.8 million for munitions and associated equipment. The conferees recommend authorization of $1,432.4 million for this program.

Vehicular equipment

The budget request contained $340.9 million for procurement of vehicular equipment. The House amendment would authorize $328.4 million for procurement of vehicular equipment. The Senate bill would authorize $320.9 million for procurement of vehicular equipment. The conferees recommend authorization of $320.8 million for procurement of vehicular equipment.

Electronics and telecommunication equipment

The budget request contained $2,816.8 million for procurement of electronics and telecommunication equipment in fiscal year 1986. The House amendment would authorize $2,599.7 million for electronics and telecommunication equipment. The Senate bill would authorize $2,722.3 million for the same purpose. The conferees recommend authorization of $2,635.8 million for electronics and telecommunication equipment.

Over-the-Horizon Backscatter (OHT-B) radar

The budget request contained $237.0 million for procurement of two Over-the-Horizon Backscatter (OTH-B) radar sectors in fiscal year 1986. In addition, $26.9 million was requested for associated initial spares. The Senate bill authorized the requested amount. The House amendment would reduce the request by $10 million associated with one sector and reduce the associated spares by $10.0 million. The conferees agreed to the spares reduction of $10.0 million and agreed to authorize $167.0 million to fund one sector and, due to budgetary constraints, to provide $40 million for advance procurement of electronic parts required for the remaining two west coast sectors to be procured in the future. The conferees believe that the cost savings gained from quantity buys of these parts warrant a waiver to the full funding policy for this appropriation.

Range improvements

The budget request contained $105.2 million for range improvements.

The Senate bill would authorize $90.2 million. The House amendment would authorize the full request.

The House recedes.

The conferees expressed concern over the increased funding for improvement of Department of Defense ranges. The conferees understand the Air Force is initiating a large effort to improve its strategic range capability. The Navy and the Air Force are spending significant funds to improve their tactical ranges with expensive equipment (e.g., electronic warfare simulators and air combat maneuvering instrumentation (ACMI)).

The conferees believe that proper training for combat is essential but are concerned that these funds are expended in the most cost-effective manner. To that end, the Department of Defense is required to submit a report to the Committees on Armed Services of the Senate and the House of Representatives detailing the department's plans for range usage and improvement.

This report should include but not be limited to (1) efforts to maximize interservice sharing of ranges; (2) plans to design ranges for multimission usage (e.g., tactical and strategic); (3) plans to minimize duplicative procurement of expensive range systems (e.g., ACMI); (4) range usage rates including interservice usage; and (5) total costs of all services range modernization programs.

This report should be submitted not later than January 31, 1986.

Other base maintenance and support equipment

The budget request contained $4,758.6 million for other base maintenance and support equipment. The House amendment would authorize $4,650.7 million for base maintenance and support equipment. The Senate bill would authorize $4,683.5 million for the same purpose. The conferees recommend authorization of $4,655.4 for other base maintenance and support equipment.

Non-centrally managed items

The House amendment would authorize $71.3 million in the Other Procurement, Air Force account for non-centrally managed items valued in excess of $3,000 for which the budget request sought funds in the Operation and Maintenance, Air Force account. The House report on the authorization bill notes that such items are more properly considered investment items rather than expense items.

The Senate bill contained no similar authorization.

The conferees recommend authorization of $54.7 million for non-centrally managed items valued in excess of $5,000 in the Other Procurement, Air Force account. As discussed in the Operation and Maintenance section, non-centrally managed items with a cost of $3,000–$5,000 are authorized in Operation and Maintenance.

The Senate recedes with an amendment.

PROCUREMENT, DEFENSE AGENCIES

(DOLLARS IN MILLIONS)

LINE NO.	TITLE	FISCAL YEAR 1986 REQUEST		S. 1160 AS PASSED				H.R. 1872 AS PASSED				CONFERENCE			
				CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION	
		QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	MAJOR EQUIPMENT:														
1	OSD/WHS:		59.4				59.4				59.4				59.4
2	NSA:														
	CLASSIFIED EQUIPMENT		[ ]		-3.0		-3.0		-36.2		-36.2		-29.9		-29.9
	SECURE TELEPHONE AND OTHER EQUIPMENT		0.0				0.0		15.0		15.0		15.0		15.0
	DNA:														
3	VEHICLES		.2				.2				.2				.2
4	OTHER CAPITAL EQUIPMENT		5.6				5.6				5.6				5.6
	DCA:														
5	WWMCCS ADP SYSTEMS		14.8				14.8				14.8				14.8
6	DEFENSE SWITCHING NETWORK		10.8				10.8				10.8				10.8
7	ITEMS LESS THAN $900,000 EACH		43.7				43.7				43.7				43.7
8	DIA:														
	INTELLIGENCE AND COMMUNICATIONS		[ ]		-.8		-.8				[ ]		-.8		-.8
	CLASSIFIED PROGRAM		[ ]				[ ]		-4.7		-4.7		-3.9		-3.9
	DLA:														
9	MATERIALS HANDLING EQUIPMENT		13.6		-3.0		10.6				13.6		-3.0		10.6
10	VEHICLES		1.9				1.9				1.9				1.9
11	MECHANIZED MATERIALS HANDLING SYSTEMS		16.4				16.4				16.4				16.4
12	ADP EQUIPMENT		74.6				74.6				74.6				74.6
13	TELECOMMUNICATIONS EQUIPMENT		11.0				11.0				11.0				11.0
14	OTHER MAJOR EQUIPMENT		6.8				6.8				6.8				6.8
	DMA:														
17	ADP EQUIPMENT		16.8				16.8				16.8				16.8
19	VEHICLES		.3				.3				.3				.3
20	OTHER CAPITAL EQUIPMENT		26.6				26.6				26.6				26.6
21	AF PHASE IV COMPUTER		4.2				4.2				4.2				4.2
24	PASS REPLACEMENT		2.7				2.7				2.7				2.7
25	DIS: VEHICLES		1.7				1.7				1.7				1.7
27	USUHS: ITEMS LESS THAN $900,000 EACH		.7				.7				.7				.7
28	DCAA: ITEMS LESS THAN $900,000 EACH		7.6				7.6				7.6				7.6
29	DAVA: ITEMS LESS THAN $900,000 EACH		.5				.5				.5				.5
30	DRSP: ITEMS LESS THAN $900,000 EACH		[ ]				[ ]				[ ]				[ ]
31	DIG: ITEMS LESS THAN $900,000 EACH		[ ]				[ ]				[ ]				[ ]
	NONCENTRALLY MANAGED ITEMS		0.0				0.0		13.0		13.0		10.0		10.0
	UNDISTRIBUTED REDUCTION		---		-30.0		-30.0				---				---
	FY 87 AND SUBSEQUENT YEARS INFLATION		---				---		-51.9		-51.9				---
	PRIOR YEAR INFLATION SAVINGS		---		-36.0		-36.0		-36.0		-36.0		-36.0		-36.0
	INFLATION REESTIMATE FOR FY 86		---		-1.0		-1.0		-1.0		-1.0		-1.0		-1.0
	TOTAL, DEFENSE AGENCIES PROCUREMENT		1391.9		-73.8		1318.1		-101.8		1290.1		-49.6		1342.3

Procurement, Defense agencies

The budget request contained $1,391.9 million to procure equipment to support Defense Agencies. The House amendment would authorize $1,290.1 million for Defense Agencies. The Senate bill would authorize $1,318.1 million for this purpose.

The conferees agree to authorize $1,342.3 million to procure equipment for Defense Agencies.

DOD NATO COOPERATIVE PROGRAMS

(DOLLARS IN MILLIONS)

LINE NO.	TITLE	FISCAL YEAR 1986 REQUEST		S. 1160 AS PASSED				H.R. 1872 AS PASSED				CONFERENCE			
				CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION	
		QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	AIR DEFENSE:														
	FEDERAL REPUBLIC OF GERMANY		0.0				0.0		47.1		47.1		30.0		30.0
	BELGIUM		0.0				0.0		23.6		23.6		15.0		15.0
	ITALY		0.0				0.0		23.6		23.6		15.0		15.0
	TURKEY		0.0				0.0		23.6		23.6		15.0		15.0
	FY 87 AND SUBSEQUENT YEARS INFLATION		---				---		(-7.1)		(-7.1)				---
	TOTAL, DOD NATO COOPERATIVE PROGRAMS		0.0				0.0		117.9		117.9		75.0		75.0

Air defense

The budget request contained no authorization for air defense for NATO Cooperative Programs in fiscal year 1986. The House amendment contained a provision (sec. 105) that would authorize $117.9 million for NATO Cooperative Programs air defense in fiscal year 1986. The Senate bill contained no authorization for this purpose.

The conferees agree to authorize $75.0 million for Department of Defense NATO Cooperative Programs in fiscal year 1986.

NATIONAL GUARD AND RESERVE PROCUREMENT

(DOLLARS IN MILLIONS)

LINE NO.	TITLE	FISCAL YEAR 1986 REQUEST		S. 1160 AS PASSED				H.R. 1872 AS PASSED				CONFERENCE			
				CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION	
		QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	RESERVE EQUIPMENT														
1	RESERVE, ARMY		0.0				0.0				0.0				0.0
2	RESERVE, NAVY		(0.0)				(20.0)				(25.0)				(45.0)
	MISCELLANEOUS EQUIPMENT		0.0		20.0		20.0				0.0		20.0		20.0
	UH-60 HELICOPTER		0.0				0.0	4	25.0	4	25.0	4	25.0	4	25.0
3	RESERVE, MARINE CORPS		(0.0)				(20.0)				(40.0)				(60.0)
	MISCELLANEOUS EQUIPMENT		0.0		20.0		20.0				0.0		20.0		20.0
	TANKER AIRCRAFT		0.0				0.0	2	40.0	2	40.0		40.0		40.0
4	RESERVE, AIR FORCE		(0.0)				(0.0)				(150.0)				(120.0)
	C-130H AIRCRAFT		0.0				0.0	8	150.0	8	150.0	6	120.0	6	120.0
	NATIONAL GUARD EQUIPMENT														
5	ARMY NATIONAL GUARD		(0.0)				(100.0)				(167.0)				(223.4)
	MISCELLANEOUS EQUIPMENT		0.0		100.0		100.0				0.0		100.0		100.0
	CHAPARRAL MISSILE		0.0				0.0	36	87.0	36	87.0	24	58.4	24	58.4
	IMPROVED TOW (MOD)		0.0				0.0	136	30.0	136	30.0		15.0		15.0
	TRAINING DEVICES, NONSYSTEM		0.0				0.0		50.0		50.0		50.0		50.0
6	AIR NATIONAL GUARD		(0.0)				(192.0)				(18.0)				(210.0)
	MISCELLANEOUS EQUIPMENT		0.0		30.0		30.0				0.0		30.0		30.0
	C-130 AIRCRAFT		0.0	8	150.0	8	150.0				0.0	8	150.0	8	150.0
	C-12J AIRCRAFT		0.0				0.0	6	18.0	6	18.0	6	18.0	6	18.0
	C-131 AIRCRAFT MODIFICATIONS		0.0		12.0		12.0				0.0		12.0		12.0
	TOTAL, NATIONAL GUARD AND RESERVE EQUIPMENT		0.0		332.0		332.0		400.0		400.0		658.4		658.4

Guard and Reserve procurement

The Senate bill contained a provision (sec. 104) that would authorize $332.0 million for selected equipment for the National Guard and Reserves. The House amendment did not have a similar provision; however, the House amendment provided for authorization of similar equipment in the respective provisions authorizing Army, Navy and Air Force procurements.

The conferees agreed to include authorization in a separate section (sec. 104) for Guard and Reserve equipment totaling some $658.4 million. In doing so, adjustments were made to sections 101, 102 and 103 to reflect the transfer of corresponding authorizations to section 104.

UH-60 aircraft (Blackhawk)

The budget request did not include UH-60 helicopters for the Navy Reserve Combat Research and Rescue (CSAR) mission. The House amendment would authorize $25.0 million for procurement of 4 UH-60 helicopters in fiscal year 1986. The Senate bill contained no similar provision.

The conferees recommend authorization of $25.0 milion for procurement of 4 UH-helicopters in fiscal year 1986.

The Senate recedes.

Tanker aircraft

The budget request did not include tanker aircraft. The House amendment would authorize $40.0 million for procurement of 2 KC130T aircraft for the Marine Corps Reserve in fiscal year 1986. The Senate bill contained no similar provision.

The conferees recommend authorization of $40.0 million for competitive procurement of generic tanker aircraft to meet the most critical Navy/Marine Corps refueling requirements.

C-12J mission support aircraft

No authorization was requested for C-12J mission support aircraft in fiscal year 1986. The House amendment would authorize $18.0 million for procurement of 6 aircraft. The Senate bill contained no authorization for procurement of C-12J mission support aircraft.

The conferees recommend authorization of $18.0 million for procurement of 12 C-12J mission support aircraft in fiscal year 1986 for the Air National Guard. The autorization is included in section 104.

The Senate recedes with an amendment that would require the competitive procurement of C-12 aircraft.

C-131 modification

The Senate bill authorized $12.0 million for a C-131 aircraft modification program. The House amendment did not contain such authorization.

The conferees recommend authorization of $12.0 million for the program. The authorized funds, however, are not to be obligated until the General Accounting Office conducts a study to determine the cost effectiveness and feasibility of the program.

LEGISLATIVE PROVISIONS

LEGISLATIVE PROVISIONS ADOPTED

Multi-year contracting authorizations

The House amendment contained a provision (sec. 101(c)) that would provide multiyear contracting authorization for weapon systems, and subsystems, and other equipment. The Senate bill contained several provisions (sec. 101(c) and sec. 102(g)) that would prohibit multi-year contracting authorization for weapon systems and subsystem and other equipment.

The following table summarizes the House and Senate provisions and presents conference agreements on multi-year contracting authorizations.

Service	Senate	House	Conference
Army	Sec. 101(c) prohibits authorization for M-9 ACE.	Sec. 101(c) authorizes multiyear contracts for T-700 engine, M-1A1 chassis, AGT 1500 engine, LRF and TIS for M-1, M-1 ballistic computer components, Bradley Fighting Vehicle transmission.	Sec. 101(c)(1) authorizes multiyear contracts for T-700 engine, M-1A1 Chassis, AGT 1500 engine, LRF and TIS for M-1, M-1 ballistic computer components, Bradley Fighting Vehicle transmission. Sec. 101(c)(2) prohibits authorization of multiyear contracts for M-9 ACE.

The House amendment contained a provision (sec. 101(c)(2)) that would deny multiyear contracting authority of the cost of the multiyear contract exceeds 90 percent of cost annual contract.

The Senate bill contained no similar provision.

The Senate recedes.

Removal of limitations on contractors for 120 millimeter mortar (sec. 101(d))

The House amendment contained a provision (sec. 101(d)) that removes the limitation on selection of contractors for the 120mm mortars.

The Senate bill contained no similar provision.

The Senate recedes.

Shipbuilding and conversion, navy, transfer authorization for fiscal year 1986 programs (sec. 102(c)(4))

Section 102(c) of the House amendment contained a provision that would authorize the transfer to any authorized fiscal year 1986 shipbuilding program of amounts remaining available due to cost savings in carrying out the fiscal year 1985 shipbuilding program.

The Senate bill did not contain a similar provision.

The conferees agreed to authorize the transfer of such amounts as may remain available due to cost savings in carrying out shipbuilding programs in fiscal year 1985 and prior years.

The Senate recedes with an amendment.

Shipbuilding and conversion, navy, transfer authorization for battleship reactivation (sec. 102(c)(5))

Section 102(c) of the House amendment contained a provision that would authorize the transfer to the battleship reactivation program of amounts remaining available due to cost savings in carrying out the fiscal year 1985 and 1986 shipbuilding programs.

The Senate bill did not contain a similar provision.

The conferees agreed to authorize the transfer of such amounts as may remain available due to cost savings in carrying out shipbuilding programs in fiscal year 1986 and prior years.

The Senate recedes with an amendment.

Authorization for multiyear procurement MK-46 torpedoes (sec. 102(f))

The House amendment (sec. 102(g) contained an authorization for multiyear procurement of MK-46 torpedoes and modification kits. The Senate bill did not contain this provision.

The Senate recedes.

Authorization of ship contract design funds (sec. 102(g))

The Senate bill contained a provision (sec. 102(h)) that would require requests for authorization of ship contract design funds to be made in the shipbuilding and conversion account in fiscal years 1987 and beyond. Such authorization is currently requested in the Research, Development, Test and Evaluation, Navy account.

The House amendment did not contain a similar provision.

The House recedes.

Authorization for transfers of prior-year funds to fiscal year 1986 procurement programs

The Senate bill contained provisions in sections 101, 102, 103, and 105 that would authorize transfers of prior-year funds totaling $2,613.6 million to fiscal year 1986 procurement programs as shown in the table below:

Title I Transfers to Fiscal Year 1986 Programs in Senate Bill
($ in millions)

Transfer to / Transfer from	Aircraft Procurement, Army	Weapons & Tracked Combat Vehicles, Army	Other Procurement Army	Missiles Army	Ammunition, Army	Aircraft Procurement, Navy	Shipbuilding & Conversion, Navy	Weapons Procurement, Navy	Other Procurement, Navy	Procurement, Marine Corps	Aircraft Procurement, Air Force	Other Procurement, Air Force	Missiles, Air Force	Procurement, Defense Agencies	
Army															
Aircraft Procurement, 85	144.0														
Weapons & Tracked Combat Vehicles, 85		75.0													
Ammunition, 84					30.0										
Ammunition, 85					110.0										
Other Procurement, 84			79.0												
Other Procurement, 85			159.0												
Missiles, 85				25.0											
Navy															
Aircraft Procurement, 85						109.0									
Shipbuilding & Conversion, 82 & (PY)							357.5								
Shipbuilding & Conversion, 83							153.0								
Shipbuilding & Conversion, 84							156.1								
Shipbuilding & Conversion, 85							193.0								
Weapons Procurement, 85								15.0							
Other Procurement, 84									70.0						
Other Procurement, 85									151.0						
Procurement, Marine Corps, 85										28.0					
Air Force															
Aircraft Procurement, 85											406.0				
Other Procurement, 84												86.0			
Other Procurement, 85												196.0			
Missiles, 85													35.0		
Defense Agencies															
Procurement, 84														15.0	
Procurement, 85														21.0	
Total	144.0	75.0	238.0	25.0	140.0	109.0	859.6	15.0	221.0	28.0	406.0	282.0	35.0	36.0	2613.6

The House amendment contained provisions in sections 101, 102, 103 and 112 that would authorize transfers to prior-year funds totaling $2,614.7 million to fiscal year 1986 procurement programs as shown in the following table:

Title I Transfers to Fiscal Year 1986
Programs in House Amendment
($ in millions)

Transfer from \ Transfer to	Aircraft Procurement, Army	Weapons & Tracked Combat Vehicles, Army	Other Procurement Army	Missiles Army	Ammunition, Army	Aircraft Procurement, Navy	Shipbuilding & Conversion, Navy	Weapons Procurement, Navy	Other Procurement, Navy	Procurement, Marine Corps	Aircraft Procurement, Air Force	Other Procurement, Air Force	Missiles, Air Force	Procurement, Defense Agencies	
Army															
Aircraft Procurement, 85	101.8														
Weapons & Tracked Combat Vehicles, 84		52.6													
Weapons & Tracked Combat Vehicles, 85		40.0													
Weapons & Tracked Combat Vehicles, 85 (1)		25.3													
Ammunition, 84					30.0										
Ammunition, 85		26.1			81.9										
Other Procurement, 84			79.0												
Other Procurement, 85			151.6												
Missiles, 85				25.0											
Navy															
Aircraft Procurement, 85						109.0									
Shipbuilding & Conversion, 82 & (PY)							357.5								
Shipbuilding & Conversion, 83							153.0								
Shipbuilding & Conversion, 84							156.1								
Shipbuilding & Conversion, 85							193 & (2)								
Shipbuilding & Conversion, 85 & 86							(3)								
Weapons Procurement, 85								15.0							
Other Procurement, 84									70.0						
Other Procurement, 85									151.0						
Procurement, Marine Corps, 85										28.0					
Air Force															
Aircraft Procurement, 85											406.0				
Other Procurement, 84												86.0			
Other Procurement, 85												196.0			
Missiles, 84 & (PY)													7.8		
Missiles, 85													35.0		
Defense Agencies															
Procurement, 84														15.9	
Procurement, 85														21.0	
Total	101.8	146.0	230.6	25.0	111.9	109.0	859.6	15.0	221.0	28.0	406.0	282.0	42.8	36.9	2614.7

(1)From amounts remaining available for obligation resulting from sale of M48A5 tanks.
(2)Amounts remaining available as a result of cost savings.
(3)Amounts remaining available as a result of cost savings to be used for battleship reactivation.

The conferees agreed to provisions in sections 101 through 104 that would authorize transfers of prior-year funds totaling $2,614.7 million to fiscal year 1986 procurement programs as shown in the following table:

Title I Transfers to Fiscal Year 1986
Programs in Conference Agreement
($ in millions)

Transfer from / Transfer to	Aircraft Procurement, Army	Weapons & Tracked Combat Vehicles, Army	Other Procurement Army	Missiles Army	Ammunition, Army	Aircraft Procurement, Navy	Shipbuilding & Conversion, Navy	Weapons Procurement, Navy	Other Procurement, Navy	Procurement, Marine Corps	Aircraft Procurement, Air Force	Other Procurement, Air Force	Missiles, Air Force	Procurement, Defense Agencies	
Army															
Aircraft Procurement, 85	101.8														
Weapons & Tracked Combat Vehicles, 84		52.6													
Weapons & Tracked Combat Vehicles, 85		40.0													
Weapons & Tracked Combat Vehicles, 85 (1)		25.3													
Ammunition, 84					30.0										
Ammunition, 85					110.0										
Other Procurement, 84			79.0												
Other Procurement, 85			151.6												
Missiles, 85				25.0											
Navy															
Aircraft Procurement, 85						109.0									
Shipbuilding & Conversion, 82 & (PY)							357.5								
Shipbuilding & Conversion, 83							153.0								
Shipbuilding & Conversion, 84							156.1								
Shipbuilding & Conversion, 85							193.0								
Shipbuilding & Conversion, 85 & (PY)							(2)								
Shipbuilding & Conversion, 86 & (PY)							(3)								
Weapons Procurement, 85								15.0							
Other Procurement, 84									70.0						
Other Procurement, 85									151.0						
Procurement, Marine Corps, 85										28.0					
Air Force															
Aircraft Procurement, 85											406.0				
Other Procurement, 84												86.0			
Other Procurement, 85												196.0			
Missiles, 84 & (PY)													7.8		
Missiles, 85													35.0		
Defense Agencies															
Procurement, 84														15.0	
Procurement, 85														21.0	
Total	101.8	117.9	230.6	25.0	140.0	109.0	859.6	15.0	221.0	28.0	406.0	282.0	42.8	36.0	2614.7

(1)From amounts remaining available for obligation resulting from sale of M48A5 tanks.
(2)Amounts remaining available as a result of cost savings.
(3)Amounts remaining available as a result of cost savings to be used for battleship reactivation.

Reductions in authorization due to savings from lower inflation and prior year cost savings (sec. 107)

The House amendment contained a provision (sec. 111) that would reduce authorizations for procurement by $7.827 billion, including a reduction of $5.62 billion in amounts included for inflation in fiscal years subsequent to 1986 and a reduction of $2.207 billion to reflect lower than projected inflation and program savings in fiscal year 1986 and prior years. Section 111 also would require a provision that certain reductions be achieved from savings and not from program reductions, cancellations or stretchouts.

The Senate bill incorporated reductions in the authorization for appropriations contained in sections 101 to 105 to reflect lower than projected inflation in fiscal year 1986 and prior years.

The conferees agreed to include reductions to reflect lower than projected inflation in fiscal year 1986 and prior year programs in the authorization contained in sections 101 to 105 and incorporated the reductions included in both the House and Senate provisions. The House recedes with an amendment.

The conferees did not agree to include reductions in amounts included for inflation in fiscal year 1987 and subsequent years.

The House recedes.

The conferees agreed to a provision that certain reductions that have been incorporated in the authorizations in section 101 to 105 can come only from program savings. The limitation would apply to savings totaling $123 million.

The Senate recedes with an amendment.

Provision relating to transfers of prior-year funds (sec. 108)

The House amendment contained a provision (sec. 112) that would authorize certain transfers and would provide that transfers could be made only where funds were available because of program savings.

The Senate bill contained no similar provision.

The conferees agreed to a provision that would provide that transfers authorized in Title I could only be made where funds were available as a result of program savings.

The Senate recedes with an amendment.

Report on reductions and transfers (sec. 109)

The House amendment contained a provision (sec. 113) that would require the Secretary of Defense to submit a report to the Committee on Armed Services of the Senate and House of Representatives before implementing a program change as a result of certain reductions that would be made by section 111 or 112 of the House amendment.

The Senate bill contained no similar provision.

The conferees agreed to a provision that would require the Secretary of Defense to submit a report to the Committee on Armed Services of the Senate and House of Representatives before implementing program reductions or transfers as provided in sections 101 to 105.

Conventional force enhancement (sec. 110)

The House amendment contained a provision (sec. 1184) that would provide authorization of $1 billion for additional conventional force enhancements. The Senate bill did not contain a similar provision.

The conferees agreed to authorize a number of conventional initiatives and include them in the appropriate sections of the Act. In addition, the conferees recommend language that recognizes the importance of improving the United States' conventional capabilities, particularly those of NATO forces, as a means of raising the nuclear threshold. Further, the conferees recommend increased conventional force enhancements in the future.

Limitation on procurement of Sergeant York Air Defense Gun (sec. 121)

The House amendment contained a provision (sec. 106) that would prohibit obligation of funds to enter a new contract for production of the Sergeant York Air Defense Gun until: (1) the follow-on evaluation I is completed and results demonstrate that the system meets or exceeds the pass/fail criteria of the tests; (2) the Director of Testing and Evaluation submits an evaluation of the tests; (3) the Secretary of Defense certifies that testing demonstrates that the operational capabilities of the system fulfill the performance specifications of the contract; (4) the Secretary of the Army negotiates with the contractor a guarantee for contracts beyond fiscal year 1985 that the system meets the performances specifications of the contract.

The Senate bill also contained a provision (sec. 101(b)) that would prohibit expenditures for option III and any new production contracts until the Secretary of Defense certifies that the results of the operational tests justify continuation of the program.

The Senate recedes with an amendment that would also prohibit expenditures for production contract option III.

Requirements with respect to the Bradley Fighting Vehicle (sec. 122)

The House amendment contained a provision (sec. 116) that would require the Secretary of Defense to submit a report regarding the live-fire survivability tests for the Bradley Fighting Vehicles.

The Senate bill contained no similar provision.

The Senate recedes.

Condition on procurement of certain combat vehicles (sec. 123)

The House amendment contained a provision (sec. 117) that would prohibit the Department of Defense from procuring any new combat wheeled or armored vehicles until these vehicles have undergone live-fire survivability testing.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that applies this prohibition only to major defense acquisition programs, consistent with section 139 of title 10, United States Code. The conferees agree that this provision is not intended to criticize the Army's current testing procedures or programs.

Sales of L119 howitzers overseas (sec. 124)

The House amendment contained a provision (sec. 108) that would provide authority for the United States to sell to friendly foreign governments those howitzers produced in U.S. arsenals without any restrictions regarding the contents of such howitzers that must be of foreign origin.

The Senate bill contained no similar provision.

The House recedes with an amendment that stipulates the assumptions contained in the Memorandum of Understanding with the United Kingdom regarding U.S. sales to third countries during the period of coproduction, as determined jointly by the United States and the United Kingdom.

Restrictions on purchase by the Army of 5-ton trucks (sec. 125)

The House amendment contained a provision (sec. 107) that would impose restrictions on expenditures for procurement of 5-ton trucks. The House amendment also would authorize the Secretary of the Army to award a five-year multiyear contract for the purchase of 5-ton trucks.

The Senate bill contained a provision (sec. 101(d)) that imposes identical restriction on expenditures for procurement of 5-ton trucks. The Senate bill provides the authority for the Secretary of the Army to award a three-year multiyear contract.

The Senate recedes.

Other Army programs (sec. 126)

Copperhead (sec. 126(a))

Section 101(f) of the House amendment would limit the obligation of the appropriations authorized for the Copperhead projectile program until the Secretary of Defense submits to the Congress a plan for establishing a second source for production of Copperhead.

The Senate bill contained no similar provision.

The Senate recedes.

Safety modifications for the Pershing II missile (sec. 126(b))

The House amendment contained a provision (sec. 101(g)) that authorizes the Secretary of the Army to purchase safety modifications using fiscal year 1986 funds. The provision stipulates that no funds for these modifications may be obligated until a report providing the details of these modifications is submitted to the Committees on Armed Services of the Senate and House of Representatives. The Senate bill contained no similar provision.

The Senate recedes.

AH-64 Apache helicopter (sec. 126(c))

Section 101(h) of the House amendment would prohibit the obligation of funds after fiscal year 1985 for the AH-64 Apache helicopter program until the contractor has implemented an effective accounting system and made available to the Defense Contract Audit Agency certain financial records.

The Senate bill contained no similar provision.

The Senate recedes.

A6 aircraft rewing program (sec. 131)

The budget request did not include the A6 aircraft rewing program. The House amendment contained a provision (sec. 115) that would authorize $240.0 million in prior year transfer authority to carry out such a program in fiscal year 1985 subject to a firm fixed priced contract and a warranty guaranteeing an 8,800 hour wing fatigue life. The Senate bill contained no similar provision.

The conferees recommend authorization of the rewing program and the prior year transfer authority.

The Senate recedes.

Limitation on MX missile procurement and deployment (sec. 141)

Sec. 107 of the Senate bill contained a sense of Congress that not more than 50 MX missiles should be deployed in existing Minuteman silos, that further procurement of MX missiles should be limited to test missiles unless a different basing mode is approved by the Congress and that in fiscal year 1987 from 12 to 21 MX missiles should be procured. Sec. 114 of the House amendment provided that no more than 40 MX missiles should be deployed at any time and that after fiscal year 1985 only test MX missiles should be procured.

The conference agreement provides for a permanent limitation on the deployment of MX missiles in existing Minuteman silos at 50. It further provides that additional MX deployments are subject to congressional authorization of a more survivable basing mode. Further procurements of MX missiles would be limited to test missiles and from 12 to 21 test missiles should be procured in fiscal year 1987.

Fighter competition (sec. 142)

The House amendment contained a provision (sec. 103(c)) that would require the Secretary of the Air Force to establish in fiscal year 1986 and ongoing competition between the F-16 and F-20 fighter aircraft, as well as other suitable aircraft the Secretary considers necessary to procure. The Senate bill contained no similar provision.

The conferees agreed on the merits of establishing in fiscal year 1986 a competition for the procurement of fighter aircraft to meet the requirements of the active and reserve forces.

The Senate recedes with amendment.

Advanced technology bomber (sec. 143)

Section 118 of the House amendment would require the Secretary of Defense to submit to the Congress a report by February 1, 1986 on the total program costs of the advanced technology bomber report. The Senate bill contained no similar provision.

LEGISLATIVE PROVISIONS NOT ADOPTED

Marine Corps Reserve 30mm gun pod

Section 102 of the House amendment made $11.0 million of the amount authorized for procurement, Navy available only for procurement of gun pods for Marine Corps Reserve aircraft with a demonstrated anti-armor lethality equivalent to the GAU-8 30 millimeter gun pod. The Senate bill contained no similar provision.

The House recedes.

Restrictions on advance procurement authority for carrier service life extension program (CV-SLEP)

The Senate bill contained a provision (sec. 102(d)) that would prohibit the obligation or expenditure of more than $86.4 million of the $133.4 million recommended for authorization for the CV-SLEP program until 90 days from the date the Secretary of the Navy certifies that carrying out a full SLEP of U.S.S. *Kitty Hawk* (CV-63) in the Philadelphia Naval Shipyard in fiscal year 1987 can be done more cost effectively than through alternative means of achieving the same service life extension at other naval shipyards.

The House amendment did not contain a similar restriction.

The certification required by the Senate bill was provided on July 17, 1985.

The Senate recedes.

Prohibition on obligation or expenditure of SCN funds pending receipt of diesel submarine report

The Senate bill contained a provision (sec. 102(f)) that would prohibit the obligation or expenditure of any funds authorized for Shipbuilding and Conversion, Navy in fiscal year 1986 until the Secretary of Defense submits to the Committees on Armed Services of the Senate and House of Representatives the report on U.S. construction of foreign-designed diesel submarines required by the Department of Defense Authorization Act, 1985 (Public Law 98-525).

The House amendment contained no similar provision.

The report has since been received.

The Senate recedes.

Waiver on Limitation of Foreign Military Sales Program

The House amendment contained a provision (sec. 109) that would authorize the transfer of proceeds from foreign military sales of obsolete equipment in the inventory

and finance the replacement of modern equipment.

The Senate bill contained no similar provision.

The House recedes.

Limitation on repayment of construction differential subsidy (CDS) on liquid bulk carriers

Section 1176 of the House amendment would provide that no merchant vessel limited to the foreign trade by virtue of a construction differential subsidy (CDS) restriction could be released from that restriction and be able to enter the domestic trade unless the Secretary of the Navy determines that such release would not reduce the number of militarily useful liquid bulk carriers readily available to the United States in time of war or national emergency.

The Senate bill did not contain a similar provision.

The Senate conferees were adament in their opposition to the House amendment and refused to accept any compromise provision. The Senate conferees noted that the matter is currently being considered by the committees of primary jurisdiction and argued that the resolution should be left to those committees.

The Senate conferees further noted that the provision is opposed by the Department of Defense because it places a subcabinet official, the Secretary of the Navy, in a position to veto actions of the Secretary of Transportation.

The House reluctantly recedes.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

General

The Administration requested a total authorization of $39,280,100,000 for fiscal year 1986 Research, Development, Test, and Evaluation (RDT&E) appropriations. The conferees agreed on a total authorization of $35,488,754,000 for the RDT&E program, a reduction of $3,791,346,000 from the Administration's request. The following table summarizes the conference actions:

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION (RDT&E) SUMMARY

[in millions of dollars]

Item	Fiscal year 1986 request	Senate bill	House amendment	Conference
Army	5,279.9	4,782.775	4,793.675	4,848.663
Navy	11,264.3	10,468.556	9,637.606	10,106.401
Air Force	15,578.5	14,294.734	13,051.210	13,719.721
Defense Agencies	7,157.4	6,126.266	6,285.270	6,813.969
Total, RDT&E	39,280.1	35,672.331	33,767.761	35,488.754

RESEARCH, DEVELOPMENT, TEST & EVALUATION
ARMY

(DOLLARS IN MILLIONS)

LINE NO.	PROGRAM ELEMENT	TITLE	FISCAL YEAR 1986 REQUEST	S. 1160 AS PASSED CHANGE FROM REQUEST	S. 1160 AS PASSED RECOMMENDATION	H.R. 1872 AS PASSED CHANGE FROM REQUEST	H.R. 1872 AS PASSED RECOMMENDATION	CONFERENCE CHANGE FROM REQUEST	CONFERENCE RECOMMENDATION
		TECHNOLOGY BASE							
1	61101A	IN-HOUSE LAB INDEPENDENT RESEARCH	25.280		25.280		25.280		25.280
2	61102A	DEFENSE RESEARCH SCIENCES	236.869		236.869		236.869		236.869
3	61103A	UNIVERSITY RESEARCH INITIATIVES	6.126		6.126		6.126		6.126
4	62105A	MATERIALS	12.380		12.380		12.380		12.380
5	62111A	ATMOSPHERIC INVESTIGATIONS	6.896		6.896	-1.000	5.896	-.500	6.396
6	62120A	NUCLEAR WEAPONS EFFECTS/FLUIDICS	8.461		8.461		8.461		8.461
7	62122A	SURVIVABILITY ENHANCEMENT	[ ]		[ ]		[ ]		[ ]
8	62201A	AIRCRAFT WEAPONS TECHNOLOGY	3.321		3.321		3.321		3.321
9	62202A	AIRCRAFT AVIONICS TECHNOLOGY	9.766		9.766	-.766	9.000	-.766	9.000
10	62209A	AERONAUTICAL TECHNOLOGY	31.171		31.171	-1.171	30.000	-.671	30.500
11	62210A	AIRDROP TECHNOLOGY	2.061		2.061		2.061		2.061
12	62303A	MISSILE TECHNOLOGY	31.504		31.504		31.504		31.504
13	62307A	LASER WEAPON TECHNOLOGY	21.392		21.392		21.392		21.392
14	62601A	TANK AND AUTOMOTIVE TECHNOLOGY	22.226		22.226		22.226		22.226
15	62603A	LARGE CAL AND NUCLEAR TECHNOLOGY	[ ]	-8.500	-8.500	-2.000	-2.000	-3.500	-3.500
16	62617A	SMALL CAL AND FIRE CONTROL TECHNOLOGY	12.794		12.794		12.794		12.794
17	62618A	BALLISTICS TECHNOLOGY	48.424		48.424		48.424		48.424
18	62622A	CHEMICAL AND SMOKE MUNITIONS	14.062		14.062		14.062		14.062
19	62623A	JOINT SERVICE SMALL ARMS PROGRAM (JSSAP)	6.542		6.542		6.542		6.542
20	62701A	COMMUNICATIONS TECHNOLOGY	21.403		21.403	-1.000	20.403	-1.000	20.403
21	62703A	COMBAT SURVEIL TARGET ACQUIS AND IDENT	4.407		4.407		4.407		4.407
22	62704A	MILILITARY ENVIRONMENTAL CRITERIA DEV	3.096		3.096		3.096		3.096
23	62705A	ELECTRICAL AND ELECTRONIC DEVICES	22.871		22.871	-1.500	21.371	-1.500	21.371
24	62706A	CHEM/BIO DEFENSE/GEN INVEST	41.724		41.724	-3.500	38.224	-2.000	39.724
25	62707A	MAPPING--GEODESY	10.364		10.364		10.364		10.364
26	62709A	NIGHT VISION INVESTIGATIONS	22.077		22.077		22.077		22.077
27	62715A	TACTICAL ELECTRONIC WARFARE TECHNOLOGY	[ ]		[ ]		[ ]		[ ]
28	62716A	HUMAN FACTORS ENGINEERING SYSTEM DEV	15.269		15.269	-1.000	14.269		15.269
29	62717A	HUMAN PERFORMANCE EFFECT/SIMULATION	6.788		6.788		6.788		6.788
30	62719A	MOBILITY AND WEAPONS EFFECTS TECHNOLOGY	13.363		13.363	-2.000	11.363	-1.063	12.300
31	62720A	ENVIRONMENTAL QUALITY TECHNOLOGY	8.912		8.912		8.912		8.912
32	62722A	MANPOWER/PERSONNEL/TRAINING	8.016		8.016		8.016		8.016
33	62723A	CLOTHING EQUIPMENT AND SHELTER TECH	10.537		10.537		10.537		10.537
34	62724A	JT SERVICE FOOD SYSTEM TECH	6.432		6.432		6.432		6.432
35	62725A	COMPUTER AND INFORMATION SCIENCE	2.216		2.216		2.216		2.216
36	62727A	NONSYSTEMS TRAINING DEVICES TECH (NSTD)	5.103		5.103		5.103		5.103
37	62730A	COLD REGIONS ENGINEERING TECHNOLOGY	6.819		6.819		6.819		6.819
38	62731A	MILITARY FACILITIES ENGINEERING TECH	5.253		5.253		5.253		5.253
39	62733A	MOBILITY EQUIPMENT TECHNOLOGY	13.627		13.627		13.627		13.627
40	62734A	MEDICAL DEFENSE AGAINST CHEMICAL AGENTS	32.309		32.309		32.309		32.309
41	62746A	TACTICAL ADP TECHNOLOGY	9.066		9.066	-3.000	6.066	-1.566	7.500
42	62770A	MILITARY DISEASE HAZARDS TECHNOLOGY	28.990		28.990		28.990		28.990
43	62772A	COMBAT CASUALTY CARE TECHNOLOGY	8.892		8.892		8.892		8.892
44	62775A	COMBAT MAXILLOFACIAL INJURY	2.167		2.167		2.167		2.167
45	62777A	SYSTEMS HEALTH HAZARD PREVENTION TECH	19.461		19.461		19.461		19.461
46	62781A	ENERGY TECH APPLICATIONS FOR MIL FACILITIES	2.230		2.230		2.230		2.230
		CLASSIFIED PROGRAMS	45.765		45.765		45.765		45.765
		SUBTOTAL, TECHNOLOGY BASE	876.432	-8.500	867.932	-16.937	859.495	-12.566	863.866
		ADVANCED TECHNOLOGY DEVELOPMENT							
47	63102A	MATERIALS AND STRUCTURES ADV DEV	14.437		14.437	-1.000	13.437		14.437
48	63104A	FUELS AND LUBRICANTS ADV DEV	3.384		3.384		3.384		3.384
49	63201A	A/C POWER PLANTS AND PROPULSION	21.833		21.833	-2.000	19.833	-2.000	19.833
50	63206A	AIRCRAFT WEAPONS	6.946		6.946		6.946		6.946
51	63207A	AIRCRAFT AVIONICS EQUIPMENT	10.970		10.970		10.970		10.970
53	63211A	ROTARY WING CONTROLS/ROTORS/STRUCTURES	31.104	-13.700	17.404	-14.000	17.104	-14.000	17.104
54	63216A	SYNTHETIC FLIGHT SIMULATORS DEVELOPMENT	12.613		12.613	-1.000	11.613		12.613
55	63218A	AIRDROP ADVANCEMENT	3.854		3.854		3.854		3.854
57	63221A	NOE AVIATION AND NAVIGATION EQUIPMENT	3.089		3.089		3.089		3.089
58	63226A	CLASSIFIED PROJECTS	[ ]	-31.800	-31.800	-31.756	-31.756	-31.756	-31.756
59	63306A	TERMINALLY GUIDED PROJECTILES	17.409		17.409		17.409		17.409
60	63313A	MISSILE/ROCKET COMPONENTS	42.836		42.836	10.000	52.836	10.000	52.836
62	63322A	BATTLEFIELD ENVIRONMENT SIMULATION	2.570		2.570		2.570		2.570
63	63324A	ARMY DEVELOPMENT AND EMPLOYMENT ACTIVITY	9.705		9.705		9.705		9.705
64	63602A	ADVANCED LAND MOBILITY SYSTEMS CONCEPTS	16.474		16.474		16.474		16.474
65	63606A	LANDMINE WARFARE/BARRIER DEVELOPMENT	11.267		11.267		11.267		11.267
66	63607A	JOINT SERVICE SMALL ARMS PROGRAM (JSSAP)	3.463		3.463		3.463		3.463
67	63621A	COMBAT VEHICLE PROPULSION SYSTEM	14.967		14.967	-11.057	3.910	-2.967	12.000
68	63631A	COMBAT VEHICLE TURRET AND CHASSIS SUBSYS	17.036		17.036		17.036		17.036
69	63636A	COMBAT VEHICLE ARMOR/ANTI-ARMOR	11.363		11.363		11.363		11.363
70	63637A	ADV PROPULSION/LAUNCH SYSTEM FOR MUNITIONS	8.233		8.233		8.233		8.233
72	63640A	AMMUNITION LOGISTICS	2.035		2.035		2.035		2.035
73	63710A	NIGHT VISION ADVANCED DEVELOPMENT	33.622		33.622		33.622		33.622
74	63723A	TAC COMM/COMM/COMPUTER (C4) INTEGRATION	31.774		31.774	-4.000	27.774	-2.000	29.774
76	63731A	MANPOWER AND PERSONNEL	16.938		16.938		16.938		16.938
77	63734A	ENGINEERING SYSTEMS	3.450		3.450		3.450		3.450
78	63736A	HUMAN FACTORS ENGINEERING APPLICATIONS	1.961		1.961		1.961		1.961
79	63737A	ANTI-RADIATION MISSILE COUNTERMEASURES	[ ]		[ ]		[ ]		[ ]
80	63739A	HUMAN FACTORS IN TRAINING/OPER EFFECT	11.511		11.511		11.511		11.511
81	63742A	ADVANCED ELECTRONIC DEVICES DEVELOPMENT	9.730		9.730		9.730		9.730
82	63743A	EDUCATION AND TRAINING	11.846		11.846		11.846		11.846
83	63744A	TRAINING SIMULATION	5.494		5.494		5.494		5.494
84	63748A	TEST MEASUREMENT AND DIAG EQUIPMENT DEV	7.235		7.235	-1.500	5.735		7.235
85	63749A	TECHNICAL VULNERABILITY REDUCTION	4.305		4.305		4.305		4.305
86	63752A	DEMILITARIZATION CONCEPTS	9.575		9.575		9.575		9.575

LINE NO.	PROGRAM ELEMENT	TITLE	FISCAL YEAR 1986 REQUEST	S. 1160 AS PASSED: CHANGE FROM REQUEST	S. 1160 AS PASSED: RECOMMENDATION	H.R. 1872 AS PASSED: CHANGE FROM REQUEST	H.R. 1872 AS PASSED: RECOMMENDATION	CONFERENCE: CHANGE FROM REQUEST	CONFERENCE: RECOMMENDATION
87	63756A	DOD SOFTWARE INITIATIVES (STARS)	52.000		52.000	-20.000	32.000	-10.000	42.000
88	63758A	TACTICAL ROBOTIC SYSTEMS	26.496	-10.000	16.496	-6.600	19.896	-10.000	16.496
89	63759A	CHEM/BIO DEFENSE/SMK ADV TECH DEMOS	3.045		3.045		3.045		3.045
90	63761A	EW VULNER/SUSCEPTABILITY TECH SUPPORT	[ ]		[ ]		[ ]		[ ]
91	63762A	EW FEASIBILITY DEVELOPMENTLITY DEVELOPME	8.643		8.643		8.643		8.643
92	63763A	NONSYSTEMS MEDICAL MATERIAL DEVELOPMENT	16.221		16.221		16.221		16.221
93	63764A	MEDICAL/CHEM DEFENSE LIFE SUPPORT MATERIAL	22.612		22.612		22.612		22.612
94	63765A	NONTACTICAL ADP TECHNOLOGY	.218		.218		.218		.218
		CLASSIFIED PROGRAMS	51.084		51.084		51.084		51.084
		SUBTOTAL, ADVANCED TECH DEVELOPMENT	593.348	-55.500	537.848	-82.913	510.435	-62.723	530.625
		STRATEGIC PROGRAMS							
97	12814A	SPECIAL PROGRAM	[ ]		[ ]		[ ]		[ ]
98	12821A	CLASSIFIED PROGRAM	[ ]	-6.000	-6.000	-6.000	-6.000	-6.000	-6.000
99	33152A	WWMCCS INFORMATION SYSTEM	30.914		30.914		30.914		30.914
		CLASSIFIED PROGRAMS	204.743		204.743		204.743		204.743
		SUBTOTAL, STRATEGIC PROGRAMS	235.657	-6.000	229.657	-6.000	229.657	-6.000	229.657
		TACTICAL PROGRAMS							
100	63209A	AIR MOBILITY SUPPORT	15.472		15.472	-4.000	11.472		15.472
101	63215A	JOINT SURVIVABILITY INVESTIGATIONS	.900		.900		.900		.900
103	63220A	ADVANCED ROTORCRAFT TECH INTEGRATION (LHX)	75.528	-20.000	55.528	-22.000	53.528	-20.000	55.528
104	63225A	AIRDROP EQUIPMENT SYSTEMS	1.877		1.877		1.877		1.877
105	63302A	ANTI-TACTICAL MISSILE (ATM)	62.760		62.760		62.760		62.760
106	63303A	SURF-TO-SURF MISSILE ROCKET SYSTEM	30.622		30.622		30.622		30.622
107	63604A	NUCLEAR MUNITIONS AND RADIACS	[ ]		[ ]		[ ]		[ ]
108	63608A	WEAPONS AND AMMUNITION	.798		.798		.798		.798
109	63612A	ADVANCED ANTI-TANK WEAPON	81.077	-20.000	61.077	-15.000	66.077	-20.000	61.077
110	63615A	LETHAL CHEMICAL MUNITIONS CONCEPTS	20.387		20.387		20.387		20.387
111	63619A	LANDMINE/BARRIER SYSTEM	28.424	-2.800	25.624	-3.000	25.424	-3.000	25.424
112	63627A	SMOKE MUNITIONS AND MATERIEL CONCEPTS	12.672		12.672	-2.000	10.672	-1.000	11.672
113	63628A	ARTILLERY/MORTAR AMMO DEVELOPMENT	10.157		10.157		10.157		10.157
114	63633A	TANK/FIGHTING VEHICLE AMMO DEVELOPMENT	5.734		5.734		5.734		5.734
115	63635A	MOBILE PROTECTED GUN PROGRAM	9.802	-9.802	0.000	-9.802	0.000	-9.802	0.000
116	63639A	ARMAMENT ENHANCEMENT INITATIVE (AEI)	[ ]		[ ]		[ ]		[ ]
117	63641A	PROGRAM 292	[ ]	-63.600	-63.600	-63.630	-63.630	-63.630	-63.630
118	63702A	ELECTRIC POWER SOURCES	11.258		11.258		11.258		11.258
119	63705A	PHYSICAL SECURITY	4.416		4.416		4.416		4.416
120	63706A	IFF EQUIPMENT DEVELOPMENT	20.693		20.693	-2.000	18.693	-2.000	18.693
121	63709A	COMMUNICATIONS DEVELOPMENT	[ ]		[ ]		[ ]		[ ]
123	63711A	AIRCRAFT SURVIVABILITY EQUIPMENT	8.611		8.611		8.611		8.611
124	63713A	ARMY DATA DISTRIBUTION SYSTEM (ADDS)	38.016		38.016		38.016		38.016
125	63718A	EW VULNERABILITY/SUCEPTABILITY	23.791		23.791		23.791		23.791
126	63720A	CHEM/BIO DETECTION WARN/SAMP MAT CONCEPT	15.192		15.192		15.192		15.192
127	63721A	CHEM/BIO PROTECTIVE MATERIEL CONCEPTS	9.341		9.341		9.341		9.341
129	63725A	REMOTELY PILOTED VEHICLES/DRONES	20.977		20.977	-10.977	10.000	-4.977	16.000
130	63726A	COMBAT SUPPORT EQUIPMENT	28.363		28.363		28.363		28.363
131	63730A	TACTICAL SURVEILLANCE EQUIPMENT	[ ]		[ ]	-2.180	-2.180	-2.180	-2.180
132	63732A	COMBAT MEDICAL MATERIAL	9.379		9.379		9.379		9.379
134	63745A	TAC ELETRONIC SUPPORT MEASURE SYSTEMS	[ ]		[ ]		[ ]		[ ]
135	63746A	SINGLE CHANNEL GRD/ABN RADIO SUB-SYSTEM	2.265		2.265		2.265		2.265
136	63747A	SOLDIER SUPPORT/SURVIVABILITY	6.657		6.657		6.657		6.657
137	63750A	DRUG AND VACCINE DEVELOPMENT	16.932		16.932		16.932		16.932
138	63751A	MEDICAL DEFENSE AGAINST CHEMICAL WARFARE	31.019		31.019		31.019		31.019
139	63754A	CLASSIFIED PROGRAM (ADV)	[ ]		[ ]		[ ]		[ ]
140	63755A	TAC ELECTRONIC COUNTERMEASURES SYSTEMS	[ ]		[ ]	-45.483	-45.483	-42.000	-42.000
142	64202A	AIRCRAFT WEAPONS	[ ]		[ ]		[ ]		[ ]
143	63767A	COMBAT SERVICE SUPPORT CONTROL SYSTEM	.980		.980		.980		.980
144	64202A	AIRCRAFT WEAPONS	12.672		12.672		12.672		12.672
145	64204A	AIR MOBILITY SUPPORT EQUIPMENT	2.600		2.600		2.600		2.600
147	64207A	ADVANCED ATTACK HELICOPTER (AH-64)	17.506		17.506		17.506		17.506
148	64216A	AIRCRAFT PROPULSION SYSTEMS	70.791		70.791		70.791		70.791
149	64217A	SYNTHETIC FLIGHT TRAINING SYSTEMS	7.863		7.863		7.863		7.863
150	64218A	AIRDROP EQUIPMENT DEVELOPMENT	3.141		3.141		3.141		3.141
151	64220A	ARMY HELICOPTER IMPROVEMENT PROGRAM	6.802		6.802		6.802		6.802
153	64268A	AIRCRAFT COMPONENT IMPROVEMENT PROGRAM	16.158		16.158		16.158		16.158
154	64306A	STINGER	18.583		18.583	5.000	23.583	5.000	23.583
155	64307A	PATRIOT (SAM-D)	53.070		53.070		53.070		53.070
156	64310A	HELIBORNE MISSILE (HELLFIRE)	6.213		6.213		6.213		6.213
158	64313A	GRASSBLADE	10.878		10.878		10.878		10.878
160	64318A	DIVISION AIR DEFENSE GUN	43.176	-37.000	6.176	-37.000	6.176	-37.000	6.176
161	64321A	JT TACTICAL FUSION PROGRAM	[ ]		[ ]	-18.400	-18.400	-18.400	-18.400
163	64324A	JT TACTICAL MISSILE SYSTEM-ARMY (JTACMS-A)	154.805	-40.000	114.805		154.805	-24.805	130.000
164	64601A	INFANTRY SUPPORT WEAPONS	24.003		24.003		24.003		24.003
165	64603A	NUCLEAR MUNITIONS	[ ]	-3.000	-3.000		[ ]	-1.500	-1.500
166	64604A	MOBILITY	15.486	-15.486	0.000	-10.000	5.486	-10.000	5.486
167	64609A	SMOKE MUNITIONS AND MATERIEL	6.024		6.024		6.024		6.024
168	64612A	COUNTERMINE AND BARRIERS	10.417	-4.800	5.617	.500	10.917	-2.417	8.000
169	64616A	FIGHTING VEHICLE SYSTEM	2.228		2.228		2.228		2.228
170	64619A	LANDMINE WARFARE	7.954		7.954		7.954		7.954
171	64630A	M1 E1 DEVELOPMENT PROGRAM	3.898		3.898	15.000	18.898	15.000	18.898
172	64631A	FIELD ARTILLERY AMMUNITION	62.590	-7.800	54.790		62.590	-7.800	54.790
173	64632A	105MM TANK AMMUNITION	1.543		1.543		1.543		1.543
174	64633A	CACTUS PLANT	[ ]	-8.500	-8.500	-10.000	-10.000	-8.500	-8.500
175	64701A	COMM ENGINEERING DEVELOPMENT	10.716		10.716		10.716		10.716
176	64702A	JT TAC INFORMATION DISTRIBUTION SYSTEM	12.243		12.243		12.243		12.243
177	64704A	UNATTENDED GROUND SENSORS	2.940		2.940	-2.940	0.000	-1.940	1.000
178	64705A	MODULAR INTEGRATED COMM AND NAVIG SYSTEM	5.007		5.007		5.007		5.007
179	64706A	RADIOLOGICAL DEFENSE EQUIPMENT	.664		.664		.664		.664
181	64710A	NIGHT VISION DEVICES	14.567		14.567		14.567		14.567

LINE NO.	PROGRAM ELEMENT	TITLE	FISCAL YEAR 1986 REQUEST	S. 1160 AS PASSED CHANGE FROM REQUEST	S. 1160 AS PASSED RECOMMENDATION	H.R. 1872 AS PASSED CHANGE FROM REQUEST	H.R. 1872 AS PASSED RECOMMENDATION	CONFERENCE CHANGE FROM REQUEST	CONFERENCE RECOMMENDATION
182	64711A	AIRCRAFT SURVIVABILITY EQUIPMENT	24.777		24.777	-5.000	19.777	-2.277	22.500
183	64712A	ARMY COMM/CONTROL SYSTEM SYSTEM ENG	9.896		9.896		9.896		9.896
184	64713A	COMBAT FEEDING, CLOTHING AND EQUIPMENT	6.461		6.461		6.461		6.461
185	64714A	TACTICAL ELECTRIC POWER SOURCES	10.122		10.122		10.122		10.122
186	64717A	GENERAL COMBAT SUPPORT	14.822		14.822		14.822		14.822
187	64718A	PHYSICAL SECURITY	6.496		6.496		6.496		6.496
188	64722A	EDUCATION AND TRAINING	6.611		6.611		6.611		6.611
189	64723A	SPECIAL PURPOSE DETECTORS	3.256		3.256		3.256		3.256
190	64724A	CHEM/BIO DETECT WARN AND TRAIN MATERIAL	23.081		23.081		23.081		23.081
191	64725A	CHEM/BIO PROTECTIVE MATERIEL	15.585		15.585		15.585		15.585
192	64727A	COMMAND AND CONTROL	5.799		5.799		5.799		5.799
193	64730A	REMOTELY PILOTED VEHICLES	30.014	-6.900	23.114	-6.900	23.114	-6.900	23.114
194	64740A	TACTICAL SURVEILLANCE SYSTEM	[ ]		[ ]	-17.920	-17.920		[ ]
195	64741A	DIVISION AIR DEFENSE COMMAND AND CONTROL	33.040		33.040		33.040		33.040
196	64746A	AUTOMATIC TEST EQUIPMENT DEVELOPMENT	21.310		21.310		21.310		21.310
197	64750A	TACTICAL ELECTRONIC COUNTERMEASURES SYSTEMS	[ ]		[ ]		[ ]		[ ]
198	64751A	SINGLE CHANNEL GRD/ABN RADIO SUB ENG	12.874		12.874		12.874		12.874
199	64754A	CLASSIFIED PROGRAM (ENG)	[ ]		[ ]		[ ]		[ ]
200	64757A	MEDICAL CHEMICAL DEFENSE LIFE SUPPORT MAT	7.680		7.680		7.680		7.680
201	64758A	DRUG AND VACCINE DEVELOPMENT	10.497		10.497		10.497		10.497
202	64766A	TACTICAL ELECTRONIC SURVEILLANCE SYSTEM	[ ]		[ ]		[ ]		[ ]
203	64770A	JT SURVEIL TARGET ATTACK RADAR SYSTEM	43.818		43.818	-10.000	33.818		43.818
204	64779A	JT INTEROP OF TAC CMD & CONT SYS (JINTACCS)	8.381		8.381		8.381		8.381
205	65710A	JT CB CONTACT POINT TEST AND ASSESSMENT	2.402		2.402		2.402		2.402
206	23724A	HV ANTI-TANK ASSAULT WEAPON SYSTEM (TOW)	11.836		11.836		11.836		11.836
207	23726A	ADV FIELD ARTILLERY TACTICAL DATA SYSTEM	35.574		35.574		35.574		35.574
208	23727A	MED ANTI-TANK ASSAULT WEAPON (H)	3.842		3.842	-3.842	0.000	-.842	3.000
209	23730A	CHAPARRAL	17.666		17.666		17.666		17.666
210	23731A	SAM HAWK/HAWK IMPROVEMENT PROGRAM	5.212		5.212		5.212		5.212
211	23735A	COMBAT VEHICLE IMPROVEMENT PROGRAM	72.743		72.743	-15.101	57.642	-7.743	65.000
213	23740A	MANEUVER CONTROL SYSTEM (MCS)	8.636		8.636		8.636		8.636
215	23743A	155MM SELF-PROPELLED HOWITZER IMPROVEMENTS	26.105		26.105		26.105		26.105
217	23745A	EQUIPMENT UPGRADE	30.805		30.805		30.805		30.805
218	28010A	JT TACTICAL COMMUNICATION PROGRAM (TRI-TAC)	30.560		30.560		30.560		30.560
219	33145A	EUCOM C3 SYSTEMS	1.961		1.961		1.961		1.961
		CLASSIFIED PROGRAMS	615.866		615.866		615.866		615.866
		SUBTOTAL, TACTICAL PROGRAMS	2366.366	-239.688	2126.678	-296.675	2069.691	-278.713	2087.653
		INTELLIGENCE AND COMMUNICATIONS							
220	63712A	MAPPING AND GEODESY	4.205		4.205		4.205		4.205
221	64201A	AIRCRAFT AVIONICS	2.238		2.238		2.238		2.238
222	64716A	MAPPING AND GEODESY	3.430		3.430		3.430		3.430
223	64778A	NAVSTAR GPS (USER EQUIPMENT)	11.271		11.271		11.271		11.271
224	31307A	FOREIGN SCIENCE AND TECHNOLOGY CENTER	[ ]		[ ]		[ ]		[ ]
225	31327A	TECH RECONNAISSANCE/SURVEILLANCE (TECRAS)	[ ]		[ ]		[ ]		[ ]
226	31334A	OTHER COMMAND GDIP ACTIVITIES	[ ]		[ ]		[ ]		[ ]
227	31359A	SPECIAL ARMY PROGRAMS	[ ]		[ ]		[ ]		[ ]
229	33126A	LONG-HAUL COMMUNICATIONS (DCS)	4.312		4.312		4.312		4.312
230	33142A	SATCOM GROUND ENVIRONMENT	26.755	25.991	52.746	32.800	59.555	32.800	59.555
231	33401A	COMMUNICATIONS SECURITY	[ ]		[ ]		[ ]		[ ]
		CLASSIFIED PROGRAMS	16.280		16.280		16.280		16.280
		SUBTOTAL, INTELLIGENCE AND COMMUNICATIONS	68.491	25.991	94.482	32.800	101.291	32.800	101.291
		DEFENSEWIDE MISSION SUPPORT							
232	63315A	TARGET MISSILES	6.051		6.051	-3.000	3.051	-1.051	5.000
233	63738A	NONSYSTEMS TRAINING DEVICES (NSTD) DEV	5.863		5.863		5.863		5.863
234	64715A	NONSYSTEMS TRAINING DEVICES (ENG)	43.636		43.636		43.636		43.636
235	64726A	METEOROLOGICAL EQUIPMENT SYSTEMS	6.447		6.447		6.447		6.447
236	65201A	AVIATION ENGINEERING FLIGHT ACTIVITY	11.720		11.720	-2.000	9.720	-2.000	9.720
237	65301A	KWAJALEIN MISSILE RANGE	161.624	-7.600	154.024	-5.000	156.624	-7.600	154.024
239	65702A	SUPPORT OF DEVELOPMENT TESTING	58.671		58.671	-4.000	54.671	-2.000	56.671
240	65706A	MATERIEL SYSTEMS ANALYSIS	15.930		15.930		15.930		15.930
241	65709A	EXPLOITATION OF FOREIGN ITEMS	3.569		3.569		3.569		3.569
242	65712A	SUPPORT OF OPERATIONAL TESTING	54.855		54.855		54.855		54.855
243	65716A	THREAT SIMULATORS FOR TESTING	36.149		36.149	-8.000	28.149	-3.149	33.000
244	65801A	PROGRAM-WIDE ACTIVITIES	183.766	-15.000	168.766	-5.000	178.766	-10.000	173.766
245	65802A	INTERNATIONAL COOPERATIVE R&D	.947		.947		.947		.947
246	65803A	TECHNICAL INFO ACTIVITIES	6.265		6.265		6.265		6.265
247	65804A	DARCOM MAJOR RANGE/TEST FACILITY	373.054	-10.000	363.054	-23.000	350.054	-16.000	357.054
248	65805A	MUNITIONS--NATO STDZN DOD EFFEC SAFETY STDS	11.626		11.626	-3.000	8.626		11.626
249	65806A	DOD HIGH ENERGY LASER SYSTEMS TEST FACILITY	20.184		20.184	-12.500	7.684		20.184
251	65872A	PRODUCTIVITY INVESTMENTS	23.335		23.335	-5.000	18.335	-2.335	21.000
252	65898A	MANAGEMENT HEADQUARTERS (R&D)	11.852	-4.000	7.852		11.852		11.852
253	78011A	INDUSTRIAL PREPAREDNESS	104.062	-12.000	92.062	-12.000	92.062	-12.000	92.062
		SUBTOTAL, DEF-WIDE MISSION SUPPORT	1139.606	-48.600	1091.006	-82.500	1057.106	-56.135	1083.471
	------	CERAMIC ROTARY VALVES	0.000		0.000		0.000	(.870)	(.870)
	------	HELLFIRE ON BLACKHAWK	0.000		0.000	20.000	20.000	20.000	20.000
	------	ADV COMPOSITE AIRFRAME PROGRAM	0.000		0.000	5.000	5.000	2.500	2.500
	------	GUARD AND RESERVE UNIQUE RESEARCH	0.000		0.000	10.000	10.000	5.000	5.000
	------	PAVE TIGER/RPV	0.000		0.000	40.000	40.000		0.000
		GEN REDUCTION FOR CONSULTANTS/STUDIES/ANAL	---		---	-10.000	-10.000	-10.000	-10.000
		GENERAL REDUCTION	---	-20.000	-20.000	-10.000	-10.000	-10.000	-10.000
		RESTORATION OF CIVILIAN PAY REDUCTION	---	33.600	33.600		---	33.600	33.600
		CIVILIAN END STRENGTH FREEZE	---	-85.428	-85.428		---		---

LINE NO.	PROGRAM ELEMENT	TITLE	FISCAL YEAR 1986 REQUEST	S. 1160 AS PASSED CHANGE FROM REQUEST	S. 1160 AS PASSED RECOMMENDATION	H.R. 1872 AS PASSED CHANGE FROM REQUEST	H.R. 1872 AS PASSED RECOMMENDATION	CONFERENCE CHANGE FROM REQUEST	CONFERENCE RECOMMENDATION
		PRIOR YEAR INFLATION SAVINGS	---	-40.000	-40.000	-40.000	-40.000	-40.000	-40.000
		INFLATION REESTIMATE FOR FY 86	---	-4.000	-4.000	-4.000	-4.000	-4.000	-4.000
		PRIOR YEAR PROGRAM SAVINGS	---	-49.000	-49.000	-45.000	-45.000	-45.000	-45.000
		TOTAL, ARMY RDT&E	5279.900	-497.125	4782.775	-486.225	4793.675	-431.237	4848.663

RESEARCH, DEVELOPMENT, TEST & EVALUATION
NAVY

(DOLLARS IN MILLIONS)

LINE NO.	PROGRAM ELEMENT	TITLE	FISCAL YEAR 1986 REQUEST	S. 1160 AS PASSED CHANGE FROM REQUEST	S. 1160 AS PASSED RECOMMENDATION	H.R. 1872 AS PASSED CHANGE FROM REQUEST	H.R. 1872 AS PASSED RECOMMENDATION	CONFERENCE CHANGE FROM REQUEST	CONFERENCE RECOMMENDATION
		TECHNOLOGY BASE							
1	61103N	UNIVERSITY RESEARCH	6.250		6.250		6.250		6.250
2	61152N	IN-HOUSE INDEPENDENT LAB RESEARCH	26.277		26.277		26.277		26.277
3	61153N	DEFENSE RESEARCH SCIENCES	339.176	-10.968	328.208		339.176		339.176
4	62101N	TACTICAL DIRECTED ENERGY TECH	10.834		10.834	-5.265	5.569	-3.834	7.000
5	62241N	AIRCRAFT TECHNOLOGY	23.102		23.102		23.102		23.102
6	62331N	MISSILE PROPULSION TECH	10.503		10.503		10.503		10.503
7	62332N	SURF/AEROSPACE WEAPONRY TECH	27.218		27.218		27.218		27.218
8	62542N	NUCLEAR PROPULSION TECH	49.018		49.018		49.018		49.018
9	62543N	SHIP AND SUBMARINE TECH	25.272		25.272		25.272		25.272
10	62633N	UNDERSEA WARFARE WEAPONRY TECH	44.181		44.181		44.181		44.181
11	62711N	UNDERSEA TARGET SURV TECH	44.495		44.495		44.495		44.495
12	62712N	SURF/AEROSPACE TARGET SURV TECH	32.240		32.240		32.240		32.240
13	62721N	COMMAND AND CONTROL TECH	28.943	-4.500	24.443		28.943	-4.500	24.443
14	62734N	COUNTERMEASURES TECH	27.005		27.005		27.005		27.005
15	62744N	MC AIR-GROUND TECHNOLOGY	18.499	-4.000	14.499		18.499	-4.000	14.499
16	62757N	HUMAN FACTORS AND SIM TECH	7.652		7.652		7.652		7.652
17	62758N	BIOMEDICAL TECH	8.906		8.906		8.906		8.906
18	62759N	OCEAN AND ATMOS SUPT TECH	27.095		27.095		27.095		27.095
19	62760N	LOGISTICS TECH	13.311		13.311		13.311		13.311
20	62761N	MATERIALS TECH	33.004		33.004		33.004		33.004
21	62762N	ELEX DEVICE TECH	24.898		24.898		24.898		24.898
22	62763N	PERSONNEL AND TRAINING TECH	5.062		5.062		5.062		5.062
23	62764N	CHEMICAL/BIO/RADIOLOGICAL DEFENSE TECH	4.765		4.765		4.765		4.765
25	62766N	LAB INDEPENDENT EXPLORATORY DEV	15.463		15.463		15.463		15.463
		SUBTOTAL, TECHNOLOGY BASE	853.169	-19.468	833.701	-5.265	847.904	-12.334	840.835
		ADVANCED TECHNOLOGY DEVELOPMENT							
27	63202N	AVIONICS	4.909		4.909	-1.000	3.909	-.409	4.500
28	63207N	AIR/OCEAN TACTICAL APPLICATIONS	8.946		8.946		8.946		8.946
29	63210N	ADV A/C PROPULSION SYSTEM	8.841		8.841	-8.841	0.000	-5.841	3.000
30	63216N	AVIATION LIFE SUPPORT SYSTEM	1.377		1.377		1.377		1.377
31	63217N	ADV A/C SUBSYSTEMS	4.684		4.684		4.684		4.684
32	63303N	ERASE	10.149		10.149		10.149		10.149
33	63306N	ASM TECH	8.973	-8.973	0.000	-7.000	1.973	-7.000	1.973
35	63508N	SHIP PROPULSION SYS (ADV)	30.664		30.664		30.664		30.664
36	63526N	ADVANCED COMPUTER TECH	14.555	-3.341	11.214	-2.500	12.055	-2.500	12.055
37	63573N	ELECTRIC DRIVE	9.762		9.762	-9.762	0.000		9.762
38	63609N	CONVENTIONAL MUNITIONS	30.334	-2.000	28.334	-5.000	25.334	-5.000	25.334
39	63654N	JOINT SERVICE EOD DEVELOPMENT (ADV)	10.898		10.898	-2.000	8.898		10.898
40	63701N	HUMAN FACTORS ENG DEVEL	2.116		2.116		2.116		2.116
41	63704N	ASW OCEANOGRAPHY	6.376		6.376		6.376		6.376
42	63706N	MEDICAL DEVELOPMENT (ADV)	14.653	-4.000	10.653		14.653		14.653
43	63707N	MANPOWER CONTROL SYSTEM DEV	4.099	-1.000	3.099		4.099		4.099
44	63709N	ADVANCED MARINE BIOLOGICAL SYSTEM	5.477		5.477		5.477		5.477
45	63712N	GENERIC LOGISTICS R&D	8.886	-8.886	0.000	-1.000	7.886	-3.886	5.000
46	63713N	OCEAN ENG TECH DEVELOPMENT	13.083		13.083		13.083		13.083
47	63720N	EDUCATION AND TRAINING	4.667	-1.500	3.167		4.667		4.667
48	63721N	ENVIRONMENTAL PROTECTION	8.347		8.347		8.347		8.347
49	63722N	NAVAL SPECIAL WARFARE	11.862		11.862		11.862		11.862
52	63732N	ADVANCED MANPOWER TRAINING SYSTEM	6.144		6.144		6.144		6.144
53	63733N	TRAINING DEVICE TECH	8.679		8.679		8.679		8.679
54	63739N	NAVAL LOGISTICS PRODUCTIVITY	.968		.968		.968		.968
		SUBTOTAL, ADVANCED TECH DEVELOPMENT	239.449	-29.700	209.749	-37.103	202.346	-24.636	214.813
		STRATEGIC PROGRAMS							
56	63451N	SPACE TECHNOLOGY	14.002	-9.002	5.000		14.002		14.002
61	64363N	TRIDENT II	2165.615		2165.615	-65.615	2100.000	-35.000	2130.615
62	65856N	STRATEGIC TECH SUPPORT	3.882		3.882		3.882		3.882
63	11221N	FBM SYSTEM	33.550		33.550		33.550		33.550
64	11224N	SSBN SECURITY PROGRAM	38.591		38.591		38.591		38.591
65	11228N	TRIDENT I	47.195	-5.000	42.195	-17.195	30.000	-9.000	38.195
66	11401N	ELF COMMUNICATIONS	28.283		28.283	-13.283	15.000		28.283
67	11402N	NAVY STRATEGIC COMMUNICATIONS	125.839		125.839	-86.301	39.538		125.839
68	12427N	NAV SPASUR	.954		.954		.954		.954
69	33131N	MEECN	1.615		1.615		1.615		1.615
70	33152N	WIS MODERNIZATION	22.504	-10.000	12.504	-5.504	17.000	-7.504	15.000
		SUBTOTAL, STRATEGIC PROGRAMS	2482.030	-24.002	2458.028	-187.898	2294.132	-51.504	2430.526

LINE NO.	PROGRAM ELEMENT	TITLE	FISCAL YEAR 1986 REQUEST	S. 1160 AS PASSED CHANGE FROM REQUEST	S. 1160 AS PASSED RECOMMENDATION	H.R. 1872 AS PASSED CHANGE FROM REQUEST	H.R. 1872 AS PASSED RECOMMENDATION	CONFERENCE CHANGE FROM REQUEST	CONFERENCE RECOMMENDATION
		TACTICAL PROGRAMS							
71	63206N	AIRBORNE ELECTRONIC WARFARE EQUIPMENT	61.587		61.587	-61.587	0.000		61.587
72	63208N	T45-TS	114.128		114.128		114.128		114.128
76	63228N	CV ASW MODULE	5.022	-.763	4.259		5.022	-.763	4.259
77	63251N	A/C SYSTEMS (ADV)	5.894		5.894		5.894		5.894
78	63254N	AIR ASW	6.778	-2.000	4.778		6.778	-2.000	4.778
79	63256N	JVX	603.743		603.743	-50.000	553.743	-20.000	583.743
80	63257N	A-6E IMPROVEMENTS	237.952	-50.000	187.952		237.952		237.952
82	63260N	AIRBORNE MINE COUNTERMEASURES	14.148		14.148		14.148		14.148
83	63261N	TACTICAL AIR RECONNAISSANCE	6.906		6.906	-4.400	2.506		6.906
84	63262N	A/C SURVIVABILITY AND VULNERABILITY	14.825		14.825		14.825		14.825
87	63315N	RETRACT YELLOW	25.728	-20.728	5.000		25.728	-20.728	5.000
88	63318N	ADVANCED SURFACE-TO-AIR MISSILE (ASAM)	41.510		41.510	-41.510	0.000	-16.510	25.000
89	63320N	LOW-COST ANTI-RADIATION SEEKER	16.523		16.523	8.477	25.000	1.000	17.523
90	63367N	SUBMARINE ASW STANDOFF WEAPON	75.328	-25.000	50.328		75.328		75.328
91	63382N	BGAAWC	11.183		11.183		11.183		11.183
92	63502N	SURFACE MCM	24.908		24.908		24.908		24.908
93	63504N	SUB SONAR DEVELOPMENT (ADV)	22.414	-9.908	12.506		22.414	-9.908	12.506
94	63506N	SURFACE SHIP TORPEDO DEFENSE	45.199		45.199	-5.000	40.199	-5.000	40.199
96	63512N	CATAPULTS	3.418		3.418	-3.418	0.000	-3.418	0.000
97	63513N	SHIPBOARD SYSTEM COMP DEVELOPMENT	21.427	-6.000	15.427		21.427	-6.000	15.427
98	63514N	SHIPBOARD DAMAGE CONTROL	32.320		32.320	-11.500	20.820		32.320
101	63519N	ADVANCED COMMAND DATA SYSTEM	2.595	-2.595	0.000		2.595	-2.595	0.000
102	63522N	SUB ARCTIC WARFARE/SUPPORT EQUIPMENT PR	9.748		9.748		9.748		9.748
103	63525N	PILOT FISH	93.964		93.964		93.964		93.964
104	63528N	NON-ACOUSTIC ASW	22.104		22.104		22.104		22.104
105	63529N	ADVANCED ASW TARGET	12.646		12.646		12.646		12.646
106	63532N	SHIP SYSTEM ENGINEERING STANDARDS	4.673	-.673	4.000		4.673		4.673
107	63536N	RETRACT JUNIPER	25.368		25.368		25.368		25.368
109	63542N	RADIOLOGICAL CONTROL	3.585	-1.389	2.196		3.585	-1.389	2.196
110	63550N	LINK DOGWOOD	26.247		26.247		26.247		26.247
111	63553N	SURFACE ASW	17.649		17.649		17.649		17.649
112	63560N	SUB HULL ARRAY DEV (ADV)	13.206	-4.995	8.211		13.206	-4.995	8.211
113	63561N	ADVANCED SUB SYSTEM DEVELOPMENT	180.586		180.586		180.586		180.586
114	63562N	SUB TACTICAL WARFARE SYSTEM (ADV)	23.171		23.171		23.171		23.171
115	63564N	SHIP DEVELOPMENT (ADV)	14.639		14.639	-.982	13.657	-.982	13.657
116	63565N	SURFACE SHIP NAVIGATION SYSTEM	2.841		2.841	-2.841	0.000		2.841
118	63569N	ATTACK SUBMARINE DEVELOPMENT	33.139		33.139		33.139		33.139
119	63570N	ADVANCED NUCLEAR REACTOR COMP SYSTEM DEV	120.175		120.175		120.175		120.175
120	63571N	SHIPBOARD PHYSICAL SECURITY	3.703		3.703		3.703		3.703
121	63576N	CHALK EAGLE	68.783		68.783		68.783		68.783
122	63578N	A4W/A1G NUCLEAR PROPULSION PLANT	3.327		3.327		3.327		3.327
123	63582N	COMBAT SYSTEM INTEGRATION	22.383		22.383		22.383		22.383
124	63589N	DDG-51	100.836		100.836	-15.836	85.000	-11.836	89.000
125	63591N	JOINT ADVANCED SYSTEMS	132.348		132.348	-132.348	0.000	-132.348	0.000
126	63601M	MINE DEVELOPMENT	1.964		1.964	5.000	6.964	2.500	4.464
127	63610N	ALWT (ADV)	10.113		10.113	-10.113	0.000	-3.113	7.000
128	63611M	MC ASSAULT VEHICLES	10.407		10.407	4.000	14.407	4.000	14.407
129	63634N	TACTICAL NUCLEAR DEVELOPMENT	9.721		9.721		9.721		9.721
130	63635M	GROUND COMBAT/SUPPORT ARMS SYSTEM	17.129		17.129	-4.000	13.129	-1.000	16.129
131	63702N	OCEAN ENGINEERING SYSTEM DEV	1.380		1.380		1.380		1.380
133	63708N	ANTI SUBMARINE WARFARE SIGNAL PROC	15.535		15.535		15.535		15.535
134	63711N	FLEET TACTICAL D&E PROGRAM	3.880		3.880	-3.880	0.000	-1.880	2.000
135	63717N	COMMAND & CONTROL SYS (ADV)	42.973	-7.000	35.973	-17.973	25.000	-12.500	30.473
136	63719N	CONTAINER OFFLOAD AND TRANSFER SYSTEM	1.515		1.515		1.515		1.515
137	63724N	NAVY ENERGY PROGRAM (ADV)	18.576		18.576		18.576		18.576
138	63725N	FACILITIES IMPROVEMENT	7.279		7.279		7.279		7.279
139	63726N	MERSHIP NAVY AUXILIARY PROGRAM	6.031		6.031		6.031		6.031
140	63729M	COMBAT SERVICES SUPPORT (ADV)	9.356		9.356		9.356		9.356
141	63730M	MC INTEL/ELECTRONIC WARFARE SYSTEM	.070		.070		.070		.070
142	63734N	CHALK CORAL	3.039		3.039		3.039		3.039
144	63737N	LINK HAZEL	23.564		23.564		23.564		23.564
145	63740N	LINK LAUREL	35.345		35.345		35.345		35.345
146	63743N	ARIADNE	2.185		2.185		2.185		2.185
147	63744N	LINK SPRUCE	67.352	-17.352	50.000	-67.352	0.000	-32.352	35.000
148	63746N	RETRACT MAPLE	8.247		8.247		8.247		8.247
149	63763N	NCCS SE&I	7.181		7.181		7.181		7.181
150	63784N	ASW SURVEILLANCE	19.458	-2.000	17.458		19.458	-2.000	17.458
151	63785N	LRAP	15.678		15.678		15.678		15.678
152	63787N	SPECIAL PROCESSES	49.532		49.532		49.532		49.532
153	63788N	RDSS	15.380	-15.380	0.000	-15.380	0.000	-15.380	0.000
154	64203N	AVIONICS DEVELOPMENT	14.965		14.965		14.965		14.965
155	64211N	IFF SYSTEM DEVELOPMENT	17.477		17.477		17.477		17.477
156	64212N	LAMPS III	16.006	-1.906	14.100		16.006	-1.906	14.100
157	64213N	HELICOPTER DEVELOPMENT	7.902		7.902		7.902		7.902
158	64214N	AV8B (ENG)	72.078		72.078		72.078		72.078
159	64215N	SUPPORT EQUIPMENT	16.428		16.428		16.428		16.428
160	64217N	S-3 WEAPON SYSTEM IMPROVEMENT	15.955		15.955		15.955		15.955
161	64218N	AIR OCEAN EQUIPMENT ENG	2.468		2.468		2.468		2.468
162	64219N	AIRBORNE ASW DEVELOPMENT	6.136		6.136		6.136		6.136
163	64220N	A/C IR SIGN SUPPRESSION	3.945		3.945	-3.945	0.000	-1.945	2.000
164	64221N	P-3 MODERNIZATION PROGRAM	48.725	-6.000	42.725	-15.725	33.000	-6.000	42.725
165	64224N	AIRBORNE ELECTRONIC WARFARE ENG	62.298		62.298		62.298		62.298
167	64226N	ASPJ	24.985		24.985		24.985		24.985
169	64229N	CV IZ ASW HELO	12.722		12.722		12.722		12.722
170	64252N	A/C PROPULSION (ENG)	44.866		44.866		44.866		44.866
171	64255N	ELECTRONIC WARFARE SIMULATOR DEVELOPMENT	40.275		40.275	-18.275	22.000	-4.275	36.000
172	64260N	C/MH-53E	2.300		2.300		2.300		2.300
173	64261N	ACOUSTIC SEARCH SENSORS (ENG)	42.630	-12.000	30.630	-6.000	36.630	-12.000	30.630
174	64264N	AVIATION LIFE SUPPORT SYSTEM	32.809		32.809	-12.809	20.000	-2.809	30.000
176	64268N	A/C ENGINES COMPONENT IMPROVEMENT PROGRAM	65.843		65.843		65.843		65.843
177	64301N	MK92 FCS UPGRADE	13.326		13.326		13.326		13.326
178	64303N	AEGIS AREA AIR DEFENSE	11.081		11.081		11.081		11.081

LINE NO.	PROGRAM ELEMENT	TITLE	FISCAL YEAR 1986 REQUEST	S. 1160 AS PASSED		H.R. 1872 AS PASSED		CONFERENCE	
				CHANGE FROM REQUEST	RECOMMENDATION	CHANGE FROM REQUEST	RECOMMENDATION	CHANGE FROM REQUEST	RECOMMENDATION
179	64307N	CG-47 PRODUCT IMPROVEMENT	48.506	-10.000	38.506		48.506	-4.000	44.506
180	64308N	LINK ASH	13.636		13.636		13.636		13.636
181	64314N	AMRAAM	17.051	-8.051	9.000	-17.051	0.000	-12.051	5.000
183	64353N	VERTICAL LAUNCHING SYSTEM	29.566		29.566		29.566		29.566
184	64354N	AAW SYSTEMS ENGINEERING	13.589		13.589		13.589		13.589
185	64355N	VLS ASROC	37.444		37.444	-10.144	27.300		37.444
186	64358N	CIWS (PHALANX)	7.612		7.612		7.612		7.612
187	64361N	NATO SEA SPARROW	8.047	-5.000	3.047	-8.047	0.000	-5.000	3.047
188	64365N	SM-2 (N)	9.756	-5.000	4.756		9.756	-2.500	7.256
189	64366N	STANDARD MISSILE IMPROVEMENTS	47.185		47.185	12.815	60.000		47.185
190	64367N	TOMAHAWK	68.798		68.798	-25.798	43.000	-5.798	63.000
191	64369N	5" ROLLING AIR FRAME MISSILE	10.948	-7.000	3.948	-10.948	0.000	-7.000	3.948
192	64370N	SSN-688 VLS	25.699		25.699		25.699		25.699
194	64372N	NEW THREAT UPGRADE	54.034	-54.034	0.000		54.034		54.034
195	64502N	SUBMARINE COMMUNICATIONS	4.426		4.426		4.426		4.426
196	64503N	SUB SONAR DEVELOPMENT (ENG)	40.299		40.299		40.299		40.299
197	64504N	AIR CONTROL ENG	20.335		20.335		20.335		20.335
198	64506N	BR/CW COUNTERMEASURES	6.079		6.079		6.079		6.079
199	64507N	EMSP	99.277		99.277		99.277		99.277
200	64508N	RADAR SURVEILLANCE EQUIPMENT	6.330		6.330		6.330		6.330
201	64509N	ADVANCED TACTICAL RAD	2.909		2.909		2.909		2.909
203	64511N	INTELLIGENCE SYSTEMS	.901		.901		.901		.901
204	64515N	SUB SURVEILLANCE EQUIPMENT PROGRAM (ENG)	19.429	-4.000	15.429		19.429	-4.000	15.429
205	64516N	SHIP SURVIVABILITY	5.904		5.904		5.904		5.904
206	64518N	CIC CONVERSION	29.204		29.204		29.204		29.204
207	64520N	SUB HULL ARRAY DEV (ENG)	25.974		25.974		25.974		25.974
208	64524N	SUBACS (ENG)	205.205		205.205	-205.205	0.000	-205.205	0.000
	------	SSN-21 COMBAT ENG SUPPORT (ADV & ENG)	0.000		0.000	190.000	190.000	200.000	200.000
211	64562N	SUB TACTICAL WARFARE SYSTEMS (ENG)	49.798	-12.000	37.798		49.798	-12.000	37.798
212	64563N	SHIPBOARD PHYSICAL SECURITY (ENG)	4.617		4.617		4.617		4.617
213	64567N	SHIP SUBSYSTEM DEVELOPMENT/LBTS	89.418	-2.000	87.418	-17.418	72.000	-9.418	80.000
214	64569N	NATO SEA GNAT	2.284		2.284		2.284		2.284
215	64573N	SHIPBOARD EW IMPROVEMENT	63.776		63.776		63.776		63.776
216	64574N	TACTICAL EMBEDDED COMPUTER PROGRAM	19.169	-10.000	9.169	-16.812	2.357	-10.000	9.169
217	64575N	AN/SQS-53C	37.713		37.713		37.713		37.713
218	64578N	LINK BIRCH	4.078		4.078		4.078		4.078
219	64601N	MINE DEVELOPMENT (ENG)	9.367		9.367		9.367		9.367
220	64602N	NAVAL GUNNERY IMPROVEMENT	15.870	-8.000	7.870	-4.000	11.870	-6.000	9.870
221	64603N	UNGUIDED CONVENTIONAL AIR-LAUNCHED WEAPONS	4.678		4.678		4.678		4.678
223	64608N	SAL GP/ED SENS DEVEL	48.717	-25.800	22.917	-4.000	44.717	-4.000	44.717
224	64609N	BOMB-FUZE IMPROVEMENT	5.672		5.672		5.672		5.672
225	64610N	MK-50 TORPEDO (ALWT)	158.290		158.290		158.290		158.290
226	64654N	JOINT SERVICE EOD DEVELOPMENT (ENG)	4.405		4.405		4.405		4.405
227	64656M	MC ASSAULT VEHICLES	45.653	-15.000	30.653	-28.851	16.802	-24.851	20.802
228	64657M	GROUND COMBAT/SUPPORT ARMS SYSTEM	8.686		8.686		8.686		8.686
229	64675N	MK-48 ADCAP (ENG)	63.470		63.470		63.470		63.470
230	64704N	ASW OCEANOGRAPHIC EQUIPMENT	.506		.506		.506		.506
231	64705N	CHALK BANYAN	5.826		5.826		5.826		5.826
232	64710N	NAVY ENERGY PROGRAM (ENG)	9.799		9.799		9.799		9.799
233	64711N	COMMAND & CONTROL SYSTEM (ENG)	66.173	-17.000	49.173		66.173	-17.000	49.173
234	64713N	TACTAS (AN-SQR-19)	16.200		16.200	-16.200	0.000	-6.200	10.000
236	64715N	SURFACE WARFARE TRAINING DEVELOPMENT	25.821		25.821		25.821		25.821
238	64717M	COMBAT SERVICES SUPPORT	3.638		3.638		3.638		3.638
239	64718M	INTEL/ELECT WARFARE SYSTEM	14.159		14.159	-1.000	13.159		14.159
240	64719M	COMMAND/CONTROL/COMMUNICATION SYSTEM	18.906		18.906		18.906		18.906
242	64725N	REGIONAL TACTICAL SURVEILLANCE	56.225		56.225		56.225		56.225
243	64761N	INTELLIGENCE (ENG)	12.421	-4.000	8.421		12.421		12.421
244	64771N	MEDICAL DEVELOPMENT (ENG)	1.380		1.380		1.380		1.380
245	64779N	JINTACCS	5.622		5.622		5.622		5.622
246	64780M	JINTACCS MC	2.945		2.945		2.945		2.945
248	65155N	FLEET TACTICAL D&E	17.197	-3.000	14.197		17.197	-3.000	14.197
249	65803N	EMI AND SPECTRUM CONTROL	3.870		3.870		3.870		3.870
250	65853N	MANAGEMENT AND TECH SUPPORT	11.063	-3.000	8.063	-2.000	9.063	-3.000	8.063
251	65867N	C2 SURVEILLANCE/RECONNAISSANCE SUPPORT	3.979		3.979		3.979		3.979
252	65871M	MC TACTICAL EXPLOIT NAT CAP	.415		.415		.415		.415
253	24134N	A-6 SQUADRONS	19.205		19.205	-1.263	17.942	-.705	18.500
254	24136N	F/A-18 SQUADRONS	58.314	20.000	78.314	-28.314	30.000	6.686	65.000
255	24152N	EARLY WARNING AIRCRAFT SQUADRONS	23.666		23.666		23.666		23.666
256	24161N	AVIATION SUPPORT CVW	1.785		1.785		1.785		1.785
257	24163N	FLEET TELECOMMUNICATIONS (TAC)	72.697	-22.697	50.000	-40.293	32.404	-31.697	41.000
259	24281N	SUBMARINES	3.756		3.756		3.756		3.756
261	24311N	UNDERSEA SURVEILLANCE SYSTEM	25.217		25.217		25.217		25.217
262	24313N	SURTASS	2.186		2.186		2.186		2.186
263	24571N	SPECIAL PROJECTS	20.513		20.513		20.513		20.513
264	24573N	NAVY COVER & DECEPTION PROGRAM	25.584		25.584		25.584		25.584
265	24575N	ELECTRONIC WARFARE SUPPORT	8.573		8.573		8.573		8.573
266	24576N	COUNTER C3 DEVELOPMENT	22.563		22.563		22.563		22.563
267	25601N	HARM IMPROVEMENT	2.636		2.636		2.636		2.636
268	25604N	JTIDS	184.646		184.646	-184.646	0.000	-184.646	0.000
269	25620N	ASW COMBAT SYSTEM INTEGRATION	12.271		12.271		12.271		12.271
271	25633N	AIRCRAFT EQUIP RELY/MAINTAIN PROGRAM	7.852		7.852		7.852		7.852
272	25634N	SUBMARINE SILENCING	31.638		31.638		31.638		31.638
273	25645N	MODULAR GUIDED WEAPON IMPROVEMENT	7.682	-7.682	0.000	-7.682	0.000	-7.682	0.000
274	25653N	LAB FLEET SUPPORT	6.158		6.158		6.158		6.158
276	25667N	F-14D	348.065		348.065		348.065		348.065
277	25670N	TACTICAL INTELL PROC SUPPORT	1.456		1.456		1.456		1.456
278	25674N	EW COUNTER-RESPONSE	80.168		80.168	-1.964	78.204		80.168
279	25675N	OPERATIONAL REACTOR DEVELOPMENT	12.719		12.719		12.719		12.719
280	26313M	MARINE CORPS TELECOMMUNICATIONS	3.587		3.587		3.587		3.587
281	26623M	GROUND COMBAT/SUPPORT ARMS SYSTEM	43.600		43.600	-3.600	40.000	-1.800	41.800
282	26624M	COMBAT SERVICES SUPPORT	1.449		1.449		1.449		1.449
283	26625M	INTEL/ELECT WARFARE SYSTEM	1.163		1.163		1.163		1.163
284	26626M	COMMAND/CONTROL/COMMUNICATION SYSTEM	39.064		39.064		39.064		39.064

LINE NO.	PROGRAM ELEMENT	TITLE	FISCAL YEAR 1986 REQUEST	S. 1160 AS PASSED CHANGE FROM REQUEST	S. 1160 AS PASSED RECOMMENDATION	H.R. 1872 AS PASSED CHANGE FROM REQUEST	H.R. 1872 AS PASSED RECOMMENDATION	CONFERENCE CHANGE FROM REQUEST	CONFERENCE RECOMMENDATION
285	26627M	M/C TECH SUPPORT C/C SYSTEM	4.094		4.094		4.094		4.094
286	28010M	TRI-TAC-MC	11.939		11.939		11.939		11.939
	------	NAVAL OCEANOGRAPHY	0.000	5.900	5.900		0.000	5.900	5.900
	------	GENERAL REDUCTION FOR EW PROGRAMS	---		---		---	-30.000	-30.000
		SUBTOTAL, TACTICAL PROGRAMS	6160.962	-383.053	5777.909	-919.818	5241.144	-713.099	5447.863
		INTELLIGENCE AND COMMUNICATIONS							
288	63518N	ADVANCED NAVIGATION DEVELOPMENT	1.941		1.941		1.941		1.941
289	64514N	NAVIGATION SYSTEMS	.920		.920		.920		.920
290	64577N	EHF SATCOM	45.437		45.437	-11.437	34.000	-5.737	39.700
291	64777N	NAVSTAR GPS	70.079	-8.000	62.079	-5.000	65.079	-8.000	62.079
292	65866N	C2 SYSTEMS PLAN/ENG SUPPORT	5.466		5.466		5.466		5.466
293	31303N	FIELD OPERATIONS INTELLIGENCE OFFICE	[ ]		[ ]		[ ]		[ ]
294	31326N	PRAIRIE SCHOONER	[ ]		[ ]		[ ]		[ ]
295	31327N	TECH RECONNAISSANCE AND SURVEILLANCE	[ ]		[ ]		[ ]		[ ]
296	33109N	SATELLITE COMMUNICATIONS	17.973		17.973	13.283	31.256	5.000	22.973
298	33401N	COMSEC	[ ]		[ ]		[ ]		[ ]
299	33603N	MILSTAR JOINT PROJECT OFFICE	4.418		4.418		4.418		4.418
300	34111N	SPECIAL ACTIVITIES	[ ]	-50.000	-50.000	-142.800	-142.800	-100.000	-100.000
		CLASSIFIED PROGRAMS	557.773		557.773		557.773		557.773
		SUBTOTAL, INTEL AND COMMUNICATIONS	704.007	-58.000	646.007	-145.954	558.053	-108.737	595.270
		DEFENSEWIDE MISSION SUPPORT							
301	64208N	RANGE INSTRUMENTATION AND SYSTEM DEV	8.382		8.382		8.382		8.382
302	64258N	TARGET SYSTEMS DEVELOPMENT	109.012	-10.000	99.012		109.012	-10.000	99.012
303	64703N	TRAINING AND PERSONNEL SYSTEM DEVELOPMEN	3.086		3.086		3.086		3.086
304	65151M	STUDIES AND ANALYSES SUPPORT/MC	1.785		1.785		1.785		1.785
305	65152N	STUDIES AND ANALYSES SUPPORT/NAVY	3.977		3.977		3.977		3.977
306	65153M	MCOAG	3.714		3.714		3.714		3.714
307	65154N	CENTER FOR NAVAL ANALYSIS/NAVY	21.813	-5.771	16.042		21.813	-2.813	19.000
308	65156M	MC OPERATIONAL T&E	2.317		2.317		2.317		2.317
310	65804N	TECH INFORMATION SERVICES	2.744	-.500	2.244		2.744	-.500	2.244
311	65852N	AUTEC	51.914	-8.717	43.197	-4.000	47.914	-8.717	43.197
312	65854M	DEVELOPMENT CENTER SUPPORT	3.958		3.958		3.958		3.958
313	65857N	INTERNATIONAL RDT&E	2.436	-.600	1.836		2.436	-.600	1.836
314	65859N	MOBILE SEA RANGE	5.268		5.268		5.268		5.268
315	65861N	RDT&E LAB AND FAC MANAGEMENT SUPPORT	66.278	-9.500	56.778		66.278	-8.278	58.000
316	65862N	RDT&E INSTRUMENTATION AND MATERIAL SUPPORT	20.321	-1.500	18.821		20.321	-1.000	19.321
317	65863N	RDT&E SHIP AND AIRCRAFT SUPPORT	84.293	-6.000	78.293		84.293	-6.000	78.293
318	65864N	TEST AND EVALUATION SUPPORT	294.480		294.480		294.480		294.480
319	65865N	OT&E CAPABILITY	6.503		6.503		6.503		6.503
320	65872N	PRODUCTIVITY IMPROVEMENT	2.855	-2.855	0.000	-2.855	0.000	-2.855	0.000
321	35111N	WEATHER SERVICE	1.146		1.146		1.146		1.146
322	35160N	DEF METEOROLOGICAL SATELLITE PROGRAM	55.975	-25.000	30.975		55.975		55.975
323	78011N	MANUFACTURING TECHNOLOGY	72.426	-17.426	55.000	-22.000	50.426	-20.426	52.000
		SUBTOTAL, DEF-WIDE MISSION SUPPORT	824.683	-87.869	736.814	-28.855	795.828	-61.189	763.494
	------	TAIL CONTROL SPARROW	0.000		0.000		0.000	25.000	25.000
	------	ASW SHIPBOARD TRAINER	0.000		0.000	(6.800)	(6.800)	6.800	6.800
	------	BATTLEGROUP QUICK REACTION SURVEIL SYSTEM	0.000		0.000	12.000	12.000	12.000	12.000
	------	WALLOPS ISLAND TEST RANGE	0.000		0.000	10.000	10.000	4.000	4.000
	------	SKIPPER/PRACTICE BOMB	0.000		0.000	10.000	10.000	10.000	10.000
	------	5"/155MM GUIDED PROJECTILE COMPETITION	0.000		0.000	2.500	2.500	2.500	2.500
	------	CLASSIFIED PROGRAM	[ ]		[ ]	1.500	1.500	1.500	1.500
		UNDISTRIBUTED REDUCTION	---		---	-37.500	-37.500	-37.500	-37.500
		GEN REDUCTION CONSULTANTS/STUDIES/ANALY	---		---	-20.000	-20.000	-20.000	-20.000
		GENERAL REDUCTION	---		---	-86.301	-86.301		---
		RESTORATION OF CIVILIAN PAY REDUCTION	---	3.300	3.300		---	3.300	3.300
		CIVILIAN END STRENGTH FREEZE	---	-2.952	-2.952		---		---
		PRIOR YEAR INFLATION SAVINGS	---	-60.000	-60.000	-60.000	-60.000	-60.000	-60.000
		INFLATION REESTIMATE FOR FY 86	---	-11.000	-11.000	-11.000	-11.000	-11.000	-11.000
		PRIOR YEAR PROGRAM SAVINGS	---	-123.000	-123.000	-123.000	-123.000	-123.000	-123.000
		TOTAL, NAVY RDT&E	11264.300	-795.744	10468.556	-1626.694	9637.606	-1157.899	10106.401
		TECHNOLOGY BASE							
1	61101F	IN-HOUSE LAB INDEPENDENT RESEARCH	17.444		17.444		17.444		17.444
2	61102F	DEFENSE RESEARCH SCIENCES	206.334	-10.000	196.334		206.334		206.334
3	61103F	UNIVERSITY RESEARCH	6.250		6.250		6.250		6.250
4	62101F	GEOPHYSICS	38.614		38.614		38.614		38.614
5	62102F	MATERIALS	54.769		54.769		54.769		54.769
6	62201F	AEROSPACE FLIGHT DYNAMICS	67.545		67.545		67.545		67.545
7	62202F	AEROSPACE BIOTECHNOLOGY	50.840		50.840		50.840		50.840

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8	62203F	AEROSPACE PROPULSION	62.609		62.609		62.609		62.609
9	62204F	AEROSPACE AVIONICS/VHSI CIRCUITS	74.806		74.806	-14.806	60.000	-14.806	60.000
10	62205F	TRAINING/SIMULATION TECH	25.236		25.236		25.236		25.236
11	62206F	CIVIL ENGINEERING AND ENVIRONMENTAL QA	7.125	-7.125	0.000		7.125		7.125
12	62302F	ROCKET PROPULSION	41.661	-4.000	37.661		41.661	-2.000	39.661
13	62601F	ADVANCED WEAPONS	37.020		37.020	-3.020	34.000	-1.520	35.500
14	62602F	CONVENTIONAL MUNITIONS	44.819		44.819		44.819		44.819
15	62702F	COMMAND/CONTROL/COMMUNICATION	80.720	-5.000	75.720	-3.000	77.720	-4.000	76.720
16	62703F	PERSONNEL UTILIZATION TECH	9.421	-.821	8.600		9.421		9.421
		SUBTOTAL, TECHNOLOGY BASE	825.213	-26.946	798.267	-20.826	804.387	-22.326	802.887
		ADVANCED TECHNOLOGY DEVELOPMENT							
17	63106F	LOGISTICS RESEARCH AND DEVEL REQUIREMENTS	12.736	-3.000	9.736	-3.000	9.736	-3.000	9.736
18	63107F	AUTOMATION OF TECHNICAL INFORMATION	5.382	-2.382	3.000	-5.382	0.000	-5.382	0.000
19	63202F	A/C PROPULSION SUBSYSTEM INTEGRATION	27.493		27.493		27.493		27.493
20	63203F	ADVANCED AVIONICS FOR AIRCRAFT	22.651		22.651		22.651		22.651
21	63205F	FLT VEHICLE TECHNOLOGY	22.884		22.884	-1.000	21.884	-.584	22.300
22	63208F	RECON SENSORS/PROCESSING TECHNOLOGY	9.182		9.182	-9.182	0.000	-3.182	6.000
23	63211F	AEROSPACE STRUCTURES/MATERIALS	23.596	-5.000	18.596	-10.596	13.000	-5.000	18.596
24	63215F	AVIATION TURBINE FUEL TECHNOLOGY	4.671		4.671		4.671		4.671
25	63216F	ADVANCED TURBINE ENGINE GAS GENERATOR	29.656	-4.656	25.000	-2.000	27.656	-2.000	27.656
26	63217F	WEAPON SYSTEM POWER	1.947		1.947	-1.947	0.000		1.947
27	63226F	DOD COMMON PROG LANGUAGE (ADA) ADV DEV	7.460		7.460		7.460		7.460
28	63227F	ADVANCED SIMULATOR TECHNOLOGY	4.410		4.410		4.410		4.410
29	63231F	CREW SYSTEMS TECHNOLOGY	12.754		12.754		12.754		12.754
30	63244F	A/C NON-NUCLEAR SURVIVABILITY	3.278		3.278		3.278		3.278
31	63245F	ADVANCED FIGHTER TECH INTEGRATION	22.276	-3.000	19.276	-2.000	20.276	-2.500	19.776
32	63250F	LINCOLN LABORATORY	26.363		26.363	-4.363	22.000	-1.363	25.000
33	63253F	ADVANCED SYSTEM INTEGRATION DEMONSTRATION	36.327		36.327	-36.327	0.000	-36.327	0.000
	------	INEWS/NAVIGATION ID AVIONICS	0.000		0.000	60.000	60.000	60.000	60.000
34	63259F	CARTOGRAPHIC APPLICATIONS--TAC AND STRATEGI	1.409		1.409		1.409		1.409
35	63302F	SPACE AND MISSILE ROCKET PROPULSION	8.381	-5.000	3.381	-8.381	0.000	-5.000	3.381
36	63313F	ADVANCED MISSILE SUBSYSTEMS DEMONSTRATION	1.209	-1.209	0.000	-1.209	0.000	-1.209	0.000
37	63319F	ADVANCED TECHNOLOGY CRUISE MISSILE	7.677		7.677		7.677		7.677
38	63363F	HYPERVELOCITY MISSILE	10.763	-2.000	8.763		10.763		10.763
39	63401F	ADVANCED SPACECRAFT TECHNOLOGY	9.700	-2.000	7.700	-2.700	7.000	-2.700	7.000
40	63406F	ADVANCED MILITARY SPACEFLIGHT TECHNOLOGY	.916	-.916	0.000	-.916	0.000	-.916	0.000
41	63410F	SPACE SYSTEM ENVIRONMENTAL INTERACTION TECH	4.954	-1.000	3.954		4.954	-1.000	3.954
42	63424F	MISSILE SURVEILLANCE TECHNOLOGY	11.550		11.550		11.550		11.550
43	63452F	VERY HIGH SPEED INTEGRATED CIRCUITS	193.776		193.776	30.000	223.776	17.500	211.276
45	63454F	NON-DESTRUCTIVE INSPECTION ADV DEV	.980		.980	-.980	0.000	-.980	0.000
46	63601F	CONVENTIONAL WEAPONS	28.590	-2.000	26.590	-5.000	23.590	-2.000	26.590
47	63605F	ADVANCED RADIATION TECHNOLOGY	19.749		19.749		19.749		19.749
48	63704F	MANPOWER AND PERSONNEL SYSTEM TECH	2.199		2.199		2.199		2.199
49	63707F	WEATHER SYSTEMS	3.963		3.963		3.963		3.963
50	63716F	ELECTRONIC WARFARE TECHNOLOGY	29.436		29.436		29.436		29.436
51	63723F	CIVIL/ENVIRONMENTAL ENG TECHNOLOGY	11.488		11.488		11.488		11.488
52	63726F	FIBER OPTICS DEVELOPMENT	3.861		3.861		3.861		3.861
53	63727F	ADVANCED COMMUNICATIONS TECHNOLOGY	4.895		4.895		4.895		4.895
54	63728F	ADVANCED COMPUTER TECHNOLOGY	8.643	-1.143	7.500		8.643	-1.143	7.500
55	63743F	ELECTRO-OPTICAL WARFARE	15.818		15.818		15.818		15.818
56	63745F	CHEMICAL WARFARE DEFENSE	6.165		6.165		6.165		6.165
57	63750F	COUNTER/COUNTERMEASURES ADV DEV	14.444		14.444	-3.000	11.444	-1.000	13.444
58	63751F	TRAINING SYSTEMS TECHNOLOGY	2.324		2.324		2.324		2.324
59	63752F	DOD SOFTWARE ENGINEERING INSTITUTE	11.742		11.742		11.742		11.742
60	63789F	COMMAND/CONTROL/COMMUNICATIONS ADV DEV	26.273	-10.000	16.273		26.273	-10.000	16.273
		SUBTOTAL, ADVANCED TECH DEVELOPMENT	713.971	-43.306	670.665	-7.983	705.988	-7.786	706.185
		STRATEGIC PROGRAMS							
62	63311F	ADVANCED STRATEGIC MISSILE SYSTEMS	173.934		173.934	-40.000	133.934	-10.000	163.934
63	63312F	ADVANCED CONCEPTS	[ ]		[ ]	-250.000	-250.000		[ ]
66	63364F	SRAM II	78.958	-25.000	53.958	-78.958	0.000	-43.958	35.000
70	63716F	ATMOSPHERIC SURVEILLANCE TECH	4.978		4.978		4.978		4.978
71	63735F	WWMCCS ARCHITECTURE	8.036		8.036		8.036		8.036
72	64221F	SPECIAL IMPROVEMENT PROJECTS	[ ]		[ ]		[ ]		[ ]
73	64226F	B-1B	367.438		367.438	-167.000	200.438	-87.000	280.438
75	64234F	COMMON STRATEGIC ROTARY LAU: HER	72.629		72.629		72.629		72.629
76	64312F	ICBM MODERNIZATION	1580.824	-50.000	1530.824	-122.200	1458.624	-32.224	1548.600
		(MX)	(784.124)		(784.100)	(-100.000)	(684.100)	(-50.024)	(734.100)
		(SMALL ICBM IN MOBILE LAUNCHER)	(624.500)		(624.500)	(150.000)	(774.500)	(100.000)	(724.500)
		(FOLLOW-ON BASING)	(172.200)	(-50.000)	(122.200)	(-172.200)	(0.000)	(-82.200)	(90.000)
77	64326F	STRATEGIC CONVENTIONAL STANDOFF CAPABILITY	71.787	-71.787	0.000		71.787	-35.787	36.000
78	64361F	AIR-LAUNCHED CRUISE MISSILE	14.179		14.179	-9.179	5.000	-3.000	11.179
79	64406F	SPACE DEFENSE SYSTEM	149.934		149.934	-48.203	101.731		149.934
80	64711F	SYSTEMS SURVIVABILITY (NUC AFFECTS)	7.927		7.927		7.927		7.927
81	11113F	B-52 SQUADRONS	16.047		16.047	-3.400	12.647	-1.700	14.347
82	11120F	ADVANCED CRUISE MISSILE	[ ]		[ ]	-22.000	-22.000		[ ]
83	11135F	A/C SURVIVABILITY ENHANCEMENTS	[ ]		[ ]		[ ]		[ ]
84	11142F	KC-135 SQUADRONS	.968		.968		.968		.968
85	11213F	MINUTEMAN SQUADRONS	31.203	-25.200	6.003	-25.203	6.000	-25.200	6.003
86	11312F	PACCS/WWABNCP SYSTEM EC-135 CLASS V MODS	5.163		5.163	-1.500	3.663	-1.000	4.163
87	11316F	SAC COMMUNICATIONS	10.625		10.625	-3.000	7.625		10.625
88	12310F	NCMC - TW/AA SYSTEMS	57.445		57.445	-5.000	52.445	-5.000	52.445
89	12311F	NCMC - SPACE DEFENSE SYSTEMS	72.996	-20.000	52.996	-5.000	67.996	-10.000	62.996
90	12313F	BALLISTIC MSL TAC WARNING/ATTACK ASSESSMENT	2.655		2.655	-1.000	1.655	-.500	2.155
91	12323F	TW/AA INTERFACE NETWORK	1.468		1.468		1.468		1.468
92	12325F	JOINT SURVEILLANCE SYSTEM	3.069		3.069		3.069		3.069
93	12411F	SURVEILLANCE RADAR STATIONS/SITES	20.215		20.215		20.215		20.215
94	12412F	DEW RADAR STATIONS	40.914		40.914		40.914		40.914
95	12417F	CONUS OVER-THE-HORIZON RADAR	67.457		67.457		67.457		67.457

LINE NO.	PROGRAM ELEMENT	TITLE	FISCAL YEAR 1986 REQUEST	S. 1160 AS PASSED CHANGE FROM REQUEST	S. 1160 AS PASSED RECOMMENDATION	H.R. 1872 AS PASSED CHANGE FROM REQUEST	H.R. 1872 AS PASSED RECOMMENDATION	CONFERENCE CHANGE FROM REQUEST	CONFERENCE RECOMMENDATION
96	12423F	BALLISTIC MISSILE EARLY WARNING SYSTEM	12.966		12.966		12.966		12.966
97	12424F	SPACETRACK	9.613		9.613		9.613		9.613
98	12431F	DEFENSE SUPPORT PROGRAM	79.592		79.592		79.592		79.592
99	12432F	SLBM RADAR WARNING SYSTEMS	8.235		8.235		8.235		8.235
100	12433F	INTEGRATED OPER NUDETS DETECTION SYSTEM	20.538		20.538		20.536		20.538
101	12436F	COMMAND/CONTROL PROCESS/DISPLAY SYSTEM	14.807		14.807		14.807		14.807
104	33131F	MEECN	97.199		97.199	-10.000	87.199	-10.000	87.199
105	33152F	WWMCCS INFORMATION SYSTEM	8.100		8.100	-8.100	0.000	-3.100	5.000
106	33154F	WWMCCS INFORMATION SYSTEM--JPMO	88.721	-25.000	63.721		88.721	-10.000	78.721
107	33601F	MILSTAR SAT COMM SYSTEM (AF TERMINALS)	132.095		132.095	-4.000	128.095		132.095
108	33603F	CLASSIFIED PROGRAM	[ ]		[ ]		[ ]		[ ]
109	35155F	THEATER NUC WEAPON STORAGE AND SEC SYSTEM	1.045		1.045		1.045		1.045
111	35172F	BERNIE	[ ]		[ ]		[ ]		[ ]
112	35892F	SPECIAL ANALYSIS ACTIVITIES	[ ]		[ ]		[ ]		[ ]
	------	CLASSIFIED PROGRAMS	2410.025		2410.025		2410.025		2410.025
		SUBTOTAL, STRATEGIC PROGRAMS	5743.785	-216.987	5526.798	-803.743	4940.042	-278.469	5465.316
		TACTICAL PROGRAMS							
113	63230F	ADVANCED TACTICAL FIGHTER	242.852	-50.000	192.852	-93.000	149.852	-73.000	169.852
114	63239F	ADV TACTICAL AIR RECONNAISSANCE SYSTEM	20.339		20.339	-20.339	0.000	-10.339	10.000
117	63256F	JOINT SERVICE ADV VERTICAL LIFT A/C (JVX)	4.901		4.901	-4.901	0.000	-2.401	2.500
118	63307F	AIR BASE SURVIVABILITY AND RECOVERY	6.178		6.178		6.178		6.178
119	63320F	LOW COST SEEKER	17.613		17.613		17.613		17.613
120	63437F	HAVE DJINN	[ ]		[ ]		[ ]		[ ]
121	63609F	ADVANCED ATTACK WEAPONS	19.113		19.113		19.113		19.113
122	63714F	DOD PHYSICAL SECURITY EQUIPMENT--EXTERIOR	1.010		1.010		1.010		1.010
126	63742F	COMBAT IDENTIFICATION TECHNOLOGY	8.763		8.763		8.763		8.763
128	63749F	C3 COUNTERMEASURES ADVANCED SYSTEMS	3.463		3.463		3.463		3.463
129	63770F	JT SURVEIL TARGET ATTACK RADAR SYS (JSTARS)	3.200		3.200		3.200		3.200
130	63801F	SPECIAL PROGRAMS	[ ]	-15.000	-15.000	-30.000	-30.000	-20.000	-20.000
131	64201F	A/C AVIONICS EQUIPMENT DEVELOPMENT	29.397		29.397		29.397		29.397
132	64209F	F-100 DURABILITY	2.899		2.899		2.899		2.899
133	64212F	AIRCRAFT EQUIPMENT DEVELOPMENT	8.779		8.779		8.779		8.779
134	64218F	ENGINE MODEL DERIVATIVE PROGRAM	122.854	-80.000	42.854	-54.800	68.054	-60.000	62.854
135	64219F	INTEGRATED DIGITAL AVIONICS	11.763		11.763	-11.763	0.000	-3.763	8.000
136	64220F	EW COUNTER-RESPONSE	37.193		37.193	-37.193	0.000	-7.193	30.000
137	64222F	NUCLEAR WEAPONS SUPPORT	2.035		2.035		2.035		2.035
138	64223F	ALTERNATE FIGHTER ENGINE	33.353		33.353		33.353		33.353
139	64231F	C-17 PROGRAM	453.681	-70.000	383.681		453.681	-70.000	383.681
140	64232F	PAVE RUNNER	[ ]		[ ]		[ ]		[ ]
141	64236F	INFRARED SEARCH AND TRACK SYSTEM	23.657		23.657		23.657		23.657
142	64247F	MODULAR AUTOMATIC TEST EQUIPMENT	9.962		9.962		9.962		9.962
143	64249F	NIGHT PRECISION ATTACK	40.849		40.849		40.849		40.849
144	64268F	A/C ENGINE COMPONENT IMPROVEMENT PROGRAM	138.574		138.574		138.574		138.574
145	64313F	T-46A	54.287		54.287		54.287		54.287
146	64314F	ADV MEDIUM RANGE AIR-TO-AIR MISSILE	101.382		101.382	-101.382	0.000		101.382
148	64321F	JOINT TACTICAL FUSION PROGRAM	26.920		26.920	-2.700	24.220		26.920
150	64362F	GROUND-LAUNCHED CRUISE MISSILE	.685		.685		.685		.685
151	64601F	CHEM/BIO DEFENSE EQUIPMENT	22.488		22.488		22.488		22.488
152	64602F	ARMAMENT ORDNANCE DEVELOPMENT	17.563		17.563		17.563		17.563
153	64604F	SUBMUNITIONS	43.910	-10.000	33.910		43.910	-5.000	38.910
154	64607F	WIDE-AREA ANTI-ARMOR MUNITION	15.811		15.811		15.811		15.811
156	64617F	AIR BASE SURVIVABILITY AND RECOVERY	21.900		21.900		21.900		21.900
157	64703F	AEROMEDICAL SYSTEMS DEVELOPMENT	8.049		8.049		8.049		8.049
158	64706F	LIFE SUPPORT SYSTEM	16.779		16.779	-1.000	15.779		16.779
159	64708F	OTHER OPERATIONAL EQUIPMENT	17.087		17.087		17.087		17.087
160	64710F	RECONNAISSANCE EQUIPMENT	7.820		7.820		7.820		7.820
161	64715F	DOD PHYSICAL SECURITY EQUIPMENT--EXTERIOR	15.733		15.733		15.733		15.733
162	64724F	TAC C3 COUNTER-MEASURES	17.441		17.441		17.441		17.441
163	64725F	COMBAT IDENTIFICATION SYSTEMS	13.164		13.164	-13.164	0.000		13.164
164	64733F	SURFACE DEFENSE SUPPRESSION	54.980	-10.000	44.980	-36.980	18.000	-24.980	30.000
165	64737F	AIRBORNE SELF-PROTECTION JAMMER	11.220		11.220	-6.220	5.000	-6.220	5.000
166	64738F	PROTECTIVE SYSTEMS	65.792		65.792		65.792		65.792
167	64739F	TACTICAL PROTECTIVE SYSTEMS	75.709	-20.000	55.709	-10.000	65.709	-20.000	55.709
168	64740F	COMPUTER RESOURCES MANAGEMENT TECH	14.011		14.011		14.011		14.011
169	64742F	PRECISION LOCATION STRIKE SYSTEM	63.081		63.091		63.081		63.081
170	64750F	INTELLIGENCE EQUIPMENT	13.481		13.481		13.481		13.481
171	64753F	COMBAT HELICOPTER MODERNIZATION	14.100		14.100		14.100		14.100
172	64754F	JT TACTICAL INFORMATION DIST SYSTEM (JTIDS)	91.675		91.675	-91.675	0.000	-91.675	0.000
173	64756F	SIDE-LOOKING AIRBORNE RADAR (SLAR)	20.667		20.667		20.667		20.667
174	64770F	JSTARS	260.221	-20.000	240.221	-260.221	0.000	-260.221	0.000
175	64779F	JT INTEROPERABILITY TAC COMMAND/CONTROL	9.141		9.141		9.141		9.141
176	11133F	SR-71 SQUADRONS	[ ]		[ ]		[ ]		[ ]
177	27129F	F-111 SQUADRONS	54.535		54.535	-10.934	43.601	-6.035	48.500
178	27130F	F-15 SQUADRONS	252.142	-20.000	232.142		252.142	-15.000	237.142
179	27131F	A-10 SQUADRONS	3.102		3.102		3.102		3.102
181	27133F	F-16 SQUADRONS	94.859		94.859	-10.859	84.000	-10.859	84.000
182	27136F	F-4G WILD WEASEL SQUADRONS	36.707		36.707		36.707		36.707
183	27137F	CONSTANT HELP	[ ]		[ ]		[ ]		[ ]
184	27162F	TACTICAL AGM MISSILES	3.926		3.926	-3.926	0.000	-1.926	2.000
187	27247F	AIR FORCE TENCAP	.250		.250		.250		.250
188	27411F	OVERSEAS AIR WEAPON CONT SYSTEM	3.068		3.068		3.068		3.068
189	27412F	TACTICAL AIR CONTROL SYSTEM	20.075		20.075		20.075		20.075
190	27417F	AIRBORNE WARNING AND CONTROL SYSTEM	137.302	-30.000	107.302		137.302	-15.302	122.000
191	27419F	TAC AIRBORNE COMMAND AND CONTROL SYSTEM	8.151		8.151		8.151		8.151
192	27423F	ADVANCED COMMUNICATION SYSTEM	123.785	-10.000	113.785		123.785	-10.000	113.785
193	27431F	TACTICAL AIR INTEL SYS ACTIVITIES	2.191		2.191		2.191		2.191
194	27435F	TACTICAL RECON IMAGERY EXPLOITATION	7.691		7.691		7.691		7.691
195	27584F	SEEK AXLE	[ ]		[ ]		[ ]		[ ]
196	27585F	SEEK SPINNER	[ ]		[ ]		[ ]		[ ]
197	27591F	OMEGA	[ ]		[ ]		[ ]		[ ]
198	27595F	BASE COMM--TACTICAL AIR FORCES	.899		.899		.899		.899
199	28010F	JT TACTICAL COMMUNICATION PROGRAM (TRI-TAC)	4.947		4.947		4.947		4.947

LINE NO.	PROGRAM ELEMENT	TITLE	FISCAL YEAR 1986 REQUEST	S. 1160 AS PASSED CHANGE FROM REQUEST	S. 1160 AS PASSED RECOMMENDATION	H.R. 1872 AS PASSED CHANGE FROM REQUEST	H.R. 1872 AS PASSED RECOMMENDATION	CONFERENCE CHANGE FROM REQUEST	CONFERENCE RECOMMENDATION
200	28041F	JOINT ADVANCED SYSTEMS	[ ]		[ ]		[ ]		[ ]
201	28042F	HAVE FLAG	[ ]	-30.000	-30.000	-265.800	-265.800	-265.800	-265.800
202	33605F	SATELLITE COMMUNICATIONS TERMINALS	7.569		7.569		7.569		7.569
203	35887F	ELECTRONIC COMBAT INTEL SUPPORT	1.593		1.593		1.593		1.593
207	41129F	THEME CASTLE	[ ]	-5.000	-5.000		[ ]		[ ]
208	41840F	MAC COMMAND/CONTROL SYSTEM	11.441		11.441		11.441		11.441
209	44011F	SPECIAL OPERATIONS FORCES	13.993		13.993	-13.993	0.000	-3.993	10.000
	------	CLASSIFIED PROGRAMS	666.386		666.386		666.386		666.386
	------	GENERAL REDUCTION FOR EW PROGRAMS	---		---		---	-30.000	-30.000
		SUBTOTAL, TACTICAL PROGRAMS	3792.137	-370.000	3422.137	-1080.850	2711.287	-1013.707	2778.430
		INTELLIGENCE AND COMMUNICATIONS							
210	63431F	SPACE COMMUNICATIONS	45.012	-2.000	43.012	-2.000	43.012	-2.000	43.012
211	64238F	CONSTANT PISCES	[ ]		[ ]		[ ]		[ ]
213	27582F	HAVE TRUMP	[ ]		[ ]		[ ]		[ ]
214	31305F	INTELLIGENCE PRODUCTION ACTIVITIES	[ ]		[ ]		[ ]		[ ]
215	31310F	FOREIGN TECHNOLOGY DIVISION	[ ]		[ ]		[ ]		[ ]
216	31314F	INFRARED PROCESSING AND EXPLOITATION	[ ]		[ ]		[ ]		[ ]
217	31315F	MISSILE AND SPACE TECH COLLECTION	[ ]		[ ]		[ ]		[ ]
218	31317F	SENIOR YEAR OPERATIONS	[ ]		[ ]		[ ]		[ ]
219	31324F	FOREST GREEN	[ ]		[ ]		[ ]		[ ]
222	33110F	DEFENSE SATELLITE COMMUNICATION SYSTEM	6.930		6.930		6.930		6.930
223	33112F	AIR FORCE COMMUNICATIONS	.978		.978	-.978	0.000	-.978	0.000
224	33126F	LONG-HAUL COMMUNICATIONS (DCS)	11.543		11.543		11.543		11.543
225	33144F	ELECTROMAGNETIC COMPATIBILITY ANALYSIS CTR	7.191		7.191		7.191		7.191
226	33401F	COMMUNICATIONS SECURITY	[ ]		[ ]		[ ]		[ ]
227	34111F	SPECIAL ACTIVITIES	[ ]	-61.700	-61.700	-95.900	-95.900	-85.700	-85.700
228	35114F	TRAFFIC CONTROL/APPROACH/LANDING SYSTEM	29.517	-10.000	19.517	-7.803	21.714	-7.803	21.714
229	35159F	DEFENSE RECONNAISSANCE SUPPORT ACTIVITIES	[ ]		[ ]		[ ]		[ ]
230	35164F	NAVSTAR GPS (USER EQUIPMENT)	28.691		28.691		28.691		28.691
231	35165F	NAVSTAR GPS (SPACE/GRD SEGMENTS)	48.527	-10.000	38.527		48.527	-3.000	45.527
232	84733F	GENERAL INTELLIGENCE SKILL TRAINING	5.300		5.300		5.300		5.300
	------	CLASSIFIED PROGRAMS	2199.143		2199.143		2199.143		2199.143
		SUBTOTAL, INTEL AND COMMUNICATIONS	2382.832	-83.700	2299.132	-106.681	2276.151	-99.481	2283.351
		DEFENSEWIDE MISSION SUPPORT							
233	63248F	CONCEPT DEVELOPMENT	3.028		3.028	-3.028	0.000		3.028
236	63402F	SPACE TEST PROGRAM	70.434	-2.000	68.434	-2.000	68.434	-2.000	68.434
237	63436F	SATELLITE SYSTEM SURVIVABILITY	4.273		4.273	20.000	24.273	11.827	16.100
239	64211F	ADVANCED AERIAL TARGETS DEVELOPMENT	13.505		13.505	-6.500	7.005		13.505
240	64227F	FLIGHT SIMULATOR DEVELOPMENT	155.315	-10.000	145.315	-36.351	118.964	-23.315	132.000
241	64237F	VARIABLE IN-FLIGHT TEST A/C (VISTA)	.391		.391		.391		.391
242	64411F	SPACE SHUTTLE	132.007		132.007		132.007		132.007
243	64609F	LOGISTICS TECH FOR WEAPONS SYSTEMS	6.750		6.750		6.750		6.750
244	64707F	WEATHER SYSTEMS	13.078	-5.000	8.078		13.078	-2.500	10.578
245	64735F	RANGE IMPROVEMENT	62.166	-15.000	47.166	-3.000	59.166	-8.166	54.000
246	64747F	ELECTROMAG RADIATION TEST FACILITY	3.376		3.376		3.376		3.376
247	64755F	IMPROVED CAPABILITY FOR RDT+E	46.417		46.417		46.417		46.417
248	65101F	PROJECT AIR FORCE	17.445	3.555	21.000		17.445	3.555	21.000
249	65304F	ACQUISITION/COMMAND SUPPORT--TELECOM	6.550		6.550		6.550		6.550
250	65306F	RANCH HAND II EPIDEMIOLOGY STUDY	4.695		4.695		4.695		4.695
252	65708F	NAV/RADAR/SLED TRACK TEST SUPPORT	28.319	-8.000	20.319	-8.000	20.319	-8.000	20.319
253	65806F	ACQUISITION AND COMMAND SUPPORT	366.620	-30.000	336.620	-16.620	350.000	-20.000	346.620
254	65807F	TEST AND EVALUATION SUPPORT	431.594	-20.000	411.594		431.594	-10.000	421.594
255	65808F	ADV SYSTEM ENGINEERING/PLAN	3.895	-1.395	2.500	-3.895	0.000	-1.895	2.000
256	65863F	RDT&E AIRCRAFT SUPPORT	59.820		59.820	-5.000	54.820	-2.820	57.000
257	65872F	PRODUCTIVITY INVESTMENTS	7.009	-4.000	3.009		7.009	-4.000	3.009
258	65874F	PRODUCT PERFORMANCE AGMT CENTER (PPAC)	.975		.975	-.975	0.000		.975
260	35110F	SATELLITE CONTROL FACILITY	83.122	-15.000	68.122	-5.000	78.122	-10.000	73.122
261	35119F	SPACE BOOSTERS	221.393		221.393	-71.393	150.000		221.393
262	35130F	CONSOLIDATED SPACE OPERATIONS CENTER	87.415	-20.000	67.415		87.415		87.415
263	35160F	DEFENSE METEOROLOGICAL SATELLITE PROGRAM	71.309	-20.000	51.309		71.309	-10.000	61.309
264	35171F	SPACE LAUNCH SUPPORT	79.232		79.232		79.232		79.232
265	71112F	INVENTORY CONTROL POINT OPERATIONS	4.034		4.034		4.034		4.034
266	72207F	DEPOT MAINTENANCE (NON-IF)	.489	-.489	0.000	-.489	0.000	-.489	0.000
267	78011F	INDUSTRIAL PREPAREDNESS	104.540	-40.000	64.540	-48.000	56.540	-40.000	64.540
269	78026F	PRODUCT/RELIABLE/AVAIL/MAINTAIN PROGRAM	17.365	-3.000	14.365		17.365	-3.000	14.365
270	78031F	LOGISTICS C3I SYSTEM	9.933		9.933	-9.933	0.000	-1.433	8.500
271	91212F	SERVICE-WIDE SUPPORT	.196		.196	-.196	0.000	-.196	0.000
272	91215F	PRODUCTIVITY INVESTMENTS	.978		.978	-.978	0.000	-.978	0.000
274	01004F	INTERNATIONAL ACTIVITIES	2.894		2.894		2.894		2.894
		SUBTOTAL, DEF-WIDE MISSION SUPPORT	2120.562	-190.329	1930.233	-201.358	1919.204	-133.410	1987.152
	------	SIMPLIFIED MUNITIONS LIFT TRAILER	0.000	3.800	3.800		0.000		0.000
		PRIOR YEAR AUTHORIZATION TRANSFER	---	-3.800	-3.800		---		---
	------	F-4 AIR DEFENSE	0.000		0.000	30.000	30.000	22.000	22.000
	------	PAVE TIGER (RPV)	0.000		0.000		0.000	15.000	15.000
		GEN REDUCTION CONSULTANTS/STUDIES/ANALYSES	---		---	-25.000	-25.000	-25.000	-25.000
		UNDISTRIBUTED REDUCTION	---	-95.000	-95.000	-40.849	-40.849	-70.000	-70.000
		RESTORATION OF CIVILIAN PAY REDUCTION	---	24.400	24.400		---	24.400	24.400
		CIVILIAN END STRENGTH FREEZE	---	-11.898	-11.898		---		---
		PRIOR YEAR INFLATION SAVINGS	---	-100.000	-100.000	-100.000	-100.000	-100.000	-100.000
		INFLATION REESTIMATE FOR FY 86	---	-14.000	-14.000	-14.000	-14.000	-14.000	-14.000
		PRIOR YEAR PROGRAM SAVINGS	---	-156.000	-156.000	-156.000	-156.000	-156.000	-156.000
		TOTAL, AIR FORCE RDT&E	15578.500	-1283.766	14294.734	-2527.290	13051.210	-1858.779	13719.721

RESEARCH, DEVELOPMENT, TEST & EVALUATION
DEFENSE AGENCIES

(DOLLARS IN MILLIONS)

LINE NO.	PROGRAM ELEMENT		FISCAL YEAR 1986 REQUEST	S. 1160 AS PASSED CHANGE FROM REQUEST	S. 1160 AS PASSED RECOMMENDATION	H.R. 1872 AS PASSED CHANGE FROM REQUEST	H.R. 1872 AS PASSED RECOMMENDATION	CONFERENCE CHANGE FROM REQUEST	CONFERENCE RECOMMENDATION
		TECHNOLOGY BASE							
1	61101E	DEFENSE RESEARCH SCIENCES	92.600	-12.000	80.600		92.600		92.600
2	61101W	IN-HOUSE LAB INDEPENDENT RESEARCH	1.981		1.981		1.981		1.981
3	61103E	UNIVERSITY RESEARCH	6.250		6.250		6.250		6.250
4	62101E	TECHNICAL STUDIES	1.800		1.800	-.300	1.500	-.300	1.500
6	62301E	STRATEGIC TECHNOLOGY	254.400		254.400	-10.500	243.900	-6.500	247.900
7	62702E	TACTICAL TECHNOLOGY	102.000		102.000		102.000		102.000
8	62707E	PARTICLE BEAM TECHOLOGY	21.500		21.500		21.500		21.500
9	62708E	INTEGRATED COMMAND/CONTROL TECH	53.000		53.000		53.000		53.000
10	62712E	MATERIALS PROCESSING TECH	33.000		33.000		33.000		33.000
11	62714E	NUCLEAR MONITORING	19.400	6.000	25.400		19.400	3.000	22.400
12	62715H	DEFENSE NUCLEAR AGENCY	384.361	-20.000	364.361		384.361	-10.000	374.361
	------	POLYGRAPH	[ ]	.590	.590		[ ]	.590	.590
		SUBTOTAL, TECHNOLOGY BASE	970.292	-25.410	944.882	-10.800	959.492	-13.210	957.082
		ADVANCED TECHNOLOGY DEVELOPMENT							
	------	STRATEGIC DEFENSE INITIATIVE	3712.962	-750.000	2962.962	-1212.962	2500.000	-962.962	2750.000
		UNDISTRIBUTED (SDI)	---	(-750.000)	(-750.000)	(27.038)	(27.038)	(-962.962)	(-962.962)
13	63220C	SURVEIL/ACQSN/TRACK/KILL ASSESSMENT	(1386.344)			(-496.000)	(890.344)		
14	63221C	DIRECTED ENERGY WEAPONS	(965.441)			(-240.000)	(725.441)		
15	63222C	KINETIC ENERGY WEAPONS	(859.724)			(-350.000)	(509.724)		
16	63223C	SYSTEMS CONCEPTS AND BATTLE MANAGEMENT	(243.300)			(-70.000)	(173.300)		
17	63224C	SURVIVABLTY,LETHALITY & KEY SUPPORT TECH	(258.153)			(-84.000)	(174.153)		
18	63225D	JOINT DOD-DOE MUNITIONS TECH DEV	8.413	1.587	10.000		8.413	1.587	10.000
19	63226E	EXPERIMENTAL EVAL OF MAJOR INNOV TECH	175.249		175.249	-12.800	162.449	-10.800	164.449
20	63702D	SPECIAL TECHNOLOGY OFFICE/USDR&E	4.177		4.177		4.177		4.177
21	63703D	COUNTER-INSURGENCY AND SPECIAL TECH	11.421		11.421		11.421		11.421
22	35108K	COMMAND AND CONTROL RESEARCH	2.313		2.313		2.313		2.313
		SUBTOTAL, ADVANCED TECH DEVELOPMENT	3914.535	-748.413	3166.122	-1225.762	2688.773	-972.175	2942.360
		STRATEGIC PROGRAMS							
23	63734K	ISLAND SUN	17.000		17.000		17.000		17.000
25	32016K	NMCS-WIDE SUPPORT	43.498	-10.000	33.498		43.498	-5.000	38.498
27	32019K	WWMCCS SYSTEM ENGINEER	21.254		21.254		21.254		21.254
28	33131K	MEECN	12.398		12.398		12.398		12.398
		SUBTOTAL, STRATEGIC PROGRAMS	94.150	-10.000	84.150	0.000	94.150	-5.000	89.150
		TACTICAL PROGRAMS							
29	21135K	CINC C2 INITIATIVES	2.083		2.083		2.083		2.083
30	28045D	C3 INTEROPERABILITY (JOINT TACT C3 AGCY)	72.152	-12.000	60.152	-10.000	62.152	-10.000	62.152
31	28298D	MANAGEMENT HEADQUARTERS (JTC3A)	1.472		1.472		1.472		1.472
		SUBTOTAL, TACTICAL PROGRAMS	75.707	-12.000	63.707	-10.000	65.707	-10.000	65.707
		INTELLIGENCE AND COMMUNICATIONS							
32	62716B	MAP/CHART/GEODESY	.975		.975		.975		.975
33	63701B	MAP/CHART/GEODESY INV/PROTOTYPE DEV	20.197	-4.000	16.197		20.197	-2.000	18.197
34	64701B	MAP/CHART/GEODESY ENGR DEV/TEST	3.092		3.092		3.092		3.092
35	31011G	CRYPTOLOGIC ACTIVITIES	[ ]	-20.116	-20.116	-57.088	-57.088	-46.352	-46.352
36	31301L	GENERAL DEFENSE INTELLIGENCE PROGRAM	[ ]		[ ]	-.280	-.280	-.280	-.280
37	31398L	MANAGEMENT HEADQUARTERS GDIP	[ ]		[ ]		[ ]		[ ]
38	33126K	LONG-HAUL COMMUNICATIONS (DCS)	18.935	-5.000	13.935		18.935	-2.000	16.935
39	33127K	SUPPORT OF THE NCS	5.686		5.686		5.686		5.686
40	33401G	COMMUNICATIONS SECURITY	[ ]		[ ]		[ ]		[ ]
41	35139B	DMA EXPLOITATION PROGRAM	[ ]		[ ]		[ ]		[ ]
42	35159B	DEFENSE RECONNAISSANCE SUPPORT ACTIVITIES	[ ]		[ ]		[ ]		[ ]
43	35159G	DEFENSE RECONNAISSANCE ACTIVITIES	[ ]		[ ]		[ ]		[ ]
44	35159I	DEFENSE RECONNAISSANCE SUPPORT ACTIVITIES	[ ]		[ ]	-16.000	-16.000	-16.000	-16.000
45	35167G	COMPUTER SECURITY	[ ]		[ ]		[ ]		[ ]
46	35884L	INTEL PLAN AND REVIEW ACTIVITIES	[ ]		[ ]		[ ]		[ ]
47	35885G	TACTICAL CRYPTOLOGIC ACTIVITIES	[ ]		[ ]	-2.700	-2.700	-1.400	-1.400
	------	CLASSIFIED PROGRAMS	1826.848		1826.848		1826.848		1826.848
		SUBTOTAL, INTEL AND COMMUNICATIONS	1875.733	-29.116	1846.617	-76.068	1799.665	-68.032	1807.701
		DEFENSEWIDE MISSION SUPPORT							
48	65104D	TECHNICAL SUPPORT TO USDR/E	23.593		23.593	-1.000	22.593	-.500	23.093
49	65106D	GENERAL SUPPORT FOR PA/E	3.489		3.489	-1.000	2.489	-.500	2.989
50	65107D	SUPPORT TO POLICY	6.445	1.005	7.450	-.500	5.945	.565	7.010
51	65108D	GENERAL SUPPORT FOR NET ASSESSMENT	4.032		4.032		4.032		4.032
52	65109D	GENERAL SUPPORT FOR MRA/L	3.117		3.117		3.117		3.117
53	65110D	CRITICAL TECHNOLOGY	2.792		2.792		2.792		2.792
54	65112D	TECHNICAL ANALYTICAL SUPPORT	16.001	-4.000	12.001	-1.000	15.001	-1.000	15.001
55	65112E	TECHNICAL ANALYTICAL SUPPORT	[ ]		[ ]		[ ]		[ ]
56	65113D	TAPISTRY	2.793		2.793		2.793		2.793
57	65114E	BLACKLITE	4.000		4.000		4.000		4.000
59	65801S	DEFENSE TECHNICAL INFO CENTER	21.656		21.656		21.656		21.656
60	65802S	INFORMATION ANALYSIS CENTERS	6.550		6.550		6.550		6.550

LINE NO.	PROGRAM ELEMENT		FISCAL YEAR 1986 REQUEST	S. 1160 AS PASSED CHANGE FROM REQUEST	S. 1160 AS PASSED RECOMMENDATION	H.R. 1872 AS PASSED CHANGE FROM REQUEST	H.R. 1872 AS PASSED RECOMMENDATION	CONFERENCE CHANGE FROM REQUEST	CONFERENCE RECOMMENDATION
62	65898C	MANAGEMENT HEADQUARTERS SDI	9.222		9.222		9.222		9.222
63	65898E	MANAGEMENT HEADQUARTERS R & D	13.148		13.148	-1.000	12.148	-1.000	12.148
64	78011S	INDUSTRIAL PREPAREDNESS	5.000		5.000	-3.000	2.000		5.000
65	01015D	TECHNOLOGY TRANSFER FUNCTIONS	1.645		1.645		1.645		1.645
		SUBTOTAL, DEF-WIDE MISSION SUPPORT	123.483	-2.995	120.488	-7.500	115.983	-2.435	121.048
		SUBTOTAL, DEFENSE AGENCIES RDT&E	7053.900	-827.934	6225.966	-1330.130	5723.770	-1070.852	5983.048
		DIRECTOR OF TEST & EVALUATION, DEFENSE							
1	65111D	FOREIGN WEAPONS EVALUATION	17.010		17.010		17.010		17.010
2	65804D	TEST AND EVALUATION	86.490	-10.000	76.490	-10.000	76.490	-10.000	76.490
		SUBTOTAL, DIRECTOR OF TEST & EVALUATION	103.500	-10.000	93.500	-10.000	93.500	-10.000	93.500
	------	COMMON JTIDS	0.000		0.000	150.000	150.000	200.000	200.000
	------	JSTARS	0.000		0.000		0.000	240.221	240.221
	------	UNIVERSITY RESEARCH INITIATIVE	0.000		0.000	175.000	175.000	75.000	75.000
	------	JOINT ADVANCED SYSTEMS	0.000		0.000	200.000	200.000	300.000	300.000
	------	CLASSIFIED PROGRAM	[ ]		[ ]		[ ]	20.000	20.000
		GEN REDUCTION CONSULTANTS/STUDIES/ANAL	---		---	-10.000	-10.000	-10.000	-10.000
		UNDISTRIBUTED REDUCTION	---	-42.000	-42.000		---	-42.000	-42.000
		RESTORATION OF CIVILIAN PAY REDUCTION	---	1.200	1.200		---	1.200	1.200
		CIVILIAN END STRENGTH FREEZE	---	-1.400	-1.400		---		---
		PRIOR YEAR PROGRAM SAVINGS	---	-151.000	-151.000	-47.000	-47.000	-47.000	-47.000
		TOTAL, DEFENSE AGENCIES RDT&E	7157.400	-1031.134	6126.266	-872.130	6285.270	-343.431	6813.969

ITEMS OF SPECIAL INTEREST

Advanced anti-tank weapon system—medium

The Administration requested $81.077 million for the Army advanced anti-tank weapon system—medium (AAWS-M). The House amendment would reduce the request to $66.077 million. The Senate bill would reduce the request to $61.077 million

The conferees recognize that there is an urgent requirement to replace the DRAGON anti-tank weapon system in the light divisions/reaction forces on an interim basis while the AAWS-M system is developed. The conferees understand that the Army has decided to test the MILAN 2 as an interim system using funds appropriated in fiscal year 1985.

The conferees agreed to an authorization of $61.077 million for the research and development of AAWS-M. Of the sum provided, $6.0 million may be used to test MILAN 2.

Advanced strategic missile systems

The Senate bill would authorize $173.934 million for the Air Force Advanced Strategic Missile Systems (ASMS), the full amount requested by the Administration. The House amendment would authorize $133.934 million.

In view of Soviet efforts in the area of ballistic missile defense, including their capability to rapidly deploy a territorial AMB defense, the conferees attach high priority to the ASMS program, which is designed to ensure the effectiveness of the U.S. ballistic missile force against such threats. Therefore, the conferees agreed to an authorization of $163.934 million for the ASMS program in fiscal year 1986.

Within the ASMS program, the conferees attach high priority to work being done in the area of active and passive penetration aids for ballistic re-entry vehicles; and the development of maneuvering re-entry vehicles for evasion and accuracy, and their associated penetration aids including those designed to address optical threats.

Advanced surface-to-air missile

The Administration requested $41.510 million for the Navy's Advanced Surface-to-Air Missile (ASAM) program. The Senate bill would authorize the full amount. The House amendment would provide no authorization.

The House conferees expressed concern over the Navy's plan to develop a new surface-to-air missile for the outer air battle. The Navy has committed to the development of an improved A-6 attack aircraft, an improved F-14 and a follow-on aircraft. The synergism between tactical air and the surface fleet has not been fully explored to determine whether a new surface-to-air missile is required or if an improved Standard Missile—SM-III—would be sufficient.

The conferees agreed to an authorization of $25 million to study ASAM alternatives as well as the SM-III. This does not constitute a commitment to develop a new missile at this time.

ASW stand-off weapon

The Administration requested $75.328 million for the anti-submarine warfare stand-off weapon (ASW SOW) program. The Senate bill would provide $50.328 million and the House amendment would authorize the full amount.

In response to a request by the Senate Armed Services Committee, the Secretary of the Navy has provided a written commitment to fund this program so as to achieve the existing date for initial operational capability.

Given this firm commitment by the Navy to fund the program, the conferees agreed to authorize $75.328 million for the submarine ASW SOW.

C-17 aircraft

The Administration requested authorization of $453.681 million for development of the C-17 aircraft.

The Senate bill would authorize $383.681 million, a reduction of $70 million; the House amendment would authorize the full amount.

The Senate conferees maintained that the reduction would have no significant effect on the scheduled date for initial operational capability of the C-17.

The conferees agreed to authorize $383.681 million.

Ceramic rotary valves

The House amendment would include authorization of $300,000 for the development of ceramic elements for rotating valves for use in automotive and combat vehicle propulsion systems.

The Senate bill contained no similar provision.

The conferees are advised that $870,000 will be required to complete the testing of these components during fiscal year 1986.

Accordingly, the conferees require that of the total authorization for Army Research, Development, Test and Evaluation $870,000 be used only for the completion of these tests.

Command and control technology

The Administration requested $28.943 million for Command and Control technology. The Senate bill would authorize $24.443 million for this effort, a $4.5 million reduction. The House amendment would fully authorize the request.

The conferees agreed to the Senate bill level of $24.443 million in authorization with the stipulation that project F21-241, Information Processing, is authorized at the requested level of $8.083 million.

Countermines and barriers

The Administration requested $10.417 million for the Army Countermines and Barriers program.

The Senate bill would provide authorization of $5.617 million; the House amendment would provide $10.917 million, the additional authorization intended for a mine flail system.

The conferees agreed to an authorization of $8 million, of which $500,000 is available only for the conduct of tests and evaluation of mine flail systems that have already been developed by the United Kingdom, the Federal Republic of Germany, France, or any NATO country.

Electric drive

The Administration requested $9.762 million for the Navy's Electric Drive development program. The Senate bill would authorize the full request. The House amendment would provide no authorization.

On July 12, 1985, the Assistant Secretary of the Navy for Shipbuilding and Logistics forwarded a letter to the Chairman of the House Armed Services Committee stating that high power electric drive is an important initiative for future Navy ship programs. According to the Navy, electric drive can significantly reduce ship radiated noise, reduce ship acquisition costs by three percent, life-cycle fuel costs by 16 percent for a destroyer-sized ship, and improve machinery integration in advanced naval ships such as the SWATH (Small Waterplane Area Twin Hull) type.

The conferees agreed to authorize $9.762 million for Electric Drive.

Electronic warfare programs

The Statement of Managers' accompanying H.R. 5167, the Department of Defense Authorization Act, fiscal year 1985, expressed concern with the tri-service electronic warfare programs. This report reflected the opinion of the conferees that better coordination is required among all four services in identifying electronic warfare requirements and the programs required to address them. The conferees requested the Secretary of Defense to require the services to develop a comprehensive coordinated electronic warfare plan and to submit the plan to the Committees on Armed Services of the Senate and the House of Representatives not later than June 15, 1985. Only a draft plan was forwarded to the Congress after June 15 and it is apparent that a lack of proper coordination exists among the services. Some progress has been made but a great deal of work remains in getting the services to better coordinate their requirements and understanding of each others efforts in such promising technologies as the Integrated Electronic Warfare system (INEWS) and the Integrated Communication, Navigation, and Identification, Avionics (ICNIA) programs.

The conferees reiterate the need to complete the electronic warfare plan in a timely manner. The conferees agreed to general reductions of $30 million in electronic warfare programs in the Navy and Air Force. The conferees also agreed to provide authorization of at least $60 million for the INEWS/ICNIA programs for application in advanced tactical fighter and attack aircraft. Section 206(1) requires that $60 million be available only for research, development, test and evaluation of the INEWS/ICNIA systems.

Fleet telecommunications

The Senate bill would provide authorizaton of $50 million for the Navy's Fleet Telecommunications program; the House amendment would reduce the Navy's request for $72.697 million to $32.404 million.

The House amendment would deny authorization for the High Frequency Anti-Jam (HFAJ) program. The House position was based on an assessment that a lack of competition exists for the development of the HFAJ system.

The conferees strongly support the requirement for the HFAJ program. Accordingly, the conferees agreed to an authorization of not more than $25 million for the HFAJ system with the understanding that no funds would be obligated or expended until the following actions are taken by the Secretary of the Navy:

—the management and technical responsibility for the program has been assigned to the Naval Research Laboratory (NRL). The NRL will report directly to the Office of the Assistant Secretary of the Navy for Research, Engineering and Systems on this program.

—a new Request for Proposal (RFP) providing general specifications for the HFAJ system has replaced the existing RFP to ensure an open competition.

—a status report is provided to the Committees on Armed Services of the Senate and the House of Representatives.

The conferees agreed to authorize $16 million for projects other than HFAJ, for a total authorization of $41 million for the Fleet Telecommunications program.

Follow-on basing

The Administration requested $172.2 million for follow-on basing research and development, of which $152.2 million is associated with hard-silo work, and $20.0 million with deep-underground basing. The Senate bill would provide $122.2 million for these activities; the House amendment would provide no funding for these purposes.

The conferees agreed to provide $90.0 million for this program in fiscal year 1986: $70.0 million for hard silo work and $20.0 million for other basing technology. The funding for hard silo research and development is provided to develop a data package on an "austere" hard silo basing option.

The conferees are not satisfied with Air Force estimates of the cost of hard silo options, which they view as too high. By "austere", the conferees have in mind costs well below those presented for hard silo options to date. In this regard, the conferees direct that efforts on "ultra-hard" silos be terminated within the Air Force.

Free-electron lasers for medical research

The Senate bill (sec. 202(1)) and the House amendment (sec. 205(1)) each contained a provision requiring that, of the funds authorized for the Strategic Defense Initiative (SDI) program, $12.5 million be available only for the application of Free-Electron Lasers (FEL) for medical research and associated material support and physical science research.

The conferees strongly support this program but are concerned with the response of the SDI office on this congressional initiative. The Congress authorized and appropriated $10 million for fiscal year 1985 to establish six regional centers throughout the United States and at the Uniformed Services University for the Health Sciences. To date, the Strategic Defense Initiative Organization (SDIO) has been very slow in releasing the appropriated funds. The conferees understand that the SDIO now plans to provide these grants on a competitive basis, and they urge that this be done as expeditiously as possible.

The conferees emphasize the need to pursue this research in an efficient manner and agreed to an authorization of $12.5 million for fiscal year 1986.

Additionally, the conferees expect that the SDI office will assess its capability to effectively manage this program given its other requirements. Should the SDI office conclude that the program could be better managed at another activity and that this agency has the technical competence in free-electron laser and medical research, then the program should be transferred. The conferees expect funding for fiscal year 1987 and beyond to be requested by a more appropriate government activity.

Section 221 provides that $12.5 million is available only for the medical application of free-electron lasers and associated material and physical science research.

Marine Corps assault vehicles

The Administration requested $45.653 million for the Marine Corps Assault Vehicle program.

The Senate bill would provide authorization of $30.653 million; the House amendment would provide $16.802 million, a reduction of $28.851 million, which would delete the LVT-X vehicle as recommended by the Marine Corps.

The conferees agreed to an authorization of $20.802 million of which at least $4 million is available only for research, development and testing of the 75 millimeter multipurpose gun. Of this amount $500,000 is available for the Director of Test and Evaluation to evaluate the 75 millimeter gun system on wheel and track platforms for airbase ground defense and other applications. In the event additional funds are required, the Marine Corps should initiate a request for reprogramming.

Navy undistributed reduction

The House amendment would apply an undistributed reduction against the Navy RDT&E account of $37.5 million. This is the amount provided in past years for the Mark 92 Fire Control System Phase III upgrade program which has been discontinued.

The conferees agreed to reduce the Navy RDT&E account by $37.5 million.

New threat upgrade

The Administration requested $54.034 million for the Navy's New Threat Upgrade development program. The Senate bill would authorize no funds; the House amendment would authorize the full amount.

The Senate bill denied funds because the Navy had not provided a report requested last year explaining how the funds were being used and what funding would be requested in the future. Subsequently, the Navy provided this information in classified correspondence.

The conferees agreed that the program deserved full support, and accordingly agreed to an authorization of $54.034 million.

Range improvement program

The Administration requested $62.166 million for the Air Force Range Improvement program.

The Senate bill would provide authorization for $47.166 million; the House amendment would provide $59.166 million.

The conferees agreed to an authorization of $54 million. The reduction in this program is intended as a general reduction resulting in a constant level of effort from fiscal year 1985. The conferees do not intend that any of this reduction will be ap-

plied to the procurement of the five modular threat emitters as planned by the Air Force for fiscal year 1986.

Rankine cycle energy recovery

In the Senate report (S. Rept. 99-41) accompanying S. 1160, the Department of Defense Authorization Act for fiscal year 1986, the Senate Armed Services Committee expressed doubt that the Navy's Rankine Cycle Energy Recovery (RACER) program will be cost effective if cost thresholds for development or procurement are exceeded.

The conferees agreed that RACER's operational effectiveness and actual costs will be more accurately reflected if the system is tested in a DD-963 class destroyer as soon as possible rather than onboard a civilian ship.

Seafire

The Administration requested $48.717 million for the Navy's Semi-Active Laser-Guided Projectile/Electro-Optic Sensor development program, which included $25.8 million for Seafire. The Senate bill would authorize $22.917 million, which would delete $25.8 million and all funds for development of Seafire. The House amendment would authorize $44.717 million, a reduction of $4 million.

The conferees continue to be concerned about the cost of this system and its worth as compared to other potential improvements of the DDG-51 design. Accordingly, the conferees agreed that the Seafire program should be terminated if the cost per unit exceeds $4 million per unit. The Navy should explore alternatives, in case the price exceeds this threshold.

The conferees agreed to authorize $44.717 million for the SAL-GP/EO Sensor program.

Short range attack missile II

The Administration requested $78.958 million for research and development of the Short Range Attack Missile II (SRAM II) formerly designated the Advanced Air-to-Surface Missile. The Senate bill would authorize $53.958 million. The House amendment would deny all authorization for the program. The conferees agreed to authorize the program at $35 million.

The conferees concur in the requirement to provide a bomber force weapon that will be effective against mobile targets. The conferees require additional information, however, regarding the relationship between this requirement and the characteristics being considered for the SRAM II, particularly supersonic speed, before committing to full scale development.

The conferees also agree with the resource concerns raised by the Senate Armed Services Committee report with respect to this program and concur in the study directed by the Senate. The conferees further direct that the report addressing an austere version of the SRAM II be expanded to include consideration of and justification for SRAM II requirements and associated missile performance characteristics. This report should be provided to the Committees on Armed Services of the Senate and the House of Representatives not later than February 1, 1986.

Submarine research and development programs

The Senate bill would make reductions to several Navy research and development programs which would not adversely effect the SSN-21 new design submarine development program.

The Administration requested $22.414 million for the Submarine Sonar Development (Advanced) program; the Senate bill would provide $12.506 million, a reduction of $9.908 million. The request for Submarine Hull Array Development (Advanced) was $13.206 million; the Senate bill would provide $8.211 million, a reduction of $4.995 million. The request for submarine Tactical Warfare Systems (Engineering) was $49.798 million; the Senate bill would authorize $37.798 million, a reduction of $12 million.

These reductions were necessary to accommodate budget constraints. Accordingly, the conferees accepted the Senate position.

Surface ship navigation system

The Administration requested $2.841 million for the Surface Ship Navigation System development program. The Senate bill would authorize the full request; the House amendment would provide no authorization.

This program is developing ring laser gyroscope technology for use in navigation equipment for naval ships. The technology is already in commercial aviation use and promises to increase reliability and reduce maintenance costs relative to existing equipment in surface ships as well.

The conferees agreed to authorize $2.841 million for the Surface Ship Navigation System program, with the expectation that it will be used only to develop ring laser gypro equipment for shipboard navigation.

Surface ship torpedo defense

The Administration requested $45.199 million for the Surface Ship Torpedo Defense program. The Senate bill would authorize the full request. The House amendment would authorize $40.199 million, a reduction of $5 million.

The conferees have been informed that the Navy is restructuring this program, which will reduce the requirement for funding in fiscal year 1986.

The conferees believe the Navy should emphasize early delivery of interim equipment to the fleet and, accordingly, agreed to an authorization of $40.199 million.

Traffic control/approach/landing system (TRACALS)

The Administration requested $29.517 million for the Air Force Traffic Control/Approach/Landing System (TRACALS).

The Senate bill would recommend authorization of $19.517 million, the House amendment would provide authorization of $21.714 million, a reduction of $7.803 million to terminate the Microwave Landing System (MLS) project.

The Federal Aviation Administration (FAA) has made a substantial effort to obtain a detailed reprocurement data package for the competitive selection of a MLS. Subsequent FAA competitive procurements will include about 200 MLS for Air Force fixed bases. The conferees believe that the Air Force should take full advantage of the FAA effort to satisfy its tactical MLS requirements and should not develop a unique system. The Air Force can save both time and money by this approach and should submit a request to reprogram funds should they be required for the FAA effort.

The conferees agreed to authorize $21.714 million for TRACALS.

Trident II missile

The Administration requested $2,165.615 million for continued research and development for the Trident II missile. The Senate bill would fully authorize the request and the House amendment would reduce the request by $65.615 million. The conferees agreed to authorize the program at $2,130.615 million, a reduction of $35 million from the requested amount.

The conferees further agreed that efforts within the Trident II program to protect the option to accommodate a maneuvering re-entry body and/or penetration aids should continue to receive priority attention, even at the reduced funding levels for the overall program.

Vertical launch system anti-submarine rocket

The Administration requested $37.444 million for the Navy's vertical launch system anti-submarine rocket (VLS ASROC) program. The Senate bill would authorize the full amount. The House amendment would authorize $27.3 million, a reduction of $10.144 million.

The conferees agreed that the VLS ASROC program should be completed so that ships with vertical launch cells will retain an ASROC launch capability.

The Navy stated that the full request must be approved to keep the program on schedule.

The conferees agreed to authorize $37.444 million for VLS ASROC. The House recedes.

PROGRAM LIMITATIONS

LEGISLATIVE PROVISIONS ADOPTED

Civilian pay (sec. 201(b))

The House amendment contained a provision (sec. 201(b)) that would allow for general authorization for civilian pay contingencies.

The Senate bill contained no similar provision.

The Senate recedes.

Reductions in authorization (sec. 202)

The House amendment contained a provision (sec. 207) that would specify certain reductions in authorization due to savings from lower inflation and prior-year cost savings.

The Senate bill contained no similar provision.

The Senate recedes with an amendment.

Transfers to prior-year funds (sec. 203)

The Senate bill contained a provision (sec. 201(f)) that would authorize the transfer of prior year funds to fiscal year 1986 authorization of appropriation.

The House amendment contained a similar provision (sec. 208).

The Senate recedes.

Limitations on funds for the Army (sec. 204)

The conferees adopted the following provisions contained in section 202 of the House amendment:

The provision that would authorize $52.836 million for the Missile/Rocket Components program of which $10 million would be for development for the Fiber Optics Guided Missile and $10 million would be for development of the Hypervelocity Missile.

The provision that would authorize $23.583 million for the stinger Missile program.

The provision that would authorize $18.989 million for the M1 E1 development program of which $15 million would be for a fuel-efficient modification for the AGT-1500 tank engine and that would require a report from the Secretary of the Army delineating a program plan to include total system cost and milestones for the AGT-1500 tank engine modification and a similar plan for the Advanced Integrated Propulsion system.

The provision that would authorize $20 million for the development, test integra-

tion, and evaluation of the Hellfire Missile for the Blackhawk helicopter.

The conferees adopted a modified provision contained in section 201(c) of the Senate bill that would authorize $42 million for the Software Initiative (STARS) program.

Limitation on funds for the Navy (sec. 205)

The conferees adopted the following provisions contained in section 203 of the House amendment:

A modified provision that would authorize $17.5 million for the Low-Cost Anti-Radiation Seeker program and that would require a report from the Secretary of the Navy delineating a program plan to include total system cost and milestones for this seeker program.

A modified provision that would authorize $4.464 million for the Advanced Mine Development program.

The modified provision that would authorize $4 million for unique Wallops Island Test Range activity.

The provision that would authorize $10 million for the Skipper/Practice Bomb program.

The provision that would authorize $1.5 million for a classified sensor development program.

Naval oceanography (sec. 205(a)(3))

The Senate bill contained a provision (sec. 201(b)) that would authorize $5.9 million for a new Navy research and development program to be called Naval Oceanography, which was not in the Administration request.

The House amendment would provide no authorization for this purpose.

The conferees agree with the rationale provided for the program in the Senate report (S. Rept. 99-41).

The conferees agreed to authorize $5.9 million for the Naval Oceanography program. Furthermore, the conferees agreed that any reductions in program elements 65861N (RDT&E) laboratory and facility management support) and 65862N (RDT&E instrumentation and material support) should not be applied against naval oceanographic research activities.

Quick reaction surveillance system (sec. 205(a)(4))

The House amendment contained a provision (sec. 203(5)) that would authorize $12 million for evaluation of the Quick Reaction Surveillance System (QRSS).

The Navy's preliminary tests of the QRSS produced encouraging results. This system could potentially augment the tactical and surveillance towed array sonar systems (TACTAS and SURTASS) at an attractive price.

The conferees agreed to authorize $12 million for lease of Quick Reaction Surveillance System equipment for further evaluation.

Five-inch/155 millimeter guided projectile competition (sec. 205(a)(8))

The House amendment contained a provision (sec. 203(a)(8)) that would authorize $2.5 million in research and development to establish a second source of production for the Navy's five-inch guided projectile and the Army's 155-millimeter guided projectile. These funds were not in the Administration request or the Senate bill.

The House conferees expressed concern that these projectiles are over-priced and believed that over $250 million could be saved through increased competition.

The fiscal year 1984 Department of Defense Authorization Act included language that preserved the option of soliciting a second source for the Navy projectile.

The conferees agreed to authorize $205 million to establish a second source for production of the Navy's five-inch guided projectile and the Army's 155-millimeter guided projectile.

Limitations on funds for the submarine advanced combat system (sec. 205(c))

The Administration requested $205.205 million for the Submarine Advanced Combat System (SUBACS) development program. The Senate bill would authorize the requested amount. The House amendment contained a provision (sec. 203(4)) that would authorize no funds for SUBACS but would authorize $190 million for a new program called the SSN-21 Combat System.

SUBACS has encountered cost, schedule and performance problems. The Navy projected that several hundreds of millions of dollars in increased development and procurement costs would accrue during the next decade if the original plan was pursued. In a move to reduce unnecessary costs and retain expected performance, the Navy has restructured the SUBACS program. The projected cost growth for development of SUBACS Basic is now approximately $100 million.

The conferees expect the Navy to take necessary action to cap the cost to complete development of the modified SUBACS and to preclude the prime contractor from using procurement contracts to recoup further cost growth. If the Navy is unable to achieve this, then development of the modified SUBACS Basic program should not be funded.

The conferees agreed to authorize $200 million for the SSN-21 Combat System (advanced and engineering) program. This authorization may be used for completion of the modified SUBACS Basic program only after complying with the restrictions stated in the bill. Additionally, the conferees agreed that authorization provided for the SSN-21 Combat System program in fiscal year 1986 may be used for Project X1411 Attack Submarine Integrated Communication which was included in program element 64524N but which was separate from the SUBACS project.

Rolling airframe missile (sec. 205(d))

The Administration requested authorization for the 5" Rolling Airframe Missile (RAM) in two programs: $10.948 million for the Rolling Airframe Missile development program, and $8.047 million for NATO Sea Sparrow for the modification of the NATO Sea Sparrow shipboard launcher to accommodate RAM. The Senate bill would authorize $3.948 million for RAM development, a reduction of $7 million, and $3.047 million for NATO Sea Sparrow; the House amendment provided no authorization for either program.

The RAM program has incurred significant cost growth, largely as a consequence of reliability problems during developmental testing. The Navy stated its intention to request reprogramming of up to $39 million in fiscal year 1985 for RAM development. Moreover, none of the 30 missiles authorized in the weapons procurement account in 1985 will be purchased, and considerably fewer than the 117 missiles requested will be procured in 1986.

The conferees agreed to authorize $3.948 million for RAM development and $3.047 million for the NATO Sea Sparrow program; however, neither this authorization nor the authorization to procure rolling airframe missiles in the Navy weapons procurement account may be obligated or expended until the Secretary of the Navy complies with the restrictions stated in section 205(d) of the bill.

Acquisition of antisubmarine warfare (ASW) training systems (sec. 205(e))

Section 1208 of the House amendment would make available $6.8 million of the amount appropriated pursuant to the authorization for Research, Development, Test and Evaluation, Navy, only for the purchase of three service test models of the LAMPS MK-1 ASW shipboard training system for the Naval Reserve.

The Senate bill did not contain a similar provision.

The conferees agreed on the need for improved ASW training systems for the Naval Reserve and that such systems should be procured in a completely competitive and in the most cost-effective manner. Accordingly, the conferees agreed to include a provision directing the Secretary of the Navy to initiate a competitive procurement of three service test models of a LAMPS MK-1 ASW shipboard training system for the Naval Reserve. The provision specifies that $6.8 million of the RDT&E, Navy funds appropriated pursuant to the authorization in this Act may not be obligated before such procurement.

The Senate recedes with an amendment requiring competitive procurement.

Limitation on funds for the Air Force (sec. 206)

The conferees adopted the following provision contained in section 204 of the House amendment.

The provision that would authorize $60 million for RDT&E for the Integrated Electronic Warfare System and the Integrated Communication, Navigation, and Identification Avionics System.

A modified provision that would authorize $22 million for the RDT&E to modify Air Force F-4 air defense aircraft.

The provision that would authorize $19.57 million for a classified reconnaissance system.

A modified provision contained in section 202(5) of the House amendment that would authorize $15 million for the Pave Tiger system.

The Senate bill contained a provision (sec. 201(d)(1)) that would authorize $193.8 million for the Very High Speed Integrated circuits (VHSIC) program. The House amendment (sec. 204(4)) would authorize $223.8 million for this program. The conferees agreed to authorize $211.276 million for VHSIC.

The conferees adopted a provision contained in the Senate bill (sec. 201(d)(2)) that would authorize $11.742 million for the Software Engineering Institute.

Limitation on funds for the Defense Agencies (sec. 207)

The conferees adopted the following provisions contained in section 205 of the House amendment:

A modified provision that would authorize $300 million for the Joint Advanced Systems program. Details on this provision are contained in the classified annex.

The provision that would authorize $1 million to conduct a demonstration of advanced clothing manufacturing technology.

The provision that would authorize $500 thousand for the Military Sewn Products Automation Program.

The conferees adopted the provision contained in section 201(e) of the Senate bill that would authorize $142 million for the Strategic Computing Initiative.

University research initiative (sec. 207(a)(2))

The Senate bill would fully authorize the Administration's request of $25 million for university research. The Senate bill also contained a provision (sec. 202(2)) that would authorize not less than $1 million of the total authorization for University Research to programs at Syracuse University. The House amendment contained a provision (sec. 205(4)) that would authorize $181.25 million for the University Research Initiative program under Defense Agencies and $18.75 million under the other three service accounts for a total authorization of $200 million.

The conferees strongly endorse the purpose of this initiative, which includes providing fellowship aid in the scientific and technical disciplines, and modernizing the scientific equipment and instrumentation at our universities. The conferees do not believe, however, that the Department of Defense should bear the total, or even majority, burden of this initiative. To this end, the conferees direct that no funds in this Act be obligated for this purpose until the Administration provides to the Armed Services Committees of the Senate and House of Representatives a report stating the resource commitment of non-DOD agencies to this initiative and 15 calendar days have elapsed. Furthermore, the conferees believe that the Administration, and not the Congress, should be taking the lead on this national program, which is understood to be a level of effort of three years duration. Accordingly, the Administration is to ensure that the requisite level of funding for these purposes be included in the budget submissions of the Department of Defense and other appropriate agencies.

The conferees agreed to a provision in the Senate bill directing that $1 million of the University Research funds for the Defense Agencies be spent at the Syracuse University because of the special capabilities resident at that institution. The conferees do not consider or intend this action to establish a precedent with regard to the allocation of University Research funds, which the conferees intend to be awarded on the basis of merit following competitive procedures.

Limitation of funds for the joint tactical information distribution system (sec. 207(b))

The Senate bill would authorize $184.6 million for the Navy and $91.7 million for the Air Force for the development of discrete but interoperable Joint Tactical Information Distribution System (JTIDS) programs.

The House amendment would provide no authorization for either service but would authorize $150 million for the Defense Agencies to develop a common JTIDS. Additionally, the House amendment contained a statutory provision in section 205(2) that would require the authorization to be used only for this purpose.

The conferees agreed to an authorization of $200 million for the development of the Joint Tactical Information Distribution System (JTIDS). Currently both the Air Force and Navy are developing JTIDS systems that are interoperable but not common. According to the Department of Defense, differences in operational requirements between the Air Force and Navy justify the development of two separate systems.

The conferees believe that communications equipment interoperability among the services (and NATO) must be maintained. No equipment should be developed to meet the peculiar needs of any one service if that equipment ultimately diminishes the ability of all the services to interoperate. Furthermore, wherever the operation requirements of the services are substantially similar every reasonable effort should be made to achieve commonality in the development and procurement of system components.

The conferees agree that, if feasible and practicable, the services should be equipped with common JTIDS equipment. The Secretary of Defense is, therefore, directed to review the current Navy and Air Force JTIDS programs and select one for use by both services if he determines that such a selection is both feasible and practicable. In making this determination, the Secretary shall take into full account the essential military requirements of all services.

Of the funds authorized for the research and development of JTIDS, the conferees agreed that none shall be obligated or expended until the Secretary of Defense reports his decision to the Committees on Armed Services of the Senate and House of Representatives.

Notwithstanding the Secretary's decision (whether to continue one program or two), should any approved plan be developed that would modify the JTIDS equipment of any service in a way that would diminish interoperability, the Secretary shall immediately notify the Committees on Armed Services of the Senate and House of Representatives.

Limitation on testing of antisatellite weapons (sec. 20)

The Senate bill contained a provision (sec. 952) that would restrict the F-15 launched Miniature Homing Vehicle (MHV) Antisatellite (ASAT) System to three tests against an object in space following a Presidential certification as specified in Public Law 98-473 (98 Stat. 1941) unless the President provided the same certification prior to a fourth test of the system. Subject to these certifications, the Senate bill contained no limitation on the number of such tests that could be conducted. The House amendment contained a provision (sec. 213) that would deny authorization for any test of this system against an object in space unless the Soviet Union conducts another test of a dedicated antisatellite system against an object in space. The House amendment would also provide for $20 million in additional authorization for the Air Force Space Survivability program.

The conferees agreed to limit the number of tests of the U.S. MHV ASAT system against an object in space to three through the end of fiscal year 1986 following the Presidential certification. The conferees also agreed to authorize $16.1 million for the Space Survivability program of which $15 million is for the Satellite Survivability project.

Small Intercontinental Ballistic Missile (SICBM) Program (sec. 209)

The Senate bill contained a provision (sec. 203) that would require that, before any decision may be made by the Administration with regard to the full scale development of a SICBM, the Secretary of the Air Force shall prepare and submit to Congress a legislative environmental impact statement.

The House amendment contained a provision (sec. 204(5)) that would authorize an additional $150 million to carry out the RDT&E for the SICBM program. Section 211 of the House amendment would direct that a "Brick-Bat" priority continue for this program.

The conferees recommend that $100 million be added to the R&D program requested by the Administration. The conferees commend the Air Force for a well conceived and executed advanced development program that has been characterized by competition and by multiple approaches to the resolution of critical technical and cost uncertainties.

The conferees strongly support the concept of missile mobility and substantial decreases in throw weight in the interest of stability. The conferees require more information, however, about the extent to which the existing legislative weight constraint on the small ICBM has resulted in tradeoffs affecting payload or other features of the missile that relate to its military effectiveness, survivability or costs.

To enable the Armed Services Committees to address these matters fully, the conferees direct the Secretary of Defense to submit to the Committees on Armed Services of the Senate and House of Representatives by October 1, 1985, the report requested by the Senate Armed Services Committee. This report should address as well additional issues raised by the General Accounting Office report of July 8, 1985 on the Status of the ICBM Modernization Program.

The conferees further direct that an independent review of small missile and basing options be conducted by the Defense Science Board. The results of this review should be provided to the Committees on Armed Services of the Senate and House of Representatives prior to submission of the fiscal year 1987 defense budget.

The conferees recommend that a vigorous research program be conducted before the start of full scale development to resolve the technical issues, so that the Congress will have a basis to consider fully both the technical issues and broader policy matters raised by the small ICBM program.

In the interest of expediting the evaluation of environmental impacts so that the earliest possible initial operational capability for the small ICBM can be achieved, the conferees for the fiscal year 1985 Defense Authorization Act directed that a legislative environmental impact statement be prepared to address the peacetime environmental impacts of alternate basing modes and deployment areas. Section 209(c) of the fiscal year 1986 Defense Authorization Act provides statutory language to that same end.

Limitation of funds for the advanced medium-range air-to-air missile program (sec. 210)

The Administration requested $101.382 million for the Air Force and $17.051 million for the Navy for the research, development, test and evaluation of the Advanced Medium-Range Air-to-Air Missile (AMRAAM) program. The Senate bill would authorize $101.382 million for this program fully funding the Air Force request and reducing the Navy request to $9.0 million. The House amendment would deny all authorization.

The conferees seriously considered termination of the AMRAAM program. Development problems and cost increases have reduced the cost-effectiveness of the AMRAAM program to the point where any

further increase in cost will justify termination of the program.

The conferees agreed to continue development of AMRAAM, authorizing $5 million for the Navy and $101.382 million for the Air Force, and to provide sufficient procurement funds to qualify an alternative manufacturer and institute producibility improvements for the missile. Section 210 to Title II would require the Secretary of Defense to certify that a fixed price type research and development contract has been signed with the developing contractor, and procurement costs of the program are capped. The Air Force is prohibited from obligating any of the procurement funds and $54.4 million of the R&D funds until the Secretary makes the required certification, which must occur by March 1, 1986. If certification is not received by that date, the entire program is terminated.

In addition, the conferees decided to provide $25 million to the Navy to begin development of a modified AIM-7 Sparrow missile with tail controls. The AIM-7 Tail Control missile program will provide an alternative to meet this critical mission requirement should AMRAAM be terminated. The conferees stress that AMRAAM remains a joint program between the Air Force and the Navy, and cautions the Navy that the Tail Control AIM-7 is not a substitute for continued Navy participation in AMRAAM.

Limitation on unspecified R&D funds pending HARM certification (sec. 211)

The Administration requested $258.0 million for the procurement of 904 High-Speed Anti-Radiation Missile (HARM) missiles for the Navy and $478.1 million for the procurement of 1,715 missiles for the Air Force. The Senate bill would authorize the amounts requested, the House amendment would reduce the Air Force request by $52.4 million. The conferees agreed to the authorization levels in the Senate bill.

The House bill also contained a provision (sec. 206) that would require various certifications from the Secretaries of the Navy and Air Force dealing with the missile's performance and production configuration compliance with the current technical data package. In recognition of the vital contribution made by the HARM missile to the survivability of our tactical air forces and the importance of ensuring the missile is capable of defeating all anticipated threat systems, the Senate conferees agreed to accept the House provisions.

The conferees note that one of the House provisions, requiring the tear down of a production missile to ensure compliance with the technical data package, has been completed though the official report has not been delivered to the committees. The preliminary findings of this effort are highly favorable and indicate no instances of noncompliance with the approved hardware and software design and no undocumented hardware or software changes, and revealed no critical deficiencies (i.e. instances of hardware or software nonconformance which would have led to missile failure). Furthermore, the auditing team rated the manufacturer's quality assurance procedures as "Excellent".

The missile audit did determine that discrepancies in the government's engineering drawings exist but that missiles are being constructed in accordance with the manufacturer's drawings which are complete. The conferees agreed that all necessary steps to update the government's drawings should be taken.

The conferees agreed to restrict the expenditure of $100 million of unspecified Navy R&D funds and $50 million of unspecified Air Force R&D funds until the Secretaries of the Navy and Air Force provide the requested certifications.

LEGISLATIVE PROVISIONS NOT ADOPTED

Standard missile improvement

The House amendment contained a provision (sec. 203(3)) to authorize $60 million for Standard Missile Improvements.

The Senate bill contained no similar provision.

The conferees agreed to authorize $47.185 million for this program with no language in the conference report.

The House recedes.

Munitions lift trailer

The Senate bill would provide authorization to release $3.8 million in prior year funds to initiate full scale development of the Simplified Munition Lift Trailer (SMLT) and contained a provision (sec. 205) that would require that these funds be used for this purpose. The House amendment contained no similar provision.

The Senate recedes.

STRATEGIC DEFENSE INITIATIVE

LEGISLATIVE PROVISION ADOPTED

Strategic Defense Initiative funding (sec. 221)

The Administration requested $3.72 billion for the Strategic Defense Initiative (SDI) program. The Senate bill would provide $2.97 billion; the House amendment (sec. 205(1)) would provide $2.50 billion with specific reductions allocated against each of the five major program elements.

The conferees continue to be strongly supportive of a vigorous research effort under the President's Strategic Defense Initiative, with its goal of determining the feasibility of developing strategic defenses for the United States and its allies. Therefore, the conferees recommend an authorization of $2.75 billion in fiscal year 1986, with the allocation left to the discretion of the SDI program manager.

The conferees expressed a number of concerns about the SDI program as presented to the Congress this year. These concerns fall into three broad categories: (1) the apparent disparity between the evolving Administration policy with respect to strategic defense and the focus and scope of the SDI program; (2) the role of limited defenses in the program and the relationship between these technologies and the more advanced technologies being pursued; and (3) the relationship between the SDI technology program and U.S. arms control policy.

In the first category, the conferees would like the Administration to clarify what the main elements of an effective SDI would be and what specific technologies are likely to comprise such a system if a decision is made to develop and deploy it. The conferees would like information on the level of technological capability available in these technologies today, as well as the levels that would be required in order for a system comprised of these technologies to be effective and the plans the Administration has for overcoming these differences.

In the second category, the conferees question whether adequate emphasis is being given within the SDIO to near-term options. The conferees would like information on efforts underway on near-term options for defending U.S. strategic forces and whether they are necessary as a hedge against Soviet ABM activities and as a possible response to continued growth in Soviet offensive forces. In addition, the conferees would like information on the plans for defending against the Warsaw Pact's tactical and theater ballistic missiles armed with conventional, chemical or nuclear warheads. In general, the conferees desire information on the relative balance between the funding requirements and technology challenges associated with comprehensive defenses and those associated with near-term options.

In the final category, the conferees would like information on how the Administration has structured the SDI program to ensure that it is in full compliance with all U.S. arms control obligations. For example, the conferees desire to examine how the Administration has distinguished between permitted "research", and prohibited "development", and the ways in which planned technology demonstrations are to be conducted in a manner consistent with this distinction.

The conferees expect these concerns to be addressed by the appropriate Administration officials when the fiscal year 1987 defense budget request is presented to the Congress.

The conferees are also concerned that the structure and organization of the SDI Organization (SDIO) may not be optimally suited for an aggressive research and technology program. For example, the current relationship between the services and the SDIO does not appear to provide for the smooth and efficient management of the program. The SDIO apparently lacks the leverage necessary to manage the program effectively and requires more control of its budget.

The Defensive Technologies Study Team, chaired by Dr. James Fletcher, made the following recommendations regarding the management of the SDI program. "It is considered essential that the program be managed by a director who has responsibility for its execution and the authority and funds to do the job. The director must have direct control of the funds required, flexibility in the allocation of the funds and accountability for the outcome. He must have his own budget and have contracting authority."

Requirement for deployment (sec. 222)

The Senate bill contained a provision (sec. 916) that would require certain Presidential certifications prior to any deployment of an SDI system.

The House amendment contained no similar provision.

The conferees do not intend this provision to apply to individual systems, which might be components of a future strategic ballistic missile defense system, but whose primary purpose is not strategic defense related at the time of deployment. For example, an improved missile warning system, intended as a replacement of the existing system, would not be covered by this provision.

The House recedes.

Report in potential responses (sec. 223)

The House amendment contained a provision (sec. 210) that would require a report from the Secretary of Defense on probable enemy responses to an SDI deployment and cost estimates for the RDT&E, procurement, and deployment of SDI systems.

The Senate bill contained no similar provision.

The Senate recedes with an amendment.

Consultation with NATO (sec. 224)

The Senate bill contained a provision (sec. 957) that would urge the President to con-

tinue consultations with member nations of NATO in the SDI program.

The House amendment contained a similar provision (sec. 212).

The conferees agreed to adopt a modified version of the Senate provision. The House recedes with an amendment.

The conferees share the concerns about the transfer of sensitive technology contained in the House provision and consider the spirit of these concerns to be incorporated in the agreed language "within applicable United States national security guidelines".

Congressional expression on ABM treaty (sec. 225)

The Senate bill contained a provision (sec. 913) that would express full support for the Anti-Ballistic Missile (ABM) treaty of 1972 and that funding of the SDI program in no way implies a move to contravene this treaty.

The House amendment contained a provision (sec. 214) that would deny authorization for any SDI advanced development, demonstration, test, or evaluation of the use of weapons powered by nuclear explosions in space in a manner inconsistent with existing treaties.

The conferees agreed to adopt a modified provision that included the Senate bill provision and incorporated the language on the other treaties specified in the House amendment.

Report on strategic and theater ballistic missile defenses (sec. 226)

The House amendment contained a provision (sec. 1130) that would require the Secretary of Defense to conduct a study of early application of defenses against ballistic missile attacks on United States and allied high valued assets.

The Senate bill contained no similar provision.

The Senate recedes with an amendment.

LEGISLATIVE PROVISIONS NOT ADOPTED

Limitations on funding for AMRRC

The Senate bill contained a provision (sec. 202(1)) that would fence $9 million within the SDI for the Hardened Ballistic Missile Defense Materials Program, managed by the Army Materials and Mechanics Research Center (AMRRC). The conferees continue to support exploratory research in the area of strategic missile materials, particularly those areas which are required for effective defense against Soviet ballistic missiles. The Senate receded on this provision with the understanding that work on thermal protection systems, stiffened structural materials, and optical sensor materials under the Hardened Ballistic Missile Defense Materials Program will be funded as a minimum at the same level of effort as performed in fiscal year 1985.

Strategic defense initiative (SDI) impact studies

The Senate bill contained two provisions (sec. 954 and 955) that would have required studies of the impact that projected expenditures for SDI programs would have on research and development efforts for other government and civilian sectors of the economy.

The House amendment contained no similar provision.

The conferees are aware that a similar study is being performed by the House Appropriation Committee.

The Senate recedes.

SDI oversight commission

Section 1120 of the House amendment would direct the establishment of a Congressional Commission to monitor the progress of the Strategic Defense Initiative (SDI) program.

A similar provision was rejected by the Senate during debate of the Senate bill. The Senate Armed Services Committee agreed during the debate to appoint a limited number of advisors to provide the committee with a view, independent of that of the Executive branch, of the SDI program.

The conferees agreed that the Committees on Armed Services of the Senate and House of Representatives would separately appoint advisors to provide the respective committees with independent views of the SDI program.

The House recedes.

Presidential SDI commission

The House amendment contained provisions (sec. 1151-1158) that would establish a Presidential Stategic Defense Initiative Commission. This provision contained guidelines for the membership and staff of the Commission, required that it report to the Congress six months after enactment of this act, and directed that it would cease to exist after submission of its final report.

The Senate bill contained no similar provision.

The conferees are aware of Administration plans establishing an advisory commission to provide independent assessments of the SDI program. The Secretary of Defense is directed to provide the Committees on Armed Services of the Senate and House of Representatives with access to this commission through formal hearings and by providing the committees with the results of the Commission's work.

The House recedes.

TITLE III—OPERATION AND MAINTENANCE

OVERVIEW

ITEM OF SPECIAL INTEREST

Restoration of proposed five percent reduction in civilian pay

The Senate bill would authorize $768.2 million for the partial restoration of the Administration's proposed five percent reduction in civilian pay for fiscal year 1986. The Senate figure was derived by taking the Department of Defense budget reduction number associated with the five percent civilian pay reduction of $1,058.9 million and directing a pay absorption of $290.7 million.

The House amendment contained no specific authorization for this purpose, but included a general authorization in section 301(b) for such sums as may be necessary in the event Congress acts to restore the Administration's proposed five percent cut in civilian pay as reflected in the budget request.

The conferees agreed to an authorization of $1,054.5 million for the restoration of the Administration's five percent cut in civilian pay in fiscal year 1986 funded within the operation and maintenance budget request.

The House recedes with amendment.

OPERATION AND MAINTENANCE, ARMY
[Amounts in thousands of dollars]

Item	Senate bill	House amendment	Conference action
Request	20190630	20190630	20190630
Stock fund fuel refund	-27000	-28700	-28700
Industrial fund refund	-60000	-60000	-60000
Foreign Currency	-418400	-221600	-418400
Stock fund refund	-365400	-377700	-377700
Expense/investment criteria	-31000	-164100	-133100
Pay reduction restoration	262400		262400
Pay absorption	-72100		
Civilian end strength	-160300		-100000
Inflation reestimate	-11000	-11000	-11000
Base operation support	-30000	-25000	-30000
Command and control	-15000	-5000	-10000
Force modernization	-30000	-25000	-30000
Recruiting and advertising		-5000	
Administration/supervision		-3000	-3000
Other combat equipment activities		-2000	-2000
Mechanization of the Corps Engineers		-1000	-1000
Displaced equipment		-3000	-3000
Infrastructure support		-1000	-1000
Contracting initiatives		-5000	-5000
Communications		-10000	-10000
TRIMIS		-3000	
Capital expense equipment		-1000	-1000
Other personnel activities		-2000	-2000
Civilian training		-1000	-1000
Operational support		-3000	-3000
Master Planning		-5000	
Area oriented depot modernization		-2000	-2000
Administration		-20000	-20000
Personal services contracting		-3000	-3000
Contract studies		-10000	-5000
Improper use of O&M funds		-15000	-15000
Audit follow-up		-10000	-10000
Year-end spending		-6000	-6000
AAFES lease payments		-1000	-1000
Design costs of NAF projects		-1000	-1000
Family programs		-10000	-10000
ADP management		-15000	-15000
Financial management		-5000	-5000
Excess property		-5000	-5000
Inventory control		-10000	-5000
Real property maintenance		50000	50000
Depot maintenance		11000	11000
Other	-2500	-2700	-2735
Rounding adjustment	-44		-44
Total adjustments	-960300	-1017800	-1013279
Amount authorized	19230330	19172830	19177351

Family programs

The House amendment included a reduction of $10 million in the Army's Family Action Program.

The Senate bill contained no similar reduction.

The conferees agreed that the reduction could be allocated to all family programs rather than to only the Family Action Program.

The Senate recedes.

OPERATION AND MAINTENANCE, NAVY
[Amounts in thousands of dollars]

Item	Senate bill	House amendment	Conference action
Request	25797700	25797700	25797700
Stock fund fuel refund	-119700	-119700	-119700
Industrial fund refund	-70000	-70000	-70000
Foreign Currency	-198800	-166700	-198800
Stock fund refund	-680400	-638200	-680400
Expense/investment criteria	-42100	-223300	-181200
Pay reduction restoration	345700		345700
Pay absorption	-94900		
Military end strength	-19100	-15000	-19100
Civilian end strength	-49400		-49400
Inflation reestimate	-15000	-15000	-15000
Base operation support	-30000	-35000	-35000
Command and control	-15000		-15000
Inactive ship rework	-75000		-75000
Recruiting and advertising		-1000	
Specialized training		-1000	-1000
Training support		-1000	-1000
Communications		-11000	-11000
Sealift		-16000	-16000
Naval sea systems command		-30000	-30000
Chief of naval operations		-1000	-1000
Navy military personnel command		-5000	-5000
Naval space command		-1000	-1000
Command and staffs		-1000	-1000
Cruise missile		-1000	-1000
Automatic data processing		-25000	-25000
Improper use of O&M funds		-20000	-20000
Audit follow-up		-10000	-10000
Year end spending		-10000	-10000
Small clubs		-1000	-1000
Financial management		-10000	-10000
Excess property		-5000	-5000
Contract studies		-10000	-10000
Real property maintenance		50000	50000
Depot maintenance		20000	20000
Law enforcement personnel on naval vessels		15000	15000
Other	-1100	-1400	-1925
Rounding adjustment	-28		-28
Total adjustments	-1064828	-1359300	-1188853
Amount authorized	24732872	24438400	24608847

OPERATION AND MAINTENANCE, MARINE CORPS
[Amounts in thousands of dollars]

Item	Senate bill	House amendment	Conference action
Request	1667400	1667400	1667400
Stock fund fuel refund	-1800	-1800	-1800
Foreign currency	-11200	-2800	-11200
Stock fund refund	-28000	-28000	-28000
Expense/investment criteria	-2900	-15400	-12500
Pay reduction restoration	15500		15500
Pay absorption	-4300		
Civilian end strength	-6700		-6700
Improper use of O&M funds		-2000	-2000
Real property maintenance		6000	6000
Rounding adjustment	22		22
Total adjustments	-39378	-44000	-40700
Amount authorized	1628022	1623400	1626700

OPERATION AND MAINTENANCE, AIR FORCE
[Amounts in thousands of dollars]

Item	Senate bill	House amendment	Conference action
Request	20924400	20924400	20924400
Stock fund fuel refund	-162800	-162800	-162800
Industrial fund refund	-70000	-65000	-70000
Foreign currency	-225200	-173300	-225200
Stock fund refund	-198800	-229400	-198800
Expense/investment criteria	-15500	-82100	-66600
Pay reduction restoration	201900		201900
Pay absorption	-55400		
Military end strength	-19100	-9000	-19100
Civilian end strength	-154900		-80400
Inflation reestimate	-13000	-13000	-13000
Base operation support	-30000	-15000	-30000
Command and control	-20000		-20000
Space operations	-50000	-20000	-50000
Interim contractor support	-10000	-20000	-20000
Inventory control points		-5000	-5000
Administration		-5000	-5000
Logistics support		-2000	-2000
Training and personnel		-1800	-1800
Communications divestiture savings		-10000	-10000
North warning radar		-6200	-6200
Strategic support		-5000	-5000

OPERATION AND MAINTENANCE, AIR FORCE
[Amounts in thousands of dollars]

Item	Senate bill	House amendment	Conference action
Software modernization		-2000	-2000
Medical		-2000	-2000
Telephone upgrade system		-5000	-5000
MAC industrial fund profits		-5000	
Contract support services		-22000	
ADP management		-25000	-25000
Improper use of O&M funds		-10000	-10000
Audit follow-up		-10000	-10000
Year end spending		-4000	-4000
Golf courses		-5000	-5000
Inventory control		-10000	-10000
Real property maintenance		35000	35000
Other	-900	-800	-1285
Rounding adjustment	-26		-26
Total adjustments	-823726	-890400	-828311
Amount authorized	20100674	20034000	20096089

OPERATION AND MAINTENANCE, DEFENSE AGENCIES
[Amounts in thousands of dollars]

Item	Senate bill	House amendment	Conference action
Request	7568900	7568900	7568900
Foreign currency	-14400	-3600	-14400
Stock fund refund	-14000	-14000	-14000
Expense/investment criteria	-3000	-16000	-13000
Pay reduction restoration	151400		151400
Pay absorption	-41500		
Civilian end strength	-38700		-38700
Command and control	-10000		-10000
JCS special fund	-50000	-50000	-50000
CHAMPUS	-25000	160000	
Defense communications agency		-4000	-4000
Defense logistics agency		-7100	-7100
American forces information agency		-2000	-2000
Medical information systems		-3000	-3000
Office of dependent education		-2000	
Office of the Secretary of Defense		-1000	-1000
Washington Headquarters Service		-1000	-1000
Office of the Joint Chief of Staff		-1000	-1000
Contract studies		-10000	-10000
Improper use of O&M funds		-2000	-2000
Year end spending		-7000	-7000
Automatic data processing management		-10000	-10000
Small clubs		-1000	-1000

OPERATION AND MAINTENANCE, DEFENSE AGENCIES
[Amounts in thousands of dollars]

Item	Senate bill	House amendment	Conference action
Base operations support		-10000	-10000
Inventory control		-5000	-5000
Real property maintenance		20000	20000
Study of joint career specialty		100	100
Backlog of security clearances		25000	25000
Transportation of non-lethal aid to Afghanistan		10000	10000
Other	-20400	-17800	-17831
Rounding adjustment	-36		-36
Total adjustments	-65636	47600	-15567
Amount authorized	7503264	7616500	7553333

OPERATION AND MAINTENANCE, ARMY RESERVE
[Amounts in thousands of dollars]

Item	Senate bill	House amendment	Conference action
Request	779600	779600	779600
Stock fund fuel refund	-1100	-1100	-1100
Stock fund refund	-18200	-18200	-18200
Expense/investment criteria		-200	-200
Pay reduction restoration	12400		12400
Pay absorption	-3400		
Antiterrorism initiatives		4700	4700
Staffing for reserve paying offices		2700	
Training assistance by Readiness groups		3800	1000
Repair parts for area maintenance support activities		3600	
Over 40 medical screening		4000	700
Upgrade of communications		1200	1200
Total adjustments	-10300	500	500
Amount authorized	769300	780800	780100

OPERATION AND MAINTENANCE, NAVY RESERVE
[Amounts in thousands of dollars]

Item	Senate bill	House amendment	Conference action
Request	954500	954500	954500
Stock fund fuel refund	-7000	-7000	-7000
Stock fund refund	-40600	-40600	-40600
Expense/investment criteria	-3400	-17700	-14300
Pay reduction restoration	2700		2700
Pay absorption	-700		
Civilian end strength	-1700		-1700
Real property maintenance		7000	7000
Rounding adjustment	-10		-10
Total adjustments	-50710	-58300	-53910
Amount authorized	903790	896200	900590

OPERATION AND MAINTENANCE,MARINE CORPS RESERVE
[Amounts in thousands of dollars]

Item	Senate bill	House amendment	Conference action
Request	61600	61600	61600
Stock fund refund	-4200	-4200	-4200
Expense/investment criteria		-100	-100
Pay reduction restoration	200		200
Pay absorption	-100		
Civilian end strength	-600		-300
Rounding adjustment	-30		-30
Total adjustments	-4730	-4300	-4430
Amount authorized	56870	57300	57170

OPERATION AND MAINTENANCE, AIR FORCE RESERVE
[Amounts in thousands of dollars]

Item	Senate bill	House amendment	Conference action
Request	907700	907700	907700
Stock fund fuel refund	-7400	-7400	-7400
Stock fund refund	-7000	-7000	-7000
Expense/investment criteria	-200	-1000	-800
Pay reduction restoration	14000		14000
Pay absorption	-3800		
Civilian end strength	-12500		-12500
Distribution aircraft engines		1800	1800
Real property maintenance		7500	
SOF readiness enhancement		6300	6300
Rounding adjustment	44		44
Total adjustments	-16856	200	-5556
Amount authorized	890844	907900	902144

OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD
[Amounts in thousands of dollars]

Item	Senate bill	House amendment	Conference action
Request	1605200	1605200	1605200
Stock fund fuel refund	-3200	-14100	-14100
Stock fund refund	-28000	-28000	-28000
Expense/investment criteria	-1000	-5000	-4000
Pay reduction restoration	25900		25900
Pay absorption	-7100		
Civilian end strength	-200		-200
Civilian technicians		35000	35000
Federal funding for armory operating costs		20000	4000
Mod or repair of workspaces full-time NG personnel		6000	1000
Partial federal funding for major repair & renovation		7000	1000
Rounding adjustment	20		-20
Total adjustments	-13580	20900	20580
Amount authorized	1591620	1626100	1625780

Additional authorization for the Army National Guard

The House amendment included $33 million in additional authorization for the following three initiatives designed to improve the Army National Guard's ability to support increased full time-manning and civilian technician requirements.

First, $20 million was authorized to provide Federal funding for armory operational costs (including utilities, and communications costs) for the support of full-time National Guard personnel who are paid by the Federal government and whose function is to increase the mobilization capability and readiness of the Army National Guard.

Second, $6 million was authorized for full Federal funding for modification and repair of offices and/or other work space required in National Guard armories to accommodate full-time National Guard personnel.

Lastly, $7 million was authorized to provide partial Federal funding for major repair costs at National Guard armories, such as heating system repair and renovation and roof repair.

The Senate bill contained no similar authorization.

The conferees agreed to authorize $4 million for Federal funding of armory operational costs and $1 million each for Federal funding for armory modification and repair, and partial Federal funding for major repair costs. The conferees also agreed to a provision that would authorize, in addition to the amounts otherwise authorized, such additional funds as necessary for the above initiatives to increase the Army National Guard's support for increased full-time personnel.

The Senate recedes with amendments.

OPERATION AND MAINTENANCE, AIR NATIONAL GUARD
[Amounts in thousands of dollars]

Item	Senate bill	House amendment	Conference action
Request	1830100	1830100	1830100
Stock fund fuel refund	-20000	-20000	-20000
Stock fund refund	-15400	-14700	-15400
Expense/investment criteria	-900	-4800	-3900
Pay reduction restoration	26800		22400
Pay absorption	-7400		
Civilian end strength	-7000		-7000
Distribution aircraft engines		7500	
Rounding adjustment	-38		-38
Total adjustments	-23938	-32000	-23938
Amount authorized	1806162	1798100	1806162

OPERATION AND MAINTENANCE, OTHER DEFENSE
[Amounts in thousands of dollars]

Item	Senate bill	House amendment	Conference action
Board for the Promotion of Rifle Practice	920	920	920
Claims Defense	143300	148300	143300
Court of Military Appeals	3200	3200	3200
Pan Am Games	0	10000	10000
Amount authorized	147420	162420	162420

OPERATION AND MAINTENANCE, WORKING CAPITAL FUNDS
[Amounts in thousands of dollars]

Item	Senate bill	House amendment	Conference action
Army stock fund	393000	412000	393000
Navy stock fund	638500	681500	638500
Marine Corps stock fund	37700	42700	37700
Air Force stock fund	415900	439900	415900
Defense stock fund	174500	183500	174500
Amount authorized	1659600	1759600	1659600

Navy stock fund

The Senate bill authorized $638 million for the Navy Stock Fund, which was $78 million below the President's request.

The House amendment authorized $681.5 million for the Navy Stock Fund.

The conferees endorse the Senate report language directing that $59 million of the amount authorized for the Navy Stock Fund be utilized to procure and provide for retail supplies on a unit basis to outfit the Reserve Naval Construction Force.

The House recedes.

LEGISLATIVE PROVISIONS

LEGISLATIVE PROVISIONS ADOPTED

General authorization of appropriations for pay raises, fuel costs, and inflation adjustments (sec. 301(d))

The Senate bill contained a provision (sec. 302) to authorize additional appropriations as may be necessary for increases in salary, pay, retirement and other employee benefits authorized by law for Department of Defense civilian employees, and unbudgeted increases in costs associated with inflation and the price of fuel.

The House amendment contained a similar provision (sec. 301(b)). The House provision differed in that it did not authorize a civilian pay raise, but included a general authorization for "unbudgeted amounts for salary, pay, retirement, and other employee benefits authorized by law for Department of Defense civilian employees" in the event that Congress acts to restore the proposed five percent pay reduction for civilian employees of the Department of Defense.

The Senate recedes.

Limitation on the use of O&M funds to purchase investment items (sec. 303)

The Senate bill reflected a Department of Defense proposal that would redefine the investment and expense criteria. The proposal would eliminate the current $3,000 expense ceiling and permit all non-centrally managed equipment to be procured with operation and maintenance funds. Accordingly, the Senate operation and maintenance authorization contained $429.7 million to purchase the non-centrally managed items associated with this proposal.

The House amendment rejected the proposed change in the expense and investment criteria and contained a provision (sec. 303) that would prohibit the use of operation and maintenance funding in fiscal year 1986 to purchase expense items of equipment if the price of the item is $3,000 or more. In addition, the House amendment reflected the transfer of $429.7 million to the other procurement accounts to purchase non-centrally managed items costing more than $3,000.

The conferees agreed to raise the expense ceiling to $5,000 and to authorize $100 million in the operation and maintenance accounts to purchase additional expense items resulting from this change. The conferees would also encourage the Department of Defense to submit an in-depth study regarding the need for further changes in the expense and investment critieria. Such a study should include a proposed new dollar threshold, the number of non-centrally managed items valued at more than $5,000 expected to be procured with operation and maintenance funds under the proposed criteria by each service and defense agency, along with their associated dollar value. The study should also include discussion of options involving changes in procurement procedures that would increase the flexibility of installation commander to purchase non-centrally managed items.

The Senate recedes with amendments.

Support for Pan American games (sec. 304)

Section 305 of the Senate bill provided that $25 million of funds otherwise authorized to be appropriated could be used for Department of Defense support of the Pan American Games. Section 304 of the House amendment authorized $10 million in new obligation authority and required extensive justification for such expenditures.

The House recedes to the Senate with an amendment providing for $10 million in new obligation authority.

Transportation for humanitarian relief purposes (sec. 305 and 306)

The House amendment contained a provision (sec. 1105) that would authorize the appropriation of $10 million for the purpose of transporting nonlethal assistance to persons displaced or made refugees by the Soviet invasion of Afghanistan. The Senate bill contained no similar provision but did contain a provision (sec. 911) that would provide an extension and expansion of the authority of the Secretary of Defense to transport humanitarian relief, on a space-available basis, worldwide.

The conferees agreed that humanitarian relief measures for the Afghan refugees, including transportation of individuals for medical treatment, were worthy of support. However, the conferees also agreed that the distribution of humanitarian relief was the responsibility of the Department of State and that the conferees did not want to create a new foreign aid or refugee assistance program within the Department of Defense. Therefore, the Senate receded to the House provision with an amendment (sec. 305) that transportation for humanitarian relief purposes is to be provided under the direction of the Department of State. Nonetheless, the conferees were distressed at reports that the Department of State has been slow in distributing humanitarian supplies to the Afghan refugees and, therefore, urged that the Department of State redouble its efforts to provide assistance as rapidly as possible.

The House receded to the Senate provision on section 911.

Limitation concerning Air National Guard and Air Force reserve flying units (sec. 307)

The House amendment contained a provision (sec. 310) that would limit the use of funds to deactivate, or divest of its flying mission, Air Force reserve component flying units.

The Senate bill contained no similar provision.

The Senate recedes with an amendment permitting the use of funds for those purposes only following 60 days written notice to the Committees on Armed Services of the Senate and the House of Representatives.

Commissary and exchange privileges for survivors of certain reservists (sec. 308)

The House amendment contained a provision (sec. 307) that would allow the Secretary of Defense to authorize dependents of reservists who die on active duty to use commissaries and exchanges on the same basis as dependents of other members of the uniformed services who die while on active duty.

The Senate bill contained no similar provision.

The Senate recedes.

LEGISLATIVE PROVISIONS NOT ADOPTED

Authorization for members of the Selected Reserve to have limited use of commissary services

The Senate bill contained a provision (sec. 534) that would authorize members of Selected Reserve components to use military commissary stores for a number of days each year equal to the number of days a member is on active duty.

The House amendment contained no similar provision.

The Senate recedes.

Reductions in authorization due to savings from cost savings

The House amendment contained a provision (sec. 308) specifying reductions in authorization due to cost savings identified by the Secretary of Defense after the House bill had been reported from committee. Section 308 also provided that all such reductions be applied as cost savings and without changing the quantity or quality of goods acquired by the Department of Defense.

The Senate bill contained no similar provision.

The House recedes.

TITLE IV—PERSONNEL AUTHORIZATIONS

PART A—ACTIVE FORCES

ACTIVE FORCES END STRENGTH

Active duty military strengths for the Marine Corps and the Air Force in the Senate bill and the House amendment differed by a total of 2,730. The conference agreement, 10,730 below the Administration's request, is summarized in the following table.

Active Forces	Administration request	House	Senate	Conference
Army	780,800	780,800	780,800	780,800
Navy	586,300	581,300	581,300	581,300
Marine Corps	199,500	199,500	198,800	198,800
Air Force	611,500	608,500	606,470	606,470
Total	2,178,100	2,170,100	2,167,370	2,167,370

PART B—RESERVE FORCES

RESERVE FORCES STRENGTH

Selected Reserve strength (sec. 411)

The Senate bill reduced the Administration's request for average strength for the Army National Guard, the Army Reserve, the Naval Reserve, the Marine Corps Reserve, the Air National Guard, and the Air Force Reserve by a total of 12,866. The House amendment reduced the Administration's request for the Army National Guard and the Army Reserve by a total of 2,672.

The conference agreement is summarized in the following table:

Reserve Forces	Administration request	House	Senate	Conference
Army National Guard	444,000	441,882	438,434	440,025
Army Reserve	291,900	291,346	288,830	290,639
Naval Reserve	134,400	134,400	131,270	134,212
Marine Corps Reserve	41,900	41,900	41,760	41,900
Air National Guard	108,700	108,700	107,950	108,700
Air Force Reserve	75,600	75,600	75,390	75,600
Coast Guard Reserve	12,500	12,500	12,500	12,500
Total	1,109,000	1,106,328	1,096,134	1,103,576

Full-time support (sec. 412)

The Senate bill froze full-time manning for all the reserve components at fiscal year 1985 levels, reducing the Administration's request for full-time support by 19,588. The House amendment reduced the Administration's request for full-time strength levels of the Army National Guard and the Army Reserve by a total of 4,900.

The conference agreement is summarized in the following table:

Full-time support	Administration request	House	Senate	Conference
Army National Guard	30,679	26,879	20,583	23,731
Army Reserve	14,714	13,614	10,700	12,157
Naval Reserve	19,510	19,510	15,210	19,010
Marine Corps Reserve	1,475	1,475	1,129	1,475
Air National Guard	7,269	7,269	6,469	7,629
Air Force Reserve	635	635	603	635
Total	74,282	69,382	54,694	64,277

The conferees remain concerned about the assignment and utilization of full-time active duty guardsmen and reservists in support of national guard and reserve units and headquarters. The conferees are concerned that the compensation and benefit program available to full-time reserve and guard members is virtually identical to that available to active duty personnel, despite the different conditions of service between these two groups. During the coming year, the conferees intend to review the full range of issues involving the question of full-time manning for the reserve components, including whether the full-time support should be provided by active duty personnel.

LEGISLATIVE PROVISIONS ADOPTED

Increase in number of certain personnel authorized to be on active duty in support of the reserve components (sec. 413)

In conjunction with the overall increases in full-time support, the Administration requested increases in the number of such personnel in the senior enlisted and officer grades.

The House amendment reduced the requested level consistent with reductions made in full-time manning. The Senate bill provided no increase.

The Senate recedes with an amendment reducing the level to reflect the reductions in full-time manning contained in section 412.

PART C—MILITARY TRAINING

MILITARY STUDENT TRAINING LOADS

The Senate bill contained a provision that would authorize 234 fewer personnel in the Air National Guard military student training load and 234 more personnel in the Air Force Reserve military student training load than the House amendment.

The House recedes.

LEGISLATIVE PROVISIONS NOT ADOPTED

Eligibility of certain aliens for junior reserve officers' training corps

The House amendment contained a provision (sec. 535) that would authorize permanent residents and other legal aliens of a permanent nature to count toward establishing and maintaining the minimum enrollment standards for junior reserve officers' corps units and that would provide such persons with uniforms and equipment at government expense.

The Senate bill contained no similar provision.

The House recedes.

TITLE V—DEFENSE PERSONNEL POLICY

PART A—CIVILIAN PERSONNEL

LEGISLATIVE PROVISIONS ADOPTED

Civilian personnel end strength for fiscal year 1986 (sec. 501 and sec. 502)

The Senate bill contained a provision (sec. 421) that would authorize a fiscal year 1986 end strength for the Department of Defense civilian personnel of 1,065,970. In addition, the Senate bill reduced the Department of Defense operation and maintenance request by $432.0 million in accordance with the above reduction in the civilian personnel request.

The House amendment contained two provisions relating to the management of civilian personnel within the Department of Defense. Section 501 waived the requirement for a statutory civilian personnel end strength authorization for fiscal year 1986. Section 502 prohibits the management of Department of Defense civilian personnel by end strength constraints.

The Senate bill contained no similar provisions.

The Senate recedes on the fiscal year 1986 civilian personnel ceiling.

With respect to managing through end strength, the Senate recedes with an amendment limiting the prohibition to fiscal year 1986. The conferees direct that the Department of Defense submit to Congress quarterly reports to the House and Senate Armed Services Committees showing the execution of the funds authorized and appropriated for Department of Defense civilian personnel in fiscal year 1986. This report shall show:

(1) by service and appropriation account the amounts authorized and appropriated for Department of Defense civilian pesonnel for fiscal year 1986;

(2) the actual number of Department of Defense civilians and dollar obligations for civilian personnel overall and by appropriation account as of the end of that quarter; and

(3) the projected number and dollar obligations for Department of Defense civilian personnel by appropriation account through the remainder of the fiscal year, and the projected number of civilian personnel and dollar obligations for the entire fiscal year as of the end of that quarter.

The conferees also agreed to require reports from the Department of Defense and Office of Management and Budget not later than February 1, 1986 on the experience of the Department of Defense during fiscal year 1985 and 1986 (to the date of the report) concerning the management of the Department of Defense civilian workforce without a congressionally imposed civilian end strength. Each report shall also include the views of the Secretary of Defense or the Director of the Office of Management and Budget, as appropriate, with respect to the desirability of managing such personnel in such manner.

The conferees agreed to reduce the operation and maintenance accounts by $296.9 million with the understanding that such a reduction is not to be associated with civilian end strength, but a general productivity target reduction to encourage better management of civilian personnel and other resources within the Department of Defense.

Exercise of certain authorities relating to civilian employees of the Department of Defense (sec. 503)

The House amendment contained a provision (section 1201) that would authorize the Secretary of Defense, for purposes of civilian employees, to exercise (1) the authorities relating to the investigation of the suitability of applicants which are currently assigned to the Director of the Office of Personnel Management under section 5.2(a) of Executive Order Number 10577, and (2) the authorities relating to security requirements for Federal employees, which are currently assigned to the Office of Personnel Management under Executive Order 10450.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would require the President to provide, within 60 days of the date of enactment, guidance which was requested by an interdepartmental group studying the personnel security program of the Federal government. The amendment further would require the interdepartmental group to report its findings and recommendations to the Congress within 90 days of the date on which the requested guidance is provided by the President.

The amendment further would provide that the exercise of authorities which would be transferred to the Secretary of Defense shall not take effect if, on or before the date of the transmittal to Congress of the findings and recommendations of the interdepartmental group, the President directs that these authorities shall not be exercised the Secretary of Defense. This authority of the President may not be delegated.

Modification and study of Department of Defense civilian personnel classification and pay systems (sec. 504)

The Senate bill contained a provision (sec. 536) that would authorize the Secretary of the Air Force to classify and pay civilian emloyees of the Air Force Institute Technology without regard to the provisions of chapters 51 and 53 of title 5, United States Code. In addition, the provision would require the Secretary of Defense to provide a report evaluating the effects of the pay and classification systems on recruitment and retention of Department of Defense scientific and engineering personnel no later than December 31, 1985.

The House amendment contained no similar provision.

The House recedes.

PART B—ACTIVE MILITARY PERSONNEL

LEGISLATIVE PROVISIONS ADOPTED

Marine Corps grade relief (sec. 511)

The House amendment included a provision (sec. 511) that would increase the authorized strength for Marine Corps majors by approximately 250 at current officer strength levels.

The Senate bill contained no similar provision.

The Senate recedes with an amendment reducing the amount of grade relief to approximately 200 majors at current officer strengths. The conferees relate the amount of this relief—and, indeed, the relief itself—to a mistake concerning the appropriate level for Marine Corps majors at the time the DOPMA grade tables were constructed.

The circumstances warranting this relief are unique to the grade of major in the Marine Corps. They appear neither in the other field grades in the Marine Corps nor in any of the field grades in the other services.

Service agreements of cadets and midshipmen (sec. 512)

The House amendment contained a provision (sec. 512) that would clarify the author-

ity of the service Secretaries to require and enforce service agreements of cadets and midshipmen.

The Senate bill contained no similar provision.

The Senate recedes.

Transfers to and from temporary disability retired list (sec. 513)

The House amendment contained a provision (sec. 513) that would authorize: (1) placement of service members whose disabilities are permanent but unstable, on the temporary disability retired list (TDRL); and (2) retirement or separation of service members directly from the TDRL.

The Senate bill contained no similar provision.

The Senate recedes.

Change in title of grade of commodore to rear admiral (lower half) (sec. 514)

The House amendment contained a provision (sec. 514) that would change the title of the grade of commodore to rear admiral (lower half).

The Senate bill contained no similar provision.

The Senate recedes.

Flag officer ceilings (sec. 515)

The Senate bill included a provision (sec. 515) that would extend for one year the existing temporary authorities for one additional Air Force general, three additional Navy vice admirals, and one additional Marine lieutenant general. In addition, section 515 would authorize for one year an additional Marine general contingent on his serving as the commander-in-chief of the United States Central Command.

The House amendment contained a related provision (sec. 534) that would authorize for three years an additional lieutenant general or vice admiral for a service having an officer in that grade serving as director of the Department of Defense Task Force on Drug Enforcement.

The House recedes from disagreement to section 515 of the Senate bill. The Senate recedes from disagreement to section 534 of the House amendment with an amendment authorizing for one year an additional Army lieutenant general contingent on his serving as director of the drug task force.

Grade of retired regular members recalled to active duty (sec. 516)

The Senate bill contained a provision (sec. 535) that would provide that a retiree may not be recalled in a grade higher than the highest permanent grade held while on active duty.

The Senate bill contained no similar provision.

The Senate recedes.

LEGISLATIVE PROVISIONS NOT ADOPTED

Increase in the number of deputy chiefs of naval operations

The Senate bill contained a provision (sec. 537) that would increase from six to seven the number of deputy chiefs of naval operations in the Department of the Navy.

The Senate bill contained no similar provision.

The Senate recedes.

PART C—RESERVE MILITARY PERSONNEL

LEGISLATIVE PROVISIONS ADOPTED

Extension of certain reserve officer management authorities (sec. 521)

The Senate bill contained a provision (sec. 514) that would extend until September 30, 1987, the authority for determining grades for reserve medical officers, for promoting certain reserve officers on active duty, and for determining years of service for mandatory transfer to the retire reserve.

The House amendment contained a similar provision (sec. 521).

The Senate recedes.

Retention of reserve civilian technicians (sec. 522)

The House amendment contained a provision (sec. 522) that would authorize the Secretaries of the Army and the Air Force to retain in active status until age 60 reserve officers who are employed as civilian technicians in the national guard or reserve in positions that require membership in the national guard or reserve.

The Senate bill contained no similar provision.

The Senate recedes.

Authority to retain in active status until age 62 up to 10 Army Reserve major generals (sec. 523)

The House amendment contained a provision (sec. 523) that would authorize the Secretary of the Army to retain until age 62 up to 10 Army Reserve major generals.

The Senate bill contained no similar provisions.

The Senate recedes.

Requirement of muster test of Army Individual Ready Reserve (sec. 524)

The House amendment contained a provision (sec. 524) that would direct the Secretary of the Army to conduct a nationwide test of the Army's ability to mobilize the members of the Individual Ready Reserve and to submit a report on the results of the muster test to the Committees on Armed Services of the Senate and the House of Representatives no later than February 1, 1986.

The Senate bill contained no similar provision.

The Senate recedes.

PART D—MISCELLANEOUS

LEGISLATIVE PROVISIONS ADOPTED

Appointments of warrant officers (sec. 531)

The House amendment contained a provision (sec. 531) that would conform service practices concerning appointments of warrant officers.

The Senate bill contained no similar provision.

The Senate recedes.

Prisoner of war medal (sec. 532)

The Senate bill contained a provision (sec. 928) that would authorize the President to award prisoner of war medals to service personnel who were taken prisoner and held captive on or after April 6, 1917.

The House amendment contained a similar provision (sec. 533).

The Senate recedes with an amendment vesting the Secretary concerned with the authority to issue the prisoner of war medal and eliminating the requirement that the medal be presented in the name of Congress.

Precedence of the award of the Purple Heart (sec. 533)

The Senate bill contained a provision (sec. 533) that would afford the Purple Heart a precedence not lower than immediately below the Bronze Star medal.

The House amendment contained no similar provision.

The House recedes.

Espionage Under the Uniform Code of Military Justice (sec. 534)

The House amendment contained a provision (sec. 1205) that would establish a capital espionage offense as a new Article 106a of the Uniform Code of Military Justice (UCMJ).

Similar to section 794(a) of title 18, United States Code, Article 106a(a) in the House provision would proscribe transmittal of defense information to a foreign government. The death penalty would be authorized under specified conditions, such as transmittal of information about a major weapons system. Similar to section 794(b) of title 18, Article 106a(b) in the House provision would proscribe wartime transmittal of defense information to the enemy.

Subsections (c), (d), and (e) of Article 106a, the capital sentencing provisions of the House provision, were derived from Federal Criminal Code legislation approved by the Senate in the 98th Congress (S. 1765, similar to S. 239 and H.R. 343 in the 99th Congress). They would establish procedures for adjudging the death penalty in espionage cases.

The House provision was not intended to affect the validity of existing death penalty provisions in the UCMJ or the capital sentencing procedures promulgated by the President in the Manual for Courts-Martial, 1984.

The Senate bill contained no similar provision.

The Senate recedes with an amendment.

The conferees agreed to establish a capital military offense patterned after section 794(a) of title 18. This will correct a substantial deficiency under current law, in which the maximum penalty a court-martial may adjudge is 10 years confinement for peacetime espionage or for wartime espionage where it cannot be proved that the information was provided to the enemy or was gathered for the purpose of transmittal to the enemy.

The conferees carefully considered whether the broad language of section 794(a) should be revised prior to incorporation into the UCMJ, but decided not to make substantive changes in the language. The espionage statutes in the Federal Criminal Code are products of lengthy legislative debates. That background has played an important role in the trial of espionage offenses in the civil sector, and the sweep of the statutes has been delimited by the courts. For example, section 794(a) has been interpreted as requiring determinations that the accused acted in bad faith and that the information passed not be of the type that is accessible to the public. See *Gorin* v. *United States*, 312 U.S. 19 (1941); *United States* v. *Heine*, 151 F.2d 813 (2d Cir. 1945), *cert. denied*, 328 U.S. 833 (1946). The continuing vitality of *Gorin* and *Heine* is illustrated by a number of recent cases that have cited one or both of these precedents concerning the meaning of section 794. See *United States* v. *Lee*, 589 F.2d 980, 990 (9th Cir. 1979), *cert. denied*, 444 U.S. 969 (1979); *United States* v. *Boyce*, 594 F.2d 1246, 1252 (9th Cir. 1979), *cert. denied*, 444 U.S. 855 (1979); *United States* v. *Truong Dinh Hung*, 629 F.2d 908, 918 (4th Cir. 1980); *United States* v. *Enger*, 472 F. Supp. 490, 507 (D.C.N.J. 1978).

The conferees adopted the language of section 794(a) for the new Article 106a to ensure that the treatment of the substantive offense by courts-martial and military appellate courts will be guided by applicable civilian precedents, including such cases as may arise in the future in the federal civilan system. The conferees intend that the statutory terms "instrument, appliance, or information" be interpreted in a manner consistent with modern defense technology, and

that the statute encompass transmittal of chemical and biological agents, computer technology, and other matter related to the national defense that is not lawfully accessible to the public.

The new Article 106a(a) enumerates the kinds of espionage offenses for which the death penalty would be authorized. Proof of the circumstances establishing these offenses would be made during trial on the merits.

Nothing in the new Article 106a is meant to preclude a prosecution under any other article of the UCMJ, including a prosecution under the Federal Criminal Code's noncapital espionage statutes as incorporated through Article 134. Likewise, nothing in the new Article 106a is intended to alter the relationships between the Department of Defense and the Department of Justice as to the concurrent jurisdiction of the two Departments with respect to investigation and prosecution of espionage offenses.

The conferees did not adopt subsection (b) of Article 106a as proposed by the House, pertaining to wartime assistance to the enemy. Such offenses are governed adequately by current military law under Article 104 (aiding the enemy) and Article 106 (spies). The conferees also did not adopt subsections (c), (d), and (e) of Article 106a as proposed by the House, pertaining to procedures for adjudication of the death penalty.

The conferees did, however, adopt a statutory formulation of capital sentencing standards for espionage cases and intend that those standards be implemented in a manner consistent with the provisions of Rule for Courts-Martial 1004 of the Manual for Courts-Martial, 1984. The conferees do not intend that the enactment of statutory capital sentencing standards for the new Article 106a be construed as affecting the validity of the regulatory capital sentencing standards that already exist for the other capital punitive articles.

LEGISLATIVE PROVISIONS NOT ADOPTED

Sentence for spying

The Senate bill included a provision (sec. 951) that would make actual life imprisonment (no possibility of release) the minimum punishment for the civilian crime of espionage.

The House amendment contained no similar provision.

The Senate recedes.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

PART A—BASIC PAY AND ALLOWANCES

LEGISLATIVE PROVISIONS ADOPTED

Military pay raise for fiscal year 1986 (sec. 601)

The Senate bill included a provision (sec. 501) that would increase the rates of basic pay, basic allowance for quarters, and basic allowance for subsistence for members of the uniformed services by three percent effective on October 1, 1985.

The House amendment contained a similar provision (sec. 601) that would make the increase effective on January 1, 1986.

The House recedes.

VHA administration (sec. 602(a))

The Senate bill included a provision (sec. 503) that would limit the sum of a service member's variable and basic housing allowances to the member's actual housing costs.

The House amendment contained no similar provision.

The House recedes with an amendment of two parts. First, the word "actual" is deleted to permit statistical generalization with respect to housing costs other than rent or mortgage payments, such as utilities and maintenance. The conferees contemplate use of the 80th percentile of surveyed utilities and maintenance costs for a pay grade in a variable housing allowance area in computing a member's housing costs for purposes of this provision. Second, the sum of a member's variable and basic housing allowances is permitted to exceed the member's housing costs by up to half the difference between the housing costs and the sum of the prescribed housing allowances for the member's pay grade and area.

VHA data manipulation (sec. 602(b)

The Senate bill contained a provision (sec. 504(b)(4)) that would prohibit the use of certain administrative techniques with respect to variable housing allowance (VHA) survey data to prevent VHA rate inversion between members of different grades or to prevent VHA rates from falling when the survey data reflect falling prices.

The House amendment contained no similar provison.

The House recedes with an amendment permitting the otherwise prohibited practices (preventing rate inversions and reductions) if required to produce statistically valid results from limited survey data. Specifically, the amendment would permit the use of these practices to set VHA rates for groups of 50 or less persons of the same grade in the same housing survey area when the limited data might otherwise produce anomalous inversions or reductions in rates.

The conferees do not intend that statistical "smoothing" techniques ever be used solely to prevent pay inversions or to prevent reductions in VHA rates. The conferees recognize, however, that such techniques are ofter legitimately employed to produce valid statistical results, especially when the data for a particular VHA rate cell are limited in nature.

VHA and dependent status (sec. 602(c)

The House amendment included a provision (sec. 602(c)) that would expressly authorize the separate rates of the variable housing allowance for members with dependents and members without dependents.

The Senate bill contained no similar provision.

The Senate recedes.

VHA child support (sec. 602(d)

The House amendment included a provision (sec. 602 (a)) that would deny the with-dependents rate of the variable housing allowance to certain members of the uniformed services who receive the basic allowance for quarters at the with-dependents rate solely by reason of their payment of child support.

The Senate bill contained no similar provision.

The Senate recedes.

Variable housing allowance in Alaska and Hawaii (sec. 603)

The Senate bill included a provision (sec. 502) that would install the variable housing allowance—in place of the overseas station housing allowance—in Alaska and Hawaii. Section 502 would also grandfather the status quo for service members already housed under the station housing allowance.

The House amendment contained a similar provision (sec. 603) that would also effect technical corrections in a related provision of the Department of Defense Authorization Act, 1985 (Public Law 98-525).

The Senate recedes with a amendment addressing an oversight in the grandfather clause.

Advance payment of basic allowance for quarters and variable housing allowance (sec. 604)

The Senate bill contained a provision (sec. 504) that would authorize the advance payment of basic allowance for quarters and variable housing allowance.

The House amendment contained a similar provision (sec. 604).

The Senate recedes.

Basic allowance for quarters for certain personnel on field and sea duty (sec. 605)

The Senate bill contained a provision (sec. 510) that would restrict the existing prohibition on payment of basic allowance for quarters to single members above pay grade E-6 without dependents on sea or field duty in excess of 90 days to those who perform such field or sea duty incident to a permanent change of station.

The House amendment contained a similar provision (sec. 605).

The House recedes with a technical amendment.

BAQ in overhaul (sec. 606)

The Senate bill included a provision (sec. 511) that would extend through fiscal year 1986 the existing autority to pay basic allowance for quarters for accommodations in lieu of quarters during ship overhaul.

The House amendment contained a similar provision (sec. 606).

The House recedes.

Increase of family separation allowance (sec. 607)

The Senate bill contained a provision (sec. 505) that would authorize an increase in the family separation allowance from $30 to $60 a month.

The House amendment contained no similar provision.

The House recedes.

PART B—TRAVEL AND TRANSPORTATION ALLOWANCES

LEGISLATIVE PROVISIONS ADOPTED

Temporary lodging expenses (sec. 613)

The Senate bill contained a provision (sec. 506) that would make reimbursement for temporary lodging expenses an entitlement.

The House amendment contained no similar provision.

The House recedes.

Allowances for transportation of baggage and household effects (sec. 614)

The Senate bill contained a provision (sec. 510g) that would authorize the payment of a monetary allowance of a member who provides all or part of the packing and crating labor in connection with the transportation of baggage and household effects during a permanent change of station move but who elects commercial hauling of the baggage and household effects. The provisions would also require the Secretary of Defense to report on the operation of the program and to submit legislative recommendations concerning the program within three years.

The House amendment contained no similar provision.

The House recedes with an amendment authorizing the payment of the monetary allowance until September 30, 1989, and requiring the Secretary of Defense to submit the report and legislative recommendations concerning the program not later than September 30, 1988.

Travel during ship overhaul (sec. 616)

The Senate bill contained a provision (sec. 510a) that would improve the existing entitlement of service members assigned to ships that are overhauled or inactivated away from the homeport to government funded round-trip transportation from the overhaul or inactivation site to the homepart.

The provision would authorize member travel after the 31st day and after every 60-day period thereafter; dependent travel from the homeport to the overhaul or inactivation site in lieu of providing member travel to the homeport under certain circumstances; and the option of electing trips in lieu of dependent travel, household goods transportation, and privately-owned vehicle transportation when, incident to an overhaul or inactivation, the ship undergoes a homeport change to the overhaul or inactivation port.

The House amendment contained a similar provision (sec. 618).

The House recedes with a technical amendment.

Test program for flat rate per diem system (sec. 618)

The House amendment contained a provision (sec. 616) that would authorize the service Secretaries to conduct a flat rate per diem test in fiscal year 1986 and to prescribe regulations governing the test.

The Senate bill contained no similar provision.

The Senate recedes.

Travel and transportation allowances for travel within the administrative limits of a member's duty station (sec. 619)

The House amendment contained a provision (sec. 617) that would—

(a) authorize certain travel and transportation allowances to members directed to perform overnight duty within the geographic limits of their duty station; and

(b) authorize reimbursement for parking fees incurred in connection with local travel.

The Senate bill contained no similar provision.

The House recedes on subsection (a) concerning travel and transportation allowances for overnight travel within the geographic limits of a service member's duty station; the Senate recedes on subsection (b) concerning reimbursement for parking fees.

Transportation for survivors of deceased member to attend the member's burial ceremonies (sec. 620)

The Senate bill contained a provision (sec. 510d) that would authorize travel and transportation allowances for the dependents of a member who dies while on active duty for a period of 30 days or more to attend the burial ceremonies of the deceased member.

The House amendment contained no similar provision.

The House recedes with an amendment clarifying that such may be paid for travel from a foreign country to the United States if the member is assigned outside the United States at the time of death.

LEGISLATIVE PROVISIONS NOT ADOPTED

Increase in weight allowances for transportation of household goods

The Senate bill contained a provision (sec. 508) that would establish an entitlement to minimum household goods weight allowances by pay grade.

The House amendment contained no similar provision.

The Senate recedes without prejudice.

The conferees emphasize their support for the increases in household goods weight allowances requested by the Administration in the fiscal year 1986 budget and urge the Appropriations Committees to fund the program in full for fiscal year 1986. Notwithstanding this support, the conferees agreed not to establish an entitlement to minimum weight allowances by pay grade at this time because of a lack of sufficient data documenting what those minimum allowances should be. The conferees note that the General Accounting Office and the Department of Defense will be reviewing the current household goods weight allowance system and analyzing alternatives in the next six months. The conferees intend to reexamine the appropriate minimum levels for Department of Defense household goods weight allowances, as well as the overall differences for reimbursement for moving expenses between military and civilian employees following submission of these reviews and analyses.

Increase in death gratuity

The Senate bill contained a provision (sec. 510e) that would authorize an increase in the death gratuity to an amount equal to three months' basic pay, three months' basic allowance for quarters, and three months' basic allowance for subsistence, but not less than $3,000 nor more than $9,000.

The House amendment contained no similar provision.

The Senate recedes.

Transportation of motor vehicles for members making permanent changes of stations

The House amendment contained a provision (sec. 614) that would facilitate the shipment of a privately-owned vehicle (POV) during a permanent change of station move by repealing restrictive statutory language that provides that the shipment of a POV at goverment expense is only authorized when all, or a major portion, of the movement of the POV can be accomplished on an ocean vessel between customary ports of embarkation and debarkation.

The Senate bill contained no similar provision.

The House recedes.

Dependent student travel for members stationed in Alaska and Hawaii

The House amendment contained a provision (sec. 615) that would authorize travel for dependent students of members stationed in Alaska and Hawaii, except students attending school in Alaska and Hawaii.

The Senate bill contained no similar provision.

The House recedes.

PART C—BONUSES AND SPECIAL AND INCENTIVE PAYS

LEGISLATIVE PROVISIONS ADOPTED

Lump sum payment of selective reenlistment bonuses (sec. 631)

The House amendment contained a provision (sec. 631) that would provide that not less than 75 percent of the selective reenlistment bonus shall be paid at the beginning of the period covered by the bonus.

The Senate bill contained no similar provision.

The Senate recedes with an emendment delaying the effective date until October 1, 1986.

Officer career sea pay (sec. 634)

Under current law, the rates of career sea pay for officers do not increase after the officer has over 12 years of sea duty.

The Senate bill contained a provision (sec. 510f(e)) that would increase the rates of officer career sea pay for warrant officers in the grade of W-3 and W-4 with over 12 years of sea duty and would establish increased rates of career sea pay for warrant and commissioned officers with over 14, over 16, over 18, and over 20 years of sea duty.

The House amendment contained no similar provision.

The House recedes.

Hazardous duty incentive pay (sec. 635)

The Senate bill contained a provision (sec. 510f(a)) that would equalize the rates of various hazardous duty incentive pays for enlisted members with those of officers at $110 per month, would add handling of chemical munitions to the list of hazardous duty occupations, and would provide a payment of $165 per month for parachute jumping at high altitude with low opening.

In addition, the Senate provision would authorize payment of hazardous duty incentive pay for officer crew members involved in frequent and regular participation in aerial flight and would establish new rates of monthly incentive pay for crew member aerial flight duty.

The House amendment contained no similar provision.

The House recedes.

Aviation officer continuation pay (sec. 636)

The Senate bill included a provision (sec. 512) that would extend through fiscal year 1986 the existing authority to pay aviation officer continuation pay.

The House amendment contained a similar provision that would extend the authority through fiscal year 1988.

The House recedes with an amendment extending the authority through fiscal year 1987.

Engineering and scientific career continuation pay (sec. 637)

Currently, engineering and scientific career continuation pay may be paid to certain officers of the armed forces in critical shortage skills.

The Senate bill contained a provision (sec. 510f(j)) that would also authorize the payment of this special pay to members of the National Oceanic and Atmospheric Administration and the Public Health Service.

The House amendment contained no similar provision.

The House recedes.

Special pay for duty subject to hostile fire or imminent danger (sec. 638)

The Senate bill contained a provision (sec. 510f(g)) that would increase the rate of special pay for duty subject to hostile fire or imminent danger to that of the lowest hazardous duty incentive pay, would redefine the criteria for this special pay, and would redesignate it as special pay for duty subject to danger.

The House amendment contained no similar provision.

The House recedes with an amendment retaining the current name of this special pay as well as the criteria for payment.

Revision of special pay for dental officers (sec. 639)

The House amendment contained a provision (sec. 634) that would replace the current special pay and continuation pay for dental officers with a new variable special pay, additional special pay, and special pay for board certification modeled on the current special pay program for medical officers.

The Senate bill contained a provision (sec. 509) that would delay the effective date of section 8091 of the fiscal year 1985 Department of Defense Appropriation Act until September 30, 1985. Effective July 1, 1985, section 8091 of that Act would reduce by 50 percent the continuation pay for dental officers in skills manned at 95 percent or more.

The Senate recedes with an amendment making revisions in the rates of variable special pay and additional special pay and including a save pay provision to ensure that no dental officer receives less in total special pays under the new program than that dental officer is currently receiving under the present special pay and continuation pay programs.

Special pay for medical officers (sec. 640)

The House amendment contained a provision (sec. 635) that would provide that bankruptcy does not discharge the debt to the United States created by the failure to serve the period of service for which special pay for medical officers has been paid.

The Senate bill contained no similar provision.

The Senate recedes.

Selected reserve non-prior-service enlistment bonus (sec. 642)

The Senate bill contained a provision (sec. 513) that would extend the authority to pay the selected reserve enlistment bonus for two years, until September 30, 1987.

The House amendment contained a provision (sec. 641) that would extend the authority to pay the selected reserve enlistment bonus for five years, until September 30, 1990. In addition, the House provision would increase the maximum enlistment bonus authority from $2,000 to $5,000.

The House recedes.

Selected reserve reenlistment bonus (sec. 643)

The Senate bill contained a provision (sec. 513) that would extend the authority to pay the selected reserve reenlistment bonus for two years, until September 30, 1987.

The House amendment contained a provision (sec. 641) that would extend the authority to pay the selected reserve reenlistment bonus for five years, until September 30, 1990. In addition, the House provision would increase the maximum reenlistment bonus authority from $450 to $1,250 for a three-year reenlistment and from $900 to $2,500 for a six-year reenlistment.

The Senate recedes with an amendment limiting the bonus authority extension to two years.

Selected reserve prior service enlistment bonus (sec. 644)

The House amendment contained a provision (sec. 641) that would create a new selected reserve enlistment bonus for prior service personnel with less than 10 years of total military service. For enlistment in a designated unit or skill, the initial bonus payment would be a maximum of $1,250 for a three-year enlistment or $2,500 for a six-year enlistment with subsequent payments upon satisfactory completion of each year of the period of enlistment.

The Senate bill contained no similar provision.

The Senate recedes with an amendment limiting the bonus authority to two years and restricting eligibility to critical skills.

Selected reserve affiliation bonus (sec. 645)

The Senate bill contained a provision (sec. 513) that would extend the authority for payment of the selected reserve affiliation bonus for two years, until September 30, 1987.

The House amendment contained a provision (sec. 642) that would extend the authority to pay the selected reserve affiliation bonus for five years, until September 30, 1990. In addition, the House provision would increase the maximum payment from $25 per month to $75 per month for each month of remaining obligated service.

The Senate recedes with an amendment limiting the bonus authority extension to two years and reducing the maximum monthly payment from $75 to $50 per month for each month of remaining obligated service.

Individual ready reserve enlistment/reenlistment bonuses (sec. 646)

The Senate bill contained a provision (sec. 513) that would extend the authority for payment of the individual ready reserve non-prior-service enlistment bonus for two years, until September 30, 1987.

The House amendment contained a provision (sec. 645) that would extend the authority for payment of the individual ready reserve non-prior-service enlistment bonus for five years, until September 30, 1990.

The House recedes.

The Senate Bill contained a provision (sec. 513) that would extend the authority for payment of the individual ready reserve prior-service enlistment/reenlistment bonus for two years, until September 30, 1987.

The House amendment contained a provision (sec. 645) that would extend the authority for payment of the individual ready reserve prior service enlistment/reenlistment bonus for five years, until September 30, 1990. In addition, the House provision would revise the current bonus by providing a payment of $750 for a three-year enlistment and $1,500 for a six-year enlistment. As a condition for receipt of this bonus, the individual would be subject to an annual muster or a period or periods of active duty for training of one or more days.

The Senate recedes with an amendment limiting the bonus authority extension to two years.

Selected reserve hazardous duty incentive pay (sec. 647)

Presently, members of the reserve and national guard receive hazardous duty incentive pay (HDIP) for frequent and regular flying during active and inactive duty for training periods. To receive active duty HDIP, the reservist must fly four hours each month or a pro rata share of days on duty. For inactive duty, the requirement is two hours each month or a pro rata share of days on duty. The excess hours flown during inactive duty may be credited toward active duty flight requirements, but the reverse is not permitted.

The House bill contained a provision (sec. 646) that would allow reserve and national guard members who are entitled to HDIP for flying to credit active duty or inactive duty training flight time to fulfill active or inactive duty flight time requirements.

The Senate bill contained no similar provision.

The Senate recedes. The conferees intend that this change be accomplished without any increase in the overall program cost of HDIP.

LEGISLATIVE PROVISIONS NOT ADOPTED

Diving duty pay

Under current law, a service member who is receiving special pay for diving duty may also receive one incentive pay for hazardous duty.

The Senate bill contained a provision (sec. 510f(c)) that would authorize a service member who is receiving diving duty pay to receive two payments of hazardous duty pay in lieu of one payment.

The House amendment contained no similar provision.

The Senate recedes.

Pay for duty at certain places

The Senate bill contained a provision (sec. 510f(d)) that would authorize the payment for duty at certain places to officers as well as to enlisted personnel, increase the rates for all personnel, delete the prohibition against payment to personnel serving in the continental United States or the District of Columbia, and permit the payment of this special pay to those serving at designated locations even though the service members may be from that location.

The House amendment contained no similar provision.

The Senate recedes.

Responsibility pay

The Senate bill contained a provision (sec. 510f(f)) that would authorize the payment of responsibility pay for warrant officers as well as for junior officers in pay grades O-1 and O-2 and would increase the maximum monthly rates from $150 to $200.

The House amendment contained no similar provision.

The Senate recedes.

Reenlistment bonus for enlisted members on active duty for training and administration of reserves

The House amendment contained a provision (sec. 644) that would permit payment of the selective reenlistment bonus to members of the reserve components serving on active duty in connection with organizing, administering, recruiting, instructing, or training reserves.

The Senate bill contained no similar provision.

The House recedes.

Selected reserve unit affiliation pay

The House amendment contained a provision (sec. 643) authorizing a payment of $10 per drill payable to enlisted personnel assigned to designated high priority selected reserve units.

The Senate bill contained no similar provision.

The House recedes.

PART D—HEALTH CARE MATTERS

LEGISLATIVE PROVISIONS ADOPTED

Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) dental care for active duty dependents (sec. 651)

The House amendment contained a provision (sec. 651) that would authorize the Secretary of Defense to establish a dental insurance program for spouses and children of active duty service members. The program would be based on voluntary enrollment, and the cost would be cost shared between the government and the service member. Coverage would be provided for preventive, diagnostic and emergency services, payable at 100 percent of charges, and for composite and amalgam fillings and dental appliance repair services, payable at 80 percent of charges. Collection of premiums from plan participants would be accomplished by payroll deductions.

The Senate bill contained no similar provision.

The Senate recedes with an amendment providing that no contracts can be signed and no funds obligated until September 30, 1986. In the meantime, the Secretary of De-

fense should proceed with development of the statement of work, issuance of the request for proposals, and receipt and evaluation of bids, so that operation of the new program can begin as soon as possible after September 30, 1986.

Enhanced health care benefits for survivors of certain reservists (sec. 652)

Under current law, survivors of reservists who die as a result of injury, illness, or disease in conjunction with active duty for training of 30 days or less are entitled to medical care from the Veterans Administration medical system. Survivors of reservists who die of an injury during inactive duty training are also entitled to medical care from the Veterans Administration. Such care is not provided, however, to survivors of reservists who die of illness or disease during inactive duty training.

The House amendment contained a provision (sec. 654) that would extend military medical care benefits to the survivors of reservists and guardsmen who die of injury, illness, or disease during either inactive duty training or active duty for training of 30 days or less.

The Senate bill contained no similar provision.

The Senate recedes.

Licensure requirement for defense health care professionals (sec. 653)

The House amendment contained a provision (sec. 657) that would require all health care professionals providing care independently in military medical facilities to possess a current license. This requirement would apply to military personnel, civilian employees of the Federal government, and contract employees. In addition, the House provision would impose a civil penalty of not more than $5,000 for violation of the licensure requirement.

The Senate bill contained no similar provision.

The Senate recedes with an amendment limiting the imposition of civil penalties to civilians.

Study of medical aspects of casualty resolution (sec. 654)

The House amendment contained a provision (sec. 656) that would direct the Secretary of Defense to establish an advisory panel on medical aspects of casualty resolution. Within 180 days after receipt of the panel's report, the Secretary would submit to Congress a report evaluating the panel's report, describing corrective actions taken by the Department of Defense, and making recommendations for legislation needed to implement the panel's recommendations.

The Senate bill contained no similar provision.

The Senate recedes with an amendment providing that, rather than establishing an advisory panel, the Secretary of Defense would conduct the study and provide a report of his findings to the Congress.

LEGISLATIVE PROVISIONS NOT ADOPTED

Elimination of Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) deductible and copayment for active duty dependents in remote locations

The House amendment contained a provision (sec. 652) that would eliminate the CHAMPUS deductible and copayment for dependents of active duty personnel living outside a military medical treatment facility catchment area.

The Senate bill contained no similar provision.

The House recedes.

Catastrophic loss protection under the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS)

The House amendment contained a provision (sec. 653) that would place an annual limit on deductibles and copayments under the CHAMPUS program of $1,000 per family for active duty personnel and $3,000 per family for retirees and survivors.

The Senate bill contained no similar provision.

The House recedes.

Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) coverage of organ transplants

The House amendment contained a provision (sec. 655) that would authorize the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) to cover non-experimental organ transplants.

The Senate bill contained no similar provision.

The House recedes.

Provision of home health care

The House amendment contained a provision (sec. 1189) that would authorize the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) coverage of home health services for chronically ill dependents of active duty personnel when such care is medically necessary, cost-effective, and not covered by other insurance.

The Senate bill contained no similar provision.

The House recedes.

PART E—MILITARY RETIREMENT

LEGISLATIVE PROVISIONS ADOPTED

Changing the military retirement system (sec. 666–667)

Both the Senate bill and the House amendment contained similar language with regard to changing the military retirement system.

The Senate bill contained provisions (sec. 541 and 542) that would reduce the total request for basic pay and retirement accrual by $1.8 billion (a 10 percent reduction).

It would direct the Secretary of Defense to submit not later than September 1, 1985, a proposal to change the nondisability retirement system, other elements of military compensation, or other personnel programs (including promotion and retention) that would reduce the accrual charge by $1.8 billion, apply structural changes only to new entrants, and encourage longer service.

It also would require a separate report on the anticipated effects that the proposed changes would have on recruiting and retention. In addition, it would require a report on the impact of changes in retirement, compensation, or personnel programs that would be necessary to achieve savings equal to a 20 percent and a 30 percent reduction in the accrual charge.

The House amendment contained provisions (sec. 661 and 662) that would reduce the total request for basic pay and retirement accrual by $4 billion (a 22 percent reduction).

It would direct the Secretary of Defense to submit a proposal to change the nondisability retirement system that would reduce the accrual charge by $4 billion in fiscal year 1986, apply structural changes only to new entrants, and encourage longer service.

It also would require a separate report on a transition plan.

The conferees agreed to a ceiling on the total of basic pay and accrual charge that would require a $2.9 billion reduction in the accrual charge for the military retirement system. The Secretary of Defense would be required to submit a report (including draft legislation) proposing two separate changes; one of the changes would consist only of changes in the military retirement system other than changes in the procedure for periodic cost-of-living adjustments in retired pay. Each proposal must be sufficient to reduce the accrual charge by $2.9 billion.

The conferees agreed to require the reports and a proposal by September 15, 1985.

The conferees emphasize that the structural changes required by this provision are not to apply to any individual who is currently retired or who has entered the military before the effective date of the revised system. Only those who enter after the effective date are to be affected by the provisions of the new plan.

The conferees also agreed that the proposal submitted by the Secretary of Defense produce the required savings as a direct result of changing the active duty military nondisability retirement system. An accompanying report to be submitted by the Secretary, however, is also to evaluate possible ways to achieve savings through changes in other compensation elements or personnel programs.

The conferees agreed to require a report describing the changes necessary in retirment, compensation or personnel programs and the impact of such changes on recruiting and retention that would be necessary to achieve savings equal to $1.8 billion, $2.9 billion, $3.6 billion, $4.0 billion and $5.4 billion.

The conferees direct the Secretary of Defense to include in any report proposing changes an evaluaton of the impact of such changes using the final assumptions, methodology, and computer models utilized by the Fifth Quadrennial Review of Military Compensation in its final report. This would be consistent with the requirement (contained in both bills) to use the actuarial assumptions used in the preparation of the fiscal year 1985 budget. If other assumptions are used to project alternate impacts, these assumptions are to be explicitly described and justified. Similarly, the conferees direct that the same measures employed by the Fifth Quadrennial Review be used in describing the impact of changes. If additional measures are used, they are to be clearly described and justified.

PART F—EDUCATIONAL ASSISTANCE BENEFITS

LEGISLATIVE PROVISIONS ADOPTED

Loan repayment (sec. 671)

Educational loan repayment program

The Senate bill contained a provision (sec. 521) that would make permanent the test program of using higher education loan repayment to attract high quality personnel to enlist in the selected reserve and active forces. This test program was first authorized by the Department of Defense Authorization Act, 1981, and has been extended on an annual or biennial basis since that time.

The House amendment contained no similar provision.

The House recedes.

Authorization to repay educational loans for certain health professionals who serve in the selected reserve

The House amendment contained a provision (sec. 647) that would repay a maximum of $3,000 in higher education loans for each satisfactory year of service completed in the selected reserve by a health professional in a wartime combat medical skill designated

as critical by the Secretary of Defense. The maximum that could be repaid would be $20,000.

The Senate bill contained no similar provision.

The Senate recedes with an amendment limiting the authority for the program to three years, until September 30, 1988.

Selected reserve health professions scholarship (sec. 672)

The House amendment contained a provision (sec. 648) that would expand the Armed Forces Health Professions Scholarship Program to permit an individual to fulfill the required military service obligation in the selected reserve. The minimum repayment period would be two years of service for each year of education received. The House provision would also increase the number of scholarships from 5,000 to 7,500.

The Senate bill contained no similar provision.

The Senate recedes with an amendment limiting the number of scholarships to 6,000 and requiring a three-year service commitment for each year of scholarship assistance.

As stated in the House committee report, the conferees intend that this authority be used only for specialty training in combat medical skills. The conferees further intend that the authority be limited to operating room nurses, nurse anesthetists and surgeons.

The conferees direct the Secretary of Defense to submit a report to the Committees on Armed Services of the Senate and House of Representatives not later than February 1, 1987, on the results of this expanded scholarship authority.

Right of member to transfer educational entitlement to spouse or dependent child (sec. 673)

The Senate bill contained a provision (sec. 523) that would correct a problem created by the incorrect implementation by the Navy of the educational assistance test program authorized by section 901 of the Department of Defense Authorization Act, 1981.

The House amendment contained no similar provision.

The House recedes.

Changes to the Veterans' Educational Assistance Act of 1984 (sec. 674)

The Veterans' Educational Assistance Act of 1984, Title VII of Public Law 98-525 (the Department of Defense Authorization Act, 1985) established a new G.I. bill for those initially entering the armed forces between July 1, 1985, and June 30, 1988. In exchange for a reduction in pay of $100 per month for 12 months, service members will be able to earn a maximum of 36 months of educational benefits payable at $300 per month. They will be automatically covered unless they opt out upon initial entry onto active duty. In addition, the Veterans' Educational Assistance Act of 1984 established a program for service members with Vietnam-era G.I. bill eligibility who have been on continuous active duty since December 31, 1976, and whose benefits would otherwise expire on December 31, 1989.

The Senate bill contained a provision (sec. 522) that would make four changes to the new G.I. bill. First, the Senate provision would permit service members 120 days after entry onto active duty to elect to participate in the program. Second, the provision would permit participants to revoke their election within two years and receive a refund of their contributions. Third, the provision would provide credit on final pay for those who die on active duty after electing to participate and who have neither revoked election nor received any benefit. Fourth, the provision would permit service members with Vietnam-era G.I. bill eligibility to earn benefits under the new program even though they have had a break in service after December 31, 1976.

The House amendment contained no similar provision.

The House recedes with an amendment striking all provisions except the last providing eligibility for Vietnam-era veterans currently on active duty who have had a break in service since December 31, 1976.

The conferees agree that, due to the complex nature of this program, it should be allowed to operate for at least one year before it is amended.

PART G—MISCELLANEOUS

LEGISLATIVE PROVISIONS ADOPTED

Legal representation of civilians overseas (sec. 681)

The House amendment contained a provision (sec. 695) that would authorize the Secretary concerned to employ counsel and pay fees for legal representation before foreign courts of dependents and civilian employees of the armed forces overseas.

The Senate bill contained no similar provision.

The Senate recedes.

Accrued leave (sec. 682)

The House amendment included a provision (sec. 697) that would correctly codify the date after which not more than 60 days of accrued leave may be sold.

The Senate bill contained no similar provision.

The Senate recedes.

Pay allotments for Navy and Marine Corps (sec. 683)

The House amendment contained a provision (sec. 698) that would standardize the pay allotment system of the Navy and Marine Corps with that of the Army and the Air Force.

The Senate bill contained no similar provision.

The Senate recedes.

Debt collection (sec. 684)

The House amendment included a provision (sec. 699) that would extend the debt collection authority enacted in the Department of Defense Authorization Act, 1985 (Public Law 98-525) to all of the uniformed services. Section 699 would also authorize military payroll collections for dishonored checks.

The Senate bill contained no similar provision.

The Senate recedes with an amendment striking the authority to collect for dishonored checks.

Fee for veterinary service (sec. 685)

Current law provides that a $10 per visit fee be imposed for pets of military personnel provided care by military veterinarians beginning October 1, 1985.

The House amendment contained a provision (sec. 696) that would reduce the fee from $10 per visit to $2 per transaction at a military veterinary clinic; such fee is intended to recoup all appropriated fund costs associated with the provision of care to privately-owned pets. The resulting revenues are to be paid to the U.S. Treasury.

The Senate bill contained no similar provision.

The Senate recedes.

LEGISLATIVE PROVISION NOT ADOPTED

Compensation for military personnel and members of their families who were victims of terrorism

The House amendment contained a provision (sec. 1188) that would authorize the President to make a cash payment to members of the armed forces or their families who were held hostage or who were the victims of terrorism.

The Senate bill contained no similar provision

The House recedes.

TITLE VIII—SURVIVOR BENEFIT PLAN

LEGISLATIVE PROVISIONS

LEGISLATIVE PROVISIONS ADOPTED

Survivor Benefit Plan changes (secs. 701-731)

The House amendment contained a number of provisions (secs. 670-690) that would improve and simplify the Survivor Benefit Plan as well as correct certain inequities associated with the program.

The Survivor Benefit Plan was created to provide "reasonable income replacement" to surviving dependents of deceased retirees. During deliberations on the establishment of the plan, Congress determined that 55 percent of retired pay represented reasonable income replacement and that existing income security programs available to survivors of deceased service personnel—social security and, in some cases, Dependency and Indemnity Compensation (DIC)—ought to be considered when determining whether reasonable income replacement is achieved.

Because of the complexity of the plan, particularly with respect to the social security offset, substantial confusion about the Survivor Benefit Plan has occurred. In an effort to simplify and make the plan more understandable, the House Survivor Benefit Plan provisions would eliminate the social security offset to the Survivor Benefit Plan and establish a two-tier system under which the survivor would receive 55 percent of retired pay before age 62 and 35 percent thereafter in recognition of the entitlement to social security based on military service.

In addition, the House plan would: provide current survivors and future survivors of current retired or retirement-eligible members with benefits computed under the old social security offset system or under the new two-tier system, whichever yields the highest benefit for the individual; index the minimum base amount for calculating reductions in retired pay to increases in basic pay; provide that the decision to elect less than maximum survivor coverage, to elect survivor coverage for a dependent child but not for the spouse, or not to elect survivor coverage be a joint decision between member and spouse; provide the option not to resume survivor coverage upon remarriage (subject to spousal concurrence); and authorize former spouse-child coverage as an additional option under the program.

The Senate bill contained no similar provisions.

The Senate recedes with amendments—

(1) clarifying that future survivors of current active duty members with 20 years of service or more and current or retired reserve members with 20 years of service or more would be provided benefits under the old social security offset system or the new two-tier system, whichever yields the highest benefit for the individual;

(2) eliminating the requirement for spousal concurrence in the case of a remarriage in retirement and providing instead that such

a spouse would be notified in writing if the retiree elects to provide less than maximum coverage, to provide for a dependent child but not for the spouse, or not to elect survivor coverage;

(3) providing former spouse coverage in the spouse coverage category for all former spouses named as beneficiaries after the date of enactment, permitting those former spouses currently covered under the insurable interest category to elect jointly to switch to spouse coverage at the maximum level within one year and providing current participants who had the option of electing former spouse coverage in the past and chose not to do so, the option of electing former spouse coverage within one year; and

(4) providing members who elected to participate in the Survivor Benefit Plan between October 19, 1984, and the date of enactment of the fiscal year 1986 Survivor Benefit Plan changes and who may have made an election decision based on the changes enacted on October 19, 1984, but not effective until October 1, 1985 (elimination of social security offset in the case of a surviving spouse receiving a social security benefit based solely on his or her own earnings), the option to withdraw from the Plan within one year of the date of enactment with a refund of contributions.

Report on establishing needs-based survivor benefit annuity program for surviving spouses of certain retired reservists (sec. 732)

The House amendment contained a provision (sec. 1195) that would require the Secretary of Defense to submit a plan for establishing a needs-based survivor benefit annuity program for surviving spouses of reservists who died prior to September 30, 1978, after completing 20 years of service but before reaching age 60.

The Senate bill contained no similar provision.

The Senate recedes.

TITLE VIII—MILITARY FAMILY POLICY AND PROGRAMS

LEGISLATIVE PROVISIONS ADOPTED

Office of Family Policy (sec. 802)

The Senate bill contained a provision (sec. 926(b)) that would establish the Office of Family Policy in the Office of the Secretary of Defense. The office would have not less than five professional staff members and the staff of the office would be in addition to any statutory administrative limit on the number of employees assigned to the Office of the Secretary of Defense.

The House amendment contained similar provisions (sec. 1002 and sec. 1161(a)).

The House recedes with an amendment striking the exemption from any statutory or administrative ceiling on employees assigned to the Office of the Secretary of Defense and requiring a report by the Secretary of Defense not later than September 30, 1986, on the activities of the office.

Transfer of Military Family Resource Center (sec. 803)

The Senate bill contained a provision (sec. 926(c)) that would transfer the Military Family Resource Center from the Office of the Assistant Secretary of Defense for Health Affairs to the Office of the Assistant Secretary of Defense for Force Management and Personnel.

The House amendment contained similar provisions (sec. 1003 and sec. 1161(b)).

The House recedes.

Survey of military families (sec. 804)

The House amendment contained a provision (sec. 1004) that would authorize the Secretary of Defense to conduct surveys of military families, without clearance from any other Federal agency.

The Senate bill contained no similar provision.

The Senate recedes with an amendment providing that with respect to these surveys, members of military families and military retirees will be considered as employees of the Federal government for purposes of section 3502(4)(A) of title 44, United States Code.

Family members serving on advisory committees (sec. 805)

The House amendment contained a provision (sec. 1005) that would permit military family members to serve on committees that advise the Department of Defense on military family matters even though such family members are not fulltime employees of the Federal government.

The Senate bill contained no similar provision.

The Senate recedes.

Preference in Department of Defense employment (sec. 806)

The Senate bill contained a provision (sec. 926(d)) that would provide employment preference in hiring for Department of Defense jobs to spouses of active duty service members for positions above grade GS-7 (or the equivalent) if the spouse is among those determined to be best qualified for the position and if the position is located in the same geographic area as the permanent duty station of the member.

The House amendment contained provisions (sec. 1006 and 1161(f)) that would require the Secretary of Defense to issue regulations to ensure that military spouses are advised of vacancy announcements and are considered for vacant positions within the Department of Defense in the same geographic area as the member's duty station. In addition, the House provisions would (1) permit the President to except from competitive service positions within the Department of Defense located outside the United States in order to provide employment opportunities for qualified spouses of members of the armed forces stationed in the same geographic area and (2) require the Secretary of Defense to issue regulations to ensure that qualified spouses may be appointed to such excepted service positions. Additionally, the provisions would require the Secretary of Defense to issue regulations to ensure that all Department of Defense nonappropriated fund activities give preference in hiring to qualified dependents of members of the armed forces stationed in the same geographic area for positions in wage grade UA-8 and below (or the equivalent).

The House recedes with amendments directing the Secretary of Defense to issue regulations to ensure that spouses are advised of any vacancy announcements and are considered for any vacant position within the Department of Defense in the same geographic area as the member's permanent duty station. In addition, the House amendments would authorize the President to except from competitive service positions in the Department of Defense located outside the United States in order to provide employment opportunities for qualified military spouses and would authorize the President to provide preference in hiring to qualified spouses for positions in wage grade UA-8 and below (or the equivalent).

The conferees wish to clarify that any preference granted is not lifetime preference and, thus, would terminate when the spouse loses his or her connection with the military through the service member's discharge, retirement, or death, or through divorce.

Youth sponsorship program (sec. 807)

The Senate bill contained a provision (sec. 926(g)) that would require the establishment of a youth sponsorship program, at each military installation.

The House amendment contained similar provisions (sec. 1107 and 1161(c)).

The House recedes.

Student travel within the United States (sec. 808)

The House amendment contained a provision (sec. 1008) that would authorize payment of travel and transportation allowances within or between the contiguous United States for dependent students of military personnel stationed overseas.

The Senate bill contained no similar provision.

The Senate recedes.

Relocation assistance (sec. 809(a))

The House amendment contained a provision (sec. 1009(a)) that would permit the Secretary of Defense to enter into contracts with firms to provide relocation assistance to members of the armed forces relocating from one geographic area to another.

The Senate bill contained no similar provision.

The Senate recedes with an amendment striking the authority to enter into such contracts and instead directing the Secretary of Defense to provide a report on the potential utilization of such services.

Amortization period for parking facilities for house trailers and mobile homes (sec. 809(b))

The House amendment contained a provision (sec. 1009(b) that would increase the amortization period for parking facilities for house trailers and mobile homes from 15 years to 25 years.

The Senate bill contained no similar provision.

The Senate recedes.

Cost of unaccompanied personnel housing for members of the uniformed services (sec. 809(c))

The House amendment contained a provision (sec. 1009(c)) that would exempt military personnel from the requirement to pay the reasonable rental cost for unaccompanied housing while on a permanent change of station move or on temporary duty orders.

The Senate bill contained no similar provision.

The Senate recedes.

Food cost for certain enlisted members (sec. 810(a))

The House amendment contained a provision (sec. 1010(a)) that would eliminate the surchage for meals sold in military messes for enlisted members in pay grades E-1 through E-4 and members of their immediate families.

The Senate bill contained no similar provision.

The Senate recedes with an amendment limiting eligibility for exemption from the surcharge to the spouses and dependent children of enlisted members in pay grades E-1 through E-4.

Report on issuing food stamp coupons to households of members stationed outside the United States (sec. 810(b))

The House amendment contained a provision (sec. 1010(c)) that would direct the Secretary of Defense to submit a report to the Congress on the feasibility of having the Department of Defense issue food stamp coupons to households of service members stationed outside the United States.

The Senate bill contained no similar provision.

The Senate recedes.

Reporting on child abuse (sec. 811)

The House amendment contained a provision (sec. 1011) that would direct the Secretary of Defense to request each state to provide reports on known or suspected instances of child abuse and neglect involving the child of a member of the armed forces.

The Senate bill contained no similar provision.

The Senate recedes.

Housing availability (sec. 812(a))

The House amendment contained a provision (sec. 1012(a)) that would require the Secretary of Defense to submit a report to Congress on the availability and affordability of off-base housing for members of the armed forces and their families.

The Senate bill contained no similar provision.

The Senate recedes.

Study on need for assistance to dependents entering new secondary schools (sec. 812(b))

The Senate bill contained a provision (sec. 926(h)) to require the Secretary of Defense to submit a report making recommendations for any administrative and legislative changes necessary to assist families whose children must transfer to schools with different graduation requirements.

The House amendment contained similar provisions (sec. 1012(b) and 1161(e)).

The House recedes.

LEGISLATIVE PROVISIONS NOT ADOPTED

Operation of child care facilities

The Senate bill contained a provision (sec. 926(e)) that would direct the Secretary of Defense to provide for the operation of child care facilities on military installations on a 24-hour basis, if necessary to meet mission requirements.

The House amendment contained no similar provision.

The Senate recedes.

The conferees direct the Secretary of Defense to conduct a study and evaluate the need for operating child care facilities on military bases on a 24-hour basis when necessary to meet mission requirements and to provide a report on his findings to the Committees on Armed Services of the Senate and House of Representatives no later than December 1, 1985. The report should include a description of the kinds of mission requirements that would necessitate 24-hour care coverage, the number of military installations that would need this service could estimated the cost of the plan.

Reimbursement for food at child care facilities overseas

The House amendment contained a provision (sec. 1010(b)) that would require the Secretary of Defense to provide payments to military child care facilities overseas for costs of food and food preparation comparable to payments provided by the Secretary of Agriculture to child care facilities in the United States under section 17 of the National School Lunch Act.

The Senate bill contained no similar provision.

The House recedes.

TITLE IX—PROCUREMENT POLICY REFORM AND OTHER PROCUREMENT MATTERS

PART A—PROGRAM MANAGEMENT MATTERS

LEGISLATIVE PROVISIONS ADOPTED

Allowable costs (sec. 911)

The Senate bill contained a provision (sec. 702) that would require the Secretary of Defense to issue regulations clarifying the types of cost that would be allowable under defense contracts. It would specify 14 categories of cost that are to be considered generally unallowable. The contractor would be penalized in an amount equal to the cost submitted, plus interest, the first time an unallowable cost is submitted. The contractor would be penalized an additional amount equal to two times the amount of the cost submitted if costs of the same type are submitted repeatedly or if a proposal contained numerous unallowable costs. The contractor would be subject to the criminal penalties established in 18 U.S.C. 287 and the civil penalties established in 31 U.S.C. 3729 (the False Claims Acts) for submitting a cost that the contractor did not actually incur.

The House amendment contained a provision (sec. 801) that would prohibit by statute the submission by a contractor of costs in 10 specified categories, and any other costs which the Secretary of Defense so specified. It would require the Secretary of Defense to clarify its regulations regarding numerous additional categories of costs. In addition, a contractor would be required to certify that all costs submitted in its proposal were allowable.

Under the House amendment a contractor would be assessed a fine equal to the amount of any expressly unallowable cost, plus interest, or $10,000, whichever is greater. If a contractor continued to submit a cost that had previously been disallowed, the penalty would be double the amount of the cost submitted, plus interest, or $10,000, whichever is greater.

In the event a contractor submits an unallowable cost, knowing it to be unallowable, the contractor would be subject to a fine in an amount up to $500,000 and up to five years imprisonment, and an individual would be subject to a fine in an amount up to $250,000 and up to five years imprisonment.

The House amendment would strengthen accountability in negotiating settlement of costs by requiring that each item questioned by the auditor be dealt with individually and not as part of a lump sum agreement. It would also require that the regulations state that if a contractor failed to submit proof that its costs were allowable, the cost could not be negotiated and must be disallowed. In addition, it would require that the regulations maintain that a cost disallowed under one cost principle not be submitted under another cost principle.

The House amendment would require the establishment of a mandatory rotation policy for all administrative contracting officers and that the contract auditor be present, to the maximum extent practicable, at all negotiations on allowability of costs.

The House amendment would require a reduction in the rate a contractor is paid for its current year overhead by an amount equal to the amount questioned by the auditors in the previous year and would apply the cost principles established pursuant to this section to subcontracts and firm fixed-price contracts for which cost and pricing data are required pursuant to the Truth in Negotiations Act.

The Senate recedes to the House with an amendment as follows: (1) providing that, with respect to those costs which are stated by law as unallowable, the Secretary of Defense may make appropriate definitions, limitations, exclusions and qualifications as part of regulations to be issued to implement this section; (2) clarifying what information is necessary to satisfy the requirement to resolve each item of questioned cost and the level of resolution; (3) adding the requirement that the certification be to the "best knowledge and belief" of the certifying official; (4) amending the requirement that a contractor submit adequate documentation or the cost will be disallowed regardless of the merits of the cost, by providing that a contracting officer may not settle an item of questioned cost unless the auditor has reviewed the contractor's supporting documentation; (5) deleting the prohibition that a cost disallowed under one cost principle may not be submitted under another cost principle; (6) deleting the requirement that provisional rates be based on costs questioned; (7) amending the minimum penalty for submission of an unallowable cost by providing that its application is discretionary and increasing the penalty for the second submission of such a cost to three times the amount of the cost submitted, as well as increasing the fine for the knowing submission of an unallowable cost, if such submission resulted in violation of the criminal False Claims Act, to $1 million for defense contractors; (8) clarifying the application of the cost principles to subcontracts; (9) limiting the application of this section to contracts which are other than fixed-price contracts without price incentives; and (10) deleting the statutory prohibition on use of corporate aircraft.

The conferees agreed that although they were strongly in favor of stating as a matter of public policy that certain costs would not be allowable on government contracts, an absolute statutory prohibition on certain categories of costs might be unworkable. The conferees were concerned that circumstances might exist that would warrant the recovery of costs that could possibly fall within these categories. Accordingly, the conferees agreed to a provision that would authorize the Secretary of Defense to develop by regulation appropriate definitions, exclusions, limitations, and qualifications.

The conferees deleted, as well, the detailed limitations and exclusions contained in the House bill relating to the allowability of certain types of aircraft travel. The conferees intend, however, that in drafting the regulations relating to first class air travel, the Secretary of Defense not provide significant limitations or exclusions beyond those necessary to provide that a contractor be reimbursed for expenses exceeding standard commercial fare if travel by standard fare would: require travel at unreasonable hours; excessively prolong travel; result in overall increased costs that would offset potential savings; or would not meet physical or medical needs of the person traveling.

In publishing the appropriate regulations with respect to travel by privately owned aircraft, the conferees further direct the Secretary of Defense to consider whether: travel by such aircraft is specifically required for contract performance or otherwise specifically authorized under the con-

tract; travel by common carrier is impractical; the travel is performed for business purposes and requires the use of such aircraft. The need for and use of such aircraft should in any case be fully documented and justified.

The conferees, after much discussion, also deleted the House provision which would have required that provisional rates be reduced by the amount of the costs questioned by the auditor in the latest year settled rather than the amount ultimately disallowed. The conferees agreed that other incentives, such as the monetary and criminal penalties already in the bill, would sufficiently ensure that contractors did not submit unallowable costs. The conferees noted, however, that this provision might provide an additional incentive to contractors to settle their indirect accounts in a timely manner and otherwise ensure that a contractor never receives payments for indirect costs in an amount in excess of that to which it is ultimately entitled, as occurred in at least one case. The conferees also included a provision to permit the government to collect interest if such circumstances occur. Accordingly, the conferees direct that the Secretary of Defense review this proposal and provide a report to the Committees on Armed Services of the Senate and the House of Representatives, within 90 days of the enactment of this act, on the effect such proposal might have if enacted.

The conferees discussed at length the need for the indirect cost settlement process to reflect the actual amount of costs associated with disputed issues in the defense contract auditor's review that are paid. The previous practice of aggregating a large amount of disputed costs and reaching a bottom line negotiated settlement is not satisfactory, since neither the government nor the contractor understand what has been allowed after the settlement occurs. Though the provision in the conference report does not require the government and the contractor to agree on a rationale for full or partial payment or for disallowance, it does require that the settlement show the amount of individual questioned costs that are paid with respect to all categories of costs designated in the report of the defense contract auditor as questioned.

Multiple sources for major defense acquisition programs (sec. 912)

The Senate bill contained a provision (sec. 603) that would require the Secretary of Defense to prepare and submit to Congress an acquisition plan that would provide for the establishment and maintenance of two or more production sources for system integration and for major subsystems to be purchased by the United States under major defense acquisition programs when the establishment of such sources would: increase competition and likely result in reduced overall costs for such program; not result in unacceptable delays; and otherwise be in the national security interests of the United States. If the acquisition plan would not require the establishment and maintenance of two sources, the Secretary of Defense would be required to state the reasons, including any cost estimates or other material, which formed the basis of the Defense Secretary's conclusion that establishment and maintenance of two or more sources is not required.

The House amendment contained a provision (sec. 811) that would require the Secretary of Defense to submit, not later than submission of the budget, a plan for competition for all major defense acquisition programs and major subsystems of those programs during full-scale development as well as production. If the Secretary of Defense determines that competitive alternative sources of supply would not otherwise be available, the Secretary of Defense would be required to provide in the plan for the award of contracts so as to provide and maintain at least two sources of supply. In so doing the Secretary of Defense would be required to award a majority of the effort to the offeror whose proposal is most advantageous to the United States, while providing the other contractor or contractors enough of the work to enable them to compete effectively for future purchases.

Under the House amendment, the Secretary of Defense would be authorized to waive the requirement if awarding multiple contracts would materially increase the total cost of the program or unreasonably delay its completion. The Secretary of Defense would be required to provide the rationale and supporting documents for such a waiver to the Committees on Armed Services of the Senate and the House of Representatives.

For purposes of determining whether there are alternative sources of supply, the requirement for competition would be satisfied even though the contractors do not produce identical systems, as long as both systems perform similar functions and complete effectively with each other.

The Senate recedes with an amendment making the following substantive changes: (1) providing new criteria for waiving the requirement to ensure there are competitive alternative sources during full-scale development of a covered system; (2) deleting the provision relating to how contract efforts should be awarded to ensure that two sources are available; (3) deleting the provision prohibiting the use of Competition in Contracting Act (CICA) exemptions one and seven; and (4) deleting the prohibition on the authority of the Secretary of Defense to waive the requirement to establish competitive alternative sources available if the secretary has already waived the requirement with respect to systems valued at 50 percent of the value of all the major defense acquisition programs initiated subsequent to fiscal year 1986.

The conferees considered at length the 50 percent limitation on the waiver authority. The Senate conferees remained adamant that, while not objecting to the purpose of the provision, they would not agree to an arbitrary limit on the exercise of the Secretary's authority for the following reasons: a lack of information regarding the appropriate level of multiple sourcing for the major systems subject to this act, and the inflexibile nature of a percentage ceiling in law.

The Senate conferees were also concerned that once the 50 percent level has reached, the Secretary of Defense would be required to maintain more than one source even if it would increase the total program cost or unreasonably delay completion of the program. However, a number of the conferees agreed that the waiver authority should not be used for more than 50 percent of the dollars subject to this act. If it appears that the Secretary has not complied with the intent of this section, the Committees on Armed Services of the Senate and the House of Representatives will reconsider the issue of applying a dollar-value limitation on the Secretary's waiver authority.

The conferees agreed to retain a House provision requiring the Secretary of Defense to report on any changes to the acquisition strategy. It is not intended that a report be provided for minor or insignificant changes, but rather only those that substantively affect whether or not multiple sources will be available for future acquisitions.

The conferees agreed to the deletion of the House provision limiting the use of the Competition in Contracting Act exemptions from competitive procedures. The requirement in this section to ensure that competitive alternative sources are available in the full-scale development and production of major weapons system is separate and distinct from the requirement in 10 U.S.C. 2304 to use competitive procedures in awarding government contracts. It is clearly the intent of Congress that the Department of Defense is not authorized by the section on multiple sourcing to waive the requirement to ensure that competitive alternative sources are available simply because the item or service is available from only one source. Waivers may be granted under this provision only for those reasons specifically identified in this section.

Although the conferees agreed that the House language on award procedures to be followed when awarding more than one contract, was inappropriate for inclusion in statute, they expect these procedures to be followed. In particular, the conferees intend that in order to comply with the provisions of this section, the Secretary of Defense must ensure that the amount of work awarded to each contractor in order to maintain that contractor as a competitive alternative source throughout the life of the program, is sufficient to enable that contractor to continue to compete effectively for any production contract.

Finally, although the conferees deleted the words "unreasonable delay" and "materially increase" from the waiver authorization, the conferees intend that in order to satisfy the threshold for waiving the provisions of this section the Department of Defense must present convincing evidence that the establishment of a second source would in fact result in a material, not insignificant increase in the cost of the total program or an unreasonable delay of program completion.

Minimum percentage of competitive procurements (sec. 913)

The House amendment contained a provision (sec. 807) that would require the Department of Defense to increase the total percentage dollar value of contracts it awards competitively by 5 percent per year up to a rate of 70 percent. If the department fails to reach that goal, it must report to the Committees on Armed Services of the Senate and the House of Representatives, not later than 90 days after the end of the fiscal year, explaining why the department failed to meet the goal.

The Senate bill contained no similar provision.

The conferees were in full agreement with the purpose of this provision and support the objective encompassed in the provision. The conferees also recognize that the Department of Defense has already made substantial progress in increasing competition and is presently competing approximately 43 percent (by dollar amount) of its procurements. The conferees also aware that approximately 28 percent of the department's procurement dollars are awarded as follow-on contracts for systems that were originally competed. The conferees believe that the goals established in the House amendment

are reasonable targets, though they recognize that both figures were established without specific analysis of the opportunities to increase competition at this time or in the future in the services. However, the Senate conferees refused to agree to any percentage of dollars being set as a goal for competition because of the arbitrary nature of any number (percentage of dollars which must be competed). The conferees did agree to a provision that the Secretary of Defense must, in an annual report to Congress, establish a goal for the total value of contracts entered into competitively for the coming year and summarizing the department's accomplishments in meeting their goal for the previous year.

Regulations to control prices that may be paid for spare parts (sec. 914)

The Senate bill contains a provision (sec. 703) that would require the Department of Defense to report to the Committees on Armed Services of the Senate and the House of Representatives, not later than 90 days after the date of enactment of this act, on the specific actions taken by the Department of Defense to address the management problems associated with excessively priced spare parts because of overspecification, uneconomic order quantities, failure to purchase directly from the actual manufacturer, noncompetitive purchases, and excessive contractor profits.

The conferees note that the Secretary of Defense has failed to comply with the relevant portions of federal law requiring that the issue regulations by April 19, 1985, regarding the allocation of overhead by defense contractors in the pricing of spare parts (see section 1245 of Public Law 98-473). In numerous instances, the Department of Defense has urged the Congress to withhold the enactment of legislation which in the Defense Department's view is overly detailed. The Department of Defense has requested in such instances that it be given the opportunity to address these issues through the administrative process. However, if the Department of Defense is unable to comply with the time frames established by statute, the Congress will have no alternative other than expanding the scope of its legislative action. With regard to the present failure to comply with the law, the conferees believe that the subject matter of section 1245 is of the highest priority, and the Secretary of Defense should ensure that the regulations called for by section 1245 are issued immediately.

The House recedes with an amendment making minor technical changes to the amendment and clarifying that the authority to issue regulations to address these matters does not supersede the responsiblity for issuing regulations required by last year's authorization bill.

Should-cost analyses (sec. 915)

Provisions in the Senate bill (sec. 604) and the House amendment (sec. 1207) contained similar language relating to the performance of "should-cost" analyses. Should-cost analyses are a technique used to evaluate ongoing production programs by sending in a government team to evaluate the contractor and to identify inefficiencies in the contractor's management and operation. Should-cost analyses provide, for example, information the government needs to evaluate a contractor's assertions that costs cannot be reduced, thus assisting government negotiators in arriving at the best price for the government and motivating the contractor to reduce labor hours, overhead, etc.

The Senate provision would require that the Secretary of Defense perform a should-cost analysis on all new major defense acquisition programs where there is no competition within the first four years of production. The House amendment requires the Secretary of Defense to submit a plan annually to Congress for the performance of should-cost analyses for all major weapon systems, explaining in each case why he is or is not planning to conduct a should-cost analysis for that system.

Although should-cost analyses can provide a significant return on investment, they are not cost effective in all circumstances because of the expertise and resources needed to accomplish them. The conferees concluded that the House provision would allow the Department of Defense to utilize its resources where they will provide the most significant return, but ensure that Congress has adequate oversight of their use. The conferees believe, however, that the Secretary of Defense should conduct cost analyses in situations where: (1) there is a continuing sole source procurement of the system in question; (2) the system is in a stable production mode; (3) there are substantial quantities of the system programmed for procurement in subsequent fiscal years; (4) the work to be performed is sufficiently well defined to permit an effective analysis of what production of the system by the contractor should cost; and (5) major changes in the program are not likely. The conferees believe that these analyses will materially assist program managers in the Department of Defense in the negotiation of the most favorable price for the government on major weapon systems.

The Senate recedes with an amendment adding the requirement that the provision apply to major defense programs for which funds for initial production are first appropriated for fiscal years after 1986.

Limitations on progress payments (sec. 916)

The House amendment contained a provision (sec. 1119) that would preclude the payment of progress payments until after the work for which payment is made is accomplished and in accordance with a schedule of payments commensurate with the established cost of accomplished work of acceptable quality. The House provision would also require that, with respect to contracts for which the terms were not definite, progress payments could not be made for more than 80 percent of the work accomplished.

The Senate bill contains no similar provision.

The Senate recedes with an amendment. Under the provision agreed upon by the conferees, the Secretary of Defense would ensure that progress payments under contracts which provide for such payments are commensurate with work that has been accomplished. There is a further clarification that such work would meet the standards of quality established in the contract.

The conferees believe that progress payments should relate to work that is accomplished under a contract. The accomplishment of work does not necessarily mean that a certain percentage of physical progress has been made, since the conferees recognize that contract performance may involve a number of steps (including ordering materials, preparation of tooling, employee training) that do not result in any tangible deliverable or in physical progress. These actions are nevertheless "work" under the terms of the section and are obviously essential steps in contract performance. It is the conferees' intention that contractors be able to receive progress payments under such circumstances. In addition, the conferees recognize that an essential ingredient for entitlement to progress payment is work meeting the quality standards established under the contract.

Cost and price management in defense procurement (sec. 917)

The Senate bill contained a provision (sec. 615) that would require proposed and negotiated Bills of Labor to be recorded for each prime contractor and each associate contractor manufacturing an item or providing routine testing.

The Bill of Labor would reflect the contractor's computation of the work required to manufacture and test the items and must include a statement of the current industry engineering standard hour for the work to be performed. The standard may not deviate from the time standards derived from commercially available predetermined time standards widely used in the United States.

The House amendment contained an almost identical provision (sec. 812) which differs only in that the contracts covered by the section are limited to those contracts subject to the provisions of section 2306(f) of title 10, chapter 141.

The Senate recedes.

This provision is intended to require no new additional information from contractors, only that contractors provide to the Department of Defense information they already gather and correlate. The Department of Defense has indicated that this legislative requirement will necessitate the development of new systems and procedures for recording data related to defense contracts. Because no implementation date is specified, it is understood that these requirements apply to negotiated major system contracts and the major subcontracts entered into after the date of enactment of this legislation. In addition, it is recognized that regulations implementing this language must, in accordance with Public Law 98-577 and Public Law 98-525, be published for public comment for at least 30 days prior to their implementation.

The conferees are extremely concerned about the impact of this provision due to the lack of Congressional hearings and considerable controversy regarding its effectiveness. The conferees therefore direct that the Department of Defense evaluate all provisions of the legislation and indicate to Congress where any adjustments are appropriate. The Department of Defense should keep the committee informed of their activities, plans, successes, and difficulties as they proceed. A full report on implementation status is to be provided to the committees by March 31, 1986.

Contracted advisory and assistance services (sec. 918)

Congressional oversight of contracted advisory and assistance services has been difficult in part due to the lack of recognition of the expanded role of services in the development, production, and maintenance of various weapons, communications, and logistics systems, and to the lack of precise definitions of the various types of Department of Defense services provided under contract by sources in the private sector.

Section 614 of the Senate bill and section 1102 of the House amendment would require that each of the military departments establish an accounting procedure to aid in the identification and reporting of expenditures for services identified as contracted advisory and assistance services. Both provi-

sions would also require the Secretary of Defense to prescribe regulations, within six months of the enactment of the act, describing the services which are to be included in the category defined as contracted advisory and assistance services and reported in budget exhibits to the Congress. The definitions and budget exhibits would have to identify separately those services which are in direct support of a weapon system and are essential to the development, production or maintenance of the system.

Both the Senate bill and the House amendment recognize that the inclusion of services in direct support of a weapon system, which services are already identified in the budget for that system, may be impacted by efforts to control the proliferation of all contracted advisory and assistance services which may be necessary. Accordingly, the respective provisions in each bill require separate reports on amounts of services that are in support of the defense policy and management process (contracted advisory and assistance services) and those services that are specific to the development, production, and operational effectiveness of a programmed weapon system and its support systems (system services and support). The Secretary of Defense has been directed to prepare definitions of the Services involved in these categories.

Currently, there are numerous definitions of services considered to be in the category of contract advisory and assistance services. The Federal Procurement Data System (FPDS) report on services includes 13 different categories which a contracting officer may designate when executing a contract for services, whereas the budget exhibits which the Department of Defense presently submits to Congress include reports on four differently defined categories. The Senate bill includes these 13 categories as categories to be considered by the Department of Defense in establishing its regulations. The House amendment contained no similar provision.

The differences between the FPDS and the Department of Defense budget exhibits categories are appropriate because they are geared to different objectives. However, the differences should be closely examined and reconciled to the maximum extent possible. In addition, the Department of Defense must establish a system which provides a clear accounting of actual expenditures in each of the categories to be reported to Congress.

The conferees believe that this process of defining the services involved in Contracted Advisory and Assistance Services (CAAS) and system services and support should enable the Defense Department to present information and data on its management of services provided by contractors in a manner which will provide each of the services, the Secretary of Defense, and Congress with a uniform system for recording CAAS expenditures and projected spending.

Revision and extension of procurement technical assistance cooperative agreement program (sec. 919)

Section 608 of the Senate bill and section 1118 of the House amendment contain provisions that would authorize certain amounts in assistance to state, local and private non-profit organizations which would establish programs to provide procurement technical assistance to companies attempting to bid on defense contracts. Under the Senate provision the Department of Defense may agree to fund not more than one-half of the cost of running a center, but never in excess of $150,000.

The Senate bill would authorize the expenditure of $3 million in each of fiscal years 1986 and 1987 for the program but would make no other changes to current law.

The House amendment would modify existing law to delete a requirement that 75 percent of the money be awarded to existing centers and would authorize the Department of Defense to pay up to three-fourths of the financial cost of a program, but not to exceed $150,000 for an applicant in a "distressed area" as defined in the House amendment.

The conferees believe centers should compete against each other for the funds authorized under this section based on the merits of their program. After a center is established and its effectiveness known, the community should absorb its cost and Department of Defense funds should be used for the establishment of other centers. However, because applicants had competed this year relying on the provision in existing law that in fiscal year 1986, 75 percent of the authorized funds would be awarded to existing programs, the conferees agreed to maintain, for both fiscal years 1986 and 1987, the existing 75/25 split on funding for the first $3 million. The conferees also agreed to adopt the House formula for distribution of funds in fiscal year 1986 and fiscal year 1987 for funds in excess of $3 million in accordance with the House provision requiring that funds be distributed initially in equal amounts to each Defense Contract Administration Services region. The conferees further agreed to authorize $5 million in fiscal year 1986 and $6 million in fiscal year 1987 for the entire program.

PART B—PROCUREMENT PERSONNEL MATTERS

LEGISLATIVE PROVISIONS ADOPTED

Conflict of interest (sec. 921-923)

Both the House and Senate bills contain provisions (sec. 607 and sec. 810, respectively) limiting the activities of Department of Defense employees with respect to post-government employment. The Senate bill would provide that employees (O-4 or GS-11 and above) report contacts with a contractor regarding future employment possibilities and disqualify themselves from any actions relating to that contractor. It would also strengthen the reporting requirement for Department of Defense personnel who leave the government and go to work for a defense contractor.

The House bill would place an absolute two-year prohibition on employment by a defense contractor of any employee who had significant responsibilities for a procurement function with respect to that contractor or any of its subsidiaries or affiliates. It would also require a contractor to submit annually a report on those persons in its employ who held positions in the Department of Defense in the previous two years. Violation of the prohibition would result in a $10,000 fine and up to one year's imprisonment for the person accepting such compensation; a fine in an amount of $100,000 or three times the compensation paid if a contractor knowingly violates the prohibition; and a fine of $10,000 for failure of a company to file the required reports.

The House receded with an amendment which would add a new provision to the Senate bill prohibiting Presidential appointees who act as a primary government representative in the negotiation or settlement of a government contract from accepting employment from that contractor within two years after the termination of such activities. If that person knowingly violates this ban, the person would be subjected to a $5,000 fine and up to one year's imprisonment and the contractor employing the individual would be subject to liquidated damages of $50,000.

Management of Department of Defense procurement personnel (sec. 924)

The Senate bill contained a provision (sec. 605) that would require the Secretary of Defense to issue regulations to establish minimum requirements for the education, training and experience of program managers. At a minimum, all program managers assigned after June 1987 would have to have attended a program management course and, after June 1989, have had at least eight years' total experience in the acquisition, support and maintenance of weapon systems, at least four years of which were spent on assignments in the major procurement commands of the services.

After July 1990, the Secretary of Defense would also be prohibited from assigning any officer to a position of brigadier general or higher in those commands unless they have met those requirements.

In addition, the Department of Defense would be required to develop a training course for quality assurance personnel of not less than four weeks' duration and send all government quality assurance personnel to the course within six months of their assignment. These provisions could be waived only by the Secretary of the military department.

The House amendment contains no similar provision.

The House recedes with an amendment reducing from four years to two the requirement for experience in the major procurement commands of the services.

Assignment of principal contracting officers (sec. 925)

The House amendment contained a provision (sec. 804) that would require the rotation of principal and corporate administrative contracting officers at least once every five years. The Secretary of Defense would be authorized to waive that provision if in the public interest and such reasons were stated in writing and available to the public.

The Senate bill contained no similar provision.

After extensive discussion of this provision the conferees agreed that the Senate would recede with an amendment requiring the Secretary of Defense to develop a policy regarding the mobility and regular rotation of principal administrative contracting officers.

The Senate conferees were concerned that they had not had the opportunity to hold hearings on this issue, and were unwilling to agree to a specific policy of five-year rotation without further review. The conferees also expressed a concern regarding the designation of positions, noting that principal administrative contracting officers and corporate administrative contracting officers are terms of art unique to the Air Force. It is the intent of the conferees that the positions addressed by the regulations include equivalent positions in the other departments and the Defense Logistics Agency.

LEGISLATIVE PROVISION NOT ADOPTED

Compliance officers for debarred or suspended firms

The House amendment contained a provision (sec. 809) requiring the Secretary of

Defense to appoint an independent compliance officer to monitor the ongoing contracts of contractors suspended or debarred from receiving awards of Defense Department contracts and to report on any fraudulent or criminal activities by the contractor.

The Senate bill contained no similar provision.

The House recedes.

Although the conferees have deleted the House provision, the conferees expect the Secretary of Defense to use present contract administration capabilities to perform such a monitoring function.

PART C—FALSE CLAIMS, DEBARMENT, BURDEN OF PROOF AND RELATED MATTERS

LEGISLATIVE PROVISIONS ADOPTED

Increased penalties for false claims in Defense procurement (sec. 931)

The Senate bill contained a provision (sec. 704) that would increase the maximum fine that may be imposed on a contractor submitting a false claim related to a contract with the Department of Defense to $1 million under section 287 of title 18, and under section 3729 of title 31, an amount equal to three times the amount of the damages sustained by the government, the costs of the civil action and $2,000.

The House amendment contained no similar provision.

The House recedes.

Prohibition on felons convicted of defense contract-related felonies and penalty on employment of such persons by defense contractors (sec. 932)

The House amendment contained a provision (sec. 1182) that would prohibit an employee who had been indicted for fraud or any other felony relating to a Department of Defense contract from working on or supervising Department of Defense contracts. If convicted, the individual would be suspended from employment with or contracting for the Department of Defense for not less than one year or more than five years.

The House amendment also contained a provision (sec. 1214) that would make it unlawful for a defense contractor to knowingly and willingly allow any person convicted of fraud, or any felony arising out of a defense contract, to perform any service (including service on its Board of Directors) for a defense contractor. If in violation of this section, the contractor would be fined $500,000.

The Senate bill contained no similar provision.

The conferees believed that an absolute statutory ban with respect to an employee who has not been convicted, but only indicted, would deny the employee due process. They were also concerned that a ban on those persons being employed in any capacity would interfere with criminal rehabilitation programs. In addition, the conferees did not want to indicate any limit on the length of time a convicted employee might be barred from working on defense contracts. The Senate accordingly recedes with an amendment deleting both the prohibition as it applies to indicted employees, and the 5-year limitation. The amendment also limits the prohibition to employees acting in a management or supervisory capacity, and combines sections 1182 and 1214 in the House bill into one section.

Burden of proof in government contract dispute resolution (sec. 933)

Under existing law and practice once a contractor proves that it has incurred a cost that would be incurred by a prudent person in the conduct of competitive business, the cost is presumed to be reasonable unless the Department of Defense proves otherwise. Both the Senate bill and the House amendment would change this presumption.

The Senate bill contained a provision (sec. 609) that would require in proceedings before a Federal court or the Armed Services Board of Contract Appeals, that the contractor bear the burden of proof for establishing that general and administrative costs for which it seeks reimbursement are reasonable.

The House amendment contained a similar provision (sec. 802) that would place the burden on the contractor to establish that all indirect costs submitted for reimbursement are reasonable and allowable.

The conferees adopted the Senate provision, but have made the burden of proof applicable to all indirect costs of a contractor.

Reimbursement, interest charges, and penalties for overpayments (sec. 934)

The Senate bill contained a provision (sec. 723) that would require in subsection (1) that a contractor reimburse the government and pay interest on the amount of any expressly unallowable costs paid by the government. Subsection (2) of the provision would also make a contractor liable to the government for the amount which any price was increased by reason of the submission of inaccurate, incomplete or noncurrent cost or pricing data, plus interest computed from the date payment was made by the government to the time the government is reimbursed. Subsection (3) would provide that interest due the government under the Defense Production Act be at the rate established by the Secretary of the Treasury under Public Law 92-41.

The House amendment contained a provision similar to subsection (1) requiring the payment of interest on expressly unallowable costs from the date on which the cost was questioned. The House amendment contained no similar language with respect to subsections (2) and (3).

The House recedes with an amendment deleting subsection (1), which is addressed in section 911 of this act, and modifying subsection 2 of the Senate provision to provide that a contractor be assessed interest on any amount required to be reimbursed by the government, as well as a penalty in an amount equal to the overcharge if the submission of inaccurate, incomplete or noncurrent data was knowingly made. Subsection (3) of the Senate bill has been retained in its original form.

Subpoenas of defense contractor records (sec. 935)

The Senate bill contained a provision (sec. 613) that would authorize the director of the defense contract audit agency to require by subpoena, the production of any book, paper, statement, record, information, account, writing or other document of a contractor or subcontractor furnishing property or services to the Department of Defense if the director is entitled to have access to such documents under applicable provisions of statute, regulation or a contract.

The House amendment contained a similar provision (sec. 803) which would give the Secretary of Defense the authority to subpoena any books, documents, papers or records of a contractor that are needed by the secretary for purposes of the examination of records clause, 10 U.S.C. 2313(a), or the Truth in Negotiations Act, 10 U.S.C. 2306(f). The House amendment would require that the Secretary delegate this authority to the director of the defense audit agency and authorized the Secretary to delegate the authority to any presidential appointee in the Department of Defense. This authority could not be redelegated.

The Senate recedes to the House with an amendment deleting the authority to grant the subpoena power to anyone other than the director of the defense contract audit agency, adding a requirement that the Secretary report on an annual basis on the exercise of the authority, and deleting the word "any" preceding books, documents, papers or records. The conferees considered this word superfluous and do not intend, by its deletion, to affect the meaning of the provision.

This provision is not intended to expand the scope of books, documents, papers or records to which the defense contract audit agency presently has access, but rather to provide the director of the agency with an enforcement mechanism if a contractor does not make such books, documents, papers or records readily available. The conferees believe that the subpoena power should be used sparingly, and generally only when alternative investigatory methods have proven inadequate to obtain the materials that are sought. In addition, it should be used only in the performance of the functions and purposes ascribed to the contract audit agency.

PART D—REPORTS

LEGISLATIVE PROVISIONS ADOPTED

Report on prohibition on including general and administrative overhead expenses in the computation of contractor profits (sec. 951)

The Senate bill contained a provision (sec. 903) that would require the Secretary of Defense to study and report on the feasibility and desirability of prohibiting defense contractors from including general and administrative costs in the computation of Department of Defense contract profits.

The House amendment has no similar provision.

The House recedes.

Report on use of independent cost estimates for major defense acquisition programs (sec. 952)

The Senate bill contained a provision (sec. 907) that would require that the Secretary of Defense submit a report to the Committees on Armed Services of the Senate and the House of Representatives not later than April 1, 1986, on the continued use of independent cost estimates in the programming, budgeting and selection process for major defense acquisition programs, including an assessment of the extent to which such estimates were adopted in making decisions regarding the fiscal year 1987 budget.

The House amendment contains no similar provision.

The House recedes.

General Accounting Office study of feasibility of civilian defense acquisition agency (sec. 953)

The House amendment contained a provision (sec. 806) that would require a General Accounting Office (GAO) study on the feasibility of the creation of an agency outside the Department of Defense (DOD) to perform all procurement functions for DOD, and a plan for transition to such an agency.

The Senate bill contained no similar provision.

The Senate recedes with an amendment to indicate that the Comptroller General must provide a report concerning the advantages and disadvantages of establishing a

separate procurement agency, either within or outside the Department of Defense, and deleting the requirement to report on how the transition for such an agency would be accomplished. The Senate conferees argued that to require a report on how a transition might be accomplished prior to a Congressional determination whether such a system would be advantageous or not was premature. The amendment would clarify that the intent of Congress is to obtain a factual report with no recommendation from GAO on the desirability of such a change.

Report on suspension and debarment of defense contractors (sec. 954)

The House amendment contained a provision (sec. 808) that would require the Secretary of Defense, in cooperation with the Inspector General, to prepare and report to Congress on the actions taken by the Secretary to implement the recommendations contained in the report of the Inspector General dated May 1984.

The Senate bill contained no similar provision.

The Senate recedes.

Report on the use of competitive procedures under section 8(a) set-aside program (sec. 955)

The House amendment contains a provision (sec. 1137) that would require the Secretary of Defense and the Administrator of the Small Business Administration to submit a joint report to the Committees on Armed Services of the Senate and the House of Representatives on the feasibility of providing for the use of competitive procedures for contracts awarded by the Department of Defense under the set-aside program established under section 8(a) of the Small Business Act.

The Senate bill contained no similar provision.

The Senate recedes an amendment that would require the Department of Defense and the Small Business Administration separately to develop and report on their recommendations.

Report on efforts to increase defense contract awards to Indian-owned businesses (sec. 956)

The House amendment contained a provision (sec. 1138) that would require the Secretary of Defense to report on Department of Defense efforts to increase awards to Indian-owned and tribally-owned businesses in accordance with the Memorandum of Understanding between the Department of Defense and the Small Business Administration, and to include in the report, to the maximum extent practicable, data regarding the number of value of prime contracts awarded such businesses in fiscal years 1984 and 1985.

The Senate bill contained no similar provision.

The Senate recedes.

LEGISLATIVE PROVISIONS NOT ADOPTED

Commission on defense procurement

The Senate bill contained a provision (sec. 612) that would establish a presidential commission to review existing analysis of Department of Defense procurement and report to the President and to the Congress on ways to eliminate waste, fraud and abusive practices, and to improve the organization and management, in the Department of Defense procurement process.

The House amendment contained no similar provision.

The President's appointment of the Presidential Blue Ribbon Commission on Defense Management makes enactment of this provision redundant.

Accordingly, the Senate recedes.

Charges for solicitation packages

The House amendment contained a provision (sec. 1173) that would require the Secretary of Defense to establish a test program in each of the military departments and in the Defense Logistics Agency to require the charging of a fee for copies of solicitation packages.

The Senate bill contained no similar provision.

The conferees agreed that it is inappropriate to require a test program at this time since the Department of Defense already has the authority to charge, or require refundable bonds, for solicitation packages. The department may wish to consider using this authority in appropriate solicitations where charging fees or requiring a reimbursable bond for solicitation packages will not have an adverse impact on competition.

However, the conferees recognize the tremendous expense to the government for reproducing copies of solicitations and technical data packages to requestors who have no intention of bidding on the contract. Consistent with the strong Congressional support for increased competition for all government contracts, the conferees strongly urge the Department to review appropriate methods to ensure that it does not provide unnecessary numbers of bids sets.

The House recedes.

PART E—TECHNICAL AMENDMENTS

LEGISLATIVE PROVISIONS ADOPTED

Technical corrections to federal procurement law (sec. 961)

The House amendment contained a provision (sec. 1171) that would make a number of minor changes to various Federal procurement laws necessitated by changes made by the Competiton in Contracting Act of 1984. The House provisions would exempt from the requirement to justify in writing use of a sole-source exemption to purchase of brand-name commercial items purchased for resale in commissaries and ships stores, and would preserve an exception from section 2304 of title 10, United States Code, contained in the NATO Mutual Support Act.

The Senate bill contained no similar provision.

The Senate recedes.

TITLE X—MATTERS RELATING TO ARMS CONTROL

LEGISLATIVE PROVISIONS

LEGISLATIVE PROVISIONS ADOPTED

Policy on compliance with existing strategic offensive arms agreements (sec. 1001)

Section 958 of the Senate bill would urge that the United States vigorously pursue the resolution of concerns regarding Soviet compliance with existing arms control agreements. In addition, this provision would urge the United States to refrain through December 31, 1986, from undercutting existing strategic offensive arms agreements to the extent that the Soviet Union does and provided the Soviet Union actively pursues an arms reduction agreement in the Nuclear and Space Arms negotiations. The provision specifically indicated that nothing in this policy was to be construed as preventing proportionate responses to Soviet violations or as establishing a precedent for continuing the policy beyond December 31, 1986.

This provision would also require the President to submit to Congress a report providing: (1) a projection and comparison of United States and Soviet strategic weapons dismantlements that would be required over the next five years if the United States and the Soviet Union were to adhere to a policy of not undercutting existing strategic arms control agreements; (2) a projection and comparison of likely United States and Soviet strategic offensive force inventories over the next five years assuming a termination at the end of 1985 of the current no-undercut policy; (3) an assessment of possible Soviet political, military and negotiating responses to the termination of the United States no undercut policy; (4) recommendations regarding the future of United States interim restraint policy. Finally, the provision would call on the President to consider carefully the consequences of changes in current policy, to consult with Congress before making any changes, and to propose the necessary measures if he finds and reports to Congress that the Soviets have violated the provisions of any strategic arms agreement and that such violations impair or threaten the security of the United States.

The House amendment contained no similar provision.

The conferees agree to amend this provision in two respects. The date of submission for the report was changed from September 1, 1986 to February 1, 1986 in order that the report be available for the use of Congress during hearings on the fiscal year 1987 defense authorization bill. In addition, the conferees agreed to require the report to contain a range of projections and comparisons to fulfill report requirements (1) and (2). By requiring a range of force projections, the conferees recognize that uncertainties exist in our ability to predict United States and Soviet policy decisions yet to be made, as well as each side's technical capabilities to deploy future strategic forces.

The House recedes with an amendment.

Annual report on Soviet compliance with arms control commitments (sec. 1002)

Section 906 of the Senate bill would require the President to report annually to Congress his findings regarding the Soviet Union's compliance with its arms control commitments in classified and unclassified versions.

The House amendment contains no similar provisions.

The House recedes.

Arms control verification capabilities (sec. 1003)

The Senate bill contained a provision (sec. 956) that would direct the President to provide for an interagency study on the present status U.S. and Soviet verification capabilities with the purpose of determining possible avenues of cooperation between the United States and the Soviet Union in the development of capabilities not subject to national security restrictions for verification of compliance with arms control agreements.

The House amendment contained no similar provision.

The House recedes with an amendment.

Sense of Congress relating to United States-Soviet negotiations on reductions in nuclear arms (sec. 1004)

The Senate bill contained a provision (sec. 925) that would express the sense of the Congress that the President of the United States and the General Secretary of the Communist Party of the Soviet Union should meet at the earliest practical time to

discuss major issues in United States/Soviet relations, including the realization of mutual, equitable, and verifiable reductions in nuclear arms.

The House amendment contained no similar provision.

The House recedes with an amendment. The amendment declares that, in view of the planned November 19 meeting between the two leaders, the President and the General Secretary should be commended for their willingness to meet.

U.S.—Soviet military exchange visits (sec. 1005)

The Senate bill contained a provision (sec. 304) authorizing an exchange visit program between high ranking military and civilian defense officials of the United States and the Soviet Union, making available $100,000 from funds authorized in Title III to support these visits in fiscal year 1986.

The House amendment contained no similar provision.

The House recedes.

Report on nuclear winter findings and policy implications (sec. 1006)

The House amendment contained a provision (sec. 1134) that would require the Secretary of Defense to continue to participate in any interagency study on the environmental and biological effects of nuclear war and the implications that such effects have for the strategy and policies of the United States. The Secretary would be required to submit a report not later than March 1, 1986, containing his findings and assessments to the Committees on Armed Services of the Senate and House of Representatives. In addition, the Secretary would be required to submit annual reports during each subsequent year through the year 1990.

The Senate bill contained no similar provision.

The Senate receded with an amendment that would extend the participation of the Secretary of Defense in any interagency study on the effects of nuclear war and require a report to the Committees on Armed Services not later than March 1, 1986. The conference compromise extends the requirements of section 1107 of the Department of Defense Authorization Act, 1985 (Public Law 98-525) for one year and deletes the requirement for subsequent annual reports that was contained in the House amendment.

Report on the military implications of Soviet treaty violations

The Senate report (S. Rept. 99-41), accompanying S. 1160, the Department of Defense Authorization bill for fiscal year 1986, contained a requirement for the Secretary of Defense to report to the Committees on Armed Services of the Senate and House of Representatives on the military implications of Soviet treaty violations. This report was to address both policy and programmatic responses, including possible weapons system developments and procurements, designed to redress the implications of Soviet non-compliance for U.S. national security. This report was to be provided to the Committees by July 15, 1985.

The conferees are aware that this date has passed without enactment of a fiscal year 1986 Defense Authorization bill, and that the Secretary of Defense has been asked to report to the President on this matter by November 15, 1985. Therefore, the conferees agreed to change the date on which this report is due to January 15, 1986.

The conferees attach a high priority to these efforts to assess the military implications of Soviet treaty violations. This change in the reporting date should provide an opportunity for the Secretary of Defense to complete work on and provide his report to the President, and then submit to the Committees on Armed Services a report informed by the analyses and results of the Defense Department's response to Presidential asking.

LEGISLATIVE PROVISIONS NOT ADAPTED

Monitoring and verification of Soviet mobile ICBMs

The Senate bill contained a provision (sec. 946) concerning monitoring and verification of Soviet mobile ICBMs.

The House amendment contained no similar provision.

The Senate recedes.

Arms control verification technology

The Senate bill contained a provision (sec. 947) that would require a report on arms control verification technology.

The House amendment contained no similar provision.

The Senate recedes.

Study of measures to enhance crisis stability and control.

The House amendment contained a provision (sec. 1191) that would direct the Secretary of Defense to study measures to reduce the likelihood of nuclear weapons use by contributing to crisis stability and control capabilities, including specific consideration of ten measures.

The Senate bill contained no similar provision.

The House recedes.

The conferees agreed that the United States should continue its policy of developing and improving its procedures and capabilities for crisis prevention and management. The conferees also agreed that continued work to reduce the risk of a nuclear war occurring due to accident or miscalculation should have high priority in the area of crisis prevention and management.

TITLE XI—MATTERS RELATING TO NATO

LEGISLATIVE PROVISIONS

LEGISLATIVE PROVISIONS ADOPTED

Limited authority to exceed permanent ceiling on United States forces assigned to NATO (sec. 1101)

The Senate bill contained a provision (sec. 902) that would authorize the Secretary of Defense to exceed the permanent ceiling on U.S. forces assigned to NATO by not more than one-half of one percent in a fiscal year for the purpose of achieving sound management in the rotation of service personnel to and from NATO.

The House amendment contained no similar provision.

The House recedes.

North Atlantic Treaty Organization (NATO) cooperative projects (sec. 1102)

Section 948 of the Senate bill would authorize the President to enter into agreements with the North Atlantic Treaty Organization (NATO) for cooperative armaments projects. Such projects would be jointly managed, described in written agreements and undertaken to further alliance rationalization, standardization and interoperability. To carry out such projects, the Secretary of Defense would be permitted on a case-by-case basis, subject to certain reporting requirements, to require subcontracts to be awarded to particular subcontractors and to waive certain laws prescribing contract procedures and United States preference requirements. The House amendment did not contain a similar provision.

The House recedes with amendments.

The first amendment would provide that those provisions pertaining to various sections of the Arms Export Control Act (22 USC 2751) would be repealed upon the enactment of the fiscal year 1986 International Security and Development Cooperation Act. The Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the United States Senate have legislative jurisdiction over the Arms Export Control Act.

The second amendment would delete the provision pertaining to the reciprocal waiver of custom and other duties. Revenue legislation must originate in the House of Representatives and is under the jurisdiction of the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the United States. The conferees believe that the Secretary of Defense already has authority to waive such duties for cooperative projects entered into under the authority of this section.

Also, the conferees wish to clarify the authority provided for the disposal of certain property without regard to United States property disposal law. The conferees understand that such disposal would only occur with jointly acquired property. Property acquired exclusively by the United States would be subject to the property disposal laws of the United States. Proceeds generated from the disposal of such property would be treated in a manner consistent with current law and policy.

TITLE XII—DEPARTMENT OF DEFENSE MANAGEMENT

PART A—MANAGEMENT OF FACILITIES AND DEFENSE ORGANIZATION

LEGISLATIVE PROVISIONS ADOPTED

Annual selected acquisition report (sec. 1201)

The House amendment contained a provision (sec. 1111) that would specify the information that the Secretary of Defense is to provide to the Committees on Armed Services of the Senate and the House of Representatives in the Selected Acquisition Reports (SARs).

The Senate bill contained a provision (sec. 920) that also would specify the information to be contained in the annual Selected Acquisition Reports. The Senate bill also would require the Secretary of Defense to resubmit the December 1984 SARS in accordance with the format and content of the December 1983 SARs.

The Senate recedes, and the conferees agree that the Department of Defense will include a full life-cycle cost analysis only for those programs where that information is developed on an ongoing basis. The conferees direct the Secretary of Defense and the Secretaries of the military departments to submit to Congress, with the Department of Defense fiscal year 1987 budget, comments and recommendations for improving the acquisition reporting process required under section 139a of title 10, United States Code. The comments and recommendations shall consider, in particular, improving the utility of the reports for both the Congress and senior Department of Defense management personnel.

Additionally, the conferees direct the Comptroller General of the United States and the Director of the Congressional Budget Office also to submit to Congress their comments and recommendations for

improving the reporting process required under section 139a of title 10, United States Code.

Base closures and realignments (sec. 1202)

The Senate bill contained a provision (sec. 722) that would provide the Secretary of Defense or the Secretary of the military department concerned streamlined legal procedures to close or realign a base when the Federal budget is in deficit. It further authorized one billion dollars to accomplish that purpose.

The House amendment contained no similar provision.

The House recedes with an amendment that would eliminate the advance public notice required by the Secretary of Defense when an installation is a candidate for closure or realignment; require that all base closure or realignment proposals be submitted to the Committee on Armed Services of the Senate and the House of Representatives as a part of the annual budget request; and require that no irrevocable action to implement the closure or realignment could be taken until the expiration of 30 legislative days or 60 calendar days, whichever is longer.

Under the amendment, the base closure and realignment proposal submitted to the Congress would contain an evaluation of the fiscal, local economic, budgetary, environmental, strategic and operational consequences of such action.

The amendment would only be applicable to closure of bases with more than 300 civilians authorized to be employed and to realignments involving a reduction by more than 1,000, or by more than 50 percent, in the number of civilian personnel authorized to be employed at bases with more than 300 authorized civilian employees.

The conferees further agreed to a provision that would make explicit the authority of the Secretary to obtain architectural and engineering services under section 2807 of title 10 and to use funds that would otherwise be available to effect the closure or realignment after the notice period has expired.

The conference agreement provided no additional authorization for appropriation to carry out the provisions of the section and its effect is not contingent on a Federal budget deficit.

Demonstration project to test the use of a certain computer system in military hospitals (sec. 1203)

The House amendment contained a provision (sec. 1116) requiring the Secretary of Defense to conduct a demonstration project for the purpose of testing the use in military hospitals of the Veterans' Administration decentralized management computer system. The House amendment:

(1) required that the demonstration project begin on December 1, 1985; include six military hospitals, two each from the Army, Navy, and Air Force; and include a demonstration of all components of the Veterans' Administration system.

(2) provided for Veterans' Administration assistance in the demonstration, if requested by the Secretary of Defense.

(3) required a report by the Secretary of Defense assessing the myriad Veterans' Administration system as compared to the centralized medical computer system plan by the Department of Defense.

(4) restricted the Secretary of Defense from entering into a contract for the procurement of a centralized computer system until he had evaluated the results of the demonstration project.

(5) required that the Comptroller General report to Congress his evaluation of the conduct of the demonstration project by the Department of Defense.

The Senate bill contained no similar provision.

The Senate recedes with an amendment.

The Senate conferees objected to the size, scope, and attachment cost of the demonstration project. In addition, the Senate conferees insisted that the demonstration project should not delay the on-going Department of Defense competitive acquisition process leading to the procurement of a hospital computer system.

The House conferees agreed that the demonstration project could involve fewer hospitals provided that all available modules in use in the Veterans' Administration computer system were tested at their current functional level. The House conferees also agreed that none of the provision should result in delaying the Department of Defense medical computer acquisition but insisted that the Comptroller General be accorded an opportunity to report, and Congress be given a subsequent opportunity to react, before key decisions are made at two milestones.

Accordingly, the conferees agreed to the following changes contained in the Senate amendment.

The size, scope, and structure of the demonstration project would be modified. The number of military hospitals in the demonstration test would be reduced from six to two, and the starting date for the demonstration would be delayed from December 1, 1985 to March 1, 1986. The March Air Force Base hospital, which previously tested part of the Veterans' Administration system, would be designated as one demonstration site. The Secretary of Defense would be required to select a significantly larger non-Air Force hospital for the second demonstration site to ensure that capabilities of the Veterans' Administration hospital computer system to handle a large military medical facility is demonstrated. Additional changes covering the demonstration project would require that "all available" components, instead of "all" components, be included in the demonstration project. This change is intended to require the Department of Defense to use all components that are in use by the Veterans' Administration and available to the Department of Defense at the time the demonstration begins. Finally, the conferees intend that the components of the Veterans' Administration computer system be used "at their current functional level." The conferees further intend this language to signify that the decentralized character of the Veterans' Administration computer system should not be altered by the Department of Defense in structuring and conducting the demonstration project.

The conference agreement would also alter the reports required by Congress and the restrictions on proceeding with acquisition of a Department of Defense hospital computer system. In addition to the House requirement for a report on whether the demonstration project is carried out in accordance with the instructions, the Comptroller General would be required to evaluate the results of the demonstration project to include whether the Veterans' Administration decentralized computer system would be more suitable for the Department of Defense than a centralized computer system. The Comptroller General would also be required to evaluate the process followed by the Department of Defense in acquiring the hospital computer system.

The Secretary of Defense would be restricted from proceeding at key milestones in the Department of Defense hospital acquisition process until sixty days after he submits the report to Congress required in the original House language. Moreover, the Secretary would be similarly restricted from proceeding until the applicable reports by the Comptroller General required in the amendment have been submitted to Congress. To avoid delaying the acquisition process, these restrictions would no longer be effective after June 1, 1986 and July 1, 1987, respectively, dates consistent with the planned Department of Defense milestones.

The conferees, in adding to the report requirements and restrictions, intend to ensure that the Department of Defense conducts a fair, fully competitive acquisition process and an unbiased demonstration project, evaluated objectively on the basis of physician and other users' experience. Moreover, the conferees agree that the Department of Defense should proceed to acquire a military hospital computer system as expeditiously as possible. To this end, the Comptroller General should make every effort to avoid delaying the acquisition process, on the one hand, and the Department of Defense must give its full cooperation to the Comptroller General to ensure that this report can be rendered in a timely fashion. Any delay in reports by the Comptroller General attributable to problems in obtaining information from the Department of Defense could be considered by the conferees as a basis for revisiting the issues addressed in this section in the fiscal year 1987 Defense authorization bill.

Repeal of the transfer of Department of Defense overseas schools (sec. 1204)

The Senate bill contained a provision (sec. 910) that would repeal the scheduled transfer of the Department of Defense Dependents' Schools (DoDDS) to the Department of Education.

The Senate provision would also place the Advisory Council on Dependents' Education in the Department of Defense with the following membership: (1) the Secretaries of Defense and Education, or their designees, who would be co-chairmen of the council; (2) 12 individuals appointed jointly by the 2 Secretaries; and (3) a representative of each of the 2 Secretaries. The 12 individuals appointed jointly by the 2 Secretaries would include representatives of professional employee organizations, school administrators, parents of students and 1 student. Individuals appointed to the council from professional employee organizations would be designated by those organizations. The council would be required to meet at least two times a year.

The Senate provision would require each local school advisory committee to include one non-voting member to represent the interests of the organization recognized as the exclusive bargaining representative of the school's employees. This non-voting member would be designated by the bargaining organization.

The Senate provision would require the Secretary of Defense to consult with the Secretary of Education on the educational programs and practices of the Department of Defense Dependents' Schools.

The House amendment contained no similar provision.

The House recedes.

With regard to the groups from which the Secretary of Defense and the Secretary of Education are to jointly appoint 12 members to the Advisory Council, the conferees intend that professional employee organizations include teacher unions. The conferees also emphasize that the Advisory Council should actually meet at last two times a year (as this section requires).

The conferees have received complaints that it is difficult for the public to obtain copies of the defense dependents' education system's annual budget request to Congress. The conferees believe that this material should be readily available to the public.

Authority of the Department of Defense to enroll certain children in overseas schools (sec. 1205)

The Senate bill contained a provision (sec. 919) that would clarify the authority of the Department of Defense Dependents' Schools (DoDDS) to educate the following categories of overseas students: (1) children of employees of U.S. government agencies other than the Department of Defense; (2) children of U.S. government contractors; (3) children of employees of Department of Defense non-appropriated funds activities; and (4) if the Secretary of Defense determines it in the national interest, the children of other U.S. citizens and foreign nationals.

The Senate provision would require children enrolled under this new authority to pay tuition at a rate that would at least defray the average cost of the children's education.

The House amendment contained no similar provision.

The House recedes.

In order to clarify the differences between this new authority and existing authorities, the conferees note that section 921 of title 20, United States Code, requires the Secretary of Defense to provide a free public education for the dependents of overseas military personnel and civilian employees of the Department of Defense paid from appropriated fund activities. For children enrolled under section 921, the Department of Defense must request funds for facilities, teachers, supplies and other resources.

A second authority under which other categories of children may be enrolled in the overseas schools is provided by section 923 of title 20. Under this authority, children ineligible to be enrolled under section 921 may be educated only to the extent that excess physical space, teachers, supplies, and other resources are already available to educate them. The Department of Defense may not take the cost of educating these children into account in requesting funds for additional facilities, teachers, supplies and other resources.

With regard to the new authority created by the Senate provision, the conferees emphasize that it is not to be used to justify construction to expand exisiting facilities or the construction of new facilities. However, the Department of Defense may take the cost of educating children enrolled under this new authority into account in requesting for teachers, supplies, and other resources.

Headquarters staff (sec. 1206)

The Senate bill contained a provision (sec. 531) that would freeze the total number of military and civilian pesonnel assigned to perform management headquarters activities or management headquarters support activities in a Defense agency or military department at the same number assigned to those activities as of September 30, 1985, and would limit the number of military and civilian personnel assigned to the Office of the Secretary of Defense as of September 30, 1986, to 1,765.

The Houe amendment contained no similar provisions.

The House recedes.

Report on organizational structure of the military health care system (sec. 1207)

The House amendment contained a provision (sec. 1131) that would require the Secretary of Defense to submit a report to Congress containing a plan for revising the organizational structure of the military health care delivery system in order to streamline the resource allocation process, improve the quality of medical care, reduce the cost of health care, and enhance medical readiness. The provision would require the Secretary of each military department and the Joint Chiefs of Staff to carry out independent studies, the results of which would be submitted with the report of the Secretary.

The Senate bill contained no similar provision.

The Senate recedes.

Annual report on Guard and Reserve equipment (sec. 1208)

The House amendment contained a provision (sec. 1112) that would require the Secretary of Defense to provide additional information in the annual Guard/Reserve equipment report that is submitted to the Congress.

The Senate bill contained no similar provision.

The Senate recedes.

Moratorium on exchange franchise agreements (sec. 1209)

The Senate bill included a provision (sec. 944) requiring a moratorium on constructing commercial franchise businesses on military installations.

The House amendment contained no similar provision.

The House recedes to the Senate with an amendment changing reporting dates and requirements, deleting the prohibition of operating more than one commercial franchise per military installation and restricting the moratorium only to the United States.

Initial operating capability for Air Force Shuttle Operations and Planning Complex (sec. 1210)

Section 1117 of the House amendment would direct the Secretary of the Air Force to place the highest priority on achieving specified initial operating capability (IOC) dates for the Shuttle Operations and Planning Complex (SOPC) of the Consolidated Space Operations Center (CSOC), Colorado Springs, Colorado and submit a report to the respect Committees on Armed Services on how those dates would be met. The Senate bill contained no similar provision.

The Senate recedes with an amendment.

Provision of green salt to contractors for production of conventional ammunition (sec. 1211)

The House bill contained a provision (sec. 1180) that would permit the Secretary of the Army to loan uranium tetrafluoride (green salt) to a contractor for the production of conventional ammunition. The Senate bill contained no similar provision.

In determining whether adequate quantities are available for the purpose of making the certification required, the Secretary of the Army is to take into account whether a good faith effort has been made by firms that possess supplies of uranium tetrafluoride to make available uranium tetrafluoride to industrial firms that lack their own source of uranium tetrafluoride. The conferees intend that in administering this provision the Secretary of the Army ensure that no firm derives an undue competitive advantage.

The Senate recedes with an amendment.

Contracts for certain educational services (sec. 1212)

The Senate bill contained a provision (sec. 905) providing that, in any portion of the procurement process for on-base postsecondary education services for military personnel, civilian personnel, and their dependents, an accredited institution authorized to award associate degrees may not be discriminated against or precluded from offering courses within its scope of authority solely because it does not have the authority to award a baccalaureate degree. In addition, the offering of such educational services could not be limited to a single academic institution except that duly constituted personnel at the military installation level would be permitted to take necessary actions to avoid unnecessary duplication of course offerings. The provision would apply to contracts for services entered into after April 1, 1985.

Finally, the provision would direct the Comptroller General to study the educational needs of members of the armed forces stationed overseas and the most cost-effective and feasible means of meeting those needs and to provide a report to the Congress on his findings and recommendations not later than September 1, 1986.

The House amendment contained a similar provision (sec. 805) providing that, in contracting for off-duty postsecondary educational services, the Secretary of Defense and the Secretaries of the military departments may not discriminate against non-baccalaureate-degree-granting institutions. The provision would be applicable to contracts entered into, amended, or renewed on or after the date of enactment of this Act.

With respect to avoidance of unnecessary duplication, the conferees intend that the Secretary of Defense will promulgate guidelines and standards for the regulation of course offerings to avoid unnecessary duplication, which will be uniform for all the armed services and which will take into account the demographics of individual installations.

Responsibility for controlling unnecessary duplication of courses should be exercised at the installation level consistent with the purpose of this provision of ensuring service members, to the maximum extent feasible, choice among the providers of these educational services. The conferees do not expect this authority to be used to deny an educational institution the authority to offer an individual course which is an integral component of a specified curriculum.

It is not the intent of the conferees to require more than one educational provider for any program on any base or installation where only a single qualified provider desires to offer such a program. The conferees further find that the preference afforded in-state institutions for programs conducted within the United States, as set forth in Department of Defense Directive 1322.8, is consistent with this provision.

With respect to the types of procurement covered, the conferees intend that the provisions of this section apply to all aspects of the procurement process, including solicita-

tions, contracts, basic agreements, memoranda of understanding and any other agreements entered into between any of the military services and any educational institution for the provision of the educational services described in this section.

With respect to the General Accounting Office study, in conducting the study called for in this section, the Comptroller General should examine how best to meet the educational needs of military personnel, Department of Defense civilian employees and their dependents consistent with ensuring choice of and diversity in educational offerings and providers, competition among qualified educational institutions, and the most reasonable cost to the individual participants.

With respect to the effective date, the conferees intend that this provision apply to contracts first entered into after April 1, 1985. This would permit existing options for the extension of contracts entered into before that date to be exercised by the affected military service. However, no new contracts or renewals of contracts expiring on or after April 1, 1985, would be permitted except as they conform to the provisions of this section.

PART B—PERSONNEL MANAGEMENT

LEGISLATIVE PROVISIONS ADOPTED

Counterintelligence polygraph program (sec. 1221)

The Senate bill contained a provision (sec. 904) that would prohibit the use of any funds for the purpose of implementing certain paragraphs of Department of Defense Directive 5210.48 dated December 24, 1984, relating to polygraph examinations, except for the continuation of the test program authorized by the Department of Defense Authorization Act for fiscal year 1985. The provision further provided that the total number of persons examined under the test program in fiscal years 1985 and 1986 may not exceed 3,500. It also required a report by December 31, 1986 on the conduct of the program and, at the request of the Department of Defense, established a continuing polygraph research program and authorized $590,000 to carry out the program. Finally, the provision explicitly excepted any individuals assigned to the Central Intelligence Agency or National Security Agency or any individual applying for a position at the National Security Agency.

The House amendment contained a provision (sec. 1199) that would require the Secretary of Defense to institute a program of couterintelligence polygraph examinations for military, civilian and contractor personnel of the Department of Defense, military departments, and the Armed Forces whose duties involve access to classified information. The House provision would require a polygraph examination before a person is granted access to information within a special access program and aperiodically thereafter. It would also permit the Secretary of Defense to require a polygraph examination of anyone who has access to classified information before granting access to such information and aperiodically thereafter.

The conferees agreed to authorize the Secretary of Defense during fiscal years 1986 and 1987 to implement a program of counterintelligence polygraph examinations for military and civilian personnel of the Department of Defense and personnel of defense contractors whose duties include access to classified information at the level of Top Secret or classified information within special access programs established under section 4.2(a) of Executive Order 12356. This program would be based upon the current Department of Defense Directive 5210.48. The conferees recognize that the provisions of that directive set out the situations in which the polygraph may be employed and establish safeguards for those persons who are required to submit to a polygraph examination. That directive is viewed by the conferees as a sincere effort to protect the rights of the individual while permitting the Department of Defense to utilize the polygraph in the protection of its most sensitive information.

The conferees also agreed that during fiscal year 1986 no more than 3,500, and during fiscal year 1987 no more than 7,000 counterintelligence polygraph examinations may be administered. Although the conferees recognize that the polygraph is a very useful tool in counterintelligence investigations, they also recognize that the lack of polygraph operators in the Department of Defense would limit the number of examinations to the total of 10,500 authorized in fiscal years 1986 and 1987.

The conferees also agreed to require the reports described in the Senate provision. Not later than December 31, 1985, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on his plans to expand the use of polygraph examinations in the Department of Defense. Not later than December 31, 1986, the Secretary shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on polygraph examinations administered by or for the Department of Defense during fiscal year 1986.

The conferees further agreed to the provision in the Senate bill establishing a polygraph research program to support polygraph activities of the Department of Defense. The Secretary of Defense would be required to submit to the Committees on Armed Services of the Senate and the House of Representatives, not later than December 31 each year, a report on the results of that program during the preceding fiscal year. A sum of $590,000 would be authorized to be appropriated for fiscal year 1986 to carry out the research program.

The conferees agreed that this section does not apply to (1) an individual assigned or detailed to the Central Intelligence Agency or to any expert or consultant under contract to that Agency; (2) an individual employed by or assigned to the National Security Agency, or expert or consultant under contract to that Agency, or employee of a contractor of that Agency or an individual applying for a position in that Agency; or (3) an individual assigned to a space where sensitive cryptologic information is produced, processed, or stored.

Reduction in security clearance backlog (sec. 1222)

The House amendment contained a provision (sec. 1206) requiring the Secretary of Defense to achieve a 25 percent reduction in the backlog of reinvestigations of individuals holding security clearances of top secret and above in fiscal year 1986 and would authorize $25 million for that purpose. If the Secretary determined that he was not able to achieve a 25 percent reduction in the security clearance reinvestigation backlog in fiscal year 1986, section 1206 would require that he submit a report to Congress outlining what additional resources and requirements would be necessary to reduce the backlog by 50 percent by the end of fiscal year 1987.

The Senate bill contained no similar provision.

The conferees agreed to eliminate the requirement that the Secretary of Defense achieve a 25 percent reduction in the security clearance reinvestigation backlog in fiscal year 1986 and instead make that level of reduction a goal he should strive to attain. In addition, the conferees agreed to require that the $25 million authorized to reduce the security reinvestigation backlog to be used only for that purpose. Finally, the conferees agreed to require that the Secretary of Defense report to Congress on his efforts to reduce the backlog and that additional resources and requirements that would be necessary to achieve a 50 percent reduction by the end of fiscal year 1987.

The Senate recedes with amendments.

Independent criminal investigations (sec. 1223)

The House amendment contained a provision (sec. 532) that would direct the Secretaries of the Navy and Air Force to issue regulations providing the Naval Investigative Service (NIS) and the Air Force Office of Special Investigations (OSI) authority to initiate and conduct criminal investigations on the authority of their director or commander, such authority to be as similar as practicable to the procedures used in the Army.

The Senate bill contained no similar provision.

The Senate recedes with an amendment.

In this section, it is the intention of the managers to strengthen the investigative arms of the Navy and Air Force so that high-ranking officers will not be able—in reality or perception—to interfere with criminal investigations.

The managers expect the new regulations to make clear that OSI and NIS elements will be able to determine what investigative actions are appropriate for all criminal allegations, whether reported to them or developed on their own. These elements would be required to keep their host commands informed unless doing so would compromise an investigation. The managers envision NIS and OSI as autonomous and not subject to the directions of local commanders or other officials below the level of the service staff for operational purposes.

This is not to say that giving autonomy to the investigators eliminates all problems. Generals and admirals, being the senior executives in their military organizations, get a lot of attention—both positive and negative. High rank should not spare an officer from scrutiny; neither should it subject him to trivial investigations. Because the idea is to keep rank from skewing the investigative process, care must be taken to avoid either extreme.

The conferees do not intend that command accountability for the maintenance of good order and discipline be in any way lessened by this initiative. Indeed, although a command request would no longer be necessary to permit an investigation, it would still be sufficient to mandate one.

Establishment of minimum age with respect to the purchase and consumption of alcoholic beverages on military installations (sec. 1224)

The House amendment included a provision (sec. 1178) that established, with several exceptions, the minimum age on military installations as that established by the State in which the installation is located.

The Senate bill contained no similar provision.

The Senate recedes with an amendment authorizing certain exemptions for installations located within 50 miles of another state, Mexico or Canada, and requires a report concerning the feasibility of allowing the sale of low alcohol beverages, and on the effects such sales might have on the incidence of driving under the influence of alcohol on military installations by military personnel.

Cost savings cash awards (sec. 1225)

The Senate bill contained a provision (sec. 942) that would—

(a) affirm Congressional support for the elimination of fraud, waste, and mismanagement in the Federal government as well as for the protection of employees who report such incidents of abuse;

(b) restructure Federal employee grievance resolution procedures with regard to the role of the Office of the Special Counsel;

(c) extend the authority to pay Federal employees cash awards for disclosing fraud, waste, and abuse; and

(d) authorize the payment of cash awards for service members for similar disclosures made after September 30, 1984.

The House bill contained a provision (sec. 1196) that would authorize the payment of cash awards for cost savings disclosures to employees of the Department of Defense only.

The House recedes with amendments 1) eliminating the section concerning Congressional affirmations, 2) eliminating the section concerning Federal employee grievance resolution procedures and the Office of the Special Counsel; and 3) eliminating the requirement that this provision apply to disclosures made by members of the armed services only after September 30, 1984, and providing instead that payments under this provision may be made only after September 30, 1985.

LEGISLATIVE PROVISION NOT ADOPTED

Conditions on the procurement of alcoholic beverages on military installations

The House amendment included a provision (sec. 1177) that would require Department of Defense installations to procure all alcoholic beverages from sources within the State in which the installations are located.

The Senate bill contained no similar provision.

The House recedes.

PART C—CONTRACTING-OUT FOR PERFORMANCE OF CERTAIN FUNCTIONS

LEGISLATIVE PROVISIONS ADOPTED

Contracting out core logistics functions (sec. 1231)

The House amendment contained a provision (sec. 309) that would clarify the intent of section 307 of the Defense Authorization Act, 1985 (Public Law 98-525) by specifying that core logistics functions include the personnel performing depot maintenance and distribution of mission essential materiel at specified logistics activities.

The Senate bill contained no similar provision.

The conferees agreed to an amendment to modify the House provision by deleting "distribution" and limiting the statutorily specified core logistics functions to those involving the depot maintenance of mission essential materiel and specified logistics activities.

The Senate recedes with amendment.

Contracting out firefighters and security guards (sec. 1232)

The House amendment contained a provision (sec. 1121) that would extend for two years the existing prohibition on the contracting out of firefigher and security guard functions currently performed by Federal civilian employees. This section would also require a report to Congress from the Secretary of Defense and the U.S. Fire Administrator assessing the benefits and risks of contracting out firefighting and security guard functions within the Department of Defense.

The Senate bill contained no similar provision.

The conferees agreed to an amendment extending the prohibition on contracting out firefighters and security guards for one year.

The Senate recedes with amendment.

Contracting-out (sec. 1233 and sec. 1234)

The Senate bill contained a provision (sec. 721) that would remove all statutory restrictions on the Secretary of Defense to contract out functions performed by civilian employees in accordance with the procedures set forth in Office of Management and Budget (OMB) Circular A-76 when the Secretary determines that it would be cost effective and in the best interest of the national defense.

The House amendment contained no similar provision.

The conferees agreed to amend section 502 of the Department of Defense Authorization Act, 1981 (Public Law 96-342) by increasing the threshold for the performance of full cost studies from 10 to 40 or fewer Department of Defense civilian employees. The conferees also agreed to increase the threshold from 50 to 75 civilian employees for a report on the potential economic affect on the employees, on the local community and Federal government affected by the contracting of a function. Finally, the conferees agreed to direct the Secretary of Defense to promote contracting out in accordance with law where it is cost effective and in the best interests of national security.

The House recedes with amendments.

LEGISLATIVE PROVISIONS NOT ADOPTED

Ceiling on contracting out

The House amendment contained a provision (sec. 1183) that would limit funding for functions to be converted to contract in fiscal year 1986 in accordance with the provisions of OMB Circular A-76 to fiscal year 1985 levels except for mandatory wage increases and new contracts legally binding on September 30, 1985.

The Senate bill contained no similar provision.

The House recedes.

Report on contracting out

The House amendment contained a provision (sec. 1204) that would require an annual report by the Secretary of Defense comparing the actual and projected costs of functions converted to contract performances in accordance with procedures of OMB Circular A-76. Section 1204(b) raises the conversion cost differential from 10 to 15 percent for functions within the Department of Defense subject to cost comparisons in accordance with OMB Circular A-76.

The Senate bill contained no similar provision.

The House recedes.

PART D—ECONOMY AND EFFICIENCY

LEGISLATIVE PROVISIONS ADOPTED

Overtime for Federal contractor employees (sec. 1241)

The Senate bill contained a provision (sec. 713) that would exempt Department of Defense contractors from the requirements of the Walsh-Healey Act (41 U.S.C. 35) to pay an employee an overtime rate of pay for work done in the performance of a Department of Defense contract after completing more than 8 hours of work in any one day. The section similarly modified section 102 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 328). However, the Senate bill made no change in the provisions of those statutes requiring the contractor to pay an employee an overtime rate of pay for work done in the performance of the contract after completing 40 hours of work in any one week. The provision would be applicable to all contracts entered into or carried out on or after October 1, 1985.

The House amendment contained no similar provision.

The conferees agreed to incorporate the provisions of the Senate bill, S. 1105 (Federal Contractor Employees Flextime Act), ordered reported by the Senate Committee on Labor and Human Resources, which makes the above described provisions applicable to all government contracts. The amendment would be effective on January 1, 1986.

The House recedes with amendments.

Monroney Act (sec. 1242)

The Senate bill contained a provision (sec. 712) that would amend section 5343(d)(2) of title 5, United States Code, to prohibit the Department of Defense from establishing wage schedules and rates for prevailing rate employees of the Department of Defense on the basis of a survey of wage rates paid for comparable positions in other than the local wage area. The section would further provide that the rate of pay of a prevailing wage rate employee employed by the Department of Defense on the day before the date of enactment of this Act may not be reduced because of this amendment.

The House amendment contained no similar provision.

The House recedes.

LEGISLATIVE PROVISIONS NOT ADOPTED

Amendments to Davis-Bacon Act

The Senate bill contained a provision (sec. 711) that would exempt the Department of Defense from the provisions of the Davis-Bacon Act (40 U.S.C. 276a(a), for all construction under $1 million and would codify certain Department of Labor regulations implementing that Act.

The House amendment contained no similar provision.

The Senate recedes.

TITLE XIII—TECHNICAL AMENDMENTS AND CLERICAL AMENDMENTS

Elimination of certain statutory gender-based distinctions (sec. 1301)

The House amendment contained a provision (sec. 1141) that would eliminate certain gender-based distinctions in statute.

The Senate bill contained no similar provision.

The Senate recedes.

Technical amendments relating to benefits for certain Defense Intelligence Agency personnel (sec. 1302)

The House amendment contained a provision (sec. 1142) that would make technical,

codifying, and conforming amendments relating to benefits for certain Defense Intelligence Agency personnel.

The Senate bill contained no similar provision.

The Senate recedes.

Clerical amendments (sec. 1303)

The House amendment contained a provision (sec. 1143) that would make certain technical, codifying, and conforming amendments to titles 10 and 37, United States Code.

The Senate bill contained no similar provision.

The Senate recedes..

Clerical amendments to federal procurement law (sec. 1304)

The Senate bill contained a provision (sec. 610) that would redesignate numerous sections in chapter 138, title 10, to accommodate the addition of several new sections on defense procurement and correct the present dublication of section numbers.

The House amendment included a similar provision (sec. 1172) that also includes technical corrections to section designations and typographical errors in other provisions of law.

The Senate recedes.

TITLE XIV—GENERAL PROVISIONS

PART A—FINANCIAL MATTERS

LEGISLATIVE PROVISIONS ADOPTED

Transfer authority (sec. 1401)

The House amendment contained a provision (sec. 1101) that would permit the transfer of an authorization made available in the fiscal year 1985 Defense Authorization Act to any other authorization made available in the Act only upon determination by the Secretary of Defense that such a transfer would be in the national interest. The authority to transfer could only be used to provide authorization for higher priority items than the items from which authorization was transferred and could not be used to provide authorization for an item that was denied authorization by the Congress. The Secretary of Defense would be required to promptly notify the Congress of transfers. Transfer of an authorization between budget activities of a major Operation and Maintenance account could be made without regard to the above mentioned limitations. The total amount of transfers would be limited to $2 billion.

The Senate bill contained no similar provision.

The Senate recedes.

Authorization of transfers for fiscal year 1985 pay supplemental (sec. 1402)

The House amendment contained a provision (sec. 1107) that would authorize the transfer of funds appropriated to the Department of Defense that remain available for obligation and are no longer required for the programs for which they were originally appropriated to operations and maintenance and personnel accounts in fiscal year 1985 to fund civilian and military pay raises.

The Senate bill contained no similar provision.

The Senate recedes.

Special Defense Acquisition Fund (sec. 1403)

The Senate bill (sec. 901) authorized $1 billion for the capitalization of the Special Defense Acquisition fund. The House amendment contained no similar authorization.

The House recedes.

Revisions to defense budget plan (sec. 1404)

The Senate bill contained a provision (sec. 616) that would require the Secretary of Defense to submit a report by September 15, 1985 containing adjusted five year defense plans. Each adjusted plan would begin in fiscal year 1986. One plan would be based on an aggregate budget level that included no growth over the official projection of inflation and the other plan would be based on a aggregate budget level that included three percent growth each year over the official projection of inflation. A listing of the procurement plan for each major defense acquisition program would be required for each adjusted five year defense plan.

The House amendment contained a provision (sec. 1103) that would require a similar report within 90 days of enactment.

The conference agreement would require the report setting out two revised defense budget plans to be submitted by the Secretary of Defense within 60 days after the date of enactment. The revised plans, for fiscal year 1987-1990, would be based on enacted authorizations for fiscal year 1986 and would, in one case, be based on a zero real growth budget level and in the second case, on a three percent real growth budget level. An annual procurement plan for each of the years for each major defense acquisition program would be required for each revised plan.

The conferees believe that the military departments cannot maintain program stability without realistic projections for future budgetary resources. The conferees also question the affordability of planned new starts because of unrealistic projections of future resources.

The conferees intend that the adjusted plans are to be constrained to the 3 percent and zero percent real growth rates only in the aggregate and not at the appropriation or budget activity level. The conferees expect the Department of Defense to adjust spending priorities within various accounts and activities at alternate aggregate funding levels as is the normal practice. The requirement for alternative plans is not intended to prejudice the department's deliberations on the fiscal year 1987 budget.

Two-year budget cycle for the Department of Defense (sec. 1405)

The Senate bill contained a provision (sec. 909) that would require that the President include in the budget submitted to the Congress for fiscal year 1988 a single proposed budget for the Department of Defense and related agencies for fiscal years 1988 and 1989. Thereafter, the President would be required to submit a two-year budget for the Department of Defense and related agencies every other year.

Section 909 of the Senate bill would also require that the Secretary of Defense submit a report by July 1, 1986 to the Committees on Armed Services of the Senate and House of Representatives containing the Secretary's views on:

(1) The advantages and disadvantages of operating the Department of Defense and related agencies on a two-year budget cycle.

(2) The Secretary's plans for converting to a two-year budget cycle.

(3) A description of any impediments, statutory or otherwise, to converting the operations of the Department of Defense and related agencies to a two-year budget cycle beginning with fiscal year 1988.

The House amendment contained a provision (sec. 1169) requiring that an identical report be submitted by the Secretary of Defense by January 15, 1986.

The conferees agreed that the report should be submitted by April 1, 1986.

The House recedes with an amendment.

The conferees believe that a biennial budget for the Department of Defense would substantially improve DOD management and congressional oversight. Although preferable to subject all Federal spending to a two year budget, the conferees believe that beginning with the DOD budget is important.

Report on budgeting for inflation (sec. 1406)

The Senate bill contained a provision (sec. 950) that would require the Secretary of Defense to submit a report to Congress by September 1, 1985 containing:

(1) an explanation of the disposition of funds that are not required for the purpose for which they were appropriated because inflation was lower than anticipated;

(2) a description of an alternative budget system for the Department of Defense under which amounts necessary for inflation during a fiscal year would be appropriated by the Congress at the end of the fiscal year;

(3) recommendations for procedures which would effectively implement an alternate budget system; and

(4) a discussion of advantages and disadvantages of instituting an alternate budget system.

The House amendment contained a provision (sec. 1104) that would require the Secretary of Defense to submit a report to Congress within 90 days of the date of enactment. The report would differ from the report required in the Senate bill only in that the alternative budget system would address only the procurement and research and development accounts, where funds are available for obligation for more than one year.

The conferees agreed that the report should be submitted 60 days after the date of enactment and that only procurement and R&D accounts need be addressed.

The Senate recedes with an amendment.

Report of unobligated balances (sec. 1407)

The Senate bill contained a provision (sec. 930) that would require the Secretary of Defense to submit quarterly reports to the Committees on Armed Services of the Senate and House of Representatives containing an estimate of funds available for obligation in excess of the amounts required to carry out programs for which the funds were appropriated. The report would also include any program cost increase as a result of higher than projected inflation.

The House amendment contained a provision (sec. 1106) that would require identical reports, but would require that the reports be submitted with the President's budget, with the April Budget Update, and with the Mid-Session Budget Review.

The Senate recedes.

Special foreign currency program (sec. 1408)

The Senate bill contained a provision (sec. 914) that would authorize $2.1 million for the purchase of foreign currencies to pay expenses incurred in carrying out RDT&E programs of the Department of Defense.

The House amendment contained no similar provision.

The House recedes.

PART B—CHEMICAL WEAPONS

LEGISLATIVE PROVISIONS ADOPTED

Limitation on binary chemical munitions program (sec. 1411)

The House amendment contained a provision (sec. 119) that would prohibit the obligation or expenditure of any funds for the procurement or assembly of binary chemical

munitions or for the establishment of production facilities for such munitions until September 30, 1987. This restriction would be lifted 60 days after that date provided the President certified that (1) an international treaty concerning chemical weapons to which the United States was a party had not been concluded and (2) conditions concerning performance specifications, safety, the accelerated destruction of the existing U.S. stockpile of unitary chemical munitions, storage, transportation and other matters had been satisfied, including a requirement that the North Atlantic Council of NATO had formally agreed that existing unitary chemical munitions currently stored in Europe would be replaced with binary chemical munitions.

Funding for the binary chemical munitions program in the Senate bill was not subject to any conditions. The Senate bill contained a provision (sec. 932) that would require a report from the President not later than October 1, 1986 describing the results of consultations with the allies on a number of subjects related to NATO's chemical deterrent posture, including defensive protection measures against chemical attack and efforts to achieve an equitable and efficient burdensharing within NATO with regard to deterring the use of chemical weapons in Europe.

The Senate agreed to recede to the House with an amendment. Under this amendment, no funds could be obligated or expended for the procurement or assembly of binary chemical munitions or for the establishment of production facilities for such munitions until the President had certified that the United States, in cooperation with the Supreme Allied Commander, Europe (SACEUR), had developed a plan under which U.S. binary chemical munitions can be deployed under appropriate contingency plans to deter chemical weapons attacks against the United States and its allies and has consulted with NATO members on this plan.

The amendment further provides that no final assembly of complete binary chemical munitions can occur until 60 days after October 1, 1987 and only then if specified conditions dealing with performance, safety, accelerated destruction of current stocks, storage and transportation are satisfied.

The amendment also expresses the sense of the Congress that existing unitary chemical munitions currently stored in the United States and European member nations of NATO should be replaced by modern, safer binary chemical munitions. Lastly, the amendment includes the report required by section 932 of the Senate bill.

The following table summarizes the conferees recommendations with respect to the Binary Munitions Production Program.

Binary Munitions Summary
($ in millions)

Service/Item	Fiscal Year 1986 Request	H.R. 1872 As Passed	S. 1160 As Passed	Conference
155mm Projectile (687)	$ 21.7	$ 21.7	$ 21.7	$ 21.7
Bigeye Facilitization Phosphate QL Facility Newport AAP, In.	$ 48.0	$ 0	$ 48.0	$ 40.0(1)
Fill/LAP Facility, Pine Bluff, Arkansas	$ 28.2	$ 28.2	$ 28.2	$ 28.2
Bomb Metal Parts, Marquardt	$ 17.6	$ 17.6	$ 17.6	$ 17.6
Prove Out Facilities, Newport AAP (3.040) Pine Bluff Arsenal (1.310)	$ 4.4	$ 4.4	$ 4.4	$ 4.4
SUBTOTAL	$119.9	$ 71.9	$119.9	$111.9
Navy				
Bigeye	$ 21.5	$ 21.5	$ 21.5	$ 21.5
Air Force				
Bigeye	$ 22.1	$ 22.1	$ 22.1	$ 22.1
TOTAL	$163.5	$115.5	$163.5	$155.5

(1) $8.0 million involves military construction and is subject to action on the Fiscal Year 1986 Military Construction Authorization Act.

Destruction of existing stockpile of lethal chemical agents and munitions (sec. 1412)

Section 1186 of the House amendment prescribed the terms and conditions for the destruction of the existing United States stockpile of lethal chemical agents and munitions in conjunction with the acquisition of binary chemical weapons. Destruction of the stockpile is to be completed by September 30, 1994 except under specified circumstances. The Secretary of Defense is directed to develop and submit a comprehensive plan for such destruction by March 15, 1986. The Senate bill contained no similar provision.

The Senate recedes with a technical amendment.

Report concerning the testing of chemical warfare agents (sec. 1413)

Section 1129 of the House amendment would require the Secretary of Defense to submit a report within 90 days of the enactment of the fiscal year 1986 defense authorization act on certain factors associated with the siting of test facilities for diluted or undiluted chemical warfare agents. The Senate bill contained no similar provision.

The Senate recedes.

LEGISLATIVE PROVISION NOT ADOPTED

Study and plan for the destruction of chemical agents and munitions

Section 1115 of the House amendment would require the Secretary of Defense to conduct a study for the purpose of developing a comprehensive plan for the destruction of the existing stockpile of lethal chemical agents and munitions before such destruction occurs.

The study would include consideration of new technology and the feasibility of establishing a national destruction site within or outside the continental United States. The study findings would be submitted to the Committees on Armed Services and Appropriations of the Senate and the House of Representatives.

The prohibition against destruction of existing stocks would not apply to the destruction or continued storage of certain chemical munitions that have been declared by the Secretary of the Army to be obsolete and to have no military value.

The Senate bill contained no similar provision.

The House recedes.

PART C—MATTERS RELATED TO SPECIFIC PROGRAMS

LEGISLATIVE PROVISIONS ADOPTED

Enhanced drug interdiction assistance (sec. 1421)

The House amendment contained a provision (sec. 1187) that would permit assignment of members of the armed forces to assist drug enforcement officials in drug searches, seizures, or arrests outside the land area of the United States under certain limited circumstances.

The Senate bill contained no similar provision.

The conferees recognized it was desirable to involve the military resources of the United States more directly in the ongoing efforts to interdict drug smuggling into the United States. However, the conferees were concerned about granting civil law enforcement powers to the Armed Forces. Moreover, they noted that direct military participation in law enforcement could necessitate the training of certain military personnel in civilian law enforcement procedures, and that any member of the military services who directly assisted in drug searches, seizures, or arrests would be liable to be called to testify in criminal court, removing that person from the performance of regular military duties.

Under current law and practice, Navy ships have been deployed when possible with personnel from 15-person Coast Guard Tactical Law Enforcement Teams (TACLETS), or 8-person Coast Guard Law Enforcement Detachments (LEDETS), onboard. TACLETS and LEDETS are special multi-purpose units that can be deployed as boarding-party detachments aboard Navy ships. These teams and detachments conduct boarding of suspect vessels and related drug interdiction activities from Navy vessels in the same manner as they do from Coast Guard vessels. These Coast Guard members have the training and authority to carry out civilian law enforcement procedures, including search, seizure, or arrest. In the course of their regular duties, they give testimony in court on their law enforcement activities.

The conferees recognize that assignment of members of the Coast Guard on-board Navy vessels has had beneficial results in the Federal drug interdiction program. However, personnel shortages within the Coast Guard have prevented the assignment of sufficient Coast Guard personnel to naval vessels at sea in drug interdiction areas. Navy resources could be better utilized for drug interdiction purposes if more Coast Guard personnel were available to serve in this capacity.

Accordingly, the Senate recedes with an amendment providing for the mandatory assignment of Coast Guard personnel on each naval vessel at sea in a drug interdiction area for the purpose of drug interdiction and other law enforcement activities. The identification of drug-interdiction areas shall be made by the Secretary of Defense in consultation with the Attorney General, and shall include areas in which activities involving the smuggling of drugs into the United States are suspected.

The number of Coast Guard personnel needed to provide a law enforcement presence for each surface naval vessel is authorized to be added to the Coast Guard active duty strength for fiscal year 1986. The Coast Guard has testified that 500 additional members would be needed to fulfill this mission. $15,000,000 would be authorized for appropriation for the Department of Defense for fiscal year 1986 to carry out the purpose of this section. Funds so appropriated shall be transferred to the Secretary of Transportation only for the additional personnel authorized.

Because of the unique collaboration between the Coast Guard and the Navy in the TACLET program, the conferees deemed it appropriate expressly to authorize the use of Navy O&M funds for this specific activity. Nothing in this section is intended to abrogate the intent of Congress (in enacting chapter 18 of title 10 in 1981) that Department of Defense assistance to civilian law enforcement agencies is subject to reimbursement to the extent that reimbursement is otherwise required by the Economy Act.

Establishment, operations and maintenance of drug law enforcement assistance organizations of the Department of Defense (sec. 1422)

The Senate bill contained a provision (sec. 306) authorizing reserve unit participation in support of civilian law enforcement drug interdiction operations.

The House amendment contained a similar provision (sec. 305).

The House receded with an amendment clarifying overall military direction of the interdiction effort.

The conferees agreed that command, control, and coordination of the reserve components' contribution to the overall drug interdiction mission should reside in a special operations headquarters element. The House provision (sec. 305) would require that the function be performed by a reserve Special Operations Wing.

The Senate bill contained no similar provision.

The Senate concluded that the existing active Air Force First Special Operations Wing might provide a more efficient, effective and capable structure for direction of the diverse units to be utilized. Accordingly, the conferees agreed that the resolution of whether direction of the interdiction effort should be allocated to the First Special Operations Wing, or a Special Operations Wing (Reserve) headquarters (to be established) should be at the discretion of the Secretary of Defense.

The conferees intend that interdiction support be provided using existing units, aircraft, personnel and other resources. However, the conferees are aware that creation of a reserve special operations wing headquarters element may be necessary if the Department of Defense decides not to utilize the First Special Operations Wing. Also, new reserve detection and surveillance units may be organized using the department's aircraft intended for dedicated peacetime support for Customs Air Operations interdiction activities.

The conferees further agreed that in order for the wing headquarters element to effectively command, control or coordinate reserve component units' interdiction operations, it should be the focal point for liaison with the National Narcotics Border Interdiction System and other civilian law enforcement entities in the receipt and exchange of mission support requests and narcotics intelligence.

Military cooperation information program for civilian law enforcement officials. (sec. 1423)

The Senate bill contained a provision (sec. 931) that would require the Attorney General, in consultation with the Secretary of Defense, to conduct briefings for state and local law enforcement personnel about Federal assistance in drug enforcement.

The House amendment contained no similar provision.

The House recedes.

Study on the use of the E-2 aircraft for drug interdiction purposes (sec. 1424)

The House amendment contained a provision (sec. 1170) that would require a study to be conducted evaluating Naval Reserve E-2 aircraft in the drug interdiction role.

The Senate bill contained no similar provision.

The Senate recedes with an amendment deleting reference to the Naval Reserve, permitting the study to be conducted utilizing Navy active force E-2 aircraft.

Strategic bomber programs (sec. 1425)

Section 915 of the Senate bill would restrict the obligation of funds in the Defense Authorization Act for research, design, demonstration, development, or procurement of more than 100 B-1B aircraft. The House amendment contained no similar provision.

Section 921 of the Senate bill expressed the sense of Congress that stealth technologies should be developed as rapidly as possible, that the B-1B aircraft procurement should be terminated after acquisition of 100 aircraft, and that none of the funds authorized for the advanced technology bomber and advanced cruise missile should be used for any other purpose. The House amendment contained no similar provision.

The conferees agree to incorporate both section 915 and section 921 into a new section.

The House recedes.

Restrictions on certain nuclear programs (sec. 1426

Restriction on funding for MX warhead

The House amendment contained a provision (sec. 1210) that would enact permanent law restricting use of funds for production of W-87 warheads in excess of the numbers required to arm the number of MX missiles authorized for deployment plus the number of warheads determined by the President to be necessary for quality assurance and reliability testing. The Senate bill contained no similar provision. The Senate recedes.

Report on the employment of the Standard missile

The Senate bill at section 953 contained a provision that would restrict the use of all funds associated with the nuclear version of the Standard missile (SM-2(N)), both in the Department of Defense and in the Department of Energy, until the Secretary of the Navy submits a detailed report to the Committees on Armed Services of the Senate and the House of Representatives on the requirements, proposed utilization, release procedures, conventional alternatives, previous studies, deployment, impact on fleet air defense, and plans for other nuclear air defense weapons. The House amendment at section 1211 contained a similar provision with minor drafting differences.

The House recedes.

Report on requirements for special nuclear materials

The House amendment contained a provision (sec. 1213) that would require a joint report by the Secretaries of Defense and Energy after consultation with the Joint Chiefs of Staff and the Director of the Arms Control and Disarmament Agency detailing the military requirements for special nuclear materials through the year 1991. This report would be provided to the Committees on Armed Services of the Senate and the House of Representatives not later than March 1, 1986. The Senate bill contained no similar provision. The Senate recedes.

LEGISLATIVE PROVISION NOT ADOPTED

Prohibition on funding for small atomic demolition munition

Section 1212 of the House amendment would prohibit the use of funds authorized for the Department of Energy national security programs for the development engineering, production engineering, or production of this munition. In fact, no such authorization was requested by the Department or contained in either the Senate bill or the House amendment. The House recedes.

PART D—MISCELLANEOUS REPORTING REQUIREMENTS

LEGISLATIVE PROVISIONS ADOPTED

Extension of time for submission of reports and authorization of appropriations for the commission on merchant marine and defense (sec. 1431)

Section 908 of the Senate bill contained a provision that would amend section 1536 of the Department of Defense Authorization Act, 1985 (Public Law 98-525) by extending by one year the dates upon which the reports of the Commission on Merchant Marine and Defense are required to be submitted; by authorizing appropriations for operation of the commission for fiscal years 1986, 1987, and 1988; and by extending the availability of such appropriations through September 30, 1988.

Section 1125 of the House amendment would also amend and extend the reporting dates of the commission, conditioning the extended dates on the date that appropriations are made available for the operation of the commission. The House amendment woud not extend the time periods for authorization of appropriations or availability of appropriations.

The conferees agreed to the extension of reporting dates as in the House amendment and to extend to September 30, 1988 the availability of appropriations under section 1536(i) of the Department of Defense Authorization Act, 1985 (Public Law 98-525).

The Senate recedes with an amendment.

Report on shipbuilding and repair base (sec. 1432)

Section 1126 of the House amendment would require the Secretary of the Navy to report by January 31, 1986 to the Committees on Armed Services of the Senate and House of Representatives on the results of a study of the relationship between price competition and mobilization capability in naval shipbuilding and repair.

The Senate bill did not contain a similar provision.

The Senate recedes. The conferees note that as a result of recent competitive procurement decisions the future of some important shipyards is in doubt, including the Quincy Shipyard. The conferees believe that the facilities and trained labor force at these shipyards form an important part of the United States industrial mobilization base. Therefore, the conferees direct the Secretary of the Navy to include in the report required by this section an assessment of possible options for maintaining the facilities and the trained labor force associated with Quincy and similarly situated shipyards.

Nuclear reactor components for SSN-21 class submarines (sec. 1433)

Section 1127 of the House amendment would require that funds appropriated pursurant to an authorization in this Act could not be obligated for the design or construction of nuclear reactor components for the SSN-21 class submarine until the Secretary of the Navy submits to the Committees on Armed Services to the Senate and House of Representatives a report on the industrial base for the design and construction of nuclear components for the SSN-21 class submarine. The report would include an evaluation of the cost effectiveness of increasing the number of firms actively employed in the design and construction of nuclear reactor components.

The Senate bill did not contain a similar provision.

The conferees agreed that not more than one-half of the funds appropriated pursuant to authorizations of appropriations in this Act for the design or construction of nuclear reactor components for the SSN-21 class submarine may be obligated until the Secretary of the Navy submits the report described above.

The Senate recedes with an amendment.

Aircraft fuel conservation report (sec. 1434)

The House amendment contained a provision (sec. 1198) that would direct the Secretary of Defense to establish, within 90 days of the enactment of this act, a fuel conservation program to reduce the use of fuel by military aircraft during takeoffs and other situations without lowering safety standards. The provision would also require the Secretary of Defense to report to Congress regarding the establishment of this program within 90 days of the enactment of this Act.

The Senate bill contained no similar provision.

The conferees agreed to delete the requirement for the Secretary of Defense to establish fuel conservation program but directed him to submit a report, within 90 days of the enactment of this Act, on fuel conservation efforts by the Department of Defense since 1981 to reduce the use of fuel by military aircraft.

The Senate recedes with amendment.

Report concerning Poseidon class submarine to be dismantled (sec. 1435)

The House amendment contained a provision (sec. 1132) that would require the President to submit a report to the Congress within thirty days of enactment with respect to:

(1) the feasibility and legality of transferring to the United Kingdom the ownership of an Poseidon class submarine proposed to be dismantled;

(2) the feasibility of converting a Poseidon class submarine into a SSN-type submarine or a SSGN-type submarine; and

(3) the feasibility of using a Poseidon class submarine as a training platform.

The Senate bill contained no similar provision.

The conferees agreed to a provision that would require the Secretary of Defense to submit a report to Congress by December 15, 1985 that would assess the feasibility of:

(1) converting a Poseidon class submarine into a SSN- or SSGN-type submarine; and

(2) using a Poseidon class submarine as a training platform. The Senate recedes with an amendment.

Report and demonstration project concerning the sale of certain United States meat in military commissaries overseas (sec. 1436)

The House amendment included a provision (sec. 1128) that would require the Secretary of Defense to study the feasibility of selling U.S. meat in six European commissaries. The results of the test would be reported to Congress one year after enactment of the Act.

The Senate bill contained no similar provision.

The Senate recedes.

Report on retention of the basic point defense missile system (BPDMS) (sec. 1437)

Section 1133 of the House amendment would require the Secretary of the Navy to report to the Committees on Armed Services of the Senate and House of Representatives on the removal of BPDMS from naval amphibious vessels. Section 1133 would also provide that no BPDMS system could be re-

moved from a naval amphibious vessel until the report was submitted.

The Senate bill did not contain a similar provision.

The Senate recedes.

Report on retirement benefits of Philippine Scouts (sec. 1438)

The House amendment contained a provision (sec. 1135) that would direct the Secretary of the Army to study the disparity between the pay received by members of the Philippine Scouts during World War II and the pay received by other members of the United States Army and to submit a report on his findings and conclusions to the Committees on Armed Services of the Senate and the House of Representatives.

The Senate bill contained no similar provision.

The Senate recedes.

Study for espionage penalty (sec. 1439)

The House amendment included a provision (sec. 1194) that would direct the Secretary of Defense to study the desirability of reinstating the dealth penalty for the civilian crime of espionage.

The Senate bill contained no similar provision.

The Senate recedes.

Study of import of foreign export subsidies (sec. 1440)

Section 918 of the Senate bill would require the Secretary of Defense to conduct a study of the impact that foreign export subsidies have had on the U.S. defense industrial base. The report is to include contracts where foreign contractors have received subsidies for commodities purchased. No similar language was contained in the House amendment.

The House recedes with an amendment.

Report on expenditures for tactical missiles for training purposes (sec. 1441)

The Senate bill contained a provision (sec. 939) that would require the Secretary of Defense to report to the Congress concerning expenditures for tactical missiles used for training purposes.

The House amendment contained no similar provision.

The House recedes.

Report on feasibility of drug testing prospective recruits (sec. 1442)

The Senate bill contained a provision (sec. 922) that would direct the Secretary of Defense to report on the feasibility of a program to test prospective recruits for drug abuse.

The House amendment contained no similar provision.

The House recedes.

LEGISLATIVE PROVISIONS NOT ADOPTED

Report concerning ability of United States industries to serve United States defense needs

The House amendment contained a provision (sec. 1136) that would require the Secretary of Defense to report on the ability of U.S. industries to meet the production needs of the Department of Defense.

The Senate bill contained no similar provision.

The House recedes.

Report on United States defense expenditures in the Far East

The House amendment contained a provision (sec 1139) that would require the Secretary of Defense to report on U.S. defense expenditures in the Far East, Japanese defense expenditures, and the effect increases in Japanese defense expenditures would have on U.S. defense expenditures in the Far East.

The Senate bill contained no similar provision.

The House recedes.

PART E—MISCELLANEOUS PROVISIONS

LEGISLATIVE PROVISIONS ADOPTED

Introduction of U.S. Armed Forces into Nicaragua (sec. 1451)

Section 1200 of the House amendment would provide that funds appropriated to the Department of Defense may not be obligated or expended for the purpose of introducing U.S. Armed Forces into Nicaragua for combat unless the Congress has declared war or enacted specific authorization for such introduction, or such introduction is necessary to meet a clear and present danger of hostile attack upon the United States, its territories or possessions or its allies, or to meet a clear and present danger to, and to provide necessary protection for, the U.S. Embassy, U.S. Government personnel, or U.S. citizens, or to respond to hijacking, kidnaping, or other acts of terrorism involving citizens of the United States or its allies. Moreover, section 1200 would provide that its provisions would not apply if MIG aircraft, or other aircraft of similar design or capability, or nuclear missiles or any other nuclear weapons are introduced into Nicaragua. Finally, section 1200 would provide that nothing in the section would invalidate any provision of the War Powers Resolution or any authority of the United States to act under the provisions of the Inter-American Treaty of Reciprocal Assistance.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would provide that it is the sense of Congress that United States armed forces should not be introduced into or over Nicaragua for combat. The amendment also provides that nothing in this section is to be construed as affecting the authority and responsibility of the President or Congress of the United States under the Constitution, statutes, or treaties of the United States in force.

Protection against terrorism (sec. 1452)

The House amendment included a provision (sec. 1174) that would authorize the President to protect U.S. military personnel through necessary and appropriate anti-terrorism and counter-terrorism measures.

The Senate bill contained no similar provision.

The Senate recedes with an amendment expressing the sense of Congress.

Readiness of Special Operations Forces (sec. 1453)

The House amendment contained a provision (sec. 1202) that would express a sense of the Congress that the revitalization of the special operations forces of the Armed Forces should be pursued as a matter of the highest priority. The Sente bill contained no similar provision.

The Senate receded with an amendment, the explanation of which is found in Title I of this Joint Statement of the Managers, in the section entitled "Special Operations Forces".

Use of excess personal property for humanitarian purposes (sec. 1454)

The House bill contained a provision (sec. 311) that would provide authority for the Secretary of Defense to authorize the use of excess and donated supplies by the Department of Defense for the purpose of nonlethal assistance.

The Senate bill contained no similar provision.

The Senate recedes with an amendment to provide authority for the Secretary of Defense to make available for humanitarian relief excess personal property of the Department of Defense, as defined in applicable DoD regulations. However, the conferees believed that such authority should be applied on a world-wide basis.

The conferees agreed that the distribution of humanitarian relief supplies was the responsibility of the Department of State and the conferees did not want to create a new foreign aid or refugee assistance program in the Department of Defense. Therefore, the Senate amendment specified that such excess Department of Defense property be transferred to and distributed by the Department of State. The amendment also established reporting requirements on the disposition of such property. In adopting these provisions, the conferees agreed that the Department of Defense should conduct an active and vigorous inventory of such property and effect its transfer to the Department of State in an expedited fashion.

The conferees agreed that nothing in section 1454 constituted authority to engage in any activity which, if carried out as an intelligence activity by the Department of Defense, would require a finding under section 662 of the Foreign Assistance Act, as amended, or notice to the Intelligence Committees under section 501(a) of the National Security Act of 1947.

Encouragement of construction in U.S. shipyards of combatant vessels for U.S. allies (sec. 1455)

Section 110 of the House amendment contained a provision that would direct the Secretary of the Navy to take the necessary steps to ensure that U.S. shipyards are not inhibited by the Navy from providing diesel submarine combat systems to allied nations and to encourage those U.S. yards not currently building nuclear submarines to construct diesel-electric submarines for allied use. Section 110 would further provide that no procurement funds authorized and appropriated for the U.S. Navy submarine program for fiscal year 1986 could be obligated or expended until the Secretary of the Navy reports to the Congress that no such inhibiting actions are being taken, especially with respect to providing combat systems or submarine construction for South Korea and Israel. Section 110 would also provide that no procurement funds authorized and appropriated for fiscal year 1986 could be obligated or expended for upgrading a foreign shipyard to build diesel-electric submarines until the Secretary of the Navy reports to the Congress that diesel-electric submarines could not be built in the United States without having a negative effect on the construction of U.S. nuclear submarines.

The Senate bill did not contain a similar provision.

The conferees agreed that the Secretary should encourage U.S. shipyards to construct warships for our allies subject only to the safeguarding of sensitive warship technology. The conferees also agreed that the Secretary of the Navy should take such steps as necessary to ensure that no effort is made by the Department of the Navy to inhibit, delay, or halt the provision of any U.S. naval system to our allies subject to approval of such system for export, unless approval of such system for export is withheld to safeguard sensitive U.S. warship technology. Further, the conferees agreed that the

Secretary should encourage U.S. industries to participate in the construction of warships—including diesel submarines—outside of the United States where opportunities arise subject to the safeguarding of sensitive warship technology. The Secretary is to take steps to ensure that whenever practicable, at least fifty-one percent of such construction, by dollar value, would be provided by U.S. industries.

Defense industrial base for textile and apparel products (sec. 1456)

Section 1175 of the House amendment would direct the Secretary of Defense to monitor and submit annual reports assessing and making recommendations on the defense industrial base for textile and apparel products. The Senate bill contained no similar provision.

The Senate recedes.

Technology transfer (sec. 1457)

The House amendment contained a provision (sec. 1193) that would amend chapter 139 of title 10, United States Code. The amendment would authorize the Secretary of Defense to encourage the transfer of technology between the Department of Defense and other government and private agencies consistent with national security objectives.

The Senate bill contained no similar provision.

The Senate recedes with an amendment.

Civil Air Patrol (sec. 1458)

The House amendment contained a provision (sec. 1164) that would amend section 9441(b) of title 10, United States Code, relating to the Civil Air Patrol. The provision would grant discretionary authority to the Secretary of the Air Force to authorize reimbursement to the Civil Air Patrol for costs incurred for the purchase of certain items of equipment.

The Senate bill contained no similar provision.

The Senate recedes.

National Science Center for Communications and Electronics (sec. 1459)

The Senate bill contained a provision (sec. 917) that would establish a national center dedicated to communications and electronics.

The House amendment contained a similar provision (sec. 1181).

The House recedes with an amendment.

Limitation on receipt of gratuities at shipbuilding milestone ceremonies (sec. 1461)

Section 1167 of the House amendment would limit to $100 the value of gifts that Federal officers, Federal employees, and Members of Congress could receive either directly or indirectly incident to their attendance at or participation in a shipbuilding milestone ceremony. The limitation on receipt of gifts "directly or indirectly" extends to member of the immediate family of the Federal officers, Federal employees, or Members of Congress.

The Senate bill did not contain a similar provision.

The Senate recedes.

Authority to lease Air Force helicopters to the State of California (sec. 1463)

Section 923 of the Senate bill would authorize the lease of 12 UH-1F helicopters to the Department of Forestry of the State of California for the purpose of fighting forest fires. The House amendment contained no similar provision.

The House recedes.

Establishment of travel offices or acquisition of travel services (sec. 1464)

The House amendment contained a provision (sec. 1192) that would express the sense of Congress that in the procurement of offical travel services the Secretary of each military department should provide for free and open competition among commercial travel agencies, scheduled airline traffic offices (SATO's) and other entities which provide such services.

The Senate bill contained no similar provision.

The conferees agreed, in adopting the House provision, that although competitive procurement of official travel services was in the best interests of the United States government, that certain features of the current SATO system were valuable and should be carried forward in the promulgation of any new Defense or military department implementing directives and regulations.

Accordingly, the conferees directed that the Office of the Secretary of Defense shall, in oversight of the service Secretaries' competitive bidding procedures for the establishment of travel offices or acquisition of travel services, ensure that such activities in the aggregate shall retain the overall capabilities to support the operation of the "War Air Service Program", and a "Contingency Response Program", irrespective of the character of the travel services vendor providing service at each individual base, camp or station. Results of such oversight activities are to be provided to the Committees on Armed Services of the Senate and House of Representatives concurrent with the submission of the President's fiscal year 1989 Defense authorization request.

The Senate recedes.

American stage equipment for United States patriotic events (sec. 1465)

The House amendment contained a provision (sec. 1197) that would express the sense of Congress that performing groups in the Armed Forces should use domestically manufactured entertainment support items at patriotic events in the Capitol building, on the Capitol grounds, and at all Federal buildings, unless there is no domestically manufactured item of comparable quality and price.

The Senate bill contained no similar provision.

The Senate recedes.

Sale of certain recordings of United States Air Force Band (sec. 1466)

The Senate bill contained a provision (sec. 940) that would authorize the commercial sale of the United States Air Force Band concert recorded at Salt Lake City, Utah, on April 18 and 19, 1985.

The House amendment contained a similar provision (sec. 1179).

The Senate recedes.

LEGISLATIVE PROVISIONS NOT ADOPTED

Industrial fund capitalization program

The Senate bill contained a provision (sec. 912) that would amend section 2208(j) of title 10, United States Code, to remove the statutory floors on funding for the industrial fund capitalization program at 4 percent in fiscal year 1986 and 5 percent in fiscal year 1987.

The House amendment contained no similar provision.

The Senate recedes.

Recruits' basic skills deficiencies studies

The Senate bill contained a provision (sec. 933) that would authorize a study of problem areas that may contribute to the expansion and additional costs of the Army's program to counter deficiencies in the basic skills of its recruits. This study would be conducted by a commission that would additionally conduct a full and complete study of the causes of illiteracy.

The House amendment contained no similar provision.

The Senate recedes.

Lieutenant Colonel Harry L. Skryock

The Senate bill contained a provision (sec. 937) that would provide increased survivor benefits under the Survivor Benefit Plan to the widow of Lieutenant Colonel Harry L. Shryock, USAF (Ret.).

The House amendment contained no similar provision.

The Senate recedes.

Local procurement connected with American military bases in the Philippines

Section 938 of the Senate bill would express the sense of the Senate that the United States should increase its purchases of goods and services for American military bases in the Philippines from the local Philippine economy to the maximum extent feasible.

The House amendment contained no similar provision.

The Senate recedes.

Prohibition on certain transfers to foreign governments

The House amendment contained a provision (sec. 1113) that would prohibit technical data packages for large caliber weapons from being transmitted to any foreign government. The Senate bill contained no similar provision.

The House recedes.

Depot-level maintenance of ships homeported on west coast

Section 1114 of the House amendment contained a provision that would require that not less than one-half of depot-level maintenance workload for naval vessels scheduled, as of May 8, 1985, to be carried out in Japan during fiscal years 1986, 1987, and 1988 be carried out in the United States.

The Senate bill contained no similar provision.

The House recedes.

Contracting requirements

Section 1185 of the House amendment would require 10 percent of all Department of Defense procurement, research and development, and Department of Energy military nuclear program contracts to be awarded to minority businesses, historically minority colleges and universities, and minority institutions. The Senate bill contained no similar provision.

The House conferees agreed to recede to the Senate with the understanding that hearings would be held by the Senate Armed Services Committee on the proposal in conjunction with consideration of the fiscal year 1987 defense authorization request.

Education of high school students residing at West Point

The House amendment contained a provision (sec. 1190) that would authorize the Department of Defense to enter into an arrangement under section 6 of the Act of September 30, 1950, with the Highland Falls-Fort Montgomery School District in New York. In this arrangement, the Department of Defense would contract with the

school district for the education of high school students residing at West Point.

The Senate bill contained no similar provision.

The House recedes.

The conferees remain concerned over the long-standing financial difficulties of the Highland Falls-Fort Montgomery School District and other similarly situated public school systems. However, the conferees believe that the Executive Branch already has the authority necessary to enter into the type of arrangement envisioned by the House provision. In addition, there are other administrative actions that the Executive Branch could take to alleviate these impact aid problems. Therefore, the conferees anticipate that the Department of Defense and the Department of Education will promptly cooperate in developing long-term solutions to the problems of the Highland Falls-Fort Montgomery School District and other similarly-situated school systems.

Prohibiting the Department of Defense and the Central Intelligence Agency from providing assistance to the Nicaraguan resistance forces

The House amendment contained a provision (sec. 1209) to prohibit humanitarian assistance to the Nicaraguan Resistance Forces from being provided by the Department of Defense or the Central Intelligence Agency.

The Senate bill contained no similar provision.

The House recedes.

TITLE XV—DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

PART A—PROGRAM AUTHORIZATIONS

The Senate incorporated its action on the fiscal year 1986 authorization request for Department of Energy National Security programs into Division C of S. 1160, the National Defense Authorization Act for Fiscal Year 1986. The Senate bill would authorize appropriations in the total amount of $7,637,710,000, a reduction of $321,000,000 from the request of $7,958,710,000.

The House incorporated its action on this request into Title IX of S. 1160, as amended, the Department of Defense Authorization Act, 1986. The House amendment would authorize appropriations for fiscal year 1986 in the total amount of $7,718,124,000, a reduction of $240,586,000 below the requested amount of $7,958,710,000.

The conferees agreed to an authorization of $7,684,305,000, a reduction of $274,405,000 from the requested amount.

For purposes of comparison, the budget request, the provisions of the Senate bill, the provisions of the House amendment, and the conference agreements on the differences are itemized in the following table. Unless otherwise noted in the body of this report, reductions from the requested amounts are due to budgetary constraints.

Fiscal Year 1986 Department of Energy National Security Programs

[Amounts in millions of dollars]

Program	FY 1986 Authorization Request	S.1160 House Amendment	S.1160 Senate Bill	Conference	Change from Request
Total DOE Operating Expenses	6187.022	6147.356	6062.022	6138.237	-48.785
Total DOE Plant Construction Expenses	1291.301	1115.661	1115.301	1098.961	-192.340
Total DOE Capital Equipment	480.387	477.387	460.387	479.387	-1.000
Subtotal, DOE Defense Activities	7958.710	7740.404	7637.710	7716.585	-242.125
Adjustments	0.000	-22.280	0.000	-32.280	-32.280
Savings (management initiatives)		(-14.000)		(-14.000)	
Proposed Rescission		(-8.280)		(-8.280)	
ADP General Reduction				(-10.000)	
TOTAL, DOE DEFENSE ACTIVITIES	7958.710	7718.124	7637.710	7684.305	-274.405

Fiscal Year 1986 Department of Energy Defense Activities

[Amounts in millions of dollars]

Program	FY 1986 Authorization Request	S.1160 House Amendment	S.1160 Senate Bill	Conference
Section 1511--Operating Expenses				
WEAPONS ACTIVITIES				
Research and Development	920.300	850.300	850.300	850.300
Testing	544.000	539.000	524.000	537.800
Inertial Confinement Fusion	0.000	145.000	145.000	145.000
Glass Laser Experiments		(88.000)		
Gas Laser Experiments		(38.000)		
Pulsed Power Experiments		(19.000)		
Conventional Munitions		(0.000)	(10.000)	(10.000)
Production and Surveillance	1942.400	1893.419	1862.400	1887.400
Program Direction	98.700	98.700	63.700	98.700
Weapons Program	(49.855)	(49.855)	(49.855)	(49.855)
Community Assistance	(48.845)	(48.845)	(13.845)	(48.845)
Total, Weapons Activities	3505.400	3526.419	3445.400	3519.200
MATERIALS PRODUCTION				
Reactor Operations	586.380	581.380	576.380	576.380
Processing of Nuclear Materials	493.145	502.445	488.145	493.145
Special Isotope Separation	(74.800)	(74.800)	(74.800)	(74.800)
Supporting Services	256.575	256.575	256.575	256.575
Plasma Separation Process	(12.700)	(26.000)	(12.700)	(26.000)
Enriched Material	258.900	214.000	208.900	208.900
Program Direction	21.300	21.300	21.300	21.300
Total, Materials Production	1616.300	1575.700	1551.300	1556.300
DEFENSE WASTE AND BYPRODUCT MANAGEMENT				
Interim Waste Management	281.085	271.000	271.085	271.000
Long-term Waste Management Technology	96.567	96.567	96.567	96.567
Terminal Storage	25.070	25.070	25.070	25.070
Program Direction	2.400	2.400	2.400	2.400
Total, Defense Nuclear Waste	405.122	395.037	395.122	395.037

Fiscal Year 1986 Department of Energy Defense Activities

[Amounts in millions of dollars]

Program	FY 1986 Authorization Request	S.1160 House Amendment	S.1160 Senate Bill	Conference
VERIFICATION AND CONTROL TECHNOLOGY				
Verification and Control Technology.....	79.675	79.675	89.675	87.175
Program Direction.....	3.800	3.800	3.800	3.800
Total, Verification & Control Tech....	83.475	83.475	93.475	90.975
NUCLEAR SAFEGUARDS AND SECURITY				
Nuclear Safeguards and Security.....	47.400	47.400	47.400	47.400
Program Direction.....	6.925	6.925	6.925	6.925
Total, Nuclear Materials Security and Safeguards Development.....	54.325	54.325	54.325	54.325
SECURITY INVESTIGATIONS	33.400	33.400	33.400	33.400
NAVAL REACTORS DEVELOPMENT				
Plant Development.....	66.000	66.000	66.000	66.000
Reactor Development.....	261.300	261.300	261.300	261.300
Reactor Operation and Evaluation.....	150.000	150.000	150.000	150.000
Program Direction.....	11.700	11.700	11.700	11.700
Total, Naval Reactors Development.....	489.000	489.000	489.000	489.000
ADP General Reduction.....	0.000	-10.000	0.000	0.000
TOTAL, DOE DEFENSE ACTIVITIES OPERATING EXPENSES.....	6187.022	6147.356	6062.022	6138.237
Section 1512 -- Plant and Capital Equipment				
WEAPONS ACTIVITIES				
86-D-101, General plant projects, various locations.....	29.900	29.900	26.900	26.900
86-D-121, General plant projects, various locations.....	33.700	33.700	28.700	28.700
86-D-103, Decontamination and waste treatment facility, Lawrence Livermore National Laboratory, Livermore, CA.....	1.000	3.700	3.700	3.700
86-D-104, Strategic defense facility, Sandia National Laboratories, Albuquerque, New Mexico.....	8.000	0.000	8.000	4.000
86-D-105 (86-D-132 in Senate bill) Instrumentation systems laboratory, Sandia National Laboratories, Albuquerque, New Mexico.....	0.000	6.200	6.200	6.200
86-D-122, Structural upgrade of existing plutonium facilities, Rocky Flats Plant, Golden, Colorado.....	3.000	3.000	3.000	3.000
86-D-123, Environmental hazards elimination, various locations.....	8.700	8.700	8.700	8.700
86-D-124, Safeguards and site security upgrading, Phase II, Mound Plant, Miamisburg, Ohio.....	3.000	3.000	3.000	3.000
86-D-125, Safeguards and site security upgrading, Phase II, Pantex Plant, Amarillo, Texas.....	1.500	1.500	1.500	1.500

Fiscal Year 1986 Department of Energy Defense Activities

[Amounts in millions of dollars]

Program	FY 1986 Authorization Request	S.1160 House Amendment	S.1160 Senate Bill	Conference
86-D-130, Tritium loading facility replacement, Savannah River Plant, Aiken, South Carolina	5.000	0.000	5.000	5.000
86-D-131, Environmental remedial action, Lawrence Livermore National Laboratory	0.000	0.000	8.800	0.000
86-D-133, Data Communications Center, Los Alamos National Laboratory, New Mexico	0.000	0.000	3.000	3.000
85-D-102, Nuclear weapons research, development, and testing facilities revitalization, Phase I, various locations	81.600	65.400	71.600	65.400
85-D-103, Safeguards and security enhancements, Lawrence Livermore and Sandia National Labs, Livermore, CA	27.900	16.400	16.400	16.400
85-D-105, Combined device assembly facility, Nevada Test Site, Nevada	45.400	0.000	19.200	7.800
85-D-106, Hardened engineering test Building, Lawrence Livermore National Laboratory, Livermore, California	1.900	1.900	1.900	1.900
85-D-112, Enriched uranium recovery improvements, Y-12 Plant, Oak Ridge, TN.	15.300	15.300	15.300	15.300
85-D-113, Power plant and steam distribution system, Pantex Plant, Amarillo, Texas	18.500	18.500	18.500	18.500
85-D-115, Renovate plutonium building utility systems, Rocky Flats Plant, Golden, Colorado	17.700	17.700	17.700	17.700
85-D-121, Air and water pollution control facilities, Y-12 Plant, Oak Ridge, Tennessee	14.000	14.000	14.000	14.000
85-D-123, Safeguards and site security upgrade, Phase I, Pantex Plant, Amarillo Texas	4.000	4.000	4.000	4.000
85-D-124, Safeguards and site security upgrade, Rocky Flats Plant, Golden, CO.	2.400	2.400	2.400	2.400
85-D-125, Tactical bomb production facilities, various locations	11.000	11.000	6.000	6.000
84-D-102, Radiation-hardened integrated circuit laboratory, Sandia National Laboratories, Albuquerque, N.M.	15.500	15.500	15.500	15.500
84-D-104, Nuclear materials storage facility, Los Alamos National Laboratory Los Alamos, New Mexico	12.100	12.100	12.100	12.100
84-D-107, Nuclear testing facilities revitalization, various locations	30.540	14.900	20.540	14.900
84-D-112, Trident II warhead production facilities, various locations	60.700	60.700	60.700	60.700
84-D-113, Antisubmarine warfare/standoff weapon warhead production facilties, various locations	16.000	10.000	0.000	10.000

Fiscal Year 1986 Department of Energy Defense Activities

[Amounts in millions of dollars]

Program	FY 1986 Authorization Request	S.1160 House Amendment	S.1160 Senate Bill	Conference
WEAPONS ACTIVITIES, continued				
84-D-115, Electrical system expansion, Pantex Plant, Amarillo, Texas.....	3.300	3.300	3.300	3.300
84-D-117, Inert assembly and test facility, Pantex Plant, Amarillo, Texas.	0.400	0.400	0.400	0.400
84-D-118, High explosive subassembly facility, Pantex Plant, Amarillo, Texas.	40.000	33.000	33.000	33.000
84-D-120, Explosive component test facility, Mound Facility, Miamisburg, OH	2.300	2.300	2.300	2.300
84-D-211, Safeguards and site security upgrading, Y-12 Plant, Oak Ridge, TN....	7.500	7.500	7.500	7.500
84-D-212, Safeguards and site security upgrade, Pinellas Plant, Florida.....	3.800	3.800	3.800	3.800
83-D-199, Buffer land acquisition, Lawrence Livermore and Sandia National Laboratories, Livermore, California.....	17.000	10.000	7.000	10.000
82-D-107, Utilities and equipment restoration, replacement, and upgrade, Phase III, various locations.....	195.500	175.500	170.000	170.000
82-D-111, Interactive graphics systems various locations.....	6.000	6.000	4.000	4.000
82-D-144, Simulation technology laboratory, Sandia National Laboratories Albuquerque, New Mexico.....	10.300	10.300	10.300	10.300
79-7-0, Universal pilot plant, Pantex Plant, Amarillo, Texas.....	4.500	4.500	4.500	4.500
Total, Weapons Activities.....	758.940	626.100	648.440	624.600
MATERIALS PRODUCTION				
86-D-146, General plant projects, various locations.....	34.800	32.500	29.800	29.800
86-D-149, Productivity retention program, Phase I, various locations.....	27.200	27.200	24.200	24.200
86-D-148, Special isotope separation plant, (design only) site undesignated..	0.000	8.000	0.000	8.000
86-D-150, In-core neutron monitoring system, N reactor, Richland, Washington.	5.460	5.460	4.460	4.460
86-D-151, PUREX electrical system upgrade, Richland, Washington.....	3.500	3.500	2.500	2.500
86-D-152, Reactor electrical distribution system, Savannah River, SC.	4.000	4.000	2.000	2.000
86-D-153, Additional line III furnace, Savannah, River, South Carolina.....	2.000	2.000	1.500	1.500
86-D-154, Effluent treatment facility, Savannah River, South Carolina.....	2.500	2.500	2.500	2.500
86-D-156, Plantwide safeguards systems, Savannah River, South Carolina.....	3.000	3.000	3.000	3.000

Fiscal Year 1986 Department of Energy Defense Activities

[Amounts in millions of dollars]

Program	FY 1986 Authorization Request	S.1160 House Amendment	S.1160 Senate Bill	Conference
86-D-157, Hydrofluorination system - FB-line, Savannah River, South Carolina.	2.200	2.200	2.200	2.200
85-D-137, Vault safety special nuclear material inventory system, Richland, WA.	1.900	1.900	1.900	1.900
85-D-139, Fuel processing restoration, Idaho Fuels Processing Facility, Idaho National Engineering Laboratory, Idaho..	15.000	15.000	12.000	12.000
85-D-140, Productivity and radiological improvements, Feed Materials Production Center, Fernald, Ohio.....	12.000	12.000	12.000	12.000
85-D-145, Fuel production facility, Savannah River, SC.....	16.000	16.000	16.000	16.000
84-D-135, Process facility modifications Purex, Richland, Washington.....	15.000	15.000	12.000	15.000
84-D-136, Enriched uranium conversion facility modifications, Y-12 Plant, Oak Ridge, Tennessee.....	7.200	7.200	7.200	7.200
83-D-148, Non-radioactive hazardous waste management, Savannah River, S.C...	3.100	3.100	3.100	3.100
82-D-124, Restoration of production capabilities, Phases II, III, IV and V, various locations.....	48.900	44.900	43.900	43.900
82-D-201, Special plutonium recovery facilities, JB-line, Savannah River, South Carolina.....	4.400	4.400	4.400	4.400
Total, Materials Production.....	208.160	209.860	184.660	195.660
DEFENSE WASTE AND BYPRODUCTS MANAGEMENT				
86-D-171, General plant projects, interim waste operations and long-term waste management technology, various locations.....	26.451	25.451	24.451	24.451
86-D-172, B plant F filter, Richland, WA	1.000	1.000	1.000	1.000
86-D-173, Central waste disposal facility, Oak Ridge, Tennessee.....	1.000	1.000	1.000	1.000
86-D-174, Low-level waste processing and shipping system, Feed Materials Production Center, Fernald, Ohio.....	2.500	2.500	2.500	2.500
86-D-175, Idaho National Engineering Laboratory security upgrade, Idaho National Engineering Laboratory (INEL), Idaho.....	2.000	2.000	2.000	2.000
85-D-157, Seventh calcined solids storage facility, Idaho Chemical Processing Plant, Idaho National Engineering Laboratory, Idaho.....	14.500	14.500	14.500	14.500
85-D-158, Central warehouse upgrade, Richland, Washington.....	5.000	5.000	5.000	5.000

Fiscal Year 1986 Department of Energy Defense Activities

[Amounts in millions of dollars]

Program	FY 1986 Authorization Request	S.1160 House Amendment	S.1160 Senate Bill	Conference
85-D-159, New waste transfer facilities H-area, Savannah River, S.C.	9.000	9.000	9.000	9.000
85-D-160, Test reactor area security system upgrade, Idaho National Engineering Laboratory (INEL), Idaho	2.250	2.250	2.250	2.250
81-T-105, Defense waste processing facility, Savannah River, S.C.	205.000	165.000	165.000	165.000
Total, Defense Waste & Byproduct Mgmt.	268.701	227.701	226.701	226.701
VERIFICATION AND CONTROL TECHNOLOGY				
85-D-171, Space science laboratory, Los Alamos, New Mexico	4.500	4.500	4.500	4.500
NUCLEAR SAFEGUARDS AND SECURITY				
86-D-186, Nuclear safeguards technology laboratory, Los Alamos National Laboratory, Los Alamos, New Mexico	1.000	1.000	1.000	1.000
NAVAL REACTORS DEVELOPMENT				
86-N-101, General plant projects, various locations	7.500	4.000	7.500	4.000
86-N-104, Reactor modifications, advance test reactor, Idaho National Engineering Laboratory	4.500	4.500	4.500	4.500
82-N-111, Materials facility, Savannah River, S.C.	11.000	11.000	11.000	11.000
81-T-112, Modifications and additions to prototype facilities, various locations	27.000	27.000	27.000	27.000
Total, Naval Reactors Development	50.000	46.500	50.000	46.500
TOTAL, DOE DEFENSE ACTIVITIES PLANT CONSTRUCTION	1291.301	1115.661	1115.301	1098.961
CAPITAL EQUIPMENT				
Weapons Activities	277.750	266.750	267.750	267.750
Inertial Confinement Fusion	0.000	10.000	0.000	10.000
Materials Production	123.440	123.440	113.440	123.440
Defense Waste & Byproducts Management	38.997	38.997	38.997	38.997
Verification and Control Technology	5.600	5.600	5.600	5.600
Nuclear Safeguards and Security	4.600	4.600	4.600	4.600
Naval Reactors Development	30.000	28.000	30.000	29.000
TOTAL, DOE DEFENSE ACTIVITIES CAPITAL EQUIPMENT	480.387	477.387	460.387	479.387
Subtotal, Operating Expenses	6187.022	6147.356	6062.022	6138.237
Subtotal, Plant Construction	1291.301	1115.661	1115.301	1098.961
Subtotal, Capital Equipment	480.387	477.387	460.387	479.387
Less, Adjustments	0.000	-22.280		-32.280
Savings (management initiatives)		(-14.000)		(-14.000)
Proposed Rescission		(-8.280)		(-8.280)
ADP General Reduction				(-10.000)
TOTAL, DOE DEFENSE ACTIVITIES	7958.710	7718.124	7637.710	7684.305

The reports by the respective Houses on the bills containing the National Defense Programs of the Department of Energy for fiscal year 1986 contained details on the budget request and policy guidance and requirements with regard to many aspects of the programs. Unless modifying language is included in this statement of managers, the report language, to include guidance, recommendations and requirements, included in both the report of the House of Representatives (H. Rept. 99-81) and of the Senate (S. Rept. 99-41) is concurred in by the conferees.

OPERATING EXPENSES (SEC. 1511)

Operating expenses, weapon activities (sec. 1511(2))

Research and development

Both the Senate bill and the House amendment contained $850.3 million for weapons research and development. The Senate, however, would allocate $10.0 million of this amount for conventional weapons research and development by the three national weapons laboratories—Sandia National Laboratories, Livermore National Laboratory and Los Alamos National Laboratory. The conferees agree that the national weapons laboratories possess unique capabilities that can be utilized in the development of conventional weapons that are not readily available at other facilities. The conferees, therefore, adopt the Senate position.

Inertial confinement fusion

The budget request contained no discrete amount for the inertial confinement fusion (ICF) program. The department had planned to allocate $70.0 million from the weapon research and development program for this purpose during fiscal year 1986.

The Senate bill and House amendment contained $145.0 million for operating expenses for ICF. The House amendment also apportioned operating expenses among three ICF subprograms: glass laser research, gas laser research, and pulsed power research.

The conferees recommend authorization of $145.0 million for ICF operating expenses and $10.0 million for capitol equipment.

The coinferance allowance for Inertial Confinement Fusion (ICF) research represents a reduction in this important program from the level of effort authorized in prior years. The reason for this reduction, as explained in both the Senate and House reports on this legislation, is the overall constraint placed on the defense budget while research requirements are increasing. The conferees recognize that a decreased authorization level for ICF will require some programmatic changes and will challenge management of the department in the maintenance of the robust program that the Congress has supported for many years.

The conferees believe that such a robust program is possible within the $155.0 million authorized if these funds are efficiently apportioned in consonance with goals established for the ICF program, and according to the technical merit and expected contribution that the various participants in the program can make toward achieving those goals.

As directed by the fiscal year 1985 Department of Energy Authorization Act, the President has appointed a Technical Review Panel to review the ICF program, its accomplishments, goals and future direction. Although this panel has not yet submitted a report, its report is expected to provide valuable assistance to DOE's ICF management team and to the Congress in providing for future authorizations, funding and an organizational structure for the program.

For the above reasons, the conferees recommend the retention of the ICF program as a distinct program from weapons research and development, but do not endorse the allocation of operating expenses between the three major subprograms as in prior years. Not later than October 1, 1985, the Secretary of Energy is directed to report to the Committee on Armed Services of the Senate and House of Representatives, his plan and rationale for apportionment of these funds.

Production and surveillance

The budget request contained $1,942.4 million for weapons production and surveillance activities. The Senate bill contained $1,862.4 million for this purpose. The House amendment would authorize $1,893.419 million. Because of budgetary constraints, the conferees recommend authorization of $1,887.4 million for weapons production and surveillance—a reduction of $55.0 million from the requested amount. The conferees are aware that this reduction may result in delays or curtailment of one or more weapons production programs.

Program direction

Section 3101 of the Senate bill would authorize $63.7 million for program direction activities. Section 911 of the House amendment would authorize $98,700,000 for program direction activities as requested, which included $48,845,000 for community assistance payments under the provisions of section 91 of the Atomic Energy Act of 1954, as amended, known as the Atomic Energy Community Act of 1955.

The difference of $35,000,000 is due to section 932 of the House amendment, which would authorize a one-time final liquidation payment in that amount to the Oak Ridge, Tennessee area communities to terminate their eligibility for any future community assistance payments.

The conferees agreed to authorize the sum of $98,700,000, including the one-time final payment to the Oak Ridge communities, with the condition enumerated in Section 1532, namely, that no funds may be obligated for this purpose until the Department of Energy provides to the Committees on Armed Service of the Senate and House of Representatives a copy of an executed contract for a final financial settlement. Furthermore, the Secretary must report to Congress on the need for further payments under the Atomic Energy Community Act of 1955 not later than February 1, 1986.

Operating expenses, verification and control technology (sec. 1511(3))

The Senate bill would authorize $93.475 million for verification and control technology, an addition of $10 million to expand research in this area both in basic technologies and in novel concepts. The Senate bill also directed a set-aside of $2 million for Argonne National Laboratory to establish a new office to carry out verification technology programs. The House amendment would authorize $83.475 million but contained no set-aside provision.

The House recedes with an amendment authorizing $90.975 million for verification and control technology. The Senate recedes on the set-aside for Argonne National Laboratory.

The conferees understand that all of the nuclear weapons laboratories and the Argonne National Laboratory have submitted proposals to the Department of Energy for the pursuit of verification technology. Subject to the availability of appropriations, the conferees recommend that the Department of Energy consider all of these proposals on their merits.

Operating expenses, nuclear materials production (sec. 1511(4))

Processing of nuclear materials

Section 911 of the House amendment would authorize $502,445,000, and would allocate $74.8 million for the Special Isotope Separation (SIS) program and $26.0 million for the Plasma Separation Process (PSP) program. In addition, section 912 of the House amendment would authorize $8.0 million to initiate the design of the SIS plant (project 86-D-148). The Senate bill would authorize $488,145,000, and contained no similar provision. The conferees recommend authorization of $493,145,000 for this activity, the allocation of $74.8 million for SIS operating expenses, and the approval of project 86-D-148.

It is the intent of the conferees that the Secretary of Energy provide by February 1, 1986 a management plan for the SIS program to the Committees on Armed Services of the Senate and the House of Representatives establishing firm timelines for completion of the production facility authorized by project 86-D-148. This report should address the cost, schedule, siting, and management, to include how SIS technology is to be transferred from the National Laboratory to the operating contractor.

Supporting services

Both the Senate bill and the House amendment would authorize $256,575,000 for supporting services. The conferees recommend authorization of $256.575 million and the allocation of $26.0 million of that amount to the Plasma Separation Process. The House report (H. Rept. 99-81) directs that at least $22,000,000 of that amount be for PSP process development.

Enriched material

The conferees agreed to authorize $208,900,000 for uranium enrichment, a reduction of $50.0 million from the requested amount. A total of $32.0 million of the reduction is associated with work in progress charges; the remainder is due to budgetary constraints.

Operating expenses, defense waste and byproduct management (sec. 1511(5))

The Senate bill would authorize $395,122,000 for defense waste and byproduct management. The House amendment would authorize $395,037,000 for this purpose.

The conferees recommend $395,037,000, of which $271,000,000 is for interim waste management. The conferees are pleased that the Secretary of Energy will conduct experiments to demonstrate the qualification of actual glass waste and production canisters from the Defense Waste Processing Facility at the Waste Isolation Pilot Plant. High level waste will be removed after the completion of the qualification experiments.

PLANT AND CAPITAL EQUIPMENT (SEC. 1512)

Project 86-D-104, strategic defense facility, Sandia National Laboratory

The conferees agree to authorize $8.0 million to begin this facility, with $4.0 million from amounts authorized for Department of Energy defense programs, and $4.0 million from funds authorized for the Strategic Defense Initiative in accordance with the letter dated June 20, 1985 from the Director, Strategic Defense Initiative Organization to the Deputy Assistant Secretary of

Energy. The conferees expect that the $83.8 million total cost of this facility will be shared in some equitable way between the Department of Energy and the SDIO.

Project 86-D-105, instrumentation systems laboratory

Authorization for this project, denoted 86-D-132 in the Senate bill, is contained in both the Senate bill and the House amendment.

Project 86-D-130, tritium loading facility

The Senate bill would authorize $5.0 million for the initial design of this $120.0 million facility. The House amendment contained no similar provision.

The conferees agreed to an authorization of $5.0 million and direct that the Department of Energy reexamine the scope and cost of this facility before beginning construction, and should report to the Armed Services Committee whether, upon reconsideration, the conservative reinforced concrete design and extensive new instrumentation are both necessary and affordable. In particular, the department should explain whether costs can be avoided by using new equipment included in recent improvements to the existing tritium loading facility under projects 84-D-112, 82-D-107, and 82-D-109, which will be available when the existing facility is decommissioned.

Project 86-D-131, environmental remedial action

The Senate bill contained authorization for an $808 million project for environmental remedial action at Lawrence Livermore Laboratory. The House amendment contained no similar provisions. The conferees agreed that funding for this remedial action would be more appropriately included under operating expenses. Accordingly, the Senate recedes on the construction project, and the conferees agreed that the authorization for weapons activities operating expenses of $3.519 billion, an increase of $13.8 million over the department's request, is adequate for purposes of accomodating environmental remedial action.

Project 85-D-105, combined device assembly facility

The Senate bill would authorize $19.2 million to begin construction of this $75.0 million project. The House amendment contained no similar provision; the House report (H. Rept. 99-81, p. 277) expressed concern about the costs and scope of the project.

The conferees agreed to recommend authorization of $7.0 million for initial construction, but to direct the Department of Energy to present to the Committees on Armed Services a conceptual design for a project of significantly reduced size and scope that will still meet the requirements of safety and security.

Project 86-D-148, special isotope separation plant (site undesignated)

The House amendment would authorize $8.0 million to begin this facility. The Senate bill contained no similar provision. The Senate recedes.

Capital equipment

The conferees agreed to recommend authorization of $479,387,000 for capital equipment, including $267,750,000 for weapons activities, $10,000,000 for inertial confinement fusion, $123,440,000 for materials production, and $29,000,000 for naval reactors development.

Chroma laser upgrade

The conferees note that one of the participants in the Inertial Confinement Fusion program has submitted a $4.6 million proposal to upgrade a chroma laser to support the lead laboratory glass laser program.

Because the conferees could not agree on the technical merits of this proposal, the conferees request that the Technical Review Group on Inertial Confinement Fusion, appointed pursuant to section 1633 of the Department of Defense Authorization Act of 1985, review the chroma laser upgrade proposal and provide their findings to the Department of Energy by January, 1986. If this review concludes that the chroma laser upgrade is cost effective, then the conferees recommend that the Secretary of Energy fund the proposal.

PART B—RECURRING GENERAL PROVISIONS

LEGISLATIVE PROVISIONS ADOPTED

Reprogramming (sec. 1521)

The Senate bill contained a provision (sec. 3121) that would permit the Secretary of Energy to reprogram funds authorized with notification of the appropriate committees of Congress. The House amendment contained a provision (sec. 921) that would permit such reprogramming after the appropriate committees of Congress had expressed no objection.

The Senate recedes.

Limits on general plant projects (sec. 1522)

Section 3122 of the Senate bill and section 922 of the House amendment would establish limits on general plant projects.

The House recedes to the Senate limit of $1.2 million for projects authorized under this title.

Limits on construction projects (sec. 1523)

The Senate bill contained a provision (sec. 3123) that would prohibit the start of a construction project under certain conditions unless the Secretary of Energy submits a detailed report to the appropriate committees of Congress. The House amendment contained a nearly identical provision (sec. 923) that would allow construction to begin as long as the appropriate committees of Congress have posed no objection.

The Senate recedes.

Authority for construction design (sec. 1525)

Section 925 of the House amendment would set limits for advanced planning and engineering design for construction projects. The Senate bill contained no similar provision. The Senate recedes.

Availability of funds (sec. 1527)

The provisions in the Senate bill (sec. 3127) and the House amendment (sec. 929) contained minor drafting differences. The House recedes.

Adjustment for pay increases (sec. 1528)

The House amendment contained a provision (sec. 928) that would authorize increased appropriations for program direction, if necessary, for increases in federal employee salaries and benefits. The Senate bill contained no similar provision. The Senate recedes.

PART C—PROGRAM REVISIONS AND MISCELLANEOUS PROVISIONS

LEGISLATIVE PROVISIONS ADOPTED

General reduction (sec. 1531)

Section 931 of the House amendment would reduce authorizations by $32.28 million of which $10.0 million would be derived from reductions in procurement of automatic data processing equipment, $14.0 million for identified management savings and $8.2 million from a proposed rescission of prior year funds. The Senate bill contained no similar provision. The Senate recedes.

Community assistance payments (sec. 1532)

Section 932 of the House amendment would authorize the Secretary of Energy to obligate $4,133 million for a final lump sum financial settlement of future payments under the Atomic Energy Community Act with respect to the Oak Ridge, Tennessee communities. It would further require a report to Congress on future payments to other communities and would require an executed contract from the Oak Ridge communities. The Senate bill contained no similar provision. The Senate recedes.

Improvements to DOE building at Oak Ridge, Tennessee (sec. 1533)

The House amendment contained a provision (sec. 933) that would authorize obligations of not more than $5 million from funds otherwise available to DOE to renovate an existing DOE building at Oak Ridge, Tennessee if the Secretary of Energy determines that renovation is required for research projects to support the Strategic Defense Initiative. This provision contains no new authorization. The Senate bill contained no similar provision. The Senate recedes.

Prohibition of use of funds for certain purposes (sec. 1534)

The House amendment contained a provision (sec. 934) that would prohibit the use of funds appropriated pursuant to this act for eight purposes, including influencing Congress, entertainment and gifts.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment conforming this provision to the language in section 911 relating to Department of Defense contracts. Although the Secretary of Energy is directed to promulgate regulations and is authorized to establish appropriate definitions, exclusions, limitations and qualifications to the list of items for which costs may not be submitted on Department of Energy contracts for defense-related programs, the conferees direct that to the maximum extent practicable such regulations be consistent with those promulgated by the Secretary of Defense. The conferees recognize that there may be instances where, because of the nature of the Department of Energy's contractual relations with laboratories others, regulations implementing this section may be different from those established by the Department of Defense. In the event the Secretary of Energy proposes to establish different criteria than that proposed by the Secretary of Defense, the Secretary of Energy shall provide a report to the Committees on Armed Services of the Senate and the House of Representatives explaining the need for the difference in the treatment of such costs.

Technical amendments (sec. 1535)

Section 935 of the House amendment would correct an erroneous reference contained in the fiscal year 1985 authorization act pertaining to DOD defense programs. The Senate bill contained no similar provisions. The Senate recedes.

TITLE XVI—OTHER GENERAL PROVISIONS

PART A—CIVIL DEFENSE

LEGISLATIVE PROVISIONS ADOPTED

The President's budget request included $119.125 million for civil defense. The Senate bill contained a provision (sec. 4101) that would authorize $119.125 million. The House amendment contained a provision

(sec. 701) that would authorize $141.425 million.

The conferees agreed to an authorization of $130.0 million.

The conferees are concerned about an apparent lack of focus and direction in the current civil defense program. This situation is manifested in the funding emphasis on state and local civil disaster programs, which while meritorious, is a questionable use of national defense budget resources; and in the uncertain policy implications of increased strategic defense emphasis on the civil defense program.

The conferees, therefore, direct the Administration to conduct, as a matter of priority, an extensive and thorough review of national civil defense objectives, policies, and programs. A report of the findings should be submitted to the committees on Armed Services of the Senate and House of Representatives by March 3, 1986 to provide a basis for decision on the civil defense program for fiscal year 1987 and beyond.

PART B—NATIONAL DEFENSE STOCKPILE

LEGISLATIVE PROVISIONS ADOPTED

Funding for National Defense Stockpile (sec. 1611)

The Senate bill contained a provision (sec. 802) that would provide that 30 percent of the net proceeds from the Naval Petroleum Reserves during fiscal year 1986 be deposited to the National Defense Stockpile Transaction Fund.

The House amendment contained a similar provision (sec. 1165(a)) for fiscal year 1986 and thereafter.

The House recedes

Prohibition of reductions of Stockpile Goals (sec. 1612)

The House amendment contained a provision (sec. 1165(c)) that would prohibit the President before October 1, 1986, from lowering the goals for strategic and critical materials in the stockpile below those in effect on October 1, 1984.

The Senate bill contained no similar provision.

The Senate recedes.

Study of loss of production capacity of critical ferroalloy products (sec. 1613)

The Senate bill contained a provision (sec. 924) that would provide for a study by the Department of Defense of the effect on the defense industrial base of the loss of all domestic ferroalloy productive capacity.

The House amendment contained no similar provision.

The House recedes.

LEGISLATIVE PROVISIONS NOT ADOPTED

Authorizing disposal of excess stockpile materials.

The Senate bill contained a provision (sec. 801) that would authorize disposal of specific quantities of 21 materials currently in excess of stockpile requirements.

The House amendment contained no similar provision.

The Senate recedes with the understanding that disposal authority contained in section 902 of Public Law 98-525, the Department of Defense Authorization Act for 1985, remains current and is adequate for fiscal year 1986. In the coming months, the Committees on Armed Services of the Senate and the House of Representatives will be reviewing the issues associated with the National Defense Stockpile including the adequacy of disposal authority and acquisition policy.

Raising the Transaction Fund ceiling on disposal authority

The House amendment contained a provision (sec. 1165(b)) that would increase the unobligated balance permitted in the National Defense Stockpile Transaction Fund to $250 million to provide for the orderly management of the fund. Section 903 of Public Law 98-525 provides that materials may not be sold if the unobligated balance exceeds $100 million after October 1, 1986.

The Senate bill contained no similar provision.

Consistent with the conference agreement on deposit of receipts, the Senate recedes with an amendment that would limit the unobligated balance to $100 million after October 1, 1987.

PART C—OTHER MATTERS

LEGISLATIVE PROVISIONS ADOPTED

Support for the Selective Service System (sec. 1621)

The House amendment contained a provision (sec. 1166) expressing the sense of the Congress that the President should recognize by proclamation the contribution of young men to the success of the peacetime registration program.

The Senate bill contained no similar provision.

The Senate recedes with technical amendments.

Selective service registration requirement (sec. 1622)

The Senate bill contained a provision (sec. 927) stating that anyone born since 1960 and required under law to have registered with the Selective Service System who has failed to so register should be ineligible for employment in any executive agency.

The House amendment contained no similar provision.

The House recedes with four amendments. The amendments state that non-registration must be knowing and willful, require that the burden of proof for judging whether non-registration is knowing and willful falls upon the job applicant, call for a report on the feasibility of extending the employment restriction to those born before 1960, and require a study of the relative costs and benefits of corroborating registration on a spot check or on an individual basis.

Authority to provide Coast Guard commandant residence-to-work transportation provided other service chiefs (sec. 1623)

The House amendment contained a provision (sec. 1162) that would authorize the provision of residence-to-work transportation provided other service chiefs to the Commandant of the Coast Guard.

The Senate bill contained no similar provision.

The Senate recedes.

Acceptance of certain volunteer services (sec. 1624)

The House amendment contained a provision (sec. 1163) that would authorize the Commandant of the Coast Guard to accept voluntary services in military museums and family support programs.

The Senate bill contained no similar provision.

The Senate recedes.

Authority to exempt certain physicians at the United States Soldiers' and Airmen's Home from reductions in retired pay (sec. 1625)

The Senate bill contained a provision (sec. 532) that would authorize the Governor of the United States Soldiers' and Airmen's Home to grant two exceptions from the dual compensation provisions of section 5532 of title 5, United States Code, if necessary to recruit or retain well-qualified physicians for the home.

The House amendment contained no similar provision.

The House recedes.

Management of military records maintained by the National Archives and Records Administration (sec. 1626)

The Senate bill contained a provision (sec. 945) expressing the sense of Congress that the Archivist of the United States should appoint an advisory committee to study the management of military records by the National Archives and Records Administration and to make recommendations to the Archivist on ways to improve the management and maintenance of such records in order to enhance public access. In addition, the provision would require that the Archivist transmit to the Congress a report outlining 5-year, 10-year, and 20-year plans to improve military records management.

The House amendment contained no similar provision.

The House recedes with an amendment providing that the study will be conducted by the Archivist rather than by an advisory committee, and directing the Archivist to submit a single report to the Congress outlining a plan for improving military records management.

Robert C. Byrd honors scholarship program (sec. 1627)

The Senate bill contained a provision (sec. 949) that would rename the Federal Merit Scholarship Program the "Robert C. Byrd Honors Scholarship Program."

The House amendment contained no similar provision.

The House recedes.

National Guard stamp (sec. 1628)

The Senate bill contained a provision (sec. 929) expressing the sense of the Senate that the Postal Service issue a stamp in 1986 commemorating the 350th anniversary of the National Guard.

The House amendment contained no similar provision.

The House recedes.

LEGISLATIVE PROVISION NOT ADOPTED

Employment of local residents

The Senate bill contained a provision (sec. 941) that would require employment of local residents in high unemployment states not contiguous with any other state, or any contract awarded under chapter 137 of title 10 that is for construction or services to be performed in those states.

The House amendment contained no similar provision.

The Senate recedes.

From the Committee on Armed Services on all provisions:

LES ASPIN,
MELVIN PRICE,
WM. L. DICKINSON,

From the Committee on Armed Services on all provisions except sections 711, 713, 933 and 949 of the Senate bill and modifications committed to conference:

CHARLES E. BENNETT,
SAMUEL S. STRATTON,
BILL NICHOLS,
DAN DANIEL,
G.V. MONTGOMERY,
BEVERLY BYRON,
NICHOLAS MAVROULES,

EARL HUTTO,
G. WILLIAM WHITEHURST,
FLOYD SPENCE,
MARJORIE HOLT,
ELWOOD H. HILLIS,
ROBERT BADHAM,
BOB STUMP,
JIM COURTER,

As additional conferees, from the Permanent Select Committee on Intelligence, solely when differences regarding intelligence related activities are under consideration:

LEE H. HAMILTON,
LOUIS STOKES,
DICK CHENEY,

From the Committee on Education and Labor, solely for the consideration of sections, 711, 713, 910, 919, 933, 949, 2136 and 2137 of the Senate bill and section 1190 of the House amendment and modifications committed to conference:

AUGUSTUS F. HAWKINS,
WILLIAM D. FORD,
DALE E. KILDEE,
AUSTIN J. MURPHY,
W. L. CLAY,
PAT WILLIAMS,
JIM JEFFORDS,
BILL GOODLING,
THOMAS E. PETRI,
STEVE BARTLETT,

Managers on the Part of the House.

BARRY GOLDWATER,
STROM THURMOND,
JOHN WARNER,
GORDON J. HUMPHREY,
BILL COHEN,
DAN QUAYLE,
JOHN EAST,
PETE WILSON,
JEREMIAH DENTON,
PHIL GRAMM,
SAM NUNN,
JOHN C. STENNIS,
GARY HART,
J.J. EXON,
CARL LEVIN,
EDWARD M. KENNEDY,
JEFF BINGAMAN,
ALAN J. DIXON,
JOHN GLENN,

Managers on the part of the Senate.

AUTHORIZING THE SECRETARY OF DEFENSE TO PROVIDE FOR AN IMPROVED UNITED STATES/SOVIET DIRECT COMMUNICATION LINK FOR CRISIS CONTROL

Mr. PRICE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate joint resolution (S.J. Res. 108) authorizing the Secretary of Defense to provide to the Soviet Union, on a reimbursable basis, equipment and services necessary for an improved United States/Soviet Direct Communication Link for crisis control, and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

Mr. HENRY. Mr. Speaker, reserving the right to object, I would like to give an opportunity to the gentleman to explain the nature of the Senate joint resolution.

Mr. PRICE. Mr. Speaker, will the gentleman yield?

Mr. HENRY. I yield to the gentleman from Illinois.

Mr. PRICE. Mr. Speaker, for several years now, the Congress has been in the forefront of efforts to devise measures to improve the containment and control of nuclear weapons, and to reduce the risk that conflict could ever arise as a result of accident or misunderstanding.

This upgrade, which was agreed by the United States and the Soviet Union in July 1984, will add a facsimile capability to the Direct Communications Link, or "Hotline." It will allow the United States and Soviet heads of government to exchange messages more rapidly than they can with the existing teletype and for the first time to send graphic materials over the Hotline. The increase in the speed of communication and ability to send pictures and maps could be especially critical in future crises.

We are particularly pleased that the Congress provided the impetus for this important addition to our national crisis prevention capability. In the 1983 Department of Defense Authorization Act, we directed the Secretary of Defense to conduct a full and complete study and evaluation of possible initiatives for improving the containment and control of the use of nuclear weapons, particularly during crisis. We specifically directed that the report address, among other measures, as improved Hotline for crisis control. This legislation results from that study.

The July 1984 agreement provides that the United States will sell to the Soviet Union at cost the equipment necessary to install and maintain the improved Hotline. This equipment will include, in addition to facsimile machines, microprocessor systems to ensure the privacy of communications so necessary to the delicate task of summit-level communications between the United States and the Soviet Union to avert misinterpretation or miscalculation in crisis or emergency.

The U.S. Government examined each component of the new Direct Communications Link system in the context of applicable transfer of technology regulations, and determined that its sale for this purpose was entirely consistent with current U.S. law and policy regarding trade with the U.S.S.R. There is a great deal of difference between selling the U.S.S.R. this equipment for specific purpose of improving our bilateral urgent communications network. The United States will continue to review the sales of other high technology on a case-by-case basis, consistent with our Cocom obligations and our existing strategic trade controls.

The Congress has an important opportunity now to show our continued support for United States-Soviet measures to reduce the risk of war by speedily enacting the attached proposed legislation authorizing the Secretary of Defense, as the executive agent for the Hotline, to provide to the U.S.S.R. the equipment and services required for the upgrade.

We hope you will agree that we have no greater responsibility than to prevent nuclear war from ever occurring. With prompt passage of this bill, we can take one step in that direction.

Mr. HENRY. Mr. Speaker, I thank the gentleman for his explanation, and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 108

Whereas section 1123(a) of the Department of Defense Authorization Act, 1983 (Public Law 97-252), directed the Secretary of Defense "to conduct a full and complete study and evaluation of possible initiatives for improving the containment and control of the use of nuclear weapons, particularly during crises";

Whereas the Congress directed that the same study should address several specific measures for building confidence between the United States and the Soviet Union, including an improved Direct Communications Link for crisis control;

Whereas the Secretary of Defense responded to that congressional mandate with a report entitled "Report to the Congress on Direct Communications Links and Other Measures to Enhance Stability" in which the Secretary proposed several improvements to existing United States-Soviet mechanisms for the prevention and resolution of crises, including the addition of a facsimile capability to the United States/Soviet Union Direct Communications Link;

Whereas the President of the United States presented the recommendations of the Secretary of Defense to the Government of the Soviet Union in May 1983;

Whereas the United States and the Soviet Union commenced negotiations on bilateral communications improvements in August 1983, and on July 17, 1984, concluded the exchange of Notes Between the United States of America and the Union of Soviet Socialist Republics Concerning the Direct Communications Link Upgrade in which the two governments agreed to add a facsimile capability to the Direct Communications Link;

Whereas the Congress endorses that agreement and remains committed to all possible measures to facilitate the resolution of international crises and to limit the danger of conflict;

Whereas the Secretary of Defense is responsible for the installation, maintenance, and operation of the Direct Communications Link equipment for the United States; and

Whereas the Exchange of Notes between the United States of America and the Union of Soviet Socialist Republics Concerning the Direct Communications Link Upgrade provides that the United States Government will provide to the Union of Soviet Socialist Republics, at cost, the equipment and serv-

ices necessary for the Soviet Union part of the improved Direct Communications Link: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Defense may provide to the Soviet Union, as provided in the exchange of Notes Between the United States of America and the Union of Soviet Socialist Republics Concerning the Direct Communications Link Upgrade, concluded on July 17, 1984, such equipment and services as may be necessary to upgrade or maintain the Soviet Union part of the Direct Communications Link agreed to in the Memorandum of Understanding between the United States and the Soviet Union signed June 20, 1963. The Secretary shall provide such equipment and services to the Soviet Union at the cost thereof to the United States.

SEC. 2. (a) The Secretary of Defense may use any funds available to the Department of Defense for the procurement of the equipment and providing the services referred to in the first section.

(b) Funds received from the Soviet Union as payment for such equipment and services shall be credited to the appropriate account of Department of Defense.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

□ 1410

SENATOR JOHN C. STENNIS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Mississippi [Mr. MONTGOMERY] is recognized for 5 minutes.

● Mr. MONTGOMERY. Mr. Speaker, I want to share with my colleagues the news of a very special event which will take place in my congressional district on Saturday, August 3. Kemper County, MS, will honor its most famous resident on that day—Senator JOHN C. STENNIS.

It has been an honor for me to work with Senator STENNIS in Washington for the past two decades. He has served with dignity and distinction, and in the finest tradition of a southern gentleman. The strong and steady leadership he has provided has been an asset not only for the State of Mississippi, but the entire Nation.

Senator STENNIS is the dean of the other body, serving there for 38 years, the third longest tenure in American history. He has achieved stature as one of this country's greatest statesmen and has been a trusted adviser to Presidents from both political parties. But during that time, he has never forgotten his roots. He has always counted on the people back home for strength and advice.

There is no greater tribute, in my opinion, than to be honored by your hometown folks—the people who know you best. I can think of no one more deserving.

Mr. Speaker, I know my colleagues from both sides of the aisle join with me in sending our best wishes and admiration to Senator JOHN STENNIS on this very special day.●

EULOGY FOR ANNE MARY WATSON

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. ANNUNZIO] is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, I rise to call to the attention of my colleagues a eulogy that was delivered in memory of Anne Mary Watson by Edward F. McElroy, director of special events for radio stations WJJD-WJEZ in Chicago.

Anne Watson was an outstanding citizen and a dedicated employee of the First National Bank of Chicago for 42 years. She had been senior account executive in the women's banking department prior to her retirement in 1983.

Ms. Watson passed away on July 7 and was buried on Wednesday, July 10, from St. Cletus Catholic Church in La Grange, IL. She is survived by her sister and a host of friends who greatly admired her and her many achievements.

The text of the eulogy delivered by Mr. McElroy follows:

ANNE MARY WATSON

The good Lord has spoken today, and He has said to one Anne Mary Watson, "Come little darling, come follow Me." Those are the words that those who surrounded this lovely woman heard for so many years as she gave so much of herself to these people that were seeking her dedicated devotion and the First National Bank of Chicago.

We find ourselves here today, which those of us of the Catholic faith recognize as the holy sacrifice of the Mass, but in Webster's dictationary there is another word called "mass." It is defined as relating to the mass of people. It also says "participating in or effecting a large number of individuals."

In all my years in radio, TV work, mc'ing and being toastmaster of thousands of affairs, I never knew a person who constantly contributed so much joy to so many people. The world of banking is considered a very serious business, and a big business, but when you went into the First National Bank of Chicago and you were within a hundred yards of one Anne M. Watson, you felt that you were in the "world of fun." I remember so well when she worked with our good friends, Walter Clow and Carl Kirstberg, and then she moved up to West Madison Street. I can see her today waving out to me, and hundreds of others as they passed by. Then, I didn't know if she got into trouble or not, but there I found her distributing luggage, and I found myself one of those recipients only because "Miss Joy" of the First National Bank had set up shop.

The women of Chicago and Cook County got the break of their lives when "tender Anne" became the senior account executive in the women's banking department. At first, I could not visualize how these women, most of them being at the age of seventy or over, would take to this new executive in a place that would be quieter than where we are today, but maybe it was something that had to be, for these "ladies of money" to have a bombshell of fun and laughter in their wealthy lives. Yes, it happened; our Anne took the place by storm.

I can remember many times, when I stopped by the bank just to have an audience with this loved one of ours.

I also remember going to that wild Christmas party that women's banking held last year. I walked 6 blocks in the rain because I knew our Anne would be there, and I had not seen her since she retired. I knew she had been sick, but, at no time, did this "lady of fun and laughter" ever tell me of her physical problems. How grateful I am today that I saw her, and will always remember her as a real "stand-up act" for everyone around that could reap the joy of life.

Will you ever forget that luncheon that was held in her honor upon her 42 years of dedicated and loyal service to the First National Bank of Chicago. Never before, and never again, will such a luncheon ever be held for anyone who has contributed so much service to people, who at times seemed so lost. But, once they got into the hands of this "lovely lady," they entered the world of ease and comfort.

Yes, Dear Anne, we no longer will see you, the one we loved and respected so much, but it would be completely impossible to ever forget you. I think you have been what many of us might have envied to be; a person created by God to serve and give your life to so many people in this world of ours.

In closing, as they say in the holy sacrifice of the Mass, Pax. Also, may I say, and I hope it is appropriate here and I mean no wrong, as Anne would say, "Hi honey! I'll see you later."●

CONFERENCE REPORT ON H.R. 2577

Mr. WHITTEN submitted the following conference report and statement on the bill (H.R. 2577) making supplemental appropriations for the fiscal year ending September 30, 1985, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 99-236)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2577) making supplemental appropriations for the fiscal year ending September 30, 1985, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 12, 13, 20, 22, 24, 27, 28, 31, 33, 38, 39, 42, 46, 47, 48, 52, 54, 64, 67, 68, 69, 74, 81, 82, 83, 89, 90, 94, 95, 97, 98, 99, 100, 103, 107, 108, 115, 116, 118, 119, 120, 122, 123, 124, 125, 126, 127, 137, 138, 139, 140, 141, 142, 144, 146, 152, 154, 162, 175, 177, 181, 186, 187, 188, 189, 190, 192, 195, 196, 197, 205, 207, 212, 213, 225, 226, 228, 229, 233, 242, 245, 251, 254, 265, 275, 276, 277, 278, 279, 280, 281, 283, 284, 285, 291, 293, 294, 295, 323, 325, 327, 328, 329, 332, 335, 338, and 339.

That the House recede from its disagreement to the amendments of the Senate numbered 26, 30, 44, 49, 53, 55, 59, 85, 101, 104, 105, 114, 117, 151, 158, 165, 169, 171, 172, 174, 176, 191, 206, 208, 209, 215, 220, 221, 231, 232, 237, 239, 250, 252, 255, 259, 269, 270, 282, 287, 292, 296, 297, 298, 301, 302, 303, 308, 309, 311, 312, 313, 314, 315, 316, 317, 318, 320, 322, 326, 333, 336, and 337, and agree to the same.

Amendment numbered 18:

That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows:

In lieu of the matter proposed by said amendment insert:

AGRICULTURAL MARKETING SERVICE

MARKETING SERVICES

And the Senate agree to the same.

Amendment numbered 19:

That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows:

In lieu of the sum named in said amendment insert: *$700,000*; and the Senate agree to the same.

Amendment numbered 25:

That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert: *$17,000,000*; and the Senate agree to the same.

Amendment numbered 34:

That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$7,000,000*; and the Senate agree to the same.

Amendment numbered 66:

That the House recede from its disagreement to the amendment of the Senate numbered 66, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment insert: *September 30, 1987*; and the Senate agree to the same.

Amendment numbered 72:

That the House recede from its disagreement to the amendment of the Senate numbered 72, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$12,781,000*; and the Senate agree to the same.

Amendment numbered 76:

That the House recede from its disagreement to the amendment of the Senate numbered 76, and agree to the same with an amendment, as follows:

Restore the matter stricken by said amendment amended as follows:

In lieu of the sum named in said amendment insert: *$1,000,000*; and the Senate agree to the same.

Amendment numbered 79:

That the House recede from its disagreement to the amendment of the Senate numbered 79, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$4,134,000*; and the Senate agree to the same.

Amendment numbered 88:

That the House recede from its disagreement to the amendment of the Senate numbered 88, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$2,879,000*; and Senate agree to the same.

Amendment numbered 161:

That the House recede from its disagreement to the amendment of the Senate numbered 161, and agree to the same with an amendment, as follows:

Restore the matter stricken by said amendment, amended as follows:

In lieu of the sum named in said amendment insert: *$4,000,000*; and Senate agree to the same.

Amendment numbered 163:

That the House recede from its disagreement to the amendment of the Senate numbered 163, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$20,000,000*; and Senate agree to the same.

Amendment numbered 218:

That the House recede from its disagreement to the amendment of the Senate numbered 218, and agree to the same with an amendment, as follows:

Restore the matter stricken by said amendment, amended as follows:

In lieu of the sum named by said amendment insert: *$20,000,000*; and Senate agree to the same.

Amendment numbered 238:

That the House recede from its disagreement to the amendment of the Senate numbered 238, and agree to the same with an amendment, as follows:

In lieu of the matter inserted by said amendment, insert the following:

For an additional amount for "Rehabilitation services and handicapped research", for activities under 130 of the Rehabilitation Act of 1973, $715,000.

And the Senate agree to the same.

Amendment numbered 240:

That the House recede from its disagreement to the amendment of the Senate numbered 240, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert the following:

For an additional amount to carry out the Carl D. Perkins Vocational Education Act, $100,000,000 for basic grants under title II.

And the Senate agree to the same.

Amendment numbered 266:

That the House recede from its disagreement to the amendment of the Senate numbered 266, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$650,000*; and the Senate agree to the same.

Amendment numbered 267:

That the House recede from its disagreement to the amendment of the Senate numbered 267, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$2,100,000;* and the Senate agree to the same.

Amendment numbered 305:

That the House recede from its disagreement to the amendment of the Senate numbered 305, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$254,825,000*; and the Senate agree to the same.

Amendment numbered 306:

That the House recede from its disagreement to the amendment of the Senate numbered 306, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment insert: *$112,854,000*; and the Senate agree to the same.

Amendment numbered 324:

That the House recede from its disagreement to the amendment of the Seante numbered 324, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$7,000,000*; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 14, 15, 16, 17, 21, 23, 29, 32, 35, 36, 37, 40, 41, 43, 45, 50, 51, 56, 57, 58, 60, 61, 62, 63, 65, 70, 71, 73, 75, 77, 78, 80, 84, 86, 87, 91, 92, 93, 96, 102, 106, 109, 110, 111, 112, 113, 121, 128, 129, 130, 131, 132, 133, 134, 135, 136, 143, 145, 147, 148, 149, 150, 153, 155, 156, 157, 159, 160, 164, 166, 167, 168, 170, 173, 178, 179, 180, 182, 183, 184, 185, 193, 194, 198, 199, 200, 201, 202, 203, 204, 210, 211, 214, 216, 217, 219, 222, 223, 224, 227, 230, 234, 235, 236, 241, 243, 244, 246, 247, 248, 249, 253, 256, 257, 258, 260, 261, 262, 263, 264, 268, 271, 272, 273, 274, 286, 288, 289, 290, 299, 300, 304, 307, 310, 319, 321, 330, 331, 334, 340, and 341.

JAMIE L. WHITTEN,
EDWARD P. BOLAND,
WILLIAM H. NATCHER,
NEAL SMITH,
JOSEPH P. ADDABBO,
SIDNEY R. YATES,
EDWARD R. ROYBAL,
TOM BEVILL,
WILLIAM LEHMAN,
JULIAN C. DIXON,
VIC FAZIO,
SILVIO O. CONTE,
JOSEPH M. MCDADE,
JOHN T. MYERS,
LAWRENCE COUGHLIN,
JACK F. KEMP,
RALPH REGULA,
GEORGE M. O'BRIEN,

Managers on the Part of the House.

MARK O. HATFIELD
(except amendment No. 154),
TED STEVENS,
LOWELL P. WEICKER,
JAMES A. MCCLURE,
PAUL LAXALT,
JAKE GARN,
THAD COCHRAN,
MARK ANDREWS,
JAMES ABDNOR,
BOB KASTEN,
ALFONSE M. D'AMATO,
MACK MATTINGLY,
WARREN RUDMAN,
JOHN C. STENNIS,
ROBERT C. BYRD,
WILLIAM PROXMIRE,
DANIEL K. INOUYE,
ERNEST F. HOLLINGS,
LAWTON CHILES,
J. BENNETT JOHNSTON,
QUENTIN N. BURDICK,
PATRICK J. LEAHY,
JIM SASSER,
DENNIS DECONCINI,
DALE BUMPERS,
FRANK R. LAUTENBERG,

Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2577) making supplemental appropriations for the fiscal year ending September 30, 1985, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

TITLE I

CHAPTER I

DEPARTMENT OF AGRICULTURE

OFFICE OF THE SECRETARY

Amendment No. 1: Deletes Senate language which provided a rescission of $69,000 for the Office of the Secretary.

DEPARTMENTAL ADMINISTRATION

(RESCISSION)

Amendment No. 2: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter inserted by said amendment, insert the following:

DEPARTMENTAL ADMINISTRATION

(RESCISSION)

Of available funds under this head, for budget and program analysis, $7,000; for personnel, finance and management, operations, information resources management, equal opportunity, small and disadvantaged business utilization, and administrative law judges and judicial officer, $42,000; making a total of $49,000, are rescinded pursuant to section 2901 of the Deficit Reduction Act of 1984.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement rescinds $49,000 for Departmental Administration instead of $149,000 as proposed by the Senate.

AGRICULTURAL RESEARCH SERVICE

(RESCISSION)

Amendment No. 3: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which provides a rescission of $1,000,000 for the Agricultural Research Service.

COOPERATIVE STATE RESEARCH SERVICE

Amendment No. 4: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate regarding the relocation of the Fort Stanton Experiment Station in order to make room for a new Ruidoso airport.

Amendment No. 5: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter inserted by said amendment, insert the following:

For an additional amount for graduate fellowship grants under section 1417 of Public Law 95-113, as amended (7 U.S.C. 3152), $2,000,000, to remain available until expended.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement adopts the Senate language but provides that the appropriation remains available until expended.

Amendment No. 6: Reported in technical disagreement., The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter inserted by said amendment, insert the following:

For an additional amount for a grant to Mississippi State University to conduct a program for and to promote research excellence in the area of warmwater aquaculture, including such lands, buildings, and equipment as may be necessary to carry out the program, $3,500,000, including $700,000 made available by Public Law 98-473 which shall be transferred to and merged with this appropriation, to remain available until expended, and to be matched by an equal non-Federal share.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement adopts the Senate language but adds the proviso that the $3,500,000 shall include the $700,000 appropriated for this project under Public Law 98-473 and be matched by a like amount from non-Federal sources.

Amendment No. 7: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter inserted by said amendment, insert the following:

For an additional amount for a grant to the University of Kansas for the evaluation and transfer of remote sensing applications to agricultural users, $200,000.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement appropriates $200,000 to the University of Kansas for a grant for the evaluation and transfer of remote sensing applications to agricultural users as proposed by the Senate but deletes the U.S. Code citation. This program will further strengthen the work now underway at USDA in remote sensing applications and will be done in cooperation with the State agricultural experiment station.

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

(INCLUDING RESCISSION)

Amendment No. 8: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which adds the subheading "(Including Rescission)".

Amendment No. 9: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which provides an appropriation of not to exceed $19,000,000, including the restoration of funds borrowed from various APHIS accounts by the Secretary, to conduct a grasshopper control program. The conferees have been advised that the Administration has no objection to the restoration of funds needed to fulfill the Department's commitment.

Amendment No. 10: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which provides a rescission of $400,000 for the Animal and Plant Health Inspection Service.

ECONOMIC RESEARCH SERVICE

(INCLUDING RESCISSION)

Amendment No. 11: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which adds the subheading "(Including Rescission)".

Amendment No. 12: Deletes Senate language which specified that funding for a study to be done by the Economic Research Service shall be from within available funds.

Amendment No. 13: Deletes Senate language which directed the Secretary to conduct a study on marketing initiatives.

Amendment No. 14: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which an amendment as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following: *"$500,000, to remain available until expended".*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement appropriates $500,000 as proposed by the House instead of "at a cost not to exceed $500,000" as proposed by the Senate, and provides that the funds will remain available until expended.

The net effect of the conference agreement on amendments 12-14 is to provide $500,000 for a study on the impact of embargoes as proposed by the House, to remain available until expended. The Senate language proposed that two studies be done out of available funds at a cost not to exceed $500,000.

Amendment No. 15: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which provides a rescission of $50,000 for the Economic Research Service.

STATISTICAL REPORTING SERVICE

(INCLUDING RESCISSION)

Amendment No. 16: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which adds the subheading "(Including Rescission)".

Amendment No. 17: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which provides a rescission of $100,000 for the Statistical Reporting Service.

AGRICULTURAL MARKETING SERVICE

MARKETING SERVICES

Amendment No. 18: Inserts a paragraph heading for the Agricultural Marketing Service, Marketing Services as proposed by the Senate, but deletes Senate subheading "(Including Rescission)". The House bill did not include this account.

Amendment No. 19: Appropriates $700,000 for the egg products inspection program instead of $850,000 as proposed by the Senate. The House bill contained no similar provision.

Amendment No. 20: Deletes Senate language which provided a rescission of $150,000 for the Agricultural Marketing Service.

PACKERS AND STOCKYARDS ADMINISTRATION

(RESCISSION)

Amendment No. 21: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which provides a rescission of $85,000 for the Packers and Stockyards Administration.

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

Amendment No. 22: Restores House language which provides that effective May 1, 1985, the Agricultural Stabilization and Conservation Service may not close any State or county office. The conferees agree that the House language shall not prevent

the Department of Agriculture from conducting a study on improvements in program management, program delivery, and common support activities, which shall be reported to the Congress.

COMMODITY CREDIT CORPORATION

REIMBURSEMENT FOR NET REALIZED LOSSES

Amendment No. 23: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter inserted by said amendment, insert the following:

None of the funds provided for fiscal year 1985 in this or any other Act shall be available to restrict the authority of the Commodity Credit Corporation to lease space for its own use or to lease space on behalf of other agencies of the Department of Agriculture when such space will be jointly occupied.

Notwithstanding any other provision of this Act, the amount appropriated by this Act for the Commodity Credit Corporation, reimbursement for net realized losses, shall be $2,935,790,000.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement adopts the Senate language which provides that the authority of the Commodity Credit Corporation to lease space shall not be restricted and reduces the reimbursement for net realized losses for CCC by $1,000,000,000 to reflect enactment of the Urgent Supplemental (Public Law 99-71) approved July 24, 1985.

OFFICE OF RURAL DEVELOPMENT POLICY

Amendment No. 24: Restore House language which provides that $209,000 of the funds appropriated to the Office of Rural Development Policy shall remain available until September 30, 1986.

FARMERS HOME ADMINISTRATION

SALARIES AND EXPENSES

Amendment No. 25: Appropriates $17,000,000 for salaries and expenses of the Farmers Home Administration as proposed by the House instead of $16,866,000 as proposed by the Senate.

The conference agreement also deletes House language which required the Farmers Home Administration to determine on a case-by-case basis which borrowers were unable to continue making payments of principal and interest due to circumstances beyond their control and, once qualified, the Secretary was required to suspend payment of principal and interest and forego foreclosure. The conferees delete this language in view of 7 U.S.C. 1981a, which gives the authority to the Secretary to defer payment of principal and interest and forego foreclosure where appropriate. The conferees will expect the Secretary to utilize this authority.

LOAN PROGRAMS

Amendment No. 26: Adds "upon request of the borrowers," as proposed by the Senate to the House language which requires the Farmers Home Administration to set loan interest rates at the lower of the rate in effort at either the time of loan approval or loan closing.

RURAL ELECTRIFICATION ADMINISTRATION

Amendment No. 27: Deletes Senate language which provided a rescission of $100,000 for the Rural Electrification Administration.

SOIL CONSERVATION SERVICE

Amendment No. 28: Deletes Senate language which provided a rescission of $2,000,00 for the Soil Conservation Service.

FOOD AND NUTRITION SERVICE

CHILD NUTRITION PROGRAMS

Amendment No. 29: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter inserted by said amendment, insert the following:

CHILD NUTRITION PROGRAMS

Upon request to the Secretary of Agriculture, any school district receiving all cash or all letters of credit in lieu of commodities under the school lunch program on January 1, 1985, shall continue to receive all cash in lieu of commodities or all letters of credit in lieu of commodities through December 31, 1985. Such school districts shall receive bonus commodities in the same manner as such commodities are made available to any other school district participating in the school lunch program.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement provides that, upon request to the Secretary of Agriculture, any school district receiving all cash or all letters of credit in lieu of commodities under the school lunch program on January 1, 1985, shall continue to do so through December 31, 1985, and that such school districts shall receive bonus commodities in the same manner as any other school district. The conference agreement extends the arrangement for cash or letters of credit in lieu of commodities until December 31, 1985. This action will allow the legislative committees of Congress time to work their will, now that the cash/letter of credit ("CLOC") study has been completed.

FEEDING PROGRAM FOR WOMEN, INFANTS AND CHILDREN [WIC]

Amendment No. 30: Deletes House language regarding the availability of 1985 funds for the WIC program. An official budget request for the remainder of the funds was transmitted from the President to the Congress on June 7, 1985, making the House language unnecessary.

FOOD STAMP PROGRAM

Amendment No. 31: Deletes Senate language which proposed the subheading "(Including Rescission)".

Amendment No. 32: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which allows publicly operated community health centers to redeem food stamps for their residents who would otherwise be eligible for food stamps were they not living in those centers.

Amendment No. 33: Deletes Senate language which proposed a rescission of $5,000,000. The conferees are aware that the cost of printing food stamps will be somewhat less than originally estimated; however, these funds will be needed for other program costs.

TEMPORARY EMERGENCY FOOD ASSISTANCE PROGRAM

Amendment No. 34: Appropriates $7,000,000 instead of $4,270,000 as proposed by the House and $10,000,000 as proposed by the Senate, for the temporary emergency food assistance program.

Amendment No. 35: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter inserted by said amendment, insert the following:

to remain available through March 31, 1986: Provided, That the Secretary of Agriculture shall review the reported condition of the "street people" and other disadvantaged people in cities and counties throughout the Nation, including those reported in Tunica County, Mississippi, and report to the House and Senate Committees on Appropriations his recommendations for correcting or improving the situation which exists

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The net effect of the conference agreement for amendments 34 and 35 is to provide $7,000,000 to be available through March 31, 1986 for the Temporary Emergency Food Assistance Program. In addition, the conference agreement also requires the Secretary of Agriculture to report to the House and Senate Committees on Appropriations regarding actions to correct and improve the situation of the "street people" and other disadvantaged people in various cities and counties throughout the Nation, including Tunica County, Mississippi.

NATIONAL COMMODITY PROCESSING PROGRAM

Amendment No. 36: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which extends the national commodity processing program through June 30, 1986.

FOREIGN AGRICULTURAL SERVICE

(RESCISSION)

Amendment No. 37: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which provides a rescission of $100,000 for the Foreign Agricultural Service.

CHAPTER II

DEPARTMENT OF COMMERCE

GENERAL ADMINISTRATION

Amendment No. 38: Appropriates $992,000 as proposed by the House instead of $369,000 as proposed by the Senate. The Conferees agree that the funds provided are for the conversion of the Department's payroll and personnel systems to a standardized computer-based system.

BUREAU OF THE CENSUS

PERIODIC CENSUSES AND PROGRAMS

Amendment No. 39: Deletes a rescission of $791,000 that was proposed by the Senate.

ECONOMIC DEVELOPMENT ADMINISTRATION

ECONOMIC DEVELOPMENT ASSISTANCE PROGRAMS

Amendment No. 40: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate that appropriates $30,730,000 for projects in New Hampshire, South Carolina and Oregon.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

OPERATIONS, RESEARCH, AND FACILITIES

Amendment No. 41: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter proposed by said amendment, insert the following:

OPERATIONS, RESEARCH, AND FACILITIES

For an additional amount for "Operations, research, and facilities", $126,100,000, to remain available until expended.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement includes $125,000,000 for the fiscal year 1985 and fiscal year 1986 expenses associated with the commercialization of the LANDSAT system; $500,000 for the refurbishment of the manned undersea research laboratory AEGIR; and $600,000 for NOAA's share of research in support of the United States/Canada Pacific Salmon Treaty. The conferees have not approved funding of a study of State and Federally funded salmon hatcheries in the States of Washington, Oregon, and Idaho.

Amendment No. 42: Deletes language proposed by the Senate regarding the availability of funds for commercialization of the LANDSAT system. The conferees have been informed by the National Oceanic and Atmospheric Administration and the National Aeronautics and Space Administration that NOAA's total launch and conversion costs for two satellites will not exceed $44,900,000 in 1985 dollars. On that basis, the conferees have not included language in the bill proposed by the Senate concerning this matter.

FISHERMEN'S GUARANTY FUND

Amendment No. 43: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which appropriates $2,500,000 to compensate U.S. commercial fishing vessel owners who have entered into guaranty agreements for certain losses and costs caused by the seizure and detention of their vessels by foreign countries claiming oceanic rights not recognized by the United States.

FISHERIES LOAN FUND

Amendment No. 44: Deletes House language, as proposed by the Senate, that would have rescinded $1,550,000 for loan-making purposes.

NATIONAL BUREAU OF STANDARDS

SCIENTIFIC AND TECHNICAL RESEARCH AND SERVICES

Amendment No. 45: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter inserted by said amendment, insert the following:

NATIONAL BUREAU OF STANDARDS

SCIENTIFIC AND TECHNICAL RESEARCH AND SERVICES

(RESCISSION)

Of available funds under this head, $500,000 are rescinded pursuant to section 2901 of the Deficit Reduction Act of 1984.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees intend that none of the funds appropriated for fiscal year 1985 shall be used toward the planning or construction of a Cold Neutron Research Hall.

GENERAL PROVISION

Amendment No. 46: Deletes a general provision inserted by the Senate concerning forgiveness of Economic Development Administration repayment requirements for the Fairley Group Building located in the Pike Place Market, King County, Washington.

The conferees are sympathetic to the current situation in King County, Washington with regard to this matter. The Congress is currently considering legislative options for the revision and continuation of the Economic Development Administration. The conferees expect EDA and the Department of Commerce to delay the pay back provision related to the sale of the Fairley Group Building until May 15, 1986 so that special hearings might be held and a legislative solution might be devised to address this situation.

RELATED AGENCIES

DEPARTMENT OF TRANSPORTATION

MARITIME ADMINISTRATION

OPERATIONS AND TRAINING

Amemdment No. 47: Restores a hearing proposed by the House and Stricken by the Senate, and deletes a heading inserted by the State.

Amendment No. 48: Deletes language proposed by the Senate that would have rescinded $888,000 of fiscal year 1985 appropriations.

The conferees intend that the use of the $888,000 proposed by the Administration for rescission in 1985 pursuant to the Deficit Reduction Act of 1984 be used to make the *Santa Mercedes* ready for use as an appropriate replacement training vessel for the Massachusetts Maritime Academy. The additional amount will enable the Academy to realize some essential and important elements of maritime education and to improve training capacity aboard the vessel. The conferees understand that the ship is now without a single classroom and navigation laboratory and that some areas of the ship, such as the number four Hold cannot be utilized at all, since they do not meet U.S. Coast Guard requirements. The conferees are also aware that although the vessel is Federally-owned, the Academy has committed some of its own resources and has acquired by gift and purchase, a variety of equipment for educational and training purposes which cannot be installed due to the inability to use the number four Hold. The additional funds provided through this action will enable the Maritime Administration to provide access to and bring the number four Hold up to Coast Guard requirements so that it may be utilized to provide subminimal classroom space and a multi-use navigational laboratory, and to provide a crane for the foredeck Hold, which is presently unusable.

The conferees are agreed that the funds appropriated in the 1984 Supplemental Appropriations Act (Public Law 98-396) for the acquisition and preconversion costs of a training vessel for the State University of New York should be obligated as soon as possible in accordance with the statutory language contained in that Act.

GENERAL PROVISION

Amendment No. 49: Deletes a general provision proposed by the House prohibiting the funds in this or any other Act from being used for the enforcement of any rule with respect to the repayment of construction differential subsidy for the permanent release of vessels from the restrictions in section 506 of the Merchant Marine Act.

The conferees are aware that the Congress is currently considering a legislative solution that will deal with this matter. In addition, there is a court case pending regarding the legal aspects of the rule promulgated by the Department of Transportation on this issue. The conferees encourage the Secretary of Transportation and the Maritime Administration to delay enforcement of this rule for the balance of this fiscal year or until the pending U.S. District Court decision has been rendered and there is an opportunity in September to adopt the pending legislative solution, whichever is sooner. The conferees express no opinion with respect to the merits of the law suit.

FEDERAL COMMUNICATIONS COMMISSION

SALARIES AND EXPENSES

Amendment No. 50: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which authorizes the Federal Communications Commission to utilize not to exceed $5,000,000 out of appropriations for fiscal years 1986 and 1987 to relocate its Fort Lauderdale, Florida monitoring station within the State of Florida, subject to certain conditions and considerations.

INTERNATIONAL TELECOMMUNICATIONS SATELLITE SERVICE

The House and Senate reports were not in agreement regarding the issue of international telecommunications satellite service. Since both bodies acted, but prior to the completion of the Conference, the FCC acted on the pending applications. (Three Commissioners voted in favor, and two withheld their vote.) Some Members of Congress are disturbed by this. The Conferees strongly believe that the following agreed-upon language provides essential guidance to the Commission and the Executive Branch. It should be followed.

Regarding the provision of international telecommunications satellite service, the Conferees strongly believe that the Executive Branch or the FCC, in any action, shall endeavor to avoid significant economic harm to Intelsat.

In addition, with regard to this issue, the Conferees agree on the following:

1. Presidential Determination No. 85-2 properly balances the U.S. commitment to Intelsat with our commitment to develop a competitive international telecommunications marketplace. In addition, the Executive Branch and the FCC shall fully implement and enforce the criteria in that Presidential Determination. Moreover, the FCC shall not award construction permits without adopting appropriate measures and guidelines to enforce the Presidential Determination.

2. The FCC, in considering applications for alternative international satellite systems, shall be neutral and shall not show a predilection or bias to any application.

3. The U.S. should support the continued provision of telephone service by Intelsat to developing countries at affordable rates.

4. The U.S. should support Intelsat's ability to compete fully and fairly in all new international telecommunications services, including supporting Intelsat's ability to price competitively and fairly on services not provided before August 1, 1985.

More specifically, if the President has not found the modification to Article 5(d) of the Intelsat Agreement to be not in the national interest, the U.S. shall support such modification so that Intelsat may price competitively and fairly, provided that Intelsat has adopted measures to ensure prices are cost-based and not predatory, including the re-

lease of information on revenues, costs, and allocation of such costs.

5. In the event the Secretary of State decides to proceed after an unfavorable consultation pursuant to the Intelsat Agreement or in the event the President decides to alter the Presidential Determination, a tentative decision along with the rationale for such decision shall be sent to the Congress and a final decision shall not be made until the Congress has had 45 calendar days to review the tentative decision and the accompanying rationale.

SMALL BUSINESS ADMINISTRATION

SALARIES AND EXPENSES

Amendment No. 51: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of the matter proposed by said amendment, insert the following ".".

(TRANSFER OF FUNDS)

For an additional amount for "Salaries and Expenses," $2,400,000 for disaster loan making and servicing activities to be derived by transfer from the "Disaster Loan Fund"

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

These funds are provided for additional disaster loan making and loan servicing requirements of the Small Business Administration.

BUSINESS LOAN AND INVESTMENT FUND

Amendment No. 52: Appropriates $27,601,000 for additional capital for the Business Loan and Investment Fund as proposed by the House and stricken by the Senate.

DEPARTMENT OF JUSTICE

GENERAL ADMINISTRATION

WORKING CAPITAL FUND

Amendment No. 53: Deletes language proposed by the House and stricken by the Senate that would have rescinded all funds made available for the Working Capital Fund in Public Law 98-411.

UNITED STATES PAROLE COMMISSION

Amendment No. 54: Appropriates $100,000 as proposed by the House and stricken by the Senate.

LEGAL ACTIVITIES

Salaries and Expenses, General Legal Activities

Amendment No. 55: Appropriates $574,000 as proposed by the Senate instead of $874,000 as proposed by the House.

The conferees are agreed that the report requested of the Department of Justice in S. Doc. 99-82 on computer reservation systems owned by commercial airlines should be submitted to the House and Senate Committees on Appropriations, the Senate Committee on Commerce, Science and Transportation, and the House Committee on Public Works and Transportation.

Salaries and Expenses, United States Attorneys and Marshals

Amendment No. 56: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which inserts the words "Transfer of Funds and" in a center heading.

Amendment No. 57: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter proposed by said amendment, insert the following:

For an additional amount for "Salaries and Expenses, United States Attorneys and Marshals", $12,103,000, and in addition $3,000,000 to be derived by transfer from the "Working Capital Fund", both amounts to remain available until September 30, 1986.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees are agreed that of the total amount provided, not to exceed $1,674,000 shall be available for fiscal year 1985 for 280 positions for the United States Attorneys for increased workload related to the enactment of the Comprehensive Crime Control Act of 1984 and the Bankruptcy Amendments and Federal Judgeship Act 1984. These positions shall be used as follows:

Comprehensive Crime Control Act—36 attorneys and 126 support (92 paralegals for fine collections and 34 clericals).

Judgeship Act—59 attorneys and 59 support (49 clerical and 10 administrative).

The conferees note that the Department of Justice has only recently begun to implement the many provisions of the Comprehensive Crime Control of 1984, which was enacted in the Fiscal Year 1985 Continuing Resolution. The conferees also note that many of the new judgeships established by the Bankruptcy Amendments and Federal Judgeship Act of 1984 have not yet been filled and that the anticipated increase in workload of the United States Attorneys as a result of this legislation has not yet fully materialized. Therefore, the conferees are agreed that the House and Senate Committees on Appropriations should further review these matters before making final decisions on funding levels for the United States Attorneys for fiscal year 1986 to ensure that the resources provided to carry out this new legislation are fully justified.

The conferees are agreed that not to exceed $902,000 shall be available for fiscal year 1985 for 152 positions for the United States Attorneys to enhance Federal drug law enforcement. These positions shall be used as follows:

Drug initiative—70 attorneys and 82 support (62 clerical and 20 paralegals)

The conferees are agreed that any funds provided in this amendment, not obligated during fiscal year 1985 shall carryover and be available for obligation during fiscal year 1986 to "annualize" the cost of the additional positions provided.

Fees and Expenses of Witnesses

Amendment No. 58: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which inserts the words "and Rescission" in a center heading.

Amendment No. 59: Appropriates $800,000 as proposed by the Senate instead of $1,300,000 as proposed by the House.

Amendment No. 60: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which adds language authorizing a payment of not to exceed $25,000 to the estate of victims killed as a result of crimes committed by persons who were in the Federal witness protection program if such crimes were committed within two years after protection was terminated, notwithstanding any limitations contained in part (a), Section 3525, title 18 United States Code.

Amendment No. 61: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which rescinds $309,000 pursuant to section 2901 of the Deficit Reduction Act of 1984.

FEDERAL BUREAU OF INVESTIGATION

SALARIES AND EXPENSES

Amendment No. 62: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which appropriates $1,500,000.

Amendment No. 63: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows: In lieu of the word "expended" in said amendment, insert: *"September 30, 1986."*.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 64: Deletes language proposed by the Senate which would have extended the availability of $35,000,000 for automated data processing and telecommunications until September 30, 1986.

DRUG ENFORCEMENT ADMINISTRATION

SALARIES AND EXPENSES

Amendment No. 65: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows: In lieu of the sum stricken and inserted by said amendment insert: *"$20,000,000, to remain available until September 30, 1986"*.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees are agreed that not to exceed $17,900,000 shall be available for fiscal year 1985 for 476 positions and purchase of equipment to enhance the following programs of the Drug Enforcement Administration: organized crime drug enforcement task forces; State and local task forces; cannabis eradication; overseas security and investigations; and equipment enhancements.

IMMIGRATION AND NATURALIZATION SERVICE

SALARIES AND EXPENSES

Amendment No. 66: Provides language extending the availability of certain funds for construction until September 30, 1987 instead of September 30, 1986 as proposed by the Senate and instead of until expended as proposed by the House.

FEDERAL PRISON SYSTEM

NATIONAL INSTITUE OF CORRECTIONS

Amendment No. 67: Deletes a rescission of $894,000, proposed by the Senate, pursuant to section 2901 of the Deficit Reduction Act of 1984.

OFFICE OF JUSTICE PROGRAMS

JUSTICE ASSISTANCE

Amendment No. 68: Deletes a center heading proposed by the Senate.

Amendment No. 69: Deletes a rescission of $2,031,000, proposed by the Senate, pursuant to section 2901 of the Deficit Reduction Act of 1984.

LEGAL SERVICES CORPORATION

Amendment No. 70: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter proposed by said amendment, insert the following:

For an additional amount for a grant for the establishment of a clinical program to supplement the services of local Legal Services grantees at Drake University School of Law in Des Moines, Iowa, $4,000,000, to remain available until expended.

The purpose of the above grants is to fund two University Centers which will provide legal clinics to supplement the civil legal services of Legal Services Corporation grantees, demonstrate how such legal clinics can be operated to benefit both law students and recipients, and conduct continuing legal education courses and seminars to encourage and prepare practicing attorneys for pro bono services. Under each such clinical program, no recipient shall receive legal services who would be disqualified by law or regulation from receiving such service from a Legal Services Corporation grantee.

$3,000,000 of each such grant shall be available to the governing body of the University to establish an endowment fund to provide income to support such a program on a continuing basis. Such endowment shall be held in a trust which dedicates the income exclusively to fulfilling the purposes above stated and shall be subject to audit by the General Accounting Office for the sole purpose of determining that all funds have been accounted for or used for such purposes. If either such grantee elects to discontinue the program established under this section, the corpus of the endowment trust shall revert to the Treasury of the United States and the document accepting the grant shall provide for such reversion.

The balance of the funds in each grant shall be made available to the grantee for facilities, equipment, and other costs actually incurred in establishing such a clinical program, and the application for the grant shall require only such information and supporting material as is reasonably necessary to assure that such funds will be used exclusively for the purposes described herein.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Grants are provided to fund two University Centers for the delivery of legal services and educational programs which will supplement those provided by Legal Services grantees. The grantees are two accredited law schools which have demonstrated an interest in providing such services and have had some experience in setting up and operating a modest program. The number of eligible recipients for the services of Legal Services grantees far exceeds the number they can properly service with the resources available or likely to become available in the forseeable future and these two legal clinics should demonstrate an additional method of supplementing such service. Also, experience in this program should encourage law school graduates to provide more pro bono services, and seminars conducted by the centers will encourage and help prepare practicing attorneys for pro bono services.

The source materials needed to handle many of the legal problems of low income citizens and the information which would be valuable in developing and implementing a clinical program at a law school which would serve such purposes is presently very limited. It is expected that the two centers funded under this bill will contribute significantly to the development of such resources for use nationwide and will encourage others to establish such a program.

The facilities provided to implement this program should include interview offices which are easily accessible to recipients, including the elderly and disabled.

The limitations upon those eligible to receive the services from grantees of the Legal Services Corporation have been established by law in authorization and appropriations bills and it is anticipated that there will be changes from time to time in these limitations. The grantees hereunder are not to be prohibited from serving anyone the Legal Services Corporation grantees are not prohibited from serving, but likewise, they are to be prohibited from providing legal services which are prohibited by law for Legal Services Corporation grantees. The conferees see no difficulty in these grantees adjusting to any changes that may be made from year to year in the same way that Legal Services Corporation grantees adjust to such changes.

The Legal Services Corporation is the conduit or vehicle designated to carry out the purposes of this section of the bill and the Corporation shall do so as quickly as possible and without unnecessary or complicated paperwork requirements. The conferees expect that the application and the documents of acceptance under which the grantees agree to comply with the purposes of this legislation will be brief and not require the employment of additional personnel or consultants by the Legal Services Corporation, and that there will be no delay attributed to drafting such documents.

These grants shall not affect the eligibility of other institutions in these states to receive funds from the Legal Services Corporation.

Amendment No. 71: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which adds language amending certain provisions in Public Laws 98-166 and 98-411 to permit the Members of the Board of Directors of the Legal Services Corporation to be reimbursed for expenses for official travel and other official purposes.

DEPARTMENT OF STATE

ADMINISTRATION OF FOREIGN AFFAIRS

SALARIES AND EXPENSES

Amendment No. 72: Transfers $12,781,000 from "Contributions to International Organizations" instead of $13,779,000 as proposed by the House and $11,781,000 as proposed by the Senate.

The conferees are agreed that not more than $1,000,000 of the total amount provided for security in this appropriation account in this Act shall be available only for security projects at the most highly threatened posts of the United States Information Agency.

Amendment No. 73: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which requires the Secretary of State to report to the appropriate committees of Congress on the obligation of security funds every 30 days from the date of enactment of this Act.

ACQUISITION, OPERATION, AND MAINTENANCE OF BUILDINGS ABROAD

Amendment No. 74: Appropriates $167,579,000 as proposed by the House instead of $170,579,000 as proposed by the Senate.

The conferees agree that the Department of State shall undertake a study of the feasibility of moving the activities of the Arms Control and Disarmament Agency, which are currently housed in leased space in Geneva, into the present chancery building of the United States mission, and moving unclassified activities of the mission into the leased space, presently occupied by the Arms Control and Disarmament Agency. The Department of State shall submit the results of this study to the House and Senate Appropriations Committees no later than September 1, 1985.

Amendment No. 75: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of the matter proposed by said amendment, insert the following:

: Provided, That notwithstanding any other provision of law

(a) The Secretary of State shall not permit the Soviet Union to occupy the new chancery building at its new embassy complex in Washington, D.C., or any other new facilities in the Washington, D.C. metropolitan area, if the Soviet Union fails to provide prompt and full reimbursement to the United States for damages incurred as a result of the construction of the new U.S. embassy in Moscow, in an amount to be determined by agreement between the U.S. and U.S.S.R. or in the event of disagreement by the decision of an international arbitral tribunal as created pursuant to the contract for construction between the U.S. and the U.S.S.R.

(b) Within 30 days after the enactment of this Act the Secretary of State shall initiate actions to begin the international arbitration process, which is provided for in the embassy construction agreement between the U.S. and the U.S.S.R., in order to resolve all U.S. claims against the U.S.S.R. for damages arising from delays in the construction of the new U.S. embassy complex in Moscow.

(c) In the event the amount of reimbursement provided to the U.S. under paragraph (a) by the U.S.S.R. is less than the amount of funds expended from this account for damages arising from delays at the site of the new U.S. embassy complex in Moscow that are determined by the Secretary of State to be the responsibility of the U.S.S.R., the Secretary of State shall submit to the Appropriations Committees of the House of Representatives and the Senate a detailed report explaining the reasons that the Secretary has accepted such arrangements and the financial costs to the U.S. of doing so.

(d) The Secretary of State may suspend the restrictions in paragraph (a) in the national security interests of the U.S. if he certifies to Congress that a substantial number of the claims described therein are settled and that resolution of any remaining claims is proceeding in a satisfactory manner. If the Secretary exercises the authority under this paragraph, he shall report to the Appropriations Committees of the House of Representatives and the Senate every six months concerning progress on resolution of any outstanding claim

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

EMERGENCIES IN THE DIPLOMATIC AND CONSULAR SERVICE

Amendment No. 76: Appropriates $1,000,000 instead of $2,000,000 as proposed by the House and stricken by the Senate. The conferees strongly recommend that the Secretary of State give the most serious consideration to allocating a portion of these funds for a reward for information

leading to the release of the seven American hostages being held illegally in Lebanon.

INTERNATIONAL COMMISSIONS

INTERNATIONAL FISHERIES COMMISSIONS

Amendment No. 77: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows: In lieu of the sum proposed in said amendment, insert: *"$1,200,000".*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

OTHER FISHERMEN'S PROTECTIVE FUND

Amendment No. 78: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which appropriates $1,000,000, to remain available until expended.

RELATED AGENCIES

ARMED CONTROL AND DISARMAMENT AGENCY

ARMS CONTROL AND DISARMAMENT ACTIVITIES

Amendment No. 79: Appropriates $4,134,000 instead of $4,321,000 as proposed by the Senate and $3,946,000 as proposed by the House.

Amendment No. 80: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which inserts language that increases from $28,000 to $38,000 the funds available in fiscal year 1985 for official representation purposes.

BOARD FOR INTERNATIONAL BROADCASTING

GRANTS AND EXPENSES

Amendment No. 81: Restores appropriation language and an appropriation of $13,753,000 that was proposed by the House and stricken by the Senate.

Amendment No. 82: Deletes the word "Notwithstanding" which was proposed for insertion by the Senate.

Amendment No. 83: Deletes the phrase "until September 30, 1986" which was proposed by the House and stricken by the Senate.

Amendment No. 84: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which earmarks $2,275,000 for upgrading the security of the RFE/RL installations.

Amendment No. 85: Deletes the words "Radio Free Europe/Radio Liberty" which were proposed by the House and stricken by the Senate.

Amendment No. 86: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate that deletes from the fiscal year 1985 Appropriation Act a provision which placed certain restrictions on the payment of engineering consultant fees.

COMMISSION ON SECURITY AND COOPERATION IN EUROPE

SALARIES AND EXPENSES

Amendment No. 87: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter proposed, insert the following:

COMMISSION ON SECURITY AND COOPERATION IN EUROPE

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $75,000, to remain available until expended.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

UNITED STATES INFORMATION AGENCY

SALARIES AND EXPENSES

Amendment No. 88: Rescinds $2,879,000 instead of $3,879,000 as proposed by the House and $433,000 as proposed by the Senate.

The conferees are agreed that none of the $1,000,000 available for obligation in this appropriation account as a result of the conference agreement, nor any other funds available to the United States Information Agency shall be used for security projects. Funds for this purpose have been appropriated to the Department of State in this Supplemental Appropriations Act.

Amendment No. 89: Deletes language proposed by the Senate which would have stated that the rescission in Amendment No. 88 is pursuant to section 2901 of the Deficit Reduction Act of 1984.

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

Amendment No. 90: Provides language extending the availability of $3,800,000 for the pilot Central American Undergraduate Scholarship program until September 30, 1986 as proposed by the House instead of January 30, 1986 as proposed by the Senate.

Amendment No. 91: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of the matter proposed by said amendment, insert the following: *"; and for an additional amount under this head, $9,000,000, to remain available until September 30, 1986".*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees are agreed that of the total amount provided, not to exceed $800,000 shall be available for the pilot Central American Scholarship Program to increase the amount available per student to approximately $32,000 so that the Agency may have the flexibility to conduct a comprehensive pilot program with 143 students for two years, as originally proposed. Under no circumstances should the Agency increase the students in this pilot program beyond this number.

The conferees are also agreed that $1,975,000 of the total amount provided in this amendment shall be available for the second year of graduate studies for 108 Fulbright scholars from Central America and $3,222,000 shall be available for two year funding for 90 Fulbright scholars from Central America which were included in the fiscal year 1986 budget request. In addition the conferees are agreed that the remaining $3,003,000 shall be available to accelerate the funding of the Agency's traditional exchange programs (Fulbright, Humphrey, Private Sector and International Visitor Programs) for which funds were requested in the fiscal year 1986 budget.

Amendment No. 92: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of the matter proposed by said amendment, insert the following:

For an additional amount under this head to promote the development of an independent media service by the Afghan people and to provide for the training of Afghans in media and media-related fields, $500,000, to remain available until September 30, 1986: Provided, That the Director, with the Secretary of State, shall report to the appropriate committees of Congress on the obligation of these funds 60 days from the date of enactment of this Act.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees understand that the Administration may consider the submission of a future budget request for an additional $500,000 for this project. The conferees are agreed that not to exceed a total of $1,000,000 in Federal funds, including the $500,000 provided in this Supplemental Appropriations Bill, shall be made available for the project, and that any funding required beyond this total amount shall be provided by sources in the private sector. The conferees are further agreed that the United States Information Agency should consider such organization as the Friends of Afghanistan in awarding a grant for carrying out this project, and that the Agency should expedite its procedures for awarding a grant for this project so that the project can begin as soon as possible.

Amendment No. 93: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which appropriates $500,000 for the Private Sector Exchange Programs for the model Chinese-American Development Student Exchange Program at Tufts University as authorized by the Mutual Educational and Cultural Exchange Act, as amended.

ACQUISITION AND CONSTRUCTION OF RADIO FACILITIES

Amendment No. 94: Appropriates $6,648,000 as proposed by the House and stricken by the Senate.

THE JUDICIARY

COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES

Defender Services

Amendment No. 95: Appropriates $21,992,000 as proposed by the House instead of $17,575,000 as proposed by the Senate.

General Provision

Amendment No. 96: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which inserts a general provision to permit the obligation of funds provided in this Act for a 3.5 percent pay increase for Federal judges. Pursuant to section 140 of Public Law 97-92, an affirmative act of Congress is required to provide judges with the same costs-of-living pay increases as provided to other Federal employees.

Report on Withdrawal from Compulsory Jurisdiction of the World Court

Amendment No. 97: Deletes language proposed by the Senate which would have required the President, 60 days before notifying the United Nations of the intent of the United States to withdraw its acceptance of the compulsory jurisdiction of the International Court of Justice concerning a certain dispute, to transmit a report to the Speaker

of the House and the President of the Senate stating his reasons for such notification.

Amendment No. 98: Deletes language proposed by the Senate which would have prohibited funds in this Act for being used directly or indirectly for activities against the government of Nicaragua which have not been authorized by or pursuant to law and would place the United States in violation of its obligations under the Charter of the Organization of American States, to which the United States is a signatory, or under international law as defined by treaty commitments agreed to, and ratified by, the Government of the United States.

The conferees are agreed that the Government of the United States shall fully carry out its obligations under the Charter of the Organization of American States, to which the United States is a signatory, and shall also carry out its obligations under international law as defined by treaty commitments agreed to, and ratified by, the Government of the United States.

CHAPTER III

DEPARTMENT OF DEFENSE—MILITARY

OPERATION AND MAINTENANCE

OPERATION AND MAINTENANCE, NAVY

Amendment No. 99: Restores language proposed by the House which provides $1,500,000 from available funds to pay for the expenses of the Commission on Merchant Marine and Defense.

Amendment No. 100: Deletes identical language proposed by the Senate and restored in amendment number 99 concerning the expenses of the Commission on Merchant Marine and Defense.

PROCUREMENT

AIRCRAFT PROCUREMENT, NAVY

Amendment No. 101: Deletes the heading "(Transfer of Funds)" inserted by the House.

Amendment No. 102: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following:

Aircraft Procurement, Navy 1983/1985" ($129,000,000);

Aircraft Procurement, Navy 1984/1986" ($21,200,000); and

Aircraft Procurement, Navy 1985/1987" ($89,800,000);

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 103: Allocates $240,000,000 from available funds as proposed by the House instead of $38,400,000 as proposed by the Senate for the modification of A-6E aircraft.

Amendment No. 104: Deletes the provision to transfer funds to the "Aircraft Procurement, Navy, 1985/1987" appropriation as proposed by the House, and makes funds available for obligation as proposed by the Senate.

Amendment No. 105: Deletes language proposed by the House which would have provided that the funds allocated for the modification of A-6E aircraft should have been subject to the enactment of authorizing legislation.

The conferees recommend $240,000,000 be made available from previously appropriated funds for aircraft procurement in order to proceed with the unbudgeted development and production of replacement wings for A-6E combat aircraft. The House recommended a transfer of these funds from the fiscal year 1982 shipbuilding appropriation and the Senate recommended $38,400,000 be available from aircraft procurement funds in the current year to cover nonrecurring and start up costs for the program.

Rather than provide funding by transfer from shipbuilding resources, the conferees determined it is more appropriate to utilize funds already available within aircraft procurement appropriations. Although planned for fiscal year 1986, the Navy has expressed confidence that the full $240,000,000 will be obligated in fiscal year 1985 for development and initial wing production. The conferees have identified sources of funds from fiscal years 1983, 1984 and 1985 which shall be available for the program. To avoid reappropriation, the expiration dates of appropriations remain in effect in accordance with existing law. Therefore funds available from fiscal year 1983 aircraft procurement shall expire on September 30, 1985, fiscal year 1984 funding expires on September 30, 1986, and resources identified from fiscal year 1985 expire on September 30, 1987.

The conferees understand no additional appropriation will be required in fiscal year 1986 beyond that currently budgeted for this program. The Navy will be expected to budget for full program costs in the future.

The following table specifies the fiscal year and program funding which will be made available for the A-6 rewing program:

Program	
Fiscal year 1985:	*Amount*
F/14 aircraft	$6,500,000
TH-57 aircraft	2,000,000
AH-1T aircraft	600,000
E2-C modifications	6,000,000
Power plant changes	2,800,000
F/18 modifications	1,700,000
OV-10 modifications	2,100,000
RF-4 modifications	2,000,000
Common ECM/ALR-67	35,000,000
Aircraft industrial facilities	16,100,000
Reimbursables	15,000,000
Fiscal year 1984:	
AV-8B	9,000,000
Reimbursables	5,000,000
A-4 modifications	5,900,000
Power plant changes	1,300,000
Fiscal year 1983:	
AV-8B aircraft	18,000,000
A-6 aircraft	7,000,000
P-3 aircraft	6,000,000
E-2 aircraft	4,000,000
H-2 helicopter	6,000,000
C-2 aircraft	6,000,000
T-34 aircraft	8,000,000
A-7 modifications	13,000,000
OV-10 modifications	1,000,000
H-53 modifications	8,000,000
E-2 modifications	11,000,000
Power plant changes	1,000,000
E-14 modifications	2,000,000
H-1 modifications	5,000,000
EC-130 modifications	7,000,000
Common ECM/ALR-67	12,000,000
Reimbursables	14,000,000

SHIPBUILDING AND CONVERSION, NAVY

(TRANSFER OF FUNDS)

Amendment No. 106: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which transfers $6,240,000 to the United States Coast Guard for polar icebreaker repair from "Shipbuilding and Conversion, Navy, 1981/1985".

MINUTEMAN EXTENDED SURVIVABLE POWER [MESP]

The conferees agree to the Senate's recommendation that funding for this program be identified in the fiscal year 1987 budget submission for the entire Minuteman force.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, AIR FORCE

Amendment No. 107: Deletes language proposed by the Senate which would have made $3,800,000 available for the simplified munitions lift trailer program. The conferees agree the proposed language is not required since adequate funding is available for this program for which competitive selection was mandated by section 112 of the Department of Defense Authorization Act, 1985 (Public Law 98-525; 98 Stat. 2507).

TACTICAL DIRECTED ENERGY

The conferees concur in the direction of the Senate to provide $2,500,000 in funding available under Navy exploratory development to supplement the Tactical Directed Energy line. These funds are to be used solely for the completion of two Navy pulsed power technology products, the rail gap switch and the wide area corona plasma cathode.

HUMANITARIAN ASSISTANCE FOR NICARAGUAN DEMOCRATIC RESISTANCE

Amendment No. 108: Deletes language proposed by the Senate which would have provided $38,000,000 for humanitarian assistance for the Nicaraguan Democratic Resistance. This issue is addressed in the Foreign Assistance chapter under amendment number 154.

ENHANCED SECURITY COUNTERMEASURES CAPABILITIES

Amendment No. 109: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment, as follows:

In lieu of the matter inserted by said amendment, insert the following:

ENHANCED SECURITY COUNTERMEASURES CAPABILITIES

To the Director of Central Intelligence, for the enhancement of security countermeasures capabilities, $35,000,000, to remain available until September 30, 1986, to be allocated by the Director of Central Intelligence among the National Security Agency, the Central Intelligence Agency, the Federal Bureau of Investigation, the Department of State, and any other agency that the Director of Central Intelligence may determine, such funds to be expended exclusively for the purpose of improving security countermeasures capabilities at United States Embassies and other facilities abroad in accordance with a plan to be developed by the Director of Central Intelligence in conjunction with the National Security Agency, the Central Intelligence Agency, the Federal Bureau of Investigation, the Department of State, the National Security Council and any other agency that the Director of Central Intelligence may determine and submitted to the Appropriations and Intelligence Committees of the Congess by September 1, 1985.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees agree that more effective action is required to counter potential security compromises at U.S. government instal-

lations abroad. The conferees further agree to make $35,000,000 available to expedite implementation of such a program.

Although the funds are being provided to the Director of Central Intelligence (DCI) because of the expertise within the intelligence community, the conferees expect these additional resources to be allocated, as appropriate, across the federal agencies involved. In addition, the conferees agree that prior to obligation of these funds, the appropriations and authorizing committees must receive a comprehensive plan to effectively combat the compromising of sensitive material at U.S. government installations abroad. The plan should detail the total amount of funding available from all sources to achieve its objectives. The activities to be carried out with these funds shall not infringe on the State Department's traditional role for providing overall and physical security at those facilities for which it is responsible.

GENERAL PROVISIONS

Amendment No. 110: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which amends section 8070 of the Department of Defense Appropriations Act, 1985 (Public Law 98-473) to clarify the justification required by the Department of Defense to enter into a lease, charter or similar agreement for vessels, aircraft and vehicles for periods in excess of eighteen months.

Amendment No. 111: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which prohibits the Navy from adding an interport differential factor to ship overhaul, repair or maintenance contract proposals.

CHAPTER IV

DEPARTMENT OF DEFENSE—CIVIL

DEPARTMENT OF THE ARMY

CORPS OF ENGINEERS—CIVIL

Amendment No. 112: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following:

For an additional amount for the prosecution of river and harbor, flood control, shore protection, and related projects authorized by laws; and detailed studies, and plans and specifications, of projects (including those for development with participation or under consideration for participation by State, local governments, or private groups) authorized or made available for selection by law (but such studies shall not constitute a commitment of the Government to construction), to remain available until expended, $48,000,000 for "Construction, general" and $800,000 for "Flood control, Mississippi River and Tributaries, Arkansas, Illinois, Kentucky, Louisiana, Mississippi, Missouri, and Tennessee"; of which $7,800,000 shall be derived from the Inland Waterways Trust Fund; except that the Secretary of the Army acting through the Chief of Engineers is authorized and directed to proceed with planning, design, engineering, and construciton of the following projects substantially in accordance with the individual report describing such project as reflected in the Joint Explanatory Statement of the Committee of Conference accompanying the Conference Report for H.R. 2577: Ardsley, New York; Atchafalaya Basin Floodway System, Louisiana; Baltimore Harbor and Channels, Maryland and Virginia; Barnegate Inlet, New Jersey; Bassett Creek, Minnesota; Bonneville Navigation Lock, Oregon and Washington; Clear Creek, Texas; Cleveland Harbor, Ohio; Colorado River and tributaries, Boggy Creek and Austin, Texas; Cowanesque Lake modification, Pennsylvania; Dade County, Florida (north of Haulover Beach Park); Des Moines Recreational River and Greenbelt, Iowa; Eight Mile Creek, Arkansas; Ellicott Creek, New York; Fairfield Vicinity Streams, California; Freeport Harbor, including relocation of North Jetty, Texas; Gallipolis Locks and Dams, Ohio and West Virginia; Geneva-on-the-Lake, Ohio; Gulfport Harbor, Mississippi; Jonesport Harbor, Maine; Kahoma Stream, Hawaii; Kill Van Kull Channel, Newark Bay Channel, New York and New Jersey; Liberty State Park Levee and Seawell New Jersey; Little Dell Lake, Utah; Locks and Dam 26, Illinois and Missouri (Second Lock), including environmental management along the Upper Mississippi River Basin; Merced County Streams, California; Mississippi River Ship Channel, Gulf to Baton Rouge, Louisiana; Missouri National Recreational River, Nebraska and South Dakota; Mobile Harbor, Alabama; Moriches Inlet, New York; Norfolk Harbor, Virginia; Parker Lake, Oklahoma; Pearl River, Slidell, St. Tammany Parish, Louisiana; Port Ontario Harbor, New York; Richmond Harbor, California; Richmond local protection project, Virginia; Sacramento River Deep Water Ship Channel, California; Savannah Harbor Widening, Georgia; Tampa Harbor Branch Channels, including East Bay Channel maintenance, Florida; Virginia Beach Streams, Canal No. 2, Virginia; William Bacon Oliver Lock and Dam, Alabama: Provided, That none of the funds herein appropriated may be expended to undertake such projects except under terms and conditions acceptable to the Secretary of the Army, (or under terms and conditions provided for in subsequent legislation when enacted into law) as shall be set forth in binding agreements with non-Federal entities desiring to participate in project construction. Each such agreement shall include a statement that the non-Federal entities are capable of and willing to participate in project cost-sharing and financing in accordance with terms of the agreement. At such time as the Secretary has executed a formal binding agreement and has determined that the non-Federal entities' financing plan demonstrates a reasonable likelihood of the non-Federal entities' ability to satisfy the terms and conditions of the agreement, the Secretary shall initiate construction at a project in accordance with such agreement: Provided further, That the funds appropriated herein shall lapse on June 30, 1986, if the agreement required herein for that project has not been executed: Provided further, That where construction of a comprehensive project for flood control and improvement of a multi-state region described in this paragraph has commenced prior to the date of enactment of this Act, new or additional non-Federal cost-sharing shall not be required for any part of such comprehensive project, and where construction of such a project has begun prior to the date of enactment of this Act, all elements or features of the comprehensive project shall be considered to be part of that project: Provided further, That the initiation of inland waterways projects identified for planning, design, engineering, and construction in this Act may be funded from sums available in the Inland Waterways Trust Fund, established by the Inland Waterways Revenue Act of 1978 (title II of Public Law 95-502) notwithstanding the second sentence of section 204 of such Act.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement includes the following new construction starts proposed by the Administration and unbudgeted projects:

Ardsley, NY.—Ardsley, New York, authorized in 1976 under Section 201 of the 1965 Flood Control Act, is located on the Saw Mill River approximately 5 miles upstream from the junction of the Saw Mill and Hudson Rivers in the Village of Ardsley, Westchester County, New York. The project consists of constructing 426 feet of levees, 1,003 feet of flood wall, and 342 feet of concrete flume and would afford protection to both retail and commercial establishments as well as two industrial plants.

Atchafalaya Basin, LA.—The Atchafalaya basin project, authorized in 1928, is one of the main stem components of the Mississippi River and tributaries project. Through a system of levees, channels, and control works, the basin serves as a floodway to carry up to one-half of the Mississippi River flood flows. Physically, the Atchafalaya River basin project is about 60 percent complete. An important element of the plan involves the purchase of approximately 48,000 acres of land from willing sellers to be used as a natural wildlife area and funds are provided for that purpose. (Report of the Chief of Engineers, February 28, 1983.)

Baltimore Harbor and Channels, MD and VA.—Baltimore Harbor is situated at the head of the navigable portion of the Patapsco River, approximately 172 miles north of the Virginia Capes entrance to Chesapeake Bay. The project lies in Baltimore City and Anne Arundel and Baltimore Counties in Maryland, and Northampton and Accomack Counties in Virginia. The proposed improvement, authorized by the River and Harbor Act of 1970, would provide for a uniform main channel, 50 feet deep and generally 800 or 1,000 feet wide, through the Chesapeake Bay from the Virginia Capes to Fort McHenry in the Port of Baltimore. Depths of 50, 49, and 40 feet would be provided in the branch channels of Curtis Bay, Northwest Branch-East Channel, and Northwest Branch-West Channel, respectively.

Barnegat Inlet, New Jersey.—The existing project was authorized by the Rivers and Harbors Act of 1935 and modified by the Rivers and Harbors Acts of 1937 and 1946. Barnegat Inlet is located on the Atlantic Coast of New Jersey in Ocean County, approximately 32 miles northeast of Atlantic City. It lies partially in the municipality of Barnegat Light Borough and partially in Island Reach Beach State Park. The project consists of constructing a new, parallel, 4,270 foot rubble mound south jetty and dredging a channel 10 feet deep, 300 feet wide, and 11,300 feet long. The project modification would reduce shoaling in the immediate area of the inlet entrance enabling the navigation project to functon in a fully suitable and safe manner.

The Chief of Engineers determined that this project could be technically and legally classified as a design deficiency. Due to this design deficiency, the project has not worked as projected and, in fact, has created a hazard to navigation resulting in the loss

of eight lives last year. The project shall be funded accordingly.

Bassett Creek, MN.—The project, authorized in the 1976 Water Resource Development Act, is located in Hennepin County, Minnesota, and consists of structural and nonstructural flood control measures. Structural measures consist of six small control structures to temporarily impound floodwaters and a new tunnel to replace the existing tunnel, outletting Bassett Creek to the Mississippi River. Flood damages presently average $2,054,000 annually. The recommended project would provide flood protection of 222 residences and 18 industries and an indeterminate number of commercial and industrial developments in Minneapolis. The project would prevent approximately $3,298,000 in average annual flood damages.

Bonneville navigation lock, Oregon and Washington.—This project is located at Bonneville Lock and Dam, 40 miles east of Portland, OR. The proposed project would provide for construction of a new lock, 86 feet wide, 675 feet long and at least 15 feet deep. The horizontal dimensions are the same as the seven existing upstream locks. The navigation problems at Bonneville Lock, including lockage delays and damages from accidents, occur due to the restricted size of the lock chamber, hazardous approaches and constricted Columbia River Channel, Waterborne commerce, which is expected to increase to 13 million tons per year, will equal or exceed the lock capacity by 1988. (Report of the Board of Engineers for Rivers and Harbors, December 5, 1978.)

Clear Creek, TX.—Clear Creek lies about midway between the two metropolitan centers of Houston on the north and Galveston-Texas City on the south. The stream is boudned by Harris, Galveston, Fort Bend, and Brazoria Counties. It empties into Clear Lake and then flows into the west side of Galveston Bay. The project provides for enlargement and rectification of the existing Clear Creek Channel from the upper end of Clear Lake at mile 3.8 to improved channel mile 26.05, a distance of approximately 22 miles, and an additional outlet with a gated structure from Clear Lake to Galveston Bay. The project, authorized by the Flood Control Act of 1968, would provide flood protection for a rapidly developing residential and commercial area, a suburb of Houston.

Cleveland Harbor, Ohio.—The harbor, located at the City of Cleveland, Cuyahoga County, is on the southern shore of Lake Erie. The Federal project was constructed for and is currently maintained exclusively for deep-draft commercial navigation. Harbor modifications are necessary to accommodate the new generation of bulk freighters, measuring 1,000 feet by 105 feet, with carrying capacities of 60,000 tons at various depths of 28 to 32 feet. The proposed harbor modification, consists of deepening and widening the east entrance and approach channels, deepening the east basin channel, and disposing of dredge material in an existing disposal site as described in the Report of the Board of Engineers for Rivers and Harbors dated January 22, 1985, including bulkheading and other necessary repairs at pier 34 and approach channels and necessary protective structures for mooring basins for transient vessels in the area south of pier 34 and including such modifications as may be recommended by the Chief of Engineers at a cost not to exceed $36,000,000. The existing dredged material containment site known as site 14 may be used for the containment of excavated material from construction of the project.

Colorado River and Tributaries, Boggy Creek at Austin, TX.—This is a local protection project for flood control and recreation. The plan of improvement consists of a concrete trapeziodal channel on Boggy Creek beginning just above Webberville Road and extending downstream about 2.2 miles to just below Jain Lane. The Boggy Creek watershed has a history of severe flooding caused primarily by intense local thunderstorms. In October 1960, the maximum flood of record, 9 inches of rain fell forcing 200 flood plain residents to evacuate their homes. Over 12 homes were destroyed. The total damages caused by the maximum known flood were $2.5 million and a recurrence of this flood using October 1984 price levels and 1984 conditions of development would cause $12.4 million in damages. Since then, flooding has occurred seven times. Flooding in November 1974, May 1975, and May and July 1979 caused property damages estimated at $2 million, $2.4 million, and $1 million, respectively, at October 1984 price levels. (Report of the Chief of Engineers, January 19, 1981.)

Cowanesque lake modification, Pennsylvania.—The modification of the existing project for water supply is authorized by the Flood Control Act of 1958 and would be accompiished under the discretionary authority of the Chief of Engineers. The existing project is located in Tioga County, Pennsylvania, on the Cowanesque River approximately 2.2 miles above its confluence with the Tioga River at Lawrenceville, Pennsylvania. The Cowanesque River is a tributary in the Chemung River Basin. The proposed modification for water supply would enable two electric utility companies to meet their consumptive use make-up needs during drought conditions.

Dade County, North of Haulover Beach Park, FL.—Dade County is located on the Atlantic Ocean near the southern tip of the Florida Peninsula. The existing Federal beach erosion control and hurricane protection project extends north along the Atlantic coast of Dade County 9.3 miles from Government Cut to Bakers Haulover Inlet, thence north from Bakers Haulover Inlet 1.2 miles to the north boundary of Haulover Beach Park. The combined effect of wind, waves, and tides amplified during storm conditions has resulted in erosion and lowering of the beach profiles and recession of the shoreline. At a large number of locations along the shoreline, erosion has undermined, or threatened to undermine, shorefront structures. Recession of the shoreline is causing the loss of valuable property and at many locations placing seawalls under direct wave attack. There is now little or no protective and recreational beach during periods of high tides in certain reaches of the commerically developed strip and in the north section of Golden Beach. The recommended plan provides for protection and nourishment of 2.5 miles of beach shore north of Haulover Beach Park and for extension of the period of Federal participation in the cost of nourishing the existing Dade County project from 10 years to the life of the project. (Report of the Chief of Engineers, December 27, 1983.)

Des Moines Recreational River and Greenbelt, IA.—The project will provide central Iowa and the City of Des Moines with environmental protection of scarce river bottom timberlands and greatly enhance opportunities for recreation. The project is for the development, operation, and maintenance of a recreation and greenbelt area on, and along the Des Moines River, Iowa, between the point at which the Des Moines River is intersected by United States Highway 20 to the point downstream at which relocated United States Highway 92 interesects the Des Moines River. The project shall include, but not be limited to: (1) the construction, operation, and maintenance of recreational facilities and streambank stabilization structures; (2) the operation and maintenance of all structures constructed before the date of authorization of this project (other than any such structure operated and maintained by any person under a permit or agreement with the Secretary) within the area described in the Des Moines Recreational River and Greenbelt Map and on file with the Committee on Public Works and Transportation of the House of Representatives; (3) such tree plantings, trails, vegetation, and wildlife protection and development and other activities as will enhance the natural environment for recreational purposes; and (4) the prohibition or limitation by the Secretary of the killing, wounding, or capturing at any time of any wild bird or animal in such areas as may be directed by the Secretary.

In carrying out the project described in subsection (a) of this section, the Secretary may acquire by purchase, donation, exchange, or otherwise land and interests therein, as the Secretary determines are necessary to carry out such project. If the Secretary purchases any land or interest therein from any State or local agency, he shall not pay more than the original cost paid by such State or local agency for such land or interest therein. No land or interest therein may be acquired by the United States to carry out such project without the consent of the owner and nothing herein shall constitute an additional restriction by an owner upon the use of any land or any interest therein which is not owned by the United States.

An advisory committee shall be established for consultation with the Department of the Army and shall include: (A) five persons appointed by the Governor of Iowa; (B) two persons appointed by their respective board of supervisors to represent each community within the study area; (C) one person appointed by the Mayor of the City of Des Moines and one additional person appointed by the mayor of each other incorporated municipality within whose boundaries a portion of such recreation area lies; and (D) three employees or officials of the Corps of Engineers.

Eight Mile Creek, AR.—The project is located in northeast Arkansas and includes portions of Greene and Craighead Counties in the vicinity of Paragould, Arkansas. The plan of improvement consists of channel enlargement on 11.4 miles of streams. This includes 8 miles of channel improvement in the agricultural area below Paragould to provide a 3-year level of protection and 3.4 miles of channel improvement to provide a 100-year level of protection to the urban area of Paragould.

During the last 40 years, major floods in the basin have been reported every 4 to 12 years. One of the most recent floods to occur in the Eight Mile Creek basin was in April 1973, when 6.77 inches of rain fell in 16 hours. About 3,000 persons were forced from their homes and the ensuing damages to homes and businesses were estimated by local officials to be $3,600,000. (As contained in House Document 98-210.)

Ellicott Creek, NY.—The project consists of about 2.1 miles of channel widening and deepening, including the enlargement of the existing diversion channel in Ellicott Creek Park and about 2.1 miles of diversion channels outside the existing creek channel. The project, authorized by the Flood Control Act of 1970, as amended by Public Law 97-128, is needed to reduce flood damages in the lower Ellicott Creek basin. The downstream portion of the Ellicott Creek basin is subject to frequent flooding. The March 1960 flood inundated about 20 acres in the city and town of Tonawanda and flooded about 3,200 acres in the town of Amherst. The flood problem has become more acute in recent years due to increased development activity which includes the Amherst campus of the State University of New York at Buffalo. The project would prevent approximately $2,063,000 average annual flood damages.

Fairfield Vicinity Streams, CA.—The project, authorized in 1970 under Sec. 201 of the 1965 Flood Control Act, is located in and in the vicinity of, the city of Fairfield, Solano County, California. The project consists of improvements to five streams and provides for channel enlargement and construction on Ledgewood, Laurel, and McCoy Creeks and the diversion of three creeks. The project would provide flood protection to about 3,900 acres of land in and adjacent to the City of Fairfield that is now subject to frequent and damaging flood inundations. The present value of improvements in the project flood plain is $240,000,000. Since 1940, Fairfield has been growing at a rate greatly exceeding that of Solano County, the State of California, or the United States. It is estimated that by 2028 the flood plain will be 91 percent converted to residential and other urban uses. Future developments will compound the current flood problems; repetition of the December 1965 flood, the maximum flood of record, would cause damages of about $1,950,000 all preventable by the project.

Freeport Harbor, TX.—The project is in Brazoria County 47 miles southwest of Galveston. The plan of improvement provides for widening, deepening, and realigning the existing Freeport Harbor project, including turning basins, to provide for an enlarged channel with project depths of 47 feet in the entrance channel in the Gulf of Mexico, 45 feet in the jetty channel and inside main channel, and 36 feet in the Brazos Harbor Channel. The project also provides for relocation of the north jetty of the entrance channel, a 500-foot extension to the relocated north jetty, rehabilitation of the south jetty, and public use facilities at the jetties. The narrow 200-foot wide jetty channel, sharp curves at the inner end of the jetty channel and at the upper end of Brazosport turning basin, all contribute to inadequate conditions for safe navigation by deep-draft traffic. Because of these hazards, deep-draft vessel movements are restricted to one-way traffic, and, with inadequate project depth, vessels are often light-loaded and some of the large vessels will not call at Freeport. (Flood Control Act of 1970.)

Gallipolis locks and dam, West Virginia and Ohio (Ohio River).—Gallipolis is situated in the middle Ohio Valley at River Mile 279.2, about 14 miles downstream from the mouth of the Kanawha River in West Virginia and about 30 miles upstream from the City of Huntington, West Virginia. The new locks would be in Mason County, West Virginia; the abutment of the dam is in Gallia County, Ohio. The proposed plan of improvement includes construction of two new locks and canal bypassing the existing dam. Also, the existing dam would be rehabilitated. Construction of the project will permit safe and efficient transportation through the project. Reduced delays and transportation costs will benefit directly and indirectly the economy of the Nation. (Report of the Chief of Engineers, April 8, 1982, as supplemented by the Chief of Engineers Report of August 13, 1983.)

Geneva-on-the-Lake, OH.—The project, located on Lake Erie, between Fairport and Ashtabula Harbors, was authorized by a Senate and House Committee Resolution in December 1970 under Section 201 of the Flood Control Act of 1965. Principal project features include 1,350 feet of rubblemound breakwaters in Lake Erie, an entrance channel 9 feet, 730 feet in length and 100 feet wide, 0.5 acre mooring area, 6 feet deep service channels, recreational fishing facilities and a wetland mitigation plan to replace 4.2 acres of wetlands lost due to harbor construction. The project will provide benefits to permanently based boats and transient boaters as a harbor of refuge.

Gulfport Harbor, MS.—The project is located on Mississippi Sound, and arm of the Gulf of Mexico, about 44 miles west of Pascagoula Harbor, Miss., and 78 miles east of New Orleans, La. The existing project consists of: a channel 32 feet deep, 300 feet wide, and about 8 miles long across Ship Island Bar; a channel 30 feet, 220 feet wide, and about 11 miles long through Mississippi Sound; an anchorage basin at Gulfport 30 feet deep, 1,320 feet wide, and 2,640 feet long. Modifications of the project would provide for deepening and widening the existing ship channel to 36 by 300 feet in Mississippi Sound and 38 by 400 feet in the Gulf of Mexico with necessary changes in the channel alignment and in the entrance to the anchorage basin needed for reasonably safe and unrestricted navigation. (Report of the Chief of Engineers, Jan. 16, 1978, except that the Chief of Engineers is authorized to construct the project in the most cost-effective and environmentally acceptable manner.)

Jonesport Harbor, ME.—Jonesport Harbor, authorized in 1976 under section 201 of the 1965 Flood Control Act, is located on the Atlantic Ocean at the north side of Moosabec Reach in Washington County, Maine, about 190 miles northeast of Portland, Maine, and about 40 miles southwest of the Canadian border at Eastport, Maine. The project provides for a breakwater 1,200 feet in length; a 15 acre anchorage composed of 9 acres, 6 feet deep, and 6 acres, 8 feet deep; and an entrance channel 100 feet wide and 8 feet deep. The basic need in Jonesport Harbor is for a protected anchorage to adequately and safely accommodate the local fishing fleet.

Kahoma Stream, HI.—The project, authorized in 1976 under section 201 of the 1965 Flood Control Act, is located in the town of Lahaina on the west coast of the island of Maui, Hawaii. The plan of improvement provides for construction of 5,415 feet of concrete trapezoidal channel, a debris basin, a revetted outlet, and three bridges. Flood damages in the Kahoma Stream basin result from inadequate capacity of the channel and bridge openings, restrictive bends in the stream, and high velocity flows. The greatest flood on record occurred on May 13, 1960, with an estimated peak flow of 7,750 cfs and with damages of $320,000 at the time. Presently there are 360 homes, 18 condominiums, 280 commercial establishments, two shopping centers, several small businesses, and a sugar processing plant in the Kahoma Stream flood plain. The area to be protected comprises about 291 acres with a total estimated value of approximately $300,000,000 for land and improvements.

Kill Van Kull Channel, Newark Bay Channel, New York and New Jersey.—Kill Van Kull and Newark Bay are segments of New York Harbor essentially located between Staten Island, New York and Bayonne, New Jersey. The project provides for deepening the existing Federal channels in the Kill Van Kull and Newark Bay to 45 feet, widening these channels at selected points, and dredging a turning basin at Port Elizabeth, New Jersey. The Kill Van Kull and Newark Bay waterways serve the world's largest container port with more than 13 million tons of high value cargo handled annually. (Report of the Chief of Engineers dated 14 December 1981.)

Liberty State Park levee and seawall, New Jersey.—The State of New Jersey's plan for Liberty State Park will transform a decaying open space into a new and useful waterfront area. Opposite two national monuments, the park will offer public access to the waterfront and new recreational activities at the center of the New Jersey-New York metropolitan region. The project authorized by the Water Resources Development Act of 1976, is located in Jersey City, Hudson County, N.J., directly opposite the Statue of Liberty and Ellis Island in upper New York Bay. The proposed plan of improvement consists of excavation, landfill, placement of an armored sand levee, and construction of two pedestrian walkways spanning the unfilled areas. It extends 1.5 miles in a crescent alignment from the shoreline south of the Railroad Maritime Terminal to the north side of Black Tom Channel.

Little Dell Lake, UT.—The project authorized by the 1968 Flood Control Act and the 1976 Water Resources Development Act, is located on Dell Creek, a tributary of Parleys Creek, about 8 miles east of Salt Lake City, Utah. The plan of improvement provides for the constructon of a dam 253 feet high, creating a lake with a gross capacity of 30,000 acre-feet for flood control, municipal and industrial water supply, recreation, and fish and wildlife. The plan includes facilities for diversion of water from Emigration Creek and from Parleys Creek. The lake would be operated in conjunction with the existing Mountain Dell Reservoir on Parleys Creek for flood control and water supply. The project would provide flood protection against snowmelt flooding in the 13th South Street area in Salt Lake City, now subject to periodic damaging flood inundations from overflow of an underground conduit system that carries flow from Red Butte, Emigration, and Parleys Creeks; and would reduce flood peaks along the main stem of the Jordan River through the city of Salt Lake and downstream of the city. Floods of April-May 1952 and May 1983 caused estimated damages in urban areas of $2.6 million and $10 million, respectively. Under current conditions of development and prices, the 1952 flood damages would amount to about $105,000,000, most of which would be preventable by the project.

Locks and Dam No. 26. IL and MO Second Lock, Including Environmental Management.—Appropriations of funds for both Lock and Dam 26 (second lock) and environmental management of the upper Mississippi River system, ensures the coordinated de-

velopment and enhancement of the system as both a nationally significant ecosystem and a nationally significant commercial navigation system.

It is the Committee's intent that initial planning and design of the navigation and environmental improvements are to be undertaken simultaneously on equal fiscal footing, to the extent practicable and engineeringly feasible. This process represents a commitment to the balanced use, development and protection of the river resources recommended for the management of the upper Mississippi River system in pending authorizing legislation.

This advance engineering and design work provides for the timely construction of the recommended project. Furthermore, it provides a like amount to the Secretary of the Army, including sums for use by transfer to the Secretary of the Interior, for initial activities related to programs for long-term resource monitoring, habitat rehabilitation and enhancement, recreation improvements and studies, traffic monitoring, and computerized inventory and analysis. It is the intent of Congress to implement such programs so that significant progress can be made in advance of navigation capacity expansion resulting from the use of the new locks at Lock and Dam 26.

Locks and Dam No. 26, second lock, would be located adjacent to the Lock and Dam 26 (replacement) in the Mississippi River at Madison County, IL, and St. Charles County, MO, River mile 200.8 above the mouth of the Ohio River in the vicinity of Alton, IL, approximately 2 miles downstream from the existing Locks and Dam 26. Locks and Dam No. 26 are strategic to the movement of commodities up and down the Mississippi and Illinois Rivers. Any disruption of the single-lock operation could bring shipping to a halt. A second lock, 600 feet in length, would be capable of keeping traffic moving and minimizing delays that could result during routine maintenance or as a result of unexpected emergencies that could occur in the main lock. In addition, the second lock would increase the capacity to pass traffic on the river. (Report of the Upper Mississippi River Basin Commission, January 1982.)

Merced County Streams, CA.—The project authorized by the 1970 Flood Control Act, is located in Merced County in the vicinity of the city of Merced, Calif., on the streams draining from the Mariposa County foothills of the Sierra Nevada into Merced County. The plan of improvement provides for construction of two new dams and modification of one existing dam, approximately 33.4 miles of levee, and channel improvement on Bear, Cottonwood, Fahrens, and Black Rascal Creeks. The project will provide flood protection to residential, commercial, and agricultural lands within and adjacent to the city of Merced and Castle Air Force Base. The population of Merced County was 90,440 in 1960, increased to 154,200 by 1984, and is expected to reach 177,000 by 2000. Rapid urbanization is increasing the severity of serious flooding problems that exist along the streams draining from the Sierra Nevada into Merced County.

Mississippi River Ship Channel, Gulf to Baton Rouge, LA.—The project is located in the southeastern portion of Louisiana below Baton Rouge, consisting of the Mississippi River and its outlets to the Gulf of Mexico. The project will provide more efficient deep-draft navigation access to the New Orleans and Baton Rouge reaches of the Mississippi River via Southwest Pass by enlarging the existing channel to a project depth of 55 feet and enlarging the adjacent channel along the left descending bank in New Orleans Harbor to a 40-foot depth, a turning basin at Baton Rouge, and training works in the passes to reduce maintenance. (Report of the Chief of Engineers April 9, 1983.)

Missouri National Recreational River, NE and SD.—The project, authorized under Sec. 707 of the National Parks and Recreation Act of 1978 (P.L. 95-625), is located on the Missouri River between Gavins Point Dam, South Dakota, and Ponca State Park, Nebraska. The project consists of the development of this reach of the river to protect and enhance the qualities which resulted in its being classified as a National Recreational River under the Wild and Scenic River System. These qualities include scenic, recreational, fish and wildlife, and cultural values. Erosion control is essential to protect these qualities. Under a Department of the Army-Department of Interior Cooperative Agreement, the Corps of Engineers is responsible for construction and maintenance of bank stabilization work and appropriate recreational development. Designation as a Recreational River will preserve outstanding and important scenic values and will provide additional opportunities for river access and recreation use. The project would provide for 563,000 general visitor days for recreation and 187,000 visitor days for fish and wildlife recreation, annually. Erosion control, consisting of river management techniques designed to preserve the existing environment, would at the same time preserve high bank flood plain lands.

Mobile Harbor, AL.—Mobile Harbor is in southwestern Alabama at the junction of Mobile River and Mobile Bay. The harbor serves Mobile and an extensive portion of the United States. The southern end of Mobile Bay opens into the Gulf of Mexico. The proposed improvement provides for deepening the existing main ship channel from 40 feet to 55 feet. Current problems attending navigation relate to efficiency of operation, maneuveing difficulties, and higher transportation costs which result from the need to use smaller and/or light-loaded vessels in serving the port. Changes in both vessel characteristics and commodity movements indicate that modifications to the harbor are necessary to maintain efficient, safe and economical operations. (Report of the Chief of Engineers, Nov. 18, 1981.)

Moriches Inlet, N.Y.—Moriches Inlet is an opening through the narrow, sandy barrier beach on the south shore of Long Island which separates the Atlantic Ocean from a series of interconnected bays. The inlet is in Suffolk County and is 80 miles by water east of the Battery, New York City. The project, authorized by the 1960 River and Harbor Act, provides for an entrance channel 10 feet deep and 200 feet wide from the Atlantic Ocean to Moriches Bay, and an inner channel 6 feet deep and 100 feet wide from the bay to the Long Island Intercoastal Waterway. The U.S. Coast Guard notifies mariners that conditions at Moriches Inlet are extremely hazardous and that navigation of the inlet is considered unsafe at any time. The plan of improvement would provide adequate and safe access for boats. Also, the project would provide refuge and reduce storm damages to vessels.

Norfolk Harbor, VA.—The project is located in Hampton Roads, VA., a 25-square mile natural harbor serving the ports of Norfolk, Newport News, Portsmouth, Chesapeake, and Hampton, VA. The recommended project for deepening the main channels from 45 to 55 feet and other channels to lesser depths, along with construction of fixed mooring anchorage areas. Hampton Roads is natural roadstead of 25 square miles forming one of the finest natural harbors in the world. Domestic and foreign commerce in the port amounted to over 59,000,000 tons in 1979. The movement of this volume of waterborne commerce, together with the presence of major naval facilities, has made Hampton Roads one of the Nation's leading ports. (Report of the Chief of Engineers, Nov. 20, 1981.)

Parker Lake, OK.—The project would be located on Muddy Boggy Creek, Coal County, Oklahoma, about twenty miles east of Ada, Oklahoma. The improvement consists of an earthfill dam, a gated outlet works for flood control and water supply, and a 600-foot wide spillway. The dam would be about 2,000 feet long with a maximum height of about 100 feet above the steambed. The lake created would have a total storage capacity of 237,000 acre-feet, consisting of 115,400 acre-feet for flood control, 114,650 acre-feet for water supply, and 6,950 acre-feet for sediment reserve. The recommended project includes a wildlife mitigation plan that provides for management of 4,250 acres of land for wildlife purposes. (Report of the Chief of Engineers, May 30, 1980.)

Pearl River, Slidell, St. Tammany Parish, LA.—The City of Slidell and other communities in St. Tammany Parish, Louisiana, have experienced three floods of record since 1979 resulting from high stages on the Pearl River. In April 1983, record stages occurred, devastating numerous businesses and as many as 1,000 homes causing over $100,000,000 in damages. Investigations being finalized by the Corps of Engineers indicated that a number of measures could reduce flood damage, including channel modifications, levees, drainage structures and bridge modifications.

Flood damage relief is critically needed in this—the fastest growing area of Louisiana. The Corps of Engineers is directed to expedite measures to reduce this flooding problem and within available funds is directed to undertake such structural and nonstructural measures as deemed feasible to prevent flood damage to communities in the Pearl River Basin, St. Tammany Parish, Louisiana. (Draft Report of the District Engineer, Vicksburg, dated March 1985.)

Port Ontario Harbor, NY.—The Port Ontario Harbor, located on Lake Ontario in Oswego County at the mouth of the Salmon River was authorized as one of 21 harbors-of-refuge for shallow-draft vessels to create a chain of refuge harbors along the Great Lakes shoreline. In addition, the authorized project provides for additional smallboat activities. The project consists of two breakwaters, an entrance channel 8 feet deep and an inner channel 6 feet deep. A public wharf is to be constructed by local interests on the south side of the Salmon River at Selkirk Shores State Park in the vicinity of Pine Grove. (1945 River and Harbor Act).

Richmond Harbor, CA.—The project is located in the northeastern portion of San Francisco Bay in Contra Costa County adjacent to the city of Richmond. The plan of improvement provides for widening existing channels; enlargement of existing turning basin; construction of a new turning basin; and deepening of all channels and basins to 41 feet from the currently existing depths of 35 feet. Growth of foreign and coastwise

shipments and the introduction of larger vessels in the world fleet have rendered the existing 35 foot deep channels and turning basin at Richmond Harbor inadequate and inefficient for modern transportation needs. Maneuvering of vessels is restricted and the channels are too shallow for larger containerships and other vessels which must await high tide to navigate. Due to long delays and the hazard of grounding, efficient cargo movement is impaired. (Report of the Chief of Engineers, August 8, 1982.)

Richmond, VA local protection project.—The project is located in the City of Richmond and is bordered on the north by Henrico County and on the south by Chesterfield County. The James River flows directly through Richmond separating its business district into the Shockoe Creek area on the north bank and the South improvement provides for construction of Flood walls and levees to protect against a flood 15.4 feet above the March 1936 flood, or 6.4 feet above the June 1972 flood, on both sides of the river in downtown Richmond. (As contained in House Document 98-178.)

Sacramento River Deep Water Ship Channel, CA.—The project area extends from Avon in Suisun Bay to Collinsville and in the existing Sacramento River deep water ship channel from Collinsville to the Port of Sacramento, Calif. The recommended project consists primarily of deepening to 35 feet the Suisun Bay and existing Sacramento River deep water ship channel from New York Slough to the Port of Sacramento, and the Avon to New York Slough reach to 35 feet which will be accomplished under the San Franscisco Bay to Stockton project. Problems and needs associated with waterborne transportation in the existing Sacramento River deep water channel results from inadequate waterways and related facilities to accommodate vessels currently using the channel, thus causing inefficiencies and unsafe conditions. (Report of the Chief of Engineers, Nov. 20, 1981.)

Savannah Harbor Widening, GA.—The existing project is located in Chatham County, Georgia on the South Atlantic Coast, 75 miles south of Charleston Harbor, South Carolina, and 120 miles north of Jacksonville Harbor, Florida. The recommended plan provides for modification of the harbor by widening the navigation channel between the present upstream limit of the 500-foot channel (Fig Island Turning Basin) and the Kings Island Turning Basin from 400 to 500 feet, a distance of 5.6 miles. The increased density of shipping traffic in the upper harbor is creating a serious shipping hazard due to the narrowness of the channel. Because of the restrictions of this narrow channel, vessel speeds must be reduced. This results in increased transit time and costs for those vessels which must navigate this portion of the harbor. Since 93 percent of the vessels that call at Savannah Harbor enter this portion of the harbor, the speed reduction affects most of the harbor's commerce. (Report of the Chief of Engineers, dated December 19, 1978.)

Tampa Harbor Branch Channels, including East Bay Channel Maintenance, FL.—Tampa Harbor is located about midway along the Gulf Coast of Florida, in Tampa and Hillsborough Bays. The Gulf entrance is about 330 miles southeast of Pensacola Harbor and 220 miles north of Key West Harbor. The Branch Channels project, authorized by the River and Harbor Act of 1970, consists of deepening Hillsborough Bay Cut D, Sparkman Channel, Port Tampa Channel, and existing turning basins at the entrance to Ybor Channel and at Port Tampa. The city's terminals and port facilities serve as the commercial hub for this region with highway and railway networks extending through and beyond the tributary area. Waterborne commerce of the area passes through the terminals of Tampa Harbor in both foreign and domestic movements. Total volume through the port represents about one-half of the total volume through all deepwater ports in the State. Commerce on the Branch Channels was about 13 million tons in 1982 for petroleum products and sulphur, and is estimated to exceed 35 million tons by 2030. East Bay Channel and the terminal area it serves is located in the northeast section of Tampa Harbor between Hillsborough and McKay Bays. The authorized Federal project for East Bay includes an entrance channel and an extension along the eastern shore of the bay, 2,500 feet long, 300 feet wide, and 43 feet deep. In 1966, the Tampa Port Authority dredged a part of East Bay not in the authorized Federal project to a depth of 34 feet. The selected plan consists of providing Federal maintenance of a channel about 5,500 feet long, 300 feet wide, and 34 feet deep, extending northward from the authorized East Bay Channel, terminating in an irregularly shaped turning basin at that same depth. The City of Tampa is one of Florida's largest industrial and distribution centers for an area with a radius of over 100 miles, which includes Hillsborough and 16 adjacent counties. Commodities moving through East Bay consist primarily of general cargo and phosphate products. The high shoaling rate in East Bay has restricted the size of vessels that can use the waterway and terminal facilities. There is a need for continued dredging to maintain adequate channel depths for existing and future vessel traffic. (Report of the Chief of Engineers, dated January 25, 1979.)

Virginia Beach streams, canal No. 2, Virginia.—The project is located within the corporate limits of the City of Virginia Beach, Virginia. The City consists of 255 square miles of primarily low flat terrain, with about 75 percent of the area below elevation 15 feet mean sea level. In the Canal No. 2 watershed, the flow of water during flood situations is retarded by the exsting channel, and by constrictions of flow at bridges over the waterway. During periods of high runoff, the existing canal cannot satisfactorily drain storm waters away from the developed portions of the area. Consequently, direct flooding from excessive water levels in the existing canal causes the adjacent development to suffer damage. In addition, flood conditions in the canal proper retard lateral flow from storm sewers and open drainage ditches. (Section 201 of the 1965 Flood Control Act.)

William Bacon Oliver Lock and Dam, AL.—Oliver Lock and Dam is located at mile 388 on the Black Warrior-Tombigbee (BWT) Waterway at Tuscaloosa, AL. The existing lock has dimensions of 95′ x 460′. A new lock is proposed at a site 2,700 feet downstream of the existing Oliver Lock. The new lock would be on the opposite bank, have a lift of 28 feet, and chamber dimensions of 110′ x 600′. The chief reason for delay at Oliver is the chamber size, since it does not accommodate the typical tow size used on the waterway. A standard barge is 35′ x 195′ and is typically made up in a 6-barge tow which has to break into sections to lock through Oliver. Oliver is the only lock in the BWT system with dimensions not equal to 110′ x 600′. The maneuvering involved, plus the long locking time, causes a line to build at the lock, including delays. The new lock would accommodate the typical 6-barge tow with a single lockage significantly reducing delays. (Report of the Chief of Engineers, Spetember 26, 1984.)

Amendment No. 113: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate regarding the South Metropolitan Atlanta Region, Georgia study.

Amendment No. 114: Deletes language regarding the Red River Basin Comprehensive Study and the Arkansas River and Tributaries, South Central and Southeast Areas of Oklahoma Comprehensive Study as proposed by the House.

The conferees are aware that the Great Salt Lake has reached its highest level since 1873. The lake has risen nearly 12 feet since 1981 and has caused an estimated $130,000,000 damage to surrounding private and public property. To date, total State and local expenditures for flood damage control measures exceed $143,000,000. The Committee recognizes that while expenditures to date by the Government on this problem have not been large, sizable future Federal expenditures may be required in order to protect facilities and areas around the lake.

In order to determine the Federal interest, the Committee directs the U.S. Army Corps of Engineers to conduct reconnaissance studies around the lake with emphasis on the Bear River, Rose Park, Jordan River, the lake shore west of Corrine and Bountiful cities, and the areas to be affected by west desert pumping. Such studies should be conducted promptly during 1985 using available funds.

The conference agreement include $100,000 for the Corps of Engineers to begin a study of the flooding problems in Smithtown, NY.

Amendment No. 115: Deletes rescission proposed by the Senate.

Amendment No. 116: Restores language proposed by the House and stricken by the Senate regarding land acquisition at inland navigation projects.

Amendment No. 117: Earmarks $15,000,000 for construction of the Elk Creek Lake, Oregon project as proposed by the Senate. Funds are made available until expended consistent with existing law (31 U.S.C. 1301(c)(1), (2)).

The conferees have no objection to the Corps proceeding with the Town Bluff hydroelectric project as proposed, with the understanding that the project can be undertaken under existing law and authorities.

Within available funds, the conferees direct the Corps of Engineers to initiate construction of the small boat navigation harbor at Zippel Bay in Minnesota in accordance with the Detailed Project Report dated March 1984.

The conferees note that the Corps of Engineers has recently released funds for construction of a small flood control project in the City of Argyle, Minnesota, under circumstances which have raised questions as to whether the City must pay approximately $123,000 for certain road relocation and ramp raising costs. In the past, these costs have not been considered to be a non-Federal responsibility for projects authorized under section 205 of the Flood Control Act of 1948. The conferees direct that the Corps constuct the project with the costs of the road relocation and ramp raisings to be borne by the Federal Government.

Amendment No. 118: Deletes rescission proposed by the Senate.

FLOOD CONTROL AND COASTAL EMERGENCIES

Amendment No. 119: Appropriates $25,000,000 for flood control and coastal emergencies as proposed by the House instead of $10,000,000 as proposed by the Senate.

Amendment No. 120: Deletes rescission proposed by the Senate.

OPERATION AND MAINTENANCE, GENERAL

Amendment No. 121: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following:

For an additional amount for "Operation and Maintenance, General", to remain available until expended, $2,600,000 with which the Corps of Engineers is directed to construct recreation facilities (including a recreation lake) at Sepulveda Dam, California.

Within available funds, the Secretary of the Army is directed to use $400,000 to operate and maintain additional streambank stabilization structures in accordance with Section 707 of Public Law 95-625.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 122: Deletes rescission proposed by the Senate.

GENERAL PROVISIONS.

Amendment No. 123: Restores language proposed by the House and stricken by the Senate amending Section 105 of Public Law 98-360.

Amendment No. 124: Restores language proposed by the House and stricken by the Senate regarding the Langdon Park, Wilmette, Illinois project.

Amendment No. 125: Restores language proposed by the House and stricken by the Senate regarding the Sardis Lake, Oklahoma project.

Amendment No. 126: Restores language proposed by the House and stricken by the Senate relating to facilities for the United States Army Engineer District, Walla Walla, Washington.

Amendment No. 127: Deletes language proposed by the Senate relating to facilities for the United States Army Engineer District, Walla, Walla, Washington.

Amendment No. 128: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which amends Section 44 of the Water Resources Development Act of 1974 regarding the use of lands by the Mountrail County Park Commission, Mountrail County, North Dakota.

Amendment No. 129: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate authorizing the Corps of Engineers to transfer townsites at Fort Peck, Montana; Riverdale, North Dakota; and Pickstown, South Dakota, to local municipal entities.

Amendment No. 130: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following:

The Secretary of the Army, acting through the Chief of Engineers, is authorized and directed to construct, operate, and maintain a sediment retention structure near the confluence of the Toutle and Green Rivers, Washington, with such design features and associated downstream actions as are necessary, in accordance with the Feasibility Report of the Chief of Engineers dated December 1984. The total non-Federal contribution toward payment of project costs shall be as set forth in such report.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 131: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following:

Funds appropriated to the United States Army Corps of Engineers in the "Energy and Water Development Appropriation Act, 1985", Public Law 98-360, for the purpose of compensating certain landowners who have experienced damages as a result of drawdown operations of the Liddy Dam in Montana shall be expended to evaluate and award compensation for erosion or other damages of leveed and unleveed tracts of land in Kootenai Flats, Boundary County, Idaho, resulting from power of flood control drawdown operations at Libby Dam, Montana: Provided, That such evaluation and compensation of claims shall be based solely on the drawdown of water from Libby Dam for flood control, power operations, or other authorized purposes: Provided further, That compensation paid pursuant to this provision shall not exceed $1,500,000.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

In regard to Public Law 98-360, Libby Dam in Montana, and lands downstream in Kootenai Flats, Boundary County, Idaho, concerning the evaluation and awarding of compensation for damages caused by power drawdown, flood control or authorizing purposes, all pertinent claims which have been previously denied shall be reinstated and reevaluated in accordance with the standards set out in this Act.

DEPARTMENT OF THE INTERIOR

BUREAU OF RECLAMATION

Amendment No. 132: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following:

For an additional amount for the Department of the Interior, Bureau of Reclamation, "Construction program", for the design and construction of the Animas-La Plata Project, Colorado and New Mexico; Buffalo Bill Dam Project, Wyoming; Boulder Canyon Project, Arizona and Nevada; and the Headgate Rock Project, Arizona, to remain available until expended, $14,300,000; of which $1,000,000 shall be available for transfers to the Upper Colorado River Basin Fund as authorized by section 5 of the Act of April 11, 1956 (43 U.S.C. 620d): Provided, That of the total appropriated, the amount for program activities which can be financed by the Reclamation Fund may be derived from that Fund: Provided further, That of the total appropriated, $8,300,000 is appropriated pursuant to the Snyder Act (25 U.S.C. 13), to be expended by the Bureau of Reclamation for the purpose of designing and initiating construction of the Headgate Rock Hydroelectric Project, Arizona: Provided further, That none of the funds herein appropriated may be expended to undertake such projects except under terms and conditions acceptable to the Secretary of the Interior as shall be set forth in binding agreements with those non-Federal entities desiring to participate in project construction. Each such agreement shall include a statement that the non-Federal entitles are capable of and willing to participate in project cost-sharing and financing in accordance with terms of the agreement. At such time as the Secretary has executed a formal binding agreement and has determined that the non-Federal entities' financing plan demonstrates a reasonable likelihood of the non-Federal interest's ability to satisfy the terms and conditions of the agreement, the Secretary shall initiate construction at a project in accordance with such agreement: Provided further, That the funds appropriated herein shall lapse on June 30, 1986, if the agreement required herein for that project has not been executed.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 133: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate providing for the rehabilitation of the A Canal of the Klamath Project.

The conferees agree with the Senate Report language regarding the use of available funds to undertake studies to evaluate the extent to which hydroelectric dams and pump storage facilities can be used to manage environmental concerns along the Colorado River.

Within available funds, the conferees direct the Bureau of Reclamation to utilize $100,000 for the High Mountain Aquifer study in Colorado.

Amendment No. 134: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate relating to the costs associated with the enlargement of a portion of the WEB pipeline.

Amendment No. 135: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate directing that $10,400,000 of available funds be used by the Secretary of the Interior to fulfill certain water rights obligations authorized in Public Law 98-530.

Amendment No. 136: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate providing specific dates for completion of the preferred site selection and environmental impact statements for the Hooker Dam or alternative in New Mexico.

Amendment No. 137: Deletes rescission proposed by the Senate.

Amendment No. 138: Deletes rescission proposed by the Senate.

INDEPENDENT AGENCIES

TENNESSEE VALLEY AUTHORITY

Amendment No. 139: Restores language proposed by the House appropriating $5,000,000 for the Tennessee Valley Authority. This amendment provides $5,000,000 to the Tennessee Valley Authority for a main water transmission line at Bristol, Tennessee, in the vicinity of the Authority's Boone Lake, as proposed by the House. The confer-

ees agree that this project does not constitute a precedent for this type of activity by the TVA.

Amendment No. 140: Deletes rescission proposed by the Senate. The conferees agree, that in view of the emergency situation caused by recent extensive damage to a major boiler at TVA's National Fertilizer Development Center, the $1,538,000 of TVA appropriations proposed by the Senate for rescission shall instead be used by TVA to assist in making the necessary repairs to that boiler and restore it to operating condition.

DEPARTMENT OF ENERGY

Amendment No. 141: Restores language proposed by the House and stricken by the Senate and deletes language proposed by the Senate concerning construction of an electrical transmission line.

In Public Law 98-360, Congress authorized the Secretary of Energy to participate in the construction of additional transmission facilities necessary to allow mutually beneficial power sales between the Pacific Northwest and California. The Secretary has participated in the development of a plan for construction, operation, and use of a third 500-kV AC transmission line from the Pacific Northwest to California as described in a memorandum of understanding for the California-Oregon transmission project dated December 19, 1984. After a public hearing on the plan, the Secretary approved the memorandum of understanding with conditions which he felt were necessary to protect the United States and all interested persons not party to the memorandum of understanding. In a letter dated May 4, 1985, the Department of Energy, through its Acting General Counsel, clarified the conditions established by the Secretary. On May 14, 1985, the signatories to the memorandum of understanding accepted the Secretary's conditions, as clarified by the Department's letter, as the basis for proceeding with the plan for construction, operation, and use of the new line.

The conferees have reviewed the memorandum of understanding as approved, conditioned, and clarified by the Department of Energy (the memorandum). The conferees conclude that the plan for construction, operation, and use of the new line in accordance with the memorandum will permit power sales between the Pacific Northwest and California and that those sales will be of significant benefit to both regions and in the public interest. Furthermore, construction in northern California of the new line will, without any expenditure of Federal funds, increase Federal revenues through increased sales of power by the Bonneville Power Administration.

It is the conferees' intention that nothing in this act or the memorandum shall affect the authority of the Bonneville Power Administration in any way and particularly with respect to wholesale power rates, transmission rates, or regulation of access to federally controlled transmission facilities. This intent is reflected in the exchange of correspondence between Senator Mark Hatfield (letter dated January 31, 1985) and Secretary of Energy Donald Hodel (letter dated February 4, 1985). The conferees have also included bill language which clearly states that such authorities remain unaffected by the act.

The plan for construction, operation, and use of the new line has gone through extensive public review and the conferees believe it is consistent with the Federal Power Act, and that act's underlying goals and policies. Accordingly, to the extent that the memorandum or mutually agreed upon contractual provisions which implement the memorandum are subject to review and approval by the Federal Energy Regulatory Commission, they should not be modified so as to change the plan and should be reviewed in an expeditious manner.

Amendment No. 142: Deletes language proposed by the Senate prohibiting the Federal Energy Regulatory Commission from assessing annual charges on certain irrigation facilities.

Amendment No. 143: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate transferring prior year appropriations from Uranium Supply and Enrichment to the Geothermal Resources Development Fund.

Amendment No. 144: Deletes rescission proposed by the Senate.

Amendment No. 145: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate rescinding $8,280,000 of funds appropriated for Atomic Energy Defense Activities.

Amendment No. 146: Deletes rescission proposed by the Senate.

The conferees agree with Senate report language concerning use of $2,700,000 to complete a double-wall steam generator provided that no further Federal funds will be available for this project and that only CFBR termination or civilian nuclear research funds be used.

The conferees agree with Senate report language dealing with the use of $200,000 to test the use of feedlot waste at a Federally supported biofuels energy facility. The conferees agree with Senate report language directing the Department of Energy to reprogram $2,500,000 to maintain the schedule on the Mod-5 wind turbine and expect the Department to proceed expeditiously to assure this occurs. The conferees concur with the Senate direction regarding the uranium supply and enrichment program and expect the Department to assure that a smooth transition takes place that provides to the maximum extent possible for employee placement activities, technology transfer and documentation of efforts in centrifuge research and development. The conferees agree with the Senate report language regarding Miles City, Montana.

CHAPTER V

FOREIGN ASSISTANCE

DEPARTMENT OF STATE

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

(BY TRANSFER)

Amendment No. 147: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following:

$3,600,000 to be derived by transfer from the "Economic Support Fund" for Lebanon as provided in Public Law 98-63: Provided, That these funds shall be available only for the International Atomic Energy Agency: Provided further, That no funds shall be obligated after the date of enactment of this Act for the International Atomic Energy Agency unless the Secretary of State determines and so reports to the Committees on Appropriations that Israel is not being denied its right to fully participate in the activities of that Agency, including the rights, privileges or benefits that that Agency accords to all of its members

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees agree to transfer $3,600,000 in funds for the International Atomic Energy Agency instead of $5,686,000 as proposed by the House and $2,843,000 as proposed by the Senate. The transfer is to be derived from available Economic Support Funds for Lebanon.

The conferees also agree to include language proposed by the Senate that the transferred funds cannot be obligated unless the Secretary of State determines and reports to the Appropriations Committees that Israel is not being denied its right to participate in the activities of the International Atomic Energy Agency, including rights, privileges or benefits that the IAEA gives to all of its members.

BILATERAL ECONOMIC ASSISTANCE

AGENCY FOR INTERNATIONAL DEVELOPMENT

POPULATION, DEVELOPMENT ASSISTANCE

Amendment No. 148: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate. The Senate amendment specifies that the President is to determine whether any organization or program should be prohibited from receiving population development assistance because they support or participate in the management of a program of coercive abortion.

The conferees agree with the Senate position that this issue is of such significance that the determination should be made by the President of the United States. Further the conferees agree that if this responsibility is delegated, it is expected that the responsibility for making the required determination would, if delegated, be delegated only to the Secretary of State.

The conferees also agree that if the language in this provision prevents the use of population funds earmarked for a program they should be reprogrammed for other population programs consistent with the provision.

Amendment No. 149: Reported in technical disagreement. The managers on the part of the House will offer a notion to recede and concur in the amendment of the Senate. The Senate amendment adds programs of involuntary sterilization to the House language prohibiting the use of funds to any organization or program which supports or participates in the management of a program of coercive abortion.

The conferees agree that if the application of the amended provision prevents the use of population funds otherwise earmarked for a program or activity, such funds may be reprogrammed for other population programs that are consistent with this provision.

ECONOMIC SUPPORT FUND

Amendment No. 150: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following:

$2,258,000,000: Provided, That of the funds provided by this paragraph $250,000,000 shall be made available, and shall remain available for obligation for Jordan until September 30, 1987, only in accordance with the schedule of availability set forth in sec-

tion 402(a)(1) and section 402(a)(2) of this Act: Provided further, That of the funds provided in this paragraph for Jordan, not more than 33⅓ percent may be disbursed before September 30, 1985; not more than 50 percent may be disbursed before March 31, 1986; not more than 66⅔ percent may be disbursed before September 30, 1986; and, not more than 85 percent may be disbursed before March 31, 1987: Provided further, That notwithstanding any other provision of law, funds provided in this Act for Jordan, if not utilized for programs, projects, or other activities in Jordan, must be returned to the United States Treasury: Provided further,

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The amendments to the Senate language are technical in nature and clarify that the funds for Jordan are available through Fiscal Year 1987 and correct a section number that was referenced in the Senate language.

The conferees agree that the $250 million provided for Jordan is a one time emergency supplemental that is needed to provide for urgent economic problems and to encourage further progress in Middle East Peace initiatives.

Amendment No. 151: Deletes House language requiring the submission of an official supplemental request for Economic Support Funds for Israel, Egypt and the Middle East Regional Program, as proposed by the Senate. The Administration has now forwarded a supplemental for these areas.

Amendment No. 152: Deletes language proposed by the Senate which required that $750 million in Economic Support Funds for Israel be disbursed within 30 days of enactment of the Supplemental.

The conferees agree that the Administration is to move quickly to disburse funds that Israel needs to meet its most urgent economic needs and to provide assistance on a responsible and timely basis.

Amendment No. 153: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following:

funds provided by this paragraph shall be made available notwithstanding section 10 of Public Law 91-672: Provided further, That the funds provided by this paragraph for Israel and Egypt shall be made available as cash grant transfers: Provided further, That not less than the Egyptian pound equivalent of $50,000,000 generated from funds made available by this paragraph, or from any other source, shall be deposited into the Trust Funds established by the Trust Account Agreement of 1980 to be used for United States' supported programs in Egypt pursuant to the United States-Egypt Economic, Technical and Related Assistance Agreements of 1978 which provide for local currency requirements for programs of the United States in Egypt to be made available to the United States in the manner requested by the Government: Provided further, That prior to depositing funds into the Trust Fund, the Secretary of State shall notify the Appropriations Committees of both Houses of the Congress fifteen days in advance as to how the endowment is to be managed, where the funds will be deposited, the interest rate to be secured, and the procedures to be used in establishing, operating, and disbursing endowment funds: Provided further,

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees agree under this amendment to waive authorization requirements, as proposed by the Senate. This action was taken due to the need to obligate funds in this supplemental and the likelihood that authorization action will not immediately occur.

The conferees also agree to Senate language clarifying that the $500 million in Economic Support Funds for Egypt is to be a cash grant transfer. The conferees agree that the Government of Egypt should, to the maximum extent possible, use local currencies generated by the cash transfer to undertake additional development activities and to assist efforts of economic reform.

The conferees under this amendment also agree that $50 million in local currencies generated by the Egyptian Economic Support Fund Program be used for an endowment fund for the American University of Cairo. The conferees have recommended $50 million for the endowment instead of the $65 million recommended by the Senate. The conferees expect that the rate of exchange shall be the most favorable rate negotiated by A.I.D. in Egypt. The conferees agree that prior to obligating funds for this endowment the Secretary of State is to notify the appropriate Committees of Congress on how the endowment is to be managed, where the funds will be deposited, the interest rate to be secured, and the procedures to be used in establishing, operating, and disbursing the endowment funds.

The conferees expect that the local currencies placed in the Trust Funds pursuant to this provision shall be managed by the United States Mission in Egypt and shall be placed as principal in interest bearing accounts, the income from which shall be provided as grants to the American University of Cairo.

HUMANITARIAN ASSISTANCE FOR NICARAGUAN DEMOCRATIC RESISTANCE

Amendment No. 154: Restores House language stricken by the Senate for humanitarian assistance for the Nicaraguan Democratic Resistance. The restored House language provides $27,000,000 to remain available until March 31, 1986 for humanitarian assistance to the Nicaraguan Democratic Resistance. The funds are to be provided by such department or agency of the United States as the President shall designate, except for the Central Intelligence Agency or the Department of Defense. The conferees agree that Section 102 is not intended to restrict interdepartmental consultation.

The restored House language also provides $2,000,000 to remain available until expended for payment to the Contadora nations if an agreement is reached among the countries of Central America based on the Contadora Document of Objectives of September 9, 1983.

DEPARTMENT OF STATE

MIGRATION AND REFUGEE ASSISTANCE

Amendment No. 155: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which provides $12,500,000 for Soviet, Eastern European and other refugees resettling in Israel. The funds are to be transferred from Economic Support Funds available for Lebanon.

GENERAL PROVISIONS

Amendment No. 157: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which directs the Secretary of the Treasury to instruct the U.S. Executive Directors of the International Financial Institutions to oppose any assistance related to copper export commodities.

Amendment No. 156: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate. The Senate amendment states that U.S. contributions to International Financial Institutions should be primarily directed at projects that do not generate surplus commodities or displace private initiatives, and directs that U.S. Executive Directors of the International Financial Institutions take into account specific criteria concerning surplus commodities in reviewing project loans and credits.

CHAPTER VI

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Amendment No. 158: Deletes language proposed by the House and stricken by the Senate rescinding $75,000,000 for payments for operation of low-income housing projects and referencing balances of funds and inserts language proposed by the Senate restoring reference to balances of funds.

Amendment No. 159: Reported in technical disagreement. The managers of the part of the House will offer a motion to recede and concur in the amendment of the Senate deleting the center heading proposed by the House and inserting the language proposed by the Senate transferring $4,000,000 to salaries and expenses from the various funds of the Federal Housing Administration.

AMERICAN BATTLE MONUMENTS COMMISSION

Amendment No. 160: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate permitting not to exceed $1,000,000 of excess personnel compensation and benefits funds in the salaries and expenses appropriation to be used for purchasing equipment and other services.

ENVIRONMENTAL PROTECTION AGENCY

Amendment No. 161: Restores language proposed by the House and stricken by the Senate amended to appropriate $4,000,000 for salaries and expenses, instead of $5,000,000 as proposed by the House. The Committee of Conference places a priority of intramural research needs and urges EPA to allocate up to $1,000,000 of these funds for intramural research support and equipment costs.

Amendment No. 162: Restores language proposed by the House and stricken by the Senate rescinding $4,125,000 from research and development.

Amendment No. 163: Appropriates $20,000,000 for abatement, control, and compliance, instead of $15,000,000 as proposed by the House and $25,000,000 as proposed by the Senate. Of these funds, $12,000,000 is provided for Resource Conservation and Recovery Act activities, $4,000,000 for asbestos abatement technical assistance, and $4,000,000 for water quality enforcement state grants, including pretreatment.

Amendment No. 164: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede

and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter proposed by said amendment, insert the following:

BUILDINGS AND FACILITIES

For an additional amount for "Buildings and facilities", $500,000, to remain available until expended: Provided, That none of these funds may be obligated until the completion of a feasibility study by the Environmental Protection Agency to determine the most cost-effective way to house the research program at Newport, Oregon.

The managers on the part of the Senate will more to concur in the amendment of the House to the amendment of the Senate.

EXECUTIVE OFFICE OF THE PRESIDENT

Amendment No. 165: Inserts language proposed by the Senate appropriating $120,000,000 for the Office of Science and Technology Policy.

FEDERAL EMERGENCY MANAGEMENT AGENCY

Amendment No. 166: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter proposed by said amendment, insert the following:

EMERGENCY FOOD AND SHELTER PROGRAM

There is hereby appropriated $20,000,000 to the Federal Emergency Management Agency, to remain available until September 30, 1986, to carry out an emergency food shelter program. Notwithstanding any other provision of this or any other Act, such amount shall be made available under the terms and conditions of the following paragraphs:

The Director of the Federal Emergency Management Agency shall, as soon as practicable after enactment of this Act, constitute a national board for the purpose of determining how the program funds are to be distributed to individual localities. The national board shall consist of seven members. The United Way of America, the Salvation Army, the National Council of Churches of Christ in the U.S.A., the National Conference of Catholic Charities, and Council of Jewish Federations, Inc., the American Red Cross, and the Federal Emergency Management Agency shall each designate a representative to sit on the national board. The representative of the Federal Emergency Management Agency shall chair the national board.

Each locality designated by the national board to receive funds shall constitute a local board for the purpose of determining how its funds will be distributed. The local board shall consist, to the extent practicable, of representatives of the same organizations as the national board except that the mayor or appropriate head of government will replace the Federal Emergency Management Agency member.

The Director of the Federal Emergency Management Agency shall award a grant for $20,000,000 to the national board within thirty days after enactment of this Act for the purpose of providing emergency food and shelter to needy individuals through private voluntary organizations and through units of local government.

Eligible private voluntary organizations should be non-profit, have a voluntary board, have an accounting system, and practice nondiscrimination.

Participation in the program should be based upon a private voluntary organization's or unit of local government's ability to deliver emergency food and shelter to needy individuals and such other factors as are determined by the local boards.

Total administrative costs shall not exceed 2 per centum of the total appropriation.

As authorized by the Charter of the Commodity Credit Corporation, the Corporation shall process and distribute surplus food owned or to be purchased by the Corporation under the food distribution and emergency shelter program in cooperation with the Federal Emergency Management Agency.

The Director of the Federal Emergency Management Agency shall review the reported condition of the "street people" and other disadvantaged people in cities and counties throughout the Nation, including those reported in Tunica County, Mississippi, and report to the House and Senate Committees on Appropriations his recommendations for correcting or improving the situation which exists.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement provides $20,000,000 for the emergency food and shelter program, instead of $110,000,000 as proposed by the Senate. This funding is intended to carry the program through the balance of 1985. It is anticipated that additional funding will be provided for this program in connection with the regular 1986 appropriation bill.

Amendment No. 167: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate transferring $3,100,000 to salaries and expenses from emergency management planning and assistance, amended to transfer $1,105,000.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Amendment No. 168: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

For an additional amount for "Research and development", $40,000,000, to remain available until September 30, 1986: Provided, That this amount shall be deferred and shall not become available until March 1, 1986.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The Committee of Conference has included $40,000,000 to partially offset a cost overrun in the shuttle centaur program. Currently, the overrun is estimated at approximately $110,000,000—of which about $90,000,000 is associated with NASA and the balance with the Air Force. The conferees agree to the $40,000,000 with the provision that the money shall not become available until March 1, 1986. The delay in the obligation of the funds will permit NASA and the Committees on Appropriations to continue to review shuttle centaur program development problems. In that connection, before the funds are released, the conferees request that NASA submit an accounting of the use of the $40,000,000 and any additional funds required to meet the current anticipated overrun or any requirements derived from new technical problems or further schedule slippage.

Amendment No. 169: Inserts language proposed by the Senate providing that only $4,000,000 of the $6,000,000 research and program management rescission be pursuant to section 2901 of the Deficit Reduction Act of 1984, instead of $6,000,000 as proposed by the House.

NATIONAL SCIENCE FOUNDATION

Amendment No. 170: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate appropriating $100,000 for research and related activities to support the Arctic Research Commission.

The conferees are aware that the Commissioners of the Arctic Research Commission were sworn in only four months ago. The result has been that a comprehensive estimate of the resources needed for the Commission in fiscal year 1985 was formulated prior to the beginning of their tenure, making accurate projections difficult. Therefore the conferees agree that an additional $100,000 is to be provided to the National Science Foundation in fiscal year 1985 for the activities of the Commission. Together with the $150,000 the Foundation previously reprogrammed from its budget for the Commission, this brings the total budget for the Commission in fiscal year 1985 to $250,000. The conferees have also agreed that due to overall Federal spending constraints, the Commission's funding for fiscal year 1986 should be supported at a level not to exceed the fiscal year 1986 request of $300,000. This amount represents a 20 percent increase over the newly established level for fiscal year 1985.

DEPARTMENT OF THE TREASURY

Amendment No. 171: Rescinds $100,000 from the Office of Revenue Sharing, salaries and expenses as proposed by the Senate, instead of $90,000 as proposed by the House.

VETERANS' ADMINISTRATION

Amendment No. 172: Deletes language proposed by the House and stricken by the Senate appropriating $44,200,000 for readjustment benefits.

Amendment No. 173: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate rescinding $3,520,000 from medical care.

Amendment No. 174: Deletes language proposed by the House and stricken by the Senate rescinding $150,000 from medical and prosthetic research.

Amendment No. 175: Rescinds $2,109,000 from medical administration and miscellaneous operating expenses as proposed by the House, instead of $1,322,000 as proposed by the Senate.

Amendment No. 176: Deletes language proposed by the House and stricken by the Senate rescinding $2,000,000 from general operating expenses.

Amendment No. 177: Restores language proposed by the House and stricken by the Senate rescinding $377,000 from construction, minor projects.

CHAPTER VII

DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

Amendment No. 178: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment appropriating $115,500,000 instead of $45,000,000 as proposed by the House and $45,500,000 as proposed by the Senate. The managers on the

part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The amount provided includes $500,000 for additional costs necessary to feed wild horses and burros which have been taken off the range; $45,000,000 to repay funds used in fiscal year 1984 for firefighting costs; and $70,000,000 to offset extraordinary firefighting costs being incurred by BLM in fiscal year 1985. This appropriation will reduce the amount required in the fiscal year 1986 supplemental to repay costs incurred in fiscal year 1985.

Amendment No. 179: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which appropriates $825,000 for design of a building for the Bureau of Land Management in Fairbanks, Alaska and makes $20,000 available to pave the street and build the sidewalk and curb in front of the BLM district office in Worland, Wyoming.

U.S. FISH AND WILDLIFE SERVICE

Amendment No. 180: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter inserted by said amendment, insert the following:

LAND ACQUISITION

For an additional amount for "Land acquisition", $1,000,000, to be derived from the Land and Water Conservation Fund, to remain available until expended.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The amendment clarifies that the appropriation of $1,000,000 for land acquisition at Bogue Chitto NWR is to be derived from the Land and Water Conservation Fund.

NATIONAL PARK SERVICE

Amendment No. 181: Deletes rescission of $94,000 for National Recreation and Preservation proposed by the Senate.

Amendment No. 182: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which adds the account title "Land acquisition and state assistance (including rescission)".

Amendment No. 183: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter inserted by said amendment, insert the following:

For an additional amount for "Land acquisition and state assistance", $22,000,000, to be derived from the Land and Water Conservation Fund, to remain available until expended.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The amendment clarifies that the appropriation is to be derived from the Land and Water Conservation Fund.

There have been a number of complaints in recent years that non-profit organizations have shopped for appraisals that escalate the fair market value and drive up acquisition prices on related tracts. Further, some non-profits have acquired options or fee title to parcels and have not disclosed the financial considerations or other details of these transactions to the acquiring Federal agency prior to the transfer of title.

The managers urge the Secretary to resume third party acquisitions under conditions that ensure appraisal shopping is discontinued and direct the Federal agencies to establish procedures for confidentially handling the details of options or fee acquisitions involving third party organizations. Details of future third party acquisitions must be disclosed to the acquiring Federal agency prior to completing transfer of title, but letters of intent are not required.

Amendment No. 184: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which rescinds $52,000 from "Land acquisition and state assistance" pursuant to section 2901 of the Deficit Reduction Act.

Amendment No. 185: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which makes funds available to the Cumberland Gap National Historical Park for the operation of the Cumberland Gap Tunnel and access roads available only to the extent provided for in a memorandum of understanding to be negotiated between the Secretary of the Interior and the governors of the States of Kentucky and Tennessee. The agreement, at a minimum, should provide for the States of Kentucky and Tennessee to maintain the Cumberland Gap Tunnel and access roads in the Cumberland Gap National Historical Park.

Within existing funds $250,000 is made available for a study of the feasibility and desirability of making Chicago's Navy Pier a recreational and cultural unit within the National Park System under the operating jurisdiction of a commission made up of persons appointed by the Mayor of Chicago and the Secretary of the Interior or persons appointed by the Mayor of Chicago, the Governor of Illinois and the Secretary of the Interior with appropriate cost-sharing by Federal and city or Federal, State and city governments. In making the study, the National Park Service shall consult and cooperate with the Mayor of Chicago, the Governor of Illinois and other appropriate public officials. Consultation may also be had with schools of design and architecture, symposia and forums on the subject, including a review of the Mooney plan, and including the prospective costs, and means of financing such costs whether private, public or both; and to report back with its findings within six months to the appropriate Committees of the Congress. The study should address the appropriateness of a commission to facilitate State, local and Federal cooperation such as exists with the Illinois and Michigan National Heritage Corridor Commission and the Lowell National Historic Preservation Commission. The model of the cooperative arrangement between the Federal government and the State of New Jersey to protect and preserve the Pinelands areas may also be useful.

Amendment No. 186: Deletes language proposed by the Senate with respect to the National Capital region arts and cultural affairs program.

MINERALS MANAGEMENT SERVICE

Amendment No. 187: Restores language proposed by the House and stricken by the Senate and delete language proposed by the Senate specifying authorization under section 111 (b) and (d) of the Federal Oil and Gas Royalty Management Act of 1982 for the Minerals Management Service to pay late interest payments from mineral leasing receipts to State and Indian accounts.

Amendment No. 188: Deletes technical correction proposed by the Senate.

The managers agree that within the recommended amount, $88,431 is included to pay interest to the Chippewa Cree Tribe of the Rocky Boy's Reservation. This action is not to be seen as setting a precedent for earmarking late interest payments in the future. In May 1985, the General Accounting Office issued a report, "Examination of Funds Received by the Federal Government Under Leases of Mineral Rights on the Bullhook Gas Unit" (GAO/RCED-85-52) stating that the Chippewa Cree Tribe of the Rocky Boy's Reservation had been underpaid by $88,431. Due to the findings of this audit, and the fact that the fiscal year 1985 supplemental request preceded issuance of this report, the managers have agreed to make this exception.

OFFICE OF SURFACE MINING

Amendment No. 189: Delete center heading proposed by the Senate.

Amendment No. 190: Deletes rescission proposed by the Senate, and as a consequence, makes $546,000 available to the Office of Surface Mining Reclamation and Enforcement to be utilized for staff to conduct an inventory of the number of two acre sites requiring inspection in Virginia and Kentucky, to inspect those sites to see if the exemptions are valid, and to have inspectors available to testify in court if necessary as proposed by the House.

BUREAU OF INDIAN AFFAIRS

Amendment No. 191: Appropriates $23,423,000 for operation of Indian programs as proposed by the Senate instead of $19,818,000 as proposed by the House.

The managers agree that funds shall be reprogrammed from the economic development grant program as follows: $2,900,000 for general assistance payments; $72,000 for the Ute Mountain Ute energy development program; $800,000 for water studies; and $100,000 for activities associated with the Pacific Salmon Treaty Act of 1985. The managers agree that $245,000 shall be reprogrammed from the "638" contract monitoring activity to the Point-No-Point fisheries management program.

The managers agree that a total of $1,350,000 is provided for high priority water studies for support of negotiation or litigation.

Funds for the Salmon Treaty shall be used to develop a memorandum of understanding between the Bureau of Indian Affairs, the Fish and Wildlife Service and the National Oceanic and Atmospheric Administration which clearly sets forth the responsibilities of each agency under this Act. Once such agreement has been reached, funds will be provided in the appropriate accounts.

The managers agree that all government-owned equipment at the Labre Indian School shall be transferred to that school at no cost.

The managers direct that all contractors receive the same percentage of their indirect costs in the current fiscal year as every other contractor. The Bureau of Indian Affairs shall report to the Congress by August 1, 1985 on actions taken to implement this directive.

Amendment No. 192: Provides a transfer of funds from the National Capital region arts and cultural affairs account as proposed by the House instead of from road construction as proposed by the Senate.

Amendment No. 193: Reported in technical disagreement. The mangers on the part

of the House will offer a motion to recede and concur in the amendment of the Senate which provides a payment of $8,700,000 to reduce the indebtedness of the Navajo Agricultural Products Industry (NAPI), and which discharges NAPI from the obligation to pay interest on direct loans from the Bureau of Indian Affairs until January 1, 1991.

Amendment No. 194: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter proposed by said amendment, insert the following:

Provided further, That no funds shall be paid to creditors of the Sangre de Cristo Development Company, Inc., whose claims are set aside by the United States Bankruptcy Court for the District of New Mexico: Provided further, That general assistance payments made by the Bureau of Indian Affairs after April 29, 1985 shall be made on the basis of Aid to Families with Dependent Children (AFDC) standards of need except where a state ratably reduces AFDC payments in which event the Bureau shall reduce general assistance payments in such state by the same percentage as the state has reduced the AFDC payment

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The amendment relieves the Bureau of Indian Affairs from payments to certain currently certified creditors of the Sangre de Cristo Development Company whose claims are subsequently disallowed by the U.S. Bankruptcy Court. The amendment also puts into law regulations promulgated by the Department of the Interior regarding general assistance payments which became effective April 29, 1985.

Amendment No. 195: Defers obligation of $3,000,000 of construction funds available to the Bureau of Indian Affairs as proposed by the House instead of no deferral as proposed by the Senate.

The managers agree that the unobligated funds from the Fort Yates irrigation project shall be reprogrammed to the Eagle (Banik) unit and that the Eagle unit shall be scaled down to approximately 1,125 acres so that the project can be completed within available funds.

DEPARTMENT OF AGRICULTURE

Forest Service

Amendment No. 196: Appropriates $61,247,000 for the National forest system as proposed by the House instead of $62,140,000 as proposed by the Senate.

Amendment No. 197: Appropriates $1,568,000 for construction as proposed by the House instead of $675,000 as proposed by the Senate.

The managers direct that $52,000 of the funds made available for the Long Valley Caldera Emergency Communications System be transferred to the U.S. Geological Survey for their share of the communications system.

Amendment No. 198: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which inserts the word "Including".

Amendment No. 199: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter inserted by said amendment, insert the following:

For an additional amount for "Land acquisition", $7,000,000, to be derived from the Land and Water Conservation Fund, to remain available until expended.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The amendment clarifies that the appropriation of $7,000,000 for land acquisition at Lake Tahoe is to be derived from the Land and Water Conservation Fund.

Amendment No. 200: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter inserted by said amendment, insert the following:

ADMINISTRATIVE PROVISIONS

To assure that National Forest timber under contract from the Mapleton District of the Siuslaw National Forest prior to enactment of the Federal Timber Contract Payment Modification Act remains available, the Secretary of Agriculture is authorized to resell all timber which is defaulted or which is returned under provisions of the Federal Timber Contract Payment Modification Act and permit roads and other associated developments, notwithstanding any other provision of law, and notwithstanding the injunctions issued in National Wildlife Federation et al. v. United States Forest Service et al., 592 F. Supp. 931 (D. ORE. 1984) and in No. 84-4274 (9th Cir. March 6, 1985). Any such timber shall be available for resale from the date of enactment of this Act until dissolution of the aforesaid injunctions. The Secretary shall determine the potential environmental degradation to streams or other bodies of water of timber sales returned pursuant to the Federal Timber Contract Payment Modification Act and shall characterize each sale's potential environmental impact as minimal, moderate, or serious. The Secretary shall give resale priority to those sales with the least risk of potential environmental degradation. Sales that are reoffered may be modified, including minor additions. Any decision of the Secretary of Agriculture to resell such timber shall not be subject to judicial review.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The managers have agreed to bill language that will allow the Forest Service to resell timber on the Mapleton Ranger District of the Siuslaw National Forest, Oregon that has been returned pursuant to the Federal Timber Contract Payment Modification Act, in order to allow local mills to continue operations while the agency continues the development of the forest management plan.

It is the managers' intention that timber resold under this provision be a part of the normal sales program, based upon historical annual sales volumes of not to exceed 90 million board feet on the Mapleton Ranger District. The language allows minor modifications, including additions, to sales which are reoffered and it is the managers' intention that such modifications or additions should be included only when necessary to formulate a viable timber sale.

The language directs the Secretary to consider the environmental consequences of each sale and to categorize each sale's environmental impact as minimal, moderate, or serious. In determining the environmental consequences, the Secretary shall consider relevant factors, including but not limited to the risk of soil movement, the effectiveness of soil erosion mitigation measures, the condition and importance of potentially affected streams and fish habitat, the cutting methods, and road specifications. The managers are confident that this will be an effective process for minimizing potential environmental degradation and intend to follow closely all timber sales made pursuant to this provision. Because the sales will be returned over a period of time, this will also permit the Secretary to evaluate and reoffer sales as they are returned. Once reoffered sales are defined and their degree of environmental impact assigned, they shall be available for public review for a period of 30 days before being reoffered.

The managers agree that the bill language does not affect the injunction currently in effect, as the timber to be resold is outside the scope of that injunction. Provided that environmental assessments have already been completed on such timber sales and will be upgraded prior to resale, the language further states that any decision of the Secretary to resell such timber, including the determination and assignment of environmental impact risk shall not be subject to judicial review.

Amendment No. 201: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which states that the Forest Service shall continue to operate Equipment Development Facilities in San Dimas, California, and in Missoula, Montana, at least through the end of fiscal year 1986, and that funds and personnel shall not be reduced by more than 10 percent from current levels.

DEPARTMENT OF ENERGY

Clean Coal Technology

The managers agree with the clean coal technology project guidelines contained in Senate Report 99-82 with the following modifications:

I. General Project Guidelines:

2. The project should utilize or expand the utility of technologies, techniques or processes which do not duplicate a commercial scale demonstration currently being conducted in the United States.

3. The clean coal technology, alone or in conjunction with other technologies, must result in emission levels that comply with or exceed Clean Air Act requirements, in a cost-effective manner.

and,

IV. Environmental Benefits:

1. The commercial application of the clean coal technology for retrofit applications on fossil fuel-fired plants is likely to result in a reduction of emissions from the use of coal at a cost which is competitive with the cost of achieving comparable emission reductions by current technology.

The managers agree that the clean coal technology project criteria contained in the Senate report provide useful guidance for the development of a competitive solicitation for cost-shared clean coal technology projects, and that the Department of Energy should immediately begin preparing such a solicitation document so that it can be issued as soon as possible after the beginning of fiscal year 1986, if funds are provided. To the extent that technologies traditionally supported by the Environmental Protection Agency (EPA) are part of the solicitation or responses to it, as well as on environmental regulatory considerations, the Department should consult with EPA.

FOSSIL ENERGY RESEARCH AND DEVELOPMENT

Amendment No. 202: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment that disapproves $39,154,000 of deferral D85-27A for fossil energy research and development instead of $38,925,000 as proposed by the House and $8,350,000 as proposed by the Senate.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The change from the amount of the deferral proposed to be disapproved by the House consists of additional deferral disapprovals of $983,000 for materials work at Idaho National Engineering Laboratory, $492,000 for coal-fired diesel locomotives, and $150,000 for use of prior year balances, and additional deferrals of $983,000 for AR&TD phosphoric acid fuel cells, and $413,000 for AR&TD materials work.

The managers agree that the $150,000 out of prior year funds mentioned above should be used by the Department of Energy to conduct tests of the combustion catalyst, Glo-Klen. These tests are intended to ascertain whether the results of earlier tests conducted by Southern Illinois University are confirmed and establish parameters for a commercial utility scale demonstration.

The managers agree to the construction of a generic fluidization test center at the Morgantown Energy Technology Center using unobligated funds available from prior years for fluidized bed research and development.

The managers agree that the $1,278,000 for atmospheric fluidized bed boiler tube replacement is the final appropriation for this project.

The managers expect the MHD community to develop and submit to the appropriate Congressional committees a plan for significant industry cost-sharing which would include increasing commitments above existing levels. The new cost-sharing plan should be based on the MHD development plan submitted by the Department to Congress in June, 1984. Additional funds should not be appropriated absent increased cost-sharing.

Amendment No. 203: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert the following:

(DEFERRAL)

Of the funds available for obligation under this head, $1,600,000 shall not be available for obligation until October 1, 1985.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

This amendment converts the proposed rescission to a deferral which will then be used to offset costs of the fiscal year 1986 program.

STRATEGIC PETROLEUM RESERVE

The managers agree that within available funds a sufficient amount is to be used to complete the McNeese State project.

Amendment No. 204. Reported in technical disagreement. The managers on the part of the House will offer a motion in recede and concur in the amendment of the Senate with an amendment as follows:

Restore the matter stricken by said amendment, amended to read as follows:

SPR PETROLEUM ACCOUNT

(DISAPPROVAL OF DEFERRAL)

The Congress disapproves $290,070,000 of the proposed deferral D85-42 relating to the Department of Energy, "SPR petroleum account", as set forth in the message of February 6, 1985, which was transmitted to the Congress by the President. The disapproval shall be effective upon enactment into law of this Act and the amount of the proposed deferral disapproved herein shall be made available for obligation.

Notwithstanding any other provision of law, section 160(d)(1) of the Energy Policy and Conservation Act (Public Law 94-163, as amended) is amended by adding a new subsection as follows:

Strike the period at the end of subsection (B) and insert the folloiwng:

"; or

"(C) the fill rate is sufficient to attain a level of 500,000,000 barrels by the end of the fiscal year during which the fill rate falls below the rate established in (B).".

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The amendment disapproves $290,070,000 of proposed deferral D85-42 for the SPR petroleum account instead of $827,028,316 as proposed by the House and no disapproval proposed by the Senate.

The managers agree that the $290,070,000 made available for obligation is to be used to fill the Strategic Petroleum Reserve in fiscal year 1986 to a total of 500 million barrels. The requirements of the Energy Policy and Conservation Act, recently extended by Public Law 99-58, have been amended to allow a lower fill rate than previously allowed as long as the reserve will reach 500 million barrels by the end of the fiscal year. This will permit the Naval Petroleum Reserve No. 1 at Elk Hills, California to be produced in fiscal year 1986.

Amendment No. 205: Deletes language proposed by the Senate authorizing and requiring quarterly reports on local imports and specifying the information required. Identical provisions are included in Public Law 99-48.

SMITHSONIAN INSTITUTION

Amendment No. 206: Inserts the title "Smithsonian Institution" as proposed by the Senate.

Amendment No. 207: Appropriates no funds for salaries and expenses instead of $300,000 as proposed by the Senate.

Amendment No. 208: Inserts the title "National Gallery of Art" as proposed by the Senate.

Amendment No. 209: Appropriates $400,000 for salaries and expenses as proposed by the Senate.

Amendment No. 210: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which provides that up to $700,000 of funds appropriated for renovation and repair of the West Building of the National Gallery of Art may be spent on renovation and repair of the East Building of the National Gallery of Art.

GENERAL PROVISIONS

Amendment No. 211: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

Restore the matter stricken by said amendment, amended to read as follows:

GENERAL PROVISIONS

None of the funds made available to the Department of the Interior or the Forest Service during fiscal year 1985 by this or any other Act may be used to implement the proposed jurisdictional interchange program.

The managers on the part of the Senate will move to concur in the amendment of the House of the amendment of the Senate.

The managers have revised the bill language to provide that no funds are to be available to implement the proposed jurisdictional land interchange between BLM and the FS, including the Oregon and California grant lands.

The two agencies have indicated on numerous occasions that they do not intend to implement the proposal prior to legislation. A number of public hearings were held in June 1985 and the specific plans and legislative proposals to be developed will reflect those public meetings. The agencies have assured the Congress that no actions designed to actually implement the proposal that is being developed will be taken prior to the passage of appropriate legislation.

There are a number of managerial activities that are not tied to the interchange proposal and that are not to be carried out if their purpose is to implement the interchange proposed. These activities, spelled out in detail in a letter to the chairman of the House appropriations subcommittee on May 9, 1985, from the Director of the Bureau of Land Management and the Chief of the Forest Service, represent efforts to increase the efficiency and effectiveness of the agencies that are authorized by existing law and that are not being proposed as part of an interchange program. The Committee does not want the bill language to be used to block those efforts, including:

—Sharing, where opportunities arise, facilities, and space in towns where both agencies are presently located.

—Selecting employees from one agency through the Merit Promotion Program or through voluntary lateral reassignments to full vacancies in the other agency.

—Sharing of support personnel based on workload and need, such as receptionists, public contact specialists, procurement and contracting personnel, et cetera, within local areas to take advantage of specialized skills and opportunties for increased efficiency.

—Sharing of resource management specialists on projects such as environmental analyses, fires, timber sales, land use planning, et cetera.

—Continuation of cooperative management and related efforts in areas such as wild horse and burro management, the grazing fee study, timber relief progams, rights-of-way management, wild and scenic river management, wilderness and wilderness study activities, mineral leasing, and mining related responsibilities, et cetera.

Amendment No. 212: Deletes heading "General Provisions" proposed by the Senate.

Amendment No. 213: Deletes language making funds for implementation of the Forest Service/BLM land exchange subject to reprogramming procedures of the House and Senate Committees on Appropriations, House Committee on Interior and Insular Affairs and Senate Committee on Energy and Natural Resources and deletes language which prohibits implementation of the

interchange plan for the States of Arizona, Montana, Nevada, New Mexico, North Dakota, Oregon and Wyoming as proposed by the Senate. Amendment No. 211 includes a general prohibition on implementation of the land exchange.

Amendment No. 214: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter inserted by said amendment, insert the following:

Section 117 of Public Law 98-151 (97 Stat. 977) is amended as follows:

(1) Delete the date "December 31, 1985" and insert in lieu thereof the following: "until future action by the Congress to the contrary",

(2) After the words "Orange County" insert the following: ", Rockland County, Ulster County, or Sullivan County"; and

(3) Delete the words "up to 150 northbound and up to 150 southbound commercial vehicles" and insert in lieu thereof the following: "up to 125 northbound and up to 125 southbound commercial vehicles".

Public Law 98-63 (97 Stat. 329) is amended as follows:

(1) In subsection (2) delete the numeral "10" and insert in lieu thereof: "7";

(2) In subsection (4) delete the word "State's" and insert in lieu thereof: "States' ";

(3) In subsection (4) after the words "State of New Jersey" insert "and the State of New York"; and

(4) In subsection (4) after the words "in New Jersey" insert "and in New York".

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The amendment reduces the number of commercial vehicles which can use Rt. 209 through the Delaware Water Gap National Recreation Area from 150 each way to 125 each way, extends the ban on commercial vehicles until future action by the Congress, reduces the maximum allowable fee from $10 to $7, and exempts vehicles serving Rockland County, Ulster County or Sullivan Couty.

CHAPTER VIII

DEPARTMENT OF LABOR

EMPLOYMENT AND TRAINING ADMINISTRATION

TRAINING AND EMPLOYMENT SERVICES

Amendments No. 215: Inserts heading as proposed by the Senate.

Amendment No. 216: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which makes available for obligation job training funds for national activities which have been withheld from obligation pursuant to section 101(j) of Public Law 98-473. The House bill contained no similar provision.

These funds are intended to maintain ongoing pilot and demonstration programs of proven effectiveness at least at the same operating levels as in the prior program year.

Amendment No. 217: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which appropriates $5,117,000 for job training programs for migrant farmworkers and provides that each State shall receive the same amount in 1985 as in 1984. The House bill contained no similar provision.

STATE UNEMPLOYMENT INSURANCE AND EMPLOYMENT SERVICE OPERATIONS

Amendment No. 218: Makes available $20,000,000 from the Unemployment Trust Fund for nonpersonal services costs of State employment security agencies, instead of $30,000,000 proposed by the House. The Senate bill included no funding for this.

Amendment No. 219: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which authorizes amortization payments for States which had independent retirement plans prior to 1980 in their State employment security agencies. The House bill contained no similar provision.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

HEALTH RESOURCES AND SERVICES ADMINISTRATION

HEALTH RESOURCES AND SERVICES

Amendment Nos. 220 and 221: Insert headings as proposed by the Senate.

Amendment No. 222: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate. This language extends the availability of funds appropriated under P.L. 98-619 for a Center or Institute for Nursing Research through September 30, 1986 and makes the availability of those funds conditional on the passage of a specific legislative authority to establish a Center or Institute. The House bill contained no similar provision.

Amendment No. 223: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate. This language reauthorizes the HEAL loan program for fiscal year 1985 and establishes a limit of $250 million on new loan guarantees for 1985. The House bill contained no similar provision.

Amendment No. 224: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate. This amendment appropriates $2 million to remain available until September 30, 1986, to initiate a new program of demonstration grants to improve emergency medical services for children. The House bill contained no similar provision.

Amendment No. 225: Deletes appropriation of $1,200,000 proposed by the Senate to fund activities under the National Organ Transplant Act. The conferees agree, however, that $800,000 should be reprogrammed for this purpose from excess funds in the National Health Service Corps. This amount will fund the activities of the Organ Transplant Task Force through completion of its work in January 1986. The conferees have not included $400,000 proposed in the Senate bill to initiate a contract to begin the Organ Transplant Network authorized by Section 372 of the Public Health Service Act. This action has been taken because insufficient time remains during the current fiscal year to review applications and make an award. The conferees expect, however, to reconsider this matter in the fiscal year 1986 bill and direct the Department to complete all preliminary actions, including issuance of a request for proposals, so that a contract can be entered into as early as possible after enactment of the 1986 appropriations. The House bill contained no similar provisions. The conferees agree to a further reprogramming of $8,187,000 from the National Health Service Corps to community health centers ($8,000,000) and to the National Hansen's Disease Center ($187,000).

Amendment No. 226: Deletes language proposed by the Senate which would have directed the Office of Management and Budget to appropriation funds for the community and migrant health centers program in such amounts as requested by the Secretary of Health and Human Services. The House bill contained no similar provision.

Amendment No. 227: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate. This amendment appropriates $1,720,000 to the Health Maintenance Organization Loan and Loan Guarantee Fund to pay off defaulted loans as required by law. These funds remain available until expended. The House bill contained no similar provisions.

CENTERS FOR DISEASE CONTROL

DISEASE CONTROL

Amendment No. 228: Deletes appropriations of $3,000,000 proposed by the Senate to establish a new program for centers for health promotion and disease prevention. The House bill included no funds for this purpose.

The conferees have deleted funds for the establishment of three centers for health promotion and disease prevention without prejudice. The conferees will give consideration to including funds for the establishment of this program in the fiscal year 1986 Labor-HHS-Education Appropriations Bill.

RESEARCH

Amendment No. 229: Deletes appropriation of $2,000,000 proposed by the Senate for establishment of a health research center at the University of Utah. The House bill included no funds for this purpose.

NATIONAL INSTITUTES OF HEALTH

Amendment No. 230: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the Senate amendment, amended to read as follows:

In lieu of the matter inserted by said amendment, insert:

NATIONAL INSTITUTES OF HEALTH

Of the funds appropriated by Public Law 98-619 for fiscal year 1985 for extramural research grants to be awarded by the National Institutes of Health, and required to be obligated in that fiscal year, not to exceed $20,000,000 shall remain available for obligation until September 30, 1986: Provided, That funds appropriated for fiscal year 1985 shall be used to support no fewer than 6,200 new and competing research projects and 533 research centers.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The Senate amendment would have provided authority for up to $100,000,000 of the 1985 funds previously appropriated for NIH research grants and centers to be used by grantees over a period of three years, rather than the customary 1 year. The House bill contained no similar provision. The conference agreement authorizes not to exceed $20,000,000 of previously appropriated 1985 funds to be carried forward into 1986, and specifies that the funds obligated in 1985 shall support no fewer than 6,200 competing research projects and 533 research centers. The conferees agree that funds appropriated for research grants (including research

centers) should ordinarily be used to support 12 months of activity following the starting date of the grant award.

Amendment No. 231: Appropriates $3,000,000 to carry out section 502(b) of Public Law 98-558, to remain available until September 30, 1987, as proposed by the Senate. The House bill contained no similar provision.

ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH ADMINISTRATION

ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH

Amendment No. 232: Inserts heading as proposed by the Senate.

Amendment No. 233: Deletes appropriation of $1,000,000 proposed by the Senate. The conferees are agreed that the issue of funding for career teacher awards in the fields of alcohol and drug abuse is being deferred without prejudice pending action on the fiscal year 1986 appropriations bill.

Amendment No. 234: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment, amended to read as follows:

In lieu of the matter inserted by said amendment, insert the following:

Funds appropriated by Public Law 98-619 for fiscal year 1985 for extramural research grants to be awarded by the Alcohol, Drug Abuse and Mental Health Administration and required to be obligated in that fiscal year shall be used to support no fewer than 550 new and competing research projects.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate. The Senate amendment would have provided authority for up to $7,350,000 of the 1985 funds previously appropriated for ADAMHA research grants to be used by grantees over a period of three years, rather than the customary one year. The House bill contained no similar provision. The conference agreement authorizes no multi-year funding, but specifies that the funds obligated in 1985 shall be used to support no fewer than 550 competing research projects. The conferees agree that funds appropriated for research grants should ordinarily be used to support 12 months of activity following the starting date of the grant award. The conferees further agree that any funds not needed for investigator-initiated projects should be used to restore other research mechanisms to levels anticipated by the House and Senate in their original action on the 1985 appropriation, P.L. 98-619.

The conferees would like to highlight their continued support of the clinical research program on mental disorders of later life. They expect that, within existing funding limitation, the National Institute of Mental Health will continue to support this program.

OFFICE OF HUMAN DEVELOPMENT SERVICES

HUMAN DEVELOPMENT SERVICES

Amendment No. 235: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following:

$11,000,000 to remain available until September 30, 1986, of which $6,000,000 shall be for carrying out the Family Violence Prevention and Services Act (title III of Public Law 98-457), and $5,000,000 shall be for carrying out a child abuse prevention Federal challenge grant program under sections 402 through 409 of Public Law 98-473

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement appropriates $6,000,000 for the family violence prevention and services program and $5,000,000 for the child abuse prevention Federal challenge grant program; and extends the availability of these funds through September 30, 1986. The House bill provided $6,000,000 for the family violence prevention and services program only. The Senate amendment included $6,000,000 for family violence prevention and services, $5,000,000 for child abuse challenge grants, and $5,000,000 for grants to States for planning and development of dependent care.

DEPARTMENT OF EDUCATION

SCHOOL ASSISTANCE IN FEDERALLY AFFECTED AREAS

Amendment No. 236: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which requires the Secretary of Education to distribute funds appropriated for fiscal year 1985 for entitlements under Section 2 of the Act of September 30, 1950 to local educational agencies in an amount equal to 75 percent of the amount to which such agencies were entitled in fiscal year 1984. Such distribution is to take effect 30 days after the date of enactment of this Act. The House bill contained no similar provision.

REHABILITATION SERVICES AND HANDICAPPED RESEARCH

Amendment No. 237: Inserts appropriation heading as proposed by the Senate.

Amendment No. 238: Appropriates $715,000 for activities under section 130 of the Rehabilitation Act of 1973 and deletes earmarking for the Navajo Tribal Council proposed by the Senate. The House bill includes no funds for this purpose.

VOCATIONAL AND ADULT EDUCATION

Amendment No. 239: Inserts appropriation heading as proposed by the Senate.

Amendment No. 240: Appropriates $100,000,000 for basic grants under Title II of the Carl D. Perkins Vocational Education Act instead of $146,257,000 for Titles II and III and section 422 of such Act as proposed by the Senate. The House bill contained no similar provision.

Amendment No. 241: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which appropriates $1,963,000 in supplemental funds for basic grants under the Adult Education Act to ensure that each State is allocated, for school year 1985-1986, an amount equal to its allocation for the proceding year. The House bill contained no similar provision.

EMERGENCY IMMIGRANT EDUCATION

Amendment No. 242: Restores matter inserted by the House and stricken by the Senate relating to the 1984 appropriation for emergency immigrant education assistance.

STUDENT FINANCIAL ASSISTANCE

Amendment No. 243: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which appropriates $2,482,000 for the direct student loan program to ensure that each State will receive for fiscal year 1985 an amount at least equal to the amount which that State received in fiscal year 1984. The House bill contained no similar provision.

HIGHER EDUCATION

Amendment No. 244: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which inserts language extending the availability, until December 31, 1985, of the funds appropriated for fiscal year 1985 for the National graduate fellowship program. The House bill contained no similar provision.

LIBRARIES

Amendment No. 245: Deletes appropriation of $5,000,000 proposed by the Senate for Title VI of the Library Services and Construction Act. The House bill contained no similar provision.

The conferees have deleted funds for the library literacy initiative without prejudice. The conferees do recognize the serious and growing illiteracy problem in the Nation, and will give every consideration to including funds for the establishment of this program in the fiscal year 1986 Labor-HHS-Education Appropriations Bill.

DISAPPROVAL OF DEFERRALS

Amendment No. 246: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which inserts a heading.

UNITED STATES INSTITUTE OF PEACE.

Amendment No. 247: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which disapproves a deferral of funds pertaining to the United States Institute of Peace. The House bill contained no similar provision.

NEGATIVE SUPPLEMENTALS

Amendment No. 248: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which disapproves nine different deferrals of funds relating to so-called "negative supplementals". The House bill contained no similar provision.

CHAPTER IX—LEGISLATIVE BRANCH

SENATE

Amendment No. 249: Reported in technical disagreement. Inasmuch as the amendment related solely to the Senate, and in accord with long practice under which each body determines its own housekeeping requirements and the other concurs without intervention, the managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

Immediately before the heading "ADMINISTRATIVE PROVISIONS" insert the following:

INQUIRIES AND INVESTIGATIONS

For an additional amount for "Inquiries and Investigations", $3,000,000.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

GENERAL ACCOUNTING OFFICE

SALARIES AND EXPENSES

Amendment No. 250: Appropriates $5,000,000 for the settlement of two employment related class action claims as proposed by the Senate.

CHAPTER X
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
SALARIES AND EXPENSES

Amendment No. 251: Deletes language proposed by the Senate transferring $600,000 from unobligated minority business resource center funds for CAB-related activities.

WORKING CAPITAL FUND

Amendment No. 252: Reduces limitation to $64,500,000 as proposed by the Senate instead of $65,470,000 as proposed by the House.

Amendment No. 253: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate specifying that $30,000 of the amount reduced by Amendment No. 252 is pursuant to section 2901 of the Deficit Reduction Act of 1984.

COAST GUARD
OPERATING EXPENSES

Amendment No. 254: Deletes appropriation of $1,500,000 proposed by the Senate. The conferees intend that the Coast Guard's fiscal year 1985 full-time equivalent employment level be maintained at 38,900. The conferees also expect the Coast Guard to carry out all of the operating activities outlined in Senate Report 99-82.

ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

Amendment No. 255: Appropriates $27,700,000 as proposed by the Senate.

ALTERATION OF BRIDGES

Amendment No. 256: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate that inserts language declaring the bridge at mile 6.9 on the Willamette River an unreasonable obstruction to navigation for the purposes of the Act of June 21, 1940.

FEDERAL AVIATION ADMINISTRATION
OPERATIONS
(INCLUDING TRANSFER OF FUNDS)

Amendment No. 257: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter inserted by said amendment, insert the following:

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for "Operations", $15,000,000, of which $5,000,000 shall be derived by transfer from "Redeemable preference shares", $5,000,000 from "Payments to air carriers", $2,500,000 from "Construction, Metropolitan Washington Airports", and $2,500,000 from "Headquarters administration": Provided, That section 5532(f)(2) of title V, United States Code, is amended by striking "December 31, 1985" and inserting "December 31, 1986" in lieu thereof: Provided further, That section 8344(h) of title V, United States Code, is amended (a) by adding the following phrase at the end of paragraph (1): ": Provided, however, That the amount such an annuitant may receive in pay, excluding premium pay, in any pay period when aggregated with the annuity payable during that same period shall not exceed the rate payable for level V of the Executive Schedule."; and (b) by striking "August 3, 1981" in paragraph (2) and inserting "April 1, 1985" in lieu thereof: Provided further, That in the event that the Federal Aviation Administrator employes annuitants subject to section 8344(h) of title V, United States Code, not to exceed $10,000,000 to be derived from the unobligated balance of any appropriation available for obligation by the Federal Aviation Administration as of the effective date of this Act, shall be available through December 31, 1986 for the purpose of funding such employment: Provided further, That any such funding shall be reported to the Committees on Appropriations of the Senate and the House of Representatives.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Although the provisions of the amendment allow for premium pay in excess of the rate payable for level V of the Executive Schedule, the conferees expect that such payment will be restricted to that which is necessary for the operational needs of the air traffic control system.

Amendment No. 258: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter inserted by said amendment, insert the following:

For an additional amount, in addition to the other amounts provided under this head, $2,000,000, to remain available until expended, for an expanded air marshall program on international flights of United States air carriers pursuant to sections 315 and 316 of the Federal Aviation Act of 1958 (49 U.S.C. 1356 AND 1357).

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

FACILITIES AND EQUIPMENT
(AIRPORT AND AIRWAY TRUST FUND)
(RESCISSION)

Amendment No. 259: Rescinds $12,000,000 as proposed by the Senate instead of $10,000,000 as proposed by the House.

The conferees intend that, of the funds remaining in fiscal year 1985 for the airway science curriculum program, $1,000,000 is to be made available to Florida Memorial College to assist the college in providing facilities and equipment to support its airway science program.

The conferees are concerned about visibility problems associated with the existing locations of the air traffic control towers at the Scottsdale Municipal Airport, Grand Forks Airport, and Kahului Airport. These problems may be presenting unwarranted safety hazards to pilots and corrective measures must be undertaken as soon as possible. With respect to Kahului Airport, the conferees are aware that the State of Hawaii, in initiating design work, has already allocated $50,000 towards a relocation project. The conferees direct the FAA to undertake design and land acquisition activities leading to tower relocation within available funds at these sites.

FEDERAL HIGHWAY ADMINISTRATION
RAILROAD-HIGHWAY CROSSINGS
DEMONSTRATION PROJECTS

Amendment No. 260: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the sum proposed by said amendment, insert the following: *$14,640,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement includes the following allocations:

Springfield, Illinois	$5,300,000
Augusta, Georgia	4,840,000
Pine Bluff, Arkansas	4,500,000

Amendment No. 261: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the sum proposed by said amendment, insert the following: *$9,760,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION
OPERATIONS AND RESEARCH
(RESCISSIONS)

Amendment No. 262: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following:

no funds shall be obligated until the Secretary has made a complete, definitive and binding ruling on the compliance of each state mandatory safety belt use law that has been enacted as of the date of this act with the minimum criteria set forth in Federal Motor Vehicle Safety Standard 208: Provided, That all funds available under this head for the purposes of carrying out a national program to encourage the use of automobile safety belts and passive restraints shall remain available until September 30, 1986: Provided further, That, notwithstanding the immediately preceding proviso, of the funds available under this head for the purposes of carrying out a national program to encourage the use of automobile safety belts and passive restraints, $3,000,000

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement distributes the remaining funds for the occupant restraint information program as follows:

—$1,000,000 for general safety belt education, information, and enforcement activities with special emphasis on efforts in those states that have passed belt use laws;

—$3,000,000 to overcome the misinformation and lack of knowledge that now exist regarding automatic belts and air bags, and to encourage public acceptance of such devices; and

—$500,000 to make complete, definitive and binding rulings on the compliance of state mandatory belt laws with the minimum criteria set forth in FMVSS 208, and to disseminate the results of such rulings.

The conference agreement includes language requiring the Secretary to rule on the compliance of state mandatory belt laws with FMVSS 208 before additional funds may be spent for other occupant restraint information program activities. The conferees intend that the Secretary make such rulings for each state law that has been passed to date within 45 days of the effective date of this Act. This is in keeping with the Secretary's commitment to rule on each state law "as it is passed". Of the $3,000,000 available for passive restraint activities, the

conferees direct that at least $2,500,000 be expended for the promotion of low-cost air bag systems through fleet purchase programs and support of ongoing research and development activities. The conference agreement also extends the availability of remaining funds until September 30, 1986.

The conferees reiterate the directive in the Senate report specifying that an appropriate amount be made available for a study assessing the effectiveness of seat belts in school buses.

FEDERAL RAILROAD ADMINISTRATION

NORTHEAST CORRIDOR IMPROVEMENT PROGRAM

(RESCISSION AND DISAPPROVAL OF DEFERRAL)

Amendment No. 263: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate conforming the bill heading.

Amendment No. 264: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate disapproving deferral D85-50 for the Northeast Corridor Improvement Program.

Although the conferees have disapproved the deferral of $30,000,000 for the Atlantic City rail rehabilitation project, the conferees reiterate their full support for the cost-sharing and operating cost provisions for this project contained in Public Law 98-473.

RAILROAD REHABILITATION AND IMPROVEMENT FINANCING FUNDS

Amendment No. 265: Increases the limitation on new section 511 loan guarantees to $6,500,000 as proposed by the House. The Senate bill deleted the House language thereby maintaining this limitation at the current level of $2,500,000.

RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION

RESEARCH AND SPECIAL PROGRAMS

(TRANSFER OF FUNDS)

Amendment No. 266: Provides $650,000 by transfer instead of $700,000 by transfer as proposed by the Senate and $425,000 by transfer as proposed by the House.

RELATED AGENCIES

INTERSTATE COMMERCE COMMISSION

SALARIES AND EXPENSES

Amendment No. 267: Appropriates $2,100,000 instead of $2,000,000 as proposed by the Senate and $3,150,000 as proposed by the House. The conferees direct that the additional $100,000 above the Senate bill is to be used only for overtime expenses to reduce critical regulatory case backlogs.

Amendment No. 268: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate limiting staffing to six full-time equivalent staff years, including commissioners, for each commissioner's office except for the chairman's office.

PANAMA CANAL COMMISSION

CAPITAL OUTLAY

(TRANSFER OF FUNDS)

Amendment No. 269: Provides $1,700,000 by transfer as proposed by the Senate instead of $2,220,000 by transfer as proposed by the House.

PAYMENTS TO THE REPUBLIC OF PANAMA

(TRANSFER OF FUNDS)

Amendment No. 270: Provides $2,705,000 by transfer as proposed by the Senate instead of $2,186,000 by transfer as proposed by the House.

CHAPTER XI

DEPARTMENT OF THE TREASURY

FINANCIAL MANAGEMENT SERVICE

Amendment No. 271: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which makes $6,000,000 available until expended for consolidating the financial management service in Hyattsville, Maryland.

U.S. CUSTOMS SERVICE

SALARIES AND EXPENSES

Amendment No. 272: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate amended to read as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following:

$15,000,000, of which $12,200,000 shall remain available untail September 30, 1986

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

This amendment to the Senate amendment restores funds for 120 additional positions in the Customs Service and provides $12,200,000 for the Marine interdiction program.

It is the view of the conferees that lighter-than-air (LTA) airships offer the potential for increased capability in detection, surveillance and tracking of multiple suspect marine surface vessels. The mobility and long endurance of current state of the art LTA platforms will improve the capability of the Customs Service to vector their apprehension vessels to the point of interdiction.

The conferees direct the Customs Service to conduct a feasibility study, within available fiscal year 1985 funds, of using an LTA vehicle to conduct coastal and inland surveillance and multiple platform coordination operations. The findings and recommendations of this study are to be provided to the Appropriations and Government Operations Committees of the Senate and House of Representatives by April 1, 1986.

OPERATIONS AND MAINTENANCE

AIR INTERDICTION PROGRAM

Amendment No. 273: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate making available an additional $11,000,000 to remain available until September 30, 1986 for the air interdiction program of the U.S. Customs Service.

U.S. SECRET SERVICE

SALARIES AND EXPENSES

Amendment No. 274: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which appropriates $5,400,000 of which $4,050,000 is to remain available until expended for additional security at the White House.

EXECUTIVE OFFICE OF THE PRESIDENT

NATIONAL CRITICAL MATERIALS COUNCIL

Amendment No. 275: Appropriates $200,000 for salaries and expenses for the National Critical Materials Council as proposed by the House.

INDEPENDENT AGENCIES

GENERAL SERVICES ADMINISTRATION

FEDERAL BUILDINGS FUND

LIMITATIONS ON AVAILABILITY OF REVENUE

Amendment No. 276: Makes available $31,033,000 for real property management and related activities as proposed by the House instead of $7,225,000 as proposed by the Senate.

Amendment No. 277: Makes available $22,617,000 for new construction of a Federal Building at Long Beach, California as proposed by the House.

Amendment No. 278: Makes available $1,108,000 for repairs and alterations of the Lufkin, Texas Federal Building as proposed by the House.

Amendment No. 279: Provides that $3,000,000 previously appropriated for Real Property Operations shall be available for purchase of the Scotia, New York Depot as proposed by the House.

Amendment No. 280: Makes available $221,809,000 for repairs and alterations, $59,596,000 for design and construction services and $689,899,000 for real property operations as proposed by the House.

Amendment No. 281: Makes available $2,284,213,000 to the Federal Buildings Fund as proposed by the House instead of $2,260,405,000 as proposed by the Senate.

GENERAL PROVISIONS

Amendment No. 282: Deletes language proposed by the House. The conferees were informed that the new director of the Office of Personnel Management intends to modify existing regulations and to publish proposed regulations in the Federal Register for comment and to try to meet the criticism that has been expressed by Congress concerning the existing regulations.

The conferees accept the Senate position with the understanding that the proposed modified regulations will not go into effect until Congress has had an opportunity to review the proposed, modified regulations as suggested by the Office of Personnel Management and that they do not go into effect prior to October 1, 1985.

Amendment No. 283: Restores language proposed by the House which prohibits the U.S. Customs Service from reducing the number of regions, districts, or entry processing locations or consolidating or centralizing certain duty assessment or appraisement functions.

Amendment No. 284: Deletes language proposed by the Senate which would have provided additional benefits to certain federal employees. The conferees request that the appropriate legislative Committees promptly consider this matter and take appropriate action.

Amendment No. 285: Deletes language proposed by the Senate which expresses the sense of the Senate on a tax measure regarding cooperatives.

Amendment No. 286: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which prohibits a reduction in stockpile goals below those levels in effect on October 1, 1984.

CHAPTER XII—DISTRICT OF COLUMBIA

Amendment No. 287: Insert new chapter and heading for the District of Columbia as proposed by the Senate.

FEDERAL FUNDS

Amendment No. 288: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which appropriates $14,180,000 for a Federal contribution to the District of Columbia.

DISTRICT OF COLUMBIA FUNDS

Amendment No. 289: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter proposed by said amendment, insert the following:

DISTRICT OF COLUMBIA FUNDS

GOVERNMENTAL DIRECTION AND SUPPORT

For an additional amount for "Governmental direction and support", $4,553,000: Provided, That $170,000 of this additional amount shall be allocated exclusively to the Commercial Assessment Division of the Department of Finance and Revenue to fund six new commercial assessor positions: Provided further, That of the $100,000 appropriated for fiscal year 1985 for the Statehood Constitutional Convention, $50,000 shall be for the Statehood Commission and $50,000 shall be for the Statehood Compact Commission: Provided further, That the cash and/or budget authority balance available to the Statehood Constitutional Convention on the date of expiration of the terms of its members, as distinguished from that allocated for the Statehood Commission and the Statehood Compact Commission, shall revert to the general fund of the District of Columbia.

ECONOMIC DEVELOPMENT AND REGULATION

For an additional amount for "Economic development and regulation", $9,873,000.

PUBLIC SAFETY AND JUSTICE

(INCLUDING RESCISSION)

For an additional amount for "Public safety and justice", $26,680,000: Provided, That $2,300,000 of this amount shall be allocated to the Metropolitan Police Department for the sole purpose of paying additional wages and fringe benefits of the Fraternal Order of Police arbitration award should that award not be disapproved according to law: Provided further, That if the arbitration award is disapproved, the $2,300,000 shall be used solely for repayment of the general fund deficit: Provided further, That notwithstanding any other provision of law, in the case of each employee who retired from the Fire Department of the District of Columbia before February 15, 1980, and who is receiving on the date of the enactment of this Act an annuity based on service in the Fire Department, the District of Columbia Retirement Board shall cause to be paid not later than September 30, 1985, to each such employee a lump-sum payment equal to three percent of his or her annuity; Provided further, That of available funds under this head for fiscal year 1985, $300,000 are rescinded.

PUBLIC EDUCATION SYSTEM

(INCLUDING RESCISSION)

For an additional amount for "Public education system", $6,835,000, to be allocated as follows: $5,000,000 additional for the public schools of the District of Columbia; $1,324,000 additional for the University of the District of Columbia; $4,000 additional for the Educational Institution Licensure Commission; $356,000 additional for the Public Library; and $151,000 additional for the Commission on the Arts and Humanities: Provided, That of the funds available under this head for fiscal year 1985, $11,794,000 of the amount allocated to the District of Columbia Teachers' Retirement Fund are rescinded.

HUMAN SUPPORT SERVICES

(INCLUDING RESCISSION)

For an additional amount for "Human support services", $9,598,000: Provided, That of the amount available from the revenue sharing trust fund for fiscal year 1985, $698,000 are rescinded.

PUBLIC WORKS

(RESCISSION)

Of available funds under this head for fiscal year 1985, $875,000 are rescinded.

WASHINGTON CONVENTION CENTER FUND

For an additional amount for "Washington Convention Center Fund", $324,000.

REPAYMENT OF LOANS AND INTEREST

(RESCISSION)

Of available funds under this head for fiscal year 1985, $1,473,000 are rescinded.

REPAYMENT OF GENERAL FUND DEFICIT

For an additional amount for "Repayment of general fund deficit", $3,500,000.

SHORT-TERM BORROWINGS

(RESCISSION)

Of available funds under this head for fiscal year 1985, $1,250,000 are rescinded.

CAPITAL OUTLAY

For an additional amount for "Capital outlay", $23,400,000.

WATER AND SEWER ENTERPRISE FUND

For an additional amount for "Water and sewer enterprise fund", $10,801,000.

GENERAL PROVISIONS

SEC. 134. The Public Service Commission is hereby authorized to order and to approve the deregulation of streetlighting service to the District of Columbia as provided in its opinion and order in Formal Case No. 813, dated July 12, 1984 (Order No. 8056), notwithstanding the provisions of section 493(a) of the District of Columbia Self-Government and Governmental Reorganization Act, approved December 24, 1973 (87 Stat. 811; Public Law 93-198; D.C. Code, sec. 43-402), section 8, paragraph 2 of An Act Making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June thirtieth, nineteen hundred and fourteen, and for other purposes, approved March 4, 1913 (37 Stat. 977; Public Law 67-435; D.C. Code, sec. 43-501), and section 1 of An Act Making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June thirtieth, nineteen hundred, and for other purposes, approved March 3, 1899 (30 Stat. 1053; D.C. Code, sec. 43-1207): Provided, That the provisions of this opinion and order regarding deregulation of streetlighting service are hereby ratified and declared to be in effect as of July 12, 1984, and shall continue to be in effect until revoked or rescinded.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees have amended the Senate amendment, which inserts a new chapter for the District of Columbia, to reflect revised estimates based on final action taken by the District of Columbia government on their fiscal year 1985 supplemental budget requests. The Senate action was based on preliminary budget estimates. The effect of the conference action is to provide a net increase in budget authority from local funds of $79,872,000 instead of $65,798,000 as proposed by the Senate. The House bill did not reflect any of the District government's supplemental requests.

Governmental Direction and Support.—The conference action appropriates $4,553,000 instead of $4,295,000 as proposed by the Senate. The net increase of $258,000 above the Senate allowance consists of (1) $82,000 for a 3 percent bonus initially included in the "Personal Services" account; (2) $186,000 for the Council of the District of Columbia for a research assistant for each of the Council's 11 standing committees ($60,000), computer equipment ($100,000), and furniture for the Council's chambers ($26,000); and (3) a decrease of $10,000 from the Board of Elections and Ethics. The conferees have also included bill language earmarking $170,000 for six new commercial assessor positions in the Department of Finance and Revenue. Language is also included allocating funds to the Statehood Commission and the Statehood Compact Commission and providing that unexpended balances shall revert to the general fund of the District of Columbia.

Economic Development and Regulation.—The conference action appropriates $9,873,000 instead of $9,849,000 as proposed by the Senate. The net increase of $24,000 above the Senate allowance is for a 3 percent bonus initially included in the "Personal Services" account. The conferees have also approved an increase of $87,000 for the Office of Business and Economic Development for legal fees associated with the development of a prospectus for investors in the Economic Development Finance Corporation. This increase is offset by a reduction of $87,000 from the Department of Employment Services.

Public Safety and Justice.—The conference action appropriates $26,680,000 instead of $21,681,000 as proposed by the Senate and rescinds $300,000. The net increase of $4,999,000 in appropriations above the Senate allowance consists of (1) $5,205,000 for a 3 percent bonus initially included in the "Personal Services" account; (2) $2,300,000 for pay adjustments for police personnel pursuant to an arbitration award; (3) $250,000 for salaries and office supplies for the Office of the Corporation Counsel; (4) a reduction of $250,000 in the "Settlements and Judgments" account; and (5) a reduction of $2,506,000 in the Police and Fire Retirement System. The rescission of $300,000 is from amounts previously appropriated for "Settlements and Judgments". The conferees have included language in the bill allocating $2,300,000 for wages and fringe benefits for the Metropolitan Police Department in accordance with an arbitration award and providing that should the arbitration award be disapproved, the $2,300,000 is to be used for repayment of the general fund deficit. The conferees have also approved bill language requiring the District to pay employees who retired from the Fire Department prior to February 15, 1980, a one-time lump sum bonus of 3 percent of their annuity by September 30, 1985. This payment results from an agreement entered into on March 27, 1985, between District officials and the collective bargaining unit for District fire fighters.

Public Education System.—The conference action appropriates $6,835,000 instead of $5,251,000 as proposed by the Senate and rescinds $11,794,000 instead of $8,500,000 as proposed by the Senate. The increase of

$1,584,000 in appropriations above the Senate allowance consists of a 3 percent bonus allocated to the University of the District of Columbia ($1,324,000), the Educational Institution Licensure Commission ($4,000), and the Public Library ($256,000). This 3 percent bonus was initially included in the "Personal Services" account. The increase of $3,294,000 in rescissions from the Teachers' Retirement and Annuity Fund is based on an actuary's report received by District officials subsequent to Senate action.

Human Support Services.—The conference action appropriates $9,598,000 instead of $7,866,000 as proposed by the Senate. The increase of $1,732,000 above the Senate allowance consists of (1) $1,432,000 for a 3 percent bonus initially included in the "Personal Services" account, and (2) $300,000 for the complementary energy assistance program in the D.C. Energy Office.

Public Works.—The conference action rescinds $875,000 as proposed by the Senate.

Washington Convention Center Fund.—The conference action appropriates $324,000 instead of $500,000 as proposed by the Senate and reflects the allowance recommended by the Council subsequent to Senate action.

Repayment of Loans and Interest.—The conference action rescinds $1,473,000 as proposed by the Senate.

Repayment of General Fund Deficit.—The conference action appropriates $3,500,000 and is based on final City Council action which occurred subsequent to Senate consideration of this bill.

Short-Term Borrowings.—The conference action rescinds $1,250,000 as proposed by the Senate.

Personal Services.—The conference action deletes this appropriation instead of appropriating $8,327,000 as proposed by the Senate. This account consisted of funds for a 3 percent bonus which the conferees have distributed to the various appropriation titles within this chapter in accordance with final City Council action on the District's fiscal year 1985 supplemental budget requests.

Adjustments.—The conference action deletes this paragraph which would have applied reductions totaling $3,576,000 included in the District's fiscal year 1985 appropriation Act (H.R. 5899; P.L. 98-473; 98 Stat. 1837) to the District's accumulated general fund deficit. The conferees agree that language already included in the District's fiscal year 1985 appropriation Act under the heading "Repayment of General Fund Deficit" authorizes the Mayor to reduce the general fund deficit with whatever unused revenues and/or budget authority are available.

Capital outlay.—The conference action appropriates $23,400,000 instead of $5,750,000 as proposed by the Senate. The increase of $17,650,000 above the Senate allowance consists of (1) $2,500,000 for a branch library in the Shepherd Park area of Ward 4; (2) $300,000 for acquisition and renovation of a multipurpose senior citizens center in the northern section of Ward 4; and (3) $14,850,000 to purchase the streetlight plant from manhole to light from the Potomac Electric Power Company. The price of the streetlight plant is based on the net book value of $13,718,000 determined in the course of a depreciation study conducted by a national accounting firm and a net of $1,132,000 in compensation for foregone tax benefits resulting from the divestiture of this portion of PEPCO's physical plant.

Water and sewer enterprise fund.—The conference action appropriates $10,801,000 as proposed by the Senate.

General provisions.—The conference action includes language which authorizes and ratifies action taken by the Public Service Commission in July 1984 to deregulate streetlighting service in the District.

The conferees have not approved two language changes relative to timetables and procedures for budget submissions by the Mayor to the Council. The conferees are hopeful these matters can be resolved without the need for statutory language.

Interagency Reprogrammings.—The conferees concur in two of the three reprogrammings proposed by the Senate. The first reprogramming totals $5,403,000 from the Police and Fire Retirement Fund to the Judges retirement system ($200,000); the Fire Department ($4,875,000); the Office of the Corporation Counsel ($304,000): and the D.C. National Guard ($24,000). The second reprogramming totals $5,251,000 from the District's payment to the Washington Metropolitan Area Transit Authority to the D.C. Department of Public Works for additional street maintenance and other costs. The third reprogramming involved $5,251,000 from the Teacher's Retirement and Annunity Fund. This reprogramming was revised to $11,794,000 by the Council of the District of Columbia subsequent to Senate action and requires bill language because the District's fiscal year 1985 appropriation Act earmarked these funds within the "Public Education System" appropriation. The necessary language to carry out the intent of the revised reprogramming request is included in the Act under the "Public Education System" section of this amendment.

TITLE II

INCREASED PAY COSTS FOR THE FISCAL YEAR 1985 LEGISLATIVE BRANCH

SENATE

Amendment No. 290: Reported in technical disagreement. Inasmuch as the amendment relates solely to the Senate, and in accord with long practice under which each body determines its own housekeeping requirements and the other concurs without intervention, the mangers on the part of the House will offer a motion to recede and concur in the Senate amendment.

THE JUDICIARY

COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES

SALARIES OF JUDGES

Amendment No. 291: Appropriates $1,910,000 as proposed by the House instead of $1,700,000 as proposed by the Senate.

EXECUTIVE OFFICE OF THE PRESIDENT

Amendment No. 292: Inserts language proposed by the Senate appropriating $20,000 for the Office of Science and Technology Policy.

DEPARTMENT OF AGRICULTURE

Amendment No. 293: Appropriates $65,000 for the Office of the Secretary as proposed by the House instead of $129,000 as proposed by the Senate.

Amendment No. 294: Earmarks $175,000 for various Departmental Administration functions as proposed by the House instead of $255,000 as proposed by the Senate.

Amendment No. 295: Appropriates $220,000 for Departmental Administration as proposed by the House instead of $300,000 as proposed by the Senate.

FOREST SERVICE

Amendment No. 296: Appropriates $1,164,000 for forest research as proposed by the Senate instead of $964,000 as proposed by the House.

Amendment No. 297: Appropriates no funds for construction as proposed by the Senate instead of $1,777,000 as proposed by the House.

Amendment No. 298: Deletes $30,000 for land acquisition proposed by the House.

DEPARTMENT OF COMMERCE

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

OPERATIONS RESEARCH, AND FACILITIES

Amendment No. 299: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter stricken and inserted, insert the following: *"$4,860,000, of which $2,783,000 shall".*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees agree that these sums shall be combined with those designated for savings related to Section 2901 of the Deficit Reduction Act of 1984 to meet part of the fiscal year 1985 requirements associated with the January 1, 1985, 3.5 percent Federal pay increase. The conference agreement provides a total of $9,000,000 for NOAA's pay costs.

DEPARTMENT OF DEFENSE—MILITARY

MILITARY PERSONNEL

(INCLUDING TRANSFER OF FUNDS)

MILITARY PERSONNEL, ARMY

Amendment No. 300: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which appropriates $417,249,000 instead of $442,249,000 as proposed by the House and, in addition, provides a transfer of $25,000,000 from Reserve Personnel, Army, 1985.

MILITARY PERSONNEL, NAVY

Amendment No. 301: Allows total transfers of $339,633,000 as proposed by the Senate instead of appropriating $224,819,000 as proposed by the House.

Amendment No. 302: Deletes House language, as proposed by the Senate, which would have allowed total transfers of $114,814,000.

Amendment No. 303: Transfers $275,883,000 from Shipbuilding and Conversion, Navy, 1981/1985 as proposed by the Senate instead of $51,064,000 as proposed by the House.

The transfers as proposed by the House and Senate and agreed to by the conferees are as follows:

	House	Senate	Conferees
Aircraft procurement, Navy, 1983/1985	$21,000,000	$21,000,000	$21,000,000
Weapons procurement, Navy, 1983/1985	27,750,000	27,750,000	27,750,000
Shipbuilding and conversion, Navy, 1981/1985	51,064,000	275,883,000	275,883,000
Other procurement, Navy 1983/1985	15,000,000	15,000,000	15,000,000
Total transfer	114,814,000	339,633,000	339,633,000

MILITARY PERSONNEL, MARINE CORPS

Amendment No. 304: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which appropriates $106,840,000 instead of $116,840,000 as proposed by the House and, in addition, provides a transfer of $10,000,000 from Procurement, Marine Corps, 1983/85.

MILITARY PERSONNEL, AIR FORCE

Amendment No. 305: Appropriates $254,825,000 instead of $224,825,000 as proposed by the Senate and $275,312,000 as proposed by the House.

Amendment No. 306: Transfers a total of $112,854,000 instead of $142,854,000 as proposed by the Senate and $112,367,000 as proposed by the House.

Amendment No. 307: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert the following: *"$36,454,000".*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 308: Transfers $33,200,000 as proposed by the Senate instead of $25,000,000 as proposed by the House from Missile Procurement, Air Force 1983/1985.

Amendment No. 309: Transfers $43,200,000 as proposed by the Senate instead of $15,000,000 as proposed by the House from Other Procurement, Air Force, 1983/1985.

RESERVE PERSONNEL, NAVY

Amendment No. 310: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which appropriates $4,619,000 instead of $26,619,000 as proposed by the House and, in addition, provides a transfer of $22,000,000 from Aircraft Procurement, Navy, 1983/1985.

OPERATION AND MAINTENANCE

(INCLUDING TRANSFER OF FUNDS)

OPERATION AND MAINTENANCE, ARMY

Amendment No. 311: Appropriates $10,466,000 as proposed by the Senate instead of $14,470,000 as proposed by the House.

Amendment No 312: Allows total transfers of $119,300,000 as proposed by the Senate instead of $147,000,000 as proposed by the House.

Amendment No. 313: Transfers $11,300,000 as proposed by the Senate instead of $12,500,000 as proposed by the House from Aircraft Procurement, Army, 1983/1985.

Amendment No. 314: Deletes House language which would have transferred $23,500,000 from Missile Procurement, Army 1983/1985 and transfers $83,000,000 as proposed by the Senate instead of $86,000,000 as proposed by the House from Procurement of Weapons and Tracked Combat Vehicles, Army, 1983/1985.

The transfers as proposed by the House and Senate and agreed to by the conferees are as follows:

	House	Senate	Conferees
Aircraft procurement, Army, 1983/1985	$12,500,000	$11,300,000	$11,300,000
Missile procurement, Army, 1983/1985	23,500,000	0	0
Procurement of weapons and tracked combat vehicles, Army, 1983/1985	86,000,000	83,000,000	83,000,000
Procurement of ammunition, Army, 1983/1985	10,000,000	10,000,000	10,000,000
Other procurement, Army, 1983/1985	15,000,000	15,000,000	15,000,000
Total transfer	147,000,000	119,300,000	119,300,000

OPERATION AND MAINTENANCE, NAVY

Amendment No. 315: Appropriates $7,119,000 as proposed by the Senate instead of $22,952,000 as proposed by the House.

Amendment No. 316: Allows total transfers of $180,829,000 as proposed by the Senate instead of $135,148,000 as proposed by the House.

Amendment No. 317: Transfers $104,129,000 as proposed by the Senate instead of $83,448,000 as proposed by the House from Shipbuilding and Conversion, Navy, 1981/1985.

Amendment No. 318: Deletes the word "and" as proposed by the Senate.

Amendment No. 319: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which transfers $25,000,000 from Other Procurement, Navy, 1983/1985. The House proposed no transfer from this account.

The transfers as proposed by the House and Senate and agreed to by the conferees are as follows:

	House	Senate	Conferees
Shipbuilding and conversion, Navy, 1981/1985	$83,448,000	$104,129,000	$104,129,000
Research, development, test and evaluaton, Navy, 1985/1986	16,200,000	16,200,000	16,200,000
Shipbuilding and conversion, Navy, 1985/1989	29,100,000	29,100,000	29,100,000
Aircraft procurement, Navy, 1985/1987	6,400,000	6,400,000	6,400,000
Other procurement, Navy, 1983/1985	0	25,000,000	25,000,000
Total transfer	135,148,000	180,829,000	180,829,000

OPERATION AND MAINTENANCE, AIR FORCE

Amendment No. 320: Transfers $90,346,000 from Aircraft Procurement, Air Force 1983/1985 as proposed by the Senate instead of $75,133,000 as proposed by the House.

OPERATION AND MAINTENANCE, DEFENSE AGENCIES

Amendment No. 321: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which appropriates $81,230,000 instead of $89,230,000 as proposed by the House and, in addition, provides a transfer of $8,000,000 from Procurement, Defense Agencies, 1983/1985.

The Senate report (S. Rept. 99-82) provides for a refund of $20,000,000 from the Defense Stock Fund to the Defense Logistics Agency. The conferees believe a $15,000,000 refund is more appropriate and furthermore consider the refund a one time occurrence to support increased needs for quality assurance and contract administration training to provide contract cost savings. The major factor contributing to the availability of funds in the Defense Stock Fund for this refund is the continuing low unit costs due to increased competition. The conferees believe that the training to be provided through this action will further improve competition and quality control.

OPERATION AND MAINTENANCE, NAVY RESERVE

Amendment No. 322: Appropriates $1,400,000 as proposed by the Senate instead of $600,000 as proposed by the House.

FAMILY HOUSING

Amendment No. 323: Deletes language proposed by the Senate appropriating $1,700,000 for Family Housing, Army.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

HEALTH SERVICES ADMINISTRATION

Amendment No. 324: Appropriates $7,000,000 for Indian health services instead of $9,297,000 as proposed by the House and $4,650,000 as proposed by the Senate.

DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

Amendment No. 325: Appropriates $2,000,000 for management of lands and resources as proposed y the House instead of $3,000,000 as proposed by the Senate.

UNITED STATES FISH AND WILDLIFE SERVICE

Amendment No. 326: Appropriates $4,000,000 for resource management as proposed by the Senate instead of $2,000,000 as proposed by the House.

BUREAU OF INDIAN AFFAIRS

Amendment No. 327: Appropriates $5,000,000 for operation of Indian programs as proposed by the House, instead of providing $5,000,000 by transfer as proposed by the Senate.

DEPARTMENT OF JUSTICE

LEGAL ACTIVITIES

SALARIES AND EXPENSES, UNITED STATES ATTORNEYS AND MARSHALLS

Amendment No. 328: Appropriates $7,811,000 as proposed by the House instead of $7,787,000 as proposed by the Senate.

GENERAL SERVICES ADMINISTRATION

FEDERAL BUILDINGS FUND

LIMITATION ON AVAILABILITY OF REVENUE

Amendment No. 329: Deletes language proposed by the Senate and restores language proposed by the House relating to various levels of funding of activities in the Federal Buildings Fund.

GENERAL MANAGEMENT AND ADMINISTRATION

Amendment No. 330: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter proposed by said amendment, insert the following:

: Provided, That expenses of transportation audit contracts and contract administration shall be in addition to this amount and shall be financed from over-charges collected from carriers on transportation bills paid by the government and other similar type refunds at not to exceed $5,200,000 annually. This proviso will be effective from date of enactment of this Act through September 30, 1989

The managers on the part of the Senate will move to concur in the amendment of the House of the amendment of the Senate.

This amendment authorizes financing of transportation and other similar type audits from overcharges collected from carriers through September 30, 1989.

OFFICE OF PERSONNEL MANAGEMENT

Amendment No. 331: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate making available $1,000 for official representation expenses.

VETERANS ADMINISTRATION

Amendment No. 332: Appropriates $152,524,000 for medical care as proposed by the House, instead of $122,524,000 as proposed by the Senate.

In agreeing to the higher amount, the conferees intend that the $80,000,000 provided above the budget request be used only for hiring medical care staffing. It is not intended that the $80,000,000 be used to hire ground or building maintenance staff above the level previously planned.

The $80,000,000 was added to allow the VA to support 193,941 staff years. The conferees recognized that the VA may not be able to fully utilize the entire $80,000,000 in fiscal year 1985. It is anticipated that any funds carried forward into fiscal year 1986, outside of any restoration of funds for equipment, will be used for 1986 funding required to support an average employment of 193,941.

Amendment No. 333: Appropriates $3,500,000 for general expenses as proposed by the Senate, instead of $6,000,000 as proposed by the House.

Amendment No. 334: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate increasing the limitation on administrative expenses in construction, minor projects, by $371,000.

FEDERAL EMERGENCY MANAGEMENT AGENCY

Amendment No. 335: Deletes language proposed by the Senate transferring $2,472,000 from emergency management planning and assistance to salaries and expenses.

INTERSTATE COMMERCE COMMISSION

Amendment No. 336: Appropriates $1,000,000 as proposed by the Senate instead of $500,000 as proposed by the House.

SECURITIES AND EXCHANGE COMMISSION

SALARIES AND EXPENSES

Amendment No. 337: Appropriates $1,045,000 as proposed by the Senate instead of $1,294,000 as proposed by the House.

TITLE III

GENERAL PROVISIONS

Amendment No. 338: Deletes language proposed by the Senate which would have required the State Department to take all necessary steps to protect the rights and safety of John Lincoln Tamboer during his extradition to Colombia for trial and subsequent actions of the courts or Government of Colombia.

The conferees note that the Department of State is mandated by law to protect the rights and interests of all American citizens abroad. The conferees are particularly concerned that the Department fullfill this responsibility in the case of John Lincoln Tamboer and that the Department take all necessary action to protect the rights and safety of Mr. Tamboer during his extradition to Colombia for trial and subsequent actions of the courts or the Government of Colombia.

Amendment No. 339: Deletes the language proposed by the Senate regarding the conduct of a study not funded in this Act.

TITLE IV

AUTHORIZATION OF ECONOMIC SUPPORT FUND ASSISTANCE FOR JORDAN

Amendment No. 340: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter inserted by said amendment, insert the following:

TITLE IV

AUTHORIZATION OF ECONOMIC SUPPORT FUND ASSISTANCE FOR JORDAN

SHORT TITLE

Sec. 401. This title may be cited as the "Jordan Supplemental Economic Assistance Authorization Act of 1985".

ECONOMIC SUPPORT FUND

Sec. 402. (a)(1) In addition to funds otherwise available for such purposes for such fiscal year, there are authorized to be appropriated to the President to carry out chapter 4 of part II of the Foreign Assistance Act of 1961, $250,000,000 for the fiscal year 1985, which amount shall be available only for Jordan.

(2) Of the funds authorized to be appropriated by paragraph (1)—

(A) for the fiscal year 1985, $50,000,000 shall be available only for commodity import programs and $30,000,000 shall be available only for project assistance;

(B) for fiscal year 1986, $50,000,000 shall be available only for commodity import programs and $30,000,000 shall be available only for project assistance; and

(C) for the fiscal year 1987, $60,000,000 shall be available only for commodity import programs and $30,000,000 shall be available only for project assistance.

(b) Amounts appropriated to carry out this section are authorized to remain available until September 30, 1987.

POLICY

Sec. 403. (a) SENSE OF CONGRESS.—It is the sense of Congress that no foreign military sales financing authorized by this Act may be used to finance the procurement by Jordan of United States advanced aircraft, new air defense weapons systems, or other new advanced military weapons systems, and no notification may be made pursuant to section 36(b) of the Arms Export Control Act with respect to a proposed sale to Jordan of United States advanced aircraft, new air defense systems, or other new advanced military weapons systems, unless Jordan is publicly committed to the recognition of Israel and to negotiate promptly and directly with Israel under the basic tenets of United Nations Security Council Resolutions 242 and 338.

(b) CERTIFICATION.—Any notification made pursuant to section 36(b) of the Arms Export Control Act with respect to a proposed sale to Jordan of United States advanced aircraft, new air defense systems or other new advanced military weapons, must be accompanied by a Presidential certification of Jordan's public commitment to the recognition of Israel and to negotiate promptly and directly with Israel under the basic tenets of United Nations Security Council Resolutions 242 and 338.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees agree under this amendment to authorize a total of $250 million for Jordan for Economic Support Funds and a commodity import program. The funds are authorized to be available over a three year period. The amendment also states that it is the sense of Congress that no foreign military sales financing authorized by this Act may be used to finance Jordanian procurment of United States defense equipment unless Jordan is publicly committed to the recognition of Israel and to negotiate promptly and directly with Israel under the basic tenets of U.N. Security Council Resolutions 242 and 338. The language also requires Presidential certification of Jordan's public commitment at the same time any notification concerning Jordan made pursuant to section 36(b) of the Arms Export Control Act is made.

TITLE V

DEPARTMENT OF DEFENSE PLAN FOR DRUG INTERDICTION PROGRAM

Amendment No. 341: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which directs the Secretary of Defense to submit a report to the Appropriations and Armed Services Committees of both Houses by December 31, 1985, in conjuction with the Joint Chiefs of Staff, on the role of the Defense Department in the drug interdiction and law enforcement activities of the United States. The President is also required to submit a report to Congress by December 31, 1985 indicating how the United States Government is organized to interdict drugs and enforce drug laws.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1985 recommended by the Committee of Conference, with comparisons to the fiscal year 1985 budget estimates, and the House and Senate bills for 1985 follows:

Budget estimates of new (obligational) authority, fiscal year 1985[1]	12,884,953,436
House bill, fiscal year 1985	13,430,115,536
Senate bill, fiscal year 1985	13,944,747,536
Conference agreement, fiscal year 1985	13,024,352,536
Conference agreement compared with:	
Budget estimates of new (obligational) authority, fiscal year 1985	+139,399,100
House bill, fiscal year 1985	−405,763,000
Senate bill, fiscal year 1985	−920,395,000

[1] Includes $316,153,900 of budget estimates not considered by the House.

JAMIE L. WHITTEN,
EDWARD P. BOLAND,
(except amendment No. 154 language),
WILLIAM H. NATCHER,
NEAL SMITH,
JOSEPH P. ADDABBO,
(except amendment No. 154 language),
SIDNEY R. YATES,
(except amendment No. 154 language),
EDWARD R. ROYBAL,
(except amendment No. 154 language),
TOM BEVILL,
WILLIAM LEHMAN,
JULIAN C. DIXON,
(except amendment No. 154 language),
VIC FAZIO,

(except amendment No. 154 language),
SILVIO O. CONTE,
(except amendment No. 154 language),
JOSEPH M. MCDADE,
JOHN T. MYERS,
LAWRENCE COUGHLIN,
JACK F. KEMP,
RALPH REGULA,
GEORGE M. O'BRIEN,
Managers on the Part of the House.

MARK O. HATFIELD,
(except amendment No. 154),
TED STEVENS,
LOWELL P. WEICKER,
JAMES A. MCCLURE,
PAUL LAXALT,
JAKE GARN,
THAD COCHRAN,
MARK ANDREWS,
JAMES ABDNOR,
BOB KASTEN,
ALFONSE M. D'AMATO,
MACK MATTINGLY,
WARREN RUDMAN,
JOHN C. STENNIS,
ROBERT C. BYRD,
WILLIAM PROXMIRE,
DANIEL K. INOUYE,
ERNEST F. HOLLINGS,
LAWTON CHILES,
J. BENNETT JOHNSTON,
QUENTIN N. BURDICK,
PATRICK J. LEAHY,
JIM SASSER,
DENNIS DECONCINI,
DALE BUMPERS,
FRANK R. LAUTENBERG,
Managers on the Part of the Senate.

CONFERENCE REPORT ON S. 960

Mr. FASCELL submitted the following conference report and statement on the bill (S. 960) to amend the Foreign Assistance Act of 1961, the Arms Export Control Act, and other Acts to authorize appropriations for the fiscal year 1986 for international security and development assistance, the Peace Corps, the Inter-American Foundation, the African Development Foundation, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 99-237)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 960) to amend the Foreign Assistance Act of 1961, the Arms Export Control Act, and other Acts to authorize appropriations for the fiscal year 1986 for international security and development assistance, the Peace Corps, the Inter-American Foundation, the African Development Foundation, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "International Security and Development Cooperation Act of 1985".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title and table of contents.

TITLE I—MILITARY ASSISTANCE AND SALES AND RELATED PROGRAMS

Sec. 101. Foreign military sales credits.
Sec. 102. Terms of foreign military sales credits.
Sec. 103. Military assistance.
Sec. 104. International military education and training.
Sec. 105. Peacekeeping operations.
Sec. 106. Guaranty Reserve Fund.
Sec. 107. Valuation of certain defense articles.
Sec. 108. Full costing of FMS sales of training.
Sec. 109. Administrative surcharge.
Sec. 110. Contract administration services.
Sec. 111. Catalog data and services.
Sec. 112. Reports on cash flow financing.
Sec. 113. Report on international volume of arms traffic.
Sec. 114. Security assistance surveys.
Sec. 115. North Atlantic Treaty Organization cooperative projects.
Sec. 116. Exchange of training and related support.
Sec. 117. Quarterly reports on United States military advisors abroad.
Sec. 118. Sensitive technology.
Sec. 119. Increase in criminal penalties for certain violations of the Arms Export Control Act.
Sec. 120. Official reception and representation expenses.
Sec. 121. Special Defense Acquisition Fund.
Sec. 122. Leasing authority.
Sec. 123. Military assistance costs; waiver of net proceeds for sale of MAP items.
Sec. 124. Stockpiling of defense articles for foreign countries.
Sec. 125. Security assistance organizations.
Sec. 126. Exchange training.
Sec. 127. Training in maritime skills.
Sec. 128. Special waiver authority.
Sec. 129. Conventional arms transfers.
Sec. 130. Foreign military sales for Jordan.
Sec. 131. Certification concerning AWACS sold to Saudi Arabia.
Sec. 132. Cooperative agreements on air defense in Central Europe.

TITLE II—ECONOMIC SUPPORT FUND

Sec. 201. Purposes and uses of ESF; authorizations of appropriations.
Sec. 202. Assistance for the Middle East.
Sec. 203. Assistance for Cyprus.
Sec. 204. Assistance for Portugal.
Sec. 205. Acquisition of agricultural commodities under commodity import programs.
Sec. 206. Tied aid credit program.
Sec. 207. Restriction on use of funds for nuclear facilities.
Sec. 208. Fiscal year 1985 supplemental authorization.

TITLE III—DEVELOPMENT ASSISTANCE

Sec. 301. Development assistance policy.
Sec. 302. Agriculture, rural development, and nutrition.
Sec. 303. Population and health.
Sec. 304. Child Survival Fund.
Sec. 305. Promotion of immunization and oral rehydration.
Sec. 306. Education and human resources development.
Sec. 307. Energy, private voluntary organizations, and selected development activities.
Sec. 308. Private Sector Revolving Fund.
Sec. 309. Private and voluntary organizations and cooperatives in overseas development.
Sec. 310. Promotion of democratic cooperatives.
Sec. 311. Use of private and voluntary organizations, cooperatives, and the private sector.
Sec. 312. Targeted assistance.
Sec. 313. Housing and other guaranty programs.
Sec. 314. Trade credit insurance program.
Sec. 315. Minority set-aside.

TITLE IV—OTHER FOREIGN ASSISTANCE PROGRAMS

Sec. 401. American schools and hospitals abroad.
Sec. 402. Voluntary contributions to international organizations and programs.
Sec. 403. Withholding of United States proportionate share for certain programs of international organizations.
Sec. 404. International disaster assistance.
Sec. 405. Trade and development program.
Sec. 406. Operating expenses.

TITLE V—INTERNATIONAL TERRORISM AND FOREIGN AIRPORT SECURITY

Part A—International Terrorism Generally

Sec. 501. Anti-terrorism assistance program.
Sec. 502. Coordination of all United States anti-terrorism assistance to foreign countries.
Sec. 503. Prohibition on assistance to countries supporting international terrorism.
Sec. 504. Prohibition on imports from and exports to Libya.
Sec. 505. Ban on importing goods and services from countries supporting terrorism.
Sec. 506. International anti-terrorism committee.
Sec. 507. International terrorism control treaty.
Sec. 508. State terrorism.

Part B—Foreign Airport Security

Sec. 551. Security standards for foreign air transportation.
Sec. 552. Travel advisory and suspension of foreign assistance.
Sec. 553. United States airmarshal program.
Sec. 554. Enforcement of International Civil Aviation Organization standards.
Sec. 555. International civil aviation boycott of countries supporting international terrorism.
Sec. 556. Multilateral and bilateral agreements with respect to aircraft sabotage, aircraft hijacking, and airport security.
Sec. 557. Research on airport security techniques for detecting explosives.
Sec. 558. Hijacking of TWA flight 847 and other acts of terrorism.

TITLE VI—INTERNATIONAL NARCOTICS CONTROL

Sec. 601. Short title.
Sec. 602. Authorizations for international narcotics control assistance.
Sec. 603. Development and illicit narcotics production.
Sec. 604. Reports on international narcotics control assistance.
Sec. 605. Exemption from ban on involvement of United States person-

nel in arrest actions in narcotics control efforts abroad.
Sec. 606. Annual reports on involvement of foreign countries in illicit drug traffic.
Sec. 607. Procurement of weapons to defend aircraft involved in narcotics control efforts.
Sec. 608. Requirement for cost-sharing in international narcotics control assistance programs.
Sec. 609. Prohibition on use of foreign assistance for reimbursements for drug crop eradications.
Sec. 610. Assistance for Jamaica.
Sec. 611. Assistance for Bolivia.
Sec. 612. Assistance to Peru.
Sec. 613. Reallocation of funds if conditions not met.
Sec. 614. Conditions on United States contributions to the United Nations Fund for Drug Abuse Control.
Sec. 615. Latin American regional narcotics control organization.
Sec. 616. Greater effort by United States Armed Forces to support narcotics control efforts abroad.
Sec. 617. Cuban drug trafficking.
Sec. 618. Prohibition on assistance to countries which do not take adequate steps to halt drug trafficking.
Sec. 619. Drug trafficking and the problem of total confidentiality of certain foreign bank accounts.

TITLE VII—WESTERN HEMISPHERE

Sec. 701. Central America democracy, peace, and development initiative.
Sec. 702. El Salvador.
Sec. 703. Assistance for Guatemala.
Sec. 704. Refugees in Honduras.
Sec. 705. Promoting the development of the Haitian people and providing for orderly emigration from Haiti.
Sec. 706. Military assistance for Paraguay.
Sec. 707. Assistance for Peru.
Sec. 708. Inter-American Foundation.
Sec. 709. Comprehensive reports on assistance for Latin America and the Caribbean.
Sec. 710. Use of private and voluntary organizations.
Sec. 711. Assistance for law enforcement agencies.
Sec. 712. Administration of justice.
Sec. 713. Use of employee stock ownership plans in development efforts.
Sec. 714. International Advisory Commission for the Caribbean Region.
Sec. 715. Exemption of certain safety-related equipment from prohibition on military sales to Chile.
Sec. 716. Rural electrification.
Sec. 717. Facilitating international commerce through Mexico.
Sec. 718. Condemning human rights violations and the subversion of other governments by the Government of Cuba.
Sec. 719. Reports on foreign debt in Latin America.
Sec. 720. Economic assistance for Uruguay.
Sec. 721. Canadian exports to the United States.
Sec. 722. Nicaragua.

TITLE VIII—AFRICA

Sec. 801. Balance-of-payments support for countries in Africa.
Sec. 802. Economic support assistance for Southern Africa.
Sec. 803. Policy toward South African "homelands".
Sec. 804. Assistance for Zaire.
Sec. 805. Assistance for Tunisia.
Sec. 806. Political settlement in Sudan.
Sec. 807. Elections in Liberia.
Sec. 808. Western Sahara.
Sec. 809. Sahel development program.
Sec. 810. African Development Foundation.
Sec. 811. Repeal of Clark amendment.
Sec. 812. Failure of the Ethiopian Government to responsibly ameliorate famine conditions.
Sec. 813. Assistance for the People's Republic of Mozambique.

TITLE IX—ASIA

Sec. 901. The Philippines.
Sec. 902. Nuclear non-proliferation conditions on assistance for Pakistan.
Sec. 903. Disadvantaged children in Asia.
Sec. 904. Assistance for Afghanistan.
Sec. 905. Assistance for the Cambodian people.
Sec. 906. Prohibition on certain assistance to the Khmer Rouge.
Sec. 907. Political settlement in Sri Lanka.
Sec. 908. United States policy toward the Republic of Korea.

TITLE X—FOOD AND AGRICULTURAL ASSISTANCE

Sec. 1001. International Fund for Agricultural Development.
Sec. 1002. Public law 480 title II minimums.
Sec. 1003. Express authority for title II direct distribution, sale, and barter.
Sec. 1004. Role of private voluntary organizations and cooperatives.
Sec. 1005. Multiyear agreements with PVOs and cooperatives.
Sec. 1006. Title II programming reports.
Sec. 1007. Eligible commodities under section 416(b).
Sec. 1008. Long-term agricultural commodity agreements with food deficit countries.

TITLE XI—PEACE CORPS

Sec. 1101. Authorization of appropriations.
Sec. 1102. Number of Peace Corps volunteers.
Sec. 1103. Limitation on length of Peace Corps employment.
Sec. 1104. Peace Corps National Advisory Council.
Sec. 1105. Nonpartisan appointments.

TITLE XII—MISCELLANEOUS PROVISIONS RELATING TO FOREIGN ASSISTANCE

Sec. 1201. Notice to Congress of use of certain authorities relating to human rights conditions.
Sec. 1202. Prohibitions against assistance.
Sec. 1203. Land reform programs.
Sec. 1204. Suspension of assistance to countries violating U.S. export laws in order to manufacture a nuclear explosive device.
Sec. 1205. Reports on economic conditions in certain countries.
Sec. 1206. Egyptian-Israeli relations.
Sec. 1207. Procurement of construction and engineering services.
Sec. 1208. Completion of plans and cost estimates.
Sec. 1209. Reprogramming notifications to Congress.
Sec. 1210. Report on United States assistance to coal exporting nations.
Sec. 1211. Repeal of obsolete provisions and correction of technical references.

TITLE XIII—MISCELLANEOUS PROVISIONS

Sec. 1301. Effective date.
Sec. 1302. Codification of policy prohibiting negotiations with the Palestine Liberation Organization.
Sec. 1303. Commission for the Preservation of America's Heritage Abroad.
Sec. 1304. Federal Coal Export Commission.

TITLE I—MILITARY ASSISTANCE AND SALES AND RELATED PROGRAMS

SEC. 101. FOREIGN MILITARY SALES CREDITS.

(a) AUTHORIZATIONS OF APPROPRIATIONS.—The first sentence of section 31(a) of the Arms Export Control Act is amended to read as follows: "There are authorized to be appropriated to the President to carry out this Act $5,371,000,000 for fiscal year 1986 and $5,371,000,000 for fiscal year 1987.".

(b) AGGREGATE CEILINGS AND EXTENDED REPAYMENT TERMS.—Sections 31 (b) and (c) of such Act are amended to read as follows:

"(b)(1) The total amount of credits extended under section 23 of this Act shall not exceed $5,371,000,000 for fiscal year 1986 and $5,371,000,000 for fiscal year 1987.

"(2) Of the aggregate amount of financing provided under this section, not more than $553,900,000 for fiscal year 1986 and not more than $553,900,000 for fiscal year 1987 may be made available at concessional rates of interest. If a country is released from its contractual liability to repay the United States Government with respect to financing provided under this section, such financing shall not be considered to be financing provided at concessional rates of interest for purposes of the limitation established by this paragraph.

"(c) For fiscal year 1986 and fiscal year 1987, the principal amount of credits provided under section 23 at market rates of interest with respect to Greece, the Republic of Korea, the Philippines, Portugal, Spain, Thailand, and Turkey shall (if and to the extent each country so desires) be repaid in not more than twenty years, following a grace period of ten years on repayment of principal.".

(c) FMS FINANCING FOR ISRAEL.—(1) Of the total amount of credits extended under section 23 of the Arms Export Control Act, not less than $1,800,000,000 for fiscal year 1986 and not less than $1,800,000,000 for fiscal year 1987 shall be available only for Israel.

(2) Israel shall be released from its contractual liability to repay the United States Government with respect to the credits provided pursuant to paragraph (1).

(3) If the Government of Israel requests that funds be used for such purposes—

(A) up to $150,000,000 of the amount of credits made available for Israel pursuant to paragraph (1) for each of the fiscal years 1986 and 1987 shall be available for research and development in the United States for the Lavi program, and

(B) not less than $250,000,000 of the amount of credits made available for Israel pursuant to paragraph (1) for each of the fiscal years 1986 and 1987 shall be available for the procurement in Israel of defense articles and defense services (including research and development) for the Lavi program.

(d) FMS FINANCING FOR EGYPT.—(1) Of the total amount of credits extended under section 23 of the Arms Export Control Act, not less than $1,300,000,000 for fiscal year 1986

and not less than $1,300,000,000 for fiscal year 1987 shall be available only for Egypt.

(2) Egypt shall be released from its contractual liability to repay the United States Government with respect to the credits extended pursuant to paragraph (1).

(e) FMS FINANCING FOR GREECE.—(1) Of the total amount of credits extended under section 23 of the Arms Export Control Act, $500,000,000 for each of the fiscal years 1986 and 1987 shall be available only for Greece.

(2) For each of the fiscal years 1986 and 1987, of the total amount of credits extended for Greece under section 23 of the Arms Export Control Act, Greece shall receive the same proportion of credits extended at concessional rates of interest as the proportion of credits extended at concessional rates of interest which Turkey receives out of the total amount of credits extended for Turkey under that section, and the average annual rate of interest on the credits extended for Greece at concessional rates of interest shall be comparable to the average annual rate of interest on the credits extended for Turkey at concessional rates of interest. Credits extended for Greece for each of the fiscal years 1986 and 1987 at concessional rates of interest shall not be counted toward any ceiling established by law on concessional financing under the Arms Export Control Act.

(f) FMS FINANCING AND MAP FOR TURKEY.—For each of the fiscal years 1986 and 1987, the aggregate total of financing under the Arms Export Control Act and assistance under chapter 2 of part II of the Foreign Assistance Act of 1961 provided for Turkey may not exceed $714,280,000. Of this amount, up to $215,000,000 may be used for assistance under chapter 2 of part II of the Foreign Assistance Act of 1961, with the understanding that the United States Government is acting with urgency and determination to oppose any actions aimed at effecting a permanent bifurcation of Cyprus.

SEC. 102. TERMS OF FOREIGN MILITARY SALES CREDITS.

Section 23 of the Arms Export Control Act is amended to read as follows:

"SEC. 23. CREDIT SALES.—(a) The President is authorized to finance the procurement of defense articles, defense services, and design and construction services by friendly foreign countries and international organizations, on such terms and conditions as he may determine consistent with the requirements of this section.

"(b) The President shall require repayment in United States dollars within a period not to exceed twelve years after the loan agreement with the country or international organization is signed on behalf of the United States Government, unless a longer period is specifically authorized by statute for that country or international organization.

"(c)(1) The President shall charge interest under this section at such rate as he may determine, except that such rate may not be less than 5 percent per year.

"(2) For purposes of financing provided under this section—

"(A) the term 'concessional rate of interest' means any rate of interest which is less than market rates of interest; and

"(B) the term 'market rate of interest' means any rate of interest which is equal to or greater than the current average interest rate (as of the last day of the month preceding the financing of the procurement under this section) that the United States Government pays on outstanding marketable obligations of comparable maturity.

"(d) References in any law to credits extended under this section shall be deemed to include reference to participations in credits.".

SEC. 103. MILITARY ASSISTANCE.

Section 504(a)(1) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(a)(1) There are authorized to be appropriated to the President to carry out the purposes of this chapter $805,100,000 for fiscal year 1986 and $805,100,000 for fiscal year 1987.".

SEC. 104. INTERNATIONAL MILITARY EDUCATION AND TRAINING.

Section 542 of the Foreign Assistance Act of 1961 is amended to read as follows:

"SEC. 542. AUTHORIZATIONS OF APPROPRIATIONS.—There are authorized to be appropriated to the President to carry out the purposes of this chapter $56,221,000 for fiscal year 1986 and $56,221,000 for fiscal year 1987.".

SEC. 105. PEACEKEEPING OPERATIONS.

(a) AUTHORIZATIONS.—Section 552(a) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(a) There are authorized to be appropriated to the President to carry out the purposes of this chapter, in addition to amounts otherwise available for such purposes, $37,000,000 for fiscal year 1986 and $37,000,000 for fiscal year 1987.".

(b) PEACEKEEPING OPERATIONS EMERGENCIES.—(1) Section 552 of such Act is amended—

(A) by inserting in subsection (c) "(1)" immediately after "the President may";

(B) by inserting in subsection (c) immediately before the period at the end of the subsection "; and (2) in the event the President also determines that such unforeseen emergency requires the immediate provision of assistance under this chapter, direct the drawdown of commodities and services from the inventory and resources of any agency of the United States Government of an aggregate value not to exceed $25,000,000 in any fiscal year"; and

(C) by inserting at the end thereof the following new subsection:

"(d) There are authorized to be appropriated to the President such sums as may be necessary to reimburse the applicable appropriation, fund, or account for commodities and services provided under subsection (c)(2).".

(2) Section 652 of such Act is amended by inserting ", 552(c)(2)," immediately after "under section 506(a)".

SEC. 106. GUARANTY RESERVE FUND.

(a) REPORT ON REPLENISHMENT.—For the purpose of providing recommendations for improving the security interests of the United States and the friends and allies of the United States, the President shall prepare and transmit to the Congress within 90 days after the date of enactment of this Act a report which sets forth the history of United States foreign military sales financing under the Foreign Assistance Act of 1961 and the Arms Export Control Act. Such report shall include recommendations on replenishing the Guaranty Reserve Fund under section 24 of the Arms Export Control Act and recommendations on other matters agreed to in consultation with the chairman and ranking minority member of the Committee on Foreign Relations of the Senate and of the Committee on Foreign Affairs of the House of Representatives.

(b) ADDITIONAL FUNDS FOR PAYMENT OF CLAIMS.—The second sentence of section 24(c) of the Arms Export Control Act is amended to read as follows: "Funds authorized to be appropriated by section 31(a) to carry out this Act which are allocated for credits at market rates of interest may be used to pay claims under such guarantees to the extent funds in the Guaranty Reserve Fund are inadequate for that purpose.".

(c) DESIGNATION AS GUARANTY RESERVE FUND.—Such section is further amended by inserting after the first sentence the following new sentence: "That single reserve may, on and after the date of enactment of the International Security and Development Cooperation Act of 1985, be referred to as the 'Guaranty Reserve Fund'.".

SEC. 107. VALUATION OF CERTAIN DEFENSE ARTICLES.

(a) CERTAIN NAVAL VESSELS.—Section 21(a) of the Arms Export Control Act is amended—

(1) by redesignating paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C), respectively;

(2) by inserting "(1)" immediately after "(a)"; and

(3) by adding at the end thereof the following new paragraph:

"(2) For purposes of subparagraph (A) of paragraph (1), the actual value of a naval vessel of 3,000 tons or less and 20 years or more of age shall be considered to be not less than the greater of the scrap value or fair value (including conversion costs) of such vessel, as determined by the Secretary of Defense.".

(b) CONFORMING AMENDMENT.—Section 47 of such Act is amended in paragraph (2) by inserting ", except as otherwise provided in section 21(a)," after "excess defense article".

SEC. 108. FULL COSTING OF FMS SALES OF TRAINING.

(a) FMS SALES.—Section 21(a)(1)(C) of the Arms Export Control Act, as so redesignated by the preceding section of this Act, is amended to read as follows:

"(C) in the case of the sale of a defense service, the full cost to the United States Government of furnishing such service, except that in the case of training sold to a purchaser who is concurrently receiving assistance under chapter 5 of part II of the Foreign Assistance Act of 1961, only those additional costs that are incurred by the United States Government in furnishing such assistance.".

(b) NATO STANDARDIZATION AGREEMENTS.—Section 21 of such Act is amended by inserting the following new subsection after subsection (f):

"(g) The President may enter into North Atlantic Treaty Organization standardization agreements in carrying out section 814 of the Act of October 7, 1975 (Public Law 94-106), and may enter into similar agreements with Japan, Australia, and New Zealand, for the cooperative furnishing of training on bilateral or multilateral basis, if the financial principles of such agreements are based on reciprocity. Such agreements shall include reimbursement for all direct costs but may exclude reimbursement for indirect costs, administrative surcharges, and costs of billeting of trainees (except to the extent that members of the United States Armed Forces occupying comparable accommodations are charged for such accommodations by the United States). Each such agreement shall be transmitted promptly to the Speaker of the House of Representatives and the Committees on Appropriations, Armed Services, and Foreign Relations of the Senate.".

SEC. 109. ADMINISTRATIVE SURCHARGE.

Subparagraph (A) of section 21(e)(1) of the Arms Export Control Act is amended by inserting "(excluding a pro rata share of fixed base operation costs)" immediately after "full estimated costs".

SEC. 110. CONTRACT ADMINISTRATION SERVICES.

Section 21(h) of the Arms Export Control Act is amended by inserting "contract administration services," immediately after "inspection," in the text preceding paragraph (1).

SEC. 111. CATALOG DATA AND SERVICES.

Section 21(h) of the Arms Export Control Act is further amended—

(1) by inserting "(1)" immediately after "(h)";

(2) by striking out "(1)" and "(2)" and inserting in lieu thereof "(A)" and "(B)", respectively; and

(3) by adding at the end thereof the following:

"(2) In carrying out the objectives of this section, the President is authorized to provide cataloging data and cataloging services, without charge, to the North Atlantic Treaty Organization or to any member government of that Organization if that Organization or member government provides such data and services in accordance with an agreement on a reciprocal basis, without charge, to the United States Government.".

SEC. 112. REPORTS ON CASH FLOW FINANCING.

(a) ANNUAL REPORTS.—Section 25 of the Arms Export Control Act is amended in paragraph (5) of subsection (a)—

(1) by inserting "(A)" immediately after "(5)";

(2) by adding "and" after the semicolon at the end of paragraph; and

(3) by adding at the end of the paragraph the following new subparagraph:

"(B) for each country that is proposed to be furnished credits or guaranties under this Act in the next fiscal year and that has been approved for cash flow financing (as defined in subsection (d) of this section) in excess of $100,000,000 as of October 1 of the current fiscal year—

"(i) the amount of such approved cash flow financing,

"(ii) a description of administrative ceilings and controls applied, and

"(iii) a description of the financial resources otherwise available to such country to pay such approved cash flow financing;".

(b) DEFINITION OF CASH FLOW FINANCING.—Such section is amended by adding at the end thereof the following new subsection:

"(d) For the purposes of subsection (a)(5)(B) of this section, the term 'cash flow financing' means the dollar amount of the difference between the total estimated price of a Letter of Offer and Acceptance or other purchase agreement that has been approved for financing under this Act or under section 503(a)(3) of the Foreign Assistance Act of 1961 and the amount of the financing that has been approved therefor;".

SEC. 113. REPORT ON INTERNATIONAL VOLUME OF ARMS TRAFFIC.

Section 25 of the Arms Export Control Act is amended—

(1) in subsection (a) by striking out "No later than February 1" and inserting in lieu thereof "Except as provided in subsection (d) of this section, no later than February 1"; and

(2) by adding at the end thereof the following new subsection:

"(d) The information required by subsection (a)(4) of this section shall be transmitted to the Congress no later than April 1 of each year.".

SEC. 114. SECURITY ASSISTANCE SURVEYS.

(a) SURVEYS SUBJECT TO REQUIREMENTS.—Section 26 of the Arms Export Control Act is amended—

(1) in the section caption, by striking out "DEFENSE REQUIREMENT" and inserting in lieu thereof "SECURITY ASSISTANCE";

(2) by striking out "defense requirement" each place it appears in the section and inserting in lieu thereof "security assistance"; and

(3) by adding at the end of the section the following new subsection:

"(d) As used in this section, the term 'security assistance surveys' means any survey or study conducted in a foreign country by United States Government personnel for the purpose of assessing the needs of that country for security assistance, and includes defense requirement surveys, site surveys, general surveys or studies, and engineering assessment surveys.".

(b) SUBMISSION OF SURVEYS TO CONGRESS.—Section 26(c) of such Act is amended by striking out "grant that committee access to" and inserting in lieu thereof "submit to that committee copies of".

SEC. 115. NORTH ATLANTIC TREATY ORGANIZATION COOPERATIVE PROJECTS.

(a) REVISION OF AUTHORITY.—Section 27 of the Arms Export Control Act is amended to read as follows:

"SEC. 27. NORTH ATLANTIC TREATY ORGANIZATION COOPERATIVE PROJECTS.—(a) The President may enter into a cooperative project agreement with the North Atlantic Treaty Organization or with one or more member countries of that Organization.

"(b) As used in this section—

"(1) the term 'cooperative project' means a jointly managed arrangement, described in a written agreement among the parties, which is undertaken in order to further the objectives of standardization, rationalization, and interoperability of the armed forces of North Atlantic Treaty Organization member countries and which provides—

"(A) for one or more of the other participants to share with the United States the costs of research on and development, testing, evaluation, or joint production (including follow-on support) of certain defense articles;

"(B) for concurrent production in the United States and in another member country of a defense article jointly developed in accordance with subparagraph (A); or

"(C) for procurement by the United States of a defense article or defense service from another member country; and

"(2) the term 'other participant' means a participant in a cooperative project other than the United States.

"(c) Each agreement for a cooperative project shall provide that the United States and each of the other participants will contribute to the cooperative project its equitable share of the full cost of such cooperative project and will receive an equitable share of the results of such cooperative project. The full costs of such cooperative project shall include overhead and administrative costs. The United States and the other participants may contribute their equitable shares of the full cost of such cooperative project in funds or in defense articles or defense services needed for such cooperative project. Military assistance and financing received from the United States Government may not be used by any other participant to provide its share of the cost of such cooperative project. Such agreements shall provide that no requirement shall be imposed by a participant for worksharing or other industrial or commercial compensation in connection with such agreement that is not in accordance with such agreement.

"(d) The President may enter into contracts or incur other obligations for a cooperative project on behalf of the other participants, without charge to any appropriation or contract authorization, if each of the other participants in the cooperative project agrees (1) to pay its equitable share of the contract or other obligation, and (2) to make such funds available in such amounts and at such times as may be required by the contract or other obligation and to pay any damages and costs that may accrue from the performance of or cancellation of the contract or other obligation in advance of the time such payments, damages, or costs are due.

"(e)(1) For those cooperative projects entered into on or after the effective date of the International Security and Development Cooperation Act of 1985, the President may reduce or waive the charge or charges which would otherwise be considered appropriate under section 21(e) of this Act in connection with sales under sections 21 and 22 of this Act when such sales are made as part of such cooperative project, if the other participants agree to reduce or waive corresponding charges.

"(2) Notwithstanding provisions of section 21(e)(1)(A) and section 43(b) of this Act, administrative surcharges shall not be increased on other sales made under this Act in order to compensate for reductions or waivers of such surcharges under this section. Funds received pursuant to such other sales shall not be available to reimburse the costs incurred by the United States Government for which reduction or waiver is approved by the President under this section.

"(f) Not less than 30 days before a cooperative project agreement is signed on behalf of the United States, the President shall transmit to the Speaker of the House of Representatives, the chairman of the Committee on Foreign Relations of the Senate, and the chairman of the Committee on Armed Services of the Senate, a numbered certification with respect to such proposed agreement, setting forth—

"(1) a detailed description of the cooperative project with respect to which the certification is made;

"(2) an estimate of the quantity of the defense articles expected to be produced in furtherance of such cooperative project;

"(3) an estimate of the full cost of the cooperative project, with an estimate of the part of the full cost to be incurred by the United States Government for its participation in such cooperative project and an estimate of that part of the full costs to be incurred by the other participants;

"(4) an estimate of the dollar value of the funds to be contributed by the United States and each of the other participants on behalf of such cooperative project;

"(5) a description of the defense articles and defense services expected to be contributed by the United States and each of the other participants on behalf of such cooperative project;

"(6) a statement of the foreign policy and national security benefits anticipated to be derived from such cooperative project; and

"(7) to the extent known, whether it is likely that prime contracts will be awarded to particular prime contractors or that subcontracts will be awarded to particular subcontractors to comply with the proposed agreement.

"(g) Section 36(b) of this Act shall not apply to sales made under section 21 or 22 of this Act and to production and exports made pursuant to cooperative projects under this section, and section 36(c) of this Act shall not apply to the issuance of licenses or other approvals under section 38 of this Act, if such sales are made, such pro-

duction and exports ensue, or such licenses or approvals are issued, as part of a cooperative project.

"(h) The authority under this section is in addition to the authority under sections 21 and 22 of this Act and under any other provision of law.

"(i)(1) With the approval of the Secretary of State and the Secretary of Defense, a cooperative agreement which was entered into by the United States before the effective date of the amendment to this section made by the International Security and Development Cooperation Act of 1985 and which meets the requirements of this section as so amended may be treated on and after such date as having been made under this section as so amended.

"(2) Notwithstanding the amendment made to this section made by the International Security and Development Cooperation Act of 1985, projects entered into under the authority of this section before the effective date of that amendment may be carried through to conclusion in accordance with the terms of this section as in effect immediately before the effective date of that amendment.".

(b) CONFORMING AMENDMENTS.—(1) Section 2(b) of such Act is amended to read as follows:

"(b) Under the direction of the President, the Secretary of State (taking into account other United States activities abroad, such as military assistance, economic assistance, and the food for peace program) shall be responsible for the continuous supervision and general direction of sales, leases, financing, cooperative projects, and exports under this Act, including, but not limited to, determining—

"(1) whether there will be a sale to or financing for a country and the amount thereof;

"(2) whether there will be a lease to a country;

"(3) whether there will be a cooperative project and the scope thereof; and

"(4) whether there will be delivery or other performance under such sale, lease, cooperative project, or export,

to the end that sales, financing, leases, cooperative projects, and exports will be integrated with other United States activities and to the end that the foreign policy of the United States would be best served thereby.".

(2) Section 3(a) of such Act is amended—

(A) in the text preceding paragraph (1), by inserting ", and no agreement shall be entered into for a cooperative project (as defined in section 27 of this Act)," after "international organization";

(B) in paragraph (2)—

(i) by inserting ", or produced in a cooperative project (as defined in section 27 of this Act)," after "so furnished to it"; and

(ii) by inserting "(or the North Atlantic Treaty Organization or the specified member countries (other than the United States) in the case of a cooperative project)" after "international organization" the second place it appears; and

(C) in paragraph (3), by inserting "or service" after "such article" both places it appears.

(3) Section 42(e) of such Act is amended—

(A) in paragraph (1), by inserting ", and each contract entered into under section 27(d) of this Act," after "of this Act"; and

(B) in paragraph (3), by inserting ", or under contracts entered into under section 27(d) of this Act," after "of this Act".

SEC. 116. EXCHANGE OF TRAINING AND RELATED SUPPORT.

The Arms Export Control Act is amended by inserting the following new chapter after chapter 2B:

"Chapter 2C—Exchange of Training and Related Support

"SEC. 30A. EXCHANGE OF TRAINING AND RELATED SUPPORT.—(a) Subject to subsection (b), the President may provide training and related support to military and civilian defense personnel of a friendly foreign country or an international organization. Such training and related support shall be provided by a Secretary of a military department and may include the provision of transportation, food services, health services, and logistics and the use of facilities and equipment.

"(b) Training and related support may be provided under this section only pursuant to an agreement or other arrangement providing for the provision by the recipient foreign country or international organization, on a reciprocal basis, of comparable training and related support to military and civilian personnel under the jurisdiction of the Secretary of the military department providing the training and related support under this section. Such reciprocal training and related support must be provided within a reasonable period of time (which may not be more than one year) of the provision of training and related support by the United States. To the extent that a foreign country or international organization to which training and related support is provided under this section does not provide such comparable training and related support to the United States within a reasonable period of time; that country or international organization shall be required to reimburse the United States for the full costs of the training and related support provided by the United States.

"(c) Training and related support under this section shall be provided under regulations prescribed by the President.

"(d) Not later than February 1 of each year, the President shall submit to the Congress a report on the activities conducted pursuant to this section during the preceding fiscal year, including the estimated full costs of the training and related support provided by the United States to each country and international organization and the estimated value of the training and related support provided to the United States by that country or international organization.".

SEC. 117. QUARTERLY REPORTS ON UNITED STATES MILITARY ADVISORS ABROAD.

Section 36(a)(7) of the Arms Export Control Act is amended to read as follows:

"(7) an estimate of—

"(A) the number of United States military personnel, the number of United States Government civilian personnel, and the number of United States civilian contract personnel, who were in each foreign country at the end of that quarter, and

"(B) the number of members of each such category of personnel who were in each foreign country at any time during that quarter,

in implementation of sales and commercial exports under this Act or of assistance under chapter 2, 5, 6, or 8 of part II of the Foreign Assistance Act of 1961, including both personnel assigned to the country and personnel temporarily in the country by detail or otherwise;".

SEC. 118. SENSITIVE TECHNOLOGY.

Section 36(b) of the Arms Export Control Act is amended—

(1) by inserting before the period at the end of the second sentence of paragraph (1) the following: ", and a detailed justification of the reasons necessitating the sale of such articles or services in view of the sensitivity of such technology"; and

(2) by adding at the end thereof the following new paragraph:

"(5)(A) If, before the delivery of any major defense article or major defense equipment, or the furnishing of any defense service or design and construction service, sold pursuant to a letter of offer described in paragraph (1), the sensitivity of technology or the capability of the article, equipment, or service is enhanced or upgraded from the level of sensitivity or capability described in the numbered certification with respect to an offer to sell such article, equipment, or service, then, at least 45 days before the delivery of such article or equipment or the furnishing of such service, the President shall prepare and transmit to the chairman of the Committee on Foreign Affairs of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report—

"(i) describing the manner in which the technology or capability has been enhanced or upgraded and describing the significance of such enhancement or upgrade; and

"(ii) setting forth a detailed justification for such enhancement or upgrade.

"(B) The provisions of subparagraph (A) apply to an article or equipment delivered, or a service furnished, within ten years after the transmittal to the Congress of a numbered certification with respect to the sale of such article, equipment, or service.

"(C) If the enhancement or upgrade in the sensitivity of technology or the capability of major defense equipment, defense articles, defense services, or design and construction services described in a numbered certification submitted under this subsection costs $14,000,000 or more in the case of any major defense equipment, $50,000,000 or more in the case of defense articles or defense services, or $200,000,000 or more in the case of design or construction services, then the President shall submit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a new numbered certification which relates to such enhancement or upgrade and which shall be considered for purposes of this subsection as if it were a separate letter of offer to sell defense equipment, articles, or services, subject to all of the requirements, restrictions, and conditions set forth in this subsection. For purposes of this subparagraph, references in this subsection to sales shall be deemed to be references to enhancements or upgrades in the sensitivity of technology or the capability of major defense equipment, articles, or services, as the case may be.

"(D) For the purposes of subparagraph (A), the term 'major defense article' shall be construed to include electronic devices, which if upgraded, would enhance the mission capability of a weapons system.".

SEC. 119. INCREASE IN CRIMINAL PENALTIES FOR CERTAIN VIOLATIONS OF THE ARMS EXPORT CONTROL ACT.

(a) CRIMINAL PENALTIES.—Section 38(c) of the Arms Export Control Act is amended by striking out "not more than $100,000 or imprisoned not more than two years, or both" and inserting in lieu thereof "for each viola-

tion not more than $1,000,000 or imprisoned not more than ten years, or both".

(b) CIVIL PENALTIES.—Section 38(e) of such Act is amended by adding at the end thereof the following: "Notwithstanding section 11(c) of the Export Administration Act of 1979, the civil penalty for each violation involving controls imposed on the export of defense articles and defense services under this section may not exceed $500,000.".

(c) EFFECTIVE DATE.—This section shall take effect upon the date of enactment of this Act or October 1, 1985, whichever is later. The amendments made by this section apply with respect to violations occurring after the effective date of this section.

SEC. 120. OFFICIAL RECEPTION AND REPRESENTATION EXPENSES.

Section 43 of the Arms Export Control Act is amended—

(1) in subsection (b) by inserting "and official reception and representation expenses" immediately after "administrative expenses"; and

(2) by adding at the end thereof the following new subsection:

"(c) Not more than $72,500 of the funds derived from charges for administrative services pursuant to section 21(e)(1)(A) of this Act may be used each fiscal year for official reception and representation expenses.".

SEC. 121. SPECIAL DEFENSE ACQUISITION FUND.

(a) CONTINUOUS ORDERS FOR CERTAIN ARTICLES AND SERVICES.—Section 51(a) of the Arms Export Control Act is amended by adding at the end thereof the following new paragraph:

"(3) The Fund may be used to keep on continuous order such defense articles and defense services as are assigned by the Department of Defense for integrated management by a single agency thereof for the common use of all military departments in anticipation of the transfer of similar defense articles and defense services to foreign countries and international organizations pursuant to this Act, the Foreign Assistance Act of 1961, or other law.".

(b) REVOLVING FUND.—Section 51(b) of such Act is amended to read as follows:

"(b) The Fund shall consist of collections from sales made under letters of offer, or transfers made under the Foreign Assistance Act of 1961, of defense articles and defense services acquired under this chapter (representing the value of such items calculated in accordance with subparagraph (B) or (C) of section 21(a)(1) or section 22 of this Act or section 644(m) of the Foreign Assistance Act of 1961, as appropriate), together with such funds as may be authorized and appropriated or otherwise made available for the purposes of the Fund.".

SEC. 122. LEASING AUTHORITY.

Section 7307(b)(1) of title 10, United States Code, is amended by inserting before the period at the end thereof the following: ", except that any lease or loan of such a vessel under such a law shall be made only in accordance with the provisions of chapter 6 of the Arms Export Control Act (22 U.S.C. 2796 et seq.) or chapter 2 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2311 et seq.)".

SEC. 123. MILITARY ASSISTANCE COSTS; WAIVER OF NET PROCEEDS FOR SALE OF MAP ITEMS.

(a) MILITARY ASSISTANCE COSTS.—Section 503(a) of the Foreign Assistance Act of 1961 is amended by adding the following sentence after paragraph (3): "Sales which are wholly paid from funds transferred under paragraph (3) shall be priced to exclude the costs of salaries of members of the Armed Forces of the United States.".

(b) WAIVER OF NET PROCEEDS.—Section 505(f) of such Act is amended by adding at the end thereof the following: "In the case of items which were delivered prior to 1975, the President may waive the requirement that such net proceeds be paid to the United States Government if he determines that to do so is in the national interest of the United States.".

SEC. 124. STOCKPILING OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES.

Section 514(b)(2) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(2) The value of such additions to stockpiles in foreign countries shall not exceed $360,000,000 for fiscal year 1986 and shall not exceed $125,000,000 for fiscal year 1987.".

SEC. 125. SECURITY ASSISTANCE ORGANIZATIONS.

Section 515(c)(1) of the Foreign Assistance Act of 1961 is amended in the last sentence by striking out "For the fiscal year 1982 and the fiscal year 1983," and inserting in lieu thereof "Pakistan, Tunisia, El Salvador, Honduras,".

SEC. 126. EXCHANGE TRAINING.

Chapter 5 of part II of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 544. EXCHANGE TRAINING.—In carrying out this chapter, the President is authorized to provide for attendance of foreign military personnel at professional military education institutions in the United States (other than service academies) without charge, and without charge to funds available to carry out this chapter (notwithstanding section 632(d) of this Act), if such attendance is pursuant to an agreement providing for the exchange of students on a one-for-one, reciprocal basis each fiscal year between those United States professional military education institutions and comparable institutions of foreign countries and international organizations.".

SEC. 127. TRAINING IN MARITIME SKILLS.

(a) AUTHORIZATION.—Chapter 5 of part II of the Foreign Assistance Act of 1961, as amended by the preceding section of this Act, is further amended by adding at the end thereof the following new section:

"SEC. 545. TRAINING IN MARITIME SKILLS.—The President is encouraged to allocate a portion of the funds made available each fiscal year to carry out this chapter for use in providing education and training in maritime search and rescue, operation and maintenance of aids to navigation, port security, at-sea law enforcement, international maritime law, and general maritime skills.".

(b) EXEMPTION.—Section 660(b) of such Act is amended—

(1) by striking out "or" at the end of clause (1);

(2) by striking out the period at the end of clause (2) and inserting in lieu thereof "; or"; and

(3) by adding the following new clause after clause (2):

"(3) with respect to assistance, including training, in maritime law enforcement and other maritime skills.".

SEC. 128. SPECIAL WAIVER AUTHORITY.

Section 614(a)(4) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(4)(A) The authority of this subsection may not be used in any fiscal year to authorize—

"(i) more than $750,000,000 in sales to be made under the Arms Export Control Act;

"(ii) the use of more than $250,000,000 of funds made available for use under this Act or the Arms Export Control Act; and

"(iii) the use of more than $100,000,000 of foreign currencies accruing under this Act or any other law.

"(B) If the authority of this subsection is used both to authorize a sale under the Arms Export Control Act and to authorize funds to be used under the Arms Export Control Act or under this Act with respect to the financing of that sale, then the use of the funds shall be counted against the limitation in subparagraph (A)(ii) and the portion, if any, of the sale which is not so financed shall be counted against the limitation in subparagraph (A)(i).

"(C) Not more than $50,000,000 of the $250,000,000 limitation provided in subparagraph (A)(ii) may be allocated to any one country in any fiscal year unless that country is a victim of active Communist or Communist-supported aggression, and not more than $500,000,000 of the aggregate limitation of $1,000,000,000 provided in subparagraphs (A)(i) and (A)(ii) may be allocated to any one country in any fiscal year.".

SEC. 129. CONVENTIONAL ARMS TRANSFERS.

(a) NEGOTIATIONS.—At the earliest possible date, the President should, in consultation with United States allies, initiate discussions with the Soviet Union and France aimed at beginning multilateral negotiations to limit and control the transfer of conventional arms to less developed countries.

(b) REPORT.—Within one year after the date of enactment of this Act, the President shall submit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report which specifies steps being taken to fulfill the requirements of subsection (a) and which examines and analyzes United States policies concerning the export of conventional arms, especially sophisticated weapons, and possible approaches to developing multilateral limitations on conventional arms sales. This report shall examine and analyze—

(1) the lessons of earlier efforts to negotiate restraints on the export of conventional arms;

(2) the evolution of supplier practices and policies;

(3) the evolution of recipient country attitudes regarding conventional arms transfers;

(4) the effect upon regional stability and security of conventional arms transfers by the United States and its allies and the Soviet Union and its allies;

(5) the relationship between arms imports and the external debt of recipient countries, the allocation of their internal resources, and their economic well-being;

(6) the relationship between arms exports by Western European countries and the needs of those countries to support their domestic military procurement programs;

(7) the prospects for engaging the Soviet Union in serious discussions concerning arms transfers, both globally and as they relate to regional security problems;

(8) possible measures by the United States and Western European suppliers to control levels of sophisticated weapons sales, both regionally and globally; and

(9) the timing and phasing of international conventional arms control negotiations.

SEC. 130. FOREIGN MILITARY SALES FOR JORDAN.

(a) MIDDLE EAST PEACE.—The foreign military sales financing authorized by this Act for Jordan is provided and increased in the recognition of progress Jordan has made in the search for a just and lasting peace in the

Middle East, to encourage further progress, in recognition of the continuing defense needs of Jordan, and in the expectation that Jordan will enter into direct negotiations with Israel based on United Nations Security Council Resolutions 242 and 338 in order to resolve the state of war between those two countries.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that no foreign military sales financing authorized by this Act may be used to finance the procurement by Jordan of United States advanced aircraft, new air defense weapons systems, or other new advanced military weapons systems, and no notification may be made pursuant to section 36(b) of the Arms Export Control Act with respect to a proposed sale to Jordan of United States advanced aircraft, new air defense systems, or other new advanced military weapons systems, unless Jordan is publicly committed to the recognition of Israel and to negotiate promptly and directly with Israel under the basic tenets of United Nations Security Council Resolutions 242 and 338.

(c) CERTIFICATION.—Any notification made pursuant to section 36(b) of the Arms Export Control Act with respect to a proposed sale to Jordan of United States advanced aircraft, new air defense systems, or other new advanced military weapons, shall be accompanied by a Presidential certification of Jordan's public commitment to the recognition of Israel and to negotiate promptly and directly with Israel under the basic tenets of United Nations Security Council Resolutions 242 and 338.

SEC. 131. CERTIFICATION CONCERNING AWACS SOLD TO SAUDI ARABIA.

(a) THE PRESIDENT'S 1981 AWACS COMMUNICATION TO THE SENATE.—(1) The Congress finds that in his October 28, 1981, communication to the Senate concerning the proposed sale of AWACS aircraft and F-15 enhancement items to Saudi Arabia which was then being reviewed by the Congress (hereafter in this section referred to as the "1981 AWACS communication"), the President stated the following:

"Transfer of the AWACS will take place . . . only after the Congress has received in writing a Presidential certification, containing agreements with Saudi Arabia, that the following conditions have been met:

"1. Security of Technology

"A. That a detailed plan for the security of equipment, technology, information, and supporting documentation has been agreed to by the United States and Saudi Arabia and is in place; and

"B. The security provisions are no less stringent than measures employed by the U.S. for protection and control of its equipment of like kind outside the continental U.S.; and

"C. The U.S. has the right of continual on-site inspection and surveillance by U.S. personnel of security arrangements for all operations during the useful life of the AWACS. It is further provided that security arrangements will be supplemented by additional U.S. personnel if it is deemed necessary by the two parties; and

"D. Saudi Arabia will not permit citizens of third nations either to perform maintenance on the AWACS or to modify any such equipment without prior, explicit mutual consent of the two governments; and

"E. Computer software, as designated by the U.S. Government, will remain the property of the USG.

"2. Access to Information

"That Saudi Arabia has agreed to share with the United States continuously and completely the information that it acquires from use of the AWACS.

"3. Control Over Third-Country Participation

"A. That Saudi Arabia has agreed not to share access to AWACS equipment, technology, documentation, or any information developed from such equipment or technology with any nation other than the U.S. without the prior, explicit mutual consent of both governments; and

"B. There are in place adequate and effective procedures requiring the screening and security clearance of citizens of Saudi Arabia and that only cleared Saudi citizens and cleared U.S. nationals will have access to AWACS equipment, technology, or documentation, or information derived therefrom, without the prior, explicit mutual consent of the two governments.

"4. AWACS Flight Operations

"That the Saudi AWACS will be operated solely within the boundaries of Saudi Arabia, except with the prior, explicit mutual consent of the two governments, and solely for defensive purposes as defined by the United States, in order to maintain security and regional stability.

"5. Command Structure

"That agreements as they concern organizational command and control structure for the operation of AWACS are of such a nature to guarantee that the commitments above will be honored.

"6. Regional Peace and Security

"That the sale contributes directly to the stability and security of the area, enhances the atmosphere and prospects for progress toward peace, and that initiatives toward the peaceful resolution of disputes in the region have either been successfully completed or that significant progress toward that goal has been accomplished with the substantial assistance of Saudi Arabia.".

(2) The Congress finds that the President also stated in the 1981 AWACS communication that should circumstances arise that might require changes in the arrangements described in that communication, "they would be made only with Congressional participation".

(b) REQUIREMENT FOR PRESIDENTIAL CERTIFICATION.—As provided in the 1981 AWACS communication, before the E-3A airborne warning and control system (AWACS) aircraft which were the subject of that communication are transferred to Saudi Arabia, the President shall submit to the Congress a written Presidential certification, containing agreements with Saudi Arabia, that the conditions set forth in that communication have been met.

(c) CONGRESSIONAL PARTICIPATION IN CHANGES IN AWACS ARRANGEMENTS.—In order to facilitate the congressional participation provided for in the 1981 AWACS communication, the President shall notify the Congress promptly of any changes being considered by the United States in the arrangements described in that communication.

SEC. 132. COOPERATIVE AGREEMENTS ON AIR DEFENSE IN CENTRAL EUROPE.

(a) GENERAL AUTHORITIES.—The Secretary of Defense may carry out the European air defense agreements. In carrying out those agreements, the Secretary—

(1) may provide without monetary charge to the Federal Republic of Germany articles and services as specified in the agreements; and

(2) may accept from the Federal Republic of Germany (in return for the articles and services provided under paragraph (1)) articles and services as specified in the agreements.

(b) SPECIAL AUTHORITIES.—In connection with the administration of the European air defense agreements, the Secretary of Defense may—

(1) waive any surcharge for administrative services otherwise chargeable under section 21(e)(1)(A) of the Arms Export Control Act;

(2) waive any charge not otherwise waived for services associated with contract administration for the sale under the Arms Export Control Act of Patriot air defense missile fire units to the Federal Republic of Germany contemplated in the agreements;

(3) use, to the extent contemplated in the agreements, the NATO Maintenance and Supply Agency—

(A) for the supply of logistical support in Europe for the Patriot missile system, and

(B) for the acquisition of such logistical support,

to the extent that the Secretary determines that the procedures of that Agency governing such supply and acquisition are appropriate;

(4) share, to the extent contemplated in the agreements, the costs of setup charges of facilities for use by that Agency to perform depot-level support of Patriot missile fire units in Europe; and

(5) deliver to the Federal Republic of Germany one Patriot missile fire unit configured for training, to be purchased by the Federal Republic of Germany under the Arms Export Control Act as contemplated in the agreements, without regard to the requirement in section 22 of that Act for payment in advance of delivery for any purchase under that Act.

(c) RATE CHARGED FOR CERTAIN SERVICES.—Notwithstanding the rate required to be charged under section 21 of the Arms Export Control Act for services furnished by the United States, in the case of 14 Patriot missile fire units which the Federal Republic of Germany purchases from the United States under the Arms Export Control Act as contemplated in the European air defense agreements, the rate charged by the Secretary of Defense for packing, crating, handling, and transportation services associated with that purchase may not exceed the established Department of Defense rate for such services.

(d) LIMITATION ON CONTRACT AUTHORITY.—The authority of the Secretary of Defense to enter into contracts under the European air defense agreements is available only to the extent that appropriated funds, other than those made available under section 31 of the Arms Export Control Act, are available for that purpose.

(e) RELATION TO FISCAL YEAR 1985 AUTHORIZATION.—The authorities provided by this section are an extension of, and not in addition to, the authorities provided by section 1007 of the Department of Defense Authorization Act, 1985 (98 Stat. 2579), relating to the authority of the Secretary of Defense to carry out the European air defense agreements during fiscal year 1985.

(f) DEFINITION OF EUROPEAN AIR DEFENSE AGREEMENTS.—For the purposes of this section, the term "European air defense agreements" means—

(1) the agreement entitled "Agreement between the Secretary of Defense of the United States of America and the Minister of Defense of the Federal Republic of Germany on Cooperative Measures for Enhancing Air Defense for Central Europe", signed on December 6, 1983; and

(2) the agreement entitled "Agreement between the Secretary of Defense of the United

States of America and the Minister of Defense of the Federal Republic of Germany in implementation of the 6 December 1983 Agreement on Cooperative Measures for Enhancing Air Defense for Central Europe", signed on July 12, 1984.

TITLE II—ECONOMIC SUPPORT FUND

SEC. 201. PURPOSES AND USES OF ESF; AUTHORIZATIONS OF APPROPRIATIONS.

SEC. 201. (a) POLICY REVISIONS AND AUTHORIZATIONS OF APPROPRIATIONS.—Chapter 4 of part II of the Foreign Assistance Act of 1961 is amended by striking out sections 531, 532, 533, 534, 536, 537, 538, 539, and 540 and inserting the following new sections after the chapter heading:

"SEC. 531. AUTHORITY.—(a) The Congress recognizes that, under special economic, political, or security conditions, the national interests of the United States may require economic support for countries or in amounts which could not be justified solely under chapter 1 of part I. In such cases, the President is authorized to furnish assistance to countries and organizations, on such terms and conditions as he may determine, in order to promote economic or political stability. To the maximum extent feasible, the President shall provide assistance under this chapter consistent with the policy directions, purposes, and programs of part I of this Act.

"(b) The Secretary of State shall be responsible for policy decisions and justifications for economic support programs under this chapter, including determinations of whether there will be an economic support program for a country and the amount of the program for each country. The Secretary shall exercise this responsibility in cooperation with the Administrator of the agency primarily responsible for administering part I of this Act.

"(c) As part of the annual presentation materials for foreign assistance submitted to the Congress, the agency primarily responsible for administering this part shall provide a detailed justification for the uses and the purposes of the funds provided under this chapter. Such material shall include, but not be limited to, information concerning the amounts and kinds of cash grant transfers, the amounts and kinds of budgetary and balance-of-payments support provided, and the amounts and kinds of project assistance provided with funds made available under this chapter.

"(d) To the maximum extent feasible, funds made available pursuant to this chapter for commodity import programs or other program assistance shall be used to generate local currencies, not less than 50 percent of which shall be available to support activities consistent with the objectives of sections 103 through 106 of this Act, and administered by the agency primarily responsible for administering part I of this Act.

"(e) Amounts appropriated to carry out this chapter shall be available for economic programs only and may not be used for military or paramilitary purposes.

"SEC. 532. AUTHORIZATIONS OF APPROPRIATIONS.—(a) There are authorized to be appropriated to the President to carry out the purposes of this chapter—

"(1) $2,015,000,000 for the fiscal year 1986 and $2,015,000,000 for the fiscal year 1987 for the following countries signing the Camp David agreement: Israel and Egypt; and

"(2) $1,785,000,000 for the fiscal year 1986 and $1,785,000,000 for the fiscal year 1987 for assistance under this chapter for recipients or purposes other than the countries referred to in paragraph (1).".

"(b) Amounts appropriated to carry out this chapter are authorized to remain available until expended.".

(b) EMERGENCY ASSISTANCE.—Section 535 of such Act is amended—

(1) by striking out "1982" and "1983" inserting in lieu thereof "1986" and "1987", respectively; and

(2) by redesignating that section as section 533.

SEC. 202. ASSISTANCE FOR THE MIDDLE EAST.

(a) ISRAEL.—(1) Of the amounts authorized to be appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961, not less than $1,200,000,000 for fiscal year 1986 and not less than $1,200,000,000 for fiscal year 1987 shall be available only for Israel.

(2) The total amounts of funds allocated for Israel under that chapter for fiscal year 1986 and fiscal year 1987 shall be made available as a cash transfer on a grant basis. Such transfer shall be made on an expedited basis in the first 30 days of the respective fiscal year. In exercising the authority of this paragraph, the President shall ensure that the level of cash transfer made to Israel does not cause an adverse impact on the total level of nonmilitary exports from the United States to Israel.

(b) EGYPT.—(1) Of the amounts authorized to be appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961, not less than $815,000,000 for fiscal year 1986 and not less than $815,000,000 for fiscal year 1987 shall be available only for Egypt.

(2) All of the funds made available to Egypt under that chapter for the fiscal years 1986 and 1987 shall be provided on a grant basis.

(3) Up to $115,000,000 of the amounts provided for Egypt for each of the fiscal years 1986 and 1987 pursuant to paragraph (1) may be provided as a cash transfer with the understanding that Egypt will undertake economic reforms or development activities which are additional to those which would be undertaken in the absence of the cash transfer.

(c) COOPERATIVE SCIENTIFIC AND TECHNOLOGICAL PROJECTS.—It is the sense of the Congress that, in order to continue to build the structure of peace in the Middle East, the United States should finance, and where appropriate participate in, cooperative projects of a scientific and technological nature involving Israel and Egypt and other Middle East countries wishing to participate. These cooperative projects should include projects in the fields of agriculture, health, energy, the environment, education, water resources, and the social sciences.

SEC. 203. ASSISTANCE FOR CYPRUS.

(a) EARMARKS.—Of the amounts authorized to be appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961, not less than $15,000,000 for fiscal year 1986 and not less than $15,000,000 for fiscal year 1987 shall be available only for Cyprus.

(b) CYPRUS PEACE AND RECONSTRUCTION FUND.—It is the sense of the Congress that, at the appropriate time, $250,000,000 should be authorized to be appropriated to provide assistance for Cyprus under chapter 4 of part II of the Foreign Assistance Act of 1961 if the President certifies to the Congress that an agreement has been concluded by the Greek and Turkish Cypriots which is supported by Greece and Turkey and which achieves substantial progress toward settlement of the Cyprus dispute. Such an agreement should include an agreement on Varosha/Famagusta, foreign troop levels in the Republic of Cyprus, the disposition of the international airport on Cyprus, or other significant steps which are evidence of substantial progress toward an overall settlement of the Cyprus dispute.

SEC. 204. ASSISTANCE FOR PORTUGAL.

Of the amounts authorized to be appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961, $80,000,000 for fiscal year 1986 and $80,000,000 for fiscal year 1987 shall be available only for Portugal.

SEC. 205. ACQUISITION OF AGRICULTURAL COMMODITIES UNDER COMMODITY IMPORT PROGRAMS.

The President shall use not less than 18 percent of the funds which are authorized to be appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 for each of the fiscal years 1986 and 1987, and which are made available for commodity import programs, for the purchase of agricultural commodities of United States origin.

SEC. 206. TIED AID CREDIT PROGRAM.

Of the amounts authorized to be appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 which are allocated for Commodity Import Programs—

(1) not less than $50,000,000 for fiscal year 1986, and

(2) an aggregate of not less than $100,000,000 for both fiscal years 1986 and 1987,

shall be deposited in the fund authorized by subsection (c)(2) of section 645 of the Trade and Development Enhancement Act of 1983 (12 U.S.C. 635r) and shall be used by the Agency for International Development in carrying out the program of tied aid credits for United States exports which is provided for in that section. Funds that have not been obligated pursuant to the tied aid credit program by the end of the third quarter of the fiscal year for which they were appropriated may be used for other purposes under chapter 4 of part II of the Foreign Assistance Act of 1961 if the Administrator of the Agency for International Development certifies to the Congress that (A) no trade credit application acceptable and timely under the Trade and Development Enhancement Act of 1983 is pending, or (B) those funds are not needed for that program because other countries are not engaging in predatory financing practices in order to compete with United States exports.

SEC. 207. RESTRICTION ON USE OF FUNDS FOR NUCLEAR FACILITIES.

Funds authorized to be appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 for fiscal year 1986 or fiscal year 1987 may not be used to finance the construction of, the operation or maintenance of, or the supplying of fuel for, any nuclear facility in a foreign country unless the President certifies to the Congress that such country is a party to the Treaty on the Non-Proliferation of Nuclear Weapons or the Treaty for the Prohibition of Nuclear Weapons in Latin America (the "Treaty of Tlatelolco"), cooperates fully with the International Atomic Energy Agency, and pursues nonproliferation policies consistent with those of the United States.

SEC. 208. FISCAL YEAR 1985 SUPPLEMENTAL AUTHORIZATION.

(a) AUTHORIZATION.—In addition to the amount appropriated for such purpose by Public Law 98-473, there are authorized to be appropriated $2,008,000,000 for fiscal year 1985 to carry out the purposes of chap-

ter 4 of part II of the Foreign Assistance Act of 1961. Of this amount, $1,500,000,000 shall be available only for Israel, $500,000,000 shall be available only for Egypt, and $8,000,000 shall be available only for the Middle East Regional Program. Amounts appropriated pursuant to this section are authorized to remain available until September 30, 1986.

(b) EFFECTIVE DATE.—This section shall take effect on the date of enactment of this Act.

TITLE III—DEVELOPMENT ASSISTANCE

SEC. 301. DEVELOPMENT ASSISTANCE POLICY.

Section 102(b) of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new paragraphs:

"(13) United States encouragement of policy reforms is necessary if developing countries are to achieve economic growth with equity.

"(14) Development assistance should, as a fundamental objective, promote private sector activity in open and competitive markets in developing countries, recognizing such activity to be a productive and efficient means of achieving equitable and long term economic growth.

"(15) United States cooperation in development should recognize as essential the need of developing countries to have access to appropriate technology in order to improve food and water, health and housing, education and employment, and agriculture and industry.

"(16) United States assistance should focus on establishing and upgrading the institutional capacities of developing countries in order to promote long term development. An important component of institution building involves training to expand the human resource potential of people in developing countries.".

SEC. 302. AGRICULTURE, RURAL DEVELOPMENT, AND NUTRITION.

Section 103(a)(2) of the Foreign Assistance Act of 1961 is amended by striking out the first sentence and inserting in lieu thereof the following: "There are authorized to be appropriated to the President for purposes of this section, in addition to funds otherwise available for such purposes, $760,000,000 for fiscal year 1986 and $760,000,000 for fiscal year 1987. Of these amounts, the President may use such amounts as he deems appropriate to carry out the provisions of section 316 of the International Security and Development Cooperation Act of 1980.".

SEC. 303. POPULATION AND HEALTH.

Section 104(g) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(g) AUTHORIZATIONS OF APPROPRIATIONS.—(1) There are authorized to be appropriated to the President, in addition to funds otherwise available for such purposes—

"(A) $290,000,000 for fiscal year 1986 and $290,000,000 for fiscal year 1987 to carry out subsection (b) of this section; and

"(B) $205,000,000 for fiscal year 1986 and $205,000,000 for fiscal year 1987 to carry out subsection (c) of this section.

"(2) Funds appropriated under this subsection are authorized to remain available until expended.".

SEC. 304. CHILD SURVIVAL FUND.

Section 104(c)(2)(B) of the Foreign Assistance Act of 1961 is amended by striking out "$25,000,000" and inserting in lieu thereof "$25,000,000 for fiscal year 1986 and $25,000,000 for fiscal year 1987".

SEC. 305. PROMOTION OF IMMUNIZATION AND ORAL REHYDRATION.

(a) POLICY AND GOAL.—Section 104(c) of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new paragraph:

"(3) The Congress recognizes that the promotion of primary health care is a major objective of the foreign assistance program. The Congress further recognizes that simple, relatively low cost means already exist to reduce incidence of communicable diseases among children, mothers, and infants. The promotion of vaccines for immunization, and salts for oral rehydration, therefore, is an essential feature of the health assistance program. To this end, the Congress expects the agency primarily responsible for administering this part to set as a goal the protection of not less than 80 percent of all children, in those countries in which such agency has established development programs, from immunizable diseases by January 1, 1991.".

(b) ANNUAL REPORTS.—Each annual report required by section 634 of the Foreign Assistance Act of 1961 shall describe the progress achieved during the preceding fiscal year in carrying out section 104(c)(3) of such Act.

SEC. 306. EDUCATION AND HUMAN RESOURCES DEVELOPMENT.

The second sentence of section 105(a) of the Foreign Assistance Act of 1961 is amended to read as follows: "There are authorized to be appropriated to the President for the purposes of this section, in addition to funds otherwise available for such purposes, $180,000,000 for fiscal year 1986 and $180,000,000 for fiscal year 1987, which are authorized to remain available until expended.".

SEC. 307. ENERGY, PRIVATE VOLUNTARY ORGANIZATIONS, AND SELECTED DEVELOPMENT ACTIVITIES.

(a) AUTHORIZATIONS.—Section 106(e)(1) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(e)(1) There are authorized to be appropriated to the President for purposes of this section, in addition to funds otherwise available for such purposes, $207,000,000 for fiscal year 1986 and $207,000,000 for fiscal year 1987.".

(b) COOPERATIVE DEVELOPMENT PROGRAM.—Section 106 of such Act is amended by adding at the end thereof the following new subsection:

"(f) Of the amounts authorized to be appropriated to carry out this chapter, $5,000,000 for fiscal year 1986 and $5,000,000 for fiscal year 1987 shall be used to finance cooperative projects among the United States, Israel, and developing countries.".

SEC. 308. PRIVATE SECTOR REVOLVING FUND.

Section 108(b) of the Foreign Assistance Act of 1961 is amended by striking out "fiscal year 1984, up to $20,000,000" in the first sentence and inserting in lieu thereof "each of the fiscal years 1986 and 1987, up to $18,000,000".

SEC. 309. PRIVATE AND VOLUNTARY ORGANIZATIONS AND COOPERATIVES IN OVERSEAS DEVELOPMENT.

(a) NOTIFICATION DATE.—Section 123(e) of the Foreign Assistance Act of 1961 is amended by striking out "thirty days" in the third sentence and inserting in lieu thereof "one year".

(b) EARMARKING FOR PVOs.—Section 123(f) of such Act is amended—

(1) by striking out "1982, 1983, and 1984" and inserting in lieu thereof "1986 through 1989";

(2) by striking out "twelve" and inserting in lieu thereof "thirteen and one half"; and

(3) by adding at the end thereof the following new sentence: "Funds made available under chapter 4 of part II of this Act for the activities of private and voluntary organizations may be considered in determining compliance with the requirements of this subsection.".

SEC. 310. PROMOTION OF DEMOCRATIC COOPERATIVES.

Section 123 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

"(h) The Congress recognizes that, in addition to their role in social and economic development, cooperatives provide an opportunity for people to participate directly in democratic decisionmaking. Therefore, assistance under this chapter shall be provided to rural and urban cooperatives which offer large numbers of low- and middle-income people in developing countries an opportunity to participate directly in democratic decisionmaking. Such assistance shall be designed to encourage the adoption of self-help, private sector cooperative techniques and practices which have been successful in the United States.".

SEC. 311. USE OF PRIVATE AND VOLUNTARY ORGANIZATIONS, COOPERATIVES, AND THE PRIVATE SECTOR.

(a) STUDY.—The Administrator of the Agency for International Development shall undertake a comprehensive study of additional ways to provide development assistance through nongovernmental organizations, including United States and indigenous private and voluntary organizations, cooperatives, the business community, and other private entities. Such study shall include—

(1) an analysis of the percentage of development assistance allocated to governmental and nongovernmental programs;

(2) an analysis of structural impediments, within both the United States and foreign governments, to additional use of nongovernmental programs; and

(3) an analysis of the comparative economic benefits of governmental and nongovernmental programs.

(b) REPORT.—The Administrator shall report the results of this study to the Congress no later than September 30, 1986.

SEC. 312. TARGETED ASSISTANCE.

(a) REQUIREMENTS.—Section 128 of the Foreign Assistance Act of 1961 is amended to read as follows:

"SEC. 128. TARGETED ASSISTANCE.—(a) The President shall use poverty measurement standards, such as those developed by the International Bank for Reconstruction and Development, and other appropriate measurements in determining target populations for United States development assistance, and shall strengthen United States efforts to assure that a substantial percentage of development assistance under this chapter directly improves the lives of the poor majority, with special emphasis on those individuals living in absolute poverty.

"(b) To the maximum extent possible, activities under this chapter that attempt to increase the institutional capabilities of private organizations or governments, or that attempt to stimulate scientific and technological research, shall be designed and monitored to ensure that the ultimate beneficiaries of these activities are the poor majority.".

(b) ANNUAL REPORTS.—Section 634(a)(1)(B) of such Act is amended by inserting immedi-

ately before the semicolon the following: ", such assessment to include an evaluation of the extent to which programs under chapter 1 of part I directly benefit the poor majority".

SEC. 313. HOUSING AND OTHER GUARANTY PROGRAMS.

(a) INCREASING AUTHORIZED HIG PROGRAM LEVEL.—Section 222(a) of the Foreign Assistance Act of 1961 is amended by striking out "$1,958,000,000" in the second sentence and inserting in lieu thereof "$2,158,000,000".

(b) EXTENDING HIG PROGRAM AUTHORITY.—Such section is further amended by striking out "1986" in the third sentence and inserting in lieu thereof "1988".

(c) MINIMUM ANNUAL HIG PROGRAM LEVELS.—Section 222 of such Act is amended by adding at the end thereof the following:

"(k) The total principal amount of guaranties issued under this section for each of the fiscal years 1986 and 1987 shall be comparable to the total principal amount of such guaranties issued for fiscal year 1984, subject to the dollar limitations on the issuance of guaranties under this section which are contained in subsection (a) and in appropriation Acts.".

(d) AGRICULTURAL AND PRODUCTIVE CREDIT AND SELF-HELP COMMUNITY DEVELOPMENT PROGRAMS.—Section 222A(h) of such Act is amended by striking out "1986" and inserting in lieu thereof "1988".

SEC. 314. TRADE CREDIT INSURANCE PROGRAM.

Section 224(e) of the Foreign Assistance Act of 1961 is amended by striking out "not to exceed $300,000,000 in the fiscal year 1985" and inserting in lieu therof "except that the aggregate amount of outstanding commitments under subsection (a) may not exceed $300,000,000 of contingent liability for loan principal during fiscal year 1986 and may not exceed $400,000,000 of contingent liability for loan principal during fiscal year 1987".

SEC. 315. MINORITY SET-ASIDE.

Except to the extent that the Administrator of the Agency for International Development determines otherwise, not less than 10 percent of the aggregate of the funds made available for each of the fiscal year 1986 and 1987 to carry out chapter 1 of part I of the Foreign Assistance Act of 1961 shall be made available only for activities of economically and socially disadvantaged enterprises (within the meaning of section 133(c)(5) of the International Development and Food Assistance Act of 1977), historically black colleges and universities, and private and voluntary organizations which are controlled by individuals who are black Americans, Hispanic Americans, or Native Americans, or who are economically and socially disadvantaged (within the meaning of section 133(c)(5)(B) and (C) of the International Development and Food Assistance Act of 1977). For purposes of this section, economically and socially disadvantaged individuals shall be deemed to include women.

TITLE IV—OTHER FOREIGN ASSISTANCE PROGRAMS

SEC. 401. AMERICAN SCHOOLS AND HOSPITALS ABROAD.

Section 214(c) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(c)(1) To carry out the purposes of this section, there are authorized to be appropriated to the President $35,000,000 for fiscal year 1986 and $35,000,000 for fiscal year 1987.

"(2) Amounts appropriated under paragraph (1) are authorized to remain available until expended.".

SEC. 402. VOLUNTARY CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS AND PROGRAMS.

(a) AUTHORIZATIONS AND EARMARKINGS.—Section 302(a)(1) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(a)(1) There are authorized to be appropriated to the President $270,000,000 for fiscal year 1986 and $270,000,000 for fiscal year 1987 for grants to carry out the purposes of this chapter, in addition to funds available under other Acts for such purposes. Of the amount appropriated for each of the fiscal years 1986 and 1987 pursuant to these authorizations—

"(A) 59.65 percent shall be for the United Nations Development Program;

"(B) 19.30 percent shall be for the United Nations Children's Fund;

"(C) 7.20 percent shall be for the International Atomic Energy Agency, except that these funds may be contributed to that Agency only if the Secretary of State determines (and so reports to the Congress) that Israel is not being denied its right to participate in the activities of that Agency;

"(D) 5.44 percent shall be for Organization of American States development assistance programs;

"(E) 3.51 percent shall be for the United Nations Environment Program;

"(F) 0.70 percent shall be for the World Meteorological Organization;

"(G) 0.70 percent shall be for the United Nations Capital Development Fund;

"(H) 0.35 percent shall be for the United Nations Education and Training Program for Southern Africa;

"(I) 0.18 percent shall be for the United Nations Voluntary Fund for the Decade for Women;

"(J) 0.07 percent shall be for the Convention on International Trade in Endangered Species;

"(K) 0.70 percent shall be for the World Food Program;

"(L) 0.18 percent shall be for the United Nations Institute for Namibia;

"(M) 0.12 percent shall be for the United Nations Trust Fund for South Africa;

"(N) 0.04 percent shall be for the United Nations Voluntary Fund for Victims of Torture;

"(O) 0.07 percent shall be for the United Nations Industrial Development Organization;

"(P) 0.55 percent shall be for the United Nations Development Program Trust Fund to Combat Poverty and Hunger in Africa;

"(Q) 0.97 percent shall be for contributions to international conventions and scientific organizations;

"(R) 0.18 percent for the United Nations Centre on Human Settlements (Habitat); and

"(S) 0.09 percent shall for the World Heritage Fund.".

(b) FISCAL YEAR 1985 CONTRIBUTION TO UNITED NATIONS ENVIRONMENT PROGRAM.—Notwithstanding section 614 of the Foreign Assistance Act of 1961 or any other provision of law, $10,000,000 of the funds appropriated for the fiscal year 1985 to carry out chapter 3 of part I of such Act shall be available only for the United Nations Environment Program. This subsection shall take effect on the date of enactment of this Act.

SEC. 403. WITHHOLDING OF UNITED STATES PROPORTIONATE SHARE FOR CERTAIN PROGRAMS OF INTERNATIONAL ORGANIZATIONS.

Chapter 3 of part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 307. WITHHOLDING OF UNITED STATES PROPORTIONATE SHARE FOR CERTAIN PROGRAMS OF INTERNATIONAL ORGANIZATIONS.—(a) Notwithstanding any other provision of law, none of the funds authorized to be appropriated by this chapter shall be available for the United States proportionate share for programs for the South-West Africa People's Organization, Libya, Iran, Cuba, or the Palestine Liberation Organization or for projects whose purpose is to provide benefits to the Palestine Liberation Organization or entities associated with it.

"(b) The Secretary of State—

"(1) shall review, at least annually, the budgets and accounts of all international organizations receiving payments of any funds authorized to be appropriated by this chapter; and

"(2) shall report to the appropriate committees of the Congress the amounts of funds expended by each such organization for the purposes described in subsection (a) and the amount contributed by the United States to each such organization.".

SEC. 404. INTERNATIONAL DISASTER ASSISTANCE.

The first sentence of section 492(a) of the Foreign Assistance Act of 1961 is amended to read as follows: "There are authorized to be appropriated to the President to carry out section 491, $25,000,000 for fiscal year 1986 and $25,000,000 for fiscal year 1987.".

SEC. 405. TRADE AND DEVELOPMENT PROGRAM.

The first sentence of section 661(b) of the Foreign Assistance Act of 1961 is amended to read as follows: "There are authorized to be appropriated to the President for purposes of this section, in addition to funds otherwise available for such purposes, $20,000,000 for fiscal year 1986 and $20,000,000 for fiscal year 1987.".

SEC. 406. OPERATING EXPENSES.

Section 667(a)(1) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(1) $387,000,000 for fiscal year 1986 and $387,000,000 for fiscal year 1987 for necessary operating expenses of the agency primarily responsible for administering part I of this Act; and".

TITLE V—INTERNATIONAL TERRORISM AND FOREIGN AIRPORT SECURITY

Part A—International Terrorism Generally

SEC. 501. ANTI-TERRORISM ASSISTANCE PROGRAM.

(a) AUTHORIZATIONS.—Section 575 of the Foreign Assistance Act of 1961 is amended to read as follows:

"SEC. 575. AUTHORIZATIONS OF APPROPRIATIONS.—(a) There are authorized to be appropriated to the President to carry out this chapter $9,840,000 for fiscal year 1986 and $9,840,000 for fiscal year 1987.

"(b) Amounts appropriated under this section are authorized to remain available until expended.".

(b) ITEMS ON THE MUNITIONS LIST.—Section 573(d)(4) of such Act is amended to read as follows:

"(4)(A) Except as provided in subparagraph (B), articles on the United States Munitions List established pursuant to the Arms Export Control Act may not be made available under this chapter.

"(B) For fiscal years 1986 and 1987, articles on the United States Munitions List may be made available under this chapter if—

"(i) they are small arms in category I (relating to firearms), ammunition in category III (relating to ammunition) for small arms in category I, or articles in category X (relating to protective personnel equipment), and they are directly related to anti-terror-

ism training being provided under this chapter;

"(ii) the recipient country is not prohibited by law from receiving assistance under one or more of the following provisions: chapter 2 of this part, chapter 5 of this part, or the Arms Export Control Act; and

"(iii) at least 15 days before the articles are made available to the foreign country, the President notifies the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate of the proposed transfer, in accordance with the procedures applicable to reprogramming notifications pursuant to section 634A of this Act.

"(C) The value (in terms of original acquisition cost) of all equipment and commodities provided under subsection (a) of this section, including articles described in subparagraph (B)(i) of this paragraph, may not exceed $325,000 in fiscal year 1986 or $325,000 in fiscal year 1987.".

(c) RESTRICTION.—Section 573 of such Act is amended by adding at the end thereof the following new subsection:

"(f) Funds made available to carry out this chapter may not be used for personnel compensation or benefits.".

(d) EXPIRATION OF AUTHORITY.—Section 577 of such Act is repealed.

SEC. 502. COORDINATION OF ALL UNITED STATES ANTI-TERRORISM ASSISTANCE TO FOREIGN COUNTRIES.

(a) COORDINATION.—The Secretary of State shall be responsible for coordinating all anti-terrorism assistance to foreign countries provided by the United States Government.

(b) REPORTS.—Not later than February 1 each year, the Secretary of State, in consultation with appropriate United States Government agencies, shall report to the appropriate committees of the Congress on the anti-terrorism assistance provided by the United States Government during the preceding fiscal year. Such reports may be provided on a classified basis to the extent necessary, and shall specify the amount and nature of the assistance provided.

SEC. 503. PROHIBITION ON ASSISTANCE TO COUNTRIES SUPPORTING INTERNATIONAL TERRORISM.

(a) PROHIBITION.—Section 620A of the Foreign Assistance Act of 1961 is amended to read as follows:

"SEC. 620A. PROHIBITION ON ASSISTANCE TO COUNTRIES SUPPORTING INTERNATIONAL TERRORISM.—(a) The United States shall not provide any assistance under this Act, the Agricultural Trade Development and Assistance Act of 1954, the Peace Corps Act, or the Arms Export Control Act, to any country which the President determines—

"(1) grants sanctuary from prosecution to any individual or group which has committed an act of international terrorism, or

"(2) otherwise supports international terrorism.

"(b) The President may waive the application of subsection (a) to a country if the President determines that national security or humanitarian reasons justify such waiver. The President shall publish each waiver in the Federal Register and, at least 15 days before the waiver takes effect, shall notify the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate of the waiver (including the justification for the waiver) in accordance with the procedures applicable to reprogramming notifications pursuant to section 634A of this Act.

"(c) If sanctions are imposed on a country pursuant to subsection (a) because of its support for international terrorism, the President should call upon other countries to impose similar sanctions on that country.".

(b) CONFORMING AMENDMENT.—Section 3(f) of the Arms Export Control Act is amended by striking out ", credits, and guaranties" and ", credits, or guaranties" each place they appear.

SEC. 504. PROHIBITION ON IMPORTS FROM AND EXPORTS TO LIBYA.

(a) PROHIBITION ON IMPORTS.—Notwithstanding any other provision of law, the President may prohibit any article grown, produced, extracted, or manufactured in Libya from being imported into the United States.

(b) PROHIBITION ON EXPORTS.—Notwithstanding any other provision of law, the President may prohibit any goods or technology, including technical data or other information, subject to the jurisdiction of the United States or exported by any person subject to the jurisdiction of the United States, from being exported to Libya.

(c) DEFINITION.—For purposes of this section, the term "United States", when used in a geographical sense, includes territories and possessions of the United States.

SEC. 505. BAN ON IMPORTING GOODS AND SERVICES FROM COUNTRIES SUPPORTING TERRORISM.

(a) AUTHORITY.—The President may ban the importation into the United States of any good or service from any country which supports terrorism or terrorist organizations or harbors terrorists or terrorist organizations.

(b) CONSULTATION.—The President, in every possible instance, shall consult with the Congress before exercising the authority granted by this section and shall consult regularly with the Congress so long as that authority is being exercised.

(c) REPORTS.—Whenever the President exercises the authority granted by this section, he shall immediately transmit to the Congress a report specifying—

(1) the country with respect to which the authority is to be exercised and the imports to be prohibited;

(2) the circumstances which necessitate the exercise of such authority;

(3) why the President believes those circumstances justify the exercise of such authority; and

(4) why the President believes the prohibitions are necessary to deal with those circumstances.

At least once during each succeeding 6-month period after transmitting a report pursuant to this subsection, the President shall report to the Congress with respect to the actions taken, since the last such report, pursuant to this section and with respect to any changes which have occurred concerning any information previously furnished pursuant to this subsection.

(d) DEFINITION.—For purposes of this section, the term "United States" includes territories and possessions of the United States.

SEC. 506. INTERNATIONAL ANTI-TERRORISM COMMITTEE.

The Congress calls upon the President to seek the establishment of an international committee, to be known as the International Anti-Terrorism Committee, consisting of representatives of the member countries of the North Atlantic Treaty Organization, Japan, and such other countries as may be invited and may chose to participate. The purpose of the Committee should be to focus the attention and secure the cooperation of the governments and the public of the participating countries and of other countries on the problems and responses to international terrorism, by serving as a forum at both the political and law enforcement levels.

SEC. 507. INTERNATIONAL TERRORISM CONTROL TREATY.

It is the sense of the Congress that the President should establish a process by which democratic and open societies of the world, which are those most plagued by terrorism, negotiate a viable treaty to effectively prevent and respond to terrorist attacks. Such a treaty should incorporate an operative definition of terrorism, and should establish effective close intelligence-sharing, joint counterterrorist training, and uniform laws on asylum, extradition, and swift punishment for perpetrators of terrorism. Parties to such a treaty should include, but not be limited to, those democratic nations who are most victimized by terrorism.

SEC. 508. STATE TERRORISM.

It is the sense of the Congress that all civilized nations should firmly condemn the increasing use of terrorism by certain states as an official instrument for promoting their policy goals, as evidenced by such examples as the brutal assassination of Major Arthur D. Nicholson, Junior, by a member of the Soviet armed forces.

Part B—Foreign Airport Security

SEC. 551. SECURITY STANDARDS FOR FOREIGN AIR TRANSPORTATION.

(a) SECURITY AT FOREIGN AIRPORTS.—Section 1115 of the Federal Aviation Act of 1958 (49 U.S.C. App. 1515) is amended to read as follows:

"SECURITY STANDARDS IN FOREIGN AIR TRANSPORTATION

"ASSESSMENT OF SECURITY MEASURES

"SEC. 1115. (a)(1) The Secretary of Transportation shall conduct at such intervals as the Secretary shall deem necessary an assessment of the effectiveness of the security measures maintained at those foreign airports being served by air carriers, those foreign airports from which foreign air carriers serve the United States, those foreign airports which pose a high risk of introducing danger to international air travel, and at such other foreign airports as the Secretary may deem appropriate.

"(2) Each such assessment shall be made by the Secretary of Transportation in consultation with the appropriate aeronautic authorities of the foreign government concerned and each air carrier serving the foreign airport at which the Secretary is conducting such assessment.

"(3) The assessment shall determine the extent to which an airport effectively maintains and administers security measures. In making an assessment of any airport under this subsection, the Secretary shall use a standard which will result in an analysis of the security measures at such airport based upon, at a minimum, the standards and appropriate recommended practices contained in Annex 17 to the Convention on International Civil Aviation, as those standards and recommended practices are in effect on the date of such assessment.

"CONSULTATION WITH THE SECRETARY OF STATE

"(b) In carrying out subsection (a), the Secretary of Transportation shall consult the Secretary of State with respect to the terrorist threat which exists in each country. The Secretary of Transportation shall also consult with the Secretary of State in order to determine which foreign airports are not under the de facto control of the government

of the country in which they are located and pose a high risk of introducing danger to international air travel.

"REPORT OF ASSESSMENTS

"(c) Each report to the Congress required by section 315 of this Act shall contain a summary of the assessments conducted pursuant to subsection (a).

"NOTIFICATION TO FOREIGN COUNTRY OF DETERMINATION

"(d) Whenever, after an assessment in accordance with subsection (a), the Secretary of Transportation determines that an airport does not maintain and administer effective security measures, the Secretary (after advising the Secretary of State) shall notify the appropriate authorities of such foreign government of such determination, and recommend the steps necessary to bring the security measures in use at that airport up to the standard used by the Secretary in making such assessment.

"NOTICE AND SANCTIONS

"(e)(1) Paragraph (2) of this subsection shall become effective—

"(A) 90 days after notification to the foreign government pursuant to subsection (d), if the Secretary of Transportation finds that the foreign government has failed to bring the security measures at the identified airport up to the standard used by the Secretary in making an assessment of such airport under subsection (a); or

"(B) immediately upon the Secretary of Transportation's determination under subsection (d) if the Secretary of Transportation determines, after consultation with the Secretary of State, that a condition exists that threatens the safety or security of passengers, aircraft, or crew traveling to or from such airport.

The Secretary of Transportation shall immediately notify the Secretary of State of any determination made pursuant to subparagraph (B) so that the Secretary of State may comply with the requirement of section 552(a) of the International Security and Development Cooperation Act of 1985 that a travel advisory be issued.

"(2) Subject to paragraph (1), if the Secretary of Transportation determines pursuant to this section that an airport does not maintain and administer effective security measures—

"(A) the Secretary of Transportation—

"(i) shall publish the identity of such airport in the Federal Register,

"(ii) shall cause the identity of such airport to be posted and prominently displayed at all United States airports regularly being served by scheduled air carrier operations, and

"(iii) shall notify the news media of the identity of such airport;

"(B) each air carrier and foreign air carrier providing service between the United States and such airport shall provide notice of such determination by the Secretary to any passenger purchasing a ticket for transportation between the United States and such airport, with such notice to be made by written material included on or with such ticket;

"(C) the Secretary of Transportation, after consultation with the appropriate aeronautical authorities of the foreign government concerned and each air carrier serving such airport, may, notwithstanding section 1102 of this Act and with the approval of the Secretary of State, withhold, revoke, or impose conditions on the operating authority of any air carrier or foreign air carrier to engage in foreign air transportation utilizing such airport; and

"(D) the President may prohibit air carriers and foreign air carriers from providing service between the United States and any other foreign airport which is directly or indirectly served by aircraft flying to or from the airport with respect to which the determination is made under this section.

"(3) The Secretary of Transportation shall promptly submit to the Congress a report (with a classified annex if necessary) on any action taken under this subsection, setting forth information concerning the attempts made to secure the cooperation of the foreign government in meeting the standard used by the Secretary in making the assessment of the airport under subsection (a).

"LIFTING OF SANCTIONS

"(f)(1) The sanctions required to be imposed with respect to an airport pursuant subsection (e)(2) (A) and (B) may be lifted only if the Secretary of Transportation, in consultation with the Secretary of State, has determined that effective security measures are maintained and administered at that airport.

"(2) The Congress shall be notified if any sanction imposed pursuant subsection (e) is lifted.

"AUTHORITY FOR IMMEDIATE SUSPENSION OF AIR SERVICE

"(g) Notwithstanding sections 1102 and 1114 of this Act, whenever the Secretary of Transportation determines that—

"(1) a condition exists that threatens the safety or security of passengers, aircraft, or crew traveling to or from a foreign airport, and

"(2) the public interest requires an immediate suspension of services between the United States and the identified airport,

the Secretary of Transportation shall, without notice or hearing and with the approval of the Secretary of State, suspend the right of any air carrier or foreign air carrier to engage in foreign air transportation to or from that foreign airport and the right of any person to operate aircraft in foreign air commerce to or from that foreign airport.

"CONDITIONS OF AUTHORITY

"(h) The provisions of this section shall be deemed to be a condition to any authority granted under title IV or title VI of this Act to any air carrier or any foreign air carrier, issued under authority vested in the Secretary of Transportation.".

(b) CONFORMING AMENDMENTS.—

(1) INFORMATION IN SEMIANNUAL REPORTS.—Section 315(a) of the Federal Aviation Act of 1958 (49 U.S.C. App. 1356(a)) is amended by adding at the end thereof the following new sentence: "Each semiannual report submitted by the Administrator pursuant to the preceding sentence shall include the information described in section 1115(c) of this Act.".

(2) CIVIL PENALTIES.—Section 901(a)(1) of the Federal Aviation Act of 1958 (49 U.S.C. App. 1471(a)(1)) is amended by inserting "or 1115(e)(2)(B)" after "1114".

(3) TABLE OF CONTENTS.—That portion of the table of contents contained in the first section of the Federal Aviation Act of 1958 which appears under the center heading

"TITLE XI—MISCELLANEOUS"

is amended by striking out

"Sec. 1115. Security standards in foreign air transportation.".

and inserting in lieu thereof

"Sec. 1115. Security standards in foreign air transportation.

"(a) Assessment of security measures.

"(b) Consultation with the Secretary of State.

"(c) Report of assessments.

"(d) Notification to foreign country of determination.

"(e) Notice and sanctions.

"(f) Lifting of sanctions.

"(g) Authority for immediate suspension of air service.

"(h) Conditions of authority.".

(c) CLOSING OF BEIRUT INTERNATIONAL AIRPORT.—It is the sense of the Congress that the President is urged and encouraged to take all appropriate steps to carry forward his announced policy of seeking the effective closing of the international airport in Beirut, Lebanon, at least until such time as the Government of Lebanon has instituted measures and procedures designed to prevent the use of that airport by aircraft hijackers and other terrorists in attacking civilian airlines or their passengers, hijacking their aircraft, or taking or holding their passengers hostage.

SEC. 552. TRAVEL ADVISORY AND SUSPENSION OF FOREIGN ASSISTANCE.

(a) TRAVEL ADVISORY.—Upon being notified by the Secretary of Transportation that the Secretary has determined, pursuant to subsection (e)(1)(B) of section 1115 of the Federal Aviation Act of 1958 that a condition exists that threatens the safety or security of passengers, aircraft, or crew travelling to or from a foreign airport which the Secretary of Transportation has determined pursuant to that section to be an airport which does not maintain and administer effective security measures, the Secretary of State shall immediately issue a travel advisory with respect to that airport. Any travel advisory issued pursuant to this subsection shall be published in the Federal Register. The Secretary of State shall take the necessary steps to widely publicize that travel advisory.

(b) SUSPENSION OF FOREIGN ASSISTANCE.—The President shall suspend all assistance under the Foreign Assistance Act of 1961 or the Arms Export Control Act to any country in which is located an airport with respect to which section 1115(e)(2) of the Federal Aviation Act of 1958 becomes effective if the Secretary of State determines that such country is a high terrorist threat country. The President may waive the requirements of this subsection if the President determines and reports to the Congress that national security interests or a humanitarian emergency require such waiver.

(c) LIFTING SANCTIONS.—The sanctions required to be imposed pursuant to this section may be lifted only if, pursuant to section 1115(f) of the Federal Aviation Act of 1958, the Secretary of Transportation, in consultation with the Secretary of State, has determined that effective security measures are maintained and administered at the airport with respect to which the Secretary of Transportation had made the determination described in section 1115 of that Act.

(d) NOTIFICATION TO CONGRESS.—The Congress shall be notified if any sanction imposed pursuant to this section is lifted.

SEC. 553. UNITED STATES AIRMARSHAL PROGRAM.

(a) STUDY OF NEED FOR EXPANSION OF PROGRAM.—The Secretary of Transportation, in coordination with the Secretary of State, shall study the need for an expanded airmarshal program on international flights of United States air carriers. The Secretary of Transportation shall report the results of this study to the Congress within 6 months after the date of enactment of this Act.

(b) AUTHORITY TO CARRY FIREARMS AND MAKE ARRESTS.—The Secretary of Transpor-

tation, with the approval of the Attorney General and the Secretary of State, may authorize persons, in connection with the performance of their air transportation security duties, to carry firearms and to make arrests without warrant for any offense against the United States committed in their presence, or for any felony cognizable under the laws of the United States, if they have reasonable grounds to believe that the person to be arrested has committed or is committing a felony.

SEC. 554. ENFORCEMENT OF INTERNATIONAL CIVIL AVIATION ORGANIZATION STANDARDS.

The Secretary of State and the Secretary of Transportation, jointly, shall call on the member countries of the International Civil Aviation Organization to enforce that Organization's existing standards and to support United States actions enforcing such standards.

SEC. 555. INTERNATIONAL CIVIL AVIATION BOYCOTT OF COUNTRIES SUPPORTING INTERNATIONAL TERRORISM.

It is the sense of the Congress that the President—

(1) should call for an international civil aviation boycott with respect to those countries which the President determines—

(A) grant sanctuary from prosecution to any individual or group which has committed an act of international terrorism, or

(B) otherwise support international terrorism; and

(2) should take steps, both bilateral and multilateral, to achieve a total international civil aviation boycott with respect to those countries.

SEC. 556. MULTILATERAL AND BILATERAL AGREEMENTS WITH RESPECT TO AIRCRAFT SABOTAGE, AIRCRAFT HIJACKING, AND AIRPORT SECURITY.

The Secretary of State shall seek multilateral and bilateral agreement on strengthening enforcement measures and standards for compliance with respect to aircraft sabotage, aircraft hijacking, and airport security.

SEC. 557. RESEARCH ON AIRPORT SECURITY TECHNIQUES FOR DETECTING EXPLOSIVES.

In order to improve security at international airports, there are authorized to be appropriated to the Secretary of Transportation from the Airport and Airway Trust Fund (in addition to amounts otherwise available for such purpose) $5,000,000, without fiscal year limitation, to be used for research on and the development of airport security devices or techniques for detecting explosives.

SEC. 558. HIJACKING OF TWA FLIGHT 847 AND OTHER ACTS OF TERRORISM.

The Congress joins with all Americans in celebrating the release of the hostages taken from Trans World Airlines flight 847. It is the sense of the Congress that—

(1) purser Uli Derickson, pilot John Testrake, co-pilot Philip Maresca, flight engineer Benjamin Zimmermann, and the rest of the crew of Trans World Airlines flight 847 displayed extraordinary valor and heroism during the hostages' ordeal and therefore should be commended;

(2) the hijackers who murdered United States Navy Petty Officer Stethem should be immediately brought to justice;

(3) all diplomatic means should continue to be employed to obtain the release of the 7 United States citizens previously kidnapped and still held in Lebanon;

(4) acts of international terrorism should be universally condemned; and

(5) the Secretary of State should be supported in his efforts to gain international cooperation to prevent future acts of terrorism.

SEC. 559. EFFECTIVE DATE.

This part shall take effect on the date of enactment of this Act.

TITLE VI—INTERNATIONAL NARCOTICS CONTROL

SEC. 601. SHORT TITLE.

This title may be cited as the "International Narcotics Control Act of 1985".

SEC. 602. AUTHORIZATIONS FOR INTERNATIONAL NARCOTICS CONTROL ASSISTANCE.

Subsection (a)(1) of section 482 of the Foreign Assistance Act of 1961 is amended to read as follows:

"(a)(1) To carry out the purposes of section 481, there are authorized to be appropriated to the President $57,529,000 for fiscal year 1986 and $57,529,000 for fiscal year 1987.".

SEC. 603. DEVELOPMENT AND ILLICIT NARCOTICS PRODUCTION.

Section 126(b) of the Foreign Assistance Act of 1961 is amended—

(1) by inserting "and under chapter 4 of part II" immediately after "this chapter"; and

(2) by inserting "(1)" after "(b)" and by adding at the end thereof the following new paragraph:

"(2) The agency primarily responsible for administering this part may utilize resources for activities aimed at increasing awareness of the effects of production and trafficking of illicit narcotics on source and transit countries.".

SEC. 604. REPORTS ON INTERNATIONAL NARCOTICS CONTROL ASSISTANCE.

Section 481(b) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(b)(1) Not later than 45 days after the end of each calendar quarter, the President shall transmit to the Speaker of the House of Representatives, and to the Committee on Foreign Relations of the Senate, a report on the programming and obligation, on a calendar basis, of funds under this chapter prior to the end of that quarter. The last such report for each fiscal year shall include the aggregate obligations and expenditures made, and the types and quantity of equipment provided, on a calendar quarter basis, prior to end of that fiscal year—

"(A) to carry out the purposes of this chapter with respect to each country and each international organization receiving assistance under this chapter, including the cost of the United States personnel engaged in carrying out such purposes in each such country and with each such international organization;

"(B) to carry out each program conducted under this chapter in each country and by each international organization, including the cost of United States personnel engaged in carrying out each such program; and

"(C) for administrative support services within the United States to carry out the purposes of this chapter, including the cost of United States personnel engaged in carrying out such purposes in the United States.

"(2) Not later than August 1 of each year, the President shall transmit to the Speaker of the House of Representatives, and to the Committee on Foreign Relations of the Senate, a complete and detailed midyear report on the activities and operations carried out under this chapter prior to such date. Such midyear report shall include, but not be limited to, the status of each agreement concluded prior to such date with other countries to carry out the purposes of this chapter.".

SEC. 605. EXEMPTION FROM BAN ON INVOLVEMENT OF UNITED STATES PERSONNEL IN ARREST ACTIONS IN NARCOTICS CONTROL EFFORTS ABROAD.

Section 481(c) of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new paragraph:

"(2) Paragraph (1) of this subsection shall not prohibit officers and employees of the United States from being present during direct police arrest actions with respect to narcotic control efforts in a foreign country to the extent that the Secretary of State and the government of that country agree to such an exemption. The Secretary of State shall report any such agreement to the Congress before the agreement takes effect.".

SEC. 606. ANNUAL REPORTS ON INVOLVEMENT OF FOREIGN COUNTRIES IN ILLICIT DRUG TRAFFIC.

Section 481(e) of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new paragraph:

"(6) Each report pursuant to this subsection shall describe the involvement of any foreign government (including any communist government) in illicit drug trafficking during the preceding fiscal year, including—

"(A) the direct or indirect involvement of such government (or any official thereof) in the production, processing, or shipment of narcotic and psychotropic drugs and other controlled substances, and

"(B) any other activities of such government (or any official thereof) which have facilitated illicit drug trafficking.".

SEC. 607. PROCUREMENT OF WEAPONS TO DEFEND AIRCRAFT INVOLVED IN NARCOTICS CONTROL EFFORTS.

Of the funds available to carry out chapter 2 of part II of the Foreign Assistance Act of 1961 (relating to grant military assistance), $1,000,000 for each of the fiscal years 1986 and 1987 shall be made available to arm, for defensive purposes, aircraft used in narcotic control eradication or interdiction efforts. The Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate shall be notified of the use of any such funds for that purpose at least 15 days in advance in accordance with the reprogramming procedures applicable under section 634A of the Foreign Assistance Act of 1961.

SEC. 608. REQUIREMENT FOR COST-SHARING IN INTERNATIONAL NARCOTICS CONTROL ASSISTANCE PROGRAMS.

Section 482 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

"(d) Assistance may be provided under this chapter to a foreign country only if the country provides assurances to the President, and the President is satisfied, that the country will provide at least 25 percent of the costs of any narcotics control program, project, or activity for which such assistance is to be provided. The costs borne by the country may include 'in-kind' contributions.".

SEC. 609. PROHIBITION ON USE OF FOREIGN ASSISTANCE FOR REIMBURSEMENTS FOR DRUG CROP ERADICATIONS.

Chapter 8 of part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 483. PROHIBITION ON USE OF FOREIGN ASSISTANCE FOR REIMBURSEMENTS FOR DRUG CROP ERADICATIONS.—Funds made available to carry out this Act may not be used to reimburse persons whose illicit drug crops are eradicated.".

SEC. 610. ASSISTANCE FOR JAMAICA.

In allocating assistance for Jamaica for fiscal year 1986 under chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the economic support fund), the President shall give major consideration to whether the Government of Jamaica has prepared, presented, and committed itself to a comprehensive plan or strategy for the control and reduction of illicit cultivation, production, processing, transportation, and distribution of marijuana within a specifically stated period of time.

SEC. 611. ASSISTANCE FOR BOLIVIA.

Assistance may be provided to Bolivia for fiscal years 1986 and 1987 under chapter 2 (relating to grant military assistance), chapter 4 (relating to the economic support fund), and chapter 5 (relating to international military education and training) of part II of the Foreign Assistance Act of 1961, and under chapter 2 of the Arms Export Control Act (relating to foreign military sales financing), only under the following conditions:

(1) For fiscal year 1986—

(A) up to 50 percent of the aggregate amount of such assistance allocated for Bolivia may be provided at any time after the President certifies to the Congress that the Government of Bolivia has enacted legislation that will establish its legal coca requirements, provide for the licensing of the number of hectares necessary to produce the legal requirement, and make unlicensed coca production illegal; and

(B) the remaining amount of such assistance may be provided at any time following a certification pursuant to subparagraph (A) if the President certifies to the Congress that the Government of Bolivia achieved the eradication targets for the calendar year 1985 contained in its 1983 narcotics agreements with the United States.

(2) For fiscal year 1987, such assistance may not be provided unless the President certifies to the Congress that the Government of Bolivia has developed a plan to eliminate illicit narcotics production countrywide and is prepared to enter into an agreement with the United States to implement that plan. If that certification is made, then—

(A) up to 50 percent of the aggregate amount of such assistance allocated for Bolivia may be provided at any time after the President certifies to the Congress that the Government of Bolivia has achieved at least half of the eradication target for the calendar year 1986 agreed to by the United States and the Government of Bolivia; and

(B) the remaining amount of such assistance may be provided at any time after the President certifies to the Congress that the Government of Bolivia fully achieved that eradication target.

SEC. 612. ASSISTANCE TO PERU.

(a) CONDITIONS ON ASSISTANCE.—United States assistance (as defined by section 481(i)(4) of the Foreign Assistance Act of 1961) may be provided for Peru—

(1) for fiscal year 1986, only if the President reports to the Congress that the Government of Peru has demonstrated substantial progress in developing a plan that will establish its legal coca requirements, license the number of hectares necessary to produce the legal requirement, and eliminate illicit and unlicensed coca production; and

(2) for fiscal year 1987, only if the the President reports to the Congress that the Government of Peru has developed such a plan and is implementing it.

(b) UPPER HUALLAGA VALLEY PROJECT.—Funds authorized to be appropriated for fiscal year 1987 to carry out chapter 1 of part I of the Foreign Assistance Act of 1961 (relating to development assistance) may be made available for the project of the Agency for International Development in the Upper Huallaga Valley of Peru only if the Administrator of that Agency, after consultation with the Congress, determines that a comprehensive review of that project has been completed which establishes the effectiveness of that project in reducing and eradicating coca leaf production, distribution, and marketing in the Upper Huallaga Valley. The assistance for Peru described in this subsection may be provided only if the report required by subsection (a)(2) has been submitted to the Congress.

SEC. 613. REALLOCATION OF FUNDS IF CONDITIONS NOT MET.

If any of the assistance described in section 611 is not provided for Bolivia because the conditions specified in that section are not met, or if any of the assistance described in sections 612(a) is not provided for Peru because the conditions specified in that section are not met, the President shall reprogram such assistance in order to provide additional assistance to countries which have taken significant steps to halt illicit drug production or trafficking.

SEC. 614. CONDITIONS ON UNITED STATES CONTRIBUTIONS TO THE UNITED NATIONS FUND FOR DRUG ABUSE CONTROL.

Section 482(a) of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

"(3) Funds authorized to be appropriated by this section for fiscal year 1986 and for fiscal year 1987 may be used for a contribution to the United Nations Fund for Drug Abuse Control only if that organization includes in its crop substitution projects a plan for cooperation with the law enforcement forces of the host country.".

SEC. 615. LATIN AMERICAN REGIONAL NARCOTICS CONTROL ORGANIZATION.

(a) FEASIBILITY STUDY.—The Secretary of State, with the assistance of the National Drug Enforcement Policy Board, shall conduct a study of the feasibility of establishing a regional organization in Latin America which would combat narcotics production and trafficking through regional information-sharing and a regional enforcement unit.

(b) REPORT.—No later than six months after the date of enactment of this Act, a report on the advisability of encouraging the establishment of such an organization shall be submitted to the Committee on Foreign Affairs and the Committee on the Judiciary of the House of Representatives and the Committee on Foreign Relations and the Committee on the Judiciary of the Senate.

SEC. 616. GREATER EFFORT BY UNITED STATES ARMED FORCES TO SUPPORT NARCOTICS CONTROL EFFORTS ABROAD.

No later than 60 days after the date of enactment of this Act, the President shall report to the Congress on why the United States Armed Forces should not exert greater effort in facilitating and supporting interception of narcotics traffickers, and in gathering narcotics-related intelligence, outside the United States.

SEC. 617. CUBAN DRUG TRAFFICKING.

(a) FINDINGS.—The Congress finds that—

(1) the subject of the flow, use, and control of narcotic and psychotropic substances is a matter of great international importance;

(2) the problem of drug abuse and drug trafficking continues to worsen throughout most parts of the world;

(3) the concerns of the governments of many countries have become manifest in several bilateral and multilateral narcotics control projects;

(4) United Nations agencies monitor and apply controls on the flow and use of drugs and coordinate multilateral efforts to control production, trafficking, and abuse of drugs;

(5) the United Nations Fund for Drug Abuse Control funds narcotics projects throughout the world and has been a vehicle since 1971 for multilateral implementation of narcotics control and reduction programs;

(6) the International Narcotics Control Board is charged with monitoring compliance with the Single Convention on Narcotic Drugs, 1961, and the Convention on Psychotropic Substances, and Cuba is a party to both Conventions;

(7) the United Nations Commission on Narcotic Drugs is responsible for formulating policies, coordinating activities, supervising the implementation of international conventions, and making recommendations to governments for international drug control;

(8) the promotion of drug abuse and participation in drug trafficking is universally considered egregious criminal behavior wherever it occurs, whether it occurs locally, nationally, or internationally;

(9) a Federal grand jury of the United States has indicted four prominent Cuban officials on charges of conspiring to smuggle drugs into the United States;

(10) United States Government officials have testified at several congressional hearings that the Government of Cuba is facilitating the flow of illicit drugs into the United States in order to obtain hard currency, support guerrilla/terrorist activities, and undermine United States society; and

(11) such alleged conduct on the part of the Government of Cuba would be injurious to the world community and counter to the general principle of international law that no country has the right to use or permit the use of its territory in such a manner as to injure another country or persons therein.

(b) RECOMMENDED ACTIONS.—It is the sense of the Congress that the President should—

(1) acting through the Permanent Representative of the United States to the United Nations, take such steps as may be necessary to place the question of the involvement by the Government of Cuba in illicit drug trafficking on the agenda of the United Nations;

(2) acting through the Representative of the United States to the Organization of American States, request the Organization of American States to consider this question as soon as possible; and

(3) request other appropriate international organizations and international forums to consider this question.

(c) REPORT.—The President shall report to the Congress on the actions taken pursuant to this section.

SEC. 618. PROHIBITION ON ASSISTANCE TO COUNTRIES WHICH DO NOT TAKE ADEQUATE STEPS TO HALT DRUG TRAFFICKING.

Section 481(h) of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new paragraph:

"(4) In addition to the requirements applicable to major illicit drug producing countries pursuant to paragraph (1), the President shall not provide any assistance under this Act or the Arms Export Control Act to any other country which the President determines has not taken adequate steps to prevent—

"(A) the processing (in whole or in part) in such country of narcotic and psychotropic drugs or other controlled substances,

"(B) the transportation through such country of narcotic and psychotropic drugs or other controlled substances, and

"(C) the use of such country as a refuge for illegal drug traffickers.".

SEC. 619. DRUG TRAFFICKING AND THE PROBLEM OF TOTAL CONFIDENTIALITY OF CERTAIN FOREIGN BANK ACCOUNTS.

(a) FINDINGS.—The Congress finds that—

(1) several banks in Latin America and the Caribbean are used by narcotics traffickers as depositories for money obtained in providing illicit drugs to the United States and other countries of the region;

(2) offshore banks which provide total confidentiality provide a service which materially assists the operations of illicit drug traffickers; and

(3) cooperation in gaining access to the bank accounts of such narcotics traffickers would materially assist United States authorities in controlling the activities of such traffickers.

(b) POLICY.—The Congress—

(1) requests the President to negotiate treaties or appropriate international agreements with all countries providing confidential banking services (giving high priority to countries in the Caribbean region) to provide disclosure to the United States Government of information contained in official records, and in records of bank accounts, concerning persons under investigation for violations of United States law, in particular those regarding international drug trafficking;

(2) directs the President to include reports on the results of such efforts in the annual International Narcotics Control Strategy Report; and

(3) reaffirms its intention to obtain maximum cooperation on the part of all governments for the purpose of halting international drug trafficking, and constantly to evaluate the cooperation of those governments receiving assistance from the United States.

TITLE VII—WESTERN HEMISPHERE

SEC. 701. CENTRAL AMERICA DEMOCRACY, PEACE, AND DEVELOPMENT INITIATIVE.

Part I of the Foreign Assistance Act of 1961 is amended by adding after chapter 5 the following new chapter:

"CHAPTER 6—CENTRAL AMERICA DEMOCRACY, PEACE, AND DEVELOPMENT INITIATIVE

"SEC. 461. STATEMENT OF POLICY.—(a) The Congress finds that—

"(1) the building of democracy, the restoration of peace, the improvement of living conditions, and the application of equal justice under law in Central America are important to the interests of the United States and the community of American States; and

"(2) the interrelated issues of social and human progress, economic growth, political reform, and regional security must be effectively dealt with to assure a democratic and economically and politically secure Central America.

"(b)(1) The achievement of democracy, respect for human rights, peace, and equitable economic growth depends primarily on the cooperation and the human and economic resources of the people and governments of Central America. The Congress recognizes that the United States can make a significant contribution to such peaceful and democratic development through a consistent and coherent policy which includes a long-term commitment of assistance. This policy should be designed to support actively—

"(A) democracy and political reform, including opening the political process to all members of society;

"(B) full observance of internationally recognized human rights, including free elections, freedom of the press, freedom of association, and the elimination of all human rights abuses;

"(C) leadership development, including training and educational programs to improve public administration and the administration of justice;

"(D) land reform, reform in tax systems, encouragement of private enterprise and individual initiative, creation of favorable investment climates, curbing corruption where it exists, and spurring balanced trade;

"(E) the establishment of the rule of law and an effective judicial system; and

"(F) the termination of extremist violence by both the left and the right as well as vigorous action to prosecute those guilty of crimes and the prosecution to the extent possible of past offenders.

"(2) The policy described in paragraph (1) should also promote equitable economic growth and development, including controlling the flight of capital and the effective use of foreign assistance and adhering to approved programs for economic stabilization and fiscal responsibility. Finally, this policy should foster dialog and negotiations—

"(A) to achieve peace based upon the objectives of democratization, reduction of armament, an end to subversion, and the withdrawal of foreign military forces and advisers; and

"(B) to provide a security shield against violence and intimidation.

"(3) It is the purpose of this chapter to establish the statutory framework and to authorize the appropriations and financing necessary to carry out the policy described in this section.

"(c) The Congress finds, therefore, that the people of the United States are willing to sustain and expand a program of economic and military assistance in Central America if the recipient countries can demonstrate progress toward and a commitment to these goals.

"SEC. 462. CONDITIONS ON FURNISHING ASSISTANCE.—The President shall ensure that assistance authorized by this Act and the Arms Export Control Act to Central American countries is furnished in a manner which fosters demonstrated progress toward and commitment to the objectives set forth in section 461. Where necessary to achieve this purpose, the President shall impose conditions on the furnishing of such assistance. In carrying out this section, the President shall consult with the Congress in regard to progress toward the objectives set forth in section 461, and any conditions imposed on the furnishing of assistance in furtherance of those objectives.

"SEC. 463. PEACE PROCESS IN CENTRAL AMERICA.—The Congress—

"(1) strongly supports the initiatives taken by the Contadora group and the resulting Document of Objectives which has been agreed to by Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua and which sets forth a framework for negotiating a peaceful settlement to the conflict and turmoil in the region; and

"(2) finds that the United States should provide such assistance and support as may be appropriate in helping to reach comprehensive and verifiable final agreements, based on the Document of Objectives, which will ensure peaceful and enduring solutions to the Central American conflicts.

"SEC. 464. ECONOMIC ASSISTANCE COORDINATION.—(a) The Congress finds that participation by Central American countries in an effective forum for dialog on, and the continuous review and advancement of, Central America's political, economic, and social development would foster cooperation between the United States and Central American countries.

"(b) It is the sense of the Congress that—

"(1) the President should enter into negotiations with the countries of Central America to establish a Central American Development Organization (hereafter in this section referred to as the 'Organization') to help provide a continuous and coherent approach to the development of the Central American region; and

"(2) the establishment of the Organization should be based upon the following principles:

"(A) Participation in the Organization should be open to the United States, other donors, and those Central American countries that commit themselves to, among other things, respecting internationally recognized human rights, building democracy, and encouraging equitable economic growth through policy reforms.

"(B) The Organization should be structured to include representatives from both the public and private sectors, including representatives from the labor, agriculture, and business communities.

"(C) The Organization should meet periodically to carry out the functions described in subparagraphs (D) and (E) of this paragraph and should be supported by a limited professional secretariat.

"(D) The Organization should make recommendations affecting Central American countries on such matters as—

"(i) political, economic, and social development objectives, including the strengthening of democratic pluralism and the safeguarding of internationall recognized human rights;

"(ii) mobilization of resources and external assistance needs; and

"(iii) reform of economic policies and structures.

"(E) The Organization should have the capacity for monitoring country performance on recommendations issued in accordance with subparagraph (D) of this paragraph and for evaluating progress toward meeting such country objectives.

"(F) To the maximum extent practicable, the United States should follow the recommendations of the Organization in disbursing bilateral economic assistance for any Central American country. No more than 75 percent of such United States assistance in any fiscal year should be disbursed until the recommendations of the Organization for that fiscal year have been made final and communicated to the donor countries. The limitation on disbursements contained in the preceding sentence should apply only to recommendations made final and communicated to donor countries prior to the fourth quarter of such fiscal year. The United States representative to the Organization should urge other donor countries to similarly implement the recommendations of the Organization.

"(G) The administrator of the agency primarily responsible for administering part I of this Act, or his designee, should represent the United States Government in the Organization and should carry out his functions

in that capacity under the continuous supervision and general direction of the Secretary of State.

"(c) Subject to subsection (d)(2), the President is authorized to participate in the Organization.

"(d)(1) The administrator of the agency primarily responsible for administering part I of this Act, under the supervision and direction of the Secretary of State, shall prepare a detailed proposal to carry out this section and shall keep the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate fully and currently informed concerning the development of this proposal.

"(2) The President shall transmit to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate a copy of the text of any agreement, which he proposes to sign, that would provide for the establishment of and United States participation in the Organization no less than sixty days prior to his signature. During that sixty-day period there shall be full and formal consultations with and review by those committees in accordance with procedures applicable to reprogramming notifications pursuant to section 634A of this Act.

"SEC. 465. AUTHORIZATIONS FOR FISCAL YEARS 1988 AND 1989.—(a) In addition to amounts otherwise available for such purposes, there are authorized to be appropriated to the President, for the purpose of furnishing nonmilitary assistance for Central American countries, $1,200,000,000 for each of the fiscal years 1988 and 1989, which are authorized to remain available until expended.

"(b) For the purpose of providing the assistance described in subsection (a), funds appropriated pursuant to the authorizations in that subsection may be transferred by the President for obligation in accordance with the authorities of part I of this Act (including chapter 4 of part II), the Peace Corps Act, the Migration and Refugee Assistance Act of 1962, the United States Information and Education Exchange Act of 1948, the Mutual Educational and Cultural Exchange Act of 1961, the National Endowment for Democracy Act, and the State Department Basic Authorities Act of 1956.

"SEC. 466. DEFINITIONS.—For the purposes of this chapter, the term 'Central American countries' includes Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama, and regional programs which benefit such countries.".

SEC. 702. EL SALVADOR.

(a) SUPPORT FOR EL SALVADOR.—(1) The Congress finds that—

(A) a free and democratic El Salvador is in the security interest of the United States;

(B) Jose Napoleon Duarte was elected President of El Salvador in 1984 in the most democratic election held in El Salvador in many years;

(C) political violence in El Salvador has declined dramatically under President Duarte's leadership;

(D) President Duarte's policies of respect for human rights, political pluralism, dialogue and reconciliation with the Salvadoran guerrilla forces, legal and social reform, and effective defense against the violent overthrow of the Salvadoran government are deserving of praise from all who believe in a democratic form of government;

(E) the March 31, 1985, legislative and municipal elections were successfully carried out, with 64 percent of the electorate defying guerrilla attacks to vote;

(F) the victory of President Duarte's Christian Democratic Party reaffirms the support for these policies by his fellow citizens, the essential test of any government or movement;

(G) in spite of the state of seige technically in effect due to the insurgent threat, observance of free speech, free press, and free assembly are widely enjoyed in El Salvador and permit public airing of opposing political views;

(H) President Duarte is firmly committed to judicial reform and prosecution of cases involving "death squads";

(I) President Duarte's leadership and popular support has notably weakened the popular support given the guerrillas, as evidenced by the high levels of voter participation in the free elections held in El Salvador since 1982, the reduction in territory in which the guerrillas can freely operate, their inability to mount frontal military attacks, and their resort to economic sabotage, ambushes, political assassination, and urban terrorism with blatant disregard for basic human rights; and

(J) President Duarte has succeeded in reversing the decline in his country's economy which, though still weak, has better prospects than in recent years.

(2) Therefore, it is the sense of the Congress that—

(A) President Duarte is to be congratulated for his outstanding leadership under difficult circumstances and for his efforts to foster democratic government and institutions in his country, and he is encouraged to continue his efforts to promote political pluralism, democratic institutions, and respect for human rights in his country; and

(B) the armed services of El Salvador are to be congratulated for their improved performance and professionalism in defending Salvadoran citizens and their democratically elected government from attack by armed insurgents, and especially for their role in helping to protect and uphold the electoral process.

(3) The Congress reaffirms the importance of continued support for democratic principles and institutions and respect for human rights by the various sectors of Salvadoran society, which is a major factor in United States support for El Salvador.

(b) OBJECTIVES.—The Congress expects that—

(1) the Government of El Salvador will be willing to pursue a dialogue with the armed opposition forces and their political representatives for the purposes of achieving an equitable political settlement of the conflict, including free and fair elections;

(2) the elected civilian government will be in control of the Salvadoran military and security forces, and those forces will comply with applicable rules of international law and with Presidential directives pertaining to the protection of civilians during combat operations, including Presidential directive C-111-03-984 (relating to aerial fire support);

(3) the Government of El Salvador will make demonstrated progress, during the period covered by each report pursuant to subsection (c), in ending the activities of the death squads;

(4) the Government of El Salvador will make demonstrated progress, during the period covered by each report pursuant to subsection (c), in establishing an effective judicial system; and

(5) the Government of El Salvador will make demonstrated progress, during the period covered by each report pursuant to subsection (c), in implementing the land reform program.

(c) REPORTS.—On October 1, 1985, April 1, 1986, October 1, 1986, and April 1, 1987, the President shall report to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate on the extent to which the objectives described in subsection (b) are being met. With respect to the objective described in paragraph (4) of that subsection, each report shall discuss whether the commission proposed by the President of El Salvador to investigate human rights cases has been established, funded, and given sufficient investigative powers; whether the evidence that commission collects may be used in the Salvadoran judicial process; whether that commission has issued a comprehensive report with regard to its investigation of all Americans murdered in El Salvador; and whether those responsible for the Las Hojas massacre are being prosecuted.

(d) AIRCRAFT FOR AERIAL WARFARE.—(1) The authorities of part II of the Foreign Assistance Act of 1961 and the Arms Export Control Act may not be used to make available to El Salvador any helicopters or other aircraft, and licenses may not be issued under section 38 of the Arms Export Control Act for the export to El Salvador of any such aircraft, unless the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate are notified at least 15 days in advance in accordance with the procedures applicable to reprogramming notifications under section 634A of the Foreign Assistance Act of 1961.

(2) Paragraph (1) shall take effect on the date of enactment of this Act and shall remain in effect until October 1, 1987.

(e) SPECIAL ACCOUNT FOR LOCAL CURRENCIES.—(1) All local currencies, which are generated with the funds provided to El Salvador for balance-of-payments support for fiscal years 1986 and 1987 under chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the economic support fund), shall be deposited in accordance with section 609 of that Act in a special account established by the Government of El Salvador.

(2) Local currencies deposited pursuant to paragraph (1) shall be used for projects assisting agrarian reform and the agricultural sector (and particular emphasis shall be placed on projects for these purposes); judicial reform; employment generation; health, education, and other social services; infrastructure repair; and credits and other support for the private sector (principally for small and medium sized businesses).

(3) For purposes of this subsection—

(A) the term "agrarian reform" means projects assisting or enhancing the abilities of agencies, cooperatives, and farms to implement land reform decrees in El Salvador, notwithstanding section 620(g) of the Foreign Assistance Act of 1961; and

(B) the term "judicial reform" means projects assisting or enhancing the abilities of agencies of the Salvadoran Government to investigate and prosecute politically motivated violence.

(f) DEVELOPMENT ASSISTANCE.—Of the amounts available to carry out chapter 1 of part I of the Foreign Assistance Act of 1961, $79,600,000 for fiscal year 1986 and $79,600,000 for fiscal year 1987 shall be available only for El Salvador.

(g) SUSPENSION OF ASSISTANCE IF A MILITARY COUP OCCURS.—All assistance authorized by this Act which is allocated for El Salvador

shall be suspended if the elected President of that country is deposed by military coup or decree.

SEC. 703. ASSISTANCE FOR GUATEMALA.

(a) CONDITIONS ON MILITARY ASSISTANCE AND SALES.—For fiscal years 1986 and 1987, assistance may be provided for Guatemala under chapter 2 of part II of the Foreign Assistance Act of 1961 (relating to grant military assistance) and sales may be made and financing may be provided for Guatemala under the Arms Export Control Act (relating to foreign military sales) only if the President makes the following certifications to the Congress:

(1) For fiscal year 1986, an elected civilian government is in power in Guatemala and has submitted a formal written request to the United States for the assistance, sales, or financing to be provided.

(2) For both fiscal years 1986 and 1987, the Government of Guatemala made demonstrated progress during the preceding year—

(A) in achieving control over its military and security forces,

(B) toward eliminating kidnappings and disappearances, forced recruitment into the civil defense patrols, and other abuses by such forces of internationally recognized human rights, and

(C) in respecting the internationally recognized human rights of its indigenous Indian population.

(b) CONSTRUCTION EQUIPMENT AND MOBILE MEDICAL FACILITIES AND RELATED TRAINING.—If the conditions specified in subsection (a) are met, Guatemala may be provided with the following for fiscal years 1986 and 1987 (in addition to such other assistance, sales, or financing as may be provided for Guatemala):

(1) Sales of construction equipment and mobile medical facilities to assist in development programs that will directly assist the poor in Guatemala.

(2) Sales of training, to be provided outside of Guatemala, which is related to the sales described in paragraph (1).

(3) A total for both fiscal years 1986 and 1987 of no more than $10,000,000 in credits under the Arms Export Control Act for sales described in paragraphs (1) and (2).

Such sales and credits shall be provided only to enable the military forces of Guatemala to obtain equipment and training for civilian engineering and construction projects and mobile medical teams, which would not be used in the rural resettlement program.

(c) PROHIBITION ON FURNISHING WEAPONS.—Funds authorized to be appropriated by title I of this Act may not be used for the procurement by Guatemala of any weapons or ammunition.

(d) SUSPENSION OF ASSISTANCE IF A MILITARY COUP OCCURS.—All assistance authorized by this Act which is allocated for Guatemala shall be suspended if the elected civilian government of that country is deposed by military coup or decree.

(e) RURAL RESETTLEMENT PROGRAM.—Assistance provided for Guatemala for the fiscal year 1986 and fiscal year 1987 under chapter 1 of part I (relating to development assistance) or under chapter 4 of part II (relating to the economic support fund) of the Foreign Assistance Act of 1961—

(1) may not be provided to the Government of Guatemala for use in its rural resettlement program; and

(2) shall be provided through private and voluntary organizations to the maximum extent possible.

(f) INVITATION FOR ICRC TO VISIT GUATEMALA.—The Congress calls upon the President to urge the Government of Guatemala to allow the International Committee of the Red Cross—

(1) to conduct an unimpeded visit to Guatemala in order to investigate humanitarian needs in that country and to report on human rights abuses in that country; and

(2) to investigate the possibilities of its providing humanitarian services in that country.

(g) RELATIONS BETWEEN BELIZE AND GUATEMALA.—It is the sense of the Congress that the United States should use its good offices and influence to encourage the Government of Guatemala to recognize the independence of Belize and to enter into a mutual nonaggression treaty with Belize.

(h) HUMAN RIGHTS GROUPS IN GUATEMALA.—(1) The Congress finds that—

(A) the Group for Mutual Support was formed in 1984 to protest the disappearances of Guatemalan civilians;

(B) the Group for Mutual Support has carried out its work in a peaceful, non-ideological manner, and is the only indigenous human rights group operating in Guatemala; and

(C) two of the Group's six steering committee members, Hector Gomez and Maria Rosario Godyo de Cuevas, were recently killed.

(2) It is the sense of the Congress that—

(A) human rights groups in Guatemala, particularly the Group for Mutual Support, should be allowed to carry out their work against human rights abuses with the full cooperation, protection, and support of the Government of Guatemala; and

(B) whether the Government of Guatemala allows human rights groups, including the Group for Mutual Support, to carry out their work should be taken into account by the United States in determining whether there is human rights progress in Guatemala.

SEC. 704. REFUGEES IN HONDURAS.

Funds authorized to be appropriated by this Act and funds authorized to be appropriated for the "Migration and Refugee Assistance" account for fiscal years 1986 and 1987—

(1) which are to be used for refugee assistance or other assistance for Nicaraguan Indian refugees in Honduras shall be channeled, to the maximum extent possible, through the United Nations High Commissioner for Refugees, the International Committee of the Red Cross, the Intergovernmental Committee for Migration, or other established and recognized international refugee relief organizations; and

(2) may not be used to facilitate the involuntary repatriation of Salvadoran refugees who are in Honduras.

SEC. 705. PROMOTING THE DEVELOPMENT OF THE HAITIAN PEOPLE AND PROVIDING FOR ORDERLY EMIGRATION FROM HAITI.

(a) USE OF PVOS.—To the maximum extent practicable, assistance for Haiti under chapter 1 of part I (relating to development assistance) and under chapter 4 of part II (relating to the economic support fund) of the Foreign Assistance Act of 1961 should be provided through private and voluntary organizations.

(b) CONDITIONS ON ASSISTANCE.—Funds available for fiscal year 1986 and for fiscal year 1987 to carry out chapter 1 of part I (relating to development assistance), chapter 4 of part II (relating to the economic support fund), or chapter 5 of part II (relating to international military education and training) of the Foreign Assistance Act of 1961 may be obligated for Haiti only if the President determines that the Government of Haiti—

(1) is continuing to cooperate with the United States in halting illegal emigration to the United States from Haiti;

(2) is cooperating fully in implementing United States development, food, and other economic assistance programs in Haiti (including programs for prior fiscal years); and

(3) is making progress toward improving the human rights situation in Haiti and progress toward implementing political reforms which are essential to the development of democracy in Haiti, such as progress toward the establishment of political parties, free elections, free labor unions, and freedom of the press.

(c) REPORTS TO THE CONGRESS.—Not later than one year after the date of the enactment of this Act and one year thereafter, the President shall report to the Congress on the extent to which the actions of the Government of Haiti are consistent with each paragraph of subsection (b).

(d) ASSISTANCE IN HALTING ILLEGAL EMIGRATION FROM HAITI.—Notwithstanding the limitations of section 660 of the Foreign Assistance Act of 1961 (relating to police training), funds made available under such Act may be used for programs with Haiti, which shall be consistent with prevailing United States refugee policies, to assist in halting significant illegal emigration from Haiti to the United States.

(e) LIMITATION ON MAP AND FMS FINANCING.—Assistance may not be provided for Haiti for fiscal year 1986 or fiscal year 1987 under chapter 2 of part II of the Foreign Assistance Act of 1961 (relating to grant military assistance) or under the Arms Export Control Act (relating to foreign military sales financing), except for necessary transportation, maintenance, communications, and related articles and services to enable the continuation of migrant and narcotics interdiction operations.

(f) LITERACY AND OTHER EDUCATION PROGRAMS.—Of the amounts authorized to be appropriated to carry out chapter 1 of part I of the Foreign Assistance Act of 1961 (relating to development assistance) which are allocated for Haiti, $1,000,000 for fiscal year 1986 and $1,000,000 for fiscal year 1987 shall be available only for literacy and other education programs in Haiti.

SEC. 706. MILITARY ASSISTANCE FOR PARAGUAY.

For the fiscal years 1986 and 1987, none of the funds authorized to be appropriated to carry out chapter 2 of part II of the Foreign Assistance Act of 1961 (relating to grant military assistance) or to carry out the Arms Export Control Act (relating to foreign military sales financing) may be used for assistance for Paraguay unless the President certifies to the Congress that the Government of Paraguay has ended the practice of torture and abuse of individuals held in detention by its military and security forces and has instituted procedures to ensure that those arrested are promptly charged and brought to trial.

SEC. 707. ASSISTANCE FOR PERU.

(a) HUMAN RIGHTS TRAINING IN IMET PROGRAMS.—Respect for internationally recognized human rights shall be an important component of the training provided for Peru under chapter 5 of part II of the Foreign Assistance Act of 1961 for fiscal year 1986 and for fiscal year 1987.

(b) STRENGTHENING THE PERUVIAN JUDICIAL SYSTEM.—Of the amount authorized to be appropriated by this Act to carry out chapter 4 of part II of the Foreign Assistance Act of

1961 (relating to the economic support fund), $1,000,000 for fiscal year 1986 and $1,000,000 for fiscal year 1987 shall be used to strengthen the judicial system in Peru under section 534 of the Foreign Assistance Act of 1961 (relating to administration of justice).

SEC. 708. INTER-AMERICAN FOUNDATION.

The first sentence of section 401(s)(2) of the Foreign Assistance Act of 1969 is amended to read as follows: "There are authorized to be appropriated $11,969,000 for fiscal year 1986 and $11,969,000 for fiscal year 1987 to carry out the purposes of this section.".

SEC. 709. COMPREHENSIVE REPORTS ON ASSISTANCE FOR LATIN AMERICA AND THE CARIBBEAN.

(a) REQUIREMENT FOR COMPREHENSIVE ACCOUNTING OF ASSISTANCE.—In the annual reports required by section 634 of the Foreign Assistance Act of 1961, the President shall provide to the Congress a full, complete, and detailed accounting of all assistance provided during the fiscal years 1986 and 1987 for Latin America and the Caribbean under the Foreign Assistance Act of 1961 and the Arms Export Control Act.

(b) INFORMATION TO BE INCLUDED.—The report provided pursuant to subsection (a) shall include for each fiscal year, among other things, the following with respect to each authorization account:

(1) The specific projects and other activities carried out in each country.

(2) The number of persons from each country who were provided with training, and the types of training provided.

(3) The defense articles and defense services provided for each country.

(4) The types of goods and commodities provided to each country for economic stabilization purposes under chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the economic support fund), and a copy of each agreement for the furnishing of any assistance under that chapter.

(5) The amounts of local currency generated by United States assistance to each country, the uses of those currencies, and the total amount of those currency still available for use as of the time of the report.

(6) A report on any transfers or reprogrammings of funds, and a description of how transferred or reprogrammed funds modified the amounts requested for each account.

(7) A report on the funds which have been obligated but remain unexpended for each country in each account.

(8) An analysis of the amount of funds and programs provided through nongovernmental as contrasted to governmental channels.

SEC. 710. USE OF PRIVATE AND VOLUNTARY ORGANIZATIONS.

To the maximum extent practicable, assistance under chapter 1 of part I (relating to development assistance) and chapter 4 of part II (relating to the economic support fund) of the Foreign Assistance Act of 1961 for countries in Latin America and the Caribbean should be provided through private and voluntary organizations which have a proven record of development assistance efforts overseas.

SEC. 711. ASSISTANCE FOR LAW ENFORCEMENT AGENCIES.

Section 660 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsections:

"(c) Subsection (a) shall not apply with respect to a country which has a longstanding democratic tradition, does not have standing armed forces, and does not engage in a consistent pattern of gross violations of internationally recognized human rights.

"(d) Notwithstanding the prohibition contained in subsection (a) assistance may be provided to Honduras or El Salvador for fiscal years 1986 and 1987 if, at least 30 days before providing assistance, the President notifies the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate, in accordance with the procedures applicable to reprogramming notifications pursuant to section 634A of this Act, that he has determined that the government of the recipient country has made significant progress, during the preceding six months, in eliminating any human rights violations including torture, incommunicado detention, detention of persons solely for the nonviolent expression of their political views, or prolonged detention without trial. Any such notification shall include a full description of the assistance which is proposed to be provided and of the purposes to which it is to be directed.".

SEC. 712. ADMINISTRATION OF JUSTICE.

Chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the economic support fund), as amended by title II of this Act, is further amended by adding at the end thereof the following new section:

"SEC. 534. ADMINISTRATION OF JUSTICE.—(a) The President may furnish assistance under this chapter to countries and organizations, including national and regional institutions, in order to strengthen the administration of justice in countries in Latin America and the Caribbean.

"(b) Assistance under this section may only include—

"(1) support for specialized professional training, scholarships, and exchanges for continuing legal education;

"(2) programs to enhance prosecutorial and judicial capabilities and protection for participants in judicial cases;

"(3) notwithstanding section 660 of this Act, programs to enhance investigative capabilities, conducted under judicial or prosecutorial control;

"(4) strengthening professional organizations in order to promote services to members and the role of the bar in judicial selection, enforcement of ethical standards, and legal reform;

"(5) increasing the availability of legal materials and publications;

"(6) seminars, conferences, and training and educational programs to improve the administration of justice and to strengthen respect for the rule of law and internationally recognized human rights; and

"(7) revision and modernization of legal codes and procedures.

"(c) Not more than $20,000,000 of the funds made available to carry out this chapter for any fiscal year shall be available to carry out this section, in addition to amounts otherwise available for such purposes.

"(d) Funds may not be obligated for assistance under this section unless the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate are notified of the amount and nature of the proposed assistance at least 15 days in advance in accordance with the procedures applicable to reprogrammings pursuant to section 634A of this Act.

"(e) The authority of this section shall expire on September 30, 1987.".

SEC. 713. USE OF EMPLOYEE STOCK OWNERSHIP PLANS IN DEVELOPMENT EFFORTS.

(a) FINDINGS.—The Congress declares that—

(1) employee stock ownership plans in industrial, farming, banking, and other enterprises in Central America and the Caribbean can be an important component in achieving United States goals in Central America and the Caribbean; and

(2) employee stock ownership plans should be used as an instrument in financing growth and transfers of equity in the region, in reorganizing state-owned enterprises into viable employee-owned businesses, in expanding political and economic pluralism, and in strengthening democratic institutions in the region.

(b) PLAN FOR EXPANDED USE OF ESOPs.—The President is urged to develop a plan for the expanded use of employee stock ownership plans in development efforts of the United States in Central America and the Caribbean, with an emphasis on policy and infrastructural changes needed to encourage voluntary employee stock ownership initiatives by multinational corporations and other private sector enterprises which have investments, are considering making new investments, or are interested in management contracts and joint ventures in the region.

(c) TASK FORCE.—To assist in this effort, there is established a Presidential Task Force on Project Economic Justice (hereafter in this section referred to as the "Task Force"), which shall consist of individuals appointed by the President who are distinguished leaders of the private sector of the United States, including significant representation of union representatives of workers in successful companies with employee stock ownership plans and of nationally recognized experts in all phases of design, implementation, and operation of employee stock ownership plans. The President shall designate one of the members of the Task Force to serve as Chairman. The Chairman of the Task Force shall appoint a volunteer fund-raising committee, and all the expenses of the Task Force shall be paid without the use of public funds.

(d) REPORT.—Not later than December 31, 1985, the Task Force shall prepare and transmit to the President and the Congress a report on the expanded use of employee stock ownership plans in the development efforts of the United States in Central America and the Caribbean, including specific recommendations on strategies for using employee stock ownership plans as a means of accelerating the rate of private sector capital formation in Central America and the Caribbean that is systematically linked to expanding ownership and profit-sharing opportunities for all employees.

SEC. 714. INTERNATIONAL ADVISORY COMMISSION FOR THE CARIBBEAN REGION.

(a) FINDINGS.—The Congress finds that—

(1) many of the social, agricultural, educational, and economic problems which confront nations in the Caribbean Region result primarily from social and economic injustice and inadequate economic and agricultural development;

(2) such problems are not addressed sufficiently by current United States policies toward that region;

(3) the development of the Caribbean Region is of vital importance to the economic and strategic interests of the United States and its allies; and

(4) for purposes of defining development plans, providing an international forum for

Caribbean Region development issues, and providing expert advice to donor-aid countries, an international commission is needed as the prime institution for promoting economic cooperation and development in the Caribbean Region.

(b) INVITATIONS TO PARTICIPATE IN COMMISSION.—

(1) INVITATION TO CARIBBEAN COUNTRIES.—The President may invite the countries which comprise the Caribbean Region to participate with the United States in a commission to be known as the International Advisory Commission for the Caribbean Region (hereafter in this section referred to as the "Commission").

(2) INVITATION TO CERTAIN OTHER COUNTRIES.—The President may also invite the Netherlands, the United Kingdom, France, Canada, the Commonwealth of Puerto Rico, and the Virgin Islands to participate in the Commission.

(c) FUNCTIONS OF COMMISSION.—It is the sense of the Congress that the Commission should—

(1) examine social, agricultural, educational, and economic issues which affect the Caribbean Region; and

(2) consult with leaders of the countries in the Caribbean Region and with representatives from public and private organizations involved in matters related to the Caribbean Region in order to evaluate the problems and needs of such countries.

(d) FUNDING FOR ORGANIZATIONAL MEETING OF COMMISSION.—Of the funds authorized to be appropriated to carry out section 106 of the Foreign Assistance Act of 1961 (relating to development assistance for energy, private and voluntary organizations, and selected development activities), up to a total of $100,000 for fiscal years 1986 and 1987 may be made available to—

(1) pay reasonable administrative expenses associated with the organizational meeting of the Commission; and

(2) pay reasonable travel and lodging expenses incurred by commissioners from other participant governments incident to their attendance at the organizational meeting of the Commission.

(e) REQUEST TO CONGRESS RELATING TO UNITED STATES PARTICIPATION IN THE COMMISSION.—The President should provide cost estimates and request authorization from the Congress in order to provide for the participation of the United States in the Commission (other than United States participation associated with the organizational meeting).

(f) APPOINTMENT OF UNITED STATES REPRESENTATIVE AND OBSERVERS.—Upon the creation of the Commission—

(1) the President should consider appointing one individual as the United States representative to the Commission;

(2) the Speaker of the House of Representatives should consider appointing two Members of the House, one from each major political party, as observers at the Commission; and

(3) the majority leader of the Senate should consider appointing two Members of the Senate, one from each major political party, as observers at the Commission.

SEC. 715. EXEMPTION OF CERTAIN SAFETY-RELATED EQUIPMENT FROM PROHIBITION ON MILITARY SALES TO CHILE.

Section 726 of the International Security and Development Cooperation Act of 1981 is amended by adding at the end thereof the following new subsection:

"(c) The prohibition contained in subsection (b) does not prohibit the sale, or the licensing for export, of cartridge actuated devices, propellant actuated devices, and technical manuals for aircraft of the F-5E/F or A/T-37 type which were sold to the Chilean Air Force by the United States before January 1, 1976, so long as the items are provided only for purposes of enhancing the safety of the aircraft crew.".

SEC. 716. RURAL ELECTRIFICATION.

It is the sense of the Congress that funds appropriated for the fiscal years 1986 and 1987 under section 103(a)(2) of the Foreign Assistance Act of 1961 (relating to development assistance for agriculture, rural development, and nutrition) should be used for a comprehensive rural electrification program in Central America in order to establish conditions of stability and a foundation for economic development.

SEC. 717. FACILITATING INTERNATIONAL COMMERCE THROUGH MEXICO.

(a) FINDING.—Recognizing that increased levels of balanced international trade are an essential component in an economic development program for the region and that the United States has traditionally been the most important trading partner for each of the nations of Latin America, it is the sense of the Congress that current procedures and laws of the Government of Mexico, and practices of its officials, constitute a significant impediment to the transit of vehicles carrying the commodities of international trade through Mexican territory.

(b) NEGOTIATIONS AND COOPERATIVE STEPS CONCERNING TRANSIT.—As the Government of Mexico has played a valuable role in assisting and encouraging the economic and political development of the region, and in offering advice to the United States as to constructive policies this nation might pursue with respect to peace and prosperity in the area, the Secretary of State, acting independently or with representatives of other Latin America nations, shall initiate negotiations with the Government of Mexico aimed at eliminating or reducing those impediments to international trade. The agenda for such negotiations should include discussions to encourage the Government of Mexico to accede to existing international custom conventions on international in-transit shipments. Such actions are to be taken in concert with the institution by the United States, and the nations of the region where the transiting shipments originate, of appropriate and cooperative steps to make sealed-truck, no-inspection transit administratively acceptable to the Government of Mexico and other transited countries. Similar bilateral or multilateral negotiations by the Secretary of State with nations respecting the same international customs conventions is also encouraged.

(c) REPORT.—The Secretary of State shall report the status of these negotiations to Congress by January 1, 1986.

SEC. 718. CONDEMNING HUMAN RIGHTS VIOLATIONS AND THE SUBVERSION OF OTHER GOVERNMENTS BY THE GOVERNMENT OF CUBA.

(a) CONDEMNATION OF CERTAIN ACTION BY THE GOVERNMENT OF CUBA.—The Congress condemns—

(1) the consistent pattern of gross violations of internationally recognized human rights by the Cuban Government, including—

(A) cruel, inhumane, and degrading treatment and punishment of prisoners;

(B) the suppression of free speech, press, and assembly; and

(C) restrictions on religious activity and the freedom to emigrate; and

(2) the provision by the Cuban government of material aid and personnel support for the purposes of subversion.

(b) CALL UPON THE GOVERNMENT OF CUBA.—The Congress calls upon the Government of Cuba to restore civil liberties and cease in the violation of human rights of the Cuban people and cease the subversion of other governments through material and personnel support.

SEC. 719. REPORTS ON FOREIGN DEBT IN LATIN AMERICA.

(a) FINDINGS.—The Congress finds that—

(1) the foreign debt of Latin American countries has soared from $27,000,000,000 in 1970 to over $350,000,000,000 in 1983;

(2) the foreign debt of Latin American countries is a serious obstacle to their economic progress, threatens their stability, and endangers the democratic processes in those nations;

(3) the economic and political futures of many of the Latin American countries hang in the balance and depend upon a successful resolution of the foreign debt crisis; and

(4) the confidence of the American people in the United States system of banking is also involved in a successful resolution of the foreign debt crisis.

(b) REPORT.—Not later than January 1, 1986, the Secretary of State shall prepare and transmit to the Congress a report on—

(1) the magnitude of the foreign debt crisis in the Western Hemisphere;

(2) the impact of the foreign debt crisis on the economies of the countries of Latin America;

(3) the degree to which the national security interests of the United States are implicated in this crisis;

(4) the steps being taken and the policy being pursued by the United States aimed at dealing with this crisis;

(5) the degree to which the foreign debt crisis affects the system of banking in the United States; and

(6) the steps being taken and the policy being pursued by the United States Government aimed at dealing with this crisis.

SEC. 720. ECONOMIC ASSISTANCE FOR URUGUAY.

Of the amounts authorized to be appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the economic support fund), $15,000,000 for fiscal year 1986 and $15,000,000 for fiscal year 1987 shall be available only for Uruguay.

SEC. 721. CANADIAN EXPORTS TO THE UNITED STATES.

(a) CATTLE AND HOGS.—(1) The Congress finds that—

(A) livestock prices have been in decline for some time due to excessive supply partially caused by dramatic increases in importation of live cattle and hogs from Canada, which has increased by 1,000 percent in the last decade in the case of hogs alone;

(B) American livestock producers are suffering from the same general economic crisis affecting all of agriculture, and many will face liquidation or foreclosure in the near future; and

(C) the disparity between the United States and the Canadian dollar amounts to 32 to 34 percent and results in even further increases in Canadian hogs and cattle being imported into the United States.

(2) Therefore, it is the sense of the Congress that the President should direct appropriate officials of the executive branch, including the United States Trade Representative, the Secretary of Agriculture, and the

Secretary of Commerce, to aggressively pursue discussions with the Canadian Government directed toward immediate reduction in the Canadian export of cattle and hogs to the United States.

(b) SOFTWOOD TIMBER.—(1) The Congress finds that—

(A) softwood timber prices have been in decline for some time due to excessive supply partially caused by dramatic increases in importation of processed softwood timber from Canada, which has increased from 18 percent of the United States market in the last two years to 35 to 40 percent today;

(B) American timber producers are suffering from this economic crisis, and the difficulty in acquiring timber from the National Forest System; and

(C) the disparity between the United States and the Canadian dollar amounts to 32 to 34 percent and results in even further increases in processed softwood timber being imported into the United States.

(2) Therefore, it is the sense of the Congress that the President should direct appropriate officials of the executive branch, including the United States Trade Representative, the Secretary of Agriculture, and the Secretary of Commerce, to aggressively pursue discussions with the Canadian Government directed toward immediate reduction in the Canadian export of softwood timber to the United States.

SEC. 722. NICARAGUA.

(a) SETTLEMENT OF THE CONFLICT.—The Congress—

(1) strongly supports national reconciliation in Nicaragua and the creation of a framework for negotiating a peaceful settlement to the Nicaraguan conflict; and

(2) finds that the United States should, in assisting efforts to reach comprehensive and verifiable final agreements based on the Contadora Document of Objectives, encourage the Government of Nicaragua to pursue a dialogue with the armed opposition forces and their political representatives for the purposes of achieving an equitable political settlement of the conflict, including free and fair elections.

(b) UNITED STATES CONCERNS ABOUT NICARAGUAN FOREIGN AND DOMESTIC POLICIES.—The Congress finds and declares the following:

(1) Despite positive actions by the Congress signaling support for negotiated solutions to conflicts in Central America, there are disturbing trends in Nicaragua's foreign and domestic policies, including—

(A) President Daniel Ortega's April 1985 trip to the Soviet Union at a time when the Congress signaled its strong disapproval of increasing Nicaraguan-Soviet ties;

(B) the Sandinista government's close military ties with Cuba, the Soviet Union, and its Warsaw Pact allies; the disappointing and insufficient reduction of the number of Cuban advisors in Nicaragua by only 100 out of an approximately 2,500; and the continuing military buildup that Nicaragua's neighbors consider threatening;

(C) the Sandinista government's curtailment of individual liberties, political expression, freedom of worship, and the independence of the media;

(D) the subordination of military, judicial, and internal security functions to the ruling political party; and

(E) the Sandinista government's efforts to export its influence and ideology.

(2) If Nicaragua does not address the concerns described in paragraph (1), the United States has several options to address this challenge to peace and stability in the region, including political, diplomatic, and trade sanctions. In addition, the United States—

(A) should through appropriate regional organizations, such as the Organization of American States, seek to maintain multilateral pressure on Nicaragua to address these concerns; and

(B) should, if called upon to do so, give serious consideration to supporting any sanctions adopted by such an organization.

(3) In assessing whether or not progress is being made in addressing these concerns, the Congress will expect prompt and significant initiatives by the Government of Nicaragua such as—

(A) the removal of foreign military advisors from Nicaragua;

(B) the end to Sandinista support for insurgencies in other countries in the region, including the cessation of military supplies to the rebel forces fighting the democratically elected government in El Salvador;

(C) restoration of individual liberties, political expression, freedom of worship, and the independence of the media; and

(D) progress toward internal reconciliation and a pluralistic democratic system, including steps to liberalize institutions in order to allow the internal opposition in Nicaragua to become a viable partner in the Nicaraguan political process.

(c) RESOLUTION OF THE CONFLICT IN NICARAGUA.—

(1) BASIS FOR POLICY.—The Congress finds that—

(A) the people of Nicaragua are suffering the horrors of a fierce armed conflict that is causing grave hardships and loss of life, has thrown the country into a serious political, social, and economic upheaval, and is of serious concern to the nations of the region and to the United States;

(B) this conflict is fundamentally a continuation of efforts of the Nicaraguan people to attain a representative government at peace with its neighbors, efforts which began under the Somoza regime; and

(C) the United States recognized these noble aspirations of the Nicaraguan people in the June 23, 1979, resolution of the Seventeenth Meeting of Consultation of Ministers of Foreign Affairs of the Organization of American States, which reads as follows:

"WHEREAS:

"The people of Nicaragua are suffering the horrors of a fierce armed conflict that is causing grave hardships and loss of life, and has thrown the country into a serious political, social, and economic upheaval;

"The inhumane conduct of the dictatorial regime governing the country, as evidenced by the report of the Inter-American Commission on Human Rights, is the fundamental cause of the dramatic situation faced by the Nicaraguan people and;

"The spirit of solidarity that guides Hemisphere relations places an unavoidable obligation on the American countries to exert every effort within their power, to put an end to the bloodshed and to avoid the prolongation of this conflict which is disrupting the peace of the Hemisphere;

"THE SEVENTEENTH MEETING OF CONSULTATION OF MINISTERS OF FOREIGN AFFAIRS,

"DECLARES:

"That the solution of the serious problem is exclusively within the jurisdiction of the people of Nicaragua.

"That in the view of the Seventeenth Meeting of Consultation of Ministers of Foreign Affairs, this solution should be arrived at on the basis of the following:

"1. Immediate and definitive replacement of the Somoza regime.

"2. Installation in Nicaraguan territory of a democratic government, the composition of which should include the principal representative groups which oppose the Somoza regime and which reflects the free will of the people of Nicaragua.

"3. Guarantee of the respect for human rights of all Nicaraguans without exception.

"4. The holding of free elections as soon as possible, that will lead to the establishment of a truly democratic government that guarantees peace, freedom, and justice.

"RESOLVES:

"1. To urge the member states to take steps that are within their reach to facilitate an enduring and peaceful solution of the Nicaraguan problem on the bases set forth above, scrupulously respecting the principle of nonintervention and abstaining from any action that might be in conflict with the above bases or be incompatible with a peaceful and enduring solution to the problem.

"2. To commit their efforts to promote humanitarian assistance to the people of Nicaragua and to contribute to the social and economic recovery of the country.

"3. To keep the Seventeenth Meeting of Consultation of Ministers of Foreign Affairs open while the present situation continues.".

(2) THE GOVERNMENT OF NICARAGUA.—The Congress further finds that—

(A) the Government of National Reconstruction of Nicaragua formally accepted the June 23, 1979, resolution as a basis for resolving the Nicaraguan conflict in its "Plan to Achieve Peace" which was submitted to the Organization of American States on July 12, 1979;

(B) the June 23, 1979, resolution and its acceptance by the Government of National Reconstruction of Nicaragua was the formal basis for the removal of the Somoza regime and the installation of the Government of National Reconstruction;

(C) the Government of National Reconstruction, now known as the Government of Nicaragua and controlled by the Frente Sandinista (the FSLN), has flagrantly violated the provisions of the June 23, 1979, resolution, the rights of the Nicaraguan people, and the security of the nations in the region, in that it—

(i) no longer includes the democratic members of the Government of National Reconstruction in the political process;

(ii) is not a government freely elected under conditions of freedom of the press, assembly, and organization, and is not recognized as freely elected by its neighbors, Costa Rica, Honduras, and El Salvador;

(iii) has taken significant steps towards establishing a totalitarian Communist dictatorship, including the formation of FSLN neighborhood watch committees and the enactment of laws that violate human rights and grant undue executive power;

(iv) has committed atrocities against its citizens as documented in reports by the Inter-American Commission on Human Rights of the Organization of American States;

(v) has aligned itself with the Soviet Union and Soviet allies, including the German Democratic Republic, Bulgaria, Libya, and the Palestine Liberation Organization;

(vi) has committed and refuses to cease aggression in the form of armed subversion against its neighbors in violation of the

Charter of the United Nations, the Charter of the Organization of American States, the Inter-American Treaty of Reciprocal Assistance, and the 1965 United Nations General Assembly Declaration on Intervention; and

(vii) has built up an army beyond the needs of immediate self-defense, at the expense of the needs of the Nicaraguan people and about which the nations of the region have expressed deepest concern.

(3) THE NICARAGUAN DEMOCRATIC OPPOSITION.—The Congress further finds that—

(A) as a result of these violations, the Government of Nicaragua has lost the support of virtually all independent sectors of Nicaraguan society who initially supported the removal of the Somoza regime (including democratic political parties of the left, center, and right; the leadership of the Church; free unions; and the business, farmer, and professional sectors) and who still seek democracy, reject the rule of the Frente Sandinista, and seek the free elections promised in 1979;

(B) the Nicaraguan political opposition has joined with the armed opposition groups in issuing the San Jose Manifesto of March 1, 1985, calling for a national dialogue under mediation by the Nicaraguan Bishops Conference to peacefully attain the fulfillment of the Government of Nicaragua's commitments to the Organization of American States, including "the democratization of Nicaragua, conscious that democracy is the only means to carry out an authentic revolution and secure our national identity and sovereignty";

(C) on June 12, 1985, in San Salvador, El Salvador, the political and armed opposition groups representing the entire democratic political spectrum of Nicaragua formed the Unified Nicaraguan Opposition and affirmed their "historical commitment to achieve for Nicaragua the reconciliation of her children, to establish the foundation for democracy and the moral and material reconstruction of the nation"; and

(D) the Unified Nicaraguan Opposition further declared its intention to "give priority at all times to a political solution which will ease the suffering of our people".

(4) CONCERNS IN THE REGION AND UNITED STATES RESPONSIBILITIES.—The Congress further finds that—

(A) Nicaragua's neighbors, Costa Rica, El Salvador, and Honduras, have expressed, individually and through the Contadora process, their belief that their peace and freedom is not safe so long as the Government of Nicaragua excludes from power most of Nicaragua's political leadership and is controlled by a small sectarian party, without regard to the will of the majority of Nicaraguans; and

(B) the United States, given its role in the installation of the current Government of Nicaragua, has a special responsibility regarding the implementation of the commitments made by that Government in 1979, especially to those who fought against Somoza to bring democracy to Nicaragua with United States support.

(5) RESOLUTION OF THE CONFLICT.—The Congress—

(A) condemns the Government of Nicaragua for violating its solemn commitments to the Nicaraguan people, the United States, and the Organization of American States;

(B) affirms that the Government of Nicaragua will be regarded as having achieved political legitimacy when it fulfills its 1979 commitment to the Organization of American States to implement genuinely democratic elections, under the supervision of the Organization of American States, in which all elements of the Nicaraguan resistance can peacefully participate under conditions recognized as necessary for free elections by international bodies;

(C) urges the Government of Nicaragua to enter a national dialogue, as proposed by the Nicaraguan democratic resistance in San Jose, Costa Rica, on March 1, 1985, under mediation by the Nicaraguan Bishops Conference in order to peacefully resolve the current crisis through internationally recognized elections in which all elements of Nicaraguan society can freely participate;

(D) supports the Nicaraguan democratic resistance in its efforts to peacefully resolve the Nicaraguan conflict and to achieve the fulfillment of the Government of Nicaragua's solemn commitments to the Nicaraguan people, the United States, and the Organization of American States;

(E) supports efforts by the Contadora nations, the Organization of American States, and other appropriate regional organizations to maintain multilateral pressure on Nicaragua to fulfill its commitments; and

(F) requests that the Secretary of State transmit the text of this subsection to the Foreign Ministers of the member states of the Organization of American States.

(d) PROHIBITION RELATING TO MILITARY OR PARAMILITARY OPERATIONS IN NICARAGUA.—Notwithstanding any other provision of law, no funds authorized to be appropriated or otherwise made available by this Act (except the funds authorized to be appropriated in this section), by the Foreign Assistance Act of 1961, or by the Arms Export Control Act shall be used to provide assistance of any kind, either directly or indirectly, to any person or group engaging in an insurgency or other act of rebellion against the Government of Nicaragua. The United States shall not enter into any arrangement conditioning, expressly or impliedly, the provision of assistance under this Act or the purchase of defense articles and services under the Arms Export Control Act upon the provision of assistance by a recipient to persons or groups engaging in an insurgency or other act of rebellion against the Government of Nicaragua.

(e) LIMITATION ON USE OF FUNDS AGAINST NICARAGUA.—None of the funds authorized to be appropriated in this or any other Act can be used to fund directly, or indirectly, activities against the Government of Nicaragua which have not been authorized by, or pursuant to, law and which would place the United States in violation of our obligations under the Charter of the Organization of American States, to which the United States is a signatory, or under international law as defined by treaty commitments agreed to, and ratified by, the Government of the United States.

(f) FOOD AID TO THE NICARAGUAN PEOPLE.—In cooperation with Cardinal Miguel Obando y Bravo and private and voluntary organizations, the President should explore and promote means for providing food aid to the Nicaraguan people through private and voluntary organizations and the Catholic Church.

(g) HUMANITARIAN ASSISTANCE FOR NICARAGUAN DEMOCRATIC RESISTANCE.—(1) Effective upon the date of enactment of this Act, there are authorized to be appropriated $27,000,000 for humanitarian assistance to the Nicaraguan democratic resistance. Such assistance shall be provided to such department or agency of the United States as the President shall designate, except the Central Intelligence Agency or the Department of Defense.

(2) The assistance authorized by this subsection is authorized to remain available for obligation until March 31, 1986.

(3) One-third of the assistance authorized by this subsection shall be available for obligation at any time after the appropriation of funds pursuant to such authorization, an additional one-third shall be available for obligation upon submission of the first report required by subsection (j), and the remaining one-third shall be available for obligation upon submission of the second such report.

(4) The President shall establish appropriate procedures to ensure that any humanitarian assistance provided by the United States Government to the Nicaraguan democratic resistance is used only for the intended purpose and is not diverted (through barter, exchange, or any other means) for acquisition of weapons, weapons systems, ammunition, or other equipment, vehicles, or material which can be used to inflict serious bodily harm or death.

(5) As used in this subsection, the term "humanitarian assistance" means the provision of food, clothing, medicine, and other humanitarian assistance, and it does not include the provision of weapons, weapons systems, ammunition, or other equipment, vehicles, or material which can be used to inflict serious bodily harm or death.

(h) ASSISTANCE FOR IMPLEMENTATION OF A CONTADORA AGREEMENT.—Effective upon the date of enactment of this Act, there are authorized to be appropriated $2,000,000, which are authorized to remain available until expended, for payment by the Secretary of State for the expenses arising from implementation by the Contadora nations (Mexico, Panama, Colombia, and Venezuela) of an agreement among the countries of Central America based on the Contadora Document of Objectives of September 9, 1983, including peacekeeping, verification, and monitoring systems.

(i) POLICIES WITH RESPECT TO NICARAGUA.—The President is hereby urged and requested—

(1) to pursue vigorously the use of diplomatic and economic measures to resolve the conflict in Nicaragua, including simultaneous negotiations—

(A) to implement the Contadora Document of Objectives of September 8, 1983; and

(B) to develop, in close consultation and cooperation with other nations, trade and economic measures to complement such policies of the United States and to encourage the Government of Nicaragua to take the necessary steps to resolve the conflict;

(2) to suspend the economic sanctions imposed by the President on May 1, 1985, and the United States military maneuvers in Honduras and off the coast of Nicaragua, if the Government of Nicaragua agrees—

(A) to a cease fire,

(B) to open a dialogue with all elements of the opposition, including the Nicaraguan democratic resistance, and

(C) to suspend the state of emergency in Nicaragua;

(3) to call upon the Nicaraguan democratic resistance to remove from their ranks any individuals who have engaged in human rights abuses; and

(4) to resume bilateral discussions with the Government of Nicaragua with a view to encouraging—

(A) a church-mediated dialogue between the Government of Nicaragua and all elements of the opposition, including the Nicaraguan democratic resistance, in support of

internal reconciliation as called for by the Contadora Document of Objectives; and

(B) a comprehensive, verifiable agreement among the nations of Central America, based on the Contadora Document of Objectives.

(j) REPORTS.—The President shall submit a report to the Congress 90 days after the date of enactment of this Act, and every 90 days thereafter, on any actions taken to carry out subsections (g) and (h). Each such report shall include—

(1) a detailed statement of any progress made in reaching a negotiated settlement referred to in subsection (i)(1), including the willingness of the Nicaraguan democratic resistance and the Government of Nicaragua to negotiate a settlement;

(2) a detailed accounting of the disbursements made to provide humanitarian assistance with the funds provided pursuant to subsection (g); and

(3) a discussion of the alleged human rights violations by the Nicaraguan democratic resistance and the Government of Nicaragua, including a statement of the steps taken by the Nicaraguan democratic resistance to comply with the request referred to in subsection (i)(3).

(k) SUBMISSION OF REQUEST FOR ADDITIONAL ASSISTANCE FOR THE CENTRAL AMERICA PEACE PROCESS.—If the President determines at any time after the enactment of this Act that—

(1) negotiations based on the Contadora Document of Objectives of September 9, 1983, have produced an agreement, or show promise of producing an agreement, or

(2) other trade and economic measures will assist in a resolution of the conflict, or to stabilization in the region,

the President may submit to the Congress a request for budget and other authority to provide additional assistance for the furtherence of the Central America peace process.

(l) STATEMENT TO BE INCLUDED.—The President's request pursuant to subsection (k) shall include a detailed statement as to progress made to resolve the conflict in the region.

(m) CONSULTATION WITH THE CONGRESS.—In formulating a request pursuant to subsection (k), the President shall consult with the Congress.

(n) HOUSE PROCEDURES.—(1) The provisions of this subsection apply, during the 99th Congress, to the consideration in the House of Representatives of a joint resolution with respect to the request submitted by the President pursuant to subsection (k).

(2) For purposes of this subsection, the term "joint resolution" means only a joint resolution introduced within 3 legislative days after the Congress receives the request submitted by the President pursuant to subsection (k)—

(A) the matter after the resolving clause of which is as follows: "That the Congress hereby approves the additional authority and assistance for the Central America peace process that the President requested pursuant to the International Security and Development Cooperation Act of 1985, notwithstanding section 10 of Public Law 91-672.";

(B) which does not have a preamble; and

(C) the title of which is as follows: "Joint Resolution relating to Central America pursuant to the International Security and Development Cooperation Act of 1985.".

(3) A joint resolution shall, upon introduction, be referred to the appropriate committee or committees of the House of Representatives.

(4) If all the committees of the House to which a joint resolution has been referred have not reported the same joint resolution by the end of 15 legislative days after the first joint resolution was introduced, any committee which has not reported the first joint resolution introduced shall be discharged from further consideration of that joint resolution and that joint resolution shall be placed on the appropriate calendar of the House.

(5)(A) At any time after the first joint resolution placed on the appropriate calendar has been on that calendar for a period of 5 legislative days, it is in order for any Member of the House (after consultation with the Speaker as to the most appropriate time for the consideration of that joint resolution) to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of that joint resolution. The motion is highly privileged and is in order even though a previous motion to the same effect has been disagreed to. All points of order against the joint resolution under clauses 2 and 6 of Rule XXI of the Rules of the House are waived. If the motion is agreed to, the resolution shall remain the unfinished business of the House until disposed of. A motion to reconsider the vote by which the motion is disagreed to shall not be in order.

(B) Debate on the joint resolution shall not exceed ten hours, which shall be divided equally between a Member favoring and a Member opposing the joint resolution. A motion to limit debate is in order at any time in the House or in the Committee of the Whole and is not debatable.

(C) An amendment to the joint resolution is not in order.

(D) at the conclusion of the debate on the joint resolution, the Committee of the Whole shall rise and report the joint resolution back to the House, and the previous question shall be considered as ordered on the joint resolution to final passage without intervening motion.

(6) As used in this subsection, the term "legislative day" means a day on which the House is in session.

(o) SENATE PROCEDURES.—A joint resolution which is introduced in the Senate within 3 calendar days after the day on which the Congress receives a Presidential request described in subsection (k) and which, if enacted, would grant the President the authority to take any or all of the actions described in subsection (k) shall be considered in accordance with procedures contained in paragraphs (3) through (7) of section 8066(c) of the Department of Defense Appropriations Act, 1985 (as contained in Public Law 98-473), except that—

(1) references in such paragraphs to the Committees on Appropriations of the Senate shall be deemed to be references to the appropriate committee or committees of the Senate; and

(2) amendments to the joint resolution are in order.

(p) SUBMISSION OF REQUEST FOR ADDITIONAL ASSISTANCE FOR NICARAGUAN DEMOCRATIC RESISTANCE.—If the President determines at any time after the enactment of this Act that—

(1) negotiations based on the Contadora Document of Objectives of September 9, 1983, have failed to produce an agreement, or

(2) other trade and economic measures have failed to resolve the conflict,

the President may submit to the Congress a request for budget and other authority to provide additional assistance for the Nicaraguan democratic resistance.

(q) STATEMENT TO BE INCLUDED.—The President's request pursuant to subsection (p) shall include a detailed statement as to why the negotiations or other measures have failed to resolve the conflict in the region.

(r) CONSULTATION WITH THE CONGRESS.—In formulating a request pursuant to subsection (p), the President shall consult with the Congress.

(s) HOUSE PROCEDURES.—(1) The provisions of this subsection apply, during the 99th Congress, to the consideration in the House of Representatives of a joint resolution with respect to the request submitted by the President pursuant to subsection (p).

(2) For purposes of this subsection, the term "joint resolution" means only a joint resolution introduced within 3 legislative days after the Congress receives the request submitted by the President pursuant to subsection (p)—

(A) the matter after the resolving clause of which is as follows: "That the Congress hereby approves the additional authority and assistance for the Nicaraguan democratic resistance that the President requested pursuant to the International Security and Development Cooperation Act of 1985, notwithstanding section 10 of Public Law 91-672.";

(B) which does not have a preamble; and

(C) the title of which is as follows: "Joint Resolution relating to Central America pursuant to the International Security and Development Cooperation Act of 1985.".

(3) A joint resolution shall, upon introduction, be referred to the appropriate committee or committees of the House of Representatives.

(4) If all the committees of the House to which a joint resolution has been referred have not reported the same joint resolution by the end of 15 legislative days after the first joint resolution was introduced, any committee which has not reported the first joint resolution introduced shall be discharged from further consideration of that joint resolution and that joint resolution shall be placed on the appropriate calendar of the House.

(5)(A) At any time after the first joint resolution placed on the appropriate calendar has been on that calendar for a period of 5 legislative days, it is in order for any Member of the House (after consultation with the Speaker as to the most appropriate time for the consideration of that joint resolution) to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of that joint resolution. The motion is highly privileged and is in order even though a previous motion to the same effect has been disagreed to. All points or order against the joint resolution under clauses 2 and 6 of Rule XXI of the Rules of the House are waived. If the motion is agreed to, the resolution shall remain the unfinished business of the House until disposed of. A motion to reconsider the vote by which the motion is disagreed to shall not be in order.

(B) Debate on the joint resolution shall not exceed ten hours, which shall be divided equally between a Member favoring and a Member opposing the joint resolution. A motion to limit debate is in order at any time in the House or in the Committee of the Whole and is not debatable.

(C) An amendment to the joint resolution is not in order.

(D) At the conclusion of the debate on the joint resolution, the Committee of the Whole shall rise and report the joint resolution back to the House, and the previous question shall be considered as ordered on the joint

resolution to final passage without intervening motion.

(6) As used in this subsection, the term "legislative day" means a day on which the House is in session.

(t) SENATE PROCEDURES.—A joint resolution which is introduced in the Senate within 3 calendar days after the day on which the Congress receives a Presidential request described in subsection (p) and which, if enacted, would grant the President the authority to take any or all of the actions described in subsection (p) shall be considered in accordance with procedures contained in paragraphs (3) through (7) of section 8066(c) of the Department of Defense Appropriations Act, 1985 (as contained in Public Law 98-473), except that—

(1) references in such paragraphs to the Committees on Appropriations of the Senate shall be deemed to be references to the appropriate committee or committees of the Senate; and

(2) amendments to the joint resolution are in order.

(u) CONGRESSIONAL RULEMAKING POWERS.—Subsections (n), (o), (s), and (t) are enacted—

(1) as exercises of the rulemaking powers of the House of Representatives and Senate, and as such they are deemed a part of the Rules of the House and the Rules of the Senate, respectively, but applicable only with respect to the procedure to be followed in the House and the Senate in the case of joint resolutions under this section, and they supersede other rules only to the extent that they are inconsistent with such rules; and

(2) with full recognition of the constitutional right of the House and the Senate to change their rules at any time, in the same manner, and to the same extent as in the case of any other rule of the House or Senate, and of the right of the Committee on Rules of the House of Representatives to report a resolution for the consideration of any measure.

TITLE VIII—AFRICA

SEC. 801. BALANCE-OF-PAYMENTS SUPPORT FOR COUNTRIES IN AFRICA.

(a) ESF COMMODITY IMPORT AND SECTOR PROGRAMS.—Agreements with countries in Africa which provide for the use of funds made available to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 for the fiscal years 1986 and 1987 to finance imports by those countries (under commodity import programs or sector programs) shall require that those imports be used to meet long-term development needs in those countries in accordance with the following criteria:

(1) Spare parts and other imports shall be allocated on the basis of evaluations, by the agency primarily responsible for administering part I of that Act, of the ability of likely recipients to use such spare parts and imports in a maximally productive, employment generating, and cost effective way.

(2) Imports shall be coordinated with investments in accordance with the recipient country's plans for promoting economic development. The agency primarily responsible for administering part I of that Act shall assess such plans to determine whether they will effectively promote economic development.

(3) Emphasis shall be placed on imports for agricultural activities which will expand agricultural production, particularly activities which expand production for export or production to reduce reliance on imported agricultural products.

(4) Emphasis shall also be placed on a distribution of imports having a broad development impact in terms of economic sectors and geographic regions.

(5) In order to maximize the likelihood that the imports financed by the United States under such chapter are in addition to imports which would otherwise occur, consideration shall be given to historical patterns of foreign exchange uses.

(6)(A) Seventy-five percent of the foreign currencies generated by the sale of such imports by the government of the country shall be deposited in a special account established by that government and, except as provided in subparagraph (B), shall be available only for use in accordance with the agreement for economic development activities which are consistent with the policy directions of section 102 of the Foreign Assistance Act of 1961 and which are the types of activities for which assistance may be provided under sections 103 through 106 of that Act.

(B) The agreement shall require that the government of the country make available to the United States Government such portion of the amount deposited in the special account as may be determined by the President to be necessary for requirements of the United States Government.

(b) ANNUAL EVALUATIONS.—The agency primarily responsible for administering part I of the Foreign Assistance Act of 1961 shall conduct annual evaluations of the extent to which the criteria set forth in this subsection have been met.

SEC. 802. ECONOMIC SUPPORT ASSISTANCE FOR SOUTHERN AFRICA.

(a) FUNDS FOR SOUTHERN AFRICA REGIONAL PROGRAMS.—Of the amounts authorized to be appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961, not less than $30,000,000 for fiscal year 1986 and not less than $30,000,000 for fiscal year 1987 shall be available only for regional programs in southern Africa. Not less than 50 percent of each of these amounts shall be allocated to assist sector projects supported by the Southern Africa Development Coordination Conference (SADCC) to enhance the economic development of the nine member states forming this important regional institution, especially in the following sectors: transportation, agricultural research and training, manpower development, and institutional support for the SADCC secretariat.

(b) STUDIES RELATING TO SOUTHERN AFRICA REGIONAL PROGRAMS.—(1) The administrator of the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961 shall conduct a study which evaluates—

(A) the assistance which that agency provides to the Southern Africa Development Coordination Conference and other African regional institutions and economic development organizations, and

(B) ways to improve such assistance.

(2) The administrator shall also conduct a study which assesses what type of bureaucratic mechanism within that agency might be established to coordinate assistance to all African regional institutions.

(3) The administrator shall submit the results of the studies conducted pursuant to this subsection to the Congress within 3 months after the date of enactment of this Act.

(c) SOUTH AFRICA EDUCATIONAL TRAINING PROGRAMS.—Funds available to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 for fiscal year 1986 and fiscal year 1987 which are used for education or training programs in South Africa may not be used for programs conducted by or through organizations in South Africa which are financed or controlled by the Government of South Africa, such as the "homeland" and "urban council" authorities. Such funds may only be used for programs which in both their character and organizational sponsorship in South Africa clearly reflect the objective of a majority of South Africans for an end to the apartheid system of separate development. Nothing in this subsection shall be construed to prohibit programs which are consistent with this subsection and which award university scholarships to students who choose to attend a South African-supported university.

(d) HUMAN RIGHTS FUND FOR SOUTH AFRICA.—Of the amount allocated for the Human Rights Fund for South Africa under chapter 4 of part II of the Foreign Assistance Act of 1961 for each of the fiscal years 1986 and 1987, not less than 35 percent shall be used for direct legal and other assistance to political detainees and prisoners and their families, including the investigation of the killing of protestors and prisoners, and for support for actions of black-led community organizations to resist, through non-violent means, the enforcement of apartheid policies such as—

(1) removal of black populations from certain geographic areas on account of race or ethnic origin,

(2) denationalization of blacks, including any distinctions between the South African citizenships of blacks and whites,

(3) residence restrictions based on race or ethnic origin,

(4) restrictions on the rights of blacks to seek employment in South Africa and live wherever they find employment in South Africa, and

(5) restrictions which make it impossible for black employees and their families to be housed in family accommodations near their place of employment.

SEC. 803. POLICY TOWARD SOUTH AFRICAN "HOMELANDS".

(a) FINDINGS.—The Congress finds that—

(1) the sanctity of the family, individual liberty, maximum freedom of choice, ownership of private property, and equal treatment of all citizens, regardless of race, are principles which are fully supported by the American people;

(2) the forced relocation of blacks by the Government of the Republic of South Africa to designated "homelands" divides families, as families are required to remain in the "homelands" while fathers seek work in the so-called "white areas";

(3) the forced removal of persons living in so-called "black spots" in "white" rural areas in South Africa denies them the fundamental right to live and to farm on land they have legally occupied for years, and subjects them to arbitrary arrest and detention when they seek these rights;

(4) compared to "white" South Africa, the designated "homelands", which are meant to accommodate the largest South African population group on a fraction of South African territory and were established without the consent of the vast majority of the governed, are characterized by high rates of infant mortality, unemployment, and malnutrition and by a severe shortage of medical services;

(5) the policy of the Government of the Republic of South Africa denies blacks their rightful claim to full South African citizenship; and

(6) the recent violence in South Africa must be seen as an inevitable result of the denial of the full rights of citizenship.

(b) STATEMENT OF POLICY.—It is the sense of the Congress that—

(1) the policy of separate development and the forced relocation of the people of the Republic of South Africa are inconsistent with fundamental American values and internationally recognized principles of human rights;

(2) the Government of the United States should continue to regard as citizens of South Africa all persons born within the internationally recognized boundaries of the Republic of South Africa, and not differentiate among these citizens on the basis of the South African Government's claim to have granted independence to various "homelands";

(3) at such times that any "homeland" official applies for a visa for travel to the United States, such visa should not be granted unless that official holds a passport which is recognized as valid by the Government of the United States; and

(4) the Government of the United States should urge that the forced relocation of South African citizens be discontinued and that policies be adopted for all South Africa's citizens which protect the sanctity of the family, individual liberty, maximum freedom of choice, ownership of private property, and equal treatment of all citizens, regardless of race.

SEC. 804. ASSISTANCE FOR ZAIRE.

(a) ECONOMIC SUPPORT ASSISTANCE.—Funds allocated for assistance for Zaire under chapter 4 of part II of the Foreign Assistance Act of 1961 for each of the fiscal years 1986 and 1987 shall be used only for assistance which is provided in accordance with the provisions applicable to assistance under chapter 1 of part I of the Foreign Assistance Act of 1961. Such assistance shall be provided, to the maximum extent practicable, through private and voluntary organizations.

(b) MILITARY ASSISTANCE.—For each of the fiscal years 1986 and 1987—

(1) the value of assistance provided under chapter 2 of part II of the Foreign Assistance Act of 1961 for Zaire may not exceed $7,000,000; and

(2) financing may not be provided under the Arms Export Control Act for Zaire.

SEC. 805. ASSISTANCE FOR TUNISIA.

(a) POLICY CONCERNING SECURITY ASSISTANCE.—The United States provides security assistance to Tunisia in recognition of the traditional friendship between the United States and Tunisia and our common interests in the region. The provision of such assistance is also based on the expectation that political stability and development in Tunisia will be best advanced through continued growth of democratic institutions.

(b) EARMARKING OF MAP AND ESF.—For each of the fiscal years 1986 and 1987—

(1) not less than $15,000,000 of the amounts authorized to be appropriated to carry out chapter 2 of part II of the Foreign Assistance Act of 1961, and

(2) not less than $20,000,000 of the amounts authorized to be appropriated to carry out chapter 4 of part II of that Act,

shall be available only for Tunisia.

SEC. 806. POLITICAL SETTLEMENT IN SUDAN.

(a) FINDINGS.—The Congress finds that—

(1) friendship and mutual interests bind the United States and Sudan; and

(2) the peace, security, and economic development of Sudan depend in large part on addressing the problems associated with the traditional north-south division in that country through political rather than military means.

(b) UNITED STATES POLICY.—It is, therefore, the policy of the United States that the provision of security assistance to Sudan shall be based on the expectation that the Government of Sudan will make progress toward reaching a political settlement with all parties to the conflict in the south of Sudan.

SEC. 807. ELECTIONS IN LIBERIA.

In recognition of the special relationship that the United States has with Liberia and of the wide variety of interests that the United States has in Liberia, security assistance for Liberia for fiscal years 1986 and 1987 is based on the expectation of a successful completion of free and fair elections, on a multiparty basis, in October 1985 as proposed by the Government of Liberia and on a return to full civilian, constitutional rule as a consequence of those elections.

SEC. 808. WESTERN SAHARA.

(a) UNITED STATES POLICY.—The policy of the United States shall be to support a negotiated political solution to the conflict in the Western Sahara taking into account the principle of self-determination as outlined in the 1981 Nairobi resolution and to encourage all parties to the conflict to reach a peaceful internationally recognized settlement. As part of this policy, the United States should carefully consider each type of military assistance it furnishes to any of the parties to the conflict and should seek to insure that the furnishing of such military assistance is consistent with United States policy which seeks a negotiated settlement.

(b) FURTHER STATEMENT OF POLICY.—It is the further policy of the United States to support Morocco's legitimate defense needs and to discourage aggression by any country in North Africa against another.

SEC. 809. SAHEL DEVELOPMENT PROGRAM.

(a) AUTHORIZATIONS OF APPROPRIATIONS.—The third sentence of section 121(c) of the Foreign Assistance Act of 1961 is amended to read as follows: "In addition to the amounts authorized to be appropriated in the preceding sentences and to funds otherwise available for such purposes, there are authorized to be appropriated to the President for purposes of this section $87,750,000 for fiscal year 1986 and $87,750,000 for fiscal year 1987.".

(b) IMPROVING ADMINISTRATIVE CAPABILITIES OF HOST GOVERNMENTS.—Section 121 of such Act is amended by adding at the end thereof the following new subsection:

"(e) Grants shall be made under this section to Sahel Development Program host governments in order to help them enhance their administrative capabilities to meet the administrative requirements resulting from donor country projects and activities.".

SEC. 810. AFRICAN DEVELOPMENT FOUNDATION.

(a) AUTHORIZATIONS OF APPROPRIATIONS.—Section 510 of the African Development Foundation Act is amended to read as follows:

"AUTHORIZATIONS OF APPROPRIATIONS

"SEC. 510. There are authorized to be appropriated to carry out this title, in addition to amounts otherwise available for that purpose, $3,872,000 for fiscal year 1986 and $3,872,000 for fiscal year 1987. Funds appropriated under this section are authorized to remain available until expended.".

(b) EXTENSION OF AUTHORITIES.—Section 511 of such Act is amended by striking out "1985" and inserting in lieu thereof "1990".

SEC. 811. REPEAL OF CLARK AMENDMENT.

Section 118 of the International Security and Development Cooperation Act of 1980 (prohibiting assistance for military or paramilitary operations in Angola) is repealed.

SEC. 812. FAILURE OF THE ETHIOPIAN GOVERNMENT TO RESPONSIBLY AMELIORATE FAMINE CONDITIONS.

(a) FINDINGS.—The Congress finds that—

(1) many thousands of Ethiopian people have suffered and died, and an additional ten million people are in danger of death, through starvation caused by prolonged drought;

(2) the Government of the United States has a continuing commitment to the emergency fund under title II of the Agricultural Trade Development and Assistance Act of 1954 (the Food For Peace Act);

(3) United States emergency food assistance for Africa in fiscal year 1985 is more than twice the amount provided in fiscal year 1984, and is the largest amount contributed by any single donor;

(4) the Ethiopian Government, as a client state of the Soviet Union, has considered the equipage and modernization of its five hundred thousand-person military organization more vital than alleviating the suffering of its people caused by drought;

(5) the Ethiopian Government has considered the funding of its military organization more vital than promoting a viable national agrarian policy;

(6) there is evidence that the Government of Ethiopia has used the drought-caused famine to induce cooperation from certain dedicated Ethiopians who seek to bring about fundamental changes in their country;

(7) the United States Government is concerned about the seizure by the Ethiopian Government of an Australian aid ship in an attempt to cut off food to its citizens in the northern regions, an area most severely stricken by famine; and

(8) the Ethiopian Government deems the appearance and status of its socialist system more worthy of attention than its citizens and agricultural policies in need.

(b) STATEMENT OF POLICY.—It is the sense of the Congress that—

(1) the Government of Ethiopia should be condemned for failing in its responsibility to sufficiently ameliorate the severe drought and famine conditions throughout its agrarian countryside;

(2) the Government of Ethiopia should allocate more of its resources toward the development of a more balanced and effective agrarian system;

(3) human rights monitoring groups can be a positive force for human rights in Ethiopia and should be allowed to function and should be supported;

(4) the Government of Ethiopia should initiate a genuine policy of national reconciliation;

(5) the continued improvement of Ethiopia's treatment of the Ethiopian people and respect for human rights would better relations between the United States and Ethiopia;

(6) the President or his representatives should convey to Ethiopian officials the concerns of the Congress expressed in this section at every opportunity; and

(7) the President or his representatives should also convey these concerns of the Congress to the governments of United States allies and urge the cooperation of those governments in efforts to ensure a more responsible Ethiopian Government.

(c) PROHIBITION ON IMPORTS AND EXPORTS.—(1) The President shall determine, within 30 days after the date of enactment of this Act, whether the Ethiopian regime is conducting a deliberate policy of starvation of its people and has not granted fundamental human rights to its citizens. The President shall submit that determination, and the basis for that determination, to the Congress.

(2) If the President determines that such a policy is being conducted and that such rights are not being granted, paragraph (3) shall take effect if the Congress enacts a joint resolution approving that determination.

(3) If the conditions specified in paragraphs (1) and (2) are met—

(A) goods and services of Ethiopian origin may not be imported into the United States; and

(B) except for emergency relief, rehabilitation, and recovery assistance, goods and services of United States origin may not be exported (directly or indirectly) to Ethiopia.

(d) PROHIBITION ON ECONOMIC ASSISTANCE.—The President shall suspend all forms of economic assistance to the Government of Ethiopia. This section shall not be construed to prevent the furnishing of international disaster assistance under section 491 of the Foreign Assistance Act of 1961 or economic assistance which will directly benefit needy people in accordance with section 116 of that Act.

SEC. 813. ASSISTANCE FOR THE PEOPLE'S REPUBLIC OF MOZAMBIQUE.

(a) ECONOMIC ASSISTANCE.—The funds authorized to be appropriated for fiscal years 1986 and 1987 to carry out chapter 1 of part I (relating to development assistance) and chapter 4 of part II (relating to the economic support fund) of the Foreign Assistance Act of 1961 that are allocated for bilateral assistance to the People's Republic of Mozambique shall be used solely for assistance to the private sector of the economy of Mozambique to the maximum extent practicable. To the maximum extent practicable, such funds shall be channeled to non-governmental entities in Mozambique.

(b) MILITARY ASSISTANCE.—(1) None of the funds authorized to be appropriated for fiscal year 1986 or fiscal year 1987 to carry out chapter 2 of part II (relating to grant military assistance) or chapter 5 of part II (relating to international military education and training) of the Foreign Assistance Act of 1961 shall be used to provide assistance to the People's Republic of Mozambique unless the President makes the certification described in paragraph (2) before providing any such assistance for that fiscal year.

(2) The certification required by paragraph (1) is a certification by the President to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate that the Government of the People's Republic of Mozambique—

(A) is making a concerted and significant effort to comply with internationally recognized human rights;

(B) is making continued progress in implementing essential economic and political reforms, including the restoration of private property and respect for the right to engage in free enterprise in all sectors of the economy;

(C) has implemented a plan by September 30, 1986, to reduce the number of foreign military personnel to no more than 55; and

(D)(i) in the case of a certification with respect to assistance for fiscal year 1986, is committed to holding free elections at a date no later than September 30, 1986, and to that end has demonstrated its good faith efforts to begin discussions with all major political factions in Mozambique which have declared their willingness to find and implement an equitable political solution to the conflict, with such solution to involve a commitment to—

(I) the electoral process with internationally recognized observers; and

(II) the elimination of all restrictions on the formation and activities of opposition political parties; and

(i) in the case of a certification with respect to assistance for fiscal year 1987, held free elections by September 30, 1986.

TITLE IX—ASIA

SEC. 901. THE PHILIPPINES.

(a) DEMOCRACY IN THE PHILIPPINES.—It is the sense of the Congress that the United States should encourage the revitalization of democracy in the Philippines. To that end, the Congress affirms its intention to grant future aid to the Philippines according to the determination of the Congress that United States security interests are enhanced and sufficient progress is made by the Government of the Philippines in—

(1) guaranteeing free, fair, and honest elections in 1986 and 1987, or sooner should any such elections occur;

(2) ensuring the full, fair, and open prosecution of those responsible for the murder of Benigno Aquino, including those involved in the cover-up;

(3) ensuring freedom of speech and freedom of the press, and unrestricted access to the media on the part of all candidates for public office in the local and provincial elections of 1986 and the Presidential election of 1987;

(4) establishing the writ of habeas corpus and the termination of the Presidential Detention Action and all other forms of detention without charge or trial;

(5) releasing all individuals detained or imprisoned for peaceful political activities;

(6) making substantial progress in terminating extrajudicial killings by the Philippine military and security forces and the prosecution of those responsible for such killings in the past;

(7) implementing structural economic reforms and a strengthening of the private sector, including elimination of corruption and monopolies; and

(8) enhancing the professional capability of the Philippine armed forces and security forces (including the Philippine Constabulary and the Civilian House Defense Forces).

(b) PRIMARY PURPOSE OF UNITED STATES ASSISTANCE.—The Congress finds and declares that the primary purpose of United States assistance to the Philippines should be to maintain and foster friendly relations between the people of the Philippines and the people of the United States and to encourage the restoration of internal security, both of which goals can be best served by the achievement of an open and stable democracy.

(c) CONGRESSIONAL OVERSIGHT.—The Congress, in determining future aid levels for the Philippines, will take into account not only our military bases agreement with that country, but also the extent to which the objectives and goals specified in subsections (a) and (b) have been implemented. The Congress may defer assistance for the Philippines under both chapter 2 of part II of the Foreign Assistance Act of 1961 and the Arms Export Control Act if—

(1) significant progress is not achieved with respect to the objectives and goals specified in subsections (a) and (b), or

(2) the Congress finds that such assistance is used to violate the internationally recognized human rights of the Filipino people.

(d) AMOUNTS OF ASSISTANCE.—Of the amounts authorized to be appropriated for each of the fiscal years 1986 and 1987—

(1) to carry out the Arms Export Control Act (relating to foreign military sales financing), not more than $20,000,000 may be used for assistance for the Philippines;

(2) to carry out chapter 2 of part II of the Foreign Assistance Act of 1961 (relating to grant military assistance), not more than $50,000,000 may be used for assistance for the Philipines; and

(3) to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the economic support fund), $110,000,000 shall be available only for the Philippines.

(e) NONLETHAL ASSISTANCE.—Assistance provided for the Philippines for fiscal year 1986 under the Arms Export Control Act or under chapter 2 of part II of the Foreign Assistance Act of 1961 shall be nonlethal in character.

SEC. 902. NUCLEAR NON-PROLIFERATION CONDITIONS ON ASSISTANCE FOR PAKISTAN.

Section 620E of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

"(e) No assistance shall be furnished to Pakistan and no military equipment or technology shall be sold or transferred to Pakistan, pursuant to the authorities contained in this Act or any other Act, unless the President shall have certified in writing to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate, during the fiscal year in which assistance is to be furnished or military equipment or technology is to be sold or transferred, that Pakistan does not possess a nuclear explosive device and that the proposed United States assistance program will reduce significantly the risk that Pakistan will possess a nuclear explosive device.".

SEC. 903. DISADVANTAGED CHILDREN IN ASIA.

(a) AUTHORIZATION OF ADDITIONAL ASSISTANCE.—Section 241(b) of the Foreign Assistance Act of 1961 is amended by striking out "$2,000,000" and inserting in lieu thereof "$3,000,000".

(b) ADDITIONAL STEPS TO HELP AMERASIAN CHILDREN.—The Congress finds that Amerasian children are currently the object of discrimination in the countries in Asia where they now reside. Therefore, the President shall report to the Congress on the quality of life of these children and on what additional steps, such as facilitating adoptions, the United States could take to enhance the lives of these children.

SEC. 904. ASSISTANCE FOR AFGHANISTAN.

(a) AUTHORIZATION.—The President may make available funds authorized to be appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the economic support fund) for the provision of food, medicine, or other humanitarian assistance to the Afghan people, notwithstanding any other provision of law.

(b) EARMARKING OF FUNDS.—Each fiscal year, not less than $15,000,000 of the aggregate amount of funds available to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 shall be available only for humanitarian assistance to the Afghan people pursuant to subsection (a) of this section.

(c) EFFECTIVE DATES.—This section shall take effect on the date of enactment of this

Act, except that subsection (b) shall not apply to fiscal year 1985.

SEC. 905. ASSISTANCE FOR THE CAMBODIAN PEOPLE.

The President may make available to the noncommunist resistance forces in Cambodia up to $5,000,000 for fiscal year 1986, and up to $5,000,000 for fiscal year 1987, of the funds authorized to be appropriated to carry out chapter 2 (relating to grant military assistance) or chapter 4 (relating to the economic support fund) of part II of the Foreign Assistance Act of 1961, notwithstanding any other provision of law.

SEC. 906. PROHIBITION ON CERTAIN ASSISTANCE TO THE KHMER ROUGE.

(a) PROHIBITION.—Notwithstanding any other provision of law, none of the funds authorized to be appropriated by this Act or any other Act may be obligated or expended for the purpose or with the effect of promoting, sustaining, or augmenting, directly or indirectly, the capacity of the Khmer Rouge or any of its members to conduct military or paramilitary operations in Cambodia or elsewhere in Indochina.

(b) DEOBLIGATION OF CERTAIN FUNDS.—All funds appropriated before the date of enactment of this section which were obligated but not expended for activities having the purpose or effect described in subsection (a) shall be deobligated and shall be deposited in the Treasury of the United States as miscellaneous receipts.

(c) EXCEPTION FOR HUMANITARIAN ASSISTANCE.—This section shall not be construed as limiting the provision of food, medicine, or other humanitarian assistance to the Cambodian people.

SEC. 907. POLITICAL SETTLEMENT IN SRI LANKA.

(a) FINDINGS.—The Congress finds that—

(1) the Government and people of Sri Lanka and the Government and people of the United States share a common devotion to independence, democracy, and human rights;

(2) the United States is concerned over the armed clashes between the security forces of the Government of Sri Lanka and some Sri Lankans who seek through violent means, including terrorist attacks, to divide that nation;

(3) there have been acts of terrorism committed against members of the Sri Lankan security forces, as well as against civilians, and there have been human rights abuses by members of the security forces against civilians, particularly Tamils, despite the efforts of the Government, which the Congress believes must be intensified, to put an end to those abuses;

(4) the differences and grievances in Sri Lanka cannot be resolved through the use of force; and

(5) the United States is a proud participant through its economic assistance programs in Sri Lanka's highly regarded development efforts and looks forward to enhanced cooperation and assistance in the context of a political settlement in Sri Lanka leading to the kind of peaceful climate in which additional aid could be effectively utilized.

(b) POLITICAL SETTLEMENT.—It is, therefore, the sense of the Congress that—

(1) all parties in Sri Lanka, from all communities in and out of government, should renew their efforts to achieve a joint political settlement which meets the legitimate concerns of all the people of Sri Lanka, while preserving the territorial integrity of Sri Lanka; and

(2) all parties outside Sri Lanka should do nothing which would impede progress toward such a settlement.

SEC. 908. UNITED STATES POLICY TOWARD THE REPUBLIC OF KOREA.

(a) FINDINGS.—The Congress finds that—

(1) the Government of the Republic of Korea has taken several significant and encouraging steps in liberalizing the political system in that country;

(2) among the steps which have facilitated a more democratic environment are the release of hundreds of student demonstrators, the lifting of a political ban on more than 300 opposition leaders, and the holding of a vigorously contested election for the National Assembly in which the opposition made substantial gains;

(3) despite these steps, the people of the Republic of Korea, who have become increasingly better educated and prosperous as a result of Korea's extraordinarily rapid economic development, have the desire and the capability to participate more fully and effectively in the government of their own country; and

(4) while internationally recognized human rights are clearly respected much more in the Republic of Korea than in the Democratic People's Republic of Korea, continued progress toward democratization in the south is in the interests of both the Republic of Korea and the United States, inasmuch as long-term political stability cannot be assured in the absence of further progress towards democratic government.

(b) UNITED STATES POLICY.—It is the policy of the United States to provide assistance to the Republic of Korea in order to help that country defend itself against external aggression. It is the hope of the United States that the continuing close relations between our two countries, including such assistance, will encourage the establishment of a genuinely democratic system in the Republic of Korea, in which internationally recognized human rights, including freedom of the press, freedom of association, and freedom of assembly are observed.

TITLE X—FOOD AND AGRICULTURAL ASSISTANCE

SEC. 1001. INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT.

Section 103(g) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(g)(1) In order to carry out the purposes of this section, the President may continue United States participation in and may make contributions to the International Fund for Agricultural Development.

"(2) Of the aggregate amount authorized to be appropriated to carry out part I of this Act, up to $50,000,000 for fiscal year 1986 and up to $50,000,000 for fiscal year 1987 may be made available, by appropriation or by transfer, for United States contributions to the second replenishment of the International Fund for Agricultural Development.".

SEC. 1002. PUBLIC LAW 480 TITLE II MINIMUMS.

Paragraph (3) of section 201(b) of the Agricultural Trade Development and Assistance Act of 1954 is amended by inserting immediately before the semicolon the following: ", except that for fiscal year 1986 the minimum quantity distributed shall be 1,800,000 metric tons, of which not less than 1,300,000 metric tons for nonemergency programs shall be distributed through nonprofit voluntary agencies and the World Food Program, and for fiscal year 1987 the minimum quantity distributed shall be 1,900,000 metric tons, of which not less than 1,425,000 metric tons for nonemergency programs shall be distributed through nonprofit voluntary agencies and the World Food Program".

SEC. 1003. EXPRESS AUTHORITY FOR TITLE II DIRECT DISTRIBUTION, SALE, AND BARTER.

Section 202(a) of the Agricultural Trade Development and Assistance Act of 1954 is amended by inserting after the first sentence the following new sentence: "Such commodities may be furnished for direct distribution, sale, barter, or other appropriate disposition in carrying out the purposes set forth in section 201.".

SEC. 1004. ROLE OF PRIVATE VOLUNTARY ORGANIZATIONS AND COOPERATIVES.

(a) NUTRITIONAL AND DEVELOPMENT OBJECTIVES.—Section 202(b) of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof the following new paragraph:

"(4) In the case of commodities distributed under this title by nonprofit voluntary agencies, consideration shall be given to nutritional and development objectives as established by those agencies in light of their assessment of the needs of the people assisted.".

(b) FOOD FOR DEVELOPMENT PROGRAMS.—Section 302(c)(4) of such Act is amended by inserting "and of United States nonprofit voluntary agencies and cooperatives" immediately after "agriculture".

SEC. 1005. MULTIYEAR AGREEMENTS WITH PVOS AND COOPERATIVES.

Section 202 of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof the following:

"(c)(1) In agreements with nonprofit voluntary agencies and cooperatives for nonemergency assistance under this title, the President is encouraged, if requested by the nonprofit voluntary agency or cooperative, to approve multiyear agreements to make agricultural commodities available for distribution by that agency or cooperative. Such agreement shall be subject to the availability each fiscal year of the necessary appropriations and agricultural commodities.

"(2) Paragraph (1) does not apply to an agreement which the President determines should be limited to a single year because of the past performance of the nonprofit voluntary agency or cooperative or because the agreement involves a new program of assistance.

"(3) In carrying out a multiyear agreement pursuant to this subsection, a nonprofit voluntary agency or cooperative shall not be required to obtain annual approval from the United States Government in order to continue its assistance program pursuant to the agreement, unless exceptional and unforeseen circumstances have occurred which the President determines require such approval.".

SEC. 1006. TITLE II PROGRAMMING REPORTS.

Section 408(b) of the Agricultural Trade Development and Assistance Act of 1954 is amended by striking out "title I" both places it appears and inserting in lieu thereof "titles I and II".

SEC. 1007. ELIGIBLE COMMODITIES UNDER SECTION 416(b).

Section 416(b) of the Agricultural Act of 1949 (7 U.S.C. 1431(b)) is amended by inserting ", rice," after "Dairy products" in the first sentence and by inserting ", rice," after "dairy products" in the third and eighth sentences.

SEC. 1008. LONG-TERM AGRICULTURAL COMMODITY AGREEMENTS WITH FOOD DEFICIT COUNTRIES.

As part of the United States foreign assistance program, the President should explore

the possibility of concluding long-term agricultural commodity agreements to help stabilize and increase the flow of concessional and commercial food stuffs with food deficit countries. The President shall prepare and transmit to the Congress a report on his efforts to achieve such long-term agreements by June 1, 1986.

TITLE XI—PEACE CORPS

SEC. 1101. AUTHORIZATIONS OF APPROPRIATIONS.

Section 3(b) of the Peace Corps Act is amended by amending the first sentence to read as follows: "There are authorized to be appropriated to carry out the purposes of this Act $130,000,000 for each of the fiscal years 1986 and 1987.".

SEC. 1102. NUMBER OF PEACE CORPS VOLUNTEERS.

(a) STATEMENT OF POLICY.—Section 2 of the Peace Corps Act (22 U.S.C. 2501) is amended—

(1) by inserting "(a)" immediately after "SEC. 2."; and

(2) by adding at the end thereof the following new subsection:

"(b) The Congress declares that it is the policy of the United States and a purpose of the Peace Corps to maintain, to the maximum extent appropriate and consistent with programmatic and fiscal considerations, a volunteer corps of at least 10,000 individuals.".

(b) ANNUAL REPORT.—Section 11 of the Peace Corps Act (22 U.S.C. 2510) is amended by adding at the end thereof the following new sentence:

"The President shall also include in the report a description of any plans to carry out the policy set forth in section 2(b) of this Act.".

SEC. 1103. LIMITATION ON LENGTH OF PEACE CORPS EMPLOYMENT.

(a) AUTHORITY TO MAKE APPOINTMENTS OF MORE THAN FIVE YEARS.—Section 7(a) of the Peace Corps Act (22 U.S.C. 2506(a)) is amended—

(1) in paragraph (2)—

(A) in subparagraph (A)—

(i) by striking out "five" and inserting in lieu thereof "seven and one-half"; and

(ii) by striking out "unless" and all that follows through "basis" and inserting in lieu thereof ", subject to paragraph (5) and except as provided in paragraph (6)"; and

(B) in the third sentence, by inserting "(other than the provisions of section 309)" after "1980"; and

(2) by adding at the end thereof the following new paragraphs:

"(5) Except as provided in paragraph (6), the Director of the Peace Corps may make appointments or assignments of United States citizens under paragraph (2) for periods of more than five years only in the case of individuals whose performance as employees of the Peace Corps has been exceptional and only in order to achieve one or more of the following purposes:

"(A) To permit individuals who have served at least two and one-half years of such an appointment or assignment abroad to serve in the United States thereafter.

"(B) To permit individuals who have served at least two and one-half years of such an appointment or assignment in the United States to serve abroad thereafter.

"(C) To permit individuals who have served at least two and one-half years of such an appointment or assignment in a recruitment, selection, or training activity to be reassigned to an activity other than the one in which they have most recently so served.

"(D) To promote the continuity of functions in administering the Peace Corps.

At no time may the number of appointments or assignments of United States citizens in effect under paragraph (2) for periods in excess of five years exceed fifteen percent of the total of all appointments and assignments of United States citizens then in effect under paragraph (2).

"(6) Notwithstanding the limitation set forth in paragraph (2)(A) on the length of an appointment or assignment under paragraph (2) and notwithstanding the limitations set forth in paragraph (5) on the circumstances under which such an appointment or assignment may exceed five years, the Director of the Peace Corps, under special circumstances, may personally approve an extension of an appointment or assignment under paragraph (2) for not more than one year on an individual basis.".

(b) REPORTS TO CONGRESS.—The Director of the Peace Corps shall, not later than January 1, 1986, submit to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives a report describing the criteria to be applied by the Director in exercising the authority provided by the amendments made by subsection (a) to make appointments or assignments of individuals for periods of more than five years. Not later than each January 1 thereafter, the Director shall submit to the Committees referred to in the preceding sentence a report on—

(1) the exercise of such authority during the preceding fiscal year for each of the purposes specified in paragraph (5) of section 7(a) of the Peace Corps Act, as added by subsection (a) of this section; and

(2) the exercise during that fiscal year of the authority under paragraph (6) of such section 7(a), as added by subsection (a) of this section.

SEC. 1104. PEACE CORPS NATIONAL ADVISORY COUNCIL.

(a) ESTABLISHMENT OF COUNCIL.—The Peace Corps Act (22 U.S.C. 2501 and following) is amended by inserting after section 11 the following new section:

"PEACE CORPS NATIONAL ADVISORY COUNCIL

"SEC. 12. (a) ESTABLISHMENT.—A Peace Corps National Advisory Council (hereinafter in this section referred to as the 'Council') shall be established in accordance with the provisions of this section.

"(b) FUNCTIONS.—(1) The Council shall advise and consult with the President and the Director of the Peace Corps with regard to policies and programs designed to further the purposes of this Act and shall, as the Council considers appropriate, periodically report to the Congress with regard to the Peace Corps.

"(2) Members of the Council shall (subject to subsection (d)(1)) conduct on-site inspections, and make examinations, of the activities of the Peace Corps in the United States and in other countries in order to—

"(A) evaluate the accomplishments of the Peace Corps;

"(B) assess the potential capabilities and the future role of the Peace Corps;

"(C) make recommendations to the President, the Director of the Peace Corps, and, as the Council considers appropriate, the Congress, for the purpose of guiding the future direction of the Peace Corps and of helping to ensure that the purposes and programs of the Peace Corps are carried out in ways that are economical, efficient, responsive to changing needs in developing countries and to changing relationships among people, and in accordance with law; and

"(D) make such other evaluations, assessments, and recommendations as the Council considers appropriate.

"(3) The Council may provide for public participation in its activities.

"(c) MEMBERSHIP.—(1) Persons appointed as members of the Council shall be broadly representative of the general public, including educational institutions, private volunteer agencies, private industry, farm organizations, labor unions, different regions of the United States, different educational, economic, racial, and national backgrounds and age groupings, and both sexes.

"(2)(A) The Council shall consist of fifteen voting members who shall be appointed by the President, by and with the advice and consent of the Senate. At least seven of such members shall be former Peace Corps volunteers, and not more than eight of such members shall be members of the same political party.

"(B) The first appointments of members of the Council under this paragraph shall be made not more than sixty days after the date of the enactment of this section and, solely for purposes of determining the expiration of their terms, shall be deemed to take effect on the sixtieth day after such date of enactment.

"(C) No member appointed under this paragraph may be an officer or employee of the United States Government.

"(D) Of the members initially appointed under this paragraph, eight shall be appointed to 1-year terms and seven shall be appointed to 2-year terms. Thereafter, all appointed members shall be appointed to 2-year terms.

"(E) A member of the Council appointed to fill a vacancy occurring before the expiration of the term for which the member's predecessor was appointed shall be appointed only for the remainder of that term.

"(F) No member of the Council may serve for more than two consecutive 2-year terms.

"(G) Members of the Council shall serve at the pleasure of the President.

"(H) An appointed member of the Council may be removed by a vote of nine members for malfeasance in office, for persistent neglect of or inability to discharge duties, or for offenses involving moral turpitude, and for no other cause.

"(I) Within thirty days after any vacancy occurs in the office of an appointed member of the Council, the President shall nominate an individual to fill the vacancy.

"(3) In addition to the voting members of the Council, the Secretary of State and the Administrator of the Agency for International Development, or their designees, and the Director and Deputy Director of the Peace Corps, shall be non-voting members, ex officio, of the Council.

"(d) COMPENSATION.—(1) Except as provided in paragraph (2), a member of the Council who is not an officer or employee of the United States Government—

"(A) shall be paid compensation out of funds made available for the purposes of this Act at the daily equivalent of the highest rate payable under section 5332 of title 5, United States Code, for each day (including travel time) during which the member is engaged in the actual performance of duties as a Council member, and

"(B) while away from his or her home or regular place of business on necessary travel, as determined by the Director of the Peace Corps, in the actual performance of duties as a Council member, shall be paid per diem, travel, and transportation expenses in the same manner as is provided under subchapter I of chapter 57 of title 5, United States Code.

"(2) A member of the Council may not be paid compensation under paragraph (1)(A) for more than twenty days in any calendar year.

"(e) QUORUM.—A majority of the voting members of the Council shall constitute a quorum for the purposes of transacting any business.

"(f) FINANCIAL INTERESTS OF MEMBERS.—A member of the Council shall disclose to the Council the existence of any direct or indirect financial interest of that member in any particular matter before the Council and may not vote or otherwise participate as a Council member with respect to that particular matter.

"(g) CHAIR AND VICE CHAIR.—At its first meeting and at its first regular meeting in each calendar year thereafter, the Council shall elect a Chair and Vice Chair from among its appointed members who are citizens of the United States. The Chair and Vice Chair may not both be members of the same political party.

"(h) MEETINGS, BYLAWS, AND REGULATIONS.—(1) The Council shall hold a regular meeting during each calendar quarter and shall meet at the call of the President, the Director of the Peace Corps, the Council's Chair, or one-fourth of its members.

"(2) The Council shall prescribe such bylaws and regulations as it considers necessary to carry out its functions. Such bylaws and regulations shall include procedures for fixing the time and place of meetings, giving or waiving of notice of meetings, and keeping of minutes of meetings.

"(i) REPORTS TO THE PRESIDENT AND THE DIRECTOR.—Not later than January 1, 1988, and not later than January 1 of each second year thereafter, the Council shall submit to the President and the Director of the Peace Corps a report on its views on the programs and activities of the Peace Corps. Each report shall contain a summary of the advice and recommendations provided by the Council to the President and the Director during the period covered by the report and such recommendations (including recommendations for administrative or legislative action) as the Council considers appropriate to make to the Congress. Within ninety days after receiving each such report, the President shall submit to the Congress a copy of the report, together with any comments concerning the report that the President or the Director considers appropriate.

"(j) ADMINISTRATIVE ASSISTANCE.—The Director of the Peace Corps shall make available to the Council such personnel, administrative support services, and technical assistance as are necessary to carry out its functions effectively.".

(b) TERMINATION OF SIMILAR ADVISORY BODY.—Any advisory body carrying out functions similar to those assigned to the Peace Corps National Advisory Council provided for in subsection (a) shall cease to exist sixty days after the date of the enactment of this Act.

SEC. 1105. NONPARTISAN APPOINTMENTS.

(a) POLITICAL TESTS.—The Peace Corps Act (22 U.S.C. 2501 and following) is amended—

(1) by redesignating sections 25, 26, and 27 as sections 26, 27, and 28, respectively; and

(2) by inserting after section 24 the following new section:

"NONPARTISAN APPOINTMENTS

"SEC. 25. In carrying out this Act, no political test or political qualification may be used in—

"(1) selecting any person for enrollment as a volunteer or for appointment to a position at, or for assignment to (or for employment for assignment to), a duty station located abroad, or

"(2) promoting or taking any other action with respect to any volunteer or any person assigned to such a duty station.".

(b) DISCRIMINATION.—Section 5(a) of the Peace Corps Act (22 U.S.C. 2504(a)) is amended by amending the last sentence to read as follows: "In carrying out this subsection, there shall be no discrimination against any person on account of race, sex, creed, or color.".

TITLE XII—MISCELLANEOUS PROVISIONS RELATING TO FOREIGN ASSISTANCE

SEC. 1201. NOTICE TO CONGRESS OF USE OF CERTAIN AUTHORITIES RELATING TO HUMAN RIGHTS CONDITIONS.

Section 502B of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

"(g) Whenever the provisions of subsection (e) or (f) of this section are applied, the President shall report to the Congress before making any funds available pursuant to those subsections. The report shall specify the country involved, the amount and kinds of assistance to be provided, and the justification for providing the assistance, including a description of the significant improvements which have occurred in the country's human rights record.".

SEC. 1202. PROHIBITIONS AGAINST ASSISTANCE.

Section 620(f) of the Foreign Assistance Act of 1961 is amended—

(1) by inserting "(1)" immediately after "(f)";

(2) by redesignating clauses (1), (2), and (3) as clauses (A), (B), and (C), respectively; and

(3) by adding at the end thereof the following new paragraph:

"(2) Notwithstanding the provisions of paragraph (1) of this subsection, the President may remove a country, for such period as the President determines, from the application of this subsection, and other provisions which reference this subsection, if the President determines and reports to the Congress that such action is important to the national interest of the United States. It is the sense of the Congress that when consideration is given to authorizing assistance to a country removed from the application of this subsection, one of the factors to be weighed, among others, is whether the country in question is giving evidence of fostering the establishment of a genuinely democratic system, with respect for internationally recognized human rights.".

SEC. 1203. LAND REFORM PROGRAMS.

Section 620(g) of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following sentence: "This prohibition shall not apply to monetary assistance made available for use by a government (or a political subdivision or agency of a government) to compensate nationals of that country in accordance with a land reform program, if the President determines that monetary assistance for such land reform program will further the national interests of the United States.".

SEC. 1204. SUSPENSION OF ASSISTANCE TO COUNTRIES VIOLATING U.S. EXPORT LAWS IN ORDER TO MANUFACTURE A NUCLEAR EXPLOSIVE DEVICE.

(a) SUSPENSION OF ASSISTANCE BECAUSE OF ILLEGAL EXPORTS.—Subsection (a)(1) of section 670 of the Foreign Assistance Act of 1961 is amended—

(1) by inserting "(A)" after "country which";

(2) by inserting immediately before the period at the end thereof ", or (B) is a non-nuclear-weapon state which, on or after the date of enactment of the International Security and Development Cooperation Act of 1985, exports illegally (or attempts to export illegally) from the United States any material, equipment, or technology which would contribute significantly to the ability of such country to manufacture a nuclear explosive device, if the President determines that the material, equipment, or technology was to be used by such country in the manufacture of a nuclear explosive device"; and

(3) by adding at the end thereof the following: "For purposes of clause (B), an export (or attempted export) by a person who is an agent of, or is otherwise acting on behalf of or in the interests of, a country shall be considered to be an export (or attempted export) by that country.".

(b) CONFORMING AMENDMENTS.—Such section 670 is amended—

(1) in the section caption by inserting "ILLEGAL EXPORTS FOR NUCLEAR EXPLOSIVE DEVICES," after "TRANSFERS,"; and

(2) by striking out "(5) As used in this subsection" and inserting in lieu thereof "(c) As used in this section".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of enactment of this Act.

SEC. 1205. REPORTS ON ECONOMIC CONDITIONS IN CERTAIN COUNTRIES.

(a) EXTERNAL DEBT BURDEN OF CERTAIN COUNTRIES RECEIVING UNITED STATES ASSISTANCE.—The Congress finds that the Governments of Egypt, Israel, Turkey, and Portugal each have an enormous external debt burden which may be made more difficult by virtue of financing provided for those governments under various United States assistance programs.

(b) ANNUAL REPORTS ON ECONOMIC CONDITIONS.—In order to assist the Congress in examining United States assistance for these countries, the President shall report to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate, not later than January 15 of each year, regarding economic conditions prevailing in Egypt, Israel, Turkey, and Portugal which may affect their respective ability to meet their international debt obligations and to stabilize their economies.

SEC. 1206. EGYPTIAN-ISRAELI RELATIONS.

The Congress notes the recent effort of Egypt to move the peace process forward. However, the Congress continues to be concerned about the less than normal relations between Egypt and Israel. It is the sense of the Congress that all United States foreign assistance to Egypt is provided in the expectation that the Egyptian Government will continue in its efforts to bring peace to the region and that it will continue to support and fulfill the provisions of the Camp David Accords and the Egyptian-Israeli Peace Treaty.

SEC. 1207. PROCUREMENT OF CONSTRUCTION AND ENGINEERING SERVICES.

Section 604(g) of the Foreign Assistance Act of 1961 is amended—

(1) by inserting "(1)" after "(g)"; and

(2) by adding at the end thereof the following new paragraph:

"(2) Paragraph (1) does not apply with respect to an advanced developing country which—

"(A) is receiving direct economic assistance under chapter 1 of part I or chapter 4 of part II of this Act, and

"(B) if the country has its own foreign assistance programs which finance the pro-

curement of construction or engineering services, permits United States firms to compete for those services.".

SEC. 1208. COMPLETION OF PLANS AND COST ESTIMATES.

Section 611 of the Foreign Assistance Act of 1961 is amended—

(1) in subsection (a) by striking out "$100,000" and inserting in lieu thereof "$500,000"; and

(2) in subsection (b) by striking out "the procedures set forth in the Principles and Standards for Planning Water and Related Land Resources, dated October 25, 1973, with respect to such computations" and inserting in lieu thereof "the principles, standards, and procedures established pursuant to the Water Resources Planning Act (42 U.S.C. 1962, et seq.) or acts amendatory or supplementary thereto".

SEC. 1209. REPROGRAMMING NOTIFICATIONS TO CONGRESS.

(a) REPROGRAMMING NOTIFICATIONS.—Section 634A of the Foreign Assistance Act of 1961 is amended—

(1) by inserting "(a)" immediately before "None";

(2) by inserting "or the Arms Export Control Act" immediately after "disaster relief and rehabilitation)" and immediately after "this Act" the second place it appears; and

(3) by adding at the end of the section the following new subsections:

"(b) The notification requirement of this section does not apply to the reprogramming—

"(1) of funds to be used for an activity, program, or project under chapter 1 of part I if the amounts to be obligated for that activity, program, or project for that fiscal year do not exceed by more than 10 percent the amount justified to the Congress for that activity, program, or project for that fiscal year; or

"(2) of less than $25,000 to be used under chapter 8 of part I, or under chapter 5 of part II, for a country for which a program under that chapter for that fiscal year was justified to the Congress.

"(c) The President shall notify the chairman of the Committee on Foreign Relations of the Senate and the chairman of the Committee on Foreign Affairs of the House of Representatives concerning any reprogramming of funds in the International Affairs Budget Function, the authorizations of appropriations for which are in their respective jurisdictions, to the same degree and with the same conditions as the President notifies the Committees on Appropriations. The requirements of this subsection are in addition to, and not in lieu of, other notification requirements.".

(b) ALLOCATION REPORTS.—Section 653 of such Act is amended—

(1) by inserting in subsection (a) "or the Arms Export Control Act" immediately after "sections 451 or 637)";

(2) by striking out subsection (b); and

(3) by redesignating subsection (c) as subsection (b).

(c) QUARTERLY REPORTS.—Section 36(a) of the Arms Export Control Act is amended—

(1) in paragraph (5), by striking out "cash" and by striking out ", credits to be extended under section 23, and guaranty agreements to be made under section 24"; and

(2) in paragraph (6), by striking out "cash" and by striking out "and credits expected to be extended".

SEC. 1210. REPORT ON UNITED STATES ASSISTANCE TO COAL EXPORTING NATIONS.

Not later than 30 days after the date of enactment of this Act, the President shall submit to the appropriate committees of the Congress a report describing the status and terms of, and containing all other pertinent information relating to, any United States Government assistance which is provided to foreign nations that produce or export coal for the purpose of financing or assisting in the development of coal production, transportation, export, or other coal-related activities or operations.

SEC. 1211. REPEAL OF OBSOLETE PROVISIONS AND CORRECTION OF TECHNICAL REFERENCES.

(a) REPEALS.—The Foreign Assistance Act of 1961 is amended as follows:

(1) The third sentence of section 105(a) is repealed.

(2) Section 106(b)(1) is amended by striking out "(A)" and by striking out subparagraph (B).

(3) Section 110 is amended by striking out "(a)" and by striking out subsection (b).

(4) Chapter 10 of part I is repealed.

(b) CORRECTION OF CROSS-REFERENCES.—

(1) FOREIGN SERVICE ACT.—Section 636(a)(14) of such Act is amended by striking out "the Foreign Service Act of 1946, as amended (22 U.S.C. 801 et seq.)" and inserting in lieu thereof "the Foreign Service Act of 1980 (22 U.S.C. 3901 et seq.)".

(2) TITLE 31 OF THE U.S. CODE.—Section 611(a) of such Act is amended by striking out "section 1311 of the Supplemental Appropriation Act, 1955 as amended (31 U.S.C. 200)" and inserting in lieu thereof "section 1501 of title 31, United States Code".

(3) ITAR REGULATIONS.—Section 47(6) of the Arms Export Control Act is amended by striking out "combat" and inserting in lieu thereof "military".

TITLE XIII—MISCELLANEOUS PROVISIONS

SEC. 1301. EFFECTIVE DATE.

Except as otherwise provided in this Act, this Act shall take effect on October 1, 1985.

SEC. 1302. CODIFICATION OF POLICY PROHIBITING NEGOTIATIONS WITH THE PALESTINE LIBERATION ORGANIZATION.

(a) UNITED STATES POLICY.—The United States in 1975 declared in a memorandum of agreement with Israel, and has reaffirmed since, that "The United States will continue to adhere to its present policy with respect to the Palestine Liberation Organization, whereby it will not recognize or negotiate with the Palestine Liberation Organization so long as the Palestine Liberation Organization does not recognize Israel's right to exist and does not accept Security Council Resolutions 242 and 338.".

(b) REAFFIRMATION AND CODIFICATION OF POLICY.—The United States hereby reaffirms that policy. In accordance with that policy, no officer or employee of the United States Government and no agent or other individual acting on behalf of the United States Government shall negotiate with the Palestine Liberation Organization or any representatives thereof (except in emergency or humanitarian situations) unless and until the Palestine Liberation Organization recognizes Israel's right to exist, accepts United Nations Security Council Resolutions 242 and 338, and renounces the use of terrorism.

SEC. 1303. COMMISSION FOR THE PRESERVATION OF AMERICA'S HERITAGE ABROAD.

(a) PURPOSE.—Because the fabric of a society is strengthened by visible reminders of the historical roots of the society, it is in the national interest of the United States to encourage the preservation and protection of the cemeteries, monuments, and historic buildings associated with the foreign heritage of United States citizens.

(b) ESTABLISHMENT.—There is established a commission to be known as the Commission for the Preservation of America's Heritage Abroad (hereafter in this section referred to as the "Commission").

(c) DUTIES.—The Commission shall—

(1) identify and publish a list of those cemeteries, monuments, and historic buildings located abroad which are associated with the foreign heritage of United States citizens from eastern and central Europe, particularly those cemeteries, monuments, and buildings which are in danger of deterioration or destruction;

(2) encourage the preservation and protection of such cemeteries, monuments, and historic buildings by obtaining, in cooperation with the Department of State, assurances from foreign governments that the cemeteries, monuments, and buildings will be preserved and protected; and

(3) prepare and disseminate reports on the condition of and the progress toward preserving and protecting such cemeteries, monuments, and historic buildings.

(d) MEMBERSHIP.—(1) The Commission shall consist of 21 members appointed by the President, 7 of whom shall be appointed after consultation with the Speaker of the House of Representatives and 7 of whom shall be appointed after consultation with the President pro tempore of the Senate.

(2)(A) Except as provided in subparagraphs (B) and (C), members of the Commission shall be appointed for terms of 3 years.

(B) Of the members first appointed after consultation with the Speaker of the House of Representatives, 5 shall be appointed for a term of 2 years. Of the members first appointed after consultation with the President pro tempore of the Senate, 5 shall be appointed for 2 years.

(C) A member appointed to fill a vacancy on the Commission shall serve for the remainder of the term for which the member's predecessor was appointed.

(D) A member may retain membership on the Commission until the member's successor has been appointed.

(3) The President shall designate the Chairman of the Commission from among its members.

(e) MEETINGS.—The Commission shall meet at least once every three months.

(f) COMPENSATION AND PER DIEM.—(1) Members of the Commission shall receive no pay on account of their service on the Commission.

(2) While away from their homes or regular places of business in the performance of services for the Commission, members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703 of title 5 of the United States Code.

(g) AUTHORITIES.—(1) The Commission or any member it authorizes may, for the purposes of carrying out this section, hold such hearings, sit and act at such times and places, request such attendance, take such testimony, and receive such evidence, as the Commission considers appropriate.

(2) The Commission may appoint such personnel (subject to the provisions of title 5 of the United States Code which govern appointments in the competitive service) and may fix the pay of such personnel (subject to the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates) as the Commission deems desirable.

(3) The Commission may procure temporary and intermittent services to the same extent as is authorized by section 3109(b) of

title 5 of the United States Code, but at rates for individuals not to exceed the daily equivalent of the maximum annual rate of basic pay then in effect for grade GS-18 of the General Schedule (5 U.S.C. 5332(a)).

(4) Upon request of the Commission, the head of any Federal department or agency, including the Secretary of State, may detail, on a reimbursable basis, any of the personnel of such department or agency to the Commission to assist it in carrying out its duties under this section.

(5) The Commission may secure directly from any department or agency of the United States, including the Department of State, any information necessary to enable it to carry out this section. Upon the request of the Chairman of the Commission, the head of such department or agency shall furnish such information to the Commission.

(6) The Commission may accept, use, and dispose of gifts or donations of money or property.

(7) The Commission may use the United States mails in the same manner and upon the same conditions as other departments and agencies of the United States.

(8) The Administrator of General Services shall provide to the Commission on a reimbursable basis such administrative support services as the Commission may request.

(h) REPORTS.—The Commission shall transmit an annual report to the President and to each House of Congress as soon as practicable after the end of each fiscal year. Each report shall include a detailed statement of the activities and accomplishments of the Commission during the preceding fiscal year and any recommendations by the Commission for legislation and administrative actions.

SEC. 1304. FEDERAL COAL EXPORT COMMISSION.

(a) ESTABLISHMENT.—The Secretary of Commerce shall establish, within ninety days after the date of enactment of this Act, a Federal Coal Export Commission (hereafter in this section referred to as the "Commission").

(b) MEMBERSHIP.—The Commission shall be composed of thirty members appointed by the Secretary of Commerce, as follows:

(1) FEDERAL GOVERNMENT REPRESENTATIVES.—Ten members shall be representatives of the International Trade Administration, the Department of Energy, the Department of State, the Department of Transportation, the Office of the United States Trade Representatve, and a Federal institution involved in export financing.

(2) PRIVATE SECTOR REPRESENTATIVES.—

(A) Five members shall be representatives of export coal producers, including traders and brokers.

(B) Five members shall be representatives of coal labor.

(C) Five members shall be representatives of transporters of export coal, including representatives of rail and barge carriers and port authorities.

(D) Five members shall be representatives of institutions having a substantial interest in United States export coal financing.

(c) EXPENSES.—Members of the Commission shall serve without pay. While away from their homes or regular places of business in the performance of services for the Commission, members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in Government service are allowed expenses under section 5703 of title 5 of the United States Code.

(d) COOPERATION.—All Federal departments and agencies are authorized to cooperate with the Commission and to furnish information, appropriate personnel, and such assistance as may be agreed upon by the Commission and the Federal department or agency involved.

(e) ACTIVITIES.—The Commission shall convene not less than four times a year for consultation on activities leading to increased cooperation among entities involved in United States coal exports, with the goal of expanding the United States share of the international coal market. Activities of the Commission shall include, but are not limited to, the identification of—

(1) diplomatic channels to facilitate the exportation of United States coal and methods to increase the coordination of diplomatic efforts relating to such exports;

(2) domestic and international impediments to coal exports;

(3) foreign markets for United States export coal, with emphasis on increasing United States coal sales to developing nations and expanding the participation of the United States International Development Cooperation Agency in such an effort;

(4) availability of, and methods of, financing United States coal exports, including the feasibility of increasing Federal export financial and economic assistance; and

(5) methods to promote, market, and coordinate United States coal on the international market.

The Commission shall also examine the potential for small- and medium-sized coal companies to enter the export coal trade through export trading companies with respect to the marketing, transportation, and financial services which such trading companies may provide pursuant to the Export Trading Company Act of 1982.

(f) REPORT.—The Commission shall submit to the President and the Congress, within two years after its first meeting, a report which details its findings pursuant to subsection (e) and, based upon such findings, makes recommendations which would lead to the expansion of the United States share of the international metallurgical and steam coal market.

(g) TERMINATION.—The Commission shall cease to exist upon submission of its report pursuant to subsection (f).

And the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the bill and agree to the same.

DANTE B. FASCELL,
LEE H. HAMILTON,
GUS YATRON,
STEPHEN J. SOLARZ,
DON BONKER,
DAN MICA,
MICHAEL D. BARNES,
HOWARD WOLPE,
WM. S. BROOMFIELD,
BENJAMIN A. GILMAN,
ROBERT J. LAGOMARSINO,
HENRY J. HYDE,
GERALD B.H. SOLOMON,

Solely for subtitle 2 of Title IV of the House amendments and modifications in conference, International Airport Security:

JAMES J. HOWARD,
NORMAN Y. MINETA,
GENE SNYDER,
JOHN PAUL HAMMERSCHMIDT,

Soley for Secs. 908 and 911 of the House amendments and Sec. 913 of the Senate bill:

E DE LA GARZA,
BERKLEY BEDELL,
PAT ROBERTS,

Managers on the Part of the House.

RICHARD G. LUGAR,
JESSE HELMS,
CHARLES MCC. MATHIAS, Jr.,
NANCY LANDON KASSEBAUM,
RUDY BOSCHWITZ,
CLAIBORNE PELL,
JOSEPH R. BIDEN, Jr.,
PAUL S. SARBANES,
ALAN CRANSTON,

Solely for consideration of subtitle 2 of Title IV of the House amendments dealing with airport safety:

JOHN C. DANFORTH,
NANCY LANDON KASSEBAUM,
BARRY GOLDWATER,
ERNEST F. HOLLINGS,
J. JAMES EXON,

Solely for consideration of Title IX, dealing with food and agricultural issues:

JESSE HELMS,
RICHARD G. LUGAR,
EDWARD ZORINSKY,

Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 960) to amend the Foreign Assistance Act of 1961, the Arms Export Control Act, and other acts to authorize appropriations for the fiscal year 1986 for international security and development assistance, the Peace Corps, the Inter-American Foundation, the African Development Foundation, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The House amendment to the text of the bill struck out all of the Senate bill after the enacting clause and inserted a substitute text.

The Senate recedes from its disagreement to the amendment of the House with an amendment which is a substitute for the Senate bill and the House amendment. The differences between the Senate bill, the House amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEARS 1986 AND 1987

The amounts contained in the conference substitute compared to the amounts contained in the current fiscal year 1985 appropriation, requested by the executive branch and recommended by the House and Senate follow:

AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEARS 1986–87

[By fiscal year; in thousands of dollars]

Foreign assistance	Current appropriation 1985	Executive branch request 1986 *	Committee recommendation 1986 and 1987	House passed bill 1986 and 1987	Senate passed bill 1986	Conference agreement 1986 and 1987
Military:						
FMS financing	4,939,500.0	5,655,000.0	5,427,050.0	5,228,384.4	5,464,500.0	[1] 5,371,000.0
FMS (forgiven)	(2,575,000.0)	(3,100,000.0)	(3,100,000.0)	(3,100,000.0)	.....	[2] (3,100,000.0)
FMS (concessional)	(697,500.0)	(650,700.0)	(553,900.0)	(553,900.0)	(2,364,000.0)	[3] (553,900.0)
FMS (market)	(1,667,000.0)	(1,904,300.0)	(1,773,150.0)	.....	.....	.....
Guarantee reserve	109,000.0	0.0	0.0	0.0	0.0	.....
Grant MAP	805,100.0	949,350.0	761,000.0	761,648.0	805,100.0	[4] 805,100.0
IMET	56,221.0	76,650.0	56,221.0	54,421.9	56,221.0	56,221.0
Peacekeeping	44,000.0	37,000.0	37,000.0	35,816.0	37,000.0	37,000.0
Subtotal	5,953,821.0	6,707,000.0	6,281,271.0	6,080,270.3	6,362,821.0	[5] 6,269,321.0
Antiterrorism	5,000.0	5,000.0	5,000.0	9,840.0	5,000.0	9,840.0
ESF	3,841,000.0	4,024,000.0	3,900,400.0	3,775,587.2	3,841,000.0	[6] 3,800,000.0
Development assistance:						
Agriculture	755,551.0	792,352.0	792,352.0	766,996.7	755,551.0	760,000.0
Population	290,000.0	250,017.0	320,000.0	309,760.0	270,017.0	290,000.0
Health	223,138.0	146,427.0	223,138.0	215,997.6	186,427.0	205,000.0
Child Survival Fund	25,000.0	0.0	50,000.0	48,400.0	25,000.0	25,000.0
Education	188,833.0	188,533.0	188,833.0	182,790.3	177,100.0	180,000.0
SDA–PVO	200,000.0	223,071.0	223,071.0	215,932.7	200,000.0	207,000.0
Subtotal bilateral	1,682,522.0	1,595,400.0	1,797,394.0	1,739,877.4	1,614,095.0	1,667,000.0
Sahel	97,500.0	80,500.0	94,500.0	91,476.0	80,500.0	87,750.0
Africa Development Foundation	1,000.0	1,000.0	4,000.0	3,872.0	1,000.0	3,872.0
Housing guaranty	40,000.0	0.0	0.0	.....	.....	.....
Subtotal	1,821,022.0	1,676,900.0	1,895,894.0	1,835,225.4	1,695,595.0	[7] 1,758,622.0
Other programs:						
ASHA	30,000.0	10,000.0	40,000.0	38,720.0	30,000.0	35,000.0
International organizations	268,676.5	196,211.0	284,904.0	275,787.1	267,675.5	[8] 270,000.0
IFAD	90,000.0	0.0	0.0	0.0	0.0	[9] (50,000.0)
Narcotics	50,217.0	57,529.0	57,529.0	55,688.1	50,217.0	57,529.0
Disaster assistance	25,000.0	25,000.0	25,000.0	24,200.0	25,000.0	25,000.0
Trade and development	21,000.0	20,000.0	21,000.0	20,328.0	20,000.0	20,000.0
Operating expenses	391,533.2	387,000.0	391,533.2	379,004.1	387,000.0	387,000.0
Subtotal	876,426.7	695,740.0	819,966.2	793,727.3	779,892.5	794,529.0
Peace Corps	128,600.0	124,400.0	136,100.0	131,744.8	128 600.0	130,000.0
IAF	11,992.0	8,699.0	12,000.0	11,616.0	11,969.0	11,969.0
African famine supplemental	137,500.0	.....	.....	.....	.....	.....
Grand total	12,775,361.7	13,241,739.0	13,050,631.2	12,638,011.0	12,824,877.5	[10] 12,774,281.0

* Executive branch request for 1987 is "Such sums as may be necessary."

[1] Sets ceilings of $20 million for Philippines, $10 million for Guatemala; earmarks $500 million for Greece.

[2] Earmarks $1.8 billion in forgiven loans for Israel and $1.3 billion in forgiven loans for Egypt.

[3] Sets ceiling of $553.9 million for FMS concessional, excluding Israel, Egypt, and Greece.

[4] Sets ceiling of $7 million for Zaire, $50 million for Philippines, $215 million for Turkey, earmarks not less than $15 million earmark for Tunisia, earmarks $1 million for defending antinarcotics aircraft.

[5] Sets ceiling of $714.28 for all military aid for Turkey.

[6] Earmarks the following amounts: $1.2 billion for Israel, $815 million for Egypt, not less than $15 million for Cyprus, $5 million for cooperative development projects with U.S., Israel and developing countries; not less than $20 million for Tunisia, $15 million for Uruguay, $1 million for Peru judicial system, $30 million for Southern Africa regional, $15 million for humanitarian aid for the people of Afghanistan, $110 million for Philippines, $50 million for tied aid credits, sets ceiling of $20 million for administration of justice in Latin America and $5 million out of ESF and MAP for aid to the non-Communist Cambodian resistance.

[7] Earmarks $1 million out of development aid for literacy program in Haiti, $79.6 million for development aid to El Salvador, 13.5 percent for PVOs, 10 percent set-aside for minority businesses.

[8] See statement of managers for earmarks.

[9] Provides $50 million in part I assistance for IFAD.

[10] For 1985, authorizes supplemental funds of $1.5 billion for Israel, $500 million for Egypt, and $8 million for West Bank development aid.

Two-Year Authorization

The Senate bill contained authorizations for only fiscal year 1986, while the House amendment authorized funds for both fiscal years 1986 and 1987. The executive branch requested "such sums as may be necessary" for fiscal year 1987.

The committee of conference agreed to extend the fiscal year 1986 authorization to fiscal year 1987, at the same levels. The Committees on Foreign Affairs of the House and Foreign Relations of the Senate will give full consideration to any additional recommendations by the executive branch for fiscal year 1987.

Title I—Military Sales and Related Programs

The authorization figures in the conference substitute are compromises between the Senate and House figures. The Senate bill (secs. 101, 115, 118, and 121) authorizes, for fiscal year 1986 $5,464,500,000 in Foreign Military Sales (FMS) financing, $805,100,000 grant military assistance program (MAP), $56,221,000 grant international military education and training (IMET), and $37 million peacekeeping operations assistance.

The House amendment (secs. 101, 103, 104, and 105) authorizes, for each fiscal year 1986 and 1987, $5,228,384,400 FMS financing, $761,648,000 grant MAP, $54,421,900 grant IMET, and $35,816,000 peacekeeping operations assistance.

The conference substitute sets funding levels for fiscal years 1986 and 1987 as follows: $5,371 million FMS financing, $805,100,000 grant MAP, $56,221,000 grant IMET, and $37 million peacekeeping operations assistance.

Ceiling on FMS concessional financing

The House amendment (sec. 101) sets a $553.9 million ceiling on the aggregate amount of FMS assistance that may be provided at concessional interest rates.

The Senate bill does not contain a comparable provision.

The conference substitute is the same as the House provision.

Extended repayment terms on FMS financing

The Senate bill (sec. 101) authorizes 30 year repayment terms for Greece, Korea, Philippines, Portugal, Spain, Thailand, and Turkey for any fiscal year and authorizes such terms for guaranteed loans as well as credits.

The House amendment (sec. 101) authorizes such terms for the same countries—except the Philippines—for fiscal years 1986 and 1987 only and only for credits extended.

The conference substitute is the same as the House provision with an amendment to include the Philippines.

Greece/Turkey

The Senate bill (sec. 123) sets a $215 million ceiling an MAP assistance for Turkey, contingent upon U.S. Government actions respecting Cyprus, sets a $500 million FMS ceiling for Turkey, earmarks $500 million FMS for Greece and earmarks the same proportion of FMS concessional assistance for Greece as for Turkey.

The House amendment (secs. 101 and 108) sets a $711.4 million ceiling on MAP and FMS assistance for Turkey, earmarks the same proportion of FMS concessional assistance for Greece as for Turkey, mandates that concessional interest rates be comparable, and exempts concessional credits extended to Greece from the aggregate ceiling on such credits.

The conference substitute is a compromise that earmarks the same proportion of FMS concessional assistance for Greece as for Turkey, earmarks $500 million FMS for Greece, sets an overall $714.28 million MAP and FMS ceiling for Turkey, including a $215 million MAP subceiling that also makes this MAP assistance contingent upon U.S. Government actions respecting Cyprus, mandates comparable interest rates, and exempts concessional credits for Greece from the aggregate ceiling on such credits.

PROHIBITION ON FMS FOR LEBANON

The Senate bill (sec. 124) prohibits FMS for Lebanon.

The House amendment does not contain a comparable provision.

The conference substitute is the same as the House provision.

FMS CREDIT TERMS

The Senate bill (sec. 106) authorizes the President to charge interest on FMS loans at a rate based on current Treasury rates or at a lesser rate if he determines that the national interest requires a lesser rate.

The House amendment (sec. 102) also authorizes the President to charge concessional rates of interest but sets minimum FMS interest rates on FMS concessional financing at 5 percent or 7 percent below current average interest rate for U.S. Government borrowing, whichever is larger.

The conference substitute is the same as the House provision with an amendment to set the interest rate at not less than 5 percent for FMS concessional loans.

PEACEKEEPING OPERATIONS EMERGENCIES

The Senate bill (sec. 122) authorizes drawdowns of up to $25 million in any fiscal year from any U.S. government agency for peacekeeping emergencies, if the President determines that an unforeseen emergency exists which requires immediate assistance under the peacekeeping provisions of the Foreign Assistance Act. Authorization for reimbursement of applicable accounts that provide commodities and services under this section is also authorized.

The House amendment does not contain a comparable provision.

The conference substitute is the same as the Senate provision.

GUARANTY RESERVE FUND

The Senate bill (sec. 107) requires a Presidential report on FMS financing and recommendations on replenishment of the Guaranty Reserve Fund.

The House amendment (sec. 106) authorizes use of FMS market rate funds to pay claims if the Guaranty Reserve Fund becomes inadequate.

The conference substitute is a combination of both Senate and House provisions. The substitute requires a report with recommendations on the financial situation respecting the Foreign Military Sales program. It also authorizes the Department of Defense to use funds authorized for market rate loans under the FMS program in order to pay claims on past debts under that same program when funds in the Guaranty Reserve Fund become inadequate.

The conferences committee expects the executive branch to begin a comprehensive review, at the earliest possible date of the U.S. foreign military sales financing program, including the rescheduling of previous debts, and to provide a report with findings and recommendations within 90 days of enactment of this bill. Based on information provided by the Department of Defense, the committee understands that no replenishment of the Guaranty Reserve Fund will be necessary before fiscal year 1987. The committee will review the report and make their own assessments during fiscal year 1986.

The authority of this provision to use funds authorized under the FMS program is intended as a contingency authority and should not undermine the more comprehensive review and recommendations contained in this provision.

VALUATION OF DEFENSE ARTICLES

The Senate bill (sec. 102) requires that U.S. vessels of 3,000 tons or less and 20 years old or more shall be sold at scrap value or at full and fair value, and that leasing of such vessels be in accordance with chapter 6 of the Arms Export Control Act or chapter 2, of part II of the Foreign Assistance Act.

The House amendment does not contain a comparable provision.

The conference substitute is the same as the Senate provision.

FMS AND IMET TRAINING COSTS

The House amendment (sec. 107) requires full costing of military training provided by the United States under the Arms Export Control Act and the Foreign Assistance Act.

The Senate bill does not contain a comparable provision.

The conference substitute is a compromise which requires full costing of FMS military training sales with the exception for all grant IMET recipients and reciprocal cost arrangements are authorized for training programs with NATO countries, Australia, New Zealand and Japan, effective September 30, 1985.

CASH FLOW FINANCING REPORT

The Senate bill (sec. 109) requires a report on countries approved for cash flow financing in excess of $100 million.

The House amendment does not contain a comparable provision.

The conference substitute is the same as the Senate provision.

REPORT ON INTERNATIONAL VOLUME OF ARMS TRAFFIC

The Senate bill (sec. 108) narrows the reporting requirement concerning U.S. arms sales in section 25 of the Arms Export Control Act to include only developing countries.

The House amendment (sec. 111) has no comparable provision.

The conference substitute is the same as the House provision.

SECURITY ASSISTANCE SURVEYS

The House amendment (sec. 112) changes the definition of types of security assistance surveys which will be reported to Congress under section 26 of the Arms Export Control Act and specifies that the House Committee on Foreign Affairs and the Senate Committee on Foreign Relations can receive copies of such reports upon request.

The Senate bill does not contain a comparable provision.

The conference substitute is the same as the House provision.

NATO COOPERATIVE PROJECTS

The House amendment (sec. 130) amends Section 27 of the Arms Export Control Act to revise authority pertaining to NATO cooperative projects.

The Senate bill does not contain a comparable provision.

The conference substitute is the same as the House provision with an amendment to drop the requirement for advanced appropriations for contracts entered into on behalf of other NATO members under equitable cost conditions.

RECIPROCAL TRAINING AND SUPPORT

The House amendment (sec. 129) authorizes the President to provide allies with reciprocal training and support for military and civilian defense personnel.

The Senate bill does not contain a comparable provision.

The conference substitute is the same as the House provision.

QUARTERLY REPORTS ON U.S. MILITARY ADVISORS ABROAD

The House amendment (sec. 113) clarifies types and numbers of U.S. military and civilian personnel to be included in quarterly reports required by section 36(a) of the Arms Export Control Act.

The Senate bill does not contain a comparable provision.

The conference substitute is the same as the House provision.

SENSITIVE TECHNOLOGY

The Senate bill (sec. 128) requires the submission of a notification under section 36(b) of the Arms Export Control Act before delivery of any major defense article if the sensitivity of technology or capability of the article or service is enhanced or upgraded.

The House amendment does not contain a comparable provision.

The conference substitute is the same as the Senate provision.

SPECIAL DEFENSE ACQUISITION FUND

The Senate bill (sec. 113) authorizes continuous order from the Defense Logistics Agency for items anticipated to be sold to foreign countries from the Special Defense Acquisition Fund and limits purchases of more capable equipment in certain instances to replace items DOD expects to sell from its stocks.

The House amendment (sec. 116) makes the Special Defense Acquisition Fund a true revolving fund and limits the equity value of the fund to $500 million authorizes continuous order from the Defense Logistics Agency.

The conference substitute is a compromise which makes the fund a revolving fund, but does not allow for replacement purchases and does not establish a limit on the equity value of the fund.

LEASING AUTHORITY

The Senate bill (sec. 126) sets new standards for pricing of U.S. vessels leased to foreign countries.

The House amendment does not contain a comparable provision.

The conference substitute is the same as the Senate provision.

WAIVER OF MAP PROCEEDS

The House amendment (sec. 117) authorizes the President, if he determines it is in the national interest, to waive the requirement that net proceeds of sales of equipment provided under the MAP program prior to 1975 be repaid to the United States.

The Senate bill does not contain a comparable provision.

The conference substitute is the same as the House provision.

MAP COSTS

The Senate bill (sec. 114) excludes the cost of salaries from MAP-funded FMS purchases of military training.

The House amendment does not contain a comparable provision.

The conference substitute is the same as the Senate provision.

SECURITY ASSISTANCE ORGANIZATIONS

The Senate bill (sec. 117) authorizes for fiscal year 1986 larger overseas military groups in Pakistan, Tunisia, El Salvador, Honduras, and Sudan.

The House amendment (sec. 119) authorizes on a permanent basis such larger groups in the same countries and for Venezuela but not for Sudan.

The conference substitute is a compromise that authorizes on a permanent basis larger groups in the following countries: Pakistan, Tunisia, El Salvador, and Honduras.

SPECIAL WAIVER AUTHORITY

The House amendment (sec. 122) amends section 614 of the Foreign Assistance Act to establish a ceiling of $750 million on use of that section to permit cash sales otherwise prohibited under the Arms Export Control Act.

The Senate bill does not contain a comparable provision.

The conference substitute is the same as the House provision.

CONVENTIONAL ARMS TRANSFERS REPORT

The Senate bill (Sec. 929) urges multilateral negotiations and requires a report concerning conventional arms transfers within one year of the date of enactment of this section.

The House amendment (sec. 124) requires a conventional arms transfer report.

The conference substitute is a compromise which, urges multilateral negotiations and also requires a report within one year from date of enactment on steps being taken to initiate negotiations and on conventional arms transfer policies. The conference committee recognizes that conventional arms transfer agreements with the Third World by all suppliers from 1981-84 totaled $153,200 million (in constant 1984 dollars); in which non-Communist suppliers accounted for $94,100 million and Communist suppliers accounted for $59,100 million. The United States, the Soviet Union, and France have been the three predominant arms suppliers to the Third World from 1977-84 and collectively accounted for 83 percent of all conventional arms transfer agreements with the Third World in 1984. There is deep concern for the effect conventional arms transfers may have on regional stability, arms races, and the economic needs of Third World nations, including their development, and ability to meet basic human needs. There is further concern about the ulimate effect of conventional arms transfers on the security of the major suppliers themselves. Conventional arms transfer agreements made by the United States, the Soviet Union, and France are at levels closer to rough equivalence than at any time in history. This could be a significant factor in facilitating steps to limit and control conventional arms transfers. Since new arms transfers are upredictable, and, since new cycles of arms purchases by the less developed nations could occur at any time, the United States should reevaluate its conventional arms transfer policies and practices and to seek to achieve negotiated conventional arms control agreements which enhance the national interest at the earliest possible date.

FMS FOR JORDAN

The House amendment (sec. 125) sets conditions for FMS financing and sales for Jordan.

The Senate bill does not contain a comparable provision.

The conference substitute is a compromise which states the sense of Congress that no foreign military sales financing authorized for Jordan may be used to finance the purchase by Jordan of United States advanced aircraft, new air defense weapon systems or other new advanced military weapon systems unless Jordan is publicly committed to the recognition of Israel and to negotiate promptly and directly with Israel under the basic tenets of United Nations Security Council Resolutions 242 and 338. The conference substitute also requires any notification made pursuant to section 36(b) of the Arms Export Control Act with respect to a proposed sale to Jordan of advanced military equipment to be accompanied by a Presidential certification of Jordan's public commitment to the recognition of Israel and to negotiate promptly and directly with Israel under the basic tenets of United Nations Security Council Resolutions 242 and 338.

The conferees note also that in its markup of foreign assistance authorizing legislation, the House Foreign Affairs Committee intended that $25 million in Economic Support Fund (ESF) assistance go to Jordan in fiscal year 1986, a $5 million increase above the President's request, and that subsequently $250 million for Jordan was included in supplemental appropriations legislation for fiscal year 1985. The conferees do not intend that the conference action on FMS be an impairment to the House Committee's proposal for the $25 million for Jordan in fiscal year 1986, although they recognize that the amount for Jordan in that year could be affected by global reductions in the ESF program.

TITLE II—ECONOMIC SUPPORT FUND

ECONOMIC SUPPORT FUND POLICY

The Senate bill (sec. 201) amends section 531 of the Foreign Assistance Act. Section 531 provides the general authority and policy for the Economic Support Fund (ESF). ESF is economic assistance which the President may furnish in order to promote economic or political stability abroad in circumstances in which the United States has special economic, political, or security interests.

The Senate amendment:

—clarifies the language in the Foreign Assistance Act which governs ESF to make the link between development and economic support assistance more explicit;

—directs that, the maximum extend feasible, commodity import programs (CIP), and other related programs generate local currency of which at least 50 percent should be programmed for development activities; and,

—requires a detailed report, as part of the already required annual Congressional presentation documents, which justifies the uses and purposes of ESF, delineating cash grants from development project aid.

The House amendment contains no comparable provision.

The conference substitute is the same as the Senate provision.

ASSISTANCE FOR THE MIDDLE EAST

(a) Authorizations

The Senate bill (sec. 201) authorizes an ESF funding level for the Camp David and another for the non-Camp David countries.

The House amendment contains no comparable provision.

The conference substitute is the same as the Senate provision.

(b) U.S. nonmilitary exports to Israel

The House amendment (sec. 204) provides that the President shall ensure that the level of ESF cash transfer to Israel does not cause an adverse impact on the total level of nonmilitary exports from the United States to Israel.

The Senate bill contains no comparable provision.

The conference substitute is the same as the House provision.

(c) Egypt grant funding

The Senate bill (sec. 201) provides that all the ESF funds made available to Egypt under the bill shall be on a grant basis.

The House amendment contains no comparable provision.

The conference substitute is the same as the Senate provision.

(d) Egypt cash transfer

The Senate bill (sec. 201) provides that up to $200 million of the ESF funds in the bill for Egypt, but not less than $165 million, shall be in the form of a cash transfer to help and encourage economic reforms and Egypt's own developmental efforts.

The House amendment (sec. 204(b)(2)) provides that the ESF allocated for Egypt may be provided as a cash transfer only if the President determines that Egypt will undertake ecomomic reforms or development activities which are additional to those which would be undertaken in the absence of the cash transfer; and 15 days before the cash transfer occurs, the President notifies the House Foreign Affairs and the Senate Foreign Relations Committees in accordance with the reprogramming notification procedures pursuant to 634A of the Foreign Assistance Act.

The conference substitute provides that up to $115 million of the ESF for Egypt each year in fiscal 1986 and 1987 may be in the form of cash transfer, with the understanding that Egypt will undertake economic reforms or development activities which are additional to those which would be undertaken in the absence of the cash transfer. The conferees support providing up to $115 million annually as a cash transfer on the understanding that Egypt will undertake economic reforms or development activities which are additional to those which would be undertaken in the absence of the cash transfer. It is further the sense of the conferees that the President advise the Congress in advance of the cash transfer of the additional reforms or development activities Egypt will undertake.

(e) Cooperative scientific and technological projects

The House amendment (sec. 204(c)) expresses the sense of Congress that in order to continue to build the structure of peace in the Middle East, the United States should finance, and where appropriate participate in, cooperative projects of a scientific and technological nature involving Israel and Egypt and other Middle East countries wishing to participate.

The Senate bill contains no comparable provision.

The conference substitute is the same as the House provision.

CYPRUS PEACE AND RECONSTRUCTION FUND

The House amendment authorizes appropriations of $250 million in fiscal year 1985 or in future years for assistance to Cyprus. The assistance could be provided only if the President certifies to the Congress that an agreement has been concluded by the Greek and Turkish Cypriots which is supported by Greece and Turkey and which achieves substantial progress toward settlement of the Cyprus dispute.

The Senate bill contains no comparable provision.

The conference substitute expresses the sense of Congress that at the appropriate time in the future, the $250 million should be authorized for assistance to Cyprus provided such conditions are met.

COMMODITY IMPORT PROGRAMS (CIP) AGRICULTURAL EARMARK

The Senate bill (sec. 201) provides that not less than 20 percent of the ESF funds available for commodity import programs (CIP) shall be used to purchase U.S. agricultural commodities.

The House bill contains no comparable provision.

The conference substitute provides that not less than 18 percent of the ESF funds made available for commodity import programs in fiscal year 1986 and 1987 shall be used to purchase U.S. agricultural commodities.

TIED AID CREDIT PROGRAM

The House amendment (sec. 203) adds a new section 533 to the ESF chapter (chapter 4 of part II) of the Foreign Assistance Act. The new section 533, "Tied Aid Credit Program," requires a deposit of not less than $50 million from ESF funds allocated for commodity import programs in fiscal year 1986, and an aggregate of not less than $100 million for both fiscal 1986 and 1987, in a fund authorized by section 645(c)(2) of the Trade and Development Enhancement Act of 1983. The fund is to be used by the Agency for International Development (AID) to implement the program of tied aid credits established by that act. The funds are to remain available for this purpose until the end of fiscal 1987.

The Senate bill contains no comparable provision.

The conference substitute contains the earmarking as set forth in the House provision but provides that to the extent that the funds have not been obligated pursuant to the tied aid credit program by the end of the third quarter of the fiscal year for which they were appropriated, they may be used for other ESF purposes if the AID Administrator certifies to Congress that no trade credit applications acceptable and timely under the Trade and Development Enhancement Act of 1983 are pending, or that such funds are not needed for that program because other countries are not engaging in predatory financing practices in order to compete with U.S. exports.

RESTRICTION ON USE OF FUNDS FOR NUCLEAR FACILITIES

The Senate bill (sec. 201(d)) prohibits the use of ESF funds under the bill for financing the construction, operation or maintenance of, or the supplying of fuel for, any nuclear facility in a foreign country unless the President certifies to the Congress that the country is a party to the Non-Proliferation Treaty, cooperates fully with the International Atomic Energy Agency, and pursues nuclear nonproliferation policies consistent with those of the United States.

The House amendment is the same as the Senate provision except that one additional provision has been added to allow provision of funds to countries that are parties to either the Non-Proliferation Treaty (as in the Senate amendment) or the Treaty for the Prohibition of Nuclear Weapons in Latin America (the Treaty of Tlatelolco).

The conference substitute is the same as the House provision.

ESF FOR LEBANON

The Senate bill (sec. 201) provides that none of the Economic Support Fund moneys authorized in the bill may be available for Lebanon.

The House amendment provides that $2.5 million of the ESF authorized for fiscal 1986 and $2.5 million for fiscal 1987 shall be available only for Lebanon. It provides further that none of these funds can be used for aid to Lebanon unless all U.S. citizens taken hostage in Lebanon have been released, except that this restriction does not apply to humanitarian assistance provided for institutional support or for emergency purposes. The funds are to revert to the Treasury to the extent that they cannot be used pursuant to the above requirement, or because of conditions in the country.

The conference substitute contains neither the Senate prohibition on ESF for Lebanon nor the House earmarking of ESF for Lebanon under certain conditions. In their consideration of this matter, the conferees supported general U.S. policy in Lebanon to seek the removal of all foreign troops from the country, preserve the country's unity and territorial integrity and ensure security along Lebanon's borders. However, the conferees believe that at this time, higher priority must be given to obtaining the immediate release of the remaining American hostages in that country.

With regard to development assistance, it is not possible to carry out an effective program in Lebanon under present circumstances, and funds are not provided in the Conference report for that purpose. However, the conferees support continued U.S. efforts to alleviate human suffering in Lebanon and to deal with humanitarian problems in the strife-torn nation. Such assistance can be provided to private voluntary organizations providing relief and to American institutions in Lebanon to meet emergency needs.

The committee of conference regrets recent efforts to try to reprogram for other purposes economic assistance funds which the Congress had authorized and appropriated for Lebanon. It believes it to be in the national interest to preserve funding intended for Lebanon to meet some of the extraordinary humanitarian needs there. If funds are needed for meritorious, emergency purposes in other countries, other funding sources should be found. If funds the Congress intended for Lebanon cannot be spent there, they should revert to the Treasury.

TITLE III—DEVELOPMENT ASSISTANCE

POPULATION

(a.) Earmark on centrally funded programs

The House amendment (sec. 303) amends section 104 of the Foreign Assistance Act to require that 50 percent of all funds appropriated for population planning programs for fiscal years 1986 and 1987 in excess of $250 million be administered by the Office of Population in the Agency for International Development.

The Senate bill does not contain a similar provision.

The conference substitute is the same as the Senate position.

(b) Assistance to nongovernmental organizations

The Senate bill (sec. 303) amends section 104 of the Foreign Assistance Act to require that nongovernmental organizations and multilateral organizations not be subject to any requirement more restrictive than any requirement applicable to a foreign government for population assistance.

The House amendment (sec. 303) amends section 104 of the Foreign Assistance Act to provide that the President, if he determines that to do so would promote voluntary family planning goals, may deny population planing funds to any country, international organization or nongovernmental organization because of the types of voluntary family planning programs carried out with funds other than those made available by the United States under this act.

The conference substitute reflects the compromise agreed to by the conferees under which both the House and the Senate recede from their positions.

(c) Assistance in countries in which there are reports of coerced abortion, infanticide, or coerced sterilization

The Senate bill (sec. 303) amends section 104 of the Foreign Assistance Act to prohibit assistance for population programs in any country which permits infanticide or coerced abortion or for any organization which has programs in such a country.

The House amendment (sec. 303) amends section 104 of the Foreign Assistance Act with findings and restrictions concerning funding for population programs in the People's Republic of China, including authority for the President to withhold funds from the U.N. Fund for Population Activities bases on a determination regarding coerced abortion, coerced sterilization or infanticide in the People's Republic of China.

The conference substitute reflects the compromise agreed to by the conferees under which both the House and the Senate recede from their postions.

PROMOTION OF IMMUNIZATION AND ORAL REHYDRATION

The Senate bill (sec. 315) amends section 104 of the Foreign Assistance Act to establish as a goal for the Agency for International Development the protection from immunizable diseases of eighty percent of all children in countries receiving development assistance, through provision of oral rehydration salts and immunizations.

The House amendment does not contain a comparable provision.

The conference substitute is the same as the Senate provision.

COOPERATIVE DEVELOPMENT PROGRAM

The House amendment (sec. 307) amends section 106 of the Foreign Assistance Act to earmark $5 million of development assistance in each of fiscal years 1986 and 1987 for cooperative programs among the United States, Israel, and developing countries.

The Senate bill does not contain a comparable provision.

The conference substitute is the same as the House provision.

PRIVATE SECTOR REVOLVING FUND

The Senate bill (sec. 306) amends section 108(b) of the Foreign Assistance Act to extend the authority for the Private Sector Revolving Fund for 1 additional year and to set the fiscal year 1986 and 1987 authorized level for the fund at $16 million.

The House amendment (sec. 308) provides for a 2-year extension of the authority and sets the annual level for the fund at $20 million.

The conference substitute is the House provision, with an amendment setting at $18 million the amount of funds from other development assistance accounts which can be used in fiscal years 1986 and 1987 for the revolving fund.

PRIVATE AND VOLUNTARY ORGANIZATIONS

The Senate bill (sec. 309) amends section 123(e) of the Foreign Assistance Act by requiring that a report be transmitted to Congress within 30 days after a decision has been made to continue support for private and voluntary organization (PVO) and cooperative programs in a country to which an aid prohibition had become effective, rather than linking the reporting requirement to the date that the country prohibition becomes applicable, as current law does.

The House amendment (sec. 309) extends from 30 days to 90 days after a prohibition on aid to a country becomes applicable the date by which the President must report to the Congress on a decision to continue support to PVO's.

The conference substitute extends the reporting requirement from 30 days to one year.

The Senate bill also amends section 123 of the Foreign Assistance Act to require AID to make available for the activities private voluntary organizations not less than 15 percent of the amount appropriated for development assistance.

The House amendment extends to fiscal years 1986 and 1987 existing law which earmarks 12 percent of development aid for PVO's, and sets a target of 16 percent.

The conference substitute raises the earmark to 13.5 percent and retains the target at 16 percent, extends this requirement through fiscal year 1989, and allows PVO activities financed with ESF funds to be counted in determining compliance with the earmark.

TARGETED ASSISTANCE

The House amendment (sec. 311) amends section 128 of the Foreign Assistance Act to require that target populations for development assistance be determined by use of poverty measurement standards, such as those used by the World Bank, and that the Agency for International Development strengthen efforts to use a substantial percentage of development assistance for activities which directly improve the lives of the poor majority.

The Senate bill does not contain a comparable provision.

The conference substitute is the same as the House provision.

HOUSING GUARANTEES

The Senate bill (sec. 312) amends section 222(a) of the Foreign Assistance Act to increase the aggregate ceiling on guarantees for the Housing Guaranty Program by $45 million, extends the program for one year, and removes from the statute the requirement in section 223(j) of the Foreign Assistance Act that the average face value of guarantees issues in any fiscal year not exceed $15 million.

The House amendment (sec. 313) increases the aggregate ceiling by $320 million, extending the program for a period of two years, and requires that the program level for fiscal years 1986 and 1987 be comparable to the level for fiscal year 1984.

The conference substitute is the House provision, with an amendment which increases the overall level of guarantees by $200 million and provides that the authority provided in this Act and subsequently approved in appropriations acts must, in fact, be utilized to the extent made available by such acts.

TRADE CREDIT INSURANCE PROGRAM

The Senate bill (sec. 313) amends section 224(e) of the Foreign Assistance Act to extend the special Trade Credit Insurance Program for Central America for an additional year at the current level of $300 million of guaranties.

The House amendment (sec. 313) provides for a 2-year extension of the program and sets the guaranty ceiling at $500 million for the 2 fiscal years 1986 and 1987.

The conference substitute is the House provision, with an amendment setting the aggregate guaranty ceiling on outstanding guarantees under the program at $300 million for fiscal year 1986 and $400 million for fiscal year 1987.

AGRICULTURAL AND PRODUCTIVE CREDIT AND SELF-HELP COMMUNITY DEVELOPMENT PROGRAMS

The House amendment amends section 222A(h) of the Foreign Assistance Act to extend the authority of the Agricultural and Productive Credit and Self-Help Community Programs for 2 more years, until September 30, 1988.

The Senate bill had no comparable provision.

The conference substitute is the same as the House provision.

MINORITY SET-ASIDE

The House amendment (sec. 315) requires that unless the Administrator of AID determines otherwise, 10 percent of development assistance funds shall be available only for minority enterprises.

The Senate bill does not contain a comparable provision.

The conference substitute is the same as the House provision.

TITLE IV—OTHER ASSISTANCE PROGRAMS

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

(a) Earmarks

The Senate bill (sec. 502) amends section 302 of the Foreign Assistance Act to earmark funding from this account for fiscal year 1986 for the U.N. Development Program, UNICEF, and the U.N. Environment Program, with the remainder of available funding unallocated. It also provides that notwithstanding any other provision of law, that the $10 million in fiscal year 1985 funds earmarked for the U.N. Environment Program be made available for that organization.

The House amendment (sec. 402) earmarks all funding for international organizations and programs for fiscal years 1986 and 1987.

The conference substitute earmarks specific percentages of the total appropriation for various international organizations and programs, and maintains the provision on funding for the IAEA contained in the House amendment, requiring that the U.S. contribution to that organization is conditioned on a determination by the Secretary of State that Israel is not denied its right to participate in that organization's activities.

INTERNATIONAL ORGANIZATIONS/PROGRAMS

	S. 960 earmarks	H.R. 1555 earmarks	Conference substitute	
			Earmark (percent)	Illustrative funding level
U.N. Development Program	165,000,000	164,560,000	59.65	161,055,000
U.N. Children's Fund	53,000,000	53,240,000	19.30	52,122,815
International Atomic Energy Agency		19,844,000	7.20	19,427,595
OAS Technical Assistance Program		15,004,000	5.44	14,689,157
U.N. Environment Program	10,000,000	9,680,000	3.51	9,476,875
WMO		1,936,000	0.70	1,895,375
U.N. Capital Development Fund		1,936,000	0.70	1,895,375
U.N. Education and Training Program/South Africa		968,000	0.35	947,688
U.N. Voluntary Fund/Women's Decade		484,000	0.18	473,844
Convention on Endangered Species		193,600	0.07	189,538
World Food Program		1,936,000	0.70	1,895,375
U.N. Institute for Namibia		484,000	0.18	473,844
U.N. Trust Fund for South Africa		332,030	0.12	325,063
U.N. Voluntary Fund for Torture		96,800	0.04	94,769
UNIDO/Industrial Promotion Service		193,600	0.07	189,538
UNDP Trust Fund/Poverty in Africa		1,511,070	0.55	1,479,362
International organization/scientific conventions		2,662,000	0.97	2,606,141
U.N. Centre for Human Settlements		484,000	0.18	473,844
World Heritage Trust Fund		242,000	0.09	236,922
Total	267,675,500	275,787,100	100.00	270,000,000

(b) Proportionate share reductions

The Senate bill (sec. 502) amends section 302 of the Foreign Assistance Act to provide that funds may not be available for the U.S. proportionate share for any programs for the Palestine Liberation Organization (PLO), the Southwest Africa Peoples Organization (SWAPO), Libya, Iran, or Cuba.

The House amendment (sec. 403) provides that funds may not be available for programs for the PLO or for projects whose primary purpose is to provide benefits to the PLO or entities associated with it. The House amendment (sec. 404) also provides for a proportionate share reduction for SWAPO except if the President certifies that such funds would not be used to support the military or paramilitary activities

of SWAPO. The House amendment also requires an annual review by the Secretary of State and a report to the Congress on the implementation of these sections.

The conference substitute combines in a single section the House and Senate provisions, incorporating the House provisions regarding the PLO, the Senate provision concerning SWAPO, Libya, Iran, and Cuba, and the House provision establishing a reporting requirement.

The House amendment (sec. 405) also requires a reduction in the U.S. proportionate share contribution for programs in Communist countries.

The Senate bill does not contain a comparable provision.

The conference substitute is the same as the Senate provision.

PROHIBITIONS ON ASSISTANCE TO COUNTRIES WHICH OPPOSE THE U.S. POSITION IN THE UNITED NATIONS

The House amendment (sec. 1112) prohibits assistance to any country whose votes in the United Nations General Assembly coincided with the U.S. position less frequently than the votes of the Soviet Union coincide with those of the United States.

The Senate bill does not contain a comparable provision.

The conference substitute is the same as the Senate position.

TITLE V—INTERNATIONAL TERRORISM AND FOREIGN AIRPORT SECURITY

ANTITERRORISM ASSISTANCE PROGRAM

The House amendment (secs. 407 and 457) authorizes $9,840,000 for each of the fiscal years 1986 and 1987 to carry out chapter 8 of Part II of the Foreign Assistance Act for antiterrorism assistance. It also authorizes the transfer of small arms and munitions directly related to antiterrorism training; provides for a 15-day advance notification to the Congress and sets a ceiling of $325,000 in each fiscal year on the munitions transfer; prohibits the use of funds for salaries and expenses under this section; and repeals the 2-year sunset provision.

The Senate bill authorizes $5 million for each of the fiscal years 1986 and 1987 for antiterrorism assistance and extends the program for 2 years.

The conference substitute is the same as the House provision. The conferees note that the close consultation between the Department of State and the authorization committees on the antiterrorism program to date has been exemplary. It was a major factor that led to the conferees' confidence that the provision of small arms and munitions under this program would not be sidetracked for other purposes or otherwise abused. The conferees commend the Department of State for its close consultation with the Congress and look forward to continuation of such practices.

COORDINATION OF ANTITERRORISM ASSISTANCE TO FOREIGN COUNTRIES

The House amendment (sec. 408) mandates that the Secretary of State be responsible for coordinating all U.S. Government antiterrorism assistance to foreign countries and requires an annual report from the Department of State to the Congress on such assistance.

The Senate bill does not contain a comparable provision.

The conference substitute is the same as the House provision.

PROHIBITION ON ASSISTANCE TO COUNTRIES SUPPORTING INTERNATIONAL TERRORISM

The House amendment (sec. 409) amends section 620A of the Foreign Assistance Act to provide that the President may prohibit assistance to any country which grants sanctuary from prosecution to any individual or group which has committed an act of international terrorism or otherwise supports international terrorism, except that the President may waive this prohibition if he determines that national security or humanitarian reasons justify such a waiver. It also requires that the President publish each waiver in the Federal Register and notify the Congress at least 15 days in advance of the use of such waiver. It also calls on the President to gain the support of other countries to impose similar sanctions.

The Senate bill does not contain a comparable provision.

The conference substitute is the same as the House provision.

PROHIBITION ON IMPORTS FROM AND EXPORTS TO COUNTRIES ENGAGED IN TERRORISM

The House amendment (sec. 411) requires the President to prohibit U.S. imports and exports to and from Libya.

The House amendment (sec. 463) authorizes the President to prohibit U.S. imports of goods and services from countries supporting terrorism and defines the terms "terrorist" and "terrorist organization".

The Senate bill (sec. 925) authorizes the President to prohibit U.S. imports from Libya and any other country determined by joint resolution of Congress to be engaged in terrorism. It authorizes the President to prohibit the export of certain goods and technology to Libya or any other country determined by joint resolution of Congress to be engaged in terrorism. It also references the reporting requirement to Congress in accordance with provisions of the International Emergency Economic Powers Act (IEEPA).

The conference substitute contains a provision authorizing the President to prohibit imports and exports of goods or technology to or from Libya. The conferees expect that the provisions of the Export Administration Act of 1979, as amended, will be followed in carrying out this authority as it relates to exports. The conferees intend that the exercise of this authority will not set a precedent of circumventing the Export Administration Act. The conferees believe, however, that the criteria established in section 6(b) of the Export Administration Act have in fact been met with respect to Libya. The conferees expect that the administration will further restrict exports to Libya that can be used to generate hard currency, and that the availability of such exports elsewhere would not thwart the purposes of such controls. The conferees believe that Libya's extensive hard currency reserves enable it to carry out its program of international terror. The conferees intend that exports to Libya which are designed to provide drinking water, irrigation, or to promote agriculture would not ordinarily be deemed to enable Libya to augment its hard currency reserves.

The conference substitute also contains a compromise provision which authorizes the President to prohibit U.S. imports of goods and services from any country which supports or harbors terrorists or terrorist organizations. When the authority under this section is exercised, the President is required to submit a report to Congress which parallels the reporting requirement found in section 204 of the International Emergency Economic Powers Act.

INTERNATIONAL ANTITERRORISM COMMITTEE

The House amendment (sec. 459) calls on the President to seek the establishment of an international antiterrorism committee which would focus the attention and secure the cooperation of other governments and of the public in participating countries on the problems and responses to international terrorism.

The Senate bill does not contain a comparable provision.

The conference substitute is the same as the House provision.

INTERNATIONAL TERRORISM CONTROL TREATY

The House amendment (sec. 461) expresses the sense of Congress that the President should negotiate a viable treaty to effectively prevent and respond to terrorist attacks. Such a treaty should incorporate an operative definition of terrorism, and should establish effective close intelligence-sharing and uniform laws on asylum, extradition, and swift punishment for perpetrators of terrorism.

The Senate bill does not contain a comparable provision.

The conference substitute is the same as the House provision.

STATE TERRORISM

The House amendment (sec. 1210) expresses the sense of Congress that all civilized nations should condemn the use of terrorism by certain states as evidenced by the assassination of Major Nicholson by a Soviet soldier.

The Senate bill does not contain a comparable provision.

The conference substitute is the same as the House provision.

FOREIGN AIRPORT SECURITY

The House amendment (sec. 451) amends the Federal Aviation Act of 1958 to establish security standards and procedures regarding foreign air transportation. This provision establishes a procedure regarding the assessment of security measures at foreign airports and designates the factors which should be considered regarding such assessments by the Secretary of Transportation. It requires that in carrying out such assessments the Secretary of Transportation shall consult with the Secretary of State with respect to relevant terrorist threats and whether airports are under the de facto control of the government of the country in which they are located; and report to Congress on such assessments and notification of security risk airports to such foreign governments. In addition, if, after 120 days, the Secretary of Transportation determines that a foreign government has failed to upgrade the security standards at such airport, the name of such airport will be published in the Federal Register and otherwise prominently advertised in airports and airline tickets. The House amendment authorizes the President to invoke a general air carrier boycott with respect to such airports; and stipulates that if the Secretary of State determines that any such airport is located in a high terrorist threat country and if the Secretary of Transportation determines that security and safety of passengers and crew is at risk, then the President may immediately invoke a general boycott against such airport and the Secretary of Transportation must publicize such airports and the Secretary of State must issue an immediate travel advisory.

The House amendment (sec. 451) also expresses the sense of Congress with respect to the closing of the Beirut airport.

The Senate bill does not contain a comparable provision.

The conference substitute closely follows the House provision. It deletes the requirement that the Secretary of Transportation identify those international airports which are not under the de facto control of a government. The conferees expect that in carrying out the assessment process on international airport security, the Department of Transportation will closely coordinate with the Secretary of State with respect to the nature of the terrorist threat in the countries where such airports are located and the determination as to whether such airport is under the de facto control of that government.

(a) Security standards in Foreign Transportation

The House amendment (sec. 451(a)(3)) mandates that the standards which shall be used by the Secretary of Transportation in making security assessments are the standards and recommendations contained in annex 17 to the Convention on International Civil Aviation Organization.

The Senate bill does not contain a comparable provision.

The conference substitute specifies the guidelines as "the standards and appropriate recommended practices as contained in annex 17 to the Convention on International Civil Aviation."

(b) Report of assessments

The House amendment (sec. 451(c)) contains a provision for reporting to Congress on the assessments of foreign airport security and stipulates that such report should contain a summary of the assessments as well as a description of the extent to which identified security deficiencies have been eliminated.

The Senate bill does not contain a comparable provision.

The conference substitute retains the reporting requirement but deletes the description of the extent to which identified security deficiencies have been met at foreign airports. The latter information will be provided in reports to Congress filed under section 551 of the conference substitute.

(c) Notification to foreign country of determination

The House amendment (sec. 451(d)) stipulates that when the Secretary of Transportation determines that an airport does not maintain and administer effective security measures, the Secretary shall notify the appropriate authorities of such foreign government and recommend the necessary steps to bring into compliance the security measures in use at that airport.

The Senate bill does not contain a comparable provision.

The conference substitute retains the House provision but adds a requirement that the Secretary of Transportation shall advise the Secretary of State prior to the notification by the Secretary of Transportation to the appropriate authorities of such foreign government.

(d) Notice and sanctions

The House amendment (sec. 452(e)(1)) contains a provision whereby a foreign government is given 120 days to correct security deficiencies at its airport before public notification procedures take effect. In addition, the House amendment stipulates that immediate notice is provided in the case of a high terrorist threat in such country or in case there is a threat to the safety of the passengers and crew traveling to and from such airport.

The Senate bill does not contain a comparable provision.

The conference substitute changes to 90 days the time in which a foreign government is given to meet the security standards at such foreign airport prior to public notice, and provides for immediate public notice if the Secretary of Transportation after consultation with the Secretary of State determines that a condition exists which threatens the safety or security of passengers and crew traveling to or from such airport.

(e) Public notification procedures

The House amendment (sec. 451(e)(2)(A)) outlines the procedures by which the Secretary of Transportation shall notify the public of an airport which does not maintain or administer effective security measures. The Secretary of Transportation is required to publish the name of such airport in the Federal Register, post and prominently display the name of the airport at all U.S. airports, and require that each air carrier and foreign air carrier providing service between the United States and such airport provide notice by written material included on or with an airline ticket to any passenger purchasing a ticket.

The Senate bill does not contain a comparable provision.

The conference substitute maintains the House provision but adds the requirement that the Secretary of Transportation shall notify the news media of the identity of such airport.

The conference substitute establishes a combination of requirements to give passengers notice of foreign airports with security problems, including signs at airports, media publicity, travel advisories, and notice with airline tickets. Although none of these forms of notice is perfect and guaranteed to reach all passengers, the combination makes it quite likely that all prospective passengers will learn of security problems.

The conferees wish to clarify the requirement that airlines give notice to their passengers of airports with security problems. Under this requirement, an airline must give notice to a passenger if a Department of Transportation determination has been made at the time the passenger is issued a ticket and an airline is not required to contact the passenger again if there is a change in the Secretary's determination after the ticket has been issued. In these cases, the conferees anticipate that passengers will learn of the changed determination through the other forms of notice provided in the conference substitute.

Concerns have been expressed by some U.S. air carriers, of which the conferees are aware, regarding the provision requiring carriers to provide, on or with each ticket, notice of a determination by the Secretary of Transportation that an airport is unsafe. As stated above, the combination of various forms of notice, including notice accompanying purchased tickets, is intended to offer prospective passengers the necessary information with which to make an informed traveling judgment. It is not the intent of the conferees to place undue or disadvantageous burdens on carriers. The intent of the conferees is to ensure more informed choices on the security of travel to a particular airport. The conferees agree that this provision should be closely monitored in its implementation.

The conferees are aware of the recent examination of preclearance by the Subgroup of Pre-clearance of the National Transportation Facilitation Committee. This subgroup, which is made up of both government and private sector representatives, has adopted a position paper indicating a desire to expand the preclearance system to more foreign countries under appropriate circumstances. Under this system, now in use in Canada, Bermuda, and the Bahamas, U.S. customs, immigration, and agricultural officials are placed in foreign countries where they conduct their usual inspection of U.S.-bound passengers and baggage before they depart for the United States.

Preclearance is not a new idea, having been first instituted in 1952. It has been viewed primarily as a way to facilitate the various inspection processes. By performing these tasks at the point of origin rather than within the United States, issues such as illegal aliens, diseases, and drugs can more effectively be dealt with, with less delay for the travelers involved.

The conferees also believe that preclearance presents opportunities to improve airline and airport security in addition to its primary objective of facilitation. A potential terrorist would find it much more difficult to bring weapons aboard an aircraft if he had to undergo an inspection before boarding. An expanded preclearance program by U.S. inspection agencies could be a very effective mechanism for improving security and deterring terrorism.

The conferees endorse the efforts of the Subgroup on Preclearance of the National Transportation Facilitations Committee. We therefore encourage the administration to enter into bilateral agreements with foreign governments to establish a U.S. inspection presence at their airports in appropriate cases.

(f) Report to Congress on foreign airport security

The House amendment (sec. 451(e)(3)) stipulates that the Secretary of Transportation must promptly report to Congress any action taken with respect to foreign airports as well as the steps which were taken to insure the cooperation of the foreign government in meeting the standards used by the Secretary in making the assessment of each airport.

The Senate bill does not contain a comparable provision.

The conference substitute retains the House provision but adds language which would enable the Secretary of Transportation to report such information to the Congress in a classified annex, if necessary.

It is the intent of the conferees that the reports to Congress required by this provision shall be filed at the earliest opportunity after any action taken by the Secretary.

The conference substitute provides that such reports to Congress may be classified in order to avoid, if appropriate, the public dissemination of information relating to any uncorrected security deficiencies at any airport. It is also the intent of the conferees that such reports shall include a description of the extent to which identified security deficiencies have been eliminated.

(g) Issuance of travel advisory

The House amendment (sec. 452) stipulates that once a determination is made by the Secretary of Transportation that an airport does not maintain and administer effective security measures, the Secretary of State is required to issue a travel advisory with respect to such airport within 120 days.

The Senate bill does not contain a comparable provision.

The conference substitute requires the Secretary of State to issue a travel advisory only if the Secretary of Transportation pursuant to section 1115(e)(1)(B) of the Federal

Aviation Act of 1958 and in consultation with the Secretary of State determines that a condition exists that threatens the safety or security of passengers, aircraft, or crew traveling to or from such airport.

The conferees expect that in arriving at such determination the Department of Transportation will consult with the Secretary of State and take into account the nature of the terrorist threat.

In addition to the international air passenger notification provisions under section (e)(1)(2), the conferees strongly urge that travel advisories be issued for those countries which have failed to bring an identified airport into compliance with the standards described by this Act. The absence of a mandatory travel advisory provision in this section reflects the desire of the conferees not to undermine an ongoing diplomatic effort to upgrade airport security. Nonetheless, the conferees can envision few circumstances where a travel advisory would not be indicated should section (e)(2) come into effect.

(h) Suspension of foreign assistance

The House amendment (sec. 452) requires the President, if after 120 days an airport has not met the minimum international standards, to suspend foreign assistance to the country in which it is located unless he determines that a national security or humanitarian emergency exists.

The Senate bill does not contain a comparable provision.

The conference substitute retains the House provision but changes from 120 to 90 days the time allowed to remedy deficiencies at substandard airports and adds a requirement that the Secretary of State determine that the country in which a substandard airport exists is a high terrorist threat country. In addition, the conference substitute permits the President to waive this sanction for national security "interests".

(i) Notification to Congress on lifting sanctions

The House amendment (sec. 453) requires notification to Congress on the lifting of sanctions in section 451 and 452.

The Senate bill does not contain a comparable provision.

The conference substitute is the same as the House provision.

(j) Study on air marshals

The House amendment (sec. 454) authorizes a study on the need to expand the U.S. "sky" marshal program and the feasibility of establishing an international "sky" marshal program. It also authorizes the Secretary of Transportation, with the approval of the Attorney General and the Secretary of State to permit U.S. "air" marshals to carry firearms and to make arrests.

The Senate bill does not contain a comparable provision.

The conference substitute retains the House provision on the U.S. "air" marshal study but changes the reference from "sky" marshal to "air" marshal. In addition, it deletes the requirement for a feasibility study of an international "sky" marshal program.

(k) Meeting of International Civil Aviation Organization

The House amendment (sec. 455) requires the Secretaries of State and Transportation jointly to call for a meeting of the International Civil Aviation Organization (ICAO) to discuss upgrading international airport security standards and to call on member countries of ICAO to impose a moratorium on any use of any international airport which is not in compliance with such standards.

The Senate bill does not contain a comparable provision.

The conference substitute stipulates that the Secretaries of State and Transportation jointly shall call on the member countries of ICAO to support U.S. actions enforcing the organization's standards.

The conferees commend the Secretary of State and the Secretary of Transportation for immediately bringing before the International Civil Aviation Organization and the world community the security deficiencies and terrorist threats in Athens and the Middle East. It is intended that the Secretaries will, in the future, continue to encourage ICAO members to discuss the current status of international airport compliance with existing international standards and to upgrade the security standards for international airports. The conferees recognize the benefits of this type of international cooperation, as well as the need for concerted effort among nations in meeting the threat of international terrorism.

(l) Multilateral and bilateral agreements

The House amendment (sec. 456) requires the Secretary of State to seek formal multilateral and bilateral agreements on strengthening enforcement measures on compliance with respect to airport sabotage, hijacking, and airport security.

The Senate bill does not contain a comparable provision.

The conference substitute retains the House provision but deletes the requirement for "formal" multilateral and bilateral agreements.

The conferees wish to ensure with respect to this provision that the Secretary of State consult with the Secretary of Transportation as he seeks multilateral and bilateral agreements that strengthen enforcement measures and compliance standards with respect to aircraft sabotage, aircraft hijacking and airport security. The Department of State and the Department of Transportation should work to include provisions fostering improved aircraft and airport security through stricter enforcement and higher standards in bilateral air transport agreements as well as in other appropriate bilateral and multilateral treaties and agreements with foreign governments and international organizations.

TITLE VI—INTERNATIONAL NARCOTICS CONTROL

SHORT TITLE

The Senate bill (sec. 1001) provides that this title may be cited as the "International Narcotics Control Act of 1985".

The House amendment does not contain a comparable provision.

The conference substitute is the same as the Senate provision.

REPEAL OF THE MANSFIELD AMENDMENT

The Senate bill (sec. 509) amends section 481 (c)(1) of the Foreign Assistance Act (the "Mansfield Amendment) by deleting that provision, and instead requires that heads of departments or agencies prescribe regulations governing the conduct of their employees who are authorized to engage in direct antinarcotics police actions, or interrogations connected with such efforts.

The House amendment (sec. 504) amends section 481(c)(1) to permit U.S. officers and employees to be present during direct antinarcotics police actions in a foreign country to the extent that the Secretary of State and the government of that country agree to such an exemption, and the Congress is informed.

The conference substitute is the same as the House provision.

REPORTS ON FOREIGN GOVERNMENT INVOLVEMENT IN DRUG TRAFFICKING

The Senate bill (sec. 1003) amends section 481(e) of the Foreign Assistance Act by adding a new provision requiring that the annual International Narcotics Strategy Report describe the involvement of any Communist government in illicit drug trafficking.

The House amendment (sec. 505) is similar, but broadens this requirement to report on any government's involvement.

The conference substitute is the same as the House provision, with an amendment specifying that Communist governments are to be included in this reporting requirement.

PROCUREMENT OF WEAPONS TO DEFEND AIRCRAFT INVOLVED IN NARCOTICS CONTROL EFFORTS

The House amendment (sec. 506) earmarks not less than $1 million of grant military assistance to arm, for defensive purposes, aircraft used in narcotics control, eradiction or interdiction efforts, and requires that the Congress be notified at least 15 days in advance of the use of such funds, in accordance with regular reprogramming procedures.

The Senate bill contains no such provision.

The conference substitute is the same as the House provision, with an amendment making the $1 million on a straight earmark, instead of a "floor", by deleting the words "not less than".

REQUIREMENT FOR COST-SHARING

The Senate bill (sec. 1010) requires that narcotics control assistance may be provided to a country only if that country provides assurances that it will provide at least 25 percent of the costs of such program, including "in-kind" contributions, and specifies an effective date of October 1, 1985.

The House amendment (sec. 507) is identical, except for the effective date.

The conference substitute is the same as the House provision.

CONDITIONS ON ECONOMIC SUPPORT FUNDS TO JAMAICA

The House amendment (sec. 511) withholds $5 million in ESF for fiscal year 1986 from Jamaica until the President certifies to the Congress that that Government has prepared, presented, and committed itself to a comprehensive plan or strategy for the control and reduction of illicit marijuana production.

The Senate bill contains no comparable provision.

The conference substitute states that in allocating economic support funds for Jamaica, the President shall give major consideration to whether that Government has developed such a plan.

CONDITIONS ON ASSISTANCE TO BOLIVIA

The Senate bill contains two provisions relating to assistance for Bolivia. The first (sec. 1005) conditions 25 percent of development aid, economic support funds, and military aid for fiscal year 1986 on a Presidential certification that the Government of Bolivia has enacted legislation prohibiting the production of more than two hectares of coca per family, and witholding the remaining 75 percent until a subsequent certification has been made that Bolivia has

achieved the eradication targets for calendar year 1985 contained in its August 1983 agreement with the United States Government. For fiscal year 1987, 50 percent of the affected funds would be provided after the certification to Congress that during the first 6 months of calendar year 1986 the Government of Bolivia achieved at least half of the eradication targets for calendar year 1986 contained in the 1983 narcotics agreement, and the remaining 50 percent would be provided at any time after a certification to Congress that Bolivia had fully achieved the total eradication targets for calendar year 1986 contained in that agreement.

The second provision (sec. 919) prohibits all aid indefinitely until the President certifies that Bolivia has reduced its coca production by 10 percent from the previous fiscal year.

The House amendment (sec. 509) conditions 25 percent of economic support funds and military assistance for fiscal year 1986 on a Presidential certification that the Government of Bolivia has enacted legislation, consistent with the Single Convention on Narcotic Drugs of 1961, that will establish its legal coca requirements, provide for licensing of the number of hectares necessary to produce the legal requirement, and make illegal unlicensed coca production. The remaining 75 percent would be available after a subsequent certification that the Government of Bolivia has made substantial progress toward achieving the eradication targets for calendar year 1985 contained in the 1983 agreement. For fiscal year 1987, after a Presidential certification that Bolivia has developed a plan to eliminate illicit narcotics production on a countrywide basis, 50 percent of the affected funds would be available at any time after certification to Congress that Bolivia has achieved at least half of the eradication targets for calendar year 1986 contained in the 1983 agreement, and the remaining 50 percent after certification to Congress that Bolivia has fully achieved that eradication target.

The conference substitute is a compromise, which for fiscal year 1986 provides that 50 percent of economic support funds and military assistance can be provided after a certification to Congress that Bolivia has enacted legislation that will establish its legal coca requirements, and the remaining 50 percent after a certification that Bolivia achieved the eradication targets for calendar year 1985 contained in the 1983 agreement. For fiscal year 1987, after certification to Congress that a countrywide eradication plan has been developed, 50 percent of the affected funds could be provided after a certification that Bolivia has achieved 50 percent of the eradication targets for calendar year 1986 agreed to by the United States and the Government of Bolivia, and the remaining 50 percent after certification that Bolivia has fully achieved that eradication target.

CONDITIONS ON ASSISTANCE TO PERU

The Senate bill (sec. 510) conditions economic and military aid to Peru for fiscal year 1986 on certification to Congress that Peru has demonstrated substantial progress in developing a plan, in accordance with the Single Convention on Narcotic Drugs of 1961, that will establish its legal coca requirements.

The House amendment (sec. 509) is virtually identical, but contains an additional provision requiring that affected funds for fiscal year 1987 are conditioned on a Presidential report to Congress that Peru has implemented the plan referenced above.

The conference substitute is the same as the House provision, except that it deletes all references to the Single Convention.

UPPER HUALLAGA VALLEY PROJECT IN PERU

The Senate bill (sec. 1006) prohibits fiscal year 1987 funds for AID's Upper Huallaga Valley project until the AID Administrator determines, in consultation with Congress, that the project is effective in reducing and eradicating coca production, distribution, and marketing in the Upper Huallaga Valley.

The House bill (sec. 510) is virtually identical, but clarifies the affected authorization account.

The conference substitute is the same as the House provision.

REALLOCATION OF FUNDS

The Senate bill (sec. 1007) provides that if any of the funds for Bolivia or Peru are not used due to failure to meet the conditions imposed, that those funds shall be available for other countries which have taken significant steps to halt illicit drug production and trafficking.

The House amendment (sec. 512) is identical, except that it adds Jamaica to the list of countries whose aid would be reallocated.

The conference substitute is the same as the Senate provision.

U.S. CONTRIBUTIONS TO THE U.N. FUND FOR DRUG ABUSE CONTROL

The Senate bill (sec. 1008) amends section 482(a) of the Foreign Assistance Act by adding a new paragraph which conditions U.S. contributions to UNFDAC on that organization including in its crop substitution projects a plan for cooperation with law enforcement forces of the host country.

The House amendment (sec. 513) is identical, except that it does not amend Foreign Assistance Act.

The conference substitute is the same as the Senate provision.

LATIN AMERICAN REGIONAL NARCOTICS CONTROL ORGANIZATION

The Senate bill (sec. 1002) directs the Secretary of State, with the assistance of the National Drug Enforcement Policy Board, to conduct a study on the feasibility of establishing a Latin American regional narcotics control organization, and requires the Chairman of the Board to submit a report to Congress no later than 6 months after date of enactment on the result of this study.

The House amendment is similar, except that it contains no reference to the National Drug Enforcement Policy Board.

The conference substitute is the same as the Senate provision except that it does not designate who is to submit the required report to the Congress.

USE OF U.S. ARMED FORCES ABROAD

The House amendment (sec. 516) requires the President to report to Congress no later than 60 days after date of enactment of this act on why the U.S. Armed Forces should not exert greater effort in facilitating and supporting interception of narcotics traffickers, and in gathering narcotics-related intelligence, outside the United States.

The Senate bill contains no comparable provision.

The conference substitute is the same as the House provision.

CUBAN DRUG TRAFFICKING

The House amendment (sec. 517) condemns alleged Cuban involvement in narcotics trafficking, and states the sense of the Congress that the President should take appropriate steps to place this issue on the agenda of the United Nations, the Organization of American States, and other international forums.

The Senate bill contains no comparable provision.

The conference substitute is the same as the House provision.

PROHIBITION ON AID TO DRUG-TRAFFICKING NATIONS

The House amendment (sec. 518) amends section 481(h) of the Foreign Assistance Act by adding a new paragraph requiring that countries which do not take adequate steps to prevent illicit narcotics processing, production, and trafficking through their territory or which provide safe haven for drug traffickers, be subject to the sanctions contained in this section. It further provides a waiver for reasons of national security or for humanitarian assistance, and requires annual reports on illicit narcotics trafficking in all countries in the world.

The Senate bill contains no comparable provision.

The conference substitute is the same as the House provision, except that it deletes the Presidential waiver and the new reporting requirements.

DRUG TRAFFICKING AND BANK SECRECY

The House amendment (sec. 519) states congressional findings regarding the role of banks in Latin America and the Caribbean in facilitating laundering of proceeds from illicit narcotics transactions, and requests the President to negotiate treaties with all countries providing offshore banking facilities in the Caribbean region.

The Senate bill contains no comparable provision.

The conference substitute is the same as the House provision, except that it clarifies the language requesting the President to negotiate new treaties.

TITLE VII—WESTERN HEMISPHERE

CENTRAL AMERICA DEMOCRACY, PEACE AND DEVELOPMENT INITIATIVE

(a) Findings

The Senate bill (sec. 401) sets forth a series of findings on U.S. policy toward Latin America. These findings relate to the building of democracy, economic and political development, respect for human rights, and peace.

The House amendment (sec. 701) sets forth nearly identical findings.

The conference substitute is the same as the House provision.

(b) Conditions on assistance

The Senate bill in new section 462 sets forth a general policy that the President shall impose conditions on U.S. assistance where necessary to achieve the purposes stated in the above findings, and shall consult with the Congress in regard to progress toward those objectives. It also removes the reporting requirements in the 1984 supplemental appropriations and in the 1985 continuing resolution.

The House has no comparable provisions.

The conference substitute is the same as the Senate provision.

(c) Central American Development Organization

The Senate bill in new section 464 authorizes U.S. participation in a Central American Development Organization (CADO).

The House amendment (sec. 714) is nearly the same, with only minor differences.

The conference substitute is the same as the Senate provision.

(d) Fiscal year 1988 and 1989 funding to implement the Kissinger Commission recommendations

The Senate bill in new section 465 authorizes $1.2 billion for each fiscal year 1987 through 1989 for the countries of Central America (in order to implement the recommendations of the Kissinger Commission).

The House amendment has no comparable provision, but in authorizing a 2-year bill, does provide funding for U.S. assistance to Central America for fiscal year 1987.

The conference substitute is a combination of the House and Senate bills. In providing for a 2-year bill, the conference report provides funding for U.S. assistance to Central America for fiscal years 1986 and 1987 in the functional accounts. In addition, the conference report authorizes $1.2 billion each year for assistance to Central America for fiscal years 1988 and 1989, as provided in the Senate bill.

(e) Military exercises in Central America

The House amendment (sec. 716) requires that the President notify the House Foreign Affairs Committee and the Senate Foreign Relations Committee 30 days prior to commencement of joint military exercises in any Central American country.

The Senate bill contains no comparable provision.

The conference substitute is the same as the Senate position. However, the conferees expect and intend that such information will be readily provided to the House Foreign Affairs Committee and the Senate Foreign Relations Committee at least 30 days in advance of assigning or detailing U.S. military personnel for the purpose of commencing joint military exercises with the armed forces of any Central American country. Among the information that should be provided is: The purpose of the exercises, the duration of the exercises, the number of members of the U.S. Armed Forces participating in the exercises, the total cost to the United States of the exercises, the specific activities of the U.S. Armed Forces during the exercises, including the locations of those activities, the number and nationality of members of the armed forces of other countries participating in the exercises, construction activities by the U.S. Armed Forces in conjunction with the exercises, and the number of the U.S. Armed Forces and the equipment remaining in the country as the result of earlier military exercises, and the additional number of members of the U.S. Armed Forces and the additional equipment remaining in the country as a result of the current military exercises.

EL SALVADOR

(a) Support for El Salvador

The Senate bill (sec. 923) expresses the sense of the Senate commending President Duarte for his outstanding leadership and the armed services of El Salvador for improving their performance and professionalism in defending their citizens and elected government.

The House amendment contains no comparable provision.

The conference substitute is the same as the Senate provision.

(b) Military assistance

The House amendment (sec. 702) conditions U.S. military assistance to El Salvador on the attainment of certain specified objectives. The President must make semiannual reports on these objectives during fiscal years 1986 and 1987, and half the military assistance for each fiscal year may be provided only upon the issuance of such report, on or after October 1 and April 1 of each year. Notwithstanding this requirement, in the event of an emergency certified by the President, funds for military assistance for the second half of a fiscal year may be provided if Congress is notified 15 days in advance.

The House amendment further provides that the House Foreign Affairs Committee and the Senate Foreign Relations Committee must be notified 15 days in advance of the provision of any helicopters or other aircraft.

The Senate bill has no comparable provision.

The conference substitute is the same as the House provision, with an amendment changing the conditions to expectations regarding overall U.S. policy objectives, specifying that the report is on the extent to which those are being achieved, and removing the requirement that military assistance be provided in two separate branches.

(c) Economic assistance

The House amendment provides that no ESF may be provided until the President is satisfied that El Salvador has taken steps to implement the study and recommendations on the Central Bank. ESF funds for balance-of-payments purposes shall be used solely for the purchase of essential materials, and shall be maintained in a separate account. All local currencies generated from ESF funds shall be placed in a special account and shall be used for development purposes. The House amendment further provides that all assistance authorized by this act shall be suspended in the event of a military coup, and earmarks, $79.6 million for development assistance and $195 million for ESF assistance.

The Senate bill has no comparable provision.

The conference substitute is the same as the House provision with an amendment eliminating (a) the conditioning of ESF assistance on implementation of the recommendation on the Central Bank, and (b) the uses of and maintenance of a separate account for ESF funds.

GUATEMALA

The House amendment (sec. 703) provides that military assistance may be provided to Guatemala only if the President reports that an elected civilian government is in power and has submitted a formal request for military assistance, and the Government has made demonstrated progress in: Achieving control over the military and security forces; eliminating kidnapings, disappearances, forced recruitment, other human rights abuses; and respecting the human rights of its indigenous Indian population. Notwithstanding this restriction, up to 30 percent of IMET for Fiscal Year 1986 may be provided upon the election of a civilian government. Further, if the conditions are met, Guatemala may be provided with up to $10 million in FMS financing for both fiscal years for construction equipment and mobile medical facilities and related training, but not for use in the rural resettlement program. None of the military assistance may be used for the procurement of weapons or ammunition. All assistance is to be suspended in the event of a military coup.

The House amendment also provides that development assistance and ESF may not be used for the rural resettlement program and shall be provided through PVO's to the maximum extent possible. Further, it calls on the President to urge Guatemala to allow an unimpeded visit by the ICRC and to encourage Guatemalan recognition of Belize and a mutual nonaggression treaty. Finally, the House amendment expresses congressional support for the Mutual Support Group (an indigenous human rights group which is seeking an accounting of persons who have been murdered or have "disappeared") and calls for the Government of Guatemala to lend the group its support and protection, which should be considered in evaluating human rights progress in Guatemala.

The Senate bill has no comparable provision.

The conference substitute is the same as the House provision, with an amendment exempting international military education and training (IMET) from the restriction on military assistance.

REFUGEES IN HONDURAS

The House amendment (sec. 705) provides that funds in this act or the State Department Authorization Act which are used for refugee assistance for Nicaraguan Indians shall be channeled through the UNHCR, ICRC, or other international refugee relief organizations, and may not be used for the involuntary repatriation of Salvadoran refugees. Any funds used for repatriation of Salvadoran refugees may be used only for voluntary repatriation through the UNHCR.

The Senate bill has no comparable provision.

The conference substitute is the same as the House provision, with an amendment providing that such refugee assistance shall be provided to the maximum extent feasible through recognized international refugee relief organizations and removing the provision on repatriation of Salvadoran refugees. The conferees note that such assistance shall be solely for humanitarian purposes. They also state that any funds used for the repatriation of Salvadoran refugees should be provided through the UNHCR.

CONDITIONS ON AID TO HAITI

The House amendment (sec. 706) places certain conditions on U.S. assistance to Haiti. To the maximum extent possible, aid to Haiti should be provided through PVO's. For 1986 and 1987, development assistance, ESF, and IMET funds are conditioned on Presidential determination that Haiti is cooperating on stopping illegal immigration and on implementing U.S. aid programs; is making progress on improving the human rights situation and implementing political reforms. The President must report every 6 months on the extent to which Haiti continues to comply with these conditions. The House amendment permits assistance for police training to help stop illegal emigration. MAP and FMS assistance are restricted to that necessary to help stop illegal emigration and narcotics. Finally, $1 million of ESF is earmarked in 1986 and 1987 for literacy programs.

The Senate bill has no comparable provision, except for section 908 permitting police training to stop illegal emigration.

The conference substitute is the same as the House provision with an amendment changing the semiannual report to an annual report and shifting the $1 million earmark to development assistance.

MILITARY AID FOR PARAGUAY

The Senate bill (sec. 934) sets forth congressional findings and a requirement for a

Presidential report concerning efforts to apprehend Josef Mengele.

The House amendment (sec. 707) conditions U.S. military assistance on the efforts of the Government of Paraguay to apprehend Mengele and on the Government of Paraguay to end torture and abuse of detained individuals and to institute procedures to ensure prompt charges and trial.

The conference substitute is the same as the House provision with an amendment eliminating the provision on Mengele (who is dead) and exempting IMET assistance from the remaining conditions.

ASSISTANCE FOR PERU

The House amendment (sec. 708) requires the President, upon providing military assistance to Peru, to report to the Congress the steps the Government of Peru is taking to deal with certain human rights abuses.

The House amendment further states that respect for human rights shall be an important component of IMET training for Peru for 1986 and 1987, and earmarks $1 million of ESF in 1986 and 1987 for strengthening the Peruvian judicial system.

The Senate bill has no comparable provision.

The conference substitute is the same as the House provision with an amendment removing the requirement for a report by the President.

The Congress congratulates the Government and people of Peru on the peaceful, democratic transfer of power in that country experienced on July 28, 1985. The Congress fully supports Peru's efforts to institutionalize democratic government and recognizes the difficulty of doing so under conditions of severe economic crisis and guerrilla insurgency. It should be the policy of the United States to give all possible assistance to Peru in these difficult times.

At the same time, the Congress notes with great concern reports of continuing killings, torture, and "disappearances" of civilian noncombatants by the military and security forces of Peru. The Congress urges the Government of Peru to do everything possible to curtail such practices, to strengthen the ability of the Peruvian judiciary to investigate such practices, to comply with established procedures to ensure that arrest and detentions by the military and security forces of Peru are immediately acknowledged, and to account for the "disappeared" persons in Peru.

REPORTS ON ASSISTANCE FOR LATIN AMERICA AND THE CARIBBEAN

The House amendment (sec. 710) amends section 634 of the Foreign Assistance Act to require that the annual report on foreign assistance include a greater detail of information on U.S. assistance to the countries of Latin America and the Caribbean.

The Senate bill contains no comparable provision.

The conference substitute is the same as the House provision.

USE OF PRIVATE AND VOLUNTARY ORGANIZATIONS

The House amendment (sec. 712) provides that to the maximum extent possible, development assistance and ESF for Latin American countries should be through private and voluntary organizations with proven track records.

The Senate bill contains no comparable provision.

The conference substitute is the same as the House provision.

ASSISTANCE FOR LAW ENFORCEMENT AGENCIES

The House amendment (sec. 711) amends section 660 of the Foreign Assistance Act to exempt from the prohibition against assistance for police training countries which are longtime democracies, have no standing armed forces, and do not violate human rights. This provision also specifically exempts Honduras and El Salvador from the section 660 prohibition if the President notifies Congress 30 days in advance that such country has made significant progress in the prior 6 months on human rights violations. Any such notification must include a description of the assistance to be provided.

The Senate bill contains no comparable provision.

The conference substitute is the same as the House provision with an amendment specifying that the notification must provide a full description of the assistance to be provided and its purposes.

The conferees express the concern that programs undertaken pursuant to this section must be carefully designed and closely monitored in order to avoid the potential of abuse that led to the enactment of the prohibition against police training in section 660 of the Foreign Assistance Act.

ADMINISTRATION OF JUSTICE

The Senate bill (sec. 402) authorizes specific programs to strengthen the administration of justice in Latin America and the Caribbean. It specifically waives section 660 of the Foreign Assistance Act for the purposes of the section.

The House amendment (sec. 713) contains a similar provision, except that it requires that investigative capabilities be conducted under judicial or prosecutorial control, and does not include enforcement capabilities.

The House provision further puts a ceiling of $20 million on funds to be used under this section, and places a sunset of September 30, 1987, on the authority.

The conference substitute is the same as the House provision.

EMPLOYEE STOCK OWNERSHIP PLANS

The Senate bill (sec. 404) sets forth a congressional declaration encouraging the use of employee stock ownership plans (ESOP) in U.S. assistance programs in Central America and the Caribbean. It establishes a Presidential Task Force on Project Economic Justice, and requires the task force to report to the President and the Congress by December 31, 1985, on the use of ESOP's in development efforts of the U.S. and on recommendations for using ESOP's

The House amendment (sec. 717) contains similar findings but does not create a Presidential task force.

The conference substitute is the same as the Senate provision.

INTERNATIONAL ADVISORY COMMISSION FOR THE CARIBBEAN REGION

The House amendment (sec. 718) directs the President to invite the countries of the Caribbean to participate in an International Advisory Commission for the Caribbean to define development plans, provide a forum for regional development issues, and provide expert advice to aid donors. It authorizes $100,000 for the Commission and provides that the President shall appoint one member, the Speaker of the House two members, and the majority leader of the Senate two members.

The Senate bill contains no comparable provision.

The conference substitute is the same as the House provision with an amendment making the provision discretionary rather than mandatory

EXEMPTION OF CERTAIN EQUIPMENT FROM CHILE PROHIBITION

The Senate bill (sec. 125) lifts the prohibition on military assistance and sales to Chile for transfer of certain safety-related devices and technical manuals for specified aircraft sold before January 1, 1976.

The House amendment (sec. 718) does the same for aircraft supplied before 1974.

The conference substitute is the same as the Senate provision.

RURAL ELECTRIFICATION

The House amendment (sec. 720) encourages the development of a comprehensive rural electrification program for Central America.

The Senate bill contains no comparable provision.

The conference substitute is the same as the House provision.

FACILITATING INTERNATIONAL COMMERCE THROUGH MEXICO

The House amendment (sec. 721) urges negotiations with Mexico to reduce impediments to trade, including international intransit shipments, and requires the Secretary of State to report on the status of negotiations by January 1, 1986.

The Senate bill contains no comparable provision.

The conference substitute is the same as the House provision.

CONDEMNING HUMAN RIGHTS ABUSE AND SUBVERSION BY THE GOVERNMENT OF CUBA

The House amendment (sec. 722) expresses the sense of Congress regarding human rights abuses in and support for external subversion by Cuba, and issues an appeal to end such practices.

The Senate bill contains no comparable provision.

The conference substitute is the same as the House provision.

REPORTS ON THE FOREIGN DEBT IN LATIN AMERICA

The Senate bill (sec. 207) requires a report by the Secretary of State by October 1, 1985, on the magnitude and impact of the foreign debt of Latin America and on U.S. policies to deal with the crisis. It also requires a report by the Secretary of the Treasury by October 1, 1985, on the degree to which the foreign debt crisis affects the U.S. banking system and steps being taken to deal with the crisis.

The House amendment in section 724 requires an identical report by the Secretary of State but no report by the Secretary of the Treasury.

The conference substitute is the same as the Senate provision with an amendment requiring both reports to be made by the Secretary of State and changing the date the reports are due to January 1, 1986.

ECONOMIC ASSISTANCE FOR URUGUAY

The House amendment (sec. 725) earmarks $15 million in ESF for Uruguay for 1986 and 1987.

The Senate bill contains no comparable provision.

The conference substitute is the same as the House provision.

HOGS AND LOGS

The Senate bill (sec. 932 and 935) contains provisions calling on the President to discuss with Canada a reduction in the export to the United States of Canadian cattle and hogs and Canadian softwood lumber.

The House amendment contains no comparable provision.

The conferees substitute contains the Senate provision.

The conferees note that problems similar to those discussed in the Senate bill have been noted with respect to exports of onions and potatoes from Canada to the United States and urge the executive branch to take measures specified with respect to those crops as well.

TRAINING ASSISTANCE FOR ARGENTINA AND BRAZIL

The Senate bill (sec. 906) contains a provision to exempt training assistance for Argentina and Brazil under the Foreign Assistance Act from prohibitions in that act (except those relating to police training and human rights), so long as those governments continue to have democratically elected governments.

The House amendment contains no comparable provision.

The conference substitute is the same as the House position.

The conferees warmly welcome the reestablishment of democracy in those two countries, but remain concerned about the continued presence of unsafeguarded nuclear activities in Argentina and Brazil. Consequently, the conferees urge those countries to become full parties to the Treaty for the Prohibition of Nuclear Weapons in Latin America (the Treaty of Tlatelolco) and the Treaty on the Non-Proliferation of Nuclear Weapons, or to place all nuclear activities under international safeguards, at the earliest possible date. This action is taken in recognition of the waiver authorities available to the President in current law and without prejudice toward future consideration by the Congress of such a waiver, if submitted, or toward the future consideration of training assistance in Argentina and Brazil.

NICARAGUA

Peace Process in Central America

The House amendment (sec. 701(e)) expresses support for national reconciliation in Nicaragua and for a national dialog with the opposition group.

The Senate bill contains no comparable provision.

The conference substitute is the same as the House provision.

Concerns about Nicaraguan foreign and domestic policies

The House amendment (sec. 701(f)) expresses the sense of Congress concerning various policies of the Nicaraguan Government, noting possible U.S. policy options, and listing expected corrective steps by the Nicaraguan Government.

The Senate bill contains no comparable provision.

The conference substitute is the same as the House provision.

Resolution of the conflict in Nicaragua

The House amendment (sec. 701(g)) sets forth congressional findings regarding U.S. relations with Nicaragua, including condemnation of the Nicaraguan Government, a call for a national dialog, and support for a democratic resistance.

The Senate bill contains no comparable provision.

The conference substitute is the same as the House provision.

Treaty commitments

The Senate bill (sec. 1105) provides that none of the funds shall be used so as to violate U.S. obligations under the Charter of the OAS or under other treaty commitments.

The House amendment contains no comparable provision.

The conference substitute is the same as the Senate provision. Prohibition on military or paramilitary operations in Nicaragua

Prohibition on military or paramilitary operations in Nicaragua

The Senate bill (sec. 405) contains a section prohibiting the use of funds in the Foreign Assistance Act or the Arms Export Control Act to provide assistance to those engaged in an insurgency against the Government of Nicaragua. That section also prohibited the U.S. Government from entering into agreements or understandings with recipients of U.S. assistance or purchasers of U.S. military equipment to provide such assistance.

The House amendment contains no similar provision.

The conference substitute is the same as the Senate provision with a technical change for the sake of clarity.

The purpose of the second sentence of this section is to prohibit the United States from furnishing economic or military assistance or selling U.S. military equipment on the condition, either expressly or impliedly, that the recipient or purchaser provide assistance to insurgents involved in the struggle in Nicaragua. This section does not prohibit U.S. Government officials from discussing U.S. policy in Central America with recipients of U.S. assistance or purchasers of U.S. military equipment. Nor does it prohibit recipients of U.S. assistance from furnishing assistance to any third party on their own volition and from their own resources.

Prohibition on assistance for military operations in Nicaragua

The Senate bill (sec. 1101(b)) repeals existing prohibitions on the use of funds for covert military operations in Nicaragua. It also provides that nothing in this section precludes sharing or collecting intelligence information by the United States.

The House amendment (sec. 721(c)) extends these same prohibitions for purposes of funds in this section. It also provides that nothing in this section, or other law, prohibits exchanging information with the democratic resistance, but only for the purposes for which funds are expressly made available.

The conference substitute eliminates both provisions because these issues are being handled by legislation in the jurisdiction of the Committees on Intelligence.

Food aid for Nicaragua

The Senate bill (sec. 1109 of the Senate amendment to H.R. 2068, the State Department authorization bill) provides that the President should explore means for providing food aid to the people of Nicaragua.

The House amendment contains no comparable provision.

The conference substitute is the same as the Senate provision.

1986 assistance to the Nicaraguan democratic resistance

The Senate bill (sec. 1101(a)) authorizes $24 million in humanitarian assistance for the democratic resistance for fiscal year 1986.

The House amendment (sec. 721(a)) authorizes $27 million in humanitarian assistance to the democratic resistance in Nicaragua through March 31, 1986.

The conference substitute is the same as the House provision.

1985 assistance to democratic resistance

The Senate bill frees up $14 million in Public Law 98-473, the continuing resolution for fiscal year 1985, for humanitarian assistance in fiscal year 1985.

The House amendment contains no comparable provision.

The conference substitute is the same as the House position.

CIA/DOD

The House amendment (sec. 721(a)) provides that the assistance authorized in this section shall be provided through a U.S. agency other than the Central Intelligence Agency (CIA) or the Department of Defense (DOD).

The Senate bill contains no comparable provision.

The conference substitute is the same as the House provision. The provision in the conference report is intended to prevent the CIA or the DOD from being the agencies which administer and implement humanitarian assistance to the Nicaraguan resistance. Nothing in the provision restricts either agency from providing to other agencies of the U.S. Government advice, information, or intelligence which would be useful to the implementation of this assistance. It does proscribe these two agencies from administering the funds and from providing any military training or advice to the democratic resistance. The conference committee discussed, and the Intelligence Committees have clarified, that none of the prohibitions on the provision of military or paramilitary assistance to the democratic resistance prohibits the sharing of intelligence information with the democratic resistance.

National Security Council and Congressional Oversight

The Senate bill (sec. 1101(c)) provides that the National Security Council shall monitor the funds and that nothing in section shall impair congressional oversight.

The House amendment contains no comparable provision.

The conference substitute is the same as the House position.

Availability of assistance

The House amendment (sec. 721(a)) provides that one-third of the funds for Nicaragua shall be available every 90 days upon the submission of the report by the President.

The Senate bill contains no comparable provision.

Preventing diversion of assistance

The House amendment (sec. 723) requires the President to establish procedures to prevent diversion of assistance for military purposes.

The Senate bill contains no comparable provision.

The conference substitute is the same as the House position.

Human rights

The House amendment (sec. 723) provides that if the President determines the democratic resistance is engaged in consistent pattern of human rights violations, he shall suspend U.S. aid.

The Senate bill contains no comparable provision.

The conference substitute is the same as the Senate position.

Contadora agreement

The House amendment (sec. 721(b)) provides $2 million for implementation of a

Contadora agreement, if and when such agreement is reached.

The Senate bill contains no comparable provision.

The conference substitute is the same as the House provision.

Human rights abuses

The Senate bill (sec. 1101(e)) calls on the democratic resistance to remove from their ranks any who have engaged in human rights abuses.

The House amendment contains no comparable provision.

The conference substitute is the same as the Senate provision.

Trade embargo

The Senate bill (sec. 1101(e)) provides that, among steps the President is urged to take is the development with other countries of trade and economic sanctions "to complement the economic sanctions of the United States".

The House amendment (sec. 721(d)) contains similar language, but makes no reference to the current U.S. embargo.

The conference substitute refers to such trade and economic policies of the United States.

Reporting requirement

The Senate bill (sec. 1101(f)) requires the President to submit to the Congress every 90 days a report which includes a discussion of progress toward negotiations and steps by Contras to comply with request to remove those responsible for human rights abuses, and an accounting of the disbursement of U.S. funds.

The House amendment (sec. 721(e)) requires a similar report, which is to include a discussion of the willingness of Sandinistas and Contras to negotiate and of alleged human rights abuses by the Sandinistas and by the Contras.

The conference substitute is a combination of the two provisions.

Request for additional funds

The Senate bill (sec. 1101(i)) provides that the President may request additional assistance for the Contras, and establishes expedited procedures for Senate consideration of such a request.

The House amendment (sec. 721(f)) contains a similar provision, and also provides that the President may request assistance for a Central American peace process, and provides for expedited procedures for House consideration of such a request.

The conference substitute is a combination of the two provisions. It provides that the President may request additional authority for assistance to the democratic resistance and for a Central American peace process, and provides for expedited procedures for any such request.

TITLE VIII—AFRICA

BALANCE-OF-PAYMENTS SUPPORT FOR COUNTRIES IN AFRICA

The House amendment (sec. 801) provides that ESF Commodity Import Programs (CIP) in Africa in fiscal year 1986 and fiscal year 1987 shall be used for long-term development needs under specified criteria. Foreign currencies generated by CIP shall be deposited in special accounts for use for developmental purposes and U.S. Government requirements. AID is to conduct annual evaluations on the extent to which the ESF-financed imports meet the criteria.

The Senate bill does not contain a comparable provision.

The conference substitute is the same as the House provision with an amendment adding a provision which limits to 75 percent the amount of foreign currencies to be deposited in a special account.

It is the intention of the conferees that AID have sufficient flexibility to apply the criteria to diverse local situations with a minimum of bureaucratic impediments. It is for this reason that language such as "emphasis shall be placed," "consideration shall be given," "types of activities" and "likely recipients" has been employed. For example, AID does not have to evaluate each and every recipient of imports to make sure they will be used productively, but only groups or categories of "likely recipients." As a further illustration of the amount of flexibility the committee intends to provide, the phrase "imports for agricultural activities which will expand production" could include imports of consumer goods for farmers who, on account of the collapse of the rural trading network, have little incentive to produce for the market since they can buy little with their revenues. However, absent such specific circumstances in the agricultural sector, such imports would not be emphasized.

ECONOMIC SUPPORT ASSISTANCE FOR SOUTHERN AFRICA

(a) Funds for Southern Africa regional programs

The House amendment (sec. 802(a)) earmarks $40 million of economic support funds for regional programs in southern Africa for each of fiscal years 1986 and 1987.

The Senate bill does not contain a comparable provision.

The conference substitute earmarks not less than $30 million for each of fiscal years 1986 and 1987.

(b) South Africa Educational Training Program

The House amendment (sec. 802(b)) prohibits the use of Economic Support Fund assistance in fiscal years 1986 and 1987 for education or training programs in South Africa conducted by or through organizations in South Africa which are financed or controlled by the Government of South Africa. The ESF assistance is only to be used for programs which clearly reflect the objective of ending the apartheid system.

The Senate bill does not contain a comparable provision.

The conference substitute is the same as the House amendment with an amendment adding a provision permitting the award of university scholarships to students to choose to attend a South African Government-supported university.

(c) Human Rights Fund for South Africa

The House amendment (sec. 802(c)) earmarks not less than 50 percent of the Economic Support Funds for the Human Rights Fund for South Africa for direct legal and other assistance to political detainees and prisoners and their families in South Africa.

The Senate amendment does not contain a comparable provision.

The conference substitute amends the House amendment to earmark not less than 35 percent ESF funds for this purpose and to provide that the funds may also be used for the investigation of the killing of protestors and prisoners in South Africa.

It is the intention of the conferees that the legal and other assistance to political detainees and prisoners and their families may be made available directly or through organizations promoting human rights in South Africa such as: Black Sash, South African Council of Churches, Legal Resource Center, Black Lawyers Association, Detainees Parent Support Committees, black civic organizations, and lawyers and law firms representing specific detainees and prisoners.

POLICY TOWARD SOUTH AFRICA "HOMELANDS"

The Senate bill (sec. 926) contains a sense of Congress provision against the South African Government's homelands policy.

The House amendment does not contain a comparable provision.

The conference substitute is the same as the Senate provision.

SOUTHERN AFRICA DEVELOPMENT COORDINATION CONFERENCE EARMARK AND STUDY

The House amendment (sec. 802(a)) earmarks not less than 50 percent of the southern Africa regional ESF funding for projects supported by the Southern Africa Development Coordination Conference (SADCC). AID is to evaluate its aid to SADCC and other African regional institutions and ways to improve such assistance, study what AID mechanism might best coordinate aid to African regional institutions, and report to Congress in 3 months.

The Senate bill does not contain a comparable provision.

The conference substitute is the same as the House provision.

ASSISTANCE FOR ZAIRE

The House amendment (sec. 804) contains the following restrictions on assistance for Zaire:

(a) Economic Support Fund assistance must be provided in accord with development assistance criteria in the Foreign Assistance Act and to the maximum extent practicable through private and voluntary organizations;

(b) Military assistance is limited to $4 million for each of fiscal years 1986 and 1987; and

(c) FMS financing for Zaire for each of fiscal years 1986 and 1987 is prohibited.

The Senate bill does not contain a comparable provision.

The conference substitute is the same as the House amendment with an amendment increasing the military assistance ceiling to $7 million for each of fiscal years 1986 and 1987.

ASSISTANCE FOR TUNISIA

The Senate bill (sec. 115) earmarks $15 million MAP for Tunisia.

The House amendment (sec. 805) does not contain the earmark but does express the recognition of the traditional friendship between the United States and Tunisia and common interests in the North Africa region. It also states that U.S. assistance to Tunisia is based on the expectation of continued growth of democratic institutions within Tunisia, thereby promoting political stability and economic development.

The conference substitute combines the Senate and House provisions and earmarks not less than $15 million MAP for Tunisia. In addition to the earmarked $15 million MAP for Tunisia, the conference committee recommends that an additional $25 million of the military assistance program (MAP) account be made available for a total of $40 million in MAP for Tunisia in lieu of $25 million of Treasury rate FMS credits. The conference committee recommends this MAP level in recognition of Tunisia's difficult economic situation including its every increasing debt burden. This shift of FMS to MAP does not alter the overall program level for Tunisia in specific or the total levels of the legislation in general.

POLITICAL SETTLEMENT IN SUDAN

The House amendment (sec. 806) states it is U.S. policy that security assistance to Sudan is based on the expectation that the Government of Sudan will make progress toward settlement with all parties to the conflict in the south.

The Senate bill does not contain a comparable provision.

The conference substitute is the same as the House provision.

ELECTIONS IN LIBERIA

The House amendment (sec. 807) expresses the recognition that U.S. interests in a stable, friendly regime will be best served by legitimate civilian rule in Liberia. In this regard, security assistance to Liberia is based on the expectation of a successful completion of free and fair elections, on a multiparty basis, in October 1985, as proposed by the Government of Liberia, and a return to full civilian, constitutional rule as a consequence of such elections.

The Senate bill does not contain a comparable provision.

The conference substitute is the same as the House provision.

WESTERN SAHARA

The House amendment (sec. 808) states that it is U.S. policy to support a negotiated political solution to the conflict in the Western Sahara and to maintain direct contacts with all parties to the conflict. It also prohibits the U.S. military from performing defense services in the Western Sahara until an internationally recognized settlement is reached. It recognizes Morocco's legitimate defense needs and calls for the discouragement of aggression by any country in North Africa against another.

The Senate bill does not contain a comparable provision.

The conference substitutes is the same as the House amendment with an amendment removing the reference to direct contacts with all parties to the conflict and removing the prohibition on the U.S. military performing defense services in the Western Sahara. The amendment encourages all parties to the conflict to reach a peaceful internationally recognized settlement.

It is the committee's expectation that members of the U.S. Armed Forces would not perform defense services under the Foreign Assistance Act of 1961 or the Arms Export Control Act or conduct international military education and training activities under chapter 5 of part II of the Foreign Assistance Act of 1961 in the Western Sahara so long as there is not an internationally recognized settlement in the Western Sahara.

SAHEL DEVELOPMENT PROGRAM

The House amendment (sec. 809) authorizes the use of the funds available under the Sahel Development Program be used to help Sahelian governments improve their capabilities to meet administrative requirements resulting from donor country projects and activities.

The Senate bill does not contain a comparable provision.

The conference substitute is the same as the Senate position.

REPEAL OF THE CLARK AMENDMENT

The House amendment (sec. 811) repeals section 118 of the International Security and Development Cooperation Act of 1980 (the Clark Amendment), which prohibits assistance for military and paramilitary operations in Angola.

The Senate bill has no comparable provision; however, the Senate-passed State Department Authorization Bill contains an identical provision.

The conference substitute is the same as the House provision.

It is the intent of the Committee of Conference that the repeal of the Clark amendment not necessarily be construed to be an endorsement by the Congress of the provision of assistance of any kind, for the purpose, or which would have the effect, of promoting or augmenting, directly or indirectly, the capacity of any nation, group, organization, movement, or individual to conduct military or paramilitary operations in or against Angola. Provision of such assistance requires further legislative procedures—the appropriate authorization and appropriation bills or presentment by the President of a finding to the Select Committees on Intelligence. Any assistance for military or paramilitary operations in Angola should be considered in the context of the prospects for the achievement of an internationally recognized independence settlement in Namibia in accordance with U.N. Secretary Council Resolution 435 and its effect on the U.S. political, economic and strategic interest in Africa.

FAILURE OF THE ETHIOPIAN GOVERNMENT TO RESPONSIBLY AMELIORATE FAMINE CONDITIONS

The House amendment (sec. 813) criticizes the Government of Ethiopia for misplaced political and military priorities and negligence in failing to ameliorate tragic nutritional and health conditions due to drought and famine. It requires the President to determine "whether the Ethiopian regime is conducting a deliberate policy of starvation of its people." If the determination is affirmative, and if by joint resolution Congress approves the determination, goods and services may not be imported from Ethiopia or, except for humanitarian aid, exported to Ethiopia.

The Senate bill does not contain a comparable provision.

The conference substitute is the same as the House provision, with an amendment deleting subsection 813(a)(2) which referred to suggestions that the United States has been negligent in its efforts to ameliorate conditions in Ethiopia.

It is the intent of the conferees that nothing in this section shall be construed to limit the authority of the President to control imports and exports with respect to Ethiopia under any other provision of law. Further, prohibitions on economic assistance or exports to Ethiopia are not to be construed as preventing assistance for the relief, rehabilitation, and recovery of the Ethiopian people.

ASSISTANCE FOR THE PEOPLE'S REPUBLIC OF MOZAMBIQUE

(a) Military assistance

The Senate bill (sec. 931) prohibits military assistance to Mozambique unless the President certifies within 30 days after enactment of the bill and every 180 days thereafter that the Government of Mozambique:

(1) is making an effort to comply with internationally recognized human rights;

(2) is making continued progress in implementing economic and political reforms;

(3) has implemented a plan by September 30, 1986, to reduce the number of foreign military personnel to no more than 55; and

(4) is committed to holding free elections at a date no later than September 30, 1986.

The House amendment (sec. 1301) prohibits military assistance for Mozambique.

The conference substitute is the same as the Senate provision.

(b) Prohibition of economic assistance

The House amendment (sec. 812) prohibits economic assistance to Mozambique unless the President certifies, by September 30, 1986, that the number of foreign military advisors and troops in Mozambique does not exceed 55.

The Senate bill does not contain a comparable provision.

The conference substitute provides that bilateral assistance to Mozambique shall be used solely for assistance to the private sector of the Mozambican economy to the maximum extent practicable, and that to the maximum extent practicable, such funds also shall be channeled through nongovernmental entities in Mozambique.

AFRICA FAMINE RECOVERY DEVELOPMENT FUND

The Senate bill (sec. 308) establishes a $100 million no-year fund for long-term development in Africa.

The House amendment does not contain a comparable provision.

The conference substitute is the same as the House position and is referenced further in title X, food and agricultural assistance.

TITLE IX— ASIA

PHILIPPINES ASSISTANCE

The Senate bill (sec. 917) states the sense of the Senate about the revitalization of democracy in the Philippines and about the purpose of U.S. assistance for the Philippines. The Senate bill (sec. 101) also authorizes 30-year repayment terms for market rate FMS loans extended for the Philippines.

The House amendment (sec. 1109) states the sense of the Congress about U.S. policy objectives toward the Philippines, requires a report on achievement of these objectives and on U.S. assistance transferred to the Philippines. The House provision also contains statements on congressional oversight and requires a portion of aid to be distributed by nongovernmental organizations. The House amendment (sec. 101, sec. 103, and sec. 208) also prohibits FMS financing for the Philippines, sets a $25 million ceiling on MAP for the Philippines and earmarks $155 million ESF for the Philippines.

The conference substitute is a compromise that states the sense of Congress that the United States should encourage the restoration of democracy in the Philippines. The compromise states the intention of Congress that provision of U.S. aid to the Philippines in the future will be contingent on progress in achieving fundamental political, economic, and military reforms. The compromise specifically notes, in its provision on congressional oversight, that U.S. assistance may be deferred if significant progress is not achieved in implementing the specified reforms.

The conference substitute sets a $20 million ceiling on FMS, a $50 million ceiling on MAP and earmarks $110 million ESF for the Philippines for each fiscal year 1986 and 1987. It also makes the Philippines eligible for 30-year repayment terms on market rate FMS loans. These compromise aid figures represent a 30 percent reduction in the executive branch's request for $100 million in military aid and are an expression of the significant congressional dissatisfaction with the current situation in the Philippines.

The substitute requires that military assistance for the Philippines be used only for nonlethal defense items which the executive branch has programmed as follows:

ARMED FORCES OF THE PHILIPPINE'S (AFP) PROCUREMENT PROGRAM FOR FISCAL YEAR 1986

Types of equipment:

1. CABCOM/SUBCOM (Clark-Subic Base security)
2. Ground force spares
3. Engineer spares
4. V150 spares (armored scout cars)
5. V150 rebuild (armored scout cars)
6. Helicopter spares
7. Air Force (F8/T28/C130) spares
8. Shipyard and service craft operation
9. Ship overhaul/life extension
10. Ship operating cost
11. Navy MIT/Subic OJT (training)
12. Fixed commo spares
13. Aircraft tech assistance/TCP, F-5
14. Publications
15. Dataphone support
16. Calibration support
17. MIT/OJT. (training)
18. Comm. elec. equipment (PADS)
19. Tactical commo
20. Engineer equipment
21. Cargo truck two and one-half ton (90 each)

Total

The conferees direct the executive branch to channel Public Law 480 and other economic assistance to the Philippines through private voluntary organizations, cooperatives and other nongovernmental organizations, to the maximum extent feasible. It recommends, as a target, that 25 percent of U.S. economic aid (other than the ESF program), be channeled through nongovernmental organizations.

PHILIPPINES WHEAT PURCHASE

The Senate bill (sec. 916) states the sense of the Senate that the State Department should not prevent U.S. wheat sales to the Government of the Philippines.

The House amendment does not contain a comparable provision.

The conference substitute is the same as the House position.

DISADVANTAGED CHILDREN IN ASIA

The House amendment (sec. 314) amends section 241 of the Foreign Assistance Act to direct the President to report to the Congress regarding the quality of life of Amerasian children and to recommend steps which the United States could take to enhance the lives of these children.

The Senate bill does not contain a comparable provision.

The conference substitute is the same as the House provision.

AFGHANISTAN

The House amendment (sec. 1111) earmarks $15 million in development assistance of ESF funds annually beginning in fiscal year 1986 for humanitarian assistance to the Afghan people.

The Senate bill (sec. 910) earmarks $15 million in ESF funds beginning in fiscal year 1985 for such purposes.

The conference substitute earmarks $15 million in ESF funds annually beginning in fiscal year 1986 for humanitarian assistance to the Afghan people. The conferees recognize that the nature of the assistance to be provided requires some degree of flexibility in the application of standard audit procedures and requirements.

ASSISTANCE FOR NON-COMMUNIST CAMBODIAN RESISTANCE FORCES

The Senate bill (sec. 933) authorizes up to $5 million for fiscal year 1986 for MAP and ESF assistance for Cambodian non-Communist resistance forces. It further authorizes section 924 such assistance provided ASEAN countries also make assistance available. The Senate bill (sec. 914) also prohibits funds under any act from being used to aid the Khmer Rouge.

The House amendment (sec. 206) authorizes up to $5 million for each fiscal year 1986 and 1987 for MAP and ESF for the same purpose but with no reference to the need for ASEAN aid. The House amendment (sec. 207) also prohibits funds under this act from being used to aid the Khmer Rouge.

The conference substitute is a compromise that authorizes $5 million for each of fiscal years 1986 and 1987 for MAP and ESF assistance for Cambodian non-Communist resistance forces and also prohibits funds under any act from being used to aid the Khmer Rouge.

The conferees emphasize that the U.S. contribution authorized by this provision is not intended to replace or preempt aid provided by the Association of Southeast Asian Nations (ASEAN) and by other supporters of the non-Communist Cambodian resistance forces. The conferees believe that ASEAN should continue to play the lead role in finding a solution to the Cambodian problem and that any U.S. involvement should be clearly secondary to that of ASEAN. The conferees that the nature of the assistance to be provided required some degree of flexibility in the application of standard audit procedures and requirements.

SRI LANKA

The House amendment (sec. 1110) states the sense of Congress that all parties in Sri Lanka should renew their efforts to achieve a joint political settlement which meets the legitimate concerns of all the people of Sri Lanka.

The Senate bill does not contain a comparable provision.

The conference substitute is the same as the House provision with an amendment which makes clear that Congress believes that the Sri Lankan Government must intensify efforts to put an end to abuses by the Sri Lankan security forces.

U.S. POLICY TOWARD THE REPUBLIC OF KOREA

The House amendment (sec. 1108) states the sense of Congress that the continuing close relations between the Republic of Korea and the United States will encourage the establishment of a genuinely democratic system in Korea in which internationally recognized human rights are observed.

The Senate bill does not contain a comparable provision.

The conference substitute is the same as the House provision.

REPUBLIC OF CHINA MEMBERSHIP IN ASIAN DEVELOPMENT BANK

The Senate bill (sec. 930) contains a provision that states the sense of the Senate that the Republic of China should remain a full member of the Asian Development Bank and that President and Secretary of State should make clear the United States is opposed to administrative changes affecting the status and designation of members of the ADB.

The House amendment does not contain a comparable provision.

The conference substitute is the same as the House position.

TITLE X—FOOD AND AGRICULTURAL ASSISTANCE

INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT AND AFRICAN AGRICULTURAL DEVELOPMENT

The Senate Bill (sec. 302(b)) expresses the sense of Congress that the President should continue U.S. participation in the International Fund for Agricultural Development (IFAD), that funds for the second IFAD replenishment will be authorized for appropriation upon the President's recommendation, that the United States should provide a special contribution to IFAD for a special fund for Sub-Saharan African countries affected by drought and desertification, and that such objectives should be accomplished through a reprogramming of existing appropriations or other procedures to keep international affairs spending within congressional budget resolution targets. The Senate bill also (sec. 308) reaffirms the commitment of the American people to assist the famine-threatened Sub-Saharan countries and authorizes up to $100 million from any Foreign Assistance Act funds to be used for long-term agricultural recovery and development of the Sub-Saharan Africa region.

The House amendment (sec. 901) amends section 103(g) of the Foreign Assistance Act to authorize continued U.S. participation in IFAD and authorizes the appropriation of such sums as may be necessary to meet the U.S. pledge for the second IFAD replenishment. The House amendment (sec. 912) also expresses the sense of Congress that the programs carried out by IFAD and those carried out pursuant to the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480) are valuable programs and should receive adequate funding to carry out their purposes.

The conference substitute amends section 103(g) of the Foreign Assistance Act to authorize continued U.S. participation in IFAD and up to $50 million each year in fiscal years 1986 and 1987 for U.S. contributions to the second IFAD replenishment, the funds to be available from the aggregate amounts authorized for part I (economic assistance) of the Foreign Assistance Act.

The conferees reaffirm the U.S. commitment to assist in the relief and development of Sub-Saharan African countries afflicted by drought and famine. They note that substantial amounts are currently being devoted to this purpose and will continue to be made available under this act, and that existing authorities allow for a U.S. contribution to a special IFAD fund for Sub-Saharan countries if warranted.

PUBLIC LAW 480

Certain issues before the Committee of Conference involved matters that, in the Senate, are under the jurisdiction of the Committee on Agriculture, Nutrition, and Forestry. Provisions in the House amendment to the Senate bill which fall into this category were acted on in Conference between the House Managers and those representing the Senate Committee on Agriculture, Nutrition, and Forestry. While the Senate bill did not contain comparable provisions on these subjects, the Managers recognized and gave consideration to the fact that the Committee on Agriculture, Nutrition, and Forestry has reviewed and tentatively acted on many of these issues in its mark-up of omnibus farm legislation. It is anticipated that the provisions in the House amendment in this area which were not adopted because of the need for further consideration on the part of the Senate Managers, and comparable provisions considered by the Senate Committee on Agriculture, Nutrition, and Forestry that were not adopted in this Conference, will be available for consideration at a future date.

Following is the action of the Committee of Conference with respect to provisions in the above category:

(a) Public Law 480 title II minimums

The House amendment (sec. 902) amends section 201(b) of the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480) to increase the minimum and subminimum required for distribution of U.S. agricutlural commodities abroad under the title II humanitarian donations program of that act. Under present law the minimum for each fiscal year is 1.7 million metric tons, of which a subminimum of not less than 1.2 million metric tons shall be for nonemergency programs distributed through nonprofit voluntary agencies and the World Food Program. This amendment increases the minimum and subminimum each by 100,000 tons a year for 3 years, starting in fiscal year 1987, so that by fiscal 1989 the minimum will be 2 million tons annually and the subminimum will be 1.5 million tons.

The Senate bill does not contain a comparable provision.

The Conference substitute provides that the minimums and subminimums are required to be distributed as follows: for fiscal year 1986, a minimum of 1.8 million metric tons, with the subminimum at 1.3 million metric tons; and for fiscal year 1987, a minimum of 1.9 million tons, with a subminimum of 1.425 million metric tons.

(b) Express authority for title II direct distribution, sale, and barter

The House amendment (sec. 903) amends section 202(a) of the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480) by inserting, after the first sentence, the following new sentence: "Such commodities may be furnished for direct distribution, sale, barter, or other appropriate disposition in carrying out the purposes set forth in section 201." The House amendment also expresses the sense of Congress on what are the general categories for sale and barter of commodities under section 202(a) of Public Law 480.

The Senate bill does not contain a comparable provision.

The conference substitute consists of the new sentence for section 202(a) of Public Law 480 that was contained in the House amendment. The amendment provides explicit authority for direct distribution, sale, and barter of commodities provided under title II. The conferees note that cooperatives are eligible recipients under current law, as are nonprofit voluntary agencies, and that this explicit authority is applicable to cooperatives as well as to nonprofit voluntary agencies.

(c) Role of private voluntary organizations and cooperatives

The House amendment (sec. 904) amends the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480) in two respects. Subsection (a) adds to subsection 201(b) of Public Law 480 a new paragraph (4) applying to title II humanitarian donation programs. It provides that for commodities distributed under title II by nonprofit voluntary agencies, consideration shall be given to the nutritional and development objectives which are established by those agencies from their assessment of the needs of the people receiving the food. Subsection (b) amends section 302(c) of Public Law 480, which currently provides that in developing and carrying out title II—food for development programs—consideration shall be given to using the capability and expertise of U.S. agriculture. The amendment adds U.S. nonprofit voluntary agencies and cooperatives to those who are to receive such consideration.

The Senate bill contains no comparable provision.

The conference substitute is the same as the House provision.

(d) Multiyear agreements with PVO's and cooperatives

The House amendment (sec. 905) amends section of the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480) to add a new provision as follows:

(1) The President is encouraged, in agreements with nonprofit voluntary agencies for nonemergency, in agreements with nonprofit voluntary agencies for nonemergency title II programs, to make multiyear commitments for agricultural commodity supplies for those projects when requested by the PVO involved (such commitments being subject to the availability of the commodities and necessary appropriations);

(2) This multiyear provison does not apply to instances in which the President determines an agreement should be limited to a single year because of past performance of the applying PVO or because the agreement involves a new program; and

(3) Under a multiyear agreement pursuant to this provision a PVO will not be required to get annual U.S. Government approval to continue its program under the agreement, unless exceptional and unforeseen circumstances have occurred which the President determines require such approval.

The Senate bill contains no comparable provision.

The conference substitute is the House provision with the addition that cooperatives are included along with nonprofit voluntary agencies.

(e) Title II programming reports

Section 909 of the House amendment amends section 408(b) of Public Law 480. Section 408(b) presently requires a report to Congress by September 30 of each year on the planned programming of food assistance for the coming fiscal year under title I of Public Law 480. Further reports on planned programming of title I food assistance are required by December 31 and June 30 of each year. This amendment applies the same reporting requirement to food assistance provided under title II of the Public Law 480.

The Senate bill contains no comparable provision.

The conference substitute is the same as the House provision.

(f) Eligible commodities under section 416(b)

The House amendment amends subsection (b) of section 416 of the Agricultural Act of 1949. At present, subsection 416(b) authorizes the Secretary of Agriculture to distribute abroad diary products and wheat acquired by the Commodity Credit Corporation through price support operations. The House amendment adds rice to the eligibility list.

The Senate bill contains no comparable provision.

The conference substitute is the same as the House provision. The conferees also intend that the Secretary of Agriculture use his authority under section 416(b) with regard to wheat.

(g) Other Public Law 480 provisions

The following provisions of the House amendment are not included in the conference substitute: section 906 (child immunization), section 907 (use of local currencies for education programs under title III), section 908 (farmer-to-farmer program), and section 910 (food for progress program and private enterprise promotion).

LONG TERM AGRICULTURAL COMMODITY AGREEMENTS WITH FOOD DEFICIT COUNTRIES

The Senate bill (sec. 913) provides that as part of the U.S. foreign assistance program, the President should explore the possibility of concluding long-term agricultural commodity agreements to help stabilize and increase the flow of concessional and commercial food stuffs with food deficit countries. The President is directed to report to Congress by June 1, 1986, on his efforts to achieve such agreements.

The House amendment contains no comparable provision.

The conference substitute is the same as the Senate provision.

TITLE XI—PEACE CORPS

In addition to the $130 million authorized to be appropriated for each of fiscal years 1986 and 1987, additional funds are authorized to be transferred to the Peace Corps by the President pursuant to new section 435 of the Foreign Assistance Act for use to carry out the purposes of the Peace Corps Act in Central American countries. The conferees stress that the availability of these additional funds is not intended in any way to alter the fundamental precept that the Peace Corps is not be used as an instrument of U.S. foreign policy.

NUMBER OF PEACE CORPS VOLUNTEERS

The House amendment (section 1002) amends section 2 of the Peace Corps Act to declare that it is the policy of the United States and a purpose of the Peace Corps to provide, to the maximum extent possible, opportunities for service in the Peace Corps for at least 10,000 individuals by the end of fiscal year 1989 and thereafter and requires the President to include in the annual report on the Peace Corps to the Congress a description of the plans developed and implemented to carry out the at-least-10,000-voluntary policy.

The Senate bill contains no comparable provision.

The conference substitute declares that the policy and purpose of the Peace Corps is to provide sufficient opportunities for service to maintain a volunteer corps of at least 10,000 to the maximum extent appropriate and consistent with programmatic and fiscal considerations.

LIMITATION ON LENGTH OF PEACE CORPS EMPLOYMENT

The House amendment (sec. 1003) amends section 7 of the Peace Corps Act to extend from five to seven and one-half years the general maximum duration of the period that a United States citizen may be employed by the Peace Corps.

The Senate bill contains no comparable provision.

The conference substitute contains the provision in the House amendment with the following modifications. The substitute specifies four purposes for which appointments of U.S. citizens in excess of five years may be made: (I) to permit Peace Corps employees who have served at least two and one-half years abroad to serve in the United States, (II) to permit Peace Corps employees who have served at least two and one-half years in the United States to serve abroad, (III) to permit Peace Corps employees who have served at least two and one-

half in a recruitment, selection, or training activity in the United States or abroad to be reassigned to an activity other than the one in which they most recently served, or (IV) to promote the continuity of functions in administering the Peace Corps. Also, the total number of appointments or assignments of U.S. citizens in effect at any one time for more than five years may not exceed fifteen percent of the total of all appointments or assignments of U.S. citizens at that time. Without regard to these limitations on the number of U.S. citizen employees who may be employed, and on the purposes for which they may be employed, for more than five years, under special circumstances the Director of the Peace Corps may personally extend on an individual basis an employee's service up to one year beyond five years. This authority is in addition to the director's existing authority, under the same terms and conditions, to provide up-to-one-year extensions of the general limitation—increased from five years to seven and one-half years by the conference substitute—on the duration of U.S. citizens' Peace Corps employment.

The conference substitute also requires a report to the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs by January 1, 1986, on the criteria to be used in exercising the Authority to employ U.S. citizens for up to seven and one-half years and annual reports thereafter on the exercise of that authority and the director's authorities personally to approve one-year extensions.

According to the Peace Corps, the current Director of the Peace Corps has used the one-year extension authority less than seventy times over the last four and one-half years. The conferees expect that this extraordinary authority will continue to be exercised in such a sparing fashion.

PEACE CORPS NATIONAL ADVISORY COUNCIL

The Senate bill (sec. 602) amends the Peace Corps Act to add a new section 12 requiring the establishment of the Peace Corps National Advisory Council. The Council consists of fifteen voting members appointed by the President, the Secretary of State as a voting member *ex officio*, and the Director and Deputy Director of the Peace Corps as non-voting members *ex officio*, with the Council required to advise and make recommendations to the President and the Peace Corps Director and to report periodically and make recommendations to the Congress. Effective sixty days after the date of enactment, the Senate provision terminates any existing, administratively-established advisory council.

The House amendment contains no comparable provision.

The conference substitute is substantively similar to the Senate bill except that the Council is to report and make recommendations to the Congress only as the Council considers it appropriate to do so; the requirement for members of the Council to inspect Peace Corps activities is expressly made subject to provisions specifying the daily rate of compensation for members who are not federal employees and requiring that, for a member's travel to be paid for by the government, the Director of the Peace corps must determine that the travel is necessary for the performance of duties as a Council member; the Secretary of State is made a non-voting, rather than a voting, member *ex officio* and is authorized to be represented on the Council by a State Department officer or employee designated by the Secretary; and the Administrator of AID is added as a non-voting member *ex officio* and may be represented by an AID officer or employee designated by the Administrator.

NONPARTISAN APPOINTMENTS

The Senate bill (sec. 603) adds a new section 25 to the Peace Corps Act to prohibit the use of any political test or political qualification in the selection of individuals for overseas Peace Corps positions or in the promotion or the taking of any other personnel action with respect to overseas Peace Corps personnel.

The House amendment contains no comparable provision.

The conference substitute is the same as the Senate bill.

PEACE CORPS TECHNICAL PUBLICATIONS

The House amendment (sec. 1004) amends section 15 of the Peace Corps Act to authorize the Peace Corps to sell its technical publications at cost and to provide that, to the extent provided in advance in appropriations acts, up to $200,000 of the proceeds of these sales annually may be credited to the current Peace corps appropriations.

The Senate bill contains no comparable provision.

The conference substitute is the same as the Senate position.

TITLE XII—MISCELLANEOUS PROVISIONS RELATING TO FOREIGN ASSISTANCE

CONGRESSIONAL NOTIFICATION REGARDING CERTAIN AUTHORITIES RELATING TO HUMAN RIGHTS CONCERNS

The House amendment (sec. 1101) amends section 502B of the Foreign Assistance Act to add a new subsection (g) requiring a Presidential report to the Congress before funds can be made available to any country after a determination has been made that such a significant improvement in the country's human rights record has occurred as to warrant providing or increasing assistance.

The Senate bill does not contain a comparable provision.

The conference substitute is the same as the House provision.

PROHIBITIONS AGAINST ASSISTANCE

The Senate bill (sec. 903) amends section 620(f) of the Foreign Assistance Act, which prohibits assistance under that act to Communist countries, to add a new paragraph authorizing the President to remove any country from application of the subsection when he determines and reports to Congress that such action is important to the national interest of the United States.

The House amendment (sec. 1102) contains the same provision with the addition of sense of Congress language that when consideration is given to authorizing assistance to a country removed from the application of section 620(f), one of the factors to be weighed is whether the country in question is giving evidence of fostering the establishment of a genuinely democratic system, with respect for internationally recognized human rights.

The conference substitute is the same as the House provision.

REPORTS ON ECONOMIC CONDITIONS IN CERTAIN COUNTRIES

The House amendment (sec. 1106) states a congressional finding concerning the external debt burdens of Egypt, Israel, Turkey, and Portugal and requiring a Presidental report on the economic conditions in these countries.

The Senate bill does not contain a similar provision.

The conference substitute is the same as the House provision.

EGYPTIAN-ISRAELI RELATIONS

The House amendment (sec. 1107) contains a provision expressing the sense of Congress that U.S. foreign assistance to Egypt is provided in the expectation that Egypt will continue in its efforts to bring peace to the region and that it will continue to support and fulfill the provisions of the Camp David Accords and the Egyptian-Israeli Peace Treaty, including the return of the Egyptian Ambassador to Israel.

The Senate bill contains no comparable provision.

The conference substitute is similar to the House amendment without referring to any specific issues between Egypt and Israel. The conferees note the recent efforts of Egypt to move the peace process forward and hope that the many irritants in Egyptian-Israeli relations can be resolved in the coming months so that the Egyptian-Israeli relationship can continue to grow.

PROCUREMENT OF CONSTRUCTION AND ENGINEERING SERVICES

The Senate bill (sec. 901) amends section 604(g) of the Foreign Assistance Act of 1961 to enable construction and engineering firms from advanced aid-recipient countries to bid on certain AID construction and engineering contracts.

The House amendment (sec. 1202) contains the same provision with a further condition for eligibility that such countries, which have their own foreign assistance programs, must permit U.S. firms to compete for construction and engineering in their foreign assistance programs.

The conference substitute is the same as the House provision.

REPROGRAMMING NOTIFICATIONS

The House amendment (sec. 1204) amends section 634A of the Foreign Assistance Act to provide that the Senate Foreign Relations Committee and the House Foreign Affairs Committee be notified of reprogrammings to the same degree and with the same conditions as notification to the appropriations committees.

The Senate bill has no comparable provision.

The conference substitute is the same as the House provision.

STREAMLINING OF REPROGRAMMING NOTIFICATIONS

The Senate bill (sec. 905) amends section 634A of the Foreign Assistance Act to provide a dollar threshold ($25,000) for reprogramming under 634A. AID need not notify Congress unless a proposed reprogramming exceeds by more than 10 percent the amount already justified to Congress for an activity in a fiscal year.

The House amendment (sec. 123) contains the same language, except there is no AID provision.

The conference substitute is the same as the Senate provision.

PARTICIPANT TRAINEE GRANTS

The Senate bill (sec. 909) amends the Internal Revenue Code to exempt from withholding or deduction scholarships, fellowships, or per diem provided to nonresident aliens receiving training in the United States under the Foreign Assistance Act.

The House amendment did not contain a comparable provision.

The conference substitute is the same as the House position.

REPEAL OF PROVISIONS

The Senate bill repealed subsection 306(b) of the Foreign Assistance Act which requires a semiannual report from the President listing all voluntary contributions by the U.S. Government to international organizations.

The Hosue amendment contained no comparable provision.

The conference substitute is the same as the House provision.

REPORT ON U.S. ASSISTANCE TO COAL EXPORTING NATIONS

The Senate (in sec. 117 of S. 1003, the Department of State Authorization) directs the Export-Import Bank to provide a report on assistance which other countries provide to the production and exportation of coal.

The House amendment contains no comparable provision.

The conference substitute is the Senate provision, with an amendment directing the President rather than the Export-Import Bank to conduct the study and requiring the report be submitted to the Speaker of the House and the President pro tem of the Senate.

TITLE XIII—MISCELLANEOUS PROVISION

CODIFICATION OF POLICY PROHIBITING NEGOTIATIONS WITH THE PALESTINE LIBERATION ORGANIZATION

The Senate bill (sec. 912) makes a congressional finding of what has been U.S. policy toward the Palestine Liberation Organization (PLO) based on the memorandum of agreement with Israel in 1975 and reaffirms that policy. It states that no officer or employee of the U.S. Government shall negotiate with the PLO, except in emergency or humanitarian situations, unless and until the PLO recognizes Israel's right to exist, accepts U.N. Security Council Resolutions 242 and 338, and renounces the use of terrorism.

The House bill (sec. 1206) contains an almost identical provision.

The conference substitute is similar to the House and Senate provisions, restates what has been policy since 1975, reaffirms and codifies that policy and the circumstances under which the United States will negotiate with the PLO, and allows for an exception to the policy of no negotiations with the PLO in emergency and humanitarian situations.

COMMISSION FOR THE PREVENTION OF AMERICA'S HERITAGE ABROAD

The House amendment (sec. 1207) provides for the establishment of a 21-member Commission for the preservation of America's Heritage Abroad. The purpose of the Commission is to encourage the preservation and protection of cemeteries, monuments, and historic buildings associated with the foreign heritage of U.S. citizens from Eastern Europe, since such preservation is recognized as being in the national interest of the United States.

The Senate bill (sec. 928(a)) provides for a similar Commission with five members.

The conference substitute is a modification of the House amendment providing that all 21 members of the Commission will be appointed by the President, but 7 of those chosen will be from nominees of the Speaker of the House of Representatives and 7 will be from nominees of the President pro tempore of the Senate. The Chairman of the Commission shall be designated by the President from among Commission members.

FEDERAL COAL EXPORT COMMISSION

The House amendment (sec. 1213) directs the Secretary of Commerce to establish a Federal Coal Export Commission.

The Senate bill has no comparable provision.

The conference substitute is the House provision.

OTHER PROVISIONS

Both the Senate and the House amendment contain a number of provisions which the committee of conference determined should be conferenced in a more appropriate bill. Those provisions, which were therefore dropped without prejudice, are as follows:

Extradition treaties

The Senate bill (sec. 1011) provides that the Secretary of State, with the assistance of the National Drug Enforcement Policy Board, shall increase U.S. efforts to negotiate updated extradition treaties relating to narcotics offenses, particularly with Latin American countries.

The House amendment contains no such provision, although a similar provision is contained in H.R. 2068, the State Department authorization bill.

The conferees agreed to include this provision in the State Department conference agenda.

International Narcotics Control Commission

The Senate bill (sec. 922) establishes an international narcotics control commission which would monitor compliance with international narcotics treaties.

The House amendment contains no comparable provision.

The conferees agreed to include this provision in the State Department conference agenda.

U.S. Scholarship Program for developing countries

The House amendment (title VI) establishes specific authority for an undergraduate scholarship program for students of limited financial means, sets conditions on the form of grants and loans, and authorizes funds in USIA and AID for Latin American and Caribbean students.

The Senate bill contains no comparable provision, although a similar provision is contained in the State Department authorization bill, including a requirement for a study on Hispanic training.

The committee of conferees agreed to include this provision in the State Department conference agenda.

National Endowment for Democracy Programs in South Africa

The House amendment (sec. 803) states the sense of the Congress that up to $500,000 in USIA funds should be made available to the National Endowment for Democracy to finance programs to promote democracy and end apartheid.

The Senate bill contains no comparable provision.

The conferees agreed to include this provision in the State Department conference agenda.

Soviet policy regarding Soviet Jewry

The House amendment (sec. 1208) contains a provision which calls on the Soviet Union to release Anatoly Shcharansky and a number of other Soviet citizens, and to issue exit visas to "refuseniks."

The Senate bill contains no comparable provision.

The conferees agreed to include this provision in the State Department conference agenda.

Japanese self-defense responsibilities

The House amendment (sec. 1209) contains findings concerning the U.S.-Japanese security relationship and states the sense of Congress that Japan should take steps to make a more effective contribution to its own defense.

The Senate bill contains no comparable provision, although a similar provision is contained in the State Department authorization bill.

The conferees agreed to include this provision in the State Department conference agenda.

Policy regarding foreign exchange intervention

The Senate bill (sec. 921) includes sense of Congress language calling on the Secretary of the Treasury and the Chairman of the Federal Reserve Board to take necessary steps to lower the value of the dollar in foreign exchange markets.

The House amendment does not contain a comparable provision.

The conferees agreed to include this provision in the State Department conference agenda.

Crisis stability and control study

The House amendment (sec. 1211) calls on the Secretary of State and the Dirctor of ACDA to conduct a study by July 1, 1986, on measures to enhance U.S. security and reduce the likelihood of nuclear weapons use by contributing to crisis control capabilities.

The Senate bill contains no comparable provision.

The conferees agreed to include this provision in the State Department conference agenda.

Arms control building in Geneva

The Senate bill (sec. 915) states the sense of the Senate that the Secretary of State should report to the Congress on the feasibility of a structure in Geneva to house the U.S. arms control negotiating teams.

The House amendment contains no comparable provision.

The conferees agreed to include this provision in the State Department conference agenda.

Delays in construction of U.S. Embassy in Moscow

The House amendment (sec. 1212) directs the Secretary of State to begin the international arbitration process to resolve U.S. claims against the Soviet Union because of delays in construction of the U.S. Embassy in that country.

The Senate bill contains no comparable provision.

The conferees agreed to include this provision in the State Department conference agenda.

Representation of women and minorities in the Foreign Service

The House amendment (sec. 1214) directs agencies using the Foreign Service to develop affirmative action efforts to increase the number of women and minorities in their agencies and to report to the Congress annually on their efforts.

The Senate bill contains no comparable provision.

The conferees agreed to include this provision in the State Department conference agenda.

Employees of the United Nations

The House amendment (sec. 1215) directs the Secretary of State to report on those international civil servants at the United Nations required to return their salaries to their governments.

The Senate bill contains no comparable provision.

The conferees agreed to include this provision in the State Department conference agenda.

Refugees in Thailand

The House amendment (sec. 1216) states the sense of the Congress in opposition to involuntary repatriation of Cambodian, Lao, and Vietnamese refugees in Thailand and calls for a humanitarian solution to the plight of Cambodian refugees.

The Senate bill contains no comparable provision.

The conferees agreed to include this provision in the State Department conference agenda.

Imports of South African coal and uranium

The House amendment (Title XIV) prohibits importation of coal, uranium ore and uranium oxide from South Africa and Namibia into the United States.

The Senate bill contains no comparable provision.

The conferees agreed to include this provision in the South Africa sanctions conference agenda.

DANTE B. FASCELL,
LEE H. HAMILTON,
GUS YATRON,
STEPHEN J. SOLARZ,
DON BONKER,
DAN MICA,
MICHAEL D. BARNES,
HOWARD WOLPE,
WM. S. BROOMFIELD,
BENJAMIN A. GILMAN,
ROBERT J. LAGOMARSINO,
HENRY J. HYDE,
GERALD B.H. SOLOMON,

Solely for subtitle 2 of Title IV of the House amendments and modifications in conference, International Airport Security:

JAMES J. HOWARD,
NORMAN Y. MINETA,
GENE SNYDER,
JOHN PAUL HAMMERSCHMIDT,

Solely for Secs. 908 and 911 of the House amendments and Sec. 913 of the Senate bill:

E DE LA GARZA,
BERKLEY BEDELL,
PAT ROBERTS,

Managers on the Part of the House.

RICHARD G. LUGAR,
JESSE HELMS,
CHARLES MC. MATHIAS, Jr.,
NANCY LANDON KASSEBAUM,
RUDY BOSCHWITZ,
CLAIBORNE PELL,
JOSEPH R. BIDEN, Jr.,
PAUL S. SARBANES,
ALAN CRANSTON,

Solely for consideration of subtitle 2 of Title IV of the House amendments dealing with airport safety:

JOHN C. DANFORTH,
NANCY LANDON KASSEBAUM,
BARRY GOLDWATER,
ERNEST F. HOLLINGS,
J. JAMES EXON,

Solely for consideration of Title IX, dealing with food and agricultural issues:

JESSE HELMS,
RICHARD G. LUGAR,
EDWARD ZORINSKY,
Managers on the Part of the Senate.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. HENRY) to revise and extend their remarks and include extraneous material:)

Mr. PORTER, for 10 minutes, July 31.

Mr. LEACH of Iowa, for 30 minutes, today.

Mr. MCEWEN, for 15 minutes, today.

(The following Members (at the request of Mr. VENTO) to revise and extend their remarks and include extraneous material:)

Mr. MONTGOMERY, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. BREAUX, for 60 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. HENRY) and to include extraneous matter:)

Mr. CONTE.

Mrs. ROUKEMA.

Mr. DIOGUARDI.

Mr. ROTH.

Mr. LEACH of Iowa.

(The following Members (at the request of Mr. VENTO) and to include extraneous matter:)

Mr. ANDERSON in 10 instances.

Mr. GONZALEZ in 10 instances.

Mr. BROWN of California in 10 instances.

Mr. ANNUNZIO in six instances.

Mr. JONES of Tennessee in 10 instances.

Mr. BONER of Tennessee in five instances.

Mr. PEASE in two instances.

Mr. FASCELL.

Mr. LANTOS.

Mr. MURTHA.

Mr. KOSTMAYER.

Mr. FORD of Tennessee.

Mr. KASTENMEIER in four instances.

Mr. HALL of Ohio.

Mr. KASTENMEIER.

Mr. YOUNG of Missouri.

SENATE JOINT RESOLUTION REFERRED

A joint resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S.J. Res. 168. Joint resolution designating August 13, 1985, as "National Neighborhood Crime Watch Day"; to the Committee on Post Office and Civil Service.

ADJOURNMENT

Mr. VENTO. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 10 minutes p.m.) the House adjourned until tomorrow, Tuesday, July 30, 1985, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1777. A communication from the President of the United States, transmitting a request for supplemental appropriations for fiscal year 1985 for the Small Business Administration, pursuant to 31 U.S.C. 1107 (H. Doc. No. 99-88); to the Committee on Appropriations and ordered to be printed.

1778. A communication from the President of the United States, transmitting amendments to the request for appropriations for fiscal year 1986, pursuant to 31 U.S.C. 1107 (H. Doc. No. 99-89); to the Committee on Appropriations and ordered to be printed.

1779. A letter from the Secretary of the Treasury, transmitting the annual report on "The Activities of the Depository Institutions Deregulation Committee and the Viability of Depository Institutions," pursuant to 12 U.S.C. 3505; to the Committee on Banking, Finance and Urban Affairs.

1780. A Letter from the Secretary of Education, transmitting the annual report for the National Technical Institute for the Deaf, pursuant to Public Law 89-36, section 5(b)(3); to the Committee on Education and Labor.

1781. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

1782. A letter from the Assistant Secretary of the Treasury (Management), transmitting notice of an altered Federal records system, pursuant to U.S.C. 552a(o); to the Committee on Government Operations.

1783. A letter from the Plan Administrator, Farm Credit Retirement Plan, Production Credit Association's Retirement Plan, transmitting the calendar year 1984 reports for the farm credit retirement plan and the Production Credit Association's retirement plan, pursuant to 31 U.S.C. 9503(a)(1)(B); to the Committee on Government Operations.

1784. A letter from the Administrator, Veterans' Administration, transmitting a draft of proposed legislation to amend title 38, United States Code, to remove the requirement that the Administrator administer garage and parking appropriations and fees as a revolving fund; to the Committee on Veterans' Affairs.

1785. A letter from the Comptroller General of the United States, transmitting a report entitled: "Urban Mass Transportation Administration's New Formula Grant Program: Operating Flexibility and Process Simplification"; jointly, to the Committee on Government Operations and Public Works and Transportation.

1786. A letter from the Comptroller General of the United States, transmitting a

review of the audits of the trans-Alaska pipeline liability fund's statements for the years ended December 31, 1983 and 1984, pursuant to 43 U.S.C. 1653(c)(4); jointly, to the Committee on Government Operations, Interior and Insular Affairs, and Energy and Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Ms. OAKAR: Committee on Post Office and Civil Service. H.R. 3008. A bill to promote equitable pay practices and to eliminate discrimination within the Federal civil service; with amendments (Rept. 99-232). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs House Joint Resolution 299. Joint resolution recognizing the accomplishments over the past 50 years resulting from the passage of the Historic Sites Act of 1935, one of this Nation's landmark preservation laws. (Rept. 99-233). Referred to the House Calendar.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 1092. A bill to amend the Alaska Native Claims Settlement Act; with an amendment (Rept. 99-234). Referred to the Committee of the Whole House on the State of the Union.

Mr. ASPIN: Committee of Conference. Conference report on S. 1160 (Rept. 99-235). Ordered to be printed.

Mr. WHITTEN: Committee of conference. Conference report on H.R. 2577 (Rept. 99-236). Ordered to be printed.

Mr. FASCELL: Committee of conference. Conference report on S. 960 (Rept. 99-237). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FEIGHAN:

H.R. 3095. A bill to repeal provisions of law authorizing the provisional listing of color additives; to the Committee on Energy and Commerce.

By Mr. LUJAN:

H.R. 3096. A bill to amend the Internal Revenue Code of 1954 to provide an additional personal exemption for single taxpayers maintaining a household with dependent children; to the Committee on Ways and Means.

By Mr. HOYER (for himself, Mr. FASCELL, Mr. YATES, Mr. MARKEY, Mr. RITTER, Mr. SMITH of New Jersey, Mr. PORTER, Mr. GILMAN, Mr. FOWLER, and Mr. WIRTH):

H.J. Res. 361. Joint resolution commemorating the 10th anniversary of the signing of the Helsinki Final Act; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

222. By the SPEAKER: Memorial of the Legislature of the State of California, relative to Turkey; to the Committee on Foreign Affairs.

223. Also, memorial of the Legislature of the State of California, relative to refugees from El Salvador; to the Committee on the Judiciary.

224. Also, memorial of the Legislature of the State of Tennessee, relative to the compensation of Members of Congress; to the Committee on the Judiciary.

225. Also, memorial of the Legislature of the State of California, relative to coastal zone management; to the Committee on Merchant Marine and Fisheries.

226. Also, memorial of the Legislature of the State of California, relative to the United Airlines-Pan American World Airways agreement; to the Committee on Public Works and Transportation.

227. Also, memorial of the Legislature of the State of California, relative to the importation of pistachios; to the Committee on Ways and Means.

228. Also, memorial of the Legislature of the State of Utah, relative to the copper industry; to the Committee on Ways and Means.

229. Also, memorial of the Legislature of the State of New York, relative to foreign forest products imports; to the Committee on Ways and Means.

230. Also, memorial of the Legislature of the State of California, relative to international trade; jointly, to the Committees on Banking, Finance and Urban Affairs and Ways and Means.

231. Also, memorial of the Legislature of the State of California, relative to the Employee Retirement Income Security Act; jointly, to the Committees on Education and Labor and Ways and Means.

232. Also, memorial of the Legislature of the State of California, relative to vessel air emission standards; jointly, to the Committees on Merchant Marine and Fisheries and Energy and Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. YOUNG of Alaska introduced a bill (H.R. 3097) for the relief of the vessel *Alaskan Shores*; to the Committee on Merchant Marine and Fisheries.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 304: Mr. LEHMAN of Florida.
H.R. 467: Mr. DYSON.
H.R. 468: Mr. PACKARD and Mr. DYSON.
H.R. 781: Mr. GRAY of Pennsylvania.
H.R. 979: Mr. FRANK, Mr. BLILEY, Mr. DIOGUARDI, Mr. ORTIZ, Mr. ECKART of Ohio and Mr. HUGHES.
H.R. 1101: Mr. MANTON.
H.R. 1102: Mr. MANTON.
H.R. 1103: Mr. MANTON.
H.R. 1104: Mr. MANTON.
H.R. 1156: Mr. TRAFICANT, Mr. NEAL, Mr. DE LUGO, and Mr. CROCKETT.
H.R. 1207: Mr. STARK.
H.R. 2527: Mrs. BENTLEY, Mr. DORNAN of California, and Mrs. ROYBAL.
H.R. 2660: Mr. BERMAN.
H.R. 3006: Mr. WALGREN, Mr. STUDDS, Mr. WORTLEY, Mr. ADDABBO, Mr. HARTNETT, Mr. ROE, Mr. HUTTO, Mr. PENNY, and Mr. TALLON.
H.R. 3063: Mr. MICHEL and Mrs. VUCANOVICH.
H.J. Res. 20: Mr. PANETTA, Mr. MAZZOLI, Mrs. LONG, Mr. FROST, Mr. DORNAN of California, Mr. KOSTMAYER, Mr. QUILLEN, Mr. RAY, Mr. VOLKMER, Mr. HAYES, and Mr. HOWARD.
H.J. Res. 133: Mr. BROWN of Colorado.
H.J. Res. 222: Mr. GRAY of Pennsylvania and Mr. YOUNG of Florida.
H.J. Res. 299: Mr. BONER of Tennessee and Mr. CONYERS.
H. Con. Res. 139: Mr. EDGAR.
H. Res. 165: Mr. SWEENEY, Mrs. ROUKEMA, and Mr. GALLO.
H. Res. 202: Mr. KINDNESS, Mr. CLINGER, and Mr. GORDON.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

177. By the SPEAKER: Petition of Thaddeus Dias, Philadelphia, relative to Federal employment; to the Committee on Post Office and Civil Service.

178. Also, petition of the city of Oakbrook Terrace, IL, relative to infrastructure loan programs; to the Committee on Public Works and Transportation.

179. Also, petition of the village of Round Lake Beach, IL, relative to the Infrastructure Loan Program; to the Committee on Public Works and Transportation.

180. Also, petition of the city of Harvard, IL, relative to the infrastructure loan programs; to the Committee on Public Works and Transportation.

181. Also, petition of Atilano R. Pablo, Tagbilaran, Philippines, relative to Government benefits; to the Committee on Veterans' Affairs.

EXTENSIONS OF REMARKS

SYNTHETIC FUELS

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1985

● Mr. MURTHA. Mr. Speaker, last week we debated the future of the Nation's Synthetic Fuels Program in our consideration of the rule on the Interior and related agencies appropriations bill. For the benefit of my colleagues, I am inserting in the CONGRESSIONAL RECORD a letter from our former colleague, Tom Corcoran, who serves as the Vice Chairman of the Synthetic Fuels Corporation.

Mr. Speaker, I think you and all our colleagues, including those who are for and against synfuels, will find Tom's letter worth reading as we prepare for future debate on the issue of synfuels and what kind of program serves the Nation's needs.

U.S. SYNTHETIC FUELS CORPORATION,
Washington, DC, July 26, 1985.

Hon. JOHN P. MURTHA,
Rayburn Building,
Washington, DC.

DEAR JACK: Thank you for the support you and others gave to the Synthetic Fuels Corporation during the debate in the House on July 24. Some of the arguments made against the Corporation by others indicate to me that not all my former colleagues understand what we have been doing here at the Corporation since the new Board arrived in December of last year. In particular, I think the following points need to be stressed in future Congressional discussions.

1. The new Board clearly understands that the synthetic fuels program the nation now needs is not the one contemplated when the Corporation was established in 1980. The new Board fully agrees with the Congressional actions of 1984, reducing the available funds and deemphasizing near-term production in the Corporation's program and project decisions. The Corporation's current objective, spelled out clearly in its Business Plan and in the Comprehensive Strategy Report, is to obtain knowledge and experience for the future development of a commercial industry, probably around the end of the century.

2. Given the status of the technology and the long lead times involved, it is not too early to begin accumulating experience constructing and operating a few pioneer plants using commercial scale equipment. The technical problems encountered at the Union Oil shale oil project (which have cost the federal government nothing, since the project was assisted with a price guarantee only) demonstrate the importance of obtaining such commercial-scale experience before launching a full-scale industry based only on pilot plant data. However, pioneer plants can provide such experience without being the multi-billion dollar grants contemplated five years ago.

3. Under the new conditions, the fact that assisted projects may not produce significant amounts of fuel or may have high unit production costs is irrelevant. The projects that can provide the needed knowledge and experience in the most cost-effective way will not usually be designed to maximize production or to minimize unit cost. The new Board has made it clear that it intends to assist a diverse set of smaller plants that will give the nation the knowledge and experience it needs at a fraction of the cost originally contemplated in the Energy Security Act, even though these plants may not themselves produce much fuel or have low unit production costs.

4. The Great Plains project is an example of the kind of project the nation does not need under current conditions. The Corporation has consistently opposed this project and the form of assistance originally provided for it. However, now that the project has been built, the Corporation has been working with the DOE to find the best way to obtain whatever benefits can be obtained from it. Projects assisted by the Corporation will be smaller and less dependent for their financial viability on current market conditions.

5. The Corporation has not been wasting billions of taxpayers' dollars, but has been taking a cautious, prudent approach to assisting projects under difficult economic and technological conditions. The two projects assisted by the Corporation—Cool Water and Dow Syngas—have been technical and financial successes and are giving the private sector real confidence in synthetic fuels technology. Given time, the new Board will develop more such successful projects.

6. The new Board has been taking action to correct the earlier managerial weaknesses and to address the charges of waste and ethical improprieties. The new Board produced in a timely and professional fashion a Statement of Objectives and Principles, a Phase I Business Plan, and the Comprehensive Strategy Report to Congress, which together have redirected the Corporation's program in the direction indicated by Congress in the budget compromise of 1984. The Phase I program is now being implemented under the leadership of the new Board and will give the nation the snythetic fuels capability it will need in the 1990s.

7. Regarding the charge of excess employee benefits, waste and ethical improprieties, we have been reviewing SFC policies on these matters and have taken steps to correct these problems. Five developments in the past few months illustrate this:

(A) Stopped the hiring of a Corporation President at an annual salary of $135,000. This position does not need to be filled, and it will, I predict, be eliminated when full organizational review and subsequent reorganization of the Corporation are completed.

(B) Reduced Corporation staffing; employment has decreased from 170 in December 1984 to 144 as of July 15;

(C) Implemented the Metzenbaum amendment to last year's Congressional action. Now the SFC fully conforms to the standards of ethical conduct and financial reporting prescribed for federal officers and employees under Executive Order 11222.

(D) Leased out 12 percent of existing space; with changed, smaller program at the SFC, the response in a business-like manner has been to lease out 12 percent of existing space, pending a new contract with an annual saving to the government of $180,000 per year.

(F) Adopted a new Relocation Reimbursement Policy for SFC employees, which is now in line with the federal government across the board.

It is clear to me from the debate Wednesday that my former colleagues in the House understand the importance of continuing the national effort to reduce dependence on foreign energy supplies, without being distracted by short-term developments in OPEC and in the inherently volatile world energy situation. I am confident that the new directions being taken by the Synthetic Fuels Corporation are the right ones and that they will ultimately be successful. I am also confident that, once the Congress understands what the new Board is doing, the Corporation will be given an opportunity to finish this important job.

Again, I appreciate the efforts you and others are making in behalf of the national synthetic fuels program. If there is anything more I or the Corporation can do to help you inform the Congress on our objectives or program, please let us know.

Sincerely,

TOM CORCORAN,
Vice Chairman.●

LABOR RIGHTS VIOLATIONS IN SOUTH KOREA

HON. DONALD J. PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1985

● Mr. PEASE. Mr. Speaker, with all of the attention focused upon our trade problems with Japan, not enough attention is being paid to the threat posed to American companies and workers from manufactured products made by overworked, underpaid labor in South Korea. Following is testimony given last month by officials of the UAW before the USTR on this challenge:

STATEMENT OF INTERNATIONAL UNION, UAW, TO THE GSP SUBCOMMITTEE OF THE TRADE POLICY STAFF COMMITTEE—JUNE 10, 1985

The UAW has a long history of strenuous efforts to support the internationally recognized workers rights of association, to organize and bargain collectively, to acceptable conditions of work with respect to wages, hours of work and occupational safety and health. Thus, we actively supported making GSP benefits conditioned on workers rights.

We request that the President withdraw the designation of the Republic of Korea as a beneficiary country for the Generalized System of Preferences on the basis of its failure to meet the international labor standards criterion.

Another source of UAW interest in the Republic of Korea is the large investment of American companies in that country and

the large increases in that investment in the past few years, just as labor conditions have worsened. We naturally have a special interest in developments in the automobile and construction equipment industries in particular. The recent announcement of several joint ventures in Korea by U.S. auto companies and Caterpillar gives us greater cause for concern for the labor conditions of Korean workers. A recent strike at Daewoo Motors, which is 50 percent owned by GM, and the arrest of many of those involved has brought home to us the precarious position of workers in the Korean auto industry and the need to take the steps necessary to help support their legitimate efforts to improve their working conditions. The repression of Korean auto workers suppresses the cost of goods exported to the U.S. This seems to us an unfair subsidy with adverse consequences for our members and other American workers.

In the last five years, the rights of Korean workers, in terms of both law and practice, have deteriorated in important ways from an already unsatisfactory state of affairs. From 1971 to 1980, a decree issued under martial law severely limited worker rights, including the ability of workers to bargain collectively, to demonstrate publicly in support of their bargaining demands and the right to strike. Despite these restrictions, the bravery and dedication of Korea's unions and workers led to union membership growth, from under 500,000 in 1970 to over one million in 1979. Demonstrations and strikes were carried out in the face of government repression.

With the adoption of a new Constitution and new labor laws in 1980, union membership declined, many union leaders were removed from their positions by the government, national and regional labor organizations closed or ceased to function effectively and organizing was dramatically inhibited. All of these developments have been directed by the Korean government through the new legislation and the institutions created by it, in direct conflict with internationally accepted labor standards as represented by International Labor Organization (ILO) Conventions No. 87, (concerning Freedom of Association and Protection of the Right to Organize) and No. 98 (concerning the Application of the Principles of the Right to Organize and to Bargain Collectively).

Korea does not comply with the key provisions of ILO Convention No. 87 which has been ratified by nearly one hundred countries and observed by the U.S. This convention states that workers may establish and join organizations of their choosing without previous authorization (Article 2); worker organizations should elect their representatives without interference (Article 3); these organizations shall not be liable to be dissolved or suspended by Administrative authority (Article 4); and these rights should apply to all workers, with the possible exception of the armed forces and police (Article 9).

In Korea, these standards for labor are not met. The 1980 Constitution denies the right of association and collective action to workers employed by the federal government, state or public run enterprises, defense industries, public utilities, or firms with a serious impact on the national economy. This covers a wide swath of the Korean economy. For example, nearly all heavy manufacturing industries, as well as many firms in the clothing and other industries produce goods for military use. Because many of these are considered "defense industries" the workers are denied basic rights. The impact of this legal condition is seen in a statement by a government economist quoted by the Oakland Tribune last year: "the government will simply not allow any [labor] organizing in heavy industries."

The right of association for a large portion of Korean workers is further compromised by a provision in the Labor Union Act, passed in 1980 and amended in 1981, which allows the formation of a local union only on approval of a minimum of 30 employees. This directly conflicts with Article 2 of ILO Convention No. 87. An estimated 80 percent of all workplaces employ fewer than 30 workers. In practice, this provision drastically limits the rights of association for workers in those industries not excluded by the Constitution.

The Labor Union Act also gives administrative authorities the right to dissolve a union or remove its officers if the union is likely to become detrimental to the public interest. This provision of the law violates Article 3, on worker organizations electing representatives without interference. The most egregious example of Korea's disregard for this article occurred in May 1980, when leaders of more than half of the national unions were forced to resign by the government along with thousands of union members and labor federation officials. This type of intervention in internal union affairs clearly abrogates the rights discussed in ILO Convention No. 87. These examples hardly exhaust the variety of ways in which Korean workers are denied the rights and freedom of association and organization addressed by Convention No. 87, but they do indicate how far from this standard Korea remains.

Another area of international labor standards is the right to organize and bargain collectively as incorporated in ILO Convention No. 98. In Article 4, this convention states that measures to promote and encourage machinery for voluntary negotiation between workers' organizations and employers or their organizations "shall be taken." The object of these measures is the regulation of employment terms and conditions by means of collective agreements. The Korean labor laws restrict collective bargaining in many ways. Since 1980, all bargaining must take place at the individual workplace. Unions representing workers throughout an industry or region may not bargain together with a similar association of employers. In addition, the Labor Union Act prohibits any individual not employed by the specific employer, now almost entirely restricted to the individual workplace as well, from representing or even influencing either party in collective bargaining. This provision keeps religious, education, civic and other activists from assisting unions. It also has the effect of keeping national or regional union officials from participating in collective bargaining.

The Labor Dispute Mediation Act places a major constraint or a union's ability to negotiate with an employer by recognizing the legitimacy of disputes only at the workplace. Should an employer lock out the workers, there is no legal place for the union to make its case or picket to inform the public of the dispute.

Another piece of legislation, the Labor-Management Council Act, established a Central Labor-Management Council under the Ministry of Labor. This body, which includes representatives of the "public interest" (the government) as well as representatives of employers and employees, was established to discuss and address important labor issues. This is now another avenue for government intervention in collective bargaining and dispute settlement.

The Labor Committee Law sends disputes not settled by labor and management to provincial and city committees made up of labor, management and public members. These committees give government appointed members an opportunity to settle disputes. If these committees cannot bring about solutions to workplace disputes, the government has been known to use the National Police and other intimidating organizations to "encourage" settlements.

A special law, the Temporary and Special Act Concerning Labor Unions and Mediation of Labor Disputes in Foreign Invested Enterprises, sets up a dispute settlement procedure, for firms with $1 million or more in foreign investment, which allows the Minister of Labor to determine the legality of the dispute. A Mediation Council, with labor, management, public interest and government representatives, is given 20 days to settle the dispute and, failing that resolution, the Central Labor Committee arbitrates the impasse. Strikes are not allowed at these firms.

The government activities established by the labor laws described above all limit the voluntary negotiations of workplace issues between workers and employer representatives. They undermine the right to bargain collectively contained in ILO Convention No. 98. Again, these examples represent only a fraction of all instances where Korean laws and practice deny the internationally accepted standards for collective bargaining rights of workers.

We believe that the policies and practices described here, combined with the evidence of others submitting testimony on the labor practices of the Republic of Korea, are sufficient for the GSP Subcommittee to find that the Republic of Korea does not comply with the internationally recognized rights of association and to organize and bargain collectively and, furthermore, that the legal actions taken since 1980 have moved that country further away from these standards.●

PERSONAL EXPLANATION

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1985

● Mr. ROTH. Mr. Speaker, during the session of Friday, July 26, I was absent for several votes. Had I been present, I would have voted as follows:

Rollcall No. 263. On House Resolution 236, the rule waiving certain points of order against H.R. 3036, Treasury-Postal Service appropriations. "Nay."

Rollcall No. 264. Nelson substitute for the Jacobs amendment to H.R. 3036, reducing appropriations for allowances and staff of former Presidents by $291,400. "Aye."

Rollcall No. 265. Jacobs amendment as amended. "Aye."●

SOVIET JEWRY

HON. ROBERT A. YOUNG

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1985

● Mr. YOUNG of Missouri. Mr. Speaker, Soviet Jews comprise the third largest surviving Jewish community in the world. Soviet Jews have been struggling to achieve basic human rights, including the right to maintain their own religion and culture. The right to leave any country that denies one their heritage is an internationally recognized human right, yet in the Soviet Union permission to emigrate is given arbitrarily.

I believe that it is important that in the face of this wave of anti-Semitism, America must reaffirm our commitment to human rights. The U.S. Congress has been a leading supporter of Soviet Jews in their attempts to study and teach their faith.

We have held "Congressional Prayer Vigils" on behalf of Soviet Jews, but we must be sure that the vigil continues each and every day until the human rights of all Soviet Jews have been restored. I am pleased that the 1985 Congressional Call to Conscience for Soviet Jews has been such a success, and will continue to protest the inhumane treatment that Jews in the Soviet Union are experiencing.

As a Member of Congress and concerned citizen, I have adopted a Soviet Jewish family from the Ukraine to help them fulfill their dream of emigrating to Israel.

Samuel and Manya Klinger have been trying unsuccessfully, for a number of years, to emigrate to Israel. Samuel Klinger is an agronomist from Dnepropetrovsk in the Ukraine. He and his wife, a nurse by profession, have been repeatedly denied exit visas since 1970. The only reason given by Soviet authorities has been a lack of consent from Manya's parents, who have not seen their daughter in many years. Manya, a mother herself, recently celebrated her 50th birthday.

The Klinger situation is quite pressing in that they are the only family in Dnepropetrovsk awaiting exit visas. Recently, a defamatory letter was printed in a local newspaper about the family—prompting Samuel to immediately send a letter of protest to the editor. The result was the printing of another anti-Semitic article in the same paper.

We have asked the Soviet Government to grant this family permission to emigrate, but have received no response. There can be no doubt that by not allowing the Klingers to leave the Soviet union, the Soviet Government is in clear violation of the Helsinki Final Act, the Universal Declaration of Human Rights, as well as their Soviet Constitution.

Surely the emigration of the Klinger family would pose no threat to the security of the Soviet Union, and instead would be a humanitarian gesture. Yet permission to leave is continually denied.

As the leader in the free world, the United States must do all that we can to protect the human rights of all people. And I urge my colleagues to continue to protest the blatant violations of human rights occuring each day in the Soviet Union.●

CONGRESSMAN GEORGE MILLER SALUTES CONTRA COSTA JACL

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1985

● Mr. MILLER of California. Mr. Speaker, on September 7, 1985, the Contra Costa County chapter of the Japanese American Citizens League will celebrate its 50th anniversary.

I know that all Members of the House of Representatives will want to join me in saluting the JACL in commemorating the founding of its Contra Costa chapter and in honoring all its members.

The JACL is one of the outstanding organizations in my district. The JACL offers a wide range of activities and programs to serve the local Japanese American community. These efforts include programs to preserve Japanese cultural heritage, and scholarships to promote educational opportunities for third- and fourth-generation Japanese Americans. The local JACL also takes an active interest in the needs of the elderly.

This is the kind of organization which we all should admire. For the JACL shows us how a tight-knit community can preserve its historical legacy, promote the healthy development of its younger members, and respect and care for the elderly through cooperation and voluntary contributions. We vitally need this type of community-based volunteer commitment to help provide dignity and essential services to people throughout our Nation, and the JACL serves as an exemplary illustration of how community organizations can achieve.

I have been pleased to work together with the JACL, both in Contra Costa and nationally, in efforts to assure equality of opportunity for Japanese Americans and all Asian Americans. The work of this great organization has helped all of us to better appreciate Japanese culture and history, and has made us all more sensitive to the need to protect our constitutional guarantees of equality of opportunity and civil liberty. By strengthening our understanding of those rights, the JACL has well served not only its own members, but all Americans, whether of Asian descent or not.

Mr. Speaker, as the JACL has served Japanese Americans in Contra Costa for five decades, it has been a leading partner in the building of our county and our community. I am proud to call the members of the JACL my close friends, and I wish them an outstanding celebration at their anniversary banquet.●

ROBERT B. ANDERSON

HON. JOSEPH J. DioGUARDI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1985

● Mr. DioGUARDI. Mr. Speaker, I was pleased recently to sponsor an appearance by Secretary Robert B. Anderson before the freshman Members of Congress. Secretary Anderson is one of the few Secretaries of the Treasury who has ever balanced the books. As a Certified Public Accountant, that means a lot to me. He is also founder of the Global Economic Action Institute, which monitors the international monetary system.

That morning, we heard an eloquent, powerful message detailing the possibilities of a global monetary emergency evolving from the current international banking and domestic fiscal crises. I have taken the liberty of inserting his remarks in the CONGRESSIONAL RECORD because his thoughts merit the attention of all Members of Congress. Those remarks will follow my statement.

I wish to add just one point to those offered by Secretary Anderson. What we heard from him concerning our national debt, believe it or not, was only the good news. The bad news is that the debt Secretary Anderson discussed only reflects that which appears on the books. What's off the books is triple that! When you take account of the unfunded pensions, unrecorded liabilities, off balance sheet and off budget items, you begin to realize the gravity of our present situation.

If a public corporation used the accounting methods and the accounting system that are used by the Federal Government, the executives responsible could be literally put under arrest. While I am not advocating that we arrest several hundred bureaucrats, I intend to use my 22 years of experience as a CPA to help resolve this dilemma.

One of my top priorities is to send each Member my assessment of the true financial condition of the United States of America. There exists a report, and I am waiting for the new numbers, that is put out by the Secretary of the Treasury and the Comptroller General that conforms the fi-

nancial statements of this Government to a minimally acceptable accounting basis. My former firm, Arthur Andersen Co., prepared the first as a pro bono gesture in 1975. I have the 1983 statement, and when the 1984 statement arrives, I will analyze the statement for you in laymen's language so my distinguished colleagues can begin to understand whether or not they are truly accountable to the public.

This is still the greatest country in the world. However, we must understand that the enemy we are facing is not necessarily the Soviet Union. That one we can see; We have sophisticated intelligence capabilities to monitor their actions. The one I'm concerned about is the enemy from within; our Government's inability to manage and plan efficiently. Our fiscal problems result from the Federal Government's penchant for wasteful programs and an apparent lack of acocuntability for such decision. What we have to do is raise our level of intelligence gathering to do battle with this enemy. Like in the television program "Mission Impossible," I choose to take the mission, and expect that my distinguished colleagues will join me in this effort.

The remarks follow:

REMARKS BY ROBERT B. ANDERSON, FORMER SECRETARY OF THE TREASURY, AND THE NAVY

Ladies and Gentlemen, I truly feel this morning that I'm talking to some of the most important people in the world today. Those of you who are sitting in this room, those who are members of the freshman class of Congress this year, could very well represent the difference in the passage or failure of legislation which, in my judgment, is going to represent some of the most critical decision making ever made by any Congress.

Today, every central bank in the world, without any exception, issues its money against dollars. There may be a little gold, or a little something else in some of the central banks, but basically every currency in the world is dependent on this one.

Take that dollar bill out of your pocket one day and look at it. It says on one side "This note is legal tender for all debts public and private"; the other side says "In God we trust." It doesn't promise anything to anybody anywhere.

It's that fragile piece of paper that's in your pocket that promises nothing, that measures the value of everything you own, the value of everything everyone else owns, and the value of every currency in the world. Ladies and Gentlemen, when you touch that dollar, in any way whatsoever, you are affecting every human being and his finances worldwide.

Let us look for a moment at the private banking system. The debts of Mexico, Central America, and South America, exceed the value of the stock of 14,500 banks in the United States if they sold it at market value. And add to it all the banks of Canada and 20 percent of all the banks in Europe. I visited these countries, every one of them in the last two years, and I can tell you quite frankly that those debts will never be paid in your lifetime or mine. You will be fortunate if they can pay the interest.

We have the problem of the possibility of losing confidence in money and in banks at the same time. I try to keep in the back of my mind that there is no patriotism of loyalty with money. . . anybody's money. Money has only three rules: It must be safe, it must be welcome, and it must be profitable. Nobody violates those rules: not the Federal Reserve System, not this Congress, not any other Congress. No nation can violate those rules.

I think that we have here the makings of what could be the most disastrous economic peril that this nation has ever faced. It is truly a matter of confidence and if we impaired that confidence—either directly or indirectly, either intentionally or unintentionally—we could bring about a collapse of both the international banking system and the banking system of this country.

Keep in mind that 83 percent of what you collect in this country generally goes to transfer payments, social security and medical care, interest on the debt and military. If we look at the military, which probably has the most elasticity of the four items, if we pass no new legislation and create no new military debts, we have already signed contracts for over a trillion, four hundred billion dollars of hardware in the next five years. Having been the Deputy Secretary of Defense, I can tell you that every time you spend a dollar on hardware, you should set aside an additional two dollars for maintenance and operation.

I simply want to point out to you in these brief few minutes that every time this Congress considers any type of appropriations, it ought to ask itself if this dollar is better spent for defense (or for something else), or would this dollar serve the confidence of the world better if it goes into the central bank to reduce the debts or reduce the deficit.

The crisis facing this country is really going to come when the foreigners decide that they don't want to buy our debt. We sell ours primarily to people abroad. If foreigners decide they don't want to buy our notes, we would then have to print money in order to pay for the deficit, which would start a form of inflation that would not be easy to stop.

So, you are in Congress at one of the most critical periods in our history. All I can tell you is that Congress ultimately has to accept the responsibility of any kind of a budget. The only way that money can be appropriated and spent is to go to Congress and ask for it. Only Congress can turn down appropriations that are unwise. Only Congress can take the action necessary to restore fiscal responsibility and maintain the confidence the world now has in our currency.●

U.N. ASSOCIATION TO STUDY UNITED NATIONS MANAGEMENT

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1985

● Mr. FASCELL. Mr. Speaker, this year marks the 40th anniversary of the founding of the United Nations. It provides an opportunity not merely to praise the creation of the organization, but to review its purposes, achievements, and short-comings. Such a review can help shape its direction in the future. It seems appropriate that the U.N. Association of the United States is now proposing a comprehensive study of U.N. management and decisonmaking. This 27-month project, to begin in October, will take a critical look at the international body, and assess a range of management, personnel and budgetary challenges to the organization. Over the years the UNA has made a significant contribution to the understanding of the United Nations in the United States and has been a focal point for constructive criticism of the U.N. system.

Congress has expressed concern over a variety of management and financial-related questions which confront the United Nations. The management problems which beset the United Nations must be addressed. In spite of all its imperfections, the United Nations is an organization of value and of even greater potential. As I noted several months ago in an interview for the U.N. publication "The Interdependent," "The United Nations represents the real world, and the United States, unless we're prepared to go to war with everybody, has to live in the real world."

This proposed study affords an opportunity for critical review and future reform. The project, to be headed by a blue-ribbon panel, will be oriented toward analyzing and streamlining the U.N. system for greater efficiency and effectiveness. It will seek a balanced and objective analysis with broad-based input from member states, diplomatic representatives, and the U.N. Secretariat. A final report of recommendations will be issued, with various issue briefs and research papers on U.N. administration and finance published in the interim. I strongly endorse the purposes of the proposed project, and commend the U.N. Association for its timely initiative.●

AMNESTY INTERNATIONAL DESCRIBES SYSTEMATIC TORTURE AND KILLING IN EAST TIMOR

HON. TONY P. HALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1985

● Mr. HALL of Ohio. Mr. Speaker, recently 130 of my colleagues and I sent a letter to the President in which we expressed our concern about the plight of the people of East Timor. East Timor is the former Portuguese colony which was invaded by Indonesia on December 7, 1975.

Indonesia has occupied East Timor since 1975, and has attempted to make the territory one of its provinces. At least 100,000 people have died in East

Timor from the combined effects of the Indonesian invasion.

The concern of many of my colleagues and I about developments in East Timor has been sustained by the release on June 25, 1985 of the report of Amnesty International entitled, "East Timor Violations of Human Rights."

Mr. Speaker, this 92-page report by this reputable international human rights organization provides specific, detailed documentation of human rights violations against the people of East Timor. The report focuses on extrajudicial executions, disappearances, torture, and political imprisonment.

Based upon the information gathered, Amnesty International's report concludes: "Since the invasion of December 1975 Indonesian troops have systematically and persistently violated human rights in East Timor."

I would urge my colleagues to contact the Washington office of Amnesty International to obtain a copy of the report on East Timor. The Amnesty International report provides a timely challenge to the conscience of the outside world to respond to the ongoing suffering of the Timorese people.

For the benefit of my colleagues, a summary of the report follows, as well as a statement on East Timor by John G. Healey, the executive director of Amnesty International USA:

AMNESTY INTERNATIONAL DESCRIBES SYSTEMATIC TORTURE AND KILLING IN EAST TIMOR

Indonesian forces have systematically tortured and killed people in East Timor since they invaded the island territory in 1975, Amnesty International said in a detailed new report today (Tuesday, June 25, 1985).

Stressing the tight restrictions on information imposed by the Indonesian authorities, the worldwide human rights movement called on the authorities to account for past victims and investigate reports of abuses. It urged them to allow independent observers freer access so that the world could judge if the pattern of gross human rights violations was continuing.

The report cited evidence of prisoners who were shot, died after torture, or "disappeared" in custody. It covered the period from the Indonesian invasion of December 1975, following the withdrawal of Portuguese forces from the former colony, through 1984. Indonesian officials repeatedly declared during this period that conditions had returned to normal—but each time, it was later learned that abuses were continuing, Amnesty International said.

Access by outside observers has been limited and irregular since the invasion, Amnesty International pointed out. The report included testimony describing warnings to interpreters not to pass on unfavorable information, threats intended to silence East Timorese who travelled abroad, and the blocking of free movement by visitors.

The 92-page report traced waves of abuses which peaked during heightened military action against pro-independence Fretilin forces.

After the 1975 invasion, eyewitnesses testified to mass executions of civilians and systematic torture.

In late 1978 and 1979, hundreds were reported to have been executed or "disappeared" during "operation clean-up."

In 1980, many people "disappeared" or are known to have been killed, some of them systematically beaten to death, in reprisal for a Fretilin attack.

In 1981, a security sweep included thousands of civilians as a human "fence" by advancing Indonesian troops. People who refused to cooperate were reported to have been arrested and tortured.

In 1983, "operation clean-sweep," aimed at the elimination of Fretilin, brought hundreds more "disappearances" and deaths in custody.

Between and since these waves, abuses continued, according to consistent reports reaching Amnesty International. The report details the killing of prisoners who surrendered after being promised amnesty, and the arrest, torture and imprisonment of people merely suspected of disloyalty to Indonesian rule.

Beatings, electric shock, burning with lighted cigarettes, and sexual abuse were reportedly inflicted on victims from a wide range of backgrounds: subsistence farmers, students, teachers, workers and local government officials.

The report described prisoners held without trial in inhuman conditions in earlier years. Amnesty International pointed out that although the authorities had started bringing political prisoners to trial in the last two years, they had not allowed independent observers to attend such trials.

EAST TIMOR: A CURTAIN OF SILENCE

(Statement of John G. Healey, Executive Director, AIUSA)

It is nearly ten years since the Indonesian armed forces invaded East Timor. Today Amnesty International is releasing a report documenting systematic human rights violations committed by Indonesian forces in East Timor. We are calling for the curtain of silence to be lifted so that these abuses can be stopped.

The people of East Timor have been the victims of torture, "disappearance," killings and political imprisonment. Some have been systematically beaten to death. Others have been tortured with electric shocks or burned with lighted cigarettes. Abuses peak during periods of heightened Indonesian military activity. But even when the government has claimed that conditions were "normal," these abuses have continued.

The Indonesian government has allowed only limited and irregular access to East Timor by individual journalists and international organizations. It is a human tragedy in a forgotten place.

To stop the pattern of repression, Amnesty International is appealing for urgent action by the Indonesian government. We are also calling on the United States government to use its influence for the protection of human rights.

Torture and arbitrary killing by Indonesian troops are clearly at variance with publicly stated Indonesian policy. Yet Amnesty International has received military manuals distributed in East Timor which make it clear that force, threats, and torture may be used during interrogation. We have received reports of torture and ill-treatment inflicted on victims from a wide section of society: farmers, teachers, and local government officials.

We call upon the Indonesian government to investigate fully all reports of torture and to institute safeguards for the treatment of prisoners taken into custody.

Amnesty International has received reports of hundreds of "disappearances" and extrajudicial executions in East Timor. These are listed in the appendix to today's report. The Indonesian government has a responsibility to investigate reports of abuses and to discipline or prosecute those who commit abuses. To our knowledge, no such investigations or prosecutions have taken place.

Independent observers should be allowed to attend the political trials that have been going on in East Timor for the past year and a half. Amnesty International has requested and has been denied permission to observe these trials.

The United States government can play a critical role in helping to lift the curtain of silence. We urge the Congress to hold full-scale hearings into the reports of human rights violations in East Timor. It is now time for an in-depth investigation into the arrests, torture, "disappearances," and killings.

We appeal to President Reagan and Secretary of State Shultz to use their influence with the Indonesian government. Last July, at the request of 123 members of Congress, Secretary Shultz expressed concern about East Timor during a visit to Indonesia. Much more needs to be done.

As required by the Congressional Resolution against torture signed into law by President Reagan last fall, the Secretary of State has instructed United States ambassadors to focus on the practice of torture. The State Department should direct the United States ambassador in Jakarta to examine specific allegations of torture and to express concern about cases of arrest and "disappearance." The embassy should send fully qualified observers to the political trials in East Timor. The United States government should raise questions about human rights conditions in East Timor during upcoming meetings of the United Nations and in other appropriate forums.

Torture, political imprisonment, "disappearances" and killings are occurring today. That fact cannot be ignored.●

WYNNE JAMES

HON. PETER H. KOSTMAYER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1985

● Mr. KOSTMAYER. Mr. Speaker, Wynne James, Jr., three times a candidate for the U.S. House of Representatives from the Eighth District of Pennsylvania, died Sunday, July 21, in Doylestown, PA.

Wynne was 82 years old and had for more than half a century maintained real estate and law offices just across the street from the Bucks County Courthouse in Doylestown.

Although Wynne was an opponent of mine in the 1976 Democratic primary, I have only the warmest memories of him. He was an imaginative, kind, and gentle man whose roots in Bucks County, PA, go back to 1711, when John and Elizabeth James first settled in New Britain Township.

Wynne attended Princeton University when Woodrow Wilson was president of that university before he became Governor of New Jersey, and subsequently President of the United States. He graduated in 1924 with a bachelor of arts in history. Wynne didn't attend law school at first, but rather read law and passed the bar examination in Bucks County 3 years after his graduation from Princeton. In 1933, 8 years after he passed the bar, he received his law degree from Temple University in Philadelphia.

Frankly, Wynne wasn't much interested in the law and once said he didn't care much for what lawyers did because he didn't like to read and he didn't like to argue. Despite this, the Bucks County Bar Association cited him for 50 years in the practice for law.

Wynne was more interested in speculating in real estate and was quite successful at it. To this day, his son Tom, who is a friend of mine, maintains an active and thriving real estate business in central Bucks County. During the 1950's Wynne served as president of the Bucks County Board of Realtors.

Mr. Speaker, without meaning to be partisan, I want to mention that Wynne James was a lifelong Democrat and a strong supporter of the late Franklin D. Roosevelt and his programs.

In 1948, Wynne James won the Democratic primary for Congress and when Harry Truman's campaign train arrived in Allentown, PA, Wynne was on the platform with him. However, according to local observers, at 6 feet 5 inches, he was simply too tall and his face was hidden by a canope hanging from the train.

Three more times he ran for the Democratic Party's nomination; in 1964, 1966, and against me in 1976, although he was never again to be the nominee.

The last time I saw Wynne James was in 1982 when I was scouting around for a campaign headquarters in Doylestown. He owned a vacant building I was interested in and so I went to visit with him to discuss it. He was as warm and friendly as usual and seemed indifferent to those things that most of us would regard as the more materialistic aspects of life. He seemed to know what was truly important and what wasn't.

I was honored to have known him, Mr. Speaker.●

HOPKINS ACADEMY BASEBALL TEAM

HON. SILVIO O. CONTE

OF MASSACHUSSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1985

● Mr. CONTE. Mr. Speaker, it is my pleasure to take this opportunity to honor the Hopkins Academy baseball team of Hadley, MA. This year, the Hopkins Hawks have illustrated a proud tradition of athletic excellence. This season, the Hawks, under the expert coaching of Mr. Ron Barestka, captured the title due to them as a team of talented and hardworking individuals. Western Massachusetts is honored to have a State division III baseball title brought home by the Hopkins Academy baseball team. It truly was a grand finale to a fine season.

These young men have shown drive and desire to excel. This desire has in part been instilled by Coach Barestka and I sadly say so long and thank you to him as he retires after 21 years of service to the young men of Hadley. I also say goodbye to seniors Paul Ciaglo, Mike MacKay, Mike Sienkiewicz, and Ron Pelletier. Their talents and energy will not be lost, however, I know they have bright futures ahead of them. I am happy to note that several of the Hawks players will be returning next year to work toward another State championship. Doug Baj, Bob MacKay, Mark Peabody, Paul Styspeck, Kevin Hallock, Steve Mowduk, Greg Haas, Dave Barrett, Mark Palmisano, Steve Latham, Hank Cook, John Earle, Steve Feldman, Donald Hilton, Tim Bishko, Billy Kelley, and assistant coach Marty Sanderson will carry the torch toward a promising baseball future.

Hadley is proud of its 1985 baseball team and so am I. Coachability, discipline, and talent are key ingredients to make a successful team and I am happy to say that those ingredients led the Hopkins Hawks to become a successful team of champions.●

ADMINISTRATION IN CHAOS OVER MICRONESIA COMPACT

HON. JIM LEACH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1985

● Mr. LEACH of Iowa. Mr. Speaker, this House ought to be alerted to the fact that one of the most profound agreements the United States has ever negotiated in the Pacific is in serious jeopardy.

On Thursday of last week, the House adopted House Joint Resolution 355, which embodies the Compact of Free Association between the United States and two Pacific Island States: the Marshall Islands and the Federated States of Micronesia.

This legislation is unprecedented. The compact, like all negotiated agreements, involves quid pro quos. The United States receives vital national security rights under the compact and in turn agrees to provide the freely associated states with a mixed package of tax and trade benefits along with certain grant and program assistance.

From the time of its earliest consideration in the House this year, it was clear that conflict would occur as a result of overlapping committee jurisdictions. This could have been expected. But what was not expected was the division and chaos which has marked the administration's approach to this legislation. It now threatens to undercut one of the significant foreign policy initiatives of the decade.

Last week, in adopting House Joint Resolution 355, the House accepted an 11th-hour compromise worked out with the Ways and Means Committee on the tax and trade provisions of the compact, but with the express understanding that the administration would be seeking further changes in that package of amendments when the House would go to conference with the Senate. However, in the intervening couple of days, the Department of the Treasury and other elements of the administration appear rather extraordinarily to have continued to march at cross purposes.

The issue is not whether the position of the Ways and Means Committee or the Treasury Department is more persuasive in the abstract. The issue is whether the parties involved will recognize that the compact represents a carefully negotiated document which must either be generally accepted or rejected, but which we in Congress unilaterally modify at substantial risk.

My own view is that the administration served well the national interest in extending to the freely associated states certain trade and tax incentives which provide the prospect of binding these island states economically as closely as possible to the United States rather than to our trade rivals or strategic adversaries. If the compact were to be subjected to reopened negotiations as a result of congressional diminution of existing provisions, it would undercut the President's negotiating position and quite likely result in either a mired deadlock or end up costing the taxpayers significantly more.

It is one thing for reasonable differences of opinion to surface in the Congress. It is quite another in a matter of serious foreign policy for the administration to march to a discordant theme.

Last week the administration gave conflicting signals to the Congress, with one White House spokesman telling the House that the administration could support the House bill with the reservation that it would seek changes during the House-Senate conference to reflect more closely previously negotiated tax and trade benefits, and another White House spokesman telling Members of the other body that the administration could flatly accept

the House-passed provisions on tax and trade.

It should be noted that the 11th-hour compromise in the House was reached late Thursday afternoon with the involvement of the chairmen of most of the principal House committees and subcommittees involved. Minority Members of this body were excluded from those deliberations. Members of the minority, like myself and the gentleman from Minnesota [Mr. FRENZEL], objected to the procedures when the bill came to the floor. However, those of us that favored language closer to that of the original compact were assured that the administration's position would prevail in the Senate, and House conferees could then defer to the Senate in conference.

It appears now that this perspective represented undue confidence that the administration would present a consistent perspective to the Senate and that its views would prevail in the other body. But this morning the Treasury testified in support of the House passed rather than White House position, which means the compact, negotiated under four administrations of both political parties, and which in some areas of the Micronesia territory was approved with relatively thin margins of support, is suddenly in jeopardy.

Given the sensitivity of the issues, it is not clear a new compact could be easily negotiated nor would it be as likely to contain provisions as favorable to the United States as those in the present compact.

The question must be asked: Can the administration get its act in order in time to straighten out the diplomatic embarrassment that is in the making? Is it not time to bring in the larger perspective and larger administration factors to resolve a foreign policy issue of substantial import?

The area under consideration, after all, is the size of the continental 48 States. Forty years ago thousands of Americans lost their lives in the region to defend the principles of democracy and self-determination. To honor those principles today and reduce the prospect of military reengagement, let's not in Congress muddy up a carefully honed agreement.

It is simply unprecedented for one part of an administration (in this instance, the Department of the Treasury) to undercut a treaty approach drafted by another part of the same administration. It is even more so for a Congress to turn upside down an approach that is of such extraordinary significance.

It would be more prudent for Members of Congress to express dissent by voting "no" on the compact, if that is indeed their position, than for Congress to throw so much pepper into the soup that it becomes unpalatable to all parties. Greater wisdom is to recognize that this agreement is in the interest of all parties and deserves strong support in Congress as well as the executive branch.●

THE REVEREND BILLY KYLES HONORED FOR 26 YEARS OF SERVICE

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1985

● Mr. FORD of Tennessee. Mr. Speaker, we in the Memphis community are extremely honored to have in our midst the Reverend Billy Kyles, pastor of the Monumental Baptist Church for the past 26 years.

On Saturday July 27, his family, parishioners, friends, and community leaders gathered together in order to express their appreciation for the work Reverend Kyles has performed in making the lives of people in and around Memphis more meaningful.

His work has touched the core of the community's social conscience, and will thereby affect the lives of many for years to come. His voice of compassion has always spoken out in an unyielding manner for the community's less fortunate. Under his guidance, Monumental Baptist Church has emerged as a forerunner in the defense of individual rights.

Thanks to Reverend Kyles' insistence, Monumental is headquarters for the local chapter of Operation PUSH.—People United to Save Humanity. His leadership of this group, along with his aggressiveness in working to eliminate the injustices present in the lives of many of the people in the community, has served as an inspiration to us all. Reverend Kyles' commitment to christian ideals serves as a shining example of what can be done when one sets aside his selfish appetence.

However, none of this could have been accomplished without the assistance of his loyal staff and loving family, who have proven to be pillars of support in his time of need. His family's understanding, patience, and unselfish love are significant reasons for his many successes.

His helping to bring about needed reform within the community, his leadership as the head of a truly great institution, and his voice of commitment for the community's less fortunate will forever be remembered. You are to be admired for your contributions and accomplishments.

Mr. Speaker, I commend Reverend Kyles for his dynamic leadership in the city of Memphis, and for the work he has done in making his goals a living reality for many people.●

LABOR RIGHTS VIOLATIONS IN CHILE

HON. DONALD J. PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 29, 1985

● Mr. PEASE. Mr. Speaker, the trade union movement in Chile was once one of the most vibrant in the Western Hemisphere. The following testimony bears witness to how the Pinochet regime has systematically trampled upon the most basic rights of Chilean workers. One wonders why we should reward such a government with duty-free access to the American marketplace.

LABOR RIGHTS IN CHILE

(Statement of Lance Compa)

My name is Lance Compa. I am Washington Representative of the United Electrical, Radio & Machine Workers of America (UE). Our union represents manufacturing workers in a variety of companies and industries including General Electric, Westinghouse, American Standard, Allen-Bradley, Litton Industries, TRW, Rockwell and others.

UE opposes the granting of GSP trade benefits to Chile for the reasons set forth below. I also have a personal interest in this matter, and would like to discuss it at the outset.

I lived in Chile in 1972 and studied changes in labor law and collective bargaining structures under the Popular Unity government. I attended union meetings, management conferences and bargaining sessions, and met privately with union leaders, union members and management officials.

I want to leave aside the question of economic difficulties in the Allende years and the degree to which they stemmed from the Nixon-Kissinger plan to "make the economy scream" after the failure of U.S. corporation-backed efforts to block Allende's assuming the presidency. The question before us is labor rights—the freedoms of working people to form organizations and choose leaders, to meet in democratic assembly to develop principles and policies and proposals on wages, hours and working conditions, and to carry the needs and interests of workers to their employers through good faith collective bargaining.

In 1972 I found a labor movement in the front ranks of those that enjoy such freedoms. In only two years of the Popular Unity government the number of workers who joined unions rose from about one-third of the workforce to nearly one-half. Labor law reform brought industry-wide bargaining for minimum wage and benefit standards, aiding thousands of workers in small enterprises.

Unlike most European and Latin American labor movements which are divided among different federations reflecting different political philosophies, the Chilean CUT—the national labor federation—was a unitary body. Christian Democrats, communists, socialists, liberals and conservatives all participated and held office in the CUT and in its various union affiliates. They were open and often disputatious about their political differences, but they subsumed them under agreed trade union principles.

In contrast to our own system of designating national union leaders here in the

United States, the top national leaders of CUT and the union affiliates were elected in a nationwide secret ballot of rank and file union members. These voting procedures were treated by the labor membership and the public as respectfully and attentively as national government elections.

Our own National Labor Relations Act charges the U.S. federal government with "encouraging the practice and procedure of collective bargaining"—a principle honored more in the breach than the observance nowadays. The Chilean Popular Unity government carried out these policies, seeking to help workers who tried to organize and bargain with their employers. Workers saw the government as an ally—a sentiment that may rankle advocates of government neutrality in labor management relations, but one that reflects the reality of a country with a history of government intervention weighing heavily—often in the form of strikebreaking troops and police actions that killed union members—on the side of the employers.

Worker support for the Popular Unity government was confirmed in the 1973 legislative elections when government coalition parties won 44% of the vote. It was the first time in history that an incumbent government gained ground in mid-term elections. According to polls at the time, most of the government's support came from working class, heavily-unionized sectors of the population.

Popular Unity had been elected in 1970 with 36% of the vote in a three-way race. Both the 1964-70 Christian Democratic government of Eduardo Frei and the conservative Jorge Allesandri administration of 1958-64 had been elected with equivalent votes in a three-way race, but each of them then lost support in their mid-term elections. In 1973 the right-wing parties hoped that Popular Unity would fall below one-third of the vote, allowing the Right to override any Allende veto of conservative legislation. When the election results instead showed growing support for the Popular Unity government and the prospect of an absolute majority in the next election, the military coup d'etat moved to the top of the right wing agenda.

The terrible events following the brutal military takeover of September, 1973 have been widely recounted. Most union leaders and union activist were imprisoned or killed for their trade union roles. On a personal note, the atrocities included the murder of my Santiago housemate and friend, Frank Teruggi, one of two Americans killed in the aftermath of the coup.

The Pinochet regime's continuing cycle of brutality against trade unionists, most lately in the state of siege imposed last year, carry on the repression of labor rights launched in the 1973 takeover. Trade union leaders have continued to be rounded up, tortured and killed or exiled for their union activities.

Moreover, Chilean unions are now forced to operate under a 1979 labor code imposed over their objections by the military government. That code violates nearly every agreed upon standard of labor rights. Collective bargaining is limited to the level of the single workplace, barring company-wide or industry-wide bargaining and thus giving employers an insurmountable advantage in bargaining strength.

Local union leaders are required to have five years' seniority in the workplace, and cannot have any record of political involvement. This guts the workers' right to choose their leaders and invites employers to fire effective shop floor spokespersons when they near five years' service.

Strike votes must be taken in the presence of a magistrate or the police, without a secret ballot so that strike supporters are readily identifiable to the authorities. The chilling effect here needs no discussion. Even if workers vote for a strike under these conditions, the stike may only last sixty days after which the striking employees must accept the employer's latest offer or abandon their jobs. This just invites companies to wait out the sixty days instead of bargaining in good faith. Obviously, when the outcome of a strike is predetermined in such a way it negates the right to strike.

In contrast to the vibrant, growing, confident labor movement that represented nearly one-half the workforce in 1972, the Chilean labor movement today has been ground to a weakened fifteen percent of the workforce. Unions face employers in collective bargaining—if it can still be called that—with their hands tied by the labor laws and with the backdrop of thousands of unemployed workers desperate for jobs.

Under these conditions it is remarkable, even heroic, that a Chilean labor movement has survived and continues to function. But much more must be done to restore even a minimum of respected labor rights in Chile. The United States government, with its history of seeking to oust the Popular Unity government and its pattern of support for the Pinochet Military dictatorship, bears a heavy responsibility for the repressed state of the Chilean labor movement. One place to begin righting our accounts with the people of Chile is to deny GSP benefits to the brutal regime that violates internationally accorded labor standards.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, July 30, 1985, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JULY 31

9:00 a.m.
Foreign Relations
Near Eastern and South Asian Affairs Subcommittee
To hold hearings on the nominations of John G. Dean, of New York, to be Ambassador to India, and James W. Spain, of California, to be Ambassador to the Democratic Socialist Republic of Sri Lanka, and to serve concurrently as Ambassador to the Republic of Maldives.
SD-419

9:30 a.m.
*Banking, Housing, and Urban Affairs
To resume oversight hearings on the deposit insurance system.
SD-538

Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Finance
Business meeting, on pending calendar business.
SD-215

Select on Intelligence
To hold closed hearings on intelligence matters.
SH-219

10:00 a.m.
Agriculture, Nutrition, and Forestry
Business meeting, on S. 501 and S. 616, bills to expand export markets for United States agricultural commodities, provide price and income protection for farmers, assure consumers an abundance of food and fiber at reasonable prices, and continue low-income food assistance programs, and related measures.
SR-328A

Environment and Public Works
Transportation Subcommittee
To resume hearings on proposed legislation authorizing funds for the Federal Aid Highway Program.
SD-406

Foreign Relations
To resume hearings to review the services trade between the United States and Japan.
SD-419

Judiciary
To resume oversight hearings on private civil suits which have been filed under the Racketeer Influenced and Corrupt Organizations Act (RICO).
SD-106

Judiciary
Criminal Law Subcommittee
To hold hearings on S. 1090, to eliminate the use of cable television and interstate telephone service for the transmission of obscene and indecent material.
SD-226

11:30 a.m.
Select on Intelligence
Closed briefing on worldwide intelligence matters.
SH-219

2:00 p.m.
Governmental Affairs
Oversight of Government Management Subcommittee
Business meeting, to mark up S. 992, to discontinue or modify certain requirements for agency reports to Congress, and S. 1134, to permit Federal agen-

cies to impose monetary penalties on individuals or companies which submit certain false claims to the government.
SD-342

Judiciary
To hold hearings on pending nominations.
SD-226

3:00 p.m.
Foreign Relations
European Affairs Subcommittee
To hold hearings on the nomination of Frank Shakespeare, of Connecticut, to be Ambassador to the Republic of Portugal.
SD-419

AUGUST 1

9:30 a.m.
Commerce, Science, and Transportation
To hold hearings on the nomination of Anthony J. Calio, of Maryland, to be Administrator of the National Oceanic and Atmospheric Administration.
SR-253

Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

10:00 a.m.
Agriculture, Nutrition, and Forestry
Business meeting, on S. 501 and S. 616, bills to expand export markets for United States agricultural commodities, provide price and income protection for farmers, assure consumers an abundance of food and fiber at reasonable prices, and continue low-income food assistance programs, and related measures.
SR-328A

Foreign Relations
To hold hearings on the Supplemental Extradition Treaty Between the United States of America and the United Kingdom of Great Britain and Northern Ireland, with Annex (Treaty Doc. 99-8), signed at Washington, D.C., on June 25, 1985.
SD-419

Judiciary
Business meeting, on pending calendar business.
SD-226

*Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To hold joint hearings with the House Committee on Education and Labor on the problems of illiteracy.
2175 Rayburn Building

Joint Economic
Agriculture and Transportation Subcommittee
To hold hearings to review the growing spread between retail and live cattle prices.
SD-562

AUGUST 2

9:30 a.m.
Joint Economic
To hold hearings on the employment/unemployment situation for July.
2359 Rayburn Building

10:00 a.m.
Judiciary
To hold hearings on issues surrounding Joseph Mengele.
SD-226

SEPTEMBER 5

10:00 a.m.
*Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on competitiveness in the long-distance telephone markets.
SD-628

SEPTEMBER 9

9:30 a.m.
Finance
Health Subcommittee
To hold hearings on S. 1265, to provide compensation for workers injured by exposure to asbestos.
SD-215

SEPTEMBER 10

9:30 a.m.
Labor and Human Resources
Labor Subcommittee
To resume oversight hearings on the impact of the Supreme Court's ruling in Garcia vs. San Antonio Metropolitan Transit Authority on the coverage of state and local government employees under the Fair Labor Standards Act.
SD-430

SEPTEMBER 11

9:30 a.m.
Commerce, Science, and Transportation
Business meeting, to consider proposals relating to the future of Washington National Airport and Washington Dulles International Airport.
SR-253

Labor and Human Resources
To hold hearings on United States' relations with the International Labor Organization (ILO).
SD-430

10:00 a.m.
*Select on Indian Affairs
To hold hearings on S. 1396, to settle unresolved claims relating to certain allotted Indian lands on the White Earth Indian Reservation in Minnesota.
SD-628

1:00 p.m.
Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on competitiveness in the long-distance telephone markets.
SR-253

SEPTEMBER 12

10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To hold hearings on proposed legislation authorizing funds for programs of the Higher Education Act.
SD-430

SEPTEMBER 17

10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To resume hearings on proposed legislation authorizing funds for programs of the Higher Education Act.
SD-430

SEPTEMBER 18

10:00 a.m.
Judiciary
Juvenile Justice Subcommittee
To hold hearings on S. 985, to protect the rights of victims of child abuse.
SD-226

SEPTEMBER 19

9:30 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on S. 812, to authorize the President to control loans and other transfers of capital to any or all of the Soviet bloc countries.
SD-538

10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To resume hearings on proposed legislation authorizing funds for programs of the Higher Education Act.
SD-430

SEPTEMBER 24

10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To hold hearings on the problem of illiteracy in America.
SD-430

SEPTEMBER 26

10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To resume hearings on the problem of illiteracy in America.
SD-430

SEPTEMBER 30

9:30 a.m.
Finance
Taxation and Debt Management Subcommittee
To hold hearings on proposed revisions in subchapter C of the Internal Revenue Code relating to corporate taxation.
SD-215

OCTOBER 1

11:00 a.m.
Veterans' Affairs
To hold hearings to review the legislative priorities of the American Legion.
SD-106

CANCELLATIONS

JULY 30

10:00 a.m.
Governmental Affairs
Intergovernmental Relations Subcommittee
To continue hearings to examine the role of tax-exempt bonds in intergovernmental finance and the implications of the Department of Treasury's tax reform proposal to eliminate the tax-exempt status of "private purposes" bonds.
SD-342

JULY 31

9:30 a.m.
Labor and Human Resources
To hold hearings to examine certain barriers to health care.
SD-430

10:00 a.m.
Foreign Relations
To hold hearings to review current U.S. financing of foreign military exports.
SD-419